



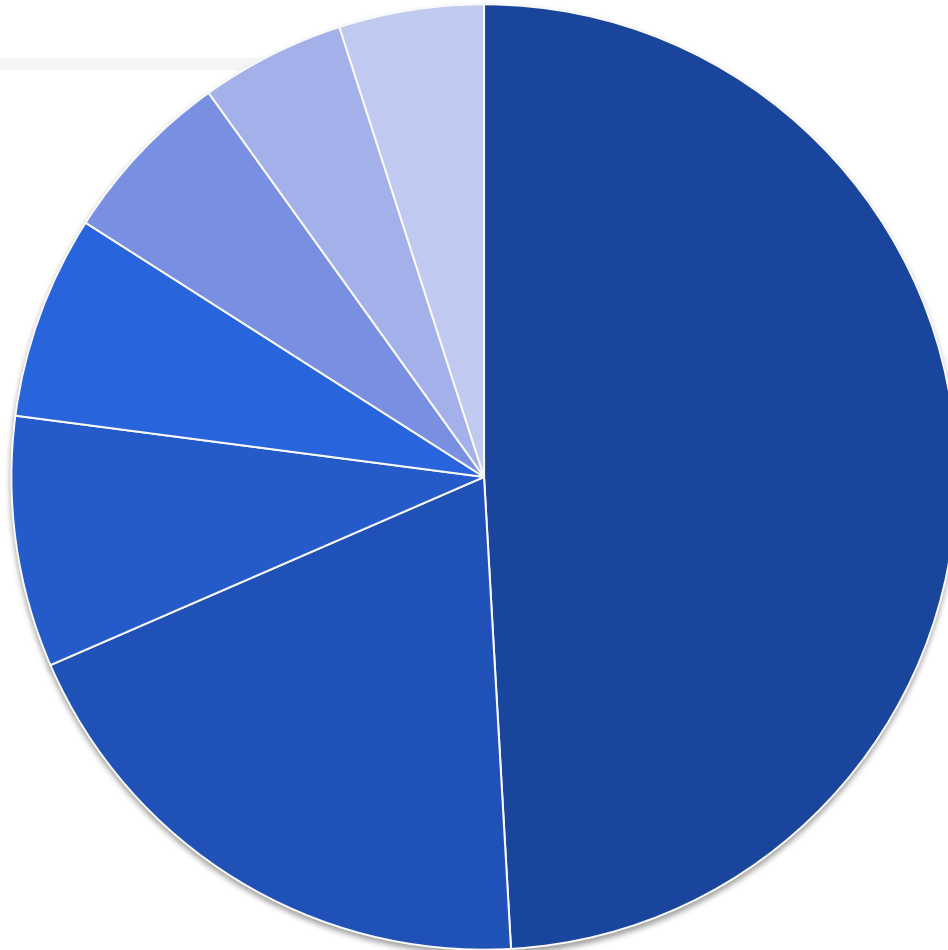
**GRATA**  
INTERNATIONAL

# Admission of construction companies to operate in Mongolia

**11.03.2021**

**Prepared by Yanjmaa Bumtsend,  
Associate of GRATA International Mongolia**

# Investment percentage (2019)

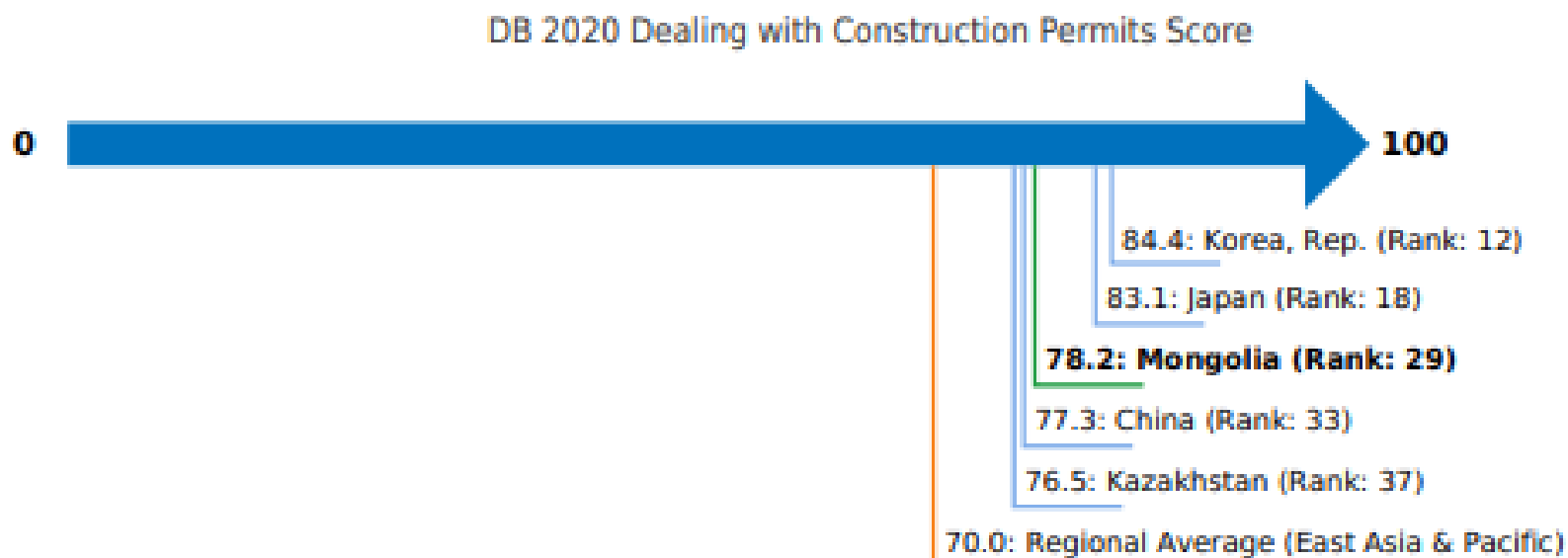


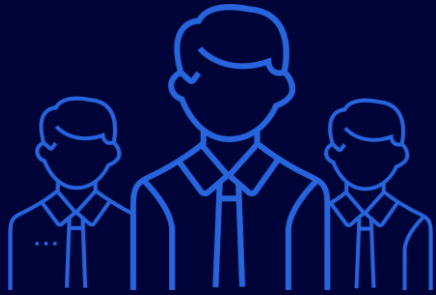
- Mining - 48.6%
- Others - 19.2%
- Public administration and defense activities - 8.5%
- Construction - 6.9%
- Wholesale and retail trade, repair and maintenance of cars and motorcycles - 6.0%
- Financial and insurance activities - 4.9%
- Education - 4.9%

# Construction permit

<b>Dealing with Construction permits (rank)</b>	<b>29</b>
Score of dealing with Construction permits (0-100)	78.2
Procedure (number)	17
Time (days)	137
Cost (% of warehouse value)	0.1
Building quality control index (0-15)	14

Figure - Dealing with Construction Permits In Mongolia and comparator economies - Ranking and Score





# Regulation

Relation related to contraction activities, production of construction materials, construction works, and its supervision and commissioning is regulated by the Law of Mongolia on Construction (Hereinafter Construction law) approved on 05 February 2016.

Construction activities shall be carried out on the basis of a license, construction work permit and registration in accordance with the conditions and procedures specified in Construction law.

# License

**Buildings and structures belonging to low, medium, high and special complexity shall be carried out by a legal entity with a license.**

The following construction activities shall be performed on the basis of a license:

- To design buildings and structures;
- To perform construction work on buildings and structures;
- To engage production, assembly, maintenance and service of lifting facilities and its part;
- To produce the design, structure, items and materials of load capacity and its raw material, flammable, toxic and energy-efficient products.

# License

Period

5 years

Report

Annual

Legal  
entity

Incorporated in Mongolia

# Revocation of the license

---

Violation of legal requirements;

Not engage activities specified in the license for consequent 3 years.

---

# Construction work permit

---



Construction work permit means a decision made by an competent authority to allow construction work to be performed in accordance with law.

Construction work permits are issued by the following persons:

- Government;
- Governor of the province and capital.



# Construction work permit

---



- The following types of construction work permits are issued:
  - To built a new buildings or structures;
  - To expand and renovate buildings and structures;
  - To demolish buildings and structures.

# Construction work permit

- Request;
- Decision confirming the location, design and technical condition of the building;
- Complete design, which made probability of the building and probabilistic conclusion;
- Introduction of the design legal entity, its state registration certificate and license certificate;
- An assessment report of a building that is required an environmental impact assessment in accordance with environmental legislation;
- Certificate of accident and liability insurance;
- License of the construction contractor;
- Plan on how to implement monitoring during the construction phase.

# Construction work permit

---

**Period** Issuance of permit– within 10 working days

---

Construction work permit shall be issued for the period specified in the design

---

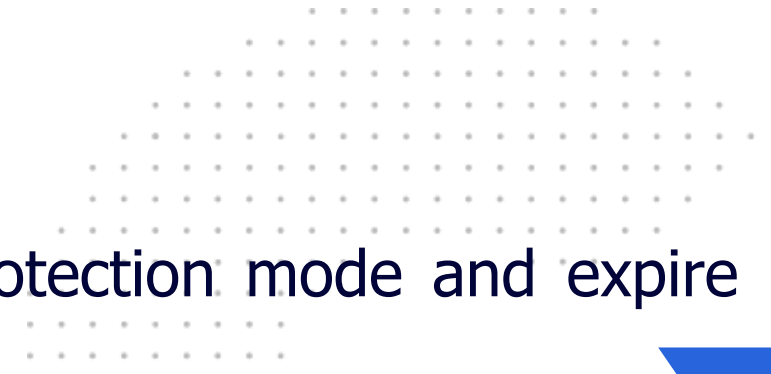
Extension - 30 days prior

---

# Changes during construction work

---

The legal entity shall notify the following changes to the Competent authority who authorized the construction work permit:

- To change the information specified in the construction work permit certificate;
  - To change the contractor, client and organization to implement author's control;
  - To expire the term of the contractor's license;
  - To change in the design;
  - to put the unfinished building and structure in protection mode and expire the term of the construction work permit.
- 

# Refusal to issue a construction work permit and license



- Submitted the incomplete and false information;
- The document didn't meet the requirements of the relevant legislation.

# Liability

It is prohibited to start construction activities without a proper construction work permit.

Offence law. In the case of failure to obtain a construction work permit, the caused damage and loss shall be paid by a default person and a person shall be fined in the amount of 1,000,000 MNT (app 350.9 USD) and a legal entity shall be fined in the amount of 10,000,000 MNT (app 3,509.1 USD).

In the case of failure to obtain a license, the caused damage and loss shall be paid by a default person and a person shall be fined in the amount of 500,000 MNT (app 175.4 USD) and a legal entity shall be fined in the amount of 5,000,000 MNT (app 1,754.8 USD).

# Court decision

---

**To annul the  
construction  
work permit  
and license**

**To revoke the  
decision on  
suspension of  
the  
construction  
work permit  
and license**

**To revoke the  
decision on  
refusal from the  
extension of the  
construction  
work permit and  
license**

---

**THANK YOU!**



Yanjmaa  
Bumtsend

+976 70155031

Mongolia@gratanet.com

[www.gratanet.com](http://www.gratanet.com)