

LIST OF SELECTED LAWS APPROVED BY THE PARLIAMENT OF MONGOLIA - 2014

№	Name of the Laws	Date of approval	Description
1.	Law on Common Minerals	2014.01.09	<p>This law regulates the matters in connection exploration and mining of common minerals, issuance of common minerals licenses, responsibilities and obligations of the license holders, environmental protection and rehabilitation.</p> <p>An exploration license application shall comply with the Articles 17.1-17.3, the Minerals Law and the the exploration area of common minerals granted by one license should not be less than 25 hectares and more than 400 hectares.</p> <p>Common mineral royalties are set at 2.5% of the sales value of common minerals sold or transported for for sale or used.</p>
2.	Amendmentsto the Minerals Law	2014.01.09 2014.07.01 2015.01.23	<p>Exploration and minind license fees are set in MNT now:</p> <p><i>Exploration Year 1-</i> MNT 145; <i>Exploration Year 2-</i> MNT 290; <i>Exploration Year 3-</i> MNT 435; First extension (3 years)- MNT 1,450 each year ; Second extension (3 years)- MNT 2,175 each year; Third extension (3 years)- MNT 7,250 each year; (per hectare)</p> <p>Annual mining license fee shall be MNT 21,750 per hectare in general. As for limestone, coal and industrial minerals for domestic use, the license fees are MNT 7,250 per heactare.</p>
3.	Amendments to the Law on Business Licensing	2014.01.09	Common minerals exploration and mining licenses are to be issued by the local governors.
4.	Amendments to the Law on Stamp Duty	2014.01.09	<p>Common mineral exploration license fee per hectare shall be MNT100 for the first year, MNT200 for the second year, MNT300 for the third year, MNT1000 for the fourth and fifth year.</p> <p>Common minerals mining license fee shall be MNT5,000 MNT for 0-20 hectares, MNT8,000 MNT for up to 30 hectares, MNT10,000 for up to 50 hectares, MNT15,000 for up to100 hectares and MNT20,000 for more than 200 hectares.</p>
5.	Amendments to the Minerals Law	2014.01.24	The provision of “ <i>Gold royalties for gold sold to the Bank of Mongolia and its authorized commercial banks shall be 2,5% and the surtax ryoyalty amount is 0%</i> ” has been added to the Minerals Law and is effective for the period between September 1, 2014 and December 1, 2019.
6.	Amendments to the Law on Business Licensing	2014.05.15	Restoration of cultural heritage, paleontological and archaeological survey, excavations and research activities shall be subject to business license issued by the Ministry in charge of cultural affairs.
7.	Amendments to the Minerals Law	2014.05.15	<p>Minerals license holder is prohibited to conduct minerals prospecting, exploration and mining actitivites without having prior exploration and investigations conducted and permission issued by professional paleontology, archeology and ethnography organizations.</p> <p>If a cultural heritage is found within the exploration area, the minerals license shall be subject to revokation.</p>
8.	Amendments to the Law on Value Added Tax	2014.05.15	Technology, equipment, chemical substances, tools and materials used for the examination and restoration of cultural heritage are exempted from VAT, as well as the cultural heritage restoration services.

9.	Amendments to the Company Law	2014.06.05	If a holder of the controlling shares of a public company did not provide an offer to buy minor shareholders' shares for a price not less than the weighted average market price of the last 6 months, such controlling shareholder is not able to vote for the certain matters at the shareholders' meeting including approval of the Board conclusion on the yearly financial and business reports, approval of major or related party transactions, approval of share redemption by the company, directors' remuneration issue, etc.
10.	Law on VAT Exemption	2014.06.06	To encourage small-to-medium enterprises, increase workplace, substitute import and produce export promoting products, the industrial equipments and spare parts imported for the intended use of small-to-medium enterprises will be exempt from VAT until January 31, 2016. The list of industrial equipments and spare parts for the intended use of small-to-medium enterprises shall be approved by the Government (Cabinet).
11.	Гаалийн албан татвараас чөлөөлөх тухай	2014.06.06	The industrial equipments and spare parts imported for purpose of manufacturing the products that substitute imports and promote export and increase work place by small-to-medium enterprises will be exempted from customs duty VAT until January 31, 2016. The list of industrial equipments and spare parts for the intended use of small-to-medium enterprises shall be approved by the Government (Cabinet).
12.	Amendments to the Law on Corporate Income Tax	2014.06.26	10% withholding tax will be imposed on the bond interest income of a taxpayer not residing in Mongolia, who purchased Mongolia's commercial banks' bonds issued in foreign and domestic stock exchanges. In general, withholding tax rate is 20%.
13.	Petroleum Law	2014.07.01	The newly approved Petroleum Law replaced the old law of 1991 and regulates matters in connection with petroleum (conventional crude oil, natural gas and non-conventional oil) prospecting, exploration and exploitation within the territory of Mongolia.
14.	Amendments to the State Audit Law	2014.07.01	The state audit agency is entitled to audit the distribution, sales calculations, oil exports and the total investment of a contractor under the production sharing agreement in the oil industry.
15.	Amendments to the Law on Customs Duty	2014.07.01	Special purpose machineries, tools, equipment, accessories, raw materials, chemicals, explosives, spare parts imported by oil contractors and sub-contractors for the purpose of oil and non-conventional oil related activities, reports and samples are exempted from customs duty during the exploration period and first five years of exploitation.
16.	Amendments to the Law on Value Added Tax	2014.07.01	Special purpose machineries, tools, equipment, accessories, raw materials, chemicals, explosives, spare parts imported by oil contractors and sub-contractors for the purpose of oil and non-conventional oil related activities, reports and samples are exempted from VAT during the exploration period and first five years of exploitation.
17.	Amendments to the Corporate Income Tax Law	2014.07.01	Revenue generated from the oils allocated to the contractor, who operates in Mongolia under the PSA, shall be exempted from the corporate income tax regardless of being a resident or nonresident tax payer.
18.	Ашигт малтмалын тухай хуульд нэмэлт оруулах тухай Amendments to the Minerals law	2014.07.01	“Ашигт малтмалын баялаг”, “ашигт малтмалын ордын нөөц”, “мэргэшсэн мэргэжилтэн шинжээч” гэсэн нэр томъёог хуульд шинээр нэмж, “стратегийн ач холбогдол бүхий ашигт малтмалын орд”, “бичил уурхай эрхлэх” гэсэн нэр томъёог өөрчлөн найруулсан болно. The terms "Mineral resources", "mineral reserve" and "qualified professionals" have been added to the law, and the terms "mineral mines of strategic importance" and "artisanal mining," have been changed.
19.	Amendments to the Law on Development Bank of Mongolia	2014.10.16	In connection with the changes in the government structure, the Ministry of Finance now takes charge of the issues related to the Development Bank, which were previously handled by the Ministry of Economic Development.

