



# KINSTELLAR

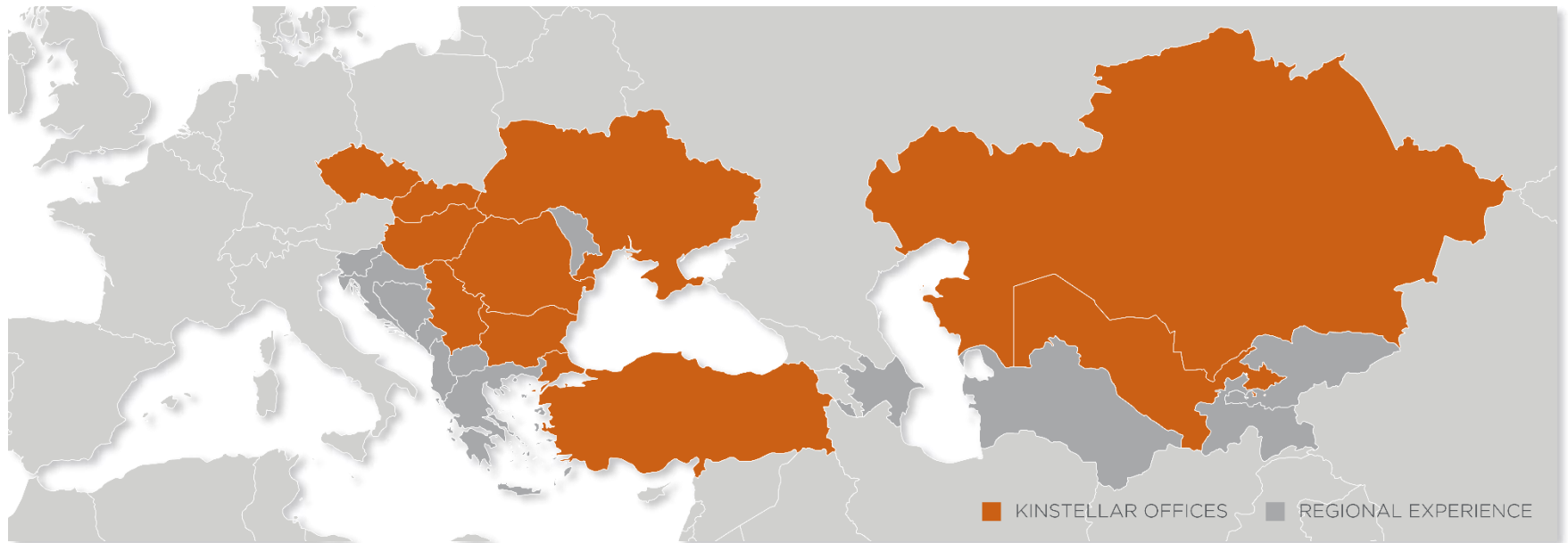
Legal framework for trade and investments



# Emerging Europe and Central Asia's Leading Independent Law Firm

With offices in **ten jurisdictions** and 200 local and international lawyers, we deliver consistent, joined-up legal advice and assistance across diverse regional markets – together with the know-how and experience to champion your interests while minimising exposure to risk.

**Bulgaria** **Czech Republic** **Hungary** **Kazakhstan** **Romania** **Serbia\*** **Slovakia** **Turkey** **Ukraine** **Uzbekistan**



**KINSTELLAR**

\* Kinstellar advises international and local clients in Serbia in cooperation with Zajednička advokatska kancelarija Marić & Mujezinović.

# Our Expertise

## Sectors

- Aviation
- Automotive & Industrials
- Banks & Financial Institutions
- Energy
- Infrastructure
- Life Sciences & Healthcare
- Private Equity
- Real Estate
- Technology, Media & Telecommunications

## Practices

- Banking, Finance & Capital Markets
- Competition & State Aid
- Compliance, Risk & Sensitive Investigations
- Dispute Resolution
- Employment & Labour Law
- Energy
- Infrastructure & Projects
- Intellectual Property
- M&A & Corporate
- NPLs & Distressed Assets
- Real Estate, Construction & Planning
- Restructuring & Insolvency
- Tax
- Technology, Media & Telecommunications
- White-Collar Crime

## Out of Area

But certainly not out of our depth. Quite the contrary.

We have experience in **coordinating external legal counsel in jurisdictions where we do not have a local presence**. We know our neighbouring markets well and will always be able to find the legal professionals that best suits the task at hand.

We work with our best friends counsel as one team **under the professional management of Kinstellar's lawyers**. Kinstellar Prague would be your **single point of contact** in order to ensure the unified approach. If the needs of a matter require, our team members will be present on the ground overseeing the work of best friends counsel and thus effectively running matter out of the relevant jurisdiction



In case of any legal **issues under Mongolian law** we would team up with one of top tier law firms **Novus Law Group**.

Novus Law Group is a full-service business law firm with especially dynamic leadership delivering a full spectrum of legal services to foreign companies seeking to enter into the Mongolian market.

# Running a Business in Mongolia

- Business and energy treaties
- Enforcement of court judgments / arbitral awards
- Use of official documents
- How to start business in Mongolia
- Debt financing
- Other issues to note



# International Treaties



## Business and trade

- UN Convention on Contracts for the International Sale of Goods
- Marrakesh Agreement establishing the World Trade Organization
- Convention establishing Multilateral Investment Guarantee Agency
- ICSID Convention - Convention on the settlement of investment disputes between States and nationals of other States

## Transport and logistic

- Convention for the unification of certain rules for international carriage by air done at Montreal on 28 May 1999
- Agreement between the Government of the Czech republic and the Government of Mongolia regarding Co-operation and Mutual Assistance in Customs Matters

# International Treaties



## IP

- Berne Convention for the Protection of Literary and Artistic Works
- Paris Convention for the Protection of Industrial Property
- Madrid Agreement Concerning the International Registration of Marks and Madrid Protocol
- Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)
- Member state of WIPO

## Employment

- Agreement between the Government of the Czech Republic and the Government of the Mongolia for the mutual employment of citizens of the Czech Republic and citizens of the Mongolia (bilateral)

# International Treaties

## Finance

- Agreement of the IMF
- Agreement between the Czechoslovak Socialist Republic and Mongolia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital (bilateral)
- Agreement between the Government of the Czech Republic and the Government of the Mongolia for the Promotion and Reciprocal Protection of Investments (bilateral)

## Terrorism and Corruption

- UN International Convention for the Suppression of the Financing of Terrorism
- UN Convention against Corruption

## Energy

- Energy Charter Treaty



# Enforcement of Decisions / Judicial Cooperation

- **Judgments in civil matters** – both **recognition and enforcement are ensured**
- **Judgments in criminal matters** – **recognition and enforcement** only regarding criminal judgments on compensation for damages, **extradition** is ensured

## Judicial Cooperation:

- Treaty between the Czechoslovak Socialist Republic and Mongolia on the provision of legal assistance and legal relations in civil, family and criminal cases
- Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958)
- Washington convention on the Settlement on Investment Disputes between the State and National of Another State

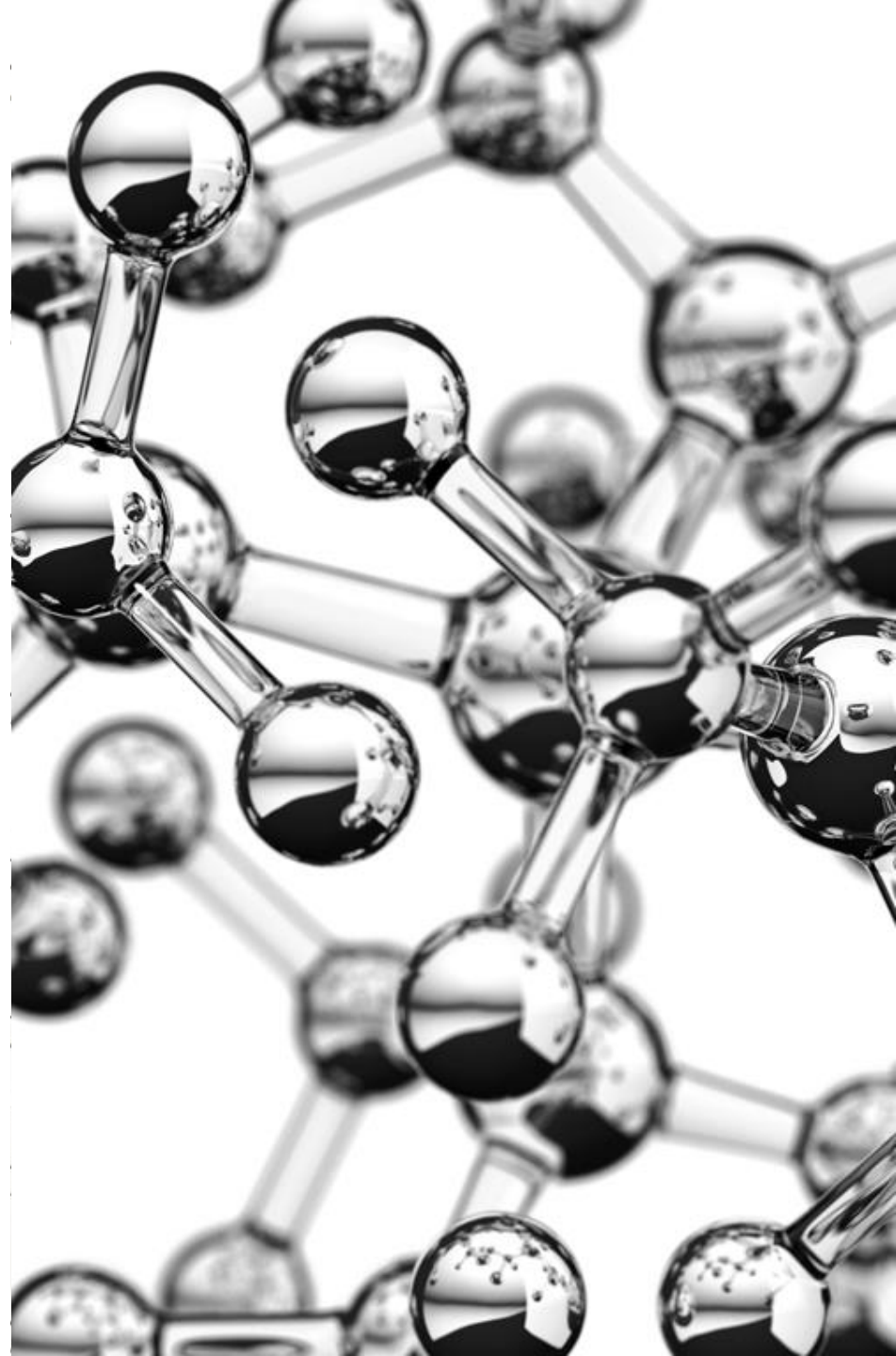
# Verification of Documents / Apostille



- Treaty between the Czechoslovak Socialist Republic and Mongolia on the provision of legal assistance and legal relations in civil, family and criminal cases (1978)
- **no verification needed** (that means no apostille, no superlegalization)

# How to Start Business in Mongolia?

- **Joint Stock Company (JSC)**
  - Initial capital min. MNT 10mil. (USD 3984)
- **Limited Liability Company**
  - BEFI: initial capital min. USD 100.000
  - BENFI: no requirements
- Establishment of representative office



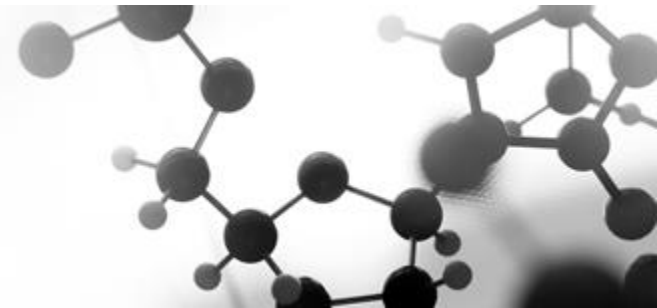
# Establishing a Company

## Joint Stock Company

- Requirements for establishment:
  - Obligatory board of directors min. 9
  - Minimum of 2 shareholders
  - Minimum share capital of USD 200.000
  - Corporate bank account

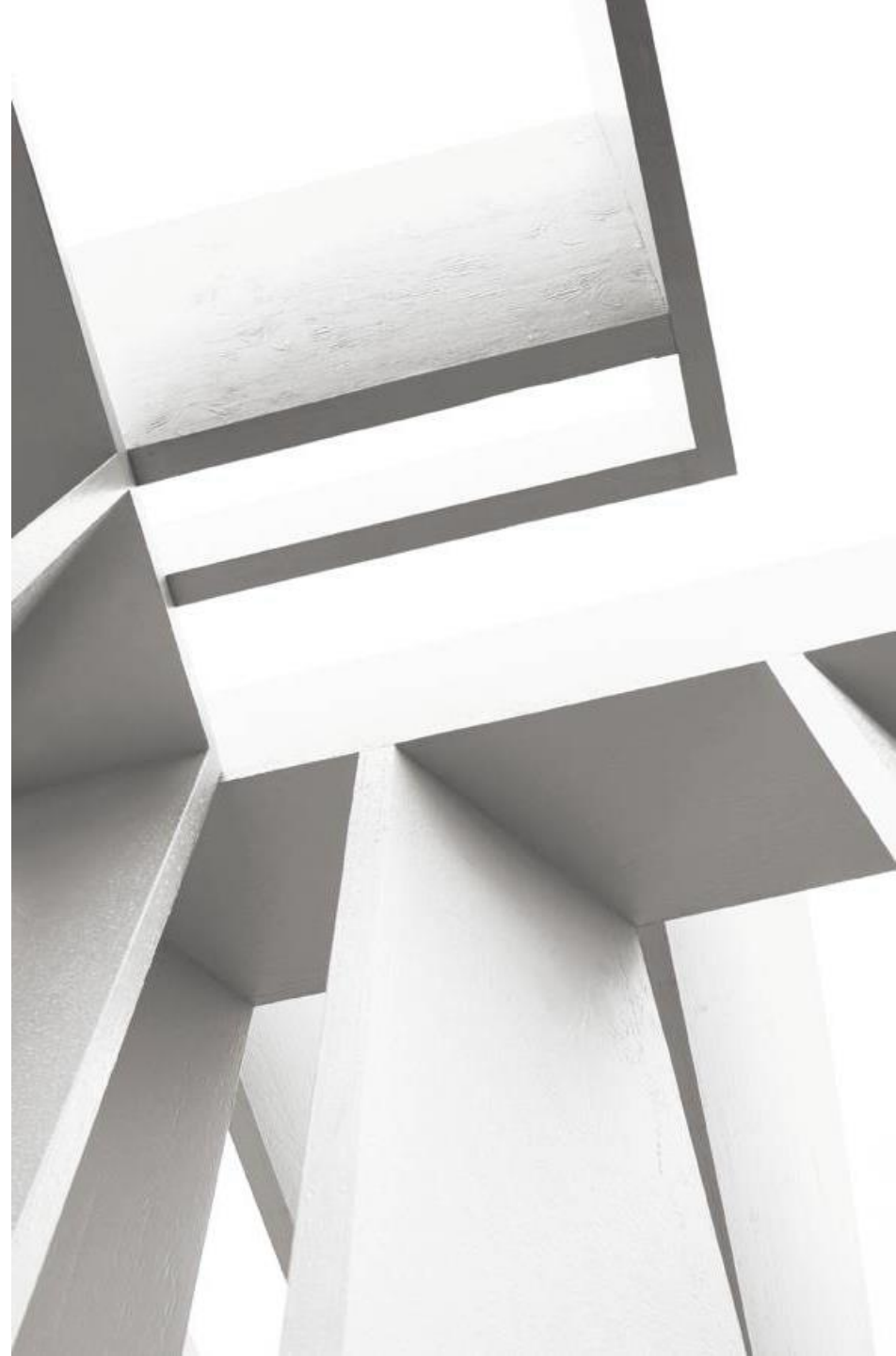
## Limited Liability Company

- Requirements for establishment :
  - Board of directors not required
  - Minimum 1 shareholder (max.50)
  - Minimum share capital of USD 100.000
  - Corporate bank account



# Restrictions on foreigners owning shares / real estate

- Any person including foreign citizens and entities as well as stateless persons can form a LLC under Mongolian law and own shares of a Mongolian company.
- Foreigners can freely own shares or real estate in Mongolia.



# Debt financing and typical security package

LMA standard is commonly used

Pledges:

real estate pledge, share pledge, and movable property pledge all of which can be registered and perfected



# Exchange Control or Currency Regulations?

- Since 14 March 2017 **most restrictions** on foreign exchange transactions and cross-border movement of domestic and foreign currency **have been lifted.**
- Some financial protections remain in place (e.g. reserve requirements for special investments to new inflows of foreign currency)
- **Free convertibility** to any foreign currencies



# Questions?





# Thank You!



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We would be pleased to provide you with any further information about any of our offices, lawyers, practice areas or expertise (as well as our fees policy) which you might require. Should you have any questions, all contact information is available on: [www.kinstellar.com](http://www.kinstellar.com)

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