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# Liquidation process of Legal entity

According to the October statistics of the State Registration Office of Mongolia, total of 67 legal entities were liquidated in October 2021.

Registration of Legal entities	2020.1-X	2021.1-X	2021.X
Legal entities that have been liquidated and deregistered from the state registration.	726	337	67 <sup>[1]</sup>

A legal entity is liquidated on the following grounds:

1. A decision issued by the owner or its authorized representative, or a body authorized by the founding documents of the legal entity;
2. A court decision on liquidation on the grounds of bankruptcy, repeated or serious breaches of laws, or other grounds stipulated in laws;
3. A decision on discontinuing its activities due to expiration of the term or completion of its business purpose;
4. A decision by the competent founder of the legal entity;
5. Other grounds provided by law.

The decision on voluntary liquidation of a legal entity by its owner or the authorized body or in the cases of (a), (c), and (d) described above, the liquidation process can take place as follows:

1. Business entities and organizations going through liquidation are required to procure auditing of their financial statements one month before the start of the liquidation process.

## Read more

*For more information or any queries, please feel free to contact Bolormaa.V, Partner by [bvolodya@gratanet.com](mailto:bvolodya@gratanet.com) and G.Solongo, Junior Associate of GRATA International Law Firm by [btungalag@gratanet.com](mailto:btungalag@gratanet.com) or +976 70155031.*

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[1] <https://burtgel.gov.mn/post/59241>

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