



REGULATORY AGENCY OF GOVERNMENT
NATIONAL DEVELOPMENT AGENCY



YOUR GUIDE TO

INVEST IN MONGOLIA 2021



YOUR GUIDE TO INVEST IN MONGOLIA 2021

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GREETING



Message from the Chairman

Dear Investors

Thank you for taking time to consider Mongolia as your business destination. As a country with fastest-growing economy, holding massive wealth of mineral resources, an outward-looking professional business community, democratic government and rapidly improving living conditions, Mongolia represents tremendous potential with numerous investment opportunities for international investors.

In the past year, the impact of the COVID-19 pandemic on the economy, business, and investment environment has been a major signal and blow, and has led to drastic changes in government policies, decisions, and even private business plans. In this regard, countries are putting in place a variety of investment policies in response to the COVID-19 pandemic.

Investment policies make an important contribution in tackling the devastating economic and social effects of the COVID-19 pandemic. Mongolia, like the rest of the world, has taken measures in support of investment climate by making an amendment to the Investment Law of Mongolia, speeding up of investment approval procedures, and accelerating the use of online tools and e-platforms.

To highlight, we have developed and launched the Online Grievance Registration and Monitoring System (SIRM) to give investors the opportunity to monitor the resolution of their grievances, simplify the exchange of information between government agencies, and protect the legitimate rights and interests of investors. In addition, to provide government services to investors in comfortable environment without any delay we have launched an “Invest in Mongolia” One-Stop Service Center in partnership with relevant ministries and public institutions which are related to foreign invested entities in Mongolia.

The “Invest in Mongolia” OSSC is your access to Mongolia. As a single and complete source for investment solutions, we help connect you to the right people, resources, and platforms throughout the investment process. We partner closely with you to identify and expand opportunities, facilitate your long-term success, and enable your business in Mongolia’s market.

This edition of the Investment Guidebook provides you with information on Mongolia’s investment and legal environment, setting up business in Mongolia, as well as business opportunities in the non-mining sector that are supported by economic and investment diversification policies.

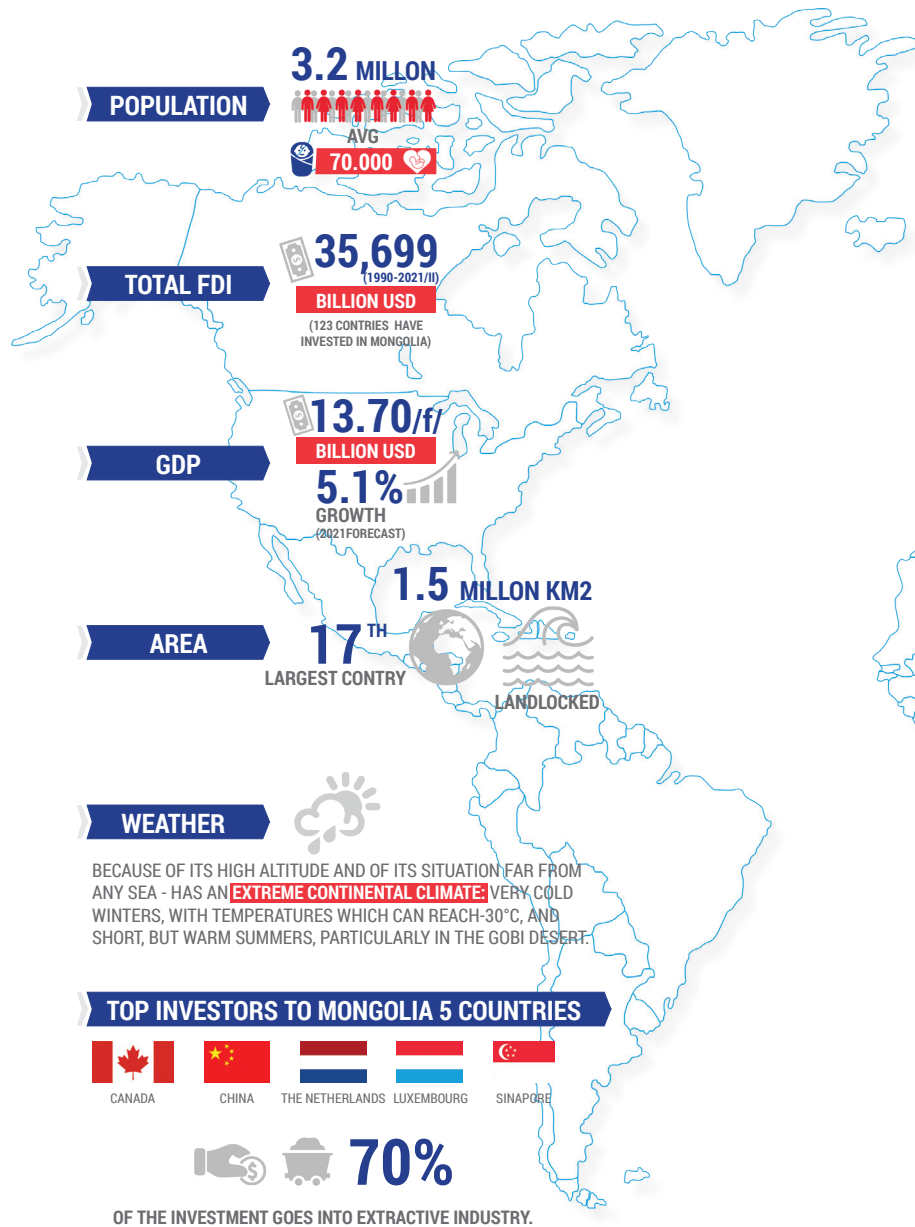
We are grateful for your interest in Mongolia, and excited to become a part of your journey in our country.

Kind regards

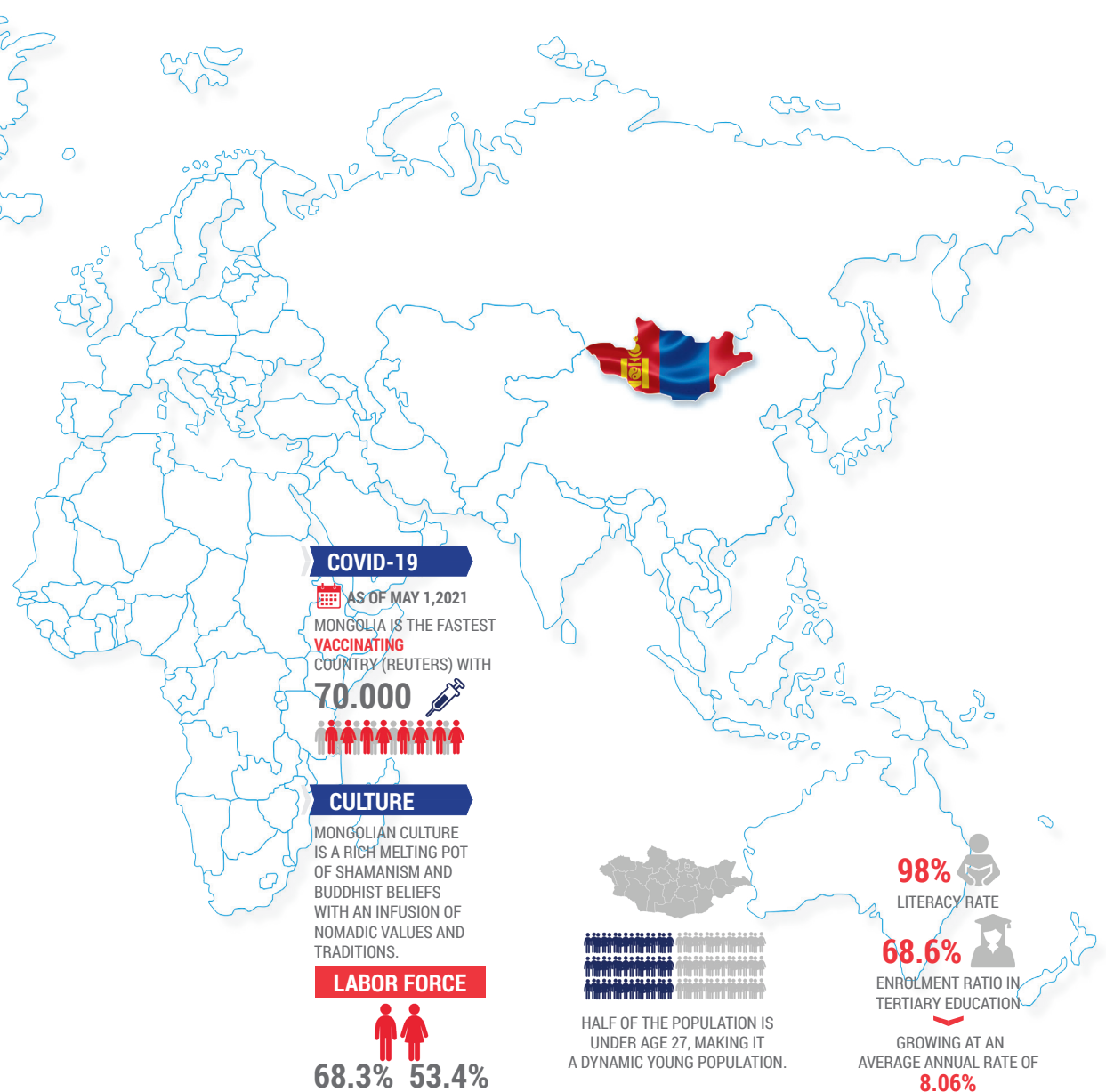
BATJARGAL Khandjav

Chairman
National Development Agency,
Regulatory Agency of Mongolian Government

WHY MONGOLIA



WHY MONGOLIA



WHY MONGOLIA

EXPORT

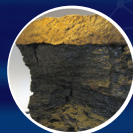
6.5
BILLION USD
(WHIT 142 COUNTRIES)

TOP INVESTORS TO MONGOLIA 5 COUNTRIES



TO EXPORT:

2.7
GOAL BRIQUETTES
BILLION USD



28%
COAL
BRIQUETTES



23.6%
GOLD, UNWROUGHT OR
IN SEMI-MANUFACTURED
FORMS



23.5%
COPPER
ORE



8.4%
IRON ORE AND
CONCENTRATES

2.1
COPPER ORE
BILLION COAL



GOLD



CASHMERE, WOOL (UNPROCESSED)



GEMSTONES

POTENTIAL



Energy (wind and solar power potential is estimated to be equivalent to 2,600 gigawatts (GW) of installed capacity or 5,457 terawatt-hours of clean electricity generation)



Organic
skincare



Organic honey and
seabuckthorn



Dairy
products



Rare earth elements
(31m tonnes of rare
earth resources)



Meat: beef and
mutton, halal
meat



Processed skin,
leather and leather
goods



Processed cashmere
and wool, cashmere
products

WHY MONGOLIA

IMPORT

5.1
BILLION USD
(WHIT 72 COUNTRIES)

TOP IMPORTER COUNTRIES:



TOP IMPORTS 2020



REFINED PETROLEUM
AND DIESEL



AUTOMOBILES
AND PARTS



PROCESSED
FOOD



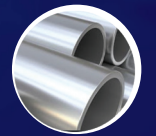
VEGETABLES
AND FRUITS

1.0
BILLION USD

815
MILLION USD



CHEMICAL PRODUCTS



STEEL

FOOD



MONGOLIAN CUISINE PREDOMINANTLY CONSISTS OF **DAIRY PRODUCTS, MEAT, AND ANIMAL FATS**. THE EXTREME CONTINENTAL CLIMATE OF MONGOLIA HAS INFLUENCED THE TRADITIONAL DIET. USE OF VEGETABLES AND SPICES ARE LIMITED BUT WIDELY AVAILABLE IN BIG CITIES.

LIVING IN MONGOLIA



ULAANBAATAR CITY
1.5 MILLION

100 INTERNATIONAL ORGANIZATIONS,
EMBASSIES AND MULTINATIONAL
COMPANIES.



21 PROVINCES
333 SOUMS

THE LEAST
CRIME-RIDDEN
COUNTRIES.

OFFICIAL LANGUAGE IS
MONGOLIAN, BUT ENGLISH CAN
BE USED TO AN EXTENT FOR
COMMUNICATION.

GOVERNANCE

POLITICS OF MONGOLIA TAKES PLACE IN A FRAMEWORK OF A **SEMI-PRESIDENTIAL MULTI-PARTY REPRESENTATIVE DEMOCRACY**. EXECUTIVE POWER IS EXERCISED BY **THE PRIME MINISTER**, WHO IS THE HEAD OF GOVERNMENT, AND THE CABINET. LEGISLATIVE POWER IS VESTED IN PARLIAMENT. THE JUDICIARY IS INDEPENDENT OF THE EXECUTIVE AND THE LEGISLATURE.

DEVELOPMENT VISION

VISION: BY 2050, MONGOLIA SHALL BECOME A LEADING ASIAN COUNTRY IN TERMS OF ITS SOCIAL DEVELOPMENT, ECONOMIC GROWTH AND ITS CITIZENS' QUALITY OF LIFE.

» Priority Sectors for Economic development are:

- » Mining
- » Agriculture
- » Energy /Renewable Energy included/
- » Transport and Logistics
- » Tourism
- » IT and Creative Industry



SHARED NATIONAL
VALUES



HUMAN
DEVELOPMENT



QUALITY OF LIFE AND
MIDDLE CLASS



ECONOMY



GOVERNANCE



GREEN DEVELOPMENT



SAFE AND SECURE
SOCIETY



REGIONAL AND LOCAL
DEVELOPMENT



ULAANBAATAR AND
SATELLITE CITIES

“VISION-2050”

LONG-TERM DEVELOPMENT POLICY OF MONGOLIA

WHY MONGOLIA

GOVERNMENT OF MONGOLIA ACTION PLAN FOR 2020-2024

- ▶ 1. Goal 4. It will be a country with sustainable economic growth per capita, a middle class, a sharp reduction in poverty, a basis for economic development policy, self-sufficiency, export-intensive, investment and savings capacity, and a multi-pillar economy.
- ▶ Phase I (2021-2030): The period of resolving the government's overdue external debt without compromising macroeconomic stability, increasing efficiency, ensuring macroeconomic balance, and increasing risk tolerance.
- ▶ 1. Conditions have been created to improve the government's debt management system, reduce the debt burden and support foreign direct investment.
- ▶ 6. Create a favorable investment environment and develop public-private partnerships.

REASONS TO INVEST IN MONGOLIA ARE:

- ▶ Non-discriminatory policy towards foreign investors
- ▶ Stabilization package for your business to prosper
- ▶ Tax exemption for initial 5 years of qualifying businesses in economic free zones
- ▶ Land use rights up to 60+40 years and many other benefits
- ▶ More benefits to innovative business start-ups offering sandbox approach, environment to test new business ideas without limitations



DIGITALIZED SERVICES

- ▶ Check out the special COVID-19 menu for investors on our website
- ▶ Take our survey on improving policy and services for investors during the COVID19; link:
- ▶ Drop by our One Stop Service Center where you can get 62 types of services from 5 government agencies in one stop
- ▶ Get your reference for visa extension visit; invest-assist.gov.mn

Submit your grievances via ipc.gov.mn instantly



- ▶ Visit www.investmongolia.gov.mn for an integrated information for investors;
- ▶ Subscribe to monthly newsletter "Invest in Mongolia" for investors available in English and Mongolian;
- ▶ Check out our Pitchbook 2021 for businesses to invest in



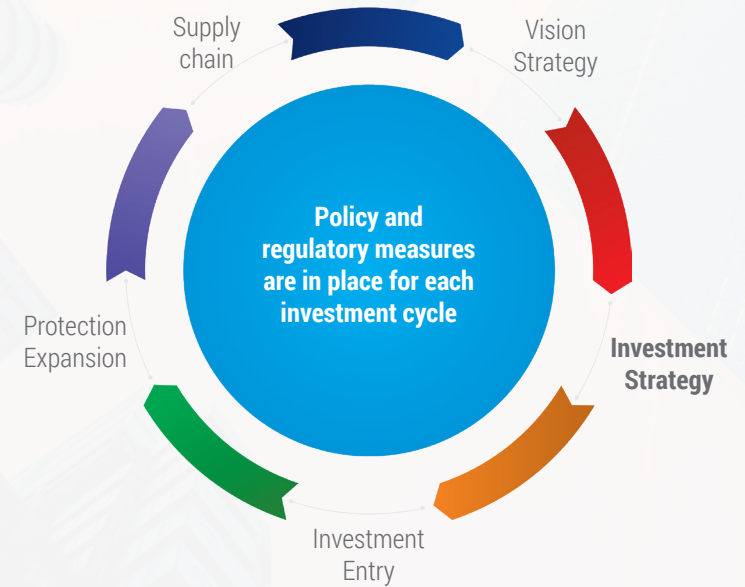
INVESTOR PROTECTION MECHANISMS:

- ▶ Grievances are resolved through ipc.gov.mn or through Investment Council led by the Prime Minister
- ▶ Judicial services are available to resolve disputes per international treaties, conventions and national laws;
- ▶ A competent office with qualified experts /home doctors/ is available to assist your business and investment at NDA
- ▶ NDA officers will ensure protection of your business and investment by liaising with other parties on behalf of you in Mongolia

Submit your grievances via ipc.gov.mn instantly

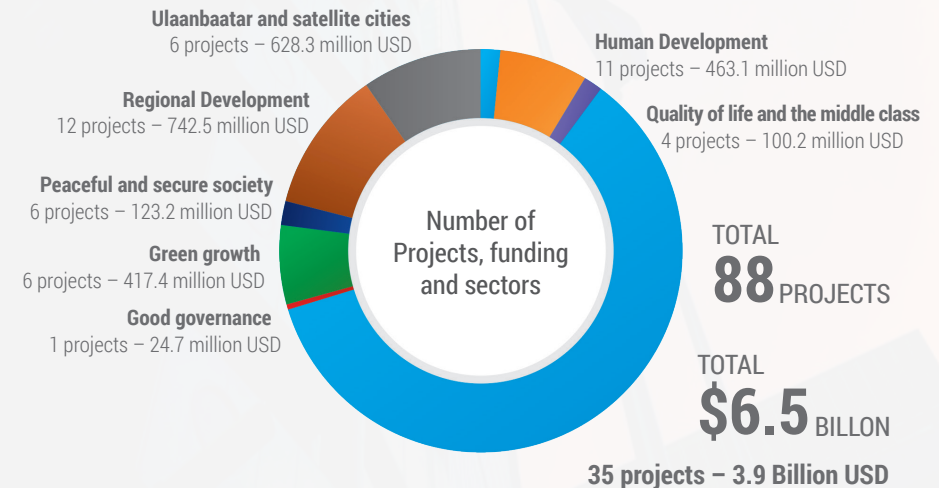


INVESTMENT LIFE CYCLE



Public Investment Program 2021-2025

The source has not been resolved projects





INVESTMENT
ENVIRONMENT »»

INTERNATIONAL INDEXES (2021)



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.

INVESTMENT ENVIROMENT

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 2020" by Heritage foundation, Mongolia has gained overall score of 62.4 percent out of hundred, losing in the categories such as property rights and government integrity
- ▶ Moody's Investors Service has changed the outlook on the Mongolian government's issuer ratings from negative to stable

»» INTERNATIONAL INDEXES

The ease of doing business index in 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 minority investors	74
Starting a business	86.7
Registering property	74.2
Getting credit	80
Paying taxes	77.3
Dealing with construction permits	78.2

Source: Doing business Mongolia 2020, World Bank

ECONOMIC FREEDOM INDEX 2021

Mongolia is the 86th freest country out of 180

	Mongolia
Business Freedom	62.4
Trade Freedom	74.6
Investment Freedom	50.0

"Mongolia's economic freedom score is 62.4, making its economy the 86th freest in the 2021 Index. Its overall score has increased by 6.5 point, primarily because of an improvement in fiscal health. Mongolia is ranked 14th among 40 countries in the Asia-Pacific region, and its overall score is above the regional and world averages."



Access to the international market

JAPAN - MONGOLIA ECONOMIC PARTNERSHIP AGREEMENT (JIMEPA)	<ul style="list-style-type: none"> - From Mongolia 5,700 products - From Japan 9,300 products (direct and phased exemption from customs duties on reciprocal imports)
EUROPEAN UNION GSP+	Customs tariff off for 7,200 products to EU countries
USA GSP+	More than 3,500 products customs tariff off enter to the US market
ASIA PACIFIC TRADE AGREEMENT (INDIA, SOUTH KOREA, SRILANKA, LAOS, BANGLADESH & CHINA)	tariff discount on 10,667 types of products in trade with the six member countries

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:

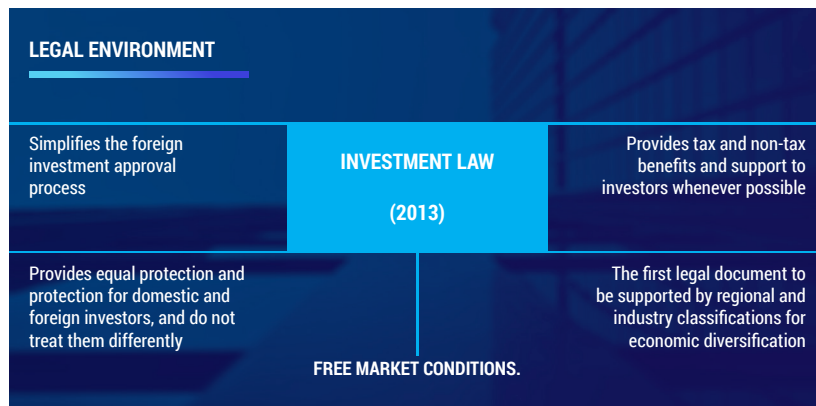
- ▶ To facilitate trade, to increase trade turnover and to ease the customs services between two countries;
- ▶ To reduce non-tariff barriers;
- ▶ To transfer and relocate Japanese high technology;
- ▶ To attract and increase Japanese investment and to export value added industrial products to Japan;
- ▶ 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.

INVESTMENT LAW AND INCENTIVES



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

»» 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.

»» 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 2021

Investment Agreement

- ▶ 5 investment agreements
- ▶ 16 stabilization certificates

Investment agreement	✓ Investments more than 500bln MNT
Tax Stabilization Certificate in all sectors	<ul style="list-style-type: none"> ✓ Corporate income tax ✓ VAT ✓ Customs Duty Royalty ✓ All tax exemption for 5 years
In All economic Free Zone	✓ Corporate income tax
All Equipment's for SME's	✓ 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 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.



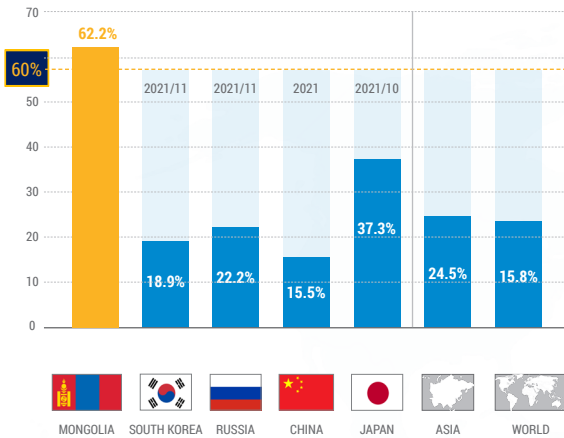
Legal Reforms	Protection Reforms	Service Reforms	Promotion Reforms
<ul style="list-style-type: none"> • New amendments to Investment Law 2021 Fall • Base Research • Public Private dialogue • International Investment Policy Experience 	<ul style="list-style-type: none"> • Foreign Investment Council under the Prime Minister • Online Grievance Database • Dispute Resolution 	<ul style="list-style-type: none"> • COVID-19 menu for investors on our website investmongolia.gov.mn • Survey among FDI companies during the pandemic • One-Stop Service Center, which provides 62 types of services to investors from 5 government agencies • Online system to resolve investor grievance launched /SIRM/ • Investor Identification system/CRM 	<ul style="list-style-type: none"> • Projects Accelerator Facility • Sectorial strategies and co-operation development • Tailored promotion continued • Tailored service for investors

INVESTMENT STRATEGY

ECONOMY REVIEW

SITUATION GLOBALLY

/As of 2021.08.16/



COUNTRY	VACCINATION OF TOTAL POPULATION (FULL DOSAGE)
1 MALTA	80.50
2 UAE	73.80
3 SINGAPORE	73.10
4 ICELAND	70.70
5 URUGUAY	69.30
6 CHILE	68.70
7 BELGIUM	66.70
8 QATAR	66.30
9 SAUDI ARABIA	65.30
10 DENMARK	65.00
11 PORTUGAL	64.30
12 CANADA	64.10
13 SPAIN	62.70
14 MONGOLIA	62.50
15 BHUTAN	62.30
16 IRELAND	62.30
17 GREAT BRITAIN	60.70
18 ISRAEL	59.80
19 NEDERLAND	59.10
20 GERMANY	57.30

GLOBAL EXPERIENCES OF MANAGING CRISIS THROUGH ECONOMIC RECOVERY LAW



Year	Country/Event	Key Features
1933	NEW DEAL	The Roosevelt government package of economic recovery measures announced in March 1933
1948	MARSHALL PLAN	Post-war economic recovery plan for 16 Western European countries implemented by the United States
2009	ARRA	A package of measures taken against the 2009 financial crisis
2020	SINGAPORE POST PANDEMIC LAW	Direct and indirect taxes, border crossing benefits for workers, job retention and soft loans
2020	ITALY SOSTEGNI BIS	Sustainable economic growth, private sector, employment and support for local services
2020	SOUTH KOREA ECO SYSTEM	The government has focused on private sector partnerships, especially in developing ecosystems to support small, medium, and start-up businesses

INVESTMENT ENVIROMENT

ECONOMIC RECOVERY LAW IN THE TIMES OF THE CRISIS

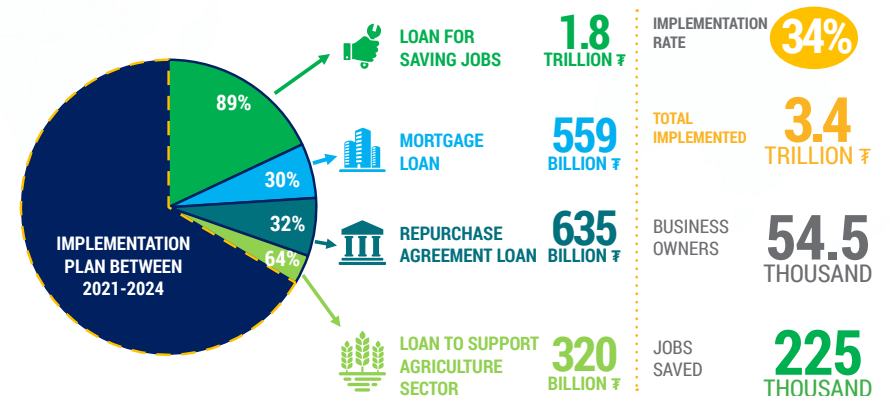
OBJECTIVE OF THE LAW

Boosting economic recovery, building more resilience
 Increasing export, policy support for import-substitution
 Increasing FDI and domestic investment, expanding the economy
 Enabling environment for public private partnership and overall business environment

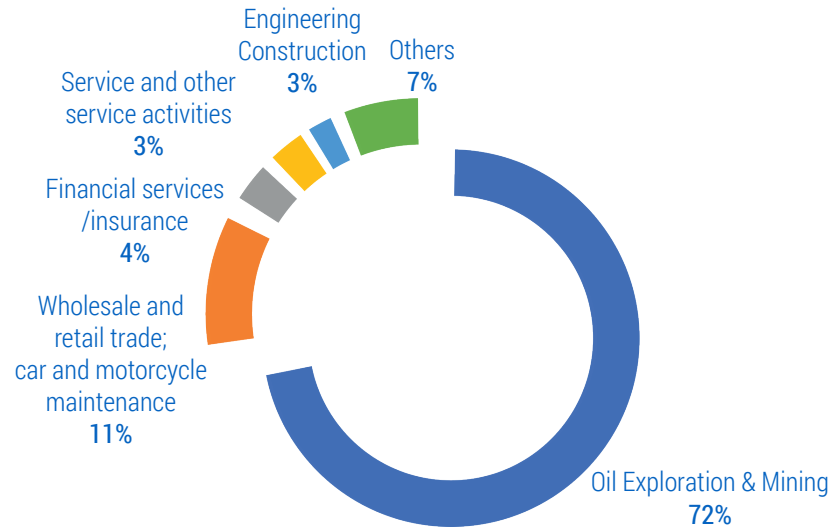
POTENTIAL POLICY FRAMEWORK SUPPORT



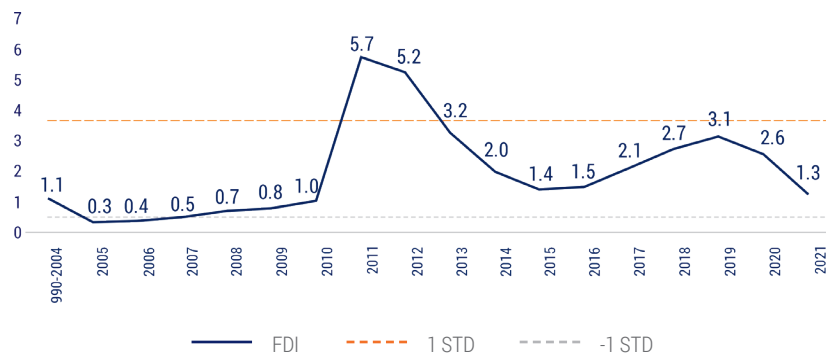
ECONOMIC RECOVERY LAW IN THE TIMES OF THE CRISIS



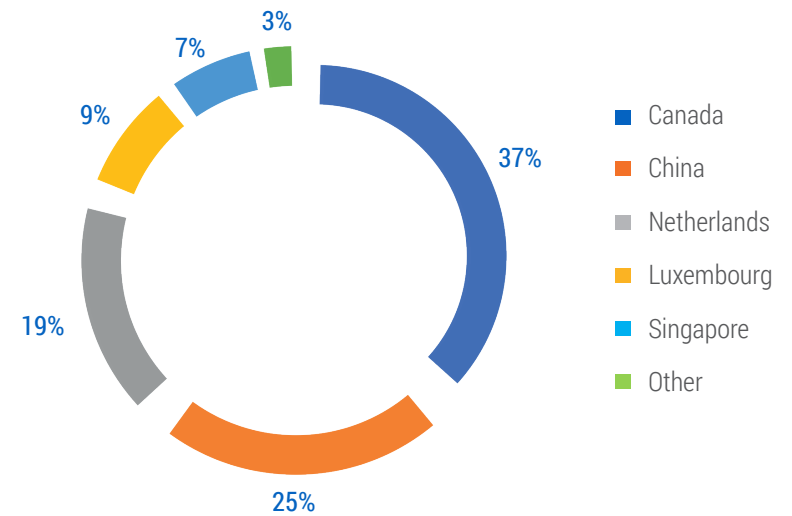
FOREIGN DIRECT INVESTMENT STATISTICS



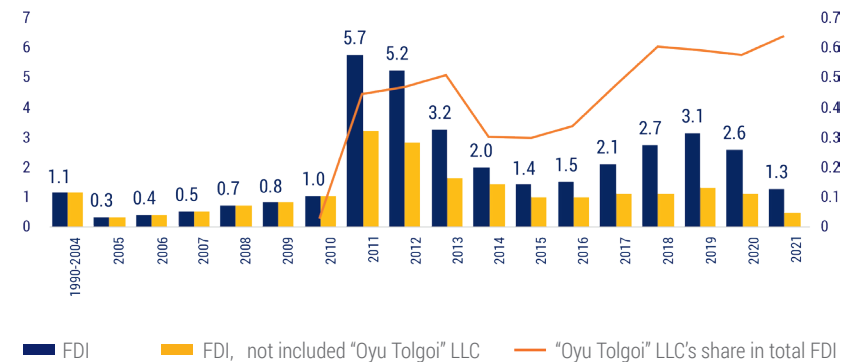
Top 5 countries	FDI, million USD	Percentage %
1 Mininig	25,705	72%
2 Wholesale and retail trade	4,080	11%
3 Financial services/insurance	1,421	4%
4 Service and other service activities	1,191	3%
5 Engineering and Construction	871	2%
Others	2,430	7%



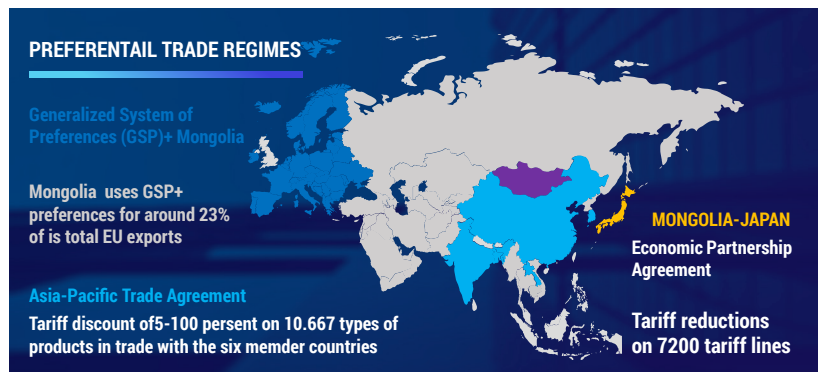
INVESTMENT ENVIROMENT



Top 5 countries	FDI, million USD	Percentage %
1 Canada	8,620	28%
2 China	5,743	19%
3 Netherlands	4,391	14%
4 Luxembourg	2,129	7%
5 Singapore	1,720	6%
Other	621	2%



TRADE POLICY



Mongolia has maintained a broadly open trade regime since its previous Review in 2014, and its economy grew between 2014 and 2019. The economy increased by 5.1 percent in 2019, with the fiscal balance improving and reserves and GDP per capita increasing.

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:

INVESTMENT ENVIROMENT

- ▶ 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;
- ▶ 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:

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

For more information: www.customs.gov.mn



✓ *The Mongolian tax system is known for its simplicity, low tax rates.*

✓ *Easy administration – All taxes can be declared via etax.mta.mn*

»» MONGOLIA REFORMS ITS KEY TAX LEGISLATION

Mongolia engaged in an extensive tax reform discussion over the past years. As a consequence, key tax laws including General Tax Law, 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 Tax Law:

- 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 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
- Pesident tax was lowered from 20% to 15%, with interest at 10%
- The tax refund 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.



» TAXPAYER

Resident - individual, legal entities

Nonresident - A foreign business entity that conducts its business activities in Mongolia under its permanent establishment

- Branch (unit and section)
- Plant
- Trade and service provider

Oil and natural gas well or a mine that extracts natural resource

Related party /if the following relation is present with a taxpayer, it shall be “a related party/

- Holds 20 percent or more of the common stock
- 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



» INCOME

- Activities – activities, property and sale of property and interest income
- Property - Movable and immovable property leases, Royalty Income
Income from dividend and Interest income

» TAXABLE INCOME AND RATES

A taxpayer that resides in Mongolia

Income From Activities	Income from Property
<ul style="list-style-type: none"> • 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; 	<p>Up to MNT6 billion taxable income-10% excess of MNT6 Billion – 25%</p> <p>CIT rate is 1% for business entities with annual turnover under MNT300 million and certain qualifying conditions may apply.</p>
<ul style="list-style-type: none"> • Income from interest; Income from dividend; Income from royalty; 	10%
<ul style="list-style-type: none"> • Income from sale of rights; 	10%
<ul style="list-style-type: none"> • Income from quiz, gambling and lottery; • Income from sale and rental of erotic publications, books, and video recording and service of erotic performance 	40%
<ul style="list-style-type: none"> • Income from sale of immovable property; 	2%

MNT=Mongolian currency

»» CORPORATE INCOME TAX -20 %

- Income from dividend;
- 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 permanent establishment of a foreign business entity transfers its own profit to overseas;



TIME FRAME FOR TAX REPORTING

Quarterly tax return shall be filed by the 20th of the first month of the following quarter. Annual tax return shall be filed by 10th February of the following year to the corresponding tax office and make year-end settlement.

»» VALUE ADDED TAX – 10 %

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 50,0 million MNT. Taxpayers may also voluntarily register whether the sale revenue of the primary manufacturing work and service reached or not 50.0 million MNT. According to the VAT Law 5.2 and 6.5

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.

»» 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.

»» FOREIGN TAX RELIEF

A credit for tax paid in a foreign country should be available where based on an applicable double tax treaty (DTT).

- ✓ Provided certain conditions are met, taxes paid in foreign countries with no DTT signed with Mongolia can also be credited against taxes payable in Mongolia.

»» TAX TREATIES

Bilateral foreign tax credits are only available to residents of Mongolia. To avoid double taxation, Mongolia uses the 'credit 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.

»» BELOW IS THE LIST OF COUNTRIES WITH WHICH MONGOLIA HAS A DTT:

Austria, India, Singapore, Belarus, Republic of, Indonesia, Switzerland, Belgium, Turkey, Bulgaria, Kazakhstan, Ukraine, Canada, Korea, Democratic People's Republic of, United Kingdom, China, Korea Republic of, Vietnam, Czech Republic, Kyrgyzstan, France, Malaysia, Germany, Poland, Hungary, Russia

TAX PAYMENT AND REPORTING PERIOD			
1	Corporate Income tax	Within the 25th of every month	Quarterly: Within the on 20th of the first month of the next quarter
			Yearly: Within the on 10th of February of the next year
2	Personal Income tax / Withholding/	withhold end of the month pay on 10th of every month	Quarterly: Within the on 20th of the first month of the next quarter
			Yearly: Within the on 10th of February of the next year
3	Excise tax	within the 25th of every month / in advance/	Within the on 5th of next month
4	Value Added Tax	within the 10th of every month	within the on 10th of every month
5	Auto and Self-propelling vehicles tax	Individual : within the 1th of June of every year	Individual : No reporting
		Legal entities : within the 25th of last month the next quarter	Legal entities : within the on 10th of the February of the next year
6	Immovable Property Tax	Individual : within the 15th of February of the next year	within the on 10th of the February of the next year
		Legal entities : within the 15th of last month the next quarter	
7	Gun tax	within the 1st December of every year	No reporting

INVESTMENT ENVIROMENT

8	Tax on petrol and diesel fuel	within 30 days from the date of entry	Quarterly: Within the on 20th of the first month of the next quarter
			Yearly: Within the on 10th of February of the next year
9	Royalties for Natural Minerals	within the next quarter	Quarterly: Within the 20th of the first month of the next quarter
			Yearly: Within the 20th of February of the next year
10	Royalties for Natural Resource use / plant, wild-life, mineral water/	within the 10th of next month	within the 10th of January of the next year

TO BE REGISTERED AS A TAX PAYER	
1	File request and register to the Department of Registration for Legal Entities of General Department of Registration, Mongolia to be registered as a legal entity.
2	User name and password of e-tax.mta.mn will be sent from tax administration, to the registered phone number or email of taxpayer.
3	Access to e-tax.mta.mn, confirm your information and register as a tax payer.

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 Erlian 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.

ECONOMIC FREE 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		



ECONOMIC SECTORS

INVESTMENT OPPORTUNITIES IN MONGOLIA

Agriculture



- **2nd** largest cashmere reserve country
 - **4th** largest Asian Wool Exporter
 - **2nd** largest global Horse Meat producer
 - **4th** largest Asian Sheep and Goat Meat producer
- Luxury brands that use Mongolian cashmere and wool include Gucci, Burberry and Alexander McQueen.

Potential in the sector:

- To grow as an intensive farming- meat and dairy products
- Organic products: seabuckthorn and honey
- Meat export
- Vegetable plants for domestic consumption



67 million
livestock

1.3 million
hectares of
arable land

31%
of GDP is from
agriculture industry

Renewable energy



Mongolia has over **300** sunny days a year and has one of the largest wind reservoir. The country's combined wind and solar power potential is estimated to be equivalent to **2,600** gigawatts (GW) of installed capacity or **5,457** terawatt-hours of clean electricity generation per year. The amount is enough to meet the country's energy demand (around 1.2GW as of 2018), and can meet northeast Asia's regional energy demand with a suitable transmission infrastructure. The government's target is a share of renewable energy in total installed capacity of 20% by **2023** and **30% by 2030** as announced in the State Policy on Energy, 2015–2030. (ADB)



Further potential: Asia's super grid

Information & technology sector (Fintech & banking)



Mongolia presents a huge untapped opportunity for tech companies. It is home to a massive labor pool of educated and talented IT workers, and wages are very competitive to other developed countries.

- **2.6 million** internet users
- **4.4 million** mobile users, 64% (3G-5G) users
- **93%** of the population has an account with financial institution
- **22%** of the population manages accounts and makes payments with mobile phones

Start-up efforts: The tech talent in Mongolia and the development of high quality startups have both seen a significant spike, many of the startups now competing globally. Some of the fintech companies have started exporting their business in Asia.



Transportation & logistics



Mongolia is a natural transport and logistics hub and the country is a reliable corridor for trade flows between Europe and Asia. The transit time is **11** days by train in comparison with **45** days via the sea. In **2014**, **89%** of the total goods traffic volume transported by railway between the Russian Federation and the PRC was through the Zabaikalsk–Manzhouli border crossing point, 7% through Mongolia, and 4% through Kazakhstan.

Further potentials: Road and Belt
Gas pipeline connecting Russia and China

ECONOMIC SECTORS

INVESTMENT OPPORTUNITIES IN MONGOLIA

Priority sectors	International position	Reserves		
		Mineral resources	Proven reserves	World ranks
Mining	Mongolia ranks 7th in global resources with around 1170 known deposits and over 10'000 known occurrences of 80 different types of mineral resources. Potential in the sector: Exploration licences Invest in new opportunities– value-added product plants such as copper cathodes Exploration and extraction of rare earth elements	Copper	57 million tonn	12 th
		Coal	37.2 billion tonn	23 rd
		Iron ore	1.2 billion tonn	19 th
		Gold	2,500 tonn	
		Zinc	1.7 million tonn	
		Flourspar	48.3 million tonn	4 th
		Uranium	197.0 thousand tonn	
Crude oil	332.6 million tonn	76 th		

ORGANIC AGRICULTURAL SECTOR FULL OF OPPORTUNITIES



Mongolia's agricultural sector which makes up about 20% of GDP is the mainstay of the population's food supply and raw materials for national industries, and accounts for more than 10% of total export earnings.

In the first 10 months of 2020, the agricultural sector produced MNT 2.4 trillion worth of products. About 35% or 153.1 thousand households /335 thousand people / of the total number of employees employed in Mongolia work in the sector.

In terms of foreign direct investment in the agricultural sector, as of June 2020, the investment in the processing of livestock raw materials accounted for 0.35% of total investment, with 170 companies investing about USD 89 million; the investment in agricultural and livestock sector accounted for 0.15%, with 172 companies investing about USD 37 million and 1.03% or 210 companies' investment of USD 261 million went to light industry sector.

DIVERSIFYING INDUSTRIAL SECTOR

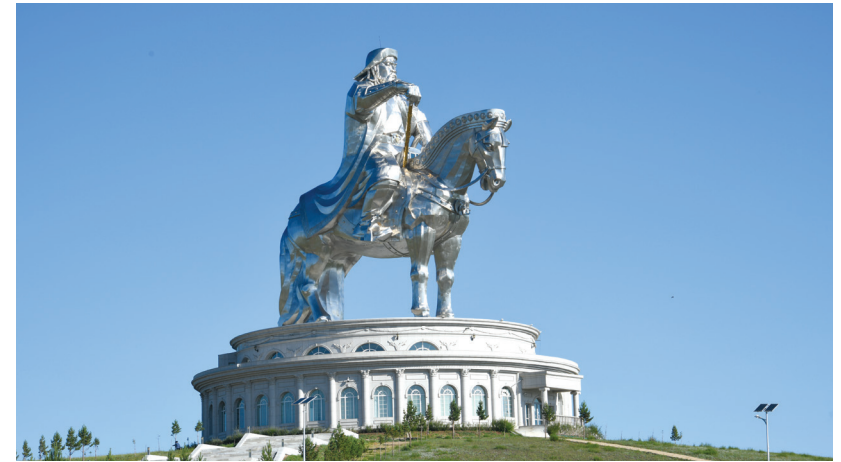
The Government of Mongolia attaches great importance in diversifying its economy. The mining sector is obviously the prevailing sector of our economy and main base of our trade and industry. However, we now face with disadvantages of being over dependent of one sector. Therefore, we consider in developing 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.

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 the only place where visitors can get acquainted with real nomadic life and travel to pristine nature by enjoying the big sunrise in the Gobi and visiting the untouched natural places that were mentioned in the historical sources.
- ▶ 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

- ▶ 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.
- ▶ Mongolia's long term development policy "Vision 2050" and the government Government's Action Program for 2020-2024 outlined works to digitalize government services at phases. In the framework of it, the Communications and Information Technology Authority /CITA/ officially presented "E-Mongolia" unified digital service system to public on October 1, 2020. Currently, the system is offering 181 services of 23 government organizations.
- ▶ 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.
- ▶ www.e-mongolia.mn web portal and "E-Mongolia" mobile application are allowing citizens to get necessary government services any time from their home workplace, not coming to any government organization.

Interesting fact in Mongolia /2021/: 2.9 million internet users
2.4 smartphones per person
2.2 million Facebook users

Source: Communications and Information Technology Authority

BANKING AND FINANCING 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.
- ▶ Mongolia's State Great Khural (Parliament) amended the Banking Law on January 29, 2021, mandating systemically important commercial banks to be restructured as public entities listed on a stock exchange.
- ▶ 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.
- ▶ Khan Bank's IPO, scheduled for Q1 2022, is projected to be a watershed moment for Mongolia's burgeoning capital markets, as it will be the country's largest to date. The Bank has total assets of MNT 11.1 trillion as of Q3 2020, accounting for 31.5 percent of Mongolia's banking industry.



- 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.



**DOING
BUSINESS >>>**

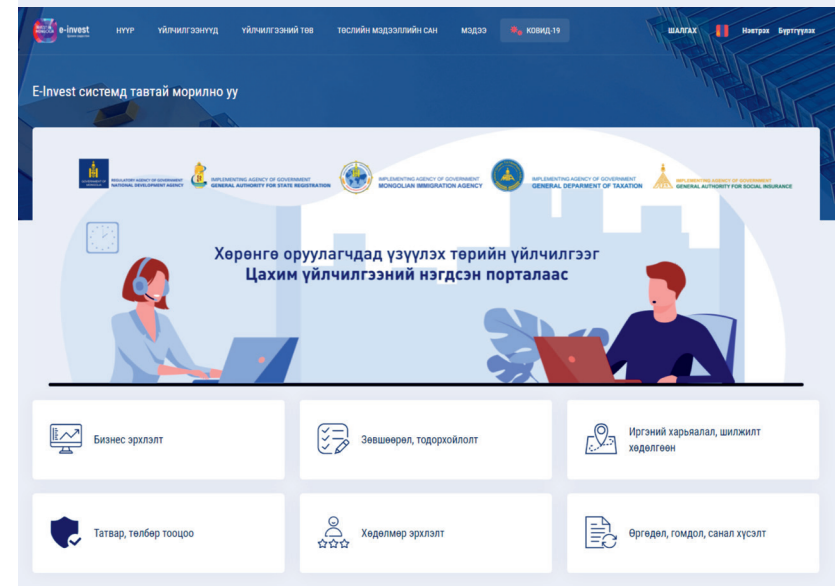
“PUBLIC SERVICE THROUGH ONE-STOP SERVICE CENTER”

The Center provides all public services of State Registration, Social Insurance, Taxation, and Immigration organizations as well as other relevant ministries and public institutions which are related to foreign invested entities in Mongolia through A Single Window system.

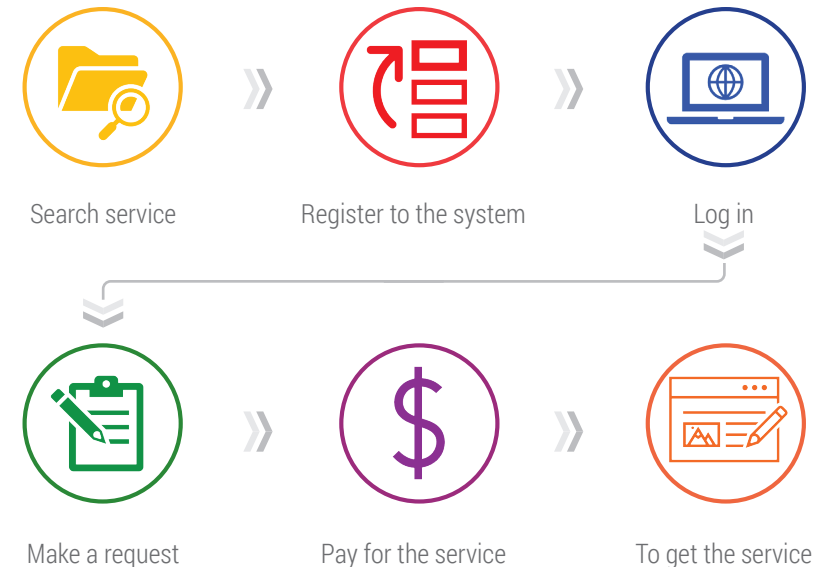
SERVICE:

- ▶ Maintain an e-system for Investor's grievance related to the public services Provide all advisory and procedural services of registration, verification of legal entity, amendments, reference, description, investor's card, and other services to the legal entity with foreign investment
- ▶ Provide tax information and advice, registration of taxpayer, digital signature, reference, description, tax statement, tax collection of motor vehicles of foreign invested companies and investors
- ▶ Provide information and advice related to visa, visa issuance, residence permission, temporary visitor's registration, and visa extension etc. Provide information and advice related to social insurance registration, reference, and receipts of statements from foreign invested companies.

Online one-stop service center is available at <https://www.e-invest.mn/>



SERVICE STEPS:



Setting up Business: *Establish a company online and only in a few day*

Entity with foreign investment

“A business entity with foreign investment” means a business entity incorporated according to the applicable legislations in Mongolia and has overall equity of US\$100, 000 or more (or equivalent in Mongolian tugriks or MNT), not less than 25 percent of which is invested by a foreign investor(s);

Forms of entity with foreign investment

- ▶ **Limited Liability Companies** /LLCs have a share capital divided into shares and the shareholders are not personally liable for the obligations of the company/
- ▶ **Limited Liability Partners** /Law partnership/ Partnership can be established in the forms of a general partnership, limited partnership or limited liability partnership.
- ▶ **Representative office of a foreign legal entity** /means a person/entity that has no legal entity status and is established in Mongolia by a foreign legal entity for the purpose of having representation on proxy basis;/

A foreign investor may operate through the following corporate forms all of which should be registered with the General Authority for State Registration of Mongolia /GASR/

ESTABLISHING A FOREIGN INVESTMENT ENTITY

STEP 1

Check name availability and register company name

<https://www1.e-mongolia.mn/>

STEP 1-1

Open a bank account

*Make sure to bring the verification sheet of company.
Bank might request additional document*

STEP 2

Apply for certificate of incorporation at GASR

List of required documents: <https://burtgel.gov.mn>
www.investmongolia.com

Online register: <https://www1.e-mongolia.mn/>

STEP 2-1

Obtain the company seal

Obtainable within 2 hours at Seal producing company

STEP 3

Register the entity at the Social insurance Department

List of required documents
<http://www.ndaatgal.mn/v1/mview>

Step 3-1

Register the Entity at the Tax Department

List of required documents:
<https://mta.mn/c/view/11600>
Online register: etax.mta.mn

Establishing a new representative office of a foreign legal entity /Rep office/

STEP 1

Apply for certificate of Representative at GASR

List of required documents: <https://burtgel.gov.mn/>
Online register: <https://www1.e-mongolia.mn/>

STEP 2

Obtain the company seal

Obtainable within 2 hours at Seal producing company

VISA AND RESIDENCE PERMITS

The Government of Mongolia approved the updated regulations for the issuance of Mongolian visa, which will be in effect from August 16.

The updated regulations include new types of visas, bringing the total number of visa types to 64.

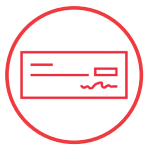
Moreover, the new regulations reflect the procedure for issuing electronic visas. Electronic visas for the purposes of tourism (K2), participating in cultural and arts events and sports competitions as well as creating films and content (K4), and transit (K6) have been made available as starters. Visa applications will be received through the website <https://evisa.mn/main>, with a decision being made from the Immigration Agency of Mongolia in up to three days.

- “B” investor, “C” employment, apply for short-term visa permission: “K1” business, “K2” tourism etc.
- Foreigners with a residence permit in Mongolia no longer need to apply for an exit visa when returning from Mongolia.
- Single and double entry visas are valid for 150 days until a foreign citizen enters Mongolia.
- If a foreigner requests a visa from a country that does not have a Mongolian Diplomatic Mission or Consulate, the inviter must apply for a visa at the border 14 days prior to the foreigner’s arrival in Mongolia. Applications for multiple entry J, B and Business class visas at the border will be submitted electronically at EVISA.MN

IN 3 STEPS YOUR EVISA IS READY!



Apply



Pay



Ready to visa

Visas Shall Be Issued By The Following Authorities:

Ministry of Foreign Affairs;
Mongolian Immigration Agency;
Mongolian Embassies and Consulates in foreign countries



Legal Environment:

law of Mongolia on the Legal status of foreign nationals
Regulations for the issuance of Mongolian visa



Processing time:

Standard-5 working days
Expedite-3 working days

- A foreigner residing in Mongolia for private purposes shall submit his / her application for a residence permit to the Immigration Agency of Mongolia within 21 days from the date of arrival in the country.
- Legal entity and individual who is providing housing for a foreign national must register them online on the Immigration Agency of Mongolia’s website (eimmigration.gov.mn) within 48 hours after entry

Investor residence permits & process



Type “B1” a foreign investor
Type “B2” Representative of investor, executive director
Type “B3” Executive direct of Representative office
Type “B1-1, B2-1, B3-1” “related person” means a foreign citizen’s spouse, partner, parents, grandparents or children;

INVESTOR VISA:

B1 /investor/ B1-1 /
B2 /Rep of investor,
executive director/ B2-1
B3 / Executive direct of
Representative office/
B3-1

List of required documents:

www.immigration.gov.mn

Online service:

<https://eimmigration.mn/>

GENERAL REQUIREMENTS FOR INVITING INDIVIDUAL AND ORGANIZATION:

Official request letter by inviting organization and legal entity

- Legal entity’s state registration certificate, special license (if given for company’s specific type of activity)
- Copy of passport or relevant valid substitute (*must be valid for a minimum of 180 days before your intended travel to Mongolia*)
- Statement by National Development Agency
- Police criminal record by country of origin,
- Bank statement of last 6 months
- Other relevant documents (*Tax, social insurance statement, etc.*)
- Letter of proxy for applying on behalf of their organization and work ID
- Receipt of payment
- Completed application form(apply online)

INVESTMENT PROTECTION COUNCIL /IPC/

The Investor Protection Council is composed of 16 members from the public and private sectors, chaired by the head of the Cabinet Secretariat of Government of Mongolia.

National Development Agency and International Finance Corporation of the World Bank Group developed "Grievance Registration and Monitoring System-SIRM" jointly and put it into operation in June 2020. The SIRM system receives and resolves grievances related to bureaucracy and illegal activities of government organization in order to protect the legitimate rights and interests of the investors. You can get more information related to SIRM system from website www.ipc.gov.mn

LEGAL ENVIRONMENT:

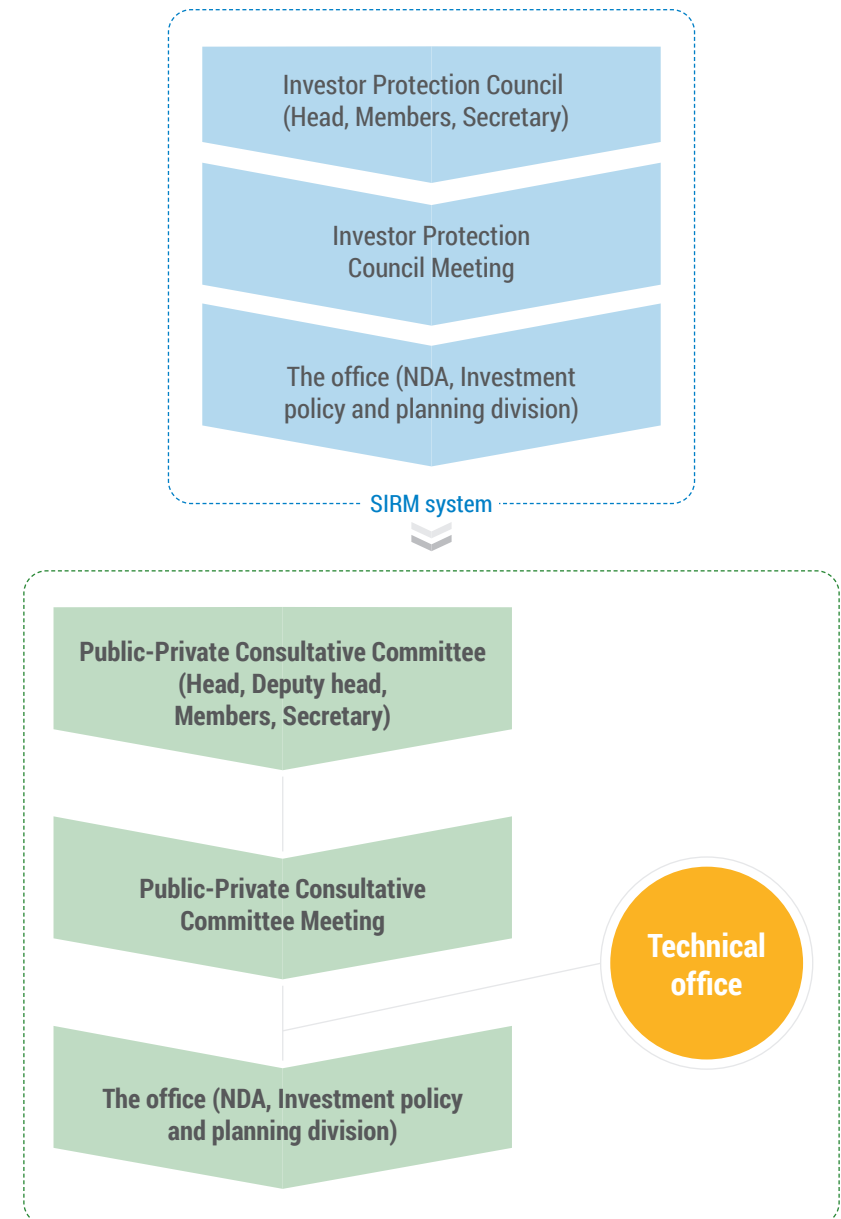
Investment law

Composition of the IPC / Prime Minister's Decree No. 136 of 22.12.2016 /
 Rules of Procedure of the IPC / Order No. 353 of the Head of the Cabinet Secretariat of Government of Mongolia dated 28.12.2016 /
 SIRM system procedure / Order A-40 of the Head of the State Property Committee dated March 14, 2019 /
 Rules of Procedure of the Public-Private Consultative Committee / Order A / 34 of the Head of the State Property Committee dated 23.12.2018

HOW DOWE DEAL WITH GRIEVANCE?



THE STRUCTURE OF THE INVESTOR PROTECTION COUNCIL:



GRIEVANCE RESOLUTION PROCESS AND PARTICIPANTS

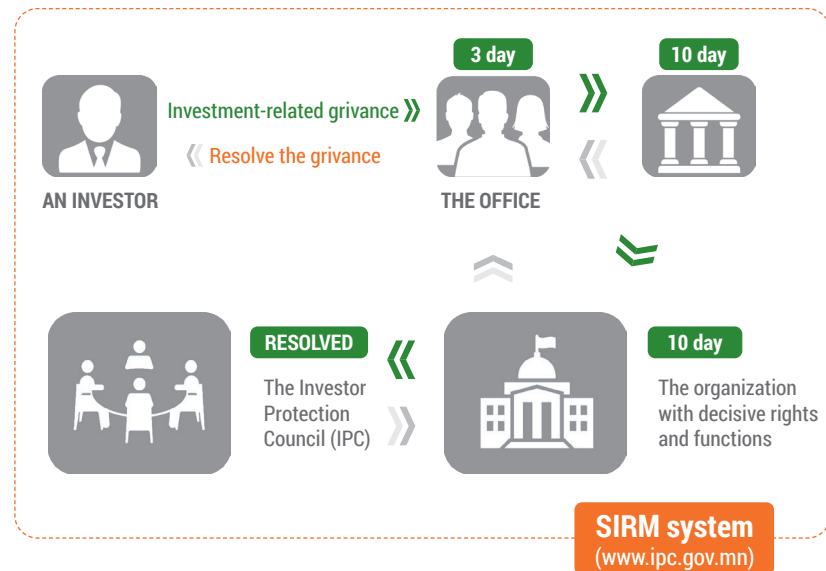
BY USING THE SYSTEM:

Investors will be able to make and review their complaints from anywhere and any-time.

Your grievance will be resolved with the multiple participation of government agencies within legal timeframe.

Investor's legitimate rights and interests will be protected within the framework of international treaties and laws

GRIEVANCE RESOLUTION PORCESS AND PARTICIPANTS



CLASSIFICATION OF GRIEVANCES



TO BE REJECTED

1. The matter was taken to court
2. The Council has already made a decision on the issue.



TO BE RESOLVED BY THE COUNCIL

1. Illegal expropriation without compensation
2. Free transfer of assets and income
3. Discrimination
4. illegal actions of government body.



TO BE TRANSFERRED

1. Grievances that will not be resolved by the Council, will be transferred to decision-making body. Complainants will be notified about the decision through the system.

Only your email address is required to register.

Send your investment complaint online!

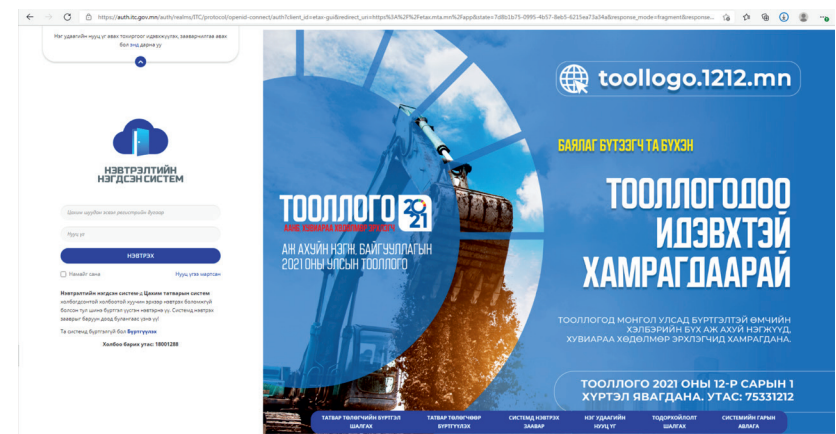
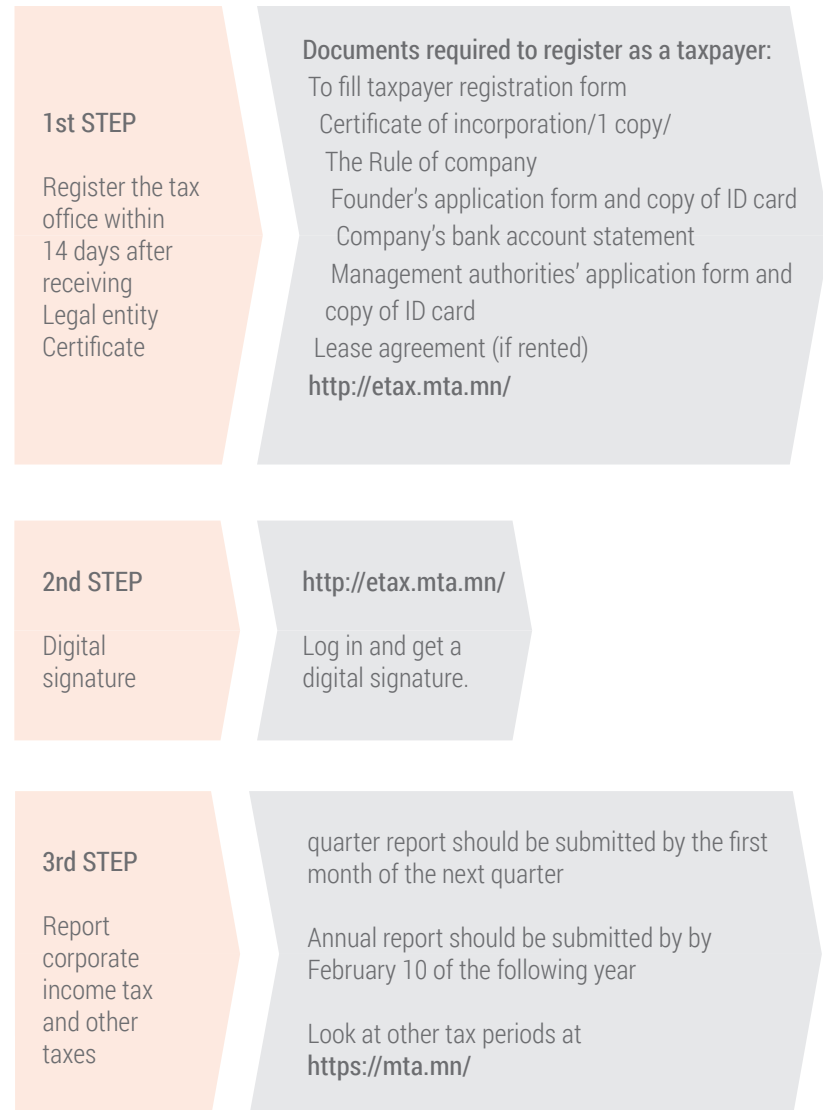
www.ipc.gov.mn

Let's improve our investment environment together!

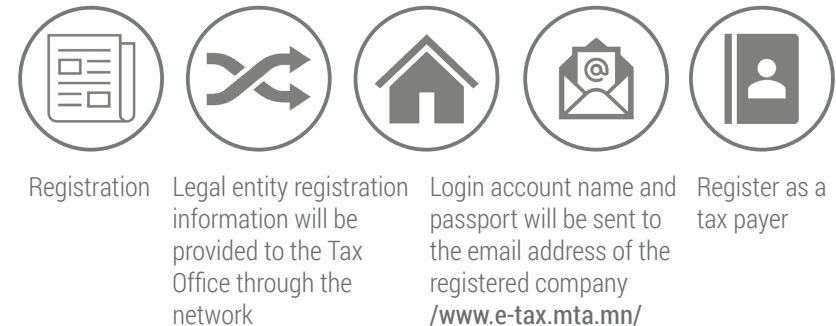
TAXATION

Easy administration – all taxes can be declared via etax.mta.mn

Procedure of the foreign-invested companies contact with the tax authorities



Procedure of taxpayer registration:



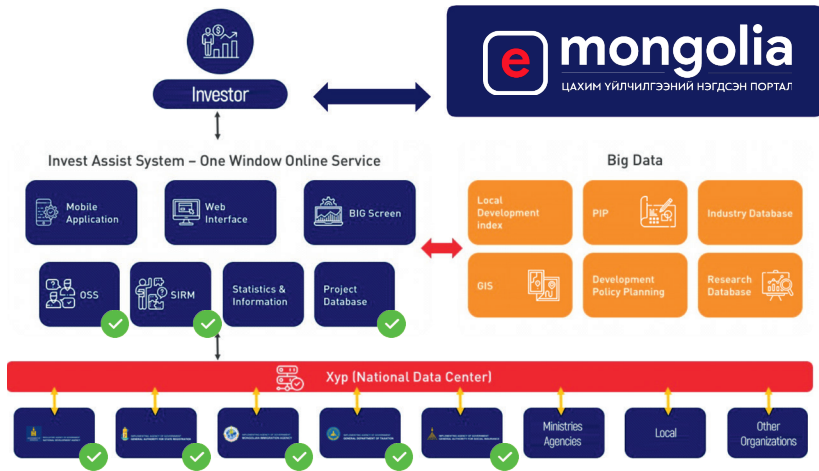
Consideration:

- The registration number of a foreign business entity located in the territory of Mongolia registered with the state registration and registration authority of a legal entity and issued by the registration authority shall be the taxpayer number.
- A business entity or organization shall notify the registration authority and the relevant tax authority within 10 days from the date of obtaining a license to engage in production and services from the relevant state administrative body and record it in the taxpayer's certificate.
- A local tax authority shall assign a taxpayer number, register as a taxpayer and issue a taxpayer's certificate to the representative office of a non-legal entity or a foreign legal entity earning income in Mongolia.

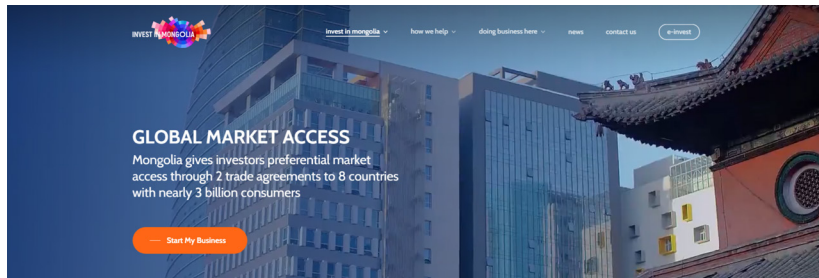


ANNEX >>>

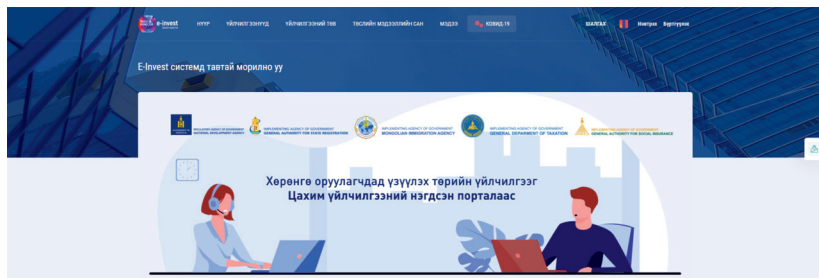
www.e-mongolia.mn web portal and “E-Mongolia” mobile application are allowing citizens to get necessary government services any time from their home workplace, not coming to any government organization.



WWW.INVESTMONGOLIA.COM is an official integrated information website for investors



WWW.E-INVEST.MN is an official integrated e-service portal of Public services for investors



GENERAL INFORMATION AND COST

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 -2022	New Year - January 1 Mongolian New Year (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 an average costs as of June 2021

Office space rent	1 m2	In the center of Ulaanbaatar	20 - 100 USD
Factory rent	1 m2	Suburb of Ulaanbaatar	10 - 40 USD
Factory rent	1 m2		8-20 USD
Storage rent	1 m2		8-50 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	1 tug/L	1,10
	Alcohol, beer, beverages, water factory, washing car	1 tug/L	1,50
	Wool, cashmere, leather, intestine refinery	1 tug/L	1,05
Sewage	Water tariff for factories, offices and other entities	1 tug/L	0,85
	Alcohol, beer, beverages, water factory, washing car	1 tug/L	1,20
	Wool, cashmere, leather, intestine refinery	1 tug/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

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.mcupd.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

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

	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: 33-1-46053016	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

FOREIGN EMBASSIES IN ULAANBAATAR

	Address	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	Peace avenue - 17, Chingeltei 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.ae aeemb.uae.ub@hotmail.com	Tel: 976-77222233 976-77222200

	Address	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	Tell: 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

FOREIGN EMBASSIES IN ULAANBAATAR

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

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Web: www.investmongolia.com www.nda.gov.mn
www.theiguides.org/mongolia

