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**Executive summary**

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\* [CAC/COSP/IRG/2023/1](#).



## II. Executive summary

### Mongolia

#### 1. Introduction: overview of the legal and institutional framework of Mongolia in the context of implementation of the United Nations Convention against Corruption

Mongolia signed the United Nations Convention against Corruption on 29 April 2005 and ratified it on 11 January 2006.

The country's implementation of chapters III and IV of the Convention was reviewed in the first year of the first review cycle, and the executive summary of that review was issued on 25 August 2011 ([CAC/COSP/IRG/I/1/1/Add.1](#)).

Mongolia has a civil law system. The national legal framework for preventing and countering corruption includes provisions from a number of laws, notably, the Criminal Code and the Criminal Procedure Code, the Anti-Corruption Law, the Law on Crime and Violation Prevention, the Public Procurement Law, the Law on the Regulation of Public and Private Interests and Prevention of Conflicts of Interest in the Public Service (Conflicts of Interest Law), the Civil Service Law, and the Law on Combating Money-Laundering and Terrorism Financing. Mongolia is also a party to several international agreements on international cooperation, crime control and crime prevention.

The country's authorities cooperate at the international level through various mechanisms and networks, including the Asia/Pacific Group on Money Laundering, the Egmont Group of Financial Intelligence Units, the Global Operational Network of Anti-Corruption Law Enforcement Authorities (Globe Network) and the International Criminal Police Organization (INTERPOL).

Mongolia has several bodies and agencies concerned with preventing and combating corruption, including the Independent Authority Against Corruption (IAAC), the Civil Service Council, the State Procurement Agency, the Bank of Mongolia, the Financial Regulatory Commission and the Financial Information Unit.

#### 2. Chapter II: preventive measures

##### 2.1. Observations on the implementation of the articles under review

*Preventive anti-corruption policies and practices; preventive anti-corruption body or bodies (arts. 5 and 6)*

The country's first national anti-corruption strategy was considered implemented in 2010. The State Great Khural (the Parliament) adopted a new national anti-corruption strategy in 2016, pursuant to article 21 of the Anti-Corruption Law. The strategy contains a section on the participation of civil society (sect. 4.1.7). Implementation of the strategy began in 2017 and led to the adoption of a final report by IAAC in 2021. The strategy is implemented by all public entities. They submit yearly implementation reports to IAAC, which reports to the Parliament (sect. 8 of the strategy). The strategy was scheduled to be evaluated in September 2022, and a new strategy was expected to be developed following that.

The Anti-Corruption Law established IAAC as a special independent governmental body entrusted with raising public awareness of corruption, undertaking corruption prevention activities, carrying out investigations with a view to detecting corrupt acts, and reviewing asset and income declarations (art. 15). IAAC also monitors and evaluates the implementation of the Law and informs citizens and the public about the implementation process (art. 18).

IAAC is legally mandated to operate independently, and it is prohibited for anyone to interfere in its operations (art. 16 of the Anti-Corruption Law). The head of IAAC is appointed for a term of six years by the Parliament, following a public hearing process

and nomination by the Prime Minister. The appointment of the deputy head of IAAC follows the same procedure, except that the deputy head is nominated by the head of IAAC (art. 21 of the Law). They can be removed from office only on the limited grounds specified in article 22 of the Law. IAAC is provided with sufficient funding.

A public council has been established under the supervision of the President to ensure active public involvement in combating corruption and to advise on the situation regarding corruption and the implementation of the Anti-Corruption Law (art. 27 of the Law). It has not been allocated adequate resources to carry out its mandate.

IAAC is the authority that may assist other States parties to the Convention in developing and implementing measures for the prevention of corruption.

*Public sector; codes of conduct for public officials; measures relating to the judiciary and prosecution services (arts. 7, 8 and 11)*

The civil service comprises four categories, of which the public administration service and the special State service constitute the “core civil service” (arts. 6 and 10 of the Civil Service Law). The Civil Service Law specifies the general eligibility requirements for admission to the core civil service, which include having no prior convictions for offences related to corruption or abuse of power (art. 22.1).

Professional examinations are administered on a regular basis for the recruitment of candidates to the core civil service (art. 33 of the Civil Service Law). The written part of the exam process is fully digital. The examinations are administered by the Civil Service Council (art. 33.4, read in conjunction with art. 65.1 of the Law).

The Civil Service Council is the central authority tasked with providing ethical guidance to officials in managerial and executive positions, overseeing the implementation of training and addressing complaints about recruitment and selection procedures (art. 66 of the Civil Service Law). All public officials falling under the classification “public administration service” are required to follow ethics and anti-corruption training before promotion to higher positions (art. 23.2 of the Law). There are, however, no specific rules for the selection, appointment and rotation of officials in relation to positions that are vulnerable to corruption, and there is no list of such positions. IAAC examines potential candidates for managerial and executive positions at the request of the entities recruiting them.

The Civil Service Law contains detailed provisions on the salaries, compensation, benefits and social security benefits of civil servants. Salary levels are linked to the average living standards of the population and the average salary of positions in the private sector (arts. 57 and 58).

The Law on Presidential Elections, the Law on Parliamentary Elections and the Law on the Election of Citizens’ Representative Khurals (regional parliaments) describe the rights and modalities relating to both active and passive participation in elections. Aspiring candidates who have previously been convicted of corruption offences cannot be registered to run for office (art. 26.6 of the Law on Presidential Elections; art. 29.8 of the Law on Parliamentary Elections; art. 28.8 of the Law on the Election of Citizens’ Representative Khurals).

Political party financing in election years is regulated by the Law on Parliamentary Elections, whereas financing in other years is governed by the Law on Political Parties. All parties are required to publish information about their donations (art. 18.4 of the Law on Political Parties). For parliamentary elections, the State Audit High Authority sets the maximum amount of election expenses (art. 50 of the Law on Parliamentary Elections) and reviews and publishes election expense reports, which reflect both income and expenses (arts. 57 and 58 of the Law on Parliamentary Elections).

The Code of Conduct for Officials of Administrative and Support Services was adopted in 2019 (through Decree 33/2019). It lists seven key norms that officials must adhere to, including obligations to be free from influence by political parties, to serve

the people wholeheartedly and to honour the reputation of the public service (art. 2.1 of the Code). Violations may result in disciplinary and “ethical” sanctions, such as a reprimand or an obligation to apologize (art. 4.2 of the Code). Violations of the Code of Conduct can be reported to IAAC, which deals with violations relating to conflicts of interest and corruption (art. 2.10 of IAAC internal decree A/60). If the behaviour is suspected of reaching the level of criminality, the matter is referred to the law enforcement authorities (art. 4.4 of the Code).

Certain officials, such as judges, prosecutors, police officers and central and local administrative officials, are obliged to immediately report to IAAC any corruption-related information obtained while performing their official duties (art. 8 of the Anti-Corruption Law). IAAC maintains a reporting channel for the general public that can also be used by public officials and organizations. A person or entity wishing to report corruption-related information can do so anonymously.

Mongolia has established a financial disclosure framework, as described under the section on article 52 of the Convention, below. Officials are also obliged to declare possible conflicts of interest before taking part in any administrative decision with financial or legal implications (art. 8.1 of the Conflicts of Interest Law). IAAC screens asset and income and private interest declarations to identify possible conflicts of interests prior to a person being appointed. Public officials are prohibited from accepting gifts in the performance of their official duties (art. 16 of the Law). Furthermore, they are not allowed to concurrently hold any job or position other than those allowed by the Conflicts of Interest Law (art. 18), and they cannot engage in business activities or work in the management structure of an enterprise, except in a limited number of cases as outlined in the Conflicts of Interest Law (art. 20).

The independence of the judiciary is guaranteed in the Constitution (art. 49) and the Law on Courts (art. 42).

There is no specific code of conduct for the judiciary, but the Law on Courts contains detailed regulations on the prevention of conflicts of interest (art. 50). Non-compliance is subject to disciplinary measures (art. 57).

The prosecution service supervises the investigation of cases and participates in court trials on behalf of the State (art. 56 of the Constitution; art. 4.1 of the Criminal Procedure Code). The Law on the Prosecution Office contains provisions, including on salaries and emoluments, to guarantee the independence of prosecutors (art. 59). In 2018, the President promulgated the Code of Ethics for Prosecutors, which requires prosecutors to submit asset declarations (art. 7). Violations of the Code of Ethics are subject to disciplinary sanctions.

#### *Public procurement and management of public finances (art. 9)*

The Public Procurement Law applies to the procurement of all goods, works and services. Mongolia has developed an e-procurement system ([www.tender.gov.mn](http://www.tender.gov.mn)), through which any item with a value that exceeds 20 million tugriks (about 5,700 dollars) must be procured. Certain exceptions apply (art. 3 of the Law).

The State Procurement Agency is in charge of large-scale procurement processes and is responsible for managing the e-procurement platform. There is no threshold value for determining what constitutes large-scale procurement processes; the Government or line ministers decide which processes should be handled by the State Procurement Agency. The Ministry of Finance sets standards and deals with certain complaints regarding the legitimacy of the preparatory process prior to the opening of bids (art. 55 of the Public Procurement Law).

Procuring entities are required to advertise invitations to bid publicly in the mass media and in the e-procurement system (art. 21 of the Public Procurement Law). The procuring entity must award the contract to the bidder whose bid is selected as the lowest evaluated substantially responsive bid and provide bid rejection justifications to the other bidders (art. 29 of the Law).

The Public Procurement Law also requires procuring entities to establish and publish, in advance, the conditions for participation in a bidding exercise (arts. 19 and 21).

The Public Procurement Law establishes a system of review and appeal. Tenderers can submit written complaints to a procuring entity. In principle, no contract can be issued while complaint proceedings are ongoing (art. 54). If a tenderer is of the opinion that violations occurred that would limit fair competition, a complaint can ultimately be filed with the Ministry of Finance (art. 55). Decisions can be appealed in administrative court (art. 56).

In order to ensure transparency in the procurement process, evaluation committees must consist of a minimum of two members representing the relevant sector's professional associations, the private sector or a non-government organization (art. 47.4 of the Public Procurement Law).

Public employees and citizens who have been appointed as a member of a bid evaluation committee are required to be specialized in public procurement (art. 47.6 of the Public Procurement Law). They are also obliged to declare, inter alia, that they do not have a conflict of interest in relation to the procurement process for which they have been appointed (art. 8 of the Law; art. 2.19 of Order 103/2021 adopted by the Minister of Finance).

The annual budget is adopted by the Parliament upon a proposal submitted by the Government. Direct budget governors prepare and submit quarterly budget execution reports and financial statements to higher-level budget governors. Annual budget execution reports and financial statements are submitted to the State audit bodies, and audited financial statements are submitted to higher-level budget governors each year (art. 8.9.1 of the Budget Law).

The State Audit Institution oversees the proper planning, allocation, use and disbursement of public finances, budgets and public property. Public officials who breach accounting legislation are held liable as provided for in the Civil Service Law unless the matter constitutes a criminal offence (art. 27 of the Law on Accounting).

Documents of a financial nature are treated on the basis of the regulations established in the Law on the Archiving and Administration of Business Documents, which obliges government agencies to preserve documents for a period ranging from 5 to 40 years, depending on the type of agency or institution (art. 27).

*Public reporting; participation of society (arts. 10 and 13)*

Mongolia enacted the new Law on Public Information Transparency in 2022. The Law applies to all organizations financed by the State and local budgets, including political parties but excluding the armed forces, border and internal troops and the intelligence authority. Organizations subject to the Law are obliged to ensure the transparency of information pertaining to their operations, their human resource management, their budget and financial management and their procurement activities (art. 8.1).

In cases where the right to receive information has been violated, citizens and legal entities can file a complaint with a higher-level organization or official or, if there is no such organization or official, with the court (art. 14.1.6 of the Law on Public Information Transparency).

Pursuant to article 15 of the General Administrative Law, persons who submit a request to an administrative organization, who are the subject of an administrative act, or who are affected by the decision-making process of an administrative organization, are entitled to access information on the administrative decision-making process and to obtain copies of relevant documentation.

Mongolia has introduced an e-government platform, which enables citizens (currently limited to residents of Ulaanbaatar) to access over 600 government services online.

Pursuant to article 26 of the Anti-Corruption Law, IAAC reports annually to the Parliament on the implementation of anti-corruption legislation and on general levels