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Tax Alert

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New Tax Laws

With the supervision of Ministry of Finance and Ministry of Economic and Development, project on drafting new and amending of the tax laws of Mongolia is being carried out currently. Mongolian National Chamber of Commerce and Industry on its webpage has requested the business community to send their opinion of the draft tax laws.

The following laws have been proposed for new drafts and amendments:

- General Taxation Law;
- Corporate Income Tax Law (CIT);
- Value Added Tax Law (VAT);
- Personal Income Tax Law (PIT);
- Inheritance and Gift Tax Law;
- Subsurface Fee Law;
- Mining and Oil Fee Law;
- Property Tax Law;
- Environmental Pollution Fee Law;
- Natural Resources Usage Fee Law;
- Customs Law;
- Customs Duty Law;
- City Tax Law;
- Registration of cash and non-cash payment and rewarding;
- Law on Lottery.

We understand that the suggested changes are expected to cover, amongst other things, the following issues:

- Taxation of foreign legal entities in Mongolia (permanent establishment concept, concept of the 'place of effective management', Mongolian source income definition);
- More detailed rules for taxation of mining companies (separate chapter on mining in CIT Law, potential change in CIT rate for mining companies);
- Increase of VAT registration threshold;
- Changes to VAT treatment of exported mining products;
- Changes to VAT place of supply rules;
- Changes to PIT rates.

Please note that these legislative changes have still yet to pass to the Parliament and its approval.

We will keep you updated on further developments in respect of this matter.

Source: (1) <http://www.mongolchamber.mn/index.php/home-page/home/2012-08-27-08-34-57/2224-2013-07-29-113431>