



# LAW OF MONGOLIA

July 5, 2007

Government house, Ulaanbaatar

## RAILWAY TRANSPORTATION LAW

### CHAPTER ONE

#### General Provisions

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

1.1. The purpose of this law shall be to determine principles for railway transportation activities and to regulate relations with respect to ensuring traffic security.

##### **Article 2. Railway transportation legislation**

2.1. The legislation on railway transportation shall comprise the Constitution of Mongolia<sup>1</sup>, this law and other legislations enacted in conformity therewith.

2.2. Should provisions of international treaties to which Mongolia is a party provide otherwise, provisions of international treaties shall prevail.

##### **Article 3. Definitions of the law**

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

3.1.1. "railway object" means railway reservation area, basic structure, specific use track, area, mobile components and other equipment and assets related to railway transportation security;

3.1.2. "basic structure" means railway track upper and lower structure, bridges, pipes and other utilities, train stations, intersections as well as electricity and water supply, signaling and telecommunication, information facilities, crossings, protection fences and other technical and technological sets that ensure normal operations of railway traffic;

---

<sup>1</sup> The Constitution of Mongolai – published in "State information review", issue 1, 1992

3.1.3."railway track" means railway line between train stations as well its direct extensions within station area;

3.1.4."mobile components" means locomotives, wagons and other machineries that use railway;

3.1.5."side track" means an extension to railway track or railway station track for rotational purposes or loading and unloading work;

3.1.6."common use track" means railway line as well as lines for train arrival and departure at the station, separation and change of wagons, freight and luggage claim area, lines for providing service to passengers, and other lines for providing service to the public;

3.1.7."common use area" means passenger platform area and other specific area designated for common use with the purpose of client's freight, luggage, freight luggage loading and unloading, classification and storage;

3.1.8."specific use track" means side track designated for satisfying owner's demands and delivering contract based services to specific clients;

3.1.9."specific use area" means specifically designated storage facility and area for customers' freight, luggage and freight luggage loading, unloading, classification and storage;

3.1.10."railway crossing" means crossing of pedestrian road with railway track at the same level;

3.1.11."railway reservation area" means area along railway line used for performing specific technical operations to ensure transportation safety;

3.1.12."railway restricted zone" means base area for performing train and railway rotational traffic, loading and unloading operations;

3.1.13."railway safety zone" means area allocated for minimizing damage to individuals and legal bodies caused by possible railway accident or crash and for ensuring safety conditions;

3.1.14."distance" means limits of distance set between railway object, mobile component, buildings near railway and freight location in order to facilitate transportation security and safety technological requirements;

3.1.15."railway organization" means basic structure owner and transporter;

3.1.16."basic structure owner" means legal body who has a right to own or possess main structure or a special permit to use main structure;

3.1.17."transporter" means legal body who has a special permit to run railway transportation operations;

3.1.18. “common use track owner” means legal body who has common use track under possession;

3.1.19. “common use area owner” means legal body who has common use area under possession;

3.1.20. “specific use track owner” means legal body who has specific use track under possession;

3.1.21. “specific use area owner” means legal body who has specific use area under possession;

3.1.22. “sub client” means individual or legal body who owns storage facility or area on common and specific use track of others’ possession or individual or legal body who has common and specific use track that is connected to station and intersection lines through another side track;

3.1.23. “railway transportation operations” means set of organizationally and technologically correlated operations and services with regard to freight, luggage, freight luggage and container transportation preparation, check in, loading, unloading, claiming as well as passenger transportation and rotational activities;

3.1.24. “basic structure traffic plan” means planning document regulating railway traffic within a basic structure;

3.1.25. “general traffic plan” means planning document regulating railway traffic within basic structures throughout Mongolia;

3.1.26. “strict use equipment and devices” means railway maintenance and service equipment and devices the use of which, without monitoring and registration, has negative impacts on railway transportation safety, thus operated following user and handing over guidelines;

#### **Article 4. Scope of the law**

4.1. This shall regulate all types of railway operations regardless of ownership title or form.

#### **Article 5. Main principles of railway transportation activities**

5.1. Railway transportation operations shall adopt the following principles:

5.1.1. facilitate unified coordination of a plan;

5.1.2. practice regular monitoring;

5.1.3. ensure service access, quality and safety;

5.1.4. ensure sustainable operation;

5.1.5. create competitive market conditions;

5.1.6. coordinate with other transportation sector activities.

5.2. The state shall be involved in monitoring and coordination of railway operations as well as development of railway transportation.

### **Article 6. Ownership of railway objects**

6.1. Railway reservation area shall be state property.

6.2. Basic structure of national economic and social high importance can be owned by the state or legal body where the dominating share is owned by the state or it can be used for certain period of time to be later shifted back to the ownership of state. The Government shall determine guidelines for such basic structure and railway lines.

6.3. Excluding railway reservation area and basic structure of national economic and social high importance, all other railway objects, side and specific use tracks can have any types of ownership titles.

6.4. Time period and terms for transferring certain parts of basic structure to the state or legal body with dominant state share of ownership after certain period of time of use shall be agreed with basic structure owner in accordance with provision 6.2 of this law and be reflected in the special permit for basic structure construction and use.

### **Article 7. Railway transportation fees**

7.1. Railway transportation fees and tariffs related to works and services dominating at the market and railway organization's justifiable monopoly shall be set in accordance to this law and law on prohibiting unfair competition<sup>2</sup> respectively.

7.2. Railway international transportation tariffs shall be set in accordance to international treaties of Mongolia.

7.3. Changes in tariffs shall be informed to the public not less than 10 days prior to the effective date.

## **CHAPTER TWO**

### **State coordination with regard to railway transportation**

#### **Article 8. The powers of the State Ikh Khural**

---

<sup>2</sup> Law on prohibiting unfair competition– published in “State information review”, issue 20, 2000

8.1. The State Ikh Khural shall exercise the following powers:

8.1.1. identify state policy on railway transportation;

8.1.2. monitor the application of railway transportation legislations;

8.1.3. decide whether Mongolia joins or withdraws from international treaties related to railway transportation.

### **Article 9. The powers of the Government**

9.1. The Government shall exercise the following powers:

9.1.1. implement state policies, laws and legislations on railway transportation;

9.1.2. issue or annul basic structure construction licenses;

9.1.3. determine size, period and terms of reservation area to be allocated for use to railway organization.

9.1.4. regulate exemption of railway reservation area owner from land fees in accordance to the related legislations;

9.1.5. other powers set out in legislation.

### **Article 10. The powers of state central administration organization in charge of railway transportation**

10.1. The state central organization in charge of railway transportation shall exercise the following powers:

10.1.1. approve general set of railway transportation rules;

10.1.2. together with the Central Intelligence Agency approve guidelines for railway transportation, loading, unloading and storage of hazardous luggage;

10.1.3. in consultation with the Central Intelligence Agency approve travel guidelines for a special railway trip including the President of Mongolia, Speaker of State Ikh Khural, Prime Minister, Head of state from other countries and other high rank delegations;

10.1.4. appoint general inspector for inspecting railway technical accidents and crashes;

10.1.5. represent Mongolia in the international cooperation activities railway sector;

10.1.6. show priority to certain types of transportations (passenger, postage, freight of national economic and social high importance etc.);

10.1.7. in consultation with related authorities approve guidelines for performing special or military transportation;

10.1.8. other powers set out in legislation.

10.2. The state central organization in charge of railway transportation may shift its power in full or part of it, stated in provisions 10.1.2, 10.1.4, 10.1.5, 10.1.7 of this law, to state organization in charge of railway transportation.

### **Article 11. The powers of aimag, the capital city, soum and district governors**

11.1. Governor of aimag, capital city, soum and district shall exercise the following powers:

11.1.1. ensure social discipline at railway reservation area, objects and stations together with railway organization;

11.1.2. unless stated otherwise in legislation, shift workers engaged directly with railway traffic shall not be involved in any social mobilization except call up to military services;

11.1.3. in accordance with related legislation, provide required materials such as wood, gravel, stones, sand and water in the case of natural disaster, accidents or to ensure normal and continuous operation of railway organization;

11.1.4. if necessary organize provision of human force assistance and supply of equipment and materials from individuals, organizations and companies in the territory with later reimbursement arrangements in order to minimize consequences of natural disaster, railway accidents or defects and ensure railway transportation safety.

### **Article 12. The powers of state administration organization in charge of railway transportation**

12.1. The state administration organization in charge of railway transportation /hereinafter "state administration organization"/ is self financed from own incomes Government implementing agency designated for implementation of Government policies in railway transportation sector.

12.2. Railway transportation control department and railway traffic coordination center shall operate under the state administration organization.

12.3. State administration organization shall have a training and research institution under its jurisdiction.

12.4. State administration organization shall exercise the following powers:

12.4.1. organize and ensure the implementation of railway transportation related laws and legislations;

12.4.2. execute the state representation duties in accordance with the law and international treaties in activities related to use of state property in railway transportation sector or transportation ordered by the state;

12.4.3. monitor and review of tariff, products and services as well as changes in agreements in order to prevent from unfair competition in railway transportation sector;

12.4.4. issue, extend, suspend and annul special permits for using basic structure, operating railway transportation activities as well as manufacturing, assembling and maintenance of basic structure and mobile components;

12.4.5. issue, extend, suspend and annul licenses to some objects and operations related to railway transportation safety;

12.4.6. monitor construction and extension work of railway objects and side tracks;

12.4.7. allocate certain amount of operational incomes to ensure railway transportation safety;

12.4.8. formulate national railway transportation standards and have them approved by the authorized organization;

12.4.9. approve list of positions for railway professional workers, and workers directly related to railway and rotational traffic activities;

12.4.10. establish and maintain integrated database for railway transportation statistics and information;

12.4.11. other powers set out in legislation.

### **Article 13. The powers of railway transportation control department**

13.1. Railway transportation control department /hereinafter “control department”/ shall ensure administrative control on railway transportation safety, service quality and labor safety.

13.2. Control department shall consist of state senior inspector and state inspector.

13.3. Powers of state senior inspector and state inspector shall be granted by the state chief inspector of the state inspection authority as advised by the head of state administration organization. .

13.4. Railway transportation state senior inspector shall be the head of control department.

13.5. The control department shall exercise the following powers:

13.5.1. monitor the implementation of legislation related to railway transportation safety and transportation operations as well as other decisions adopted to support the implementation of the above legislation;

13.5.2. monitor regardless of ownership title, type or location whether machineries, equipment and facilities used for railway transportation as well as works, services and technological norms related to railway transportation are compliant to railway transportation safety and standards;

13.5.3. monitor safety of railway and rotational traffic and in case of railway accidents, crashes or defects limit or suspend the use of railway objects;

13.5.4. study causes for railway accidents, crashes or defects, have expertise analysis results and take necessary measures;

13.5.5. propose suspension or annulment of special permits to the authorized organization;

13.5.6. check freight, container, freight luggage and luggage weight, transportation documents and other information related to it;

13.5.7. control department authorized official on duty shall have a right to access and commute in buildings, facilities and mobile components used for railway transportation;

13.5.8. other powers set out in legislation.

13.6. Control department workers shall wear a special uniform..

#### **Article 14. The powers of railway traffic coordination center**

14.1. The railway traffic coordination center /hereinafter “traffic coordination center”/ shall be responsible for coordination of railway organizations’ railway traffic.

14.2. Operation guidelines for traffic coordination center shall be set by set of general railway transportation rules.

14.3. Railway traffic coordination center shall exercise the following powers:

14.3.1. approve traffic general plan;



14.3.2. facilitate administrative organization and coordination of railway traffic between basic structures in order to ensure traffic safety;

14.3.3. ensure administrative and organizational correlation of traffic between basic structure owners;

14.3.4. provide with review and recommendations related to railway traffic administration and have them resolved;

14.3.5. provide professional and technical management to the activities of basic structure owners that are directed to railway traffic administration;

14.3.6. develop general technological norms for railway organizations involved in transportation activities;

14.3.7. other powers set out in legislation.

#### **Article 15. General set of railway transportation rules**

15.1. General set of railway transportation rules shall set forth the following regulations:

15.1.1. regulation on use of railway machineries and equipment;

15.1.2. regulation on railway signaling and telecommunication;

15.1.3. regulation on railway traffic management;

15.1.4. regulation on analyzing and registering railway transportation accidents and defects;

15.1.5. regulation on transporting freight via railway;

15.1.6. regulation on transporting passengers, freight and freight luggage via railway;

15.1.7. regulation on railway transportation intermediary agency operation;

15.1.8. regulation on railway plan coordination;

15.1.9. regulation on basic structure use and methodology for setting tariffs;

15.1.10. regulation on issue of licenses to certain objects and operations related to railway transportation safety;

15.1.11. regulation on locating railway and other types of objects in railway restricted area, reservation area and safety zone, conducting production and service activities in the above area, as well as having access to it;

15.1.12. regulation on maintaining a registration and transferring of mobile components crossing the border of Mongolia;

15.1.13. special regulations on work discipline of workers directly related with railway traffic, their working schedule and working conditions;

15.1.14. regulation adopted in cooperation with related state central administration organization on preparing, training and taking professional exams from specialists with railway background;

15.1.15. model of a contract for cooperation between basic structure owner and transporter on use of basic structure, common and specific use tracks as well as a transportation service contract;

15.1.16. regulation on exchange of information between railway organizations.

#### **Article 16. Special permit for railway transportation services**

16.1. Special permit for railway transportation services /hereinafter “special permit”/ shall have the following types:

16.1.1. construction and use of basic structure;

16.1.2. manufacturing, assembling and maintenance of basic structure;

16.1.3. conducting railway transportation activity.

16.2. When submitting application for special permits the following documents and materials should be provided to the state administration organization in addition to ones stated in article 11 of Mongolian law on special permits for economic entities<sup>3</sup>:

16.2.1. technical and economic preliminary justification;

16.2.2. official notary copy of special permits and licenses of related to railway objects and activities under possession;

16.3. When submitting application for special permits for construction and use of basic structure the following documents and materials shall be provided in addition to ones stated in provision 16.2 of this law:

---

<sup>3</sup> Law on special permits for economic entities– published in “State information review”, issue 6, 2001.

16.3.1. environmental impact assessment;

16.3.2. investment amount and financing source;

16.3.3. time for start of operations, boundaries of area under possession;

16.4. The state administration organization shall receive applications and check if the following criteria are met:

16.4.1. compliance to railway legislation, standards, general set of railway transportation rules, and railway transportation safety requirements;

16.4.2. compliance to local service technical and technological rules and regulations;

16.4.3. capacity to run activities with special permits.

16.5. When reviewing and making decisions on special permits for construction and use of basic structure the state central administration organization shall check and ensure if the following criteria are met:

16.5.1. if there are any conditions that would conflict with national security, safety, public welfare or legal interests;

16.5.2. if area to be allocated for possession intersect with state special use area or area of other's possession;

16.5.3. if there is a need to conduct preventive measures against environmental imbalance;

16.5.4. other related issues designated by the Government.

16.6. After submitting an application, applicant may request to postpone the application review process depending on compliance to special permit conditions and requirements or any other reasons. In such case, the period stated in provision 16.9 of this law shall be counted from the date of complete submission of a document set.

16.7. After review of special permit applications for construction of basic structure, and applications for use of basic structure, running railway transportation activities, manufacturing, assembling and maintenance of basic structure and railway objects, the state administration organizations shall make a decision to issue or reject the related special permit applications.

16.8. The state administration organization shall review special permit applications and related documents for construction of basic structure within 14 days

and shall submit the related decisions to the state central administration organization in charge of railway transportation.

16.9. Authorized organization shall review and resolve special permit applications for construction of basic structure within 45 days, special permit applications for use of basic structure, manufacturing, assembling and maintenance of basic structure and mobile components, and for running railway transportation activities within 21 days, and if necessary the time can be extended for another 14 days.

16.10. Requests to extend terms of special permits shall be submitted 21 days prior to expiration date and be reviewed and resolved within 14 days by the authorized organization.

16.11. Decisions to issue or reject special permit applications shall be given in a written form within a period stated in the law.

### **Article 17. Standardization in railway transportation sector**

17.1. Standards in railway transportation sector shall be developed, approved and applied in accordance to this law and legislation on standardization and evaluation.

17.2. The state administration organization supported with approval from authorized organization may apply international standards if they don't contradict to national legislations, producers' and users' rights and interests, nor cause any damage to national security, public interests, human health or environment.

## **CHAPTER THREE**

### **Rights and responsibilities of stakeholders in transportation activities**

#### **Article 18. Stakeholders in transportation activity**

18.1. "Stakeholders in transportation activity" include economic entities, organizations and individuals, who are owners of basic structure, common and specified use tracks and areas, and transporters responsible for conducting transportation activities in compliance to railway transportation safety regulations, railway transportation legislations and railway transportation general set of rules respectively.

18.2. Stakeholders in transportation activity shall make a contract with other organizations engaged in transportation activity as stated in provision 15.1.15 of this law and separate and determine scopes of operation and duties in accordance to railway transportation general set of rules.

18.3. Stakeholders in transportation activity shall exercise the following common rights:

18.3.1. conduct railway transportation activities in accordance to railway transportation legislations and decisions made to facilitate its implementation;

18.3.2. approve and apply local service technical and technological rules, regulations and guidelines within the scope of implementation of legislations, railway transportation general set of rules and other rules and standards respectively;

18.3.3. set and apply railway transportation prices and tariffs in compliance to this law and other related legislations taking into consideration the national sustainable economic development as well as users' interests;

18.3.4. other rights set out in legislation.

18.4. Stakeholders in transportation activity shall have the following common responsibilities:

18.4.1. have special permits and licenses;

18.4.2. have technical staff required for conducting railway transportation activities;

18.4.3. follow railway transportation legislation, railway transportation general set of rules and other related rules and standards;

18.4.4. ensure railway traffic safety, and follow railway traffic management guidelines from traffic coordination center;

18.4.5. ensure continuous and normal operation of possessed railway objects, maintain its registration and conduct inspections and services in line with approved regulations and technological requirements;

18.4.6. allocate certain part of operational incomes for ensuring railway transportation safety;

18.4.7. provide the related state administration organizations with information and reports on railway transportation activities, as set in railway transportation general set of rules:

18.4.8. other rights set out in legislation.

18.5. Transportation activity related relations of transportation stakeholders shall be regulated by the Civil Code<sup>4</sup>, railway transportation general set of rules and other related legislations.

---

<sup>4</sup> Civil Code – published in “State information review”, issue 7, 2002.

## **Article 19. Rights and responsibilities of basic structure owner**

19.1. Basic structure owner shall exercise the following rights:

19.1.1. use basic structure or have a transporter use it based on a contract;

19.1.2. receive fees for letting use of basic structure, and other fees for maintenance and services stated in the contract;

19.1.3. approve basic structure traffic plan following approved regulations and make proposal to it;

19.1.4. other rights set out in legislation.

19.2. Basic structure owner shall have the following responsibilities:

19.2.1. ensure technical safety and normal operation of possessed basic structure;

19.2.2. facilitate organization and management of railway traffic within the scope of own possessed basic structure effectiveness in compliance to traffic general plan and basic structure traffic plan;

19.2.3. depending on carrying capacity of basic structure make contracts for use of basic structure with transporters, including transporters with own investment, with the same terms and conditions and provide with necessary conditions for conducting transportation activities;

19.2.4. within the scope of basic structure effectiveness, make contracts with owners of specific use tracks and organize railway traffic activities;

19.2.5. other rights set out in legislation.

19.3. If basic structure owner conducts railway transportation activity financial settlements shall be kept separately for basic structure and transportation activities.

19.4. Basic structure owner shall have an internal monitoring unit responsible for ensuring transportation safety, the application of legislations and railway transportation general set of rules, as well as provision of security guards to protect railway objects, transported freight, luggage and freight luggage from harmful attacks.

## **Article 20. Transporter's rights and responsibilities**

20.1. Transporter shall exercise the following rights:

20.1.1. use basic structure, specific use tracks and mobile components in accordance to contract terms and conditions;

20.1.2. execute transportation on its own or through other transporters in accordance to contract and order terms and conditions;

20.1.3. receive contract agreed service fees:

20.1.4. other rights set out in legislation.

20.2. Transporter shall have the following responsibilities:

20.2.1. in order to prevent from unfair competition, avoid provision of more concessionary terms and conditions to some transporters including own subordinate transporters;

20.2.2. ensure technical and utilization safety of possessed mobile components;

20.2.3. other responsibilities set out in legislation.

20.3. Transporter is prohibited to refuse providing services on any grounds except the ones set out in legislation and railway transportation general set of rules.

#### **Article 21. Owner of public and specific use track and area**

21.1. Owner of public and specific use track and area shall make contracts with basic structure owner, transporter and side clients and provide services on preparing freight, freight luggage, wagons and containers for transportation, loading, unloading and storage on own tracks and area.

21.2. Relations on use of common and specific use tracks and area shall be regulated by railway transportation general set of rules.

### **CHAPTER FOUR**

#### **Railway objects**

##### **Article 22. Key requirements put on railway objects**

22.1. Basic structure, specific use tracks and area, mobile components and other equipment and facility related to railway transportation safety shall be in compliance to railway traffic and technical safety procedures, technological norms, standards and requirements.

##### **Article 23. Construction and renovation of basic structure**

23.1. Construction and improvement of basic structure can be financed by basic structure owner, state and local government budget, and other sources that are not prohibited by legislation.

23.2. Construction of new railway lines connecting national or aimag level cities can be financed by state or related provincial government budget.

23.3. Construction of railway lines set out in provision 23.2 of this law shall be assisted by the Government, related provincial self governing and state administration organizations as well as other related organizations.

23.4. Investments and assistance from authorized organizations as stated in provision 23.2 and 23.3 of this law shall be in compliance to Mongolian law on prohibiting unfair competition.

## **CHAPTER FIVE**

### **Key requirements for railway transportation safety**

#### **Article 24. Railway transportation safety procedures**

24.1. Railway and other organizations and individuals shall meet the following requirements to ensure railway transportation safety:

24.1.1. provide adequate conditions for safe transportation of passengers;

24.1.2. ensure traffic safety;

24.1.3. safe transportation of freight, luggage and freight luggage;

24.1.4. ensure safety requirements for railway organization workers;

24.1.5. not to have negative impacts on environment.

#### **Article 25. Measures for ensuring railway transportation safety**

25.1. Normal operation of railway and rotational traffic technology applied by railway organization, its branch offices, owners of common and specific track and area shall be regulated by traffic general plan and basic structure traffic plan, which shall be approved by the head of related organization in accordance to regulations set out in this law.

25.2. Supplier shall ensure continuous provision of energy to basic structures directly related to railway traffic in order to facilitate traffic safety.

25.3. To ensure safe transportation of passengers and freight, trains shall arrive and depart stations and intersections only through designated tracks and tracks designated for arrival and departure of passenger coaches shall be equipped with lightings, special platforms and area compliant to related standards and railway transportation general set of rules.



25.4. Railway organization, owners of common and specific use tracks and area shall have strict use equipment and devices with badge and registration number, the list of which along with regulations for its use and transfer shall be set by the state administration organization and the list to be registered at the Central Intelligence Agency respectively.

25.5. Basic structure owner shall be required to have a rehabilitation and fire extinguishing trains equipped with necessary techniques and devices for eliminating damages of natural disasters, fires, accidents, crashes or defects and have them always ready.

25.6. Railway organization, owner of common and specific use tracks and area shall be responsible to take immediate measures to mitigate damages to railway transportation operations caused by natural disasters, accidents, crashes and defects.

25.7. Related state administration and local authorized organizations, economic entities and individuals shall have a duty to assist to mitigate damages and impacts of situations that effect safety of human life, health as well as safety of freight, luggage, and freight luggage and traffic safety.

25.8. Organizations and individuals other than railway organization, common and specific use track and area owners, related state administration organizations in charge of mitigating impacts and damages caused by natural disasters, accidents, crashes and defects, shall have a right to claim compensation from railway organization for expenses and losses encountered during fulfillment of duties stated in provision 25.7 of this law.

## **Article 26. Transportation of hazardous freight, use and security of restricted facilities**

26.1. Buildings and facilities engaged in manufacturing, storage, loading, unloading and transfer of hazardous goods /hereinafter "restricted facilities"/ shall be located at safe distance from basic structure and regulations determining conditions for location, distance and crossings of restricted facilities shall be approved by the state administration central organization.

26.2. Owner of restricted facility shall be responsible for informing basic structure owner immediately in case of accident or damage to restricted facility.

26.3. Freight sender and recipient shall be responsible for safety during preparation of hazardous freight for railway transportation, its loading and unloading.

26.4. In case of accidents, crashes or defects occurred during transportation of hazardous freight, basic structure owner and transporter are required to participate in activities for mitigating damages using their fire and rehabilitation equipment and devices.

## **Article 27. Railway reservation area, restricted area and safety zone and their regulations**

27.1. The size of railway reservation area shall be set in accordance with this law and land legislations, based on special permit application and proposal documents and materials.

27.2. Railway reservation area and safety zone regulations and size shall be set by the Government in accordance to urban development and railway transportation safety requirements.

27.3. Basic structure owner shall use railway reservation area with certain terms for certain period of time and fees.

27.4. In order to ensure safety if trees, bushes, hay and plants within railway reservation area negatively affect transportation security the railway organization may relocate, cut or burn them without causing risks of fire.

27.5. Railway organization, owners of common and specific use tracks and area and sub clients shall be responsible for constructing fences and protection along railway reservation area and restricted area.

27.6. It is prohibited to run any kind of activity or service in railway reservation area except ones stated in the provisions of this law.

27.7. Railway organization may lease open and available land located within railway reservation area to individuals and legal bodies in strict compliance to railway transportation safety regulations for the purpose of crop production, passenger services, storage, loading and unloading of freight except hazardous or inflammable ones, and other types of services.

27.8. Restricted area regulations shall be set by the state administration organization.

27.9. If railway reservation area, restricted area and safety zones are overlapping with other types of area of strict regulation, the most strict regulations shall be exercised in the above area.

27.10. Permissions for land use and possession as well as for running certain activities in safety zones around railway reservation area shall be issued by the Governor of the related area in consultation with state administration organization following safety related regulations and guidelines.

## **Article 28. Procedures for use of railway crossings**

28.1. The state central administration organization in consultation with police organization shall approve procedures for opening, closing and use of railway crossings, provision of security signals, signs and equipment, its maintenance as well as for defining ratings of railway crossings.

28.2. When identifying location of railway crossings, opinions of local self governance organizations and railway organization shall be taken into consideration.

28.3. Basic structure owner shall be responsible for regular operation, use, services and safety of railway crossings.

28.4. Having tracklayer machineries and vehicles with big size loads over railway crossings shall be done with the permission of basic structure owner in charge of related railway crossing under the control of designated worker.

28.5. If it is required to construct the crossing of railway lines with other railway line or auto road at different levels, the body who is putting up roads or lines last is responsible for operations herewith.

## **CHAPTER SIX**

### **Labor regulations and social insurance and benefits of railway organization workers**

#### **Article 29. Labor conditions of railway organization workers**

29.1. Railway worker's labor regulations, labor conditions and social insurance and benefits related issues shall be regulated by this law, labor law<sup>5</sup> and other legislations enacted in conformity therewith as well as cooperation and labor contracts respectively.

29.2. Railway and rotational traffic organizer and transportation service attendants on duty shall wear uniforms.

29.3. Individuals over 18 years old, who received required trainings, and authorization to perform the related operation and who meet health requirements shall be recruited for work positions directly related to railway and rotational traffic.

29.4. Terms and regulations for conducting medical check up shall be set by state administration organization in charge of health issues.

29.5. Employees working in direct connection with railway and rotational traffic, working in restricted area, conducting monitoring and control on trains, and participating in testing of railway techniques and equipment shall be included in sudden accident insurance at the employer's expense on compulsory basis.

29.6. Employer shall be responsible for damage and loss caused by non coverage of sudden accident insurance stated in provision 29.5 of this law.

---

<sup>5</sup> Labor law – published in “State information review”, issue 25, 1999.

## **Article 30. Work discipline of railway workers**

30.1. Work discipline of railway workers shall be regulated by Labor law, this law and other legislations enacted in conformity therewith.

30.2. The railway organization shall impose the following disciplinary punishment on an employee who has breached work discipline:

30.2.1. issue a warning to the employee;

30.2.2. withhold up to 20 percent of employee's compensation for a period of up to 3 months;

30.2.3. transfer to other workplaces that are not engaged with railway traffic for a period of up to 1 year;

30.2.4. terminate the employment.

## **Article 31. Social insurance and benefits of railway workers**

31.1. Railway organization worker shall be provided the following social insurances and benefits:

31.1.1. If male worker with continuous employment of minimum 25 years and female worker with continuous employment of minimum 20 years in railway organization are covered by social insurance from railway organization, he/she shall be entitled to receive one time grant allowance with the amount equal to average of six months' compensation;

31.1.2. In case of travel via railway within the territory of Mongolia, railway organization employee shall be entitled for two way travel once a year free of charge.

31.2. Railway organization employee shall receive other types of social insurance and benefits.

31.3. The family of a railway organization employee who died because of an industrial accident or disease caused by acute poisoning shall receive compensation compliant to provision 97.1.2 of labor law.

31.4. Railway organization shall be responsible for covering the expenses for social insurance and benefits set out in provision 31.1 and 31.3 of this law.

## **CHAPTER SEVEN**

### **Other organizational matters related to railway transportation**

#### **Article 32. Railway transportation insurance**

32.1. While traveling via railways passenger is obligated to have insurance coverage against sudden accidents.

32.2. Railway objects, freight, luggage, freight luggage transported via railway may have insurance in accordance to regulations set out in legislation.

### **Article 33. Language to be used in railway transportation**

33.1. Railway organization operating in the territory of Mongolia regardless of ownership title or type shall use the state official language for railway transportation activities and business documentations.

33.2. Information required for passengers, freight sender and receivers at railway stations, hotels and other places may be provided in other languages besides the state official language.

## **CHAPTER EIGHT**

### **Penalties for violation of railway legislation**

#### **Article 34. Penalties for violation of the law**

34.1. If the violation of the railway transportation law does not involve criminal liability, the following administrative punishments shall be imposed by a railway transportation state inspector:

34.1.1. If the request put by railway transportation state inspector regarding violation of railway transportation safety regulations are not fulfilled, the responsible railway organization and owners of common and specific use tracks and area shall be imposed a fine of 10,000-30,000MNT and responsible employee shall be imposed a fine of 5,000-10,000MNT;

34.1.2. if required measures for preventing from railway accidents, crashes or defects are not taken and if instructions were not given in accordance to set regulations to a railway worker, the railway organization and owners of common and specific use tracks and area shall be imposed a fine of 20,000-50,000MNT and responsible employee shall be imposed a fine of 5,000-15,000MNT;

34.1.3. if provisions 34.1.1 and 34.1.2 set in this law are violated several times, railway transportation safety regulations are violated severely and if accidents and damages resulting in loss of human lives and loss of normal operation of railway transportation for a long time, special permits of the responsible railway organization and owners of common and specific use tracks and area shall be annulled or the responsible bodies herewith shall be imposed a fine of 50,000-250,000MNT and responsible employee shall be imposed a fine of 10,000-50,000MNT;

34.1.4 if railway reservation area regulations are violated, the responsible economic entity and organizations shall be imposed a fine of 50,000-150,000MNT and a responsible individual shall be imposed a fine of 10,000-30,000MNT.

34.1.5. if railway restricted area regulations are violated a fine of 10,000-30,000MNT shall be imposed to the railway organization and 5,000-15,000MNT to the responsible employee;

34.1.6. if accidents or defects occurred due to the fact that preventive measures in railway restricted area were not taken in proper way, the responsible railway organization shall be imposed a fine of 100,000-250,000MNT and responsible employee shall be imposed a fine of 20,000-50,000MNT.

34.1.7. if railway safety zone regulations are violated, the responsible organization and economic entity shall be imposed a fine of 50,000-100,000MNT and responsible individual shall be imposed a fine of 10,000-25,000MNT.

34.1.8. if regulations set out in railway transportation general set of rules are violated, the responsible railway organizations and owners of common and specific use tracks and area shall be imposed a fine of 50,000-100,000MNT and responsible employee shall be imposed a fine of 10,000-25,000MNT;

34.1.9. if provisions 18, 19, 20 and 21 of this law are violated, the responsible railway organization, and owners of common and specific use tracks and area and non railway organizations and economic entities that violated legislations related to railway transportation services, traffic safety and technical standards and requirements shall be imposed a fine of 50,000-100,000MNT, responsible employee shall be imposed a fine of 10,000-50,000 and individual 2,000-5,000MNT.

34.1.10. if violation of provision 34.1.9 of this law occurred several times or severely violated, the responsible economic entity and organization shall be imposed a fine of 150,000-250,000MNT, responsible employee shall be imposed a fine of 30,000-50,000 and individual 10,000-30,000MNT.

SPEAKER OF STATE IKH KHURAL

D. LUNDEEJANTSAN