



Strasbourg, 31 May 2022

CDL-REF(2022)022

Opinion No. 1081/ 2022

Engl. only

EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW
(VENICE COMMISSION)

MONGOLIA

DRAFT LAW OF MONGOLIA ON POLITICAL PARTIES*

** Unofficial translation*

*Draft 02 May 2022***LAW OF MONGOLIA ON POLITICAL PARTIES**

(revised version)

[...] [...] 2022

Ulaanbaatar

**CHAPTER ONE
GENERAL PROVISION****Article 1. The Purpose of the law**

1.1. The purpose of this law shall be to regulate relations pertaining to establishment, state registration, reorganisation, and dissolution of a political party (hereinafter referred to as “party”), and determination of the legal basis for structure and organization, operating procedures, control, funding and accountability of a party in order to ensure the right to freedom of association of Mongolian citizens.

Article 2. Legislations on political parties

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

2.2. If an international treaty to which Mongolia is a party to provides otherwise than this law, then the provisions of the international treaty shall prevail.

Article 3. The definitions of this law

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

3.1.1. “a party member” means a citizen who voluntarily joined a political party by accepting objectives, ideology, action plans/platform and rules such party and who pays party membership fees, and participates in activities of such party with the right to vote and to elect and be elected.

3.1.2. “a party supporter” means a citizen who voluntarily joined a party in support of the goals and ideology of the party and who does not pay membership fees, and who has a right to participate and express his or her views freely in activities of the party other than decision making.

3.1.3. “appointed/elected member” means party members who are nominated by a party and elected for a state political position and who are elected to all levels of the governing, representative, executive body and management position of the party;

3.1.4. “party platform” means a main document which defines the principal activities, goals and policies of the party based on the party’s ideology, values and principles;

3.1.5. “election platform of the party” means a policy document based on the party platform, which defines the direction of activities to be implemented during the term of office of the representative organization or official;

3.1.6. “financial statements of a party” means a set of electronic and media materials consisting from income and expenditure (statements) calculations, balance sheet of the party assets and their notes prepared by the party in accordance with this law during the reporting period;

3.1.7. “donation” means monetary and non-monetary assets, tangible and intangible assets, services, discounts and exemptions provided by individual citizens or legal entities to the party free of charge.

3.1.8. “financial assistance provided by the state” means public funding provided to a party that meets the requirements specified in this law and indirect financial assistance provided by the state;

3.1.9. “public funding” means financial assistance provided by the state to a party in a partial cash form;

3.1.10. “indirect assistance provided by the state” means financial assistance provided by the state to the party in the form of non-monetary assets and services;

3.1.11. “suspension from party membership” means refraining from exercising the rights of a party member or from participating in the party activities as a party member or a supporter;

3.1.12. “a business entity with foreign investment” means a business entity incorporated under the laws of Mongolia and has overall equity of US\$100, 000 or more or equivalent in Mongolian tugriks or MNT, not less than 25 percent of which is invested by a foreign investor(s);

3.1.13. “a party affiliated organization” means a foundation, association or non-governmental organization established within the activities of the party that is directly or indirectly related to the party or is engaged in activities aimed at implementing and supporting party affairs within the framework of achieving its goals and objectives.

Article 4. Party and its functions

4.1. A party is voluntary association of citizens who regularly and freely expresses the political will of the citizens, participates and represents the people in elections by formulating national policies, takes collective decisions, and is collectively responsible.

4.2. A party, being an integral part of the Constitutional institution and democratic system, shall implement following functions:

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

4.2.2. to establish permanent, stable and active relationship between the state and the people;

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

4.2.4. to promote the participation of women, youth and people with disabilities in decision-making;

4.2.5. to train responsible citizens capable of holding a state political position;

4.2.6. to take part in the development policy and planning of Mongolia;

4.2.7. to nominate candidates for and compete fairly in elections;

Article 5. Citizen’s right to join a political party

5.1. Citizens of Mongolia who are eligible to vote shall have the right to freedom of association, form a party, join or leave a 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 is prohibited to persecute threaten, oppress or discriminate against a citizen in any form for joining a political party or for being a member of a party.

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

5.4. It is prohibited to enlist a citizen in a party without his or 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 a party shall not serve as a ground for restricting his or her rights or freedoms, or providing him or her an advantage.

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

5.7. A party member shall have a right to leave the party at any time. Submission of an application for resignation from a party shall be deemed to be a resignation from the party.

5.8. The state shall have to respect, ensure and protect the fundamental right to freedom of association, to form a party, to freedom of expression, and peaceful assembly

5.9. Restrictions other than those that are necessary and appropriate for the protection of national security, public order, public morals, public health, or 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 freedom of association, to form a party or freedom of expression, and peaceful assembly.

5.10. Restrictions specified in Article 5.9 of this law shall not discriminate against a person on the basis of ethnicity, language, race, age, sex, social origin and status, wealth, occupation and position, religion, opinion and education, disability or other symptoms.

5.11. If the requirements specified in Articles 5.9 and 5.10 of this law are met and not restricted by the law, the establishment of a party and goals, internal and external activities of a party shall be deemed approved.

5.12. A core civil servant shall be prohibited from making decisions or conducting activities which protect the interest of or give an advantage to any political party during the performance of his or her official duties.

5.13. Unless otherwise provided by law, a party is prohibited from interfering in the exercise of official powers by government authorities and officials.

5.14. Except as provided by law, government authorities and officials shall not interfere in the party activities.

5.15. It is prohibited for foreign citizens and stateless persons to participate in the formation of a party.

5.16. The restriction specified in Article 5.15 hereof shall apply to Mongolian citizens who hold foreign citizenship.

Article 6. Name, symbol and flag of a party

6.1. A party shall have a proper name, at the end of which the general term "party" shall have to be included.

6.2. For election campaign and other activities, a party shall use only its full name and abbreviated name registered in the state register.

6.3. 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 and flags of a party shall not be identical or confusingly similar to the names, symbols or flags of state authorities, local self-governing bodies, monasteries, other legal entities and other parties.

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

6.6. If a party is deregistered, reorganized by merger, or has changed its name, the newly formed party or other parties are prohibited from reusing the full and abbreviated names, symbols, and flags of such party for 12 years.

6.7. The name, symbol and flag of a party shall be in conformity with the Law on Trade marks and Geographical Indications, the Law on Patents, the Law on Copyright and Related Rights.

6.8. A legal entity other than a party shall be prohibited from using the word "party" in its proper name.

Article 7. Rights and obligations of a party

7.1. A party shall have the following rights:

7.1.1. to freedom of expression and opinion, to hold peaceful demonstrations and rallies;

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

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

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 to 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 establish contacts with political parties and international organizations of other countries;

7.1.8. to submit proposals on draft laws to law makers;

7.1.9. for the purpose of informing and educating citizens, to use soum and district cultural centers, theaters and community halls free of charge in accordance with the grounds and procedures provided by law; and

7.1.10. other rights provided by law.

7.2. A party with a seat in the State Great Khural shall exercise the following rights:

7.2.1. to nominate the President of Mongolia from among its members and supporters;

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

7.2.3. To propose candidates for political positions through its party caucus in the State Great Khural;

7.2.4. 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; and

7.2.5. other rights specified in law.

7.3. A party shall be obligated to abide by the Constitution and other laws.

Article 8. Bringing the internal organization and activities of the party in line with democratic principles

8.1. A party shall provide equal opportunities in nominating, electing and appointing its members to the party's governing body, management positions and elections, without discrimination on the basis of ethnicity, language, race, age, sex, social origin and status, wealth, occupation and position, religion and disability or other symptoms.

8.2. The following requirements shall be met in the selection of the members of the organization specified in Article 17.1 of this law and in the selection of candidates to be elected and appointed by the party for public political positions:

8.2.1. conducting secret ballot;

8.2.2. obtaining opinion of the primary organization of a party; and

8.2.3. ensuring member participation.

8.2.4. having representation of at least 40 percent of either gender

8.3. Matters shall be resolved by a majority vote of the members present at the meetings of the organizations specified in Article 17.1 of this law and other meetings of the party, and at the same time the minority views shall also be considered and respected. The charter of a party may provide that certain issues be decided by an overwhelming majority.

8.4. The views 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 disabled people in its policies and activities.8.6. A party is prohibited to discriminate against individuals and social groups in its policies and activities on the basis of ethnicity, language, race, age, sex, social origin, wealth, occupation, position, religion, opinion, education, disability or other symptoms8.7. As specified in Article 8.4 of the Law on Promotion of Gender Equality, a report on gender equality in the activities of the party shall be submitted to the National Committee on Gender Equality.

Article 9. Conducting activities of a party online and ensuring transparency of the same

9.1. Unless otherwise provided by law, activities of a party shall be conducted in a transparent and open manner.

9.2. A party shall keep its charter, platforms, other procedures, financial statements and brief report on its activities transparent and open, and shall provide to the public regular updates and assess to the same.

9.3. A party may hold meetings of all levels, polls, training, workshops, membership recruitment, membership tax collection, fundraising and other activities, and events for community and its members online.

9.4. Decisions made at online meetings and by online voting shall be considered valid. The Party shall take all possible measures to ensure the integrity, confidentiality and accessibility of the electronic system when organizing online meetings and voting.

9.5. If a party, has an official website or social network address, it shall register the same with the Communications Regulatory Commission and the central election body.9.6. A party shall post the following documents and information on its website in a transparent manner and update the same from time to time:

9.6.1. full name, abbreviated name, symbol and flag of the party;

9.6.2. charter of the party;

9.6.3. party platform;

9.6.4. address of the executive body of the party;

9.6.5. family name, last name and first name of the leader, secretary general and the senior official in charge of financial affairs of the party;

9.6.6. telephone number, email address of the party;

9.6.7. number of party members;

9.6.8. financial statements of the party;

9.6.9. brief report on party activities.

9.6.10. family names, last names and first names of the member of the central executive body of the party, head and member of the central supervisory body of the party, internal auditor, heads of the branches in aimags, capital city, and districts;

9.6.11. structure and organization of the party;

9.6.12. information on the activities of the party; and

9.6.13. 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 in accordance with the Law on Glass Accounts. When disclosing information about the donors, information other than personal information that is subject to legal protection shall be disclosed.

9.8. A party shall publish its audited year-end financial statements on its website within the first quarter of each year, and disclose the same to the public, and its members and supporters.

9.9. If there is a change in the documents and information specified in Article 9.6 of this law, the party shall be submit such documents and information to the central election body within 30 days after the change.

9.10. Web address and social network address of a party, and documents and information specified in Articles 9.6.1-9.6.9 of this law shall be published on the website of the central election body and updated from time to time.

Article 10. Prohibitions on activities of a party

10.1. A party shall be prohibited from conducting following activities:

10.1.1. to pose a direct or serious threat to the independence, sovereignty, constitutional order or democracy of Mongolia, or [aimed] at achieving its goals through violence;

10.1.2. to arm or militarize or become militarized;

10.1.3. to receive direct or indirect donations, assistance and financing from the prohibited persons specified in Article 35.6 of this law;

10.1.4. to demand and receive from its member and supporters money, 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;

10.1.5. to pay remunerations and bonuses to party members and supporters during election and non-election periods for embodying and expressing their political will, and actively participating in the activities of the party;

10.1.6. to form more than a quarter of the representatives of the primary and middle level branches and members of executive bodies of the party from related persons specified in Article 3.1.5 of the Law on Regulating Public and Private Interests in Public Service and Preventing Conflicts of Interest; or

10.1.7. to establish branches of the party in organizations and legal entities other than the party; and

10.1.8. other activities provided by law

10.2. The prohibitions specified in Article 10.1.5 of this law shall not include salaries and bonuses for full-time employees of the party.

10.3. It is prohibited to establish a branch of a foreign political party in the territory of Mongolia for the purpose of influencing the politics of Mongolia.

10.4. If a party violates the prohibitions specified in Article 10.1.4 hereof, a fine equal to three times the relevant amount shall be imposed.

10.5. The central election body shall deliver to the party a request to eliminate the violations specified in Articles 10.1.6 and 10.1.7 of this law within a reasonable time, and if the party fails to comply with the request 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 PARTY

Article 11. Forming a party

11.1. In order to explain their goals and ideologys of forming a party to the public, to recruit the number of people specified in Article 12.3 of this law, and to organize a party founding meeting citizens shall establish a working group (hereinafter referred as to "working group") with at least 5 members, and shall notify the central election body regarding the same. The working group shall include representation of at least 40 percent of either gender, as well as representation of youth.

11.2. Upon notifying the central election body of the establishment of the working group, the founding of a party shall be organized in accordance with this law.

11.3. The working group shall organize public meetings, conferences and gatherings (hereinafter referred to as "meetings") for at least 60 days in to openly explain and introduce the goals and ideology of the party and to recruit the number of citizens specified in Article 12.3 of this law.

11.4. The announcement of such meetings shall be made public at least 3 days in advance.

11.5. The working group shall register the participants of the meetings and the registration shall contain the following information:

11.5.1. family name, last name and first name of the participant;

11.5.2. registration number;

11.5.3. residential address.

11.6. If a person participating in the meeting supports the purpose and ideology of forming a party, he or she shall sign the registration of citizens who have expressed their intention to join the party and provide the information specified in 13.3.6 of this law.

11.7. If it is considered that the number of citizens who have signed in accordance with Article 11.6 hereof is sufficient, the working group shall prepare for the founding meeting of the party.

Article 12. Founding meeting of a party

12.1. A party shall be established by a founding meeting (hereinafter referred to as the “founding meeting”).

12.2. Preparations for the founding meeting shall be made and the place and date of the founding meeting shall be notified to the delegates of the meeting and announced to the public at least 21 days in advance.

12.3. At least 801 signatures of citizens who have expressed their intention to join the party on or prior to the day of the founding meeting shall be confirmed on paper or electronically.

12.4. Not less than 45 delegates shall participate in the founding meeting in person or electronically, and at least 30 percent of them shall be representatives of one sex.

12.5. The delegates participated in the founding meeting shall be considered as the founders of the party.

12.6. The following matters shall be discussed and resolved at the founding meeting:

- 12.6.1. to define the ideology, values and goals of the party and approve the party platform;
- 12.6.2. to approve the full and abbreviated name, symbol and flag design of the party;
- 12.6.3. to approve charter of the party;
- 12.6.4. to elect the representative center, executive center and supervisory body of the party or to elect the members of the executive center and supervisory body;
- 12.6.5. to appoint the leader of the party; and
- 12.6.6. to approve the founding resolution of the party.

12.7. The date of the founding resolution to form a party approved by the founding meeting shall be considered as the date of formation of the party and it shall be announced to the public after the party is registered with the central election body.

12.8. It shall be prohibited to announce the formation of a party or conduct party activities in the absence of a decision (registration) of the central election body specified in Article 12.7 hereof.

12.9. It is prohibited for any organization or official to exert pressure or other interference in the formation of a party by a citizen of Mongolia.

Article 13. Application for registration of a party

13.1. A citizen specified in Article 12.6.5 of this law or his or her authorized representative shall submit a written application for registration of a party to the central election body along with the documents specified in Article 13.3 hereof within 30 days from the date of formation of the party.

13.2. An application for registration of a party shall be submitted in a form approved by the central election body and shall include the following information and be signed by the applicant:

- 13.2.1. date of application;
- 13.2.2. name of the party;
- 13.2.3. address of the central executive body of the party;

13.2.4. information on the founder of the party;

13.2.5. information on the applicant.

13.3. The following documents shall be attached to the application for registration of a party:

13.3.1. the founding resolution of a party signed by the chair or of the presiding members of the meeting;

13.3.2. wording of the full name and abbreviated name of the party, pictures of the name, symbol and flag of the party along with descriptions;

13.3.3. charter of the party;

13.3.4. party platform;

13.3.5. proof of the address of the central executive body of the party;

13.3.6. record of at least 801 citizens who have expressed their intention to join the party (family name, last name, first name, registration number, residential address, telephone number, e-mail address, and signature);

13.3.7. record of the financial officer of the party (family name, last name, first name, registration number, residential address, telephone number, e-mail address, signature, copy of ID card);

13.3.8. Information on the assets of the party, including the list of the assets, the list of donations to the party, and the source of expenses incurred in connection with the formation of the party;

13.3.9. Documents confirming that the date and place of the founding meeting of the party was notified and announced in accordance with Article 12.2 of this law; and

13.3.10. if necessary, a power of attorney.

13.4. Prior to applying for registration of a 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 fees, donations, and expenses related to the establishment of the party shall be reported in the asset information of the party specified in Article 13.3.8 of this law.

13.5. In case the period specified in 13.1 of this law is missed due to justifiable reasons, an application for registration of a party may be submitted to the central election body along with the documents specified in Article 13.3 hereof within 30 days after the expiration of such period.

Article 14. Examination of applications for registration of a party and accompanying documents

14.1. The central election body shall review the completeness of the application and accompanying documents within 21 days after receiving the application for registration of the party.

14.2. If the following violations are found in the application or documents, the central election body shall notify the applicant to eliminate such violation and submit additional information within 30 days:

14.2.1. the full name, abbreviated name, symbol and flag of the party do not meet the requirements specified in Article 6 hereof;

14.2.2. the documents specified in 13.3 of this law are incomplete;

14.2.3. the charter of the party does not meet the requirements of the form specified in Article 16.2 of this law;

14.2.5. the prohibitions specified in Articles 10.1.1 and 10.1.2 of this law are violated.

14.3. The central election body shall randomly select at least 45 members from the list specified in Article 13.3.6 hereof and verify the accuracy of their information.

14.4. If the list of names specified in Article 13.3.6 hereof is verified and the number compliant signatures is not less than 801, the requirements set forth in Article 12.3 of this Law shall be considered met, and discrepancies in signatures shall not be grounds for refusing to register a party.

14.5. The central election body shall be prohibited to require documents other than those specified in laws and Article 13.3 of this law when registering a party.

Article 15. Registering a party and refusing to register a party

15.1. The central election body shall make a decision whether to register or refuse to register a party within 7 days of the expiration of the period specified in Article 14.1 hereof, and shall deliver its decision to the applicant in writing or electronically, and inform the public within three working days.

15.2. The central election body shall decide to register a party in the party registration in cases other than those specified in Article 15.5 of this law. This decision shall include summary of party goals and ideologys, information on the central executive body and officials of the party, address, telephone number and e-mail address of the party.

15.3. The central election body shall issue a certificate within 3 working days after the decision to register the party is made.

15.4. If the applicant is not notified of the decision to register or refuse to register the party within 14 days after the expiration of the period specified in Article 15.1 of this law, the party shall be considered registered and the central election body is required to issue a certificate within 3 working days.

15.5. The central election body shall make a decision to refuse to register a party on the following grounds and clearly state the legal grounds for the refusal:

- 15.5.1. the violation is not eliminated within the period specified in 14.2 of this law; or
- 15.5.2. Failed to submit an application or a document within the period specified in Article 13.5 of this law.

15.6. If the decision specified in Article 15.5 of this Law is made, applicants who have eliminated the violation shall be entitled to re-apply for party registration in accordance with this law.

15.7. If an applicant does not accept the decision to refuse to register a party on the grounds specified in Article 15.5 of this Law, he or she shall have a right to appeal to the Supreme Court within 10 days of receiving such decision.

15.8. An application for registration of a party submitted within 90 days from the State Great Khural election date shall not be accepted by the central election body and the periods specified in Articles 14.1 and 15.1 hereof shall be suspended.

CHAPTER THREE STRUCTURE AND ORGANIZATION OF A PARTY

Article 16. Charter and platform of a party

16.1. The structure, organization and management system of a party shall be regulated by the charter of a party as specified in this law.

16.2. The charter of a party shall include the following:

- 16.2.1. ideology, values, principles and goals of the party;
- 16.2.2. full and abbreviated names, symbol, flag and address of the party;
- 16.2.3. grounds and procedures for joining a party as a member, suspending membership, rights and obligations of a member, expelling from a party and imposing other disciplinary sanctions;

16.2.4. the central representative body, the central executive body, the supervisory body and other organizations specified in the charte of a party, and composition, term of office, powers, meetings and decision-making procedures of the same if the party has a highest governing body and a central representative body.

16.2.5. procedures for election, dismissal and resignation of the leader of a party, and term of office and powers of the same;

16.2.6. procedure for amending the charter of the charter;

16.2.7. procedures for reorganization and termination of party activities;

16.2.8. procedures for finding, nominating, selecting, appointing and dismissing candidates for public political positions and party leadership positions, and procedure for ensuring gender equality [in such activities];

16.2.9. funding and asset status of a party and disposal and reporting procedures thereof.

16.2.10. grounds and procedures for establishing and dissolving branches and structural units of a party; and

16.2.11. other items.

16.3. Amendments made into the charter of a party and a decision to appoint a leader of a party shall be submitted to the central election body in writing within 30 days, and failure to submit them within the said period shall serve as grounds for refusal to register of the amendments or the leader of a party.

16.4. The charter and platform of a party shall not contradict the main structure and the fundamental ideologys of the Constitution.

16.5. The election platform of a party shall be consistent with the platform, ideology, values and goals of a party, and shall based on research. Requirements for the election platform of a party other than those specified in this law shall be regulated by the election legislations.

Article 17. Structure and organization of a party

17.1. A party shall either have a highest governing body, a representative center, an executive center and a supervisory body, or a highest governing body, an executive center and a supervisory body.

17.2. The structural unit of a party shall be regulated by the charter of a party and organizations other than those specified in 17.1 of this law may be established by the charter of a party.

17.3. A party shall establish at least one local branch in accordance with democratic principles and other requirements specified herein.

Article 18. Governing body of a party

18.1. The meeting of party members or their representatives shall be the highest governing body of a party and shall convene at least once every four years.

18.2. The highest governing body of a party shall consider and decide the following matters within the scope of its exclusive authority:

18.2.1. adoption of the charter of a party or the amendments to the charter or platform;

18.2.2. election of the members of the central representative body and the central supervisory body of the party, or in the absence of the central representative body, election of the members of the executive body and supervisory body, each of which for a period up to four years, and review of the reports of these bodies at least once every four years;

18.2.3. changing the name of the party, reorganization or termination of party activities; and

18.2.4. other matters specified in the charter of a party.

18.3. If it is provided by the charter of a party, a party may have a central representative body which shall operate in the spare time of the highest governing body of the party and its meeting shall be convened at least once every four years.

18.4. As specified in the charter of a party, the highest governing body or central representative body of a party shall appoint the central executive body of a party for a term up to four years. The central executive body shall have at least three members.

18.5. The highest governing body or the central representative body of a party shall appoint the party leader and the central executive body shall appoint the chief finance officer in accordance with the charter of a party.

18.6. The composition of the central representative body and executive body of a party shall include the representation of at least 30 percent of either gender.

Article 19. Supervisory body of a party

19.1. A party shall establish a supervisory body with a mandate to monitor the implementation of the charter of the party and to review and resolve internal disputes which are governed by the charter of a party.

19.2. It is prohibited to elect a member of the representative and executive body and a full-time employee of the party as a member of the central supervisory body of the party.

19.3. The supervisory body of a party shall operate independently and it is prohibited to interfere in its operation.

19.4. The supervisory body of a party shall review and resolve the following disputes and clearly state its grounds in its decision:

19.4.1. a dispute as to whether the charter of a party is violated;

19.4.2. disputes between a party and its members;

19.4.3. a dispute arisen in connection with the internal election of a party; or

19.4.4. a dispute related to the financial activities of a party.

19.5. The procedure for resolving disputes specified in Article 19.4 of this law shall be approved in accordance with the charter of a party. This procedure which shall provide for the submission of explanations and evidence and personal participation by the disputing party in the dispute resolution process shall ensure the right to a fair resolution.

19.6. If it is considered that the decision of the supervisory body of a party violated this law, the dispute shall be referred to and decided by the Supreme Court.

Article 20. Other organizations within a party

20.1. A policy research institution which is charge for advising on in policy development of a party, conducting research, training party members, and supporting the political education of citizens, shall operate under the auspices of a party.

20.2. In addition to the structure and organization of a party specified in this law, the charter of a party may provide for the establishment of a structural unit responsible for consulting on social, economic and other sector policy issues, and for assessing whether the policies and activities of a party are in line with human rights and gender equality.

Article 21. Rights of party members

21.1. The governing body of a party shall enlist members to the party in accordance with the procedures expressly stated in the charter of a party.

21.2. Party members and members elected to the highest governing, representative, executive and supervisory bodies of party shall have equal voting rights.

21.3. It is prohibited to expel a party member, except in cases of intentional violation of the charter of a party, or serious violation of values and principles of a party, causing serious damage to the party;

21.4. Expulsion from a party shall be decided by the supervisory body of a party in accordance with the prescribed procedures.

21.5. A party shall maintain the records of party members in accordance with the Law on the Protection of Personal Data and shall update annually.

CHAPTER FOUR CONSIDERING A PARTY INACTIVE, REORGANIZATION OR DEREGISTRATION OF A PARTY

Article 22. Considering a party inactive

22.1. The central election body shall consider a party inactive for the period of 2 years in the following situations:

22.1.1. if a party has not nominated a candidate for the State Great Khural election for two consecutive terms;

22.1.2. if a party has failed to submit its financial statements to the central election body for 2 consecutive years in breach of its obligations set forth in Article 38.2 of this law; or

22.1.3. if a party has failed to convene meetings of its highest governing body or central representative body of a party for 5 years.

22.2. If a party is considered inactivate, public funding for the party shall be terminated and in the event that a party participates in the election, its candidates shall run independently.

22.3. If the respective violations are eliminated within the period specified in Article 22.1 of this law, the central election body shall annul its decision to consider the party inactive.

22.4. The central election body shall not make a decision to consider a party inactive after January 1 of the election year until the end of the voting.

22.5. A party is entitled to appeal the decision of the central election body specified in Article 22.1 of this law to the Supreme Court.

22.6. The Supreme Court shall review and resolve the appeal specified in Article 22.5 of this law within 30 days upon receipt.

Article 23. Deregistration of a party

23.1. A party may be deregistered in accordance with this law by reorganization or termination of its activities by a decision of the highest governing body of the party, or by the Supreme court decision to dissolve the party.

23.2. The central election body shall deregister the party and cancel its certificate within 5 working days of receiving the decision specified in Articles 24.1, 25.1 or 26.3 of this law, and shall inform the public by posting relevant information on its website.

23.3. It is prohibited to distribute the assets of a deregistered party to its members.

23.4. If the property and assets of a reorganized party are kept in possession or ownership in violation of Article 24.6 of this law, or distributed the same to its members in violation of Article 23.3, it shall be confiscated and retained as state revenue, unless otherwise provided by law.

23.5. Unless otherwise stated in this law, other issues related to the deregistration of a party, such as the appointment of a liquidation commission, shall be regulated by the Civil Code.

Article 24. Reorganization of a party

24.1. A party may be reorganized by merger or consolidation in accordance with this law, and a decision to this effect shall be submitted to the central election body within 10 working days after the decision is made by the highest governing body of the party.

24.2. The rights, obligations, responsibilities and property of the merged parties shall be transferred to the reorganized party by merging and the party shall register anew as specified in this law.

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

24.4. The date of establishment of a party shall be determined by the date of the first party formed by the merger.

24.5. If a party terminates its activities and merges with another party, the rights, obligations, liabilities, affiliation of members and assets of such party shall transfer to the party to which it merged.

24.6. If a party is reorganized in accordance with this law, its members and other citizens and legal entities who do not agree with the above decision (to reorganize) shall be prohibited to own or continue to use its property in any form.

24.7. Other issues related to the reorganization of a party shall be regulated by the relevant provisions of the Civil Code.

Article 25. Termination of party activities

25.1. The decision to terminate the activities of a party shall be submitted to the central election body within 10 working following decision is made by the highest governing body of the party.

25.2. Following the settlement of debts of the terminated party, the remaining assets shall be transferred to the central election body.

Article 26. Dissolution of a party

26.1. In the following cases, the central election body shall issue a conclusion on the dissolution of a party and submit the same to the Supreme Court:

26.1.1. the violation has not been eliminated within the period specified in 22.1 of this law;

26.1.2. the prohibitions of 10.1.1 and 10.1.2 of this law have been breached.

26.2. The central election body shall issue the conclusion specified in Article 26.1 of this law by a three-fourths vote of all members.

26.3. The Supreme Court shall review the conclusion submitted by the central election body on the dissolution of a party within 30 days following the receipt of the same, and if the grounds specified in Article 26.1 of this law are identified, a decision to dissolve the party shall be made and delivered to the central election body within 10 working days.

26.4. The Supreme Court shall not decide on the dissolution of a party after January 1 of the election year until the end of voting.

CHAPTER FIVE PARTY FINANCING

Article 27. Source of party income

27.1. Income of a party shall have the following sources:

- 27.1.1. financial assistance provided by the state;
- 27.1.2. membership fee;
- 27.1.3. donations;
- 27.1.4. party property and income earned from the same; and
- 27.1.5. other items specified in Article 37.3 of this law.

27.2. The financial assistance provided by the state to a party in accordance with paragraph 3 of Article 191 of the Constitution shall consist of public funding to be provided under Article 28 hereof and an indirect state assistance to be provided in accordance with Article 31 of this law.

27.3. The following percentage of annual public funding for the party shall be used for the following purposes:

27.3.1. at least 30 percent of public funding for ensuring political participation of women, elders, youth, people with disabilities and social interest groups, and on training young politicians, women politicians and politicians with disabilities;

27.3.2. At least 15 percent of public funding for improving the political education of party members and citizens, and promoting the values of democracy and human rights to the public; and

27.3.3. At least 15 percent of public funding for research to develop platform and policy of a party, implementation of projects and programs, ensuring citizen participation, and development of the party's internal democracy.

27.4. At least one third of the target fundings specified in Articles 27.3.1, 27.3.2 and 27.3.3 of this law shall be spent on financing the activities of the policy research organization of a party.

27.5. The funding specified in Article 27.3 hereof shall not be used for purposes other than its intended purpose.

27.6. If the applicable percentage of the public funding is spent in violation of Article 27.3 of this law, the funds spent unlawfully shall be returned to the state budget or deducted from subsequent public funding.

27.7. A party shall only receive income set forth in Article 27.1 hereof through a single bank account and a party is prohibited to have another bank account. This prohibition shall not apply to Article 35.4 of this law and Article 50 of the Law on the Election of the Great State Khural.

27.8. A party is prohibited to receive the income specified in Article 27.1 hereof in digital currency (cryptocurrency, NFT, etc.).

Article 28. Public funding

28.1. Public funding shall be provided through allocation of MNT amount equal to multiplication of not more than 1 percent of the minimum monthly wage by the total number of voters registered in the last regular or extraordinary elections of the State Great Khural (hereinafter referred as to "total voters") from the state budget to political parties annually in accordance with this law.

28.2. The amount of public funding shall not exceed the those specified in Articles 28.1 and 28.8 of this law.

28.3. The parties that have received votes of more than 3 percent of total voters shall receive public funding.

28.4. It is prohibited to provide public funding to a party that does not meet the requirements set forth in Article 28.3 of this law.

28.5. The central election body shall annually provide public funding to a party that meets the requirements set forth in Article 28.3 of this law according to the following formula:

$$H = (C1 * T1) + (\text{Э}1 * T2) + (XБ1 * T2) + (C2 * T2) + (\text{Э}2 * T2) + (XБ2 * T2)$$

28.6. The following notations in the formula specified in Article 28.5 hereof shall have the following meanings:

28.6.1. "H" means the total funding to be allocated to a party that receives votes of more than 3% of the total number of voters;

28.6.2. "C1" means the number of votes received by a party in the State Great Khural election;

28.6.3. "Э1" means the number of female politicians nominated in excess of the gender quota of candidates specified in the Law on the Election of the State Great Khural;

28.6.4. "XБ1" means the number of candidates with disabilities;

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

28.6.6. "Э2" means the number of female members elected to the State Great Khural by the respective party;

28.6.7. "XБ2" means the number of disabled members nominated by the respective party and elected to the State Great Khural;

28.6.8. "T1" means an amount equal to 1 percent of the minimum monthly wage; and

28.6.9. "T2" means an amount equal to 50 times the minimum monthly wage.

28.7. The number of votes specified in 28.6.2 of this law shall be calculated as follows:

28.7.1. if the election is held under proportional representation systems, the percentage of valid votes received from the party list;

28.7.2. if elections are held under single-member (mandate) plurality systems, the percentage of valid votes received by candidates;

28.7.3. if elections are held under multi-member plurality systems, a percentage of the total number of valid votes received by the candidates pro rata to the percentage specified in Article 28.7.2 of this law; and

28.7.4. if elections are held under mixed systems, the percentage of total votes calculated by the methodology specified in Articles 28.7.1, 28.7.2 and 28.7.3 of this law.

28.8. The total amount of funding to be provided by to a party from the state budget shall not be twice or more than the sum of the income of a party specified in Articles 37.3.1 to 37.3.3 of this law.

28.9. If two or more parties participate in elections as a coalition, the public funding specified in Article 28.5 of this law shall be provided to the coalition. Funding provided to the coalition shall be distributed in accordance with this law and the coalition agreement.

28.10. If a party is considered as inactive, deregistered or in the event of a coalition disbanding, the public funding for the party or coalition shall be suspended on the day the relevant decision comes into force.

Article 29. Submitting a request for public funding

29.1. In order to receive public funding in the eligible year, a party shall submit its request to determine the amount of such funding and to obtain funding to the central election body before August 15 of the preceding year.

29.2. The chief financial officer of a party shall submit the request specified in Article 29.1 of this law in the form issued by the central election body. The postal address and bank account number of the party shall be included in this form.

29.3. The central authority of a party shall submit a joint request on behalf of the entire party.

29.4. If the central election authority decides the amount of public funding in the year prior to the eligible year, the party is not required to apply again in the eligible year. A party shall notify the central election body immediately of any changes which might affect the amount of public funding, and the party will be responsible for the consequences of failure to do so in a timely manner.

29.5. A party has the right to waive its rights set forth in Article 28.5 of this law, and in the event of such a waiver, the public funding to be provided to the party shall remain in the state budget.

Article 30. Determining the amount of the public funding

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

30.2. Unless otherwise provided by this law, funding to be provided in accordance with the decision specified in Article 30.1 of this law shall be disbursed in two installments in a year for 4 years starting from January 1 of the following year,

30.3. In accordance with Article 28 of this law, the central election body shall determine the amount of public funding based on the report submitted by a party that meets the requirements set forth in Chapter 6 of this law and provide funding to that party.

30.4. If the central election body is conducting an audit on the financial statements of the party as specified in Article 40 of this law, the amount of public funding shall be determined upon completion of the audit.

30.5. The basis for determining the public funding amount shall be the number of valid votes received in the last State Great Khural elections held before December 31 of the year in which the party becomes eligible to receive public funding, and other requirements specified in Article 28.5 of this law.

30.6. If the semi-annual report is not submitted within the period specified in Article 38.2 of this law, the part of public funding based on the number of valid votes (C1) received by the party in accordance with Article 28.5 hereof shall not be granted.

30.7. If the year-end report is not submitted within the period specified in Article 38.2 of this law, as specified in Article 28.5 of this law, the part of public funding based the number of seats won by the party (C2), the number of women politicians nominated in excess of the gender quota of candidates (Э1); the number of female members nominated by the respective party and elected (Э2), the number of candidates with disabilities (ХБ1), and the number of disabled candidates nominated by the respective party and elected (ХБ2) shall not be granted to the said party.

30.8. Regardless of whether the content of the report is erroneous or inconsistent, if the report is submitted along with audit notes specified in Article 39.12 in the structure and form provided in Article 37 of this law within the ascribed time, it shall be deemed to be in compliance with the deadline.

30.9. The amount and allocation of public funding to other parties shall not change depending on the activities of that party.

30.10. In calculating limits specified in Article 28.8 of this law, amount of the earned income of a party reported in the reporting year shall be based on Articles 37.3.1-37.3.7 of this law.

30.11. In determining the amount of public funding, first the limits set forth in Article 28.8 hereof and then the limits set forth in Article 28.1 of this law shall be applied for each party. If it is estimated that public funding amount exceeds the limit specified in Article 28.1 of this law, funding equal to such limit shall be provided to parties on a pro rata basis.

30.12. The number of valid votes cast for a party to be taken into account in the allocation of public funding shall not change during the term of 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 31. Indirect assistance provided by the state

31.1. A party that receives at least 1 percent of the total number of voters shall be entitled to receive indirect state assistance in a non-election year in the following manner:

31.1.1. to use the meeting hall, conference hall and other halls of the state and state-owned legal entities free of charge x times per quarter of each year for convening meetings of the highest governing body of the party, meetings with members and supporters;

31.1.2. to broadcast 30 minute programs regarding the platform and activities of a party on national public radio and television free of charge per quarter according to the set schedule.

31.2. The central election body shall make a decision within 30 days as per party's request to receive indirect assistance specified in Article 31.1 of this law.

31.3. The organization specified in Article 31.1.1 of this law is obliged to give access to meeting halls, conference halls and other halls free of charge, and the national public radio and television is obligated to broadcast [the programs] free of charge as provided by Article 31.1.2 of this law.

31.4. It is required to mention the indirect assistance provided by the state at the beginning and end of the program specified in Article 31.1.2 of this law.

31.5. Indirect assistance specified in Article 31.1 of this law shall be suspended from January 1 of the election year until the voting results are announced.

Article 32. Monitoring of state financial support

32.1. Expenses for public funding and indirect state assistance to be provided to political parties shall be included in the budget of the central election body and approved annually.

32.2. Financial assistance provided by the state shall be provided to the central organization of a party by a decision of the central election body, and the party shall regulate the allocation of such assistance to its branches and structural units by the charter.

32.3. The state audit office shall verify if the central election body has correctly identified and provided public funding and indirect state assistance to parties, and if the activities specified in Article 40 of this law have been carried out in accordance with law.

Article 33. Membership fee

33.1. The amount and collection of membership fees shall be determined by the charter of a party.

33.2. The monthly ordinary membership fee shall not exceed 5 percent of the minimum monthly wage.

33.3. The monthly membership fee of an elected member shall not exceed the minimum monthly wage.

33.4. The membership fee shall be paid by a party member only from his or her own income.

33.5. A party member is prohibited from paying membership fees on behalf of other members.

33.6. A party may, by its own charter and regulations, provide for a party membership fee deduction or exemption for a party member.

33.7. Unless otherwise provided by law, the central executive body of a party shall archive the membership fee payment documents for a period of ten years.

33.8. Membership fees to be paid under Articles 33.2 and 33.3 of this law and any other amount to be paid by a party member shall be considered as donations and the sum of thereof shall not exceed the amount specified in Article 34.8 of this law. All types of sudden expenses to be will be distributed to members, fundraising, and donations to the party will be considered donations. Allocation of all types of sudden expenses to members, fundraising, and giving monetary assets to the party shall be considered as donations.

Article 34. Donations

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

34.2. Monetary donations from individuals and legal entities are accepted only through accounts of a party and cash donations are prohibited. Membership fees and donations shall be deposited in the same account.

34.3. The following items shall be considered as non-monetary donations when they are made free of charge or at a price below the average market price:

34.3.1. allowing the use, possession, and ownership of the immovable and movable property;

34.3.2. provision of service;

34.3.3. exemptions and discounts of payments; and

34.3.4. bearing the cost of events; and

34.3.5. sponsorship.

34.4. In the case of non-monetary donations, value of the donations shall be assessed and recorded based on the average market price and expressed in monetary amounts.

34.5 In case of non-monetary donation, the donor shall conclude a written donation contract with the candidate and his or her authorized representative and spend it as per the purpose specified in the contract.

34.6. Non-monetary donations shall be made only to a candidate himself or to a special bank account opened for his election campaign during the period from the beginning to the end of the election campaign.

34.7. Donations to be made by Mongolian citizens and legal entities to a single party within the same year shall not exceed the amount specified in Articles 34.8 and 34.9 of this law. The amount of the donation made to a party shall be calculated by the sum of donations made to the party, its branches, and structural units.

34.8. The maximum amount of donations to be received from one individual citizen per year shall not exceed the amount of twelve times the minimum monthly wage. Donations from citizens are exempt from personal income tax.

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

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

34.11. Donations made by the donor by specifically naming the branches or structural units of a party shall be disposed of in accordance with the purpose.

34.12. A party affiliate organization shall not to receive donations from the persons prohibited under Articles 35.6 and 35.7 hereof.

34.13. The amount of donations to be made by a single legal entity or an individual to a party and its affiliate organizations shall not exceed the amount specified in Articles 34.8 and 34.9 of this law.

34.14. A party affiliate organization shall issue its financial statements as per the requirements set forth in Chapter Six hereof and shall submit the same to the respective party and the central election body.

Article 35. Obligations and prohibitions related to donations

35.1.. The party shall post full names of the individuals or names of the legal entities that made the following donations or, the amount of the donation and date of the donation in a searchable open database on its website on a quarterly basis and submit the same to the central election body, and to include such information on its financial reports: .

35.1.1. Donations equal to or more than twice the minimum monthly wage for the total amount per year;

35.1.2. Non-monetary donations equal to or more than twice the minimum monthly wage for the total amount per year;

35.2. The central election body shall publish the information specified in Article 35.1 of this law on its website within five working days following the receipt and keep it transparent and open. If a individual 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 date of receipt.

35.3. If a party fails to disclose the information specified in Article 35.1 hereof in the open database on a quarterly basis or fails to submit the same to the central election body, semi-annual public funding for the respective quarter shall not be provided.

35.4. Donations equal to or more than the minimum monthly wage for the total amount per year shall be reelected in the party's financial statements.

35.5. The party shall have the following responsibilities in respect of donations:

35.5.1. to determine according to law if a donor is entitled to donate;

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

35.5.3. if a donation is made by a person prohibited under Articles 35.6 and 35.7 of this law, to notify the donor and the central election body within five working days following the receipt of the donation and transfer the same to the central election body;

35.5.4. within 10 days following the receipt of an undisclosed or irrevocable donation, to notify and transfer the same to the central election body;

35.5.5. 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; and

35.5.6. other obligations specified herein.

35.6. A party is prohibited from accepting donations from the following persons:

35.6.1. foreign citizen or stateless person;

35.6.2. foreign country or foreign government organization, party or legal entity, international organization, and a business entity with foreign investment;

35.6.3. government organizations and local self-governing bodies;

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

35.6.5. state and locally owned, partly state and locally owned business entities;

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

35.6.7. parties, and coalition caucus in the Great State Khural of Mongolia, policy research institutions of a party and party affiliated organizations;

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

35.6.9. an undisclosed person or a person who is clearly transferring donations from an anonymous third party;

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

35.6.11. an individual or a legal entity who is known to be making monetary and non-monetary donations to the party on behalf of another individual or legal entity;

35.6.12. a bankrupt legal entity; and

35.6.13. legal entities [determined by a court¹] or that have overdue tax and social insurance debts and payments;

35.6.14. other persons prohibited by law.

¹ Translators note: Mongolian is ambiguous.

35.7. It is prohibited for a citizen or legal entity who has participated in the procurement of goods, works and services with state and local funds and has been awarded a contract to donate to the party within 4 years following the participation in the bid, or a party is prohibited to receive donations from the said citizens or legal entities for such period.

35.8. The funding for events to be organized and projects to be implemented in 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 party in accordance with the democratic principles shall not apply to Article 35.6.2 of this law.

35.9. Donors are prohibited from making donations to afford preferences to themselves or others.

35.10. It is prohibited for a donor to demand any preference to himself or others or to demand or put pressure on the party to resolve internal issues of the party in a non-democratic manner for donating to the party.

35.11. Donors are prohibited to use names, addresses and information of other persons when donating to a party.

35.12. Individual citizens and legal entities are prohibited to make monetary and non-monetary donations to a party on behalf of other citizens and legal entities.

Article 36. Equity of a party and income generated from the same, and loans

36.1. A party may generate income by from selling publications related to itself and its assets.

36.2. It is prohibited to earn income from activities other than those specified in Article 36.1 hereof.

36.3. If the sale price specified in Article 36.1 hereof is higher than the average market price, it shall be considered as a donation to a party and the amount of the same shall not exceed the amount specified in Articles 34.8 and 34.9 of this law.

36.4. Assets of a party and income earned from the same by the party per year shall not exceed 25 percent of the public funding provided to the party.

36.5. A party may obtain a loan under a loan agreement.

36.6. The maximum annual borrowing limit of a party shall not exceed 25 percent of the public funding provided to the party.

36.7. If a party obtains a loan at an interest rate below the average market interest rate or without interest, or a concessional loan, the loan shall be considered as a donation made to the party.

36.8. If a third party repays the loan, such payment will be considered as a donation.

CHAPTER SIX FINANCIAL STATEMENTS OF A PARTY

Article 37. Financial statements of a party

37.1. The financial statements of a party shall consist of income and expenditure calculations specified in this law, related balance sheets, and notes.

37.2. A party shall prepare its financial statements as per the requirements of the Law on Accounting and this law.

37.3 The following items shall be recorded in income:

- 37.3.1. party membership fee;
- 37.3.2. elected member fee;
- 37.3.3. donations by individual citizens;
- 37.3.4. donations by legal entities;
- 37.3.5. earnings from business activities;
- 37.3.6. earnings from party assets;
- 37.3.7. income from organizing events and publishing books and articles;
- 37.3.8. public funding;
- 37.3.9. indirect assistance provided by the state;
- 37.3.10. other income; and
- 37.3.11. total income specified in 37.3.1-37.3.10 of this Article.

37.4. The following items shall be recorded in expenses:

- 37.4.1. Salary;
- 37.4.2. current expenses;
- 37.4.3. costs for the activities specified in Article 27.3.1 hereof;
- 37.4.4. costs for the activities specified in Article 27.3.2 hereof;
- 37.4.5. costs for the activities specified in Article 27.3.3 hereof;
- 37.4.6. costs for the activities other than those specified in Articles 37.4.3, 37.4.4, 37.4.5 hereof;
- 37.4.7. election expenses;
- 37.4.8. property use expenses;
- 37.4.9. interest payment;
- 37.4.10. business expenses;
- 37.4.11. other expenses; and
- 37.4.12. total expenses specified in 37.4.1-37.4.8 of this Article.

37.5. The following shall be recorded in the assets balance sheet:

- 37.5.1. assets:
 - 37.5.1.a. property and land;
 - 37.5.1.b. workplace fitting, equipment.
- 37.5.2. current assets:
 - 37.5.2.a. receivables from party branches;
 - 37.5.2.b. public funding;
 - 37.5.2.c. cash balance;
 - 37.5.2.d. savings; and
 - 37.5.2.e. other assets.
- 37.5.3. The total assets specified in 37.5.1-37.5.2 of this Article.
- 37.5.4. liabilities:
 - 37.5.4.a. payables to party branches;
 - 37.5.4.b. money to be repaid in connection with public funding;
 - 37.5.4.c. loans from financial institutions;
 - 37.5.4.d. loans from other creditors; and
 - 37.5.4.e. other loans.
- 37.5.5. Total liabilities specified in 37.5.4 of this Article.

37.6. All party income and expenses shall be recorded in full and accurately reflected in the balance sheet.

37.7. Donations to a party shall be recorded according to the following statistics:

- 37.7.1. the total amount of donations deposited in the account of a party and the number of donors;

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

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

37.8. When transferring a monetary donation to a party account, an individual citizen shall transfer the funds from his or her income and shall write his or her first and last name, date of birth, address, and registration number in the payment order.

37.9. A party shall register donations on paper and electronically in the registration form approved by the central election body.

37.10. Non-monetary assets shall be valued at the quoted market price of similar assets and the amount shall be recorded.

37.11. Non-vacant staff of a party shall work without pay.

37.12. When an item is sold or disposed, expenses are recognized at the item's fair value.

37.13. In internal deductions made between local branches of a party, expenses are recognized at the branch where funds are spent.

37.14. A party may attach additional notes to the financial statements.

37.15. The financial statements of a party shall include the financial statements of its affiliated organizations, such as party branches and structural units and policy research institutions.

37.16. The report of the central organization of a party shall be attached to the consolidated financial statements of the party together with the report of the lower level branch of the party. The report of the local branch shall include the names and addresses of all donors and the amount of the donations. 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.

37.17. The financial statements of a party and related documents shall be kept for ten years following the end of the reporting period.

Article 38. Preparation of the financial statements of a party

38.1. A party shall prepare its financial statements accurately in a consolidated manner. The executive body of a party branch shall prepare and deliver its financial statements to the central organization of the party.

38.2. A party shall deliver to the central election body its semi-annual financial statements by July 20, and the annual report by February 10. If the reports are not delivered within such periods due to justifiable reasons, the central election body may extend the period for receiving the report by up to 30 days.

38.3. A party shall follow the principles outlined in Articles 4 and 5 of the Law on Glass Account and include the items outlined in Article 37 of this Law when preparing its financial statements.

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

38.4.1. number of party members. The number of party members shall be as of December 31 of the reporting year;

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

38.4.3. information on the activities specified in 27.3 of this law; and

38.4.4. information on the activities specified in Article 36.2 of this law.

38.5. A leader or chief financial officer of a party is prohibited hold any job or position related to finance in any business entity or organization.

38.6. A 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.

38.7. The central representative body of a party or, in the absence of a central representative body, the highest governing body of a party shall appoint for a term of four years one or more internal auditors to review the financial statements. Auditors may be appointed one more time.

38.8. The central executive body of a party shall discuss the financial statements before submitting the same to the central election body.

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

38.10. The signature of the chief financial officer confirms the accuracy of the information contained in the financial statements.

38.11. A party leader is prohibited to involve in the financial and budgetary activities of the party with the right of disposal.

Article 39. Verification of the financial statements by an audit organization

39.1. A party shall have its annual financial statements audited by an external auditor or an audit organization (hereinafter referred to as "auditor") and get auditor's opinion, and shall submit the opinion along with the reports to the central election body within the period prescribed in Article 38.2 of this law.

39.2. A party shall provide the auditor with access to relevant documents.

39.3. If the auditor reviews the party's financial statements and finds a discrepancy, the auditor is entitled to refuse to certify the statements and shall notify the central election body in writing within 3 working days.

39.4. The auditor's operating cost specified in Article 39.1 of this law shall be paid from the state budget.

39.5. [The auditor] is prohibited to audit the financial statements of a party in the following cases:

39.5.1. if [the auditor] holds or has held a job or position that serves the the party or political or economic interests of the party for the last 3 years;

39.5.2. if [the auditor] participated in keeping of the accounting records or preparing the reports of the party; or

39.5.3. there is other conflict of interest situations.

39.6. The auditor, his or her assistant and the legal representative of the audit organization shall perform their duties fairly, honestly and impartially, and shall maintain confidentiality and comply with the Law on Auditing.

39.7. At least five percent of the local branches and units selected at the discretion of the central body of the party and the auditor shall be reviewed by the audit specified in Article 39.1 of this law.

39.8. Accounting records shall be audited. An audit is intended to determine whether laws and regulations have been complied with. The audit shall be conducted in a responsible and highly professional manner and shall identify errors and violations of the law.

39.9. The auditor is entitled to request disclosures and documents required by him or her to properly perform the audit duties from the central executive body of a party and its staff. In this regard, the auditor has the right to inspect the documents, accounting and assets used to prepare the report. As such, the auditor has a right to inspect the documents, accounting records and properties used for the preparation of the report.

39.10. The executive body of the local branch of the audited party shall provide the auditor with a written confirmation that all income, expenses and assets to be included in the report have been recorded. The confirmation can be obtained from a lower-level local party executive body, and a written confirmation from a chief financial officer shall be sufficient.

39.11. The results of the audit shall be reported in writing and delivered to the central executive body of a party and the executive body of the audited local branch.

39.12. If no errors or discrepancies are found following the completion of the review of the reports of a party, the auditor shall make a note confirming that he or she performed his or her duties responsibly and that on the basis of party's accounting records and other documents, and explanations and clarifications provided by the central executive body, the party reports meet the requirements of this law as per the audit conducted in accordance with Article 40 hereof.

39.13. If errors or omissions are identified in the report, the auditor may refuse to confirm or partially certify the report in the abovementioned audit note. The local organization of the audited party shall be named in the note.

39.14. The audit notes shall be attached to the party report and included in full in accordance with Article 44 of this law.

Article 40. Review of the financial statements of a party

40.1. The central election body shall receive the financial statements of a party and verify whether they are correct and factual in form and content and meet the requirements provided in Chapter Five of this law and shall take into account the audit report specified in Article 39.1 of this law.

40.2. If there are clear grounds to doubt the accuracy of the information presented in the report of a party, the central election body shall notify the party and allow them to comment and correct it within at least 10 working days.

40.3. The central election body shall deliver to the state audit office the financial statements of a party that has received financial assistance from the state under this law, for a conclusion within 10 working days following the receipt.

40.4. Upon completion of the review process, the central election body shall issue a conclusion and shall identify the following in the conclusion:

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

40.4.2. if the report is erroneous, whether there is an inconsistency in the funding provided to the party;

40.4.3. whether the balance of income and expenditure statements are in breach of laws and regulations; and

40.4.4. whether the balance of assets is incorrect.

40.5. A party that has submitted a report with errors and discrepancies specified in Article 40.4 of this law shall correct the errors and discrepancies and resubmit its report in whole or in part as per the decision of the central election body. The the revised report shall be audited.

40.6. If the amount of the errors and discrepancies identified in accordance with Article 40.4 of this law do not exceed 20 times the minimum wage, adjustments can be made to following year's report without updating the report as specified in Article 40.4 hereof.

40.7. Information not directly related to the party report that was obtained during the review shall not be published or disclosed to the other government agencies. Upon completion of the review, the central election body is obliged to delete such information immediately.

Article 41. Obligation to report errors and discrepancies in the report

41.1. A party shall be obliged to immediately notify the central election body in writing if it becomes aware of any errors or inconsistencies in its financial statements following the timely submission of the same to the central election body.

41.2. 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, there shall not be any legal consequences specified in Article 42 or 43 of this law. A party shall surrender any unlawful proceeds to the central election body within the period prescribed by the same.

Article 42. Repayment of public funding

42.1. If any errors or discrepancies are found in the report upon reviewing the same under Article 40 of this law, the party shall pay the central election body a doubled amount of the incorrectly calculated sum due to such errors and discrepancies, except in cases specified in Article 43. If an error or discrepancy is in the asset balance sheet or in the notes of the report related to the ownership of the buildings or land, or is related to the shareholding in a business entity, the party shall pay the central election body the amount equal to 10 percent of the unreported or erroneously assessed assets.

42.2. Once period specified in 37.17 of this law is over, the payment specified in 42.1 of this law shall no longer required.

42.3. The central election body shall issue an administrative act and determine the amount to be repaid by the party to the state. If a party becomes eligible for further publicfunding during this period, the central election body shall deduct the amount to be repaid by the party from the subsequent funding.

42.4. The discrepancies of a party specified in this Article shall not affect the determination or disbursement of funding to other parties.

42.5. The charter of a party shall regulate the actions to be taken if the errors and discrepancies that led to taking measures specified in Article 42.1 of this law are made by the local branch of a party.

Article 43. Illegally received or undisclosed donations

43.1. If a party receives donations prohibited by Articles 35.6 and 35.7 of this law and fails to transfer them to the central election body as specified in Articles 35.5.3 and 35.5.4 hereof, the party shall pay the state a tripled amount of the donations received illegally by the decision of the

central election body. The central election Commission shall deduct such fines from the amount of previously transferred donations.

43.2. Once period specified in 37.17 of this law is over, the payment specified in 43.1 of this law shall no longer required.

43.3. The central election body shall determine the amount to be repaid by a party to the state. If a party becomes eligible for further public funding during this period, the central election body shall deduct the amount to be repaid by the party from the subsequent funding.

43.4. The abovementioned issues of a party shall not affect the determination or disbursement of funding to other parties.

43.5. The charter of a party shall provide for relevant regulations if the errors and discrepancies that led to taking measures specified in Article 43.1 of this law are made by the local branch of a party.

Article 44. Public disclosure of the report

44.1. The central election body shall compile and submit the financial statements and brief reports of the parties them to the State Great Khural by April of each year, and post the same on its website and print them in required copies.

44.2. The central election body shall prepare a brief comparative report on the income, expenditure and assets of the parties by April of each year, post the same on its website and print them in required copies.

44.3. The reports corrected and updated as per Article 40.5 of this law shall be published in whole or in part and posted on the website of the central election body.

44.4. A party is obliged to disclose its reports to the public by posting its report on its website within 3 working days following the submission to the central election body, and as for a party without a website, by announcing it in the daily media.

44.5. It is prohibited to remove the reports posted on the website as stated in Article 44.4 of this law for period of ten years.

44.6. If a discrepancy is found in the financial statements of a party following the public disclosure of the same as specified in Articles 39.1 and 44.4 of this law, the central election body shall give the party 14 days to submit the correction to the central election body, post it on its website and publish it.

44.7. The financial report, brief report on activities and comparative brief information of a party shall be posted on its website in accordance with Articles 44.1, 44.2 and 44.4 of this law, which can be downloaded in its entirety and searched.

