



Adoption of general Administrative Legislation bill and its importance

The Parliament of Mongolia (the “**State Ikh Khural**”) approved and adopted the General Administrative Legislation (“**Legislation**”) on 19 June 2015 under which the administrative bodies and their officers’ actions, therefore decision making procedures have been established for the first time in history. The Legislation shall be in force and effect on 1 July 2016. The experts view the adoption of Legislation as historic event since there was no complex legislation in place that sets out actions and decision making procedures of administrative bodies and their officers.

The Legislation prevents any uncertainty in decision making by the State authorities. Furthermore, it abolishes limitless actions or inactions of the State authorities who infringe the legitimate rights of investors, corporations and individuals under the ambiguity terms of “**protection of public interests, national security and national interests**”. Finally, the Legislation ensures no bureaucracy exist in the State power, as well as decision making path is well regulated.

New Concept of the Legislation

Protection of Legitimate Trust

If the administrative bodies and their officers’ decisions, activities, actions and inactions could monetary or materially benefit organizations or individuals, the administrative bodies and their officers are required to follow principle of protection of those people involved and not to abandon their expectations, according to newly acted Legislation.

Principle of Listening

Prior to making any decision, the administrative bodies or their officers are obliged to listen to, therefore to collect the supportive or counter statements regarding any significant circumstances or facts that need to be considered in decision making, of the organizations or individuals whose legitimate rights and interests would be likely adversely affected once the decision is made and in effect.

Thus, the Legislation covers the detailed provisions with respect to when such listening or collecting of statements is exercised by the authorities or their respective officers.

Administrative Decision Enforcement

The administrative authority is entitled to use force when its decision is in effect and enforced. In one hand, the Legislation sets forth details such as what extent to use force and who authorized to enforce the decision to avoid any violation of persons’ rights and interests,



in other hand such regulations not only protect those who enforce a decision but also affected parties in enforcement procedure.

Apart from above mentioned new concepts, many other new principles have been introduced in the new administrative Legislation. Also, the Legislation abolishes misconduct of the administrative bodies and their officers through such detailed regulations defining principle, form and manner in certain degree that need to be observed in their activities.

It is important to note that the Legislation provides detailed circumstances when to prioritize the public interests over certain organizations or individuals' rights and interests if any decision of the administrative bodies or their officers contradicts with those rights and interests. The Legislation not only benefits the investors or organizations but also general public in the society.

Although the Legislation is a new concept in Mongolia, we hope that the Legislation shall be further improved or detailed with respect to relationship between administrative authorities or their officers and participants upon specific cases are adjudicated.

Ashid Advocates LLP shall provide further updates to our clients and interests parties regarding implementation of the Legislation and its barriers.

**ORGIL DAVAASUREN
ASSOCIATE**

ASHID ADVOCATES LLP

**Ulaanbaatar
2015**