SITIPROPERTIES COUNTY LUXURY REAL ESTATE

YOUR SITE WILL ALWAYS LOOK SHARP AND UTILIZE 100% OF SCREEN ESTATE OF EVERY DEVICE.

LAWS

MONGOLIAN LAW

10.01.2013

Ulaanbaatar
Chapter one

General provisions

Article 1. Purpose of the law

1.1 Purpose of the law shall be to define the legal framework of the mandatory deposit insurance scheme for banks, and to regulate activities related to the deposit insurance fund aiming to protect bank depositors and maintain stability of the financial sector.

Article 2. Legislation on bank deposit insurance

2.1 Legislation on bank deposit insurance shall consist of the Civil Code, the Central Bank Law, the Banking Law, the Deposit, Loan and Settlement Law on Banks and Authorized Entities, this law and other relevant laws which are consistent with them.

2.2 If an international treaty to which Mongolia is a party is inconsistent with this law, then the provisions of the international treaty shall prevail.

Article 3. Definitions of legal terms

3.1 For the purpose of the law, the following terms used in this law shall have the following meaning:

3.1.1 “Deposit Insurance Corporation” means a legal entity (hereinafter “the Corporation”) that conducts the deposit insurance activities as stipulated in this law.

3.1.2 “Deposit insurance scheme” as used herein shall refer to all activities related to insuring cash deposits in the saving accounts and current accounts of the bank with the Corporation and compensating depositors on occurrence of an insured event.

3.1.3 “Bank” means a legal entity stipulated in Article 3.1.1 of the Banking Law or a bank with foreign shareholders or a branch of a foreign bank licensed by the Bank of Mongolia.

3.1.4 “Deposit” means a cash deposit in a savings account or a current account as stipulated in the Banking Law.

3.1.5 “Deposit insurance fund” means a fund consisting of sources as stipulated in the Article 10.2 and to be spent for purposes as stipulated in the Article 11.1.
3.1.6. “Insured event” means a situation when the Bank of Mongolia released a decision on the compulsory liquidation of a bank as stipulated in Article 57.3. of the Banking Law.

3.1.7. “Joint account” means a single deposit account owned by more than one entity, to be used by owners either jointly or individually.

**Article 4. Principles of mandatory deposit insurance**

4.1 The following principles shall be followed by the deposit insurance scheme:

4.1.1. to maintain stability of the financial sector and to protect the rights of depositors;

4.1.2. to compensate each depositor of the bank as stipulated in the Article 8.1;

4.1.3. participation of each bank, licensed to undertake activities as stipulated in Articles 6.1.1 and 6.1.3 of the Banking Law, in the deposit insurance scheme;

4.1.4. transparency and accountability.

**Article 5. Deposit insurance**

5.1. A bank with a license to undertake the activities as stipulated in the Articles 6.1.1 and 6.1.3 of the Banking Law is required to insure deposits of its depositors and pay insurance premiums mandatorily.

5.2 Bank of Mongolia shall inform the Corporation in the event of issuance of a license to undertake banking activities.

5.3 The Corporation shall issue a certificate to the bank confirming its participation in the deposit insurance scheme as specified in the Article 5.1.

5.4. The participation of the bank in deposit insurance scheme shall be terminated in the following cases:

5.4.1. All depositors in the liquidating bank have been compensated completely;

5.4.2. The bank has been removed from the State Registry.

**Article 6. Insured event**

6.1. In accordance with Article 57.3 of the Banking Law, the day on which the decision on the liquidation of a bank is released by the Bank of Mongolia shall be the date of the insured event.

6.2. The Bank of Mongolia shall inform the Corporation immediately after it has taken the decision on the liquidation of a bank.
6.3. According to this law, on occurrence of an insured event, depositors shall be provided the right to request compensation for their insured deposits.

**Article 7. Deposits and depositors not eligible for compensation**

7.1. The following deposits are not eligible for deposit insurance:

7.1.1. Anonymous deposits, numbered deposits or deposits under fictitious names as stipulated in Article 4.1 of the Law on Combating Money Laundering and Terrorism Financing;

7.1.2. Deposit certificates and other financial instruments which are not registered on the name of any depositor;

7.1.3. Deposits which are not repayable at par.

7.2. Deposits of the following depositors are not eligible for deposit insurance:

7.2.1. Banks;

7.2.2. State bodies and organizations, municipal bodies and organizations and other forms of local self-governing organizations;

7.2.3. Health insurance funds, pension funds, and social insurance funds;

7.2.4. Related persons to a bank as stipulated in Article 3.1.2 of the Banking Law;

7.2.5. Auditors and Auditing organizations that audited financial statements of the bank within three years before an insured event;

7.2.6. The following depositors who enjoyed a more favorable treatment than other depositors when receiving financial services from the bank and which had significant impact on the financial difficulties of the bank in accordance with a supervision report of the Bank of Mongolia:

7.2.6.a. An entity which has been provided with a loan which would not have been provided to others in terms of type of transaction, risk level, creditworthiness, and collateral type;

7.2.6.b. An entity which has enjoyed a lower interest rate for a loan compared to other depositors;

7.2.6.c. A depositor who has received interest payments at a rate at least 50 percent higher than the average interest rate received by other depositors on occurrence of an insured event in accordance with statistical information of the Bank of Mongolia.

7.3. On occurrence of an insured event, entities as stipulated in Article 7.2 shall not be compensated.
7.4. Although deposits in frozen accounts derived from illegal activities according to Article 134.9 of the Criminal Procedure Law and those stipulated in Article 11 of the Law on Combating Money Laundering and Terrorism Financing are considered as insured deposits, they can be reimbursed only if there is a decision to reactivate the account.

Article 8. Coverage level

8.1. On occurrence of an insured event, the corporation shall compensate insured depositors with deposits of both local and foreign currency up to the amount of 20 million MNT per depositor and per bank.

Article 9. Calculation of the insured deposit

9.1. The calculation of the insured deposits of each individual eligible depositor shall be total insured deposits in that bank with accrued interest, as stated in the deposit contract, less his/her liability toward the bank with accrued interest as at the day of the insured event.

9.2. On occurrence of an insured event, a depositor holding more than one deposit account in that bank shall be compensated after summing up all deposit accounts into one.

9.3. The amount to be covered for joint account holders shall not exceed the coverage level as stipulated in Article 8.1.

9.4. Joint deposit holders shall be reimbursed equally unless they show any evidence that the shares in the joint deposit are not the same.

Chapter two

Deposit Insurance Fund

Article 10. Deposit insurance fund, and its accumulation

10.1. The Corporation shall establish and manage the deposit insurance fund (hereinafter “the Fund”).

10.2. The Fund shall be accumulated from the following sources:

10.2.1. Premiums paid by the banks to a special account of the Government at the Bank of Mongolia as stipulated in Article 2.5 of the Blanket Guarantee Law.
10.2.2. Initial capital provided by the State budget for the establishment of the Fund;

10.2.3. Initial capital provided by the Bank of Mongolia for the establishment of the Fund;

10.2.4. Deposit insurance premiums to be paid by the banks;

10.2.5. Revenue from investments of the deposit insurance fund assets;

10.2.6. Revenue from selling assets of banks in which an insured event occurred;

10.2.7. Loans, grant aid and other funds provided by the Government, the Bank of Mongolia and international organizations;

10.2.8. Borrowings of the Corporation from foreign banks and international financial institutions;

10.2.9. Bonds issued by the Corporation;

10.2.10. Other sources stipulated in laws.

**Article 11. Eligible use of deposit insurance fund assets**

11.1. The assets of the Fund shall not be used except for the following purposes:

11.1.1. Reimbursing depositors;

11.1.2. Providing financial support to a bank which assumed deposits of a failed bank;

11.1.3. Covering the operating costs of the Corporation;

11.1.4. Repayment of the principle and interest on loans, borrowings and bonds acquired or issued by the Corporation.

11.2. The Corporation shall conduct a least cost test attesting that the total amount of financial support to be provided by the Corporation pursuant to Article 11.1.2. is lower than the amount which would be required to reimburse the depositors of the bank.

11.3. The National Committee stipulated in Article 22.1 shall approve the regulation on providing financial support specified in the Article 11.1.2. of this law.

**Article 12. Investments of the deposit insurance fund**
12.1. The Corporation shall invest the deposit insurance funds in following financial instruments according to the principles of safety, liquidity and profitability.

12.1.1. Securities issued or guaranteed by the State of Mongolia;

12.1.2. Securities issued by the Bank of Mongolia;

12.1.3. Securities issued by foreign governments or international financial institutions holding a rating of AAA assigned by an internationally recognized rating agency;

12.1.4. Deposits with foreign central banks of OECD countries.

12.2. The Deposit Insurance National Committee shall adopt the investment policy, regulations and guidelines of the Corporation.

Chapter Three

Deposit insurance premiums, compensation

Article 13. Deposit insurance premiums and payment of premiums

13.1. Banks shall pay deposit insurance premiums (hereinafter: “the premium”) to the Corporation, according to a regulation approved by the National Committee.

13.2. The premiums stipulated in Article 13.1 shall be composed of following fees;

13.2.1. Initial premium;

13.2.2. Quarterly premium;

13.2.3. Extraordinary premium.

13.3. The Initial premium shall be equal to one percent of the minimum requirement for the paid-in capital of the bank.

13.4. The Initial premium shall be paid within 30 days after the banking license has been issued by the Bank of Mongolia.

13.5. The quarterly premium for the present quarter shall be equal to the amount of the quarterly premium rate calculated according to Article 14.1 times the average amount of deposits except those specified in Article 7.1 as by the last day of each month in the previous quarter.
13.6. The bank shall pay the quarterly premium within the term as prescribed in the premium invoice submitted by the Corporation.

13.7. The National Committee shall determine the quarterly premium rate for the following business year until 30 November of each year, up to a maximum of 0.125%.

13.8. If the assets of the Fund reach 10% of total deposits except those specified in Article 7.1, the Corporation may discontinue the calculation and collection of the quarterly premium.

13.9. If the assets of the Fund are insufficient for the reimbursement of insured deposits after the occurrence of an insured event, the National Committee may take the decision that the banks have to pay an extraordinary premium in addition to the quarterly Premium.

13.10. The maximum annual extraordinary premium rate shall not exceed 0.5%.

13.11. The extraordinary premium shall be calculated by multiplying the extraordinary premium rate by the average amount of deposits except those specified in Article 7.1 as by the last day of each month in the previous quarter.

13.12. Upon a request of a bank, the Corporation may extend the term as specified in Article 13.6 by five working days.

13.13. If a bank fails to pay insurance premiums within the term as specified in Article 13.12, the Corporation shall inform Bank of Mongolia accordingly and shall request Bank of Mongolia to transfer insurance premiums from the Bank’s current account at the Bank of Mongolia and Bank of Mongolia shall decide accordingly.

13.14. The duty of paying premiums shall end at the last day of the quarter in which the insured event occurred.

13.15. There shall be no refunding of premiums stipulated in Article 13.1.

**Article 14  Quarterly premium rate**

14.1. The Corporation shall determine different rates for the quarterly premium stipulated in 13.2.2, in accordance with the risk profile of an individual bank and in line with a specifically established methodology.

14.2. The Corporation shall assess the risk profile of the banks based on information provided by the Bank of Mongolia.

14.3. The Corporation shall keep the confidentiality of the information stipulated in Article 14.2 herein.

14.4. The method of defining risk based premiums, stipulated in Article 14.1, shall be approved by a joint order of the Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues as proposed by the National Committee.
**Article 15. Procedure for compensating depositors**

15.1. The National Committee shall make a decision on providing compensation to depositors within 3 working days after the Corporation received the notification from the Bank of Mongolia on occurrence of an insured event.

15.2. The Corporation shall inform depositors by public broadcasting system within 48 hours after the release of a decision specified in Article 15.1 about the manners and timelines in which the depositors will be reimbursed and the written copy of the broadcast shall be sent to the Bank of Mongolia.

15.3. The Corporation shall start payments via a pay-out bank specified in Article 16 within 30 working days after the decision of the National Committee has been released as specified in Article 15.1 herein.

15.4. The compensation of foreign currency deposits shall be made by local currency/tugrik/ applying the exchange rate of the Bank of Mongolia as at the date of the insured event.

15.5. Details of the compensation procedure shall be prescribed through regulations to be adopted by the National Committee.

15.6. The Corporation is obliged to inform the depositors about the progress of the compensation process.

15.7. The National Committee shall adopt the regulation regarding the content of information stipulated in Article 15.6 and its broadcasting manner.

**Article 16. Pay-out bank**

16.1. Compensation of the depositors shall be done via a pay-out bank.

16.2. The pay-out bank stipulated in Article 16.1 shall be selected by the National Committee upon agreement with the Bank of Mongolia in each case of an insured event.

16.3. The regulation on the selection of and requirements for a pay-out bank shall be adopted by the National Committee.

16.4. The Corporation shall enter into an agreement with the pay-out bank stipulated in Article 16.1.

**Article 17. Rights of depositors**

17.1. Depositors shall have a right to be compensated on occurrence of an insured event.
17.2. If a depositor has acted as a representative for the account of a third party, the deposit is assigned to the third party.

17.3. In case of inheritance of a deposit, the depositor who is taking the inherited deposit shall be compensated separately besides his or her own deposit.

**Article 18. Recovery of claims**

18.1. The depositors’ claims on compensation are assigned to the Corporation in the amount of compensation paid by the Corporation to the depositors.

18.2. The Corporation shall settle the claims pursuant to Article 18.1. of this law from the liquidation or bankruptcy estate, in compliance with the Banking Law and the Law on Bankruptcy.

18.3. The claim against the Corporation shall not include the claim exceeding the amount stipulated in Article 8 and the deposits, depositors stipulated in Article 7.

**Chapter four**

**Deposit Insurance Corporation, the National Committee and its structure**

**Article 19. Legal status of the Deposit Insurance Corporation**

19.1. The Deposit Insurance Corporation (hereinafter “the Corporation”) shall be the state owned, not for profit legal entity privileged to undertake deposit insurance activity.

19.2. The head office of the Corporation shall be in the capital city of Mongolia.

19.3. The Corporation shall have a statute which shall be adopted by the Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues, collectively.

19.4. The Corporation shall use a seal, stamp, badge, and official form.

19.5. The Corporation shall have current and deposit accounts for tugrik and foreign currency at the Bank of Mongolia.

19.6. The Corporation may open a current account at any commercial bank in order to manage its day-to-day operations.

19.7. The Corporation shall have an internal audit unit which is reporting to and is responsible towards the National Committee.
19.8. The Corporation shall follow and implement provisions stated in the Law on the Information Transparency and Right to Information, in order to assure transparency of its activity.

**Article 20. Activities of the Deposit Insurance Corporation**

20.1. The Corporation shall perform the following main activities:

20.1.1. Collecting insurance premiums;

20.1.2. Compensating depositors on occurrence of an insured event;

20.1.3. Managing the accumulated assets in the Fund in accordance with the law;

20.1.4. Assessing and monitoring the risk profile of the participating banks in order to monitor the financial exposure of the Fund.

20.2. The corporation shall not engage in any activity other than those stipulated herein and shall be prohibited from establishing a for-profit entity.

**Article 21. Rights of the Deposit Insurance Corporation**

21.1. The Corporation shall have the following rights:

21.1.1. In order to fulfill its legal duties stipulated in this law, the Corporation may obtain reports and other relevant information from the banks regarding the deposits and depositors.

21.1.2. The Corporation may obtain audit reports, financial statements, financial indicators and other relevant information from the banks.

21.1.3. The Corporation, when deeming it necessary to evaluate the probability of an insured event, may request the Bank of Mongolia to investigate a bank.

21.1.4. The Corporation may request the Bank of Mongolia to allow a representative of the Corporation to join in the receivership process of a failed bank and can it.

21.1.5. The Corporation may, if the funds of the corporation are insufficient to exercise its duties, request financial support from the Bank of Mongolia and the Government.

21.1.6. The Corporation may adopt regulations in the context of its assigned rights and examine the implementation of the regulations.

**Article 22. Deposit Insurance National Committee**
22.1. Supreme authority of the Deposit Insurance Corporation shall be the Deposit Insurance National Committee (hereinafter “the National Committee”).

22.2. The National Committee shall be composed of seven members as follows:

22.2.1. The First Deputy Governor of the Bank of Mongolia responsible for banking supervision as member and chairman of the National Committee;

22.2.2. The State Secretary in charge of finance and budget issues;

22.2.3. The Standing Commissioner of the Financial Regulatory Commission;

22.2.4. The Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues shall jointly appoint three further members, one of whom shall be nominated by the Governor of the Bank of Mongolia, the member of the Government in charge of finance and budget issues, and the President of the Bankers Association;

22.2.5. The Executive director of the Corporation.

22.3. The three members of the National Committee stipulated in Article 22.2.4 shall be appointed with a term of office of four years and may be reappointed once.

22.4. The members of the National Committee stipulated in Article 22.2.4 herein shall meet the following requirements:

22.4.1. not having any debts under a Loan or Guarantee agreement, which have exceeded the payment date;

22.4.2. not having any criminal record;

22.4.3. their ethical and business reputation shall not affect the National Committee of the Corporation;

22.4.4. having a degree in any of the fields of Economy, Finance, Banking, Insurance or Law;

22.4.5. having at least 5 years of executive experience in Finance, Banking or Insurance;

22.4.6. not possessing a political position or an administrative position in any political party;

22.4.7. not working in any financial organization or bank;

22.4.8. not holding any stake of financial organization or bank, or being a related person;

22.4.9. not having been responsible for the bankruptcy of a legal entity for which he/she worked with certain authority.
22.5. The amount of compensation of the members, with the exception of the chairman and Executive director, shall be approved by a joint order of the Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues.

22.6. Subject to the joint order of the Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues, the rules of procedure of the National Committee and the ethic rules for its members, the Executive director and the employees of the Corporation shall be defined.

22.7. Subject to the joint decision of the Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues, a member of the National Committee may be removed before the end of term of office as stipulated in Article 22.3 for any of the following reasons:

22.7.1. A member has requested to resign on his or her own decision.

22.7.2. A member has reached the age of retirement.

22.7.3. A member is deemed incapable of discharging his or her duties due to serious illness, in accordance with a medical report.

22.7.4. A member has violated the terms of his/her appointment more than twice or there is an unsatisfactory fulfillment of duties.

22.7.5. It has been revealed that a member does not meet all requirements as stipulated in Article 22.4.

22.7.6. A member has violated the ethic rules.

22.7.7. A court conclusion that a member has committed a crime has been released.

22.8. The principle of succession shall be followed in appointing and releasing the members of the National Committee according to Articles 22.2.4, 22.3 and 22.7 of this law.

22.9. A member is prohibited to work in a bank within 1 year after he or she has been released as a member of the National Committee.

22.10. A member of the National Committee shall follow the Law on Regulating Public and Private Interests in Public Service and Preventing Conflicts of Interests.

**Article 23. Meetings of the National Committee**

23.1. The basic form of the National Committee’s activities is the meeting.

23.2. The head of the meeting shall be the chairman of the National Committee.

23.3. In the temporary absence of the chairman of the National Committee his/her duty shall be performed by any of the members of the National Committee as assigned by the chairman of the National Committee. The member who temporarily performs the duty of the chairman of the National Committee shall implement
and be accountable for such implementation of the duties within the scope delegated by the chairman of the National Committee.

23.4. The National Committee shall carry out meetings no less than once in a quarter.

23.5. The chairman of the National Committee shall announce an extraordinary meeting based on a written request made by at least two members or the Executive director.

23.6. A meeting of the National Committee shall be effective by participation of a majority of members of the National Committee.

23.7. Employees of the Corporation and external experts may be invited to attend the meetings of the National Committee as guests.

23.8. Minutes shall be recorded during the meeting and the members who have participated shall approve it by signing.

23.9. The National Committee shall make a decision with the majority of the participating members and the decision shall be approved by signing of the chairman of the National Committee or his/her proxy.

23.10. In the case of a tie, the head of the meeting has the casting vote.

23.11. The decision made by the National Committee shall be in the form of order.

23.12. The chairman of the National Committee or a member of the National Committee having a personal interest or parties related to him or who is in any other way, either directly or indirectly, connected to the subject matter of decision-making shall disclose such interest at the beginning of a meeting of the National Committee and shall not participate in the discussions and voting on any issues related to the subject matter concerned, unless otherwise decided by the National Committee.

Article 24. Powers of the National Committee

24.1. The National Committee shall have the following powers:


24.1.2. Approve and make amendments to the guidelines and regulations of the Corporation;

24.1.3. Revise and approve the Corporation’s strategic plan and action plan, and monitor its implementation;

24.1.4. Approve the organizational structure of the Corporation, its operational budget, investment guidelines and monitor the performance of the Corporation;
24.1.5. Select and appoint the Executive director of the Corporation, conclude a contract with him/her and release him/her;

24.1.6. Make a decision on reimbursing depositors;

24.1.7. Decide about the insurance premium rates;

24.1.8. Select the auditing firm;

24.1.9. Make a decision on whether to approve the Corporation’s financial statements;

24.1.10. Discuss the results of the internal audit conducted by the internal audit unit of the Corporation and make a decision;

24.1.11. Submit the semi-annual report on the activities of the Corporation to the Governor of the Bank of Mongolia and to the member of the Government in charge of finance and budget issues;


**Article 25. Executive director of the Corporation**

25.1. The Executive director, within his/her powers vested under this law and the statute of the Corporation and the contract made with the National Committee, shall manage and administer the day-to-day activities of the Corporation in accordance with the operational and strategic plan approved by the National Committee.

25.2. The Executive director of the Corporation shall be selected in a transparent manner and shall be appointed for a term of office of 4 years.

25.3. The Executive director shall meet the requirements stated in the Article 22.4 of this law.

25.4. The rights and duties of the Executive director shall be regulated in detail by the Statute of the Corporation.

25.5. The Executive director shall be released from the post prior to his/her tenure on the grounds specified in the Article 22.7 of this law.

25.6. Provided the Executive director gets released from the post under the provisions specified in the Article 22.7.1 of this law, the incumbent shall transfer his/her office to his/her successor before being released.

25.7. Provided the Executive director is about to have the annual leave, an official business trip domestically or internationally or is expected to stay ill for a longer period, he/she may transfer his/her post to a person approved by the National Committee, but this transfer does not release him/her from potential accountabilities.
25.8. The Executive director may not become an employee in a bank within the period of one year following the expiry of his/her term of office in the Corporation.

**Article 26. Confidentiality**

26.1. The members of the National Committee, employees of the Corporation as well as other persons hired by the Corporation to perform tasks on its behalf, shall be obliged to keep confidential all data on the operations of banks and/or the Corporation which they have obtained during the performance of their duties.

26.2. The obligations for the members of the National Committee, employees of the Corporation as well as other person’s hired by the Corporation, which is stated in the Article 26.1 of this law, shall persist after their duties have been discharged.

**Article 27. Annual Report and Financial Statements**

27.1. The financial statements of the Corporation shall be drawn up in line with the Accounting law of Mongolia, and the financial statements and annual report shall be audited.

27.2. The financial statements of the Fund shall have the components defined in the Article 10.2 of the Accounting law of Mongolia.

27.3. The Annual Report, including the financial statements shall be audited at least once in two years by an international auditing firm which has good reputation and that has been selected and appointed by the National Committee, and the reports shall be presented to the Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues.

27.4. The Executive director shall be responsible for the accuracy of the financial statements of the Corporation.

27.5. In accordance with the Article 27.1 of this law, the Annual Report, including the financial statements and the auditor’s report, shall be presented to the National Committee for review and confirmation before March 1st of the following year.

27.6. The Annual Report which is stated in the Article 27.1 of this law shall afterwards be duly presented to the Governor of the Bank of Mongolia and the member of the Government in charge of finance and budget issues before April 1st of the following year.

27.7. The Annual Report of the Corporation, including balance sheet and income statement as well as the auditor’s report, shall be afterwards publicly disclosed.

**Article 28. Association of the Corporation with government organizations and other entities**

28.1 Association activities of the Corporation with government organizations and other entities shall be regulated by the Statute of the Corporation.
Chapter five

Obligations of participating banks

Article 29. Providing reports, data and information

29.1. The Banks shall submit quarterly reports to the Corporation, in the manner and within the timelines as prescribed by the Corporation, with data and information which the Corporation needs to perform its legal tasks.

29.2. On the Corporation’s request, the banks shall at any time submit to it further information which the Corporation needs to perform its legal tasks.

29.3. The Regulation on reporting and providing information by banks shall be approved by the National Committee.

29.4. The Bank shall be responsible for the accuracy of data and information stored or submitted to the Corporation.

29.5. A bank is obliged to disclose information on the deposit insurance scheme, coverage level and the reimbursement procedure to its depositors in line with a regulation which is approved by the National Committee.

29.6. It shall be prohibited for banks to publicize the information referred to in Article 29.5 of this law with intention of advertisements or use it in a way that might negatively affect the stability of the banking system or the depositors’ confidence.

Article 30. Penalties upon violations of legal provisions

30.1. If a violation of provisions of this law does not constitute a criminal offence, the following penalties shall be imposed by an inspector from the Bank of Mongolia on a guilty person or entity:

30.1.1. If there is any reimbursement by violating the Article 7.3 of this law, a fine in the amount of the lowest labor earnings multiplied by 25-50 times shall be imposed on the guilty staffs or officials who knowingly submitted the false data and information and who reimbursed using this information;

30.1.2. A fine in the amount of the lowest labor earnings multiplied by 25-50 times shall be imposed on the guilty officials who failed to provide the reimbursement in accordance with the Article 8.1 of this law, and who knowingly submitted the false data and information and who knowingly and wrongly calculated the reimbursement amount in accordance with the Articles 9.1 and 9.3 of this law;
30.1.3. A fine in the amount of the lowest labor earnings multiplied by 400-500 times shall be imposed on the guilty officials who mismanaged the fund by violating the Article 11 of this law and who invested the deposit insurance funds in forms that are not allowed pursuant to the Article 12 of this law or who founded a legal entity for profit by violating the Article 20.2 of this law;

30.1.4. A fine in the amount of the lowest labor earnings multiplied by 100-150 times shall be imposed on the guilty officials who violated the Article 26 of this law by disclosing internal confidential information;

30.2. The following penalties shall be imposed by an inspector from the Bank of Mongolia on the banks which violated provisions of this law and its statutes:

30.2.1. If a bank did not pay the insurance premium pursuant to Article 13 of this law or delayed the payment of the insurance premium, the bank shall be obliged to pay a penalty interest of 5 percent above the policy rate of the Bank of Mongolia on the outstanding unpaid amount and in the case of repeated breach of duty, a fine in the amount of the lowest labor earnings multiplied by 200-250 times shall be additionally imposed on the bank;

30.2.2. If a bank did not submit reports, data and information pursuant to Article 29 of this law in time repeatedly or submitted incomplete or false data and information repeatedly, a fine in the amount of the lowest labor earnings multiplied by 200-250 times shall be imposed on the bank;

30.2.3. If a bank did not provide information or provided false information on the deposit insurance scheme pursuant to Article 29.5 of this law to its relevant depositors or if a bank violated the Article 29.6. of this law, a fine in the amount of the lowest labor earnings multiplied by 200-250 times shall be imposed on the bank.

Article 31. Effectiveness of the law

31.1. This law shall come into effect from January 10, 2013.

АСУУЛТ ХАРИУЛТ

WHO IS THE INSURED DEPOSIT HOLDER?

It is the entity or the person who is holding current account and money accounts at the commercial banks.

WHAT IS DEPOSIT INSURANCE?
- [mof.gov.mn](http://mof.gov.mn/)

- [www.mongolbank.mn](http://www.mongolbank.mn/)

- [www.frc.mn](http://www.frc.mn/)


- [www.adb.org/countries/mongolia/main](http://www.adb.org/countries/mongolia/main)

- [www.iadi.org](http://www.iadi.org/)
http://www.kdic.kr/english/index.jsp

http://www.dicj.gov.mo/web/cn/frontpage/index.html

https://www.khanbank.com/

http://www.golomtbank.com/mn/home/branchAtm

http://www.tdbm.mn/