



Resolution of Minister of Finance, Mongolia

Date: 1 March 2010

45

Venue: Ulaanbaatar

Pursuant to Article 9.1 and 15.2.3 of Accounting Law of Mongolia and for its enforcement, it is ordered:

One. To approve the “Regulation of recording the donations and aids” as stated in Annex,

Two. To assign the Accounting Department (S.Myagmardash) and Budget Policy Department (B.Batjargal) to oversee the enforcement of this resolution throughout their operations.

Minister

(Signed and sealed)

(S.Bayartsogt)

Regulation of recording donations and aids

One. General

1.1. The purpose of this regulation aims at coordinating the overall activities related to recording of donations and aids in the accounting rendered to public agencies by the foreign and domestic businesses.

1.2. In implementing this regulation, “Rules on accounts” and “Financial reporting and adjustment template”, approved by the resolution #388 of Minister of Finance on 27 November 2007 shall be complied with.

Two. Recording donations and aids

2.1. Public administrative agencies shall record the donations and aids in their

a. Recording cash

Assets- Cash

Liabilities- Donation and aid income

b. For recording in-kind donation, either use the market price or the contract price of the items given as donation.

Assets- Inventory

Liabilities- Donation and aid income

2.2. All public agencies shall report their receipt of cash and in-kind donations and aids received from extractive companies in accordance with reporting templates of EITI within the stipulated deadline.

2.3. Public administrative agencies shall make the donation and aid related adjustments in their financial reports in compliance with International Public Sector Accounting Standard.

2.4. Donations and aids provided by companies and their expenditure shall be disclosed and publicized as stated in other regulations.



Resolution of the GOVERNMENT OF MONGOLIA

Date: 14 July 2010

190

Venue: Ulaanbaatar

Re; on Extractive Industry Transparency Initiative

It is ordered by the Government of Mongolia to:

1. Assign Minister of Finance S.Bayartsogt to finance the associated costs of EITI effective from the fiscal year of 2011 by reflecting the necessary budget in the package of Prime Minister of Mongolia on an annual basis in order to enhance the implementation of EITI.
2. Within the framework of EITI, assign the governors of aimags, capital city, soum and districts to report and publicize the receipts of taxes, payments, fees, charges and fines paid by the holders of exploration and exploitation licenses to the local and central government budget and cash and in-kind donations made by license holders to Administration of aimags, capital city, soum and districts and other public agencies in accordance with the reporting templates every year.

Prime Minister of Mongolia

(S.Batbold)

Minister of Finance

(S.Bayartsogt)

(Signed and sealed)

Accounting Law of Mongolia

Accounting Law was revised and modified on 13 December 2001, subsequently amended several times, the last amendment being on 24 June 2010. Currently it consists of 5 chapters and 24 articles. Regarding the EITI related clauses, Article 4.1.1 states financial reports of legal entities shall comply with international standards. According to the last amendment made on 24 June 2010, the Article 10.1 states “Business and organizations shall produce their reports complying with International Standards on Financial Reporting and public agencies complying with International Standard of Public Sector Accounting”.

The last amendment also added the clause “In the case that the business and organizations fails in submitting their financial reports, the corresponding financial organization shall inform the public about this failure”.

Article 16 of the law also states “Accounting operation shall comply with the International Accounting Standard.”

The legislation came into effect on 1 April 2002 and the amendments are enforced right after they were approved by the Parliament and published on “State Info” bulletin.