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GETTING IN: EASING MINIMUM CAPITAL REQUIREMENTS

- Investment Law (2013)
 - Definition of a **foreign-invested entity**: incorporated in accordance with the laws of Mongolia; foreign investor(s) hold(s) a 25% or more interest; and the capital contributions made by each foreign investor (shareholder) exceeds US\$ 100,000
 - With a foreign investor holding 25%, the other shareholders may need to contribute US\$300,000, making it difficult for Mongolian SMEs to match the shareholding interest
 - Recommended to revert to the prior requirement of total share capital of US\$100,00?



GETTING IN: EASING FORMALITY REQUIREMENTS AND REVIEW TIME

- **Setting up a foreign-invested entity**
 - It takes up to 10 business days to register a foreign-invested company compared to 5 business days for domestic entities
 - Notarization and apostille requirements
 - Execution of documents in Mongolia is often required due to notarization requirements

GET GOING: REDUCING REGULATORY UNCERTAINTIES

- Improving regulatory transparency
- Consistency of implementation
- Clear and consistent investment policy
- Delays in approving implementing regulations
 - Laws set out the rules for making and regulating investment in Mongolia but there could be a significant gap between the entry into force of laws and implementing regulations



GET GOING: REDUCING REGULATORY UNCERTAINTIES

- Investment Law
 - Protection from unlawful expropriation
 - Repatriation of profits
 - Tax stability
- National treatment
- Protection from indirect expropriation
- Security of tenure and protection of vested rights

GETTING OUT: EXIT OPTIONS

- Having timely exit options is a challenge
- Current options
 - Put/call options
 - Redemption
 - Sale of investment
- Strong and liquid capital markets



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