



Quota for foreign employees for 2022

The Government of Mongolia (the "Cabinet") updates the foreign employee quota for entities operating in Mongolia annually. For 2022, the Cabinet updated the quota by issuing the Resolution #339 dated 3 November 2021 (the "Resolution #339").

Contacts :

Michael Ahern

Partner, Tax and Legal Services
Leader
michael.ahern@pwc.com

Tsendmaa Chojamts

Director, Tax and Legal Services
tsendmaa.chojamts@pwc.com

Munkhjargal Ragchaakhuu

Legal Manager
munkhjargal.ragchaakhuu@pwc.com

PwC Tax TMZ LLC

PwC Legal LLP

Central Tower 6th floor
Suite 603, Ulaanbaatar
14200, Mongolia
Tel : + 976 70009089
Fax : +976 11 322068
www.pwc.com/mn

For 2022, the quota ranges from 10% to 60% depending on the industry sector and the number of Mongolian employees. For those sectors which are not directly mentioned in the Resolution #339, the total number of foreign employees should not exceed 5% of the total headcount of the Mongolian staff if its total headcount is more than 20 as same as previous years.

In the resolution of the previous year (Quota for foreign employees for 2021), foreign invested companies were allowed to bring three foreign management staff and one investor/shareholder, who are not subject to the said quota. According to the Resolution #339, international organizations and representative offices can bring two foreigners based on the reference letter of the international organization, who are not subject to the said quota.

If entities need to bring more expats to Mongolia for nationwide or large scale projects, they may be exempted from this ratio and a monthly workforce fee subject to approval of the Cabinet based on a general application procedure.

Under the Resolution #339, the quota for most of the sectors remains the same. Activities of pre-school education (combined quota for pre-school, primary and secondary education was 50%) have been removed from the list and the current quota of 2022 regarding the primary and secondary education are respectively 10% and 20%.

In contrast, some activities have been added to the list as follows:

- Electricity and heat generation, transmission and distribution (the quota is 10 - 40%);
- Catering services (the quota is 15 - 30%);

The quota for the hotel, apartment and accommodation service activities were increased by 5 – 20% from being 10% previously and the metal processing industry showed significant rise from being 15% previously to 50%. While the quota for educational institutions offering international programs with intergovernmental agreements and foreign investment has decreased by 20% compared to the previous year.

Currently the Parliament is discussing a draft Law of Mongolia on Labour Migration which intends to provide a different mechanism for establishing foreign workers quota and the process for granting work permits to foreign nationals. We will update our clients on this regulatory changes when the law is adopted and publicly available.

Please refer to the link below for more details

<https://legalinfo.mn/mn/detail/16381557161751>

Should you have more questions with this regard, please do not hesitate to contact us.



pwc

This Alert is produced by PwC Tax TMZ LLC and PwC Legal LLP. The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

© 2021 PwC. All rights reserved. In this document, "PwC" refers to PwC Tax TMZ LLC and PwC Legal LLP, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.