

An unofficial translation

LAW OF MONGOLIA

June 21, 2018

Government Palace, Ulaanbaatar

***This Law shall come into force on the effective date of
the General Law on State Registration /Revised Edition/.***

ON STATE REGISTRATION OF LEGAL ENTITIES

/Revised Edition/

CHAPTER ONE

GENERAL PROVISIONS

Article 1. Purpose of the Law

1.1. The purpose of this Law is to regulate relations with respect to state registration of foundation, reorganization and dissolution of legal entities, changes in their information, issuance of references to citizens, legal entities, competent authorities and officials, as well as maintenance of state registration of legal entities.

Article 2. Legislation on State Registration of Legal Entities

2.1. Legislation on state registration of legal entities shall consist of the Constitution of Mongolia [1], Civil Code[2], General Law on State Registration[3], this Law[4] and other legislative acts issued in conformity therewith.

2.2. If an international treaty of Mongolia is inconsistent with this Law, then the provisions of the international treaty shall prevail.

Article 3. Scope of the Law

3.1. This Law shall regulate relations arising in connection with state registration of legal entity, the civil legal capability of which starts with its registration in state registration and ends with its dissolution or exclusion from state registration in accordance with the procedure defined by laws, regardless of types and forms of legal entity.

Article 4. Definitions of Terms of the Law

4.1. The following terms used in this Law shall be understood as follows:

4.1.1. "Legal entity" refers to an organizational unit possessing the characteristics specified in Paragraph 25.1 of the Civil Code;

4.1.2. "Legal entity's name" refers to a name determined in Article 27 of the Civil code and used to distinguish a legal entity from other legal entities;

4.1.3. "State registration of legal entity" (hereinafter referred to as "state registration") refers to the provision of Paragraph 3.1.3 of the General Law on State Registration;

4.1.4. "Legal entity's file" refers to a set of the information in paper and electronic forms defined in Article 10 of this Law;

4.1.5. "Constituent document" refers to a decision of competent authority on foundation of legal entity, charter of legal entity and, if required by laws, agreement on its foundation;

4.1.6. "Legal entity's information" refers to the information determined in Paragraph 10.1 of this Law and other information contained in legal entity's file;

4.1.7. "State registration authority" refers to a state administrative organ in charge of state registration of legal entities, its local bodies and state registrars, referred in this Law;

4.1.8. "State registration database" refers to a set of archive and electronic database of source documents of the state registrations specified in Article 7 of the General Law on State Registration;

4.1.9. "Online registration" refers to approaching state registration authority through electronic network for state registration;

4.1.10. "State registration certificate" refers to a document in paper or electronic form issued by state registration authority to authorized person to verify that a legal entity is registered in state registration;

4.1.11. "Beneficial owner" refers to the provision of Paragraph 3.1.6 of the Law on Combating Money Laundering and Terrorism Financing[5].

Article 5. Grounds for Acquisition of Civil Legal Capability by Legal Entity

5.1. Civil legal capability of a legal entity shall start with its registration in state registration.

5.2. Legal entity shall be prohibited to participate in civil legal relations prior its registration in state registration.

Article 6. Forms of State Registration Service

6.1. State registration service may be provided in paper and electronic forms in accordance with this Law.

CHAPTER TWO

STATE REGISTRATION AUTHORITY AND ITS FUNCTIONS

Article 7. Legal Entities to Be Registered in State Registration

7.1. State registration authority shall register the following legal entities, their branches and representative offices:

- 7.1.1. Partnerships;
- 7.1.2. Companies;
- 7.1.3. Associations /non-governmental organizations/;
- 7.1.4. Foundations;
- 7.1.5. Cooperatives;
- 7.1.6. Religious organizations;
- 7.1.7. Legal entities of public law;
- 7.1.8. State organizations and offices;
- 7.1.9. State-funded enterprises;
- 7.1.10. Self-financing enterprises.

7.2. State registration authority shall register representative offices of foreign legal entities /companies and partnerships/ and the relevant procedure shall be approved by a Government member in charge of state registration.

7.3. State registration authority shall register inter-governmental organizations founded under international treaties and their representative offices and the relevant procedure shall be approved jointly by Government members in charge of state registration and foreign affairs.

7.4. The jurisdiction of registering legal entities not referred in Paragraphs 7.2 and 7.3 of this Law shall be determined according to the procedure provided in Paragraph 8.4 of this Law.

7.5. International organizations, state special funds, commissions, committees and national councils shall not be subject to Paragraphs 7.1.8 and 7.1.9 of this Law and shall not be registered in state registration.

7.6. The Supreme Court shall register political parties in accordance with this Law and other laws.

Article 8. Functions of State Registration Authority

8.1. State registration authority shall perform the following functions:

8.1.1. To maintain the state registration within the framework of types of state registration defined in Article 7 of the General Law on State Registration and to publicize it through website in accordance with laws;

8.1.2. To print the relevant information of each legal entity from state registration database, to enclose it to legal entity's file and to store it in archive;

8.1.3. To maintain legal entities' files in accordance with Paragraph 9.5 of this Law;

8.1.4. To issue references from legal entities' files in accordance with the procedure provided by this Law;

8.1.5. To maintain a database of names of legal entities and to issue references from it;

8.1.6. To exchange information with state and other organizations on matters of state registration;

8.1.7. To take measures to implement the legislation on state registration and other decisions adopted by competent authorities, to monitor their implementation and to offer recommendations to the relevant authorities on their improvement;

8.1.8. To provide and invalidate a control number of seal or stamp and to issue references;

8.1.9. To maintain a state registration of representative offices of foreign legal entities, legal entities with foreign investment and their owners, shares and activities, to prepare and submit their semi-annual and annual information to state administrative organ in charge of investment;

8.1.10. To support a court decision enforcement authority in implementation of coercive measures to exclude and

dissolve legal entity, and to register the relevant information in state registration.

8.2. If a court decision or arbitral award is taken on matters of state registration of legal entity, state registration shall be based on the legally effective court decision.

8.3. Branch and representative office of the legal entities specified in Paragraph 7.1 of this Law shall be registered by state registration authority responsible for the territory in which the branch or representative office operates.

8.4. Procedure on state registration of legal entities, their branches and representative offices shall be approved by a Government member in charge of state registration.

8.5. Templates, forms, guidelines and type indexes of legal entities to be used for state registration in accordance with Paragraph 8.4 of this Law shall be approved by a head of state administrative organ in charge of state registration.

8.6. State registration authority shall notify the public through its official website of registration information unless otherwise prohibited by applicable laws.

8.7. Information placed on the website referred to in Paragraph 8.6 of this Law shall be considered the official information of state registration authority.

8.8. State registration certificate and control number of seal or stamp shall be re-issued on the following grounds:

8.8.1. Certificate or seal or stamp is worn out or damaged becoming unusable;

8.8.2. Request to change a color, design and shape of seal or stamp is made;

8.8.3. Request for recertification is made with respect to changes in legal entity's information;

8.8.4. Certificate or seal or stamp is lost;

8.8.5. Certificate or seal or stamp is destroyed;

8.8.6. Certificate or seal or stamp cannot be used as state registration is considered invalid;

8.9. If a seal or stamp is destroyed or lost, its control number shall be considered invalid on the basis of an assessment of state supervision inspector, and state registrar shall re-issue the control number within 2 working days.

8.10. In other cases not specified in Paragraph 8.9 of this Law, state registrar shall re-issue a certificate and control number of seal or stamp within 2 working days.

8.11. Procedure on control and interrogation of seal and stamp making and issuance of references shall be approved by a Government member in charge of state registration.

CHAPTER THREE

LEGAL ENTITY'S FILE

Article 9. Principles and Forms of Maintenance of Legal Entity's File

9.1. Principles and forms of maintenance of legal entities' files shall have uniformity.

9.2. Maintaining legal entities' files in state registration electronic database shall be guided by the principles of coordination and prompt exchange of information with other national information systems and networks.

9.3. Legal entity's file shall be recorded in paper and electronic forms and maintained in state registration database.

9.4. When legal entity's file is recorded in paper form, the relevant documents shall be numbered and stored in a way to avoid any alteration.

9.5. Procedure on maintaining legal entities' files shall be approved by a head of state administrative organ in charge of state registration.

Article 10. Content of Legal Entity's File

10.1. Legal entity's file shall contain the following information:

10.1.1. Name, registration number and file number of legal entity;

10.1.2. Type and form of legal entity and type of its activity;

10.1.3. Official address of legal entity's headquarters or, if legal entity does not have permanent headquarters, residential address of person authorized to represent legal entity without trust;

10.1.4. Information on foundation or reorganization or dissolution of legal entity;

10.1.5. Information on founders;

10.1.6. Constituent document;

10.1.7. Information on succession of each legal entity that is created through reorganization or whose activity is terminated;

10.1.8. Information on changes in legal entity's information and date of their registration;

10.1.9. Amount of equity specified in constituent document of company;

10.1.10. Family name, surname, given name and copy of citizen identity card of an executive official of legal entity, or copy of passport in case of foreign citizen;

10.1.11. If legal entity has branch or representative office, official address of its residence and copy of citizen identity card of its authorized person;

10.1.12. Decision of founder or minutes of meeting of founders on selection or change of members of governing body of legal entity;

10.1.13. Document on the ban or cancellation of state registration of legal entity by decision of state competent authority as well as assessment of state supervision inspector and penalty sheet;

10.1.14. Information on beneficial owner of legal entity holding a mining license, his share, interest and voting right and certified copy of the mining license.

10.2. In case of making changes to information contained in legal entity's file, original documents and information on previous changes shall be retained.

10.3. Unless otherwise provided by this Law, a decision to make changes to the information specified in Paragraph 10.1 of this Law and other documents shall be delivered by concerned legal entity to state registration authority within 15 working days.

10.4. If registration of changes requires permission of competent state authority, a decision of the particular authority on granting permission shall be delivered to state registration authority within the period specified in Paragraph 10.3 of this Law after the date of its receipt.

10.5. Legal entity may have its license for operation and its validity date recorded on state registration certificate.

10.6. In case that the information on beneficial owner specified in Paragraph 10.1.14 of this Law is changed, state registration authority shall register this change on the basis of tax authority's statement on the relevant tax payment.

Article 11. Issuing References from Legal Entity's File

11.1. State registration authority shall issue references to concerned persons within 3 working days from the receipt of request for references from legal entity's file.

11.2. References from legal entities' files shall be issued in the following forms:

11.2.1. Paper or electronic form;

11.2.2. Copy of relevant documents, if considered necessary.

11.3. Paragraph 21.1 of the General Law on State Registration shall not apply to references issued at official request of competent state authority and official.

CHAPTER FOUR

STATE REGISTRATION OF NEWLY FOUNDED LEGAL ENTITY

Article 12. Registration Period for State Registration

12.1. Unless otherwise provided by laws, state registration authority shall decide whether to register legal entities with foreign investment within 5 working days and other legal entities within 2 working days after the receipt of the documents specified in Paragraphs 16.1, 16.2 and 16.3 of this Law, and shall send applicant a notification in paper or electronic form.

12.2. If state registration authority denies to register legal entity in accordance with Paragraph 12.1 of this Law, the grounds for denying shall be indicated in the notification.

12.3. Applicant may re-apply for state registration after the grounds for denying registering in state registration specified in Paragraph 12.2 of this Law have been rectified.

12.4. Online applicant shall submit the necessary original documents specified in Paragraphs 16.1, 16.2 and 16.3 of this Law to state registration authority within 5 working days after the date of receipt of the notification on state registration in accordance with Paragraph 12.1 of this Law.

Article 13. Confirmation of Legal Entity's Name

13.1. In case of foundation or reorganization or change of legal entity's name, a founder, governing body of legal entity or other person authorized by trust shall apply to state registration authority with request to confirm a name, regardless of its territorial jurisdiction.

13.2. The person referred to in Paragraph 13.1 of this Law may personally or electronically apply with request to confirm a name.

13.3. State registration authority shall confirm a legal entity's name which meets the following general requirements in addition to those set forth by the procedure referred in Article 27 of the Civil Code and Paragraph 13.7 of this Law:

13.3.1. Name should be expressed in Cyrillic alphabet;

13.3.2. Name should not be prohibited by other laws.

13.4. Application to register a newly founded or reorganized legal entity shall be submitted by applicant to state registration authority within 30 days from the date of confirmation of legal entity's name.

13.5. The period provided in Paragraph 13.4 of this Law may be extended up to 60 days.

13.6. If an application to register legal entity has not been submitted within the period specified in Paragraphs 13.4 and 13.5 of this Law, the confirmation of legal entity's name shall become invalid, and in this case a name request for legal entity may be re-applied in accordance with this Law.

13.7. Procedures on applying with request by citizens and legal entities to confirm legal entity's name and its requirements, restrictions and name confirmation shall be approved by the Government on the basis of the proposal of a Government member in charge of state registration.

13.8. After 30 days since state registration of dissolution or change of legal entity's name, the relevant name shall be provided to citizen and legal entity that applied with request to confirm a name.

Article 14. Application to Register a Newly Founded Legal Entity in State registration

14.1. Applicant shall submit an application to register a newly founded legal entity to state registration authority.

14.2. Application shall contain the following information:

14.2.1. Date of application;

14.2.2. Legal entity's name;

14.2.3. Type of legal entity specified in Paragraph 7.1 of this Law;

14.2.4. Legal entity's address;

14.2.5. Information on founders of legal entity;

14.2.6. Amount of equity;

14.2.7. Type of activity;

14.2.8. Period of legal entity's operation;

14.2.9. Information about applicant;

14.2.10. For legal entity holding a mining license, information on beneficial owner, his share, interest and voting right and certified copy of the mining license.

14.3. The applicant referred to in Paragraph 15.1 of this Law shall submit an application in accordance with the form specified in Paragraph 8.5 of this Law and confirm it by his signature, and an online application shall be confirmed by electronic signature.

Article 15. Persons Entitled To Submit Application

15.1. Application to register in state registration may be submitted by one of the following persons:

15.1.1. Executive body of legal entity;

15.1.2. Founder of legal entity;

15.1.3. Official entitled to represent legal entity without trust;

15.1.4. In case of dissolution of legal entity, chairperson of the dissolution commission and assignee;

15.1.5. Other persons authorized with trust.

Article 16. Documents Required for State Registration

16.1. Applicant shall submit the following documents for registering a newly founded legal entity in state registration:

16.1.1. Confirmation of legal entity's name;

16.1.2. Application filled in accordance with the approved form;

16.1.3. Constituent document or decision /resolution/ on foundation of legal entity, charter and, if required by laws, agreement on foundation;

16.1.4. Trust, if required;

16.1.5. Receipt of payment of state stamp duties;

16.1.6. Verification document, if there is equity;

16.1.7. Verification document of legal entity's address.

16.2. Legal entity with foreign investment shall submit the following documents in addition to those specified in Paragraph 16.1 of this Law:

16.2.1. Decision of competent authority on approval of foreign investment, if a foreign state-owned legal entity participates as a founder in accordance with Paragraph 21.1 of the Law on Investment[6];

16.2.2. Agreement between shareholders, if two or more persons are joint founders;

16.2.3. If an investor of business entity with foreign investment is a foreign citizen, a passport or its substitute or, if a legal entity, a copy of foreign registration certificate of the legal entity;

16.2.4. Bank statement, account statement, customs declaration and verification document issued by competent authority, which evidence the transfer of monetary asset from foreign country to a foreign investor who invests in monetary asset, cash, movable property and intellectual property.

16.3. Limited liability partnership with foreign investment engaged in professional legal activities in accordance with Paragraph 4 of Article 29 of the Law on Partnership[7], shall submit the following documents in addition to those specified in Paragraphs 16.1 and 16.2 of this Law:

16.3.1. Registration certificate issued by state central administrative organ in charge of legal affairs to each member of a limited liability partnership with foreign investment;

16.3.2. In case of operating on behalf of legal entity in foreign country, a permission of the particular entity and reference letter evidencing that the applicant is an authorized member of that entity;

16.3.3. Reference letter of competent authority evidencing that the legal entity specified in Paragraph 16.3 of this Law has been founded and operates within the jurisdiction of respective country or a copy of registration certificate of legal entity.

16.4. If the documents referred to in Paragraphs 16.1, 16.2 and 16.3 of this Law are in foreign language, the Mongolian translation shall be enclosed.

16.5. Unless otherwise provided by laws, state registration authority shall not require from the applicant documents other than those specified in Paragraphs 16.1, 16.2 and 16.3 of this Law.

16.6. If state registration authority receives an application in written or electronic form, the applicant shall be notified in written or electronic form.

Article 17. Registering a Newly Founded Legal Entity

17.1. The decision specified in Paragraph 12.1 of this Law shall become the grounds for registering a legal entity in state registration database and providing a registration number and file number of legal entity.

17.2. In case of submitting an online application, state registration authority shall check and review original documents submitted in accordance with Paragraph 12.4 of this Law against electronic documents, and then shall enter them to state registration database by printing a confirmation stamp indicating legal entity's file number and the date on the first page and a state registrar's stamp on other pages of constituent document of legal entity, and the legal entity shall be considered registered in state registration.

17.3. In case of submitting a written application, state registration authority shall enter original documents to state registration database by printing a confirmation stamp indicating legal entity's file number and the date on the first page and a state registrar's stamp on other pages of constituent document of legal entity, and the legal entity shall be considered registered in the state registration.

17.4. State registration authority may place in electronic database a printable electronic state registration certificate that confirms the state registration of legal entity.

17.5. At request of an applicant, state registration authority shall print a state registration certificate on security paper, and formalize and issue it.

17.6. Template of state registration certificate shall be approved by a state in charge of state registration.

Article 18. Denial to Register

18.1. State registration authority shall deny registering a foundation or reorganization or dissolution of legal entity and changes to its information in state registration in the following cases:

18.1.1. Incomplete documents are submitted for state registration;

18.1.2. Constituent document does not comply with the requirements set forth in this Law and other legislations;

18.1.3. Applicant forged the documents specified in legislations.

18.2. Applicant may re-apply for state registration after rectifying the infringements specified in Paragraphs 18.1.1 and 18.1.2 of this Law, which led to the denial to register in state registration.

18.3. If the forged documentation referred in Paragraph 18.1.3 of this Law is considered to be criminal in nature, it shall be transferred to competent authority for investigation.

18.4. If applicant considers the decision to deny to register a legal entity in state registration as groundless, his complaint may be filed in accordance with the procedures set forth in the General Administrative Law[8].

CHAPTER FIVE

STATE REGISTRATION OF REORGANIZED LEGAL ENTITY

Article 19. Application to Register a Reorganized Legal Entity

19.1. Reorganized legal entity shall submit an application for state registration in accordance with Paragraphs 12.4, 14.1 and 15.1 of this Law.

19.2. Application shall contain, in addition to those specified in Paragraph 14.2 of this Law, information on a legal entity, operation of which was suspended.

Article 20. Documents Required for State Registration of a Reorganized Legal Entity

20.1. The following documents shall be submitted for state registration of a reorganized legal entity:

20.1.1. Confirmation of legal entity's name;

20.1.2. Application filled in accordance with the approved form;

20.1.3. Constituent document or decision (resolution) on reorganization, updated charter or, if required by laws, agreement on reorganization;

20.1.4. Receipt of payment of state stamp duties;

20.1.5. Trust, if required;

20.1.6. Constituent document containing a change in the succession referred in Paragraph 10.1.7 of this Law;

20.1.7. Decision of competent authority on approval of foreign investment specified in Paragraph 21.1 of the Law on Investment;

20.1.8. Financial statement and balance sheet at the moment of reorganization;

20.1.9. State registration certificate;

20.1.10. In case of consolidation or incorporation, the assessment of state administrative organ in charge of competition referred in Paragraph 8.1 of the Law on Competition[9];

20.1.11. In case of reorganization of a foundation, decision of the relevant authority on the transfer of assets pursuant to Paragraph 38.3 of the Civil Code.

20.2. Unless otherwise provided by laws, state registration authority shall not require from the applicant documents other than those specified in Paragraph 20.1 of this Law.

Article 21. Registering a Reorganized Legal Entity in State Registration

21.1. In case of reorganization through consolidation of legal entities, each legal entity shall be considered terminated and excluded from state registration, and the information on a consolidated legal entity shall be registered in state registration database.

21.2. In case of reorganization through incorporation of legal entities, each legal entity shall be considered terminated and excluded from state registration, and the changes to information on a incorporating legal entity shall be registered in state registration database.

21.3. In case of reorganization through division, the legal entity to be divided shall be considered terminated and excluded from state registration, and the information on each newly founded legal entity shall be registered in state registration database.

21.4. In case of reorganization through separation, the information on each newly founded legal entity shall be registered in state registration database.

21.5. In case of making a change to the form of a legal entity, the operation of legal entity shall be considered terminated and the information on a new legal entity shall be registered in state registration database.

21.6. Unless otherwise provided by laws, state registration authority shall decide whether to register legal entities with foreign investment within 10 working days and other legal entities within 2 working days after the receipt of the documents specified in Paragraph 20.1 of this Law, and shall inform the applicant in written or electronic form.

CHAPTER SIX

STATE REGISTRATION OF CHANGES IN LEGAL ENTITY' S INFORMATION

Article 22. Documents Required for State Registration of Changes in Legal Entity's Information

22.1. For state registration of changes in legal entity's information, the following documents shall be submitted:

22.1.1. Confirmation of a new name and its announcement in daily newspaper, in case of name change;

22.1.2. Application filled in accordance with the approved form;

22.1.3. Decision /resolution/ or minutes of meeting of founders or competent authority to make changes to constituent document;

22.1.4. Changes made to constituent document;

22.1.5. Trust, if required;

22.1.6. Receipt of payment of state stamp duties;

22.1.7. Audited financial statement and balance sheet in case of making changes to equity;

22.1.8. Verification document of legal entity's address;

22.1.9. State registration certificate.

22.2. Unless otherwise provided by laws, state registration authority shall not require from the applicant documents other than those specified in Paragraphs 22.1 and 22.3 of this Law.

22.3. For state registration of changes in the transfer of rights of legal entity, the following documents shall be submitted:

22.3.1. Application filled in accordance with the approved form;

22.3.2. Decision /resolution/ or minutes of meeting of founders on the transfer of rights;

22.3.3. Amendments to the charter;

22.3.4. Relevant agreement or certificate of succession specified in the Civil Code;

22.3.5. Receipt of payment of state stamp duties;

22.3.6. State registration certificate.

22.4. Application for state registration of changes in legal entity's information shall be submitted in accordance with Paragraphs 12.4, 14.1 and 15.1 of this Law, and state registration authority shall decide whether to register and respond within the period set forth in Paragraph 21.6 of this Law.

CHAPTER SEVEN

STATE REGISTRATION OF DISSOLUTION OF LEGAL ENTITY

Article 23. Notifying Dissolution of Legal Entity to State Registration Authority

23.1. Competent authority that took a decision to dissolve a legal entity shall notify in written to state registration authority within 15 working days, and the original decision on dissolution shall be enclosed to the notice.

23.2. In accordance with Paragraph 32.3 of the Civil Code, the dissolution commission shall, within the period not less than two months and not more than six months following the public notice of the dissolution of legal entity, compile the relevant documents on completion of the dissolution of legal entity and deliver them to state registration authority.

23.3. Based on the documents specified in Paragraph 24.1 of this Law, state registration authority shall register the dissolution of legal entity within 3 working days in state registration database.

23.4. Legal entity's information shall not be changed after the registration of the information on dissolution of legal entity in state registration.

Article 24. Documents Required for State Registration of Dissolution of Legal Entity

24.1. The dissolution commission and the assignee referred to in Paragraph 32.2 of the Civil Code shall compile the following documents for state registration of dissolution of legal entity:

- 24.1.1. Application filled in accordance with the approved form;
- 24.1.2. Decision /resolution/ of competent authority on dissolution;
- 24.1.3. Report of termination;
- 24.1.4. Receipt of payment of state stamp duties;
- 24.1.5. Taxpayer exclusion card;
- 24.1.6. Debt inquiry of court decision enforcement authority;
- 24.1.7. Announcement about the dissolution in daily newspaper;
- 24.1.8. Other documents specified by laws.

24.2. Application for registration of the dissolution of legal entity shall be filed in accordance with Paragraphs 12.4, 14.1 and 15.1 of this Law.

24.3. Court decision on bankruptcy and dissolution of legal entity shall be submitted to state registration authority within the time period specified in Paragraph 23.1 of this Law.

Article 25. Registering a Dissolution of Legal Entity

25.1. Legal entity shall be considered excluded from state registration when state registration authority enters the information on dissolution of a legal entity in state registration database.

25.2. State registration authority shall publicly announce the exclusion of a legal entity from state registration through its website in accordance with Paragraph 32.11 of the Civil Code.

CHAPTER EIGHT

MISCELLANEOUS

Article 26. Exclusion of a Legal Entity from State Registration

26.1. State registration authority shall publicly announce in its website the proposal of state central administrative organ in charge of finance and budget to exclude from state registration a legal entity that has not submitted and audited financial statements by its corresponding financial organ for eight or more quarters, and shall exclude the legal entity from state registration if no written offer and complaint have been submitted, no bankruptcy case has been filed, no financial statement has been submitted and no debt has been defined by court within 6 months from the announcement.

26.2. Person authorized by legal entity shall be responsible for the consequences arisen from excluding a legal entity from state registration in accordance with Paragraph 26.1 of this Law.

26.3. Legal entity's name that is excluded from state registration shall not be provided to any other person or legal entity within one year after the exclusion.

Article 27. Liabilities for Violating the Law

27.1. If an act by an official in breach of this Law is not a criminal in nature, liabilities specified in the Law on Civil Service^[10] shall be imposed.

27.2. A person or legal entity that violates this Law shall be subject to liabilities under the Criminal code^[11] or the Law on violation^[12].

Article 28. Effective Date of the Law

28.1. Paragraph 8.3 of this Law shall come into force on August 1, 2019.

28.2. This Law shall come into force on the effective date of the General Law on State Registration /Revised Edition/.

M.ENKHBOLD

CHAIRMAN OF THE STATE IH HURAL OF MONGOLIA

[1] The Constitution of Mongolia, published in "Toriin Medeelel" (The State Bulletin), Vol.1, 1992.

- [2] The Civil Code of Mongolia, published in "Toriin Medeelel" (The State Bulletin), Vol.7, 2002.
- [3] The General Law on State Registration, published in "Toriin Medeelel" (The State Bulletin), Vol.28, 2018.
- [4] The Law on State Registration of Legal Entities, published in "Toriin Medeelel" (The State Bulletin), Vol.30, 2018.
- [5] The Law on Combating Money Laundering and Terrorism Financing, published in "Toriin Medeelel" (The State Bulletin), Vol.24, 2013.
- [6] The Law on Investment, published in "Toriin Medeelel" (The State Bulletin), Vol.44, 2013.
- [7] The Law on Partnership, published in "Toriin Medeelel" (The State Bulletin), Vol.8,9, 1995.
- [8] The General Administrative Law, published in "Toriin Medeelel" (The State Bulletin), Vol.28, 2015.
- [9] The Law on Competition, published in "Toriin Medeelel" (The State Bulletin), Vol.28, 2010
- [10] The Law on Civil Service, published in "Toriin Medeelel" (The State Bulletin), Vol.28, 2002
- [11] The Criminal Code, published in "Toriin Medeelel" (The State Bulletin), Vol.7, 2016
- [12] The Law on Violation, published in "Toriin Medeelel" (The State Bulletin), Vol.24, 207