

# Regulation on Council on Accounting and Payment matters of the Banks

## **ONE. GENERAL PROVISION**

1. The purpose of this regulation is to regulate activity of Council on Accounting and Payment matters of Banks with a aim of professional consulting, advising and analyzing on issues of accounting, auditing and payment matters for the Banks and Non bank Financial Institutions / NBFI / licensed by the Bank of Mongolia / hereinafter referred as BOM/.
2. Council shall conduct its operation within the scope of Central Bank Law, Banking Law, Accounting Law, Deposit, Payment and Credit Law, Auditing Law and other related laws.
3. Council on Accounting and Payment of Banks and NBFI's shall advice, recommend, and review matters concerning accounting, auditing and payment issues.
4. Council shall consist of eleven members representing the BOM and banks. The Council may have representation of Professional Council on Accounting under the Minister of Finance and Economy / hereinafter referred as PCA /. The Committee shall have a following composition set up by the decree of the Governor of the BOM:
  - 1/ The Chairman of the Council should be Certified Public Accountant (hereinafter referred as CPA) and bank employee and he or she shall be appointed for two years.
  - 2/ The two Deputy Chairmen shall person who is a Director of the Supervision Department of the BOM / hereinafter referred as SD/, and Director of the Monetary Policy and Research Department of the BOM.
  - 3/ Other members of the Council shall be nominated from the PCA or banks.
5. The Council shall carry out its activity on a part-time basis.

## **TWO. MAIN ACTIVITIES OF THE COUNCIL**

6. In order to fulfill the aim stated in this regulation the council shall conduct following activities in areas of bank accounting, auditing, and payment matters:
  - 1/ Cooperate with related departments, divisions, professional institutions and functionally identical organizations, express its views proposals,
  - 2/ Release professional recommendations, proposals,
  - 3/ Participate in preparation of laws, legal acts, standards,
  - 4/ Receive proposals and requests made by banks and brief on it to the related department or divisions, or the Board of Directors meeting,

5/ Take measures to get find resolutions on development or improvement of automatization of accounting and payment matters, introduce new forms of non-cash payment, make a changes in line with international standards,

6/ Prepare Council's verdict on the licensing of the organization, which is applying for bank based on the SD's view, audit,

7/ Prepare recommendations on improvement of payment system speed and safety of development of the interbank payment market,

8/ Organize training for the accountants of banks in order to improve their skills and professional knowledge,

9/ Express its view to related organizations about college and universities training the banking professionals,

10/ Take data and information related to accounting, auditing, and payment from departments of the BoM, banks, auditing licensed firms and make research on those base.

### **THREE. REQUIREMENTS FOR THE CHAIRMAN AND MEMBERS OF THE COUNCIL**

7. Chairman of Council, Deputy Chairmen and members shall be required to meet the following requirements:

1/ The members of Committee except for the representative of PCA and all other members are required to have working career of minimum of 5 years of banking or accounting professions in banks, universities or colleges.

2/ Not to have any criminal record,

3/ To be capable of being to accept judiciary responsibilities.

4/ To be in line with professional moral ethics.

### **FOUR. STRUCTURE OF THE COUNCIL**

8. The principle structure of the Council will be a meeting of the Council.  
The meeting of council shall be legal in case if no less than 75 per cent of members are in attendance.
9. The meeting shall be held once in a quarter, however if required by initiative of Chairman or by the vote of majority of members, it can be held at any necessary time.
10. The Chairman of Council shall manage activity of the committee and execute its decision, in the absence of the Chairman, the Deputy Chairman would overtake his or her duties.
11. The Council would plan its activity on annual basis and solve all pending issues when required, and submit its report to the Board of Directors of the BOM annually.

12. The Council appoints one of its members as a secretary. The secretary shall be responsible for current matters, preparations for the meeting and will act as a intermediary between the members.
13. The Chairman shall oversee a meeting and activity of the Council, and provide guidance to the secretary. Chairman also would organize reporting to the Board of Directors of the BOM and auditing firms, banks.
14. The BOM shall provide professional advice, office and, if necessary, bonus to the Council members.

#### **FIVE. MISCELANIOUS**

15. In case if the Chairman or members had breached relevant laws and regulations they shall be subject to punishment according to related laws and regulation.

#### **THE BANK OF MONGOLIA**