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LEGAL NEWSLETTER

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We are presenting the key Acts of Parliament, resolutions, and decisions enacted as of August 24, 2026.

I. LEGISLATION:

1.1 State Aviation Act (Revised Edition)

This Act meets the need to provide unified policy and management over the activities of organizations operating state aircraft, to define their functions by law, to set out in detail the relations to be regulated under the body of state aviation rules, and to revise and improve the legal regulation of aircraft registration, issuance of airworthiness certificates, performance of duties by foreign nationals under contract, and state aviation security and flight operation oversight and regulation.

The Act is also distinguished by its detailed definition, in respect of the direction and management of state aviation matters, of the powers of the State Great Khural and the Government, and the functions of the central state administrative body in charge of defense matters, the supreme body of professional military command, and organizations operating state aircraft. With the enactment of the Act, the legal environment for organizations operating state aircraft to conduct flight operations is improved; the obligations, liability, oversight, and regulation applicable to citizens and business entities participating in state aviation activities, as well as to bodies exercising state functions, are clarified; and the subordinate legal instruments implementing the Act are refined — matters of significant importance in eliminating duplication, gaps, and inconsistencies in legislation.

1.2 Act on Amendments to the Licensing Act

In order to facilitate the licensing process, these amendments to the Act were prepared based on a study of research reports issued by international organizations, as well as the laws, legal regulation, and practice governing licensing relations in certain foreign countries. The amendments establish regulation for conducting activities on the basis of notification, a mechanism widely used internationally; provide that certain types of special and ordinary licenses may be exercised on the basis of a notification submitted to the relevant authority; redefine the classification of license types; standardize and codify terminology; incorporate procedures for the licensing process for certain types of activity into sectoral legislation; and improve ongoing oversight of license holders.

Low-risk licensed activities, as well as activities that are one-off in nature, carried out for a specified period, or conducted for household purposes, are classified as activities to be conducted on the basis of notification, and the List of Notifications has been approved under Section 8, subsection 8.3 of the Act.

1.3 Act on Amendments to the Investment Act

At its plenary session on July 3, 2026, the State Great Khural adopted the Act on Amendments to the Investment Act. The notable provisions of these amendments are presented below:

1.3.1 Principles of investment

In addition to the principle set out in Article 1, section 2 of the Constitution of Mongolia, investment activities shall now also be governed by the principles of treating investors fairly and equally; not discriminating against investors; protecting investment; ensuring investors may freely possess, use, and dispose of the proceeds of investment and of lawfully earned income and assets; ensuring a transparent, stable, and predictable investment environment; performing contractual obligations in good faith; and supporting stable, responsible investment.

1.3.2 Forms of investment

New forms have been added to the forms of investment regulated under Article 5 of the Act — namely, investment made in physical form in factories, machinery and equipment, technology transfer, and the fixed assets of buildings and structures, as well as investment made by bringing intellectual property rights into economic circulation in accordance with the relevant legislation — thereby expanding the forms of investment recognized under the Act.

1.3.3 Resolution of investor complaints

It is now provided that an investor whose rights or lawful interests have been infringed as a result of an unlawful act or omission by a state body or official may file a complaint with the state administrative body in charge of investment matters, and that body has established procedures for receiving and resolving investor complaints.

1.3.4 Term of stabilization certificates

A Stabilization Certificate is issued to an investor to stabilize, for the term of validity of the certificate, the rate and amount of taxes payable by the legal entity implementing the investment project. Under these amendments, for investors implementing projects in the territory of Mongolia for a term of no less than five years, the term of the Stabilization Certificate has been extended to 10–20 years, depending on the amount of investment and the territory concerned. However, for legal entities that obtained a Stabilization Certificate prior to the entry into force of these amendments, the term and conditions of their certificate shall remain valid until the certificate expires.

II. STATE GREAT KHURAL: NOTABLE RESOLUTIONS

2.1 Resolution on Certain Measures to be Taken in Connection with the Discussion of the 25th Report on the Human Rights and Freedoms Situation in Mongolia

Under this resolution, the Government was tasked with implementing the following measures to ensure, protect, and promote human rights and freedoms:

- ✓ Certain issues requiring attention in the child protection system;
- ✓ The exercise of citizens' right to health protection and to receive medical care and services;
- ✓ Forensic examination and human rights;
- ✓ The status of the public's right to information;
- ✓ The exercise of the rights of human rights defenders;
- ✓ Measures to be taken regarding issues faced by men in ensuring gender equality.

III. FINANCIAL REGULATORY COMMISSION: NOTABLE RESOLUTION

3.1 Regulation on Non-Bank Financial Institution Lending Activities

By Resolution No. 278 dated July 9, 2026, the Financial Regulatory Commission approved the “Regulation on Non-Bank Financial Institution Lending Activities,” based on Section 6, subsection 6.1.2 of the Legal Status of the Financial Regulatory Commission Act and Section 19, subsection 19.10 of the Act on Banking, Deposit-Taking, Money Transfer, and Lending Activities of Authorized Legal Entities.

This regulation governs the indicators to be observed in the lending activities of non-bank financial institutions, oversight of such indicators, and matters relating to the provision of digital lending services using advanced technology (hereinafter, "fintech"). Consumer loans issued by non-bank financial institutions shall meet the following debt-to-income and loan-to-value ratios:

- ✓ the debt-to-income ratio calculated for consumer loan products shall not exceed 55 percent;
- ✓ the loan-to-value ratio for consumer loans secured by or used to purchase passenger vehicles shall not exceed 60 percent, with the valuation based on the vehicle's sale and purchase contract price or market price.

The regulation also sets out in detail the requirements for offering fintech lending services, the amount of paid-in capital required, and the procedures to be observed in fintech lending activities.

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