



INVESTOR GUIDEBOOK MONGOLIA 2023

Disclaimer

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Glossary

Acronym	Full
AFCCP	Authority for Fair Competition and Consumer Protection of Mongolia
AMA	Association of Mongolian Advocates
AmCham	The American Chamber of Commerce in Mongolia
APTA	Asia-Pacific Trade Agreement
AustCham	Australian Chamber of Commerce in Mongolia
BEPS	Base Erosion and Profit Shifting Project
BIT	Bilateral Investment Treaties
BoM	Bank of Mongolia
BoP	Balance of Payment
CIT	Corporate Income Tax
EBIDTA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EPA	Economic Partnership Agreement
ERC	The Energy Regulatory Commission
EU	European Union
EU GSP+	The European Union's Generalized Scheme of Preference
Eurochamber	Eurochamber Mongolia
FDI	Foreign Direct Investment
FRC	Financial Regulatory Commission
FZ	Freezone
GDP	Gross Domestic Products
GMT	Greenwich mean Time
IATA	The International Air Transport Association
ICSD	International Centre for Settlement of Investment Disputes
ICT	Information and Communication Technology
ID	Identification card
IP	Intellectual Property
IPOM	Intellectual Property Office of Mongolia
IRI	Investment Related Instrument
IT	Information Technology
LERO	Legal Entities Registration Office
LLC	Limited Liability Company
LSWA	General Authority for Labor and Social Welfare

Glossary

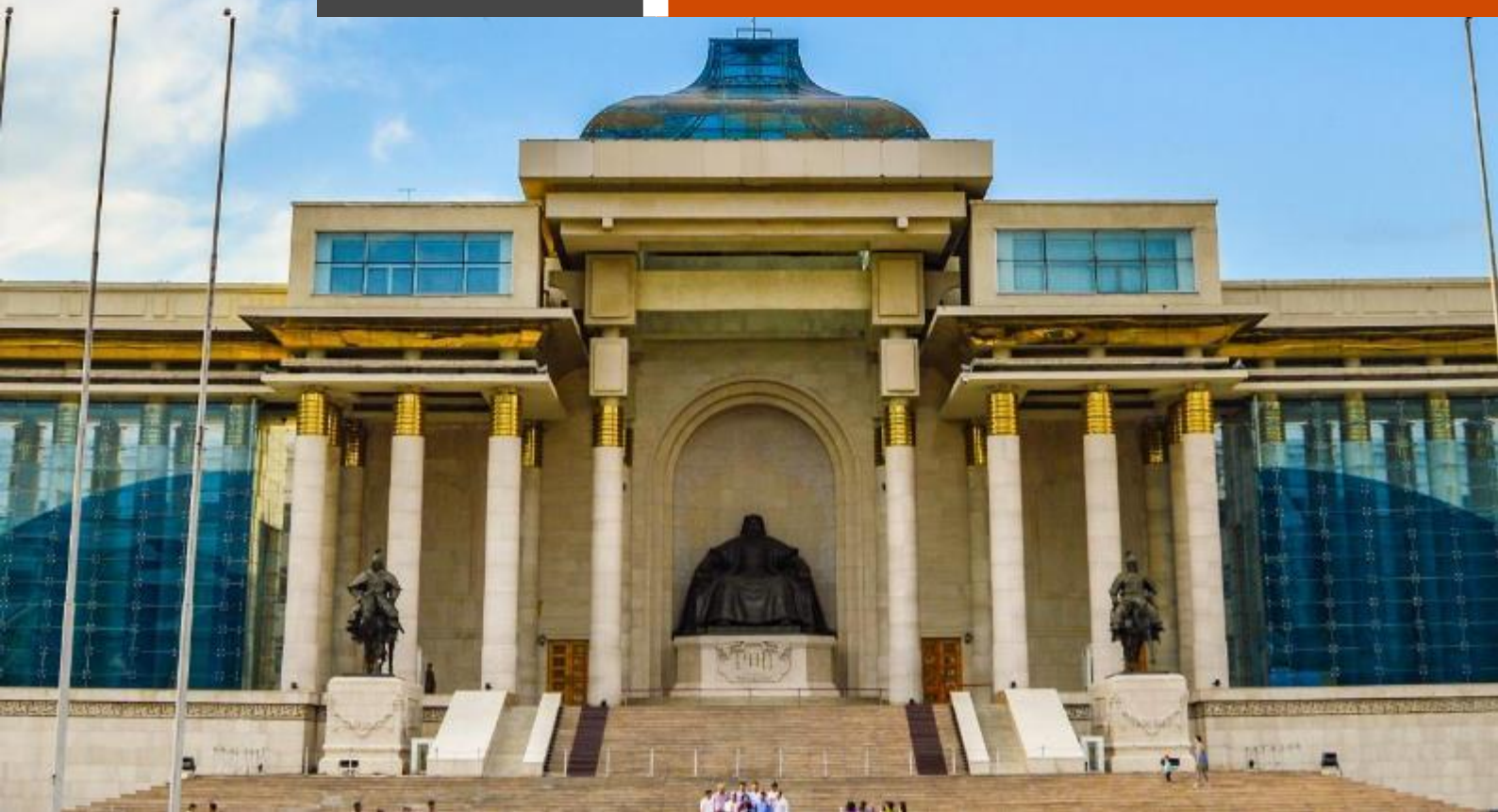
Acronym	Full
MACTC	Mongolian Association of Certified Tax Consultants
MBA	Mongolian Bar Association
MCGA	Mongolian Customs General Administration
MED	Ministry of Economy and Development
MFN	Most Favored Nation
MICA	Mongolian Institute of Certified Appraisers
MMHI	The Ministry of Mining and Heavy Industry
MNCCI	Mongolian National Chamber of Commerce and Industry
MNT	Mongolian Tugrug
MOFALI	The Ministry of Food, Agriculture and Light Industry
MONICPA	Mongolian Institute of Certified Professional Accountants
MOP	Margin of Preference
MRPA	Resources and Petroleum Authority
NGO	Non-Governmental Organization
NSO	National Statistics Office
OECD	The Organization for Economic Co-operation and Development
PIT	Personal income tax
PRRA	Property Rights' Registration Authority of the State Registration Office
Q	Quarter
RCVAT	Reverse Charge VAT
RO	Representative Office
SDG	Sustainable Development Goals
SHI	Social and Health Insurance
TIP	Treaties with Investment Provisions
UBO	Ultimate Beneficial Owner
UK	United Kingdom
UNCITRAL	The United Nations Commission on International Trade Law
USA	United States of America
USD	United States Dollar
VAT	Value Added Tax
WCO	World Customs Organization
WTO	World Trade Organization

This Investor Guidebook is produced by the Ministry of Economy and Development of Mongolia to provide interested investors with basic information about Mongolia's investment framework. While this guidebook offers a broad overview, it is recommended that any business investing in Mongolia seeks professional advice specific to their circumstances. The information included here is obtained or derived from various sources in the public domain. The guidebook is up to date as of June 2023. Users of this guidebook are recommended to check whether there have been major changes in regulations in the meanwhile.



01

Mongolia at a glance



General overview

Mongolia Country Snapshot



Location

Location- Strategically located in North-East Asia bordered by Russia and China



Climate

Continental with four seasons, and temperature vary throughout the year and by region.



Land area

1,564,116 km²



Population (growth)

3,457,548
(+1.4% from 2021)



Capital city

Ulaanbaatar



Time zone

GMT +7 to GMT +8



Currency (code)

Togrog (MNT)



Language

Mongolian



GDP per capita (growth)

5,033 USD
(+8% from 2021)



Politics

Parliamentary democracy. Parliament members are elected for a four-year term



Safety & Security

The state of peace is defined as “*high*” and ranked 42nd out of 163 countries in the Global Peace Index 2022.



Economic overview

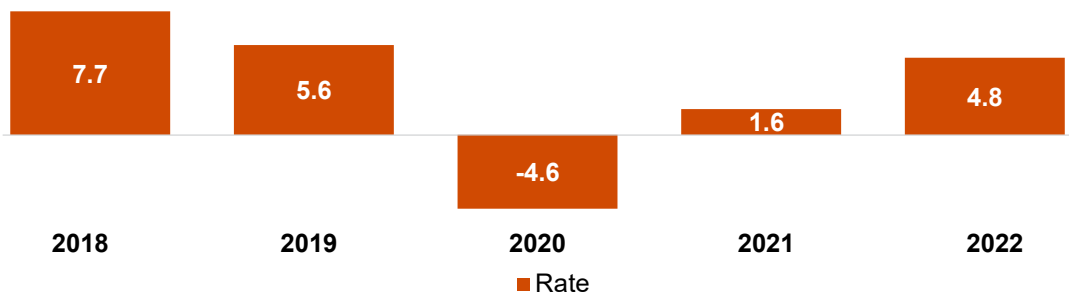


Gross Domestic Product

According to the National Statistics Office (NSO), the GDP growth rate was 4.7%, comprising MNT 52.9 trillion. This is an increase of 21.4% (MNT 9.3 trillion) from the pre-pandemic level.

Source: National Statistics Office

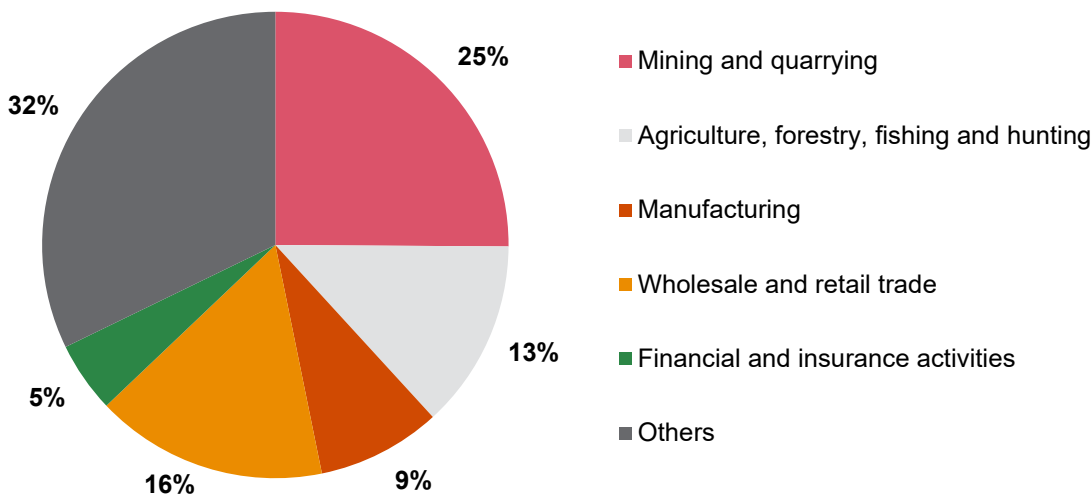
Figure 1. GDP growth rate (% , 2018-2022)



Source: National Statistics Office

Mongolia's largest contributor to GDP is mining (especially coal, copper and gold), although its contribution can vary significantly based on global factors. Mongolia also has a significant agricultural sector, which consists primarily of traditional livestock farming and a growing services sector, including tourism and hospitality, transportation and logistics, banking and finance, and telecommunications. Although Mongolia's manufacturing sector is relatively small, it has gained traction as the government seeks to diversify the economy. As per the Ministry of Economy and Development (MED), the economic growth is predicted at 6% in 2023.

Figure 2. GDP by Sector (2022)



Source: National Statistics Office

Economic overview



Inflation

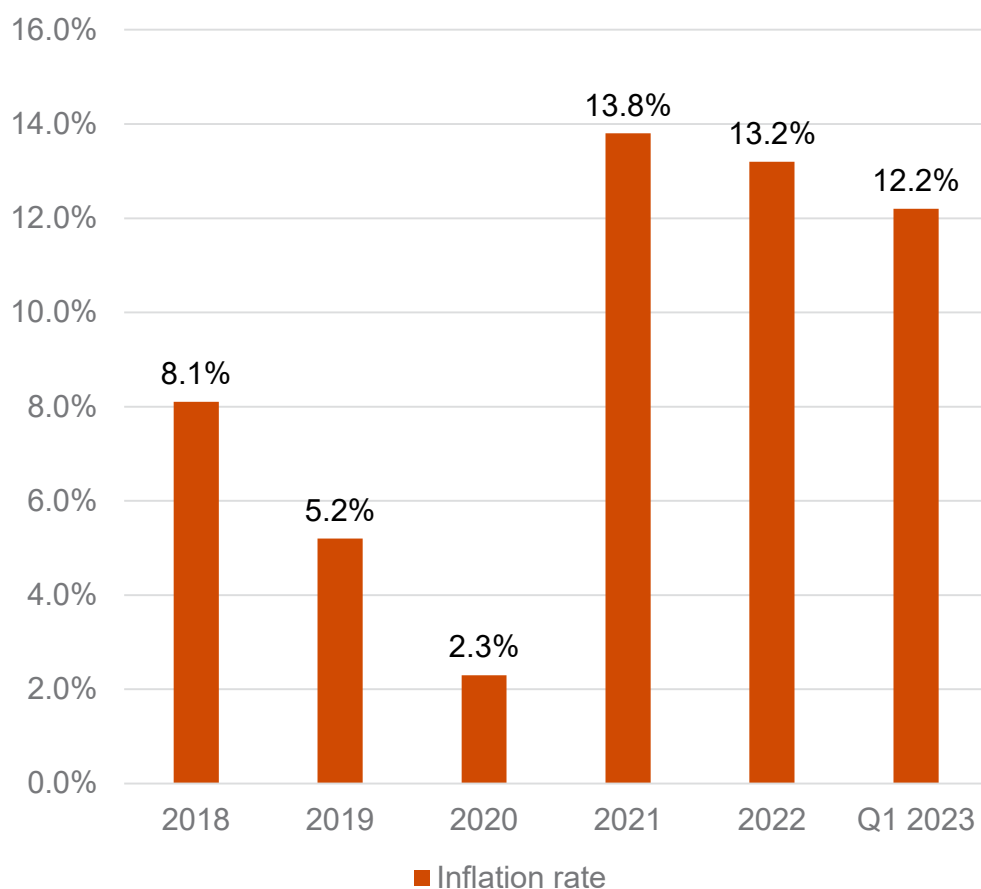
The inflation rate in Mongolia remains high. According to the NSO, the average inflation rate is 12.2% in the first quarter of 2023.

12.2%

Inflation rate in Q1 2023

The inflation peaked at 16.9 percent in June 2022 because of the pandemic and has since gradually decreased. Although it remains high compared to pre-pandemic levels, the inflation rate is falling as the foreign exchange market, and the prices of imported goods stabilize. The inflation rate forecast shows a drop-down to single-digit levels.

Figure 3. Inflation (% , 2018 to Q1 2023)



Source: National Statistics Office

Economic overview



Balance of payment

As of the first quarter of 2023, the balance of payment (BoP) was in a surplus of 79.6 million USD. This was an increase of 1.0 billion USD compared to the previous year when there was in a deficit of 953.6 million USD. This significant increase was mainly influenced by the increase of coal exports to China.

Figure 4. BoP, Financial account and Current account (USD millions, Q1 2021-Q1 2023)



Source: National Statistics Office

Table 1. Key indicators of BoP (USD million, 2018 - 2023)

Key Indicators of BoP /USD million, 2018-2023/						
Indicators	2018	2019	2020	2021	2022	Q1 2023
Current account	-2,206.8	-2,161.7	-674.6	-2,108.4	-2,303.5	237.5
Capital account	92.0	160.8	102.8	114.0	154.2	22.3
Financial account	-2,091.4	-2,677.6	-1,504.2	-1,983.2	-1,644.1	-4.0
Net errors and omissions	-117.8	-223.9	-145.6	-209.4	-222.1	-184.2
Reserve assets	-141.7	452.9	786.9	-221.6	-727.2	79.6

Source: National Statistics Office

Economic overview



Foreign Direct Investment

From 2021 to 2022, the total FDI inflow was 6.1 billion USD. As of the first quarter of 2023, the net inflow of FDI was 593.4 million USD which has increased by 6% compared to the same period of the previous year.

Figure 5. Total FDI inflow (USD million, 2018-2022)

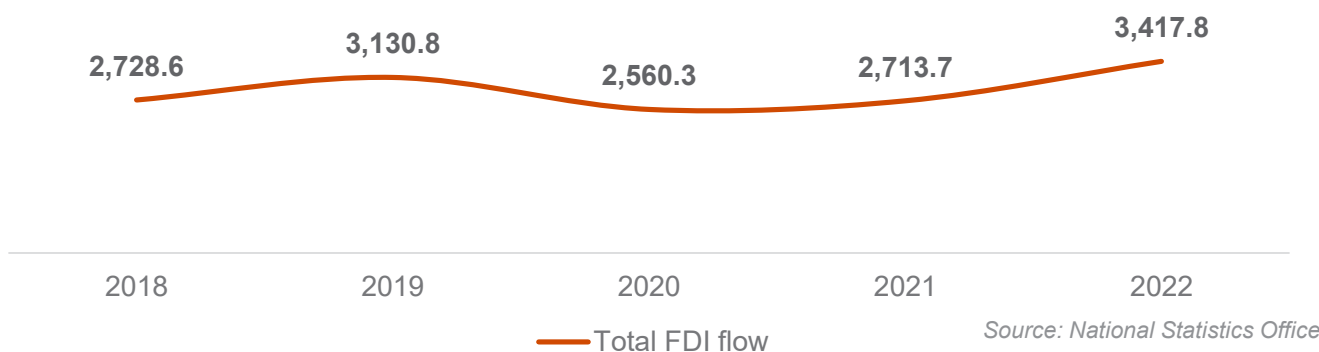
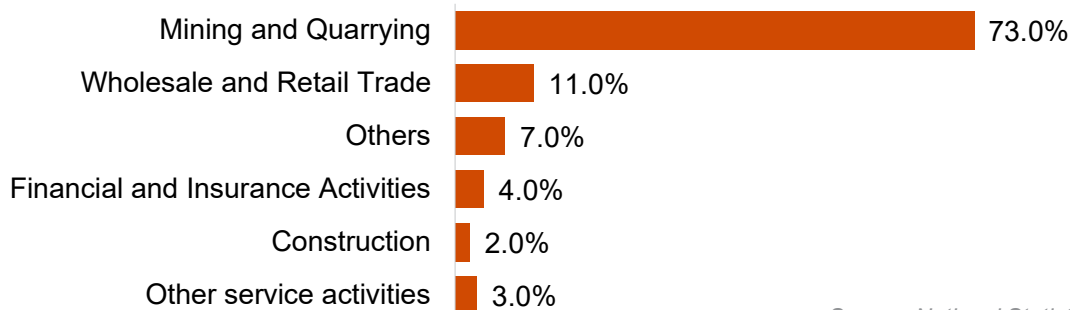


Figure 6. Main FDI by sector (Q3, 2022)

As of Q3 2022, the largest sector of investment remains the mining and quarrying sector.



EU has been the biggest FDI investor followed by Singapore and China in the recent years. As at the first quarter of 2023, EU remains the biggest FDI investor with the total amount of 321.4 million USD.

Figure 7. FDI main source (USD millions, 2022)



An aerial photograph showing a large container ship filled with colorful shipping containers sailing on a teal ocean. In the foreground, the white wing and tail of a large commercial airplane are visible, also flying over the water.

02

Trade and Customs

Trade



Trading partners

Mongolia has traded with over 160 countries worldwide in 2022, but China is historically the biggest trading partner. In 2022, trade with China alone has reached 13.7 billion USD, 64.3% of Mongolia's total trade turnover. The second biggest trading partner is Russia, with Switzerland following.

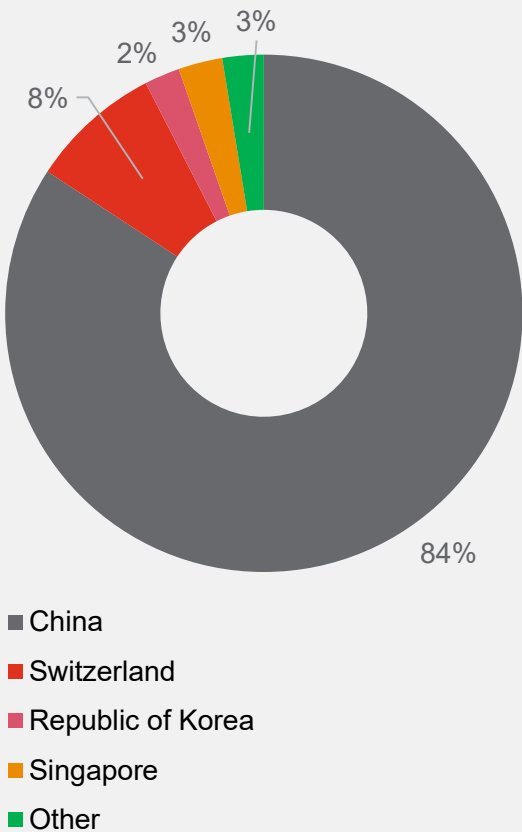
Table 2. Trade (USD million, 2021 to 2022)

	Trade (in USD)	
	2021	2022
Total		
Turnover	16 billion	21.2 billion
Export	9.2 billion	12.5 billion
Import	6.8 billion	8.7 billion

Source: National Statistics Office

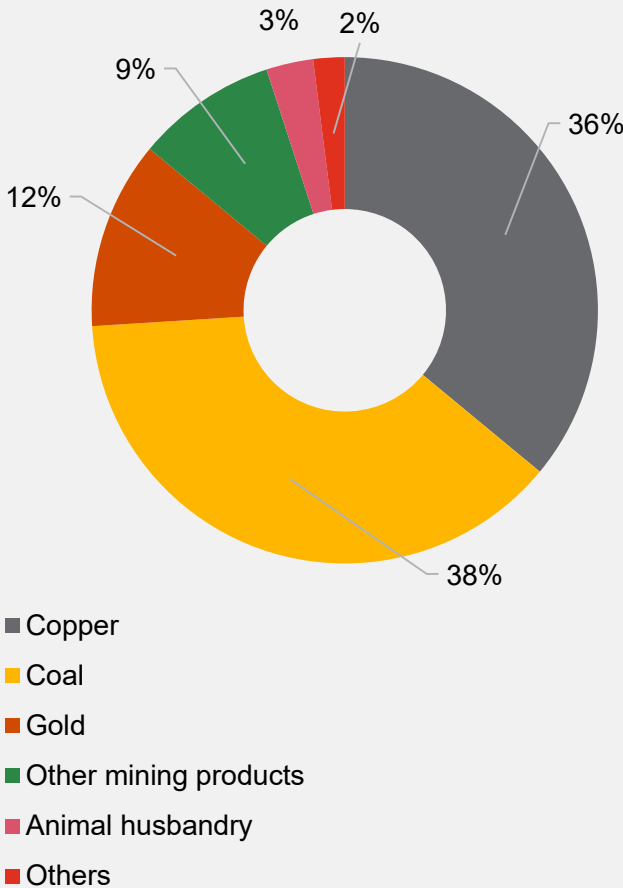
Mongolia's main export partner is China. In 2022, products exported to China accounted for 84% of the total exports. Other main export partners in the recent years have been Switzerland, Singapore, Republic of Korea and UK.

Figure 8. Main export partners (2022)



The majority of the total turnover consisted of mineral and mining products. Exports to China were coal (56.8%) and copper (25.9%) while the main exported good to Switzerland was gold (99.7%).

Figure 9. Export main products (2022)



Source: National Statistics Office

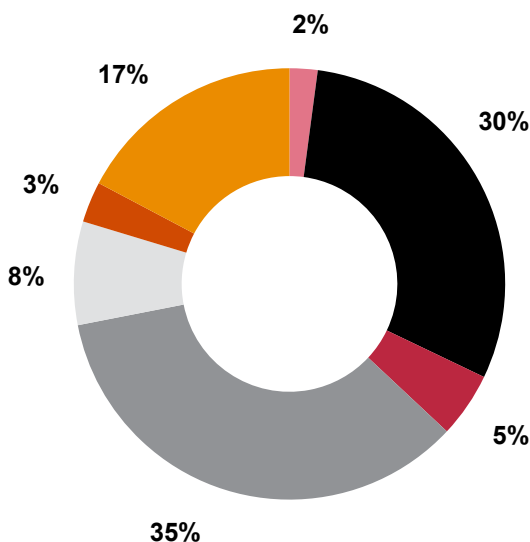
Source: National Statistics Office

Trade



Trading partners

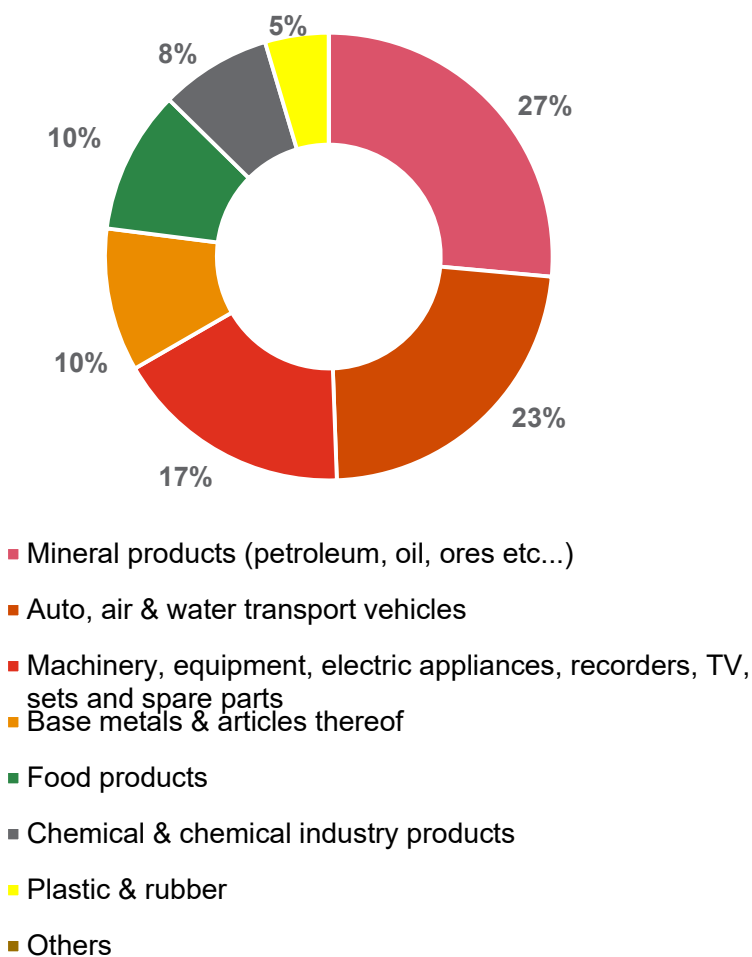
Figure 10. Main import partners (2022)



- Germany
- Russian Federation
- Republic of Korea
- China
- Japan
- USA
- Others

Source: National Statistics Office

Figure 11. Main import products (2022)



- Mineral products (petroleum, oil, ores etc...)
- Auto, air & water transport vehicles
- Machinery, equipment, electric appliances, recorders, TV, sets and spare parts
- Base metals & articles thereof
- Food products
- Chemical & chemical industry products
- Plastic & rubber
- Others

Source: National Statistics Office



Trade



Favorable conditions for trade

Connected to Eurasian transport and logistics network

Working on creating opportunities for cross-border paperless trade

Working to create a transport corridor connecting Asia and Europe through Mongolia

Source: Ministry of Economy and Development

International Trade Treaties

Mongolia is a member of World Trade Organization (WTO) and World Customs Organization (WCO). As a member of WTO, Mongolia applies Most-Favored Nation* (MFN) tariffs to WTO member states and other countries with international treaties.

Asia-Pacific Trade Agreement (APTA)

Mongolia has ratified the APTA on 12 December 2019 which came into force from 1 January 2021. According to the offer list of Mongolia for accession, MFN duty of 5% and Margin of Preference** (MOP) of 10% - 30% apply for 366 types of products listed in the following groups.



147 different types of fishes and other seafoods



Cocoa powder and 6 other products containing cocoa



Maple sugar, maple syrup and other fructose syrup containing products



Natural gas



10 different types of Mining products including gold, silver ores, nickel ores and lead ores



Different types of wood and wooden products



Airplanes and other aircrafts, of an unladen weight exceeding 15.7 kg



Listed heavy machineries

The European Union's Generalized Scheme of Preference (EU GSP+)

In 2005, EU GSP+ status was granted to Mongolia based on the ratification of the international conventions on human rights, labor rights, protection of the environment and good governance. Mongolia enjoyed a preferential rate on trade and tariff from 37 developed countries based on the certificate of origin.

According to GSP+ assessment by EU commission, Mongolia's GSP+ preferential exports to the EU mainly consist of apparel and clothing, furniture and toys, wool and fish. Apparel is the most dominating export good to EU, accounting for 95% of the exports using GSP+ preferences.

Economic Partnership Agreement (EPA) 2015 between Japan and Mongolia

The EPA contains 11 chapters on trade of goods and services, customs procedures, trade facilitation, electronic commerce, investment protection, movement of persons, competition, IP protection, dispute resolution and improvement of business environment.

According to this EPA, Mongolia has agreed to reduce import tariffs on 5,700 types of goods, and Japan has agreed to reduce import tariffs for 9,300 types of goods from 97 groups.

**Normal non-discriminatory tariff charged on imports (excludes preferential tariffs under free trade agreements and other schemes or tariffs charged inside quotas).*

***Percentage of tariffs, by which tariffs are reduced on imports from one contracting parties to another as a result of preferential treatment.*

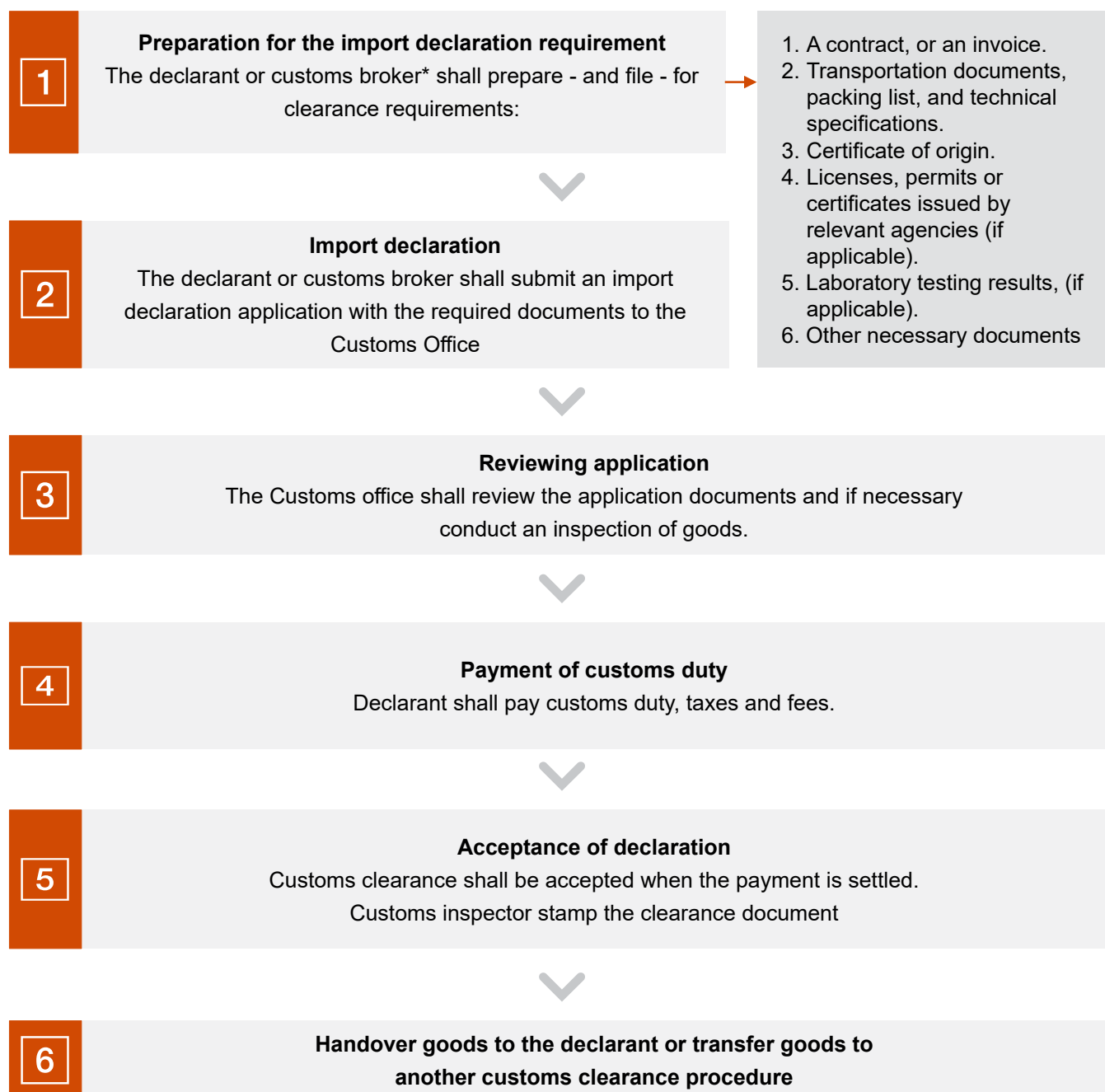
Customs



Customs clearance procedure

The *Law of Mongolia on Customs (Customs Law)* regulates the export and import clearance procedure. Customs declarations are processed through the Customs Portal <https://gaali.mn/>. However supporting documents must be submitted in hard copies with the customs authority.

Importing goods



*According to the Customs Law, the clearance of goods and transportation entering the border may be delegated to a **customs broker or specialists** on a contractual basis. There are 48 licensed customs broker companies assisting declarants on customs clearance process. Visit the Customs Portal at <https://gaali.mn/> for more detailed information on customs brokers and specialists.

Customs



Customs clearance procedure

Exporting goods

1

Obtaining a Certificate of origin

Mongolian National Chamber of Commerce and Industry (MNCCI) is entitled to issue Certificates of Origin. The MNCCI receives from the declarant, or customs broker, electronically filled applications with

- Name and address of declarant.
- Number and date of agreement and invoice.
- HSN code and description of goods.
- Quantity of goods, agreement amount.
- Transport type and route.
- Name of country or port of destination.



2

Preparation for the export declaration requirement

The declarant or customs broker shall prepare, and file, for clearance requirements:

1. A contract, or invoice.
2. Transportation documents, packing list, and technical specifications,
3. Certificate of Origin.
4. Licenses, permits and certificates issued by responsible agencies (if applicable).
5. Laboratory testing results, (if applicable).
6. Other necessary documents.



3

Acceptance of declaration

Customs clearance shall be accepted if there are no issues with submitted materials.
Customs inspector stamps the clearance document.



4

Transport



5

Shipment

The declarant must obtain a license from the respective ministry and pay imposed duty in order to export goods requiring a permit or license.

In such cases, the Customs Authority must conduct the clearance and permit entrance of goods through border, based on the present license/permit and other documents required.

Refer to Appendix 1 to see the full list of products subject to permits/licenses.

Customs



Customs duty exemption

Import duties are levied on the purchase price of imported goods in addition to transportation cost, in general. There are some exceptions. Export duties apply to only certain goods including but not limited to unprocessed wool and wood. Customs duty varies from 5% – 20% depending on the type of goods.

5% – 20%

Customs duty

According to the Customs Law, the following goods and among others are exempt from import tariff



Special purpose equipment for use by people with disabilities, artificial body parts and parts thereof;



Civil aircraft, engine and ground engine, their components, constituent parts, sub-installation area or its spare parts, equipment, and associated devices



Goods of humanitarian and irrevocable assistance (relief goods);



Currencies and Mongolian national bank-notes ordered and produced abroad;



Raw materials, materials, or reagents, which are required for the production of new items (goods) or products intended for domestic or foreign markets according to innovation projects and which are not domestically (locally) produced;



Passenger's personal items;



Blood, blood products, tissues, and body organs (body parts) for medical use;



Reports on petroleum depots and non-traditional petroleum resources, attached materials and samples and petroleum itself;



Fuel gas, gas containers, equipment, special purpose machines, machinery, mechanical appliances and tools or accessories thereof;



Renewable energy research and production equipment, its accessories, and spare parts; and



Imported logs, timber and lengthwise sawn wood as well as seeds, seedlings and saplings of such trees or bushes (shrubs) which are not subject to prohibition;



Equipment and requisites for sports purposes

A low-angle, upward-looking photograph of several tall skyscrapers with glass facades. The buildings are arranged in a way that they converge towards the top of the frame. In the lower foreground, a woman with dark hair tied in a ponytail, wearing a blue jacket, is seen from the side, looking up at the buildings. The sky is a clear, pale blue. A large, semi-transparent orange rectangle is overlaid on the right side of the image, and a dark grey rectangle is overlaid on the left side, both containing text.

03

Labor and visas

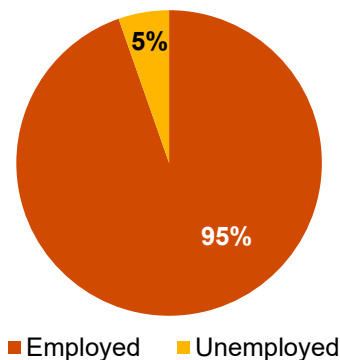
Labor



Labor market

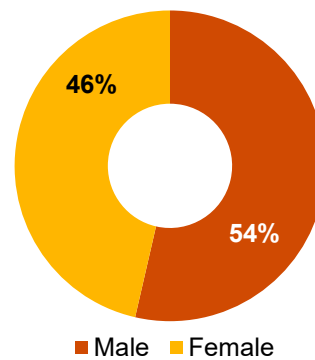
The population of Mongolia is over 3,4 million as of the end of 2022 with high literacy rate. The employed labor force is over 1,15 million among the total labor force, which is 1,2 million. Compared to Q1 of 2022, it has decreased by 1.5%.

Figure 12. Labor force (Q4,2022)



Source: National Statistics Office

Figure 13. Labor force by gender (Q4,2022)



Source: National Statistics Office

5.3%

Unemployment rate,
Q4, 2022

98.7%

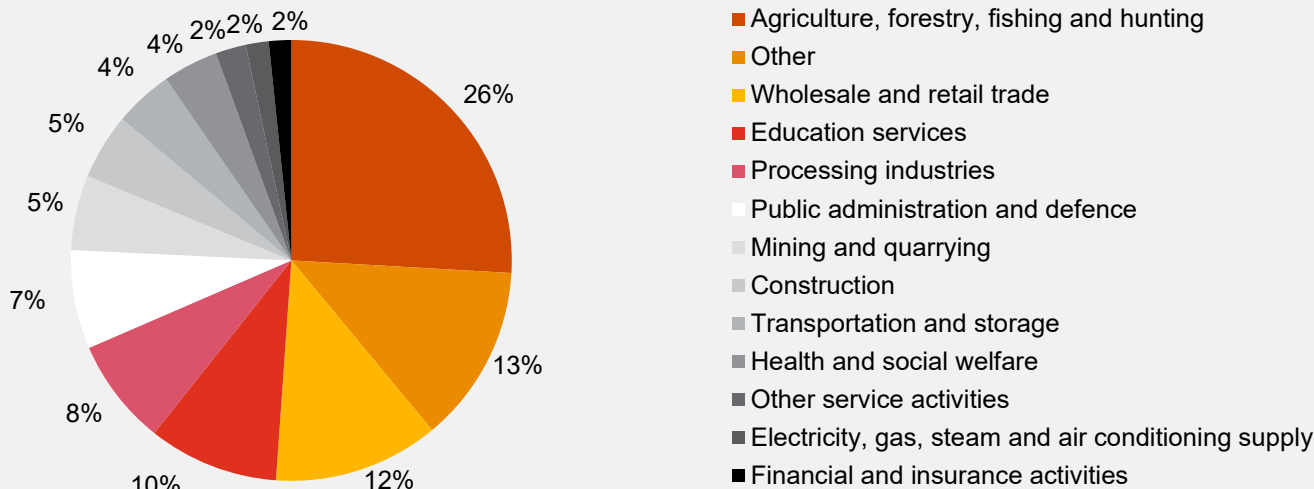
Literacy rate, 2020

54.9%

Labor participation rate,
Q4, 2022

In Mongolia, 26% of the labor force works in agriculture, forestry, fishing and hunting sector. When looking at the sectors with the largest decrease in employees compared to the same period in 2022, the number of employees in the processing sector decreased by 14.4%, in the construction sector by 16.5% and in the transportation and storage sector, declined by 17.9%.

Figure 14. Employment by sector



Source: National Statistics Office

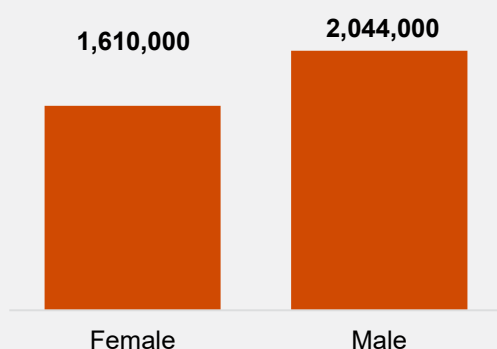
Labor



Labor market

According to the NSO, the average monthly salary as of Q1 of 2023 is 1,830,800 MNT, which is equal to approximately 530 USD. Compared to Q1 of 2022, it increased by 21%. It may have been affected by the minimum wage increase to 550,000 MNT.

Figure 15. Average monthly salary by gender (in MNT, Q1 2023)

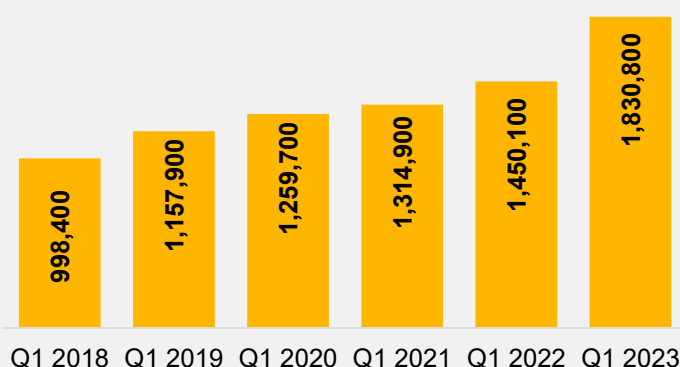


Source: National Statistics Office

1,830,800 MNT (equal to 530 USD)
Average salary

550,000 MNT (equal to 160 USD)
Minimum wage

Figure 16. Average monthly salary (in MNT, Q1 2018-Q1 2023)



Source: National Statistics Office

The highest average salary is observed for plant and machine operators and assemblers which is equal to 2,282,200 MNT (approximately 660 USD). At the same time, the lowest is 887,900 MNT (approximately 260 USD) for skilled agricultural, forestry and fishery workers.

Figure 17. Average salary by occupation (In MNT, 2022)



Source: National Statistics Office

Labor



Regulatory environment

The **Labor Law** was revised and adopted in July 2021 and became effective from 1 January 2022. The Labor Law is the key legislation regulating employment relationships in Mongolia. The Labor Law has a **territorial application** and applies to employment relationships arising from work performed or services provided in the territory of Mongolia.

01

Employment contract type

There are eight types of employment contract, 1) full-time employment contract, 2) part-time employment contract; 3) probation contract; 4) internship contract; 5) apprenticeship contract; 6) employment contract with special conditions; 7) work from home contract; and 8) remote work contract.

02

Employment contract key terms

The employment contract must contain job title, work and duties to be performed as specified in the job description, place of work, remuneration, and working conditions.

03

Employment contract duration

The employment contract can be concluded either for an indefinite term or a fixed term. However, certain conditions apply for concluding fixed term contracts.

04

Probation period

The probation period is up to 3 months subject to potential extension of up to 3 months as agreed by the parties. The key purpose of the probation period is for an employer to test/verify whether the employee meets the requirements of the job position.



Labor

Working hours

The Labor Law sets the standard working hours and overtime limitations.

01

Standard working hours

The standard working hour is 40 hours a week, 8 hours a day.

02

Overtime limitation

Daily overtime is limited for up to 4 hours, and weekly overtime is limited for up to 16 hours.

03

Rest break

An employee is entitled to take an unpaid meal and rest break for 1 hour a day.

04

Long Roster

The long roster schedule is 14 days' work and 14 days' rest and recreation (1:1 ratio). Days can be reduced but the ratio must be kept. Daily working hours can be established up to 12 hours.

Day offs and Holidays

An employee is entitled to take annual leave and days off as per the Labor Law.

01

Annual leave

The minimum annual leave is 15 business days. For minors and employees with disabilities, the minimum annual leave is 20 business days. Depending on the length of employment, additional days are granted.

02

Public holiday

An employee is entitled to take paid public holiday leaves

Table 3. Public holidays list

Public holidays list	Date
New Year's Day	1 st of January
Lunar New Year	3 days (the beginning of the first spring month of the Mongolian lunar calendar)
International Women's Day	8 th of March
Buddha Day	15 th day of the first summer month of the Mongolian lunar calendar
Children's Day	1 st of July
Naadam Festival	10 th to 15 th of July
Republic Day	26 th of November
Chinggis Khan Memorial Day	1 st day of the winter month of the Mongolian lunar calendar
Independence Day	29 th December
Total number of public holidays	16

Labor

Salary

Salary consists of base salary, extra pay, additional pay, bonuses and annual leave salary.

01 Base salary

Base salary is agreed by parties of employment contracts. The base salary must not be lower than the minimum wage.

02 Overtime Work, Night time Work, and Holiday work pay

An employee is entitled to additional pay in case of working overtime, night hours, or public holidays unless time off in lieu is provided. Additional pay is calculated differently depending on the nature of non-standard work as follows: a) 1.5 times the average salary for the overtime work; b) 1.2 times the average salary for the night time work; and c) 2 times the average salary for the public holiday work.

03 Salary payment

Salary shall be paid in national currency.

04 Date of payment

Monthly salary shall be paid in two installments on fixed days.



Labor

Termination

The employment relationship can be ended based on justifications provided by the Labor Law. Generally, both employee and employer are entitled to terminate employment contract.

01 Justification

An employer shall not, without justifiable grounds provided in the Labor Law, terminate the employee's employment. The examples of terminating the employment relationship by employer include repeated disciplinary violations by the employee and liquidation of the company, its branch or unit and among others.

02 Termination notice

A written termination notice must be given at least 30 days in advance if an employer intends to terminate the employment contract based on the justifications provided in the Labor Law. Examples are poor performance, medically unavailable, liquidation of the company etc.,

03 Severance pay

Severance pay must be paid to an employee who worked for at least 6 months with the employer upon termination in case termination is based on redundancy, liquidation, poor performance, medically unavailable or retirement.

The severance pay is equal to from one to four months' base salary, depending on the length of the employee's service.

Parental leaves

01 Maternity leave

Maternity leave for an employee is 120 days, however, leave for mothers who gave birth to twins is 140 days. Maternity benefits are calculated based on the average salary of the last 12 months and paid by Social Insurance General Office for 4 months. During the time of maternity leave, employer is obliged to retain employee's position and pay employer's social insurance contributions .

02 Paternity leave

Paternity leave for new fathers is 10 business days.

03 Childcare leave

An employee with a child under 3 years old regardless of gender is entitled to take a childcare leave until the child reaches 3 years old.



Labor

Prohibition of workplace harassment and discrimination

The equality and the prohibition of discrimination is the fundamental principle of the employment relationship as per the Labor Law.

01

Prohibition of discrimination

In the employment relationship, it shall be prohibited to discriminate, whether directly or indirectly, restrict rights or provide preferential treatment based on nationality, ethnicity, language, skin color, age, sex, social origin, social and marital status, wealth, religion, beliefs, political beliefs, medical condition, pregnancy and/or childbirth, sexual orientation, gender identity and expression or developmental challenge and appearance.

02

Prohibition of harassment

Any type of harassment including verbal harassment, sexual harassment, physical harassment etc. is prohibited in the employment relationship.

Freedom of Association

There are nationwide, sectoral and provincial collective bargaining agreements available. Among these collective bargaining, sectoral collective bargaining agreement is highly significant to businesses.

01

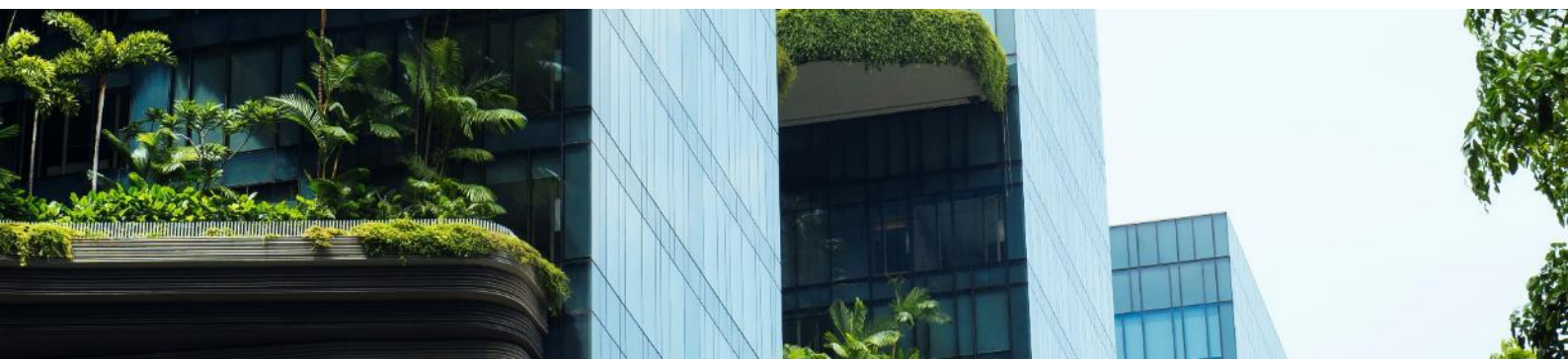
A trade union

A trade union is formed voluntarily by the employees and it aims to protect the interest of employees. Trade union's duty is negotiating collective bargaining with the employer, discussing conditions for mass redundancy and initiating a labor strike in case of the situations stated in the Labor Law.

02

Sectoral collective agreement

There are several sectoral collective agreements in Mongolia which are relevant to energy sector, mining and geological sector, health sector, construction sector, and information and communication sector etc. The sectoral collective bargaining usually sets the higher sectoral minimum wage and more favorable employment conditions for employees working in the respective sector.



Labor



Employment of foreign nationals

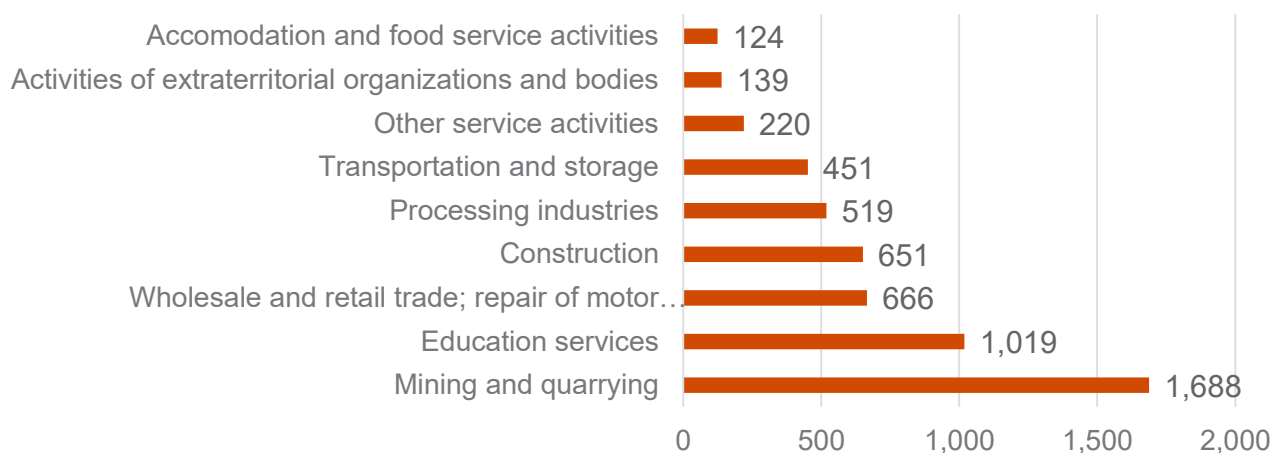
Employment of foreign nationals is regulated by Labor Law, Labor Migration Law and Law on the Legal Status of Foreign Citizens. According to the Labor Migration Law, foreign employees' quota per economic sector is annually determined by the Cabinet. The quota for 2023 ranges from 2-8,000 foreign employees depending on a sector. Total 20,351 foreign employees are expected to work in 2023.

Table 4. Quota for foreign employees in selected sectors

Sector description	Quota for foreign employees
Mining and quarrying	8,000
Construction	3,644
Wholesale and retail trade, repair and maintenance services of cars and motorcycles	2,118
Transportation and warehousing activities	1,642
Electricity, gas, steam, ventilation	1,511
Processing industry	984

As of the first quarter of 2023, 5.7 thousand foreign citizens from 99 foreign countries were working in Mongolia. The number of foreign workers increased by 1.8 thousand (45.6%) from the previous quarter and the largest change is observed in the construction sector by increase of 422 foreign employees (2.8 times).

Figure 18. Number of foreign employees by selected sectors (Q1 2023)



Source: National Statistics Office

In relation to employment of foreign nationals, the local employer is required to pay workplace fee equal to 2 times the minimum wage monthly basis. Furthermore, the local employer is responsible for paying employer's contribution as well as withholding and reporting social and health insurance premiums monthly basis. Please refer to pages 42-43 for more information on social and health insurance contribution and personal income taxes.

Visa



Visas

Mongolian visas are divided into 64 categories in 9 groups, and the below shows the Investment and Work Visa categories.

01 Investor visa (Type B visa)

- ☐ B 1: An investor / shareholder of a foreign invested company;
- ☐ B 2: A person appointed as a investor's representative or an executive management of a foreign-invested company;
- ☐ B 3: A person in charge of managing a representative office of a foreign entity.

02 Work visa (Type C visa)

Work visas are categorized into 11 groups depending on the economic sector. These are 1) construction, 2) science, education and information technology, 3) geology, mining, oil and energy, 4) the financial, economic and legal, 5) culture and sports, 6) production and services, 7) agriculture, 8) health, 9) humanitarian, 10) care and services for household needs and 11) transport sector and transporting export goods. Visas usually are issued within 3 – 5 business days.

To apply for a work visa, local employer/sponsor must obtain a pre-work permit for the respective foreign employee beforehand from the General Authority for Labor and Social Welfare (LSWA).



Work permit

To bring a foreign employee in Mongolia, an employer must obtain a pre-work permit as a first step and it is a prerequisite for applying for a work visa. Once the foreign national arrives in Mongolia, the application for a actual work permit can be submitted. The work permit is granted up to 1 year and can be extended up to 1 year at a time. A copy of an employment contract with the local employer must be submitted to the LSWA among other documents.

**Monthly workplace fee:
2 times the
minimum wage
(~320 USD)**

A work permit (including pre-work permit and the work permit) can be processed through a **Work Permit portal** <https://avah.hudulmur-halamj.gov.mn/#/>. However the portal is not fully functional yet. Therefore upon submission of the work permit application in this portal, the employer is required to submit hard copies of supporting documents with the LSWA. It takes usually 10 business days for issuing a work permit. Upon granting of a work permit, the local employer is required to pay a **monthly workplace fee**, equal to 2 times the minimum wage per a foreign employee. The Cabinet may exempt eligible employers from the workplace fees depending on size and importance of projects or government funded projects by issuing a resolution.



Residency permit / Alien card

Those who obtained a work permit or permanently live in Mongolia are required to obtain a residency permit. An application for a residency permit can be submitted within 21 days from the date of arrival in Mongolia. A residency permit shall be given for the period same as the work permit to a foreign national. For the investor visa, a residency permit shall be given up to 1 year and can be extended for up to 3 years.

A residency permit is processed through **Immigration Portal** <https://eimmigration.mn/> and is usually issued within 10 business days. Submission of the supporting documents in person with the Immigration Authority is required.

Visa



Entering into Mongolia

Foreigners need to obtain a visa in advance in order to enter Mongolia, in general.

A foreign citizen can enter Mongolia as per one of the below options:

Obtaining e-visa or a visa from Diplomatic mission abroad

Option 1

This option is available for visitors applying for:

- a tourist visa (K2),
- a cross-border tourist visa (K3),
- a transit visa (K6)
- a visa for cultural and sport event (K4),

These visas excluding a few can be processed through E-Visa online platform <https://evisa.mn>. Please refer to Appendix 2 list of countries eligible for the e-visa.

Alternatively the above visas can be applied at the Mongolian diplomatic missions abroad or border checkpoints.

***Visa** means the permit to entry the Mongolian border and stay in Mongolia for a certain period, issued by an authorized organization.

****Visa permission** means a document issued by the Ministry of Foreign Affairs to the Mongolian diplomatic missions abroad to grant a visa to a foreigner.

Arrive in Mongolia without a visa

Option 2

This option is applicable for citizens of countries which are exempted from visa requirements subject to certain requirements (if applicable) such as travel purpose etc.,

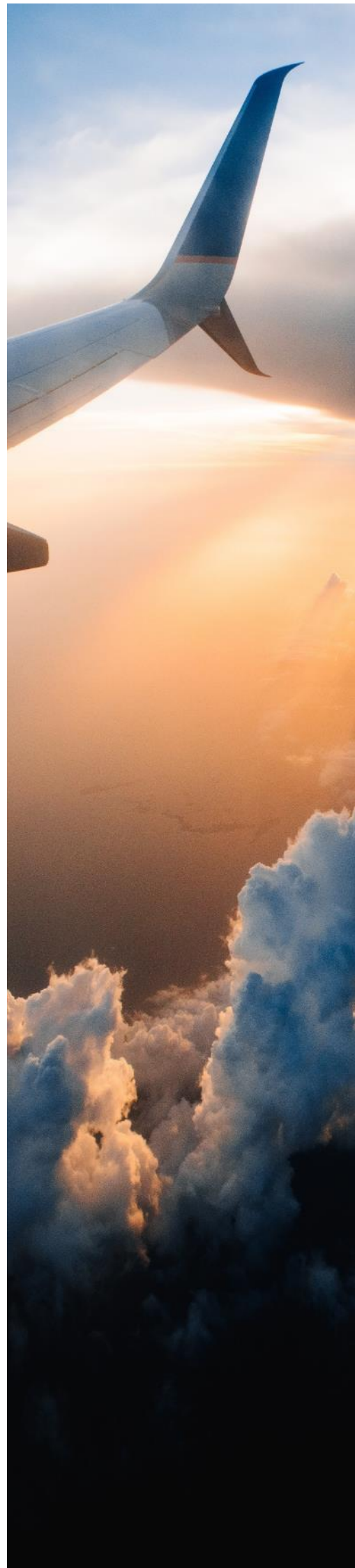
Please refer to the Appendix 3 for the list of visa-exempted countries.

Arrive in Mongolia with visa permission or visa

Option 3

The Option 3 is applicable to those who do not fall under Option 1 and 2 and relevant to majority of visitors (i.e. applicants for Investor visas, Work visas, Business visas, Study visas and others).

Visitors need to obtain a visa permission before collecting visa from the Mongolian diplomatic missions abroad or border checkpoints.



Visa



Visa issuance (Type B visa)

Visa issuance procedure /Investor visa/

1

Application for a Visa permission

Inviting party applies for a type B visa permission through Immigration Portal
<https://eimmigration.mn/>



2

Issuance of Visa permission

Visa permission is usually granted within 3-5 business days.



3

Obtaining a Visa

A visa can be obtained from either the diplomatic mission of Mongolia in a foreign country or Mongolian border port in case a Mongolian embassy or consulate is not present in a country where the investor applied for a visa.



4

Arrive in Mongolia

Inviting party shall register the investor with Immigration Agency of Mongolia within 48 hours via Immigration Portal.

<https://eimmigration.mn/>



5

Obtaining Residency permit / Alien card

Investor is obliged to obtain an Alien card from Immigration Agency within 21 days of arrival in Mongolia.

Required documents for applying for a visa permission:

- Request letter from inviting entity;
- A copy of state registration certificate of the Mongolian entity and license (if any);
- Copy of applicant's passport;
- Investor's e-reference letter from MED; (e-reference letter can be processed through Invest in Mongolia Portal <https://www.e-invest.mn/>)
- Letter of proxy for applying on behalf of their organization and work ID;
- Receipt of stamp duty fee;
- Completed application form

Required documents for applying visa permissions for investors' family members (Visa types: B1-1, B2-1, B3-1):

Inviting party should apply with the Immigration Agency for the family member's visa permission. Following documents are required:

- Request letter from the inviting entity;
- A copy of state registration certificate of the Mongolian entity and license (if any);
- Copy of applicant's passport;
- Copy of marriage, birth or adoption certificates with official translation;
- Letter of proxy for applying on behalf of their organization and work ID;
- Receipt of stamp duty fee;
- Completed application form.



“Family member” means a husband, wife, partner (certified), father, mother, grandfather, grandmother and or children (under the age of 18) of a foreign national.

04

Taxation

Taxation



Overview

Taxes of Mongolia consists of over 20 types of taxes in force. In 2019, the Mongolian Parliament made significant legislative reforms in the tax field to support the economy and businesses and introduced international concepts by adopting the revised versions of the key tax laws. The revised laws became effective from 1 January 2020.

This information has been prepared for general guidance and does not constitute professional advice. Please get professional advice from your tax advisers upon your act.

Major taxes in Mongolia include the following:

- Corporate income tax (CIT);
- Value added tax (VAT) and;
- Personal income tax (PIT).

Mongolia joined OECD's Inclusive Framework on Base Erosion and Profit Shifting Project (BEPS) in December 2017. Consequently, the tax reform reflects some BEPS project recommendations and various international tax concepts including a general anti-avoidance rule, comprehensive transfer pricing, controlled foreign company rules and among others .

Other taxes include the followings:

Immovable Property Tax

Land fee

Air Pollution Payment

Excise Tax

Customs Duty

Stamp Duty Fee

Mining and Exploration License Fee

Mineral Royalty Fee

City tax

Please refer to Appendix 4 for a list of countries concluded a double tax treaty with Mongolia.

26

Double tax treaties



In addition to PIT, Mongolian citizens, foreign nationals, and stateless individuals working under a labor contract or service contract with all types of business entities are subject to a mandatory social insurance contributions.

Furthermore, depending on activities/assets held by a company, it may be also subject to other taxes (such as mining royalty fee, customs duty, vehicle tax, immovable property tax etc.).

Tax audit

From 2020, a tax audit is conducted generally based on the risk assessment criteria in addition to certain cases subject to compulsory tax audits such as the liquidation of a company or validation of VAT refund . A statutory limitation period for tax reassessment, fines, penalties, utilization of a tax credit, tax loss carry forward and validation of the VAT assessment is **4 years**.

Corporate income tax



CIT

Under the CIT Law, taxpayers are classified as resident or non-resident taxpayers. The resident taxpayers are liable for Mongolian CIT from their worldwide income including both income earned in Mongolia and in foreign countries. The non-resident taxpayers are liable for Mongolian CIT from their income which is either (a) earned in Mongolia (such income can be taxed by the non-resident's permanent establishment in Mongolia), or (b) sourced from Mongolia (such sourced income can be taxed by withholding mechanism).

Taxable income

There are the following four categories of taxable income:

- Income from activities (income from business activities, sale of rights, shares and securities);
- Income from property (rent, royalties, dividends, and interest);
- Income from the sale of property (both immovable and movable); and
- Other income.

Tax rates

- **10%** on the first MNT 6 billion on the net income from business activities.
- **25%** on excess profits over the first MNT 6 billion on the net income from business activities.
- **1%** can apply to entities with revenue of up to MNT 300 million. This is not applicable to entities operating in mining, petroleum, alcoholic beverages and tobacco sectors.
- **90%** tax credit can apply to entities with revenue of up to MNT 1.5 billion. This is not applicable to entities operating in mining, petroleum, alcoholic beverages and tobacco sectors.
- **10%** In case there is a tax Ultimate Beneficial Owner (UBO) ownership change as a result of a sale of shares, the transaction is deemed a 'sale of rights' and subject to 10% CIT on a net basis. The tax base for the transaction can be determined either by the share purchase agreement or the value of the associated mining license or land use/possess right. The Ministry of Finance approved the methods for defining the tax base for the sale of rights transactions.

Certain types of income may be taxed at different rates for resident taxpayers:

Table 5. CIT rates for resident taxpayers

Income	Tax rates
Dividends (gross)	5%* / 10%
Royalties (gross)	10%
Interest (gross)	5%* / 10%
Insurance reimbursement (gross)	10%
Gambling, betting games and lotteries (gross)	40%
Sale of immovable property (gross)	2%
Sale of rights (after deducting certain expenses)	10%
Sale of intellectual rights (gross)	5%

**Applicable to interest income earned by a resident taxpayer (who does not hold mineral, radioactive mineral and petroleum exploration and mining license) from debt instrument traded at foreign and domestic market through initial and secondary public offering.*

Corporate income tax



CIT

Depreciation

For tax purposes, depreciation is calculated using the straight line method over the useful economic life of the asset that depends upon the nature of the asset, ranging from 2 years for IT equipment to 25 years for buildings and constructions for the companies except those holding mineral, radioactive mineral, petroleum exploration and mining licenses:

Table 6. Depreciation of assets

No	Group of assets	Useful life (in recent years)
1	Building construction and land improvement	40 for mining companies 20 for other companies
2	Machinery, equipment and manufacturing equipment	20
3	Computer, accompanying equipment, and software	2
4	Intangible asset with defined useful life	Period in force
5	Other non-current assets	10
6	Right of use asset	During the rent term

Losses

- Losses can be carried forward for up to 4 years.
- Limited to 50% of the taxable profit in any year.

Deductible and non-deductible expenses

Table 7. Deductible and non-deductible expenses table

Deductible expenses	Nondeductible expenses
Income-generating activity (it is required to be properly documented and registered in an electronic VAT system)	Any expense not directly relevant to the taxpayer's business activities
	Finance lease payments
	Fines and penalties
Subject to some limits or conditions applicable to certain expenses	Expenses incurred for earning exempt income
	Expenses not supported by primary documents
	Payments from which required taxes are not withheld

Corporate income tax



CIT

Thin capitalization rule

Following three different limits applied on interest expenses under the thin capitalization rule:

- 1) Deductible interest expense incurred on a loan received from the related parties shall be limited to 30% of the EBIDTA (sales revenue minus interest expense, depreciation and amortization);
- 2) Debt-to- 'previously invested capital' ratio of 3:1 applies to a loan received from investors. Interest paid in excess of this ratio will not be deductible and it will be treated as a dividend; and
- 3) For the loan received from a resident taxpayer shareholder individual, interest expense shall not be deductible at all.

Deadline for tax reporting

Depending on the taxable income of a prior year, the CIT reporting frequency is determined as follows:

- Taxpayers with a taxable profit of more than MNT 6 billion report on a quarterly basis;
- Taxpayers with a taxable profit of less than MNT 6 billion report twice a year.
- All taxpayers report annually regardless of their taxable income.

Table 8. CIT reporting deadline

Reports	Payment
Quarterly	20th of the month following the end of each quarter
Semi-annual	20th July
Annual	10th February

Transactions with non-residents

Non-resident taxpayer's service income earned from Mongolia is subject 20% withholding tax under the CIT Law. The 20% domestic withholding tax may be reduced or eliminated by the applicable double tax treaty provided (a) all the supporting documents are in place (this includes a tax residency certificate, issued by the competent authority in a foreign country, plus primary documents relevant for a particular type of transaction), (b) no permanent establishment of the foreign entity is created in Mongolia and (c) a foreign company is a beneficial owner of such categories of income, like dividend, interest etc. Obligation for withholding, reporting and paying such tax rests with the Mongolian customer who provides such income to a non-resident taxpayer.



Value Added Tax



VAT

Mongolia operates the input-output model of VAT. The VAT withholder deducts the VAT paid on its inputs from the VAT charged on its sales and accounts for the difference. If output VAT exceeds input VAT, the difference is paid to the tax authorities. Otherwise, it is subject to refund (if eligible) or could be carried forward to offset future liabilities.

Taxpayer

A VAT withholder is a legal entity whose sales revenue from business activities has reached 50 million MNT or over with the following activities:.

- sold goods, work and services in Mongolian territory;
- imported goods, work and services;
- exported goods, work and services.

VAT registration can be mandatory or voluntary. The threshold for mandatory registration is MNT 50 million of VATable income received during 12 consecutive months, while for voluntary registration, the threshold should reach 20% of MNT 50 million.

VAT rate, base and imposing timing

Table 9. VAT base and rate

VAT rate	VAT base	Imposing timing
10%	<ul style="list-style-type: none"> • VAT base is the fair market value of the goods sold, work performed, or services provided. • According to the Law on Customs Tariffs and Duties, VAT imposed on imported goods, should include customs duty, excise tax and other such taxes on the customs value of the goods. 	<p>VAT will be imposed at the earliest of the following events:</p> <ul style="list-style-type: none"> • the day when the seller receives revenue for goods, works and services; • the day when the payment receipt has proceeded for sales of goods and rendered services; • the day of purchase of goods, works and services. <p>Thus, output VAT is imposed on earlier cash or accrual basis.</p>

Zero rate

VAT zero rate applies to the followings goods, works and services:

- Export sales of goods;
- International transportation services;
- Services provided outside of Mongolia;
- Services provided to a foreign citizen or legal entity not present in the territory of Mongolia during the provision of services;
- Services provided to domestic or international aircrafts conducting international flights;
- State medals and coins produced domestically;
- Export of final mining products.

Deadline for tax reporting and payment

Return	Deadline	Payment
VAT return	10 th of the month	10 th of the following month

Transactions with non-residents

10% Reverse Charge VAT ("RCVAT") shall apply for works and services received from a non-resident. In addition, goods shall be taxed with the RC VAT. If imported goods were not subject to customs clearance.

Value Added Tax



VAT

VAT exemptions

Table 10. VAT exemptions

Goods, exempt from VAT	Services, exempt from VAT
<ul style="list-style-type: none"> • special purpose appliances, equipment and machinery designed for disabled individuals; • civil aviation aircraft, engines and ground engine, their parts, components, sub-assemblies, spare parts, equipment and related tools; • gas fuel and its container, equipment, special purpose machinery, mechanisms and appliances; • gold sold; • exported mining products other than those zero-rated; • grain, potato, vegetable, plant and fruit that are domestically grown and sold by farmers • domestically produced flour; • processed meat; • processed milk and milk products; • equipment and spare parts produced and sold in Mongolia for use in small and medium enterprise's production lines; • raw materials, reagents that are not produced domestically, and required for carrying out production of new goods and products within innovation project for domestic and foreign markets; • imported wood, logs, sawn timber, timber and semi-finished lumber; • exported raw, washed and processed wool and leather; • research study and production equipment, its spare parts of renewable energy etc. 	<ul style="list-style-type: none"> • foreign currency exchange services; • banking services related to the receipt, transfer of money, issuance of guarantee and payment invoices, notes and savings accounts; • insurance, insurance intermediary and reinsurance and property registration services; • services for issuing, transferring and selling securities; • provision of the loan; • services in respect of payment for a bank or financial lease interest, dividend, credit guarantees or insurance contract; • medical services; • tour operator services; • virtual asset services; • renting of residential accommodation etc.



VAT refund

In order to get a VAT refund, a VAT withholder shall submit its tax refund request to a corresponding tax office when doing VAT reconciliation and submitting tax return. The tax office shall check and confirm the entitlement as per the VAT Law. After this, the tax office shall submit the proposal for a tax refund disbursements to the State Treasury.

The State Treasury should then remit money to the applicant's bank account within 45 business days after receiving all documents from the tax authorities. The VAT Law allows that instead of an alternative to a cash refund, offset such VAT refund against the future VAT or other tax liabilities (except RC VAT).

Personal Income Tax



PIT

The PIT Law regulates relations concerning imposing tax on income of individuals, transferring thereof to the budget, and reporting.

Taxpayer

Resident taxpayer

- stayed in Mongolia for more than 183 days within a consecutive 12-month period, or
- earned more than 50% of their taxable income is sourced from Mongolia.

Nonresident taxpayer

A nonresident taxpayer is subject to personal income tax on income earned from Mongolia.

If applicable, individual taxpayers can utilize the benefits of the double tax treaties as well.

Tax rate

All direct and indirect income received through employment or its related activities are subject to the following PIT rates:

Table 11. PIT rate

Income (MNT)	Rates for resident taxpayers	Rates for nonresident
0-120 million MNT or (0-10 million MNT per month)	10%	20%
120-180 million MNT or 10-15 million MNT per month	12 million MNT + 15% on income exceeding 120 million MNT	
More than 180 million MNT or more than 15 million MNT per month	21 million MNT + 20% on income exceeding 180 million MNT	

In Mongolia, other types of income may be taxed at different rates for resident taxpayers:

Table 12. PIT rates for resident taxpayers

Income type	Resident rates
Business and professional income	10%
Income from property, i.e. dividends, royalty, interest, capital gain from the sale of securities/stocks	5% */ 10%
Sale of immovable property (gross)	2%
Income from scientific, literary artistic works, inventions, products; designs and useful designs (gross)	5%
Designs and useful designs (gross)	5%
Income from sports competitions, art performances and similar income (gross)	5%
Income from betting games, gambling and lotteries (gross)	40%

** imposed on income of interest or dividend earned in connection with the particular shares, unit trusts and bonds sold openly at the foreign and domestic primary or secondary market*

Withholding tax

Employers and other legal entities that provide income to individuals are defined as tax withholders. Tax withholder is obliged to withhold a tax from employment income, interest, dividends, royalty income and social insurance contribution.

Deadline for tax reporting

A quarterly report of tax withheld is required to be submitted by the 20th of the first month of the following quarter, and the annual tax report is by February 15th of the following year. An Individual is obliged to submit an annual tax return for the income not covered by withholding by February 15th following the end of the tax year.

Social and Health Insurance



Social and Health Insurance

Social and health insurance contribution is mandatory for both employer and employee. Furthermore, It is applicable for non-residents too. The base for accruing compulsory social and health insurance contribution is **1)** wages and allowances provided as per the Labor Law or **2)** remuneration under services or work contracts.

The Social insurance fund provides pensions and benefits including maternity allowance, sickness allowance, occupational accident allowance, unemployment benefits and pensions to employees.

Social and health insurance contribution rates

The employee's social and health insurance contribution rate is 11.5%. However, the maximum social and health insurance contribution of employee is capped at MNT 632,500 per month.

An employer's social and health insurance contribution rate per employee is 12.5% - 14.5% from the gross salary of the employee depending on the business sector and there is no cap. Furthermore the employer is obliged to deduct an employees' portion of social insurance contribution from an employee's monthly gross salary and pay it to the Social Insurance Fund. Details of social and health insurance contributions are shown below: .

Table 13. Social and health insurance contribution rates

Type of insurances	Employer rate	Employee rate
Pension	8.5%	8.5%
Benefit	1.0%	0.8%
Health	2%	2%
Industrial accident and occupational disease	0.8% – 2.8%	
Unemployment	0.2%	0.2%
Total	12.5% - 14.5%	11.5%

Deadline for reporting and payment

Return	Deadline	Frequency	Payment
Social and health insurance return	5 th of the following month	Monthly basis	within the reporting month



A low-angle, upward-looking photograph of several modern skyscrapers against a clear blue sky. The buildings are made of glass and steel, with their lines converging towards the top of the frame. The perspective creates a sense of height and scale.

05

Company incorporation and operation




Company incorporation



Establishing a legal presence in Mongolia

In Mongolia, foreign investors conduct their activities by acquiring new or existing company shares or establishing their legal presence. The most common types of establishments by foreign investors are a foreign-invested limited liability company, a representative office or a permanent establishment.

Table 14. Comparison of common types of legal establishments

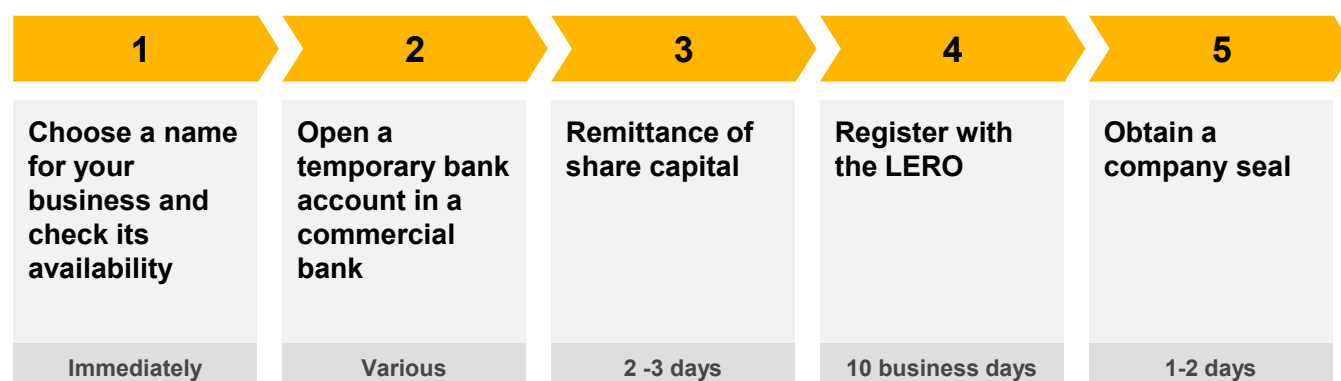
			
Category	Foreign-invested limited liability company	Representative office	Permanent establishment
Governing law for registration	Legal Entities Registration Law	Legal Entities Registration Law	Corporate Income Tax Law
Type of corporation	Domestic	Domestic	Foreign
Legal status	Legal entity for profit	Not an independent legal entity	Not an independent legal entity
Founders	Shareholders	Foreign entity	Foreign entity
Company name	Chooses freely depending on availability	Must be identical to that of a parent company	Must be identical to that of a parent company
Scope of business activities	If applicable, a license/permit should be obtained after incorporation	Profit making operation is not allowed	licenses/permits cannot be granted
Terms of state registration	Indefinite	2 years (subject to extension for every 2 years)	Not certain
Share capital requirement	USD 100,000 per investor	Not applicable	Not applicable
Legal liability	Liability limited	Liability extends to the head company	Liability extends to the head company
Loans	Available subject to banks' requirements	Not available	Not available
Financial statements and CIT filing	Mandatory	Not applicable	Mandatory
Tax benefits	Available subject to requirements	None	Available subject to requirements
Sponsoring visas/work permits of foreign employees	Possible	To the limited extent	Not possible
Registration authority	Legal Entities Registration Office (LERO)	LERO	Tax authority

Company incorporation



Incorporation procedure

The incorporation of a limited liability company (LLC) in Mongolia is required to be registered with LERO. The registration procedure with the LERO takes 10 business days. After establishing an LLC, it is mandatory to register with respective tax and social insurance offices. A foreign-invested LLC incorporation procedure is as follows:



Considering the preparatory stage (preparation and formalization of the required documents) and post-registration actions (collection of the registration certificates from the LERO), the incorporation of the LLC usually takes about one month.

Documents

List of documents required for establishing an LLC in Mongolia:

- Application forms;
- Name verification sheet of a company;
- Receipt of paying state stamp duty fee (MNT 750,000 (approx. USD 220) for a foreign-invested company);
- Founding resolution and meeting minutes (if it has two or more shareholders);
- Charter;
- Shareholders Agreement (if it has 2 or more shareholders);
- Document proving the official address of the company (it can be a copy of a certificate of immovable property or lease agreement);
- Evidence of investment (for the foreign-invested company, the minimum share capital amount is 100,000 USD per foreign investor);
- Passport copy of shareholders, ultimate beneficial owners and executive director; and
- Power of attorney (where an authorized representative files an application).

If the required documents are executed in a foreign country, they must be apostilled. Please refer Appendix 5 for a list of signatory countries of the Hague Convention (Apostille Treaty). In the case of non-signatory nations to the convention, a legalization of documents at the Mongolian diplomatic mission abroad is required.

Company incorporation



Incorporation procedure

1

Choose a name for your business and check its availability

A name of the company must be verified with the LERO. Name verification can be processed through E-Mongolia <https://e-mongolia.mn/>. In general, a company name cannot sound similar to existing names of other legal entities or otherwise cause confusion.

2

Open a temporary bank account in a commercial bank

LLC is required to open temporary bank accounts for the purposes of transferring the share capital contribution. A temporary account should be opened at a local commercial bank by submitting:

- document certifying the name confirmation letter from the LERO;
- incorporation decision (founding documents);
- passport copy of the foreign investor and other founders.

It is worth noting that the documents required may vary by bank.

3

Remittance of share capital

Investors need to wire-transfer the share capital to a temporary account of a local commercial bank in Mongolia. For more detailed information about remittance, please refer to the next page.

4

Register with the LERO

The LERO processes the application for incorporation within 5 business days. Please refer to page 46 for the documents requirements. The incorporation application is filed in person at the LERO. However it is expected that E-Business platform will provide full scope registration services once it becomes a fully operational.

5

Obtain a company seal

A LLC arranges for production of its corporate seal, indicating its name, location and registration requisites.

Post registration actions

After incorporating a foreign-invested company, it is mandatory to register with the respective tax and social insurance offices. The following key documents are required for the registration:

- An official request;
- A copy of the state registration certificate, and charter;
- A passport copy of an executive director; and
- A power of attorney (authorizing an authorized representative to apply).

Changes related to the registration of a company

Companies in all forms are required to notify and register changes of certain corporate information of the company with the LERO within 15 business days from the date of relevant decision.

Examples of information changes:

- Where share capital amount is changed by transfer of equity shares by an investor or capital reduction;
- Where the company name, business activity, and company address are changed;
- Where the ultimate beneficial owner information is changed; and
- Where the shareholder is changed etc.

Remittances



General information on remittances

The Investment Law provides foreign investors with the right to repatriate their legitimate income and profits abroad. Consequently, they are entitled to convert money into any foreign currency, and Mongolian law does not impose any foreign exchange controls. Mongolian national currency, the togrog (MNT), is fully convertible into an array of international currencies. There are no problems converting or transferring funds aside from occasional, market-driven shortages of foreign reserves.

Under the Law on Settlement of Payments in National Currency (2009), prices of goods, works, and services traded in Mongolia's territory denominated and paid only in the national currency unless exempted by the BoM. However, if one of the contracting parties is a foreign entity, the contract price can be denominated in a foreign currency. The FRC is a responsible authority overseeing the implementation of the aforementioned law.

In practice, there are no chronic, government-induced delays in remitting investment returns or receiving inbound funds, although challenges with correspondent-banking relationships sometimes slow remittances. The low-value transactions with the amount of less or equal to MNT 5 million are completed in real-time (24/7), and high-value transactions amounting to more than MNT 5 million are completed within business days, a week at their longest. However, occasional currency shortages, mostly US dollars, may cause commercial banks and the central bank to limit transfers temporarily.



Company operations



Licenses and permits

In Mongolia, a company may undertake business activities freely unless a certain activity is prohibited by law or subject to a license or permit according to the *Permits Law* (2022). The *Permits Law* aims to regulate all licenses and permissions under one piece of legislation, to the effect that business activities that require a license or a permit are listed under Paragraphs 8.1 and 8.2 of the *Permits Law*, respectively. In general, licenses and permits can be granted to Mongolian registered companies that meet the respective requirements; except a few cases stated in the *Permit Law*. The law prohibits creating or requiring new types of licenses or permits by state authorities. That is, unless an amendment is made to the *Permits Law* after being discussed and recommended by a council consisting of representatives of the state authorities, private sectors, and non- governmental organizations. Licenses and permits cannot be transferred unless otherwise provided by laws.

The *Permits Law* does not apply to issuance of the following rights/permits:

- Land ownership rights.
- Visas and immigration-related permits.
- Intellectual property rights.
- Permits required for organizing meetings, gatherings, demonstrations and other public events.
- Establishment of churches or other religious organizations (RO) or branch of an international or foreign registered NGO.

The *Permits Law* classifies all permits - depending on their purpose, terms and conditions, characteristics of business operations, and risk level – as a licenses or permit as follows:

License:

The *Permits Law* provides a list of business activities that requires a license classified by economic sector, and the authority competent to grant such a license:

- Activities that pose a risk to national security, public interest, public health, environment or financial stability.
- Professional activities requiring special conditions and terms.
- Activities requiring limited use of natural resources and public property for profit and industrial purposes.

Permit:

The *Permits Law* provides a list of permits required for business activities enabling a business owner to check whether its activity is subject to certain permits in Mongolia:

- One-off activities.
- Additional activities to be conducted based on a license.
- Activities requiring limited use of natural resources and public property for household purposes.

Terms of licenses and permits:

With regards to the terms, unless otherwise provided by the law specifically governing a certain industry, a license will be granted for at least five years and a permit for at least three years where they are extendable for the period equal to their original term, in general.

Company operations



Licenses and permits

The majority of licenses can be issued or extended via the License MN portal. A few permits can be processed via other Government initiated electronic platforms. Please refer to page 74 for details.

General procedure of granting and extending license and permit proceeds as follows:

1 Review of completeness of the application documents: 2 business days for both the license and permit	3 Extension of verification period: 5 business days for both license and permit
2 Verification whether the permit applicant meets the requirements: 10 business days for a license and 5 business days for a permit	4 Decision on whether to issue: 5 business days for both license and permit



Information on land/buildings permits and acquisition

Building permits

Building and construction activities are subject to several licenses and permits in Mongolia. Construction licenses will only be issued to entities which are established in Mongolia. Importantly, if the applicant is a foreign-invested company (i.e. more than 25% of the shares are held by a foreign company), the Construction Law (2016) requires that the parent company holds a construction license in the foreign jurisdiction.

In general, the following activities may only be undertaken with a license under the Construction Law and Permits Law (2022):

- preparation of construction design/drawings;
- execution of construction works;
- manufacture, installation and maintenance of lift facilities and their parts; and
- manufacturing of construction materials.

The Construction Law classifies building facilities into five categories, depending on their complexity which is further regulated by the Procedures for Determining the Purpose and Capacity of a Construction Complexity Classification (2021) approved by the Minister of Construction and Urban Development.

- building facilities which do not require a license;
- building facilities with less complexity;
- building facilities with medium complexity;
- building facilities with high complexity; and
- building facilities with exceptional complexity.

To obtain a construction license, a legal entity is required to satisfy several requirements depending on the scope of work to be undertaken such as:

- depending on the scope of work to be undertaken;
- having a certain number of qualified engineers that meets the requirement (construction engineer and labour and safety engineer); and
- technical staff with the requisite experience depending on the type of construction work.

To perform the design and construction of the building in Mongolia, a company may need to obtain the following key licenses and permits as applicable:

- Construction design license;
- Construction work license;
- Construction design approval, technical specifications, and evaluation report; and
- Permit for construction works.

It is worth noting that the aforementioned licenses and permits are only the key licenses and permits rather than an exhaustive list. The comprehensive list of all required permits and approvals shall be subject to the technical specifications and details of the scope of work and other project specifics

Company operations



Land permit

The Land Law (2002) establishes regulations for key state authorities, criteria for obtaining land rights, and the terms and conditions associated with acquiring those rights.

There are three types of land titles as set out below:

Table 15. Comparison of land titles

	Ownership rights	Possession rights	Use rights
Eligible to	Mongolian citizens	Mongolian citizens who are 18 years old and above, locally invested legal entities	Foreign legal entities, international organizations, foreign citizens, stateless persons, and foreign-invested business entities
Duration	Indefinite	For 15 – 60 years, can be extended once for up to 40 years	Cabinet determines the tenure by issuing a resolution
Transferable	Yes	Yes	No
Pledge	Yes	Yes	No
Lease	Yes	Yes	No
Registration	Local governor's office	Local governor's office	Local governor's office

Therefore, Foreign investors may acquire a land use right based on a land use agreement, which is established through either an auction or project selection procedure.

General content of the standard land use agreement:

- Location, purpose, and size of the land to be used.
- Land fee payment terms such as the amount and date of the payment and the relevant bank account the fee should be made;
- Rights of the land user such as to use the land, to receive a state registration certificate on the land use right, and the entitlement to extend the land use certificate based on compliance with the agreement;
- Obligations of the land user such as timely payment of land fees, a relevant penalty that may be imposed concerning the non-payment and other obligations set out in the relevant laws (i.e. the Environmental Protection Law);
- Obligations of the landowner (the state), such as ensuring compliance with recommendations (made in the environmental impact assessment, environmental protection measures, and hygiene-related requirements) and obtaining required permissions from relevant authorities before commencement of construction works, etc.
- Rights of the landowner, such as terminating the agreement according to the law;
- Regulation of property rights regarding the land;
- Other relevant provisions such as governing the law, the validity of the agreement, period for reporting, and reviewal of the performance of the land use agreement

Company operations



Land permit

General procedure to obtain land use right

The general process to obtain land use rights involves two scenarios. If the land in question is already owned or possessed by someone else, a company must establish a land lease agreement with the relevant person to lease the land. If the land is not already owned or possessed by someone else, the issuance of a land use right must comply with the land management plans at the administrative unit level. In this case, there are two options to obtain the land use right:

1. Project selection

Entities must submit a request to the respective land office to obtain the right to a specific land area for project development, in accordance with the land management plan. The project selection working committee will decide which project will be granted the land use right (if multiple candidates have requested the same land area for different projects). The land will be acquired and used through project selection; for projects and programs to be implemented with state budget investment, or grants and soft loans from foreign countries and international organizations. If the submitted projects meet the criteria, the project selection working committee shall consider the project's importance to the local community and economy, and its environmental impact.

2. Auction

The relevant administrative unit organizes an auction, publicly announcing the opportunity to obtain the land right. Mongolian citizens, legal entities, organizations, foreign citizens, foreign legal entities and stateless persons are allowed to participate in the auction, and the winning bidder will be granted the land right. The auction can be organized in person or online (<https://mle.mn/>). Once the official procedure is completed, the governor at the relevant administrative level concludes a land agreement with the winner of the auction. The winner of the auction shall pay the auction price in full within 14 days from the date of signing the land agreement. Upon payment of the land fee, the local governor will issue a resolution granting the land title.



Company operations



Important environmental regulations

Land Fees Law (1997)

The Land Fees Law mandates the payment of fees by individuals, entities, and organizations who possess or use land. Its purpose is to regulate the payment of these fees to the state budget.

Environmental Protection Law (1995)

The Environmental Protection Law aims to establish regulations governing relationships between the state, citizens, business entities, and organizations. The law:

- guarantees the right of individuals to live in a healthy and safe environment,
- promotes ecologically balanced social and economic development,
- protects the environment for current and future generations,
- ensures the proper utilization of natural resources, and
- encourages the restoration of available resources.

The law specifically applies to business entities operating in land, energy, and construction sectors, where the environment and natural resources are impacted.

Under this law, legal entities have several key obligations concerning environmental protection, including but not limited to the following:

- compliance with environmental laws and governmental decisions,
- adherence to environmental standards and procedures,
- maintenance of records on toxic substances and waste discharged into the environment,
- reporting on measures taken to mitigate harmful impacts, and
- budgeting for environmental protection and rehabilitation costs.

Water Law (2012)

The Water Law establishes regulations and defines a regulatory framework for the protection, usage, and rehabilitation of water sources and water basins. All business entities utilizing water in their production or operations are obliged to comply with the provisions outlined in the Water Law.



Company operations



Important environmental regulations

Waste Law (2017)

The *Waste Law* regulates various aspects of waste management, including reduction, sorting, collection, transportation, and preventing negative impacts on human health and the environment. The law promotes the economic circulation of waste, conservation of natural resources, public education on waste management, and the prohibition of storage, reuse, recycling, destruction, export, import, and transboundary movement of hazardous waste.

Environmental Impact Assessment Law (2012)

The Environmental Impact Assessment Law provides a framework and general guidelines for conducting environmental assessments. It addresses issues

- environmental protection,
- prevention of ecological imbalances,
- sustainable use of natural resources,
- assessment of environmental impacts, and
- decision-making processes for initiating projects to the following:

Under the Environmental Impact Assessment Law, the following assessments are required under the following conditions:

The law sets out requirements and procedures for the following:

- project screening,
- conducting environmental assessments, and
- review processes.

Table 16. Environmental impact assessment types

Assessment types	Conditions
1. Environmental strategic assessment	The state authority shall conduct an environmental strategic assessment during the development of the policy document and development plan.
2. Assessment of the state of the environment	The assessment of the state of the environment is required to be conducted before the implementation of projects including factories, mining, and building construction. This assessment shall be conducted for the purposes of determining the characteristics of natural conditions and environment to be considered in the development of projects, programs, plans, and policies during the development of the technical and economic planning documents and blueprints of any project, development programs and plans implemented at the national, regional, and industry levels.
3. Environmental impact assessment	There are two types of impact assessment: <ul style="list-style-type: none"> • general environmental impact assessment, and • detailed environmental impact assessment. The general impact assessment is required to be conducted before the implementation of a project on the use of natural resources, exploration and use of oil and minerals, acquisition of rights to own and use the land for agricultural purposes. It includes a conclusion on whether the detailed impact assessment is required.
Cumulative impact assessment	The central state administrative organization in charge of environmental issues shall carry out the assessment of projects implemented by citizens, enterprises, and organizations in certain regions and basins, with the participation of authorized professional organizations.

Company discontinuation

A company can be liquidated according to a decision of the shareholders or a decision of the court in the framework of a bankruptcy proceeding.



Bankruptcy

If a company is unable to fulfill its obligations to the amount equal to the higher than 10% of its equity by the deadline specified in the law or contract, it is considered insolvent and may be closed upon bankruptcy proceedings through the courts based on the following grounds in accordance with the Bankruptcy Law (1997).

In general, a bankruptcy proceeding can be initiated on the following grounds:

- the creditors submit a claim to start bankruptcy proceedings, or
- the debtor has declared its inability to meet the contractual obligations and file bankruptcy.



Voluntary liquidation

In the case of voluntary liquidation, the company's shareholders will need to pass a resolution approving the liquidation among others, and appoint a liquidation committee. The resolution must be approved by the overwhelming majority of the shareholders. The company is required to inform the LERO within 15 business days from the approval date of the resolution. The liquidation process typically takes a minimum of 12 months or longer and involves a final tax inspection.

The general process of liquidating a company is not too cumbersome (provided that the company does not have any tax debts) as set out below:

1

Appointment of a liquidation committee

The shareholders shall issue a resolution to liquidate a company and appoint a liquidation committee.

2

Notice to the LERO

A company shall submit a written notice with the LERO within 15 business days from the date of the resolution.

3

Notice of liquidation

The liquidation committee must publish a notice of liquidation to the public, and a written notice is also required to be given to the creditors.

4

Notice of liquidation

The liquidation committee must publish the license; a written notice is required to be submitted to the respective authority that issued the license.

5

Liquidation balance sheet

Once the period for creditors to present their claims is expired, the liquidation committee shall prepare a liquidation balance sheet.

6

Deregister with the tax and social and health insurance (SHI) authority

A written notice shall be submitted to the tax authority and SHI authority. Based on the notice, a tax audit can be initiated.

7

Distribution of surplus assets

The liquidation committee shall distribute surplus assets to shareholders in proportion to the number of shares held by each shareholder.

8

Deregistration with the LERO

The liquidation committee shall submit a deregistration application with the required documents with the LERO. The LERO publishes the deregistration on its website



06

Investment legal environment

Investment law and regulations

The key legislation regulating foreign investment in Mongolia is **the Investment Law (2013)** sets out a legal framework and regulates, among others, the protection of the interest of investors, legal protection of investors, provision of tax and non-tax incentives to investors as well as rights and obligations of government authorities and investors.

Under the Investment Law, an investor means both a domestic investor and a foreign investor, the latter of which is defined as a foreign person, legal or natural person (a citizen of a foreign state or stateless person who does not permanently reside in Mongolia or a Mongolian citizen who resides permanently in a foreign state), investing into Mongolia.

The Investment Law recognizes the following types of investment by an investor:

- » Establishment of a legal entity solely or jointly with other investors
- » Purchase of shares, bonds, and other types of securities
- » Merger and acquisition
- » Implementation of public and private sector partnership projects and entering into a production sharing agreement, marketing agreement, management agreement, and other types of agreements
- » Financial lease and franchise
- » Other forms of investment that are not prohibited by law

Furthermore, the Investment Law sets out common protections for investors which include important protections such as a prohibition on the illegal seizure of investors' properties in the territory of Mongolia, protection of intellectual property rights, eminent domain (investors' properties can be expropriated only based on public interest as per the legally established procedure with full repayment) as well as repatriation of profits out of Mongolia through dividends, liquidation proceeds, profit from the payment of license fee and use of intellectual properties, interest and loan payment among others. Please refer to page 48 and 64 for details of "remittance" and "investor protection"

Whilst incentives, opportunities and protections under the Investment Law apply to both domestic and foreign investors, some requirements may differ for foreign investors including:

- **Minimum capital investment requirement** – each foreign investor will need to invest a minimum of USD 100,000 into a Mongolian registered company if the foreign investor is to hold 25 percent or more of the issued shares in the Mongolian company according to Article 3.1.5 of the Investment Law;
- **Permission for investment by a foreign state-owned legal entity** – a permission from the MED must be obtained if a foreign state-owned entity (50% or more of the shares are directly or indirectly held by a foreign state) is to hold 33% or more of the issued shares of a Mongolian registered entity operating in the mining, banking and finance, or publication, media and communication sectors; and
- **Land use rights** – the Investment Law provides that a non-tax incentive can be provided to investors by granting land use or possession rights for up to 60 years extendable once for another 40 years. However, the Cabinet has a right to determine land use right tenure in accordance with the Land Law of Mongolia (2006) and this may contradict with the Investment Law in case of foreign invested companies.

To promote foreign direct investment and eliminate a differentiated treatment for foreign investors and among others the Cabinet has proposed a revised Investment Law of Mongolia with the Parliament in June 2023.

Investment law and regulations



Incentives

Non-tax incentives

The investment Law provides for the following non-tax benefits available to investors:

- To grant land possession and use for up to 60 years extendable by up to 40 years based on an agreement;
- To render support to the investors invested in activities in the free zones, production and technological park and to serve with an alleviated regime of registration and checkpoint;
- To support the implementation of the prospective projects on infrastructure, production, science, and education, and to grant required permits for increasing the number of foreign workforces and specialists and exempting them from employment fees with its alleviated regime;
- To render support for financing the innovation projects and to guarantee the financing of manufacturing of export-oriented innovation products;
- To provide multi-entry and permanent residential visas to foreign investors, who invested in Mongolia in accordance with the related laws; and
- Other promotions are stated in the applicable laws.

Tax stabilization certificate

Moreover, a tax stabilization certificate to the Investment Law is aimed to provide regulatory stability and certainties for investors in terms of tax rates for certain period of time. If obtained, the certificate ensures the following applicable tax rates remain stable:

- CIT,
- Customs duties,
- VAT, and
- Mineral royalty tax (excluding mining products produced from derivative deposits).

The period of tax rate stabilization ranges from 5 to 18 years, depending on the investment amount, industry, and geographic location in Mongolia. This period may be extended by 1.5 times for specific projects provided that certain conditions are met. A government agency in charge of investment has a mandate to review investors' request for a tax stabilization certificate and make decisions in 30 days.

The main criteria for obtaining a tax stabilization certificate are:

- The total investment amount reaches thresholds specified in the Investment Law (Please refer to page 45 to see the investment thresholds),
- A general environmental impact assessment should be carried out,
- A detailed environmental impact assessment (if applicable),
- The investment should have create permanent jobs, and
- The investment should introduce innovative technology.

Investors can also opt for more advantageous tax rates provided by general legislation during the validity of the certificate. However, tax stabilization benefits do not apply to investors involved in tobacco and alcohol-related business.

Tax incentives

The tax incentives granted to investors are exemptions from tax, tax credits, possibility to use accelerated depreciation for tax purposes, tax loss carry forward and deduction of employee training costs from taxable income under the tax laws.

The law offers incentives such as customs duty exemptions and zero-rated VAT on imported equipment and machinery during the construction phase of specific projects. These incentives apply to the following:

- Construction of factories for processing construction materials, petroleum, agricultural products, and export-oriented goods,
- Construction of nano and bio innovation technology plants,
- Construction of power plants and railroads.

In order to get tax incentives, legal entities need to submit requests with the tax authority following the submission of the relevant tax filings in accordance with applicable tax regulations.

**Applicable
tax rates can
be stabilized
for 5-18
years**

Investment law and regulations



Details on the tax stabilization certificate

Table 17. Stabilization certificate terms for investment projects in mining, heavy industry and infrastructure sectors

Investment amount (MNT in billions)	Term of stabilization certificate (years)					Investment term (years)
	Ulaanbaatar region	Central region	Khangai region	Eastern region	Western region	
30-100	5	6	6	7	8	2
100-300	8	9	9	10	11	3
300-500	10	11	11	12	13	4
Above 500	15	16	16	17	18	5

Table 18. Stabilization certificate terms for investment projects in all other sectors

Investment amount (MNT in billions)					Term of stabilization certificate (years)	Investment term (years)
Ulaanbaatar region	Central region	Khangai region	Eastern region	Western region		
10-30	5-15	4-12	3-10	2-8	5	2
30-100	15-50	12-40	10-30	8-25	8	3
100-200	50-100	40-80	30-60	25-50	10	4
Above 200	Above 100	Above 80	Above 60	Above 50	15	5

Investment agreement

An investment agreement can be concluded with the government if an investor invests MNT 500 billion or is granted a tax stabilization certificate for an investment project exceeding MNT 500 billion. The investment agreement sets out the following terms and conditions as outlined in the Investment Law unless otherwise specified by applicable laws:

- provision of legal guarantees,
- ensuring tax stability, and
- receiving coordination and financial support.

Investment treaties

As of the date of this report, the Government of Mongolia signed 44 bilateral investment treaties (BITs), 37 of which are in force. The majority of these treaties were concluded between 1991 and 2001, and approximately half of the treaties were entered with countries of the European Union countries. Moreover, Mongolia is a signatory to 22 investment-related instruments (IRIs) and 4 treaties with investment provisions (TIPs). Please refer to Appendix 6 for a list of investment treaties.

A low-angle, upward-looking shot of a modern skyscraper with a glass curtain wall. The building features several floors that are cantilevered out, creating a complex, geometric pattern of light and shadow. The sky is a pale, overcast blue.

07

Protection of property rights

Protection of property rights



Intellectual property rights (IP rights)

Intellectual property (IP) rights in Mongolia are governed by laws in line with international standards set by organizations, including the WTO and World Intellectual Property Organization (WIPO). Mongolia has been a WTO member since 1997 and a WIPO member since 1979.

In addition, Mongolia has accessed and ratified the main treaties and conventions; including the Paris Convention, the Berne Convention, the Madrid Protocol, the Patent Cooperation Treaty and the Hague Agreement. Accordingly, Mongolia is generally similar - in terms of local IP laws and enforcement procedures - to other developed countries

Copyright (unregistered IP)

Copyright protection in Mongolia is automatically granted under the Berne Convention, and no additional registration or formalities are required. The Copyright Law of Mongolia (2021) regulates copyright works' ownership, use, administration and protection. Copyright holders generally enjoy exclusive rights to use and benefit from their works during their lifetime and for 50 years after their death. They can also grant full or partial rights to others through relevant agreements.

Mongolia protects copyrights, which encompass a wide range of works, including but not limited to the following:

Literature

Music

Fine and stage arts

Photography

Books

Films

Web contents

Industrial property rights (registered IP)

Industrial property rights are also safeguarded upon the registration application to the IPOM for recognition. These include:

- Trademarks (protects signs, symbols, logos, words, abbreviations or sounds that distinguish a product or a service from those of a similar nature, etc.).
- Geographical indications (protects products that have a specific geographical origin).
- Patents (exclusive rights granted for inventions and industrial designs).
- Utility models (protects new technical solutions related to an industrial tool, device or process which is capable of industrial application)

Refer to the next page for the general registration process of industrial property rights.



Protection of property rights



IP registration

The trademark and other forms of IP rights are protected under local legislation as well as the international treaties and conventions mentioned above. Hence, if an investor is seeking to protect trademarks and patents in Mongolia, the following options are available:

International option



Mongolia is a member of the Patent Cooperation Treaty, the Madrid Agreement and the Madrid Protocol. Therefore, a patent and trademark application can be filed and registered to be protected and applicable in Mongolia by filing through the local intellectual property office or the International Bureau of World Intellectual Property.

National option



Alternatively, patents and trademarks can be registered through a national route provided under the Law of Mongolia on Trademark and Geographical Indications (2010), Patent Law of Mongolia (2021) and associated secondary regulations.

Main procedures for an application:

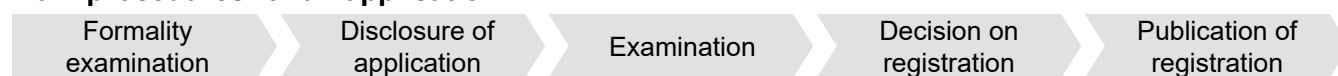


Table 19. Industrial property rights duration

Category	Duration
Trademark register	For 10 years (renewable every 10 years)
Patent register	For 20 years
Industrial design register	For 15 years
Utility model register	For 10 years

Protection of IP rights



IP rights holders can seek protection through the Mongolian Customs General Administration (MCGA) by filing trademarks for inclusion in the IP database according to the Customs Law (2008). The process involves submitting a request to the MCGA with details of the goods, evidence of IP ownership and corresponding HS codes. Upon approval, the MCGA adds the IP to its database and shares the information with all regional customs offices in Mongolia, as well as the MCGA is authorized to detain counterfeit goods. The Competition Law (2010) also provides protection for IP. It prohibits unauthorized use and copying of trademarks, labels, registered names, trade and brand names, or packaging of others. In addition, it also prohibits the sale, publication, or distribution of scientific, technological, industrial, or trade information without the permission of the respective patent owners or authors.

IPOM operates the Dispute Settlement Committee for industrial property rights. If the complainant does not satisfy the decision of the Dispute Settlement Committee, the complainant is entitled to file a claim with the court. It is worth noting that in dispute resolution, disputes related to the application for registration of patents or intellectual property rights with Mongolian authorities fall under the exclusive jurisdiction of the Mongolian court under the Civil Procedure Law of Mongolia (2002).

Protection of property rights



Property rights

The Law on Registration of Property Rights (2018) regulates relations related to the registration of property ownership rights and other related property rights in the State Registration Office of Property Rights in the territory of Mongolia. Registering a property serves as a means to legally safeguard the rightful owner's interests. Under the Mongolian law, there is no restriction for foreigners to own immovable and movable properties, except land rights. It means foreign nationals resident in Mongolia may purchase both immovable and movable properties

Immovable property

In terms of immovable property, the Civil Code (2002) oversees the rights of property ownership and governs the establishment, termination, and transfer of property rights. Moreover, the Law on Pledge of Immovable Property (2009) regulates relations concerning the pledge of immovable property, and its rights attached thereto, as a guarantee for the fulfillment of the obligation, conclusion of pledge agreement (mortgage) and enforcement of obligations. According to the Law on Registration of Property Rights, the ownership right of immovable property takes force immediately upon registration at the State Registration Office of Property Rights.

Under the Civil Code, a contract is required to be concluded in order to transfer rights of immovable property and notarized by a notary. It obliges the seller to transfer the property ownership rights and the buyer to pay the agreed purchase price. Upon registration of the transaction with the State Registration Office, the ownership rights will be transferred to the new owner, and the ownership rights of the previous owner will be terminated.



The registration process is initiated when an individual, legal entity or associated agent provides the required documents to the authorized registration body which processes the application and issue the immovable property certificate within five business days. Refer to page 92 for detailed information of key steps required for acquiring immovable property in Mongolia

Movable property

The Law on Pledge of Movable and Intangible Property (2015) regulates the rights and legal interests of parties involved in transactions related to the pledge of movable and intangible properties.

According to the law, various types of movable assets and intangible assets, including vehicles, equipment, company shares (excluding public company shares), receivables, bank accounts, intellectual property rights, and rights or benefits under different types of agreements, can be pledged to fulfill secured obligations. Perfection of security interests is achieved when the following conditions are met:

- Conclusion of a written pledge agreement between parties.
- The security interest has been registered with the State Registration Office.

As per the law, it is the obligation of the pledgee to register the security interest by submitting a security notice through the State Registration Office's online registration platform, which is accessible to the public.



08

Investor protection and dispute settlement

Role of MED in the investment environment



MED responsibilities

The priorities of the government include to protect the needs and rights of investors, to provide foreign investors with stable legal policies and cooperation as well as a favorable environment, and to aid in its implementation process of international contracts, domestic laws and regulations. Within this framework, the MED is authorized to carry out the following functions to attract investment, promote the investment environment, and provide services to investors according to the Investment Law:

to ensure and supervise the implementation of laws and regulations on investment;

to prepare and present to Government proposals for investment policies, investment support and measures;

to issue permission to a foreign state-owned entity; concerning the holding of 33% or more of the issued shares of a Mongolian registered entity operating in the mining, banking and finance, or publication, media and communication sectors;

to issue statistics on semi-annual and annual bases:

- source and amount of investment,
- tax payment,
- number of workplaces,
- residence permits issued for foreign citizens,
- number of enterprises with foreign investment, and
- amount of capital investment made by the import of goods and services.

to undertake various activities to attract investment;

to provide support and services in the field of protecting the legal rights and interests of the investor;

to promote the legal framework and favorable conditions of the domestic market to investors;

to support investors in investment planning;

to provide consulting and electronic one-stop services regarding other government services related to investment;

to issue tax stabilization certificates;

to supervise the investment activity of the legal entity holding a stabilization certificate in accordance with the business plan, the technical and economic basis of the project and the investment completion period;

to maintain the state register of the holders of the tax stabilization certificates; and

to support the sustainable continuation of investment.



The establishment of an effective investor's grievance mechanism is one of the important priorities of the MED. Based on proposals presented by the MED, the Government has reviewed investors' complaints relating to improper business practices involving state authorities and has issued several resolutions to resolve the matters.



The Investment and Trade Agency was established by the Government resolution No.37 dated 1 February 2023. The main purpose of establishing this agency was to attract foreign investment, protect the rights and legal interests of investors, provide one-stop-shop services to investors, and improve trade circulation.

Investor protection and dispute settlement



Judicial system

Legal system

The Constitution of Mongolia established the current civil law system, primarily based on the continental or Romano-Germanic legal tradition, with civil and public law including criminal law. As for public law, it regulates the legal relationships between the citizen and the state, or the manifestations of the state in the form of public authorities and actions typically take place in the administrative courts. In terms of civil law, it is composed of a concentration of legal principles in relation to the regulation of civil life, or in other words, the affairs between private individuals.

In the event disputing parties are unable to reach an agreement through negotiations, they can either choose to seek resolution through a Mongolian court or arbitration.

The judicial system of Mongolia is structured as follows:

The Supreme Court

Aimag and capital city courts
(Court of Appeals)

Soum or intersoum and district court (Courts of the First Instance)

Sources of Law

The primary sources of law in Mongolia consist of the constitution, international treaties, parliamentary laws (statutes), various legislative acts, and interpretations of the Supreme Court.

The Constitution of Mongolia (1992) serves as the supreme source of law, outlining the fundamental principles of the state, its structure, and the basic rights of individuals by setting forth the ultimate goals of the Mongolian people, including strengthening the independence and sovereignty of the state, upholding human rights and freedoms, ensuring justice and national unity, preserving national heritage, history and culture, respecting global achievements of human civilization and building a humane, civil, and democratic society in Mongolia. It establishes that the people of Mongolia are the sole source of state power, which they exercise directly through participation in state affairs and through the elected representative bodies of state power. State power, in turn, is divided into separate branches, namely, legislative, executive and judiciary.

Statutes play a crucial role as the primary source of law in Mongolia, with more than 850 laws in existence as of May 2023. The authority to enact laws is exclusively held by the legislature, known as the State Great Khural (Parliament of Mongolia). Only members of Parliament, the Government, and the President of Mongolia have the power to propose a bill.

Legal acts in Mongolia encompass a wide range of forms, including:

Parliamentary resolutions,

Government resolutions, and

Presidential decrees,

Rules, procedures, and orders issued by ministries or agencies.

Investor protection and dispute settlement



Judicial system

Sources of Law

In the Mongolian legal system, the courts are responsible for applying the laws in cases instead of creating laws since precedent is not recognized as a source of law. The decisions made by the Supreme Court are binding upon all courts and persons for that particular case.

Regarding international law, international treaties become effective as domestic legislation upon the entry into force of the laws or on their ratification or accession, and they take precedence over domestic laws if there is a conflict. The International Treaties Law (2016) regulates the conclusion, ratification, implementation, amendment, termination, accession, and withdrawal of international treaties.

Legal doctrines and academic opinions are not considered a source of law in Mongolia and the courts do not cite the published works of jurists in their judgments. Parliament officially promulgates national laws through publication, and laws become effective ten days after their publication in State Gazette, unless specified otherwise.

Legal defenses available

There are the following types of legal defenses available when resolving civil disputes, unless otherwise provided by law.



Court



Arbitration



Mediation



Court

In Mongolia, each court, except for the Supreme Court, specializes in specific types of cases, such as criminal, civil, and administrative matters:

The Supreme Court serves as the highest level of the court system, and handles cases that appeal from decisions made by aimag courts and the capital city court.

Contractual disputes are usually adjudicated through the Civil Court division of the district court system

Mongolia has several specialized administrative courts adjudicating cases brought by citizens, foreign residents, and businesses against official administrative acts. The Administrative Court, established in 2004, specifically deals with matters related to public law, excluding constitutional matters. This court reviews administrative acts affecting citizens and ensures the constitutionality of administrative actions that may infringe upon basic rights.

Criminal Courts adjudicate criminal cases brought by the General Prosecutors Office.

Mongolia's Constitutional Court, Tssets, rules on constitutional issues.

The General Executive Agency for Court Decisions enforces judgments and orders.

Investor protection and dispute settlement



Arbitration

Arbitration

Arbitration is an alternative dispute resolution method for companies. The *Arbitration Law (2017)* aims to regulate dispute resolution in accordance with international standards. Therefore, Mongolia adopted the UNCITRAL Model Law on International Commercial Arbitration, with all amendments made in 2006, for domestic and international arbitration. Mongolia joined the International Centre for Settlement of Investment Disputes (ICSID) in 1991.

The Arbitration Law does not endorse any specific arbitration institution but instead establishes minimum administrative requirements for an organization to operate as an arbitral institution, and a written form is required for a valid arbitration agreement, which can be fulfilled through various means, including electronic communications.

Enforcement and recognition of arbitral awards

Mongolia ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards in 1994. Mongolian courts will enforce an arbitral award if it meets certain criteria, including:

- being final,
- arising from a commercial dispute,
- being confirmed by a judicial order in Mongolia,
- not being related to taxes, fines, or penalties, and
- not being obtained or of a nature contrary to Mongolia's public policy.

Arbitrations institutions in Mongolia

The Mongolian International Arbitration Center, established in 1960 and internationally recognized, is a permanent arbitration institution in Mongolia. The arbitration institution has established branches in 21 aimags, which are administrative units according to Mongolian law. Another institutional arbitration tribunal in Mongolia is the recently established arbitration tribunal under the Ulaanbaatar Chamber of Commerce in 2015.

Exclusive jurisdiction

It is crucial to note that certain cases fall under the exclusive jurisdiction of Mongolian courts and cannot be altered by the agreement of the disputing parties to be resolved by arbitration according to the Civil Procedure Law (2002), including:

disputes related to the ownership, possession and use of immovable property situated within Mongolia,

disputes related to the restructuring or liquidation of a legal entity and corporate governance decisions of a legal entity or a representative office or branch operating in the territory of Mongolia,

disputes related to the validity of registrations of Mongolian legal entities with authorized organizations,

disputes related to the (application for) registration of patents or intellectual property rights with Mongolian authorities, and

where a court decision is already being enforced in the territory of Mongolia or a party has already applied for enforcement.

Investor protection and dispute settlement



Mediation

Mediation is an alternative dispute resolution method that parties should consider alongside arbitration. In Mongolia, the institution of mediation was established through the *Law on Mediation* (2012).

Civil legal disputes, labor rights disputes, family-related disputes and other specified cases can be settled through mediation.

In mediation, a neutral third party, known as the mediator, assists the disputing parties in resolving their conflicts, oversees information exchange, facilitates negotiation, helps find common ground, and addresses unrealistic expectations. Therefore, the mediator may offer creative solutions and aid in drafting a final settlement.

The parties to the mediation shall enjoy the following key rights:

- to express their will freely without any pressure or coercion to settle their dispute through mediation, to agree or refuse to settle their dispute through mediation,
- to freely choose the range of issues to be negotiated, to compromise, to refuse, accept and fulfill demands and claims,
- to make a request to approve, reject or choose a mediator,
- to choose the method and form of the mediation process, to determine the position in the process, to defend it, to obtain information, to provide documents related to the dispute, to evaluate the terms of the agreement to settle the dispute,
- to receive information about the mediation process, its consequences, and the consequences of signing the reconciliation agreement,
- to get information about the consequences of not voluntarily fulfilling the settlement agreement,
- to refuse the process at any time during mediation,
- to sign a settlement agreement, and
- to file a claim in court regarding the mediation agreement concluded with the support of the mediator.

The parties to the mediation process undertake the following main obligations:

- to voluntarily and honestly perform the obligations under the agreement in case of signing a reconciliation agreement,
- to be responsible for the fees, work fees, and necessary expenses of mediation in accordance with the procedures stipulated in this law,
- to participate actively in the mediation process, attend the mediator's call and scheduled meetings, and
- other duties stipulated by law.



09

Government
initiatives

Government initiatives



Vision - 2050

In 2020, Parliament approved the “*Vision-2050*”, a long-term development policy of Mongolia (*Vision - 2050*). As per this development plan, Mongolia aims to become a leading Asian country in terms of its social development, economic growth, and quality of life of citizens, by 2050. Vision-2050 will be implemented for 30 years through the following stages: Stage I: 2021 – 2030; Stage II: 2031-2040); and Stage III: 2041-2050. The government is expected to align its policies with Vision – 2050.

Vision-2050 has the following nine fundamental goals and 50 development targets.



SHARED NATIONAL VALUES

Educate the entire population with “*the mother tongue, the history and the heritage*” based on solid facts and thoroughly studied through modern scientific methodology, and develop shared values that will be the pillar to build a nation-state with a deep sense of national similarities/differences and resilience.



HUMAN DEVELOPMENT

Groom a healthy, socially active Mongolian through creation of an enabling environment where everyone leads a happy life enjoying social protection as an assurance of quality life and having an access to quality education - the foundation for the country's development and a secure family life.



QUALITY OF LIFE AND MIDDLE CLASS

Sustainably increase family income by promoting employment, cultivate active and creative families with adequate housing, develop middle class able to run competitive micro, small, and medium businesses in an enabling investment environment and capable of sustaining their families; and supported with satisfying living conditions.



ECONOMY

Become a nation with sustainable economic growth beneficial to all, a predominant middle class, substantially reduced poverty, a solid economic development policy base and self-sufficiency in meeting domestic needs, increased exports, enhanced capacity in investment and savings, and a multi-pillared economy.



GOVERNANCE

Build smart and sustainable governance ensuring human development, mature civil service with optimal administrative and organizational structure, fully functional and people-centered state e-services, enhance cooperation between state, private sector and civil society in all areas, ensure full respect for human rights, fair justice and corruption-free country.



GREEN DEVELOPMENT

Promote an environmentally friendly green development, maintain balance of the ecosystem, ensure environmental sustainability, create conditions for present and future generations to reap its benefits, and improve the quality of human life.



SAFE AND SECURE SOCIETY

Ensure human and societal security through strengthening national defense capacity, protecting human rights and freedoms, preserving social order and safety of the living environment of citizens, and reducing disaster risks.



REGIONAL AND LOCAL DEVELOPMENT

Pursue a competitive and relatively well-balanced regional and local development, aligned to the regional economic integration, through respect for national culture, sustainable settlements, preserved nature and eco-balance to be inherited by future generations, and the coherent green production with combined economic diversification and specialization.



ULAANBAATAR AND SATELLITE CITIES

Develop a comfortable, environmentally friendly, people-centered and smart city.

Government initiatives



New Recovery policy

On 30 December 2021, Parliament passed the New Recovery Policy which is a medium-term target program for up to 10 years. This New Recovery Policy aims to strengthen Mongolia's economic independence, reduce the negative impact of the COVID-19 pandemic, and promptly address development barriers.

The key driver to developing this New Recovery Policy is the purpose of reaching the goals and objectives of the first phase of Vision-2050. The New Recovery Policy defined the following main six binding constraints to Mongolian development:



Border checkpoint recovery



Energy recovery



Industrial recovery



Urban and rural recovery



Green growth recovery

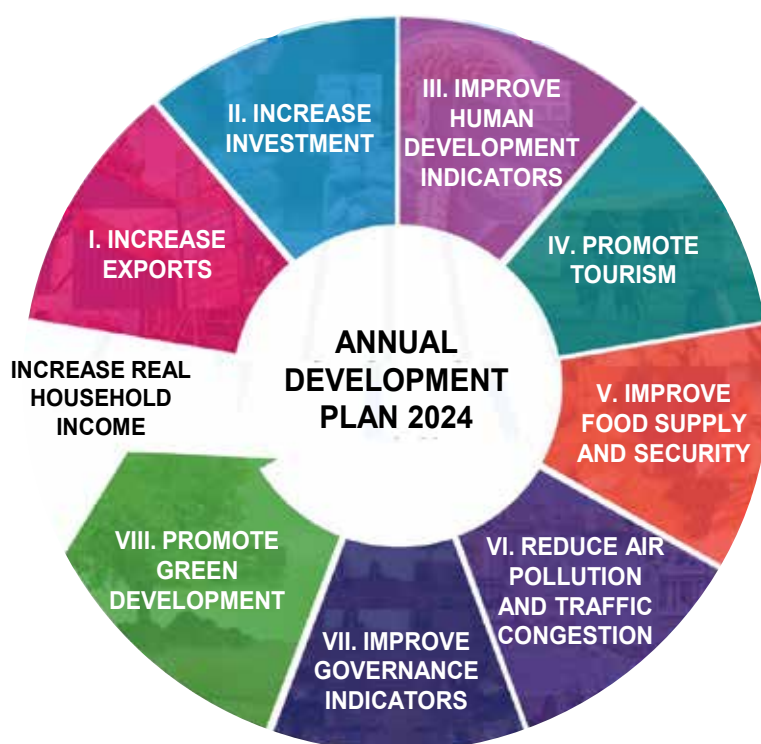


State productivity recovery



Annual Development Plan 2024

On 30 May 2023, Parliament passed the Annual Development Plan 2024, a short-term plan developed based on Vision-2050 and New Recovery Policy. According to the Annual Development Plan 2024, the Government's activities will be focused on achieving targets stated under the following eight priority areas:



Government initiatives



Digital Transformation

In Vision - 2050, the Government has set the aim to become a “Digital Nation” where technology and digital innovations are integrated into all sectors of the economy and society, to boost efficiency and production. As part of Vision - 2050 exponential increases in integration of technology and digital services will be seen in all sectors, notably in the Government services. While in 2015 the number of government services digitally accessible was 167, in 2023 it had increased to almost 800 services.

Legal Framework

Concerning digital development, the Government of Mongolia passed the following laws in 2021, coming into effect in 2022, to protect individuals from the ever-increasing dangers in the digital world:

Cybersecurity Law

Transparency of Public Information Law

Personal Data Protection Law

E-Signature Law

Government Resolutions

The following are the key Resolutions which the Government passed concerning the development and use of technology and digital innovations:



May 2020 Government Resolution No.52 – Vision - 2050 aims to integrate digital innovation and technology into all economic and social sectors to boost production levels.



January 2022 Government Resolution No.13 – Ministry of Digital Development and Communication (MDDC) was established replacing the Communication, Information and Technology Authority to oversee digital development and transformation.



May 2022 Government Resolution No.A/24 – Digital Nation Policy Directive set out the implementation plans for digital transformation

Digital Government Services

The following platforms aim to simplify and expedite the procedures of accessing government services and offer an escape from long bureaucratic procedures. Furthermore, it has also exponentially increased access to government services as individuals in rural areas or abroad can now access the necessary government services without the need to travel to the relevant authorities in person.

E-Mongolia, 2020

“E-Mongolia” is a unified platform in which individual persons have access to around 800 government services, ranging from accessing 121 reference services to 156 different licenses. Compared to the number of services available upon its initial launch, the E-Mongolia platform not only offers ever-increasing number of services, but also provides advice and reservation of tickets for domestic travel.

As of the end of May 2023, E-Mongolia has provided 29,052,441 (with some duplication) government services to more than 1,603,678 active customers.

<https://e-mongolia.mn/home>

Government initiatives



Digital Transformation

License MN portal

License MN is a business licensing portal aiming to deliver an efficient business licensing experience. Currently, the following 19 state authorities process request for licenses and or license extensions from businesses through the License MN portal:

- Ministry of Finance
- Ministry of Mining and Heavy Industry
- Ministry of Justice
- Ministry of Construction and Urban Development
- Ministry of Environment and Tourism
- Ministry of Education and Science
- Ministry of Culture
- Ministry of Labor and Social Welfare
- Ministry of Energy
- Ministry of Road and Transportation
- Ministry of Food, Agriculture and Light Industry
- Ministry of Defense
- General Customs Agency
- Bank of Mongolia
- Financial Regulatory Commission
- Municipality of Ulaanbaatar
- Communication Regulatory Commission
- Energy Regulatory Commission
- General Civil Aviation Agency

It is expected that remaining license issuers will make their services available on the License MN portal in the near future.

<https://license.mn/>

E-Business – 2023

In April of 2023, an E-Business platform was launched specifically tailored for entrepreneurs, business owners and legal entities, although the platform still needs to be fully operational. Through this platform, government services such as registration, obtaining a company name, and other necessary procedures to incorporate a legal entity, gaining special licenses, permits and references, are expected to be provided digitally. Currently, E-Business intends to offer a total of 685 services which includes 417 types of special licenses, 42 references and 256 government services.

<https://e-business.mn/home>

Invest in Mongolia

Invest in Mongolia portal aims to serve as a window for assisting investors in obtaining basic investment-related services from relevant state authorities. Currently, investors' reference letters, confirmation letters for tax payments and social insurance contributions can be issued via the Invest in Mongolia portal.

<https://www.e-invest.mn/>

E-signature

In December 2021, the Government of Mongolia passed new legislation – the E-Signature Law - which came to effect in 2022. The law officially recognizes the use and issuance of electronic signatures (E-Signature) as effective as signatures written on paper. Furthermore, legal entities may obtain an "E-signature" or an "E-Seal" which persons of authority or persons entrusted through Power of Attorney in the company may use, valid for five years for citizens and legal entities, and up to three years for foreigners. As of the end of May 2023, about 598,400 people had obtained E-Signatures in Mongolia.

Government initiatives



Mongolia's Sustainability commitment

Mongolia is giving great importance to the implementation of the 2030 Agenda for Sustainable Development ("SDG").

In 2020, the Vision-2050, a long-term development policy was adopted by the Parliament of Mongolia aligning with the SDGs. According to Vision-2050, Mongolia aims to improve quality of life, good governance, quality education and develop an accessible and environmentally friendly society by focusing on human development.

Furthermore, as part of the Paris Agreement, Mongolia made a commitment to reduce its carbon emissions by 22.7% compared to the projected emissions under a business-as-usual scenario.

In December 2019, Green Taxonomy was approved by the President of Bank of Mongolia, Head of the Financial Regulatory Commission, Ministry of Finance and the Executive Director of the Deposit Insurance Corporation jointly. This Mongolian green taxonomy framework provides the following economic activities eligible for green investment.



Renewable energy



Sustainable agriculture, land use, forestry, biodiversity conservation & eco-tourism



Low pollution energy, pollution prevention and control



Clean transport



Energy efficiency



Sustainable water and waste use



Green building

One of the key changes to the regulatory framework in 2022 was the revised version of the "Corporate Governance Codex" which was approved by the FRC. This Corporate Governance Codex is mandatory for public companies, insurance companies, NBFIs that offer savings trust services and investment management companies. According to the Corporate Governance Codex, the non-financial indicators which are environmental, social, and corporate governance reporting were introduced. In addition, it is required for the public companies to be reported to MSE annually as well as disclosed on the company's website and annual report.

Mongolia's commitments to Sustainable Development:



The Government of Mongolia has approved the national plan of "Billion Tree" in terms of sustainable development. As part of this "Billion Tree" by 2030, it is expected that the area affected by desertification and land degradation will be reduced by 4%, and carbon dioxide absorption by the tree to be increased by 11%.

1 billion trees

22.7%

greenhouse gas emissions mitigation target by 2030

The Government of Mongolia approved the Nationally Determined Contribution (NDC) in November 2019

20%

Green public procurement target by 2030

80%

decrease air pollution target by 2025



10

Investment
opportunities

Investment opportunities



Mining sector

Mining sector opportunities:

PROVEN MINERAL RESERVE

Copper 69.9 million.tons	Coal 33.4 trillion.tons	Iron ore 1.84 trillion.tons	Gold 448.1 tons
Zinc 4.4 million.tons	Fluorspar 34.2 million.tons	Uranium 192 thousand.tons	Petroleum 332 million.tons

Overview

Mongolian mining sector has one of the world's leading mineral resources with **more than 10 000 deposits of more than 80 types of minerals**, about 10 000 exploration results and a few hundred thousand mineral points. Yet, not all of Mongolia's minerals and mineral deposits have been discovered. Although the Central and the Eastern parts are well studied, the Western part shows untapped potential for new discoveries of deposits and mineral resources.

The mining sector is an integral driver of the Mongolian economy. It makes up about 93% of the total exporting products, about 58% of the FDI and 22.8% of the GDP. Thus, the development of the mining sector is ever-evolving reflecting sectoral needs.

The Ministry of Mining and Heavy Industry (MMHI) is the main state body responsible for development and implementation of state policies for the development of the geological and mining sectors. The Mineral Resources and Petroleum Authority (MRPA) is also the key regulatory body having an authority to grant licenses, make a decision on the allocation of land for the purpose of small-scale mining and widely distributed minerals.

Strategic deposits

If a deposit may have a potential impact on national security, national or regional economic and social development, or is producing (has the potential to) more than 5% of the total annual GDP, it can be classified as a mineral deposit of strategic importance by the Government. For the exploration of a Strategic Deposit where the State has conducted state funded exploration jointly with private entities and determined the proven reserve, the state can participate in up to 50% equity interest. However, in the relevant exploration of Strategic Deposit privately financed, the State may participate in up to 34% equity interest.

Table 20. List of strategic deposits

No.	Strategic Deposits	Minerals	No.	Strategic Deposits	Minerals
1	Asgat	Silver	9	Tumurtei	Iron Ore
2	Tavan Tolgoi	Fossil Coal	10	Oyu Tolgoi	Copper, Molybdenum
3	Nariin Sukhait	Coal	11	Tsgaan Suvraga	Copper, Molybdenum
4	Baganuur	Coal	12	Erdenet	Copper, Molybdenum
5	Shivee Ovoo	Coal	13	Burenkhaan	Phosphor
6	Mardai	Uranium	14	Boroo	Gold
7	Dornod	Uranium	15	Gatsuurt	Gold
8	Gurvan Bulag	Uranium	16	Tumurtei	Zinc, Lead

Investment opportunities



Mining sector

Licenses

Currently, there are in total of 2,557 valid licenses issued in the mining sector with 1,708 of them being mining licenses and 849 exploration licenses.



**TOTAL NUMBER
OF LICENSES**
2,557

849

exploration
license

1.1% of
the total
area

1,708

mining license

2.6% of
the total
area

Mining Products Exchange

The Government of Mongolia aims for transparent and responsible mining and multiple pillar economic composition and fair distribution of wealth through Mining Product Exchange. Within this scope the Mining Product Exchange Law was passed in December 2022 to govern the establishment and relation of the exchange operation.

According to the Mining Product Exchange Law, the Exchange will operate as a state-owned enterprise with the objective to operate Mongolia's mining product trade with transparency, set fair prices and increase investment interest in mining industry through unifying export policy. Furthermore, for the mining products to be traded in the Exchange they must fulfill quality tests such as a warehouse equipped with the storage requirements of the product, terminal, transportation logistics center and analysis laboratory.

Electronic License Tendering Procedure

The "Digital Nation" initiative has spread its reach to the mining industry by digitalizing the license tendering process. The MMHI has approved the new regulation on selection procedure for issuing mining licenses on 12 April 2022. Through this selection process the Government of Mongolia aims to increase the number of exploration license issuance to boost the geological exploration and number of proven reserves.

1. Exploration tenement tender announce on www.tender.gov.mn (not fully operational yet)
2. Preparation of required documents for submission by participants
3. Payment of base price and submission of documents
4. Open and transparent tender process
5. Successful participants receive notification to obtain the tenement



Investment opportunities



Mining sector

Legal Framework

The mining sector is the key economic driver of Mongolia, thus the main law governing the sector, **Minerals Law 2006**, is amended regularly to reflect the new development of the sector. The most recent amendment was made in January 2023 where notably the exploration tenement tender and issuing special licence provisions were amended. Furthermore, a revision of the current Minerals Law is expected to be discussed at the Parliament in 2023.

Under the Minerals Law, noteworthy provisions are that the mineral resources naturally occurring on and under the earth's surface in Mongolia are the property of the State. Thus, the State reserves the right to grant exploration and mining rights and licences.

Furthermore, if a deposit may have a potential impact on national security, national or regional economic and social development, or is producing (has the potential to) more than 5% of the total annual GDP, it can be classified mineral deposit of strategic importance ("Strategic Deposits") by the Government.

Other laws relevant to the mining sector are:

Water Law 2012

Land Law

Nuclear Energy Law 2009

Environment Impact Assessment Law 2012

Petroleum Law 2014

Fees For Natural Resources Law 2012

Petroleum Production Law 2005

Mining Product Exchange Law 2022



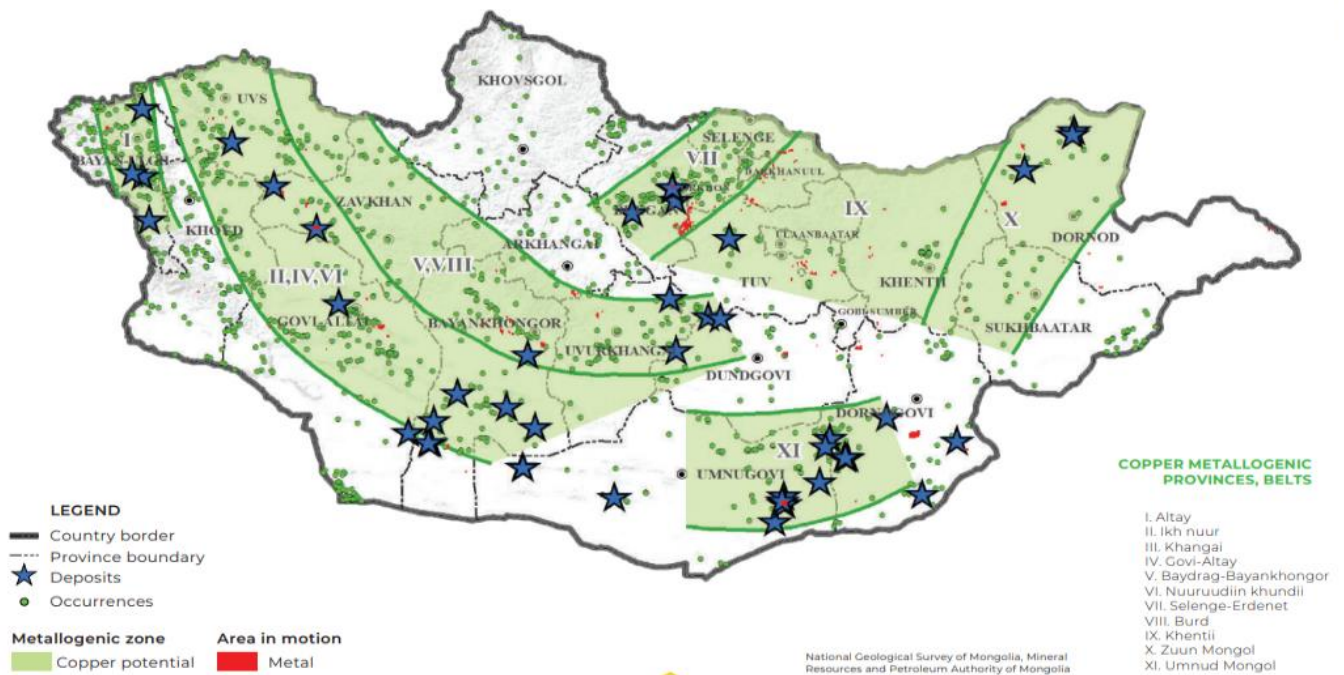
Investment opportunities



Mining sector

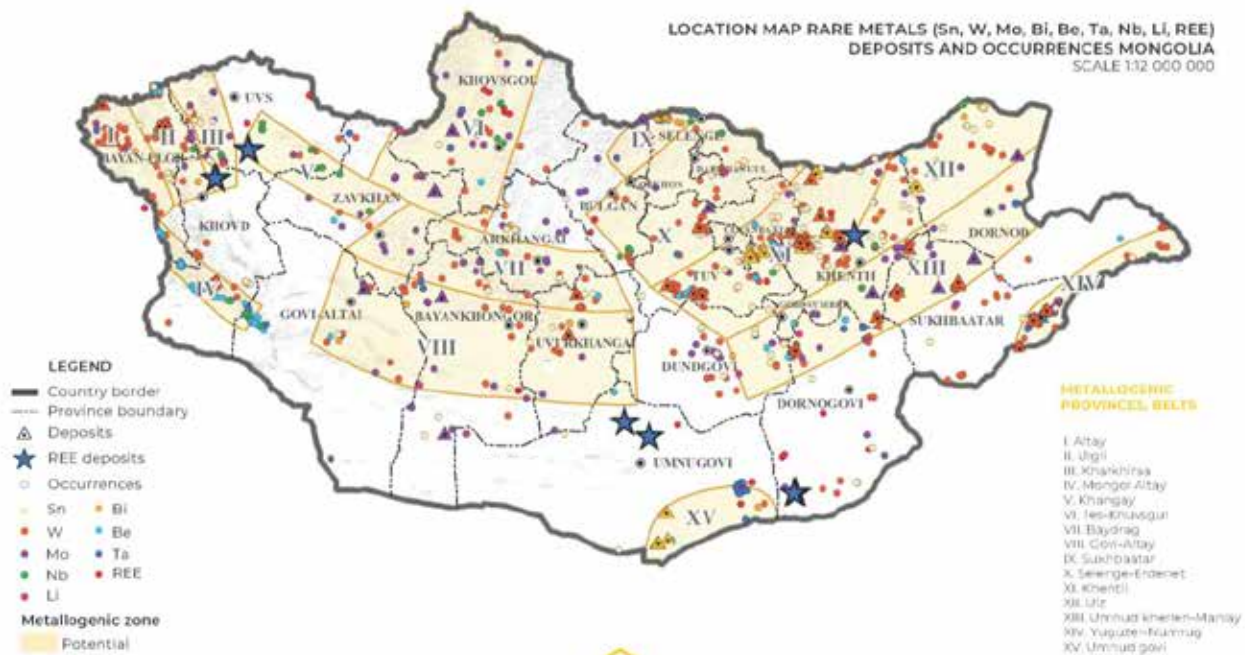
Discovered deposits

Discovered copper deposits



Source: Ministry of Mining and Heavy Industry

Discovered rare metals deposits



Source: Ministry of Mining and Heavy Industry

Investment opportunities

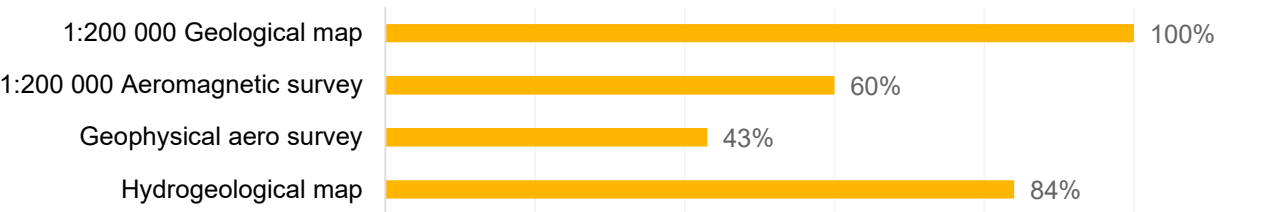


Mining sector

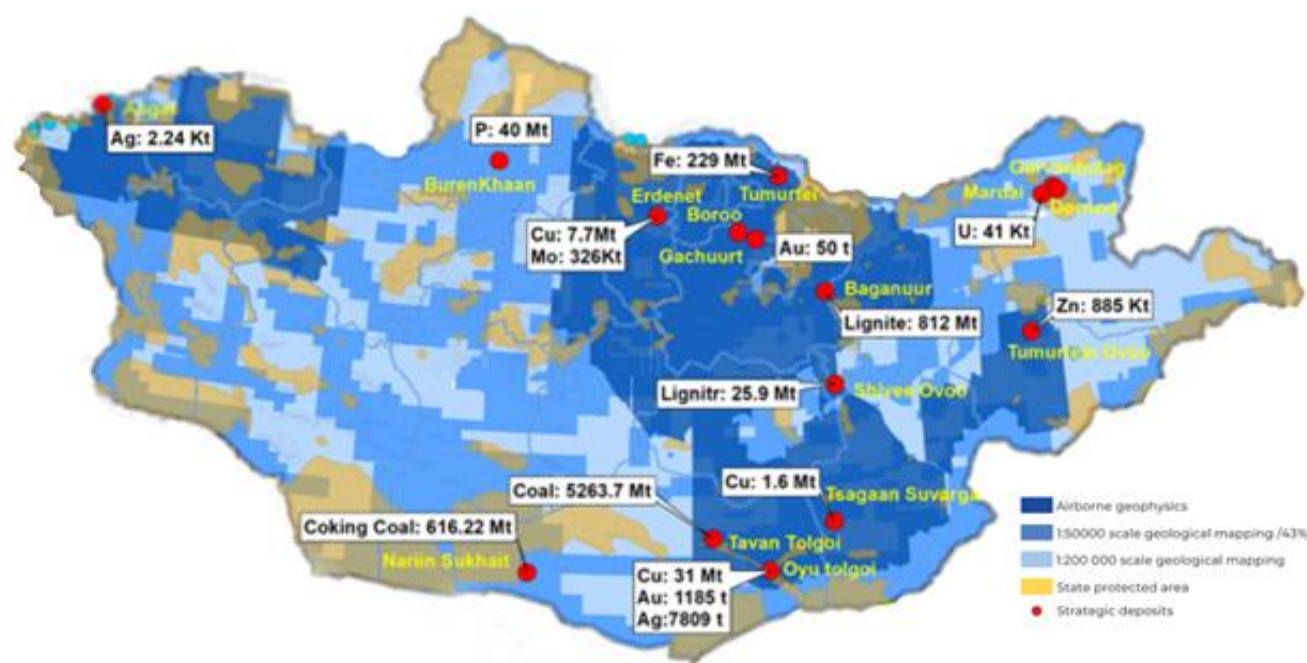
Mongolia holds exceptional geological natural potential for the development of mineral resources, offering an unprecedented growth potential for copper, base metals, gold, coal, and uranium. However, it is worth noting that the extent of Mongolia's mineral potential has only been partially explored, with scale geological mapping currently covering just 40% of the country's vast territory.

Mining geology research

Figure 19. Status of mining geology research of Mongolia



Source: Ministry of Mining and Heavy Industry



Source: Ministry of Mining and Heavy Industry



Half of all **global copper demand** comes from China



The **Energy Transition** Will Need **More Rare Earth Elements**



Investment opportunities



Renewable Energy

Mongolia has abundant renewable energy potential, especially solar and wind power. Addressing national energy security, Vision-2050 aims for Mongolia to become self-sufficient in energy production in the first stage and reduce coal-sourced energy, and in the second stage to become an exporter of energy. One of the ways to fulfill this goal is the development of the renewable energy sector. In order to support economic growth, effectively implement the long-term development policy of Mongolia (Vision-2050), and improve the productivity of the government. Furthermore, as per the New Recovery Policy, Mongolia aims to develop renewable energy in an appropriate ratio, build hydropower and storage stations, and ensure the reliability and stability of the integrated energy system.

In Mongolia, the installed capacity of renewable energy production reached 286 MW, accounting for 18.1% of the total installed capacity and 9.2% of production. Due to the difference in tariffs, 27% of the total sales revenue is allocated to these sources.

Renewable energy sector opportunities:

Resources of renewable energy

3,300 GW

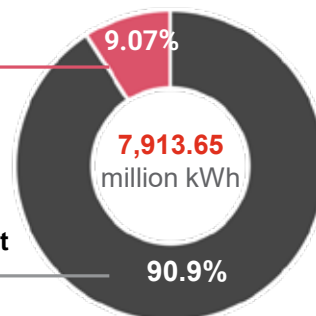
of solar and wind energy sources can be installed and used.

Energy production of Mongolia

As part of the New Recovery Policy, the Mongolian government has outlined plans to implement 21 energy projects.

Renewable energy

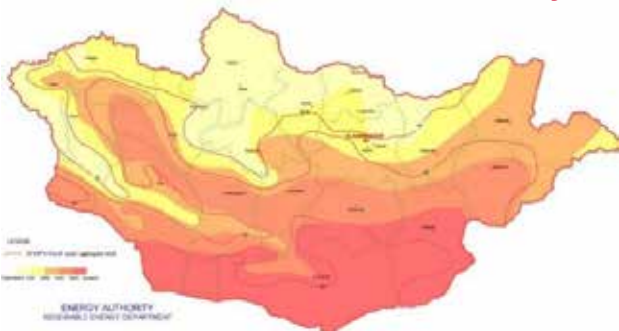
Thermal Power Plant



Source: Ministry of Energy

SOLAR ENERGY RESOURCE

2200 GW
4.7 TWh/year



1 100 lower 1 200 1 300 1 300 1 400 1 400 1 500 1 500 more

WIND ENERGY RESOURCE

1100 GW
2.5 TWh/year



5 000 – 10 000 10 000 – 25 000 25 000 – 50 000
50 000 – 75 000 75 000 – 100 000 100 000 – 310 000

Source: Ministry of Energy

Investment opportunities



Renewable Energy

Legal Framework

The Law on Renewable Energy, dated 11 January 2007 sets the legal basis for use of renewable energy facilities, production and transmission, rights and obligation of renewable energy license holders and tariffs.

Under the Renewable Energy Law, the energy sector's central administrative organisation is the Ministry of Energy which is mainly responsible for developing and implementing government policy on renewable energy. The Energy Regulatory Commission (ERC) is also responsible for setting tariffs for electricity, issuing a license for some type of activities, and approve the contract template connected to the transmission network, and to monitor the implementation of the contract.

Furthermore, the Energy Law dated 1 February 2001 is one of the main laws regulating the energy sector and details all types of energy licenses such as energy generation, transition, distribution, construction of energy facilities and so on.

Licensing requirements

According to the Energy Law, most of the activities relating energy sector are subject to relevant licenses. The ERC is the main regulatory body oversees licensing and monitors performance of license holders in accordance with the applicable laws.

Table 21. List of renewable energy related licenses

License based activities (a non-exhaustive list)			
1	Construction of energy facilities	9	Dispatching
2	Construction of powerlines crossing state border	10	Regulated supply of energy
3	Electricity generation	11	Unregulated supply of energy
4	Electricity transmission	12	Importation and exportation of electricity
5	Electricity distribution	13	Construction of heat facilities
6	Heat generation	14	Supply gas
7	Heat transmission	15	Utilizing of power lines crossing the state border
8	Heat distribution	16	Installment, repairing, testing and adjustment of energy sources, transmission and powerlines, substations, stoves, pressure vessels and pipelines

Feed in tariffs

Renewable Energy Law provides the feed-in tariff scheme which ranges for on-grid installations as follows:

- ❑ Wind: up to USD 0.085/kWh,
- ❑ Solar: up to USD 0.12/kWh, and
- ❑ Hydropower up to 5 MW: USD 0.045-0.06/kWh.



Investment opportunities



Banking sector

Overview

The Mongolian financial sector is dominated by banks providing about 90% of the financing, namely the 5 strategically important banks which are Golomt Bank, Khan Bank, State Bank, Trade and Development Bank and Xac Bank. The banking sector has become one of the big economy, with total assets and capital growing each year. The banking sector's total assets in the 2022 financial year have increased by 12.3% and amount to MNT 46.0 trillion. Whereas the profits of the banks have increased by MNT 0.5 trillion, totaling MNT 1 trillion.

Commercial banks

The banking sector is supervised by the central bank, Bank of Mongolia (Mongol Bank), which also grants licenses to provide commercial banking services such as money deposit, loan, payment service, issue of guarantees and among others in accordance with the Banking Law. Currently there is no presence of foreign banks in Mongolia. Please refer to page 95 for a list of commercial banks operating in Mongolia.

The Banking Law amendment in 2021 required the strategically important banks to cap shareholding limit per a shareholder at 20% either alone or jointly holding the shares of bank together with its related party and to be publicly listed on the stock market within 30 June 2023. The results of banks releasing IPO in primary market trading far exceeded expectations. Additionally, the Banking Law amendment broadened the definition of an influential shareholder being ultimate beneficial owners of any person that holds 5% or more shares in the bank and those who can influence the bank's policy, decisions and management. Any change in influential shareholders and their shareholding are subject to Mongol Bank's approval.



Investments banks

In January 2023 the Parliament passed the Investment Banking Law which sets the legal basis for opening and operating investment banks in Mongolia. Investment banks are allowed to provide mid or long-term financing by way of eight activities such as issuing loans and guarantees, conducting payment settlements, buying/selling securities and financial instruments, purchasing/selling foreign currencies, underwriting, securities custodians and financial and investment advice. The Mongolia Bank is the main regulatory body provides an approval to open an investment bank. According to the law, foreign banks may open their subsidiary in Mongolia to operate investment banking activities, subject to licensing requirements of either FRC or Mongol Bank. However, the law prohibits investment banks to operate for any other purposes other than investment, to purchase shares of other banks and financial institutions in Mongolia, to take deposits or offer interest-bearing account or source funds by any similar fashion and to establish a subsidiary or a controlling entity. Additionally, investment banks must meet other requirements set forth in the law and detailed secondary regulations approved by the regulators

Investment opportunities



Free Trade and Economic Zone

Mongolia's long-term **objective in relation to free zones (FZ)** is to reach **global competitive levels**, whilst the medium and short-term objectives are to develop the free zone infrastructure and set international standards for accessibility as currently all the FZ are lacking in infrastructure and struggling to achieve its potential.

In Mongolia, FZs offer special regimes in multiple areas to promote development of business, trade and economy.

Currently, there are four free zones in Mongolia.

4. Tsagaannuur Free Zone

- » Located in the **Western region** of Bayan-Ulgii province, and at 1.700 km from Ulaanbaatar, 65 km from Bayan-Ulgii city center 25 km from Russian borders entry point.
- » Total area : **708.4 hectares (7.084km²)**
- » **AH-4** is connected to the road network
- » **198.3 hectares for the industry purposes**



Trade & Logistic

1. Altanbulag Free Zone

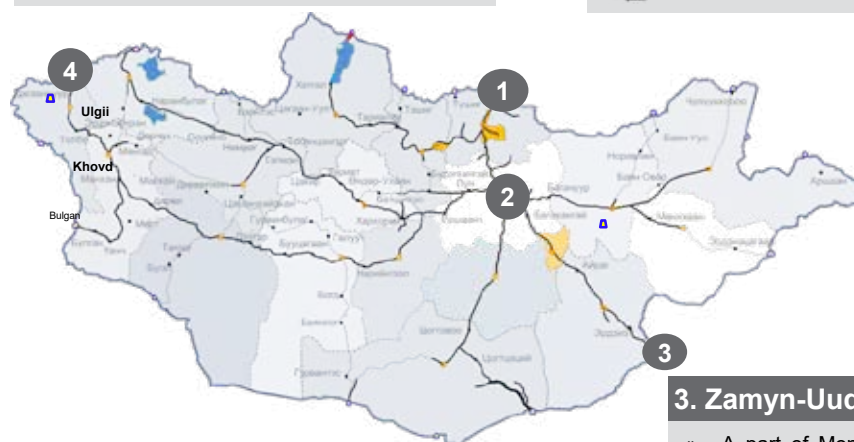
- » Located in the **northern part** of Mongolia. It is adjacent to Khiagt border port of Russia, 335 km away from the capital city of Ulaanbaatar and 25 km away from Sukhbaatar city of Selenge province.
- » Total area: **500 hectares (5km²)**
- » **AH-3 is connected to the road network**
- » **54.4 hectares for the industry purposes**
- » Directly accessible by an automobile road from Ulaanbaatar city and Sukhbaatar railway station of Russia-Mongolia-China international railway network. Passenger, freight and container transportation is convenient.



Trade & Logistic



Manufacturing



2. Khushig Valley Free Economic zone

- » Total area: **1000 hectares (10km²)**



Tourism



Banking and finance



Entertainment

3. Zamyn-Uud Free Zone

- » A part of Mongolian-Chinese Zamyn-Uud and Erlian Economic Cooperation Zone. It is situated in 780 km from Ulaanbaatar, 230 km from Sainshand, the center of Dornogobi province and 8 km from Erlian town of China.
- » Located in the southern part of Mongolia, one of the largest transport border cross-point of Mongolia.
- » Total area: **900 hectares (9km²)**
- » It is connected with China by all kinds of roads
- » **75.69 hectares for the industry purposes**



Trade & Logistic



Manufacturing

Source: Ministry of Economy and Development

Investment opportunities in Free Trade and Economic zone



Trade & Logistic



Manufacturing
Innovation



Banking and
finance



Tourism
(Casino)



Entertainment

Investment opportunities



Free Trade and Economic Zone

Legal Framework

The Free Zone Law (2015) regulates the establishment, reorganization, and dissolution of free zones, incentives covering taxes, customs, entry/exit clearance, registration of legal entities and individuals, and employing foreign nationals. Under the Free Zone Law, the Parliament has a authority to establish a free zone in Mongolia, determine its location, the size of the territory, direction, and type of activities. In the FZ, wide range of activities such as production, services, tourism, trade, international banking, finance and lotteries can be carried out in accordance with the requirements set by the laws of Mongolia.

Furthermore, special regimes shall be implemented in FZs.

Table 22. List of main special regimes applicable for FZs

Special regimes	
Tax	<ul style="list-style-type: none"> • Goods imported into a FZ shall be exempted from the customs duties, VAT and excise tax; • There will be no taxes on the goods which are previously imported into the customs territory upon payment or import tax, customs duties, VAT, and excise tax if goods are to be transferred from the customs territory to the FZs, any of these taxes previously paid will be reimbursed accordingly based on related documents. • 0% rate on VAT shall be applied for domestic goods to be transferred from the customs territory to the FZs. • Purchases of goods at up to MNT 3 million by individuals in the FZ are exempt from custom duties and VAT. • Goods exported from the FZs are not subject to any tax. • There is no VAT on goods and services manufactured or sold in the territory of a FZ by the registered individuals or legal entities in the FZ.
Foreign workforce	<ul style="list-style-type: none"> • Legal entities employing foreign nationals are fully exempted from paying monthly workplace fee.
Land fee exemption	<ul style="list-style-type: none"> • Legal entities operating in trade, tourism or hotel sectors in the FZ are exempted 100% from the land use/possession fees in first 5 years from commencement of operation, and 50% exemption applies for the following 3 years. • Legal entities operating in infrastructure sectors, including energy/heating network, pipeline network, clean water supplies, wastewater sewage, roads, railways, airports, and basic communication line are exempted 100% from the land use/possession fee for the first 10 years.



Investment opportunities



Regional logistics hub

Overview



Mongolia has a total road network of 111,917 km of which 14,919 km is an international and national highway network; and 52.5% of the network (a total of 7,834 km) are paved roads. A total of 21 provincial capitals, 96 sums, and five border ports are connected to the capital city by paved highways.



Mongolia has a railway network of about 3,063 km, which passes through Bulgan, Orkhon, Govi-Sumber, Darkhan-Uul, Dornogovi, Umnogovi, Selenge, Central and Dornod aimags (provinces).



Mongolia has a total of 16 air gates and borders Russia through 10 air gates and China through 6 air gates. Air navigation service is provided by dividing Mongolia's airspace into six sectors.

As for Mongolian trade in services, exports increased by 39% being USD 321 million from that of 2021 and reached USD 1,135 million in 2022. Of service exports, transportation composed 52% (USD 596 million) and travel services contributed 22% (USD 251 million).

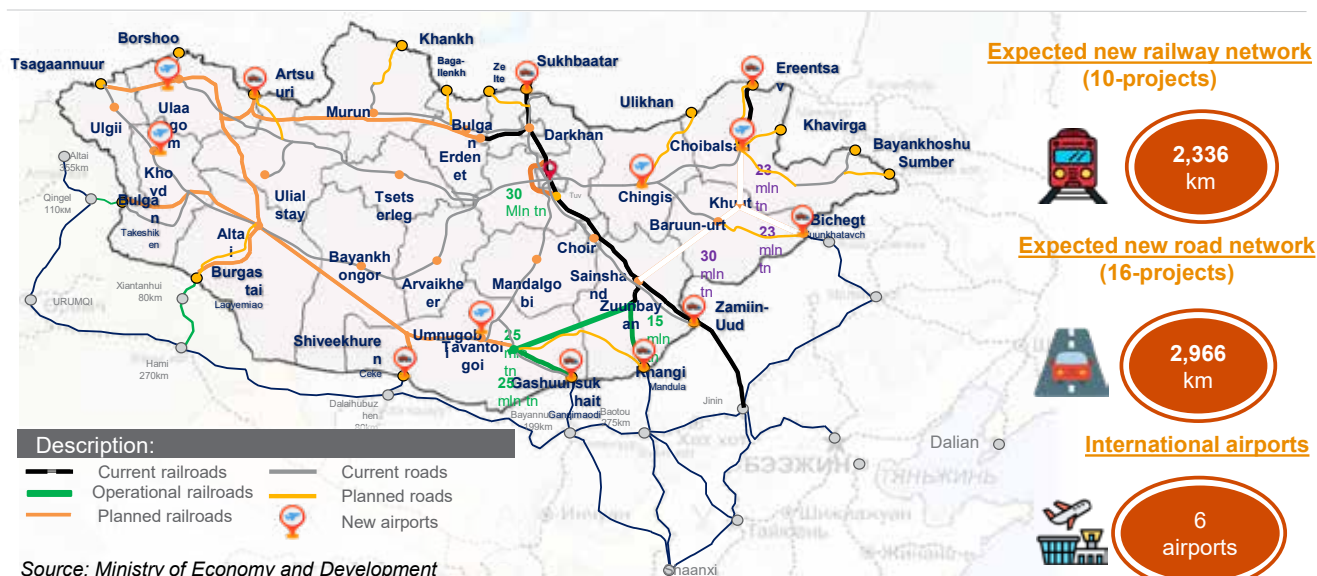
Within the effort to establish the Economic Corridor of Mongolia, Russia and China, the Government of Mongolia and its two neighbors extended the program for another five years in 2022 with a working plan, and agreed to commence a feasibility study for a railway network connecting the three countries.

To support economic development, the Government of Mongolia plans to implement several projects aimed to expand road and railway networks by 2024 (as per the Annual Development Plan 2024).

Some of these are:

- Construction of 478 km of roads between Tavantolgoi, Manlai and Khangai.
- Construction of a 270km road; from the end of the 32-km road between Tavantolgoi and the Tsagaandel Uul border crossing.
- Construction of a 163 km highway in the direction of Khovd-Ulaangom;
- Increasing the capacity of the Ulaanbaatar railway (with 269 km of dual track entry).
- Construction of 1,255 km of railway, border port connection and transshipment terminal in Artssuuri-Nariinsukhait-Shiveekhuren direction.

Expected new projects as per New Recovery Policy



Investment opportunities



Agribusiness

Overview

Mongolia is affluent in natural resources, including vast steppe grasslands, forests, wetlands, and mineral deposits. The agribusiness sector plays a significant role in the Mongolian economy being the country's second most important sector as it is part of the diversification strategy to diminish heavy reliance on the mining sector.

Resources:



71 million livestock

Bod 10.7 million (horses, camels, cows)
Bog 60.3 million (sheeps and goats)

Farming and pasture

Livestock products (per year)

Meat – **344 thousand** tons
Milk – **892 million** liters
Hide and leather – **14,000 thousand** pieces
Wool – **29,134** tons
Cashmere – **9,500** tons

Reserve

260 thousand hectares of arable land
110, 490 thousand hectares of hay land
1, 742 thousand hectares of fodder area

Source: Ministry of Economy and Development

Agricultural sector opportunities:

Export oriented production

Mongolia produces 50% of the world's cashmere wool

The world's leading exporter of horsemeat



Deep processing of wool and cashmere



Production of milk and dairy products



Greenhouse farming and vegetable cultivation

Production of primary processing of hides and skins

Source: Ministry of Economy and Development

The agriculture, forestry, fishing and hunting sector accounts for 13% of the total gross GDP as of 2022. Compared to the last year, the number of employees working in the agriculture, forestry, fishing and hunting sector has increased, and it is accounting for 26% of the total employment in Mongolia.

13%

Total gross GDP as of 2022

26%

Total employment in Mongolia

Source: National Statistics Office

Investment opportunities



Agribusiness

Legal framework

The Ministry of Food, Agriculture and Light Industry (MOFALI) is the key regulatory body in charge of the agriculture sector in Mongolia.

The Mongolian legal framework surrounding agribusiness is composed of several laws and regulations. Among them, the most crucial law regulating agribusiness is the Law on Agriculture (2016) which classifies and designates arable land, identifies state support and financing, outlines the rights and responsibilities of farmers, and sets out soil protection measures. Further, the Law on Plant Protection (2007) regulates relations between the state, citizens, and legal entities on: protection, control, quarantine, and control of crops from plant diseases. The Law on Seed Varieties of Cultivated Plants (1999) aims to regulate safeguarding of the gene pool of cultivated plants, testing and certification of varieties, and quality control of seeds and varieties. The Law on Animal Genetic Resources (2017) provides regulation on registration, identification, preservation, protection, sustainable use, and research of genetic resources of livestock and domestic animals. The Mongolian Agricultural Commodity Exchange was established to boost the supply and trade of cashmere and other commodities in 2013; according to the Law on Agricultural Commodity and Raw Material Exchange (2011).

Certain activities require a license to be obtained for a business entity (see the following table).

No	Types of Licenses	Licensing authority
1	Production of alcoholic beverages other than those produced by traditional technology	MOFALI
2	Production of tobacco and planting of tobacco plants	Government
3	Import of cigarettes	Government
4	Engaging in industrial and technological park activities	Government
5	Import of alcoholic beverages	MOFALI
6	Import and sale of substances used for plant protection	MOFALI
7	Creation of new animal breeds and strains by advanced scientific methods	MOFALI
8	Cultivation of microorganisms, production of eggs, embryos, and seeds, introduction into service	MOFALI
9	Purchase of breeding animals and animal breeding products from abroad	MOFALI
10	Export of animals and animal breeding products	MOFALI
11	Production of seeds of cultivated plants	MOFALI
12	Production and import of livestock, animal medicine and medical equipment	General Agency for Veterinary Services
13	Sale of alcoholic beverages and providing services	Governor of the relevant province and capital city or the Governor of the free zone
14	Production of alcoholic beverages by traditional technology	Governor of the relevant province and capital city

Investment opportunities



Tourism and Hospitality

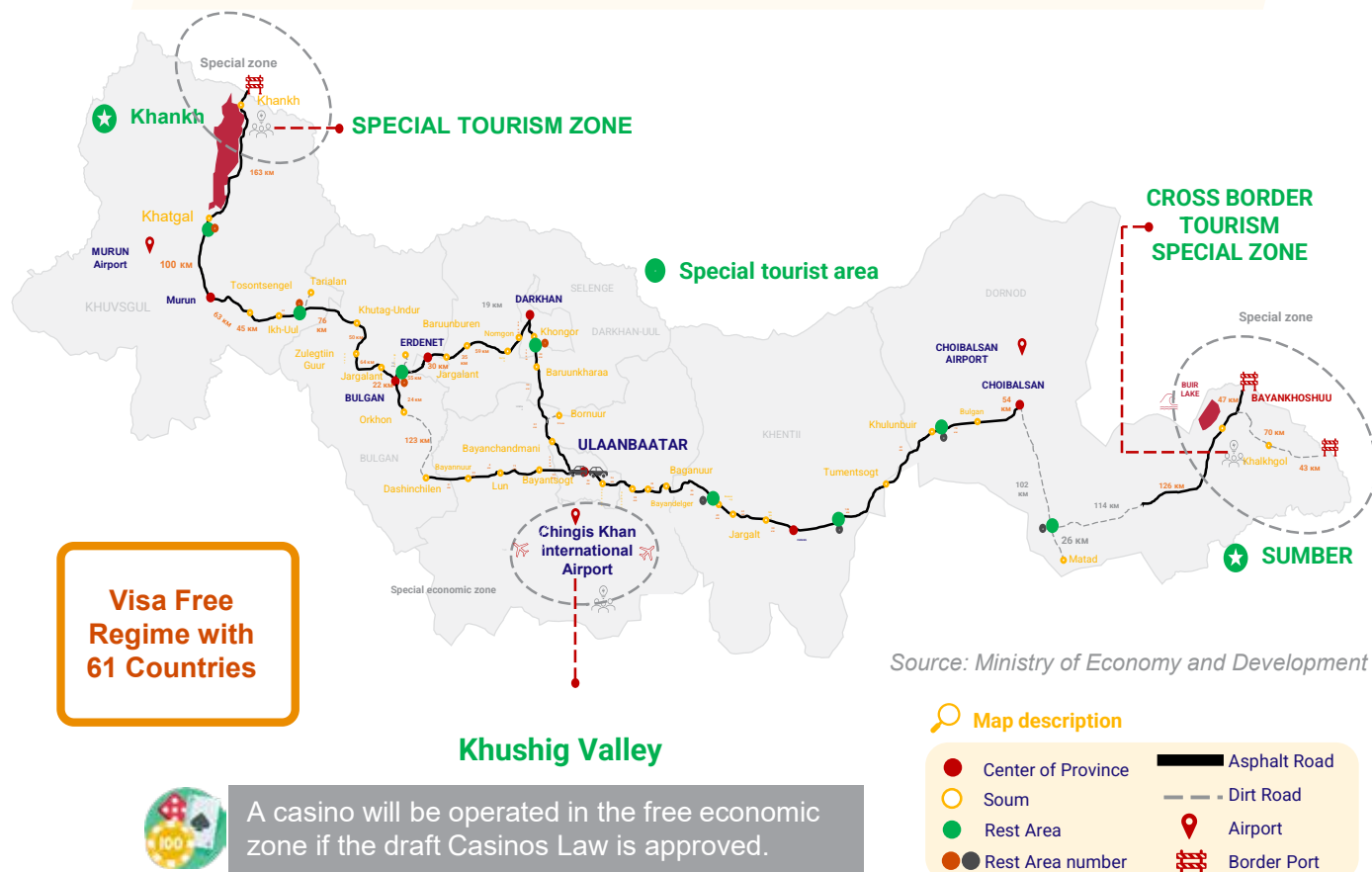
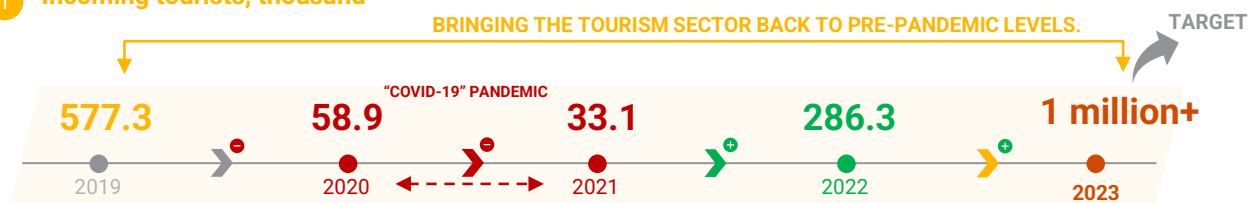
Mongolia has a rich history, culture, and varying different landscapes, a unique nomadic lifestyle which attract tourists. The tourism sector is an increasingly popular sector which suffered the most during the pandemic, however, in 2023, the tourism sector is showing signs of recovery, although it has yet to recover to its pre-pandemic levels.

Although, the biggest challenge the tourism and hospitality sector face in Mongolia is the hotel and accommodation for incoming foreign tourists.

1 Incoming tourists, thousand

BRINGING THE TOURISM SECTOR BACK TO PRE-PANDEMIC LEVELS.

TARGET



Source: Ministry of Economy and Development

On 7 April 2022, the Parliament adopted a resolution approving the establishment of the Khushig Valley free economic zone. As part of Vision-2050, Mongolia aims to develop the economy by supporting tourism based on the priority economic sectors and location advantages. With this goal, the Government of Mongolia submitted the draft Law on Casinos in December 2022. Currently, the draft law is under discussion by the Parliament.

According to the Draft Casinos Law, casino activities will be allowed only in Khushig Valley Free Economic Zone based on a license issued by the Government, and detailed conditions and requirements for the license holders are specified in the draft law.

Investment opportunities



Tourism and Hospitality

Legal Framework

The Parliament of Mongolia passed the new Tourism Law in May 2023. Reflecting objectives set in Vision- 2050, the new Tourism Law has introduced the following noteworthy provisions:



Classified tourism organizations as tour operators, travel agents, and travel service organizations, and clearly specify the permitted operations and their requirements.



Established the borders of national tourism zones in accordance with the goal of developing sustainable tourism and protecting nature, history, cultural heritage and tourism resources in the tourism sector.



Ensured the security of tourists in the territory of Mongolia.



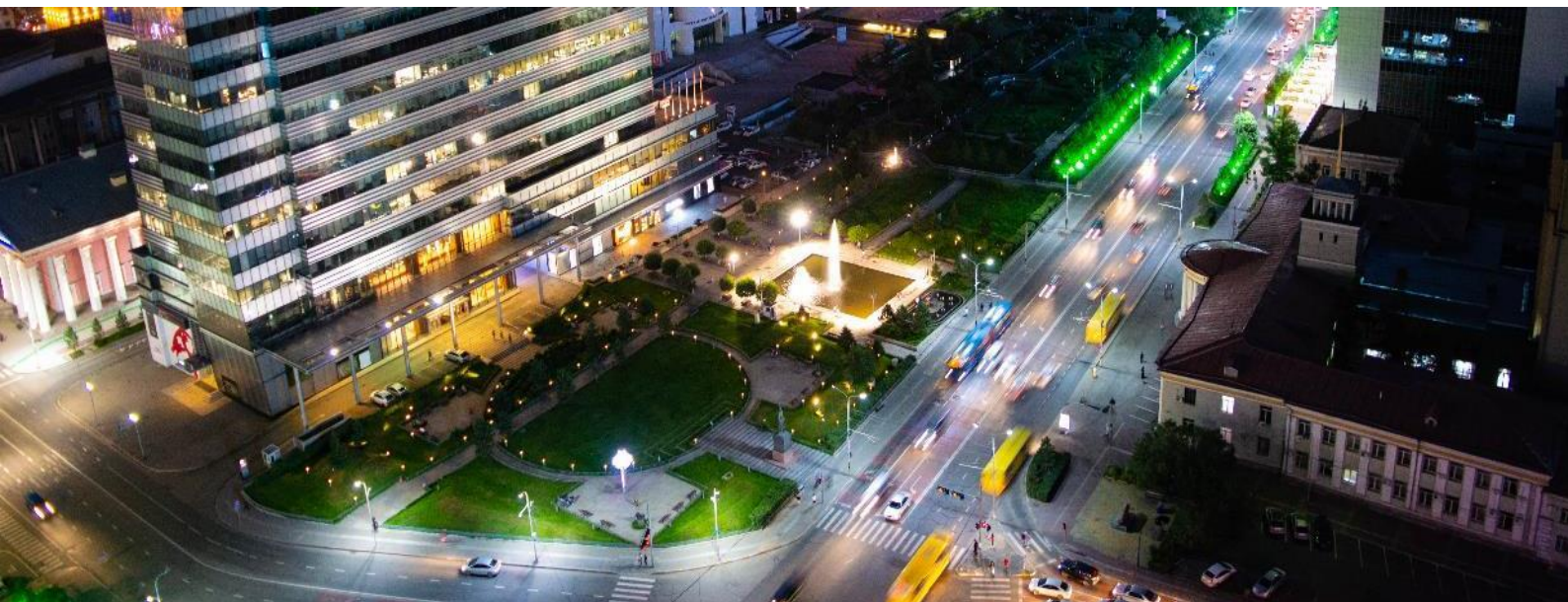
Service providers as well as provide VAT exemptions in the tourism sector to support the development of the sector.

The 2023-2025 Year to Visit Mongolia

Vision-2050 aims to support development of the tourism and hospitality sectors. Hence the Government declared 2023-2025 years to be “Year to Visit Mongolia”. This initiative aims to attract more tourists to Mongolia, and receive one million tourists in 2023. Within this framework, the Government of Mongolia passed the resolution to temporarily exempt citizens of 34 foreign countries from visa requirements for up to 30 days in three years period - until the end of 2025 - for supporting tourism in Mongolia. As a result, citizens of a total 61 countries are exempted from visa requirements, with some conditions. Refer Appendix 3b for list of countries exempted from tourist visas.

In addition to the above, the Minister of Environment and Tourism operates a website with detailed information about Mongolia for tourists. Visit the website for more information

<https://www.mongoliatravel.guide/en>.



Investment opportunities



Real Estate sector

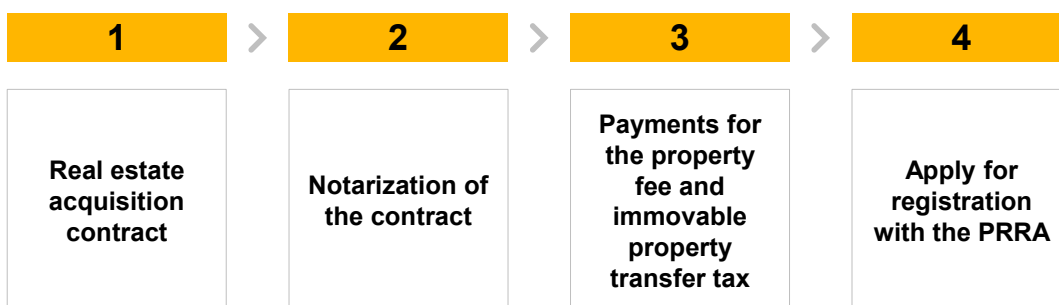
Overview

The fast-growing real estate sector of Mongolia has numerous opportunities for investment. The main real estate market in the country is Ulaanbaatar city, due to its rapid expansion leading to urban migration; but other cities and provinces have grown as well.

Except for land rights, the same requirements and procedure applies for both domestic and foreign investors when acquiring immovable property; for instance, apartments and other buildings in Mongolia. Refer to page 51 for detailed information on land titles. The acquisition procedure for immovable properties except land, includes a contract, notarization of the contract, payment, tax payment and registration. The real estate transfer tax must be paid prior to the registration.

Owners of the property enjoy the commercial rights to sell, lease, transfer to another party, inherit, pledge or issue a guarantee upon its registration at the Property Rights' Registration Authority of the State Registration Office (PRRA) regardless of whether they are Mongolians, foreign individuals or companies

Acquisition procedure



Registration takes up to 3 business days unless additional documents are required.

Documents

Documents required for registering acquisition of real estate except land include:

- Application form.
- Notarized original contract.
- Original state registration certificate of the property.
- Receipt of paying state stamp duty fee.
- Receipt of paying immovable property transfer tax.
- Power of attorney (if needed).



Investment opportunities



Real Estate sector

Legal Framework

The Law on Registration of Property Rights (2018) regulates relations concerning the registration of property ownership rights and other related property rights in the PRRA, in the territory of Mongolia. Further, the Law on Pledge of Immovable Property (2009) regulates relations with respect to the pledge of immovable property and rights attached thereto as a guarantee for fulfillment of obligation, conclusion of pledge agreement (mortgage) and enforcement of obligations. The Land Law (2002) governs matters concerning land tenure and rights and responsibilities of individuals and legal entities regarding land title.

Real estate brokerage services

As of the first half of 2023, the Financial Regulatory Committee (FRC) had granted real estate brokerage licenses to 284 legal entities operating in three provinces of Mongolia and six districts of Ulaanbaatar city. That is, 99% (281) of legal entities are operating in Ulaanbaatar city, and the remaining one percent (three legal entities) are operating in the provinces.

During the reporting period, the licensed legal entities were operating with a total of 301 brokers and 1,392 agents. In terms of the distribution of brokers and agents, the largest concentration is in Bayanzurkh, Khan-Uul and Sukhbaatar districts according to the FRC. Of 284 legal entities or 31% of all licensees registered with the FRC are international franchise rights holders, composed of 66 RE/MAX franchise companies, 21 franchise companies of 21 CENTURY, and one KELLER WILLIAMS franchise company.

According to the reports submitted by 284 licensed legal entities, the highest average price for one square meter of housing was USD 874 in the Chingeltei district. The lowest average prices was USD 588 in the Songinokhairkhan district (in 2022). The price of residential real estate had increased by 1-1.2 fold compared to the previous year (according to the FRC statistics of Q1 2023).

A real estate brokerage legal entity is entitled to provide five types of services:

Broker service of sale, purchase and transfer of real estate and related rights

Leasing, renting of real estate and related rights

Real estate management services

Sale of real estate services for maintenance

Other services deemed to be relevant to real estate brokerage service by the FRC.





11

Business
environment

Access to Finance



Information on financial service

Mongolia maintains relatively few restrictions on the movement of capital and has adhered to IMF Article VIII. There is no prohibition or imposition of limitations on international payments and transfers. The Mongolian Stock Exchange serves as the primary platform for domestic capital and portfolio investments. Nevertheless, fintech companies have started promoting investments using digital tokens and other virtual assets. Foreign investors can access credit in various forms on local market terms. Foreign individuals can establish domestic bank accounts as long as they provide evidence of legal residence in Mongolia. In Mongolia, digital banking is widely available and accessible for customers as all major banks provide online and mobile banking services. As such, banking transactions are usually made online.

Commercial banks



In Mongolia, the banking sector is relatively developed compared to the other sectors such as insurance, leasing, NBFIs, pension and investment funds. The whole financial sector is highly concentrated in Banks, namely the five systemically important banks (SIBs), which hold about 93% of the financial sector assets. Khan Bank, Trade and Development Bank (TDB), Xac Bank, and Golomt Bank, are predominantly owned by a combination of Mongolian and foreign investors.

Khan Bank

Golomt Bank

State Bank

Trade and
Development
Bank

Xac bank

List of other commercial banks operating in Mongolia:

- Arig Bank;
- Bogd Bank
- Capitron Bank;
- Chinggig Khaan Bank;
- M Bank.
- National Investment Bank;
- TransBank.

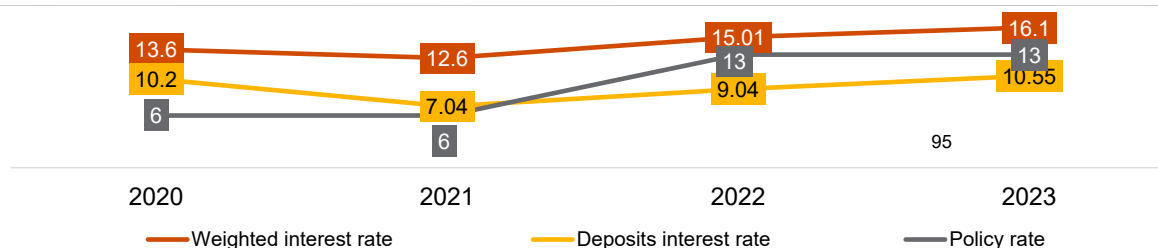
Initial Public Offering (IPO) of commercial banks

In 2021, the Mongolian Parliament made amendments to the Banking Law. According to the amendments, the ownership of a shareholder and their related parties, as certified by the Bank of Mongolia, shall not exceed 20%, and banks had until December 31, 2023, to comply with this requirement. Additionally, the four SIBs in Mongolia and the state-owned State Bank were obliged to become open JSCs and list themselves on the Mongolian Stock Exchange by June 30, 2023. These new regulations aimed to enhance bank governance by establishing accountability to a broader group of shareholders.

Interest rate

Bank loans are the most common form of finance. As of Q1 of 2023, weighted interest rate of commercial banks was 16.1%. One of the main reason for gradual increase in interest rate was that the Bank of Mongolia had been raising its policy rates.

Figure 20. Comparison of weighted interest rate, deposits interest rate and policy rate (% , 2020-2023)



Infrastructure and Utilities



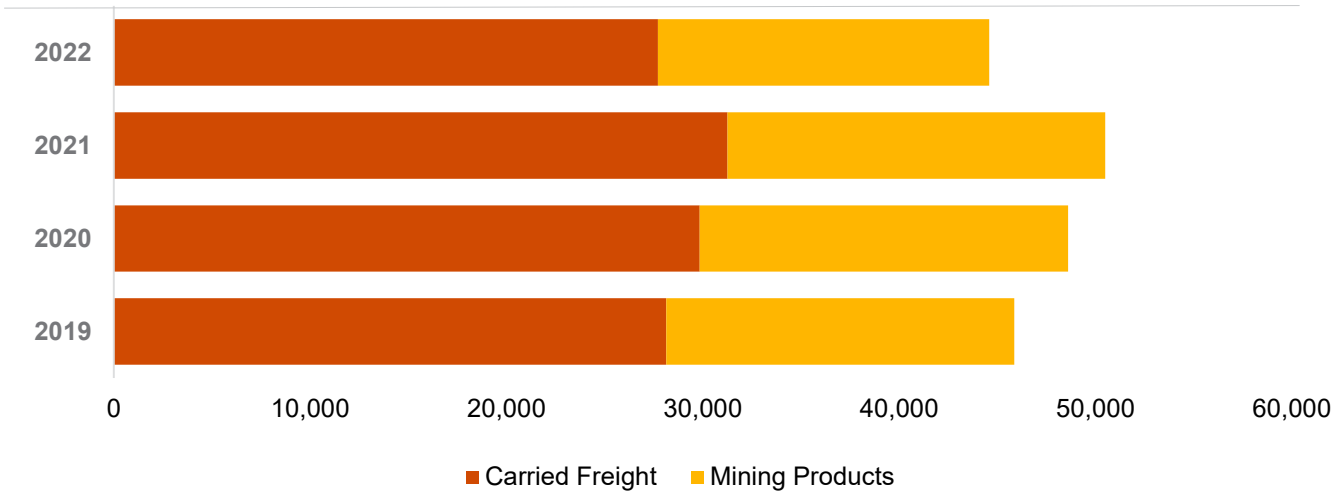
Information on transportation

Mongolia's transportation system comprises of railway, road network and airway.

Railway

In Mongolian rail network spans about 3,063 km, and is the backbone of Mongolian trade. Specifically, the export and import of mineral and mining products through rail have become an increasingly popular means of transportation. In 2022 a total of 16,823.6 thousand tons of mining products were transported using the railway, about 60% of the total transported products.

Figure 21. Total carried freight by railway (in thousand tons, 2019-2022)



Source: National Statistics Office

The railway is not a popular means of transportation. In just 2022, Mongolian Railway transported 2.3 million passengers with revenue of MNT 748,176.7 million. There are two major rail border crossing points are operated 24/7 and they are Zamyn-Uud, bordered with China and Altanbulag, bordered with Russia.



Infrastructure and Utilities



Information on transportation

Road network

The road traffic in Mongolia moves on the right-hand side and spans over **a total of 1,135 km of road**. However, the only available mode of public transportation is bus service.

Road transportation carries important significance in Mongolia's trade sector. In 2022 a total of 33 million tons of freight were carried making MNT 784.5 billion in revenue.

There are in total 33 road border cross points in Mongolia, with China in total 17 and with Russian Federation 16 border cross points.

143

million passengers

33

road border cross points

1,234,701

registered vehicles

Airway

Mongolia has total of 6 airport including Chinggis Khan, the only international airport located 20 km from the capital city Ulaanbaatar. Currently, Mongolia has in total of 21 flight destinations of which 16 are international while 5 are domestic.

In 2022 the Mongolian airports transported in a total of 618,960 international passengers, however, compared to pre-pandemic, the rate has fallen 48%.

The Civil Aviation Authority of Mongolia has been actively working on opening availability of direct flights to the following countries:

- Azerbaijan
- Doha
- Qatar
- Greece
- Hungary
- Spain
- United Kingdom
- United States

Table 24. List of international airports

No.	Airport name	Location	IATA
International airports			
1	Chinggis Khaan International Airport	Ulaanbaatar, Mongolia	UBN
2	Dalanzadgad airport	Dalanzadgad, Umnugobi	DLZ
3	Khovd airport	Khovd, Khovd	HVD
4	Moron airport	Moron, Khuvsgul	MXV
5	Olgii airport	Bayan-Olgii airport	ULG
6	Choibalsan	Ulaangom,Uvs	ULO

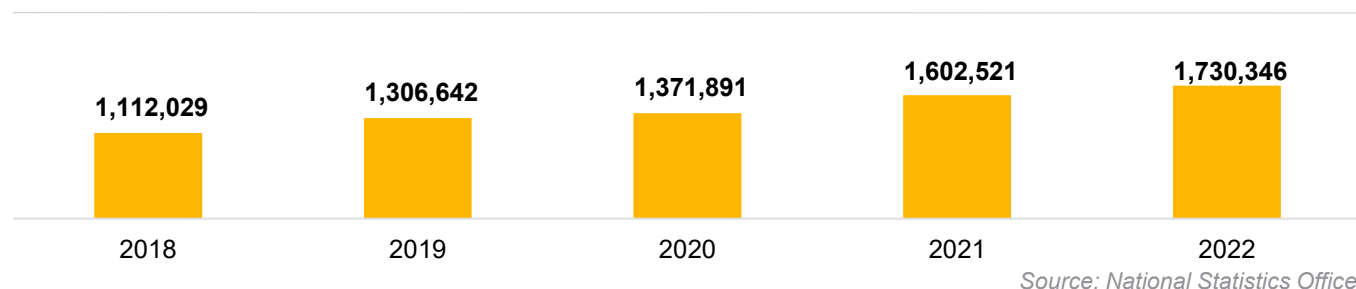
Infrastructure and Utilities



Telecommunications

Mongolian Information and Communication Technology (ICT) sector is thriving, with rising revenue each year. According to the NSO, the total revenue of the telecommunications sector reached MNT 1.7 trillion, an 8 percent increase compared to last year. This increase is largely due to an increase in wireless telecommunications revenue.

Figure 22. Communication sector revenue (MNT million, 2018-2022)

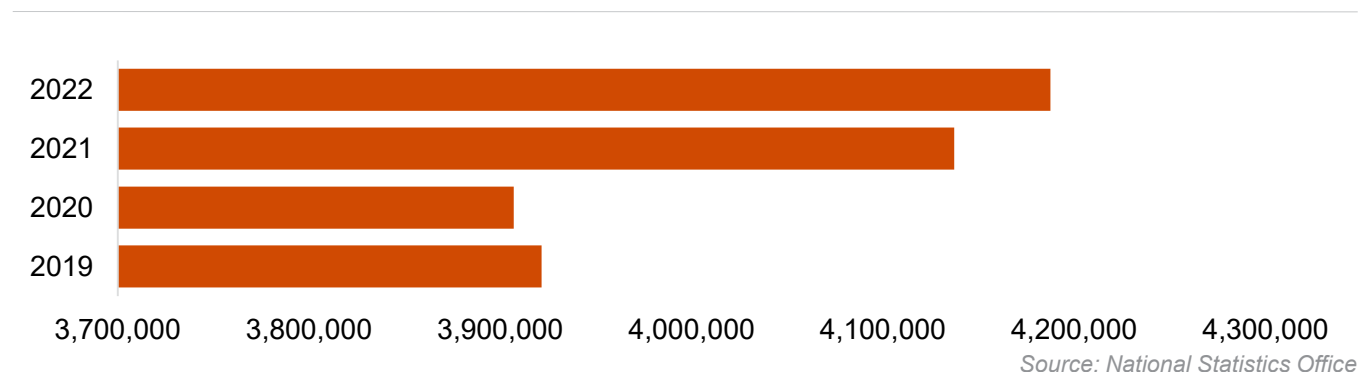


The number of active mobile phone users reached 4.8 million (double counted) at the end of 2022 according to the NSO. This is an increase of 226.6 thousand users compared to last year.

4.8 million active mobile phone users
(1.4 mobile phones per person)

Due to Covid 19, the number of active internet users has increased drastically in 2020. From then, internet users reached 4.18 million (double counted) at the end of 2022 according to the NSO.

Figure 23. Internet users (2019-2022)



There are 4 main telecommunication companies in Mongolia. The cost per 1GB they offer ranges between 1000 MNT to 2000 MNT while the airtime cost per minute ranges between 60 MNT to 80 MNT. According to the Worldwide data pricing survey conducted by www.Cable.co.uk, the telecommunication cost in Mongolia is defined as “cheap” and ranked 43rd out of 233 countries in the list of countries with the cheapest telecommunication cost.

	Mobicom	Unitel	Skytel	G-Mobile
Mobile data cost per 1GB	Approx 1,000 MNT (0.3 USD)	Approx 1,500 MNT (0.4 USD)	1,000-2,000 MNT (0.3-0.6 USD)	1,000 MNT (0.3 USD)
Airtime cost per min	70-80 MNT (0.02 USD)	70-80 MNT (0.02 USD)	60 MNT (0.017 USD)	30-50 MNT (0.01 USD)

Infrastructure and Utilities



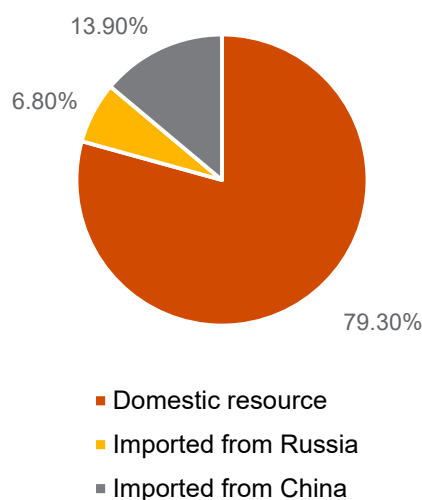
Power capacities

Mongolian energy network provides electricity through 5 independent electric power networks: the Western Energy Network, the Central Energy Network, the Southern Energy Network, the Eastern Energy Network and Altai-Uliastain Energy Network. There are also small-scale renewable energy sources and diesel stations in rural remote areas. Please refer to “Investment opportunities” section to get more detailed information about renewable energy in Mongolia.

Electricity production and consumption

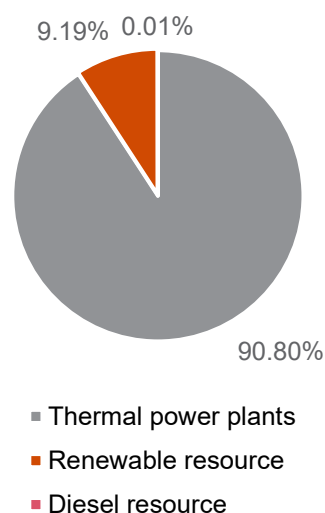
In 2022, 10.3 billion kWh of electricity was produced and 9.6 billion kWh of electricity was distributed, of which 79.3 percent was from domestic resource and 20.7 percent was from imported sources.

Figure 24. Energy origin (2022)



Source: Ministry of Economy and Development

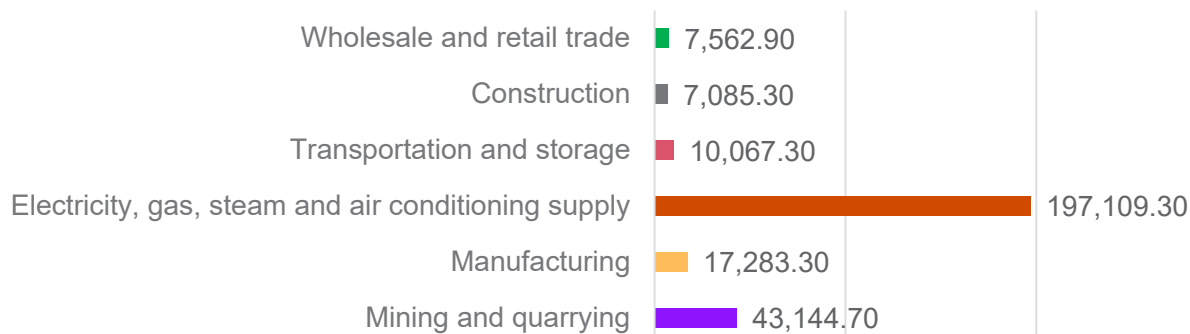
Figure 25. Domestic renewable energy (2022)



Source: Ministry of Economy and Development

Energy consumption continues to grow, with an average growth rate of 7-8 percent in recent years. Electricity, gas, steam and air conditioning supply has the highest share in energy consumption followed by mining and quarrying sector.

Figure 29. Energy consumption by sector (TJ, 2022)



Source: National Statistics office

Electricity tariffs are set annually by the ERC. As of 2023, An electricity tariff for enterprises ranges between 115 MNT to 390 MNT (equal to 0.03 USD to 0.11 USD) per kilowatt hour depending on the sector.

Infrastructure and Utilities

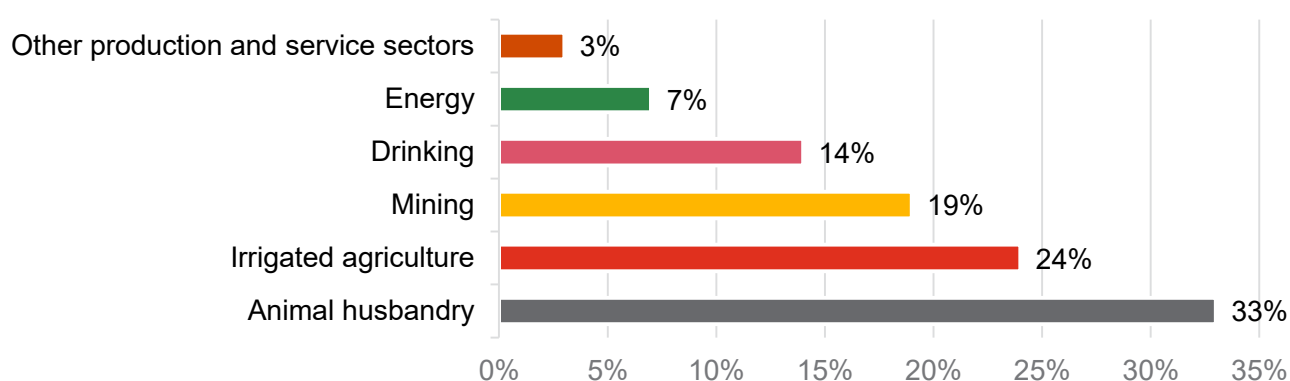


Water management

Mongolia's water resources are limited. 98% of the total water resources is surface water and 2% is underground water, and the resources are unevenly distributed. In mountainous regions, water resources are sufficient and 80% of the water resources are formed in the valleys of large rivers. But in the Gobi desert area, underground sources account for 80% of total water consumption.

In 2021, a total of 594.8 million cubic meters of water is used. Irrigated agriculture has the highest share in water consumption followed by irrigated agriculture and mining.

Figure 26. Water consumption by sector (2021)



Source: Ministry of Economy and Development

Water reuse/wastewater treatment

Currently there are total of 117 treatment plants including 86 domestic wastewater treatment plants and 29 industrial wastewater treatment plants. The percentage of wastewater treatment ranges between 45%-97% depending on the technology and capacity of the treatment plants.

Table 25. List of the main wastewater treatment facilities

Main wastewater treatment facilities in UB	Wastewater treatment percentage	Supplies to
Central Treatment Plant	46%	Tuul river
Aviation Treatment Plant	96.1	
Bio Treatment Plant	96.9	

Large mining enterprises such as Erdenet, Oyutolgoi, and Tavan Tolgoi have introduced technology that recycles 70-80% of their wastewater.

Source: Ministry of Economy and Development





12

Further
information and
resources

Further information and resources

Business support services

Mongolia has several professional associations which provide crucial resources and support, uphold ethical and professional standards in addition to granting professional licenses. The key professional association to refer to in Mongolia to enhance market understanding, mitigate risks and obtain services of high ethical and professional standards are the following:



Mongolian Institute of Certified Professional Accountants (MONICPA)

MONICPA is a self-governing, national professional NGO whose operations include regulation of professional services including accounting and assurance; research and project implementation; accounting courses and qualifications; development of members. Furthermore, MONICPA is the only organisation authorised to grant professional licenses to accountants.

Website: <http://www.monicipa.mn/c/563188>



Mongolian Association of Certified Tax Consultants (MACTC)

MACTC is a professional NGO that operates to ensure tax compliance by developing professional tax consulting services that provide support for both the government and taxpayers. Furthermore, it is the only authorised body to grant, extend and revoke professional tax consultancy licenses to individuals.

Website: <https://en.cpta.mn/>



Mongolian Institute of Certified Appraisers (MICA)

MICA is a professional NGO that serves its members, established by appraisers and appraisal service providers with the goal of protecting their interests and elevating their skills, protecting customers' rights and regulating the appraisal service standards.

Website: <http://www.mica.mn/c/594575>



Mongolian Bar Association (MBA)

The MBA is a professional NGO, whose members are all professionals operating businesses in the legal field, judges, prosecutors, advocates, notaries, and lawyers. Furthermore, MBA has the full authority to conduct bar exams, grant or revoke licenses to provide professional legal services, represent lawyers, and operate the Committee of Professional Responsibility. Therefore, when seeking legal services the MBA is the place to go to find qualified individuals or entities with professional and ethical standards.

Website: <https://www.mglbar.mn/index>



Association of Mongolian Advocates (AMA)

AMA is a professional NGO that represents advocates and organisations providing advocacy services, serving as a networking platform, ensuring the development of professionals, and promoting a code of ethics. AMA is authorized to conduct advocates exams and provide advocacy licenses to lawyers.

website: <https://www.ama.org.mn/>

Further information and resources

Business associations and chambers

In Mongolia, there are several business associations and chambers which facilitate business owners' opportunities of networking, advocacy and training to support business, foster economic growth and promote trade and investment.

The following are notable associations and chambers of commerce to refer to in Mongolia.



The Business Council of Mongolia (BCM)

BCM is a membership-based association of leading businesses and investors. Currently, BCM has 260 members with diverse and international members such as global companies, embassies, international financial institutions, and NGOs giving members the opportunity to network.

Website:

<https://www.bcmongolia.org/en/>



Mongolian National Chamber of Commerce and Industry (MNCCI)

MNCCI represents the Mongolian private sector and works to improve the business environment and promote accessibility of business opportunities to companies and investors. Furthermore, the MNCCI works closely with the government and relevant authorities providing consultation and information on policies to improve the legal framework of the business environment.

Website:

www.mongolchamber.mn



The American Chamber of Commerce in Mongolia (AmCham)

The AmCham is an independent membership- driven organisation with the objective to strengthen, build and protect business between USA and Mongolia. In addition, AmCham in Mongolia is an official affiliate of the US Chamber of Commerce, with over three million members.

Website:

<https://www.amcham.mn>



Australian Chamber of Commerce in Mongolia (AustCham)

AustCham is a business association that promotes trade and investment between Australia and Mongolia. It serves as a platform for Australian and Mongolian companies to connect, collaborate, and explore business opportunities in various sectors. Furthermore, it advocates for the interests of its members and provides resources and support to foster bilateral trade and investment between Australia and Mongolia.

Website:

<https://austchammongolia.com/>



Eurochamber Mongolia

Eurochamber was founded by leading Mongolian and European businesses and provides networking opportunities, training, and exclusive meetings with high-level government officials and diplomats from Mongolia and Europe.

Eurochamber has most of the European associations as members including the British Embassy, French Mongolian Chamber of Commerce, German-Mongolian Business Association and British Association of Trade and Commerce in Mongolia.

Website:

<https://www.eurochamber.mn/>

Further information and resources

Renowned investors

The Government of MNCCI jointly announces the TOP-100 enterprises rankings on an annual basis. These rankings are made based on factors such as annual revenue, tax paid, the number of social insurance payers, size of earnings, and assets. In 2022, state-owned companies with ownership of 50% of the state are not included in the rankings.

In May 2023, the TOP-100 enterprises of 2022 were announced, and Oyu Tolgoi LLC was ranked first.

Table 26. List of TOP 10 enterprises of 2022

Ranking	Company name	Sector
1	Oyu Tolgoi LLC	Mining and extractive industry
2	Khan Bank JSC	Banking & finance sector
3	Energy Resource LLC	Mining and extractive industry
4	Golomt Bank JSC	Banking & finance sector
5	NIK LLC	Petroleum industry
6	Trade and Development Bank	Banking & finance sector
7	APU JSC	Retail industry
8	Shunkhlai LLC	Petroleum industry
9	Mobicom Corporation LLC	Telecommunications industry
10	Mongolyn Alt MAK LLC	Mining and extractive industry

Further information and resources

Government of Mongolia

Table 27. Contact information of Ministries

Ministries	Phone number	Website
Ministry of Environment and Tourism	976-51-261966	www.met.gov.mn
Ministry of Construction and Urban Development	976-51-76003333	www.mculd.gov.mn
Ministry of Defense	976-51-261636	www.mod.gov.mn
Ministry of Education and Science	976-51-323158	www.meds.gov.mn
Ministry of Foreign Affairs	976-51-70082222	www.mfa.gov.mn
Ministry of Road and Transport Development	976-51-263179	www.mrtd.gov.mn
Ministry of Finance	976-51-267468	www.mof.gov.mn
Ministry of Mining and Heavy Industry	976-51-263506	www.mmhi.gov.mn
Ministry of Labor and Social Protection	976-51-266324	www.mlsp.gov.mn
Ministry of Justice and Internal Affairs	976-51-267533	www.mojha.gov.mn
Ministry of Food, Agriculture and Light Industry	976-51-262271	www.mofa.gov.mn
Ministry of Energy	976-51-263051	www.energy.gov.mn
Ministry of Health	976-11-323002	www.moh.gov.mn
Ministry of Economy and Development	976-51-263333	www.med.gov.mn
Ministry of Culture	976-51-265621	www.moc.gov.mn
Ministry of Digital Development and Communications	976-11-330781	www.mddc.gov.mn

Further information and resources

Information and contact details for important departments

Table 28. Contact information of important departments

Organizations	Phone number	Website
Investor Protection Council	976-51-264182	www.ipc.gov.mn
Mongolian National Chamber of Commerce and Industry	976-77277070	www.mongolchamber.mn
Mongolian Tax Authority	976-11-311175	www.mta.gov.mn
Mongolian Stock Exchange	976-11-313747	www.mse.mn
General Authority for State Registration of Mongolia	976-1800 1890	www.burtgel.gov.mn
Intellectual Property Office of Mongolia	976-11-327638	www.ipom.gov.mn
National Statistics Office of Mongolia	976-1900 1212	www.nso.mn
Mongolian Tax Administration	976-1800 1288	www.mta.gov.mn
National Archives of Mongolia	976-1800 1205	www.archives.gov.mn
Immigration Authority of Mongolia	976-1800 1882	www.immigration.mn
General Department of Social Insurance	976-77771289	www.ndaatgal.mn



Appendix

- **Appendix 1.** List of products that require permission for export
- **Appendix 2.** List of countries eligible for E-Visa application
- **Appendix 3.a.** List of visa exempted countries
- **Appendix 3.b.** List of tourism visa exempted countries until the end of 2025
- **Appendix 4.** Mongolia Double Tax Treaties
- **Appendix 5.** Signatory Countries to the Apostille Treaty
- **Appendix 6.a.** Bilateral investment agreements (BIT)
- **Appendix 6.b.** Treaties with Investment Provisions (TIPs)

Appendix 1.

List of products that require licenses/permits for export

No	Product	Responsible authority
1	Meat (Goat, sheep, horse,)	Ministry of Food, Agriculture and Light industry
2	Strategic Food	
3	Organic food	
4	Livestock and their raw materials	
6	Sheep wool, goat cashmere and wool cashmere products	General Authority for Veterinary Services
7	Animals and their raw materials certificate (Eagle and others)	
8	Plants, their raw materials and non-timber forest	Ministry of Environment and hazardous substances
9	CITES Convention on International Trade in Endangered Species of Wild Fauna and Flora	
10	Hazardous waste	
11	Toxic chemicals and hazardous substances	
12	Narcotic Drugs and psychotropic substances	Ministry of Health
13	Medicines and medical devices	
14	Explosives and explosive devices	Ministry of Mining and Heavy industry
15	Electricity	Ministry of Energy

Appendix 2.

List of countries eligible for E-Visa application

1	Albania	34	Cabo Verde	67	Rwanda
2	Angola	35	Cambodia	68	Samoa
3	Andorra	36	Kenya	69	San Marino
4	Antigua and Barbuda	37	Kiribati	70	Sao Tote and Principe
5	Armenia	38	Colombia	71	Seychelles
6	Nepal	39	Comoros	72	Saudi Arabia
7	Barbados	40	Congo	73	Senegal
8	Bahamas	41	Republic of Congo	74	Saint Vincent
9	Belize	42	Costa Rica	75	Saint kitts and Nevis
10	Benin	43	Cote O'ivoire	76	Saint Lucia
11	Bolivia	44	Cuba	77	Solomon Islands
12	Bosnia and Herzegovina	45	Kuwait	78	Suriname
13	Botswana	46	Lesotho	79	Sierra Leone
14	Brunei Darussalam	47	Mauritius	80	Taiwan
15	Burundi	48	Mauritania	81	United Republic of Tanzania
16	Bhutan	49	Madagascar	82	Togo
17	Vanuatu	50	Malawi	83	Tonga
18	Vatican City State	51	Marshall Islands	84	Central African Republic
19	Venezuela	52	Mexico	85	Trinidad and Tobago
20	Vietnam	53	Micronesia	86	Tuvalu
21	Gabon	54	Mozambique	87	Uganda
22	Guyana	55	Moldova	88	North Macedonia
23	Gambia	56	Montenegro	89	Fiji
24	Ghana	57	Myanmar	90	Haiti
25	Guatemala	58	Namibia	91	Honduras
26	Guinea	59	Nauru	92	China
27	Guinea Bissau	60	Nicaragua	93	Equatorial Guinea
28	Grenada	61	South Africa	94	El Saivador
29	Dominica	62	South Sudan	95	India
30	Djibouti	63	Palau	96	Eritrea
31	Zambia	64	Panama	97	Eswatini
32	Zimbabwe	65	Papau New Guinea	98	Ethiopia
33	Timor-Leste	66	Paraguay	99	Jamaica

Appendix 3.

A. List of visa exempted countries

No	Country	Passport types covered by agreement	Duration of stay
1	The Republic of Philippines	All passports	Up to 21 days
2	Malaysia	All passports	Up to 30 days
3	The Republic of Kazakhstan	All passports	Up to 90 days
4	The State of Israel	All passports	Up to 30 days
5	Hong Kong SAR (China)	All passports	Up to 14 days
6	The Kyrgyz Republic	All passports	Up to 90 days
7	Ukraine*	All passports / with official invitation /	Up to 90 days
8	The United States of America	All passports	Up to 90 days
9	Macau SAR (China)	All passports	Up to 90 days
10	The Lao People's Democratic Republic	All passports	Up to 30 days
11	The Kingdom of Thailand	All passports	Up to 30 days
12	Japan	All passports	Up to 30 days
13	The Federal Republic of Germany	All passports	Up to 30 days
14	The Republic of Belarus	All passports	Up to 90 days
15	The Republic of Turkey	All passports	Up to 30 days
16	The Republic of Serbia	All passports	Up to 90 days
17	Canada	All passports	Up to 30 days
18	The Russian Federation	All passports	Up to 30 days
19	The Federative Republic of Brazil	All passports	Up to 90 days
20	The Republic of Singapore	All passports	Up to 30 days
21	The Argentine Republic	All passports	Up to 90 days
22	Oriental Republic of Uruguay	All passports	Up to 30 days
23	The Republic of Chile	All passports	Up to 90 days
24	Ecuador	All passports	Up to 90 days
25	Peru	All passports	Up to 90 days
26	Republic of Korea	All passports	Up to 90 days
27	Uzbekistan	All passports	Up to 30 days

Appendix 3.

B. List of tourism visa exempted countries until the end of 2025

No	Country	Passport types covered by agreement	Duration of stay
1	Republic of Austria	All passports	Up to 30 days
2	Kingdom of Belgium	All passports	Up to 30 days
3	Hungary	All passports	Up to 30 days
4	Hellenic Republic	All passports	Up to 30 days
5	Kingdom of Denmark	All passports	Up to 30 days
6	Kingdom of Spain	All passports	Up to 30 days
7	Italian Republic	All passports	Up to 30 days
8	Republic of Latvia	All passports	Up to 30 days
9	Republic of Lithuania	All passports	Up to 30 days
10	Principality of Liechtenstein	All passports	Up to 30 days
11	Grand Duchy of Luxembourg	All passports	Up to 30 days
12	Republic of Malta	All passports	Up to 30 days
13	Kingdom of the Netherlands	All passports	Up to 30 days
14	Republic of Poland	All passports	Up to 30 days
15	Portuguese Republic	All passports	Up to 30 days
16	Slovak Republic	All passports	Up to 30 days
17	Republic of Slovenia	All passports	Up to 30 days
18	Republic of Finland	All passports	Up to 30 days
19	French Republic	All passports	Up to 30 days
20	Republic of Croatia	All passports	Up to 30 days
21	Czech Republic	All passports	Up to 30 days
22	Kingdom of Sweden	All passports	Up to 30 days
23	Republic of Estonia	All passports	Up to 30 days
24	Kingdom of Norway	All passports	Up to 30 days
25	Republic of Iceland	All passports	Up to 30 days
26	Swiss Confederation	All passports	Up to 30 days
27	Republic of Bulgaria	All passports	Up to 30 days
28	Ireland	All passports	Up to 30 days
29	Republic of Cyprus	All passports	Up to 30 days
30	Romania	All passports	Up to 30 days
31	Principality of Monaco	All passports	Up to 30 days
32	United Kingdom of Great Britain and Northern Ireland	All passports	Up to 30 days
33	Commonwealth of Australia	All passports	Up to 30 days
34	New Zealand	All passports	Up to 30 days

Appendix 4.

Mongolia Double Tax Treaties

No		Country	Date of coming into force
1		The People's Republic of China	Jan. 01, 1993
2		The Republic of Korea	Jan. 01, 1993
3		The Federal Republic of Germany	Jan. 01, 1997
4		The Republic of India	Jan. 01, 1997
5		The Socialist Republic of Vietnam	Jan. 01, 1997
6		The Republic of Turkey	Jan. 01, 1997
7		The United Kingdom of Great Britain and Northern Ireland	Jan. 01, 1997
8		The Republic of Hungary	Jan. 01, 1997
9		Malaysia	Jan. 01, 1997
10		The Russian Federation	Jan. 01, 1998
11		The Republic of Indonesia	Jan. 01, 1998
12		The Republic of France	Jan. 01, 1999
13		Czech Republic	Jan. 01, 1999
14		The Kingdom of Belgium	Jan. 01, 1999
15		The Republic of Kazakhstan	Jan. 01, 2000
16		The Republic of Kyrgyz	Jan. 01, 2000
17		The Republic of Poland	Jan. 01, 2002
18		The Republic of Bulgaria	Jan. 01, 2002
19		The Swiss Confederation	Jan. 01, 2002
20		Ukraine	Jan. 01, 2003
21		Canada	Jan. 01, 2003
22		The Republic of Singapore	Jan. 01, 2005
23		The Democratic People's Republic of Korea	Jan. 01, 2005
24		The Republic of Austria	Jan. 01, 2005
25		The Republic of Belarus	May 28, 2001
26		Italy	Jan.01, 2004

Appendix 5.

Signatory Countries to the Apostille Treaty

Countries	
A	Albania, Andorra, Antigua, Argentina, Armenia, Australia, Austria, Azerbaijan
B	Bahamas, Bahrain, Barbados, Belarus, Belgium, Belize, Bolivia, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burundi
C	Cape Verde, Chile, China (Hong Kong), China (Macao), Colombia, Cook Islands, Costa Rica, Croatia, Cyprus, Czech Republic
D	Denmark, Dominica, Dominican Republic
E	Ecuador, El Salvador, Estonia
F	Fiji, Finland, France, FYR of Macedonia
G	Italian Republic
H	Republic of Latvia
I	Republic of Lithuania
J	Principality of Liechtenstein
K	Kazakhstan, Korea, Republic of - (South Korea), Kosovo, Kyrgyzstan
L	Latvia, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg
M	Malawi, Malta, Marshall Islands, Mauritius, Mexico, Monaco, Mongolia, Montenegro, Morocco
N	Namibia, Netherlands, New Zealand, Nicaragua, Niue, Norway
O	Oman
P	Panama, Paraguay, Peru, The Philippines, Poland, Portugal
R	Republic of Moldova, Romania, Russian Federation
S	Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Sao Tome and Principe, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Suriname, Swaziland, Sweden, Switzerland
T	Tajikistan, Tonga, Trinidad and Tobago, Tunisia, Turkey
U	Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Uzbekistan
V	Vanuatu, Venezuela

Appendix 6.

A. Bilateral investment agreements (BIT)

No.	Title of agreement	Parties	Status	Date of signature	Date of entry into force
1	Canada - Mongolia BIT (2016)	Canada; Mongolia;	In force	08/09/2016	24/02/2017
2	Mongolia - Tajikistan BIT (2009)	Mongolia; Tajikistan;	In force	20/03/2009	16/09/2009
3	Mongolia - Qatar BIT (2007)	Mongolia; Qatar;	Signed	29/11/2007	
4	Finland - Mongolia BIT (2007)	Finland; Mongolia;	In force	15/05/2007	19/06/2008
5	Agreement between the Government of the Republic of Croatia and the Government of Mongolia on the Promotion and Reciprocal Protection of InvestmentsCroatia - Mongolia BIT (2006)	Croatia; Mongolia;	Signed	08/08/2006	
6	Egypt - Mongolia BIT (2004)	Egypt; Mongolia;	In force	27/04/2004	25/01/2005
7	Israel - Mongolia BIT (2003)	Israel; Mongolia;	In force	25/11/2003	02/09/2004
8	Korea, Dem. People's Rep. of - Mongolia BIT (2003)	Korea, Dem. People's Rep. of; Mongolia;	Signed	10/11/2003	
9	Mongolia - Sweden BIT (2003)	Mongolia; Sweden;	In force	20/10/2003	01/06/2004
10	Lithuania - Mongolia BIT (2003)	Lithuania; Mongolia;	In force	27/06/2003	03/05/2004
11	Belarus - Mongolia BIT (2001)	Belarus; Mongolia;	In force	28/05/2001	01/12/2001
12	Agreement between the Republic of Austria and Mongolia for the Promotion and Protection of InvestmentsAustria - Mongolia BIT (2001)	Austria; Mongolia;	In force	19/05/2001	01/05/2002

Appendix 6.

A. Bilateral investment agreements (BIT)

No.	Title of agreement	Parties	Status	Date of signature	Date of entry into force
13	Mongolia - United Arab Emirates BIT (2001)	Mongolia; United Arab Emirates;	Signed	21/02/2001	
14	Japan - Mongolia BIT (2001)	Japan; Mongolia;	Terminated (Replaced by new treaty)	15/02/2001	3/24/2002- 6/7/2016
15	India - Mongolia BIT (2001)	India; Mongolia;	Terminated (Unilaterally denounced)	03/01/2001	4/29/2002- 3/22/2017
16	Mongolia - Philippines BIT (2000)	Mongolia; Philippines;	In force	01/09/2000	01/11/2001
17	Bulgaria - Mongolia BIT (2000)	Bulgaria; Mongolia;	Signed	06/06/2000	
18	Mongolia - Viet Nam BIT (2000)	Mongolia; Viet Nam;	In force	17/04/2000	13/12/2001
19	Kyrgyzstan - Mongolia BIT (1999)	Kyrgyzstan; Mongolia;	In force	05/12/1999	10/07/2001
20	Agreement between the Government of Mongolia and the Government of the Republic of Cuba for the Promotion and Reciprocal Protection of Investments Cuba - Mongolia BIT (1999)	Cuba; Mongolia;	In force	26/03/1999	18/10/2000
21	Mongolia - Turkey BIT (1998)	Mongolia; Türkiye;	In force	16/03/1998	22/05/2000
22	Kuwait - Mongolia BIT (1998)	Kuwait; Mongolia;	In force	15/03/1998	01/05/2000
23	Agreement between the Government of the Czech Republic and the Government of the Mongolia for the Promotion and Reciprocal Protection of Investments Czech Republic - Mongolia BIT (1998)	Czechia; Mongolia;	In force	13/02/1998	07/05/1999

Appendix 6.

A. Bilateral investment agreements (BIT)

No.	Title of agreement	Parties	Status	Date of signature	Date of entry into force
24	Indonesia - Mongolia BIT (1997)	Indonesia; Mongolia;	In force	04/03/1997	13/04/1999
25	Mongolia - Switzerland BIT (1997)	Mongolia; Switzerland;	In force	29/01/1997	09/09/1999
26	Mongolia - Russian Federation BIT (1995)	Mongolia; Russian Federation;	In force	29/11/1995	26/02/2006
27	Mongolia - Poland BIT (1995)	Mongolia; Poland;	In force	08/11/1995	26/03/1996
28	Mongolia - Romania BIT (1995)	Mongolia; Romania;	In force	06/11/1995	15/08/1996
29	Malaysia - Mongolia BIT (1995)	Malaysia; Mongolia;	In force	27/07/1995	14/01/1996
30	Mongolia - Singapore BIT (1995)	Mongolia; Singapore;	In force	24/07/1995	07/01/1996
31	Agreement between the Government of Mongolia and the Government of the Kingdom of Denmark concerning the Promotion and Reciprocal Protection of Investments Denmark - Mongolia BIT (1995)	Denmark; Mongolia;	In force	13/03/1995	02/03/1996
32	Mongolia - Netherlands BIT (1995)	Mongolia; Netherlands;	In force	09/03/1995	01/06/1996
33	Kazakhstan - Mongolia BIT (1994)	Kazakhstan; Mongolia;	In force	02/12/1994	13/05/1995
34	Mongolia - United States of America BIT (1994)	Mongolia; United States of America;	In force	06/10/1994	04/01/1997

Appendix 6.

A. Bilateral investment agreements (BIT)

No.	Title of agreement	Parties	Status	Date of signature	Date of entry into force
35	Hungary - Mongolia BIT (1994)	Hungary; Mongolia;	In force	13/09/1994	06/03/1996
36	Lao People's Democratic Republic - Mongolia BIT (1994)	Lao People's Democratic Republic; Mongolia;	In force	03/03/1994	29/12/1994
37	Italy - Mongolia BIT (1993)	Italy; Mongolia;	In force	15/01/1993	01/09/1995
38	Mongolia - Ukraine BIT (1992)	Mongolia; Ukraine;	In force	05/11/1992	05/11/1992
39	BLEU (Belgium-Luxembourg Economic Union) - Mongolia BIT (1992)	BLEU (Belgium-Luxembourg Economic Union); Mongolia;	In force	03/03/1992	15/04/2000
40	France - Mongolia BIT (1991)	France; Mongolia;	In force	08/11/1991	22/12/1993
41	Mongolia - United Kingdom BIT (1991)	Mongolia; United Kingdom;	In force	04/10/1991	04/10/1991
42	China - Mongolia BIT (1991)	China; Mongolia;	In force	25/08/1991	01/11/1993
43	Germany - Mongolia BIT (1991)	Germany; Mongolia;	In force	26/06/1991	23/06/1996
44	Korea, Republic of - Mongolia BIT (1991)	Korea, Republic of; Mongolia;	In force	28/03/1991	30/04/1991

Appendix 6.

B. Treaties with Investment Provisions (TIPs)

No.	Title of agreement	Parties	Status	Date of signature	Date of entry into force
1	Agreement between Japan and Mongolia for an Economic Partnership Japan - Mongolia EPA (2015)	Japan; Mongolia;	In force	10/02/2015	07/06/2016
2	Agreement Concerning the Development of Trade and Investment Relations between Mongolia and the United States of America Mongolia - US TIFA (2004)	Mongolia; United States of America;	In force	15/07/2004	15/07/2004
3	The Energy Charter Treaty The Energy Charter Treaty (1994)	Energy Charter Treaty members; EU (European Union);	In force	17/12/1994	16/04/1998
4	Agreement on Trade and Economic Cooperation between the European Economic Community and Its Member States and Mongolia EEC - Mongolia Trade Cooperation Agreement (1992)	EU (European Union); Mongolia;	In force	16/06/1992	01/03/1993

