LAW OF MONGOLIA

June 24, 2010 Ulaanbaatar city

ABOUT AIR POLLUTION PAYMENTS

Article 1. Purpose of the law

1.1. The purpose of this law is to regulate relations related to imposition and payment of air pollution charges to air polluters.

Article 2. Legislation on air pollution charges

Legislation on air pollution charges shall consist of the Law on Air, the General Law on Taxation [1] , this law and other legislative acts enacted in conformity with them.

2.2. If an international treaty to which Mongolia is a party provides otherwise than this law, the provisions of the international treaty shall prevail.

Article 3. Definitions of legal terms

3.1. The following terms used in this law shall have the following meanings:

3.1.1. “Air pollutant” means specified in 3.1.6 of the Law on Air;

/ This part was amended according to the law dated May 17, 2012 /

3.1.2. “Large fixed source of air pollution” means specified in 3.1.9 of the Law on Air;

/ This part was amended according to the law dated May 17, 2012 /

3.1.3. “Air pollution charge” means as specified in 3.1.14 of the Law on Air;

/ This part was amended according to the law dated May 17, 2012 /

3.1.4. “Organic solvent” means an organic substance that evaporates in large quantities into the air at normal air temperature and pressure;

3.1.5. “Motor vehicles and self-propelled vehicles” means all types of automobiles, buses, motorcycles, tractors and other self-propelled vehicles running on diesel fuel;

3.1.6. “Holder of a permit to use a major stationary source of air pollution” means a person who has obtained a permit specified in Article 18.1 of the Law on Air.

/ This part was amended according to the law dated May 17, 2012 /

Article 4. Air pollution payer and its registration

The following citizens, business entities and organizations shall be payers of air pollution:

4.1.1. Raw coal miner;

4.1.2. Manufacturer of organic solvents;

4.1.3. Importer of organic solvents;

4.1.4. Owner of motor vehicles and self-propelled vehicles;

4.1.5. A holder of a permit to use a major stationary source of air pollution;

4.1.6. Citizens, business entities and organizations that use air pollution sources.

4.2. Relations related to issuing permits to citizens, business entities and organizations to use large fixed sources of air pollution shall be regulated by the Law on Air.

4.3. Aimag, capital city and district tax offices, divisions, soum tax departments and state tax inspectors in cooperation with professional air quality service shall name, location, state registration number, type, capacity and service life of equipment used by the payer. and other necessary information.

4.4. Relations related to registration of owners of motor vehicles and self-propelled vehicles shall be regulated by the Tax Law of Mongolia on motor vehicles and self-propelled vehicles [2] .

4.5. The Government shall determine the procedure for collecting fees from citizens, business entities and organizations specified in Article 4.1.6 of this Law, and the percentage and amount of payments.

Article 5 Air pollution charges

5.1. Air pollution charges (hereinafter referred to as “fees”) shall be imposed on mined raw coal, produced and imported organic solvents, vehicles and self-propelled vehicles, and emissions from major stationary sources of air pollution.

5.2. The list of organic solvents to be charged shall be approved by the state central administrative body in charge of nature and environment.

5.3. The state central administrative body in charge of nature and environment in cooperation with the state central administrative body in charge of transport shall approve the procedure for grouping vehicles and self-propelled vehicles by the amount of carbon dioxide emitted per kilometer depending on their engine capacity, bus and truck capacity.

5.4. The state central administrative body in charge of nature and environment shall approve the list of pollutants emitted into the air from major stationary sources of air pollution.

5.5. In case of emission of air pollutants from a large stationary source of air pollution in excess of the amount specified in the emission standards, based on the conclusion of a professional organization, the environmental inspector and the relevant soum or district governor shall compensate the damage and impose air pollution compensation equal to three times. and monitor payments.

/ This section was added by the law in 5 May 2012 /

Relevant business entities, organizations and citizens shall pay air pollution compensation to the Environment and Climate Fund.

/ This section was added by the law in 5 May 2012 /

/ This part was amended according to the law dated November 13, 2015 /

/ This part was amended according to the law dated January 12, 2018 /

/ This part was amended according to the law dated November 13, 2019 /

5.7. Payment of air pollution compensation for damages specified in 5.5 of this Law by the guilty person shall not serve as a ground for exemption from liability specified in the Criminal Code or the Law on Violations in accordance with the relevant

legislation.

/ This section was added by the law in 5 May 2012 /

/ This part was amended according to the law dated December 04, 2015 /

Article 6. Physical unit for payment

The following physical units shall be used as a basis for calculating the payment:

6.1.1. In kilograms of raw coal;

6.1.2. In kilograms for the production and import of organic solvents;

6.1.3 the amount of carbon dioxide emitted per unit kilometer of motor vehicles and self-propelled vehicles in grams;

6.1.4. Kilograms of air emissions from major stationary sources of air pollution in kilograms.

Article 7. Percentage and amount of payment

The Government shall set the percentage and amount of payment for extracted raw coal within the range of 1-2 togrogs per kilogram of coal.

7.2. The Government shall set the percentage and amount of payment for produced and imported organic solvents within 10-30 MNT per kilogram of organic solvent.

7.3. Charges for carbon dioxide emitted from motor vehicles and self-propelled vehicles shall be determined in the following percentages and amounts depending on their classification:

Classification of motor vehicles and self-propelled vehicles	CO2 emissions (g / km)	Annual fee / in MNT /
A	121-180	1800
B	181-250	2100
IN	251-350	3500
G	351-500	5000
D	501-750	7500
E	More than 751	9500

7.4. The Government shall set the percentage of waste pollutants to be released into the air from large stationary sources of air pollution within the range of 1-10 togrogs per kilogram.

Article 8. Exemption and discount

8.1. In case of production of a new type of fuel produced by deep processing of raw coal that meets the standard requirements, the amount of processed coal shall be exempted from payment.

8.2. Vehicles that emit 120 grams or less of carbon dioxide per unit kilometer shall be exempted from payment.

8.3. Payment for vehicles and self-propelled vehicles belonging to categories A-B specified in 7.3 of this Law shall be exempted for the first 4 years after the production of such vehicles and self-propelled vehicles.

8.4. Grain harvesters and agricultural crawler tractors shall be exempted from payment.

8.5. In order to ensure national security and protect the public interest, business entities and organizations that extract raw coal and produce energy may be exempted from payment and reduced.

8.6 The Government shall approve the list of business entities and organizations specified in 8.5 of this Law and the procedure for exemption and discount.

Article 9. Payment and reporting

9.1. A payer shall pay a fee for raw coal mined in a given quarter to the relevant tax authority by the 20th of the first month of the following quarter.

9.2. The payer shall pay the fee for organic solvents to be produced and imported to the relevant tax authority before obtaining a license to import and manufacture hazardous and toxic chemicals.

9.3. The payer shall pay the annual fee for motor vehicles and self-propelled vehicles to the relevant tax authority once a year before June 1 of the current year, and the technical inspection certificate of motor vehicles and self-propelled vehicles shall contain a record of air pollution payment.

9.4. The payer shall pay to the relevant tax authority by February 10 of the following year the fee for air pollutants emitted from a major stationary source of air pollution in a given year based on the conclusion of the professional air quality service specified in Article 10.1 of the Law on Air.

/ This part was amended according to the law dated May 17, 2012 /

9.5. The tax administration shall prepare its annual payment report within the following periods:

9.5.1. Soum and district tax administrations shall submit annual payment reports to aimag and capital city tax administrations by February 10 of the following year;

9.5.2. Aimag and capital city tax administrations shall submit annual payment reports to the state administrative body in charge of tax matters by March 1 of the following year;

9.5.3. The state administrative body in charge of tax matters shall prepare a consolidated payment report and submit it to the professional air quality service by March 15 of the following year.

9.6. The sample of the payment report form shall be approved by the state administrative body in charge of tax matters.

Article 10. Liability for violators

An official who fails to fulfill the obligations specified in 5.5 of this Law shall be subject to liability specified in the Civil Service Law.

10.2. A person or legal entity that violates this Law shall be subject to liability specified in the Criminal Code or the Law on Violations.

/ This article was amended according to the law dated December 04, 2015 /

MONGOLIA

CHAIRMAN OF THE PARLIAMENT D. DEMBEREL

[1] General Tax Law - Published in “Government Information” bulletin, issue 22, 2008.

[2] Mongolian Law on Motor Vehicles and Self-propelled Vehicles - published in the 3rd issue of “State Information” bulletin, 1993.