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# Tax Alert

# Quota for foreign employees in 2017



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The Government of Mongolia sets a foreign worker quota (annually updated), for both locally owned and foreign invested companies operating in Mongolia. For 2017, the Government issued an updated Resolution # 137 dated 9 November 2017.

In 2017, the quota ranges from 10 % to 75% depending on the industry sector and number of employees. For those sectors that not directly mentioned in the Resolution, the total number of foreign employees should not exceed 5 % of the total headcount.

The default business activity of foreign invested entities is "foreign trade" which attracts a quota of 1 foreign employee for 5-15 Mongolian employees.

At that, the foreign invested entities can have three representatives of the management team and one foreign investor, who are not subject to the said quota.

The entities will seek pertinent permits from the Department of Labor and Welfare Services, when the number of foreign workers do not exceed 50 % of the allowed quota. In case the quota is exceeded, the entities should submit request to the Government.

One more new requirement in 2017 is that an all foreign employees should be covered/ passed by paid medical checkup in advance.

