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# Procedure on income taxation for sold and transferred land titles

In accordance with Law of Mongolia on Corporate income taxation and Law of Mongolia on Personal income taxation, income from sold and transferred land titles including possession and use right by individual and legal entity is taxable. Under such legislations of Mongolia, methodology for assessing land possession and use rights and determining tax rates and the procedure on income taxation for sold and transferred land titles has approved by Resolution No 303 by the Minister of Finance dated 31 December 2019.

## Assessment of land possession and use right

1. Amount of income taxation for sold and transferred land possession and use right **shall not be less than from initial auction price calculated** in accordance with methodology for determining the initial auction price of land possession and use certificate (hereinafter "Methodology for determining the initial price").
2. In case of the sold and transferred land rights for which land right has been exchanged by other types of the assets and activities or not granted by auction, the assessment of the land title is determined by higher price of the initial auction price or price defined by the taxpayer for land sale and transfer.
3. Income taxation for land rights which are received free of charge from others shall be determined in accordance with the "Methodology for determining the initial price".
4. Notwithstanding specified in paragraphs 2 and 3 parts of it, the assessment of the land right shall be determined by higher price of the price selected at the auction or land right stated in the sale and purchase agreement declared by the taxpayer.

In case of the initial auction price of land right is cannot be determined according to relevant methodology, the Governor of the respective territory shall determine in accordance with Law on Land.

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