

# **LAW ON ALLOCATION OF LAND TO MONGOLIAN CITIZENS FOR OWNERSHIP**

## **CHAPTER ONE. GENERAL PROVISIONS**

### **Article 1. Purpose of the Law**

1.1. The purpose of this law is to govern allocation of land to citizens-families (hereinafter, "Citizens") for ownership and related relations arisen out of such allocation.

### **Article 2. Legislation on Allocation of Land to Citizens for Ownership**

2.1. The legislation on allocation of land to Citizens for ownership shall consist of the Constitution of Mongolia, Civil Code, Law on Land, Law on Land Fee, this Law and other legislative acts issued in conformity with them.

### **Article 3. Legal Definitions**

3.1. The following terms used in this Law shall be understood as follows:

3.1.1. "land" shall mean strata of space consisting of surface of land, its soil and vegetation;

3.1.2. "allocation of land to Citizens for ownership" shall mean transfer of land, that is allowed to be owned by citizens of Mongolia in the Constitution of Mongolia, to citizens - families (members) based on size, criteria, requirements and conditions provided by this Law;

### **Article 4. Purpose of Land Allocated to Citizens for Ownership**

4.1. Land shall be allocated to Citizens for the following purposes:

4.1.1. for family needs;

4.1.2. for agricultural purposes; and

4.1.3. for other purposes;

### **Article 5. Principles of Allocating Land to Citizens for Ownership**

5.1. The following principles shall be observed in allocating land to Citizens for ownership:

5.1.1. land allocation shall be carried out based on voluntary will of a citizen (citizens) and only for the purposes stated in this Law, under the government and public supervision;

5.1.2. allocation of land to Citizens for ownership for purposes provided by subparagraphs 4.1.1 and 4.1.3, shall consider and be based on total size and location of land provided for allocation by the General and Partial City Development Plans, General Land Management Plans of the Capital City, and cities of Darkhan and Erdenet, urban district annual land management plans, decisions of Citizens Representatives Hural made at respective levels of centers of region, regional base cities, aimag and soum centers and villages, as well as the number of citizens willing to own land;

5.1.3. allocation of land to Citizens for ownership for purposes provided by subparagraph 4.1.2. shall consider and be based on the total size and location of land provided for allocation by long-term and annual crop development plans of respective aimags, the Capital City, soums and districts, as well as the number of citizens willing to own land;

5.1.4. allocation of land to citizens for purposes provided by subparagraph 4.1.1. shall be carried out once and for free, and shall be based on shared ownership;

5.1.5. in allocating land to citizens for ownership for purposes provided by subparagraph 4.1.1., the following shall be observed:

5.1.5.1. If land possessed by a citizen according to Law on Land [meaning “lawfully”] belongs to the category of land to be allocated for ownership as described by plans provided in subparagraph 1.2. of this Article and the citizen in question wishes to own the land, the land must be allocated to him/her;

5.1.5.2. If land possessed by a citizen according to Law on Land does not belong to the category of land to be allocated for ownership as described by plans and decisions provided in subparagraph 1.2. of this Article and the citizen in question wishes to own the land, the land must be allocated to him/her out of lands covered by plans and decisions provided in subparagraph 1.2. of this Article, on a first come basis.

5.1.6. in allocating land to citizens for ownership for purposes provided by subparagraph 4.1.3. the following shall be observed:

5.1.6.1. If land is possessed by a citizen for purposes provided by subparagraph 4.1.3. of this Law according to a decision made by an authorized organization in accordance with procedures provided by legislation on land, and on the basis of a contract, for buildings built by his/her private property, buildings in the process of construction, privatised buildings or buildings transferred into his/her ownership according to procedures provided by the Civil Code and the Law on State and Local Government Property; and if this land belongs to the category of land provided in subparagraph 1.2. of this Article to be allocated for ownership; and the citizen in question wishes to own the land, the land must be sold to him/her for purposes of shared ownership;

5.1.6.2. If land, to be owned for purposes of maintaining buildings or constructions to be built by a citizen’s property or to be privatized according to procedures provided by law, or to be transferred to his/her ownership according to procedures provided by Laws on Land, and Law on State and Local Property, belongs to the category of land provided in subparagraph 1.2. of this Article to be allocated for ownership, the land must be sold through an auction for shared ownership;

5.1.7. allocation of land to citizens for purposes provided by subparagraph 4.1.2., shall be carried out through transfer of the land to citizens for group or shared ownership, who had run or are running agricultural business for not less than 5 consecutive years;

5.1.8. in allocating land to citizens for ownership for purposes provided by subparagraph 4.1.2., the following shall be observed:

5.1.8.1. If agricultural land possessed by a citizen according to Law on Land belongs to the category of land described in plans provided by subparagraph 1.3. of this Article to be allocated for ownership, and the citizen in question wishes to own the land, the land must be sold to him/her on preferential rights for purposes of ownership;

5.1.8.2. If a citizen, who does not possess agricultural land according to Law on Land, wishes to own the land, and the land belongs to the category of land described in plans provided by subparagraph 1.2. of this Article to be allocated for ownership, the land shall be sold and transferred to ownership through an auction;

## Article 6. The Scope of the Law

6.1. This Law shall apply within the scope of following areas:

6.1.1. With respect to land to be allocated to Citizens for ownership, for purposes provided by subparagraphs 4.1.1. and 4.1.3: all land except public usage land (streets, plazas, roads, areas devoted for resorts, pleasure trips and sports, gardens, cemeteries, dump sites, and sanitation areas) on the territories of the Capital City, cities of Darkhan and Erdenet, centers and base cities of regions, aimag and soum centers and villages, or grazing land, forest and water basin area, land for special needs, lands used for highways, [electric] lines and networks .

6.1.2. With respect to land to be allocated to Citizens for ownership, for purposes provided by subparagraph 4.1.2: agricultural land that has become untilled or crop growing area.

## Article 7. Size of Land to be Allocated for Ownership

7.1. Land to be allocated to Citizens for ownership for purposes of provided by subparagraph 4.1.1. shall be of following size, depending on its location and purpose:

Land to be allocated to families for ownership

Location Size (hectares)

1. in the Capital City up to 0.7 hectare

2.

Centers of other regions, cities of Darkhan and Erdenet, other regional base cities up to 0.5 hectare

3. Centers of aimags, soums and villages up to 0.35 hectare

7.2. The size of land to be allocated to Citizens for purposes provided by subparagraph 4.1.3. shall be of the following size:

7.2.1. the size of the land described by subparagraph 5.1.6.1. shall be equal, depending on its location and purpose, to the size of the land allocated for possession for purposes of maintaining respective buildings/constructions;

7.2.2. the size of the land described by subparagraph 5.1.6.2. shall be equal to the size of the land sold through auction.

7.3. The size of land to be allocated to citizens for purposes provided by subparagraph 4.1.2. shall be of the following size:

7.3.1. the size of the land described by subparagraph 5.1.8.1. shall be equal, depending on its location and fertility, to the size of the land allocated for possession to the respective citizen;

7.3.2. the size of the land described by subparagraph 5.1.8.2. shall be equal to the size of the land sold through auction.

## CHAPTER TWO. AUTHORITIES OF THE NATIONAL AND LOCAL GOVERNMENTS REGARDING ALLOCATION OF LAND FOR OWNERSHIP AND COORDINATION OF PRIVATELY OWNED LAND RELATIONS

### Article 8. Authority of the State Great Hural

8.1. As provided by the Constitution [the State Great Hural] shall define the consolidated [general, unified, nationwide, overall - I will be replacing the word "consolidated" with

“general” - Uyanga] policy of the State on allocating land to citizens for ownership and on privately owned land relations.

## Article 9. Authority of the Cabinet

9.1. The Cabinet shall exercise the following authorities:

- 9.1.1. to organize implementation of the general policy of the State on allocating land to Citizens for ownership and on privately owned land relations;
- 9.1.2. based on the proposals of aimags and the Capital City, to determine the size of land to be allocated to Citizens for ownership for a given year, nationwide;
- 9.1.3. to determine the base valuation of land to be allocated to Citizens for ownership;
- 9.1.4. based on special need of the State, to make decisions with respect to replacing or taking back Citizens' privately owned land, with compensation;
- 9.1.5. to approve procedures on inspecting and certifying status and quality of land to be allocated to Citizens for ownership;
- 9.1.6. to determine the fees related to registration of land owned by Citizens;
- 9.1.7. other rights provided by law.

## Article 10. Authorities of the State Central Administrative Organization in Charge of Land Issues

10.1. The State Central Administrative Organization in charge of land relation issues shall exercise the following authorities:

- 10.1.1. to implement the nationwide general policy of the State on allocating land to Citizens for ownership;
- 10.1.2. to give central [this means ‘from the centre’, or ‘from UB’] professional guidance to Governors of aimags, the Capital City, soums, and districts for organization and implementation of activities related with allocation of land to Citizens for ownership;
- 10.1.3. to consolidate and present proposals submitted by Governors of aimags and the Capital City regarding location, purpose and size of land to be allocated to Citizens for ownership, to have a consolidated registry of general location, purpose, boundary and size of land to be owned by every soum and district;
- 10.1.4. on behalf of the Cabinet, to have preliminary negotiation and agreement with a respective owner of land on issue of replacing or taking back the Citizen's privately owned land with compensation, for special needs of the State;
- 10.1.5. to approve the format of application to own a land.

## Article 11. Authorities of Citizens' Representatives Hural of Aimags and the Capital City

11.1. Citizens' Representatives Hural of aimags and the Capital City shall exercise following authorities:

- 11.1.1. within their own territory, to monitor implementation of the legislation and their own decisions on allocating land to Citizens of Mongolia for ownership;
- 11.1.2. to discuss proposals submitted by Governors of aimags and the Capital City regarding location, purpose and size of land within the territory of the aimag or the Capital City, by each soum and district, to be allocated to Citizens for ownership in a given year;
- 11.1.3. to monitor the process of allocation of land to Citizens for ownership and, if considered necessary, to discuss reports of Governors of respective levels on that issue;
- 11.1.4. other rights provided by law.

## Article 12. Authorities of the Capital City and Aimag Governors

12.1. Governors of the Capital City and aimags shall exercise following authorities:

- 12.1.1. within the territory of the Capital City or their respective aimags, to implement the general policy of the State and legislation on allocating land to Citizens for ownership;
- 12.1.2. to review and consolidate proposals submitted by Governors of soums or districts; to and to develop and deliver to the state administrative organization in charge of land relations, develop proposals on the total size of land to be allocated to Citizens for ownership by every soum and district and by the purposes described in subparagraph 4.1. of this Law; to have the proposal discussed at Citizens Representatives Hural of the Capital city or respective aimags, and submit the proposal to the state administrative organization in charge of land relations;
- 12.1.3. other rights provided by law.

## Article 13. Authorities of Citizens' Representatives Hurals of Soums and Districts

13.1. Citizens' Representatives Hurals of soums and districts shall exercise the following authorities:

- 13.1.1. within its own territory, to monitor implementation of the legislation and their decisions on allocating land to Citizens of Mongolia for ownership; and to discuss reports of Governors on the issue;
- 13.1.2. to discuss proposals submitted by Governors of soums and districts regarding location, purpose and size of land to be allocated to Citizens for ownership in a given year;
- 13.1.4. other rights provided by law.

## Article 14. Authorities of the Soum and District Governors

14.1. Governors of soums and districts shall exercise the following authorities:

- 14.1.1. within the territory of respective soums and districts, to organize implementation of the legislation on allocating land to Citizens for ownership;
- 14.1.2. to develop a proposal on location and total size of land to be allocated to Citizens for ownership, in case of districts, by every khoroo and by the purposes described in subparagraph 4.1. of this Law; and in case of soum, by every bagh or village and by the purposes described in subparagraph 4.1. of this Law; to have the proposal discussed at Citizens Representatives Hural [of the respective soum or district]; and to submit the report to respective Governor of the Capital City or an aimag;
- 14.1.3. to receive applications from Citizen to own a land and to make decisions on allocating land for ownership;
- 14.1.4. if a Citizen uses the owned land in contradiction with interests and concerns of health of the people, environment or national security to file a claim with a Court in order to have the land confiscated;
- 14.1.5. to receive applications from Citizens to let others to possess or use the owned land and to issue permissions for others to possess or use the land;
- 14.1.6. other rights provided by law.

## Article 15. Authorities of Citizens' Public Hurals of Baghs and Khoroos

15.1. Bagh and khoroo Citizens' Public Hural shall exercise the following authorities:

- 15.1.1. to hear reports of Governors of respective bagh or khoroo on monitoring implementation of the legislation on allocating land to Citizens of Mongolia for ownership, within their own territory;
- 15.1.2. other rights provided by law.

#### Article 16. Authorities of the Bagh and Khoroo Governors

16.1. Governors of baghs and khoroo shall exercise the following authorities:

- 16.1.1. to organize implementation of the decisions on issues of Citizens' land ownership made by organizations of higher authority and Citizens' Public Hural of respective bagh or khoroo;
- 16.1.2. within their own territory, to monitor implementation of the legislation on allocating land to Citizens of Mongolia for ownership;
- 16.1.3. other rights provided by law.

### CHAPTER THREE. ALLOCATION OF LAND TO CITIZENS FOR OWNERSHIP

#### Article 17. Inspection and Certification of the Status [the state of the land] and Quality of Land To Be Allocated to Citizens for Ownership

17.1. Inspection and certification of status and quality of the land must be carried out in allocating land to Citizens for ownership.

17.2. According to legislation on land, a professional entity licensed by the State Administrative Organization in charge of land issues shall carry out inspection and certification of status and quality of the land to be allocated to Citizens for ownership and shall issue an opinion.

17.3. The opinion of the state inspection on status and quality of the land shall be inseparable part of the state immovable property registry certificate issued to the citizen acquiring land for ownership by an authorized organization.

#### Article 18. Grounds for Determining the Value of Land To Be Allocated to Citizens for Ownership

18.1. The Government [Cabinet] shall determine the base value of land to be allocated to Citizens for ownership.

18.2. The State Administrative Organization in charge of land relation issues shall determine land evaluation methods.

#### Article 19. Determination of Price of Land To be Allocated to Citizens for Ownership, and Terms and Procedures for Its Payment

19.1. The price of land to be allocated to Citizens for ownership for purposes described in Article 4 of this law shall be determined by Governors of soums and districts based on the base value of land described by subparagraph 18.1. of this Law and land evaluation method described by subparagraph 18.2.

19.2. Before having registered the land acquired for ownership for purposes described in subparagraphs 4.1.2. and 4.1.3. of this Law, Citizens must have paid the land price to the soum or district government budget.

#### Article 20. Allowing Discounts On or Exempting From Payment of the Land Price for Land to be Allocated to Citizens for Ownership

20.1. Citizens may be allowed to have discount on or to be exempt from paying the price of land to be allocated for ownership, described by subparagraph 19.1. of this Law, and Procedures on Allowing Discounts on or Exempting from Payment of Land Price shall be determined by the Government [Cabinet].

#### Article 21. Tax On Land Allocated for Citizens for Ownership

21.1. Citizens shall pay immovable property tax on the land owned according to provisions of Law on Immovable Property Tax.

#### Article 22. Rights and Duties of Citizens Who Acquired the Land for Ownership

22.1. Citizens with the right to acquire land for ownership shall have following rights:

22.1.1. to submit application to Governors of soums and districts on acquiring land from the areas permitted for ownership by this Law;

22.1.2. to acquire land for purposes described by subparagraph 4.1.1. of this Law, once and for free;

22.1.3. to acquire land described by subparagraph 5.1.5.2. of this Law, for free, on the right of first refusal;

22.1.4. if land wanted for purposes described by subparagraph 4.1.1. of this Law by a citizen, who does not possess land according to Law on Land, belongs to the category of land provided by subparagraph 5.1.2. of this Law to be allocated for ownership; and if the land is not possessed or used by anyone, he/she shall acquire the land for ownership, for free, depending on the sequence of submission of applications to Governors of respective soum or district;

22.1.5. to acquire land described by subparagraph 5.1.6.1 of this Law for ownership by paying the price of the land;

22.1.6. to enjoy preferential rights to buy land described by subparagraph 5.1.8.1;

22.1.7. to acquire land described by subparagraphs 5.1.6.2 and 5.1.8.2 through an auction.

22.2. Citizens with the right to acquire a land for ownership shall have following duties:

22.2.1. to have the national cadastral map of the land produced;

22.2.2. to have the boundaries and limits of the owned land marked with signs;

22.2.3. to have the state inspection on status and quality of the land carried out on the land to be acquired for ownership;

22.2.4. in connection with acquiring land for ownership, to prepare objectively and correctly the package of documents provided by Article 23 of this Law.

#### Article 23. Application to Acquire Land for Ownership and Its Review

23.1. Citizens must include following in their applications to acquire land for ownership:

23.1.1. family names, parents names and given names of every member of the family, number of the citizen (ID) cards, registration numbers [this is a number given to each Mongolian citizen and it is the same through a lifetime, appears on birth certificates and ID cards] (if a member has not reached 16 years of age, then a copy of the birth certificate certified by a notary );

23.1.2. address of the place of residence, phone number, administrative and territorial jurisdiction of the land to be acquired for ownership;

23.1.3. purpose and size of the land to be acquired for ownership;

23.1.4. if a land to be acquired for ownership for purposes of subparagraph 4.1.2 of this Law is to be owned partially by citizens - members of a family on a shared basis, then a request to such effect;

23.1.5. date of the application and signatures of every members who have reached 18 years of age.

23.2. Citizens must attach the following documents to their applications to acquire land for ownership:

23.2.1. copies of birth certificates of family members who have not reached 16 years of age, certified by a notary;

23.2.2. a letter of confirmation by a Governor of bagh or khoroo (or village head person) on the status of the family and number of its members;

23.2.3. if land is possessed according to Law on Land, then copies of the licenses to possess the land, or document certifying the right to possess the land, the contract on possession of the land, all certified by a notary;

23.2.4. an outlining map showing location and size of the land requested (if the land is to be owned on a shared basis among a group then an outlining map of every parcel belonging to each owner showing its size, location and boundary).

23.3. Upon receiving an application, a Governor of soum or district or an official authorized by him/her shall make a note on the application indicating its number in the list of applications, date and time and shall sign it.

23.4. A Governor of a soum or a district shall review and resolve [the issue] within 3 months after the date of receiving the application to acquire land for ownership.

#### Article 24. Making a Decision to Allocate Land for Ownership

24.1. [Based on verifying] an application submitted by a Citizen and proving that [the Citizen is indeed] a person authorized to own a land according to provisions of this Law, Governor of soum or district shall issue an order to allocate a land for ownership.

24.2. The order shall state the location, boundary, purpose of the land to be allocated for ownership, family names, father names and given names of the owner (owners), numbers of the citizen (ID) cards, registration numbers, with respect to a member who has not reached 16 years of age the number of his/her birth certificate, the price of the land, if the land is to be acquired for shared ownership and for agricultural purposes then size of every parcel belonging to each owner and its boundary.

#### Article 25. Certifying Rights of Citizens to Own Land

25.1. Based on the decision of Governor of soum or district on allocating land to a Citizen for ownership, the immovable property registration agency shall register the land allocated



to the Citizen for ownership in the national registry according to provisions of Law on Registry of Immovable Property and related legislation, and shall issue a National Immovable Property Registry Certificate (hereinafter, -the National Registry Certificate) that certifies that the citizen in question is the lawful owner of the land.

#### Article 26. Implementation of Land Arrangement and Handing over the Land Allocated for Ownership to Citizens

26.1. The land to be allocated to Citizens for ownership shall have been included in the national registry of land.

26.2. Soum official in charge of land issues or district land services shall be responsible for implementation of measures regarding inclusion of land to be allocated to Citizens for ownership in the national registry, to hand over the land to its owner based on proper decisions, to determine and mark its boundary and to make a record.

#### Article 27. Registration of the Rights of Citizens to Own Land and Changes Related to the Right to Own Land

27.1. Registration of changes related to the right of Citizens to own land shall be carried out according to procedures provided by Law on Registry of Immovable Properties.

27.2. Soum official in charge of land issues or district land services shall be responsible for implementation of measures regarding determination and marking of Citizen's privately owned land boundary on the spot, inclusion in the registry and monitoring of changes in the boundary.

#### Article 28. Commencement of Citizens Right to Own Land

28.1. A Citizen's right to own the land shall commence upon registration of the land allocated to a Citizen for ownership according to Article 25.1.

#### Article 29. Regulation of Relations With Respect to Citizen's Ownership of Land

29.1. General relations with respect to Citizen's ownership of land shall be regulated by Civil Code and specific relations shall be regulated by this Law.

### CHAPTER FOUR. SPECIFIC REGULATION OF RELATIONS WITH RESPECT TO CITIZEN'S OWNERSHIP OF LAND

#### Article 30. Rights and Duties of Citizens Owning Land

30.1. Citizens owning land shall have following rights:

30.1.1. to possess, use, administer and dispose the owned land on his/her discretion within the scope and limitation established by law and without violating rights of others granted to them by law or contracts;

30.1.2. to let others to possess and use the owned land as provided by Article 32 of this Law;

30.1.3. according to relevant procedures, to administer and dispose the owned land through sale, trade, inheritance or pledge to other Citizens;

30.1.4. to use free of charge any natural resources on the owned land;

- 30.1.5. to charge appropriate fee for temporary use of the owned land for public use or special needs, as agreed;
- 30.1.6. according to provisions of relevant laws and legislation, to use widely available mineral resources of the owned land for the needs of the family, to build wells and use the water;
- 30.1.7. to build buildings , constructions and engineering lines and networks on the owned land according to standards, instructions, procedures and requirements adopted and approved by relevant law, legislation and authorized entities;
- 30.1.8. to get compensations according to provisions of this Law, if the owned land is to be replaced or taken back for special needs of the state;
- 30.1.9. other rights and preferential rights provided by law and legislation.

30.2. Citizens owning land shall have following duties:

- 30.2.1. to implement Laws on Land and on Allocating Land to Citizens of Mongolia for Ownership, other relevant law and legislation and decisions issued by the state authorized entities in connection with enforcement of the laws;
- 30.2.2. to use the owned land for its purposes;
- 30.2.3. to have the land, acquired for ownership, registered with the agencies of land registration and immovable property registration, and to have the contracts related with transfer of the land to others, or allowing others to possess and use, or pledging registered with the agency of immovable property;
- 30.2.4. to protect and keep intact marks and signs of boundary, limits, and geodetic signs located on the owned land;
- 30.2.5. not to carry out activities that would damage lawful rights and interests of other land owners, possessors or users or activities that would negatively affect the health of the population and the environment;
- 30.2.6. not to cause deterioration of the status and quality of the land;
- 30.2.7. during exploitation of the owned land to observe and implement construction, ecological, health and sanitary, fire safety and other relevant standards, instructions, procedures and requirements;
- 30.2.8. once every 5 years, to have inspection and certification of the status and quality of the land carried out by an authorized entity for his/her own expenses;
- 30.2.9. other duties provided by law and legislation.

Article 31. Actions Prohibited for Citizens Owning Land

31.1. Following aspects shall be prohibited for Citizens owning land:

- 31.1.1 to transfer the owned land to ownership of foreign citizens or stateless persons through sale, trade, gift or pledge;
- 31.1.2. to allow others to possess or use the owned land without the permission provided by Article 32 of this Law;
- 31.1.3 to use the owned land in violation of interests and concerns of the population health, environment and national security.

Article 32. Allowing Others to Possess or Use Land

32.1. Citizens may allow others to possess or use the owned land along with its purposes, for certain period, with the permission of Governor of soum or district.

32.2. Citizens shall submit their request to obtain permission for allowing others to possess or use the owned land to Governor of soum or districts in writing.

32.3. In the request described by paragraph 2 of this Article, the purpose and period of allowing others to possess or use the owned land shall be indicated and every member of the family who has reached 16 years of age shall sign it.

32.4. One original copy of the Contract, certified by the notary, with the person to possess or use the land owned by the Citizen shall be attached to the request described by paragraph 2 of this Article.

32.5. Upon receiving the request described by paragraph 2 of this Article, Governor of soum or district shall resolve, within 15 days, the issue of granting or refusing to grant the permission.

32.6. If it is established that the person to possess or use the Citizen's owned land violated this Law, Law on Land, Law on Land Fee and Law on Environment Protection or if it is likely that he/she may carry out activities in violation of interests and concerns of health of the people, environment and national security, Governor of soum or district may refuse to grant the permission.

32.7. Complaint with respect to granting permission by Governor of soum or district shall be filed to Court.

32.8 If the person possessing or using the Citizen's owned land has carried out activities in violation of this Law, Law on Land, Law on Land Fee, Law on Immovable Property Tax and Law on Environment Protection or has carried out activities in violation of interests and concerns of the population health, environment and national security, Governor of soum or district shall revoke the granted permission.

32.9. Foreign legal entity, foreign citizens or stateless persons leasing or renting on contractual basis a Citizen's owned land may transfer the land to a third person through re-leasing and re-renting, only with the permission of the owner.

Article 33. Allowing Temporary Use of Land Owned by Citizens for Purposes of Public Use or Special Needs

33.1. Citizens may allow temporary use of the owned land for special needs of the state, aimag, the Capital City, soum or district based on prearranged agreement with the Cabinet or Governors of aimag, the Capital City, soum or district on contractual basis, for a fee.

## CHAPTER FIVE. CESSATION AND LIMITATION OF THE RIGHT OF LAND OWNER

Article 34. Cessation of the Right of Land Owner

34.1. The right of Citizens to own land shall cease on following grounds:

34.1.1. upon transfer of the owned land to ownership of other Citizen;

34.1.2. upon relinquishment of the right to own land;

34.1.3. other grounds provided by law and legislation.

## Article 35. Replacing or Taking Back Land Owned by Citizens for Special Needs of the State with Compensation

35.1. Based on following special need of the state, land owned by citizens may be replaced or taken back, with compensation:

35.1.1. to ensure national defense and security;

35.1.2. to create a permanent exploitation field for scientific and technological experiment and environmental or climatic observation.

35.1.3. to build roads, lines and networks and other objects of national scale.

35.2. Decision on replacing or taking back Citizen's owned land based on special needs of the state and for fee shall be made by the Cabinet.

35.3. The decision to replace or take back Citizen' owned land for a fee shall clearly indicate the grounds of inevitable replacement or taking the land back.

35.4. The state administrative organization/agency in charge of land matters shall enter into preliminary agreement with the owner of the land one year prior to making a decision on replacing or taking back the land owned by citizens for special needs of the state, with compensation.

35.5. In replacing or taking back Citizen' owned land for fee, based on special needs of the state, the owner and state administrative organization/agency in charge of land relations matters shall enter into preliminary agreement on the following issues:

35.5.1. the land value;

35.5.2. the value of immovable property on the land;

35.5.3. investment made by the owner on the land, size of damages to be caused by the replacement or taking back of the land for fee based on special needs of the state;

35.5.4. size of the land to be taken back for the special needs of the state;

35.5.5 location, size, status and quality of the land to be allocated in replacement of the land taken back for the special needs of the state.

35.5.6. conditions and term of vacating the land;

35.5.7. rights and duties of the parties in connection with vacating the land;

35.5.8. amount of compensation, procedures and term for its payment.

35.6. In replacing or taking back Citizen's owned land for fee, based on special needs of the state, the compensation fee shall be paid from the Government budget.

35.7. If the issue of replacing or taking back Citizen's owned land for fee, based on special needs of the state, was not agreed as provided by subparagraphs 4 and 5 of this Article, the dispute shall be resolved by Court.

## Article 36. The Right to Limit The Rights of Citizens Owning Land (Servitude)

36.1. Governor of soum or district may establish following servitudes in cases when there is inevitable need to ensure the general interests of the population of the country or territory in question:

36.1.1. transiting through the land;

36.1.2. to install land limits or geodetic permanent point signs on the land;

36.1.3. to execute works in order to reduce swamping;

36.1.4. to execute exploration works.

36.2. The public servitude may be permanent or temporary.

36.3. The public servitude should cause as minimal as possible difficulties to the Citizen owning the land.

36.4. If Citizen's owned land becomes unusable due to establishment of the public servitude on the land, the Citizen shall have the right to demand from the entity that has established the public servitude to purchase the land and to compensate damages caused to the land.

36.5. If it becomes difficult to use Citizen's owned land, due to establishment of the public servitude on the land, the Citizen shall have the right to demand a fee able to compensate for this difficulty from the entity that has established the public servitude.

36.6. The Citizen owning land, whose rights and lawful interests were affected due to establishment of public servitude as provided by subparagraphs 4, 4, and 5 of this Article, may have his/her right and interests defended through Court procedures.

36.7. Relations with respect to limiting rights of other citizens owning immovable property by a Citizen owning land (private servitude) shall be regulated by Civil Code and legislation.

36.8. As provided by Law on Immovable Property Registration private and public servitudes with respect to ownership of land by Citizens shall be registered at the national registry.

36.9. Private servitude shall cease on grounds provided by Civil Code and legislation.

36.10. If the need for establishment of public servitude is no longer valid, it shall be ceased by the decision of the entity that has established the servitude.

#### Article 37. Expropriation of Land Owned by Citizens

37.1. During occurrence of environmental or public disasters such as damages to lives and health of many people, loss of animals and livestock, earthquakes, strong wind, drought, flood, fire, outbreak of lethal infectious diseases that may cause significant damage to property and environment or emergency situations such as big scale industrial accident, loss of radio active or poisonous chemical substances, a land owned by Citizens may be expropriated according to procedures provided by law and based on decision of authorized state entity for purposes of taking measures in order to protect and rescue the population, livestock, animals and property and to eliminate the negative consequences. Damages caused to Citizens owning land due to such expropriation shall be compensated to full extent.

37.2. If it becomes impossible to return the expropriated land, the owner shall be compensated for the value of the land and the damages according to the market rate of that time or the damages shall be compensated by allocating other land not worse than the expropriated land by its status and quality.

37.3. If there is a dispute regarding the determination of the rate of the expropriated land and damages caused to the land owner, it shall be resolved by Court.

#### Article 38. Confiscation of Land Owned by Citizens

38.1. If a Citizen owning a land or other persons possessing or using the land have violated the procedures on possession, use, administration and disposal of land, the land may be confiscated through procedures of administrative penalty.

### CHAPTER SIX. GUARANTEE FOR CITIZENS RIGHT TO OWN LAND

#### Article 39. Restoration of Citizens Violated Right to Own Land

39.1. If the right of a Citizen to own a land has been violated, it shall be restored through Court procedures.

39.2. Court decision on restoration of Citizens right to own land, that has entered into force shall serve as legal grounds for registering the land by Immovable Property Registration Agency in the state registry as provided by Law and legislation on Immovable Property Registration and for issuing National Registration Certificate for Immovable Property to a Citizen, whose right was restored.

39.3. Damages caused to a Citizen due to decisions of state administrative organization, as well as of local self governing organization issued in contradiction with laws and legislation or in violation of Citizen's right to own land or lawful interests, shall be compensated by the organ which has issued such decision.

39.4 An institution that has violated the right to own a land shall fully compensate the damages caused to the citizen including the revenue that could be generated [opportunity cost], according to provisions of Civil Code and other legislation.

#### Article 40. Ensuring Guarantee for Citizens Right to Own Land When Replacing or Taking Back the Land Owned by Citizens Based on Special Needs of the State with Compensation

40.1. Activities directed at replacing or taking back the land owned by citizens for compensation based on special needs of the state shall be carried out after implementation of the following measures:

40.1.1. In case of replacing the land owned: land not worse than the previously owned land by its status and quality, based on request of the citizen, shall be allocated for ownership.

40.1.2. In case of the taking back of land: its value shall be paid.

40.1.3. The value of immovable property attached to the land previously owned by the Citizen shall be paid.

40.1.4. Investment made by the owner to the land shall be paid.

40.1.5. Damages to be caused to the owner due to replacement or taking back of the land based on the special needs of the state shall be paid to full extent according to Civil Code and legislation.

40.2. The land owner shall be notified in writing not less than one year prior to making the decision on replacing or taking back a land owned by a citizen, based on the special needs of the state.

40.3. If the term of one year has passed after receiving the note described by paragraph 2 of this Article by the land owner, and if the measures provided by paragraph 1 of this Article have been carried out, the land owned by a Citizen replaced or taken back based on the special needs of the state.

40.4. Compensations for immovable property built or costs of other measures taken to significantly increase the land value after receiving the note described by paragraph 2 of this Article shall not be paid.

#### Article 41. Prohibiting Obstruction of Citizens Right to Own Land

41.1. It shall be prohibited to other persons to obstruct the right of Citizens to own land.

#### Article 42. Filing Complaints

42.1. If a Citizen considers that a Government organization or an official has unlawfully obstructed exercise of his/her right to own land he/she shall file a complaint to respective higher ranking organization or official of the organization or official in the question.

#### Article 43. Review and Resolution of Complaint

43.1. Organization or official that has received the complaint described by Article 42 of this law shall review and resolve the complaint within 30 days after receiving it.

43.2. If a citizen has not received a response within the period described by paragraph 1 of this Article, he/she file a complaint to Court.

43.3. A Citizen shall file his/her complaint with respect to decision described by paragraph 1 of this Article to court.

### CHAPTER SEVEN. MISCELLANEOUS

#### Article 44. Liability for Violation of Law on Allocating Land to Citizens of Mongolia for Ownership

44.1. If a person ,who has violated Law and legislation on Allocating Land to Citizens of Mongolia for Ownership, is not subject to criminal liabilities, a state inspector of land supervision shall impose following administrative liabilities:

44.1.1. 10,000 to 20,000 togrogs for violation of provisions of subparagraphs 22.2.4 and 30.2.1. of this Law;

44.1.2. 30,000 to 50,000 togrogs for violation of provisions of subparagraphs 30.2.2., 30.2.4., 30.2.5. and 30.2.6. of this Law;

44.1.3. 20,000 to 30,000 togrogs for violation of provisions of subparagraph 30.2.7. of this Law;

44.1.4. 20,000 to 30,000 togrogs for violation of provisions of subparagraph 30.2.8. of this Law;

44.2. Official who has violated provisions of Article 41 of this Law shall be fined by Judge for 50,000 to 60,000 togrogs.

Article 45. Effective Date of the Law

45.1. This Law shall be come into force from \_\_\_\_\_2002.

Signature