

THE LAW OF MONGOLIA

24 December 2020

Ulaanbaatar city

ON ADMINISTRATIVE AND TERRITORIAL UNITS AND THEIR GOVERNANCE /Revised edition/

CHAPTER ONE GENERAL PROVISIONS

Article 1. Purpose of the law

1.1. The purpose of this law is to ensure adherence to the principle of unitary statehood in terms of state structure and create a legal basis for citizens to participate in local affairs either directly or through their elected representative bodies.

Article 2. Relations to be regulated by the law

2.1. This law regulates relations concerning administrative and territorial units of Mongolia, their functions, economic basis, reasons and procedures for change, self-governing and state administration systems in the administrative and territorial units and principles of their operation, powers and organizational arrangements of local self-governing bodies, powers of Governors at all levels, and relationship/interaction of local governing bodies with other organizations.

2.2. General relations related to the capital city of Mongolia, as the designated administrative and territorial unit, shall be regulated by this law.

2.3. Relations related to the delegation and exercise of certain functions of administrative and territorial units to self-governing cities and villages shall be regulated by this law.

Article 3. Legislation on administrative and territorial units of Mongolia and their governance

3.1. Legislation on administrative and territorial units and their governance shall consist of the Constitution of Mongolia,¹ the law on administrative and territorial units and their governance (Hereinafter referred to as "LATUG"), and other legislative acts enacted in conformity with the aforementioned.

3.2. Principles and general regulations set forth in LATUG shall be followed in defining functions and powers of administrative and territorial unit governance by other laws.

¹ The Constitution of Mongolia was published in issue no.1 of the "State Information" gazette in 1992.

Article 4. Definitions of legal terms

4.1. The following terms used in LATUG shall have the following meaning:

4.1.1. "Unit" means aimag, soum, bagh, the capital city, district, or khoroo;

4.1.2. "Unit governance/management" means the system and actions in which the local self-government and state administration are implemented in the unit;

4.1.3. "Local self-government/governance" means the activities by citizens either directly or through their local self-governing representative bodies to exercise local functions specified in LATUG;

4.1.4. "State administration in units" means the activities of Governors of all levels to enforce legislation, decisions of the Government and higher-level organizations in their respective territories;

4.1.5. "Local self-governing body" means a Citizens Representative Hural (Hereinafter referred to as "CRH") of an aimag, the capital city, a soum or a district and Citizens General Hural (Hereinafter referred to as "CGH") with direct participation of citizens in baghs and khoroo;

4.1.6. "Local functions" means economic and social issues specifically assigned to local self-government in accordance with the law and resolved by local self-governing bodies;

4.1.7. "Local authority/competence" means the functions specifically assigned to the unit management by law, the powers of the local self-government and the executive management of the unit;

4.1.8. "State functions to be delegated" means economic and social issues to be implemented on behalf of the unit in accordance with the transfer from the state to the unit management;

4.1.9. "Local property" means property subject to possession, use, and disposal in accordance with the legislation for the purpose of exercising local functions.

Article 5. Participation of administrative and territorial units in legal relations

5.1. Aimags, soums, baghs, the capital city, districts, and khorooos are public legal entities.

5.2. Pursuant to paragraph 1 of Article 58 of the Constitution of Mongolia, aimags, the capital city, soums, and districts shall participate in legal relations as legal entities.

5.3. Aimags, the capital city, soums, and districts shall be represented in legal relations by the CRH and its Governor as authorized by the CRH.

Article 6. Aimags

6.1. An aimag is a unit that makes independent decisions on economic and social issues, coordinates inter-soum activities, ensures implementation of legislation, and exercises oversight/monitoring within functions specifically provided by law.

Article 7. Soums

7.1. A soum is the main unit for making independent decisions on economic and social issues, ensuring the implementation of legislation, organizing and providing services to citizens within functions specifically provided by law.

Article 8. Baghs

8.1. A bagh is a primary unit for ensuring citizen's participation in local self-government and providing services to citizens specified in the law.

8.2. The aimag CRH shall determine the name of the bagh after obtaining permission from the state central administrative body in charge of local affairs.

Article 9. Capital city

9.1. The capital city is a unit that ensures the regular operation of the highest state body, makes independent decisions on economic and social issues, coordinates the activities of districts, organizes activities to provide services to citizens specified in the law, enforces legislation and executes oversight within functions specifically provided by law.

9.2. The legal status of Ulaanbaatar city, the capital city of Mongolia, shall be determined by a separate law.

Article 10. Districts

10.1. A district is a unit that makes independent decisions on economic and social issues, delivers services to citizens specified in the law, implements legislation, and exercises unified management for khoros within functions specifically provided by law.

Article 11. Khoros

11.1. A khoroo is a primary unit responsible for providing services to citizens specified in the law and ensuring citizen participation and engagement in local self-government.

11.2. A khoroo shall be organized in kheseqs (sub-khoros). Kheseq schedule shall be determined by the district CRH, taking into consideration the population settlement and the number of households.

Article 12. Principles of administrative and territorial unit governance

12.1. During implementation of administrative and territorial unit governance, the core principles of state activities set forth in paragraph 2 of Article 1 of the Constitution of Mongolia shall be observed along with the following principles:

12.1.1. to ensure unitary nature of state structure;

12.1.2. to align state and local interests;

12.1.3. to separate functions between state and local self-governing bodies in implementing the principle of alignment of local self-government with state administration;

12.1.4. the local self-governing bodies shall independently resolve issues of economic and social life for the respective territory and shall be held accountable for it;

12.1.5. to not interfere in the exercise of local self-governance;

12.1.6. the local self-government shall be an expression of the will of citizens residing in the unit and take into account their opinions;

12.1.7 to be transparent and provide information to citizens;

12.1.8. to follow collective principles in the resolution of issues.

Article 13. Change of administrative and territorial units

13.1. The State Great Hural shall decide on the issue of changing aimags, soums, and districts upon submission by the Government based on the proposals of citizens residing in the respective territory, taking into account the local economic structure, capacity, population, geographical location, and other related aspects.

13.2 The Government shall initiate the issue of changing aimags, soums, and districts.

13.3. Citizens' opinions shall be obtained when deciding on the issue of changing the administrative and territorial unit. Opinion polling shall be organized by the respective CRH, and the procedure for opinion polling shall be established by the State Great Hural. The results of the opinion polling shall be considered valid if a majority of citizens as eligible voters has participated.

13.4. The aimag CRH shall decide on the issue of changing a bagh upon submission by the aimag Governor, taking into account the population settlement, number of households, traditions, economic activities, and specifics of the transport infrastructure and communication systems.

13.5 The CRH of the capital city shall decide on the issue of changing a khoroo upon submission by the Governor of the capital city, taking into account the size of the population and the conditions for providing services to citizens specified in the law.

13.6. When changing a bagh or a khoroo, the respective citizens of bagh or khoroo shall be consulted for their opinion, and the soum and district CRHs shall organize the opinion polling.

13.7. Initiating the change of aimags, soums, and districts shall be based on the principle of not degrading the services provided to citizens in the past.

13.8. The issue of changing administrative and territorial units shall not be resolved within one year prior to the conduct of a regular election.

Article 14. Boundaries of aimags, soums, baghs, the capital city, districts, and khoroos

14.1. The State Great Hural shall approve the boundaries of aimags, the capital city, soums, and districts upon submission by the Government.

14.2. Aimag and capital city CRHs shall determine the boundaries of baghs and khoroos upon submission by aimag and capital city Governors.

14.3. The proper names of the administrative units of Mongolia and the geographical names, streets, roads, and squares within units shall be named in the official language of the state.

**CHAPTER TWO
ECONOMY AND FINANCE OF ADMINISTRATIVE AND TERRITORIAL UNITS**

Article 15. State and local government obligations regarding establishing the economic foundation of a unit

15.1. The state has a duty to establish an economic and financial foundation of an administrative and territorial unit. In fulfilling this duty, the state shall ensure the following rights of administrative and territorial units:

15.1.1. to independently resolve issues of economic and social life within its respective territory;

15.1.2. to exercise property management and set tax rates within limits set by law;

15.1.3. to have resources from the state budget allocated to them as required to exercise functions specified in the law;

15.1.4. to develop based on the benefits of natural resources, state budget investment, and other opportunities;

15.1.5. to allocate funds from the unified local development fund, taking into account the population, territory size, and economic capacity of the unit;

15.1.6. aimag and capital city CRHs shall decide on the issuance of concessions and securities in accordance with the grounds and procedures specified in the law.

15.2. Projects, measures, and financial sources to implement the state duties specified in LATUG Article 15.1 shall be reflected in the development plan and the state budget in accordance with the Law on Development Policy, Planning and its Management.²

² The Law on Development Policy, Planning and its Management was published in issue no.21 of the "State Information" gazette in 2020.

15.3. The unit shall have a duty to mobilize its own resources to establish an economic and financial foundation of the administrative and territorial unit.

Article 16. Budget of administrative and territorial units

16.1. Aimags, the capital city, soums, and districts shall have a separate budget.

16.2. Budget sources of administrative and territorial units shall consist of tax and non-tax revenues, state budget financing, and other sources permitted by law.

16.3. Aimag, the capital city, soum, and district budget funds shall be spent on implementation of functions provided by LATUG.

16.4. Soum and district budgets shall be prepared and approved, taking into account the proposals made by the CGHs of respective baghs and khorooos. Operating expenses of baghs and khorooos shall be approved separately in the respective soum and district budgets.

16.5. Aimag, the capital city, soum, and district budget revenue types, expenditure categories, financing purposes, and activities related to budget preparation, approval, organization of implementation, reporting, and monitoring shall be regulated by the Budget Law³ and other relevant legislation in accordance with the principles set forth in LATUG.

Article 17. Local funds

17.1. Aimags, the capital city, soums, and districts may have funds other than those specified in the Budget Law to support activities towards implementation of their functions specified in LATUG. The sources of this fund shall be non-budgetary property.

17.2. CRHs of the respective level shall establish the procedure for the formation, disposal, and oversight of the fund specified in LATUG Article 17.1 and monitor its implementation.

17.3. The procedure established in accordance with LATUG Article 17.2 shall be registered in accordance with the General Administrative Law.⁴

Article 18. Properties of aimags, the capital city, soums, and districts

18.1. Aimags, the capital city, soums, and districts shall have a property.

18.2. In the case of the property of an administrative and territorial unit, the ownership rights shall be exercised by the respective CRH within limits specified by law, and the property management shall be exercised by the Governor within the authority assigned by the respective unit's CRH.

18.3. Aimags, the capital city, soums, and districts may establish locally owned legal entities for the purpose of implementing their functions provided by law.

³ The Budget Law was published in issue no.03 of the "State Information" gazette in 2012.

⁴ The General Administrative Law was published in issue no.28 of the "State Information" gazette in 2015.

18.4. Local property relations shall be regulated by a separate law.

CHAPTER THREE GOVERNANCE OF ADMINISTRATIVE AND TERRITORIAL UNITS

SUB-CHAPTER ONE LOCAL FUNCTIONS

Article 19. Principles of determining local functions

19.1. The following principles shall be observed in determining local functions:

19.1.1. to properly allocate the functions to units closest to citizens at an appropriate level;

19.1.2. to resolve the issue of funding when assigning functions;

19.1.3 not to duplicate functions;

19.1.4. to allocate powers to unit management differently in accordance with functions of each unit established by LATUG;

19.1.5. to adapt to the specifics of the economic and social life of the respective territory.

Article 20. Local functions

20.1. Local functions shall include the following issues:

20.1.1. policies on local development and planning;

20.1.2. local property management;

20.1.3. local budget, taxes, fees, and charges;

20.1.4. local fund;

20.1.5. local staffing/personnel planning and programs;

20.1.6. local production, food, and agriculture;

20.1.7. water supply for drinking and household needs;

20.1.8. trade and service regulation;

20.1.9. housing and public utilities;

20.1.10. local public transportation;

20.1.11. traffic and parking of local settlements;

20.1.12. naming and addressing arrangements of streets and squares;

20.1.13. arrangement of monuments;

20.1.14. public roads, squares, public cultural and recreation centers, and green spaces;

20.1.15. local tourism policy and management;

20.1.16. waste management;

20.1.17. cemetery regulation;

20.1.18. use, maintenance, and servicing of buildings and movable properties of state and locally owned education, health, social and cultural organizations;

20.1.19. fire, flood protection facilities, and ditches;

20.1.20. local treatment facilities;

20.1.21. local roads and bridges;

20.1.22. illuminating in local settlements;

20.1.23. pastureland uses and protection.

20.2. Local functions may be increased on the basis of appropriate amendments to LATUG.

20.3. In addition to the functions specified in LATUG Article 20.1, local self-governing bodies may independently resolve certain issues within their respective territory in accordance with paragraph 2 of Article 62 of the Constitution of Mongolia.

Article 21. Functions of the aimag

21.1. Aimag shall exercise functions on the following issues:

21.1.1. aimag's main medium-term development guidelines, policies, and planning;

21.1.2. use, possession, disposal, and oversight of aimag property;

21.1.3. aimag budget, its planning, execution, reporting, and oversight;

21.1.4. the issue of setting tax rates, fees, and charges within the limits specified in the legislation;

21.1.5. planning, distribution of aimag local development fund, and the formation, spending, reporting, and oversight of other funds;

21.1.6. aimag staffing/personnel policy planning and program;

21.1.7. aimag food, agriculture, and production programs, and oversight in their implementation;

21.1.8. aimag small and medium enterprise development fund management;

21.1.9. general regulation and oversight of trade and services;

21.1.10. regulation of inter-soum public transportation;

21.1.11. the general arrangement of street and square names and addresses;

21.1.12. the general arrangement of monuments;

21.1.13. aimag tourism policy and management;

21.1.14. hazardous and industrial waste management;

21.1.15. planning, operation, and oversight of communication, electricity, and heat distribution networks, fresh water, sewage lines, and sewage drainage facilities, flood dams, canals, and related facilities;

21.1.16. use, maintenance, and servicing of buildings and movable properties of vocational training and production centers, general hospital, aimag museum, theater, library, cultural center, physical education and sports complexes.

Article 22. Functions of the soum

22.1. Soum shall perform the functions on the following issues:

22.1.1. soum's main development guidelines, policy, and planning;

22.1.2. use, possession, disposal, and oversight of soum property;

22.1.3. soum budget, its planning, execution, reporting, and monitoring;

22.1.4. the issue of setting tax rates, fees, and charges within limits specified in the legislation;

22.1.5. planning, distribution of soum local development fund, and the formation, spending, reporting, and oversight of other funds;

22.1.6. implementation and working conditions of aimag's staffing/personnel programs;

22.1.7. implementation of aimag's food, agriculture, and production programs;

22.1.8. planning, location, use, and protection of soum population's water points for drinking and household needs;

- 22.1.9. organization and oversight of trade and services;
- 22.1.10. housing and public utility management;
- 22.1.11. regulation of traffic and parking of local settlements;
- 22.1.12. location and protection of monuments;
- 22.1.13. use and protection of public roads, squares, public cultural and recreation centers, and green spaces;
- 22.1.14. regulation of tourism activities;
- 22.1.15. location of waste dumps and simple waste management;
- 22.1.16. regulation of cemetery activities;
- 22.1.17. use, maintenance, and servicing of soum buildings and movable properties of pre-school, primary and secondary education institutions, hospitals, cultural centers, libraries, physical education and sports facilities;
- 22.1.18. fire, flood protection facilities and ditches, and maintenance;
- 22.1.19. maintenance of local treatment facilities;
- 22.1.20. local roads, bridges, signs, markings, maintenance, and protection;
- 22.1.21. illuminating in local settlements and maintenance.

Article 23. Functions of the bagh

23.1. Bagh shall exercise functions on the following issues:

- 23.1.1. delivery of services specified in law to the citizens of its territory;
- 23.1.2. organization of activities to collect general opinions and requests of its citizens within the respective territory on the issues specified in the legislation and proposed on its own initiative and conveying them to organizations and officials at relevant levels;
- 23.1.3. resolution of specific economic and social issues of bagh territory independently unless otherwise provided by law or decision of a relevant higher authority;
- 23.1.4. organization and engagement of bagh citizens in activities on issues implemented at national, aimag and soum levels;
- 23.1.5. protection, use and regulation of hayfields, crops, pastures, and water points not allocated for possession and use by others;
- 23.1.6. ensuring engagement and participation of citizens in monitoring and oversight over the environmental sustainability of the bagh territory.

Article 24. Functions of the capital city

24.1. The capital city shall exercise functions on the following issues:

24.1.1. capital city development policy and planning;

24.1.2. use, possession, disposal, and oversight of the capital city property;

24.1.3. the capital city budget, its planning, execution, reporting, and oversight;

24.1.4. the issues on setting tax rates, fees, and charges within limits specified in the legislation;

24.1.5. planning, allocation of the capital city local development fund and the formation, expenditure, reporting and oversight of other funds;

24.1.6. management of the capital city's small and medium enterprise development fund;

24.1.7. planning and oversight of capital city population's drinking water points for drinking and household needs;

24.1.8. use, maintenance, and servicing of capital city buildings and movable properties of museums, theaters, libraries, cultural centers, physical education and sports complexes;

24.1.9. general regulation and oversight of trade and services;

24.1.10. housing and public utility management and service;

24.1.11. regulation of public transportation and taxi services in the capital city;

24.1.12. traffic regulation of the capital city;

24.1.13. planning and location of roads and parking lots in the capital city;

24.1.14. planning, operation, and oversight of communication, electricity, and heat distribution networks, fresh water, sewage lines, and sewage drainage facilities, flood dams, canals, and related facilities;

24.1.15. urban development, construction, standards, oversight, and regulation;

24.1.16. treatment facilities, flood dams, and ditches;

24.1.17. names and addressing arrangements of streets, roads, squares, and buildings;

24.1.18. the general arrangement of monuments;

24.1.19. public roads, squares, public cultural and recreation centers, green spaces, planning, and oversight;

24.1.20. tourism policy and management of the capital city;

24.1.21. integrated waste planning, management, and regulation;

24.1.22. general cemetery regulation and management.

24.2. The functions of Ulaanbaatar city, the capital city of Mongolia, other than those specified in LATUG Article 24.1 shall be determined by a separate law.

Article 25. Functions of the district

25.1. District shall exercise functions on the following issues:

25.1.1. district's main development guidelines, policies, planning, general and partial plans;

25.1.2. use, possession, disposal, and oversight of district property;

25.1.3. district budget, its planning, execution, reporting, and oversight;

25.1.4. the issue of setting tax rates, fees, and charges within limits specified in the legislation;

25.1.5. planning and allocation of district local development fund and formation, expenditure, reporting, and oversight of other funds;

25.1.6. trade and service licensing and oversight;

25.1.7. implementation of food, agriculture, and production programs of the capital city production program;

25.1.8. use, maintenance, and servicing of buildings and movable properties of district pre-school, primary and secondary education institutions, hospital, cultural center, library, physical education and sports complexes;

25.1.9. maintenance of district parking lots;

25.1.10. maintenance and protection of public roads, squares, public cultural and recreation centers, and green spaces;

25.1.11. regulation of cemetery activities;

25.1.12. district lighting and maintenance;

25.1.13. planning, location, use, and protection of district decentralized population's water points for drinking and household needs;

25.1.14. waste management.

Article 26. Functions of the khoroo

26.1. Khoroo shall exercise functions on the following issues:

26.1.1. delivery of services specified in law to the citizens of its territory;

26.1.2. organization of activities to collect general opinions and requests of its citizens within the respective territory on the issues specified in the legislation and proposed on its own initiative and conveying them to organizations and officials at relevant levels;

26.1.3. resolution of specific economic and social issues of khoroo territory independently unless otherwise provided by law or decision of a relevant higher authority;

26.1.4. organization and engagement of khoroo citizens in activities on issues implemented at national, the capital city, and district levels;

26.1.5. ensuring participation of citizens in monitoring the organization of public lands, roads, and squares, environmental hygiene, and sanitation in accordance with the law.

Article 27. Delegation of state functions to unit management

27.1. Some state functions specified in LATUG Article 27.5 may be delegated to administrative and territorial unit management on the basis of laws and public legal agreements.

27.2. When delegating some state functions to unit management specified in LATUG Article 27.1, the source of funds required for its implementation shall be decided concurrently.

27.3. When delegating some state functions to different levels of administrative and territorial units, its scope and limits shall be determined for each unit, and the procedure for reporting and monitoring shall be clearly specified in laws and agreements.

27.4. When transferring some state functions to be delegated in accordance with LATUG Article 27.1, the functions and features of each unit shall be taken into consideration.

27.5. The following state functions shall be delegated to administrative and territorial unit management:

27.5.1. state registration;

27.5.2. pre-school education;

27.5.3. primary and secondary education;

27.5.4. primary health care services;

27.5.5. population development and protection services;

- 27.5.6. organization and provision of social welfare services;
- 27.5.7. employment promotion and poverty reduction program and its implementation;
- 27.5.8. cultural services;
- 27.5.9. public physical education;
- 27.5.10. environmental protection, environmental pollution, and rehabilitation;
- 27.5.11. pastureland management;
- 27.5.12. stockpiling of livestock fodder;
- 27.5.13. water supply for industrial purposes;
- 27.5.14. fight against infectious and parasitic diseases of livestock and animals, extermination and control of pests, prevention of pest disasters, damage elimination, veterinary services;
- 27.5.15. infrastructure to be newly established;
- 27.5.16. the operation, maintenance, and other activities to ensure regular operation of energy, high voltage, and other electricity, heating lines, and substations;
- 27.5.17. land relations, land management, planning, and oversight;
- 27.5.18. professional inspection;
- 27.5.19. protection of historical monuments;
- 27.5.20. emergency and disaster prevention activities;
- 27.5.21. activities on preventing crime and maintaining public order;
- 27.5.22. consumer protection activities;
- 27.5.23. general and partial urban plans of the capital city, its implementation, and oversight;
- 27.5.24. local protection;
- 27.5.25. archival works and services, storage, protection, compilation, and use of state archival documents;
- 27.5.26. other functions specified in the legislation.

SUB-CHAPTER TWO LOCAL SELF-GOVERNANCE

Article 28. Local self-governance

28.1. Local self-governance shall mean citizens' right and actual capacity to independently resolve economic and social issues in their respective territories in compliance with their common interests, either directly or through their representative bodies specified in LATUG and the executive management that reports to the representative bodies.

Article 29. Citizens' rights to exercise local self-governance

29.1. A citizen shall have a right to participate in the implementation of local self-governance directly or through a representative body based on paragraph 1 of Article 3, Article 14, and paragraph 9 of Article 16 of the Constitution of Mongolia.

29.2. A citizen is entitled to be elected or to elect a CRH representative of an aimag, the capital city, a soum, and a district, participate in CGH of his/her bagh or khoroo, submit petitions and complaints to local self-government bodies for resolution and receive information in accordance with the procedures specified in the legislation.

Article 30. Forms of implementing local self-governance

30.1. Aimag, the capital city, soum, and district CRHs shall exercise the functions of citizens representative bodies.

30.2. Citizens shall directly participate in local self-governance in the following ways:

30.2.1. to participate in bagh and khoroo CGHs with the right to vote;

30.2.2. to propose specific economic and social issues for the respective territory to the CRH and the CGH for discussion and decision-making;

30.2.3. to voluntarily express their views and opinions in accordance with LATUG Article 31 and initiate a one-time or a normative decision.

Article 31. Citizen participation in local self-governance

31.1. Citizens as eligible voters are entitled to join together voluntarily to express their views and opinions to discuss pressing issues of soums, baghs, districts, and khoros, and make recommendations.

31.2. Soum and district CRHs, and bagh and khoroo CGHs shall have a duty to discuss proposals and recommendations made in accordance with LATUG Article 31.1.

31.3. A citizen is entitled to initiate a one-time or a normative decision on pressing economic and social issues of a soum or district. Soum and district CRHs have a duty to discuss this initiative if at least 10 percent of soum's eligible voters and at least 5 percent of district's eligible voters have supported and signed it.

31.4. Aimag, the capital city, soum, and district CRHs may conduct a consultative poll if they deem it necessary regarding decision-making on economic and social issues for the respective territory in accordance with the law.

Article 32. Citizens General Hural of bagh and khoroo

32.1. CGH shall be a self-governing body of citizens that operates based on principles of direct democracy and exercises powers granted by law based on the principle of collective management.

32.2. The main form of operation of the CGH shall be a session.

32.3. Every citizen of bagh or khoroo, as eligible voters, shall have a right to participate in the session of the respective CGH.

32.4. A citizen shall become a participant of bagh and khoroo CGH by attending in person.

32.5. Participants of the CGH shall have the following rights and responsibilities:

32.5.1. to suggest issues for discussion;

32.5.2. to participate in the decision-making process with voting rights;

32.5.3. being introduced to and receiving explanations regarding decisions of the CGH;

32.5.4. to elect and be elected as the chairperson of the CGH's session;

32.5.5. to observe the session procedure.

32.6. Sessions of bagh and khoroo CGHs shall be considered valid if one person from every three households in a bagh or every five households in a bagh with more than 400 households, and one person from every 20 households from each kheseg of a khoroo attends the meeting in accordance with the principle of representation of citizens within the respective territories and each kheseg of a khoroo. The date of the CGH's session shall be notified to the residents of bagh or khoroo at least five working days before the session, and the location and time of the session shall be indicated.

32.7. After the regular election of the soum and district CRHs, the sessions of bagh and khoroo CGHs shall be organized after the new soum and district Governor is appointed.

32.8. Bagh and khoroo CGHs shall have the following common powers:

32.8.1. to discuss and resolve issues related to the functions of the baghs or khoros;

32.8.2. to discuss and resolve other issues related to the rules of procedure and organization of CGH's sessions;

32.8.3. to elect the chairperson of the CGH's session;

32.8.4. to nominate candidates for bagh or khoroo Governor;

32.8.5. to discuss Governor's report on the implementation of the respective CGH's decision, review and evaluate his/her work;

32.8.6. to propose the dismissal of the Governor on the grounds specified in the legislation;

32.8.7. if granted with special powers by law, to approve administrative normative acts in conformity with the legislation and have them registered in state registration under procedures specified in the General Administrative Law and require its enforcement;

32.8.8. other powers provided by law.

32.9. The Council of bagh and khoroo CGH shall consist of citizens' representatives as well as the Governor of bagh and khoroo, the chairperson of the CGH's session and the heads of khoroo's kheseqs, and shall be responsible solely for organizing the implementation of decisions of the CGH, preparing for the subsequent sessions and announcing the date of the sessions. The chairperson of the session shall chair the meeting of the Council.

32.10. The session of bagh and khoroo CGH shall be chaired by the chairperson elected in the respective session.

32.11. Remuneration for the chairperson's term of office of the CGH's session may be compensated from the budget of the soum or district CRH.

32.12. The chairperson of the sessions of bagh and khoroo CGH may be re-elected.

Article 33. Citizens Representative Hural of aimag, the capital city, soum, and district

33.1. CRH is a local self-governing body elected by citizens as eligible voters and permanently residing in the respective administrative and territorial unit, and exercising functions and powers specifically granted by law based on the principle of collective management.

33.2. The term of office of the CRH shall be four years.

33.3. Aimag, the capital city, soum, and district CRHs shall consist of the number of representatives specified in LATUG Article 37 and shall be understood as the total number of representatives of the CRH.

33.4. If at least three-fourths of the number of representatives specified in LATUG Article 37 has been elected due to local elections, and a resolution recognizing their powers has been issued, the CRH shall be deemed to have a mandate.

Article 34. Election of the Citizens Representative Hural

34.1. Representatives of the aimag, the capital city, soum, and district CRHs shall be elected by a secret ballot based on universal, free and direct suffrage by citizens as eligible voters and permanently residing in the respective locality.

34.2. The procedures for the election of the aimag, the capital city, soum, and district CRHs shall be determined by a separate law.

Article 35. Powers of the Citizens Representative Hural

35.1. CRHs shall exercise the following powers:

35.1.1. issues regarding powers of the CRH representatives;

35.1.2. to elect, release and dismiss the chairperson of the CRH;

35.1.3. to establish the CRH committee, elect or change the composition and chairperson of the committee;

35.1.4. to nominate a Governor of the respective level for appointment;

35.1.5. to approve the Governor's activity program, discuss the report, review and evaluate his/her activities;

35.1.6. to discuss the Governor's report on the implementation of the decisions of the respective CRH, review and evaluate his/her work;

35.1.7. to propose to a higher-level Governor or the Prime Minister to dismiss the Governor of the respective level on grounds specified in the law;

35.1.8. to approve medium-term policies of territorial development and main annual guidelines for economic and social development, and make amendments to them;

35.1.9. to discuss and approve the budget of the respective aimag, the capital city, soum and district upon submission of the Governor, make adjustments and approve its execution;

35.1.10. to set tax rates, fees, and charges within limits established by law;

35.1.11. to exercise ownership rights of local property items;

35.1.12. to make decisions on the establishment, reorganization, and liquidation of locally owned legal entities, approve their charters, and exercise the rights of shareholders;

35.1.13. to discuss and resolve issues related to functions of the unit established by LATUG and approve relevant procedures;

35.1.14. if granted with special powers by the law, to approve administrative normative acts in conformity with the legislation and have them registered in state

registration under procedures specified in the General Administrative Law and require its enforcement;

35.1.15. to monitor the activities of the Governor to implement the decisions of the CRH;

35.1.16. to approve the general procedures on defining the types and classification of trade and services, requirements for conducting trade and services, documents to be submitted, and the rights and obligations of trade and service providers;

35.1.17. other powers provided by law.

35.2. Aimag and the capital city CRHs shall be prohibited from interfering in resolving issues within the jurisdiction of CRHs of soum and district power granted by law, whilst soum and district CRHs shall be prohibited from interfering in resolving issues within the jurisdiction of CGHs of bagh and khoroo power provided by law.

Article 36. Early termination of the terms of office/mandate of the Citizens Representative Hural

36.1. The term of office of the CRHs shall expire prematurely in the following cases:

36.1.1. if the majority of the total number of representatives of the CRH considers and submits a proposal that the respective CRH is unable to exercise its powers, and the CRH makes a decision to dissolve itself by at least two-thirds of the total number of representatives of the CRH;

36.1.2. if the first session has not been convened within 50 days from the announcement of its date and the issue of nominating the Governor has not been resolved, the budget has not been approved within the timeframe specified in the law, the session has not been convened within more than 60 days from the announcement of the date of the session, and the Government makes a decision to dissolve the CRH based on the proposal of the aimag or the capital city Governor.

36.2. In case of early termination of the CRH's mandate, the election shall be scheduled and announced within 30 days in accordance with the relevant law.

Article 37. Number of representatives of the Citizens Representative Hural

37.1. The number of representatives of the aimag CRH shall be determined as follows:

37.1.1. 25 representatives if the population of the aimag is up to 50,000;

37.1.2. 29 representatives if the population of the aimag is between 50,001-70,000;

37.1.3. 35 representatives if the population of the aimag is between 70,001-90,000;

37.1.4. 41 representatives if the population of the aimag is more than 90,001.

Note: This paragraph shall enter into force after 2024 regular local election.

37.2. The number of representatives of the soum CRH shall be determined as follows:

37.2.1. 15 representatives if the soum population is up to 2,000;

37.2.2. 21 representatives if the soum population is between 2,001-5,000;

37.2.3. 25 representatives if the soum population is between 5,001-9,000;

37.2.4. 29 representatives if the soum population is 9,001 or more.

Note: This paragraph shall enter into force after 2024 regular local election.

37.3. The number of representatives of the capital city CRH shall be 45.

37.4. The number of representatives of the district CRH shall be determined as follows:

37.4.1. 25 representatives if the population of the district is up to 100,000;

37.4.2. 35 representatives if the population of the district is between 100,001-200,000;

37.4.3. 41 representatives if the population of the district is between 200,001-300,000;

37.4.4. 43 representatives if the population of the district is 300,001 or more.

Note: This paragraph shall enter into force after 2024 regular local election.

Article 38. Representative of the Citizens Representative Hural

38.1. A representative of a CRH shall not represent politics, rights, and interests of his/her own or his/her affiliates and shall uphold the rights and legitimate interests of the citizens of the respective territory.

38.2. The term of office of a CRH representative shall be four years.

38.3. The term of office of a CRH representative shall commence with the adoption of a resolution recognizing the mandate of the representative and shall end with the commencement of the term of office of the newly elected representative.

38.4. The term of office of a by-elected CRH representative shall be the same as the remaining term of office of the outgoing representative.

38.5. CRH representative shall have a code of conduct to be followed in his/her activities, and the code of conduct shall be approved by the CRH.

38.6. Up to one-third of the CRH representatives in soum may be state administrative civil servants.

Note: This paragraph shall enter into force after 2024 regular local election.

Article 39. Rights and responsibilities of a representative of the Citizens Representative Hural

39.1.A CRH representative shall have the following rights and responsibilities:

39.1.1. to participate in the discussion and decision-making of issues with voting rights;

39.1.2. to belong to a CRH committee;

39.1.3. to question issues under discussion, receive answers, submit proposals and recommendations, and cast votes;

39.1.4. to initiate and submit proposals for discussion of specific issues to the CRH;

39.1.5. to discuss reports and hearings of the organization established by the CRH and officials elected or appointed by the CRH, and make proposals;

39.1.6. to introduce and explain the decision of the CRH to the voters;

39.1.7. to question the Governors in connection with ensuring the implementation of decisions of the CRH, protecting rights and legitimate interests of the citizens, and resolving certain social issues for the respective territory;

39.1.8. to cooperate with constituencies regularly, receive their petitions, proposals, and complaints to resolve them according to relevant procedures, or to forward and receive a response from competent authorities within a timeframe stipulated by the law;

39.1.9. to report to citizens of their constituencies on activities once a year.

39.2. CRH representative shall refuse to participate in the discussion of an issue if a conflict of interest arises by exercising his/her rights and obligations.

39.3. CRH representative shall participate in activities of the CRH committee in between the sessions and inform the citizens of their constituencies about his/her work as a CRH representative on the CRH website and other channels.

Article 40. Prohibitions on activities of a representative of the Citizens Representative Hural

40.1.The following activities shall be prohibited for a CRH representative:

40.1.1. to disclose and personally use information related to state, organization, and individual secrets discovered in the course of exercising the rights and duties of the representative;

40.1.2. to be a representative of the CRH of another level.

Note: This paragraph shall enter into force after 2024 regular local election.

Article 41. Termination of the mandate of a representative of the Citizens Representative Hural

41.1. The powers of a CRH representative shall terminate prematurely on the following grounds:

41.1.1. has deceased;

41.1.2. has submitted his/her request for release based on other reasonable grounds;

41.1.3. has been convicted by an official court decision for committing a crime;

41.1.4. has relocated away from the territorial unit;

41.1.5. has been appointed to a civil service position, unless otherwise provided by LATUG;

41.1.6. breached LATUG Article 40.1;

41.1.7. committed a repeated or serious breach of the CRH code of conduct;

41.1.8. the decision to consider him/her elected as a representative on the grounds specified in the Law on Elections of CRHs of aimags, the capital city, soums, and districts⁵ has been revoked.

41.2. The CRH shall discuss and make a decision to release a CRH representative in accordance with LATUG Articles 41.1.2, 41.1.4, and 41.1.5 and to dismiss him/her in cases specified in LATUG Articles 41.1.3, 41.1.6, and 41.1.7.

Article 42. The recall of a representative of the Citizens Representative Hural by voters

42.1. A representative shall be recalled by a majority of votes of the citizens of their constituencies on the rationale that he/she is not fulfilling his/her obligations as a representative.

42.2. The State Great Hural shall approve the procedure for recalling a CRH representative under LATUG Article 42.1.

⁵ The Law on Elections of Citizens Representative Hurals of Aimags, the Capital City, Soums, and Districts was published in issue no.8 of the "State Information" gazette in 2020.

Article 43. Liabilities imposed on a representative of the Citizens Representative Hural

43.1. If a CRH representative fails to attend a session without a valid reason, violates the rules of procedure of the session, or fails to report his/her activities in accordance with the law, the CRH shall impose the following liabilities:

43.1.1. to issue a warning;

43.1.2. to suspend his/her right to ask a question or speak on issues under discussion during the session;

43.1.3. to suspend his/her right to participate in activities other than voting during the session;

43.1.4. to suspend his/her right to submit an issue for discussion during the session.

Article 44. Guarantees of the activities of a representative of the Citizens Representative Hural

44.1. A CRH representative shall use identity card and official letterheads during his/her term of office, and the respective CRH shall approve their design and rules of utilization.

44.2. Expenses for activities of the representative and the costs of their capacity building shall be included in the CRH's budget. The Government shall approve the common standards and procedure for spending and reporting of the expenses.

44.3. State administrative organizations and their competent officials shall provide all the necessary support and assistance to the CRH representative to exercise their powers.

44.4. It shall be prohibited for a political party or other organizations to interfere in the activities of a representative or assign duties to him/her.

Article 45. Committee of the Citizens Representative Hural

45.1. The aimag, the capital city, soum, or district CRH shall establish a CRH committee that ensures preparation of CRH sessions' agenda, proposals and recommendations as well as monitoring the implementation of CRH resolutions and decisions, thus administering the CRH's continuing and permanent activities.

45.2. The committee shall be established from the CRH representatives for the mandate term of the CRH, and the chairperson of the committee shall be elected from amongst its representatives.

45.3. The committee shall report to the respective CRH.

45.4. The CRHs may establish other committees or working groups charged with doing research and developing proposals and recommendations.

45.5. A CRH shall determine direction of operations, number and composition of the committee, procedures for establishing a committee or a working group, dissolving a committee, and their operational procedures.

45.6. Political parties and coalitions responsible for formulating national policies shall not establish organizational units in any form within the structure of a soum CRH.

Note: This paragraph shall enter into force after 2024 regular local election.

Article 46. Sessions of a Citizens Representative Hural

46.1. The main organizational form of the CRH's operations shall be a session.

46.2. Regular sessions of CRHs and CGHs shall be convened quarterly.

46.3. Extraordinary sessions of the aimag, the capital city, soum, or district CRH shall be convened at the request of at least one-third of the CRH representatives or the initiative of the Council or the chairperson of the CRH.

46.4. Extraordinary sessions of the CGH shall be convened at the initiative of the Council of the CGH or the Governor or the request of at least 10% of eligible voters of the bagh or khoroo. Citizens shall express their views via their signatures.

46.5. Within 14 days from the date of submission of the results of the regular election, the election committee of the respective level shall announce and convene the first session of the CRH. The first session shall be chaired by the most senior CRH delegate in attendance.

46.6. Sessions other than the first session shall be announced and convened by the chairperson of the CRH at least seven days before the beginning of the session. The sessions shall be convened by the chairperson of the CRH, or in his/her absence, by one of the representatives at the suggestion of the chairperson.

46.7. The session of the CRH shall be considered valid with a majority quorum of the representatives.

46.8. Deliberate absence or leave of a CRH representative from the session without reasonable excuse shall be prohibited.

46.9. The CRH shall set up its rules of procedure of a session and ratify them with a resolution.

Article 47. Rights for the submission of a proposal to the Citizens Representative Hural

47.1. CRH committees, representatives, and the Governor of the respective unit shall enjoy the rights to initiate and submit a proposal for discussion at the CRH session.

47.2. Relevant estimation, researches, inquiries, and draft decisions of proposals specified in LATUG Article 47.1 shall be distributed to CRH representatives two working days before the session. Proposals that do not meet this requirement shall not be discussed in the session.

Article 48. Decisions of a Hural⁶

48.1. The CRH shall adopt a resolution on discussed issues, and resolutions shall be approved by the majority votes of the CRH representatives attending the respective session and the citizens who have participated in the session of bagh and khoroo CGH.

48.2. A resolution of the CRH shall be signed by the CRH chairperson, and a resolution of bagh or khoroo CGH shall be signed by the session's chairperson, and the resolution on the election and discharge of a Hural's chairperson shall be signed and validated by the chairperson of the respective session.

48.3. Chairperson of the CRH shall issue a decree on the organization of the activities of the aimag, the capital city, soum, and district CRH.

Article 49. Implementation of a Hural decision

49.1. Governors of all levels shall have a duty to implement decisions taken by the respective Hural.

49.2. Before implementing the decision of a Hural, the issue on whether to veto the decision shall be decided as specified in LATUG Article 50.

49.3. Implementation of the decision of a Hural shall be organized with the participation of a secretariat and local administrative agencies.

49.4. The Governor shall report annually to the respective Hural on the implementation of Hural's decisions.

Article 50. Veto on the decision of a Hural

50.1. A Governor shall have a right to impose a complete or partial veto on decisions of the respective Hural that does not apply to their functions or authority, as well as having no financial or other resources to be implemented at his/her own initiative or as assigned by the higher-level Governor or the Prime Minister.

50.2. A veto shall be made in the written form within ten working days after the decision was approved, and the grounds for such veto shall be clearly stated.

50.3. The Hural shall discuss a veto in a session within 15 days after receiving it, and if the majority of representatives did not accept it, the decision and the relevant items thereof shall enter into force.

50.4. In case the Hural's decision is vetoed in entirety, its enforcement shall be entirely suspended, and for a partial veto, the enforcement of the relevant articles and provisions shall be suspended until it is discussed and decided after its receipt by the chairperson of the Hural.

⁶ Translator's note: 'Hural' refers to both Citizens Representative Hural (CRP) and Citizens General Hural (CGH).

50.5. The Governor shall not have a veto power against a decision of the respective Hural on the proposal to dismiss the Governor.

50.6. In case the Governor's veto is rejected by the majority of the CRH representatives or participants taking part at the CGH and the Governor considers himself/herself incapable of implementing the decision, he/she may submit a request for resignation to the respective Hural, the Prime Minister or the Governor of higher level.

Article 51. Council of the Citizens Representative Hural

51.1. The CRH shall establish a CRH Council consisting of five to seven representatives responsible for organizing the implementation of decisions of the sessions, preparing for the next session, and coordinating activities of the CRH committees and working groups in between sessions. The chairperson of the CRH shall chair the Council.

51.2. The CRH Council shall not make independent decisions on issues within the powers of the CRH.

51.3. The State Great Hural shall approve the rules of procedure of the CRH Council.

Article 52. Powers of the chairperson of the Citizens Representative Hural

52.1. The CRH chairperson shall exercise the following common powers:

52.1.1. to announce the convention of and ensure the preparation for regular and extraordinary sessions of the CRH;

52.1.2. to chair sessions of the CRH, ratify CRH's decisions, and organize their implementation;

52.1.3. to provide organizational management to ensure the conditions and opportunities for CRH committee and representatives to employ and implement their powers;

52.1.4. to accept a proposal for consideration by the CRH from competent individuals or entities, draft CRH decisions and organize discussion of the proposal at the session;

52.1.5. to organize monitoring of the implementation of CRH decisions;

52.1.6. to appoint and release a CRH secretary in accordance with the procedures provided by law;

52.1.7. to manage CRH's daily activities;

52.1.8. to take measures to monitor and ensure the implementation of the Governor's activity program, as well as the main guidelines for economic and social development;

52.1.9. to organize activities to resolve petitions, proposals, and complaints addressed by citizens, economic entities, and organizations to the CRH;

52.1.10. to represent the CRH both domestically and internationally;

52.1.11. to report to the CRH annually;

52.1.12. other powers provided by legislation.

Article 53. Election of a chairperson of the Citizens Representative Hural

53.1. The first session of the CRH established as a result of the regular election shall elect the CRH chairperson for a term of four years.

53.2. A representative of the respective CRH shall have a right to propose his/her or another representative's candidature for the CRH chairperson. Parties and coalition groups may nominate candidates for the chairpersons of aimag, the capital city, and district CRHs.

53.3. An anonymous ballot shall be completed for the election of a chairperson, and the chairperson shall be elected with a majority vote of the representatives of the CRH taking part in the elections.

53.4. If none of the candidates receives a majority vote, the two candidates with the most votes shall take part in the second polling for a run-off election. In case none of them received majority votes, a new candidate for the CRH chairperson shall be nominated in accordance with LATUG Article 53.2.

53.5. The CRH representatives shall vote for only one candidate, and the candidates shall have a right to cast their votes.

53.6. The CRH chairperson shall be a full-time employee.

53.7. LATUG Article 53 shall apply to the by-election of the CRH chairperson.

Article 54. Office of the Citizens Representative Hural

54.1. A CRH shall have an office.

54.2. The CRH shall determine the structure, staffing, and salary fund of the office of the CRH within limits set by the Government.

54.3. The head of the office shall be the secretary of the respective CRH and shall be a full-time employee.

54.4. The CRH secretary shall issue an order on issues related to the activities of the office.

Article 55. Budget, stamp, and seal of the Citizens Representative Hural

55.1. The CRH shall have a budget that shall be administered by the CRH secretary.

55.2. The budget specified in LATUG Article 55.1 shall consist of the budget for the CRH's operations and running its office.

55.3. The CRH shall use a stamp, seal, and an official letterhead issued in accordance with the established procedure.

SUB-CHAPTER THREE STATE ADMINISTRATION IN THE ADMINISTRATIVE AND TERRITORIAL UNITS

Article 56. Governor and his/her appointment

56.1. The Governor is a state representative responsible for ensuring compliance with the legislation, decisions of the Government, higher-level Governors, and implementing decisions of the relevant Hural within their territory.

56.2. The CRH and the CGH shall nominate the Governor for an appointment.

56.3. The candidates for the Governors of aimag, the capital city, soum, and district shall meet the following requirements:

56.3.1. has higher education;

56.3.2. has at least three years of professional experience in the civil service;

56.3.3. has no outstanding debts, loans, and warranty debts ruled by court decision or any other loans under contract;

56.3.4. has no outstanding tax debts ruled by a court decision;

56.3.5. has no criminal record.

56.4. The candidate for the Governors of bagh and khoroo shall meet the following requirements:

56.4.1. has higher education;

Note: This paragraph shall enter into force after 2024 regular local election.

56.4.2. has no outstanding debts, loans, and warranty debts ruled by court decision or any other loans under contract;

56.4.3. has no outstanding tax debts ruled by a court decision;

56.4.4. has no criminal record.

56.5. The Governor shall be nominated under the following procedures:

56.5.1. CRH representatives, parties, and coalition groups in aimag, the capital city and district CRHs, as well as the participants of CGHs, shall propose to nominate individually or jointly a person who meets the requirements set forth in LATUG Articles 56.3 and 56.4 to the Governor. The Governor of the higher level or the Prime Minister may nominate to the respective Hural a person who meets the requirements specified in LATUG Articles 56.3 and 56.4;

56.5.2. a vote shall be held on the nominee specified in LATUG Article 56.5.1, and the person who received the majority of votes of the citizens, and all representatives present at the Hural shall be nominated as the Governor;

56.5.3. if none of the candidates receives a majority vote, two candidates with the most votes shall take part in the second polling, and the one with majority of votes shall be nominated as the Governor.

56.5.4. a candidate shall meet the requirements set forth in LATUG.

56.6. The person nominated in accordance with LATUG Article 56.5 shall be appointed as a bagh and a khoroo Governor by soum and district Governor; as soum and district Governor by aimag and the capital city Governor; as aimag and the capital city Governor by the Prime Minister.

56.7. The higher-level Governor or the Prime Minister may refuse to nominate the candidate.

56.8. In case of refusal for appointment as specified in LATUG Article 56.7, the Hural shall nominate another person in accordance with the procedure outlined in LATUG Article 56.5.

56.9. A person nominated in accordance with the procedure set forth in LATUG Article 56.8 shall be appointed as Governor of the respective level within five working days.

Article 57. Term of office of a Governor

57.1. The term of office for a Governor shall be four years.

57.2. The term specified in LATUG Article 57.1 shall not apply to the Governor who is by-elected.

Article 58. Powers of the bagh Governor

58.1. Bagh Governors shall exercise the following powers for the respective territory:

58.1.1. to be responsible for ensuring compliance with legislation, decisions of the Government and higher-level Governor;

58.1.2. to implement the decision of bagh CGH;

58.1.3. to register and enroll children of pre-school age in schools, and take measures on bringing dropouts back to school;

58.1.4. to submit proposals to the soum Governor for decision to include citizens in need in medical and social care services in accordance with the legislation;

58.1.5. to conduct a study on the standard of living of citizens in their territories and organize social welfare services in accordance with the legislation;

58.1.6. in case of disasters, catastrophes, or accidents, to organize resettlement of households and livestock and provide adequate services. In situations stipulated in the law, organize the mobilization of the labor force, transport, communication tools, and properties within the respective territory;

58.1.7. to register temporary residential status of population, household, and citizens in accordance with relevant procedures;

58.1.8. to organize measures to combat crimes and misdemeanors jointly with competent institutions, engage citizens in this work and support their proposals and initiatives;

58.1.9. to monitor implementation of legislation on utilization of natural resources within the powers provided by law;

58.1.10. to organize preventive measures against fire;

58.1.11. to submit a proposal for approval to soum Governor on bestowing awards and benefits to citizens, and providing support and assistance to citizens in need;

58.1.12. to be responsible for organizing the implementation of some state functions delegated to the local government specified in LATUG Article 27 in accordance with the agreement concluded with the Governor of the soum;

58.1.13. to organize the protection and use of hayfields and agricultural lands, pastures, and water points that have not been allocated for possession or use by others.

Article 59. Powers of the soum Governor

59.1. Soum Governor shall exercise the following powers for the respective territory:

59.1.1. to be responsible for ensuring compliance with legislation, decisions of the Government and higher-level Governors;

59.1.2. to implement decisions made by the CRH;

59.1.3. to develop draft plans and programs on the economic and social development of the soum, submit them to the soum CRH for discussion and implement the decisions taken;

59.1.4. to develop draft proposals and relevant adjustments to the soum budget and have them discussed and approved, organize budget execution and report to the soum CRH;

59.1.5. to implement the functions of the soum's general budget governor in accordance with the legislation;

59.1.6. to organize possession and use of soum property, develop a proposal on issues concerning the disposal of soum property for possession, lease, sale, and privatization, and submit it to the soum CRH for decision;

59.1.7. to be responsible for organizing the implementation of legislation and decisions taken by the soum CRH on issues specified in LATUG Article 22.1;

59.1.8. to be responsible for organizing the implementation of some state functions delegated to the local government specified in LATUG Article 27 in accordance with the agreement concluded with the Governor of the aimag;

59.1.9. to develop a draft decision of the soum CRH on issues specified in LATUG Article 22 and submit relevant estimates and proposals with justifications to the soum CRH for discussion;

59.1.10. to exercise powers specified in the law on preventing crime and maintaining public order;

59.1.11. to organize activities for ensuring the population's food security, increasing livestock, protecting gene pool and health of livestock, encouraging reproduction and veterinary activities;

59.1.12. to undertake activities to prevent natural disasters, contagious animal and plant diseases, and infestations within the scope of their powers;

59.1.13. to develop a program for sustainable land use within its territory, promote pastoral and crop production, improvement of its fertility, and other measures for environmental protection and submit it to the CRH, and administer the implementation of approved programs;

59.1.14. on the basis of CRH decisions, make a decision to permit citizens, economic entities, and organizations to use the land for special needs of that territory;

59.1.15. to settle disputes arising between citizens, economic entities, and organizations regarding rights to land possession and use issued by the soum Governor as specified in the procedures set forth in the Law on Land⁷;

59.1.16. to allocate land in accordance with relevant legislation;

59.1.17. to organize the implementation of the soum CRH's decision on proposals of citizens' cooperatives, economic entities, and organizations on protection, sustainable use, and possession of natural resources on their territory;

⁷ The Law on Land was published in issue no.27 of the "State Information" gazette in 2002.

59.1.18. to monitor the implementation of economic entities and organizations that possess and exploit local land and operate exploration and mining activities, of their duties for environment protection and rehabilitation stipulated by legislation, and redress the breach thereof;

59.1.19. to provide management to the tax bureau within the respective territory and organize collection and transfer of tax revenues in accordance with the legislation and decision of the CRH;

59.1.20. unless otherwise specified in the law, to monitor compliance of local educational, cultural, health, physical education and sports institutions with standards and norms set by competent authorities regardless of their subordination, types and forms of ownership;

59.1.21. to formulate an interim regulation in accordance with the legislation for total or partial territorial units concerning search, rescue, evacuation, and elimination of post-disaster impacts in case of disasters, accidents, and catastrophes, mobilize labor forces, transportation, communication tools, and food supply of state and locally owned enterprises, economic entities and organizations;

59.1.22. to appoint, release and dismiss the soum deputy Governor and the head of the secretariat;

59.1.23. other powers specified in the legislation.

Article 60. Powers of the aimag Governor

60.1. Aimag Governor shall exercise the following powers for the respective territory:

60.1.1. to be responsible for ensuring the implementation of legislation and Government decisions, and be held accountable for the results;

60.1.2. to organize activities for the implementation of the decisions made by the aimag CRH and be held accountable for the results;

60.1.3. to develop draft plans and programs on the economic and social development of the aimag, submit them to the aimag CRH, and implement the decisions taken;

60.1.4. to develop draft proposals and relevant adjustments to the aimag budget and have them discussed and approved, organize budget execution and report to the aimag CRH;

60.1.5. to implement functions of the aimag's general budget manager in accordance with the legislation;

60.1.6. to organize possession and use of aimag property, develop a proposal on issues concerning the disposal of aimag property for possession, lease, sale, and privatization, and submit it to the aimag CRH for decision;

60.1.7. to be responsible for organizing activities under some state functions delegated to the local government specified in LATUG Article 27 in accordance with the agreement concluded with the Prime Minister of Mongolia;

60.1.8. to develop a draft decision of the aimag CRH on issues specified in LATUG Article 21 and submit the relevant estimates and proposals with justifications to the aimag CRH for discussion;

60.1.9. to communicate and cooperate with relevant level units of a foreign country in accordance with the procedures specified in the legislation;

60.1.10. to provide management to the tax bureau within the respective territory and organize collection and transfer of tax revenue in accordance with legislation and decisions of the CRH;

60.1.11. to settle disputes regarding land possession and use as specified in the procedures set forth in the Law on Land;

60.1.12. to develop a proposal on a certain part of the local territory to come under special protection and submit it to the CRH for approval and undertake measures for its implementation;

60.1.13. to formulate an interim regulation in accordance with legislation for total or partial territorial units concerning search, rescue, evacuation, and elimination of post-disaster impacts in case of disasters, accidents, and catastrophes, and mobilize labor forces, transportation, communication tools, and food supply of state and locally owned enterprises, economic entities and organizations;

60.1.14. to represent respective administrative and territorial unit domestically and internationally;

60.1.15. to provide the necessary support for judicial and prosecutorial organizations in the respective territory;

60.1.16. to undertake measures to implement large-scale projects and programs at the aimag level and attract investors;

60.1.17. to monitor the compliance of soum activities with the legislation;

60.1.18. to submit to the Government a proposal to dissolve the CRH of the aimag and soum under the grounds specified in LATUG;

60.1.19. to propose a nominee for high state awards;

60.1.20. to appoint, release and dismiss the aimag deputy Governor and the head of the secretariat;

60.1.21. other powers specified in the legislation.

Article 61. Powers of the khoroo Governor

61.1. Khoroo Governor shall exercise the following powers for the respective territory:

61.1.1. to be responsible for ensuring compliance with the legislation, the decisions of the Government and higher-level Governor;

61.1.2. to implement the decision of khoroo CGH;

61.1.3. to organize measures to collect citizens' opinion polling on specific issues of the economic and social life of khoroo and issue the summary of the results;

61.1.4. to prepare a draft decision to be taken by khoroo CGH on issues specified in LATUG Article 26.1.3, and submit relevant estimates, research, and proposals to the CGH for decision-making;

61.1.5. to organize measures to engage khoroo citizens in activities organized by the CGHs on issues specified in LATUG Article 26.1.5;

61.1.6. to organize and engage khoroo citizens in activities on issues implemented at national, the capital city, and district levels;

61.1.7. to introduce and explain legislation, decisions of the Government, higher-level Governors, and khoroo CGH;

61.1.8. to require organizations, economic entities, officials, and citizens to fulfill the obligation in accordance with relevant legislation, and submit the issue of imposing penalties on those who fail to comply with applicable legislation to relevant institutions and officials for resolution;

61.1.9. to conduct a study on living standards of citizens in the respective territory and organize social welfare services specified in the legislation;

61.1.10. to monitor management and delivery of food, trade, services, electricity, and heating supply to the population and convey citizens' proposals and requests on improvement to relevant institutions;

61.1.11. to register and enroll children of pre-school age in schools, and take measures on bringing dropouts back to school;

61.1.12. in case of disasters, catastrophes, or accidents, to organize resettlement of people, households, and livestock and provide adequate services. In situations stipulated in the legislation, organize the mobilization of the labor force, transport, communication tools, and properties within the respective territory;

61.1.13. to prepare statistical data in accordance with the legislation;

61.1.14. to organize civil registration and information services, and provide support in organizing military draft in accordance with the legislation;

61.1.15. to receive petitions, opinions, and complaints of citizens and respond to their inquiries within their authority or convey to other competent authorities;

61.1.16. to submit proposals for approval to the district Governor on rewarding citizens and providing support and assistance to citizens;

61.1.17. to organize measures to combat crimes and misdemeanors jointly with competent institutions, engage citizens in this work and support their proposals and initiatives;

61.1.18. to participate in land management activities within the territory in accordance with functions specified in the law;

61.1.19. to develop proposals on social development issues of the khoroo when preparing for the district budget;

61.1.20. to appoint leaders of respective kheseogs (sub-khoroos) and manage their activities;

61.1.21. to be responsible for organizing the implementation of some state functions delegated to the local government specified in LATUG Article 27 in accordance with the agreement concluded with the Governor of the district;

61.1.22. other powers specified in the legislation.

Article 62. Powers of the district Governor

62.1. District Governor shall exercise the following powers for the respective territory:

62.1.1. to be responsible for ensuring compliance with the legislation, decisions of the Government and the relevant higher-level Governor;

62.1.2. to organize activities to implement the decisions of the district CRH;

62.1.3. to develop a draft plan and program on the economic and social development of the district, submit it to the district CRH, and implement the decisions taken;

62.1.4. to develop draft proposals and relevant adjustments to the district budget and have them discussed and approved, organize budget execution and report to the district CRH;

62.1.5. to implement functions of the district general budget manager in accordance with the legislation;

62.1.6. to organize possession and use of district property, develop a proposal on issues concerning the disposal of district property for possession, lease, sale, and privatization, and submit it to the district CRH for decision-making;

62.1.7. to be responsible for organizing the implementation of some state functions delegated to the local government specified in LATUG Article 27 in accordance with the agreement concluded with the Governor of the capital city;

62.1.8. to develop a draft decision for the district CRH on issues specified in LATUG Article 25 and submit relevant estimates and proposals with justifications to the district CRH for discussion;

62.1.9. to exercise powers specified in the law on preventing crime and maintaining public order;

62.1.10. to manage activities of district tax bureau and organize the implementation of legislation on tax;

62.1.11. to settle disputes between citizens, economic entities, and organizations regarding rights to land possession and use issued by the district Governor in accordance with the legislation;

62.1.12. to appoint, release and dismiss deputy district Governor and the head of the secretariat;

62.1.13. other powers specified in the legislation.

Article 63. Powers of the capital city Governor

63.1. The Governor of the capital city shall exercise the following powers for the respective territory:

63.1.1. to be responsible for ensuring compliance with the legislation and Government decisions;

63.1.2. to organize activities to implement decisions of the capital city CRH and to be held accountable for the results;

63.1.3. to develop draft plans and programs on the economic and social development of the capital city, and submit them to the capital city CRH and implement the decisions taken;

63.1.4. to develop draft proposals and relevant adjustments to the capital city budget and have them discussed and approved, organize budget execution and report to the CRH of the capital city;

63.1.5. to implement functions of the capital city general budget governor in accordance with the legislation;

63.1.6. to organize possession and use of capital city property, develop a proposal on issues concerning the disposal of the capital city property for possession, lease, sale, and privatization, and submit it to the CRH of the capital city for decision-making;

63.1.7. to be responsible for organizing the implementation of some state functions delegated to the local government specified in LATUG Article 27 in accordance with the agreement concluded with the Prime Minister of Mongolia;

63.1.8. to develop a draft decision for the capital city CRH on issues specified in LATUG Article 24 and submit relevant estimates and proposals with justifications to the capital city CRH for discussion;

63.1.9. to interact and cooperate with relevant level units of a foreign country in accordance with procedures specified in the legislation;

63.1.10. to manage activities of the capital city tax bureau and organize the implementation of legislation on tax;

63.1.11. to settle disputes between citizens, economic entities, and organizations regarding rights to land possession and use issued by the capital city Governor in accordance with the legislation;

63.1.12. to appoint, release and dismiss the deputy Governor of the capital city and the head of the secretariat;

63.1.13. to submit to the Government a proposal to dissolve the CRH of the capital city and districts under the grounds specified in LATUG;

63.1.14. to propose candidates for high state awards;

63.1.15. other powers specified in the legislation.

Article 64. Release, dismissal, and resignation of the Governor

64.1. If the Governor of aimag, soum, bagh, the capital city, district, and khoroo requests a resignation due to health reasons or other valid reasons, the higher-level Governor or the Prime Minister shall release the Governor from the duty before the expiration of his/her term of office.

64.2. Higher-level Governor or the Prime Minister shall dismiss the lower-level Governor on the following grounds:

64.2.1. Governor has been convicted by an official court decision for committing a crime;

64.2.2. committed a repeated or serious breach of the legislation;

64.2.3. Hural has submitted a proposal to dismiss him/her on the grounds stipulated in LATUG Articles 65.1.1 and 65.1.2;

64.2.4. the Governor, himself/herself, has submitted a request for resignation;

64.2.5. on the grounds specified in LATUG Article 65.1.3.

64.3. Higher-level Governor or the Prime Minister shall make a decision to dismiss the Governor in cases specified in LATUG Article 64.2 as proposed by the relevant Hural or on his/her own initiative. The relevant Hural shall be notified of this decision immediately, and the Hural shall nominate a new Governor within 15 days.

64.4. Higher-level Governor or the Prime Minister shall make a decision to dismiss the Governor within 14 days based on the proposal of the relevant Hural made in accordance with LATUG Article 64.2.3. If the proposal is not accepted, the Hural shall not propose the resignation of the Governor again within one year.

64.5. If the Governor is dismissed or released before the expiration of his/her mandate, the deputy Governor shall execute the Governor's duties and hold full responsibility until a new Governor is appointed.

Article 65. Imposing liabilities upon the Governors of all levels

65.1. A Governor shall be held liable on the following grounds:

65.1.1. the relevant Hural concludes that implementation of Hural's decision has been insufficient;

65.1.2. the respective Hural concludes that he/she has not sufficiently fulfilled obligations under the law related to economic and social life of the population in the territory;

65.1.3. the higher-level Governor or the Prime Minister considers that the legislation, Government decision, and duties, and obligations assigned by the Prime Minister or higher-level Governor have not been fulfilled sufficiently.

65.2. If at least one-third of Hural representatives believe and put their signatures that the grounds specified in LATUG Articles 65.1.1 and 65.1.2 have occurred, the Hural shall discuss the issue within 15 days in its session and submit the issue of dismissal or imposition of a disciplinary sanction on a Governor to the higher-level Governor or the Prime Minister by a majority vote of all representatives for decision-making.

65.3. The Prime Minister or the higher-level Governor shall impose one of the following disciplinary punishment on the lower-level Governors on the proposal of the respective level Hural or his/her own initiative in accordance with LATUG Article 65.1:

65.3.1. to issue warning;

65.3.2. to withhold up to 20 percent of compensation for a period of up to three months.

65.4. Liabilities imposed in accordance with LATUG Article 65.3 shall be applied in the relevant sequence.

Article 66. The decision of the Governor

66.1. In exercising his/her powers specified in the LATUG and other legislation, the Governor shall issue a decree within the scope of his/her authority in accordance with the legislation.

66.2. If the Governor has issued an act setting universal norms in his/her jurisdiction, he/she shall have them registered in state registration in accordance with procedures specified in the General Administrative Law.

66.3. If the Governor's decree does not comply with legislation, he/she or higher-level Governor or the Prime Minister shall revoke it.

Article 67. Governor's office

67.1. Office of a Governor of aimag, the capital city, soum, and district shall be the secretariat, which shall perform the following functions:

67.1.1. to develop strategic planning, program, and project on economic and social development for the respective territory;

67.1.2. to provide professional, methodological, technical, and organizational assistance to the Governor's activities and provide favorable working conditions;

67.1.3. to supply Hural, Governor, and lower-level administrative organizations with requisite information;

67.1.4. to deliver legislation, decisions of the Government, Hural, and Governor to the relevant organizations and officials, organize and monitor their implementation, and calculate the outcome;

67.1.5. to maintain documents and correspondence of a secretariat and administer addressing petitions, proposals, and complaints from citizen;

67.1.6. to organize training, retraining, and professional development for state administrative staff, supplement their working environment and social security within the legislative framework;

67.1.7. to ensure regular operation of the relevant level Hural, and provide requisite services;

67.1.8. to provide the information required by the tax bureau in connection with the implementation of their functions specified in the law.

67.2. The Government shall determine the organizational structure of the Governor's secretariat and personnel limits individually or similarly, and the secretariat of aimag, the capital city, soum or district Governor shall have departments and units;

67.3. Head of a secretariat shall be selected in accordance with the Law on Civil Service;⁸ and the Governor shall appoint and release him/her for a term of six years.

⁸ The Law on Civil Service was published in issue no.01 of the "State Information" gazette in 2018.

67.4. Head of a secretariat of aimag, the capital city, soum or district shall determine vacancies and salary funds, appoint and dismiss staff within the framework of composition and staff limits set by the Government.

67.5. Head of a secretariat of aimag, the capital city, soum, and district Governors and heads of departments, units, and offices under the Governor shall issue an order within their competence and use stamp, seal, and official letterheads in accordance with set procedures.

CHAPTER FOUR DELEGATION OF SOME FUNCTIONS OF THE ADMINISTRATIVE AND TERRITORIAL UNITS AND THEIR GOVERNANCE TO CITIES OR VILLAGES

Article 68. Delegation of some functions of administrative and territorial units and their governance to cities and villages

68.1. Upon resolving the issue of delegating some functions of administrative and territorial units and their governance to cities and villages in accordance with paragraph 2 of Article 57 of the Constitution of Mongolia, the State Great Hural shall make a decision upon submission of a proposal by the Government taking into consideration the local economic structure, capacity, population and geographical location, infrastructure and other conditions related to them.

68.2. The state shall have a duty to provide necessary funding for the implementation of functions of administrative and territorial units delegated to cities and villages.

68.3. Depending on the rank of a city or specifics of a village, some functions of administrative and territorial units and their governance may be delegated to them, and, if necessary, restrictions may be imposed on the implementation of the delegated functions.

Article 69. Functions of administrative and territorial units to be delegated to cities and villages

69.1. Some functions of aimags, soums, and baghs specified in LATUG Articles 21, 22, and 23 shall be delegated to a state-ranked city and its main unit.

69.2. Some functions of soums and baghs specified in LATUG Articles 22 and 23 shall be delegated to a city of local rank and its main unit.

69.3. Some functions of soums and baghs specified in LATUG Articles 22 and 23 shall be delegated to a village.

69.4. If specifically provided by the legislation, functions other than those specified in this article may be assigned to individual cities and villages.

CHAPTER FIVE RELATIONS OF UNIT GOVERNANCE WITH OTHER ORGANIZATIONS

Article 70. Relations of aimag and the capital city Citizens Representative Hural with the Government, the ministries, and agencies

70.1. Aimags and the capital city CRH, upon resolving issues of local competencies assigned to them by LATUG and other legislation, shall take into account the interests of the state and coordinate their policies and decisions with state policy.

70.2. Aimags and the capital city CRH shall provide information to the Government, relevant ministries, and agencies on the implementation of functions delegated by the state and report within timeframe specified by applicable laws and agreements.

Article 71. Relations of Governor of aimag or capital city with the Government

71.1. Governor of aimag or capital city shall interact with the Government according to the following procedures:

71.1.1. to submit their annual report to the Government, which shall discuss it and provide an evaluation in its session;

71.1.2. to deliver proposals or draft decisions for the social and economic development of the respective territory to relevant Government member in charge of such issues; upon its disapproval, convey to the Prime Minister;

71.1.3. to participate in Government sessions on issues pertaining to the economic and social development of a respective territory and convey their proposals and positions.

Article 72. Relations of Governor of aimag or capital city with the ministries and agencies

72.1. Governor of aimag or capital city shall interact with the state ministries and agencies according to the following procedures:

72.1.1. to cooperate and coordinate their activities with the ministries and agencies in organizing the implementation of legislation;

72.1.2. if necessary, make joint decisions and organize their implementation in accordance with the procedures set forth in the Law on Development Policy, Planning and its Management, reflecting the needs of the respective territory in developing and implementing sectoral and inter-sectoral policies;

72.1.3. to communicate directly with the Prime Minister on the unified policy to be implemented jointly with the ministry on the development of their territory;

72.1.4. to convey the proposal on economic and social issues of a respective territory that is beyond their local financial capacity to the State Great Hural, Government and state central administrative body for resolution;

72.1.5. to submit proposals and have the ministries and agencies address the economic and social development issues, city development, environmental protection, and services rendered to the public by the state.

72.2. Unless otherwise provided by the legislation, disputes between the Governor of aimag or a capital city and ministries or agencies shall be settled by the Government.

72.3. The Government shall have a state central administrative body in charge of developing and implementing local development and administrative reform policy in its structure.

Article 73. Cooperation between the administrative and territorial units

73.1. In order to implement the functions specified in the law, the units shall communicate with each other in the following ways:

73.1.1. to coordinate policies and activities and exchange information;

73.1.2. to conclude a public legal agreement;

73.1.3. to provide mutual assistance;

73.1.4. to jointly implement projects and programs to support regional development;

73.1.5. to exchange experiences;

73.1.6. to communicate in other forms specified in the legislation.

73.2. Disputes arising between Governors during the implementation of cooperation specified in LATUG Article 73.1 shall be resolved by a higher-level Governor or the Prime Minister unless otherwise provided by the legislation.

Article 74. Relations of Governor with citizens, economic entities, and organizations

74.1. A Governor may, on his/her own or through an authorized organization, assign duty on the economic entities or organizations in their respective territory to comply with the legislation and supervise their implementation.

74.2. A Governor may enter into a public legal agreement with a citizen, economic entity, or organization in their respective territory for the purpose of complying with the legislation.

CHAPTER SIX MISCELLANEOUS

Article 75. Foreign cooperation of administrative and territorial units

75.1. Foreign cooperation of administrative and territorial units shall be consistent with the national security and foreign policy concepts of Mongolia and shall adhere to the unity of foreign policy.

75.2. Administrative and territorial units may enter into an agreement with a foreign entity of the same level or international organization within the scope of its competence and shall obtain permission from the state central administrative body in charge of foreign affairs when concluding the agreement.

Article 76. Specific regulation of functions and budget relations of local self-governing bodies by law

76.1. In accordance with paragraph 2 of Article 59 of the Constitution of Mongolia, self-governance functions and foundation of budget relations of administrative and territorial units may be determined by a specific law in conformity with the socio-economic specifics of the territory, such as the geographical location of the unit, size and settlement of the population, access to services rendered to citizens, border protection and impact on the state economy.

76.2. Specifics of administrative and territorial units shall be exhibited in their impact on national, regional, international economy, and sustainability of the environment.

76.3. The Government shall exclusively initiate legislation regulating functions and budget foundations of self-governance of administrative and territorial units in accordance with specifics of the economic and social life of the respective territory.

Article 77. Implementation of the decisions of the administrative and territorial unit management

77.1. Decisions taken by the Hural and Governor within their competence specified in the legislation shall be enforced on the respective territory, and relevant organizations, economic entities, officials, and citizens have to implement thereof.

77.2. The guilty person shall pay full damage for the harms arisen due to the failure to implement decisions of the Hural or the Governor made within the scope of their authority specified in the legislation.

Article 78. Social guarantee of unit management

78.1. In case of aimag, the capital city, soum, and district CRH chairpersons and Governors of all levels discharged in the process of regular elections they shall receive a one-time allowance equal to the amount of six months' salary of their previous posts.

78.2. In case of aimag, the capital city, soum and district CRH chairpersons and Governors of all levels who have worked in civil service for more than 25 years receive a pension, they shall receive one-time cash benefit equal to the amount of 12 months salary of their previous posts.

Article 79. Representation of local governments

79.1. A representative body that exercises the right of a public legal entity shall exist with functions to represent common interests of local self-governing bodies, draft legislation, prepare local budgets, transfer functions to local governments, negotiate with the central Government in the decision-making process on issues related to local government and file a lawsuit on behalf of local governing bodies.

79.2. One representative from each soum and district CRH and two representatives from each aimag and the capital city CRH shall be elected for the representative body specified in LATUG Article 79.1.

79.3. The Government shall approve the charter of the representative body specified in LATUG Article 79.1.

Article 80. State oversight over units

80.1. State oversight over units shall take the following forms:

80.1.1. to determine the authority of local self-government by legislation;

80.1.2. to register the act of setting the norms of the local self-governing body;

80.1.3. to veto the decision of the Hural;

80.1.4. to dissolve the local self-governing body in accordance with the grounds and procedures specified in the law;

80.1.5. to resolve disputes between local self-governing bodies;

80.1.6. other oversight specified in the law.

80.2. State oversight shall be regulated by the LATUG and other laws.

Article 81. Entry into force of the law

81.1. LATUG shall enter into force on January 1, 2022.

Signature