

# LAW OF MONGOLIA ON COMPETITION

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## GENERAL PROVISIONS

### **Article 1. Purpose of law**

1.1. The purpose of this law is to regulate matters related to creation of conditions for fair competition in the market for entities conducting business activities, identification and implementation of legal and organizational basis for prohibition, restriction and prevention of any activities impeding competition.

### **Article 2. Legislation on Competition**

2.1. Legislation on competition consists of the Constitution, Civil Code of Mongolia, this law and other legislation adopted in conformity with these laws.

2.2. If an international treaty to which Mongolia is a party is inconsistent with this law, then provisions of such international treaty shall prevail.

2.3. According to the article 3.3 of Civil Code of Mongolia, Competition law shall be described as specific law which regulates relation of competition.

### **Article 3. Scope of the Law**

3.1. This Law shall be equally applicable to legal entities and government and local administrative organizations.

3.2. This Law shall be applicable in case enterpriser operates illegal activity outside of Mongolian border and its effect on market is proven by evidence.

3.3. Activities conducted within the scope of legislation to protect intellectual property and resulted conditions shall not be considered to have impeded competition.

#### **Article 4. Definitions**

4.1. Following terminology used in this Law shall be understood as following:

4.1.1 "Product" means all kinds of thing, payment means, services and transferable rights dedicated to purchase and exchange in market or set up a different form circulation;

4.1.2 "Market" means territory on which real supply of certain product is conducted;

4.1.3 "Enterpriser" means profit and nonprofit legal entity, organization /which have not right of legal entity/, individual which is registered and farming in Mongolia;

4.1.4 "Competitor" means enterpriser supplying certain products to the market;

4.1.5 "Dominating activity" means restricting competition and hindering customer by restricting number, amount and price of product, purpose of hindering enterpriser's condition of coming on the market and driving from the market by using dominance illegally;

4.1.6. "Related party" means concerned enterpriser which stipulated in provisons 6.1.1-6.1.3 of Enterprise Income Tax Law;

4.1.7. "Scope of product" means group of exchangeable product;

4.1.8. "Geographical limit of market" means territory which limited economic opportunity of purchasing product from another market;

4.1.9. "Concentration of market" means rate of product which is sell by enterpriser solely and with others, or by related party;

4.1.10. "Power of market" means capacity of product influence of enterpriser to the market

## **Article 5. Natural monopolistic and dominant position of enterpriser**

5.1. It shall be considered as natural monopoly when a single entity alone accounts for the total supply of particular goods to the market at the lowest minimum social cost.

5.2. It shall be considered as dominance when a single entity acting alone or in a group of business entities or related parties acting together, account for over one third of the manufactures, sales and purchases of certain kind of products in the market.

5.3. Even under percentage stipulated in article 5.2 of this law, if enterpriser can hinder condition of coming on the market of other enterpriser and can drive other enterpriser from market, he will be dominant by scope of product, geographical limit of market, concentration of market and power of market.

## **CHAPTER TWO**

### **REGULATION ON COMPETITION**

## **Article 6. Regulating activities of natural monopolistic enterpriser**

6.1. The Authority for Fair Competition and Consumer Protection stipulated in article the 14 of this law, shall regulate activities of natural monopoly in following way:

6.1.1. Regulating changes of amount and size of goods and products supplied to the market in connection with its capacity;

6.1.2. Upon considering the real expenditure on it controlling and granting permission on changes of sales price to consumers of particular goods and products;

6.2. Natural monopolistic enterpriser shall be prohibited operating an activity stipulated in article 7.1 of this law ;

6.3. Articles 6.1.1 and 6.1.2 of this shall not be referred to other branch which grant special license, make tariff regulation and have regulating organization.

*/This provision was added by the law , of June 19, 2015/*

## **Article 7. Illegal use of dominant position**

7.1. An enterpriser in a dominant position is prohibited to conduct the following dominating activities:

7.1.1. Halting or restricting production or sale of goods in order to create an artificial shortage;

7.1.2. Fixing excessive price unreasonably;

7.1.3. Requiring additional condition of products from enterpriser, selling similar kind of products by differential price in market, refusing to sell unreasonably. It shall not be referred to changing price of products which concerned location of region and calculated realization cost of transportation and to promotion which giving to wholesale and retail purchaser from manufacturer or supplier;

7.1.4. Selling goods and products at lower than cost prices in order to prevent other enterpriser from entering that market or to drive them out from the market;

7.1.5. Refusing to establish other relation of business entity without tangible grounds of economic and technical.

7.1.6. Fixing price and establishing territories within which resell goods;

7.1.7. Insisting on condition not to buy goods and products of his/her competitors as a condition for sale of its goods and products

7.1.8. Insisting for others to sell their goods and products to him/her by condition which might lead to the reduction of production and sales of those goods and products;

7.1.9. Demanding without due cause from enterpriser to transfer his/her financial means, assets, their rights and labor force to him/her

7.1.10. Demanding from competitors to restructure their companies through a consolidation, merger, division and separation;

7.1.11. Insisting on including conditions that are not relevant to the subject in a contract of certain kind of products of the contract or disadvantageous to the contracting party. Stipulating differential condition from other participant

7.1.12. Attaching goods that are not included in a set in selling goods and products

7.2. Government shall adopt procedure which is related to dominant position enterpriser fix excessive price of products.

## **Article 8. Dominant business entity restructure through consolidation and merger, purchase stock of other company**

8.1. Dominant business entity shall submit an application to the Authority for Fair Competition and Consumer Protection in the case of restructuring through consolidation and merger, purchasing more than 20 percent of common stock and more than 15 percent of preferred stock from competitive company which sale similar kind of products or consolidating and merging with related party.

8.2. The Authority for Fair Competition and Consumer Protection shall draw permitted or refused conclusion within 30 days after receipt of application. This period can be extended and if necessary additional information can be submitted.

8.3. The Authority for Fair Competition and Consumer Protection shall review a application and draw refused conclusion if they ascribe that condition of restricting competition is consisted.

8.4. Refused conclusion of The Authority for Fair Competition and Consumer Protection shall be ground for not registering business entity in state registration.

8.5. Article 8.3 of this Law shall not apply if the benefit of national economy is proven to exceed any damage caused to competition.

## **Article 9. Prohibition on management positions for serving for competing business entities**

9.1. Individuals from the management of a dominant business entity are prohibited from serving in the management of competing business entities.

## **Article 10. Division and separation of dominant business entity.**

10.1. If dominant enterpriser punished because of operating 2 and more dominant activity in a year, and proven that re-operating dominant activity, court shall make a decision on the restructure of a company by division and separation, based on claimant submitted from The Authority for Fair Competition and Consumer Protection.

## **Article 11. Prohibition of entering into agreements restricting competition**

11.1. Business entities are prohibited from, entering into agreements in any of following forms with a purpose to restrict competition:

- 11.1.1. Mutually agreeing to fix prices,
- 11.1.2. Dividing markets by location, production, services, sales, name and type of goods and purchasers;
- 11.1.3. Restricting service, supply, sale, shipping, transportation, chance of entering in a market, investment and technical reform of products;
- 11.1.4. When participating in competitive tender, bid auction, products, business, service purchasing activity by state and local property, previously agreed upon price of products and other condition and norm.

11.2. Following accords which entered into between business entities shall be prohibited if accords are incompatible with public interest or accords composing condition for restricting competition

- 11.2.1. Refusing to establish business relation without economic and technical grounds
- 11.2.2. Restricting sales to or purchase by third parties of goods.
- 11.2.3. Refusing jointly from significant accords and agreements
- 11.2.4. Hindering competitor when competitor joining in any organization for the purpose of conducting enterprise profitably;

11.3. Enterpriser is prohibited to encourage or participate in agreements and activities stipulated in articles 11.1 and 11.2 of this law;

11.4. A person who submits information and evidence about person entered into and made decision on accords stipulated in the articles 11.1 and 11.2 of this law, to the Authority for Fair Competition and Consumer Protection shall be rewarded equal to 5% of fine. The Government shall approve procedure on rewarding.

## **Article 12. Activity aimed to restricting competition**

12.1. An enterpriser is prohibited to carry out following activities aimed to restrict competition:

12.1.1. Disseminating false, inaccurate, or misleading information that may diminish reputation of competitors or his/her goods and products, or result in causing losses to competitors;

12.1.2. Misleading others through reporting false, inaccurate information about their products

12.1.3. Using arbitrarily trademarks, labels, names and quality guarantees of others' goods, or copying brand names or packages;

12.1.4. Selling, publishing or disseminating scientific, technological, industrial or trade information and secrets without permission of the patent owner or author;

12.1.5. Concealing quality deficiencies or the dangerous features of goods to human life, health and environment;

12.1.6. Hiding defect of goods and dangerous feature to human life, health and environment;

12.1.7. Enforcing condition in which the provider will not purchase products of competitor when selling their products;

12.1.8. Disseminating false information that selling of products have bonus or sale, or organizing falsely however agreed upon giving that bonus to any person previously;

12.1.9. Misleading competitor from real condition of activity, pressuring them when participating in competitive tender, bid auction, products, business, service, purchasing activity by state and local property;

12.1.10 Using method of purchasing which is incompatible with lawful interest and to damage consumer illegally.

## **Article 13. Prohibition on restricting competition from Government and local administrative organizations**

13.1. Unless otherwise provided by law, the Government and local administrative organizations shall be prohibited to grant permission, license, to conduct registration and to take a charge related to any business activities.

13.2. Unless otherwise provided by law, the Government and local administrative organizations shall be prohibited to conduct following activity:

13.2.1. To prohibit or restrict entities conducting business activities from engaging in certain types of activity, production or sales of goods;

13.2.2. To prohibit or restrict entities conducting business activities from selling goods from one market to another

13.2.3. To prohibit or restrict entry of competitors into the market or drive them out of the market

13.2.4. To aim the raising, lowering, or maintaining at the same level the price of goods and products;

13.2.5. To aim dividing markets by location, production, amount of sales, name and type of goods, sellers or consumers;

13.2.6. To aim giving in credit goods and products of enterprisers to another organizations, business entities, and persons conducting business activities.

13.2.7. To aim granting dominant position to any enterprisers.

13.3. Loan or assistance by the Government or by organizations authorized by the Government extended to compensate for losses caused by natural disasters and any other emergencies, to overcome economic crisis, to compose adequacy of supply and demand of main product for example established by State Ikh Khural in accordance with Law on State Resources and to ensure stability of living standard of consumer shall not be considered to be restricting competition.

13.4. Government shall make a restriction on the special license of some business for certain periods in order to ensuring public interest and national security, composing a condition of profitable competition.

**CHAPTER THREE.**  
**LEGAL STATUS OF THE AUTHORITY**  
**FOR FAIR COMPETITION AND CONSUMER PROTECTION**

**Article 14. The Authority for Fair Competition and Consumer Protection**

14.1. The Authority for Fair Competition and Consumer Protection is Regulatory body of Government responsible for supervision of implementation of legislation on competition, comprehensive implementation of policy on competition, protection of interest of enterprisers and consumers.

14.2. Government shall approve the rule of the Authority for Fair Competition and Consumer Protection.

14.3. The Authority for Fair Competition and Consumer Protection shall perform its principal duties specified in this Law within the scope of its full powers, independently and self-sustained from any person.

14.4. General State Inspector, Senior State Inspector, State Inspector shall work with The Authority for Fair Competition and Consumer Protection.

14.5. Chairman of The Authority for Fair Competition and Consumer Protection shall be general state inspector. General State Inspector shall appoint or release Senior State Inspector and State Inspector.

14.6. The Authority for Fair Competition and Consumer Protection shall communicate with President, State Ikh Khural and Government through office and with the other organization, administrator and citizen directly according to their managing activity.

14.7. The Authority for Fair Competition and Consumer Protection shall report annually on its activities to the Government.

14.8. Expense of the Authority for Fair Competition and Consumer Protection shall be financed from the State budget. State shall ensure economic guarantee of its activity.

14.9. Budget of the Authority for Fair Competition and Consumer Protection of year shall be prohibited approving less than previous year budget.

14.10. The Authority for Fair Competition and Consumer Protection shall have emblem which express feature of its activity. Chairman of the Authority for Fair Competition and Consumer Protection shall establish definition, design and use procedure.

14.11. The Authority for Fair Competition and Consumer Protection shall use stamp, symbol and letterheads which established by procedure.

14.12. Activity of political party, union, association or movement and religious activity shall be prohibited performing in the office of The Authority for Fair Competition and Consumer Protection.

14.13. The office of the Authority for Fair Competition and Consumer Protection shall be under protection of state.

## **Article 15. Full power of The Authority for Fair Competition and Consumer Protection**

15.1. The Authority for Fair Competition and Consumer Protection shall exercise following full powers in accordance with its obligations:

15.1.1. Organizing activity, formulating schedule, providing technical guidance, supervising implementation of activity on informing culture of competition and preventing from unfair competition;

- 15.1.2. Formulating policy of state and submitting it for resolution on composing and protecting condition of competition;
- 15.1.3. Formulating policy on improvement of legislation on competition and submitting it for resolution;
- 15.1.4. Inspecting enterpriser, business entity, drawing conclusion on implementation of legislation on competition regardless of the form of the ownership, remitting administrative punishment;
- 15.1.5. Examining illegal action which is not related with its charge and revealed during inspection by competent authority, Transferring related documents to proper authority;
- 15.1.6. Determining legitimate monopolistic and dominant position enterpriser, and checking its activity. Government shall establish procedure of determining legitimate monopolistic and dominant position enterpriser;
- 15.1.7. Submitting proposals for resolution to relevant organizations of higher instance, their officials and administrative court regarding overruling of decisions of public administration, local self- government and local administrative organizations issued in violation of legislation on competition;
- 15.1.8. obtaining information, research, explanation, definition economic and other document which are necessary to composing condition of market and identifying behavior of market from enterpriser, public administration, local self-government and local administrative organizations, officer and enterpriser freely and immediately, obtaining professional conclusion and examination;
- 15.1.9. To inform the general public about its decision related to creating conditions for competition;

15.1.10. To involve employees of professional Supervisory and inspecting organizations and other related organizations into the supervision and inspection works and issuing conclusions;

15.1.11. Taking an action on security of organization and its officers;

15.1.12. Receiving and deciding application and complaint within charge;

15.1.13. Submitting issue to competent authority on taking witness and other person who helped its activity, under protection of Police organization if necessary;

15.1.14. Cooperating with foreign and international similar kind of organization, exchanging information on composing condition of competition, conducting inspection and other competition-related issues;

15.1.15. Making resolution and proposals to draft of proposal and decision formulated by authorized organization on privatizing state owned entity;

15.1.16. Deciding complaint on decision of state inspector;

15.1.17 Approving code of ethics of state inspector;

## **Article 16. Session of the Authority for Fair Competition and Consumer Protection**

16.1. The basic form of making decision of the Authority for Fair Competition and Consumer Protection shall be session.

16.2. Decision of session shall be made by majority proposal. If proposal of session member is equaled, issue shall be decided by chairman of session.

16.3. Chairman of the Authority for Fair Competition and Consumer Protection shall sign on decision of the Authority for Fair Competition and Consumer Protection.

16.4. Session shall be held at least once per month. Order of session shall be established.

16.5. If chairman and members of The Authority for Fair Competition and Consumer Protection is family relation with a person who is discussed, notify before the session starts and not participate in discussing and making decision procedure.

16.6. Session shall be valid if major part is arrived.

16.7. Session shall be convened by written request of less than 3 members and decision of chairman of the Authority for Fair Competition and Consumer Protection

16.8. Decision of session shall be resolution.

## **Article 17. Appointing chairman and members of Authority for Fair Competition and Consumer Protection**

17.1. The Authority for Fair Competition and Consumer Protection shall operate by principle of cooperative management and consist of chairman and eight members. Two members shall be vacant and six members shall be non-vacant

17.2. Chairman, two vacant member and three non-vacant members shall be nominated by Prime minister, three non-vacant members by Mongolian National Chamber of Commerce and Industry, one non-vacant member by Mongolian Labor Union, one non-vacant member by non-governmental organization which operate activity related to protection of right of consumer. Government shall appoint and release chairman, vacant and non-vacant members.

17.3. Following person shall not be nominated to chairman of the Authority for Fair Competition and Consumer Protection:

17.3.1. Political employee of government;

17.3.2. Executive of Political party;

17.3.3. Member of Constitutional court, judge of all stages court, and prosecutor;

17.3.4. A person who works in business entity of public or private property;

17.3.5. Executive of non-governmental organization which operate business activity;

17.4. Chairman of the Authority for Fair Competition and Consumer Protection shall be educated by economic or legal discipline, worked at least 5 years by profession and hereof worked in governmental organization for three years.

17.5. Members of the Authority for Fair Competition and Consumer Protection shall be educated by economic and legal discipline, worked at least 3 years by profession and hereof worked in governmental organization for a year.

17.6. If Government does not confirmed nominee stipulated in the article 17.2 of this law, an authorized person shall nominate another person and Government shall discuss and appoint within 15 days after delivering proposal.

## **Article 18. Term of office of chairman and members of the Authority for Fair Competition and Consumer Protection**

18.1. Term of office of chairman and members of Authority for Fair Competition and Consumer Protection shall be 4 years and may re-elect once.

18.2. The term of office of chairman and members of the Authority for Fair Competition and Consumer Protection shall start from day of Government making decision on appointment, and terminate upon appointment new chairman and members

## **Article 19. Full power of chairman of the Authority for Fair Competition and Consumer Protection**

19.1. Chairman of the Authority for Fair Competition and Consumer Protection shall exercise following full powers:

19.1.1. Presenting organization in foreign and local affair

19.1.2. Participating in plenary and Standing committee session of State Ikh Khural if necessary, and in session of Government permanently, expressing position of organization

19.1.3. Determining agenda of session stipulated in the article 16.1 of this law, appointing and chairing session

19.1.4. Distributing activity of members, checking performance

19.1.5. Other right provided by law

19.2. In the temporary absence of the chairman of Authority for Fair Competition and Consumer Protection, his full power shall be exercised by him/her appointed member.

## **Article 20. Rights and duties of state inspector**

20.1. State inspector stipulated in the article 14.4 of this law, shall use certification with official and identity number, symbol and letterheads which are approved by the Authority for Fair Competition and Consumer Protection

20.2. The State inspector shall exercise right and obligation stipulated in article 10 of Law of Mongolia on State inspection and be provided guarantee stipulated in article 11 of the same law.

20.3. The state inspector shall exercise following rights:

20.3.1. Checking implementation of legislation on competition, imposing administrative punishment;

20.3.2. Obtaining information, report, explanation, definition and other document which are necessary to research and inspection, from concerned organization, officer and enterpriser freely;

- 20.3.3. Be responsible for accuracy of the inspection;
- 20.3.4. Examining body, office, factory, storehouse, document, computer and item of persons, investigating for the purpose of finding trace and evidence of conflict and clarifying significant situation on conflict, confiscating necessary document, materials and items temporary;
- 20.3.5. Satisfying fulfillment of decision made by him or the authority for Fair Competition and Consumer Protection on imposing administrative punishment;
- 20.3.6. Using special instruments for the purpose of protecting from danger of unexpected attack which encountered directly to life, health, property of him and his family members;
- 20.3.7. Summoning concerned person during inspection;
- 20.3.8 Other rights provided by law.

## **Article 21. Guarantee of chairman, members and officers of The Authority for Fair Competition and Consumer Protection**

21.1. Chairman, members and officers of the Authority for Fair Competition and Consumer Protection shall be assured by the following guarantee in addition to working condition, guarantee, wage, indemnity, promotion, compensation, stimulation benefit and custody of state officers stipulated in Public service law.

- 21.1.1. Prohibiting dismissal chairman and members by other ground from stipulated by law;
- 21.1.2. Guaranteeing difference of wage and benefit if officer forfeited ability to work temporarily or became disabled when execute his duty, and cost if the officer is made prostheses;

21.1.3. Granting one-time aid equal to 5 years wage to family of officer, if officer dies while executing duty or damage of his life in connection with his duty.

~~21.1.4.~~ / *This provision was repealed by the Law ,of January 23, 2015/*

21.1.5. Insuring officer's life and health compulsory and paying insurance payments from budget of organization.

21.1.6. Compensating unavoidable cost related to exercise full power of officer

21.2. Non-vacant member of the Authority for Fair Competition and Consumer Protection shall be granted promotion. Government shall establish amount of promotion

21.3. When officers enjoy economic guarantee stipulated by this law, similar kind of benefits, custody, aid and accession shall not be duplicated. Officer shall choose himself/herself from guarantee mentioned above.

21.4. Authorized officer who gave an order and a task shall be responsible for damage and bad consequence arise from fulfillment of order and task.

## **CHAPTER FOUR INSPECTION ON BREACH**

### **Article 22. Basis of inspecting breach**

22.1. Inspection shall be conducted by following basis in activity which breach legislation on competition.

22.1.1. Application and complaint by enterpriser, organization or citizen;

22.1.2. Information which reported by media;

22.1.3. On its own initiative;

22.1.4. Other basis provided by law.

### **Article 23. Inspecting breach**

23.1. State inspector shall conduct inspection within 60 days.

23.2. If it is impossible to finish conducting inspection within term stipulated in article 23.1 of this law, term of inspection shall be extended by chairman of the Authority for Fair Competition and Consumer Protection through 30 days.

23.3. Term of inspection on breach stipulated in Law on Administrative Penalty shall not be subject to this term.

23.4. State inspector shall introduce balance of work to the chairman of The Authority for Fair Competition and Consumer Protection within 5 days after finishes inspection.

23.5. State Inspector has the right to journalize, examine and confiscate item and document temporary. Procedure stipulated in Administrative law shall be followed in conducting this activity.

### **Article 24. Adjudicating a breach**

24.1. State inspector who inspected breach shall make one of the following decisions:

24.1.1. Imposing administrative punishment if guilt of offending party is proven

24.1.2. Exempting from administrative punishment if conditions and basis stipulated in the article 28 of this law are established.

24.1.3. Transferring all evidence to relevant investigating authority if breach has criminal nature.

24.2. If necessary, the Authority for Fair Competition and Consumer Protection could request a recommendation or report by an independent arbitral audit body when reviewing complaint on decision of state inspector.

24.3. State inspector is prohibited to propagate or release any information harmful to reputation of enterpriser shall be prohibited when final decision is not made on breach.

24.4. If complaint is submitted that affected and caused damage to reputation and profits of business because of breaching stipulated in the article 24.3 of this law, The Authority for Fair Competition and Consumer Protection shall inspect and impose a penalty to person in violation in accordance with the law.

### **Article 25. Supporting inspection of breach**

25.1. All stages of governmental organization, officers shall give necessary aid to inspection of state inspector which conduct in accordance with their rights under the law and provide opportunities to conduct such activities

25.2. Police organization shall ensure security if real danger is caused to the life, health, property of him and his family in connection with chairman, members and officers of The Authority For Fair Competition Consumer Protection implementing obligation under law.

## **CHAPTER FIVE MISCELLANEOUS**

### **Article 26. Rights and duties of enterpriser, organization and officer**

26.1. Enterpriser, organization and officer shall exercise following rights and duties.

26.1.1. Binding lawful decision of state inspector of The Authority for Fair Competition and Consumer Protection within specified time;

26.1.2. Composing condition of competition, and providing information, and document necessary to market research and inspection within specified time, freely, incontestably, immediately and correctly

26.1.3. A person considering decision of the state inspector unlawful may file his/her complain to the Authority for Fair Competition And Consumer Protection within 30 days after receiving or recognizing decision.

26.2. A person considering decision of the Authority for Fair Competition and Consumer Protection unlawful may file his/her complaint to the Administrative court within 30 days after receiving and recognizing decision.

## **Article 27. Penalties imposed on person violated the legislation on competition**

27.1. If a breach of the legislation on competition does not constitute a criminal offence, the following administrative penalties shall be imposed by a state inspector, on the ground for overseeing amount of damage:

27.1.1. For enterpriser breaching articles 11.1-11.3 of this law, fine of up to 6% of sales revenue of previous year of product and confiscation of all income and property illegally earned;

27.1.2. For enterpriser breaching articles 6.2 and 7.1 of this law, fine of up to 4% of sales revenue of previous year of product and confiscation of all income and property illegally earned;

27.1.3. For enterpriser breaching article 12.1 of this law, fine of up to 10 000 000 tugrugs and confiscation of all income and property illegally earned;

27.1.4. For enterpriser who does not notify numbers and amounts of products, changing of price stipulated in articles 6.1.1 and 6.1.2 of this law, to the Authority for Fair Competition and Consumer

Protection, and get a permission from the Authority for Fair Competition and Consumer Protection - fine of up to 3% of sales revenue of previous year of product and confiscation of all income and property illegally earned;

27.1.5. For enterpriser who does not notify to the Authority for Fair Competition and Consumer Protection about purchasing stock according to article 8.1 of this law, fine of up to 20 000 000 tugrugs;

27.1.6. For officer breaching articles 9.1, 13.1 and 13.2 of this law, fine of equal to 2 to 5 amounts of minimum salary ;

27.1.7. For person avoiding from inspection, fine of equal to 2 to 5 amounts of minimum salary;

27.1.8. For enterpriser opposing demands the state inspector, not fulfilling it within specified period and for officer not bringing execution of demand- fine of equal to 2 to 5 amounts of minimum salary;

27.1.9. For person disturbing inspection and trying to affect in decision of inspection- fine of equal to 2 to 4 amounts of minimum salary;

27.1.10. For person breaching article 26.1.2 of this law, damaging and deleting it, or proving false document, fine of equal to 2 to 5 amounts of minimum salary;

27.1.11. For person avoiding introducing and providing necessary documents temporary, fine of equal to 2 to 5 amounts of minimum salary;

27.2. For enterpriser stipulated in articles 27.1.1, 27.1.2, and 27.1.4 of this law, if it is impossible to calculate sale revenue of product or not made sale, fine of up to 5 % of his property.

## **Article 28. Reductions on administrative charges**

28.1. If enterpriser voluntarily admits the breach stipulated in articles 11.1 and 11.2 of this law, administrative charges shall be reduced on the ground of overseeing the amount of damage.

28.2. If enterpriser voluntarily admits the breach stipulated in articles 11.1.-11.3 of this law, administrative charges shall be reduced by up to 100%. If enterpriser admits guilt within 10 days after inspection starts, administrative charges shall be reduced by up to 50%.

28.3. If enterpriser provides conditions stipulated in the article 28.1 of this law, The Authority for Fair Competition Consumer Protection shall make a decision on reducing administrative charges:

28.3.1. To provide sufficient evidence on breach;

28.3.2 To pledge providing necessary documents during inspection.

28.4. According to article 28.1 of this law, The Authority for Fair Competition Consumer Protection shall approve procedure on reducing administrative penalties.

CHAIRMAN OF STATE IKH

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