

04 December 2012

Contacts:

Carolyn Clarke

Managing Partner

E-mail:

carolyn.x.clarke@mn.pwc.com

Abdulkhamid Muminov

Tax Partner

E-mail:

abdulkhamid.muminov@uz.pwc.com

Gurdeep Singh

Director, Head of Tax Services

E-mail:

gurdeep.r.singh@mn.pwc.com

Tsendmaa Choijamts

Tax Executive Director

E-mail:

tsendmaa.choijamts@mn.pwc.com

Narangarav Erdenedorj

Tax Consultant

E-mail:

narangarav.erdenedorj@mn.pwc.com

Tax Alert

Issue 13



pwc

www.pwc.com

*PricewaterhouseCoopers Audit LLC, Central Tower, 6th floor, suit 601
Sukhbaatar square SBD- 8, Ulaanbaatar 14200, Mongolia
Tel: 976 (11)329088, 329089 Fax: 976 (11)322068, www.pwc.com/mn*

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Recent Amendments to Tax Laws effective from 1 January 2013

Personal Income Tax (PIT)

10% tax will be imposed on dividends received and interest income of individuals which was previously exempted.

The tax will be due on bank deposit interest income over MNT 100 million for a term less than one year and demand deposit. There is an exemption from this tax until January 1, 2016 for citizens of Mongolia with less than MNT 100 million deposited. For non citizens, there are no changes and all of their interest income from their deposit in banks in Mongolia is subject to PIT. */Amended on October 25th 2012 by Mongolian Parliament/*

Value Added Tax (VAT) and Customs Duty

VAT and customs duty exemptions which was available for companies in oil exploration and production industry has canceled.

10% VAT and 5% customs duty will be imposed on imported equipment, materials and supplies, parts and fuel by the companies operating under production sharing agreements in the oil exploration and production industry. Previously, this was exempted from above two taxes.

/Amended on October 25th 2012 by Mongolian Parliament/

VAT and customs duty exemptions which was available for small and medium sized entrepreneurs until December 31, 2012 are extended until December 31, 2013.

Equipment and spare parts produced in the territory of Mongolia or imported for the production of small or medium sized entrepreneurs exempted from VAT and Customs tax until December 31, 2013. */Amended on October 25th 2012 by Mongolian Parliament/*



Immovable Property Tax

Immovable Property Tax rate will increase from 0.6% upto 1% depending on the different zones of the Ulaanbaatar city. This means commercial buildings in the center of Ulaanbaatar will be subject to 1% immovable property tax.

The Citizens' Representative Hural of Ulaanbaatar approved the adoption of different immovable property tax rates depending on the location of the commercial buildings within the Ulaanbaatar. As a result, the tax will be increased from the previous 0.6% to 1% of the value of commercial buildings located in the center of Ulaanbaatar.

The Citizens' Representative Hural has divided the Ulaanbaatar city's territory into 5 zones and the below Immovable Property Tax rate will subject to each.

Zone 1 - 1%
Zone 2 & 3 - 0.8%
Zone 4 & 5 - 0.6%

Social Insurance Law (SI)

The total social insurance premium rate remains unchanged.

The premium rate for benefit increase from 0.5% to 0.8% and it offsets by a decrease in the premium for unemployment benefit from 0.5% to 0.2%.

/Amended on October 25th 2012 by Mongolian Parliament/

We will keep you updated for the further changes and amendments to the Mongolian tax legislations.