

**REGULATION ON CALCULATING AND ANNOUNCING EXCHANGE RATE OF
MNT AGAINST OTHER CURRENCIES**

ONE. COMMON PROVISION

- 1.1 Pursuant to the Central bank (Bank of Mongolia), associated sections the Foreign Exchange law, this regulation is intended for inspecting and determining the methods of calculating the exchange rate of MNT against other foreign currencies and announcing it.
- 1.2 The Bank of Mongolia's announced exchange rate is the closing exchange rate of the day of announcement.
- 1.3 The Bank of Mongolia's closing exchange rate is valid for the next day for the accounting purposes.

TWO. OBLIGATIONS OF THE COMMERCIAL BANKS

- 2.1 Commercial banks are obligated to send following reports to the Bank of Mongolia's Financial market division of the International Economics Department before 4:40pm of the reporting day through domex@mongolbank.mn.
 - 2.1.1 All USD transactions report occurred between 4pm of the previous day and the 4pm of the reporting day, sorted by cash and non cash transactions using Appendix 1 of the regulation.
 - 2.1.2 Detailed report on over 50,000 USD transactions using Appendix 2 of the regulation.
 - 2.1.3 CNY transactions using the Appendix 3 of the regulation.
- 2.2 Commercial banks are to ensure the truthiness and the accuracy of the reports.

THREE. OBLIGATIONS AND RIGHTS OF THE BANK OF MONGOLIA

- 3.1 The International, Economics Department of the Bank of Mongolia has following rights and obligations:
 - 3.1.1.To receive the reports mentioned in the section 2 of the regulation.
 - 3.1.2.To supervise commercial banks into fulfilling their obligations stated in the section 2 of the regulation
 - 3.1.3.To take actions on the commercial banks who fail to fulfill the clauses of the regulation

FOUR. SUPERVISION

- 4.1 Commercial banks are obligated to send the information such as the title and email address of the officer in charge of preparing reports mentioned in the section 2, and the officer who will be in charge in an absence of the other to the International Economics Department through official document. In a case the person in charge has been changed banks are required to notify the BOM within 2 working days.
- 4.2 The Bank of Mongolia is only to accept reports from the email addresses that has been notified as mentioned in the section 4.1 of the regulation.
- 4.3 In case of error or problems with banking network system, commercial banks are allowed to send the reports mentioned in section 2 through either fax or in person. In such cases reports must have authorized seal and signature.

FIVE. RESPONSIBILITIES

- 5.1 Each commercial banks are responsible for the truthiness and accuracy of their reports mentioned in the section 2 of this Regulation.
- 5.2 Foreign Exchange Inspector at the Bank of Mongolia is subject to act upon by the associated law on the commercial banks who fail to send the correct reports stated in the regulation by mentioned time.