

July 1, 2014

## ON GLASS ACCOUNT

### CHAPTER 1

#### GENERAL PROVISIONS

##### Article 1. Objective of Law

1.1. The objective of the Law is to create an information system which ensures public control and transparency, openness and clearness in budget management decisions and activities (hereinafter referred to as "Glass Account") to efficiently manage state or local budgets and properties.

##### Article 2. Legislation on Glass Account

2.1. Legislation on Glass Account shall consist of Constitution of Mongolia, Law on Budget, Law on Information Transparency and Right to Access Information, Law on Procurement of Goods, Works and Services with State and Local Funds, this Law and other legislative acts enacted in relation to the Law and aforementioned laws.

2.2. If the international treaties to which Mongolia is a party, stipulates otherwise than the present law, the international treaties shall prevail.

##### Article 3. Scope of Law

3.1. The Law applies to the following organizations and officials thereof who are authorized to dispose of the funds:

3.1.1. state and locally-owned legal entities;

3.1.2. state-owned enterprises;

3.1.3. companies, the control shares or more of which are owned by state, local government and their affiliate parties;

3.1.4. business entities or organizations making investment or developing projects, or organizing programs and events with state or local budget; and works and services funded by the state or local budget;

3.1.5. contractors who execute works and services related to the state functions on a basis of legislation and contract.

3.2. The Law applies to the planning, execution, implementation and reporting of the following budgetary and financial activities; and monetary and other transactions related thereto:

3.2.1. state and local budgets; and budget of the Social Insurance Fund and Human Development Fund;

/This paragraph was amended by the law of February 05, 2016/

3.2.2. Local development funds;

3.2.3. Special Government Funds;

3.2.4. Procurement activities for works and services funded by state and local funds;

3.2.5. Government and municipal bonds, and other financial instruments;

3.2.6. Foreign and domestic loans and grants for Government and local administrations;

3.2.7. Public Private Partnership and Concession;

3.2.8. Government and municipal collateral, and any other decisions to generate budget payables and receivables.

3.3. This Law does not apply to budget planning, execution, enforcement and reporting of the activities related to the functions of the executive authorities in charge of state classified information and national security.

3.4. Failure to disclose budget planning, execution, enforcement and reports under the guise of corporate confidentiality shall not be accepted except for state secrets.

##### Article 4. Principles of Glass Account

4.1. The following principles shall be complied with to enforce this Law:

4.1.1. information shall be true, factual, and complete;

4.1.2. information shall be coherent and relevant;

4.1.3. information shall be disclosed regularly and in a timely manner

4.1.4. information other than that classified as confidential under the law laws shall be transparent.

## CHAPTER TWO

### GLASS ACCOUNT STANDARD

#### Article 5.Types of Glass Account Information Disclosure

5.1.Organizations/entities shall disclose Glass Account information through its websites and the websites shall meet the following requirements:

5.1.1.shall have a separate Glass Account menu;

5.1.2.shall have functions to download and/or print out information;

5.1.3.shall display name, telephone #, e-mail address of an information officer;

5.1.4.shall have a feature to regularly update or archive the previous information, a feature to access the archive database when updates are made, and a feature to download and print out archived database.

5.2.Glass Account information may be displayed in audio or video forms.

5.3.An integrated website for Glass Account shall be launched in relation to the enforcement of this Law. The date for commencement of the integrated glass account website shall be set by the Government to ensure the date falls before June 30, 2016, upon consideration of enforceability of the Law and the state central administrative body in charge of finance and budget matters shall operate the integrated website.

5.4.The government shall approve common standards, content, and procedures and forms of information posting on the website stipulated in Paragraph 5.1 and 5.3 of the Law, based on recommendations by the state central administrative body in charge of finance and budget.

5.5.Glass account integrated website menu shall be in conformity with the classifications stipulated in Paragraph 3.2 of the Law and shall display full information.

5.6.The decisions referred to in Subparagraphs 3.2.5-3.2.8 of the Law shall become effective upon posting on the integrated Glass Account website after the date stipulated in Paragraph 3.5 of the Law.

5.7.Regardless of having a website stipulated in Paragraph 5.1 of the Law, Glass Account for the local budget and its administrators shall be placed in the information board of the respective organization.

5.8.The bulletin board shall be so designed to ensure public visibility and the information on it must be approved by the signature of the officials stated in Article 7 of the Law.

#### Article 6.Glass Account Information

6.1.Organizations and officials referred to in Subparagraphs 3.1.1 and 3.1.2 of the Law shall report the following information regularly:

6.1.1.annual budget, procurement plans and municipal development fund plans within January 10 of each year;

6.1.2.semiannual budget performance within August 15 every year; budget performance for the previous year within April 25 every year; and monthly and quarterly performance within 8th of the following month;

6.1.3.draft budget for the following year within September 15 every year;

6.1.4.year-end financial statement within April 25 of the following year and semi-annual report within August 15;

6.1.5.a complete version of the audit conclusion on the general budget administrators' budget package within April 25 of the given year and the measures taken following the audit report and conclusion within July 1 of the given year;

6.1.6.budget savings and overrun, and justifications thereof, every quarter.

6.2.The information referred to in Subparagraph 6.1.1 of the Law shall be expressed in the following manner:

6.2.1.criteria to measure the annual budget and its performance as approved by the Authority;

6.2.2.revenue /revenues from main activities and revenues for the budgetary organizations/;

6.2.3.overhead /salaries, social insurance premium, other overhead costs, capital expenditures, subsidies and transfers /;

6.2.4.capital expenditures, investment projects and measures, and concession list;

6.2.5.revenues to be paid to the state and local budgets, and their breakdown;

6.2.6.sources for financing expenditures /state budget, local budget and own revenues/.

6.3.The information referred to in Subparagraph 6.1.2 of the Law shall be expressed in the following manner:

6.3.1. Quantitative and quality indicators for General Budget Administrators to measure their performance, results and implementation as stipulated in Subparagraph 6.2.1 of the Law;

6.3.2. comparative results for the budget performance with the approved budget plan;

6.3.3. in case of generation of budget savings or overrun, justifications thereof

6.3.4. to specify objects of expenditure if budget savings from supplementary activities of the previous year are disbursed to pay incentives;

6.3.5. amount of donation and financial support, and expenditure;

6.3.6. general information on tender if events specified in the capital and overhead expenditures are organized through a bidding process;

6.3.7. capital expenditures and financing details by each project and object;

6.3.8. special fund income, expenses, investment;

6.3.9. performance of Local Development Fund.

6.4. The organizations/entities referred to in Subparagraphs 3.1.1 and 3.1.2 of the Law shall provide the following information within a week:

6.4.1. amendments to the budget for the given year;

6.4.2. changes to payments, fees, and regulatory service fees to be paid by the respective organization/entity according to the law;

6.4.3. bidding documents, tender selection procedure, bidding invitation, bidder requirements, brief information on successful or unsuccessful bidders, legal grounds and reasons for successful or unsuccessful bidding;

6.4.4. name of goods, works and services procured with value of more than MNT 5 million, financing amount, and suppliers' names and addresses;

6.4.5. revenue and expenditure of monetary expenditures with value of more than MNT 5 million except salary expenditures by each transaction, details of transaction, recipient names;

6.4.6. auditing report and conclusion on procurement activities, and other inspection results;

6.4.7. changes in the approved job positions of organization/entity;

6.4.8. bonds, loans, notes payable, warrants and other similar financial instruments, public-private partnership contracts, concessions, budget, properties and decisions to disburse assets and money, and decision to generate debt and receivables;

6.4.9. other information as provided in the law.

6.5. State central administrative body in charge of finance and budget matters shall report the following information except those stipulated in Paragraph 6.1 and 6.4 of the Law:

6.5.1. revenues and expenditures and investment of the state budget, Social Insurance Fund budget, Human Development Fund, and consolidated budget indicators on a half-yearly basis within July 15 of the given year, on a year-end basis within January 15 of the following year;

/This paragraph was amended by the law of February 05, 2016/

6.5.2. information on foreign debt and financial aid disbursement on a quarterly basis;

6.5.3. information on foreign and domestic debt of the Government a quarterly basis;

6.5.4. information on state budget surplus and deficit, and reasons thereof a quarterly basis;

6.5.5. performance information of the consolidated budget within 15th of every month;

6.5.6. budget performance and audited consolidated financial statements within August 25 of the following year;

6.5.7. information on domestic Government securities issued to finance budget deficits every quarter.

6.5.8. concession list and amendments to it within a week after its approval;

/The paragraph was amended by the law approved on October 16, 2014 /

6.5.9. concession agreement and amendments thereto within a week after conclusion of the agreement;

/The paragraph was amended by the law approved on October 16, 2014/

6.5.10.whenever concession agreement is concluded, information other than the concession owner and its institutional secrets, or information on concession item, work to be executed and service to be provided within a week;

/The paragraph was amended by the law approved on October 16, 2014/

6.5.11.information on foreign securities of the Government issued to finance investment every quarter;

/The paragraph was amended by the law approved on October 16, 2014/

6.5.12.survey and estimation connected with consolidated indicators of the state budget, macroeconomic indicators and other relevant indicators every quarter.

/The paragraph was amended by the law approved on October 16, 2014/

6.6.state central administrative body in charge of economic development matters shall provide the following information other than those stipulated in Paragraphs 6.1 and 6.4 of the Law:

6.6.1.concession list and its amendments within a week of its approval;

6.6.2.concession agreement and its amendments within a week of its approval;

6.6.3.whenever concession agreement is concluded, information other than the concession owner and its organizational secrets, or information on concession item, work to be executed and service to be provided within a week;

6.6.4.information on foreign securities of the Government issued to finance investment every quarter;

6.6.5.survey and estimation connected with consolidated indicators of the state budget, macroeconomic indicators and other relevant indicators every quarter.

/This paragraph was annulled by the law of October 16, 2014 /

6.7.State central administrative body in charge of social insurance and other state administrative bodies shall place the list of the individuals authorized to receive pension, allowance and payment from the Social Insurance Fund with their parent's name along with their given names in the website and update the list as appropriate.

6.8.The organization/entity referred to in Subparagraph 3.1.3 of the Law shall report the following information within a week:

6.8.1.decisions related to the organization/entity as set forth in Subparagraphs 3.2.5, 3.2.7 and 3.2.8 of the Law;

6.8.2.procurement plan, bidding documents, tender selection procedure, bidding invitation, bidder requirements, brief information on successful and unsuccessful participants, legal grounds and reasons for successful or unsuccessful bidding;

6.8.3.guarantee or warranty to be considered as a large-sum transaction made by a company with 50% or more state or municipal ownership.

6.9.The individuals stipulated in Subparagraph 3.1.4 and 3.1.5 of the Law who, under public private partnership agreement with Government and government agencies, are financed for a project, program or event by over MNT 10 million from the state or local budget, Government or local special funds, local development fund, bonds, securities, debt instruments, or guarantees, shall post total budget amount, implementation progress and phases, expenditure and funding information to a website or bulletin board of a budgetary organization from which investment or funding is received, or to glass account website, as per the Government regulation on a quarterly basis. The information may additionally be disclosed through public or private website, if necessary. The individuals stipulated in Subparagraph 3.1.4 and 3.1.5 of the Law shall not make payment to post the information to the budgetary organization website or bulletin board and/or Glass Account website.

6.10.Information and every expenditure transaction of Glass Account shall accompany the original copy of the decision by the relevant authorized officials, and notifications stipulated in Article 8 and 9 of the Law on Regulation of Public and Private Interests and Prevention of Conflict of Interest.

Article 7.Officials to report

7.1.The following officials shall bear the obligation to disclose the information on Glass Account to the public in accordance with the Law:

7.1.1.officials authorized to make, and sign on, the decisions to issue government bonds, loans, notes payable, guarantees, and other similar financial instruments, public private partnership agreements, concession, budget, properties and assets, cash disbursement, debt, receivables and procurement activities;

7.1.2.officials who influenced in the exercise of the powers by the authorized officials referred to in Subparagraph 7.1.1 of the Law;

7.1.3.officials who make first and second signatures on the expenditure and payment documents to execute the transactions.

7.2. Transfer of the reporting obligation by the authorized officials referred to in Paragraph 7.1 of the Law shall not be grounds to relieve them from responsibilities.

### CHAPTER THREE

#### MONITORING AND RESPONSIBILITIES FOR GLASS ACCOUNT

##### Article 8. Monitoring the enforcement of the law

8.1. All levels of Citizens' Representative Khural, Citizens' Public Khural, and state audit organizations shall exercise an external auditing on the activities of the Glass Account of the individuals referred to in Paragraph 3.1 of the Law.

8.2. General budget administrator shall execute internal auditing on the activities of the Glass Account of budgetary organizations and officials referred to in Subparagraph 3.1.1 of the Law as per Article 69 of the Law on Budget.

8.3. State audit organization may conduct audit on the information of Glass Account on its own initiative.

8.4. The implementation of the Law shall be a key indicator to review the works of an organization/entity or officials, and conduct inspection by a higher level organization.

##### Article 9. Citizens' monitoring

9.1. Request regarding the implementation status of the Law and breaches or shortcomings of information on Glass Account the Law is not accepted by the organization/entity and officials, the complaint/request regarding the matter shall be submitted to the state audit organization and a request may be made to conduct an audit conclusion on the activities of the organization/entity which the Law applies as stipulated in the Law on Resolution of Petitions and Complaints made by Citizens to the State Agencies and Public Officials.

9.2. State audit organization shall take certain measures as per the complaint/request and report the results in writing to the citizen or public.

9.3. If citizens or legal entities consider interest of taxpayer is breached, they shall have a right to make a petition to administrative court.

##### Article 10. Imposition of liabilities for violation of the Law

10.1. Unless an official who has breached this law is subject to criminal liability, he or she shall be held liable pursuant to the Law on Public Service.

/This paragraph was amended by the law approved on December 04, 2015/

##### Article 11. Validation of Law

11.1. The Law shall become effective from January 1, 2015.

SPEAKER OF STATE GREAT KHURAL OF MONGOLIA Z.ENKHBOLD