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Measures to support taxpayers in view of imposing Higher Level of Readiness in Mongolia

At its irregular meeting on 27 March 2020, the Government Cabinet approved a resolution to implement following measures to support the taxpayers during higher level of readiness (it is a type of emergency condition under the Law on Protecting from Disaster) due to spread of Covid19 in Mongolia:

1. Following persons are exempted from Social Insurance Premiums:

- ▶ Enterprises; and
- ▶ Companies.

2. Following persons are exempted from Personal Income Tax:

- ▶ Employees of the enterprises and companies; and
- ▶ Civil servants.

3. Following enterprises are exempted from Corporate Income Tax:

- ▶ Enterprises which of the taxable income in the previous tax year was less than 1,5 billion MNT (app 541,500USD) /except for the following activities: exploration, mining, using, transporting and selling of mineral resources, radio-active minerals; planting of tobacco plants; manufacturing and importing of alcoholic beverages and cigarettes; carrying out oil production; trading retail and whole and importing of all kinds of fuel; and seeking, exploiting and using of oil/.

Above measures shall be implemented from 1 April 2020 to 1 October 2020.

Moreover, the Government cabinet set out:

- ▶ To grant 200,000 MNT (app 72USD) to each employee of the enterprises that holds the employees' job despite of their unsuccessful activities and decrease in the income due to the quarantine measure to prevent from spread and risk of the COVID-19;
- ▶ To grant especially preferential loans with 3% interest rate for purchasers and producers of cashmere in order to support the living of herders with respect to the upcoming cashmere season /to make resolution on the resource of required 300 billion MNT(app 108.3million USD) of funding/
- ▶ To increase the child allowance by 10,000 MNT (app 3.6USD) for three months
- ▶ To reduce the fuel and petroleum price by 300 MNT (app 0.1USD) for one litre from 15 April, 2020.

Procedures to implement these measures shall be approved by relevant competent authorities of Mongolia.

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