

LAW ON REINVESTMENT OF NATURAL RESOURCE USE FEES FOR THE PROTECTION OF THE ENVIRONMENT AND THE RESTORATION OF NATURAL RESOURCES

28 January 2000

Ulaanbaatar, Mongolia

Article 1. Purpose of this Law

The purpose of this Law is to define the percentage and extent of fees paid for natural resource use to be applied for the protection of the environment and the restoration of natural resources (hereinafter "part of fee revenues").

Article 2. The Legislation on Reinvestment of Natural Resource Use Fees for Protection of the Environment and Restoration of Natural Resources

The legislation on the reinvestment of natural resource use fees for the protection of the environment and the restoration of natural resources shall include the *Law on the Protection of the Environment*, the *General Law on Taxation*, the natural resource use fee laws, the *Law on Budgets* and other legislative acts issued in compliance with them.

Article 3. Part of Fee Revenues and its Composition

1. The **part of fee revenues** is equivalent to a specific percentage of income from collected natural resource use fees shall be designated for the purpose of creating necessary sources of budgetary funding for the protection of the natural environment and restoration of natural resources.
2. The part of fee revenues includes the following resource use fees:
 - 1) Land fee revenues;
 - 2) Water and mineral water use fee revenues;
 - 3) Timber and fuelwood harvesting fee revenues;
 - 4) Game resource use payments and on hunting and trapping license fee revenues;
 - 5) Natural flora use fee revenues.

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3. The percentage of revenues from fees for mining and pollution of the environment to be used for the protection of the environment and restoration of natural resources is established by the relevant legislation.
4. Aimag, capital city, sum and düüreg Citizens' representative Assemblies shall approve environmental protection and natural resource restoration plans and implement these using funds from the fee revenues described in article 4.1 of this Law according to the instructions of the governor.
5. The Government of Mongolia shall establish regulations governing the establishment, expenditure and reporting of the part of fee revenues.

Article 4. Extent of the Part of Fee Revenues

1. The minimum amounts of fee revenues to be spent on an annual basis on environmental protection and natural resource restoration measures as designated in article 3.2 of this Law are as follows:

Type of natural resource use fee revenue	Minimum mean percentage of fees to be dedicated to environmental protection and natural resource restoration
Natural plant use fee revenues	30%
Game resource use payments	50%
Land fee revenues	30%
Timber and fuelwood harvesting fee revenues	85%
Water and springs use fee revenues	35%

2. Matching funds equivalent to at least 70% of the timber and fuelwood harvesting fee revenues, at least 20% of the land fee revenues and at least 35% of the water and spring use fee revenues described in article 4.1 of this Law must be spent from the state budget for the purposes of land, water and forest protection and restoration as reflected in the general policies on economic and social development.
(The word "central" was struck from this paragraph by the law of 2 January 2003.)
(This paragraph was amended by the law of 22 April 2004.)

Article 5. Administrative Liabilities for Violation of Legislation

An official who uses any part of fee revenues for illegal purposes or who reduces the amounts of the fees indicated in article 4 of this Law to be spent on the protection of the environment and the restoration of natural resources is subject to a fine of 40 000 - 60 000 MNT.

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Article 6. Entry into Force

This law takes effect on October 1, 2000.

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