

**LAW OF MONGOLIA
ON CHAMBER OF COMMERCE AND INDUSTRY**

October 24, 1995
Ulaanbaatar city

(Turiin medeelel #1, 1996)

**CHAPTER ONE
GENERAL PROVISIONS**

Article 1. Purpose of the Law

The purpose of this Law shall be to define the powers, major areas of activities of the Chamber of Commerce and Industry and Chambers of Commerce (hereinafter referred to as "the Chamber"), their system and organizational forms, and to govern relationships of Chamber with the state bodies, non-governmental organizations, individuals and business entities.

Article 2. Legislation on the Chamber

2.1. The legislation on the Chamber shall consist of the Constitution, Civil Code, this law and other acts of legislation enacted in conformity therewith.

2.2. If an international agreement to which Mongolia is party provides otherwise than this Law, then the former shall prevail.

Article 3. The Chamber

3.1. The Chamber shall be a non-profit legal entity established with the purposes of protecting common rights and legitimate interests of business entities and organizations connected with engaging in trade and industry and promoting trade and industry

3.2. Deleted.

**CHAPTER TWO
OBJECTIVES, POWERS AND STRUCTURE OF THE CHAMBER**

Article 4. Objectives and powers of the Chamber

4.1. The Chamber shall have the objectives to contribute to the economic development of the country, to create favorable environment for conducting business, to support business entities in their economic, commercial, scientific and technical cooperation with foreign and domestic organizations and to promote export of home products and goods.

4.2. The Chamber shall exercise the following powers:

- 1) To contact with the state bodies to represent and protect legitimate interests of its members;
- 2) To approve its charter, composition and organizational structure;

3) To open and operate its branches and representative offices within the country and abroad.

4.3. The Chamber shall undertake the following activities within its authority:

- 1) Exchange information on domestic and foreign markets;
- 2) Organize the exchange of business missions and research data between national and foreign economic, industrial and commercial institutions, as well as meetings and negotiations;
- 3) Provide foreign business entities and organizations with services related to the engaging in trade and production;
- 4) Organize national and international exhibitions and specialized industry and trade fairs;
- 5) provide advertising services, develop and order originals of artistic advertisements and decorations;
- 6) Provide consulting to the business entities and organizations, provide them with information related to finding of potential industrial and commercial business partners, to assist in training of the personnel and provide other services;
- 7) Cooperate with international and foreign trade and economic organizations and chambers supporting industry and trade;
- 8) Undertake activities to promote products of the newly emerged small and medium enterprises and strengthen their competitiveness;
- 9) Undertake other activities as provided by laws of Mongolia and international agreements to which Mongolia is a party.

Article 5. Structure of the Chamber

5.1. There shall be one national Chamber in Mongolia.

5.2. Aimag, capital city or inter-aimag chambers may be set up.

Article 6. National Chamber

6.1. The Chamber of Industry and Commerce of Mongolia shall have the objectives and exercise powers of Mongolia's National Chamber.

6.2. The National Chamber shall have common objectives and powers as well as the following specific powers:

- 1) to submit proposals and opinions concerning the defining of the state economic and social policies, to propagandize them within the country and abroad and promote implementation thereof;
- 2) To represent and introduce to the supreme legislative and executive bodies common interests of the industry and commerce community, to submit proposals on matters of improving legislation for the purpose of creation of the favorable economic and business environment;
- 3) To certify the origin of goods for export;
- 4) To set up and operate a foreign trade arbitration body under the Chamber as provided by law;
- 5) to issue certifications of quantity and quality of export and import goods;
- 6) To certify the occurrence of force majeure events.

Article 7. Aimag, capital city and inter-aimag Chamber

7.1. There shall be one aimag, Capital city or inter-aimag chamber within a particular territory.

7.2. Aimag, capital city or inter-aimag chamber shall operate independently.

CHAPTER THREE

FOUNDING, REGISTRATION AND CHARTER OF THE CHAMBER

Article 8. Founding of the Chamber

8.1. The National Chamber shall be founded in accordance with the conditions and procedure prescribed by the Civil Code and Law on Non-Governmental Organizations with the participation of representatives of the aimag, Capital city and inter-aimag chambers, business entities and organizations

8.2. An aimag, Capital city or inter-aimag chamber may be founded by at least 50 business entities and organizations in accordance with the conditions and procedure prescribed by the Civil Code.

8.3. The founders shall convene a general meeting and approve the charter.

8.4. Any citizen may join the Chamber.

Article 9. Procedure of Registration of the Chamber

9.1. The founders shall submit to the Registration agency (Ministry of Justice) an application for state registration of the Chamber within 14 days from the date of approval of the charter.

9.2. The following documents shall be attached to the application for state registration:

- 1) The name of the Chamber, location, composition and organizational structure of its principal office;
- 2) Charter;
- 3) Registry of members.

9.3. The registration agency shall examine and issue its decision in accordance with the procedure prescribed by the Civil Code within 30 days from the date of acceptance of the application and pertinent documents.

Article 10. Charter of the Chamber

10.1. The following matters shall be stated in the Charter of the Chamber:

- 1) Objectives of the Chamber;
- 2) Types of members, their rights and obligations, conditions and procedure for admission to, withdrawal and release of members;
- 3) Management and organization;
- 4) Liabilities to be imposed on a member for the breaches of the Charter.

10.2. The National Chamber shall establish and operate an office to enable the exercising of powers set forth in subparagraphs 3, 5, and 6, paragraph 2, Article 6 of this Law. The Board shall define rules of procedure of the office.

CHAPTER FOUR

FINANCING AND PROPERTY LIABILITIES OF THE CHAMBER

Article 11. Financing of the Chamber and its sources

11.1. The Chamber shall be financed from the following sources:

- 1) membership fees;
- 2) Donations from individuals and organizations;
- 3) Income generated from services.

11.4 The Chamber shall not engage in business activities with the purpose to make profit, but shall provide charged services related to the attainment of the objectives set forth in the Civil Code, this Law or its Charter.

11.3. The rates of charges for services provided by the Chamber shall be set jointly by the Minister of Finance and Minister of Trade and Industry on the basis of proposal of the Chamber.

Article 12. Liability of the Chamber

12.1. The Chamber shall be liable by the amount of its assets.

12.2. The Chamber shall not be liable for the obligations of its members, nor shall members be liable for the obligations of the Chamber.

CHAPTER FIVE

TERMINATION OF THE CHAMBER ACTIVITIES

Article 13. Reorganization of the Chamber

13.1. Several aimag chambers may merge or consolidate into an inter-aimag chamber. The rights and obligations of the merged aimag chambers shall transfer to the newly formed inter-aimag chamber, and those of the consolidated aimag chambers shall transfer to the expanded inter-aimag chamber.

13.2. Inter-aimag chamber may be split into several aimag chambers, or one or several aimag chambers may be separated from an inter-aimag chamber. Rights and obligations on the inter-aimag chamber shall transfer to chambers formed as a result of splitting and separation.

13.3. The matters of reorganization of the chamber shall be decided by the general meeting of members and reorganization commission shall be appointed.

13.4. The reorganization of a chamber shall be registered with the Registration agency.

Article 14. Dissolution of the Chamber

14.1. The Chamber shall be dissolved in the following cases:

1) A decision to dissolve the Chamber made at the general meeting on the ground of the lack of necessity to continue its activities;

2) A court decision to dissolve the Chamber due to the repeated or serious breach of the law becomes final;

3) A decision of the registration agency to dissolve the Chamber due to the reduction of the number of member business entities and organizations to less than 50.

14.2. The body which makes the decision to dissolve the Chamber shall appoint a Liquidation Commission.

14.3. The Liquidation Committee shall perform actions set forth in Article 32 of the Civil Code

CHAIRMAN OF THE
STATE IKH KHURAL

N. BAGABANDI