

# THE CUSTOMS LAW OF MONGOLIA

/All amendments are incorporated /

2008-05-20

Ulaanbaatar city

## SECTION I BASIC PROVISIONS

### CHAPTER ONE GENERAL PROVISIONS

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

1.1. The purpose of this Law is to regulate relations pertaining to implementation regulations on Customs clearance and control over goods and means of transport crossing the Customs frontier of Mongolia, determination of Customs procedures, conditions and requirements, establishment of Customs system, Customs offices and rights and obligations of Customs officials, complaints by an individual against their decisions and settlements of such complaints by Customs or Customs officials. *(This provision is revised and amended by the Laws of 18 December 2015, 21 July 2016 and 10 January 2020)*

#### **Article 2. Customs Legislation**

2.1. Customs legislation of Mongolia shall consist of the Constitution of Mongolia<sup>1</sup>, the Law on Legal Status of the General Administration of Customs and Taxation<sup>2</sup>, the General Law on Taxation<sup>3</sup>, this Law and the Law on Customs Tariffs and Customs Duties<sup>4</sup> as well as other legal acts adopted in line with them. *(This provision is amended by the Laws of 18 December 2015 and 21 July 2016)*

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<sup>1</sup> Published in the Parliament News Release No.1 of 1992

<sup>2</sup> Published in the Parliament News Release No.1 of 2016

<sup>3</sup> Published in the Parliament News Release No.22 of 2008

<sup>4</sup> Published in the Parliament News Release No.23 of 2008

2.2. If the provisions of International Treaties of Mongolia differ from those specified in this Law, the former shall prevail.

2.3. Notwithstanding the provisions of this Law otherwise may be provided for in regard to free zones of Mongolia. *(This provision is added by the Law of 12 February 2015)*

### **Article 3. Definitions of Terms Used in this Law**

3.1. The terms used in this Law shall mean as it follows:

3.1.1. the term “goods” means all kinds of movable properties such as cargo, luggage, personal belongings, currencies, securities, international postal items (parcels), all kinds of power (electricity), live-stocks, animals and plants as well as means of transport other than those specified in 3.1.5 of this Law, crossing the Customs frontier;

3.1.2. the term “Mongolian goods” means goods produced in Mongolia other than the goods processed under the procedures specified in 99.1 of this Law or foreign goods released for free circulation in the territory of Mongolia;

3.1.3. the term “foreign goods” means goods other than those referred to in 3.1.2. of this Law;

3.1.4. the term “goods for free circulation” means goods administered for use in the Customs territory of Mongolia with no restrictions imposed by the Customs legislation;

3.1.5 the term “means of transport” means all modes of transport, including containers and carts, fuel and lubricants, spare parts thereof, carrying goods and passengers between countries and crossing the Customs frontier for a period not more than 6 months;

3.1.6. the term “carrier” means a person who is intending to transport goods across the Customs frontier or engaged in transportation in the Customs territory under Customs control;

3.1.7. the term “Customs (Goods) declaration” means a document containing information required by the Customs in conformity with the Customs procedure selected by the declarant;

3.1.8. the term “declarant” means a person who declares to Customs goods or means of transport crossing the Customs frontier;

3.1.9. the term “crossing the Customs frontier” means importation into, transit on, or exportation, from the Customs territory, of goods and means of transport;

3.1.10. the term “Customs route” means a route especially approved by the relevant authority for the transportation of goods and means of transport under Customs control between the national frontier of Mongolia and the frontier Customs office as well as from one Customs office to another;

3.1.11. the term “Customs control” means measures taken by the Customs to ensure enforcement of, and compliance with, the Customs legislation in the territory of Mongolia;

3.1.12. the term “Customs clearance” means Customs complex formalities starting with the lodgment of Customs (Goods) declaration on goods and means of transport crossing the Customs frontier at the Customs and ending with Customs permission to release them after required examination and payment of Customs duties and other taxes;

3.1.13. the term “Customs clearance procedure” means norms, conditions and requirements set for Customs purposes determining the status of goods and means of transport crossing the Customs frontier;

3.1.14. the term “non-tariff restriction” means measures imposing prohibition on goods from the crossing the national frontier of Mongolia or crossing the national frontier of Mongolia upon the permission of the relevant authorities or imposing quantity restriction on goods and others;

3.1.15. the term “frontier Customs office” means a Customs office operating at the national frontier crossing point and at the International airport;

3.1.16. the term “inland Customs office” means a Customs office other than that specified in 3.1.15 of this Law;

3.1.17. the term “Customs bonded zone” means a Customs bonded warehouse, Customs bonded manufacturing area and Customs bonded exhibition site, Customs bonded construction site, Customs special zone and a duty-free shop;

3.1.18. the term “Customs examination area” (“Customs inspection zone”) means premises, warehouses, areas and zones specially designated for loading, unloading, transshipment, storage of goods under Customs control or exercising of Customs control; and

3.1.19. the term “Customs stakeholder” means the Customs and declarant, Customs broker, carrier, authorized owners of Customs temporary warehouse or bonded zones or other entities such as banks and insurance companies.

#### **Article 4. Customs Territory and Customs Frontier**

4.1. The territory of Mongolia shall be considered as a Customs territory.

4.2. The territories of Customs bonded zones and free zones established in the territory of Mongolia shall be regarded as situated outside the Customs territory in terms of tariff and non-tariff restrictions. *(This provision is revised by the Law of 12 February 2015)*

4.3. The national border of Mongolia shall be considered as Customs frontier.

4.4. The boundary line separating the Customs territory and the territories of Customs bonded zones established in the territory of Mongolia as well as Customs examination area (Customs inspection zone) boundary shall be considered as Customs frontier.

#### **Article 5. Use of Information and Documents on Goods and Means of Transport Required for Customs Control**

5.1. Information and documents on goods and means of transport required for crossing the Customs frontier in accordance with Customs legislation shall be submitted by the person concerned.

5.2. The Customs or Customs officials received the information or documents specified in 5.1 of this Law shall use them solely for the Customs purposes and not to disclose, use for personal purposes, or pass to a third party, except in those cases as specified in this Law.

5.3. The issues concerning use or storage of confidential information regarding individuals and entities or state obtained by the Customs or Customs officials shall be governed by the Law on Confidential Information.

### **CHAPTER TWO PRINCIPLES APPLICABLE TO GOODS AND MEANS OF TRANSPORT CROSSING THE CUSTOMS FRONTIER**

#### **Article 6. Principles Applicable to Goods and Means of Transport Crossing the Customs Frontier**

6.1. Any person has a right to carry goods or means of transport across the Customs frontier freely in accordance with the conditions and rules specified in this Law and International Treaties of Mongolia (hereinafter referred to as the International Treaties).

6.2. Goods and means of transport shall not be used, possessed or disposed from the entry until the release to the declarant or from the declared time until the exit from Mongolia, except in those cases specified in this Law.

## **Article 7. Goods and Means of Transport Crossing Customs Frontier**

7.1. Goods and means of transport shall cross the national border of Mongolia through the border ports (border crossing points) where there are Customs offices (Customs establishments).

7.2. Goods or means of transport may, upon the permission of the Customs central administration, enter or leave the territory of Mongolia through border crossing points other than those specified in 7.1 of this Law.

7.3. The permission specified in 7.2 of this Law shall be given under the following circumstances:

7.3.1. emergency caused by disaster or force majeure;

7.3.2. provided for in the International Treaties of Mongolia;

7.3.3. aid from other countries for the national defense

purpose;

7.3.4. other cases as specified in legislation.

7.4. The Customs Central administration shall appoint a Customs officer when goods or means of transport cross the national border in line with 7.3 of this Law.

7.5. A declarant shall submit a request to the Customs Central administration when the goods or means of transport cross the national border as specified in 7.2 of this Law. Permission given by the competent authorities and a list of goods or means of transport shall be attached to the request.

## **Article 8. Prohibition or Restriction Imposed on Goods from Crossing the Customs Frontier**

8.1. The State Great Khural and the Government of Mongolia are entitled to impose prohibition and non-tariff restriction on goods crossing the national frontier of Mongolia respectively except those otherwise specified in this Law, indicating the classification codes of the goods in accordance with Harmonized Commodity Description and Coding System.

8.2. Goods prohibited to be admitted to the national territory of Mongolia shall not be allowed to enter the Customs territory.

8.3. If the goods specified in 8.2 of this Law enters the territory of Mongolia, they shall be promptly sent back. In case of impossibility of such withdrawal, the goods shall be placed in Customs examination area (Customs inspection zone) or temporary warehouse for up to 3 days. If the individual or legal body fail to withdraw the goods, the Customs shall take measures in line with the rules on destruction of goods.

8.4. Restricted goods except those which are subject to prohibition shall be carried across the Customs frontier if they meet conditions and requirements specified in the legislation and international treaties.

8.5. Goods prohibited to be exported by the legislation shall not be allowed to leave the Customs territory.

8.6. Prohibited goods shall not be allowed for transit unless specified otherwise in the International treaties.

8.7. The Customs Central administration shall notify the public on goods subject to prohibition or restriction from crossing the Customs frontier and location of frontier crossing point or the Customs and its timetable.

8.8. The individual and legal body shall be responsible for the expenses incurred in relation with the activities specified in 8.3 of this Law.

8.9. Smuggling or attempted smuggling of prohibited goods shall not be related to 8.3 of this Law.

## **Article 9. Customs Clearance and Customs Control**

9.1. Goods and means of transport, which cross the Customs frontier shall be subject to Customs control and Customs clearance and the Customs or Customs officials shall have no right to impose requirements other than those specified in this Law.

### **CHAPTER THREE INFORMATION AND CONSULTANCY ON CUSTOMS LEGISLATION**

#### **Article 10. Obtaining Information on Verbal and Written Decisions Made by Customs or Customs Officials**

10.1. Any individual or legal body has the right to obtain information or reasons and grounds of the written and verbal decisions and inactions made by the Customs or Customs officials (hereinafter referred to as “decisions”) violating human rights or legal interests of the former.

10.2. The Customs or Customs officials specified in 10.1 of this Law shall provide the individual or legal body with requested information promptly or within 3 working days, in writing or verbally.

#### **Article 11. Informing the Public on Customs Legislation**

11.1. The Customs Central administration is obliged to provide the parties involved in foreign trade and public with the information on the Customs legislation and other related legal acts, in an open manner free of charge.

~~11.2. The official texts of the Customs legislation and Cabinet decisions shall be published in the “Public Notice” bulletin (the Parliament News Release) while other orders or decisions shall be published in the bulletin specified in 14.1 of the Law on Legal Status of Government Agencies. *(This provision is deleted by the Law of 29 May 2015 effective since 1 January 2017)*~~

11.3. Provisions of 11.1 of this Law are also applicable to amendments to the Customs legislation and other decisions issued for its implementation.

#### **Article 12. Providing consultancy**

12.1. The Customs shall provide any person or legal body with consultancy on the issues related to the Customs legislation and regulations on consultancy shall be approved by the Director General of the Customs Central administration.

12.2. The Customs shall not be responsible for the losses incurred as a consequence of providing consultancy not covered by such regulation specified in 12.1 of this Law or caused by lack of knowledge on amendments to the Customs legislation and other related legal acts or omissions in publications.

## **CHAPTER FOUR CUSTOMS STATISTICS**

### **Article 13. Customs statistical data**

13.1. The Customs shall compile Customs statistics for foreign trade trend analysis, revenue collection and control over flow of goods crossing the Customs frontier.

13.2. Data specified in 13.1 of the Law shall be compiled in line with the classification code and description according to the Harmonized Commodity Description and Coding System.

13.3. The Customs Central administration shall create Customs Database based on the Customs (Goods) declaration to compile Customs statistics specified in 13.1 of this Law.

### **Article 14. Types of Customs Statistics, Data Compilation Methodology**

14.1. The Customs shall compile the following types of statistics:

- 14.1.1. foreign trade statistics by goods; and
- 14.1.2. administrative statistical data.

14.2. Foreign trade statistics by goods specified in 14.1.1 of this Law shall be compiled in accordance with the national methodology based on the methodology developed by the International Statistics and other organizations.



14.3. Methodology specified in 14.2 of this Law shall be jointly approved by the Customs Central administration and National Statistics Authority.

14.4. Methodology and indicators for compiling administrative statistical data specified in 14.1.2 of this Law shall be approved by the Director General of the Customs Central administration in accordance with Chapter 19.4 of this Law on Statistics.

### **Article 15. Use of Customs Statistics**

15.1. Foreign trade statistics by goods shall be used by the state organizations free of charge.

15.2. Foreign Trade Customs Statistics may be provided by the Customs at the request of individuals and legal persons upon payment.

15.3. The amount of payment specified in 15.2 of this Law shall be defined by the Director General of the Customs Central administration, not exceeding the expenses incurred in data compiling.

## **CHAPTER FIVE COMPLAINTS AGAINST DECISIONS OF THE CUSTOMS AND OFFICERS (CUSTOMS OFFICIALS)**

### **Article 16. Right to Complain**

16.1. A declarant shall be entitled to make complaints against decisions made by Customs or Customs officials when he/she considers their human rights, freedom and legal interests have been infringed.

### **Article 17. Procedures on Making Complaints and Timeframe**

17.1. A declarant shall make a complaint as follows:

17.1.1. A complaint on the decision of a Customs officer shall be submitted to a director or head of the Customs concerned.

17.1.2. A complaint against a decision of the director or head of the Customs shall be submitted to the relevant superior Customs or Customs officials;

17.1.3. A complaint against a decision of the superior Customs or Customs officials shall be submitted to a court;

17.2. A complaint against a decision of the Customs or Customs officials may be filed within 30 days from the date when a declarant it receives or becomes aware of the decision concerned.

17.3 Where the timeframe specified in 17.2 of this Law is proven to be exceeded on well-grounded excuse, upon the request of the complainant, the extension may be permitted by the Customs or Customs officials in line with 94.2 of the Framework Administrative Law. *(This provision is amended by the Law of 4 February 2016 and the Law came into effect on 1 July 2016)*

## **Article 18. Form of a Complaint**

18.1. A complaint against a decision of the Customs or Customs officials shall be submitted in writing.

18.2. A complaint specified in 18.1 of this Law shall meet requirements determined by the Article 10 of the Law on Settlement of Complaints concerning the state organizations or civil servants.

18.3. The Customs or Customs officials who are obliged to settle the complaints made in line with 17.1.1 and 17.1.2 may ask the complainant to submit all required documents if necessary.

## **Article 19. Consequences of Complaint**

19.1. A lodged complaint against a decision of the Customs or Customs officials shall not be a reason to discard that decision by the complainant.

19.2. When the Customs or Customs officials addressing the complaint have sufficient ground to presume that the appealed decision is contrary to legislation of Mongolia or execution of the concerned decision may cause substantial losses, they are entitled to suspend the execution of the decision appealed completely or partially.

## **Article 20. Reasons to Reject a Complaint against a Decision**

20.1. The Customs or Customs officials specified in 17.1.1 and 17.1.2 of this Law shall reject a complaint if:

20.1.1. timeframe for filing a complaint has been expired and the complainant has not requested to extend the time;

20.1.2. requirements specified in 18.1 and 18.2 of this Law have not been met;

20.1.3 a court decision on the issues raised by the complaint has been effective;

20.1.4. issues raised by the complainant are beyond the competence of the Customs;

20.2. A decision on rejecting a complaint shall be made and notified to the complainant in writing within 3 working days following the submission of the complaint, in case of rejection as specified in 20.1 of this Law.

20.3. A complainant may appeal to a court if he/she doesn't accept a decision specified in 20.2 of this Law.

## **Article 21. Withdrawal of Complaint and its Consequence**

21.1. A complainant may withdraw and take back a complaint at any time.

21.2. Withdrawal of complaint in accordance with 21.1 of this Law shall not be a reason for rejecting a review of the concerned complaint or imposing penalties on the Customs or Customs officials who are found guilty.

## **Article 22. Timeframe for Complaint Settlement**

22.1. A complaint submitted by a complainant in accordance with the Article 16 of this Law shall be settled by Customs within a period specified in the Law on Settlement of Complaints Against Government Bodies or Civil Servants.

## **Article 23. Settlement of a Complaint**

23.1. Customs or Customs official shall issue its decision on review of a complaint specified in 17.1 of this Law in writing in accordance with a

form approved by the Director General of the Customs Central administration.

23.2. The decision specified in 23.1 of this Law shall contain the following details:

- 23.2.1. name of the Customs settling the complaint;
- 23.2.2. surname, name and position of the Customs officer settling the complaint;
- 23.2.3. surname and name of a complainant;
- 23.2.4. complaint summary;
- 23.2.5. complaint settlement detail;
- 23.2.6. grounds for decision making;
- 23.2.7. information on a regulation to make complaint against a decision.

23.3. The Customs or Customs officials shall make the following decision after review of the complaint:

- 23.3.1. to accept the decision made by Customs or Customs officials and reject the complaint;
- 23.3.2. change or invalidate the decision made by Customs or Customs officials completely or partially;
- 23.3.3. in case if verbal decision or inaction of the Customs or Customs officials is found to be unlawful, assign them to make an appropriate decision.

23.4. Timeframe for a decision execution in line with 23.3.2 and 23.3.3 of this Law shall be determined and the Customs or Customs officials shall be obliged to follow that timeframe.

## **SECTION II CUSTOMS CLEARANCE**

### **CHAPTER SIX CUSTOMS CLEARANCE**

#### **SUB-CHAPTER ONE GENERAL PROVISIONS**

#### **Article 24. Customs Clearance**

24.1. Goods or means of transport crossing the Customs frontier shall be cleared in accordance with the provisions of this Law.

24.2. The goods shall be cleared regardless of the country of origin, country of departure or country of destination.

24.3. Taking into account the type of goods and means of transport crossing the Customs frontier, the Director General of the Customs Central administration shall adopt regulations on Customs clearance in compliance with this Law.

### **Article 25. Place and Time for Customs Clearance**

25.1. The goods shall be cleared at the place where Customs is located during hours approved by the Director General of the Customs Central administration.

### **Article 26. Customs Clearance Fee**

26.1. A service fee for Customs clearance approved by the Customs Central administration shall be paid by a declarant.

26.2. The amount of the service fee for Customs clearance consistent with the cost incurred in delivery of service specified in 26.1 of this Law shall be approved by the Director General of the Customs Central administration.

26.3. The fee specified in 26.1 of this Law shall be collected to the state revenue.

### **Article 27. Information and Documents Required for Customs Clearance**

27.1. A declarant shall be obliged to lodge to the Customs the documents and data, which are required for Customs clearance in accordance with the Customs legislation.

27.2. The timeframe for the lodgement of the documents and information specified in 27.1 of this Law shall be approved by the Director General of the Customs Central administration.

27.3. In order to simplify and speed up the Customs clearance the Customs Central administration may conclude agreements with the foreign Customs administrations on mutual recognition of data and documents.

27.4. The documents specified in 27.1 of this Law may be presented in a foreign language. If necessary, a declarant shall be required by the Customs to provide the official translation.

27.5. The original documents or their copies specified in 27.1 of this Law shall be required by the Customs and if necessary, the documents shall be matched against the originals.

27.6. The data or documents specified in 27.1 of this Law may be received by fax, electronic mail, data network of other organizations linked with the Customs /hereinafter referred to as data network/.

27.7. A copy of the electronic data or documents shall be printed out and certified by a signature of the competent person.

27.8. The electronic documents shall be considered as original documents.

## **Article 28. Presence of a Declarant or his/her Representative at Clearance**

28.1. The declarant or his/her representative shall be present at clearance.

28.2. The Customs or Customs officials may be assisted by a declarant or his/her representative in order to simplify the Customs clearance.

## **Article 29. Customs Expedite Clearance**

29.1. The Customs expedite clearance shall be applied for goods as follows:

29.1.1. relief goods to recover losses and damages caused by disaster or force majeure

29.1.2. radio-active substances, toxic and dangerous chemicals, explosives;

29.1.3. live-stock and animals;

- 29.1.4. international postal items;
- 29.1.5. newspapers, periodic editions, materials for media, scientific and research materials;
- 29.1.6. perishable goods requiring special storage conditions;
- 29.1.7. donor organs or blood, blood products;
- 29.1.8. other goods specified in a law.

29.2. The goods specified in 29.1 of this Law shall be cleared upon agreed conditions to submit all needed Customs documents within a period specified by the Customs.

29.3. A guarantee on submission of clearance documents within a period specified by the Customs shall be made in writing by the declarant.

29.4. The Customs expedite clearance shall not be provided in the following cases:

- 29.4.1. discrepancy occurs in Customs documents;
- 29.4.2. differences in quantity and discrepancy in value of goods declared to the Customs;
- 29.4.3. an offence record against Customs legislation on the declarant;
- 29.4.4. a guarantee specified in 30.3 of this Law has been not submitted;
- 29.4.5. Customs duties and other taxes have been not paid or a guarantee on payment has been not issued in accordance with the relevant Law.

### **Article 30. Customs Simplified Clearance**

30.1. Goods shall cross the Customs frontier under the simplified Customs clearance without lodgement of all the documents specified in this Law and with the request to fill-in some parts of the Customs (Goods) declaration.

30.2. Simplified Customs Clearance shall be applied in the following cases:

- 30.2.1. For goods entering directly Customs bonded zones from abroad not being in transit through the Customs territory;

30.2.2. For goods sent abroad from the Customs bonded zones not being in transit through the Customs territory.

## **SUB-CHAPTER TWO ENTRY OF GOODS AND MEANS OF TRANSPORT INTO THE CUSTOMS TERRITORY**

### **Article 31. Entry of goods and means of transport into Customs territory**

31.1. Goods and means of transport shall enter the Customs territory through the frontier established in accordance with the International Treaties.

31.2. A frontier point for entry of the certain type of goods into the Customs territory shall be established in accordance with this Law and other related laws or the resolution by the Cabinet.

### **Article 32. Measures Taken in case of Emergency or Force Majeure**

32.1. In case if transportation of goods and means of transport has been interrupted on the route to a destination due to an emergency or force majeure shall be notified the nearest Customs office and to take measures to deliver to that place. In such circumstances the goods shall not be utilized or transferred to others without permission of Customs.

32.2. In case of situation as specified in 32.1 of this Law the goods and means of transport shall be prohibited to be used or transferred to other without Customs permission.

32.3. The declarant shall be liable for the expenses incurred in taking measures specified in 32.1 of this Law.

### **Article 33. Pre-arrival Notification of Goods or Means of Transport to the Customs**

33.1 A carrier shall notify to the Customs about the entry port for goods and means of transport and its final destination in advance.

33.2. The carrier shall inform the Customs as goods or means of transport arrive at the Customs frontier.



33.3. Means of transport having scheduled regular service for passengers shall be informed to the Customs one hour prior to their crossing the Customs frontier.

#### **Article 34. Submission of Information and Documents**

34.1. Upon arrival of goods and means of transport at the Customs frontier the carrier shall submit to Customs information and documents specified in the Article 35 of this Law indicating the mode of transport.

34.2. In case the information and documents specified in Article 35 of this Law do not meet requirements, the carrier or declarant shall provide additional information.

34.3. The carrier may submit to the Customs the information and documents specified in 34.1 and 34.2 of this Law via electronic data network.

#### **Article 35. Information and Documents Required for Customs Clearance**

35.1. The carrier engaged in international road transportation shall submit to Customs the following documents:

- 35.1.1. certificate of vehicle;
- 35.1.2. transport bills;
- 35.1.3. trade documents.

35.2. The following information shall be included in the documents specified in 35.1 of this Law:

- 35.2.1. carrier's name and address;
- 35.2.2. national identity (nationality) of vehicle;
- 35.2.3. country of departure and country of destination;
- 35.2.4. name and address of consignor and consignee;
- 35.2.5. name and address of seller and buyer;
- 35.2.6. description or assortment and quantity or volume of goods, package types and marking;
- 35.2.7. whether non-tariff restriction applies to goods or not.

35.3. The carrier engaged in international air transportation shall submit to Customs the following documents:

- 35.3.1. aircraft certificate;

- 35.3.2. general declaration;
- 35.3.3. list of passengers' names;
- 35.3.4. cargo manifest;
- 35.3.5. airway bill;
- 35.3.6. list of foodstuff and other items to be consumed by passengers during the journey;
- 35.3.7. trade documents.

35.4. The following information shall be included in the documents specified in 35.3 of this Law:

- 35.4.1. the aircraft national identity (nationality) and its owner;
- 35.4.2. the flight number and routing;
- 35.4.3. information regarding crew-members;
- 35.4.4. description or assortment and quantity or volume of goods, package types and marking;
- 35.4.5. non-tariff restriction applied to goods or not.

35.5. The carrier engaged in international rail transportation shall submit to Customs the following documents:

- 35.5.1. delivery (consignment) notes;
- 35.5.2. railway car shipping (carriage) documents;
- 35.5.3. railway bills;
- 35.5.4. trade documents.

35.6. The following information shall be contained in the documents specified in 35.5 of this Law:

- 35.6.1. name and address of consignor and consignee;
- 35.6.2. the railway stations of departure, transit and destination;
- 35.6.3. description or assortment and quantity or volume of goods, package types and marking;
- 35.6.4. container number.

## **Article 36. Cargo Manifest**

36.1. Cargo manifest shall be issued on the basis of the documents specified in the Article 35 of this Law.

36.2. Regulations on filling in the cargo manifest and its examination and registration shall be approved by the Director General of the Customs central administration.

## **Article 37. Unloading and Transshipment of Goods**

37.1. Upon the lodgement of information and documents regarding the consignment to Customs by a carrier, the Customs shall make a decision to unload or transship the goods in Customs examination area (Customs inspection zone).

37.2. The unloading or trans-shipment of goods in Customs territory shall be performed in accordance with 25.1 of this Law.

37.3. Where it is necessary, the permission on unloading or transshipment of goods in a place or time other than those specified in 37.1 and 37.2 of this Law shall be taken from the Customs.

### **SUB-CHAPTER THREE CARRIER**

## **Article 38. A Carrier and its Obligations**

38.1. A carrier shall, under Customs control, transport the goods in accordance with provisions of this Law.

38.2. The carrier shall be obliged to:

38.2.1. comply with requirements specified in this Law for transportation of goods under Customs control;

38.2.2. not to load, unload, transship or transfer the goods without Customs permission;

38.2.3. not to carry separately the goods having one transport document or one consignment note while they are under Customs control;

38.2.4. not to use the means of transport as a concealment place for smuggling goods or not to provide any opportunity for doing so;

38.2.5. provide the Customs with all information regarding means of transport and afford expert assistance to a Customs Officer;

38.2.6. keep the goods intact not to cause any changes, ensure safety of the identification marks placed for Customs purposes;

38.2.7. provide Customs in advance with the required information on goods intended to cross the national border prior to crossing the Customs frontier;

38.2.8. if the goods are examined on board the means of transport in its motion, provide Customs officers with the proper working conditions and let them ride that means of transport free of charge;

38.2.9. return the means of transport through the Customs frontier within the scheduled time;

38.2.10. other obligations specified in a legislation.

38.3. International air or railway carriers specified in 35.3. and 35.5. of this Law shall be linked online with the Customs data network.

## **SUB-CHAPTER FOUR TEMPORARY STORAGE OF GOODS**

### **Article 39. Temporary Storage of Goods**

39.1. Goods shall be stored in the temporary warehouses from the time as they come under Customs control until placement of goods under Customs Clearance Procedure with no tariff or non-tariff restrictions applied.

39.2. A declarant may obtain information from the Customs regarding to the goods during the period specified in 44.1 and 44.2 of this Law.

### **Article 40. Temporary Warehouses**

40.1. Temporary warehouses may be closed premises or open area.

40.2. Temporary warehouses shall be considered as Customs examination areas (Customs inspection zones).

### **Article 41. Types of Temporary Warehouses**

41.1. Temporary warehouses shall have the following types:

41.1.1. open to any person, i.e., public;

41.1.2. used solely by one or several specified entities or organizations, i.e., private.

41.2. Goods requiring special storage facilities shall be placed in such temporary warehouses furnished with the required facilities (equipment).

#### **Article 42. Storage of Goods in Temporary Warehouses**

42.1. The goods crossing the Customs frontier shall be placed into the temporary warehouses by the decision of Customs.

42.2. Goods placed in Customs examination areas (Customs inspection zones) shall be transferred to the temporary warehouses after 3 days when the Customs procedure was not selected.

42.3. Goods seized or detained in accordance with the relevant legislation may be stored in the temporary warehouses.

#### **Article 43. Documents Required for Introducing Goods into the Temporary Warehouses**

43.1. The goods shall be placed in the temporary warehouses on the basis of cargo manifest and its accompanying documents.

43.2. The documents specified in 43.1 of this Law may be submitted through the data network (internet or online).

#### **Article 44. Storage Duration**

44.1. Goods shall be stored in the temporary warehouses for a period of up to 2 months. The Customs may extend this period once by up to 1 month.

44.2. Perishable or hazardous goods shall be stored for a period of up to a week. The Customs may extend this period once by up to a week.

44.3. Time for temporary storage of goods begins (is counted) from the date of their introduction into or transfer to the temporary warehouses.

44.4. Durations specified in 44.1 and 44.2 of this Law shall not be applied to the goods specified in 42.3 of this Law.

## **Article 45. Operations allowed for Goods Kept in the Temporary Warehouse**

45.1. Handling operations or maintenance services may be allowed by Customs provided that the safety of goods stored in temporary warehouse and their containers or packages is secured.

45.2. A declarant may check the goods and take a probe (test), taste (specimen) or sample upon permission of Customs prior to the Customs clearance.

## **Article 46. Spoiled, Broken or Damaged Goods**

46.1. Goods which have been spoiled, broken or damaged as a result of an emergency case such as an unexpected disaster or force majeure while being kept in the temporary warehouses shall be cleared by Customs as such when proved so by the relevant documents of the authorized organization.

## **Article 47. To Consider Goods as Being Stored in Temporary Warehouses**

47.1. The goods under Customs control, which needs particular storage facilities, may, upon the Customs permission, be held by a declarant. In such case, the goods concerned shall be treated as being kept in the Customs temporary warehouse.

47.2 Goods specified in 47.1 of this Law shall not be transferred to a third person.

47.3. The Customs shall, in order to issue a permission to store goods in accordance with 47.1 of this Law, shall require the security in respect of the payment of duties and taxes in compliance with the Law on Customs Tariffs and Customs Duties.

## **Article 48. Requirements for Temporary Warehouses**

48.1. A temporary warehouse shall meet the following conditions and requirements:

48.1.1. to ensure (normal) conditions to carry out Customs control;

48.1.2. to be equipped with facilities for loading, unloading and transshipment of goods, have accommodated (built) Customs control equipment, platform and access road as well as electricity, water supply and sewage systems and connected with telecommunication networks;

48.1.3. to warrant working conditions for Customs officer;

48.1.4. to have security, alarm or signal system;

48.1.5. to be not possible for strangers to have an access to the warehouses.

### **Article 49. Permission (License) for Running (Operating) a Temporary Warehouse**

49.1. The Customs central administration shall issue a permission (license) to run (operate) a temporary warehouse with a valid period of one year to a legal person of Mongolia and make the public notice.

49.2. The period specified in 49.1 of this Law may be extended by another one year consecutively.

49.3. The authorized owner of a temporary warehouse shall be obliged:

49.3.1. to run the temporary warehouse in line with conditions and requirements specified in 48.1 of this Law;

49.3.2. to keep a record of the stored goods and submit reports to Customs on the movement of goods;

49.3.3. to place goods in or out of warehouse with Customs permission;

49.3.4. not to change the goods, their packages and seals without Customs permission;

49.3.5. load, unload, transship and release goods stored with Customs permission;

49.3.6. to store goods sorting or ordering according to their types or categories;

49.3.7. to inform the declarant about storage expiration day at least 5 working days before its expiration.

49.3.8. to compensate or reimburse the losses caused by his/her own fault.

## **Article 50. Suspension and Termination of Permission to Run (Operate) a Temporary Warehouse**

50.1. If the conditions and requirements specified in 48.1 of this Law are not met or the obligations specified in 49.3 of this Law are failed to be fulfilled, permission to run (operate) a temporary warehouse shall be suspended for a period up to 3 months by the Customs central administration for elimination of faults.

50.2. Permission for running (operating) temporary warehouses shall be terminated in the following cases:

50.2.1. the authorized owner (operator) requests to do so;

50.2.2. faults were not eliminated within the given period specified in 50.1 of this Law ;

50.2.3. conditions and requirements specified in 48.1 and obligations specified in 49.3 of this Law have repeatedly not been met;

50.2.4. the authorized owner (operator) as a legal person is liquidated or the temporary warehouse is handed over to other person;

50.2.5. no action was taken within 6 months after issuance of the permission;

50.2.6. the permission had expired but there was no request made for its extension.

50.3. Goods stored in the temporary warehouse shall be transferred under the control of the Customs to other temporary warehouse within 3 working days since the authorization is terminated.

50.4. A decision on termination of the authorization to run (operate) temporary warehouse shall be made by the Director General of the Customs central administration and informed to the public.

## **SUB-CHAPTER FIVE EXPORTATION OF GOODS AND MEANS OF TRANSPORT FROM THE CUSTOMS TERRITORY**

### **Article 51. Exportation of Goods and Means of Transport from the Customs Territory**



51.1. Goods and means of transport shall be exported from the Customs territory through a border crossing point established in accordance with the International Treaties.

51.2. A border crossing point for exportation of certain type of goods may be established in accordance with provisions of this Law and other related laws or the Government decision.

#### **Article 52. Submission of Documents and Information**

52.1. Upon departure of goods and means of transport, the carrier shall submit to Customs the information and documents specified in Article 35 of this Law.

52.2. In case if the information and documents specified in Article 35 this Law are not adequate, the carrier shall provide additional information.

#### **Article 53. Loading Goods to Means of Transport**

53.1. Based on Customs (Goods) declaration and Customs clearance documents, the Goods intended for exportation from Customs territory shall be loaded under Customs control (supervision) after Customs examination being carried out.

53.2. The loading of goods shall be performed in Customs examination area (Customs inspection zone) during Customs working hours.

53.3. In case where the loading should take place in places other than those specified in 53.2 of this Law, a permission shall be taken from Customs.

#### **Article 54. Exportation of Goods through the National Border**

54.1. A Carrier shall transport the goods and means of transport to be exported through the national border, under Customs control and without changes in identification marks placed for Customs purposes;

54.2. Goods specified in 54.1 of this Law should not be subjected to any change except deterioration or loss occurred during their normal transportation.

54.3. In case where goods and means of transport to be exported from Customs territory has been interrupted from crossing the national border due to unexpected circumstances or in case of emergency such as force majeure there should be taken measures so that they are delivered to the nearest Customs office and in such circumstances the goods shall not be transferred to others without Customs permission.

## **SUB-CHAPTER SIX DECLARATION OF GOODS**

### **Article 55. Declaration of Goods to Customs**

55.1. A declarant shall declare goods crossing the Customs frontier to Customs in compliance with this Law.

55.2. The goods crossing the Customs frontier may be declared by the following ways:

55.2.1. in writing;

55.2.2. via a data networking system (online);

55.2.3. verbally, by a traveller concerning his/her personal effects or by a declarant about international postal items;

55.2.4. as for traveller, by choosing a red or green channel or by his/her actions.

55.3. A declarant shall declare the goods specified in 55.1 of this Law according to a Customs (Goods) declaration form.

55.4. A complete Customs (Goods) declaration may be lodged through a network (online) retroactively.

55.5. The Customs (Goods) declaration form and instructions on how to complete and examine it shall be adopted by the Director General of the Customs central administration.

55.6. The Customs (Goods) declaration form shall be in conformity with an international standard form.

55.7. The data contained in the Customs (Goods) declaration shall be sufficient for implementation of Customs legislation, compilation of Customs statistics and imposition of Customs duties and other taxes.

55.8. The Customs (Goods) declaration form shall be completed in Mongolian.

55.9. Personal effects and other goods of the incoming (inbound) and outgoing (outbound) traveller or crew member shall be declared by way of using traveler's declaration form.

### **Article 56. Declaration of Goods in a Single Consignment (One Shipment)**

56.1. The goods dispatched by one consigner to one consignee with the separate bills of lading having the same description, falling under the same classification code and having the same country of origin, when shipped or received the same day, shall be considered as a single consignment (one shipment) and may be cleared using one Customs (Goods) declaration form.

56.2. If a complete set of equipment or machinery, due to transportation capacity, is shipped separately, it may be considered as a single consignment (one shipment).

56.3. Different kind of goods shipped by one means of transport may, at the request of a declarant, be declared in the name of one representative goods which has the highest tariffs if the goods fall under the same heading of the Harmonized Commodity Description and Coding System. In such case, the documents containing descriptions, quantities and values of other goods shall be attached to the Customs (Goods) declaration.

### **Article 57. Declarant's Rights and Obligations**

57.1. A declarant has the following rights:  
57.1.1. to choose or change a Customs procedure;  
57.1.2. to check and weigh the goods prior to their declaration in order to declare them accurately (objectively);

57.1.3. upon the permission of the Customs, to take a probe (test), taste (specimen) or sample of the goods under the Customs control;

57.1.4. to be present during the Customs control and examination conducted by Customs or Customs officials and at a time of taking samples and specimens of the goods;

57.1.5. to get acquainted with the accredited laboratory analysis or test results conducted by the Customs;

57.1.6. to send information and documents via data network (electronically);

57.1.7. other rights specified in this Law.

57.2. The declarant shall be obliged to:

57.2.1. be responsible for the accuracy of data (information) provided according to the Customs (Goods) declaration and pay the Customs duties and taxes or provide security for their payment;

57.2.2. complete Customs (Goods) declaration form and provide Customs with the required information and documents;

57.2.3. prepare Customs (Goods) declaration and accompanying documents of the goods in a complete form provided for in a Law and submit them Customs;

57.2.4. let the declared goods to be examined by Customs;

57.2.5. load, unload or unpack the goods in the Customs examination area (Customs inspection zone) or move the means of transport with the permission of the Customs;

57.2.6. prevent from committing Customs offences;

57.2.7. return the temporarily admitted or temporarily exported goods and means of transport within the time period specified in this Law or place them under other Customs procedure if the re-exportation or re-importation is not possible;

57.2.8. other obligations specified in this Law.

## **Article 58. Timeframe for Lodgement of a Customs (Goods) Declaration**

58.1. A declarant should submit a Customs (Goods) declaration to Customs within a timeframe specified in 25.1 of this Law. This timeframe shall be also applied to the Customs (Goods) declaration, information and documents lodged through a data network (electronically).

58.2. A declarant shall declare goods while they are in the Customs examination area (Customs inspection zone) or Customs temporary warehouse.

58.3. Customs shall extend timeframe for lodgement of Customs (Goods) declaration in accordance with provisions 44.1 and 44.2 of this Law once at the request of the declarant if there is a sufficient ground for that.

### **Article 59. Advance Declaration (Pre-arrival Processing) of Goods**

59.1. A foreign goods once shipped in a country of departure may be declared in advance before their arrival in the Customs territory of Mongolia (before they admitted through the national border of Mongolia) or before their shift from frontier Customs supervision to inland Customs supervision.

59.2. Customs should require copies of the accompanying documents of goods specified in 59.1 of this Law and then check the copies against their originals upon arrival of the goods.

### **Article 60. Other Documents Required for Declaration of Goods**

60.1. A declarant shall provide Customs with accompanying (supporting) documents as attached to the Customs (Goods) declaration.

60.2. Customs shall require accompanying (supporting) documents to the extent needed for implementing its full power and meeting requirements of Customs legislation.

60.3. A declarant shall, in order to prove the accuracy of data in the Customs (Goods) declaration, provide Customs with following documents:

60.3.1. foreign trade contracts or commercial invoice;

60.3.2. bill of lading;

60.3.3. permission or licences required for goods subject to non-tariff restrictions;

60.3.4. conclusions (expertise document) made by a Specialized Inspection Agency for goods so required specifically by law; *(This provision is revised by the Law of 28 December 2012)*

60.3.5. documentary evidence of origin when required by a competent person in accordance with the International Treaties of Mongolia. *(This provision is added by the Law of 3 December 2015)*

## **Article 61. Acceptance of a Customs (Goods) declaration**

61.1. The registration of a Customs (Goods) declaration and accompanying (supporting) documents by Customs or Customs official shall be considered as acceptance of declaration by Customs.

## **Article 62. Amendments or changes to a Customs (Goods) declaration**

62.1. A request by declarant to amend or change the Customs (Goods) declaration shall be made in writing.

62.2. Customs may permit to amend or change the Customs (Goods) declaration in the following cases:

62.2.1. data provided in the Customs (Goods) declaration is incomplete;

62.2.2. examination of goods by Customs has not started by the time when the declarant makes a request to Customs to amend or change the Customs (Goods) declaration;

62.2.3. amendments or changes to be made to the Customs (Goods) declaration will not affect the amount of Customs duties and other taxes payable or non-tariff restriction measures;

62.3. Customs or Customs officials shall refrain from completing Customs (Goods) declaration or making amendments or changes to it at their own initiatives or upon request or instruction of other persons.

## **Article 63. Customs (Goods) Declaration check**

63.1. Customs or Customs officials shall check a Customs (Goods) declaration immediately upon its acceptance in the following way:

63.1.1. whether the documents required according to the Customs procedure are complete and valid;

63.1.2. whether the data in the Customs (Goods) declaration or accompanying (supporting) documents is true and accurate, objective and consistent;

63.1.3. whether the assessment of Customs duties and other taxes is accurate.

## **Article 64. Withdrawal of a Customs (Goods) Declaration**

64.1. A declarant may, in order to change Customs procedure, withdraw a Customs (Goods) declaration prior to a placement of goods under any Customs procedure. In such case, a request shall be made in writing.

64.2. Customs shall review the request specified in paragraph 64.1 of this Law within 3 working days and reply in writing whether the request is accepted or not. In case of rejection, reasons for rejection should be mentioned.

64.3. When the request specified in paragraph 64.1 of this Law is accepted by Customs, the declarant again shall declare the goods in accordance with newly selected procedure within 3 working days.

## **Article 65. Invalidation of a Customs (Goods) declaration**

65.1. Customs shall invalidate a Customs (Goods) declaration in the following cases:

65.1.1. the goods declared in advance did not enter or leave the territory of Mongolia due to the circumstances occurred beyond the declarant's control;

65.1.2. A request of the declarant to change the Customs procedure is accepted by Customs.

## **SUB-CHAPTER SEVEN CUSTOMS BROKER**

### **Article 66. Customs Broker**

66.1. Customs clearance of goods and means of transport intended to cross the Customs territory of Mongolia may be performed by a Customs broker on a contractual basis.

66.2. A Mongolian legal person to act as a Customs broker should have a special permission (license) and such permission (license) is issued by the Cabinet member responsible for Customs matters.

66.3. A legal person specified in 66.2 of this Law may run Customs brokerage in a specific territory or by a specific type of goods.

66.4. The special permission (license) specified in 66.2 of this Law shall not be transferred to others.

## **Article 67. Requirements for Running Customs Brokerage Activities**

67.1. The legal person to act as a Customs broker shall meet the following requirements:

67.1.1. not to have outstanding debt of taxes;

67.1.2. to be financially solvent to run Customs Brokerage activities;

67.1.3. to have not less than two Customs registered specialists;

67.1.4. to have set up a risk fund to pay Customs duties and other taxes on behalf of a declarant or prevent (avoid) possible losses in ensuring securities issued for their payment.

67.2. The amount of assets to be kept in the fund specified in paragraph 67.1.4 of this Law shall be approved by the Director General of the Customs central administration taking into account the volume of goods covered by the brokerage operations.

67.3. Customs shall keep control over activities of Customs Broker and Customs registered specialist and regulations on control over Customs brokerage operations shall be approved by the Director General of the Customs central administration.

## **Article 68. Customs Registered Specialist**

68.1. An individual who met criteria set by the Customs central administration shall be awarded a certificate of a Customs registered specialist.

68.2. For the purposes of assessing actions and level of professional skills of the Customs registered specialists, the Customs central administration shall conduct an examination (accreditation/attestation) every two years.

68.3. The certificate of the Customs registered specialist shall be considered to be invalid for the following reasons:

68.3.1. it was established that a crime was committed by him/her and a court ruling came into force;



- 68.3.2. he/she had been violating Customs legislation repeatedly;
- 68.3.3. it was established that the certificate of the Customs registered specialist was obtained by way of filing fraudulent documents;
- 68.3.4. he/she had failed the examination (accreditation/attestation) specified in 68.2 of this Law.

## **Article 69. Rights and Obligations of a Customs Broker**

69.1. In addition to those specified in 57.1 of this Law, the Customs broker has a right to obtain timely information from Customs on amendments to the Customs legislation.

69.2. In addition to those specified in 57.2 of this Law, the Customs broker is obliged:

- 69.2.1. to conclude a contract to represent a declarant at the Customs clearance;
- 69.2.2. to get involved in Customs operations through its Customs registered specialist;
- 69.2.3. to keep records and prepare reports on Customs brokerage operations and provide Customs with them;
- 69.2.4. to inform Customs every time of changes to information submitted to Customs when obtained the special permission (license) specified in 66.2 of this Law;
- 69.2.5. not to disclose the declarant's confidential information or use it unlawfully;
- 69.2.6. to provide Customs with information of goods intended to cross the national border before 10 days.

## **Article 70. Issuance, Suspension or Invalidation of Special Permission (License) to Run Customs Brokerage Activities**

70.1. The special permission (license) to run Customs brokerage activities shall be given for a period not less than 3 years.

70.2. An applicant requesting a special permission (license) to run Customs brokerage activities shall, in addition to those specified in 11.1.1-11.1.4 of the Law on the Special Permission for Economic Operations, submit to Customs the following documents:

70.2.1. reference letters or certificates given by the relevant authorities proving that the requirements specified in 67.1 of this Law are met;

70.2.2. clean records from the Customs and police authorities proving that the Customs legislation has not been violated;

70.2.3. a request to run Customs brokerage activities by a specific business type, in a specific field or within a specific territory.

70.3. If the request specified in 70.2.3 of this Law is made, the type of business should be indicated in a certificate of special permission (license).

70.4. If the holder of the special permission (license) to run Customs brokerage activities no longer meets the requirements specified in 67.1 of this Law or fails to fulfill the obligations specified in 69.2 of this Law, the brokerage permission (license) shall be suspended for up to 3 months by the Cabinet member responsible for Customs matters upon the proposal made by the Customs central administration.

70.5. If the non-compliance is not corrected within the period specified in 70.4 of this Law or the Customs legislation is violated twice or more time, the authorization to run Customs brokerage activities shall be invalidated by the Cabinet member responsible for Customs matters upon the proposal made by the Customs central administration.

70.6. Other relations concerning issuance, invalidation, extension and suspension of the special permission (license) and control over the license holder's activities and which are not regulated by this Law shall be governed by the Law on the Special Permission for Economic Operations.

## **SUB-CHAPTER EIGHT**

### **RELEASE OF GOODS DECLARED TO CUSTOMS**

#### **Article 71. Grounds for Release of Goods**

71.1. Customs shall release the goods if:

71.1.1. documents required for Customs procedure are complete;

71.1.2. conditions and requirements for the placement of goods under selected Customs procedure are provided;

71.1.3. Customs duties and taxes are paid or security for payment is provided in accordance with the Law on Customs Tariff and Duties;

71.1.4. Customs control and examination are conducted to match the Customs (Goods) declaration;

71.1.5. no Customs offences were detected during the Customs control and examination as specified in 71.1.4 of this Law.

## **Article 72. Release of goods subject to Customs control**

72.1. The following goods shall be released conditionally to be subject to Customs control:

72.1.1. goods temporarily admitted or exported;

72.1.2. goods admitted to the Customs bonded zone;

72.1.3. goods brought into free circulation with total or partial relief from Customs duties and other taxes;

72.2. Goods specified in 72.1.1 and 72.1.3 of this Law shall be brought for designated use in the Customs territory.

## **SECTION III CUSTOMS PROCEDURES**

### **CHAPTER SEVEN CUSTOMS PROCEDURE**

#### **SUB-CHAPTER ONE GENERAL PROVISIONS**

## **Article 73. Selection of a Customs procedure**

73.1. The declarant shall choose a Customs procedure.

## **Article 74. Placement of Goods under a Customs procedure**

74.1. The declarant shall place goods, upon the permission of the Customs, under his/her selected Customs procedure if its conditions and requirements are met.

74.2. The date of the goods placed in the Customs procedure shall be the same date of goods released or the date of crossing the Customs frontier.

74.3. Goods shall be placed in Customs procedure upon lodgment of documents as follows:

74.3.1. manifest for procedures specified in 79.4.1. and 79.4.2 of this Law;

74.3.2. Customs (Goods) declaration form for other procedures except those specified in 79.4.1. and 79.4.2 of this Law.

### **Article 75. Data and Document Required for Customs Procedure**

75.1. The Customs and officials shall request data and documents needed for selected Customs procedure except those specified in 60.3 of this Law.

75.2. Additional data shall be required if the data and documents received as specified in 75.1. of this Law do not meet the requirements.

75.3. A declarant shall submit relevant documents unless the goods in the selected procedure are subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia or those subject to full or partial relief from the Customs duties and other taxes.

### **Article 76. Guarantees Needed for Customs Procedure**

76.1. A declarant shall pay Customs Duties and Other Taxes levied on the goods carried across the Customs frontier in accordance with Customs procedure or provide guarantee to ensure payment of Customs duties and other taxes as specified in this Law on Customs Tariff and Duties.

76.2. Goods temporarily imported to or temporarily exported from the Customs territory shall be re-exported or re-imported if the requirements and conditions specified in this Law are met.

76.3. In case if the goods specified in 76.2. of this Law are re-exported or re-imported, Customs Duties and Other Taxes previously paid shall be refunded.

## **Article 77. Termination of Placement in the Procedure due to Occurred Customs Offence**

77.1. If the goods placed in the Customs procedure are detained or seized due to occurred Customs offences, the placement in the Customs procedure shall be terminated.

### **SUB-CHAPTER TWO CUSTOMS CLEARANCE PROCEDURES**

## **Article 78. Classification of Customs Clearance Procedures**

78.1. Customs clearance procedure shall be classified as follows:

- 78.1.1 importation;
- 78.1.2. exportation;
- 78.1.3. customs bonded zone;
- 78.1.4. transit and transshipment;
- 78.1.5. abandonment or destruction of goods; and
- 78.1.6. special procedures.

## **Article 79. Types of Customs Clearance Procedures**

79.1. Procedure of importation of goods shall have the following types:

- 79.1.1. importation of goods for home use;
- 79.1.2. processing of goods for home use;
- 79.1.3. temporary admission of goods for home use;
- 79.1.4. inward processing;
- 79.1.5. re-importation of goods.

79.2. Procedure of exportation of goods shall have the following types:

- 79.2.1. outright exportation of goods;
- 79.2.2. temporary exportation of goods;
- 79.2.3. outward processing of goods; and
- 79.2.4. re-exportation of goods.

79.3. Procedure of Customs bonded zones shall have the following types:

- 79.3.1. Customs bonded warehouse;
- 79.3.2. Customs bonded manufacturing area;
- 79.3.3. Customs bonded exhibition site;
- 79.3.4. Customs bonded construction site;
- 79.3.5. Duty-free shop; and
- 79.3.6. Customs special zones.

79.4. Procedure of transit and transshipment shall have the following types:

- 79.4.1. international transit;
- 79.4.2. domestic transit; and
- 79.4.3. transshipment.

79.5. Abandonment or destruction of goods procedure shall have the following types:

- 79.5.1. abandonment of goods; and
- 79.5.2. destruction of goods.

79.6. Special procedure shall have the following types:

- 79.6.1. stores;
- 79.6.2. goods for diplomatic representative offices and other organizations with diplomatic status across the Customs frontier;
- 79.6.3. international post traffic; and
- 79.6.4. personal effects of traveler; and
- 79.6.5. free zone.

79.7. The regulations on implementation of Customs procedures, code for procedures, information and documents required under the selected procedure and requirements thereof shall be approved by the Director General of the Customs central administration.

## **CHAPTER EIGHT IMPORTATION**

### **SUB-CHAPTER ONE GENERAL PROVISIONS**

#### **Article 80. Payment of Customs Duties and Other Taxes of Goods Imported and Providing Guarantee**

80.1. The Customs shall levy import Customs Duties and Other Taxes on goods upon importation as specified in 78.1.1 of this Law and collect to transfer to the State revenue.

80.2. Customs may accept guarantee to ensure payment of Customs duty other taxes for goods imported in accordance with the Law on Customs Tariff and Duties.

### **Article 81. Non-tariff Restrictions for Goods upon Importation**

81.1. Goods upon importation shall be subject to non-tariff restrictions except those prohibited to be admitted through the national border of Mongolia.

## **SUB-CHAPTER TWO IMPORTATION OF GOODS FOR HOME USE**

### **Article 82. Importation of Goods for Home Use**

82.1. Goods placed for importation for home use shall be released for free circulation upon the payment of Customs duties and other taxes levied after the lodgment of the required documents specified in 79.1.1 of this Law.

82.2. Goods fully or partially relieved from Customs Duties and Other Taxes shall be disposed for designated use as specified in the Customs legislation.

### **Article 83. Goods Imported for Home Use**

83.1. The following goods shall be placed for importation for home use:

83.1.1. foreign goods imported;

83.1.2. foreign goods imported for home use being placed under other procedures.

### **Article 84. Termination of Importation for Home Use**

84.1.1. Importation for home use shall be terminated when the goods are released to the declarant or placed under other procedures.

## **SUB-CHAPTER THREE PROCESSING FOR HOME USE**

### **Article 85. Processing for Home Use**

85.1. In accordance with processing of goods for home use, foreign goods shall be temporarily imported upon lodgment of the required documents for placing under the procedure specified in 82.1. of this Law.

- 85.2. Processing operations specified in 85.1. of this Law shall be:
- 85.2.1. processing or concentrating of goods concerned;
  - 85.2.2. manufacturing new goods by using goods concerned.

### **Article 86. Requirements for Goods for Processing for Home Use**

86.1. Goods to be placed under processing for home use shall comply with the following requirements:

86.1.1. amount of import Customs Duties and Other Taxes levied on such goods shall be higher than the amount of Customs Duties and Other Taxes levied on processed goods;

86.1.2. Customs shall be able to control processing of such goods;

86.1.3. Customs shall be able to identify goods concerned from processed goods;

86.1.4. an original state of the goods cannot be recovered after the processing.

### **Article 87. Goods to Be Placed under Processing for Home Use**

87.1. The following goods shall be permitted to be placed under processing for home use procedure:

87.1.1. foreign goods imported; and

87.1.2. foreign goods imported from Customs bonded zones.

### **Article 88. Customs Identification Mark for Goods under Processing for Home Use**

88.1. Customs shall use identification mark, for the Customs purposes, for goods placed under processing for home use.



88.2. Identification mark used for the Customs purpose shall be most appropriate marking as specified in 261.1. of this Law.

### **Article 89. Duration of Stay of Goods Placed under Processing for Home Use**

89.1. Duration of stay of goods placed under processing for home use shall be not more than one year since the placement date under such procedure.

89.2. The Customs central administration may extend duration of stay of goods under the processing for home use by up to six months for one time.

### **Article 90. Legal Body Authorized to Process Goods for Home Use**

90.1. Any legal body intending to process goods for home use shall submit his/her request to the Customs central administration before the goods imported.

90.2. The legal body specified in 90.1. of this Law shall request in writing and submit the following information and documents:

90.2.1. address and a copy of the state registration certificate of the legal body,

90.2.2. description, classification code and types of goods for processing and goods to be processed, yield and quantity of waste and residues thereof;

90.2.3. name, location and address of processing enterprise;

90.2.4. methods, production phases and duration of processing of goods;

90.2.5. other information on goods processing operations.

90.3 The Customs central administration shall make decision within 21 working days after the acceptance of the request specified in 90.1 of this Law and shall notify in writing.

90.4. In case if goods under processing for home use are transferred to other person it shall notify the Customs central administration.

## **Article 91. Waste and Residue of the Goods Processed for Home Use**

91.1. Wastes and residues left by processing of goods for the home use shall be cleared in accordance with the procedure selected by the declarant.

## **Article 92. Termination of Processing for Home Use**

92.1. Processing for home use shall be terminated when the goods or processed goods made thereof are placed under importation for home use or other procedures.

### **SUB-CHAPTER FOUR TEMPORARY ADMISSION OF GOODS**

## **Article 93. Temporary Admission Procedure**

93.1. Foreign goods shall be temporarily admitted upon the lodgment of required documents in accordance with temporary admission procedure of goods intended for re-exportation within specified in period with no change.

93.2. Goods temporarily admitted shall be utilized for designated use.

93.3. Goods temporarily admitted shall not be altered except the changes caused by depreciation under normal conditions of transportation, storage and utilization of such goods.

93.4. In order to preserve quality of goods, service for goods temporarily admitted may be offered.

## **Article 94. Goods to Be Placed under Temporary Admission**

94.1. The following goods shall be placed under a temporary admission procedure:

94.1.1. foreign goods imported from abroad;

94.1.2. foreign goods imported from Customs bonded zones;

## **Article 95. Payment of Customs Duties and Other Taxes of Goods Temporarily Admitted and Providing Guarantee**

95.1. Customs shall levy and collect import Customs Duties and Other Taxes for goods placed under the temporary admission and transfer to the special account in the State Revenue.

95.2. Customs may accept guarantee to ensure payment of Customs duties other taxes for goods placed under the temporary admission in accordance with the Law on Customs Tariff and Duties.

## **Article 96. Customs Identification Mark for Goods Placed under Temporary Admission**

96.1. Customs shall use Customs identification mark for goods placed under temporary admission.

96.2. The Customs identification mark used for goods under temporary admission shall be most appropriate marking as specified in 261.1. of this Law.

## **Article 97. Timeframe for Re-exportation of Temporarily Admitted Goods**

97.1. Timeframe for re-exportation of goods placed under temporary admission shall be up until 3 years and 6 months for goods imported for oil prospecting, exploration and use under a treaty concluded with the Government on product-sharing in oil sector as well as for civil aviation passenger aircraft, and not more than one year for other goods since the date of their placement under such procedure. *(This provision is amended by the Law of 20 May 2010)*

~~97.2. The Customs central administration may extend the timeframe specified in 97.1 of this Law once by up to six months. *(This provision is deleted by the Law of 20 May 2010)*~~

~~97.3. If goods placed under the temporary admission are imported for implementation of national projects or measures, the Cabinet Minister in charge of Customs matters shall extend timeframe beyond the timeframe as specified in 97.2 of this Law. In this case the timeframe for goods placed~~

~~under the temporary admission shall not exceed period needed for implementation of such national projects or measures. (This provision is deleted by the Law of 20 May 2010)~~

## **Article 98. Termination of Temporary Admission Procedure**

98.1. Temporary admission shall be terminated upon the re-exportation of the goods concerned or when the goods are placed under other procedure.

### **SUB-CHAPTER FIVE INWARD PROCESSING**

## **Article 99. Inward Processing**

99.1. Foreign goods shall be temporarily admitted upon the lodgment of required documents in accordance with inward processing of goods intending re-exported within specified period after the processing.

99.2. Processing specified in 99.1. of this Law shall cover processes as follows:

- 99.2.1. processing or dressing certain goods;
- 99.2.2. manufacturing new goods by using certain goods;
- 99.2.3. repair of certain goods;
- 99.2.4. use of the goods for manufacturing other goods.

99.3. The goods may cease to exist being totally consumed or absorbed during manufacturing process as specified in 99.2.4. of this Law.

## **Article 100. Requirements for Goods to Be Placed under Inward Processing**

100.1. Goods to be placed under inward processing shall comply with the following requirements:

- 100.1.1. be possible to be controlled by the Customs during processing the goods;
- 100.1.2. be possible to be identified from processed goods.

## **Article 101. Goods to Be Placed under Inward Processing**

101.1. The following goods shall be placed under inward processing procedure:

101.1.1. imported foreign goods;

101.1.2. foreign goods imported from Customs bonded zones.

### **Article 102. Payment of Customs Duties and Other Taxes of Goods under Temporary Admission and Providing Guarantees**

102.1. Customs shall levy and collect import Customs Duties and Other Taxes for goods placed under the inward processing and transfer to the special account in the State Revenue.

### **Article 103. Customs Identification Mark for Goods under Inward Processing**

103.1. Customs shall use identification marks for goods placed under inward processing.

103.2. Customs identification mark used for goods under the inward processing as specified in 103.1 of this Law shall be most appropriate marking from those specified in 261.1. of this Law.

### **Article 104. Timeframe for Goods under Inward Processing**

104.1. Timeframe for goods placed under inward processing shall be not more than one year since the date of placement under such procedure.

104.2. Customs central administration may extend the duration of goods under inward processing specified in 104.1. of this Law by up to six months for one time.

### **Article 105. Legal Body Authorized to Run Inward Processing**

105.1. Any legal body intending to process goods inward shall submit his/her request to the Customs central administration prior to goods are imported.

105.2. While making decision on the request specified in 105.1 of this Law, the Customs Authority shall comply with 90.2 and 90.3 of this Law.

## **Article 106. Waste and Residue of the Goods Processed Inward**

106.1. Wastes and residues left by processing goods placed under inward processing shall be cleared in accordance with the procedure selected by the declarant.

## **Article 107. Termination of Inward Processing**

107.1. Inward processing shall be terminated when the goods are re-exported or placed under other procedures.

### **SUB-CHAPTER SIX RE-IMPORTATION**

## **Article 108. Re-importation**

108.1. Mongolian goods exported outright in accordance with 79.2.1. of this Law shall be re-imported upon the lodgment of required documents.

## **Article 109. Goods to Be Placed under Re-importation**

- 109.1. The following goods shall be placed under re-importation:
- 109.1.1. Mongolian goods imported;
  - 109.1.2. Mongolian goods entered to Customs bonded zones.

109.2. If the Mongolian goods exported outright are altered, such goods shall be regarded as foreign goods and shall be placed under other procedures.

## **Article 110. Payment of Customs Duties and Other Taxes of Goods under Re-Importation**

110.1. When goods re-imported are proved to be the Mongolian goods Customs Duties and Other Taxes shall not be levied.

110.2. When goods exported outright are re-imported export Customs Duties and Other Taxes shall not be refunded.

## **Article 111. Documents Required under Re-importation**

111.1. Goods shall be placed under re-importation on the basis of Customs (Goods) declaration form and previous Customs (Goods) declaration form.

## **Article 112. Termination of Re-importation**

112.1. Re-importation shall be terminated upon the re-importation of the goods to or placed under other procedures.

## **CHAPTER NINE OUTRIGHT EXPORTATION**

### **SUB-CHAPTER ONE GENERAL PROVISIONS FOR OUTRIGHT EXPORTATION**

## **Article 113. Payment of Customs Duties and Other Taxes of Goods under Exportation Procedure and Provide Guarantees**

113.1. Customs shall levy and collect export Customs Duties and Other Taxes for goods placed under the outright exportation and transfer to the State Budget or to special account in the State Fund.

113.2. Customs may accept guarantee to ensure payment of Customs duties other taxes for goods placed under the outright exportation in accordance with the Law on Customs Tariff and Duties.

## **Article 114. Non-tariff Restrictions for Goods under Exportation**

114.1. Goods under outright exportation shall be subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia.

## **SUB-CHAPTER TWO OUTRIGHT EXPORTATION**

## **Article 115. Outright Exportation**

115.1. Mongolian goods shall be exported from the Customs territory upon lodgment of documents required for outright exportation and upon the

payment of export duties and other taxes if the goods are subject to export Customs duties and other taxes.

**Article 116. Goods to Be Placed under Outright Exportation**

116.1. The following goods shall be placed under outright exportation:

- 116.1.1. Mongolian goods in the Customs territory;
- 116.1.2. goods under other Customs procedures.

**Article 117. Outright Exportation of Foreign Goods in Free Circulation**

117.1. Customs Duties and Other Taxes shall not be refunded when foreign goods in free circulation are exported outright.

**Article 118. Termination of Outright Exportation**

118.1. Outright exportation shall be terminated upon the outright exportation across the national border or transferred to other procedure.

**SUB-CHAPTER THREE  
TEMPORARY EXPORTATION**

**Article 119. Temporary Exportation**

119.1. Mongolian goods shall be exported temporarily upon lodgment of documents required for temporary exportation and intending to be re-imported with no change within the specified period.

119.2. Goods temporarily exported shall not be changed except the changes caused by depreciation under normal conditions of haulage (transportation), storage and use of the goods

119.3. In order to preserve quality of goods, service for goods temporary exported may be offered.

**Article 120. Goods to Be Placed under Temporary Exportation**



120.1. The following goods shall be placed under temporary exportation:

120.1.1. Mongolian goods in the free circulation in the Customs territory;

120.1.2. goods transferred from other procedures.

#### **Article 121. Temporary Exportation of Foreign Goods in Free Circulation**

121.1. When foreign goods in free circulation are temporarily exported, Customs Duties and Other Taxes shall not be refunded.

#### **Article 122. Customs Identification Mark for Goods under Temporary Exportation**

122.1. Customs shall use Customs identification mark for goods placed under temporary exportation.

122.2. The Customs identification mark used for goods specified in 122.1 of this Law under the temporary exportation shall be most appropriate marking specified in 261.1. of this Law.

#### **Article 123. Timeframe for Re-imported Goods**

123.1. Timeframe for re-importation of goods placed under temporary exportation shall be not more than one year since the date of placement under such procedure.

123.2. The Customs central administration may extend the duration of re-importation of goods temporarily exported as specified in 123.1 of this Law by up to six months for one time.

#### **Article 124. Termination of Temporary Exportation**

124.1. Temporary exportation shall be terminated upon re-importation of the goods or placed under other procedure.

### **SUB-CHAPTER FOUR OUTWARD PROCESSING**

## **Article 125. Outward Processing**

125.1. Mongolian goods shall be exported temporarily upon lodgment of the documents required for outward processing of goods intending to be processed and re-imported within the specified period.

125.2. “Processing” of goods under outward processing shall be defined as specified in 125.2 of this Law.

## **Article 126. Requirements for Goods to Be Placed under Outward Processing**

126.1. Goods to be placed under outward processing procedure shall meet the following requirements:

126.1.1. Customs shall be able to control processing of such goods;

126.1.2. Customs shall be able to use Customs identification marks for the processed goods.

## **Article 127. Goods to Be Placed under Outward Processing**

127.1. The following goods shall be placed under outward processing:

127.1.1. Mongolian goods in the free circulation;

127.1.2. goods transferred from other procedures.

## **Article 128. Placing Foreign Goods in the Free Circulation under Outward Processing Procedure**

128.1. When foreign goods in free circulation are placed under the outward processing, Customs Duties and Other Taxes shall not be refunded.

## **Article 129. Customs Identification Mark for Goods under Outward Processing**

129.1. Customs shall use identification mark, for the Customs purposes, for goods placed under outward processing.

129.2. Customs identification mark used for goods under the outward processing shall be most appropriate marking as specified in 261.1. of this Law.

### **Article 130. Timeframe for Re-importation**

130.1. Timeframe for re-importation of goods placed under outward processing shall be not more than one year since the date of placement under such procedure.

130.2. The Customs central administration may extend the duration of re-importation of goods under the outward processing as specified in 130.1 of this Law by up to six months for one time.

### **Article 131. Termination of Outward Processing**

131.1. Outward processing procedure shall be terminated upon re-importation of the goods or placed under other procedure.

## **SUB-CHAPTER FIVE RE-EXPORTATION**

### **Article 132. Re-exportation**

132.1. Goods proved to be foreign goods shall be re-exported upon the lodgment of the documents required for the re-exportation free of Customs duties and other taxes.

### **Article 133. Goods to Be Placed under Re-exportation**

133.1. The following goods shall be placed under re-exportation:  
133.1.1. foreign goods except those in the free circulation being in the Customs territory;  
133.1.2. foreign goods placed to Customs bonded zones.

### **Article 134. Payment of Customs Duties and Other Taxes of Goods under Re-exportation and Providing Guarantees**

134.1. Customs shall not levy Customs Duties and Other Taxes on goods under re-exportation which are proved to be foreign goods.

134.2. When foreign goods placed under importation for home use are re-exported, custom duty and other taxes shall not be refunded.

134.3. When goods temporary admitted are re-exported, Customs Duties and Other Taxes shall not be refunded if the goods are altered except the changes caused by depreciation under normal conditions of transportation, storage and use of the goods.

134.4. When goods placed under the inward processing are re-exported, Customs Duties and Other Taxes shall be levied on quantity and expenses related to the processing of the goods.

### **Article 135. Documents Required under the Customs Procedure**

135.1. For placing goods under re-exportation procedure, the Customs (Goods) declaration form completed when the goods previously entered the Customs territory should be submitted to Customs.

### **Article 136. Termination of Re-exportation**

136.1. Re-exportation shall be terminated upon the carriage of the goods across the Customs frontier or placed under other procedure.

## **CHAPTER TEN CUSTOMS BONDED ZONE**

### **SUB-CHAPTER ONE GENERAL PROVISIONS FOR CUSTOMS BONDED ZONES**

### **Article 137. General Principles of Customs Bonded Zones**

137.1. The goods to be placed in Customs bonded zone shall be cleared upon the lodgment of required documents.

137.2. The Customs simplified clearance shall be applied without requiring guarantees for Customs Duties and Other Taxes when goods are placed under Customs bonded zone directly from abroad not being in

transit through the Customs territory or exported directly abroad not being in transit through the Customs territory.

137.3. The goods entering or leaving Customs bonded zones shall be cleared in compliance with Customs legislation, exchange and tariff rates effective on the date of goods entry or dispatch from Customs bonded zones.

137.4. Import Customs duty shall not be levied on goods brought from abroad and placed under Customs bonded zone while export Customs Duties and Other Taxes shall be levied on Mongolian goods placed under such procedure if they are brought from the Customs territory and collected for the State budget.

137.5. Import Customs Duties and Other Taxes shall not be refunded for foreign goods in the free circulation when such goods are placed into the Customs bonded zone.

137.6. Goods to be placed in the Customs bonded zone shall not be subject to non-tariff restrictions except the prohibition to carry across the national border of Mongolia.

137.7. When goods enter and leave Customs bonded zone from and to abroad, they shall not be restricted upon any grounds other than those related with public security, morality, hygiene, health, quarantine, trademarks and intellectual property rights.

### **Article 138. Authorization of Operations in Customs Bonded Zones**

138.1. Types of authorized operations in Customs bonded zone shall be as follows:

- 138.1.1. running Customs bonded warehouse;
- 138.1.2. running Customs bonded manufacturing area;
- 138.1.3. running Customs bonded exhibition site;
- 138.1.4. running Customs bonded construction site;
- 138.1.5. establishing Customs special zones; and
- 138.1.6. running duty-free shops.

138.2. The authorization specified in 138.1 of this Law shall be granted by the Customs central administration for up to two years

depending on the nature of business. Timeframe of the authorization may be extended for the period not exceeding the initial timeframe.

138.3. The authorization specified in 138.1.6 shall be granted through bidding in line with the regulation approved by the Customs central administration.

138.4. Other relations concerning issuance, suspension, invalidation and extension of the authorization specified in 138.1 and control over the activities of the authorized person shall be governed by the Law on the Special Permission for Economic Operations.

### **Article 139. Request for Authorized Operations in Customs Bonded Zone**

139.1. In addition to documents required by 11.1.1.-11.1.4 of the Law on the Special Permission for Economic Operations, the following documents are required for request for authorization of operations specified in 138.1. of this Law:

139.1.1. documents proving financial capability to recover risks which may arise from such operations;

139.1.2. information on operations and structures;

139.1.3. sketches and diagrams of premises, constructions and platforms;

139.1.4. assessment made by relevant professional organizations;

139.1.5. work place evaluation; and

139.1.6. availability of conditions for Customs control.

139.2. The Customs central administration shall make decision on the request within 21 working days since the acceptance of such request specified in 139.1 of this Law and if the Customs central administration refuses to accept the request, it shall specify grounds in writing. If the request is accepted, the Customs central administration shall make decision to grant authorization and issue a certificate.

### **Article 140. Termination and Suspension of Authorization for Operations in Customs Bonded Zone**

140.1. When the owner of the authorization specified in 139.1. of this Law violates the requirements and conditions of Customs bonded zone, the Customs central administration shall suspend the operations for the period of up to three months.

140.2. When the owner of the authorization specified in 139.1. of this Law violates the requirements and conditions of Customs bonded zone and provisions of the Customs legislation more than twice, the Customs central administration shall terminate the authorization.

140.3. If the authorization is terminated in accordance with 140.2. of this Law, the Director General of the Customs central administration shall determine timeframe for removing goods in the Customs bonded zone to other procedures under Customs control.

## **SUB-CHAPTER TWO CUSTOMS BONDED WAREHOUSE**

### **Article 141. Customs Bonded Warehouse**

141.1. For getting wider market opportunities and referral of Customs Duties and Other Taxes, goods may be placed in Customs bonded warehouse upon the lodgment of required information and documents.

### **Article 142. Goods to Be Placed in Customs Bonded Warehouse**

142.1. The following goods shall be placed in Customs bonded warehouse:

- 142.1.1 Mongolian goods;
- 142.1.2. foreign goods coming from abroad;
- 142.1.3 goods which are placed in other procedures.

### **Article 143. Non-tariff Restrictions for Goods under Customs Bonded Warehouse**

143.1. Foreign goods to be placed in Customs bonded warehouse shall be subject to non-tariff restrictions except the prohibition to carry across the national border of Mongolia.

143.2. Mongolian goods to be placed in Customs bonded warehouse shall be subject to non-tariff restrictions.

#### **Article 144. Types of Customs Bonded Warehouses**

144.1. Customs bonded warehouse may be open for public use or closed for use solely by one or more economic entities or organizations.

144.2. All goods, owned by economic entities, organizations and individuals, except those prohibited to be carried across the national border of Mongolia may be placed in the Customs open bonded warehouse.

144.3. Goods which require special storage conditions, facilities and equipment or which may affect other goods shall be placed in the Customs closed bonded warehouse.

#### **Article 145. Requirements for Customs Bonded Warehouse**

145.1. The authorized owner of bonded warehouses shall follow the requirements and conditions as follows:

145.1.1. be guided by rules on warehouse operations and access thereto;

145.1.2. provide workplace for Customs officials whose duty is the Customs control for warehouse;

145.1.3. admit and discharge goods to and from warehouse under the Customs control;

145.1.4. warehouse owner shall be obliged in accordance with the law to recover losses caused to other persons due damage and loss of goods and deterioration of quality occurred by his/her negligence;

145.1.5. interface warehouse with the Customs data network;

145.1.6. keep an inventory of goods in warehouse and submit reports to the Customs in the time;

145.1.7. ensure quantity and quality of goods when warehouse ownership is suspended;

145.1.8. store goods in sorted out order in the warehouse and label them indicating the name, type, quantity and remaining quantity of the goods.

145.1.9. the warehouse owner shall notify the declarant or concerning person in writing storage timeframe 14 days before its expiry;



145.1.10. isolate warehouse from other premises and constructions, provide proper equipment for preserving goods quality in line with relevant standards, technical requirements and hygiene standards.

#### **Article 146. Operations Authorized in Customs Bonded Warehouses**

146.1. The following operations shall be authorized by Customs in Customs bonded warehouse:

146.1.1. ensuring safety of goods;

146.1.2. unpacking, sorting out, packing, repacking and placing special marks;

146.1.3. preparing goods for shipment;

146.1.4. taking a probe (test), taste (specimen) or sample of goods;

146.1.5. other operations authorized by Customs.

#### **Article 147. Timeframe for Storage of Goods in Customs Bonded Warehouse**

147.1.1. Goods are authorized to be kept in Customs bonded warehouse for up to two years. The Customs central administration may extend the timeframe by up to one year for one time.

#### **Article 148. Termination of Customs Bonded Warehouse**

148.1. Customs bonded warehouse procedure shall be terminated upon placement of goods under other procedures or the warehouse is closed down.

### **SUB-CHAPTER THREE CUSTOMS BONDED MANUFACTURING AREA**

#### **Article 149. Customs Bonded Manufacturing Area**

149.1. For the purposes of promoting development of particular sector or industry significant to the state economy and enhance competitiveness of certain goods in the world market, Customs bonded manufacturing area may be established in the Customs territory.

## **Article 150. Goods to Be Placed into Customs Bonded Manufacturing Area**

150.1. The following goods shall be placed into Customs bonded manufacturing area:

- 150.1.1. Mongolian goods;
- 150.1.2. foreign goods coming from abroad;
- 150.1.3. goods placed in other procedure.

150.2. Technical facilities and equipment required for the operation of Customs bonded manufacturing area shall not be placed under this procedure specified in 150.1 of this Law.

## **Article 151. Non-tariff Restrictions for Goods under Customs Bonded Manufacturing Area Procedure**

151.1. Foreign goods to be placed into Customs bonded manufacturing area shall be subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia.

151.2. Mongolian goods to be placed into Customs bonded manufacturing area shall be subject to non-tariff restrictions.

## **Article 152. Requirement for Customs Bonded Manufacturing Area Procedure**

152.1. The authorized owner of the Customs bonded manufacturing area shall follow requirements and conditions as follows:

152.1.1. to provide statement given by the relevant organizations proving that equipment to be installed as advanced technology and equipment and manufactured products resulted in application of such technology and equipment are able to compete on the market;

152.1.2. to provide working conditions for the Customs officials and equipment necessary for Customs control;

152.1.3. to provide reliable security system, alarm system, lighting and fire safety;

152.1.4. premises for manufacturing shall isolated by fences other premises and required signs and warnings shall be placed;

152.1.5. to admit and discharge goods to and from manufacturing area under the Customs control;

152.1.6. Customs bonded manufacturing area owner shall be obliged to recover in accordance with the law losses caused to other persons due to damage, loss of goods and deterioration of quality occurred by his/her negligence.

#### **Article 153. Authorized Operations in Customs Bonded Manufacturing Area**

153.1. The following operations shall be authorized in Customs bonded manufacturing area such as:

153.1.1. goods manufacturing;

153.1.2. raw materials processing;

153.1.3. maintenance and repairing;

153.1.4. taking samples and specimens; and

153.1.5. other operations authorized by the Customs.

#### **Article 154. Timeframe for Placing Goods in the Customs Bonded Manufacturing Area**

154.1. Goods are permitted to be kept in Customs bonded manufacturing area for up to two years. The Customs central administration may extend the timeframe by up to one year for one time.

#### **Article 155. Termination of Customs Bonded Manufacturing Area Procedure**

155.1. Customs bonded manufacturing area procedure shall be terminated upon the placement of goods under other procedures or the Customs bonded manufacturing area is dismissed.

### **SUB-CHAPTER FOUR CUSTOMS BONDED EXHIBITION SITE**

#### **Article 156. Customs bonded exhibition site**

156.1. For the purposes of creating opportunities for exploration of an advanced technology and obtaining such technology, a Customs bonded exhibition site may be established in the Customs territory.

## **Article 157. Goods to Be Placed under Customs bonded exhibition site**

157.1. The following goods shall be placed under Customs bonded exhibition procedure:

- 157.1.1. Mongolian goods in free circulation;
- 157.1.2. foreign goods coming from abroad; and
- 157.1.3. goods placed under other procedure.

## **Article 158. Non-tariff Restrictions for Goods Placed into Customs bonded exhibition site**

158.1. Mongolian goods to be placed into Customs bonded exhibition site shall be subject to non-tariff restrictions.

158.2. Foreign goods to be placed into Customs bonded exhibition site shall be subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia.

## **Article 159. Requirements for Placement under Customs bonded exhibition site**

159.1. The following conditions and requirements shall be met in Customs bonded exhibition site:

- 159.1.1. admit goods only for exhibition;
- 159.1.2. provide reliable security system, camera system, alarm system, lighting and fire safety;
- 159.1.3. premises for manufacturing shall be isolated by fences other premises and required signs and warnings shall be placed;
- 159.1.4. provide workplace for Customs officials and equipment necessary for Customs control;

## **Article 160. Operations Authorized in Customs bonded exhibition site**

160.1. The following operations shall be carried out in Customs bonded exhibition site:

- 160.1.1. to exhibit goods;
- 160.1.2. to conduct a test or trial;
- 160.1.3. to deliver services; and
- 160.1.4. to take samples or specimens.

**Article 161. Timeframe for Goods To Be Placed in Customs bonded exhibition site**

161.1. Goods are permitted to be kept in Customs bonded manufacturing area for up to two years. The Customs central administration may extend the timeframe by up to one year for one time.

**Article 162. Termination of Customs bonded exhibition site Procedure**

165.1. Customs bonded exhibition site procedure shall be terminated upon the placement of goods under other procedures or the Customs bonded exhibition site is closed down.

**SUB-CHAPTER FIVE  
CUSTOMS BONDED CONSTRUCTION SITE**

**Article 163. Customs bonded construction site**

163.1. Customs bonded construction sites may be established in the Customs territory for the purposes of promoting construction of buildings or complexes strategically important for the Mongolia's economy using foreign construction materials.

**Article 164. Good to Be Placed in Customs bonded construction site**

164.1. The following goods shall be placed in the Customs bonded construction site:

- 164.1.1. foreign construction materials coming from abroad;
- 164.1.2. foreign construction materials placed under other procedures.

164.2. Technical facilities, equipment, tools and machineries to be used for construction of such objects shall not be placed under the procedure specified in 163.1 of this Law.

**Article 165. Non-tariff Restrictions for Goods under Customs bonded construction site**

165.1. Foreign construction materials to be placed into Customs bonded construction site shall be subject to non-tariff restrictions except those prohibited to be to be admitted across the national border of Mongolia.

165.2. Mongolian goods to be placed into the Customs bonded construction site shall be subject to non-tariff restrictions except those prohibited to be admitted across the national border of Mongolia.

#### **Article 166. Requirements for Customs bonded construction site**

166.1. The following conditions and requirements shall be met in Customs bonded construction site:

166.1.1. provide reliable security, camera system, alarm system, lighting and fire safety;

166.1.2. construction area shall be isolated by fences from other premises and required signs and warnings shall be placed;

166.1.3. provide a workplace for Customs officials and equipment necessary for Customs control and examination;

166.1.4. provide conditions for Customs control on processes and phases of construction work;

166.1.5. have the needed papers confirming permission for construction and land ownership and statement given by the taxation authority on having no outstanding debt;

166.1.6. submit report to the Customs within the specified time on goods admitted to the construction area, construction work completion, yield and norms of construction materials allocated for building.

#### **Article 167. Operations permitted in Customs bonded construction site**

167.1. The following operations are permitted to be done in Customs bonded construction site:

167.1.1. examination of construction materials;

167.1.2. processing construction materials;

167.1.3. actual construction work; and

167.1.4. other operations permitted by the Customs.

167.2. Goods shall be placed in Customs bonded construction site for the period until the completion of the construction work.

167.3. Goods remaining after the completion of the construction work shall be placed under other Customs procedure.

#### **Article 168. Termination of the Customs bonded construction site Procedure**

168.1. Customs bonded construction site procedure shall be terminated when the goods are placed under other procedures or construction work is terminated.

### **SUB-CHAPTER SIX DUTY-FREE SHOP**

#### **Article 169. Duty-Free Shop**

169.1. Duty-free shops where goods not intended for use in the Customs territory are admitted without Customs Duties and Other Taxes and sold under the Customs control may be established in the Customs territory.

169.2. Duty-free shops designed for officials with diplomatic privileges and immunity of diplomatic representative offices and international organizations in Mongolia and passenger coming through the Customs frontier of Mongolia may be established at the border crossing points (national border ports), international airports or in the inland Customs territory.

#### **Article 170. Goods to Be Placed under Duty-Free Shop Procedure**

170.1. Economic entities running duty-free shop may place any goods into duty-free shop except the following goods:

170.1.1. goods prohibited to be carried across the national border of Mongolia;

170.1.2. non personal effects designated for manufacturing, technical operations and construction;

170.1.3. goods with weight exceeding of 20 kg and dimensions more than 200 cm;

170.1.4. spirit, cigarette and tobacco packed in the quantity exceeding the allowed amount for personal use of passenger or packed for retail sale;

170.1.5. medicines and medical products;

170.1.6. imported and ordered goods by other economic entities or organization;

170.2. Goods produced in Mongolia may be admitted to the duty-free shops.

## **Article 171. Requirements for Duty-Free Shops**

171.1. Duty-free shops shall meet the following condition and requirements:

171.1.1. shall have sales hall, warehouse and supporting facility in conformity with the international standards;

171.1.2. equipment, furnishings, lighting, alarms and security monitoring system shall be at the level of duty-free shops in other countries;

171.1.3. sales hall of duty-free shops operating at the border ports shall be constructed to restrict carriage of goods to the Customs territory and transfer to other persons;

171.1.4. the authorized owner duty-free shop shall conclude a sales contract with a foreign supplier;

171.1.5. goods shall be sold at a price in conformity with international price free of Customs Duties and Other Taxes;

171.1.6. Duty-free shops operating at the border ports shall sell goods upon presenting passenger ticket, passport and passenger's declaration;

171.1.7. operations of duty-free shop shall be commenced within 3 months after the authorization is issued;

171.1.8. it shall meet conditions and requirements for sales operations.

## **Article 172. Non-tariff Restrictions for Goods Placed in Duty-Free Shop**

172.1. Foreign goods to be placed into duty-free shops shall be subject to non-tariff restrictions except those prohibited to be admitted across the national border of Mongolia.



172.2. Mongolian goods to be placed into duty-free shops shall be subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia.

### **Article 173. Termination of Duty-Free Shop Procedure**

173.1. Duty-free shop procedure shall be terminated when the goods are placed under other procedures or the duty-free shop is closed down.

## **SUB-CHAPTER SEVEN CUSTOMS SPECIAL ZONE PROCEDURE**

### **Article 174. Customs Special Zone**

174.1. Customs special zone may be established in the Customs territory for the purposes of promoting development of certain sector, introducing advanced technology and creating favorable environment for investment.

### **Article 175. Goods to Be Placed under Special Zone Procedure**

175.1. The following goods shall be placed under the Special Zone procedure:

- 175.1.1. Mongolian goods;
- 175.1.2. foreign goods admitted from abroad; and
- 175.1.3. goods placed under other procedures.

### **Article 176. Non-Tariff Restrictions for Goods Placed in the Special Zone**

176.1. Foreign goods to be placed into Customs special zone shall not be subject to non-tariff restrictions except those prohibited to be admitted across the national border of Mongolia.

176.2. Mongolian goods to be placed into Customs special zone shall be subject to non-tariff restrictions except those prohibited to be admitted across the national border of Mongolia.

### **Article 177. Requirements for Customs Special Zone**

177.1. Customs special zone shall meet the following conditions and requirements:

177.1.1. to provide documents and relevant materials confirming operations specified in 178.1. of this Law for promoting development of certain sector, introducing advanced technology and creating favorable environment for investment and where necessary obtain permission form competent authorities;

177.1.2. the authorized owner of the Customs special zone to be interfaced with the Customs data network;

177.1.3. to conclude a contract with concerning Customs on control and submit required records and reports every time when needed;

177.1.4. to register goods or means of transport entering the zone, administer and control processing, manufacturing, assembling and exhibiting operations and provide conditions for carrying out Customs control and examination and working conditions for Customs officers;

177.1.5. the authorized owner of the Customs special zone shall be responsible for quantity, ~~inventory~~ and safety of goods in the zone and record goods admitted to the zone in line with approved forms and submit goods movement report to the concerning Customs every month;

177.1.6. Customs special zone shall be isolated by fences from other premises and required signs and warnings shall be placed;

177.1.7. provide reliable security system, alarm system, lighting and fire safety;

177.2. Storage period of goods admitted to the Customs special zone shall not be restricted except the emergency cases.

## **Article 178. Operations Authorized in Customs Special Zone**

178.1. The following operations shall be authorized in Customs special zone:

178.1.1. manufacturing;

178.1.2. processing; and

178.1.3. providing services.

## **Article 179. Termination of Procedure**

179.1. Customs special zone procedure shall be terminated when the goods are placed under other procedure or Customs special zone is closed down.

**CHAPTER ELEVEN  
TRANSIT, TRANSSHIPMENT, ABANDONMENT OF GOODS  
AND DESTRUCTION OF GOODS**

**SUB-CHAPTER ONE  
INTERNATIONAL TRANSIT**

**Article 180. International Transit**

180.1. In accordance with the international transit procedure, foreign goods shall move in transit from the frontier Customs of entry to the frontier Customs of exit along the Customs route within the specified in period with no changes to goods concerned.

180.2. Consignor and consignee of goods in international transit shall be abroad.

180.3. Goods in international transit shall not be changed except those caused by depreciation under normal conditions of transportation, storage and use of the goods.

**Article 181. Requirements for Placing Goods under International Transit**

181.1. Goods to be placed under international transit shall be goods carried from abroad through the Customs territory to abroad.

181.2. Goods to be placed under international transit shall meet the following requirements:

181.2.1. the Customs shall be able to control the goods in transit;

181.2.2. the Customs shall be able to place identification marks for Customs purposes;

181.2.3. it shall be able to place identification marks for the Customs purposes on means of transport carrying the goods in international transit.

## **Article 182. Payment of Customs Duties and Other Taxes of Goods in International Transit and Providing Guarantees**

182.1. The Customs shall not levy Customs Duties and Other Taxes on goods placed in international transit.

182.2. The Customs may request guarantee in accordance with the Law on Customs Tariff and Duties in case if compliance of the requirements specified in 184.2 of this Law are not met.

## **Article 183. Non-tariff Restrictions for Goods in International Transit**

183.1. Goods placed under international transit shall not be subject to non-tariff restrictions.

## **Article 184. Placing Customs Identification Mark on Goods in International Transit**

184.1. The Customs shall place Customs identification mark for goods placed under international transit.

184.2. Identification mark placed for the Customs purpose on goods in international transit shall be most appropriate marking specified in 263.1. of this Law.

## **Article 185. Transportation of Goods in International Transit Along the Customs Approved Route**

185.1. Goods shall be transported along the national and international transport route approved by the competent authority.

185.2. Goods in international transit shall be transported by the carrier authorized by the Customs central administration.

## **Article 186. Registration of Goods and Means of Transport**

186.1. The frontier Customs shall register goods and means of transport placed in international transit.

## **Article 187. Termination of International Transit Procedure**

187.1. International transit procedure shall be terminated when the goods are carried across the national border or placed under other procedure.

### **SUB-CHAPTER TWO DOMESTIC TRANSIT**

## **Article 188. Domestic Transit**

188.1. In accordance with domestic transit procedure, goods are transported in the territory of Mongolia between the following Customs offices within the specified in period, under the Customs control and no changes made to goods concerned;

188.1.1. from frontier Customs to inland Customs;

188.1.2. from inland Customs to frontier Customs;

188.1.3. from one inland Customs to other inland Customs;

188.1.4. from one frontier Customs to other frontier Customs.

188.2. Goods shall be transported under domestic transit procedure from the national border of Mongolia to the frontier Customs or from the frontier Customs to the national border of Mongolia.

## **Article 189. Requirements for Placing Goods under Domestic Transit Procedure**

189.1. Goods placed under domestic transit procedure shall meet the following requirements:

189.1.1. the Customs shall be able to control of goods;

189.1.2. the Customs shall be able to place Customs identification marks;

189.1.3. it shall be able to place an identification mark on means of transport carrying goods in domestic transit.

## **Article 190. Payment of Customs Duties and Other Taxes of Goods in Domestic Transit and Providing Guarantees**

190.1. The Customs shall levy Customs Duties and Other Taxes on goods placed in domestic transit and collect for special account in the State Fund.

190.2. The Customs may demand guarantee to ensure payment of Customs Duties and Other Taxes for goods placed under domestic transit procedure in accordance with the Law on Customs Tariff and Duties.

#### **Article 191. Non-tariff Restrictions for Goods in Domestic Transit**

191.1. Goods placed under domestic transit procedure shall not be subject to non-tariff restrictions.

#### **Article 192. Document Required for Domestic Transit**

192.1. Goods transported from the frontier Customs to inland Customs, shall be placed under domestic transit upon lodgment of manifest.

192.2. Goods transported from the inland Customs to frontier Customs, shall be placed under domestic transit upon the lodgment of Customs (Goods) declaration form.

#### **Article 193. Placing Customs Identification Mark on Goods in Domestic Transit**

193.1. The Customs shall place Customs identification mark on goods placed under domestic transit procedure.

193.2. Identification mark placed on the goods in the domestic transit shall be most appropriate marking specified in 263.1. of this Law.

#### **Article 194. Transportation of Goods in Domestic Transit along the Customs Route**

194.1. Goods in domestic transit shall be transported along the route approved by the Customs.

194.2. Goods placed under domestic transit shall be transported by the carrier authorized by the Customs central administration.

## **Article 195. Registration of Good and Means of Transport**

195.1. The Customs shall register goods and means of transport placed under the domestic transit procedure.

## **Article 196. Termination of Domestic Transit Procedure**

196.1. Domestic transit procedure shall be terminated when the goods are carried across the national border of Mongolia or placed under other procedure.

### **SUB-CHAPTER THREE TRANSSHIPMENT**

## **Article 197. Transshipment**

197.1. In accordance with transshipment procedure, goods shall be transhipped the lodgment of the documents from transport mode of entry to transport mode of exit in the Customs examination area (Customs inspection zone) of the frontier Customs with no changes to goods concerned.

## **Article 198. Goods to Be Placed under Transshipment Procedure**

198.1. Goods placed under transshipment procedure shall be foreign goods coming from abroad and leaving the country not being transported through the Customs territory.

## **Article 199. Customs Duties and Other Taxes for Transshipped Goods**

199.1. Customs Duties and Other Taxes shall not be levied on the goods placed under transshipment procedure.

## **Article 200. Non-tariff Restrictions for Goods Placed under Transshipment**

200.1. Goods placed under transshipment procedure shall not be subject to non-tariff restrictions.

## **Article 201. Termination of Transshipment Procedure**

201.1. Transshipment procedure shall be terminated when the goods left the country or placed under other procedures.

## **SUB-CHAPTER FOUR ABANDONED GOODS**

### **Article 202. Abandoned Goods**

202.1. When a consignee refused to accept goods which are under Customs control, they shall be placed under abandoned goods procedure.

202.2. In a case where the goods are placed under the procedure provided for in 202.1 of this Law, the transportation, brokerage and storage charges shall be borne by a declarant.

### **Article 203. Goods to Be Placed under Abandoned Goods Procedure**

203.1. Goods placed under abandoned goods procedure shall be sufficient to recover expenses after such goods are sold.

### **Article 204. Customs Duties and Other Taxes for Goods placed under Abandoned Goods Procedure**

204.1. Customs Duties and Other Taxes shall not be levied on goods placed under abandoned goods procedure.

### **Article 205. Non-tariff Restrictions for Goods placed under Abandoned Goods Procedure**

205.1. Goods to be placed under abandoned procedure shall not be subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia.

### **Article 206. Documents Required for Customs Clearance**

206.1. For placing goods under abandoned goods procedure, conclusions (expertise document) made by the relevant organization shall be lodged.



## **Article 207. Termination of Abandoned Goods Procedure**

207.1. Abandoned goods procedure shall be terminated when the goods are transferred to the State ownership.

### **SUB-SUB-CHAPTER FIVE DESTRUCTION OF GOODS**

## **Article 208. Destruction of Goods**

208.1. When goods under the Customs control are damaged or perished, do not meet quality requirements upon the conclusions (expertise document) made by the competent agencies as harmful to hygiene, health and environment, they shall be destroyed under the Customs control in an eco-friendly way.

208.2. Goods specified in 8.3. of this Law shall be placed under destruction of goods procedure.

208.3. Goods specified in paragraphs 208.1 and 208.2 of this Law shall be destroyed in a way not possible to be recovered in its original shape.

## **Article 209. Goods Prohibited to Be Placed under Destruction of Goods**

209.1. Goods except those mentioned as follows may be placed under destruction of goods:

209.1.1. goods of historical and cultural value;

209.1.2. endangered species of animals and plants and products thereof (in the instances other than human and animal infectious diseases epidemic)

209.1.3. goods kept as security of payment of Customs Duties and Other Taxes;

209.1.4. properties detained or sealed in accordance with the relevant laws;

209.1.5. other goods prohibited to be destroyed by the Customs legislation.

## **Article 210. Customs Duties and Other Taxes for Goods to be destroyed**

210.1. Customs Duties and Other Taxes shall not be levied on goods to be placed under destruction.

**Article 211. Non-tariff Restrictions for Goods Placed under Destruction of Goods**

211.1. Goods to be placed under destruction of goods shall not subject to non-tariff restrictions.

**Article 212. Cases not allowing Goods to Be Destroyed**

212.1. Goods shall not be destroyed if the following conditions occur:

212.1.1. destruction of the goods may pose apparent harm to environment;

212.1.2. destruction of the goods may pose direct or potential threat to human life and public health.

212.2. Goods shall not be destroyed by applying them for their designated use.

**Article 213. Documents Required for Customs Clearance**

213.1. In order to place goods under destruction, the Customs shall not require any documents other than those provided by the competent authority allowing destruction of goods and where necessary conclusions (expertise document) made by the relevant agency.

**Article 214. Termination of Destruction of Goods**

214.1. Destruction of goods procedure shall be terminated when the goods are destroyed.

**CHAPTER TWELVE  
SPECIAL PROCEDURES**

**SUB-CHAPTER ONE  
STORES**

## **Article 215. Stores**

215.1. Goods intended for consumption by the passengers and the crew members on board and goods necessary for the normal operations of means of transport shall be carried across the Customs frontier in stores on the basis of required documents.

## **Article 216. Goods to Be Placed in Stores**

216.1. The following goods shall be placed in stores:

216.1.1. goods necessary for normal operations and maintenance of means of transport;

216.1.2. goods for consumption by the passengers and the crew member on board;

216.1.3. goods placed under the duty-free shop for sale on board.

216.2. Fuel and lubricants for domestic means of transport engaged in international transport service shall not be placed under this procedure.

## **Article 217. Customs Duties and Other Taxes for Stores**

217.1. The Customs shall not levy Customs Duties and Other Taxes on goods for stores carried across the Customs frontier.

217.2. If goods are placed under release for home use Customs Duties and Other Taxes shall be refunded.

## **Article 218. Non-tariff Restrictions for Stores**

218.1. Goods placed under stores shall be subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia.

## **Article 219. Termination of Store Procedure**

219.1. Stores procedure shall be terminated when the goods are consumed.

**CARRIAGE OF GOODS FOR DIPLOMATIC MISSIONS AND  
OTHER  
IDENTICAL ORGANIZATIONS**

**Article 220. Carriage of Goods for Diplomatic missions and other  
identical organizations**

220.1. The following goods shall be regarded as the goods carried across the Customs frontier for diplomatic missions and other identical organizations:

220.1.1. goods needed for official use by diplomatic representative office of foreign countries and other identical organizations;

220.1.2. personal effects of the Head of diplomatic missions, diplomats and their family members residing in the foreign country;

220.1.3. personal effects of service and technical workers of foreign diplomatic missions and their family members residing in the foreign country;

220.1.4 diplomatic postal items.

220.2. Customs Duties and Other Taxes shall not be levied on the goods specified in 223.1. of the Law and they shall not be subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia.

220.3. The Customs examination shall not be conducted for the goods specified in 220.1. if human and animal infectious disease is epidemic or there is a sufficient evidence of proof, they are prohibited goods.

220.4. If there is ground specified in 220.3 of this Law, the Customs shall examine goods in the presence of the representative of foreign diplomatic mission.

220.5. The regulations on carriage of goods for diplomatic missions and other identical organizations shall be approved by the Director General of the Customs central administration.

**Article 221. Carriage of Diplomatic Postal Items Across the Customs  
Frontier**

221.1. Diplomatic postal items shall be carried across the Customs frontier with no interference.

221.2. If there is sufficient evidence that diplomatic parcels may contain documents and items not intended for diplomatic official use, the Customs may open the diplomatic parcel in the presence of the representative of foreign diplomatic mission.

221.3. Diplomatic posts specified in 221.1 of this Law shall bear an identification mark confirming its content outside of the package.

### **SUB-CHAPTER THREE INTERNATIONAL POSTAL TRAFFIC**

#### **Article 222. Carriage of International Postal Items Across the Customs Frontier**

222.1. “International postal item” shall mean letters, parcels and parcels as specified in the Postal Law of Mongolia.

222.2. It shall be prohibited to open postal items, release to the recipients or send abroad without the permission of the Customs.

222.3. In case when there is a sufficient evidence that parcels contain prohibited goods or upon request of other Customs administrations, the Customs may detain and examine international postal items in transit.

222.4. The regulations on carriage of postal items across the Customs frontier shall be approved jointly by the Cabinet Ministers responsible for Customs and postal matters.

#### **Article 223. Prohibited Items to Be Sent by International Posts and Non- tariff Restrictions for Postal Items**

223.1. The following goods and items shall be prohibited to be sent by international posts:

223.1.1. goods prohibited to be carried across the national border of Mongolia;

223.1.2. national and foreign currencies, bonds (securities), other instruments of payment and electronic money; (This provision was amended by the Law of 26 April 2018)

223.1.3. second hand clothes, shoes and bed sheets, which are not disinfected;

223.1.4. dangerous goods such as radioactive, chemical precursor, toxic substances and explosives.

223.1.5. goods perishable, easily spoilt and which require special storage conditions;

223.1.6. other goods prohibited by laws.

223.2. The goods subject to non-tariff restrictions except those prohibited to be carried across the national border of Mongolia by international posts are admitted upon the lodgment of required permissions and licenses by the sender, recipient or their representatives.

#### **Article 224. Customs Clearance of International Postal Items**

224.1. The Customs shall clear international postal items with no delay.

224.2. The Customs shall not clear postal items in transit through the Customs territory, but shall control them.

### **SUB-CHAPTER FOUR PERSONAL EFFECTS OF TRAVELERS**

#### **Article 225. Traveler**

225.1. "Traveler" means:

225.1.1. any person not residing permanently in Mongolia and temporarily enters and leaves the territory of Mongolia;

225.1.2. any person residing permanently in Mongolia and temporarily enters and leaves the territory of Mongolia.

#### **Article 226. Personal Effects and Means of Transport of Traveler**

226.1. "Personal effects of traveler" shall mean:

226.1.1. all articles necessary personal use during the journey;

226.1.2. medicines for personal use;

226.1.3. articles in quantity and value not exceeding the limits permitted to be carried free of Customs Duties and Other Taxes across the Customs frontier in accordance with the Customs legislation.

### **Article 227. Medicaments for Personal Use**

227.1. Medicaments carried by the travelers who are traveling on railway, buses, vessels, aircraft and private means of transport for their own use shall be regarded as medicaments for personal use.

227.2. Medicaments carried by the travelers shall not be regarded as imported goods and import permission shall not be required.

227.3. Medicaments for personal use shall include medicaments for urgent aid (for up to 7 days) and for long term recovery treatments (for treatment from diabetes, cancer, mental illness and AIDS).

227.4. The following medicaments shall be prohibited to be carried across the national border as medicaments for personal use:

227.4.1. vascular injection (intravenous) fluids;

227.4.2. antibiotic injections,

227.4.3. narcotic drugs and psychotropic substances;

227.4.4. medicines to replace blood preparations or plasma;

and

227.4.5. medicines and preparations for conventional immunization (vaccination).

### **Article 228. Special Regulations for Travelers Crossing the Customs Frontier**

228.1. The Customs may apply red and green channels for travelers crossing the Customs frontier.

228.2. The traveler shall select the channel for crossing the Customs frontier.

228.3. The traveler may cross through the green channel if he/she do not have goods specified in 8.1. of this Law.

228.4. Officials of diplomatic missions and other identical organizations shall cross the Customs frontier through the green channel.

228.5. Crossing green channel, traveler may not fill out passenger Customs (Goods) declaration form.

228.6. Signs, notes and explanations concerning red and green channel treatment shall be placed visible to travelers in a hall where the Customs clearance for personal effects and medicines of travelers shall be conducted.

228.7. Personal effects and medicines of travelers crossing through green channel shall be carried across the Customs frontier under the Customs control.

#### **Article 229. Carriage of Traveler's Private Means of Transport Across the Customs Frontier**

229.1. "Traveler's private means of transport" shall mean private vehicles registered in country where the traveler resides permanently.

229.2. Traveler's private means of transport shall be carried temporarily across the Customs frontier free of Customs Duties and Other Taxes.

229.3. Spare parts, tools and fuel necessary for maintenance and service for traveler's private means of transport shall be carried across the Customs frontier free of Customs Duties and Other Taxes.

#### **Article 230. Quantity of Traveler's Personal Effects**

230.1. The Director General of the Customs central administration shall approve list and quantity of traveler's personal effects to be carried free of Customs Duties and Other Taxes.

### **SUB-CHAPTER FIVE FREE ZONE**

#### **Article 231. Free zone procedure**



231.1. The following goods shall be placed under the free zone procedure:

231.1.1. foreign goods to be admitted to the free zone from abroad;

231.1.2. Mongolian goods in free circulation on the customs territory;

231.1.3. goods placed under other procedures.

231.2. Issues regarding the types, requirements and duties and taxes in the free zone shall be governed by the Law on Free Zone.

## **SECTION IV CUSTOMS CONTROL**

### **CHAPTER THIRTEEN CUSTOMS CONTROL**

#### **Article 232. General Provisions of Customs control**

232.1. Customs shall exercise Customs control in the Customs territory.

232.2. Common regulations on Customs control over goods and means of transport crossing the Customs frontier shall be approved by the Director General of the Customs central administration. Special regulations can be approved taking into account of types and specifics of certain goods and means of transport.

232.3. Loading, unloading and unpacking of goods under the Customs control, alteration of packages or packings and movement of means of transport shall only be carried out with the Customs permission.

232.4. Any expenses and losses incurred in connection with loading, unloading, storage or transshipment of goods under Customs control and delay of means of transport shall be covered by a declarant itself.

232.5. Customs control can be carried out on board a means of transport in its motion.

232.6. In exercising Customs control, technological equipment, tools and detector dogs, etc. can be used.

232.7. Customs may use information technology for exercising Customs control.

232.8. Customs may use information network of Customs stakeholder for Customs purposes within the framework of law.

232.9. Customs shall receive information on violations or attempted violations of Customs legislation with or without any charge and treat that information as confidential. The regulations on receipt of such information shall be approved by the Director General of the Customs central administration.

### **Article 233. Principles of Customs Control**

233.1. Customs control shall only be carried out on the basis of justifications and procedures specified in a law.

233.2. Customs central administration shall determine Customs control strategy based on the risk assessment system.

233.3. On the basis of mutual agreements, Customs control can be carried out in a Customs territory of any country.

233.4. In order to ensure effective Customs control, the Customs shall promote cooperation with the Customs stakeholders.

### **Article 234. Duration of Control over Goods or Means of Transport**

234.1. Goods or means of transport crossing the Customs territory shall be subject to Customs control for a period as follows:

234.1.1. for goods imported for home use – from the time goods enter the territory until the Customs gives a permission to release to free circulation;

234.1.2. for goods or means of transport temporarily imported – from the time goods or means of transport enter the territory until they leave the Customs territory or are placed under other Customs clearance procedure;

234.1.3. for goods and means of transport in international transit – from the time they enter the territory until frontier Customs gives permission to leave Customs territory; where goods or means of transport is in inward transit – from the time they enter the territory until goods or means of transport arrive at the designated inland Customs; where goods or means of transport is in outward transit – from the time goods or means of transport are declared to the inland Customs until frontier Customs gives permission to leave the Customs territory; where goods or means of transport is in domestic transit- from the time goods or means of transport leave inland Customs of departure until they arrive at the inland Customs of destination;

234.1.4. for transshipment of goods – from the time goods enter the territory until they leave the Customs territory;

234.1.5. for goods cleared for outright exportation – from the time goods are declared at Customs until the frontier Customs gives permission to leave the Customs territory;

234.1.6. for goods or means of transport temporarily exported – from the time goods or means of transport are declared to the Customs until the frontier Customs gives permission to leave the Customs territory or are placed under other Customs clearance procedure.

234.2. Goods or means of transport shall be under Customs control while being placed in the Customs bonded zones.

## **Article 235. Verification of Accuracy of Information of Goods in Free Circulation**

235.1. The Customs may verify the accuracy of information of goods in free circulation in order to ensure the compliance with Customs legislation.

235.2. Accuracy of information of goods in free circulation can be verified on following grounds:

235.2.1. gather information for determining Customs control strategy on the basis of risk assessment system;

235.2.2. conduct post clearance audit and recover unpaid duties;

235.2.3. check information on actions regarding violations or attempt to violate legislation.

235.3. Customs officials appointed by the Director General of the Customs central administration shall check the accuracy of the information.

234.4. Goods in free circulation are subject to examination for the period of up to 5 years.

### **Article 236. Customs examination area (Customs inspection zone)**

236.1. The Customs shall determine Customs examination area (Customs inspection zone).

236.2. Customs examination area (Customs inspection zone) can be permanent or temporary.

236.3. Goods shall be stored up to 3 days in the Customs examination area (Customs inspection zone) after entry thereto and if Customs clearance is not completed during this period, goods shall be placed to Customs temporary warehouses.

236.4. If it is not possible to place goods as specified in 238.3. of this Law, goods shall be regarded as being placed to open temporary warehouse. In this case, the Control area shall become a temporary warehouse.

236.5. If it is not possible to conduct Customs examination in the Customs examination area (Customs inspection zone), it can be conducted in other places at declarant's expenses. Customs examination of explosives, toxic and dangerous chemicals and other goods which may cause a threat to their environment shall be conducted after the security is ensured. *(This provision is amended by the Law of 30 January 2020)*

236.6. Regulations governing the Customs examination area (Customs inspection zone) shall be approved by the Director General of the Customs central administration.

### **Article 237. Submission of Documents and Information Required for Customs Control**

237.1. The clients shall be obliged to submit the Customs the documents and information required for Customs control.

237.2. The Customs shall request the documents and information required for Customs control to be submitted within the specified timeframe.

237.3. The Customs may request the documents and information required for the Customs control from other persons.

237.4. Declarant, carrier, owner of the Customs bonded zone shall preserve Customs-related documents for five years.

### **Article 238. Reporting for Customs Control Purposes**

238.1. The Customs brokers, carriers, owners of the Customs bonded zones and temporary warehouses shall be obliged to submit reports in accordance with the forms approved by the Customs.

### **Article 239. Inadmissibility of Unwarranted Damage in the Process of Customs Control**

239.1. When exercising their legal duties, the Customs or Customs officials shall not be allowed to take any actions or inactions which may cause unwarranted damage.

239.2. Any unwarranted damages losses caused by the unlawful actions or inactions of the Customs or Customs officials shall be reimbursed by the Customs.

239.3. Customs officials who caused damages to other persons shall be liable in accordance with relevant legislation of Mongolia.

239.4. Any losses caused to persons by Customs officials' lawful actions or inactions to exercise Customs control shall not be reimbursed by the Customs.

### **Article 240. Types of Customs Control**

- 240.1. Customs control shall have the following types:
- 240.1.1. verification of documents and information;
  - 240.1.2. verbal declaration;

- 240.1.3. lodgment of explanations;
- 240.1.4. Customs surveillance;
- 240.1.5. outward examination of goods or means of transport;
- 240.1.6. physical examination of goods or means of transport;
- 240.1.7. search of persons;
- 240.1.8. examination at premises, warehouses and areas;
- 240.1.9. post clearance audit;
- 240.1.10. other.

240.2. The Customs shall use risk assessment method for the Customs control.

### **Article 241. Verification of Information and Documents**

241.1. Customs should check validity, legitimacy (justification) and accuracy of information and documents supplied by a declarant.

241.2. Customs should, for the purposes of verifying the information and documents specified in 241.1 of this Law, give oral and written justification and may require additional documents and information.

### **Article 242. Oral Declaration**

242.1. When exercising the Customs control, Customs official may request an oral declaration from Customs stakeholders.

### **Article 243. Requirement of Explanations**

243.1. The Customs or Customs officials may obtain from the Customs stakeholders and other persons explanations in writing which have special significance for the Customs control.

### **Article 244. Customs Surveillance**

244.1. The Customs or Customs officials shall keep surveillance on means of transport in motion, loading, unloading and transshipment of goods which is subject to Customs control. Control equipment shall be used in surveillance.

## **Article 245. Examination of External Appearance of Goods or Means of Transport**

245.1. The Customs shall examine external appearance of goods or means of transport crossing the Customs frontier, seals and special mark for certain types of goods.

245.2. The examination specified in 245.1 of this Law may be carried out in the absence of the declarant.

## **Article 246. Examination of Goods or Means of Transport**

246.1. The Customs or Customs officials shall conduct the examination for goods or means of transport after receiving Customs (Goods) declaration form in order to match.

246.2. The Customs or Customs officials may conduct physical examination prior to the submission of Customs (Goods) declaration form in order to identify goods to be carried across the Customs frontier or check information on breach of Customs legislation.

246.3. Customs examination can be conducted by choosing in a most appropriate way such as removing seal, opening of goods package, identifying and counting goods which are placed for Customs control.

246.4. Declarant must be present when goods or means of transport are examined. If the declarant is unable to be in presence the carrier may witness the examination.

246.5. The Customs or Customs officials may perform the Customs examination of following goods without the presence of the declarant:

246.5.1. Goods which pose threat to national security, human life, animals, plants and the environment such as explosives, inflammable, psychotropic, radioactive, chemical, biological and hazardous substances, drugs, psychotropic substances and historical and cultural value goods;

246.5.2. International postal items;

246.5.3. Goods to be examined on the basis of the information on potential breach of the Customs legislation.

246.6. If the Customs conducts the physical examination of goods in accordance with the Article 248.5 of this Law, it shall compile on goods examination record in the presence of witnesses.

246.7. The Customs may be re-examined.

246.8. If it is not possible to conduct the Customs examination in the Customs examination area (Customs inspection zone), it can be carried out in the office or private premises, which meet technical requirements approved by the Customs, at the declarant's expenses.

246.9. The Customs shall run the examination of means of transport for international travelers and cargo within their scheduled stop time. Where necessary, upon the decision of head of the Customs, the stop time may be extended.

## **Article 247. Search of Persons**

247.1. Customs official shall conduct search on a person where there is a sufficient ground or suspicion of a violation or concealment of goods on his/her body as follows:

247.1.1. notify the Head of the Customs on conducting a search;

247.1.2. prior to the search, notify the person in question, remind his/her rights and responsibilities, suggest to lodge concealed items on a voluntary basis;

247.1.3. conduct search in the room which meets sanitary and hygienic requirements and with access of other persons to observe the performance of a search;

247.1.4. Customs official conducting the search shall be the same sex of a person subject to search and where the same sex official is unavailable, the search shall be conducted by a medical doctor who is invited for such a purpose;

247.1.5. witnesses shall be present during the search of a person and said witnesses shall be the same sex as a person being searched;

247.1.6. in case when a person subjected to a search is underage or disabled, his/her lawful representative or the person accompanying them shall be in present during a search.



247.2. A person subjected to search as specified in 247.1. shall be entitled to the following rights:

247.2.1. get introduced to his/her rights and obligations;

247.2.2. provide explanations and submit petitions;

247.2.3. examine the record of his/her own search;

247.2.4. speak his/her native language and where necessary to request an interpreter;

247.2.5. lodge complaint in accordance with Law and relevant laws in case his/her lawful rights have been infringed during the search.

247.3. A person subjected to search shall be obliged to obey lawful demands of the Customs officials.

247.4. It shall be prohibited to use during a search method involving humiliation of the person's dignity, defaming his/her name or damage to the person's health.

247.5. Customs official shall compile a search record. Customs official who conducting the search, the person subjected to search and the witnesses thereof shall sign the search record.

247.6. Search of person should be carried out in accordance with the procedures for search provided for in the Law on Examination and Settlement of Offences. *(This provision is added by the Law of 18 May 2017)*

## **Article 248. Examination of Premises, Warehouses or Sites**

248.1. The Customs or Customs officials shall examine premises, warehouses or sites where the following goods are located:

248.1.1. goods temporarily admitted into the Customs territory;

248.1.2. goods stored under supervision of a declarant upon permission of Customs;

248.1.3. goods stored in a temporary warehouse or Customs bonded zone.

248.2. The Customs or Customs officials shall conduct examinations of premises, warehouses or sites in existence of an information on the fact that goods or means of transport under Customs control is lost or the

Customs legislation is violated and in accordance with the procedures provided for in the Law on Examination and Settlement of Offences. *(This provision is amended by the Law of 18 May 2017)*

248.3. If there is a sufficient ground or suspicion that smuggled goods are located at places other than those specified in 248.1 of this Law, Customs shall, in accordance with the procedures provided for in the Law on Examination and Settlement of Offences, conduct examinations at the premises, warehouses or sites where such goods are stored. In this case, special marks should be examined. *(This provision is amended by the Law of 18 May 2017)*

248.4. If the owner (operator) of a premise, warehouse or site where goods under Customs control are stored refuses to allow examination, the Customs shall enter the places with presence of independent witnesses and conduct examination. It shall inform of this fact to a Prosecutor's Office within a period specified in a relevant law.

#### **Article 249. Post-clearance audit**

249.1. The Customs shall conduct post clearance audit, after goods or means of transport have been cleared and released, for the purposes of verification of the accuracy of information specified in Customs (Goods) declaration form and other documents and assessment of export and import record of the declarant.

249.2. The Customs and Customs officials have the following rights for conducting post clearance audit:

249.2.1. to demand a declarant to submit to them a Customs related, accounting, financial and other required documents and have an access to his/her database;

249.2.2. to carefully examine the document related to the audit, copy it for themselves, conduct its verification and demand to provide them with explanations, enquiries and clarifications;

249.2.3. to have an access to premises, warehouses or sites of consignees, owners, proprietors or related to them persons, carry out examination or seal them when deemed necessary;

249.2.4. in case when goods and means of transport are not allowed by declarants, consignees, owners, proprietors or related to them persons to enter their premises, warehouses or sites, or in case when they

refuse audit by any other means, to enter and check the premises, warehouses or sites;

249.2.5. other rights specified in a Law.

249.3. The Customs official who conducted the post clearance audit shall produce his verdict on offences proven by an evidence and issue an act of debt collection. In this case, Customs (Goods) declaration may be re-produced and Customs clearance is initiated.

249.4. The regulations on post clearance audit shall be approved by the Director General of the Customs central administration.

### **Article 250. Controlled Delivery**

250.1. On the basis of international treaties of Mongolia or mutually agreed arrangements with Customs or competent authorities of other countries, the Customs may use controlled delivery method for the purposes of repressing illegal trafficking of prohibited and restricted goods and revealing persons involved in the smuggling of such goods under Customs control.

250.2. The regulations on controlled delivery shall be approved by the Cabinet.

### **Article 251. Detainment (Seizure) of Goods or Means of Transport**

251.1. Goods or means of transport may be detained (seized), upon the decision of Customs or Customs officials, for the purposes of obtaining conclusions (expertise document), analysis, information and enquiry from the specialized organizations and involving relevant organizations and officials in the Customs examination.

251.2. The decisions specified in the Article 253.1. of this Law shall contain information on reasons to detain goods or means of transport, period of seizure and full name of the official who made decision and the copy of such decision shall be provided to the declarant.

251.3. The regulations on detainment (seizure) of goods or means of transport shall be approved by the Director General of the Customs central administration.

**SUB -CHAPTER ONE**  
**EXPERT ANALYSIS AND TESTING IN CUSTOMS CONTROL**

**Article 252. Appointment of Experts in Conducting Customs Control**

252.1. Expert analysis shall be conducted when the Customs control for documents, goods or means of transport requires expertise.

252.2. Expert analysis or testing may be conducted by the Customs laboratory or any specialized organizations or other experts appointed by the Customs.

252.3. Any organizations, public or private shall accept the decision by the Customs on expert analysis and appointment of experts.

252.4. In case when the organization to conduct expert analysis is not state owned, the expert analysis shall be conducted on contractual basis. Costs for expert analysis shall be borne by the declarant.

252.5. The Head of the Customs shall specify, in the resolution to conduct expert analysis, grounds and purposes of such analysis, duration, full name of an expert, name of organization, questions to be answered, list of documents and materials submitted to the expert, conclusions (expertise document) and warnings on responsibilities for drawing up wrong the conclusions (expertise document).

252.6. Expert analysis shall be conducted within the following time period:

252.6.1. during the period when goods are stored in temporary warehouse being placed under Customs procedure chosen by declarant upon getting expert conclusions (expertise document);

252.6.2. up to one month if expert analysis is made for means of transport;

252.6.3. up to three months for other cases.

252.7. Customs management officials shall make decision on conducting the expert analysis for goods or means of transport and notify declarant on that decision.

252.8. The regulations on conducting expert analysis, appointing experts, drawing up conclusions (expertise document) and requirements for experts shall be approved by the Director General of the Customs central administration.

### **Article 253. Expert's Conclusions** (Expertise document)

253.1. The expert shall draw up conclusions (expertise document) in writing based on analysis (test) results.

253.2. In expert's conclusions (expertise document) there shall be included grounds of conducting expert analysis, place, duration, full name of expert or name of organization, questions to be answered, object of analysis, materials and documents, methods of analysis and findings of expert analysis.

253.3. In the expert conclusions (expertise document) specified in 253.2 of this Law there may be included other conclusions not mentioned in questions in expert appointment act but relevant to the said analysis.

253.4. The expert shall attach evidences and other relevant materials and documents which would be an integral part of expert's conclusions (expertise document).

253.5. The expert who conducted expert analysis and other experts who participated in the said analysis shall sign the conclusions (expertise document). In case of disagreement, each expert shall provide his/her own conclusions.

253.6. The Customs shall submit a copy of the expert's conclusions (expertise document) to the declarant.

253.7. The Customs or Customs officials shall, in making a decision, take into account of expert's conclusions (expertise document).

### **Article 254. Additional and Repeated Expert Analysis**

254.1. If the expert's conclusions (expertise document) are vague or incomplete, additional expert analysis shall be conducted by the expert who conducted the analysis or other expert or organization.

254.2. If the expert analysis is found to be unsatisfactory or doubtful, the Customs shall appoint another expert for repeated expert analysis.

254.3. Relevant provisions of the Article 254 and 255 of this Law shall be adhered for conducting additional and repeated expert analysis.

### **Article 255. Expert's Rights and Responsibilities**

255.1. An expert has the following rights:

255.1.1. examine goods, documents and means of transport for which expert analysis to be conducted;

255.1.2. invite other experts for the expert analysis upon the permission of the Customs,

255.1.3. request necessary for the expert analysis materials, additional information and documents;

255.1.4. refuse to conduct expert analysis;

255.1.5. participate in the certain operation for Customs control upon the permission of the Customs.

255.2. When the expert refused to conduct the expert analysis as specified in 257.1.4 of this Law, he/she shall notify the Customs about such decision in writing.

255.3. Expert shall keep confidentiality of information regarding expert's analysis and conclusions (expertise document) and shall refuse to participate if such Customs operation is related to business of his/her family members or relatives or own property.

### **Article 256. Taking a Probe (Test), Taste (Specimen) or Sample**

256.1. For the purposes of Custom control, the Customs or Customs officials may take a probe (test), taste (specimen) or sample of goods.

256.2. A declarant may take a probe (test), taste (specimen) or sample upon a permission of Customs.

256.3. Where other competent government authorities or their officials take a probe (test), taste (specimen) or sample in accordance with the relevant law, Customs official and a declarant should be present.

256.4. The declarant shall be obliged to provide assistance in taking a probe (test), taste (specimen) or sample and bear related expenses.

256.5. Quantity of a probe (test), taste (specimen) or sample shall be a minimum amount sufficient for testing and making conclusions (producing expertise document).

256.6. A probe (test), taste (specimen) or sample taken in accordance with provisions 256.1-256.3 of this Law should be recorded and experts or specialists may take part in that process.

256.7. The regulations on taking a probe (test), taste (specimen) or sample, conducting analysis and drawing up conclusions (expertise document) shall be approved by the Director General of the Customs central administration.

## **Article 257. Specialist's Involvement in Customs Control**

257.1. When there is a need to use technical equipment, professional knowledge and skills in exercising Customs control, Customs may invite a specialist to participate in a Customs operations on a contractual basis.

257.2. The specialist specified in 257.1 of this Law shall have the following rights:

257.2.1. to be acquainted with materials relevant to his/her functions in the operation;

257.2.2. to put, upon permission of Customs official, questions related to the operation;

257.2.3. to get acquainted with results and related documents of the operation he/she participated in and give comments thereon.

257.3. The specialists specified in 257.1 of this Law shall have the following obligations:

257.3.1. to perform his/her duty specified in the contract;

257.3.2. to certify his/her involvement in the certain operations of Customs control by his/her signature and keep confidentiality of information acquired during the operations;

257.3.3. to refrain from involvement in a Customs operation if the operation is related to a property of his/her family members or relatives or his/her own property.

257.4. Costs of the specialists involved in the Customs control at the initiative of Customs shall be borne by the State Budget.

### **Article 258. Involvement of Other Government Agencies or Officials in Customs Control**

258.1. Other government agencies or officials such as professional inspection agencies and police officers may be involved in Customs control in accordance with the relevant legislation.

258.2. The government agencies or officials specified in 258.1 of this Law may, along with Customs examination, carry out their own control and examination provided for in their relevant legislation.

## **SUB-CHAPTER TWO ADDITIONAL PROVISIONS ON CUSTOMS CONTROL**

### **Article 259. Information on Customs Stakeholders**

259.1. In accordance with Law, the Customs shall collect information regarding clients and stakeholders who are engaged in carriage of goods or means of transport across the Customs frontier or involved in foreign trade activities.

259.2. For the purposes of Customs control, levying and collecting Customs duties and other taxes, the Customs shall gather information on business record, assets, location and solvency of the stakeholder and clients.

### **Article 260. Other Activities Necessary for the Customs Control**

260.1. A licensed owner of the temporary warehouses and Customs bonded zones, declarants and carriers shall be responsible for carriage, loading, unloading transshipment, unpacking, repacking, weigh scaling, determination of quantity, fixing good package damages and opening and closing warehouses.

### **Article 261. Application of Identification Marks on Goods or Means of Transport for Customs Purposes**



261.1. Identification marks for Customs purposes (hereinafter, Customs identification mark) for the goods or means of transport under the Customs control may be effected applying most convenient methods such as seals, stamps, alphanumeric and other markings, special identification marks, stamping shipment documents, commercial and other documents, taking a probe (test), taste (specimen) or sample, detailed description of goods or means of transport, photographic images, video recording, sketches and illustrations.

261.2. The Customs or Customs officials shall put Customs identification marks.

261.3. The Customs identification mark may be changed or removed by other persons upon the permission of Customs if there is a threat to goods or means of transport to be destroyed, lost or damaged or the Customs is unable to apply the Customs identification mark and in this effect such person shall notify the Customs immediately.

261.4. In the instances specified in the Article 263.3. of this Law, if the person is unable to notify the Customs, he/she may change or remove the Customs identification mark in the presence of any competent officials from other relevant Ministries and agencies.

261.5. In the instances specified in the Article 263.3. and 263.4. the person shall file a report in accordance with the form approved by the Director General of the Customs central administration and shall prove real threats by providing documents issued by the relevant organizations.

261.6. The identification mark specified in the Article 263.1. of this Law shall be as seals and stamps applied the Customs of other countries and they shall be used solely for Customs purposes.

261.7. The regulations on application of identification marks on goods or means of transport carried across the Customs frontier shall be approved by the Director General of the Customs central administration.

**SUB-CHAPTER THREE**  
**PERMISSION OF GOODS RELATED TO INTELLECTUAL**  
**PROPERTY RIGHTS THROUGH THE CUSTOMS FRONTIER**

## **Article 262. Permission of Goods Related to Intellectual Property Rights through the Customs Frontier**

262.1. Creations, inventions, industrial designs, utility models or goods related to the intellectual property rights owned by a certified right-holder under the Law on Copyrights and Related Rights and the Law on Patents shall be permitted across the Customs frontier unless otherwise is specified in a law or in cases other than those where an application is submitted as specified in Article 264 of this Law.

262.2. The regulations on permission of goods related to intellectual property right across the Customs frontier shall be approved jointly by the Director General of the Customs central administration and a head of the Intellectual Property Office.

## **Article 263. Grounds Not to Permit Goods Related to Intellectual Property Rights Through the Customs Frontier**

263.1. The Customs shall take measures not to permit goods, which are related to intellectual property rights and placed under the Customs control, across the Customs frontier on the basis of the application made by the right-holder.

263.2. Measures to be taken by the Customs shall not preclude the right-holder in protecting his/her rights according to provisions of a law of Mongolia.

## **Article 264. Right-Holder's Application and Its Consideration**

264.1. The right-holder shall, in a case where he/she has a sufficient evidence that goods were smuggled through the Customs frontier in infringement of his/her rights or the goods are under Customs control, submit application to Customs to take measures not to permit such goods across the Customs frontier. The application shall contain the following details:

264.1.1. information on the right-holder;

264.1.2. information on the intellectual property objects;

264.1.3. detailed information on goods which might be smuggled as by the applicant;

264.1.4. determination of a time by which Customs should take its measures;

264.2. The application shall be supplemented by the IPR certificate and the product design certificate.

264.3. The Customs shall accept the application and consider it in accordance with relevant legislation.

## SECTION V CUSTOMS CHAPTER FOURTEEN

### CUSTOMS

**Article 265. Customs** *(This Article is revised by the Law of 18 December 2015)*

265.1. The Customs is a government agency with its special function responsible for ensuring compliance of the Customs legislation of Mongolia. *(This provision is revised by the Law 21 July 2016)*

265.2. The Customs shall have its own emblem (logo). The regulations on design and application of the emblem shall be approved by the Director General of the Customs central administration. *(This provision is amended by the Law 21 July 2016)*

265.3. The Customs should be financed from the state budget and economic guarantee for its functioning shall be ensured by the Government. *(This provision is amended by the Law 21 July 2016)*

~~**Article 266. Customs Emblem** *(This Article is deleted by the Law of 18 December 2015)*~~

~~266.1. The Customs shall have its own emblem. The regulations on the design and application of the emblem shall be approved by the Director General of the Customs central administration.~~

~~**Article 267. Customs System** *(This Article is deleted by the Law of 18 December 2015)*~~

~~267.1. The Customs system consists of the Customs central administration and affiliated to it regional Customs administrations and Customs offices. The regional Customs administrations may have functional units and branch offices.~~

~~267.2. The Customs central administration is a state administrative authority responsible for implementing Customs legislation nationwide.~~

~~267.3. The Customs central administration shall have the Director General and his Deputy (Deputies).~~

~~267.4. The Government of Mongolia shall appoint the Director General of the Customs central administration upon the recommendation of the Cabinet Minister responsible for Customs matters and appoint the Deputy Director General upon the recommendation of the Director General of the Customs central administration.~~

~~267.5. The Customs central administration may have its own Customs research and training organization, Customs laboratory, printing shop, information technology center, investment, procurement and service department and a detector dog unit.~~

~~267.6. Rules of the Customs central administration shall be approved by the Government.~~

~~267.7. The rules of regional Customs administrations, Customs offices and offices referred to in 267.5 of this Law shall be approved by the Director General of the Customs central administration.~~

~~267.8. Research and educational activities of the research organizations specified in 267.5 of this Law shall be governed by the Law on Science and Technology and the Law on Higher Education.~~

**Article 267<sup>1</sup>. Customs System** (*This Article is added by the Law of 21 July 2016*)

267<sup>1</sup>.1. The Customs system consists of government authority responsible for Customs matters and affiliated to it regional Customs

administrations and Customs offices. The regional Customs administrations may have functional units and branch offices.

267<sup>1</sup>.2. The government authority responsible for Customs matters is a state administrative authority responsible for implementing Customs legislation nationwide.

267<sup>1</sup>.3. The government authority responsible for Customs matters shall have the Director General and his Deputy (Deputies).

267<sup>1</sup>.4. The Director General of the Customs central administration shall be appointed or discharged in accordance with paragraph 2 of Article 18<sup>3</sup> of the Law on Government of Mongolia. *(This provision is amended by the Law of 7 December 2017)*

267<sup>1</sup>.5. The government authority responsible for Customs matters may operate under it a scientific institution in charge of academic and research works and training and refreshment training of Customs staff, Customs laboratory, printing house, information processing and computing center, investment, procurement and services department and a detector dog unit.

267<sup>1</sup>.6. The rules of the government authority responsible for Customs matters shall be approved by the Government.

267<sup>1</sup>.7. The rules of regional Customs administrations, Customs offices and offices referred to in 267<sup>1</sup>.5 of this Law shall be approved by the Director General of the government authority responsible for Customs matters.

267<sup>1</sup>.8. Research and educational activities of the scientific institution specified in 267<sup>1</sup>.5. of this Law shall be governed by the Law on Science and Technology and the Law on Higher Education.

~~267<sup>1</sup>.9. The Customs shall execute a special function to coordinate activities of an institution responsible for ensuring border ports control and security and provide it with a general management and the respective relations shall be governed by the Law on Border Ports. *(This provision is deleted by the Law of 28 December 2016)*~~

**~~Article 268. The Full Power of the Customs central administration~~**  
*(This Article is deleted by the Law of 18 December 2015)*

~~268.1. The Customs central administration shall exercise the following power:~~

~~268.1.1. to implement the Customs legislation nationwide and ensure its compliance;~~

- ~~268.1.2. to introduce proposals on Customs matters and get settled the matter in accordance with the legislation;~~
- ~~268.1.3. to determine Customs control strategies on the basis of risk assessment;~~
- ~~268.1.4. to formulate and implement Customs Development Program;~~
- ~~268.1.5. to coordinate activities of Customs establishments, provide professional management and create conditions for normal operations;~~
- ~~268.1.6. to develop rules, regulations and guidelines specified in this Law regarding carriage of goods or means of transport across the Customs frontier;~~
- ~~268.1.7. to compile Customs foreign trade statistics and conduct analyses;~~
- ~~268.1.8. to generate national commodity codes in conformity with the Harmonized Commodity Description and Coding System;~~
- ~~268.1.9. to set customhouses and Customs offices for declaring goods at clearance;~~
- ~~268.1.10. to plan human resource demand of the Customs and manage deployment of human resource;~~
- ~~268.1.11. to consult and provide information on Customs matters and support training employees of Customs stakeholders;~~
- ~~268.1.12. to enhance international cooperation of the Customs;~~
- ~~268.1.13. to prevent Customs offences;~~
- ~~268.1.14. to accept and resolve petitions and complaints on Customs matters;~~
- ~~268.1.15. other powers specified in a law.~~

**Article 268<sup>1</sup>. The Full Power of the Government Authority Responsible for Customs Matters** *(This Article is added by the Law of 21 July 2016)*

- 268<sup>1</sup>.1. The Government authority responsible for Customs matters shall exercise the following power:
- 268<sup>1</sup>.1.1. to implement the Customs legislation nationwide and ensure its compliance;
  - 268<sup>1</sup>.1.2. to introduce proposals on Customs matters and get settled the matter in accordance with legislation;
  - 268<sup>1</sup>.1.3. to determine Customs control strategies on the basis of risk assessment;

- 268<sup>1</sup>.1.4. to formulate and implement Customs Development Program;
- 268<sup>1</sup>.1.5. to coordinate activities of Customs establishments, provide them with a professional management and ensure their normal operations;
- 268<sup>1</sup>.1.6. to develop rules, regulations and guidelines specified in this Law regarding permission of goods or means of transport across the Customs frontier;
- 268<sup>1</sup>.1.7. to compile Customs foreign trade statistics and conduct analyses;
- 268<sup>1</sup>.1.8. to generate national commodity codes in conformity with the Harmonized Commodity Description and Coding System;
- 268<sup>1</sup>.1.9. to set designated Customs establishment for declaring goods and accomplishing Customs clearance;
- 268<sup>1</sup>.1.10. to plan Customs human resource needs and manage its deployment;
- 268<sup>1</sup>.1.11. to provide Customs stakeholders with information and consultancy on Customs matters and assist in preparation, training and retraining of their professional staff;
- 268<sup>1</sup>.1.12. to develop international Customs cooperation;
- 268<sup>1</sup>.1.13. to prevent Customs offences;
- 268<sup>1</sup>.1.14. to accept and resolve petitions and complaints on Customs matters;
- 268<sup>1</sup>.1.15. other powers specified in a law.

**Article 269. The Principle Functions of Customs** (*This Article is deleted by the Law of 18 December 2015*)

- ~~269.1. The Customs shall perform the following principle functions:~~
- ~~269.1.1. to administer and enforce the Customs legislation and ensure compliance;~~
- ~~269.1.2. to control goods or means of transport crossing the Customs frontier;~~
- ~~269.1.3. to accomplish Customs clearance, levy (assess, impose), collect and use force of law to collect Customs duties and other taxes and exercise control;~~
- ~~269.1.4. to advance Customs data processing system and protect and secure confidentiality of database;~~
- ~~269.1.5. to compile the Customs statistical data on foreign trade;~~

~~269.1.6. to educate public on Customs legislation and Customs related data;~~  
~~269.1.7. to prevent and repress Customs offences and impose penalties specified in a law;~~  
~~269.1.8. to conduct internal control of the Customs;~~  
~~269.1.9. to protect intellectual property rights as specified in this Law.~~

**Article 269<sup>1</sup>. The Principle Functions of Customs** *(This Article is added by the Law of 21 July 2016)*

269<sup>1</sup>.1. The Customs shall perform the following principle functions:

269<sup>1</sup>.1.1. to administer implementation of the Customs legislation and ensure its compliance and enforcement;

269<sup>1</sup>.1.2. to control goods or means of transport crossing the Customs frontier and their movements;

269<sup>1</sup>.1.3. to accomplish Customs clearance, levy (assess, impose), collect and use force of law to collect Customs duties and other taxes as well as fees and exercise control over them;

269<sup>1</sup>.1.4. to advance Customs data processing system and ensure and protect confidentiality and security of database;

269<sup>1</sup>.1.5. to compile the Customs statistical data on foreign trade;

269<sup>1</sup>.1.6. to promote public awareness of Customs legislation and provide the public with information;

269<sup>1</sup>.1.7. to prevent and repress Customs offences and impose penalties specified in a law;

269<sup>1</sup>.1.8. to apply internal audit of Customs;

269<sup>1</sup>.1.9. to protect intellectual property rights as specified in this Law;

269<sup>1</sup>.1.10. to administer exploitation and maintenance of border port facilities and take measures to ensure working conditions of employees of border control services. *(This provision is added by the Law of 28 December 2016)*

**Article 270. Rights of the Customs** *(This Article is deleted by the Law of 18 December 2015)*

~~270.1. The Customs shall have the following rights:~~



~~270.1.1. to require and examine information and documents for Customs purposes in accordance with this Law;~~

~~270.1.2. to use vehicles and communication devices owned by other persons in case when the Customs owned vehicles and communication devices are not available for use;~~

~~270.1.3. to make claims and complaints to the Court on Customs matters;~~

~~270.1.4. other rights specified in a law.~~

**Article 270<sup>1</sup>. Rights of the Customs** (*This Article is added by the Law of 21 July 2016*)

270<sup>1</sup>.1. The Customs shall have the following rights:

270<sup>1</sup>.1.1. to require and examine information and documents for Customs purposes in accordance with this Law;

270<sup>1</sup>.1.2. in case when the Customs cannot use its own vehicles and communication devices, to use vehicles and communication devices owned by other persons;

270<sup>1</sup>.1.3. to make claims and complaints to a court on Customs matters;

270<sup>1</sup>.1.4. other rights specified in a law.

**Article 271. Full Powers of Customs Top Management** (*This Article is deleted by the Law of 18 December 2015*)

~~271.1. The Director General of the Customs central administration shall exercise the following full powers:~~

~~271.1.1. to maintain administrative daily management of Customs operations;~~

~~271.1.2. to enact, if such power is rendered by a law, rules, procedures and guidelines establishing norms enforceable nationwide;~~

~~271.1.3. to participate in formulating Customs policy and to organize enforcement actions of measures on tariff and non-tariff restrictions;~~

~~271.1.4. to draft international agreements of Mongolia on Customs matters, sign them when authorized by the Government of Mongolia and ensure the compliance with commitments of Mongolia arising thereof;~~

~~271.1.5. to take measures for preventing and combating Customs offences in compliance with the Customs legislation;~~

~~271.1.6. to cooperate with Customs stakeholders to enhance the effectiveness of Customs control and examination;~~

~~271.1.7. to accept and review petitions and complaints on Customs matters and make a decision within his/her competency;~~

~~271.1.8. to establish, re-organize or dissolve Customs establishments affiliated to the Customs central administration and those operating under it;~~

~~271.1.9. to determine the territories of supervision by affiliated Customs establishments and restrict their competencies to certain types of goods or means of transport or Customs procedures;~~

~~271.1.10. to appoint, discharge, suspend, transfer or rotate Customs officials, reward them or nominate them to a state or Government awards;~~

~~271.1.11. to award a title of a state Customs inspector or suspend the title or impose disciplinary measures;~~

~~271.1.12. to dispose Customs budget and its assets within his/her competency empowered by a law;~~

~~271.1.13. to represent Customs abroad and domestically and at a court or arbitration;~~

~~271.1.14. to keep control on levying (assessment, imposition), collection and payment of Customs duties and other taxes as well as fees;~~

~~271.1.15. to keep control over foreign trade payments and settlements (estimates) for the Customs purposes;~~

~~271.1.16. to ensure facilitation and security of international trade and give an authorization to the Customs stakeholder who meets the criteria determined by the Customs central administration in accordance with international standards;~~

~~271.1.17. other rights specified in a law.~~

~~271.2. In absence of the Director General of the Customs central administration the Deputy Director General shall exercise his powers.~~

## **Article 271<sup>1</sup>. Full Powers of Customs Top Management** *(This Article is added by the Law of 21 July 2016)*

271<sup>1</sup>.1. The Director General of the Government authority responsible for Customs matters shall exercise the following full powers:

271<sup>1</sup>.1.1. to maintain administrative daily management of Customs operations;

271<sup>1</sup>.1.2. to enact, if such power is rendered by a law, rules, procedures and guidelines establishing norms enforceable nationwide;

271<sup>1</sup>.1.3. to participate in formulating Customs policy and to organize enforcement actions of measures on tariff and non-tariff restrictions;

271<sup>1</sup>.1.4. to draft international agreements of Mongolia on Customs matters, sign them when authorized by the Government of Mongolia and ensure the compliance with commitments of Mongolia arising thereof;

271<sup>1</sup>.1.5. to take measures for preventing and combating Customs offences in compliance with the Customs legislation;

271<sup>1</sup>.1.6. to cooperate with Customs stakeholders to enhance the effectiveness of Customs control and examination;

271<sup>1</sup>.1.7. to accept and review petitions and complaints on Customs matters and make a decision within his/her competency;

271<sup>1</sup>.1.8. to establish, re-organize or dissolve Customs establishments affiliated to the Customs central administration and those operating under it;

271<sup>1</sup>.1.9. to determine the territories of supervision by affiliated Customs establishments and restrict their competencies to certain types of goods or means of transport or Customs procedures;

271<sup>1</sup>.1.10. to appoint, discharge, suspend, transfer or rotate Customs officials, reward them or nominate them to a state or Government awards;

271<sup>1</sup>.1.11. to award a title of a state Customs inspector or suspend the title or impose disciplinary measures;

271<sup>1</sup>.1.12. to dispose Customs budget and its assets within his/her competency empowered by a law;

271<sup>1</sup>.1.13. to represent Customs abroad and domestically and at a court or arbitration;

271<sup>1</sup>.1.14. to keep control on levying (assessment, imposition), collection and payment of Customs duties and other taxes as well as fees;

271<sup>1</sup>.1.15. to keep control over foreign trade payments and settlements (estimates) for the Customs purposes;

271<sup>1</sup>.1.16. to ensure facilitation and security of international trade and give an authorization to the Customs stakeholder who meets the criteria determined by the Customs central administration in accordance with international standards;

271<sup>1</sup>.1.17. other rights specified in a law.

271<sup>1</sup>.2. In absence of the Director General of the Customs central administration the Deputy Director General shall exercise his powers.

**~~Article 272. Cooperation of Customs with Other Government Agencies~~**  
*(This Article is deleted by the Law of 18 December 2015)*

~~272.1. For the purposes of implementing operational objectives specified in the Articles 288 and 289, the Customs may cooperate with other Government agencies.~~

~~272.2. The Customs may delegate execution of its duties other than conducting the Customs Control to other Government agencies in accordance with the relevant laws.~~

**Article 272<sup>1</sup>. Cooperation of Customs with Other Government Agencies**  
*(This Article is added by the Law of 21 July 2016)/*

272<sup>1</sup>.1. For the purposes of implementing operational objectives specified in the Articles 288 and 289, the Customs may cooperate with other Government agencies.

272<sup>1</sup>.2. The Customs may delegate execution of its duties other than conducting the Customs Control to other Government agencies in accordance with the relevant laws.

**Article 273. State Customs Inspector**

273.1. The Customs official who has rights and responsibilities to conduct Customs control and examination in accordance with the Customs legislation would be a state Customs inspector.

273.2. State Customs inspectors belong to the government special service employees.

273.3. The Director General of the Customs central administration shall be a Customs Chief Officer of Mongolia.

273.4. A state Customs inspector shall, when he/she is awarded a title of a state Customs inspector, take an oath saying that “I, the State Customs Inspector, swear to devote myself to safeguarding the sovereignty and economic security of Mongolia and when carrying out the Customs

control and examination to honor law and justice, strictly observe codes of conduct of state Customs inspector and not be biased. And breaking my oath is worth of a statutory punishment”.

273.5. A state Customs inspector shall be a Mongolian national with higher education and certain knowledge of foreign language and completed the specialized training on Customs operational activities.

273.6. The regulations on requirements and procedures for examination to recruit to a position of a state Customs inspector shall be approved by the Customs central administration.

#### **Article 274. Right and Responsibilities of a State Customs Inspector**

274.1. A state Customs inspector has, in addition to the rights specified in this Law on Civil Service, the following rights:

274.1.1. to conduct the Customs control and the Customs clearance for goods or means of transport carried across the Customs frontier in accordance with this Law;

274.1.2. for the purposes of enforcing the Customs legislation to request any nationals or officials, to abide by his/her lawful requirements;

274.1.3. to have an access to premises or warehouses owned by any economic entities or organizations, search and make up an inventory, and audit or check books and accounts of economic entities in connection with the Customs clearance;

274.1.4. to require documents, explanations and enquiries relevant to the Customs control and examination from relevant persons;

274.1.5. to temporarily seize or copy documents and materials evidencing concealment of goods subject to Customs duties and other taxes from economic entity, organization or individuals - tax payers in accordance with the procedures provided for in the Law on Examination and Settlement of Offences; (*This provision is amended by the Law of 18 May 2017*)

274.1.6. to have an access to the national border prohibited zones when performing official duties;

274.1.7. to impose penalties for administrative offences violated the Customs legislation in accordance with a law.

274.2. A state Customs inspector has the following responsibilities, in addition to the public servants' common responsibilities specified in the Law on Public Services:

274.2.1. to be loyal to his/her oath, be vigilant while conducting the Customs control and examination, to keep state, organizational and personal secrets and not to disrepute personal reputation;

274.2.2. not to prejudice to rights and legal interests of a state, organization or individuals and not to abuse or overuse his/her position while conducting the Customs control and the Customs clearance;

274.2.3. to inform the relevant agencies or officials about illegal actions or inactions violating Customs legislation;

274.2.4. to participate in professional training;

274.2.5. to abide by the Code of conduct of a state Customs inspector;

274.3. A state Customs inspector shall be re-located for the period up to two years in the Customhouses and Customs offices.

274.4. The Code of Conduct of a state Customs inspector shall be approved by the Director General of the Customs central administration.

### **Article 275. Activities Prohibited for a State Customs Inspector**

275.1. In addition to the activities specified in the Law on Public Services, the following activities are prohibited for a state Customs inspector:

275.1.1. to be a member of political party;

275.1.2. to carry out Customs control and Customs clearance for goods or means of transport carried across the Customs frontier by his/her family members or relatives or participate in, or influence to, such operations;

275.1.3. to discriminate by way of requiring information other than that specified in this Law, causing a delay (difficulties) for individuals or giving an advantage to others;

275.1.4. to conduct Customs control and examination in cases not related to his/her official duties.

### **Article 276. Uniforms and Signs of Distinction**

276.1. A state Customs inspector shall use uniform and signs of distinction or shall be provided with a dress supply.

276.2. The regulations on standard design, wearing and utilization period of uniform and use of signs of distinction by a state Customs inspector shall be approved by the Director General of the Customs central administration.

276.3. It shall be prohibited for any other organizations or individuals to use uniform or signs of distinction of the same design as that of a state Customs inspector.

### **Article 277. Special Devices and Techniques of Fighting of the Customs Body**

277.1. A state Customs inspector while performing his/her official duties may use the following special devices or techniques of fighting:

277.1.1. individual special device for fighting;

277.1.2. special devices for forceful stop of vehicles (car-stopping devices);

277.1.3. self-defense special devices;

277.1.4. sambo, karate, etc., unarmed fighting techniques; and

277.1.5. detector dogs.

### **Article 278. Using Special Devices and Techniques of Fighting**

278.1. A state Customs inspector may use special devices or techniques of fighting in following instances:

278.1.1. an attack to a state Customs inspector may cause a harm to his/her life or health;

278.1.2. lawful demand of a state Customs inspector is deliberately not met or forcefully resisted; and

278.1.3. during the journey to deliver goods or means of transport under Customs control or confiscated or taken into custody from one Customs office to another or another appropriate agency.

278.2. The special devices forcing means of transport to stop may be used in the following instances:

278.2.1. moved means of transport without Customs permission when the Customs examination is not accomplished; and

278.2.2. moved means of transport attempting to escape from the Customs control and examination in order to smuggle goods.

278.3. In the instances when using special devices or techniques of fighting coursed harms to personal life or health, there should be taken measures to render prompt medical assistance and inform a head of the appropriate Customs office about the case, and the latter shall keep a public prosecutor informed to this effect.

278.4. The list of special devices and instructions of their usage and storage specified in 277.1 of this Law shall be approved by a Director General of the Customs central administration upon consultation with the Prosecutor General.

### **Article 279. Classification of Posts Held by State Customs Inspectors**

279.1. The posts held by state Customs inspectors shall be classified as follows:

- 279.1.1. the post of leading officer;
- 279.1.2. the post of principal officer;
- 279.1.3. the post of senior officer;
- 279.1.4. the post of executive officer; and
- 279.1.5. the post of assistant officer.

279.2. The post of leading officer shall be held by a Director General of the Customs central administration.

279.3. The posts of principal officers shall be held by a Deputy Directors General of the Customs central administration.

279.4. The posts of senior officers shall be held by heads of structural units of the Customs central administration and directors of affiliated regional Customs administrations.

279.5. The posts of executive officers shall be held by state senior Customs inspectors of the Customs central administration, heads of establishments operating under the Customs central administration, ~~deputy directors of the regional Customs administrations~~ and heads of Customs offices and Customs branch offices. *(This provision is amended by the Law of 23 January 2015)*



279.6. The posts of assistant officers shall be held by the Customs officers.

### **Article 280. Ranks, Awards and Remunerations of State Customs Inspectors**

280.1. Each post of Customs leading, principal, senior, executive or assistant officer shall have ranks of first, second, third and fourth grades.

280.2. A rank for a Customs leading officer shall be granted to by the President of Mongolia; ranks for Customs principal officers shall be granted by the Prime-Minister of Mongolia; and ranks for senior, executive and assistant officers shall be granted by the Director General of the Customs central administration.

280.3. In granting ranks, duration of civil service, years of service in the particular post, qualification and ethical level shall be taken into consideration.

280.4. The regulations on granting ranks and subsistence allowances to state Customs inspectors shall be approved by the State Great Khural when the Cabinet introduces the issue.

280.5. A state Customs inspector shall be entitled to receiving a quarterly performance remuneration and regulations on granting remuneration shall be approved by the Cabinet.

280.6. A state Customs inspector who detected smuggling or attempted smuggling of goods and means of transport through the Customs frontier, or detected a number of offences worth substantial amount in an inter-related or organized and hidden manner, or contributed substantial amount to the revenue by detecting offences shall be awarded remuneration and amount of such reward and regulations on remuneration shall be approved by the Cabinet.

### **Article 281. Honors of a State Customs Inspector**

281.1. The following honors may award to a state Customs inspector:  
281.1.1. Customs Attorney General;

- 281.1.2. Customs Attorney; and
- 281.1.3. Customs Adviser.

~~281.2. The regulations on awarding honors and premiums to state Customs inspectors shall be approved by the Director General of the Customs central administration. (This provision is deleted by the Law of 18 December 2015)~~

281.3. The regulations on awarding honors and premiums to state Customs inspectors shall be approved by the Director General of the Government authority responsible for Customs matters. *(This provision is added by the Law of 21 July 2016)*

## **Article 282. Legal Guarantees of a State Customs Inspector**

282.1. The State shall ensure guarantees and conditions for a state Customs inspector to perform his/her duty in an independent and fair manner.

282.2. The Customs shall not require a state Customs inspector to perform any duties or tasks other than his/her legal responsibilities.

282.3. When any ministry or agency evaluates official performance of a state Customs inspector, it shall, in order not interrupt normal Customs operations, notify the respective Head of Customs to this effect in advance.

282.4. The State shall protect a state Customs inspector and his/her family members from any illegal attacks which may cause threats and harms to their personal life and health with regard to his/her performance of professional duties.

~~282.5. Financial aid equivalent with his/her 3 years salary shall be granted to the retired state Customs inspector who had more than 25 years of continuous service with the Customs with achievement. (This provision is deleted by the Law of 23 January 2015)~~

282.6. A state Customs inspector is entitled to the following aids:

282.6.1. when temporarily disabled, differences between his/her basic salary and pension granted during a length of time for his/her rehabilitation;

282.6.2. when became handicapped, differences between his/her basic salary and disability pension;

282.6.3. when had an artificial body part, the charges for its replacement;

282.6.4. when hospitalized, medical charges in excess to his/her health insurance expenses;

282.6.5. when disabled for a long term, one-time grant equivalent to his/her basic annual salary; and

282.6.6. when lost his/her life due to an attack made in connection with performance of his/her official duties, one-time grant equivalent to his/her three years basic annual salary.

282.7. Family members of a state Customs inspector who is working at the national border of Mongolia shall be provided by an employment in the first priority or otherwise their health and retirement insurances shall, for a length of time during their unemployment, be paid on the basis of minimum wage rates approved by the Cabinet which is effective in force at the time.

282.8. A state Customs inspector who performs his/her duty along the national border is entitled to frontier/border allowances. The regulations on granting the frontier/border allowances shall be approved by the Cabinet.

282.9. The Customs shall grant preferential loans or where necessary loan guarantees for officers, who has continuous service with the Customs with achievement, for building their private houses, buying such houses, apartments or necessities, and, when they want to study, paying their tuition fees as well as their children's tuition fees.

## **Article 283. Salary of a State Customs Inspector**

283.1. Salary of a State Customs Inspector shall consist of a basic salary and supplementary allowances for holding the official post under exceptional circumstances, length of service for government, ranks and honors and educational degrees.

283.2. The regulations on amounts and granting of additional allowances for holding the official post under exceptional circumstances,

length of civil service and educational degrees specified in 283.1 of this Law shall be approved by the Cabinet.

#### **Article 284. Disciplinary Measures**

284.1. A state Customs inspector who had acted in a negligence while performing his/her official functions or abused (overused) his/her full power by way of requiring from a declarant documents other than those specified in 60.3 of this Law as well as in other form, and violated the Customs legislation or his/her oath shall be subject to the following disciplinary measures:

284.1.1. to warn;

284.1.2. to diminish level of his/her rank for a period of up to 1 year;

284.1.3. to diminish his/her official position for a period of up to 3 months;

284.1.4. to remove the title of a state Customs inspector; or

284.1.5. to dismiss from the Customs service. (*This provision is amended by the Law of 28 December 2012*)

284.2. The disciplinary measures specified in 284.1. of this Law shall be imposed depending on the nature of the misconduct and may not be used by sequence.

284.3. The Rules on imposition of disciplinary measures to a state Customs inspector shall be approved by the Cabinet.

284.4. Heads of the Customhouses and Customs offices attached to the Customs central administration may impose disciplinary measures specified in 284.1.1 and 284.1.2 of this Law.

#### **Article 285. Providing Customs with an Office Building**

285.1. The Customs shall operate in the state-owned premises and facilities. It may use premises in other's possessions on a contractual base against payment.

285.2. Management of administrative and territorial units shall provide, in accordance with the legislation, plots of land and communication, electricity and heating supply, without any inconvenience,

for the Customs which is conducting Customs activities in their territory for ensuring its normal operations.

### **Article 286. Location of Customs Offices and Operating Hours**

286.1. The Director General of the Customs central administration shall determine location of the Customs offices and working hours taking into account the needs to promote international trade.

286.2. Working hours of the Customs offices at the frontier/border and the international airport shall be determined in accordance with working hours of the respective border port.

286.3. In the instances when the Customs clearance is unable to be conducted within the time period specified in 25.1 of this Law, by the decision of a head of the regional Customs administration or the Customs office, a state Customs inspector may perform his duties outside the working hours and overtime wage shall be paid to him/her in accordance with the Law on Employment.

### **Article 287. Financing of the Customs** *(This Article is deleted by the Law of 18 December 2015)*

~~287.1. The Customs shall be financed from the State Budget and the State shall ensure economic security of conducting operation.~~

## **SUB-CHAPTER ONE APPLICATION OF INFORMATION TECHNOLOGY AT CUSTOMS**

### **Article 288. Application of Information Technology at Customs**

288.1. The information system, network and information technology may be used in the Customs activities, for the purposes of exchanging data in electronic form and ensure their reliability.

288.2. The information system, network and information technology specified in 288.1 of this Law shall be in compliance to the national and international information and communication standards.

288.3. The state-owned information system, network and information technology shall be used free of charge for the Customs operation and any other information system, network and information technology with other ownership shall be used on the basis of contract.

288.4. The regulations on requirements and use of information system and technology of the Customs stakeholders shall approved by the Director General of the Customs central administration.

### **Article 289. Customs Operational Database**

289.1. The database of the Customs operation shall consist of Customs statistical data specified in the Article 13 of this Law, information and documents provided by the declarant to the Customs in accordance with this Law and information and documents accumulated by the Customs.

289.2. Information and documents of the Customs database specified in 289.1. of this Law may be in a form of electronic and paper version.

289.3. Any economic entity, person and organization may request information in any form from the Customs database specified in 289.1 of this Law. The regulation specified in the Article 15 shall be complied for giving information.

289.4. The Customs central administration shall specify issues regarding creation of the Customs database specified in 289.1 of this Law and its utilization and documentation of contents of the database in accordance with this Law and other laws.

## **SECTION VI CUSTOMS OFFENCES AND PENALTIES**

### **CHAPTER FIFTEEN CUSTOMS OFFENCES AND LIABILITIES**

**Article 290. Liabilities** (*This Article is revised by the Law of 4 December 2015*)

290.1. Customs officials shall be liable for their unlawful decisions and inactions in line with legislation regarding disciplinary, criminal and other legal sanctions.

290.2. The person who violated the Customs Law shall be subject to following disciplinary sanctions unless the case is qualified as criminal:

## **CHAPTER SIXTEEN MISCELLANEOUS PROVISIONS**

### **Article 291. Use of Goods or Means of Transport as Place for Concealment**

291.1. Where goods are used for smuggling other goods concealed in them, the goods used as concealment place shall be confiscated, or if it is impossible to confiscate them, the sum equal to their price shall be collected.

291.2. Where an owner of means of transport found guilty in using it as a concealment place by deliberately constructing it with an intention to smuggle goods, the means of transport concerned shall be confiscated, or if it is impossible to confiscate it, the sum equal to its price shall be collected.

### **Article 292. Termination of Rights of Customs Registered Specialist**

292.1. Rights of the Customs registered specialist shall be terminated in case of repeated violations as specified in 290.2.8. of this Law.

### **~~Article 293. Evasion from Payment of Customs Duties and Other Taxes~~** *(This Article is deleted by the Law of 18 December 2015)*

~~293.1. Where evasion of payment of Customs duties and other taxes by way of intentional misdeclaration of value or volume of goods, Customs procedure, goods description, types, designation, classification code, origin of goods, or alteration or change of Customs related documents does not qualify as criminal offence the individual or economic entity shall be subject to liabilities specified in the Articles 74 and 75 of the Taxation Law.~~

~~293.2. If the offence specified in 293.1 occurred unintentionally the individual or economic entity shall be subject to liabilities specified in the Articles 74 and 75 of the Taxation Law.~~

~~293.3 Where goods exempt or relieved from Customs duties and other taxes are used for other purposes or lost, Customs duties and other taxes payable shall be collected and a fine equal to an amount of duties and taxes shall be imposed in accordance with existing Customs legislation, tariff rate and exchange rate which are valid at the time of offence was detected and a fine equal to 50% of an amount of payable duties and taxes shall be imposed.~~

**Article 293<sup>1</sup>. Evasion or Escape from Payment of Customs Duties and Other Taxes** (*This Article is revised by the Law of 22 March 2019*)

293<sup>1</sup>.1. Where evasion or escape from payment of Customs duties and other taxes by way of false declaration of Customs value, goods quantity, Customs clearance procedure and description, types, marks, designation, classification or origin of goods or changing Customs documents or altering information contained in them does not qualify a criminal offence, the person guilty shall be subjected to penalties specified in the Law on Taxation and the Law on Offences.

**Article 294. Failure to Pay Duties and Taxes in Time** (*This Article is deleted by the Law of 18 December 2015*)

~~294.1. Where there is a failure to pay Customs duties and other taxes in time, an interest equal to 0.3% of total unpaid duties and taxes shall be imposed each day of such failure. The interest in this case does not refer to 'loss' as specified in the Civil Law.~~

**Article 294<sup>1</sup>. Failure to Pay Duties and Taxes in Time**

294<sup>1</sup>.1. Where there is a failure to pay Customs duties and other taxes in time, an interest equal to 0.3% of unpaid duties and taxes shall be imposed each day of such failure. The term 'interest' in this provision does not refer to the term 'mulct' (fine, анз) specified in the Civil Law. (*This provision is added by the Law of 21 July 2016*)



**~~Article 295. Freezing Bank Accounts or Putting Seal on Property~~ (*This Article is deleted by the Law of 18 December 2015*)**

~~295.1. Upon the decision of Director of Customhouse or Branch, the price of goods or means of transport referred to in Articles 290.2.1, 290.2.2 and 291 or duties or taxes and fines referred to in provisions 293.1, 293.2 and in the Article 294 of this Law shall be drawn from bank accounts of the person concerned without recourse to remedy, or bank accounts shall be frozen or the property equivalent to an amount due to the Customs shall be sealed.~~

**Article 295<sup>1</sup>. Freezing Bank Accounts or Putting Seal on Property** (*This Article is added by the Law of 21 July 2016*)

295<sup>1</sup>.1. Upon the decision of Director of regional Customs administration or Customs office, the price of goods referred to in provisions 290.1 and 290.2 and Article 291 and duties and taxes and fines referred to in provisions 293<sup>1</sup>.1, 293<sup>1</sup>.2 and 294<sup>1</sup> of this Law shall be drawn from bank accounts of the person concerned without recourse to a remedy, or otherwise the bank accounts shall be frozen or the property equivalent to an amount of the duties and taxes and dues shall be sealed.

**~~Article 296. Settlement of Customs Offences~~ (*This Article is deleted by the Law of 18 May 2017*)**

~~296.1. Administrative settlement of Customs offences specified in this Law shall be governed by Law and other related legislation.~~

~~296.2. If there were committed several Customs offences or repeated offences each offence shall be subject to liabilities as specified in this Law. No duplication of liabilities shall be imposed on offences.~~

**~~Article 297. Claim of Seized Goods and Means of Transport as State property~~ (*This Article is deleted by the Law of 18 May 2017*)**

~~297.1 The goods and means of transport seized by the Customs because of violation of Customs legislation shall be sold and proceeds of sales shall be transferred to state revenue.~~

~~297.2. If the Customs central administration or Court proves the non-involvement of seized goods or means of transport in Customs offence they shall be returned or their price shall be reimbursed. When the goods or means of transport are returned, the Customs duties and other taxes shall be paid and in case of price reimbursement the Customs duties and other taxes shall be deducted by the Customs.~~

~~297.3. In case of return of goods and means of transport as specified in 297.2 of this Law, customs duties and other taxes shall be refunded and related taxes and fees shall be deducted upon repayment.~~

~~297.4. The rules regarding the claim of seized goods and means of transport as state property shall be approved by the Cabinet.~~

## **Article 298. Disposal of goods upon expiry of storage duration**

298.1. If storage time for goods kept in Customs temporary warehouse or Customs bonded zone expires or an owner abandons the goods during the clearance, the Customs shall sell those goods and proceeds shall be state revenue.

298.2. If the owner requests to get the goods specified in 298.1. of this Law within 6 months after the goods were sold the price of the goods shall be reimbursed upon deduction of duties, other taxes, storage fees and other charges.

298.3. The rules regarding the sales of seized goods and means of transport shall be approved by the Director General of the Customs central administration.

## **Article 299. Entry into Force of this Law**

299.1. This Law shall enter into force from the 1st Day of July 2008.

**D. LUNDEEJANTSAN,  
THE SPEAKER OF THE STATE GREAT KHURAL**