

LAW OF MONGOLIA ON LICENSING

February 1, 2001

Ulaanbaatar

CHAPTER ONE GENERAL PROVISIONS

Article 1. Objective of the Law

1.1. The purpose of the law is to regulate a relation with respect to issuing, suspending, and revoking, a license to conduct certain business activities that may adversely affect public interest, human health, environment and national security and that require conditions and expertise.

Article 2. Legislation on Licensing

2.1. Legislation on Licensing shall consist of this Law, Civil Code and other legislative acts enacted in conformity therewith.

2.2. If an international treaty to which Mongolia is a party is inconsistent with this law, then the provisions of the international treaty shall prevail.

2.3. Licenses required for use of land and natural resources shall be governed by the Law of Mongolia on Land, Law on Subsoil, Law on Special Protected Area, Law on Plants, Law on Animals, Hunting Law, Water Law, Law on Foreign Trade of Rare Animals, Plants and Products Derived from Thereof, Minerals Law, Law on Nuclear Energy and Law on Converted Living Organism.

[/This article was amended by the Law of July 8, 2006/](#)

[/This article was amended by the Law of June 28, 2007/](#)

[/This article was amended by the Law of July 16, 2009/](#)

[/This article was amended by the Law of May 17, 2012/](#)

Article 3. Definitions

3.1. In this law the following terms shall have the following meaning:

3.1.1. "License for conducting a business activity" (hereinafter referred to as "License") shall mean an official document issued by an authorized institution to an individual, for-profit or not-for-profit legal entity for conducting certain types of business for a fixed length of time and in compliance with specific terms and requirements;

3.1.2. "License holder" shall mean a person who has obtained a license from an authorized institution for conducting a particular type of business.

CHAPTER TWO

ISSUING, SUSPENDING, REVOKING A LICENSE

Article 4. Content of the License

4.1. The license shall be included the following:

4.1.1. name of the authorized institution issuing a license;

4.1.2. name and address of the license holder;

4.1.3. type of the licensed business;

4.1.4. fixed date of the license;

4.1.5. terms and requirements to the licensed business;

4.1.6. number of the license and date (year, month, date) of issuance;

4.1.7. signature and stamp of the authorized official of the licensing institution.

Article 5. Scope of License

5.1. If specially stated, the licensed business shall be conducted within that territory.

5.2. Business activities other than those that require a license shall be freely conducted upon registering to the Tax authority and in accordance with relevant legislation and standards.

[/This article was amended by the Law of January 29, 2015/](#)

5.3. Unless otherwise stated by law, it shall be prohibited to sell, give free of charge and transfer by pledging the license to others.

5.4. The right to conduct a business activity that requires a license shall come into force upon obtaining such license in accordance with this law.

[/This article was added by the Law of July 4, 2002./](#)

Article 6. Expiry date of license and its extension

6.1. Unless otherwise stated by law, a license shall be issued for three years.

6.2. Unless otherwise stated by law, a license may be extended for not less period than original duration.

6.3. A license shall be extended within 3 days upon the license holder's application unless otherwise stated by law and the circumstances described in the provision 13.1 of this law have arisen.

6.4. A license shall not be extended if its terms and conditions have been violated.

Article 7. Procedure of issuing a license

7.1. Unless otherwise stated in law, a license described in article 15 of this law shall be issued by a relevant central administrative body.

7.2. Unless otherwise stated in law, activities related to food shall be conducted upon permission.

[/This article was amended by the Law of December 20, 2012./](#)

7.3. Detailed procedures regarded to licensing of a particular type of a business activity shall be determined by respective specific laws.

7.4. If an authorized institution deemso it necessary, a license may be issued through a competitive selection.

Article 8. Prohibited business activities

8.1. The following types of business activities shall be prohibited in Mongolia:

8.1.1. manufacturing, importing and selling narcotics, unless otherwise stated by law, and drugs;

[/This article was added by the Law of November 28, 2002./](#)

8.1.2. organizing, advertising and promoting any forms of pornography;

8.1.3. engaging activities related to casino;

8.1.4. profit-seeking business through fraudulent multi-tiered marketing or financial pyramid.

8.2. The provision 8.1.3 of this Law shall not be applicable to the Law on Free Zones.

[/This article was added by the Law of June 28, 2002./](#)

Article 9. Principles and requirements of licensing

9.1. The following principles shall be observed by an authorized institution in issuing a license:

9.1.1. ensuring national security and defense, protecting public and legal interests;

9.1.2. creating a favorable environment for business;

9.1.3. promptly and transparency;

9.1.4. only issuing a license in the cases stated in the law.

Article 10. Authority of a licensing institution

10.1. An authorized licensing institution shall have the following authority:

- 10.1.1. Issuing a license in accordance with terms and procedures stated in the law;
- 10.1.2. Registering the license issued;
- 10.1.3. Supervising compliance with terms and requirements of the license issued;
- 10.1.4. Suspending or resuming the license validity;
- 10.1.5. Extending or revoking the license.

Article 11. Required application documents for licensing

11.1. A license applicant shall submit the following documents:

- 11.1.1. application (containing types of expected manufacturing or service, intended length of such activity);
- 11.1.2. if the applicant is a legal entity, the registration certificate;
- 11.1.3. if the applicant is a citizen, a copy of the ID (a licensing institution shall check by comparing a copy of the ID and original ID, and to note freely about the copy of ID is valid) and if sending by post office, a notarized copy of the ID;
[*/This provision was amended by the Law of February 10, 2011/*](#)
- 11.1.4. receipt of payment of the state stamp fee;
- 11.1.5. other documents stated in the law depending on the specific type of manufacturing or services;

11.1.6. recommendation by the Governor of the capital city of Ulaanbaatar or aimag for engaging the business activities described in provisions 15.5.7; 15.5.8; 15.6.1-15.6.3; 15.6.5; 15.8.3; 15.8.8; 15.8.18; 15.8.20; 15.10.4-15.10.6; 15.10.14; 15.11.1; 15.11.2; 15.12.1-15.12.6 of this law.

[/This provision was added by the Law of July 1, 2005/](#)

11.2. It shall be prohibited to demand documents or payment fees other than those stipulated in provision 1 of this Article.

11.3 In case if the governors of aimag and capital city did not deliver their proposals on issuing licenses for carrying out businesses stipulated in provisions 15.10.5 and 15.10.6 of this law to the state administrative authority responsible for the matters of geology and mining within 30 days, the license shall be deemed issued.

[/This article was added by the Law of July 8, 2006/](#)

Article 12. Issuing a license

12.1. The authorized licensing institution shall receive and review an application and other relevant documents and shall make a decision whether to issue a license within 21 business days since the day of receiving the application, unless otherwise stated in the law.

12.2. If a license has been denied, the reasons of such rejection shall be explained to the applicant in writing.

12.3. If necessary, the licensing institution may have an authority to be examined and investigated by other relevant institution(s) the application papers submitted to it by the applicant.

12.4. In case of such examination, review period of the application may be extended for 14 business days.

12.5. A legal entity which is a party of related professional community shall be issued a license stipulated in the provision 15.10.17 of this law.

/This article was added by the Law of February 07, 2013/

Article 13. Suspending a license

13.1. If the terms, timelines or requirements of a license have been breached, the licensing institution may suspend the license for up to three months upon the conclusion of a relevant inspection body.

13.2. The licensing institution shall inform in writing of such suspension the license holder and relevant tax department within 3 days.

13.3. The licensing institution shall stop the suspension of the license upon elimination of the circumstances, which have led to such suspension.

Article 14. Revoking a license

14.1. The licensing institution shall revoke a license in the following cases:

14.1.1. a license holder has applied so;

14.1.2. the legal entity has been dissolved;

14.1.3. it is proven that false application documents have been submitted to receive the license;

14.1.4. the terms and requirements of the license have been breached several times or have been severely breached;

/This provision was added by the Law of November 20, 2003/

14.1.5. the demand to rectify reasons of the license suspension has not been met within the suspension period.

~~14.1.6~~ */This provision was repealed by the Law of November 20, 2013/*

14.2. The licensing institution shall inform the license holder and relevant tax department of such revocation within 3 days after issuing such decision.

Article 15. Types of business activities to be conducted under the license

15.1. The businesses described in this Article shall be conducted under license.

15.2. In the area of banking:

15.2.1. establishing a bank, conducting banking activities;

~~15.2.2.~~ */This provision was repealed by the Law of November 17, 2005/*

15.3. In the area of financial institutions other than banking:

15.3.1. the activities of non-bank financial institution;

15.3.2. the activities of barter insurances;

15.3.3. the activities of insurances;

15.3.4. the activities of loans and deposits other than banking;

15.3.5. the activities of stock marketing;

/This provision was amended by the Law of May 24, 2013/

15.3.6. issuing security verified by property;

/This provision was added by the Law of April 23, 2010/

15.3.7. the activities auditor of registering property bale of mortgage securities;

/This provision was added by the Law of April 23, 2010/

15.3.8. the activities related to accredit controlling of mortgage securities;

/This provision was added by the Law of April 23, 2010/

15.3.9. the activities of information about loan;

/This provision was added by the Law of October 20, 2011/

/This provision was amended by the Law of November 17, 2005/

15.4. In the area of finance and economy:

15.4.1. social and commercial insurance business;

/This provision was amended by the Law of November 17, 2005/

15.4.2. auditing;

15.4.3. printing securities;

15.4.4. issuing lottery;

~~15.4.5.~~ */This provision was repealed by the Law of November 17, 2005/*

~~15.4.6.~~ */This provision was repealed by the Law of May 20, 2008/*

15.4.7. customs brokering;

15.4.8. operating a customs warehouse.

/This provision was amended by the Law of May 20, 2008/

15.4.9. asset valuation

/This provision was amended by the Law of November 17, 2005/

15.4.10. services advising tax

/This provision was amended by the Law of December 27, 2012/

15.5. In the area of justice:

15.5.1. notary;

15.5.2. trading and importing the firearms and bolts to the public;

15.5.3. manufacturing the firearms and weapons related to firearms;

15.5.4. manufacturing and recharging the bolts of firearms;

15.5.5. trading and importing the bolts of firearms to the public;

15.5.6. conducting the training of using the firearms and it's bolt;

15.5.7. conducting the activities related to guarding of legal entities;

15.5.8. bookmaking and gambling;

15.5.9. manufacturing seals and stamps.

[/This provision was added by the Law of August 07, 2015/](#)

15.6. In the area of environment:

15.6.1. importing, selling or using ozone-splitting substances or products containing such substance;

15.6.2. producing of toxic and dangerous chemical substances other than explosive ones;

[/This provision was amended by the Law of May 25, 2006/](#)

15.6.3. emitting, trading, exploring, transporting through border and importing and exploitation of toxic and dangerous chemical substances other than explosive ones;

[/This provision was amended by the Law of May 25, 2006/](#)

[/This provision was amended by the Law of January 03, 2008/](#)

[/This provision was amended by the Law of January 31, 2013/](#)

~~15.6.4.~~ [/This provision was repealed by the Law of January 27, 2005/](#)

15.6.5. emitting polluting chemical substances into the atmosphere whose tolerance degree is not determined by existing standards;

15.6.6. engaging in detailed environmental impact assessment;

15.6.7. conducting, trading and importing toxic and dangerous chemical substances fatally affected to environment.

[/This provision was added by the Law of January 03, 2008/](#)

15.7. In the area of education, culture and science:

15.7.1. engaging the activities related to a university, college, vocational schools;

[/This provision was amended by the Law of February 02, 2009/](#)

[/This provision was amended by the Law of January 29, 2015/](#)

15.7.2. offering master or PhD degree academic programs;

15.7.3. taking historical, cultural or other precious objects out of country;

15.7.4. conducting the training related to a new professional curriculum at a higher education institution;

[/This provision was amended by the Law of January 29, 2015/](#)

15.7.5. conducting the activities related to trainings and professions;

[/This provision was added by the Law of February 13, 2009/](#)

[/This provision was amended by the Law of January 29, 2015/](#)

15.7.6. training a new professional trainings and professions;

[/This provision was added by the Law of February 13, 2009/](#)

[/This provision was amended by the Law of January 29, 2015/](#)

15.7.7. mediating the services related to educating professions at foreign countries;

[/This provision was added by the Law of January 19, 2012/](#)

15.7.8. establishing general schools related to international curriculum or laboratory school;

[/This provision was added by the Law of May 9, 2012/](#)

15.7.9. establishing kindergartens and schools related to foreign investment;

[/This provision was added by the Law of May 9, 2012/](#)

15.7.10. searching, exploring and excavating the paleontology and archeology; and restoring cultural heritages;

[/This provision was added by the Law of May 15, 2014/](#)

15.8. In the fuel and energy field:

~~15.8.1.~~ [*/This provision was repealed by the Law of May 15, 2014/*](#)

15.8.2. construing of and building energy sources and set up lines

15.8.3. producing of and transmitting of energy carrying out operations on dispatcher coordination, distribution, providing and selling;

~~15.8.4.~~ [*/This provision was repealed by the Law of May 01, 2005/*](#)

15.8.5. conducting services related to fix or install the lines, kiln and compressing basin

[*/This provision was added by the Law of November 28, 2003/*](#)

[*/This provision was added by the Law of November 17, 2005\)*](#)

[*/This provision was amended by the Law of January 01, 2005\)*](#)

15.9. In the area of social protection and employment:

15.9.1. exporting or importing work force, recruitment business;

15.10. In the area of industry and trade:

~~15.10.1;~~ [*/This provision was repealed by the Law of January 20, 2011/*](#)

15.10.2. manufacturing jewelries of precious metals and stones;

~~15.10.3.~~ [*/This provision was repealed by the Law of January 03, 2008/*](#)

15.10.4. exporting, importing, selling, manufacturing and conducting the explosive substances and the explosive tools;

[*/This provision was amended by the Law of May 06, 2004/*](#)

[*/This provision was amended by the Law of May 03, 2006/*](#)

[*/This provision was amended by the Law of January 03, 2008/*](#)

[*/This provision was added by the Law of January 31, 2013/*](#)

15.10.5. exploration of minerals;

15.10.6. mining of minerals;

~~15.10.7.~~ */This provision was repealed by the Law of January 27, 2005/*

~~15.10.8.~~ */This provision was repealed by the Law of January 27, 2005/*

~~15.10.9.~~ */This provision was repealed by the Law of May 15, 2003/*

~~15.10.10.~~ */This provision was repealed by the Law of May 15, 2003/*

~~15.10.11.~~ */This provision was repealed by the Law of July 01, 2014/*

15.10.12. importing alcoholic beverages.

/This provision was added by the Law of November 20, 2003/

15.10.13. carrying out oil production.

/This provision was added by the Law of July 1, 2005/

/This provision was amended by the Law of February 07, 2013/

15.10.14. importing cigarettes;

/This provision was added by the Law of July 01, 2005/

15.10.15. producing iron and conducting the factory of machines;

/This provision was added by the Law of May 27, 2008/

15.10.16. conducting activities related to production and technologies;

/This provision was added by the Law of December 17, 2009/

15.10.17. trading retail and whole and importing all kinds of fuel;

/This provision was added by the Law of February 07, 2013/

15.10.18. seeking oil;

/This provision was added by the Law of July 01, 2014/

15.10.19 seeking non-traditional oil;

[/This provision was added by the Law of July 01, 2014/](#)

15.10.20. exploiting oil;

[/This provision was added by the Law of July 01, 2014/](#)

15.10.21 using non -traditional oil

[/This provision was added by the Law of July 01, 2014/](#)

15.11. In the area of food and agriculture:

15.11.1. planting tobacco plants, manufacturing tobacco;

15.11.2. producing alcoholic beverages, except for vodka distilled from dairy products;

15.11.3. producing seed of plant crops;

15.11.4. manufacturing or importing livestock medicine or veterinary

facilities;

~~15.11.5. [/This provision was repealed by the Law of January 20, 2011/](#)~~

15.11.6. selling or importing substances used to protect plants;

15.11.7. adapting new and imported veterinary medicine or new breed of animal selects into production or services, importing or exporting new breed of animals;

~~15.11.8. [/This provision was repealed by the Law of January 20, 2011/](#)~~

~~15.11.9. [/This provision was repealed by the Law of January 20, 2011/](#)~~

15.12. In the area of health

~~15.12.1. [/This provision was repealed by the Law of January 20, 2011/](#)~~

15.12.2. importing, producing or selling medicine, tools, equipments, facilities of medicine;

/This provision was added by the Law of January 19, 2006/

15.12.3. conducting all types of medical services;

15.12.4. producing, trading, exporting importing narcotic drugs or drug substances that may affect human brains and hocus;

/This provision was added by the Law of November 28, 2002/

/This provision was added by the Law of May 26, 2011/

~~15.12.5.~~ */This provision was repealed by the Law of January 20, 2011/*

15.12.6. producing, selecting, cultivating, reserving, storing, transporting, selling disease causing microbes or harms thereof;

~~15.12.7.~~ */This provision repealed by the Law of April 19, 2002/*

15.12.8. conducting activities related to disinfect and destroying the rodent and insect;

/This provision was added by the Law of January 19, 2006/

15.12.9. conducting activities to supply, produce or import the active biology production;

~~15.12.10.~~ */This provision was repealed by the Law of January 20, 2011/*

15.12.11. conducting activities of professional medicine of state dimension and foreign investment;

/This provision was added by the Law of May 05, 2011/

15.13. In the field of copyright and patent right:

(This article was added by the Law of January 27, 2005)

15.13.1. working as entrusted representative of the creatures related to the copyright;

/This provision was added by the Law of June 10, 2010/

~~15.13.2.~~ */This provision was repealed by the Law of June 10, 2010/*

15.14. In the area of building construction:

(This article was added by the Law of January 27, 2005)

~~15.14.1.~~ */This provision was repealed by the Law of January 20, 2011/*

~~15.14.2.~~ */This provision was repealed by the Law of January 20, 2011/*

15.14.3. carrying out services of hitching of elevators and cranes;

~~15.14.4.~~ */This provision was repealed by the Law of November 17, 2005/*

15.14.5. carrying out services and production of common economy;

15.14.6. drafting projects of engineering constructions and constructing of buildings, carrying out services of its repair, installment, manufacture, elevators, materials of construction;

/This provision was added by the Law of February 05, 2008/

15.14.7. Carrying out services and production of geodesic and cartographic drafts;

~~15.14.8.~~ */This provision was repealed by the Law of January 20, 2011/*

15.15. In the area of road, transport and tourism:

(This article was added by the Law of January 27, 2005)

15.15.1. construing and operating railway lines;

/This article was amended by the Law of July 05, 2007/

15.15.2. holding Civil aviation;

15.15.3. carrying out railway transport services;

/This article was amended by the Law of July 05, 2007/

15.15.4. construing and repairing of auto roads and road launches;

15.15.5. supervising technical control of auto transport vehicles;

~~15.15.6.~~ [*/This provision was repealed by the Law of January 20, 2011/*](#)

~~15.15.7.~~ [*/This provision was repealed by the Law of January 20, 2011/*](#)

~~15.15.8.~~ [*/This provision was repealed by the Law of January 20, 2011/*](#)

15.15.9. carrying out water transport services;

~~15.15.10.~~ [*/This provision was repealed by the Law of January 20, 2011/*](#)

15.15.11. construing, producing and repairing of movable parts and basic constitution of railway

[*/This provision was added by the Law of July 05, 2007/*](#)

15.15.12. producing state number of transport.

[*/This provision was added by the Law of May 29, 2008/*](#)

[*/This provision was added by the Law of January 27, 2005/*](#)

15.16 In the area of information, communications and technology:

15.16.1 Exploiting radio frequency and radio frequency bandwidth;

15.16.2 Establishing, operating communications network and providing its service;

15.16.3 Providing services of content;

[*/This provision was added by the Law of January 20, 2011/*](#)

15.16.4 Issuing a certificate of digital signature.

[*/This provision was added by the Law of December 15, 2011/*](#)

[*/This article was added by the Law of January 27, 2005/*](#)

15.17. In the area of standardization and measurement:

15.17.1. Production, setting, repairing and selling measurement devices.

[*/This provision was added by the Law of January 27, 2005/*](#)

15.18. In the area of nuclear and minerals of radioactive:

15.18.1. Establishing, modifying, repairing, emitting from operating the equipment of nuclear;

15.18.2. Operating equipment of nuclear;

15.18.3. Operating and possessing nuclear substances;

15.18.4. Exporting, importing, transporting, burying outcast of nuclear substances;

15.18.5. Seeking minerals of radioactive;

15.18.6. Exploiting minerals of radioactive;

15.18.7. Exporting, importing, transporting, restoring the place after exploiting, and burying outcast of minerals of radioactive;

15.18.8. Possessing, exploiting, trading, installing, setting, leasing, producing, emitting from exploiting, unfolding, storing, transporting, importing, exporting, burying the outcast and indemnifying the generator of radioactive, and performing other activities.

[/This provision was added by the Law of July 10, 2009/](#)

Article 16. Types of business activities to be licensed by relevant aimag, capital city, soum or district Governors or by relevant inspection authorities.

[/This article was amended by the Law of July 10 2002/](#)

16.1. The following type of business activity shall require a license by an appropriate inspection authority. *[/This provision was amended by the Law of July 10 2002/](#)*:

16.1.1. *[/This provision was repealed by the Law of July 16, 2009/](#)*

16.2. The following types of business shall require a license by an appropriate aimag or capital city Governor:

~~16.2.1. [/This provision was repealed by the Law of January 20, 2011/](#)~~

16.2.2. professional activities of a health care institution;

~~16.2.3. [/This provision was repealed by the Law of January 03, 2008/](#)~~

16.2.4. establishing kindergartens and general education schools;

[/This provision was added by the Law of December 08, 2006/](#)

16.2.5. trading or serving alcoholic beverages;

16.2.6. serving of beauty curing.

[/This provision was added by the Law of January 19, 2006/](#)

16.2.7. seeking and exploiting popular abundance minerals;

[/This provision was added by the Law of January 09, 2014/](#)

16.3. The following types of business shall require a license by an appropriate soum or district Governor:

16.3.1. engaging in a business that emits [issues] polluted chemicals into the atmosphere and that affects harmful physical impact, using local sources;

~~16.3.2. [/This provision was repealed by the Law of January 20, 2011/](#)~~

~~16.3.3. [/This provision was repealed by the Law of December 08, 2006/](#)~~

16.3.4. trading cigarette;

[/This provision was added by the Law of July 01, 2005/](#)

16.4. Governor of free zone shall be issued the license stipulated by the article 16.2.2, 16.2.5, 16.2.6, 16.3.4 of this law. [/This provision was added by the Law of February 12, 2015/](#)

CHAPTER THREE

MISCELLANEOUS

Article 17. Settlement of a dispute over licensing

17.1. Any dispute over licensing shall be solved by the related higher instance institution of the licensing organization and, if the decision of such institution is not agreed to, the matter shall be submitted to court.

Article 18. Liability for breaching the legislation on licensing

18.1. If there does not exist a cause for criminal liability, an offender of this law foreign citizen shall be subject to the following administrative liability depending on the nature and size of the breach in question:

18.1.1. If the business activity described in articles 15 and 16 of this law are conducted without proper licensing, illegal income shall be confiscated and the individual offender shall be fined by 20.000-50.000 tugrugs, and a legal entity – by 100.000-250.000 tugrugs;

18.1.2. If article 7.2 of this law is breached, illegal income shall be confiscated and the individual offender shall be fined by 20.000-50.000 tugrugs, and the legal entity - by 10.0000-250.000 tugrugs;

18.1.3. If article 5.3 of this law is breached, the individual offender shall be fined by 20.000-50.000 tugrugs, the official - by 30.000-60.000 tugrugs and the legal entity by 100.000 - 250.000 tugrugs and the license shall be revoked;

18.1.4. If the license has been obtained based on false documents, the illegal income shall be confiscated, the individual offender shall be fined by 20.000-50.000 tugrugs, the

legal entity by 100.000-250.000 tugrugs and a license shall be revoked;

18.1.5. Officials who have breached provisions 6.3; 11.2; 12.1; 12.4; 13.2; and 14.2 of this law shall be fined by 30.000-60.000 tugrugs.

18.1.6. License holder who have breached provision 15.10.17 of this law shall be fined by 10.000.000-20.000.00 tugrugs.

/This provision was added by the Law of February 07, 2013/

Article 19. Enforcement of the Law

19.1. This Law shall come into force from the 1st of January, 2002.

/This provision was revised the Law of 29 June 2001/

CHAIRMAN OF THE
STATE IKH KHURAL OF MONGOLIA
ENEBISH.L