

Steps to setup a business in Mongolia

Select your company name and corporate structure

To form and register a local limited liability company in Mongolia, a unique company name needs to be chosen. The Mongolia Companies Registry holds the names of all companies in Mongolia and you can check to see whether or not your chosen company name is already in use. See here: www.registrationmongolia.com/ (use Mongolian language and fonts only).

The most common form of corporate structures to carry on business in Mongolia is a limited liability company, LLC.

Get a legal address, choose business premises

The address is required for registering your business. A wide variety of business premises are available. Suhbaatar and Chingeltei districts are considered the premium business districts and office rentals in this district can be high, USD30-45 per square meter in average. Leasing is not required to be done through an agent and procedures are straightforward, with the same regulations applying to local and foreign companies.

Open a bank account on the name of your new company

Opening a company bank account is straightforward and transparent. The process and documents required to open a company bank account vary, depending on the type of company and the bank that you choose. Bank normally requires a minimum deposit of about USD20-50.

Transfer money for the registered capital of your company to this new account. Proof of funds availability is required for registering a company.

Register and incorporate your business

A local company can be incorporated in Mongolia with a minimum capital of ₮1'000'000 tugrugs (about USD750). A foreign investment company or joint venture must have at least USD100'000 for the registered capital. A company must have at least one shareholder.

A foreign investor needs to register his/her/its investment at the Foreign Investment Office of Mongolia (FIFTA) first and get a certificate from this agency. A FIFTA certificate/*1 shall be issued in 1 week, 3 days or 24 hours depending on your request.

You can now apply for a business registration certificate from the Legal Bodies Registration Office of General Registration Authority of Mongolia. Submit a charter of your company, any shareholder's agreements, office rent agreement as proof of your address, etc.

Registration stamp duties, notarization fees, certificate charge and other charges shall cost in total appr. USD950.

Employment regulations

The Labour Code prescribes relatively strong rights and protections such as statutory holidays, social security payments, sickness and maternity leave, severance pay for both Mongolian and foreign workers and employees who are engaged under a labour contract. In average, only up to 10 percent of employees of any company can be foreign nationals. This limit varies depending on a sector of economy where the company operates. For example, in construction or road maintenance company a number of hired foreign nationals can be more.