



YOUR GUIDE TO INVEST IN MONGOLIA 2020



GOVERNMENT OF
MONGOLIA

REGULATORY AGENCY OF GOVERNMENT
NATIONAL DEVELOPMENT AGENCY

YOUR GUIDE TO INVEST IN MONGOLIA

Investment Guidebook 2020



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GREETING



From the scene of a blueprint of our Nation, from the achievement of our multilateral effort, we have built a strong, deep and friendly relationship over the past course of period of time with the nations from all over the world. It is indeed a privilege to introduce Mongolia's investment environment to You through this small booklet.

This guidebook hopefully gives you a direction to consider Mongolia as your next destination of investment and business opportunities. We promise abundant opportunity for growth and benefits for every stakeholder through being one of the fastest growing economies globally, and offer a large mineral resources base that can be leveraged for value added processing.

While mining industry plays the chief role of our earnings, we substantially encourage the non-mining industry through our economic and investment diversification policies. But to foster it, by making sure that Mongolia as a Nation welcomes the investment, we value and honor win- win situation by making Mongolian businesses environment smarter, innovative, and sophisticated. Investment comes when the market is open, policies are supportive, government is stable, roadmaps are clear and opportunities are available. We have them.

Being open for every opportunity and being open for everyone is the core value of Mongolia's effort in addressing investment in general. Not only just for the necessity, but also for the good deed, Mongolia is taking bold actions to reform the investment environment by modifying the respective laws to attract investment through various measures. A decisive regulatory reform that we took on investment is aimed to reduce and abolish business unfriendliness, cutting red tapes making sure that the less intervention of Government to the businesses but more support on enabling environment and give more economic freedom. Besides being a referee of these aforementioned activities, We, the National Development Agency, competes to bring jobs and investment from around the world to Mongolia by making investment attraction, as a core priority by actively encouraging companies around the world to consider Mongolia by serving as a single point of contact to help you to invest faster and build your business efficiently in Mongolia. We can do better and achieve more together and let's dedicate ourselves to that.

Chairman

National Development Agency of Mongolia

With all the best wishes,

Respectfully Yours,



BAYARSAIKHAN Banzragch

ABOUT MONGOLIA

Location

Mongolia is a land-locked country in the North-East Asia bordering China with 4,673 km in the south and Russian Federation with 3485 km in the north. It is located on average altitude of 1580 meters above

the sea level Capital city is Ulaanbaatar, located in north central Mongolia, the city lies at an elevation of about 1,310 meters in a valley on the Tuul River.



Climate

Mongolia is located in the Northern Hemisphere temperate zone. Situated at an average altitude of 1500 m above the sea level separated from the oceans, surrounded by high mountain chains that are blocking the wet winds, Mongolia has an extreme continental climate. The winter continues long with cold temperature but summer is hot and not so long Winter lasts from November to late April, Spring May through June. In May, the average temperature is 0 +6°C, +43F, often with clear cloudless skies but windy and dry.

Geography

Mongolia is located on the high plateau of Central Asia

The total land area of Mongolia is 1,564,116 square kilometers

Time

Time Zone: GMT +7 to +8 hours.

Population

Population: 3.2 million [Source: Population Register)

Language

The official language of Mongolia is Mongolian, and is spoken by 95% of the population. In the west of the country, Kazakh is also spoken by 5%.

KEY FIGURES /2019/

GDP	GDP per capita	4.266USD
	Total	13.9 billion USD
	Growth rate	5.2%
FDI	Total	26.8 billion USD
	FDI	2.9 billion USD
TRADE	Trade balance	1.5 billion USD
	Export	7.6 billion USD
	Import	6.1 billion USD
Other Macroeconomic Figures		
	Inflation	5.2%
	Policy interest rate	11.0%
Social Statistics		
	Unemployment	8.1%





"Doing Business 2020" report
Mongolia ranks #81

DOING BUSINESS

The Government of Mongolia has
consistently pursued policies that
improve the business environment and
increase the country's competitiveness
In World Bank's



WHY MONGOLIA

MONGOLIA is the most special place for the potential Investors, which has enabled business-friendly and favorable environment with its generous incentives. The Government of Mongolia is committed to fostering an attractive environment for FDI and trade through an open policy and ensuring public sector efficiency, legal certainty and sound governance.

- Diversified and growing market exists in Mongolia
- Large mineral resource base that can be leveraged for value added processing
- Second- largest cashmere producers in the world
- Neighbor hooding two giant markets Russia & China
- Young and well educated working force
- Attractive FDI environment and trade through an open policy committed to reduce bureaucracy and corruption
- Developing Industry and Infrastructure
- Private Sector & Privatization /privatize major state assets, list Mongolian conglomerates and exploration license aggregators on MSE/
- PPP & Modernizing Infrastructure
- Rule of law & Regulatory Quality & Transparency
- Ensuring guarantee for investors /tax & non tax/
- Promising mega projects
- Thriving high tech hub

MONGOLIA'S EFFORT TO ATTRACT FDI

Managing Stakeholders Interests

- Synergy between government institutions
- Capacity building program
- Social program to promote a positive impact of FDI

Diversification

- Sector diversification
- Geographical diversification
- Source country diversification

More Favorable Condition

- Reduced procedural barriers
- Incentives
- Financial Incentives
- Fiscal Incentives
- Regulatory Incentives

Protection

- One stop services
- Aftercare services
- Grievance management mechanism

Open Entry to the Market

- No Approval needed to enter into market and buy a local company
- No Discrimination between Foreign and Local Investors
- Fast Registration Process for establishing new entity
- Open for investment in any industry or sector without limitation or government approval

Guarantees for Investors

- No-Expropriation
- Intellectual Property Protection
- Free Repatriation
- Choice for Dispute Settlement
- Tax stabilization

INVESTMENT ENVIRONMENT BY INTERNATIONAL INDEXES

The ease of doing business index is an index created by the World Bank Group. Mongolia ranked 81 among 190 economies in the ease of doing business in 2020.

MONGOLIA IMPROVED IN DOING BUSINESS 2020, RANKED 81

Indicator	Doing business 2020 rank
Protecting investor	25
Starting a business	100
Registering property	50
Getting credit	25
Paying taxes	71

Source: *Doing business Mongolia 2020*, World Bank

ECONOMIC FREEDOM INDEX 2019

Mongolia is the 127th freest country out of 180

	Mongolia
Business Freedom	63.6
Trade Freedom	74.0
Investment Freedom	50.0

"Mongolia's economic freedom score is 55.9, making its economy the 127th freest in the 2020 Index. Its overall score has decreased by 0.5 point, with lower scores for judicial effectiveness and government integrity exceeding improvements in government spending and investment freedom. Mongolia is ranked 30th among 42 countries in the Asia-Pacific region, and its overall score is below the regional and world averages."

Source: Economic Freedom Index Mongolia 2020, Heritage Foundation

ECONOMIC SECTORS

ABUNDANT NATURAL RESOURCES AND MINERALS

Mongolia has substantial natural resources and minerals, which promise an unprecedented growth potential. Mongolia as a one of the world's leading mineral resources has over 8 thousands occurrences of 80 kinds of mineral deposits of 1170 minefield. It includes 1619 gold, 227 thousands silver, 36.3 million copper, 660 million iron ore, 5.9 million zinc and 250 million tons of oil reserves. The biggest deposit is Erdenet copper mine, Oyu Tolgoi, Tsagaan suvarga, Gatsuurt, Tavt, Asgat of gold, Bayangol, Tumurtei, Tumurtei owoo, Bargilt of iron ore. Mongolia accounts for 16.77% of the world's reserves. On January 2019, the mining sector compounds 23.8% of GDP, 24.5% of national budget income, 71.8% of Gross Industrial Output, 75.8% of FDI, 4.5% of workforce and 90.1% of export earnings.

The Central and Eastern parts of Mongolia is relatively well studied. While western part of country is untapped, this has a great potential for discovery of new deposits.

75.8% of FDI into Mongolia annually targets the mining sector and falling global coal and copper prices have dampened investor interest. The mining sector is obviously the prevailing sector of our economy and main base of our trade and industry. However, we face with disadvantages of being over dependent of one sector. Therefore, we consider in developing value added industrial sector in urgency.

Minerals	Reserves (2019)	World Rank
Gold (thousand ton)	2,5	
Zinc (million ton)	1,7	
Iron ore (billion ton)	1,2	
Crude oil (million ton)	332,6	
Copper (million ton)	57	IV
Coal (billion ton)	37,2	VII
Uranium (thousand ton)	197	XI
Molybdenum (thousand tons)	160	VI

POTENTIAL & ORGANIC AGRICULTURAL SECTOR

Apart from vast mining recourses, we have also broad opportunity and potentials to develop traditional agriculture sector. The sector is one of the priority sectors to the country's economy and cultural heritage, food and agriculture production compounds 13% of the GDP of Mongolia, 35% of total Mongolian work force, and 73.6% of Mongolian land is agricultural land.

Sub sectors	Animal husbandry	Crop production	Food production	Animal originated production
potentials	Animal husbandry has its peculiarities is that Mongolians are nomads. 70.9 million live-stock. Horse-4.2 million Cattle-4.7 million Camel-0.4 million Sheep-32.1 million Goat-29.3 million	Crop production has 50 years history with no use of chemicals and pesticides. Arable land-1,2 million ha Land in use: 0.6 million ha	Milk production Meat production Flour production Ferment factories Products made by natural berries	Cashmere & wool production Skin & Leather production

ECONOMIC SECTORS

INVESTMENT IN FOOD AND AGRICULTURE SECTOR

There is a great potential for exports of high value-added industrial products based on meat, cashmere, yak hair, sheep and camel wool and over the past decade, the agriculture sector—one of Mongolia's oldest industries has remained integral to the country's long-term development strategy, even as mining, telecoms and some other relatively new sectors have grown rapidly.

According to recent analysis, about 60 percent of Mongolian cultivated area is low in nitrogen and potassium which is easy to use in plants, and 34.7 percent low in phosphorus concentrations, respectively. Thus, there are opportunities to intensify and further develop crop farming by systematically using mineral fertilizers based on soil test results and physiological context of crops, and by extensively utilizing nutrients and bio-fertilizers made by local natural and farming resources.

Therefore, wide cooperation opportunities are open for investors in this field of enhancing pastureland management, producing competitive value added agricultural products, ensuring food security, developing marketing of organic agricultural products and curing livestock from disease.

Based on investors' interest to undertake farming, by owning a land solely or jointly with foreign investors and local organizations, or by leasing the land there are huge opportunities to plant and export food and nutritional crop of high quality and nutrition other than traditional crops cultivated in Mongolia such as buckwheat, rapeseed, soy, and produce animal feed from its byproducts.

SIGNIFICANT POTENTIAL ON RENEWABLE ENERGY SOURCES

Mongolia has a huge potential to export renewable electricity across Northern Asia.

According to the 'Renewables Readiness Assessment: Mongolia' from the International Renewable Energy Agency ("IRENA"), Mongolia's mostly untapped renewable resources could be used to kick-start a major cross border power corridor between Russia, Mongolia, China, South Korea and Japan. Mongolia's Gobi Desert has a vast renewable energy potential of 2.6TW. Mongolia's current power generation capacity is currently made up of just 7% from renewables and the government set a target of 20% renewables by 2023 and 30% by 2030. Mongolia's parliament recently adopted broad measures aimed at future sustainability including the Green Development Policy and the Law on Energy Conservation and Efficiency. The new law enables Mongolia to provide energy security and reliability.

Wind Power

- Mongolia has potential to become one of the major wind power producers.
- 10% of the total land area can be classified as excellent for utility scale applications, Power density 40—600W/m², the resource could potentially supply over 1100 GW of installed capacity. Wind power classification of Good-to-Excellent wind power resources are equivalent to 1,113,300 MW of wind electric

Solar Energy

- About 270-300 sunny days per year with an average sunlight duration of 2,250-3,300 hours are available in most regions of Mongolia. Annual average amount of solar energy is 1,400 kWh/m² with solar intensity of 4.3-4.7 kWh/m² per day.

Hydro Power

- There are 3800 small and big streams and rivers in our country, which could support up to 6417.7 MW of power and deliver 56.2 billion kWh of electric energy annually.
- Theoretical potential 6.2GW, more than 1 GW of these has been identified.

ECONOMIC SECTORS

BOOSTING BANKING AND FINANCIAL SECTOR

With the introduction of new Securities Law (2014) and Investment Fund Law (2013), there are substantial potential high-growth opportunities for new investors in an emerging advanced financial products and services industry, given its high demand within the country.

Insurance, fund management, private equity, venture capital and new credit and loan products are all areas where foreign undertakings can participate in for high capital returns.

- 13 commercial banks
- 1 development bank
- 538 non-banking financial institutions
- 254 savings & credit cooperatives
- 54 brokerage houses
- 15 insurance companies
- 5 foreign banks have representative offices: ING, Sumitomo Mitsui bank, Tokyo Mitsubishi bank, Bank of China and Industrial and Commercial Bank of China are present in Mongolia. According to statistics, 90-95 % percent of financial sector assets are held by commercial banks.

DIVERSIFYING INDUSTRIAL SECTOR

The Government of Mongolia attaches great importance in diversifying its economy. The mining sector is obviously the prevailing sector of our economy and main base of our trade and industry. However, we now face with disadvantages of being over dependent of one sector. Therefore, we consider in developing value added industrial sector in urgency. There are several actions and programs have been taken place including adoption of the State Industrial Policy by the Parliament so far.

The industrial sector is the top economic sector of Mongolia that based on the state, science and business correlations and to develop export-oriented, high technology and competitive industrialization and service. The Parliament of Mongolia has adopted The State Industrial Policy of Mongolia in 2015. It shall lead up to determine integrated activities to create the knowledge and skill driven manufacturing of high value added products and services from agricultural raw materials and mining industry and provide the sustainable development.

Heavy industry	Light industry	Small and medium enterprises
<ul style="list-style-type: none">• Oil production• Coal chemical production• Coke chemical production• Copper smelting• Steel production• Cement industry	<ul style="list-style-type: none">• Leather and hide production• Cashmere production• Wool production• Wood production	<ul style="list-style-type: none">• Dairy production• Construction material production• Food production• Bio preparations• Information technology

Manufacturing is on the rise and trend is likely to continue with the rapidly rising GDP. Given the rising demand and better investment climate, there is a high potential for industrial base to grow.

ECONOMIC SECTORS

DEMAND DRIVEN HEALTH SERVICES SECTOR

The Government has been committed to ensure sustainable funding to the health sector and providing accessible and equitable quality health care to all citizens. To this end, there is a high potential for investors to sustain healthcare system.

MULTI-ADVENTUROUS TOURISM SECTOR

As the birthplace of the Chinggis Khaan, Mongolia offers unique natural landscape and mysterious historical and cultural relics. It remains one of the last great adventure destinations in Asia.

Mongolia is ranked 99 out of 140 countries by the UN World Tourism Organization. In 2019, the visitors in Mongolia reached 577.2 thousand, 9% increase from 2018, according to the figures of CEIC data. The top nationalities of tourists visiting Mongolia are Chinese, Russian, South Korean, Japan and American. In a survey among 3500 tourists, 60.7% revealed that nature was their reason for visiting Mongolia while 42.4% were there to witness the nomadic lifestyle. Adventures such as horseback riding and trekking made up 12.1% while 11.3% of the surveyed tourists said they were interested in Mongolia's rich history, particularly Genghis Khan. Forbes has named Mongolia as one of 10 best tourism destination for 2019 and Insider has listed Mongolia as one of the 13 best destinations to spend a honeymoon.

Tourism has been highlighted as a potential sector to examine in terms of high FDI and linkages potential for the medium to long-term.

In recent years, the Government introduced a series of inspiring measures to improve infrastructure and promote tourism and has set ambitious short and medium-term objectives for the sector, which include boosting international arrivals in Mongolia.

As a developing sector with high growth potential, boosting investments in hotels, tour camps, eco-tourism and foreign tour operators are highly in demand.

Indeed, over the past decade Mongolia has earned a reputation as a key destination for outdoor and adventure sport and other related activities, including trekking, climbing, fishing, hunting, and birdwatching, among many other things based on exotic, untouched, wonderful nature and traditional nomadic customs.

THRIVING TELECOMS AND IT SECTOR

With the fast growth of ICT's total revenue each year, new interest from foreign investors will develop higher-speed network and build competitive network to global markets. Since it was liberalized in the early 1990's, Mongolia's telecommunication sector has grown rapidly.

The sector has the potential to attract a considerable amount of FDI, to facilitate new activity, faster and better services. With the high mobile penetration rate, subscriber growth is widely expected to slow or plateau in the coming years.

The government has taken on a key role in this area, introducing a number of large-scale, long-term development plans aimed at ensuring steady improvements in both the reach and the quality of national telecoms networks.

The government is fully behind the blossoming IT industry. In 2018, it launched the Hub Innovation Center, the nation's first facility that directly supports startups.

Interesting fact in Mongolia:	2.6 million internet users
	1.4 smartphones per person
	2.5 million Facebook users

Source: Communications Regulatory Commission of Mongolia





Credible Nation, Incredible Nature

INVESTMENT ENVIRONMENT

The fast pace of Mongolia's economic and business growth fueled by such industries as natural resources, infrastructure, agriculture in the recent years have been attracting significant attention from investors worldwide.

INTERNATIONAL FRAMEWORK

Mongolia constantly proves itself to be in a global market. Mongolia is persistently discussing to enter bilateral and multilateral agreements and actively participates in the process of regional integration. Until to this day, Mongolia has established Foreign Investment Protection and Promotion Agreement with 43 countries and Double Taxation treaties with 26 countries. Moreover, Mongolia is the member of the Seoul Convention establishing the Multilateral Investment Guarantee Agency and Washington convention on the Settlement of Investment Disputes.

Consequently, in April, 2014, Mongolia has introduced its investment policy and the law to UN Conference on Trade and Development /UNCTAD/ releasing “Mongolian Foreign Investment Policy Review”. The overall feedback was positive, followed by recommendations and suggestions towards the Government of Mongolia. The main concern that UNCTAD was having resource curse, followed which the recommendations were made. Firstly, to avoid macroeconomic instability, the Government of Mongolia has to determine new objectives and tools of a comprehensive FDI strategy. Secondly, necessity for new regulatory and institutional reforms for foreign and local private sector development. And lastly, Mongolia should develop programs for achieving diversification through FDI and other activities of foreign companies.

Following in September, 2014, the second review of the trade policies and practices of Mongolia took place, where the basis for the review was a report by WTO Secretariat and a report by the Government of Mongolia. The reviews were the similar to the UNCTAD’s, which again reinforced the importance of establishing a comprehensive FDI strategy.

In the year of 2015, Mongolia has completed Mongolia-Japan Economic Partnership Agreement /EPA/ negotiations, which became the Foreign Trade Agreement of Mongolia. As any other EPA agreement, Mongolia-Japan EPA has created an open door to both markets, which eventually

increase the competitive index of Mongolia and the FDI with the increase of import and export between two countries. Therefore, Mongolia has made another step to become a big player in the global market.

Analyzing the overall performance of Mongolia on a global level, international indexes of different type have shown following results;

- According to the 2020 Doing business report by the World bank, Mongolia ranked 81th out of 190 economies
- According to "Index of Economic Freedom 2019" by Heritage foundation, Mongolia has gained overall score of 55.9 percent out of hundred, losing in the categories such as property rights and government integrity



Seoul convention establishing the
Multilateral Investment Guarantee
Agency

Washington convention on the
Settlement of Investment Disputes

Foreign Investment Protection and
Promotion agreements with 43 countries

Tax treaties with 26 countries

Mongolia-Japan Economic Partnership
Agreement /First FTA/

Process of accession to APTA

LAW ON INVESTMENT /2013/

The Government of Mongolia has been taking an active policy to attract inward foreign direct investment since Mongolia has adopted a market economic system and has been persistently conducting a policy that stabilizes the legal environment of foreign investment and provides more favorable conditions for the investment procedures and regulations.

In 2013, the Government of Mongolia passed a new law on investment, which replaced both the old Investment law of 1993 and the Law on Strategic sectors of 2012. The new Investment law enables as open as possible investment environment for investors focusing on:

- No approval to enter into market and buy a local company
- No discrimination between foreign and local investors
- Fast registration process
- Stability guarantees- Provision of Tax stabilization certificate
- Flexibility and friendly conditions for investors

The law on Investment provides incentives, such as tax exemptions, tax credits, longer terms to possess land, increased quota of foreign employees, simplified visa arrangements, and others. Only foreign state- owned entities (those with a minimum of 34% ownership of entities in the mining, media and communication, or financial sectors) must obtain approval from an official government representative. The Investment Law declares that a foreign state's direct or indirect ownership exceeding 50% qualifies it as a foreign state owned entity.

INVESTMENT TYPES

- Joint Ventures, Consortium
- Mergers and Acquisition
- Concession (PPP), Product sharing, management contract
- Bond, Securities and other assets
- Financial leasing, Franchising
- Other investment types

The 2013 Law on Investment of Mongolia is available at the National Development Agency's website www.nda.gov.mn, www.investmongolia.com

LAW ON CONCESSION /2010/

THE PURPOSE OF THE CONCESSION LAW /2010/

The purpose of this law is to regulate matters related to the organization of tenders for granting investors concessions over state and local own property, the concession agreements, and the settlement of disputes.

PUBLIC-PRIVATE PARTNERSHIP STRATEGY

- To attract and support implementation of the projects that are prioritized by the government
- To intensify the growth of the economy depending on the private sector's resources, technology and management abilities
- To liberalize the economy by increasing the participation of the private sector in the government's investment policy and strategy.

In September 2013, the Government of Mongolia has approved the Resolution number 317 on "The list of the Concession/PPP projects". The concession sectors are:

- Infrastructure and Construction projects
- Highway projects
- Airport projects
- Energy sector projects
- Environment sector projects
- Education projects
- Health, art, sport and tourism projects
- Railway projects

The list of concession projects available at National Development Agency's website www.nda.gov.mn, www.investmongolia.com

NATIONAL DEVELOPMENT AGENCY

The National Development Agency /NDA/ is established as a government regulatory agency with the aim to ensure the country's economic stability and to develop and implement the integrated socio-economic and investment policy.

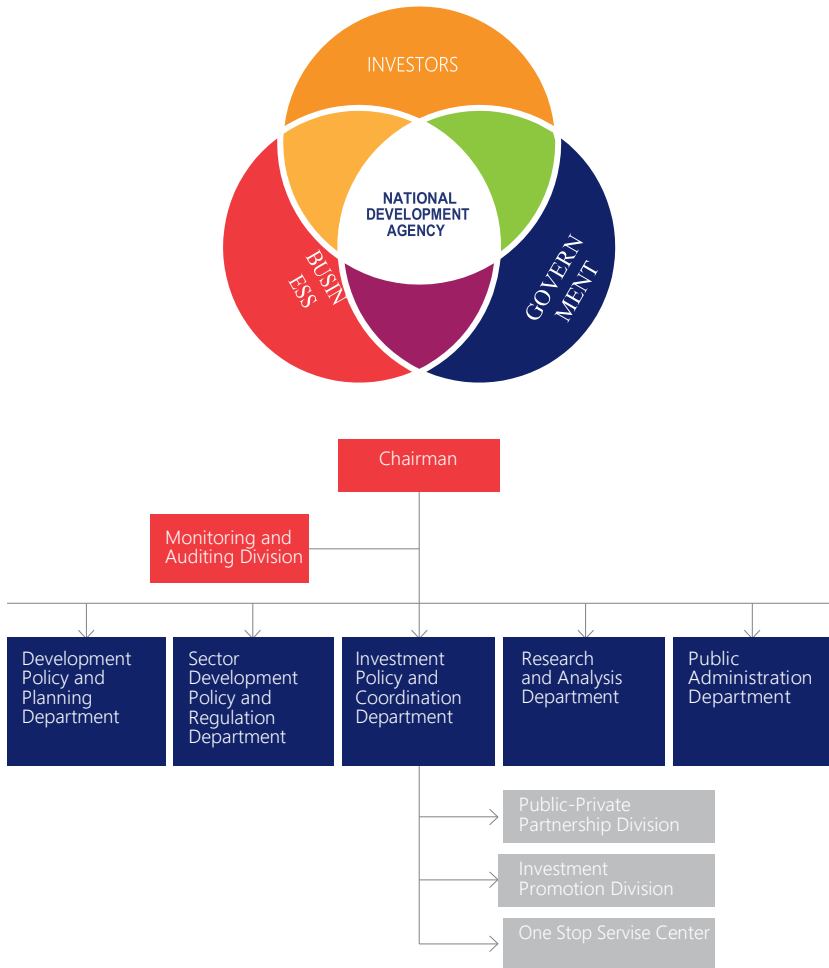
The main functions of NDA:

- Develop comprehensive development policy of Mongolia;
- Determine the priority sectors of the economy and to develop the tendency of the sectors development;
- Develop regional development policy;
- Plan and develop main strategy on integrated investment and foreign direct investment policy and to conduct comprehensive activities to attract and promote foreign direct investment into the country;
- Develop policy on public and private partnership /PPP/ and concession and to organize the implementation of concession projects.

According to the Investment law of Mongolia, the National Development Agency is state administrative body responsible for foreign direct investment, is directed to develop foreign investment policy and will continuously conduct comprehensive activities for attraction and promotion of foreign direct investment.

Within the framework of attracting beneficial and productive investment in to the country, the National Development Agency strives to identify priority sectors of Mongolia, prioritize investment seeking projects with high economic importance and conduct systematic and comprehensive promotional activities to attract potential targeted investors.

ORGANIZATIONAL CHART OF NATIONAL DEVELOPMENT AGENCY



INVESTMENT PROTECTION COUNCIL /IPC/

One of the leading priorities of the government is to protect the needs and rights of the investors, to provide foreign investors with stable legal policies and cooperation as well as a favorable environment, to aid in its implementation process of international contracts, domestic laws and regulations. Therefore, within the framework of the Government objectives aiming to restore investors' confidence and to attract more investment into the country, the Government of Mongolia has established the investor Protection Council /IPC/IN 2016. The Council is headed by Chief Cabinet Secretary of Mongolia and consists of high level officials from the Ministries and representatives of business associations and NGOs. In 2018, the Chairman of NDA has been appointed as a Secretary of the Council, and consequently the secretariat office has been transferred to NDA. The Council has received and solved around 160 requests and grievances in the past. By solving investors' grievances before it becomes dispute at the court or arbitration within the framework of the international agreements, laws and regulations, the private sector has been protected from potential risks such as financial loss, suspension of operation, etc.

Since IPC has created positive expectations among investors, NDA has developed Systematic Investor Response Mechanism /SIRM/ in cooperation with international Finance Corporation of World Bank Group.

CONTACT INFORMATION:

National Development Agency
Investment Protection Council
Government Building 2, United Nations Street 5/1,
Ulaanbaatar 15160, Mongolia
Phone: +976 51 264182
E-mail: contact@ipc.gov.mn
Website: www.ipc.gov.mn

PUBLIC-PRIVATE CONSULTATIVE COMMITTEE /PPCC/

Public-Private Consultative Committee was established under the Investment protection council in 2017 with the purpose of ensuring equal participation of both public and private sector by reflecting their suggestions and recommendation in policymaking process related to investment and business environment.

The Chairman of NDA works as Head of the Committee representing the Government and President of the Mongolian National Chamber Commerce and Industry /MNCCI/ works as Deputy Head of the committee representing the private sector.

The members of the Committee consist of the representatives of related ministries such as Ministry of Foreign Affairs, Ministry of Mining and Heavy Industry, Ministry of Agriculture and Light Industry, Ministry of Finance, and the representatives of the private sector such as Business Council of Mongolia, Mongolian National Mining Association, Ulaanbaatar City Chamber of Commerce, etc.

As a result of the successful implementation of Public-Private Dialogue mechanism, PPCC has played a key role to contribute improving the investment climate by ensuring the involvement of the private sector in amending, drafting relevant laws, regulations and policy documents.

Since PPCC has a good impact on strengthening mutual trust between the public and the private sector and enhancing the transparency of policymaking process, the Government, especially NDA and MNCCI are greatly focusing on creating rational structure of Public-Private Dialogue throughout the country.

CONTACT INFORMATION:

National Development Agency
Public-Private Consultative Committee
Government Building 2, United Nations Street 5/1, Ulaanbaatar
15160, Mongolia
Tel: +976 51 264182
E-mail: contact@ipc.gov.mn

INVEST IN MONGOLIA ONE STOP SERVICE CENTER /OSSC/ FOR INVESTORS

Since the establishment in February 2019, One Stop Service Center /OSSC/ has been successfully provided 42206 services of 62 types from 5 public organizations, such as National Development Agency, General Authority of State Registration, Immigration Agency, General Department of Taxation, General Office of Social insurance and from private organizations, such as bank, notary and real estate agency etc.

Following service are provided at the OSSC:

- Information and consulting: Investment environment and legal framework.
- Company registration: State registration, verification of legal entity amendments and other services related to the legal entities with foreign investment.
- Visa, residence permit: Visa issuance, residence permit, visa extension, registration of foreign investors and other related services.
- Taxation: Tax incentives, registration of taxpayer, digital signature, reference, receiving of tax statement, tax collection of foreign invested companies and foreign investors.
- Social insurance: Registration of social insurance, reference, receiving of statements from foreign invested companies.
- Bank: Banking services to foreign invested entities and investors, opening of bank account, transactions, etc.
- Notary: Notary services, arrangement of all types of agreements, entrustment, certification, signature approval.
- Other services, such as receiving of Investors' grievances through the SIRM system, training for investors and entities, Big data services, Innovation fund etc.

National Development Agency of Mongolia is aiming to provide all services of the OSSC through an online single window system in order to improve the quality of the services, to reduce bureaucracy and to provide favourable business and investment environment.

CONTACT INFORMATION:

National Development Agency
"Invest in Mongolia" One Stop Service Center
United Nations Street 5/1, Ulaanbaatar 15160, Mongolia
Phone: +976 77001717

Line number:

- (1) General Authority of State Registration
- (2) Mongolian Immigration Agency
- (3) General Department of Taxation
- (4) General office of Social Insurance
- (5) National Development Agency

E-mail: ossc@investmongolia.com

Website: investmongolia.gov.mn

INVESTMENT INCENTIVES

INVESTMENT AGREEMENT WITH THE GOVERNMENT OF MONGOLIA

The Investment Law provides any entity whose investment value that will exceeds MNT 500 billion with an option to enter into an Investment Agreement with the Government of Mongolia. An Investment Agreement may stipulate a longer stabilization period than the timeframes set in the Investment Law. The Agreement may include the legal protection stipulated in the Investment Law, as well as tax stabilization terms and other financial incentives and benefits.

Other tax and non-tax investment incentives and benefits are available in accordance with the relevant law of Mongolia

ADDITIONAL INCENTIVES AND BENEFITS FOR INVESTORS

The tax benefits may include exemption from taxes, preferential tax treatments, accelerated depreciation and amortization that is deductible from taxable income, carrying forward of losses, and deduction of employee training expenses from taxable income.

The non-tax benefits may include longer land lease rights, residential permits for international investors and their families, expedited registration process if the investment involves a free economic zone or industrial complex, and financial guarantees for investment projects involving innovative technology.

In addition, equipment imported for construction purposes may be exempted from custom duties and value added taxes.

ENFORCEMENT OF INVESTMENT POLICY 2019

Investment Agreement

- 5 investment agreements
- 14 stabilization certificates
- 54 concession agreements

INVESTMENT TAX INCENTIVES

Investment Agreement

Tax Stabilization Certificate in All Sectors

- ▶ Investments more than 500bln MNT
- ▶ Corporate Income Tax
- ▶ VAT
- ▶ Customs Duty
- ▶ Royalty
- ▶ All tax exemption for 5 years

In Economic Free Zone

All equipment's for SME's

- ▶ Corporate Income Tax
- ▶ Exemption of VAT, Customs Duty

Investors are provided with following tax incentives that are regulated by the Tax Laws. These includes:

- to exempt from taxes;
- to render tax incentive;
- to calculate under the accelerated method in which depreciation expense is deducted from the taxable revenue;
- to calculate the loss to be deducted from the taxable revenue by transferring to the future revenue;
- to deduct the employee training expense from the taxable revenue.

Imported machineries and technical equipment may be exempted from the customs duty and VAT rate may be zero-rated during the

INVESTMENT INCENTIVES

construction works in the following cases:

- to build plants for construction materials, oil processing, agricultural processing and export production;
- to build plants with nano, bio and innovation technologies;
- to build power plant and railway.

INVESTMENT NON-TAX INCENTIVES

The non-tax promotions may be rendered to investors in the following forms:

- to put land lease and use for up to 60 years on the basis of a contract and to extend the contract duration once for up to 40 years under the contract's primary condition;
- to render support to the investors invested in activities in the free zones, production and technological park and to serve with 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 the 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 permission to the foreign investors, who have made investment to Mongolia, on multi-entry and permanent residential visas according to the related laws
- other promotions are specified in the applicable laws.

THE JAPAN-MONGOLIA ECONOMIC PARTNERSHIP AGREEMENT (EPA)

The Japan-Mongolia Economic Partnership Agreement (EPA) entered into force on June 7, 2016, which was signed on February 10, 2015

in Tokyo, following the completion of respective necessary legal procedures in both countries. The Japan-Mongolia EPA is expected to promote liberalization and facilitation of trade and investment between the both countries, and to deepen the mutually beneficial economic partnership in a wide range of areas, leading to further vitalization of the economy of Japan and Mongolia. Importance of EPA is:

- To facilitate trade, to increase trade turnover and to ease the customs services between two countries;
- To reduce non-tariff barriers;
- To transfer and relocate Japanese high technology;
- To attract and increase Japanese investment and to export value added industrial products to Japan;
- Mongolia decreases import tariffs on 5,700 goods and Japan decreases tariffs on 9,300 goods directly and step by step basis.

The text can be found <http://nda.gov.mn/1105.html>

GENERALIZED SYSTEM OF PREFERENCES /GSP+/

Besides strategic location between two giant emerging markets of Russia and China, Mongolia provides a much easier business environment than either of its neighbors. Since July, 2005, Mongolia became eligible for importing to the EU market without any duties or quantitative restrictions. As a result, there is an opportunity to supply over 7200 product items to all 28 EU member countries (for instance, all types of textiles and knitted products, skin and hides, wool and cashmere, beverages, spirits, wooden items, electronic goods, shoes, carpets, copper and copper products, iron and iron products, just to name a few). In this relation, it is certain that not only domestic enterprises but also foreign invested industries will benefit and it is with no doubt that their numbers will also grow.

The latest foreign investment statistics can be provided by the National Development Agency website www.nda.gov.mn, www.investmongolia.com

FOREIGN DIRECT INVESTMENT STATISTICS

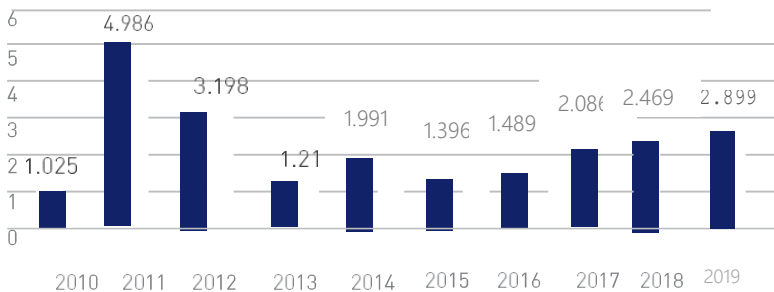
Foreign Direct Investment (FDI) inflow into Mongolia has been significantly increasing for the last years. Totally 14, 932 companies with investments from 120 countries are incorporated and US\$ 26.8 billion has been invested in Mongolia between 1990 and 2019.

From 2000-2011, Mongolia registered an intense and sustained increase in FDI inflows, on the back of the dramatic expansion of mining sector and, in particular, the development of the Oyu Tolgoi surface mine. Such trends allowed to reach all-time peak of US\$ 5 billion in 2011.

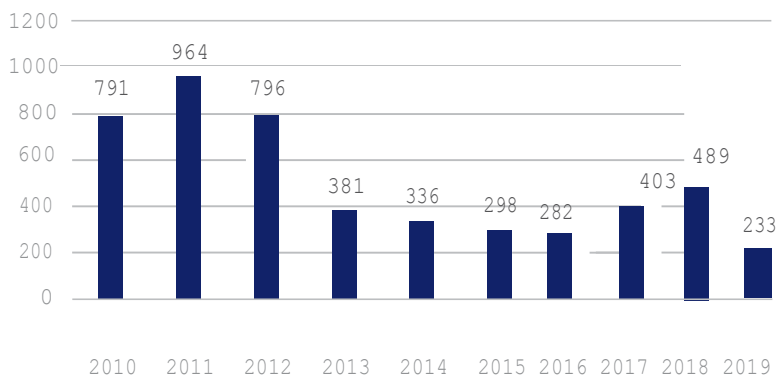
After 2012, weaker commodity prices added to deteriorating investor sentiment in Mongolia, ultimately leading to a drastic drop in FDI inflows. However, as a result of sustainable policy focused on the investors. FDI inflows to Mongolia has been constantly increasing since 2016.

Geological prospecting, oil exploration and mining industries are the main sector destination for FDI coming to Mongolia. Aside from extractives, FDI goes to various service industries, particularly trade and catering services, banking and financial services and transportation

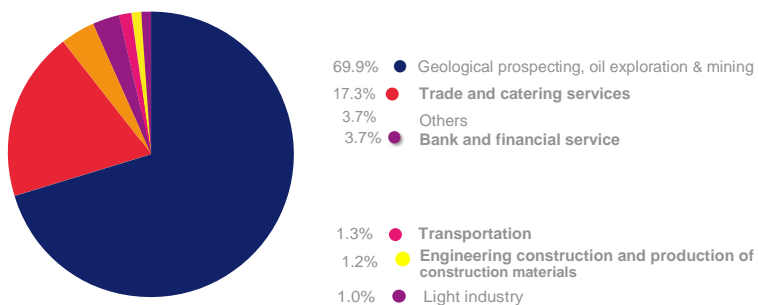
FDI INFLOWS IN MONGOLIA /Billion USD/



FOREIGN DIRECT INVESTMENT BY NUMBER OF COMPANIES 2019



FOREIGN DIRECT INVESTMENT BY SECTORS 2019







COMPANY TAXATION

Mongolia is continuously improving tax environment through the government's commitment by abolishing burdens of tax.

CORPORATE INCOME TAX

Income from Activities	Income From Property
Income from activities	Movable and immovable property leases
Income from property	Royalty Income
Income from sale of property	Dividend income
	Interest income

Permanent resident taxpayer	Non-resident taxpayer of Mongolia	Related party /if the following relation is present with a taxpayer, it shall be “a related party/
An economic entity formed within the laws of Mongolia	A foreign economic entity that conducts its business activities in Mongolia under its representative office <ul style="list-style-type: none"> • Branch (unit and section) • Plant • Trade and serviceprovider • Oil and natural gas well or a mine that extracts natural resource 	Holds 20 percent or more of the common stock
A foreign economic entity that has its headquarter office located in Mongolia	A foreign economic entity that earns income in the territory of Mongolia or from a source in Mongolia in forms other than representative office	Has the right to receive 20 percent or more of the dividends or distributions
		Has the right to appoint 20 percent or more of the management of the economic entity or is otherwise able to determine its policies

TAXABLE INCOME AND RATES

A taxpayer that resides in Mongolia

Income From Activities	Income From Property
Income from primary and auxiliary production and sale of work and services; Income from goods, work and service received from others free of charge; Realized gain from foreign currency exchange rate; Income from technical, management, consulting, and other services; Income from interest and/or penalty for nonperformance of contract duties, and compensation for a damage; Income from immovable and movable property lease; Income from sale of movable property; Income from sale of share and securities; Income from sale tangible asset;	Up to MNT6 billion taxable income- 10% excess of MNT6 Billion – 25% CIT rate is 1% for business entities with annual turnover under MNT300 million and certain qualifying conditions may apply.
Income from interest; Income from dividend; Income from royalty;	10%
Income from sale of rights;	10%
Income from quiz, gambling and lottery; Income from sale and rental of erotic publications, books, and video recording and service of erotic performance	40%
Income from sale of immovable property;	2%

MNT=Mongolian currency

CORPORATE INCOME TAX

A taxpayer that does not reside in Mongolia

Income from dividend;	20%
Loan interest and payment for issuing a guarantee;	
Income from royalty;	
Income from interest on finance lease, payment for administrative expense;	
Income from tangible and intangible asset lease;	
Income from goods sold, work performed, and service provided in the territory of Mongolia;	
In the case of the representative office of a foreign economic entity transfers its own profit to overseas;	

MNT=Mongolian currency

Timeframe for Tax Reporting

Quarterly tax statement shall be reported by the 20th of the first month of the following quarter. Annual tax statement shall be reported by the February 10th of the following year to the corresponding tax authority and make yearend settlement.

VALUE-ADDED TAX

VAT is imposed at the rate of 10% on the supply of taxable goods and services in Mongolia and on imports into Mongolia.

Taxpayers are required to register with the tax authorities for Mongolian VAT purposes when their taxable turnover exceeds 10,0 million MNT. Taxpayers may also voluntarily register whether the sale revenue of the primary manufacturing work and service reached or not 10.0 million MNT. If they have invested more than USD\$2,0 million in Mongolia.

VAT is levied on the following in Mongolia:

- Work performed or services rendered in Mongolia;
- Goods sold in Mongolia;
- Goods imported into Mongolia to be sold or used; and
- Goods exported from Mongolia for use or consumption outside Mongolia.

10% rate of VAT is imposed on (i) the supply of taxable goods and services in Mongolia, (ii) exports from Mongolia and (iii) imports into Mongolia. Exported goods and services are taxed at 0% rate and are listed in the law.

CUSTOMS DUTY

Most imported goods are subject to 5% ad valorem Customs duty while others are subject to seasonal duties. Certain goods for export are subject to specific Customs duties. Any person (physical or legal) engaged in foreign trade is liable to pay Customs duties, as well as some other taxes and fees upon importation or exportation of goods.

You can find more information from the General Department of Customs at www.ecustoms.mn or through its hotline 1800-1281

MONGOLIA REFORMS ITS KEY TAX LEGISLATION

Mongolia engaged an extensive tax reform discussion over the past months. As a consequence, key tax laws including General Law on Taxation, Corporate Income Tax Law, Personal Income Tax Law and VAT Law revised substantially by Mongolian Parliament (the legislative body), under Government's tax reform packages.

The package of amendments to the laws on taxation effective from January, 2020.

The approved package of tax amendments includes the following changes:

1. General Law on Taxation:

- The tax payment deadline for companies experiencing financial difficulties have been extended from 2 months to 24 months.
- Taxes overpaid due to unfounded requests by tax authorities will be refunded immediately, along with the principal payment and any fines paid.
- Taxpayers who have been determined to be "no risk" taxpayers, will not be audited.
- An electronic tax registration and tax information portal with taxpayer information will be created, and services provided by tax authorities will be based on the electronic system.

2. Corporate Income Tax

- The license transfer tax was decreased from 30% to 10%, and will now be applied to net income instead of gross income.
- The interest income of Mongolia's commercial banks for loans and debt instruments obtained from local and foreign stock markets will be taxed at 5%.
- The tax of 10% on financing obtained through debt instruments from initial and secondary markets has been lowered to 5%.
- If a foreigner is found by the Tax Administration to owe 20 million MNT or more in unpaid taxes, and he does not have the funds

MONGOLIA REFORMS ITS KEY TAX LEGISLATION

to pay his debt, the Tax Administration can request a ban on crossing the Mongolian border until the foreigner pays off the tax debt.

- The statute of limitations for tax audits, as well as penalties, fines, and tax payments assessed as a result of such audits, was lowered from 5 years to 4 years.
- The interest income from loans and debt instruments of Mongolia's commercial banks from local and foreign sources will be taxed at 5%.
- International regulations aligning transfer pricing rules with OECD standards (including reporting requirements) will be implemented.

3. Personal Income Tax

- A flat 10% personal income tax will be applied
- Resident tax was lowered from 20% to 15%, with interest at 10%
- The tax return for first-time homeowners was raised from 3 million MNT to 6 million MNT.
- A tax credit will be given for the difference between account interest for mortgage loans and subsidized loans.

You can find more information from the General Department of Taxation at www.mta.mn or through its hotline /1800- 1288/

TAX TREATIES



Bilateral foreign tax credits are only available to residents of Mongolia. To avoid double taxation, Mongolia uses the 'tax sparing method'. In this case, the amount of foreign tax paid is allowed as a credit against the Mongolian tax payable on the same income or capital. However, the amount of such tax credits should not exceed the amount of tax payable on the same amount of income in Mongolia. The chart below shows the withholding tax rates (in percent) on Mongolian source dividends, interest and royalties remitted to a resident of other contracting state where the income is not connected with a permanent establishment in Mongolia.

TAX DECLARATION

Mongolia has currently concluded Avoidance of Double Taxation Agreements with 26 countries.

Countries	Signed in	In force	Dividends (%)	Interest (%)	Royalties (%)
 Austria	2003.07.03	2004.01.01	5-10	10	5-10
 Belgium	1995.09.26	1999.01.01	10	10	5
 Bulgaria	2000.02.28	2001.01.01	10	10	10
 Canada	2002.05.27	2003.01.01	10-15	10	5-10
 China (P.R.C)	1991.08.26	1993.01.01	5	10	10
 Czech republic	1997.02.27	1999.01.01	10	10	10
 France	1996.03.18	1999.01.01	5-15	10	5
 Germany	1994.08.22	1997.01.01	5-10	10	10
 Hungary	1994.09.13	1997.01.01	5	10	5
 India	1994.02.22	1994.01.01	15	15	15
 Indonesia	1996.07.02	1998.01.01	10	10	10
 Kazakhstan	1998.03.16	2000.01.01	10	10	10
 Korea (R.O.K)	1992.04.17	1992.01.01	5	5	10
 Kyrgyzstan	1999.06.20	2001.01.01	10	10	10
 Malaysia	1995.07.28	1997.01.01	10	10	10
 North Korea (DPRK)	2002.10.03	2005.01.01	10	10	10
 Poland	1997.04.18	1998.01.01	10	10	5
 Russia	1995.04.05	1998.01.01	10	10	-
 Singapore	2001.08.16	2005.01.01	10	10	05
 Switzerland	1999.09.20	2000.01.01	5-15	10	5
 Turkey	1995.09.12	1997.01.01	5-15	10	10
 Ukraine	2002.07.01	2003.01.01	10	10	10
 Northern Ireland	1996.04.23	1997.01.01	5-15	10	5
 Vietnam	1996.05.09	1997.01.01	10	10	10
 Belarus	2001.05.28	2002.01.01	10	10	10
 Italy	2003.07.15	2004.01.01	5-10	10	10

Tax reports are submitted to the tax office by the taxpayer, tax agent or their representative. Since 2013, the tax administration has launched the e-balance online system. Taxpayers are allowed to submit electronic tax reports once they obtain the e-signature from the tax authority.

TAX STABILIZATION

The legal entity which is going to implement an investment project in Mongolia can obtain Stabilization certificate upon application if it meets the requirements specified in the Law on Investment of Mongolia (2013). Stabilization Certificate is a certificate issued by the National Development Agency for the purposes of stabilizing tax rates for a specified period of time.

The rates of the following four taxes are stabilized under the stabilization certificates from 5 up to 18 years depending on the size and target region of investment:

1. Corporate Income Tax;
2. VAT;
3. Customs Tax;
4. Royalty;

Criteria for issuing the stabilization certificate:

- Thresholds based on the regions;
- Environmentally friendly;
- New technology & know-how;
- Stable job creation;

The first table below illustrates the scope of Stabilization Certificates for the minerals, heavy industry and infrastructure development sectors.

The second table below other sectors. Investment Law does not apply to investments in the nuclear energy sector, which are governed by the Nuclear Energy Law.

Minerals, Heavy Industry or Infrastructure Development Sector

Investment Value (MNT in billions)	Stabilization Timeframe (years)					Invest the Amount in the 1st column within (years)
	Ulaanbaatar	Central Region	Midwest 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
500 and more	15	16	16	17	18	5

TAX STABILIZATION

Other Sectors

Investment Value (MNT in billions)					Stabilization Timeframe	Invest the Amount within Ulaanbaatar (years)
Ulaan- baatar	Central Region	Midwest 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
200 and more	100 and more	80 and more	60 and more	50 and more	15	5

The National Development Agency may extend by two years the time period within which the investment must be made, upon an investor's application. Furthermore, the duration of the Stabilization Certificate may be extended by 1.5 times.

If in the agency's opinion:

- The investment project plans to produce or manufacture goods for import or export that will contribute to Mongolia's long term sustainable social and economic development. In addition, the planned investment value, based upon a feasibility study, must exceed MNT 500 billion and the project development must be expected to last for more than 3 years.
- The investment project produces value added goods for export.

FREE ECONOMIC ZONES

Mongolia has 3 free economic zones, such as Altanbulag free trade zone, Zamiin Uud free economic zone and Tsagaan nuur free trade zone which regulate under the Law on Free Zone of Mongolia /2015/. Altanbulag free trade zone is located in the northern part of Mongolia with a planned area of 500 hectares. 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.

Zamiin Uud free economic zone Zamyn-Uud free economic zone (FEZ) is located next to the border port town of Zamyn-Uud in Dornogobi province. It is situated 780 km from Ulaanbaatar, the capital city of Mongolia, 230 km from Sainshand, the center of Dornogobi province, and 8 km from Erliaan town of China. The area of ZUFEZ is 900 hectares or 9 sq.km.

Tsagaan nuur free trade zone is located in the North Western part of Mongolia and at 1700 km from Ulaanbaatar, 65km from Bayan-Ulgii city centre 28 km from Russian borders entry point, the zone is also found to be on the Euro-Asian international highway AN-32 and covers landscape of 708.4ha.

SPECIAL TREATMENTS OF EMPLOYMENT IN FREE ZONES

1. Foreign labor force shall not apply to free zones for in their recruitment and employment of foreign labor force.
2. If a legal person or an individual in a free zone provides employment to a foreign national, who derives income from such employment or service, it shall be exempt from employment fee.
3. If a legal person operating in a free zone implements an employee skills and capabilities building project or program, the cost shall be deducted from the taxable income of the given year.

FREE ECONOMIC ZONES

TAX INCENTIVES

Sector/ Operation	Incentive type	Duration	Incentive percentage
Retail, tourism, hotel management	Land fee	initial 5 years	100%
		Following 3 years	50%
Infrastructure and construction sectors such as Energy, heat, cable network, clean water supply, sterilization, railway, airport and highway	Land fee	initial 10 years	100%
Infrastructure projects with the investment of 500 thousand USD and more in the sectors as energy, heat, cable network, clean water supply, sterilization, highway, railway and airport	Income tax incentive equivalent to 50 percent of the total investment		
Business entities that have invested 300 thousand USD or more into development of warehouse, storage unloading plant, hotel, tourism center, and export manufacturing factory substitutes import products.	Income tax incentive equivalent to 50 percent of the total investment		





We will make sure to setup your
business efficiently

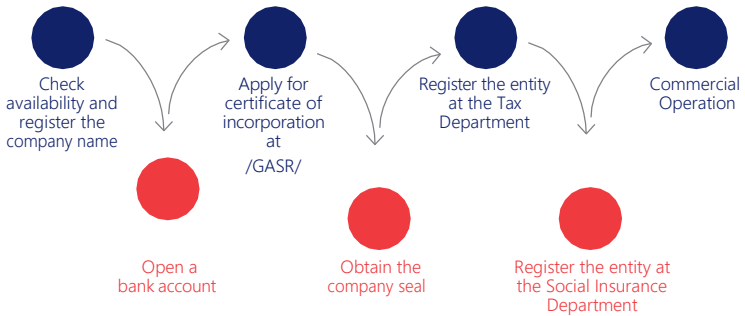
SETTING UP A BUSINESS IN MONGOLIA

The Government of Mongolia is
continuously making efforts in enabling
business and investment environment.

ESTABLISHMENT PROCEDURE OF A NEW BUSINESS ENTITY WITH FOREIGN INVESTMENT

The incorporate of new business entity with foreign investment (BEFI) in Mongolia takes place at the General Authority for State Registration of Mongolia /GASR/.

Below are key steps of incorporation a new company in Mongolia:



Process of a Company Incorporation

LIST OF DOCUMENTS TO INCORPORATE A COMPANY

CHECK AVAILABILITY AND REGISTER THE COMPANY NAME /GASR/

1. Original ID of the founder (original passport if founder is foreign citizen)
2. Incorporation via Power of Attorney /Original copy of letter of Attorney, original ID or passport/
3. Document processing fee 500 MNT needs to be remitted to GolomtBank-1401001101

OPEN AN ACCOUNT /ANY PREFERRED COMMERCIAL BANKS/

Make sure to bring the verification sheet of company. Banks might request additional documents.

APPLY FOR CERTIFICATE OF INCORPORATION AT GENERAL AUTHORITY FOR STATE REGISTRATION OF MONGOLIA /GASR/

List of documents to incorporate a Business entity with Foreign Investment:

1. To fill UB-03 form
2. Name verification of legal entity. /500 MNT in 1401002649 Golomt bank /
3. Receipt of paying state stamp duty. /750.000 MNT in 1401002649 Golomt bank/
4. Founder verdict /minutes of meeting if it has 2 or more shareholders/
5. New rule. / 2 copies in Mongolian, certified translation 1 copy/
6. The contract of cooperate / if it has 2 or more shareholders/
7. Official address of company /certificate of immovable property (copy) or leasing contract/
8. Evidence of investment. / According to Article 3.1.5 of the Investment Law, the amount of investment invested by each investor shall be above the US \$ 100 000/
9. Passport copy. /founder, shareholder and director/
10. Other documents according to 11.5.1 and 11.5.2 of Law on state registration if necessary
11. Remark: in case it is concluded in foreign country, contract to sell share, buy share, and endow must be denoted by Embassy and Consul notary or Apostille.
12. Proxy /not necessary if official to represent without proxy/

OBTAIN THE COMPANY SEAL

Obtainable within 2 hours at Seal producing company

FOREIGN ENTITIES DOING BUSINESS IN MONGOLIA

The Investment Law stipulates that a foreign entity must either be incorporated as a business entity with foreign investment (BEFI) or as

ESTABLISHMENT PROCEDURE OF A NEW BUSINESS ENTITY WITH FOREIGN INVESTMENT

a representative office in order to conduct any activity in Mongolia. A BEFI is defined as an entity that is incorporated in Mongolia and of which at least 25 percent of the equity is held by a foreign investor(s) whose minimum contribution to the entity is USD100,000, per such investor. A representative office is defined as an entity that is established in Mongolia solely to operate as a representative office of a parent foreign entity such representative office does not have the power to earn revenue from business activity in Mongolia.

All information related to the registration of the company provided on the website of the State Office in Mongolia www.burtgel.gov.mn

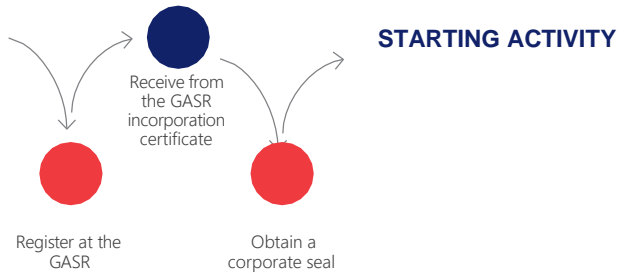
OTHER INFORMATION:

- The estimate time period of preparing registration documents, obtaining a company name, opening a bank account, translation of documents and possible agency delays of registering a new BEFI is approximately 2 weeks.
- According to the laws of Mongolia, please note a BEFI must apply for a separate registration of social security with the Social Insurance Department of Mongolia as well as submit tax reports to the tax authorities within the prescribed time limit.
- If future business activities of a BEFI require a special permit (license), the BEFI must first be registered with the GAIPSR and update registration information upon applying for and obtaining the permit (license) from respective authorities such as:
 - Ministry of Health
 - Ministry of Environment and Tourism
 - Ministry of Construction and Urban development
 - Ministry of Education, Culture, Science and Sport
 - Ministry of Road and Transportation development

-
-
- Communications Regulatory Commission of Mongolia
 - Mineral Resources Authority of Mongolia
 - General Civil Aviation Authority etc.
 - If a foreign government owned legal entity holds more than 33 percent of the total shares in a legal entity of Mongolia with principal activities in the following sectors, such foreign government owned entity shall apply for and obtain permission from National Development Agency:
 - Mining
 - Bank and finance
 - Media and communication

ESTABLISHMENT PROCEDURE OF A REPRESENTATIVE OFFICE OF A FOREIGN LEGAL ENTITY

The establishment a new representative office of a foreign legal entity in Mongolia register at the General Authority for State Registration of Mongolia /GASR/.



List of documents needed for setting up a representative office of a foreign legal entity in Mongolia: /GASR/

1. To fill UB-11 form
2. Receipt of paying state stamp duty. /1.100.000 MNT in 1401002649 Golomt bank/
3. Introduction and rule copy of foreign legal entity /certified translation/
4. Foreign legal entity certificate copy. /certified translation/
5. Authentic verdict and regulation from parent company to establish representative office
6. Regulations /1 copy/ must have to phone number and official address
7. Passport copy
8. Official address of Representative office /certificate of immovable property (copy) or leasing contract /

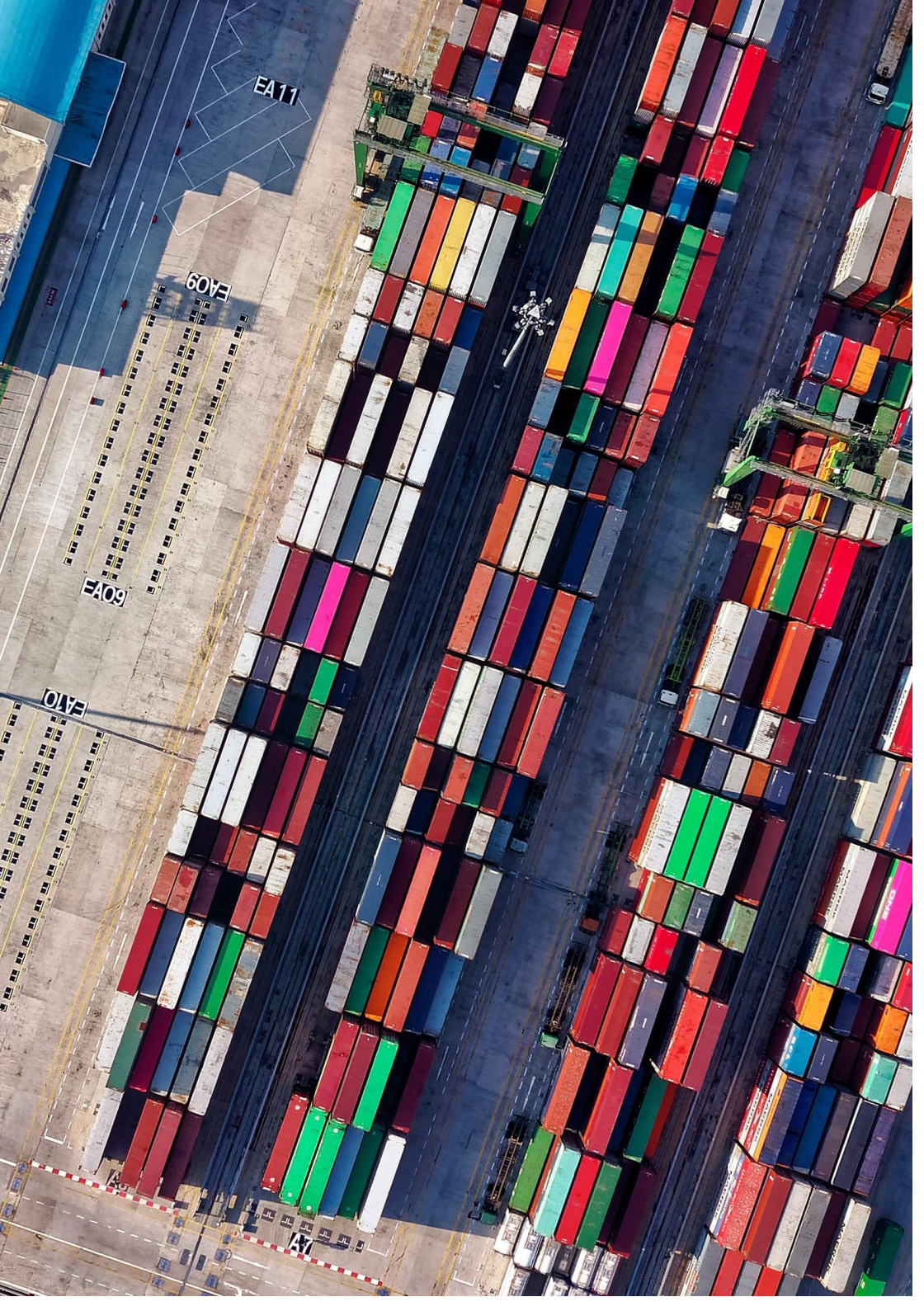
9. Other documents according to 11.5.1 and 11.5.2 of Law on state registration if necessary
10. Remark: in case it is concluded in foreign country, contract to sell share, buy share, and endow must be denoted by Embassy and Consul notary or Apostille.
11. Proxy. /not necessary if official to represent without proxy/

OTHER INFORMATION:

- A foreign legal entity, apart from the foreign government organization, Limited Liability partners and foreign non-governmental organizations, may establish its representative office within the territory of Mongolia.
- A representative office shall not be deemed a legal entity. It is prohibited for a representative office to carry out any commercial activities for the profit earning purposes within the territory of Mongolia;
- Upon obtaining the certificate of representative office from the GASR, the representative office must get a permission to open a bank account from the Tax office of Ulaanbaatar City.
- The Information and related materials with the registration of the new representative office may be subject to change, therefore, please refer to the following website of the GASR www.burtgel.gov.mn

CONTACT INFORMATION:

National Development Agency
"Invest in Mongolia" One Stop Service Center
United Nations Street 5/1, Ulaanbaatar 15160, Mongolia
Tel: +976 77001717
E-mail: ossc@investmongolia.com





TRADE

As a WTO member, Mongolia treats goods and services imported equally.

TRADE POLICY

Mongolia has a free trade regime no quotas or onerous licensing requirements.

- WTO member since 1997 substantially liberalized its trade regime
- Import and export activities are regulated by the Customs Law of 2008
- Japan-Mongolia Economic Partnership Agreement of 2016

IMPORT PROHIBITIONS, RESTRICTIONS, AND LICENSING

Under the Customs Law of Mongolia, the importation of goods into Mongolia is not subject to restrictions, except for import licensing which applies to few products. Importers must register with the tax authorities; registration with the General Authority State Registration /GASR/ is also required for the purposes of customs clearance.

Import licenses are required for imports of certain products, including:

- Chemicals;
- Human blood and organs;
- Explosives and guns etc.

Import licenses for restricted products are issued by the respective government ministries, such as:

- Ministry of Environment and Tourism
- Ministry of Education, Culture Science and Sport
- Ministry of Food, Agriculture and Light industry
- Ministry of Health
- Ministry of Justice and Home Affairs
- Ministry of Mining and Heavy Industry
- Ministry of Labor and Social Welfare
- Ministry of Defense

CUSTOMS DUTIES

Customs duty means an amount of tax levied on, collected from or paid for goods entering or leaving Mongolia. The Customs duties have the

following types:

- Ad valorem;
- Specific;
- Combination of the two above;
- Any of the first two above which entails higher amount of duty.

Most of the imported goods in Mongolia are subject to 5% ad valorem Customs duty while some others are subject to seasonal duties. Certain goods for export are subject to specific Customs duties. Any person (physical or legal) engaged in foreign trade is liable to pay Customs duties as well as some other taxes and fees upon importation or exportation of goods.

CUSTOMS DUTIES INCENTIVES

- Appliances for special use by the disabled and artificial organs and accompanying spare parts;
- Goods for humanitarian assistance and grants;
- Currencies and Mongolian national bank-notes ordered and printed;
- Travelers' personal effects;
- Blood, blood- products, tissues and body organs for medical purposes;
- Gas fuel, designated containers, equipment, special machinery, facilities and equipment;
- Imported logs, beam wood lengthwise sawn wood and seeds, seeding and saplings of such trees and bushes which are not subject to prohibition;
- Civil aviation aircrafts and accompanying spare parts;
- Goods for official use by foreign diplomatic missions, consulates, the United Nations and its specialized agencies;
- Personal items for use by the head of the foreign diplomatic missions, diplomatic, technical and service staff and their family members deemed necessary to move into the host country;

TRADE POLICY

- Special purpose vehicle equipped with sliding truck, platform and lifting for disabled people on wheelchair or such a vehicle for drive by people with disabilities operated only manually and manufactured with all options as above, once per person;
- Other goods as stipulated in law or international treaty;
- Raw materials and reagent substances that not produces in the country, needed to produce new products in the foreign and domestic market by innovation projects;
- International postal parcel with a value of not exceeding 10 times the amount of minimum monthly wage, containing not more than two pieces of every similar item and addressed to an individual person;
- Special purpose machinery mechanical appliances, equipment, accessories, raw items, materials chemicals substances, explosives and spare parts imported by contractors or subcontractors during the entire period of exploration and within the first five years of extraction with an intention to use activities associated with crude oil and non-traditional crude oil resources.
- Reports on crude oil and non-traditional crude oil resources, samples and crude oil;
- Renewable energy research and production equipment, its appliances and spare parts;
- Equipment and devices for use in sports;

DOCUMENTATION AND PROCEDURES

In order to facilitate the trade process “one-stop” services are provided at the major customs points of the country. These services are intended to make it possible to complete all the necessary customs documentation and clearance procedures in a single location.

Customs clearance for export and import consists of the following steps:

1. Preparing and providing customs document for declaration of goods.
2. Customs inspection of customs documents.
3. Inspection of the goods and means of transport.
4. Levying customs duties and other taxes and payments thereto.
5. Granting permission and releasing goods to cross customs border.

CONTACT INFORMATION:

Mongolian Customs General Administration
Ikh Toiruu 81/1, Sukhbaatar District, Ulaanbaatar-14193,
Mongolia
Tel: (976-11) 350049
Fax: (976-11) 350048
Email: info@customs.gov.mn

For more information: <http://www.customs.gov.mn/>





We will make sure to setup your
business efficiently

VISA AND RESIDENCE PERMITS



Visas Shall Be Issued By The Following Authorities:

1. Ministry of Foreign Affairs;
2. Mongolia Immigration Agency;
3. Mongolian Embassies and Consulates in foreign countries.

The following materials are required to obtain the Mongolian visa at the Mongolian Embassies and consulates in foreign countries:

For Tourist Visa For 30 Days, It Is Required To Submit:

1. Passport with a validity date of at least six months beyond the end of the applicant's intended period of stay in Mongolia;
2. Completed visa Application Form for Tourists with one passport-size photo;
3. Travel itinerary, hotel reservation, and insurance are suggested.

For Business Visas For 30 Days Or Less, It Is Required To Submit:

1. Passport with a validity date of at least six months beyond the end of the applicant's intended period of stay in Mongolia;
2. Completed visa Application Form for non-tourists with one passport-size photo;
3. Invitation from the inviting Mongolian organization which should be approved by the Ministry of Foreign Affairs of Mongolia.

For foreigners planning to stay over 30 days and up to 90 days wishing to receive visa on arrival, permission should be obtained from the Mongolian Immigration Agency.

For transit passengers - onward ticket and visa for next destination country is required.

VISA AND RESIDENCE PERMITS

NATIONALS OF THE FOLLOWING COUNTRIES/REGIONS ARE EXEMPTED FROM VISA TO ENTER MONGOLIA

Countries

Hong Kong Special Administrative Region of the PRC /up to 14 days/
Singapore /up to 14 days/
Philippines /up to 21 days/
Malaysia /up to 30 days/
Israel /up to 30 days/
Cuba /up to 30 days/
Laos /up to 30 days/
Thailand /up to 30 days/
Japan /up to 30 days/
Turkey /up to 30 days/ - the other side haven't approved yet
Macao Special Administrative Region of the PRC /up to 90 days/
Kazakhstan /up to 90 days/
Ukraine /up to 90 days/ - official invitation is required
Canada /up to 30 days/
Belarus /up to 90 days/ – the other side haven't approved yet
Kyrgyzstan /up to 90 days/
Germany /up to 30 days/
Serbia /up to 90 days/
Uruguay /up to 30 days/
Brazil /up to 30 days/
Russian Federation /up to 30 days/
Argentina /up to 90 days/
USA /up to 90 days/
Chile /up to 90 days/

List of countries whose diplomat and official passport holders are exempt from visa is provided at the Ministry of Foreign Affairs of Mongolia website www.mfa.gov.mn and www.consul.mn

REGISTRATION

Foreign citizens who come to Mongolia for more than 30 days should register at the Mongolian Immigration Agency within 7 days after their arrival. The foreigners came to Mongolia for official or private purposes for less than 30 days do not need to register.

Required Documents:

1. Registration request from inviting organization or individual. In cases where there is no inviting organization or individual, the foreign national should submit his/her own request for registration;
2. Passport or equivalent document plus additional copies;
3. 1 copy of passport-size photo (3x4 sm);
4. Completed registration application form (2000 MNT).

VISA EXTENSION

Temporary (business) Visa Extension- “B” Required Documents:

1. Application letter of extension from applicant’s company /including information on company’s operation and the reason for extension/
2. Original document and the copy of State Registration Certificate. If operated with special authorization, the original authorization certificate and the copy are required.
3. Registration form
4. 3x4 sized photo
5. Copy of a passport, along with the copy of visa. If visa is not issued, the copy of immigration stamp is required.

Tourist Visa Extension- “J” Required Documents:

1. A Letter of extension
2. Filled Registration form
3. 3x4 sized photo
4. Passport copy, along with copy of visa. If visa is not issued, the copy of entry stamp upon arrival is required.

VISA AND RESIDENCE PERMITS

RESIDENT TITLE

Visitors planning to stay for more than 90 days should obtain residence permission. Foreign citizens who hold valid foreign passports or equivalent legal documents may visit or reside in Mongolia upon obtaining the required visa from a competent authority of Mongolia.

Request to obtain residence permission must be filed within 21 days after entry to Mongolia. The following materials are required to obtain residence permission for a foreign citizen who invests in Mongolia:

1. Letter of request from the company;
2. Investor's card, state registration certificate of the company and its copy;
3. A copy of the license if the company operates in a sector that requires a license;
4. A copy of the office lease of the company; Statement from district tax office;
5. Reference from district tax office;
6. Confirmation of investments;
7. Confirmation from Governor of administrative unit where the investor(s) resides;
8. Two passport sized photos /3x4 sm/;
9. Passport and its copy;
10. Declaration.

An overview of the residence permits required for different types of activity in Mongolia is provided at the Mongolian Immigration Agency website www.immigration.gov.mn.

ANNEX1

MINISTRIES OF GOVERNMENT OF MONGOLIA

Ministries	Phone number	Website
Ministry of Environment and Tourism	976-51-261966	www.mne.mn
Ministry of Foreign Affairs	976-62-262222	www.mfa.gov.mn
Ministry of Finance	976-51-267468	www.mof.gov.mn
Ministry of Justice and Internal Affairs	976-51-267533	www.mojha.gov.mn
Ministry of Labor and Social protection	976-51-264791	www.mlsp.gov.mn
Ministry of Defense	976-51-261718	www.mod.gov.mn
Ministry of Construction and Urban development	976-11-76003333	www.mcud.gov.mn
Ministry of Education, Culture, Science and Sport	976-51-262227	www.mecss.gov.mn
Ministry of Mining and Heavy industry	976-51-263506	www.mmhi.gov.mn
Ministry of Ministry of Food, Agriculture and Light industry	976-11-310986	www.mofa.gov.mn
Ministry of Energy	976- 62-263051	www.energy.gov.mn
Ministry of Health	976-51-263913	www.mohs.mn
Ministry of Road and Transport Development	976-51-263913	www.mrtd.gov.mn

ANNEX 2

MONGOLIAN EMBASSIES IN OVERSEAS

	Tel/Fax	Email
Astana	Tel: +7/727/269-35-70 Fax: +7/727/-229-37-90	protocol-section@ul.mofa.go.jp
Ankara	Tel: 90-312-4921027 Fax: 90-312-4921064	ankara@mfa.gov.mn
Bangkok	Tel: 66 2-381-1400 Fax: 66 2-392-4199	bangkok@mfa.gov.mn
Berlin	Tel: 49-30-474806-0 Fax: 49-30-474806-16	berlin@mfa.gov.mn
Brussels	Tel: 32-2-344-6974 Fax: 32-2-344-3215	brussels@mfa.gov.mn
Budapest	Tel: 36-1-2124579 Fax: 36-1-2125731	budapest@mfa.gov.mn
Beijing	Tel: 86-10-6532-6512 Fax: 86-10-6532-6216	beijing@mfa.gov.mn
Warsaw	Tel: 48-22-849-9391 Fax: 48-22-848 2063	warsaw@mfa.gov.mn
Washington	Tel: 1-202-333-7117 Fax: 1-202-298-9227	washington@mfa.gov.mn
Vienna	Tel: 43-1-5352807-0 Fax: 43-1-5352807-20	vienna@mfa.gov.mn
Vientiane	Tel: 856-21-315220 Fax: 856-21-315221	vientiane@mfa.gov.mn
Havana	Tel: 53-7-2042763 Fax: 53-7-2040639	havana@mfa.gov.mn
New Delhi	Tel: 91-11-2461-7989 Fax: 91-11-2463-3240	delhi@mfa.gov.mn
Cairo	Tel: 202-23586012 Fax: 202-23591670	cairo@mfa.gov.mn

MONGOLIAN EMBASSIES IN OVERSEAS

	Tel/Fax	Email
Canberra	Tel: 61-2-628 629 47 Fax: 61-2-62866381	canberra@mfa.gov.mn
London	Tel: (44) 207-937-0150 Fax: (44) 207-937-1117	london@mfa.gov.mn
Moscow	Tel: 7-495-690-67-92 Fax: 7-495-691-46-36	moscow@mfa.gov.mn
Rome	Tel: +39-06-8540536 Fax: +39-06-8540536	italy@mfa.gov.mn
Ottawa	Tel: 1-613-569-3830 Fax: 1-613-569-3916	ottawa@mfa.gov.mn
Paris	Tel: 33-1-46 05 28 12 Fax: 33-1-46 05 30 16	paris@mfa.gov.mn
Pyongyang	Tel: 850-2-381-7321 Fax: 850-2-381-7616	pyongyang@mfa.gov.mn
Prague	Tel: 420 224311198 Fax: 420 224314827	prague@mfa.gov.mn
Sofia	Tel: 359-2-8659012 Fax: 359-2-9630745	sofia@mfa.gov.mn
Seoul	Tel: 82-2-794-1350 Fax: 82-2-794-7605	seoul@mfa.gov.mn
Singapore	Tel: 65-63480745 Fax: 65-63481753	singapore@mfa.gov.mn
Tokyo	Tel: 81-3-3469-2088 Fax: 81-3-3469-2216	tokyo@mfa.gov.mn
Hanoi	Tel: 84-4-384 53009 Fax: 84-4-384 54954	hanoi@mfa.gov.mn
Stockholm	Tel: 46-08-7531135 Fax: 46-08-7531138	stockholm@mfa.gov.mn
Kuwait	Tel: (+965) 25216551 Fax: (+965) 25216557	kuwait@mfa.gov.mn

ANNEX 3

DISTRICT OFFICES OF GOVERNMENT OF MONGOLIA

Baganuur district	www.bnd.ub.gov.mn
Bagakhangai district	www.bagakhangai.ub.gov.mn
Bayangol district	www.bgd.mn
Bayanzurkh district	www.bzd.ub.gov.mn
Nalaikh district	www.nad.ub.gov.mn
Songino Khaikhan district	www.shd.mn
Sukhbaatar district	www.sbd.ub.gov.mn
Khan-Uul district	www.khanuul.mn
Chingeltei district	www.chingeltei.gov.mn

BANKS

Central Bank of Mongolia	www.mongolbank.mn
Khan Bank	www.khanbank.com
Trade and Development Bank	www.tdbm.mn
Golomt Bank	www.golomtbank.com
The State Bank	www.statebank.mn
Xac Bank	www.xacbank.mn
Capitron Bank	www.capitronbank.mn
UB City Bank	www.ubcbank.mn
Development Bank	www.dbm.mn
Arig Bank	www.arigbank.mn
National Investment Bank	www.nibank.mn
Chinggis Khaan Bank	www.ckbank.mn
Credit Bank	www.creditbank.mn
Bogd Bank	www.bogdbank.mn
Trans Bank	www.transbank.mn

ANNEX 4

FOREIGN EMBASSIES IN ULAANBAATAR

	Adress	Email	Tel/Fax
Embassy of Japan	Elchin street 10, Sukhbaatar district, Ulaanbaatar	protocol-section@ul.mofa.go.jp	Tel: 976-11-320777 Fax: 976-11-313332
Embassy of the Czech Republic	Olimp street 12, Sukhbaatar district, Ulaanbaatar	ulaanbaatar@embassy.mzv.cz	Tel: 976-11-321886 Fax: 976-11-323791
Embassy of the Democratic People's Republic of Korea	Diplomat 95, Chingeltei district, Ulaanbaatar	yongphilri@gmail.com	Tel: 976-11-310432 976-11-310728 Fax: 976-11-310763
Embassy of Republic of Kazakhstan	Zaisan street 31/6, 1th khoroo, Khan-Uul district, Ulaanbaatar	info@kazembassy.mn	Tel: 976-11-345408 Fax: 976-11-341707
Embassy of Federal Republic of Germany	United Nations street 16, Baga toiruu 3, Sukhbaatar district, Ulaanbaatar	info@ulan.diplo.de	info@ulan.diplo.de
Embassy of the State of Kuwait	Bella Vista town house, 11th khoroo, Khan-Uul district, Ulaanbaatar	Ulaanbaatar@mofa.gov.kw	Tel: 976-77444441 976-77444442 Fax: 976-77444443
Embassy of the Russian Federation	Peace street 6-A, Sukhbaatar district, Ulaanbaatar	Embassy_ru@mongol.net	Tel: 976-11-327191 976-11-312851 Fax: 976-11-327018
Embassy of the Republic of Turkey	Fides building 13th floor, 15th khoroo, Khan-Uul district, Ulaanbaatar	embassy.ulaanbaatar@mfa.gov.tr	Tel: (+976) 11 329 545 (+976) 11 311 200 Fax: (+976) 11 313 992
Embassy of the Socialist Republic of Vietnam	Peace street 47, Ulaanbaatar	dsq.ulanbator@gmail.com	Tel: 976-11-458917 976-11-454632 Fax: 976-11-458923 976-11-458493
Embassy of the Republic of India	Beejin street 8, 7th khoroo, Sukhbaatar district, Ulaanbaatar	reception.ulaan@mea.gov.in	Tel: 976-11-329522 976-11-329524 Fax: 976-11-329532
Embassy of the Republic of Belarussia	Fides building 13th floor, 15th khoroo, Khan-Uul district, Ulaanbaatar	Mongolia@mfa.gov.by	Tel: 976-75770070 Fax: 976-75770074
Embassy of the Republic of Cuba	United Nations street 20, Sukhbaatar district, Ulaanbaatar	embacubamongolia@mongol.net	Tel: 976-11-323778 976-11-327677 Fax: 976-11-327709
Embassy of United Arab Emirate	5 floor, Great Mongolia office, 26th khoroo, Bayanzurkh district, Ulaanbaatar 13311	ulaanbaataremb@mofa.gov.aeemb.uae.ub@hotmail.com	Tel: 976-77222233 976-77222200

	Adress	Email	Tel/Fax
Embassy of the Republic of Korea	Embassy street 19, Sukhbaatar district, Ulaanbaatar	kormg@mofa.go.kr	Tel: 976-11-321548 976-11-328898 Fax: 976-11-311157 976-11-331846
Embassy of Hungary	Blue Mon Building 6th floor, Sambuu street, 8th khoroo, Sukhbaatar district, Ulaanbaatar	mission.uln@mfa.gov.hu	Tel: 976-77005600
Embassy of the United Kingdom of Great Britain and Northern Ireland	Peace street 30, 3th khoroo, Bayanzurkh district, Ulaan-baatar	britemb@mongol.net	Tel: 976-11-458133 Fax: 976-11-458036
Embassy of the People's Republic of China	Beijing street 2, Sukhbaatar district, Ulaanbaatar	chinaemb_mn@mfa.gov.cn	Tel: 976-11-320955 976-11-323940 976-11-311903 Fax: 976-11-311943
Embassy of the United States of America	Denver street 3, 11 khoroolol, Ulaanbaatar	ulaanbaatarprotocol@state.gov	Tel: 976-70076001 Fax: 976-70076016
Embassy of the French Republic	Peace street 3, Chingeltei district, Ulaanbaatar	contact@ambafrance-mn.org	Tel: 976-11-324519 976-11-329633 Fax: 976-11-319176
Embassy of Australia	Naiman Zovhis Building 4th floor, Seoul street, Sukhbaatar district, Ulaanbaatar	mongolia@ustrade.gov.au	Tel: 976-70133001 976-70004453 Fax: 976-70133014
Embassy of the Republic Bulgaria	Olimp street 8, 1st khoroo, Ulaanbaatar	Embassy.Ulanbator@mfa.bg	Tel: 976-70140403 Fax: 976-70140405
Embassy of the Laos Peoples Democratic Republic	Peace avenue 27/1, Bayanzur-kh district, Ulaanbaatar	Lao.embassy@yahoo.com	Tel: 976-70156440 Fax: 976-70151048
Embassy of italy	ICC Tower, 14th floor, Jamiyan Gun str.9, 1st khoroo, Sukh-baatar district, Ulaanbaatar	Mongolia.segreteria@esteri.it	Tel: 976-94011330
Embassy of Canada	Suite 608, Central tower, Great Chinggis Khaan's Square 2, Sukhbaatar district, khoroo-8,	ulaan@international.gc.ca	Tel: 976-332500 Fax: 976-332515

ANNEX 5

NON-GOVERNMENTAL BUSINESS ASSOCIATIONS

Mongolian National Chamber of Commerce and Industry

- 📍 Mahatma Gandhi street, Khan-Uul district-15, Ulaanbaatar-17011, Mongolia, MNCCI building
- 📞 +976-11-327176, +976-75858282
- 📠 +976-11-324620
- ✉ chamber@mongolchamber.mn, marketing@mongolchamber.mn
- 🌐 www.mongolchamber.mn

Business Council Of Mongolia

- 📍 Express tower, 12th floor, Peace Avenue, Ulaanbaatar, 15160, Mongolia
- ✉ info@bcmongolia.org
- 📞 +976-11-317027
- 📠 +976-11-317027
- 🌐 www.bcmongolia.org

The American Chamber Of Commerce In Mongolia

- 📍 8F, Naiman Zovkhis ("Eznis") Building 21 Seoul Street Ulaanbaatar, Mongolia
- 📞 +976- 70003437
- ✉ info@amcham.mn

National Hotlines

- 📞 +976-1900-1109
- +976-1900-1617
- +976-1900-1950
- +976-1900-1199

ANNEX 6

GENERAL INFORMATION AND COSTS

Time	Add 8 hours to Greenwich Mean Time
Working hours	Government offices- 08.30-17.30, with a one-hour lunch break 12.30-13.30 Some Private organizations - 09.00-18.00, with a one-hour lunch break 13.00-14.00
Public holidays	New Year - January 1 Mongolian NewYear (TsagaanSar) - 3 days in January/ February International Women's day - 8 March Mothers and Children's Day - 1 June National Holiday (Naadam) - 11- 13 July - Chinggis Khan's birthday - in November National Freedom and Independence Renaissance Day 29 Dec
Electric current	220 volts/50 HZ
Weight and measures	Metric System
Communication	Country code - 976, area code for Ulaanbaatar – 11
Main ports	Chinggis khaan (International airport in Ulaanbaatar) Sukhbaatar (railway station on Mongolian-Russian border) Zamyn Uud (railway station on Mongolian-Chinese border)
Rail links	Irkutsk, Moscow (Russia) /Trans-Siberian Rail/ Huh hot, Beijing (China) /Trans-Siberian Rail/
Sea access	Tianjin/China (1.344 km) Nakhodka/Russia (4.037 km)

Office rent Average costs as of December 2018

Office space rent	1 m2	In the center of Ulaanbaatar	20 - 60 USD
Factory rent	1 m2	Suburb of Ulaanbaatar	10 - 20 USD
Factory rent	1 m2		8-12 USD
Storage rent	1 m2		8-12 USD

Water tariff for factories, companies and other entities /Without vat, by MNT/

Payment type		Unit	MNT
Clean water	Water tariff for factories, offices and other entities	1tug/L	1,10
	Alcohol, beer, beverages, water factory, washing car	1tug/L	1,50
	Wool, cashmere, leather, intestine refinery	1tug/L	1,05
Sewage	Water tariff for factories, offices and other entities	1tug/L	0,85
	Alcohol, beer, beverages, water factory, washing car	1tug/L	1,20
	Wool, cashmere, leather, intestine refinery	1tug/L	1,70

Electricity tariff for factories, companies and other Entities /without vat, by MNT/

Type	Unit	MNT
1. Mining companies		
Such as: coal mining, processing; Oil, gas exploration, processing; Iron ore exploration, processing; other minerals exploration, processing		
1.1. General meter	MNT/kWh	155.90
1.2. 3 tariff meter		
a. Daily utilization /from 6am to 5pm/	MNT/kWh	155.90
b. Evening utilization /from 5pm to 10pm/	MNT/kWh	276.00
c. Nightly utilization /from 10pm to 6am/	MNT/kWh	77.10
2. Other factories and entities		
2.1. General meter	MNT/kWh	130.00
2.2. 3 tariff meter		
a. Daily utilization /from 6am to 5pm/	MNT/kWh	130.00
b. Evening utilization /from 5pm to 10pm/	MNT/kWh	211.30
c. Nightly utilization /from 10pm to 6am/	MNT/kWh	78.60

ANNEX 7

INTERNATIONAL FLIGHTS

	Mongolian Airlines /MIAT/
www.miat.com	UB-Beijing-UB UB-Hong Kong-UB UB-Seoul-UB UB-Tokyo-UB UB-Berlin-UB UB-Moscow-UB UB-Frankfurt-UB UB-Hohhot-UB UB-Busan-UB
	Hunnu Air LLC
www.hunnuair.com	UB-Manchuria-UB UB-Erlian-UB UB-UlanUde-UB
	Aero Mongolia LLC
www.aeromongolia.mn	UB-Hohhot-UB UB-Irkutsk-UB UB-Tianjin-UB
	Air China
www.airchina.com	UB-Beijing-UB
	Korean Air
www.koreanair.com	UB-Seoul-UB
	Turkish Airlines
www.turkishairlines.com	UB-Istanbul-UB
	Air busan
www.airbusan.com	UB-Busan-UB

The logo for 'Invest in Mongolia' features a central circular graphic composed of numerous overlapping, semi-transparent segments in various colors including shades of blue, purple, pink, red, and orange. The text 'INVEST IN MONGOLIA' is written in a bold, white, sans-serif font across the center of the graphic.

INVEST IN MONGOLIA

Government Building 2, United Nations Street 5/1,
Ulaanbaatar 15160

Tel: 976-51-261589

Fax: 976-51-263333

E-mail: info@nda.gov.mn

Web: www.investmongolia.com

www.nda.gov.mn

www.theiguides.org/mongolia

