

## Mongolia and Sanctions

### **About sanctions**

Under the Charter of the United Nations, the United Nations Security Council can take action to maintain or restore international peace and security. Pursuant to Article 41 of the Charter of the United Nations, the Security Council may adopt sanctions, measures that do not involve the use of armed force. Sanctions can take a variety of forms, including:

- Economic and trade sanctions, arms embargos, financial restrictions, commodity restrictions and travel bans.

As a member state of the United Nations, Mongolia is obligated to comply with Security Council Resolutions, including those imposing sanctions.

### **Targeted Financial Sanctions related to terrorism and the proliferation of weapons of mass destruction**

To aid the prevention of terrorism and the proliferation of weapons of mass destruction (WMD), United Nations Security Council Resolutions require countries to implement targeted financial sanctions. There are two types targeted financial sanctions:

1. Targeted financial sanctions which apply to dealing with the assets of, or providing financial services to, designated terrorists or terrorist organisations.
2. Targeted financial sanctions which apply to designated persons or entities associated with the proliferation of WMD.

There are four key sanctions regimes which apply targeted financial sanctions related to terrorism and the proliferation of WMD are set out below:

Sanctions related to terrorism:

- [UNSC Resolution 1267 \(1999\)](#) and successor resolutions (Al-Qaida/Taliban sanctions regimes)
- [UNSC Resolution 1373 \(2001\)](#) Counter-terrorism measures)

Sanctions related to Proliferation of Weapons of Mass Destruction

- [UNSC Resolution 1718 \(2006\)](#) and successor resolutions – Non-proliferation - DPRK
- [UNSC Resolution 2231 \(2015\)](#) and successor resolutions– Non-proliferation – Iran

A full list of Resolutions and their key obligations can be found of the United Nations Sanctions website: <https://www.un.org/securitycouncil/sanctions/information>

### **Mongolian Sanctions Laws and Obligations**

All persons in Mongolia are subject to targeted financial sanctions obligations under the Anti-Terrorism Law and the Targeted Financial Sanctions Regulation. Under these laws, any individual or entity located within Mongolia or Mongolian individuals and entities located outside Mongolia, must not carry out financial transactions, provide financial services, or make assets available to any individuals or entities designated by either the United Nations Security Council or by the competent authority in Mongolia. The Law on Combating Money Laundering and Terrorism Financing also contains some obligations relevant to reporting entities specified under that Law.

To assist compliance with Mongolia's targeted financial sanctions regime, Mongolia maintains a list of all persons and entities designated by the Government of Mongolia or the United Nations Security Council who are subject to targeted financial sanctions. This list is updated on a regular basis and can be accessed here [www.gia.gov.mn/designations](http://www.gia.gov.mn/designations)

### *Obligations for Reporting Entities*

The General Intelligence Agency is the competent authority for Mongolia's targeted financial sanctions regime, while the Financial Information Unit (FIU) monitors sanctions compliance and reporting by reporting entities. The FIU has issued guidelines for reporting entities that can be accessed here. [www.gia.gov.mn/guidelines](http://www.gia.gov.mn/guidelines)

The targeted financial sanctions obligations apply to all financial Institutions and designated non-financial businesses and professions as defined in Article 4.1 of the Law on Combating Money Laundering and Terrorism Financing. Reporting entities must implement their obligations under the Law/Regulation and establish an adequate compliance program regardless of the risk associated with their particular customers or products and services. In particular, reporting entities must:

- meet their obligations under Section 5 of the Regulation for Implementing United Nations Security Council Resolutions Relating to Financial Sanctions which include:
  - a. freezing all assets that are directly or indirectly owned or controlled by a designated person or entity, and
  - b. prohibiting the provision of assets or financial services directly or indirectly, wholly or jointly to, or for the benefit of, a designated person or entity.
- report:
  - Any known matches with individuals or entities listed on the Consolidated List
  - Suspected matches with individuals or entities listed on the Consolidated List, and
  - Any freezing actions taken.

When submitting a report you must include:

- The information on which the knowledge or suspicion is based
- Any identifying information you hold about the individual or entity
- The nature and amount of assets held for that individual
- In the case of freezing actions, include detail of any attempted transactions, after the freezing of such assets.

You can access a template reporting form [www.gia.gov.mn/tf/pf-forms](http://www.gia.gov.mn/tf/pf-forms)

Violation of requirements and obligations under Mongolia's targeted financial sanctions regime can result in fines under the Law on Infringements and administrative action under the Law on Combating Money Laundering and Terrorism Financing, including rectification orders, the cancellation of special licences, and the cancellation, suspension or movement of high level management officials.

### ***Information for designated Individuals or entities***

Individuals or entities who are subject to targeted financial sanctions can challenge their listing and request to be delisted. The sanctions will remain in place while the request is being considered.

If an individual or entity believes that their assets have been frozen mistakenly due to being falsely identified as a designated person, they should first contact the reporting entity (e.g. their bank) and request an explanation. The reporting entities must inform the customer to make a request to the Competent Authority for an order to unfreeze assets.

*For all UN listings:* A delisting request can be sent to the UN focal point. More information about the focal point is available on the [UN's website](#). The General Intelligence Agency is

also able to make a de-listing request to the UNSC or its relevant Committee if the Agency believes that a designated person does not, or no longer meets the criteria for designation.

*For all domestic listings:* A de-listing request should be sent to the General Intelligence Agency. More information about this process is available [www.gia.gov.mn](http://www.gia.gov.mn).

Individuals or entities who are subject to targeted financial sanctions can make an application to the General Intelligence Agency to use or deal with frozen assets, or to get access to assets or financial services. Applicants must identify the purpose of making the asset or financial service available (i.e. making rent or mortgage payments) and select the permissible basis for the expense, including:

- Basic expense
- Contractual expense
- Extraordinary expense

#### **Key Contacts**

- Financial Information Unit (for reporting entities) – [fiu@mongolbank.mn](mailto:fiu@mongolbank.mn)
- General Intelligence Agency (all others). - [amltf@gia.gov.mn](mailto:amltf@gia.gov.mn)