

RESOLUTION NO. 80 OF THE GOVERNMENT OF MONGOLIA

The resolution of Government of Mongolia

Dated March 28, 2007 No. 80

Ulaanbaatar

On Approval of functions

The Government of Mongolia orders:

The functions of Governmental bodies participating in implementation of the Extractive Industries Transparency Initiative shall be approved as per attachment.

Prime Minister of State of Mongolia: M. Enkhbold

Chief of Cabinet Secretariat, Minister of State of Mongolia S. Batbold

Appendix to Governmental resolution No. 80 from 2007

Functions of Governmental bodies participating in implementation of the Extractive Industries Transparency Initiative.

1. The Central State administrative body in charge for financial subjects shall bear the following functions in relation to the Extractive Industries Transparency Initiative (EITI):

- 1.1. It shall provide counselling and assistance to taxation and local organizations on completion of EITI reporting templates, approve instructions for public disclosure and methodology how to implement
- 1.2. It shall instruct a National taxation administration to produce reports of each entity and reconcile them made in compliance with Reporting templates and instructions, on received taxes and payment in state and local budgets from extractive industries license holder (all forms of entities including joint venture entities with foreign investment, private investment, state property) and review reports.
- 1.3. If the reports are done incorrectly and instruct respective bodies and officials redo them.
- 1.4. It shall forward to EITI independent secretariat the Governmental report per each entity and nationally reconciled based on data provided by National Taxation administration.
- 1.5. It shall inform the public on Governmental report made per each entity and nationally reconciled of taxes and payments received from extractive industries companies in state and local budgets.
- 1.6. It shall render operational support to the National Council and Working group in direction of EITI implementation.

2. Central State administrative body in charge for geology, mining subjects shall bear the following functions in relation to the EITI:

- 2.1. It shall promote EITI principles; criteria and significance to extractive industries license holders, enlighten and involve them in the EITI.
- 2.2. It shall draft the amendments and modifications into existing legislation, or draft newly bill in relations to create legal framework for EITI implementation.

2.3. It shall render operational support to the National Council and Working group in direction of EITI implementation.

3. Central State administrative body in charge for environment subjects shall bear the following functions in relation to the EITI:

3.1. It shall inform the public on whether extractive industries license holders have remitted 50% of consigned annual expenditures on protection work of environment in compliance with Mineral Law's articles 38.1, 39.1.9; on activities organized by entities on rehabilitation of natural environment, and damages to environment.

4. National Taxation Administration shall bear the following functions in regard to EITI:

4.1. It shall provide all level taxation bodies, tax inspectors, respected governmental officials and officers professional methodologies in producing EITI reports, and organize.

4.2. It shall receive and reconcile reports per each entity through local taxation administration and tax inspectors from aimag, capital city and respected governmental organizations in compliance with Reporting templates, on received taxes and payment in state and local budgets from extractive industries license holder and review reports.

4.3. If the reports are done incorrectly and instruct respective bodies and officials redo them.

4.4. It shall forward report made per each entity and nationally reconciled of taxes to Ministry of Finance, produced in compliance with templates.

4.5. It shall render operational support to the National Council and Working group in direction of EITI implementation.

5. Central Customs authorities shall bear the following functions in regard EITI:

5.1. It shall forward to national Taxation Administration a report on collected customs tax, VAT, special tax and service charge from extractive industries license holders, per each entity, made in accordance with indicators specified in reporting templates

6. The Administrative body in charge for minerals and petroleum subjects shall bear the following functions in regard to EITI:

6.1. It shall promote EITI principles; criteria and significance to extractive industries license holders, enlighten and involve them in the EITI.

6.2. It shall provide EITI reporting methodology and guidelines to top managers and accountants of extractive industries license holders.

6.3. It shall forward to National Taxation Administration a report on collected license fees and other payments, service charge, per each entity, made in accordance with indicators specified in reporting templates.

6.4. It will disclosure and inform the public on reconciled annual produced and sold products of extractive license holders, in compliance with relevant formats.

6.5. It shall forward to EITI independent secretariat report on produced and sold products, paid taxes and payment to state and local budgets in accordance with article 48.10 of the Minerals Law, by each entity, with brief note about publications of reports.

6.6. It shall render operational support to the National Council and Working group in direction of EITI implementation.

7. The State Property Committee shall bear the following functions in regard to EITI:

- 7.1. It shall promote EITI principles, criteria and significance to top managers of state owned, partially state owned, and joint venture entities having extractive industries license, and enlighten and involve them in the EITI.
- 7.2. It shall provide EITI reporting methodology and guidelines to top managers and accountants of extractive industries license holders.
- 7.3. It shall forward to National Taxation Administration a report on collected dividend of state and local properties from state, partially state owned, and joint venture entities, per each entity, made in accordance with indicators specified in reporting templates.
8. The Administrative body in charge for foreign citizens subjects shall bear the following functions in regard to EITI:
 - 8.1. It shall forward to National Taxation Administration a report on collected job fees and other payments, service charge, per each entity, made in accordance with indicators specified in reporting templates.
9. The Central State Professional Inspection agency shall have the following functions in regard to EITI:
 - 9.1. During the inspection of performance of extractive industries license holding entities it shall check EITI implementation within relevant legal framework and decisions, and inform the public.
10. The office of Aimag, Capital City, Soum and Duureg Governors shall bear the following functions in regard to EITI:
 - 10.1. Branch office of EITI implementation shall be established, shall be headed by Governor deputy from aimag, capital city and be comprised from 3 partite
 - 10.2. It shall promote EITI principles, criteria and significance to entities having extractive industries license, operating in their respective territories and enlighten and involve them in the EITI.
 - 10.3. It shall monitor on whether entities having extractive industries license, operating in their respective territories produce EITI report, and have collaboration with entities and Non-governmental organizations.
 - 10.4. Office of Soum and Duureg Governors shall produce a report on received tax, payment and various service charges, and monetary and material (vehicle, hay and etc.) donations, from entities having extractive industries license in soum and Duureg, per each entity, made in accordance with indicators specified in reporting templates, and shall forward to Aimag, Capital City Governor's office.
 - 10.5. Office of Aimag and Capital city Governors shall produce a report on received tax, payment and various service charges, and monetary and material (vehicle, hay and etc.) donations, from entities having extractive industries license in their respective territories, per each entity, made in accordance with indicators specified in reporting templates, and shall forward to National Taxation administration.
 - 10.6. It shall have actions for further stabilization of EITI implementation.