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# AMENDMENTS TO THE LAW ON PERMITS

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## LEGAL ALERT: AMENDMENTS TO THE LAW ON PERMITS

On June 17th, 2022, the Great Khural of Mongolia officially approved the "Law on permits" ("the PL") and it has been enacted and became effective as of January 1st, 2023.

The following is a summary of amendments to the Law of Mongolia on Permits (2022) dated January 6, 2023, including newly added, amended, and deleted clauses.

### NEW PROVISIONS

#### 1. Changes have been made to the list of permits

The list of special permits in Article 8.1 of the Law on Permits has been changed as follows:

- Special permits added to the list of licenses and issuing authorities*

No	New special permits	Issuing authority
1.	To harvest timber from the forest	Forest department, or an authorized officer of sum or district
2.	To engage in the activities of a professional organization for subsoil rehabilitation	Central state administrative body in charge of environmental issues

Moreover, according to amendments, the following changes have been made to the list of regular permits specified in Article 8.2 of the Law on Permits:

- Regular licenses added to the list of licenses and issuing authorities*

No	New regular permits	Issuing authority
1.	To import genetic resources to Mongolia	Central state administrative body in charge of environmental issues
2.	To use public streets and squares for commercial and service purposes	The governor of the respective province, capital, and district
3.	Authorization to the aircraft to enter through gates that are not designated for air travel	the Supreme military professional management body
4.	Flight in the border airspace	Air Force Command, or General Department of Border Protection

#### 2. Grounds for the revocation of permits have been added.

If the state stamp duty has not been paid within the period specified in Article 42.6 of the Law of Mongolia on State Stamp Duties, the permit shall be revoked.

#### 3. The permits period has been changed

Unless otherwise specified in the law, special permits shall be issued for a period of up to five years and regular permits for a period of up to three years and in cases specified by law, permits shall be granted indefinitely except permits for for limited use of natural resources and state public property".

#### 4. Integrated registration digital database shall be created

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The central state administrative body in charge of economy and development shall inform the public in an accessible form using advanced information technology methods regarding the issues specified in paragraph 2.3 of article 3.2 of the Law on Permits (*Acceptance of an application for permits and its extension, verifying process of the application and its attached documents, and decision-making process shall be open and transparent to applicants and permit holders electronically.*)

### AMENDED PROVISIONS

Revised the section related to certain permits in the list of regular permits.

No	Regular permits	Issuing authority
1	Own 33 or more percent of the total issued shares of a Mongolian legal entity by a foreign state-owned legal entity in order to operate in mining, banking, and finance, or media and telecommunications sectors	Central State Administrative Body in charge of Economy and Development
2	Conduct IT security audit	Central State Administrative Body in charge of Digital Development and Communications
3	Conduct cyber-security risk assessments	Central State Administrative Body in charge of Digital Development and Communications
4	Use of radio frequencies for non-public service purposes	Communications Regulatory Commission of Mongolia
5	Use of land for the purpose of trade and service in the road corridors of cities and towns	The governor of the respective province, capital and district

### DELETED PROVISIONS

No	Regular permits	Issuing authority	Comments
1.	Advertisement of medicines and <del>biologically active products</del>	Central State Administrative Body in charge of Medicines	The wording “biologically active products” was deleted from the Law on Permits. However, it is still valid that the content of the advertisement material of biologically active products shall be reviewed by the Medicine and Medical Devices Regulatory Authority under the Law of Mongolia on Medicine and Medical Devices.

### VOID PROVISIONS

No	Void provisions	Comments
1.	Receipt of payment of state stamp duty	“ <b>Receipt of payment of state stamp duty</b> ” is no longer required to be paid in advance when applying for permits (paragraph 3 of article 3.2). On the other hand, it must be paid after the permit is issued.
2.	Manufacture, import, export and supply of biologically active products	Such activities do not require special permits anymore. However, registration of new BAPs is still mandatory.
3.	Reorganization of a dominant legal entity through merger and acquisition with other entities, or purchase of more than 20 percent of common shares and more than 15 percent of preferred shares of a competing company that sells similar products, or merger and acquisition of a related entity	Such activities do not require regular permits. However, under the Law of Mongolia on Competitions, such an entity must apply to the Authority for Fair Competition and Consumer Protection for their opinion.

### Sources:

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1. Law on permits, 2022 /New edition/
2. Amendments to the Law on permits, 2023

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