



**ORDER OF THE CHAIRMAN OF THE CUSTOMS GENERAL
ADMINISTRATION ON APPROVAL OF PROCEDURE / Procedure for
implementation of customs clearance procedure for customs bonded zone /**

October 22, 2008

Ulaanbaatar

Number 678

Pursuant to Article 79.7 of the Customs Law of Mongolia and the decision of the meeting of the Professional Council of the General Customs Administration dated October 9, 2008, ORDER:

1. ~~Approve “Procedure for implementation of customs clearance procedures of customs bonded warehouses” in accordance with Annex 1;~~
~~“Procedure for implementing the customs clearance procedure of the Customs bonded enterprise” in accordance with Annex 2;~~
~~“Procedure for implementing the customs clearance procedure of the Customs Bonded Exhibition Center” in accordance with Annex 3;~~
~~“Procedure for implementation of customs clearance procedure at the customs bonded construction site” in accordance with Annex 4;~~
~~“Procedure for implementing customs clearance procedures for duty-free shops” in accordance with Annex 5;~~
Approve “Procedure for implementing customs clearance procedures in customs bonded zones” in accordance with Annex 6.
2. Obligate the Control and Risk Management Department /D. Oyunchimeg/ to organize the implementation of this order and provide guidance to the relevant customs offices and committees.
3. Instruct the Information Technology Center /B.Tsog/ to submit the approved customs clearance procedure codes to the GAMAS classification database by December 1, 2008.
4. This order shall come into force on January 2, 2009.
/Annexes 1, 2, 3, 4 and 5 were revoked by the order A/42 of the General Customs Administration dated 24.02.2016/

CHAIRMAN D. Tseveenjav

PROCEDURE FOR IMPLEMENTATION OF CUSTOMS BONDED ZONE

One. General provision

1.1. Procedure for customs bonded zone created to support the development of a certain sector, introduce advanced technology and create a favorable investment environment shall follow customs legislation of Mongolia, international treaties of Mongolia and this procedure.

1.2. This procedure shall regulate the relations related to the selection of the procedure, placement of goods in the procedure, preparation of documents, requirements for the procedure and termination of the procedure.

1.3. The declarant shall select the procedure and, if the conditions and requirements of the procedure are met, the goods shall be placed in this procedure with the permission of the customs.

1.4. The Central Customs Administration shall make a decision to issue a permit to establish a special customs zone specified in Article 138.1.5 of the Customs Law and issue a certificate in the form approved by Annex 1 to this Regulation.

1.5. Business entities and organizations registered in Mongolia shall carry out the activities of the special customs zone in buildings and structures that meet the requirements of the standards approved in Annex 2 to this Regulation.

Two. Mode product placement and mode code

2.1. Goods specified in Article 175 of the Customs Law shall be placed in the procedure.

2.2. Machinery, equipment, machinery, construction materials, raw materials and other inventories used in the construction of the special customs zone shall not be placed in this mode and shall be cleared in accordance with the import procedure for domestic use.

2.3. Goods prohibited from entering the country shall not be placed under this regime.

2.4 Mongolian goods to be placed under the regime are subject to non-tariff restrictions, while foreign goods are not subject to non-tariff restrictions.

2.5. The procedure is followed by customs clearance with the following code:

	The value of the mode	Clearance mode code	Previous clearance mode code
1	Import of foreign goods into the special customs zone:		
	-direct input	750	not required
	- production	751	
	- processing	752	
	- to serve	753	
2	Introduce Mongolian goods into the special customs zone		
	- direct input	754	not required
	- production	755	
	- processing	756	
	- to serve	757	
3	Entering goods from a bonded warehouse into a special		

	customs zone		
	- direct input	758	700
	- production	759	
	- processing	760	
	- to serve	761	
4	Entering goods from the free zone to the special customs zone		
	- direct input	762	770-773
	- production	763	
	- processing	764	
	- to serve	765	

Three. Documents

3.1. The following documents are required for customs clearance under this procedure:

- 3.1.1. cargo manifest;
- 3.1.2. foreign trade agreement or foreign trade order;
- 3.1.3. trade documents (price invoices, packing lists, technical documents, etc.);
- 3.1.4. transport documents;
- 3.1.5. certificate of origin;
- 3.1.6. foreign settlement documents;
- 3.1.7. documents confirming the customs value;
- 3.1.8. product quality certificate and analysis report / if necessary /;
- 3.1.9. conclusion of a professional organization (if necessary);
- 3.1.10. other documents if necessary.

3.2. The declarant may submit the documents specified in 3.1 to the customs office by e-mail, fax and customs information network.

3.3. If the information and documents specified in 3.1 of the Regulation do not meet the requirements of the procedure, the Customs may request additional information and documents.

3.4. The state customs inspector shall affix the check mark "under customs control" to the customs declaration of goods to be placed in accordance with this procedure.

Four. Procedure requirements

4.1. The special customs zone shall meet the following requirements in addition to those specified in Article 177 of the Customs Law:

- 4.1.1. to be able to control the processing of the goods by the customs;
- 4.1.2. the customs authority shall be able to mark the processed products, including the goods, for customs purposes;
- 4.1.3. The foreign trade agreement shall specify in detail the processing process, such as the method, stage, time of processing of the goods, what repairs and changes shall be made, and what new products shall be used for production;
- 4.1.4. Norms of products and ingredients to be processed in the special customs zone shall be submitted to the customs. The customs shall control the amount of the input norm. You can get help from a professional organization to determine the amount of input norm.
- 4.1.5. No violations of customs legislation and no tax debts;
- 4.1.6. Must have started operating within 6 months of obtaining a license to operate in a special customs zone;

4.2. If the declarant does not meet the requirements set forth in 4.1 of this Regulation and the processing is unclear, the customs shall refuse to place the goods under the procedure and notify the declarant in writing.

4.4. A business entity or organization licensed to operate in a special customs zone shall enter into an agreement with the relevant customs authority in accordance with the model approved in Annex 3 to this Regulation.

4.5. In the special customs zone, goods shall be stored separately and labeled with the design approved by Annex 4 to this regulation, indicating the name, type, quantity and balance.

4.6. The licensee must be insured with an authorized insurance company.

4.7. It is proved that it has the financial capacity to cover the risks arising from the activity.

4.8. Regularly keep records of goods entering and leaving the special customs zone, and accurately record the types, quantities, prices and movements of imported, exported and remaining goods in the registration book and registration software from time to time.

4.9. Monthly information on goods entering, leaving and remaining in the special customs zone shall be issued by the 2nd of the following month in accordance with the approved form and submitted to the relevant customs authority.

4.10. A holder of a permit to operate in a special customs zone may change the size and location of the zone, in which case he / she shall submit an application with the size, location, drawings and maps of the new area together with other relevant materials and obtain permission from the central customs authority;

4.11. Goods that have become damaged or may cause harm to health, health or the environment due to non-compliance with quality requirements shall be cleared by the holder of the special zone customs license in accordance with the customs legislation based on the conclusion and act of the specialized inspection agency.

4.12. It is prohibited to store goods released from customs control in a special customs zone.

4.13. The special customs zone shall be certified every two years.

Five. Customs and other taxes

5.1 Matters related to the tax on goods placed in a special customs zone and exported from there shall be resolved in accordance with Article 137.2-137.5 of the Customs Law and Article 37.1.1 of the Customs Tariff and Customs Tax Law.

5.2. The customs value of goods to be placed under the special customs zone regime shall be determined in accordance with Article 8 of the Law on Customs Tariffs and Duties.

5.3. Upon completion of processing and production of the goods, the remaining unused goods and waste shall be cleared through customs in accordance with the procedure chosen by the declarant.

5.4. Any residues and wastes generated during the implementation of the procedure shall be subject to import customs duties and other taxes if they are cleared through customs in accordance with the procedures for importation for domestic use.

Six. Others

6.1. A legal entity that obtains a permit to establish a special customs zone shall submit the documents specified in Articles 11.1.1-11.1.4 of the Law on Licensing of Business Activities and Article 139 of the Law on Customs.

CERTIFICATE

NUMBER ...

/ Name of legal entity, registration number, address /

/ Type of license to operate in the special customs zone /

/ Validity of the permit /

/ Conditions, requirements and codes for operations in the special customs zone /

/ Permission order number, date /

/ signature and stamp /

Registration of amendments to the certificate:

№	Content and extension of amendments	Registered	
		date	Signature and seal
1.			
2.			
3.			

**CUSTOMS SPECIAL ZONE
GENERAL REQUIREMENTS**

1. In addition to the relevant standards approved by the National Center for Standardization and Metrology, the following requirements shall be met for the establishment of a special customs zone:

№	Specifications	Requirements	Purpose
1.	Must be connected to a unified online customs network	Install electronic registration software using product barcodes (indexes) in conjunction with BTCS	Monitor the movement of goods
2.	The special customs zone shall be fenced, separated from other buildings, and signs and warnings shall be placed	Insulated seals and seals shall be provided	Provide opportunities for customs control
3.	Installation of lighting, fire safety and security, security, alarm and camera surveillance	Performed and certified by a professional organization	Protect against potential risks
4.	Have a warehouse that meets the standards for storing goods and raw materials	The seals must be sealed and sealed	Do not damage the quality of the goods
5.	Assortment of industrial raw materials and organization of internal landscaping	Label the type, quantity, and balance	Provide opportunities for customs control in accordance with customs legislation

2. Others

2.1. Business entities and organizations to establish a zone shall select a location with electricity and heating networks, water supply, roads, communications, facilities and buildings with necessary technical equipment and facilities, and favorable conditions for trade, production and services.

2.2. The regional operator has the right to act as an international freight forwarder and customs broker.

2.2. Notarized copies of the state registration and real estate registration certificate of the business entity operating the special customs zone, tax, bank and financial institution reference, and, if leased, the lease agreement, warehouse photos and drawings shall be submitted to the customs.

2.3. Information on the location, size, capacity, decoration, equipment and supply of premises to be used for the purpose of the special customs zone shall be submitted to the customs.

APPROVED: Subordinated to GASR
Chairman of the department /...../

CUSTOMS SPECIAL ZONE OWNERS
CONSTRUCTION AGREEMENT

200 ... day

Ulaanbaatar

On the one hand, in order to implement the “Regulations on Implementation of Special Customs Zone Procedures” approved by the Order No. ... of the Director General of the State Customs in 2008, to regulate control over the activities of special customs zones, and to determine the rights and obligations of special zone owners on behalf of the land and committee, the head of the tax collection department, on the other hand, the owner of the special customs zone “.....” LLC Director entered into this agreement.

One. General provision

- 1.1. This agreement is an integral part of the “Special Zone Customs Implementation Procedure” and is a legal document concluded for its implementation.
- 1.2. The special customs zone shall be operated only in the area, the name, location and area of which the type, purpose and time specified in the order of the Director General of the State Customs are announced.
- 1.3. “.....” LLC shall operate a building with an area of m² approved by the order of the Director General of the State Customs through a special customs zone.
- 1.4. The application form of the Special Zone Manager and Treasurer shall be appointed upon presentation of the relevant materials to the Customs.

Two. Rights and responsibilities of the customs

- 2.1. The Customs shall have the right to resolve any issues by mutual agreement with the business entity or organization operating in the special customs zone in order to enforce the customs legislation, comply with the relevant standards of the special customs zone and ensure compliance.
- 2.2. The quantity and type of goods imported and exported to the special customs zone, their taxes, fees and charges, and the organization of customs clearance and inspection shall be constantly monitored.
- 2.3. A state customs inspector shall be employed each time goods are imported or exported to the special customs zone.
- 2.4. To monitor the registration of goods entering and leaving the special customs zone, to obtain monthly movement and balance information of goods, to confirm the balance and to keep records. The movement of goods will be monitored in the special customs zone program from time to time.
- 2.5. In case of violations due to the wrongful actions of the holder of the special customs zone during the control and clearance by the customs (for example, document and physical inspection, tax payment, etc.), the contract shall be terminated and the special zone shall be terminated in accordance with the customs legislation. The proposal to revoke the license shall be submitted to the Customs Headquarters.

Three. Permission to operate in a special zone
rights and obligations of the owner

- 3.1. An operator of a special customs zone shall be insured with an authorized insurance company.
- 3.2. A contingency fund has been established to cover the risks arising from the operation of the special customs zone.
- 3.3. Comply with the standard requirements set forth in Annex 1.12 of the "Procedure for Implementing Special Customs Zone Procedures".
- 3.4. An operator of a special customs zone shall strictly comply with the customs legislation and shall comply with the warehouse regulations, this agreement and the legal requirements of the customs committee and the state customs inspector in the performance of his / her duties.
- 3.5. Import and ~~export~~ of goods into the special customs zone shall be carried out only on the basis of a customs declaration and ~~in the presence of a state customs inspector~~. It is prohibited to import or export goods into a special customs zone without a customs declaration. / *This section was deleted by Order A / 69 of the Director General of the General Customs Administration on amending the 2012 Regulation /*
- 3.6. Establish order and order of entry and exit of goods in the special customs zone, and provide working conditions for the state customs inspector.
- 3.7. The special customs zone is connected to the unified online customs network and an electronic registration software is installed using the barcode (index) of the goods.
- 3.8. Registry of goods in the Customs Special Zone shall be maintained on a regular basis and the types, quantity, value and movement of imported, exported and remaining goods shall be accurately recorded in the registration book and registration software from time to time.
- 3.9. Information on goods cleared through the Customs Special Zone procedure shall be issued on a monthly basis and submitted to the relevant department or division of the relevant authority within the working hours of the first day of the following month. If the information is not submitted within the specified time, the state customs inspector in charge of the special customs zone shall be liable. The information shall be issued in detail by the customs declaration number R and the type of goods, which are imported, exported or remaining in the special customs zone in the given month.
- 3.10. If the Customs requests that a report be submitted for immediate clarification, it shall be complied with in a timely manner.
- 3.11. The monthly report shall be signed and certified by the state customs inspector in charge of the special zone and the senior state customs inspector. The information shall be officially published in hard copy and stamped or stamped by the special zone operator.
- 3.12. The Customs and state customs inspectors shall provide support and ensure working conditions for conducting inventory and checking accounts in the special customs zone.
- 3.13. Ensure that foreigners and vehicles are not allowed in the special customs zone and are responsible for the integrity of customs seals and seals. In the event of an emergency or force majeure (fire, flood, storm, etc.), the management of the relevant customs office or committee shall be notified immediately. In the event that the state customs inspector fails to arrive in time after taking the appropriate decision from the customs, measures shall be taken to maintain and rescue the goods stored in the special zone by removing the seals and seals. This shall be reported immediately to the relevant customs office or committee.
- 3.14. The owner of the goods shall immediately stop the violation or attempt to violate the customs and other legislation and immediately notify the relevant customs

and SCCs in charge of customs control and other relevant law enforcement agencies.

3.15. Fully responsible for the integrity of the special zone, maintenance, security, fire safety and related costs.

Four. Liability

4.1. The Central Customs Authority and the Customs shall monitor the implementation of this regulation and shall be held liable in accordance with the Customs Law and other relevant legislation in case of any violations.

Tav.Busad

5.1. Amendments to the contract and termination of the contract shall be decided by the relevant customs authority, taking into account the proposals of both parties to the contract.

5.2. If the operation of the special customs zone is suspended (suspended) or liquidated, a closing balance sheet shall be issued and reviewed and certified by the state customs inspector in charge of the special customs zone and the senior state customs inspector. Within 3 days after the issuance of the order of the head of the central customs administration, it shall be submitted to the relevant customs office or committee division.

5.3. In case of extension of the contract, 3 days prior to the expiration of the contract, the parties to the contract shall make a report on the implementation of the contract in the presence of the relevant officials. The contract period will be extended by one year. The extension of the contract shall be signed and stamped by the management of the relevant customs office or committee.

5.4. This Agreement shall remain in force for one year from the date of its ratification.

CONTRACT CONCLUDED:

Under the auspices of the GAO
..... .. representing:

"..... 'Representing
LLC:

DEPUTY CHAIRMAN:

DIRECTOR OF "....."
LLC

.....

.....

CUSTOMS SENIOR INSPECTOR:

HEAD OF BONDED ZONE

.....

.....

Address:

Address:

Phone.

Phone:

EXTENSION OF THE CONTRACT

No	Execution of previous agreements and amendments to the agreement	Extension period / date /	Validation / signature, stamp /
1.			

