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Committee on Trade Facilitation

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**IMPLEMENTATION OF
THE AGREEMENT ON TRADE FACILITATION**

COMMUNICATION FROM MONGOLIA

The following communication, dated 11 February 2022, is being circulated at the request of the delegation of Mongolia for Members' information.

Mongolia wishes to inform Members of its work relating to the implementation of the Trade Facilitation Agreement.

1. Article 1.1- Publication

In accordance with the function of Mongolian Customs General Administration on "Publishing and educating public on Customs legislation and Customs related data" the Mongolian Customs publishes 10 trade related measures and information on its official website on regular basis.

- HS code lists and foreign trade statistics are published in paper and electronic format. National legislations related to import, export and transit procedures are distributed either in consolidated form or in separately via electronic form on the Customs website;
- "Regulation on receiving and storing electronic data and information" was approved by the order of the Customs General Administration Director in 2013. Its main purpose is to coordinate relations aimed at developing the Customs website, publishing and updating news and information, and ensuring secure and uninterrupted operation of the website;
- According to the Government Regulation on "The procedure for exchanging information between government agencies electronically, developing and using database", amendments to customs legislation are published and distributed in hard copy;
- According to the national legislation of Mongolia, information related to foreign trade may be received by interested parties without any restrictions.

The "Media and public relation" department or division of a ministry, agency or organization is responsible for publishing information related to foreign trade.

2. Article 1.2 – Information available through internet

- The law on "Information Transparency and Right to Information" was adopted in order to coordinate the activities of government organizations and ensure transparency and openness.
- Legal acts, regulating activities related to foreign trade and Customs control are published electronically on the website <http://www.legalinfo.mn/> (the Integrated Legal Information System/Database administered and maintained by the National Legal Institute of Mongolia);
- Pursuant to Article 3.1 of the "General Procedure for Ensuring Information Transparency" of Government Resolution No. 411 of 2013, the organization maintains an official website, places the information required by law in a clear manner and disseminates it to the public.
- Legislation passed by the Government and Parliament is published in the "State Information Magazine" and is available for public. It is also registered in the unified legal information system, and most organizations publish this information in Mongolian language. In addition, the Ministry of Foreign Affairs of Mongolia, in cooperation with the World Bank Group,

launched the "Mongolian Trade Portal" on 11 December 2020. The Mongolian Trade Information Portal is a website that contains all trade related information, including trade regulations and procedures, laws, administrative procedures, applicable fees or penalties, forms, licenses or permits. It aims to improve the trading environment by providing easily accessible and transparent trade information for Mongolian and international traders. The portal is available in both Mongolian and English.

3. Article 7.1 – Pre-arrival processing

- According to Article 59 of the Customs Law, foreign goods shipped from the territory of the sending state may be declared prior to their arrival at Mongolian border or before moving out of border Customs control and becoming subject to inland Customs Control, the original documents are checked against the copies and upon arrival of the goods;
- Article 27 of the Customs Law regulates "Information and Documents Required for Customs Clearance". In addition, in accordance with Article 27.6 of the Law, documents required for customs clearance may be submitted electronically.

4. Article 7.3 - Separation of Release from Final Determination of Customs Duties, Taxes, Fees and Charges

- According to Government Resolution No. 89 of 2009, goods are released if they have been paid, partially paid or deferred on the basis of a guarantee that they will be paid before the goods arrive or at the time of arrival.
- This is stated in Articles 39, 40 and 41 of the Law on Customs Tariffs and Duties. The law also states that "41.4. The Government shall approve the procedure for issuing guarantees for payment of customs and other taxes". Accordingly, Government Resolution No. 89 of 2009 allows for deferral, partial payment, and issuance of goods based on guarantees and pledges, after determining customs and other taxes, fees, and charges.

5. Article 7.4 – Risk Management

- The implementation of risk management is specified in Articles 233.2, 240.2 and 268.1.3 of the Customs Law. "The General Procedure for Customs control for goods and means of transport crossing the Customs border" for import, export and transit of goods was approved by the Order A/275 of the Director General of the General Customs Administration in 2019.
- The Customs Risk Management Procedures and Customs Control Strategies approved by the Order No. A/287 of the Director General of the General Customs Administration in 2019, reflect the customs risk management policy and guidelines.
- Although the law provides for the introduction of risk management under customs control, the customs and inspection control at the border need to cooperate, improve and coordinate according to the decision of the Government of Mongolia in 2021.

6. Article 7.6 – Average release times

- The Time Release Study has been included in the Strategic Plan of the General Customs Administration since 2010 in accordance with the WCO Time Release Study;
- The first study was conducted by a working group consisting of representatives from Customs, General Agency for Specialized Inspection and The General Authority for Border Protection of Mongolia with the assistance of the United States Agency for International Development (USAID);
- Subsequently, the WCO provided technical assistance in conducting the Time release study and trained MCGA's 35 customs officers. Thus, the policy and direction of conducting the clearance time study is not limited only to the Customs but one of the issues to be considered by other border agencies;
- TRS was conducted in 2010, 2012, 2014, 2017 and 2019;
- With the assistance of World Bank Group's IFC, the 2019 Time Release Study was conducted within the selected border crossings and inland customs control zones. The final report was published on the official website of MCGA;
- The Customs Automated Clearance System can automatically register the time spent on clearance. Due to this automated process, the Customs Department, Committees, Customs Control Zones are able to monitor their clearance performance time.

7. Article 7.7 – Authorized operators

- According to the Article 271.1.16 of the Customs Law of Mongolia, The Director General of the Mongolian Customs General Administration shall exercise his/her full powers in matters such as "issuing Customs certification for participants of the Customs activities who has fulfilled the requirements determined by the Customs central administration in accordance with international standards to simplify and ensure security of international trade";
- The following 9 types of benefits are provided to AEO's. (Regulation A/118 of the Director General of the Customs General Administration of 2021: 3.1 of the Procedure for Issuance of Customs Accreditation to AEOs that Meet Trade Facilitation and Security Standards). These include:
 - temporary storage of goods in the owner's premises, warehouse and yard;
 - exemption from product inspections;
 - allow extension of customs and other tax payment deadlines;
 - enable customs clearance to be carried out in a single customs declaration;
 - appoint a state customs inspector to provide assistance;
 - advertise the AEO to the public;
 - carry out customs clearance at any customs office, regardless of the location of the goods;
 - receive benefits in other countries with which the AEO has entered into a mutual recognition agreement.
- More detailed information is available on official website of the Mongolian Customs General Administration, where a link of relevant regulations is provided.
- There are 4 general requirements specified in the Customs General Director Order and it is extended with 29 sub-requirements in further;
- Arrangement Between the Customs General Administration of Mongolia and The General Administration of Customs of The People's Republic of China Regarding the Authorized Economic Operator Program in Mongolia and Mutual Recognition of The Enterprise Credit Management Program in China was signed on 25 April 2019;
- Arrangement between the Customs General Administration of Mongolia and The Korea Customs Service of The Republic of Korea Regarding Mutual Recognition of The Respective Authorized Economic Operator Programs was signed on 30 September 2019.

8. Article 7.9 – Perishable goods

- According to Article 29 of the Customs Law of Mongolia, the following types of goods are defined as perishable goods and are subject to expedited release of goods clearance:
 - 29.1.6. Goods requiring special storage conditions that are likely to deteriorate or be damaged;
 - 29.1.7. donor organs or blood, blood products;
 - 29.1.8. other goods specified in a law.
- The Customs Law states that Customs clearance shall be carried out at the place where Customs is located during hours approved by the Director General of the Mongolia Customs Central Administration. However, if it is not possible to do it within the specified working hours, it is possible to do customs clearance by order or call;
- 286.3 If it is not possible to conduct the Customs clearance within the period specified in Article 25.1 of this Law, customs officers may perform his duties outside the working hours by the decision of a head of the customs office or committee, in which case the customs inspector shall be paid overtime in accordance with the procedures set forth in the Labor Law.

9. Article 10.9.1 - Temporary admission of goods and inward and outward processing

- This Article is regulated by the Articles 93-98, 99-107, 125-131 of the Customs Law, "The Regulations on Implementation of Customs Clearance Procedures for Temporary Admission of Goods into Customs Territory" adopted by Annex 3, "The Regulations on Implementation of Customs Clearance Procedures for Inward Processing of Goods" adopted by Annex 4 to the Order No. A/40 of the Director General of the General Customs Administration in 2016, and "The Regulations on Implementation of Customs Clearance Procedures for Outward

Processing of Goods" adopted by Annex 3 to the Order No. A/41 of the Director General of the General Customs Administration in 2016.

- According to the Customs law, temporary placement of goods in the customs territory shall be subject to payment of customs duties and other taxes and placed in a temporary treasury account. If the goods are returned without any changes, the customs and other taxes deposited in the temporary account will be refunded.
