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Draft Labour code of Mongolia

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In accordance with the “Basic direction of improving the legislation of Mongolia until 2020” approved by the Resolution No11 of the Parliament of Mongolia in November 2017, the revised draft of the current effective Labour code, which amended a total of 24 amendments and changes after approval in 1999, was submitted to the Parliament in March 2018. We have analyzed the amendments and new regulations to the revised draft of Labour code of Mongolia.

Amendments	
Term of employment agreement	<p>The employment agreement shall be concluded for an open-ended period except for the following cases:</p> <ul style="list-style-type: none"> • Apprenticeship and probationary period; • One-time seasonal work; • Temporary employment; • Work under a contract with special conditions.
Massive dismissal	<p>The employer shall notify each employee 30 days in advance of the termination of employment.</p> <p>The employer shall notify the respectively labour authority in writing about the decision on massive dismissal at least 30 days in advance.</p> <p>If the employee meets the requirements for the new job and the additional positions created by the employer within 1 year since the massive dismissal, the person dismissed in mass dismissal shall be hired by priority.</p>
Redundancy payment	<p>Redundancy payment to issue for termination of the employment relationship on the grounds specified in 45.1.1 - 45.1.3 of this Law shall be paid one-time depending on the worked year:</p> <ul style="list-style-type: none"> • Equivalent to one month or more of basic salary for an employee who has worked from six months up to two years; • Equivalent to two or more month of basic salary for an employee who has worked from two years to five years; • Equivalent to three or more months of basic salary for an employee who has worked from five years to ten years; • Equivalent to four or more months of basic salary for an employee who has worked for ten years or more.
Labor health and safety	<p>If the employee lost his/her work ability due to industrial accidents, acute poisoning, and occupational diseases, one – time compensation shall be paid in the following rates:</p> <ul style="list-style-type: none"> • To increase five times of one month salary for 30-49 percent

	<p>loss of work ability;</p> <ul style="list-style-type: none"> • To increase seven times of one month salary for 50-59 percent loss of work ability; • To increase nine times of one month salary for 60-69 percent loss of work ability; • To increase eighteen times of one month salary for 70 and more percent loss of work ability.
Labor dispute	<p>The respective labor authority shall appoint the intermediary.</p> <p>If the dispute cannot be resolved with the participation of the intermediary, the disputing party shall apply to the relevant Tripartite Labour and Social Committee to resolve the dispute through labor arbitration.</p>
Disciplinary Punishment	<p>Disciplinary punishment which reduces the employee's salary up to 20 percent for not more than three months is being invalidated, and in the draft law, there are 3 types of disciplinary punishment such as closed warnings, open warnings and termination of employment.</p>
New regulations	
Internal norms	<p>It is a new term named internal norms. Internal norms are a collective contract or agreement in which employer and employee's representatives mutually concluded with employee's representatives in accordance with legislation, the employment agreement with an employee, its addendum agreement, and a decision enacted on issues of labour relations as per legislation.</p>
Discrimination and oppression	<p>If the employee considers to discriminated against or oppressed in a work or employment relationship, the employee has the right to complain to the National Human Rights Commission.</p>
Collateral	<p>It is prohibited that the employer pledges via demanding the personal documents of the person or employee who is being hired for a position and other items such as money, valuables, educational documents, professional licenses, movable and immovable property certificates.</p>
Work under a labor supply contract	<p>A legal entity that provides labour supply services may work the employee with an employment contract concluded in accordance with this law based on a labour supply contract to another employer.</p>
Employment agreement	
Part-time employment agreement	<p>A part-time employee means that working hours agreed under the employment agreement with the employer do not exceed 32 hours per week.</p>
Remote work	<p>The employer may enter into a remote employment agreement with the employee by allowing performing his/her duties at the place of</p>

	residence on a regular basis.
Other Labor agreement	The employer shall enter into the employment agreement with a home service worker, a herder, or employee equivalent with them. The home service worker is not obligated to be at the employer's home on weekends or public holidays.
Suspension	The employer shall suspend to perform Employee's duties and pay employee's remuneration in the event that a decision has been made by an authorized official to undertake preventive measures which suspended the performance of employee's official duties in accordance with Article 14.4 of the Criminal procedure code of Mongolia.
Salary and compensation	
Witness and victim protection measure	If compensation equal to the employee's salary during the period of keeping the employee's workplace or salary transferred another work has decreased due to protection of witnesses and victims, the compensation equal with a difference of salary shall be issued to the employee in accordance with legislation.
Salary of a herder	Not more than 30 percent of a salary may be paid in non-monetary form if the herder has agreed. It is prohibited to provide tobacco, alcohol, all kinds of drugs, prohibited items, products, and licensed goods and products as salary in non-monetary form.
Salary changes	The employer shall notify the decision to change the total employee's salary to the employee prior to ten or more days from the effective date of the decision.
Working hours and break	
Work in remote locations	Employers in the mining and exploitation sector may use the procedure to place employees in remote locations. The duration of the working day of the employee shall not exceed 12 hours, and the overtime work in one month shall not exceed 72 hours. An employee working in accordance with the law shall have not more than 20 working days per month and at least 10 days off.
Call time	The period that the employer negotiated the location and time with the employee to be ready to work shall be deemed as working hours.
Maternity leave	
Maternity leave for 140 days shall be mandatory for mothers who have given birth to twins. An employee whose wife has given birth shall be entitled to have not less than 5 working days of paid leave to take care of the child.	



For more information or any queries, please feel free to contact Bolormaa.V, Partner by bvolodya@gratanet.com and Yanjmaa.B, Lawyer of GRATA International Law Firm by ybumtsend@gmail.com or 976 70155031.

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