



LAW OF MONGOLIA ON POLITICAL PARTIES /Revised edition/

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**LAW OF MONGOLIA
ON POLITICAL PARTIES
/Revised edition/**

**CHAPTER ONE
GENERAL PROVISIONS**

Article 1. The purpose of the Law

1.1. The purpose of this Law shall be to regulate relations pertaining to establishment, registration in the party register, reorganization, and liquidation of a political party /hereinafter referred to as “the Party”/ in order to ensure the right to freedom of association of Mongolian citizens, as well as the determination of the legal basis for structure and organization, operating procedures, control, financing, and accountability of the Party.

Article 2. Political parties’ legislation

2.1. The political parties’ legislation shall consist of the Constitution of Mongolia, this Law, and other legislative acts issued in conformity therewith.

Article 3. The definitions of terms of the Law

3.1. The following terms used in this Law shall be interpreted in the following meanings:

3.1.1. "the Party member" shall mean a citizen who accepts party's purpose and conceptions, the party's platform and rules, became a member upon joining the party on a voluntary basis, pays membership fees, and participates in activities of such party with the right to vote and to elect and be elected;

3.1.2. "suspension from the Party member" shall mean not having the rights of party member, not to participating in such party activities as the Party member or a supporter;

3.1.3. "the Party supporter" shall mean a citizen who actively participates in the activities of the party voluntarily upon supporting the objectives and conceptions of the party;

3.1.4. "election platform of the Party" shall mean the directions of policies and activities proposed to be implemented during the term of power of the respective representative bodies and officials based on the party platform;

3.1.5. "financial statements of the Party" shall mean set of electronic and printed information consisting from statements issued by the party in accordance with this Law and specified in paragraph 8.1 of the Law on Accounting during the reporting period;

3.1.6. "the Party affiliated organization" shall mean a foundation, association and/or non-governmental organization affiliated to the party which engaging in activities aimed at implementing and supporting party activities within the framework enforcement of the goals and objectives of the party or which established within the activities of the party;

3.1.7."the Party platform" shall mean a policy document which defines the principal directions and purposes of the party activities based on the party's conception, values and principles;

3.1.8."elected member" shall mean the Party member who is elected or appointed by the Party for a state political position and who are elected to all levels of the governing, representative, executive body and management position of the party;

3.1.9."financial assistance to be provided by the state" shall mean a state financing and/or indirect financial assistance by the state to be provided to the Party that meets the requirements specified in this Law;

3.1.10."indirect assistance to be provided by the state" shall mean a financial assistance to be provided by the state to the party in the form of non-monetary assets and services;

3.1.11."state financing" shall mean a financial assistance to be provided by the state in the form of monetary for the particular part of the financing of the party for the implementation of its function;

3.1.12."the year of creation of the right to state financing" shall mean a year starting from January 1st of the subsequent year after regular and irregular elections of the State Great Khural;

3.1.13."donation" shall mean a monetary and non-monetary assets, services, payment discounts and exemptions transferred by citizens and legal entities to the party's ownership without any repayment.

Article 4. Political party and its functions

4.1. The Party shall be the union of the citizens of Mongolia associated on voluntary basis upon expressing the political will of the citizens, participating in elections by proposing national level policies, and taking collective decisions.

4.2. The Party, being an essential component of the Constitutional institution and democratic system, shall implement following functions:

4.2.1. to express the political will of the citizens and public opinion;

4.2.2. to create permanent, stable and active communication between the state and citizens;

4.2.3. to encourage political education and active participation of citizens;

4.2.4. to prepare responsible citizens capable of holding a state political position;

4.2.5. to participate in the development policy and planning of Mongolia;

4.2.6. to compete fairly in elections upon nominating him/her for the candidate.

Article 5. Citizen's right to associate a political party

5.1. Citizens of Mongolia who are eligible to vote shall have the right to associate upon voluntary basis, form the Party, join or leave the Party, participate in political activities in conformity with laws and the party rules and platform, and support or not support the party.

5.2.It shall be prohibited to persecute, threaten, oppress or discriminate against a citizen in any form for associating a political party or for being a member of the Party.

5.3.If the Party member is appointed as a core civil servant, the party membership shall be suspended during the period of his/her public service.

5.4.It shall be prohibited to join a citizen in the Party without his/her consent or by force or to use unlawful influence or pressure for such purpose.

5.5.Except as provided by law, being a member of the Party shall not be a ground for restricting his/her rights or freedoms, or providing him/her an advantage.

5.6.Except as provided by law, it shall be prohibited to identify a citizen as a member of any party without the consent of the citizen in the official personal reference.

5.7.The Party member shall have a right to leave the party at any time based on his/ her intention. Submission of an application for resignation from the Party shall be deemed to be resigned from the party.

5.8.The state shall be obligated to respect, ensure and protect the fundamental right of citizens to association voluntarily, to form the Party, to express an opinion freely.

5.9.Restrictions other than those that are necessary and appropriate for the protection of national security, public order, public morals, public health, or protection of other fundamental human rights and freedoms as well as those specifically provided by laws shall not be imposed on the exercise of the fundamental right to voluntarily association, to form the Party or to express an opinion freely, and other related rights.

5.10. Restrictions permitted in paragraph 5.9 of this Law shall not discriminate against a person on the basis of ethnicity, language, race, age, gender, social origin and status, wealth, occupation, position, religion, opinion and education.

5.11. Unless otherwise specified by law, it shall be prohibited to the party from interfering in exercising by state bodies and officials their official powers.

5.12. Except as provided by law, state bodies and officials shall not interfere in the party activities.

5.13. It shall be prohibited for foreign citizens and stateless persons to form the Party and become a member of the Party.

Article 6. Name and symbol of political party

6.1. The Party shall have a proper name, and at the end of which the general term “party” shall have to be used.

6.2. The Party shall use only its full name and abbreviated name registered in the party register for election campaign and other activities.

6.3. The parties participating in elections by forming a coalition shall use the names specified in the coalition agreement in their election activities.

6.4. The full and abbreviated names, symbols of the Party shall not be duplicated or confusingly similar to the names, symbols of state bodies, local self-governing bodies, monasteries, other legal entities and other political parties.

6.5. The local branch unit of the Party shall use the clarification indicating the respective administrative and territorial unit before the name of the party.

6.6.If the Party is liquidated, reorganized by merger, or has changed its name, it shall be prohibited to the newly formed party or other parties from reusing the full and abbreviated names and symbols of such party for 12 years.

6.7.It shall be prohibited to a legal entity other than the Party from using the word “party” in its proper name.

6.8.The Office of the Supreme Court of Mongolia shall record the party name database and issue inquiries thereof.

Article 7.Rights and obligations of political party

7.1.The Party shall have the following rights:

7.1.1.to express an opinion freely, to organize peaceful demonstrations and assemblies within the framework of the law;

7.1.2.to protect the rights and legitimate interests of the party and its members;

7.1.3.to freely select the structure, organization, goals and methods of the party unless otherwise specified by law;

7.1.4.to generate a source of income and own property in accordance with the law;

7.1.5.to participate in the elections of the State Great Khural of Mongolia and the Citizens’ Representatives Khurals of aimags, the Capital city, soums and districts;

7.1.6.to form a coalition with other parties;

7.1.7.to cooperate with international organizations,

parties and organization of other countries and to become members of international organization of political parties;

7.1.8.to submit proposals on draft laws to the initiator of the law;

7.1.9.to develop the party's election platform in accordance with the procedures specified in the legislation, to present it to the voters, and to promote it;

7.1.10.other rights specified by law.

7.2.The Party or coalition with a member of the State Great Khural as elected upon nominating from that party or coalition in the election of the State Great Khural shall be understood as the Party with a seat in the State Great Khural.

7.3.The Party shall not be considered the Party with a seat in the State Great Khural in the following events:

7.3.1.becoming unrepresented in the State Great Khural;

7.3.2.the party was liquidated.

7.4.The Party with a seat in the State Great Khural shall exercise the following rights:

7.4.1.to nominate the President of Mongolia individually or jointly;

7.4.2.to submit draft laws, other draft resolutions of the State Great Khural and policy issues to the State Great Khural through the Party caucus in the State Great Khural or, if there is no party caucus, through the member of the State Great Khural;

7.4.3.to propose nominations for political positions through its party caucus in the State Great Khural;

7.4.4.to express its position on national policy issues at the opening of the session of the State Great Khural through its party caucus in the State Great Khural.

7.5.The party shall be obliged to abide the Constitution and other laws of Mongolia.

Article 8.Complying the internal organization and activities of the political party with democratic principles

8.1.The party shall not discriminate in any way and shall provide equal opportunities to its members in nomination, election and appointment to the party's governing bodies, positions and elections.

8.2.The following requirements shall be met in the compounding the organization specified in paragraph 16.1 of this Law:

8.2.1.conducting secret ballot;

8.2.2.ensuring participation and transparency of the members;

8.2.3.having representation of at least 30 percent of either gender when nominating.

8.3.Matters shall be resolved by a majority vote of the members participating at the meetings of the organizations specified in paragraph 16.1 of this Law and other meetings of the party, and the opinions of minorities shall be given the opportunity to be discussed and respected. The charter of the Party may provide that certain issues be decided by the vote of

the overwhelming majority.

8.4. The opinion of party members shall be heard and their participation shall be ensured in approving and amending the charter and the platform of the party and nominating candidates for the election.

8.5. The party shall ensure the representation and participation of social interest groups such as women, elders, youth and people with disabilities in its policies and activities.

8.6. It shall be prohibited to the party from discriminating against person and social groups in any form in its policies and activities.

8.7. As specified in paragraph 8.4 of the Law on Ensuring Gender Equality, a report on ensuring the gender equality in the activities of the party shall be submitted to the National Gender Committee.

8.8. The National Gender Committee shall submit its conclusion to the central election body within August 1st of each year regarding whether the requirements specified in sub paragraph 8.2.3 and paragraph 17.7 of this Law have been met or not.

8.9. The central election body shall submit to the relevant party the requirement to eliminate the violation based on the conclusion specified in paragraph 8.8 of this Law, and if the discrepancies are not eliminated within six months from the date of submission, state financing shall be suspended until the respective discrepancies are eliminated.

Article 9. Conducting activities of a political party electronically and ensuring transparency

9.1. Unless otherwise specified by law, activities of the Party shall be conducted in a transparent and open manner.

9.2. The Party shall keep its charter, platforms, other procedures, financial statements and brief operational report transparently and openly, and shall provide with the opportunities to regularly inform the public and obtain information by public.

9.3. The Party may conduct meetings of its all levels of organizations, voting, trainings, conferences, recruitment of members, membership due collection, fundraising and other activities, and events oriented to the society and members electronically using software ensured the security in accordance with the party charter.

9.4. The Party shall take all possible measures to ensure the integrity, confidentiality and accessibility of the electronic system when organizing electronic meetings and voting, and if the secret voting was conducted electronically, its confidentiality shall not be compromised.

9.5. If the Party has a website or social network address which were officially announced to public, it shall register them with the Communications Regulatory Commission and the Central election body.

9.6. The Party shall post the following documents and information on its website in a transparent manner and update them from time to time:

9.6.1. full name, abbreviated name, symbol of the Party;

9.6.2.charter of the Party;

9.6.3.party platform;

9.6.4.party election platform;

9.6.5.the address of the central executive body of the Party;

9.6.6.family name, last name and first name of the leader of the Party;

9.6.7.family name, last name and first name of the secretary general and the chief officer in charge of financial affairs of the Party;

9.6.8.family name, last name, and first name of the head and member of the party's supreme managing body, central representative body, central executive body, and supervisory body;

9.6.9.telephone number and email address of the Party;

9.6.10.number of party members;

9.6.11.financial statements of the party and its affiliated organizations;

9.6.12.brief operational report of the Party;

9.6.13.if there are branch units in the aimags, soums, the Capital city and districts, family names, last names and first names of the heads of the units;

9.6.14.structure and organization of the party;

9.6.15.information on the activities of the party; and

9.6.16.other information.

9.7.Information regarding the donations received in the bank account of the party and other relevant information shall be posted on the website of the party according to the law. Paragraph 43.8 of this Law shall be adhered to when informing information regarding the donor.

9.8.The Party shall be audited its year-end financial statements, and post it on its website within the first quarter of each year, and disclose it to the public, and its members and supporters.

9.9.If there is a change in the documents and information specified in sub-paragraphs 9.6.1, 9.6.3, 9.6.4, 9.6.5, 9.6.7, 9.6.8, 9.6.9, 9.6.10, 9.6.11, and 9.6.12 of this Law, the party shall submit such documents and information to the central election body within 30 days after the change.

9.10.The central election body shall post the website and social network address of the Party, as well as the documents and information specified in sub-paragraphs 9.6.1, 9.6.2, 9.6.3, 9.6.4, 9.6.5, 9.6.6, 9.6.7, 9.6.8, 9.6.9, 9.6.10, 9.6.11, and 9.6.12 of this Law on its website, and update them from time to time.

Article 10.Prohibitions on activities of a political party

10.1.It shall be prohibited to the Party from conducting the following activities:

10.1.1.to pose serious threat to the independence, sovereignty, territorial integrity and national unity of Mongolia;

10.1.2.to conduct any activity of acquiring state right by unconstitutional method;

10.1.3.to be armed or to be militarized, to become with militarized structure, to conduct activities through violence in order to achieve its goals;

10.1.4.to discriminate against individual based on their origin, ethnicity, language, race, age, gender, social origin, status, wealth, occupation, position, religion, opinion, and education;

10.1.5.to receive direct or indirect donations, assistance and financing from the prohibited entities specified in paragraph 34.6 of this Law;

10.1.6.to demand and receive from its member and supporters monetary and non-monetary assets or services in the form of collateral, deposit or in any other form when granting the right to stand as a candidate at elections;

10.1.7.to establish branch unit of the party within the structure and activities of the organizations and legal entities other than the party; and

10.1.8.others provided by law.

10.2.It shall be prohibited to establish a branch unit of religious, military and militarized, fascist as well as foreign political party in the territory of Mongolia.

10.3.The central election body shall deliver to the party a demand to eliminate the violation specified in sub-paragraph 10.1.7 of this Law upon stating a reasonable time, and if the party fails to comply with the demand within the specified time, the party's right to nominate a candidate for election shall be suspended until the violation is eliminated.

CHAPTER TWO FORMATION OF A POLITICAL PARTY

Article 11. Formation of a political party

11.1. The Party shall be formed by organizing the General meeting /hereinafter referred to as “founding meeting”/.

11.2. Preparations for the founding meeting of the Party shall be provided in advance, and the place and date to hold it shall be notified to the representatives one month in advance.

11.3. The founding meeting of the party shall be organized upon involving the local representatives.

11.4. The following matters shall be discussed and resolved at the founding meeting of the party:

11.4.1. to approve the full and abbreviated name, symbol design of the Party;

11.4.2. to approve charter and platform of the Party;

11.4.3. to elect the composition of the central representative body, central executive body and supervisory body, to set their organizational structures, rights and duties;

11.4.4. to elect the party leader;

11.4.5. to approve the resolution on founding the party.

11.5. The date of the issuance of the founding resolution to form the Party by the founding meeting shall be considered as the date of formation of the Party and it shall be announced to the public.

11.6. It shall be prohibited to any organization or official from threatening, harassing, pressuring or interfering in the formation of the Party by citizens of Mongolia.

Article 12. Application for registration of a political party

12.1. A member elected as the party leader specified in sub-paragraph 11.4.4 of this Law or his/her authorized representative shall submit a written application for registration of the Party to the Supreme Court along with the documents specified in paragraph 12.3 of this Law within 30 days from the date of formation of the party.

12.2. An application for registration of the Party shall be submitted in accordance with a format approved by the Supreme Court, and shall include the following information and be signed by the applicant:

12.2.1. date of application;

12.2.2. name of the party;

12.2.3. address of the central executive body of the party;

12.2.4. information on the founder of the party;

12.2.5. information on the applicant.

12.3. The following documents shall be attached to the application for registration of the Party:

12.3.1. the founding resolution of the Party, and the resolution shall be signed by the chairman of the meeting or the presidiums of the meeting;

12.3.2. wording of the full name and abbreviated

name of the party, pictures of the name, symbol, and flag of the party along with descriptions;

12.3.3.charter of the party;

12.3.4.party platform;

12.3.5.information of the locating address of the central executive body of the party;

12.3.6.record of at least 801 members /family name, last name, first name, registration number, residential address, telephone number, e-mail address, and signature/;

12.3.7.record of the party leader and officer in charge of financial matters of the party /family name, last name, first name, registration number, residential address, telephone number, e-mail address, signature, copy of citizen's ID card/;

12.3.8.information on the assets of the Party, including the list of the assets, the list of donations given to the party, and the source of expenses incurred in connection with the formation of the party;

12.3.9.documents confirming that the date and place of the founding meeting of the party was notified and announced in accordance with paragraph 11.2 of this Law; and

12.3.10.if necessary, a power of attorney.

12.4.Prior to submitting an application for registration of the Party, a temporary bank account shall be opened in the name of one of the founders of the party and movable and immovable property, monetary and non-monetary assets of the party, membership due, donations, and expenses related to the formation of the party shall be reported in the asset information of the party specified in sub-paragraph 12.3.8 of this Law.

12.5. In case the period specified in paragraph 12.1 of this Law is expired due to reasonable excuses, an application for registration of the Party may be submitted to the Supreme Court along with the documents specified in paragraph 12.3 of this Law within 30 days after the expiration of such period.

12.6. The Supreme Court shall approve the information formats specified in sub-paragraphs 12.3.6, 12.3.7, and 12.3.8 of this Law.

Article 13. Examination of applications and documents for registration of a political party

13.1. The Supreme Court shall review the completeness of the application and accompanying documents within 21 days after receiving the application for registration of the party.

13.2. If the following violations are found in the party registration application or accompanying documents, the Supreme Court shall notify the applicant to eliminate such violation and submit additional information within 30 days:

13.2.1. if the documents specified in paragraph 12.3 of this Law are incomplete;

13.2.2. if the charter of the party does not meet the requirements of the form specified in paragraph 15.2 of this Law;

13.2.3. the number of party members does not reach the number specified in sub-paragraph 12.3.6 of this Law, the member entered into registration belongs under the jurisdiction of another party or is represented by another person;

13.2.4. the full name, abbreviated name, symbol and flag of the party do not meet the requirements specified in Article 6 of this Law.

13.3. It shall be prohibited to the Supreme Court from requiring documents other than those specified in paragraph 12.3 of this Law and laws when accepting and examining the applications and documents for the registration of the party.

13.4. The Supreme Court shall be responsible for the list of party registration, profile of registration and related information.

13.5. When the Supreme Court examining whether the party name meets the requirements specified in Article 6 of this Law, it shall use the name database specified in paragraph 6.8 of this Law and sub-paragraph 8.1.5 of the Law on State Registration of Legal Entities.

13.6. The state administrative body in charge of the state registration matters of legal entities shall constitute the conditions for using the name data specified in paragraph 13.5 of this Law.

13.7. The Party as a legal entity shall register the official address of the place of location, assets, and records related to their changes in the Supreme Court within 60 days from the issuance of the relevant decision.

Article 14. Registering and refusing to register a political party

14.1. A decision whether to register or refuse to register the respective party in the party registration shall be issued by a meeting of all judges of the Supreme Court upon discussing it within 30 days after the expiration of the periods specified in paragraphs 13.1 and 13.2 of this Law, and Office of the Supreme Court shall deliver within three working days the decision to the applicant in writing or electronically, and inform the public.

14.2. The Supreme Court shall decide to register the Party in the party registration in cases other than those specified in

paragraph 14.4 of this Law.

14.3. The Office of the Supreme Court shall issue a certificate and seal control number within five working days after the announcement of the decision to register the party in the political party registration. The Office of the Supreme Court shall post transparently to the public an introduction of the respective party containing information on the brief of goals, values, and conception, information on the central executive body and officials of the party, address of the locating place, telephone number and e-mail address of the party.

14.4. The Supreme Court shall refuse to register the Party in the party registration on the following grounds:

14.4.1. if the charter and platform of the party are contrary to the Constitution of Mongolia and other laws;

14.4.2. if there are grounds specified in sub-paragraphs 10.1.1, 10.1.2, and 10.1.3 of this Law;

14.4.3. the number of members does not reach the number specified in sub-paragraph 12.3.6 of this Law, the member entered into the registration belongs under jurisdiction of another party or is represented by another person;

14.4.4. if used a name in violation of Article 6 of this Law.

14.5. The Supreme Court shall make a decision on the refusal to register the party within the period specified in paragraph 14.1 of this Law, and the grounds for the refusal to register shall be clearly indicated in the respective decision. This decision shall be officially notified to the appropriate entity and inform public.

14.6. Before making a decision specified in paragraph 14.1 of this Law, the Supreme Court may obtain explanation,

additional documents, inquiry, and information from the applicant, the central election body, the state administrative body in charge of the state registration matters of legal entities, and other entities.

14.7. The Chief Justice of the Supreme Court and the head of the central election body shall jointly approve the procedure for delivering the information, documents, and changes made to them as specified in paragraphs 12.2, 12.3, 12.4, 13.7, 15.3, 21.1, and 21.4 of this Law and others to the relevant organizations.

14.8. The decision of the Supreme Court issued in accordance with paragraph 14.1 of this Law shall be final.

14.9. In the event that the Supreme Court makes a decision specified in paragraph 14.5 of this Law, the person who has eliminated the violation shall have a right to re-submit the application to register the party in accordance with this Law based on the procedures specified in Articles 12 and 13 of this Law.

14.10. The Supreme Court shall not accept the application to register the party within 90 days from occurrence of the election voting of the State Great Khural and the periods specified in paragraphs 12.1, 13.1, and 14.1 of this Law shall be suspended.

14.11. The State Supreme Court shall approve the procedure other laws by taking into account of the proposals of the central election body and the state administrative body in charge of state registration matters.

CHAPTER THREE

STRUCTURE AND ORGANIZATION OF A POLITICAL PARTY

Article 15. Charter of a political party

15.1. The structure, organization and management system of the Party shall be regulated by the charter of the Party as specified in this Law.

15.2. The charter of the Party shall include the following common items:

15.2.1. conception, values, and goals of the party;

15.2.2. full and abbreviated name, symbol of the party;

15.2.3. grounds for joining the Party as a member, suspending membership, rights and obligations of a member, expelling from the Party and imposing other disciplinary sanctions;

15.2.4. the supreme governing body of the party, central representative body, the central executive body, the supervisory body and other organizations, their composition, term of office, competences, procedures on holding meetings and decision-making;

15.2.5. election, dismissal and resignation of the leader of the Party, and his/her term of powers, and competence;

15.2.6. procedure for amending the charter of the party;

15.2.7. methods and procedures for reorganization of the Party and termination of party activities;

15.2.8. procedures for selecting, appointing and

dismissing candidates for public political positions and party leadership positions, and procedure for ensuring gender equality in such activities;

15.2.9.procedures for constituting, allocating and reporting of the Party assets and income;

15.2.10.grounds and procedures for forming and liquidating branch and structural units of the Party.

15.3.Amendments made into the charter of the Party and a decision to appoint a leader of the Party shall be officially submitted to the Supreme Court within 60 days.

15.4.The Office of the Supreme Court shall record the information related to the decision specified in paragraph 15.3 of this Law, inform the public regarding it, and submit it to the central election body.

15.5.The Supreme Court shall decide the request made in accordance with paragraph 15.3 of this Law within 30 days, and the decision of the Supreme Court shall be final.

Article 16.Structure and organization of a political party

16.1.The party shall either have a supreme governing body, central representative body, central executive body and a supervisory body.

16.2.The structural units of the Party shall be regulated by the charter of the Party and organizations other than those specified in paragraph 16.1 of this Law may be established by the charter of the Party.

Article 17. Governing bodies of political parties

17.1. The meeting of party members or their representatives shall be the supreme governing body of the Party and it shall convene at least once every four years.

17.2. The supreme governing body of the Party shall decide the following matters within the scope of its exclusive powers:

17.2.1. to approve of the charter and platform, and the amendments to them;

17.2.2. to elect or to certify the composition of the party's central representative body for a period up to four years, elect the members of the supervisory body of the party for a period up to four years, and review of the reports of these bodies at least once every four years;

17.2.3. to change the name of the party, reorganize the Party, terminate the party activities; and

17.2.4. other matters specified in the charter of the Party.

17.3. The party shall have a central representative body which shall operate in the spare time of the supreme governing body of the party and it shall convene a meeting at least once per annum.

17.4. If at least two thirds of the members of the supreme governing body of the Party issue a proposal, the matters on the amendments to be made to the Charter of the Party may be discussed and resolved. This amendment shall not exceed one third of the charter of the Party.

17.5. As specified in the charter of the Party, the supreme governing body or central representative body of the Party shall

appoint the central executive body of the Party for a term up to four years. The central executive body shall have at least three members.

17.6. The supreme governing body or the central representative body of the Party shall appoint the party leader and the central executive body shall appoint the chief financial officer in accordance with the charter of the Party.

17.7. The composition of the central representative body, central executive body, and supervisory body of the Party shall include the representation of at least 40 percent of either gender.

Article 18. Supervisory body of a political party

18.1. The Party shall have a supervisory body with a function to monitor the implementation of the charter of the party, and to review and resolve internal disputes which are governed by the charter of the Party.

18.2. It shall be prohibited from electing a member of the representative body and central executive body, and a full-time employee of the party as a member of the supervisory body of the party.

18.3. The supervisory body of the Party shall operate independently and it shall be prohibited to interfere in its activities.

18.4. The supervisory body of the Party shall review and resolve the following disputes and clearly state its grounds in its decision:

18.4.1. a dispute whether the charter of the Party is violated;

18.4.2.a dispute arisen between the Party and its members;

18.4.3.a dispute arisen in connection with the internal election of the Party;

18.4.4.a dispute related to the financial activities of the Party.

18.5.The procedure for resolving disputes specified in paragraph 18.4 of this Law shall be approved in accordance with the charter of the Party. This procedure shall ensure the guarantees of the right to a fair adjudicating including to provide explanations and evidence by disputing part, and to personally participate in the dispute resolution hearings.

Article 19.Other organization of a political party

19.1.A policy research institution with duties to advise in policy development of the Party, conduct research, train and prepare party members, and support the political education of citizens shall operate next to the Party.

19.2.The party policy research institution may be in the form of a fund, and its operational and financial reports shall be reported in accordance procedures specified in this Law.

19.3.In addition to the structure and organization of the Party specified in this Law, the charter of the Party may provide the regulation on the formation of a structural unit with functions of consulting on social, economic and other sector policy issues, and assessing whether the policies and activities of the Party are compatible with human rights and gender equality.

19.4.The party may have a committee to organize the electing works of the candidates from the Party to the elections

of the State Great Khural of Mongolia. The requirements for the composition of the committee, its formation, regulation of conflict of interest, and operational procedures shall be in accordance with Article 8 of this Law and charter of the Party.

19.5. When electing candidates from the Party to the elections of the State Great Khural of Mongolia, the provisions specified in the sub-paragraphs 8.2.1, 8.2.2, and paragraph 8.3 of this Law shall be adhered to, and it shall be grounded on the ethical and other requirements set by legislation and relevant procedures for holding the respective position.

19.6. The procedures specified in paragraphs 19.4 and 19.5 of this Law shall be approved by the central representative body of the party.

Article 20. Rights, obligations, and guarantees of political party members

20.1. The Party members shall have the following rights:

20.1.1. to participate in party activities with equal rights;

20.1.2. to elect and being elected to the structural organization of the party;

20.1.3. other rights specified in the charter of the Party.

20.2. The Party members shall have the following obligations:

20.2.1. to pay dues specified in the charter of the Party;

20.2.2. to obey legislation and charter of the Party;

20.2.3. other obligations specified in the party charter.

20.3. Expulsion from the Party shall be decided by the supervisory body of the Party in accordance with the prescribed procedures.

20.4. It shall be prohibited from expelling the Party member, except in cases of intentional violation of the charter of the Party, or serious violation of values and principles of the Party.

20.5. The Party shall maintain the records of party members in accordance with the Law on the Personal Data Protection and shall update annually.

CHAPTER FOUR CONSIDERING A POLITICAL PARTY INACTIVE, REORGANIZATION OR LIQUIDATION OF A POLITICAL PARTY

Article 21. Considering a political party inactive

21.1. Based on the information submitted by the central election body, the Supreme Court shall consider the Party inactive in the following situations:

21.1.1. if the Party failed to participate upon nominating candidate for the regular election of the State Great Khural for two consecutive terms;

21.1.2. if the Party failed to submit its financial statements to the central election body for two consecutive years in breach of its obligations specified in paragraph 37.2 of this Law;

21.1.3. if the Party failed to convene supreme governing body or central representative body of the Party for the period of 5 years.

21.2. If the Party is considered inactive, state financing

to be given to the respective party shall be terminated, and the party shall not be allowed to participate in all levels of elections until the violation is eliminated. During this period, a right to run independently in any election by a member of the Party shall not be restricted.

21.3. The relevant evidences in respect to making a decision to participate in the election by the competent body of the party which committed the violation specified in sub-paragraph 21.1.1 of this Law and registering with the central election body, or the violation specified in sub-paragraphs 21.1.2 and 21.1.3 of this Law has been eliminated shall be officially submitted to the central election body.

21.4. The central election body shall submit the evidences referred to in paragraph 21.3 of this Law to the Supreme Court within five working days after receipt of them. The Supreme Court shall review and resolve whether to consider the party active within 60 days from the date of receipt.

21.5. The Supreme Court shall not make a decision to consider the Party active or inactive after January 1st of the election year until the end of the voting.

21.6. The decision of the Supreme Court issued in accordance with this article shall be final.

Article 22. Liquidation of a political party

22.1. The party shall be liquidated in accordance with this Law by the ways of reorganization or termination of its activities upon a decision of the supreme governing body of the party, or dissolution of the Party upon the decision of the Supreme court.

22.2. Within five working days after receipt of the decisions specified in paragraphs 23.1 and 24.1 of this Law, or after

issuance of the decision specified in paragraph 25.3 of this Law, the Supreme court shall exclude the respective party from the party registration, and invalidate the certificate and control number of the seal and stamp.

22.3. The Office of the Supreme Court shall deliver the decision on the liquidation of the party and other necessary information to the central election body and other persons, and inform the public in accordance with this Law.

22.4. It shall be prohibited from distributing the assets of the liquidated party to its members.

22.5. If the property and assets of a reorganized party are kept in possession or ownership in violation of paragraph 23.6 of this Law, or distributed the assets to its members in violation of paragraph 22.4 of this Law, such assets shall be confiscated and retained as state revenue by the central election body, unless otherwise provided by law.

22.6. Unless otherwise stated in this Law, other relations in connection with the liquidation of the Party, such as the appointment of a liquidation commission, shall be regulated by the Civil Code.

Article 23. Reorganization of a political party

23.1. The party may be reorganized by the ways of merger or consolidation in accordance with this Law, and a decision to this effect shall be submitted to the Supreme Court within 10 working days after the decision is made by the supreme governing body of the party.

23.2. The rights, obligations, liabilities and properties of the merged parties shall be transferred to the reorganized party at the result of merging, and the respective party shall be registered

newly as specified in this Law.

23.3. Parties that are reorganized by merger may use the name of one of the parties as the name of the newly formed party.

23.4. Among the parties reorganized by merger, the date of establishment of the Party shall be determined by representing the date of the first party formed at the beginning.

23.5. If the Party terminates its activities and consolidates with another party, the rights, obligations, liabilities, jurisdiction of party members, and assets of such party shall be transferred to the party to which it consolidated.

23.6. If the Party is reorganized in accordance with this Law, it shall be prohibited to its members and other citizens and legal entities who do not agree with the above decision from owning or continuing to use its property and assets in any form.

23.7. Other relations in connection with the reorganization of the Party shall be regulated by the relevant provisions of the Civil Code.

Article 24. Suspension of a political party activities

24.1. The decision to suspend the activities of the Party shall be submitted to the Supreme Court within 10 working after the decision is made by the supreme governing body of the party.

24.2. If a decision is made in accordance with paragraph 22.2 of this Law, the liquidation commission shall transfer the remaining funds to the central election body after settling debts of the Party.

24.3. The central election body shall allocate the funds transferred in accordance with paragraph 24.2 of this Law to improve the political education of citizens.

Article 25. Dissolution of a political party

25.1. If situation of possible violation of the prohibitions specified in sub-paragraphs 10.1.1, 10.1.2, and 10.1.3 of this Law was detected, the central election body shall issue a proposal with justification on the dissolution of the Party and submit it to the Supreme Court along with relevant evidence and minutes of the meetings.

25.2. The central election body shall issue the proposal specified in paragraph 25.1 of this Law by a vote of three-fourths of all members.

25.3. The proposal of the central election body on dissolution of the Party shall be reviewed and discussed by a meeting of all judges of the Supreme Court within 30 days after the receipt of it, and if the justification specified in paragraph 25.1 of this Law was found, a decision to dissolve the party shall be made, and it shall be delivered by the Office of the Supreme Court to the central election body within 10 working days.

25.4. The decision of the Supreme Court issued in accordance with paragraph 25.3 of this Law shall be final.

CHAPTER FIVE POLITICAL PARTY FINANCING

Article 26. Source of income of the political party

26.1. Income of the Party shall have the following sources:

26.1.1. financial assistance to be provided by the state;

26.1.2. membership dues;

26.1.3.donations;

26.1.4.party's own property and income earned from thereto;

26.1.5.other income permitted by this Law.

26.2.The financial assistance to be provided by the state to the Party in accordance with paragraph 3 of Article Nineteen¹ of the Constitution of Mongolia shall consist of state financing to be provided under Article 27 of this Law and an indirect assistance to be provided by the state in accordance with Article 30 of this Law.

26.3.The following percentage of annual state financing to be allocated to the party shall be used for the following purposes:

26.3.1.at least 20 percent of state financing for supporting political participation and training of social interest groups including women, elders, youth, people with disabilities;

26.3.2.at least 15 percent of state financing for improving the political education of party members and citizens, and promoting the values of democracy and human rights to the public;

26.3.3.at least 15 percent of state financing for conducting research aimed to develop platform and policy of the Party, implementation of projects and programs, and development of the party's internal democracy.

26.4.At least one third of the target financing specified in sub-paragraphs 26.3.1, 26.3.2 and 26.3.3 of this Law shall be allocated on financing the activities of the policy research institution of the Party.

26.5. The financing specified in paragraph 26.3 of this Law shall be prohibited to allocate for purposes other than its intended purpose.

26.6. If the applicable percentage of the state financing is allocated in violation of paragraph 26.3 of this Law, the central election body shall be returned the funds allocated unlawfully to the state budget or deducted them from subsequent state financing.

26.7. The Party shall only receive income set forth in paragraph 26.1 of this Law through a single bank account and it shall be prohibited to the party from having another bank account.

26.8. It shall be prohibited to the party from receiving the income specified in paragraph 26.1 of this Law in digital currency.

Article 27. State financing

27.1. State financing shall be provided through allocation of MNT amount equal to multiplication of not more than 0.7 percent of the minimum monthly wage by the total number of voters registered in the last regular or irregular elections of the State Great Khural from the state budget to political parties annually in accordance with this Law.

27.2. The amount of state financing shall not exceed the provisions specified in paragraphs 27.1 and 27.8 of this Law.

27.3. The parties that have received votes one or more percent of the voters shall receive state financing.

27.4. It shall be prohibited to provide state financing to the Party that does not meet the requirements specified in paragraph 27.3 of this Law.

27.5. The central election body shall annually provide state financing to the Party that meets the requirements specified in paragraph 27.3 of this Law according to the following formula:

$$H = /C1 * T1 + /C2 * T2/$$

27.6. The following notations in the formula specified in paragraph 27.5 of this Law shall have the following meanings:

27.6.1. "H" means the total financing to be allocated to the Party that receives one or more percentage of the total number of voters;

27.6.2. "C1" means the number of votes received by the Party in the election of the State Great Khural;

27.6.3. "C2" means the number of seats obtained by the respective party in the State Great Khural;

27.6.4. "T1" means an amount of MNT equal to 0.5 percent of the minimum monthly wage; and

27.6.5. "T2" means an amount of MNT equal to 25 times increase of the minimum monthly wage.

27.7. The central election body shall provide only once in the subsequent year of the respective regular election the state financing equal to multiplication of the number of female politicians nominated more than gender quota of candidates to be nominated as specified in the legislation on election of the State Great Khural of Mongolia and number of candidates with disabilities nominated by the amount specified in sub-paragraph 27.6.5 of this Law to the Parties that meet the requirements specified in paragraph 27.3 of this Law.

27.8. The total amount of financing to be provided to one party from the state budget shall not be twotimesmore or more

than the sum of the income of the respective Party specified in sub-paragraphs 36.3.1, 36.3.2, 36.3.3 and 36.3.4 of this Law.

27.9.If two or more parties participate in elections as a coalition, the state financing specified in paragraph 27.5 of this Law shall be provided to the coalition. Financing provided to the coalition shall be distributed in accordance with this Law and the coalition agreement.

27.10.Unless otherwise specified in the coalition agreement, the part of state financing /C1 *T1/ specified in paragraph 27.5 of this Law shall be divided equally among the parties joining the coalition, and the part of state financing /C2*T2/ shall be provided to the party that nominated the member elected to the respective seat.

27.11.If the Party is considered as inactive, liquidated or in the event of a coalition dissolved, the central election body shall suspend the state financing for the respective party or coalition on the date when the relevant decision enters into force.

27.12.State financing to be provided to the party shall be approved every year upon reflecting in the budget package of the central election body.

27.13.The financial assistance to be provided by the state shall be provided to the central organization of the party in accordance with the decision of the central election body, and the issue of distribution to branch and structural units shall be regulated by charter of the Party.

Article 28.Submitting a request for receiving the state financing

28.1.In order to receive state financing in the eligible year in which the right to receive state financing is formed, the Par-

ty shall submit its request to determine the amount of such financing and to obtain financing to the central election body before August 1st of the preceding year. If the request is not made within this period due to reasonable excuses, the central election body shall remind about this and provide the opportunity to make a request within a week.

28.2.The chief financial officer in charge of the financial affairs of the Party shall submit the request specified in paragraph 28.1 of this Law in accordance with the format issued by the central election body. The postal address and bank account number of the party shall be included in this format.

28.3.The central body of the Party shall submit a joint request on behalf of the entire party.

28.4.If the central election body decides the amount of state financing in the year prior to the eligible year, the party shall not be required to apply again in the eligible year. The Party shall notify the central election body immediately of any changes which might affect the amount of state financing, and the party shall be responsible for the consequences of failure to do so in a timely manner.

28.5.The Party shall have a right to waive its rights specified in paragraph 27.5 of this Law, and in the event of such a waiver, the state financing to be provided to the party shall remain in the state budget.

Article 29.Determining the amount of the state financing

29.1.Prior to September 15th of each year, the central election body shall determine the amount of financing for each party entitled to receive state financing for the eligible year in accordance with this Law and inform the public.

29.2. Financing to be provided in accordance with the decision specified in paragraph 29.1 of this Law shall be granted annually from January 1st of the subsequent year until the expiration of the term of power of the respective State Great Khural formed as a result of regular or irregular elections, unless otherwise provided by this Law.

29.3. The central election body shall determine and grant the amount of state financing by adhering to the provisions specified in Article 27 of this Law based on the financial statements submitted by the Party that meets the requirements set forth in Chapter Six of this Law.

29.4. The central election body shall determine as final the amount of financing after reviewing the financial statements of the party as specified in Article 39 of this Law.

29.5. The basis for determining the state financing amount shall be the number of valid votes received in the election of the State Great Khural held at last before the year in which the party becomes eligible to receive state financing, and other indicators specified in paragraph 27.5 of this Law.

29.6. If the semi-annual report is not submitted within the period specified in paragraph 37.2 of this Law, the part of state financing (C1*T1) specified in paragraph 27.5 of this Law shall not be allocated to the respective Party in the subsequent year.

29.7. If the financial report is submitted in accordance with the structure and form specified in Article 36 of this Law along with the audit opinion specified in paragraph 38.10 of this Law within the specified time, it shall be deemed to be in compliance with the deadline.

29.8. The amount and allocation of state financing to other parties shall not change depending on the actions of that particular party.

29.9. In calculating limits specified in paragraph 27.8 of this Law, amount of the income of the Party earned in the reporting year and reflected in the financial statements shall be based on sub-paragraphs 36.3.1, 36.3.2, 36.3.3, and 36.3.4 of this Law.

29.10. In determining the amount of state financing, first the limits specified in paragraph 27.8 of this Law and then the limits specified in paragraph 27.1 of this Law shall be applied for each party. If it is estimated that state financing amount exceeds the limit specified in paragraph 27.1 of this Law, financing equal to such limit shall be provided to parties in proportion.

29.11. The number of valid votes given to the respective Party to be taken into account in the allocation of state financing shall not change during the term of power of the respective State Great Khural, unless the number is changed in accordance with the results of by-elections or re-elections or a valid court decision.

Article 30. Indirect assistance to be provided by the state

30.1. The Party that receives one or more percent of the total number of voters shall be entitled to receive indirect state assistance in a non-election year in the following form:

30.1.1. to use the meeting hall, conference hall and other halls of the state legal entities and legal entities with state property participation free of charge once a year with purposes of convening meetings of the supreme governing body of the party, organizing meetings and conferences with members and supporters, providing with information and educating the citizens;

30.1.2. to broadcast 30-minute program regarding the platform and activities of the Party on national public radio and television free of charge per quarter according to the schedule issued by it.

30.2. The request of the Party to receive indirect assistance specified in paragraph 30.1 of this Law shall be decided by the central election body within 30 days.

30.3. The organization specified in sub-paragraph 30.1.1 of this Law shall be obliged to give access to meeting halls, conference halls and other halls free of charge, and the national public radio and television shall be obliged to broadcast free of charge as provided by sub-paragraph 30.1.2 of this Law.

30.4. It shall be required to mention the indirect assistance provided by the state at the beginning and end of the program specified in sub-paragraph 30.1.2 of this Law.

30.5. Indirect assistance specified in paragraph 30.1 of this Law shall not be provided to the Party for the period from January 1st of the election year until the voting results are announced.

Article 31. Monitoring of financial assistance to be provided by the state

31.1. The central election body shall review, receive, consolidate and report the statements on financial assistance to be provided by the state and its allocation.

31.2. The central election body shall organize and monitor the tasks on issuing independent audit opinions in the financial statements of the party by an auditing legal entity according to Article 38 of this Law.

31.3. The state audit organization shall audit the state financing to be provided to the party reflected in the budget package of the central election body, its allocation and reporting in accordance with the chronology specified in the Law on Budget, and make a conclusion.

31.4.Procedure related to providing state financing to the party, resolving indirect assistance to be provided from the state, reviewing the financial statement and brief operational report of the Party, issuing a conclusion thereof, reporting them, informing them the public, posting and updating of the party's documents and information on the website, and imposing liability shall be approved by the central election body in accordance with this Law by taking into account of the opinion of the state audit organization.

Article 32.Membership due

32.1.The amount and collection of membership dues shall be determined by the charter of the respective Party.

32.2.The amount of monthly membership dues shall not exceed 5 percent of the minimum monthly wage.

32.3.The monthly membership dues of an elected member shall not exceed the minimum monthly wage.

32.4.The membership dues shall be paid by the Party member only from his/her own income.

32.5.It shall be prohibited to the Party members from paying membership dues on behalf of other members.

32.6.The Party may regulate by its own charter and procedures to be discounted or exempted the Party membership due.

32.7.Unless otherwise provided by law, the central executive body of the Party shall archive the membership due payment documents for a period of ten years.

32.8.Membership dues to be paid under paragraphs 32.2 and 32.3 of this Law and any other monetary amount to be paid

by the Party member shall be considered as donations and the sum of thereof shall not exceed the amount specified in paragraph 33.6 of this Law. Allocation of all types of sudden expenses to members, collection of money and giving assets to the party expressed in monetary value shall be considered as donations.

Article 33.Donations

33.1.Donations shall be in monetary and non-monetary forms.

33.2.Monetary donations from citizens and legal entities shall be accepted in the party account only through transferring from the accounts to the account, and it shall be prohibited from receiving the donations in cash. Membership dues and donations shall be deposited into single checking account.

33.3.If the following items are made free of charge or at a price below the average market rate, they shall be considered as non-monetary donations:

33.3.1.to allow to use or possess the immovable and movable property, and intangible wealth;

33.3.2.to render services;

33.3.3.to exempt and/or discount from payments;

33.3.4.to bear the cost of events; and

33.3.5.to provide sponsorship.

33.4.If the donation is received in non-monetary form, it shall be reflected in the financial statement in monetary amount based on the average market rate.

33.5. Donations to be made by Mongolian citizens and legal entities to a single party within one year shall not exceed the amount specified in paragraphs 33.3 and 33.7 of this Law. The amount of the donation made to the Party shall be calculated by the sum of donations made to the party, its branch and structural units.

33.6. The maximum amount of donations to be received from single citizen per year shall not exceed the amount of twelve times of the minimum monthly wage.

33.7. The maximum amount of donations to be received from one legal entity per year shall not exceed the amount of fifty times of the minimum monthly wage.

33.8. The amount of donations made by a legal entity to the Party shall be calculated by the sum of donations made by the legal entity, its affiliated and subsidiary companies, branches and representative offices. The amount of donations given to the party shall be calculated by the total amount of monetary and non-monetary donations.

33.9. Donations made by the donor by specifically naming the branch and structural units of the Party shall be disposed in accordance with the respective purpose.

33.10. The party affiliated organization shall not to receive donations from the persons prohibited under paragraph 34.6 of this Law.

33.11. The total amount of donations to be made by a single legal entity or a citizen to the Party and its affiliated organizations shall not exceed the amount specified in paragraphs 33.6 and 33.7 of this Law.

33.12. The party affiliated organization shall issue its financial

statement as per the requirements specified in Chapter Six of this Law and shall submit it to the respective party and the central election body.

Article 34. Obligations and prohibitions related to donations

34.1. The party shall post family names, last names, first names of the citizens or names of the legal entities that made the following donations, as well as the amount of the donation, the donation receipt date in a searchable open database on its website on a quarterly basis and submit them to the central election body, and such information shall be reflected specifically on financial statements of the Party:

34.1.1. which made donations equal to or more than twice the minimum monthly wage for the total amount per year;

34.1.2. non-monetary donations with amount of equal to or more than twice the minimum monthly wage for the total amount per year.

34.2. The central election body shall publish the information specified in paragraph 34.1 of this Law on its website within five working days after the receipt of it and keep it transparently and openly. If a citizen or legal entity has made more than one donation within the maximum amount of donations specified in this Law, the amount of the donation shall be disclosed together with the amount of the previous donation and the receipt date.

34.3. If the Party fails to post the information specified in paragraph 34.1 of this Law in the open database on a quarterly basis or fails to submit it to the central election body, the central election body shall not issue to the party the part of state financing /C1*T1/ specified in paragraph 27.5 of this Law in the subsequent year.

34.4. Donations less than doubled the monthly minimum wage in per year shall be reflected in the financial statements of the Party.

34.5. The party shall have the following obligations in respect to donations:

34.5.1. to determine according to law whether the donor shall have a right to donate;

34.5.2. to keep records on the name and address of donors;

34.5.3. within 10 working days after knowing that the Party has received a donation from a prohibited person specified in paragraph 34.6 of this Law, to inform the donor and the central election body in regards with it and transfer the donation to the central election body;

34.5.4. to include donations and donor information in the financial statements, notify the central election body, and if requested by the central election body to provide additional information from time to time;

34.5.5. in case of receiving non-monetary donations, to conclude a written donation agreement with the donor and allocate it according to the purpose specified in the agreement;

34.5.6. others specified in this Law.

34.6. It shall be prohibited to the Party from accepting donations from the following persons:

34.6.1. foreign citizen or stateless person;

34.6.2. foreign country or government organization,

party or legal entity of the foreign country, international organization, and a business entity with foreign investment;

34.6.3.state body and local self-governing bodies;

34.6.4.trade unions, religious and other non-governmental organizations, and professional associations;

34.6.5.state and locally owned business entity, business entities with state and local property participation, their director and chairman of the board of directors;

34.6.6.a citizen of Mongolia under the age of eighteen;

34.6.7.a legal entity established less than one year ago;

34.6.8.a person with no specific name and address, or a person who is clearly transferring donations from an anonymous third party;

34.6.9.a person who is making a donation for the purpose of affording preferences to himself or others;

34.6.10.a citizen or a legal entity who is making monetary and non-monetary donations to the party on behalf of another citizen or legal entity;

34.6.11.a bankrupt legal entity;

34.6.12.other persons prohibited by law.

34.7.The financing for events to be organized and projects to be implemented jointly with international and foreign organizations within the framework of cooperation in order to support of political education, democracy, human rights and freedoms of citizens or to strengthen the respective party in

accordance with the democratic principles shall not apply to sub-paragraph 34.6.2 of this Law.

34.8.It shall be prohibited to donors from making donations to afford preferences to themselves or others.

34.9.It shall be prohibited to donors from demanding or putting pressure in order to afford any preferences to themselves or others or to resolve internal issues of the party in a non-democratic manner for donating to the party.

34.10.It shall be prohibited to the donors from using the names, addresses and information of other persons when donating to the Party.

34.11.It shall be prohibited to citizens and legal entities from making monetary and non-monetary donations to the Party on behalf of other citizens and legal entities.

34.12.If a legal entity donates to the party, the amount and purpose of the donation shall be reflected in its accounting and financial statements.

34.13.The audit legal entity contracted to audit the financial statements of the party shall collect the facts and information in regards with the donations from the donors.

Article 35. Own assets of a political party and income generated from thereof

35.1.The Party may generate income by the way of disposing of the publications and promotion materials related to the party and its own assets.

35.2.It shall be prohibited to the Party from generating income from business activities other than those specified in paragraph 35.1 of this Law.

35.3.If the disposal price specified in paragraph 35.1 of this Law is higher than the average market price, it shall be considered as a donation to the Party and its amount shall not exceed the amount specified in paragraphs 33.6 and 33.7 of this Law.

35.4.Own assets of the Party and income generated from thereof by the party per year shall not exceed 50 percent of the state financing provided to the party.

CHAPTER SIX FINANCIAL STATEMENTS OF A POLITICAL PARTY

Article 36.Financial statements of a political party

36.1.The financial statements of the Party shall consist of income and expenditure calculations, related asset records, and explanation parts as specified in this Law.

36.2.The party shall issue its financial statements as per the requirements specified in the Law on Accounting and this Law.

36.3.The following items shall be recorded in income:

36.3.1.party membership due;

36.3.2.elected member due;

36.3.3.donations by citizens;

36.3.4.donations by legal entities;

36.3.5.income earnings by disposing publications and advertising materials related to the party;

36.3.6.income earned by disposing of its own assets;

36.3.7.state financing;

36.3.8.indirect assistance to be provided by the state;

36.3.9.other income;

36.3.10.total income specified in sub-paragraphs 36.3.1, 36.3.2, 36.3.3, 36.3.4, 36.3.5, 36.3.6, 36.3.7, 36.3.8, and 36.3.9 of this Law.

36.4.The following items shall be recorded in expenses:

36.4.1.Salary;

36.4.2.operating expenses;

36.4.3.costs for the activities specified in sub-paragraph 26.3.1 of this Law;

36.4.4.costs for the activities specified in sub-paragraph 26.3.2 of this Law;

36.4.5.costs for the activities specified in sub-paragraph 26.3.3 of this Law;

36.4.6.costs for the activities other than those specified in sub-paragraphs 36.4.3, 36.4.4, 36.4.5 of this Law;

36.4.7.election expenses;

36.4.8.property use expenses;

36.4.9.other expenses;

36.4.10.total expenses specified in sub-paragraphs 36.4.1, 36.4.2, 36.4.3, 36.4.4, 36.4.5, 36.4.6, 36.4.7, 36.4.8, and

36.4.9 of this Law.

36.5. The followings shall be recorded in the asset's records:

36.5.1. buildings;

36.5.2. ownership lands;

36.5.3. workplace equipment and technical means;

36.5.4. cash balance;

36.5.5. savings;

36.5.6. other assets.

36.6. The state central administrative body in charge of finance and budget matters shall approve the structure and content of the financial statement of the party, the procedure for defining and reporting the categories of assets, income, and expenditure in cooperation with the central election body in accordance with this Law.

36.7. Donations to the Party shall be recorded according to the following indicators:

36.7.1. the total amount of donations centralized in the account of the Party and the number of donors;

36.7.2. family, last and first name of the donor citizen, residential address, donation amount and form, and value of non-monetary donation;

36.7.3. name and address of the donor legal entity, family, last and first name of the executive director, donation amount and form, value of non-monetary donation.

36.8. When transferring a monetary donation to the Party account, a citizen shall transfer the funds from his/her own income, and shall write his or her family, first and last name, date of birth, address, address of permanent residence, and registration number of in the payment order.

36.9. The party shall register donations in paper and/or electronic form in accordance with the registration format approved by the central election body.

36.10. Non-monetary assets shall be valued at the standard market price of similar assets and the monetary value shall be recorded.

36.11. When an item is sold or disposed, expense shall be made at the recorded value in the property register.

36.12. In internal deductions made between local branches of the Party, expenses shall be recorded at the branch where funds are spent.

36.13. The Party may attach additional explanations to the financial statements.

36.14. The financial statements of the Party shall include the financial information of its affiliated organizations upon consolidating the financial statements of party branches, structural units, policy research institute next to the party.

36.15. The consolidated financial statements of the party shall attach a report of the central organization of the Party together with the report of the lower level branch of the party. In the report of the local branch units, it shall be reflected the family, last and first name and addresses of all donors together with amount of each donation. The central organization of the party shall compile the donations and the list of donors, and

determine the total amount of donations received and the total amount of donations made by a particular donor.

36.16.The central election body shall keep the financial statements of the Party and related documents for ten years following the end of the reporting period.

Article 37.Submission of financial statement of a political party

37.1.The party shall present its financial statements accurately in a consolidated manner. The executive body of the Party branch unit shall submit its financial statements to the central body of the party.

37.2.The party shall submit to the central election body its semi-annual financial statements within July 20th per annum, and the annual report within February 10th of the subsequent year.

37.3.The party shall adhere to the principles specified in Articles 4 and 5 of the Law on Glass Account and reflect the items specified in Article 36 of this Law when preparing its financial statements.

37.4.A brief report on the party activities with the following content shall be attached to the financial statements of the Party:

37.4.1.the number of party members as of December 31st of the reporting year;

37.4.2.information on whether meetings of the supreme governing body and central representative body of the party have been held;

37.4.3.information on the activities specified in

paragraph 26.3 of this Law;

37.4.4.information on the activities specified in paragraph 35.1 of this Law.

37.5.It shall be prohibited to a leader or chief financial officer of the Party from holding any job or position related to finance in any business entity or organization. In addition to it, it shall be prohibited to the chief financial officer of the Party from holding dual positions in the public service or state or locally owned legal entities.

37.6.The party shall be held liable in accordance with the relevant law if it fails to maintain accounting and primary financial documents, and fails to keep financial statements and accounting documents as specified in the Law on Archives and Records Managements.

37.7.The central representative body of the Party shall appoint for a term of four years one or more internal auditors to review the financial statements. Auditors may be re-appointed once.

37.8.The central executive body of the Party shall discuss the financial statements before submitting the same to the central election body.

37.9.The party leader and the chief financial officer shall confirm and sign the financial statements.

37.10.The signature of the chief financial officer guarantees the accuracy of the information contained in the financial statements.

37.11.It shall be prohibited to the party leader from involving in the financial and budgetary activities of the party with the right of disposal other than as specified in paragraph 37.9 of this Law.

Article 38. Certification of financial statements

38.1. The party shall have its annual financial statements to be audited by legal entity of audit that meets the requirements specified in the Law on Auditing within March 15th of each year, and shall submit the audited annual reports to the central election body.

38.2. The party shall be responsible to constitute an opportunity for the legal entity of audit to access to be acquainted with the relevant documents.

38.3. If the legal entity of the audit reviews the party's financial statements and finds a discrepancy, the legal entity of the audit shall have the right to refuse to certify the statements and shall notify thereto to the central election body in writing within 3 working days.

38.4. The auditor's operating cost specified in paragraph 38.1 of this Law shall be paid from the state budget.

38.5. The following person shall be prohibited to audit the financial statements of the Party:

38.5.1. a person who is holding a job or position at the respective party and/or a job or position aimed to ensure the political and economic interests of the respective party or who has held for the last 3 years;

38.5.2. a person who participated in keeping of the accounting records or preparing the reports of the party;

38.5.3. other conditions arisen a conflict of interest.

38.6. When making audit review specified in paragraph 38.1 of this Law, at least five percent of the local branch units of the

party shall be included in the selection based on the financial statements of the party and the risks identified by the legal entity of the audit.

38.7. The legal entity of the audit shall have a right to demand clarifications and documents required by it to properly perform the auditing duties from the central executive body of the Party and its staff. In this regard, the auditor shall have a right to inspect the primary accounting record and assets.

38.8. The executive body of the local branch unit of the party being audited shall provide the auditor with a written guarantee that all incomes, expenditures and assets to be required to be reflected in the report have been recorded. The guarantee can be obtained from a lower-level executive body of the local branch unit of the party, and a written guarantee from a chief financial officer shall be issued.

38.9. The results of the auditing shall be reported in writing and delivered to the central executive body of the Party and the executive body of the audited local branch unit.

38.10. The legal entity of the audit shall examine and certify the financial statements of the Party in accordance with the relevant international standards based on the accounting records and other documents, and explanations and clarifications provided by the central executive body of the party, and issue conclusion and reports.

38.11. The audit reports shall be attached to the party report and published in full in accordance with Article 43 of this Law.

Article 39. Review of financial statements of a political party

39.1. The central election body shall receive the financial

statements of the Party and review whether they meet the requirements specified in this Law, and shall take into account of the audit report specified in paragraph 38.10 of this Law.

39.2. Upon completion of the review process, the central election body shall issue a conclusion, and the followings shall be determined in the conclusion:

39.2.1. whether there are any errors or discrepancies in the report;

39.2.2. if the report has errors or discrepancies, whether there is an inconsistency in the financing provided to the party due to them.

39.3. If there are clear grounds to doubt the accuracy of the information presented in the report of the Party, the central election body shall notify the party and allow them to comment and correct it within at least 5 working days.

39.4. The financial report shall be received and reviewed by the central election body in accordance with this Law and submitted to the State audit organization for making a conclusion within April 5th of each year.

39.5. The state audit organization shall report the conclusions made on the financing and performance provided by the state to the party in the annual budget performance report.

39.6. The Party that has submitted a report with errors and discrepancies specified in paragraph 39.2 of this Law shall eliminate the errors and discrepancies and resubmit its report in whole or in part within the period determined by the legal entity of the audit. The accuracy of the revised report shall be certified by making an audit.

39.7. Information not directly related to the party report that was obtained during the review of financial statements shall not be published or disclosed to the other state agencies.

Article 40. Obligations to report errors and discrepancies in the report

40.1. The Party shall be obliged to immediately notify the central election body in writing if it becomes aware of any errors and inconsistencies in its financial statements after the timely submission of the statements to the central election body.

40.2. If the public and the central election body have no information about the errors and discrepancies in the report at the time of notifying about the errors and discrepancies to the central election body, or if the errors and discrepancies are not identified during the review process and the party fully corrects the errors and discrepancies upon disclosing transparently, there shall not be any legal consequences specified in Article 41 or 42 of this Law. The party shall surrender unlawfully obtained income proceeds to the central election body within the period prescribed by it.

Article 41. Consequences of errors and discrepancies determined by the audit report

41.1. If the party shall not correct its errors and discrepancies and resubmit financial statements within the period specified in paragraph 39.6 of this Law, the central election body shall not allocate the part of the state financing /C1*T1/ specified in paragraph 27.5 of this Law to the party in the subsequent year.

41.2. The discrepancies of the Party specified in paragraph 41.1 of this Law shall not affect the determination or disbursement of financing to other parties.

41.3. The charter of the Party shall regulate the actions to be taken if the errors and discrepancies that led to take measures specified in paragraph 41.1 of this Law to be made by the local branch units of the Party.

Article 42. Donations received illegally

42.1. If the Party fails to transfer the donations specified in sub-paragraph 34.5.3 of this Law, the party shall pay doubled amount of the donations received illegally to the central election body. The decision to be paid thereof shall be made by the central election body.

42.2. Once period specified in paragraph 36.16 of this Law is expired, the payment specified in paragraph 42.1 of this Law shall be no longer required.

42.3. The central election body shall determine the monetary amount to be repaid by the Party to the state. If the Party becomes eligible for further state financing during this period, the central election body shall deduct the amount to be repaid by the party from the subsequent state financing.

42.4. The charter of the Party shall provide for relevant regulations if the errors and discrepancies that led to take measures specified in paragraph 42.1 of this Law to be made by the local branch unit of the Party.

Article 43. Informing the statements and reports to public

43.1. The central election body shall compile and inform the financial statements and brief operational reports of the parties to the State Great Khural within May of each year, and post the same on its website, and compile and publish them from time to time.

43.2. The central election body shall prepare a brief comparative information on the income, expenditure and status of assets of the parties within May of each year, post the same on its website, and compile and publish them from time to time.

43.3. The updated report eliminating errors and discrepancies as specified in paragraph 39.6 of this Law shall be published in whole or in part, and posted on the website of the central election body.

43.4. The Party shall be obliged to disclose its financial statements and brief operational report to the public by posting its reports on its website within 3 working days following the submission to the central election body, and as for the Party without a website, by announcing it in the means of daily press and media.

43.5. It shall be prohibited to remove the reports posted on the website as stated in paragraph 43.4 of this Law for period of ten years.

43.6. If a discrepancy is found in the financial statements of the Party following the public disclosure of the same as specified in paragraph 43.4 of this Law, the central election body shall provide the party the period of 14 days in order to submit the correction to the central election body, post it on its website and publish it.

43.7. The financial statements, the brief operational report, and comparative brief information of the Party shall be posted on its website in accordance with paragraphs 43.1, 43.2 and 43.4 of this Law with the possibilities to be downloaded and/or searched in its entirety.

43.8. When publishing the financial statements, the brief operational report, and comparative brief information of the

Party, the family name, last and first name of the donor citizen, or the name of the donor legal entity, as well as their residing or locating name and number of the aimag, soum, bagh, or the Capital city, district, or khoroo shall be published.

CHAPTER SEVEN MISCELLANEOUS

Article 44. Liability to be imposed on the violators of the Law

44.1. In case the actions of a civil servant violating this Law does not constitute a criminal nature, he/she shall be subject to liability specified in the Law on Civil Service.

44.2. Any person or legal entity violating this Law shall be subject to liability specified in the Criminal Code or the Law on Violations.

Article 45. Entry into force

45.1. This Law shall enter into force on January 1, 2024.

THE CHAIRMAN OF THE STATE GREAT KHURAL OF
MONGOLIA ZANDANSHATAR.G

Notes
