

THE REGULATION FOR THE ESTABLISHMENT OF FOREIGN REPRESENTATIVE OFFICE
WITHIN THE TERRITORY OF MONGOLIA

Attachment of the Government

Resolution number 247 of 1991

1. The foreign companies, banks and other commercial organizations (hereinafter referred to as "foreign organizations") may establish their representative office in accordance with this regulation in Mongolia.

2. The objectives of the establishment of foreign representative office are:

2.1. Cooperation between the business entities of Mongolia and foreign organization in the field of trade and economy, currencies and finance, science and technique, transport and tourism, and other; information exchange and introduction of advanced technique and technology;

2.2. Rendering assistance in encouragement and promotion of foreign investment;

2.3. To organize efficiently the conclusion and fulfillment of contracts and other transactions.

3. The Foreign Investment and Foreign Trade Agency shall grant the establishment of foreign representative office unless otherwise stipulated by the law of Mongolia.

Permission for the establishment of foreign representative office shall be granted for 3 years and its duration may be extended for 2 years when a foreign organization considers that its obligations are not fulfilled completely.

4. The foreign organization wishing to establish its representative office shall submit the following documents to the Foreign Investment and Foreign Trade Agency:

4.1. Application letter (shall mention - the purpose of the representative office establishment, its business contracts and scope of cooperation with the Mongolian organization, the intention of further development and other things shall be stated);

4.2. Introduction of the foreign organization and its Statutes;

4.3. Bank confirmation - from investor's national bank;

4.4. Copy of the National State Registration Certificate;

4.5. Copy of permission of the representative office establishment abroad - If that kind of permission from relevant authorities is required according to their national laws. /shall be guaranteed by notary/;

4.6. Statutes of the representative office (shall mention - its organization and structure, main activities, staff number and their rights and responsibilities);

5. The Certificate of foreign representative office shall be granted within 10 working days upon the receiving foreign organization application letter.

6. The Certificate of foreign representative office must indicate the address, purpose, conditions and the term of activities. The Certificate date of issuance is considered its establishment date. If the representative office doesn't function within 6 months from the date of Certificate issuance, the Certificate will be considered invalid.

7. Several foreign organizations may have joint office.

8. Representative office must act on behalf of its own organization within the framework of the Mongolian legislation. Representative office is prohibited to carry out any commercial activities for the profit earning purpose within the territory of Mongolia.

9. The Authority, which granted the Certificate of foreign representative office, shall render assistance in creation of conditions required for the normal operations of representative office.

10. The representative office shall possess an office and a flat in the territory of Mongolia on the basis of contracts concluded with the relevant organizations and individuals and be supplied with the domestic services.

11. The representative office may employ Mongolian citizens according to the Mongolian legislation on the basis of labor contract.

12. The head of the representative office shall act within the powers given by the foreign organization.

The head of the representative office shall inform the Authority that granted the Certificate of its activities, staff numbers and changes.

13. Representative office is obliged to provide with information concerning its activities to the Mongolian competent authorities upon their request.

14. The representative office shall be dissolved in the following cases:

14.1. Certificate duration is expired

14.2. Termination of the foreign organization which established its representative office in Mongolia.

14.3. Invalidation of agreement and contract which served a basis for the establishment of representative office.

14.4. Violation of the requirements for the establishment of representative office and its operations contradicting the legislation of Mongolia.

14.5. A decision by the foreign organization on dissolution of its representative office.

15. The registration fee of 700\$ or other equivalent hard currency is to be paid for the granting the Certificate of Foreign Representative Office. The fee of 300\$ or other equivalent hard currency is to be paid for the extension of permission.

/ Unofficial translation /