



LAW OF MONGOLIA

1 July 2014
ON GLASS ACCOUNTS

CHAPTER ONE GENERAL PROVISION

Article 1. Purpose of the law

1.1. The purpose of this law is to create transparent system ("glass accounts") to enable public monitoring and [further] disclosure to public regarding decision making processes and activities [carried out] in relation to implementing budget management for the purpose of efficiently allocating/spending state and local administration budget.

Article 2. Legislations regarding glass accounts

2.1. The legislation relating to glass accounts shall consist of the *Constitution of Mongolia*, the *Law of Mongolia on Budget*, the *Law of Mongolia on Information Transparency and Rights to Obtain Information*, the *Law of Mongolia on Procurement of Goods, Works and Services using State and Local Assets*, this law, and all other legislative acts issued in conformance therewith.

2.2. If an international treaty to which Mongolia is a party contains provisions which are contradictory to the provisions of this law, the provisions of the international treaty shall prevail.

Article 3. Scope of the law

3.1. This law shall be applicable to the following organisations and their officers who have the right to dispose organisation property:

- 3.1.1. state or local administration owned legal entities;
- 3.1.2. state owned factories;
- 3.1.3. companies whose controlling or more shares are vested in the state, local government administration, or their affiliated entities;
- 3.1.4. enterprises and organisations carrying out investments, projects, programmes, activities, works and services with state or local administration budget; and
- 3.1.5. contractors carrying out state functions on the basis of law and agreement.

3.2. This law shall be applicable to the following budget and financial planning, performing, implementation and reporting, and other transaction in relation therewith:

- 3.2.1. state and local administration budget, social security fund and human development fund budget;
- 3.2.2. local development fund;
- 3.2.3. special fund of the government;
- 3.2.4. procurement of goods, works and services using state and local assets;
- 3.2.5. bonds and other financial instruments issued by the government or local administration;
- 3.2.6. foreign and domestic loans, and grants from the government and local administration;
- 3.2.7. partnerships and concession between public and private enterprises; and

3.2.8. guarantees and other decisions which create budgetary payables and receivables issued by the government and local administration.

3.3. This law does not apply to budget for [activities subject to] state secrets, and planning, performance, implementation and reporting of budgets relating to activities of implementing organisations' concerning national security.

3.4. It is prohibited to avoid disclosure to public of all budgets other than state secret and its planning, performance, implementation and reporting.

Article 4. Glass account principle

4.1. The following principles shall be used in implementing this law:

4.1.1. information shall be correct, concrete and comprehensive;

4.1.2. information shall be easy to understand and significant;

4.1.3. information shall be made available regularly and promptly within determined period; and

4.1.4. all information other than those deemed as state secret shall be transparent.

CHAPTER TWO GLASS ACCOUNT STANDARD

Article 5. Information delivery format of glass account

5.1. Organisations shall deliver the glass account information through its website and shall satisfy the following requirements:

5.1.1. there shall be separate menu for glass account;

5.1.2. information shall be downloadable and printable;

5.1.3. name and contact details of the officer in charge issuing references shall be located in the website;

5.1.4. information and amendments thereto must be regularly updated, outdated information must be [transferred and] saved in the archive section of the website, and such archived information must be accessible, downloadable and printable.

5.2. Information on glass account can be in audio and video forms.

5.3. For the purpose of implementing this law, a glass account website shall be established. The government shall have the website operational, subject to implementation of this law, prior to 30 June 2016, and the website shall be operated by the Ministry of Finance.

5.4. The government shall approve common standards and regulation for uploading information and its content and form upon considering recommendation of the Ministry of Finance.

5.5. The glass account website shall be in accordance with classifications specified in Article 3.2 herein, and shall include complete information.

5.6. Decisions specified in Articles 3.2.5 to 3.2.8 of this law shall become valid and effective upon being uploaded to the website after the date specified in Article 5.3 herein.

5.7. Information regarding local budget and budget governor shall be placed on the relevant information board regardless of whether they have website specified in Article 5.1 herein.

5.8. Information board shall be accessible by the public and shall be certified by signature of the officer specified in Article 7 herein.

Article 6. Glass account information

6.1. Organisations and officers specified in Articles 3.1.1 and 3.1.2 herein shall disclose the following information on a regular basis:

6.1.1. annual budgets, procurement plans and local development fund plans shall be disclosed prior to 10 January each year;

6.1.2. half-year annual budget performance shall be disclosed within 15 August, previous year annual budget performance shall be disclosed within 25 April, and monthly and quarterly performances shall be disclosed within 8th of the following month;

6.1.3. budget for the following year shall be disclosed within 15 September each year;

6.1.4. year-end financial report shall be disclosed within 25 April of the following year, and half-year financial report shall be disclosed within 15 August;

6.1.5. audit report with respect to budget of the general budget governor shall be disclosed within 25 April, and [report on] implementation measures and activities reflected in such audit reports shall be disclosed within 1 July;

6.1.6. budget savings, surplus and their reasoning shall be disclosed on quarterly basis;

6.2. Information specified in Article 6.1.1 herein shall be expressed in the following forms:

6.2.1. criteria figures for annual budget and its performance approved by authorised organisation;

6.2.2. incomes (income from main activities, and income from state organisations/;

6.2.3. operational expenditure /salaries, social security commissions, other operational expenditures, asset expenditures, and subsidies/;

6.2.4. asset expenditures, investment projects and activities, and concession items' list;

6.2.5. incomes to be accumulated in the state and local administration budget and their structure; and

6.2.6. financing sources /state budget, local administrative budget and self-budget/.

6.3. Information specified in Article 6.1.2 herein shall be expressed in the following forms:

6.3.1. figures of general budget governor specified in Article 6.2.1, and numeric and quality figures regarding results and implementations in relation to the same;

6.3.2. comparison between budget performance and approved budget;

6.3.3. explanations for budget savings and surplus;

6.3.4. the budget expenditure savings of the previous year and to specify the purposes if the surplus of income for auxiliary works was used for rewards;

6.3.5. amount of grants and aids, and their allocation/expenditure;

6.3.6. general information regarding selection if the measures reflected in the asset and/or operational expenditures were selected through bidding process;

6.3.7. investment expenditures shall be disclosed in terms of financing project and objects;

6.3.8. income, expenditure and investment in relation to special fund; and

6.3.9. performance of local development fund.

6.4. Organisations specified in Articles 3.1.1 and 3.1.2 of this law, shall disclose the information set out below within a week:

6.4.1. amendments and changes made to the current annual budget;

6.4.2. amendments made to the organisation's accumulation of payment, commissions and fees for regulatory services;

6.4.3. tender/bid documents, tender/bid procedures, tender/bid invitations, criteria for the bidders who are participating in the tender/bid, introduction of entities that have been selected as well as those have not been selected, and the legal basis or other reasons for their selection and non-selection;

6.4.4. names of goods and services procured which have total value of more than five million togrogs, their financing amounts and name and contact details of the relevant supplier;

6.4.5. information regarding incomes and expenditures, excluding salaries, that have value of more than five million togrogs shall be disclosed transaction by transaction, along with names of the recipients and the relevant transaction notes;

6.4.6. audit reports, conclusions and other results of monitoring [activities] of procurement processes;

6.4.7. amendments to approved employment positions in the organisation;

6.4.8. bonds, loans, promissory notes, guarantees and other similar financial instruments, public private partnership agreements, concessions, budgets, and [other] decisions relating [state] property, assets or monies which created receivables and/or payables; and

6.4.9. other information specified in the law.

6.5. Ministry of Finance shall disclose the following information in addition to those specified in Articles 6.1 and 6.4 of this law:

6.5.1. figures relating to incomes, outcomes and investments of the state budget, social security fund budget, human development fund budget, and unified budgets shall be disclosed within 15 July for half-year and 15 January [of the next year] for year-end;

6.5.2. information regarding government's loans and grants foreign [country] shall be disclosed on a quarterly basis;

6.5.3. information regarding foreign and domestic debts shall be disclosed on a quarterly basis;

6.5.4. state budget savings, surplus and their reasoning shall be disclosed on a quarterly basis;

6.5.5. monthly performance information of unified budget shall be disclosed within 15th of each month;

6.5.6. budget performance and audited consolidated financial report shall be disclosed within 25 August of the next year;

6.5.7. information regarding securities issued by the government for the purpose of funding state budget deficits.

6.5.8. concession list and amendments made thereto shall be disclosed within a week after the relevant document is approved;

/This provision has been amended on 16 October 2014/

6.5.9. concession agreements and amendment thereto shall be disclosed within two weeks after the relevant execution [of the agreement or amendment thereof];

/This provision has been amended on 16 October 2014/

6.5.10. all details, except those regarded as confidential, of the entity party to the concession, concession items, works to be carried out or services to be provided through the concession agreement shall be disclosed within a week after signing the relevant concession agreement;

/This provision has been amended on 16 October 2014/

6.5.11. information regarding securities issued by the government for the purpose of investments shall be disclosed on a quarterly basis;

/This provision has been amended on 16 October 2014/

6.5.12. research and calculations containing comparisons of state unified budget with the macroeconomic indicators on a quarterly basis;

/This provision has been amended on 16 October 2014/

~~6.6. Эдийн засгийн хөгжлийн асуудал эрхэлсэн төрийн захиргааны төв байгууллага энэ хуулийн 6.1, 6.4-т заасан мэдээллээс гадна дараах мэдээллийг гаргана:~~

~~6.6.1. концессын зүйлийн жагсаалт болон түүнд оруулсан нэмэлт, өөрчлөлтийг батлагдсанаас нь хойш долоо хоногийн дотор;~~

~~6.6.2. концессын гэрээ болон түүнд оруулсан нэмэлт, өөрчлөлтийг гэрээ байгуулагдсанаас нь хойш долоо хоногийн дотор;~~

~~6.6.3. концессын гэрээ байгуулсан тухай бүрд концесс эзэмшигч, түүний байгууллагын нууцад хамаарахаас бусад мэдээлэл, концессын зүйл, гүйцэтгэх ажил, үзүүлэх үйлчилгээний талаарх мэдээллийг долоо хоногийн дотор;~~

~~6.6.4. хөрөнгө оруулалтыг санхүүжүүлэх зорилгоор гаргасан Засгийн газрын гадаад үнэт цаасны мэдээллийг улирал бүр;~~

~~6.6.5. улсын төсвийн нэгдсэн үзүүлэлтийг макро эдийн засгийн үзүүлэлт, холбогдох бусад үзүүлэлтүүдтэй уялдуулсан судалгаа, төөцөөг улирал бүр.~~

/This provision has been invalidated/repealed on 16 October 2014/

6.7. The Ministry of Population Development and Social Protection and other administrative authorities shall upload the list of full names of the people who are entitled to receive pension, allowances/relief, or otherwise payment from the social security fund, and shall update the same in timely manner.

6.8. Organisation specified in Article 3.1.3 of this law shall disclose the following information within a week:

6.8.1. decisions/orders of the respective organisations that are specified in Articles 3.2.5, 3.2.7 and 3.2.8 herein;

6.8.2. procurement plan, tender/bid documents, tender/bid procedures, tender/bid invitations, criteria for the bidders who are participating in the tender/bid, introduction of entities that have been selected as well as those have not been selected, and the basis for their selection and non-selection; and

6.8.3. guarantees and securities/sureties (батлан даалт) that could equal to major transactions of companies whose fifty or more percentage of the shares are held by the state or local administration.

6.9. organisations specified in Articles 3.1.4 and 3.1.5 herein that are financed from/by (i) state and local budget, (ii) government or local administration funds, (iii) local development fund investments and financing, (iv) bonds, securities, promissory notes and guarantees issued by government or authorities under its auspices, (v) projects, programmes and measures implemented under public private partnership agreements, shall disclose information relating to total budget/estimated costs, implementation process, expenditures and financing on a quarterly basis in accordance with the regulation approved by the government on the website and information board of the receiving entity as well as on the glass account website, and if necessary, may also disclose such information on other websites. Organisations specified in Articles 3.1.4 and 3.1.5 herein shall be exempt from paying the said information on websites and information boards of state authorities, and glass account website.

6.10. Information and transactions uploaded to the glass account website shall be accompanied with the relevant decisions from authorised entities, as well as information specified in Articles 8 and 9 of the *Law of Mongolia on Regulating Public and Personal Interest in Public Works and Preventing Conflict of Interest*.

Article 7. Public servant in charge of disclosing

7.1. The following public officials/servants shall be responsible for delivering the glass account information to the public in accordance with this law:

7.1.1. Public officials who issued the decision/signed the relevant document with respect to bonds, loans, promissory notes, guarantees and other similar instruments issued by the government, public private partnership agreements, concessions, budgets, [documents relating to spending] of [state] property, assets or monies, and [documents relating to] procurement process;

7.1.2. Public officials who influenced the entity specified in Article 7.1.1 above in exercising his/her authority;

7.1.3. Public officials who were the primary and secondary signatories to expenditures and payments in relation to the said documents.

7.2. Public officials who transferred his/her obligations to disclose/inform to a third parties shall not become the basis for release of liability.

CHAPTER THREE MONITORING AND ACCOUNTABILITY OF GLASS ACCOUNT

Article 8. Monitoring on the implementation of the law

8.1. Glass account activities of organisations specified in Article 3.1 herein shall be externally monitored by all levels of Citizens' Representative Khurals, Citizens' Public Khurals and state audit organisation.

8.2. Glass account activities of state authorities and officials specified in Article 3.1.1 herein shall be internally monitored by the general budget governor pursuant to Article 69 of the Budget Law.

8.3. State audit organisation may carry out auditing on glass accounts at its discretion.

8.4. Implementation of this law shall be the main criteria for evaluating or monitoring performance reports of organisations and public officials.

Article 9. Citizens' monitoring

9.1. In the event of breaches or errors in implementing this law, or in the event where complaints in relation to such breaches or errors has not been accepted by the relevant authority, the citizens or entities shall submit complaint to the state audit organisation pursuant to *Law of Mongolia on Resolving Requests and Complaints made by the Citizens to the Public Organisations and Officials*, and may also request for auditing of organisations that fall within the scope of this law.

9.2. State audit organisation shall take action in respect of received complaints and requests and shall notify of the same to the relevant complainant in writing or to the public.

9.3. If the rights of citizen, entity or otherwise taxpayer have been violated, the respective entities have the right to submit claim/complaint to the [relevant] administrative court.

Article 10. Sanctions for breaching this law

10.1. Depending on the nature of the breach committed by the public servant, the public official who appointed him/her shall impose the relevant disciplinary sanction specified in 26 of the *Law of Mongolia on Public Service*.

10.2. In the event public servant subject to scope of application of this law and who is other than those specified Article 3.1.1 of this law is found to have breached this law by court or other authorised [state] inspector, the public servant in breach shall be imposed to pay a fine equal to 50 to 100 times the minimum wage.

10.3. The Ministry of Finance shall register the organisation specified in Article 10.2 of this law and shall notify of the same through glass account website.

10.4. If the regulation specified in Article 5.4 of this law has not been approved, such non- or disapproval shall not become the basis for not complying with/ or implanting this law.

Article 11. Effective date of the law

11.1. This law shall be in force effective from 1 January 2015.

CHAIRMAN OF PARLIAMENT OF MONGOLIA

Z. ENKHBOLD
