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How to incorporate a company or representative office in Mongolia?

Despite the fact that Mongolian legislation provides for a wide range of legal forms of commercial entities (limited liability company or LLC, joint-stock company or JSC and joint venture), in practice, private businessmen and foreign investors mostly prefer LLC or JSC. Representative office of foreign legal entities is also common.

Limited Liability Company (LLC)

An LLC is the most frequently used form of a legal entity established by one or more individuals or legal entities – participants – who are not liable for its obligations while bearing the risk of losses related to the company’s activity to the extent of their contributions (participatory interests). The liability of the company is limited to its assets.

There is no minimum charter capital requirement, while participants’ interests are proportional to their contributions. Participants have pre-emption rights on each other’s interests.

The bodies of a limited liability company are:

- a) the supreme body of a company shall be the Meeting of Shareholders (MoS). The MoS, which is held not less than once a year, as the supreme management body of an LLC has exclusive powers with respect to the issues covering business, finance, management, and structure of the company.
- b) the executive body of a company (individual or collective).

The day-to-day management of the company is performed by the Director (individual executive body) or Board of Directors (collective executive body), who are elected at the MoS. The authorities entrusted to the Board of Directors shall be specified in the founding documents of the company. The company may also have a Supervisory Board, which is, however, not mandatory.

[Read more](#)

Locations





MONGOLIA

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