

Regulation on Setting Regulatory Services Fees
To Be Collected from Licensees

- 1.1 The purpose of this Regulation is to regulate matters related to collection of regulatory service fees from licensed financial market participants into designated account of Financial Regulatory Commission (hereinafter FRC).
- 1.2 In setting the level of regulatory services fee in compliance with Article 6.1.5 of the “Law on Legal Status of the FRC” and Article 5.3 of the Charter of FRC the following factors shall be considered, namely ensuring financial stability; types of services rendered by FRC; scope of activities of institutions; and protection of customers interests.
- 1.3 Regulatory services fees from licensees shall be paid by non-banking financial institutions, professional participants of securities market, listed companies, insurers and professional insurance participants, savings and credit cooperatives, currency exchange units and individuals within 1 March of the next year in the FRC account 1700041422 at Savings Bank.
- 1.4 Licensees shall calculate the amount of service fees to be secured in the aforementioned FRC account as stated in Annex 1 for type of regulatory services and fee level of non-banking financial institutions; Annex 2 A and B for type of regulatory services and fee level of insurers and professional insurance participants; Annex 3 for type of regulatory services and fee level for securities market professional participants and listed companies; Annex 4 for services fee level for savings and credit cooperatives; and Annex 5 for services fee level for Currency exchange units respectively.
- 1.5 In case licensees fail to secure regulatory services fee within the designated date, then the FRC shall charge 0.5% fine for every overdue day.

Annex 1

1. Regulatory services fees to be collected from licensees.

No	Type of non-banking financial activity	For financial services engagement	Regulatory Services Fee /within 1 March next year/	
			Annually, Assets as Percentage from Capital	One time installment
1.1 1.2 1.3 1.4 1.5	Lending Factoring Issuing guarantee Foreign currency exchange Investment and finance consulting, information services	License	0.10%* 0.20%* 0.20%* 0.05%* 0.15%*	
			*to be calculated as assigned in classification of assets given in Table 1.	
1.6 1.7 1.8 1.9	Issuing payment instruments Electronic payment and remittance Investments into short-term financial instruments Trust services		0.20%* 0.30%* 0.01%* 0.50%*	
			*to be calculated as assigned in classification of assets given in Table 1.	
2.1 2.1.1 2.1.2 2.2 2.3 2.4	Permission to establish a branch In city In rural areas To establish a representative office To change the assigned name To give other rights and permissions provided in the law	Permit		200 000 20 000 50 000 2 000 000 To decide in each instance by the FRC Resolution
3.1 3.2 3.3	Re-issue lost and damaged license Other services provided in the law To get information from FRC archives about their own files, such as charter etc.	Other		200 000 To decide in each instance by the FRC Resolution 3 000 per page

Annex 2

No	Type of Regulatory Services for Insurers and Professional Insurance Participants	For financial services engagement	Regulatory Services Fee /within 1 March next year/			
			Annually, as percentage from statutory fund	Annually, As percentage from guaranteed funds	Annually, In MNT	One time installment
1.1	To carry out ordinary insurance activities	License				
1.1.1	Life and health					
1.1.1.1	Accident/emergency/casualty		0.05%			
1.1.1.2	Health		0.05%			
1.1.1.3	Loss of labor capacity		0.08%			
1.1.2	Property and goods					
1.1.2.1	Property		0.10%			
1.1.2.2	Buildings		0.20%			
1.1.2.3	Flats, apartments		0.01%			
1.1.2.4	Goods		0.10%			
1.1.2.5	Equipment		0.15%			
1.1.2.6	Vehicle		0.03%			
1.1.2.7	Cargo transport		0.05%			
1.1.2.8	Civil aviation aircraft			500 000		
1.1.2.9	Oil			500 000		
1.1.2.10	Oil products		0.10%			
1.1.2.11	Crops		0.10%			
1.1.2.12	Minerals and mining			300 000		
1.1.2.13	Livestock		0.02%			
1.1.2.14	Documentation		0.025%			
1.1.2.15	Mail and parcels		0.02%			
1.1.3	Liability					
1.1.3.1	Driver's liability		0.03%			
1.1.3.2	All types of professional liability	0.10%				
1.1.3.3	Civil/for citizens	0.025%				
1.1.3.4	Construction	0.15%				
1.1.3.5	Housing liability	0.025%				
1.1.3.6	Public liability	0.15%				
1.1.3.7	Institutional liability	0.025%				
1.1.3.8	Owner's or possessor's liability	0.10%				

1.1.3.9	Goods and services liability (exporter, importer, manufacturer)		0.10%			
1.1.3.10	Freight liability		0.05%			
1.1.3.11	Aircraft owners and possessors liability			600 000		
1.1.3.12	Contractual liability		0.025%			
1.1.3.13	Legal liability		0.025%			
1.1.3.14	Employer liability		0.10%			
1.1.3.15	Employee liability		0.10%			
1.1.4	Financial					
1.1.4.1	Business disruption		0.025%			
1.1.4.2	Credit risk		0.025%			
1.1.4.3	Deposit/savings		0.025%			
1.1.4.4	Cash, securities		0.10%			
1.1.4.5	Fidelity guarantee		0.025%			
1.1.4.6	Performance guarantee		0.20%			
1.1.5	Reinsurance					
1.1.5.1	Reinsurance outward		0.025%			
1.1.5.2	Reinsurance from inward		0.20%			
1.2	Long-term insurance			1.2, 1.3, 1.4		
1.3	Branch of a foreign insurer in Mongolia to offer ordinary insurance			To decide in each instance by the FRC		
1.4	Branch of a foreign insurer in Mongolia to offer long-term insurance			Resolution		
1.5	To carry out insurance intermediaries activities			300 000		
1.5.1	Urban areas			150 000		
1.5.2	Rural areas					
1.6	To carry out insurance evaluation/appraisal activities					
1.6.1	Urban areas			300 000		
1.6.2	Rural areas			200 000		
1.7	To carry out insurance agent activities					
1.7.1	Urban areas			20 000		
1.7.2	Rural areas			10 000		
2.1	Permission to establish a branch	Permit				
2.1.1	In urban areas					200 000
2.1.2	In rural areas					20 000
2.2	To open a representative office					100 000
2.3	To change an assigned name					2 000 000

2.4	Other permits as provided in laws /getting permit for additional types of ordinary insurance					To decide in each instance by the FRC Resolution
3.1	To get information from FRC archives about their own files.	Others				3000 /per page/ 200 000 To decide in each instance by the FRC Resolution
3.2	Re-issue lost and damaged license					
3.3	Other services provided in the law					

Annex 3

	Professional Participants in Securities Market	For financial services engagement	Regulatory Services Fee /within 1 March next year/		
			Annually, As percentage from trading volume	Annually in MNT	One time installment
1.1 1.2 1.3 1.4 1.5 1.6 1.7 1.8	Exchange trading activities Broker dealer activities Securities clearing and settlement Securities depository Mutual investment institutions and mutual funds Underwriting activities Investment management activities Investment advisory and consultancy activities	License		6 000 000 1 000 000 2 500 000 2 500 000 1 000 000	To decide in each instance by the FRC Resolution To decide in each instance by the FRC Resolution
2.1 2.1.1 2.1.2 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9 2.10	Permission to establish a branch In urban areas In rural areas To change assigned name To issue new securities To issue additional securities To issue bonds To announce tender proposal To reorganize the company (become JSC, merge, consolidate, divide, separate) To carry securities activities exclusively To give permit to professionals to work in securities market Other permits provided in the law	Permit			200 000 20 000 2 000 000 50 000 200 000 200 000 200 000 200 000 200 000 50 000 To decide in each instance by the FRC Resolution
3.1 3.2 3.3 3.4	Re-issue lost and damaged license JSC (monitoring, inspection, dividend distribution supervision) Other services provided in the law To get information from FRC archives about their own files.		2% of face value of securities issued /table 2/		200 000 To decide in each instance by the FRC Resolution 3000 /per page/

Annex 4

No	Type of SCC services	For financial services engagement	Regulatory Services Fee /within 1 March next year/	
			Annually, Assets as Percentage from Capital	One time installment
1.1	Savings and credit activities	License	0.05% (minimum level 15 000MNT)	
2.1 2.2	To change assigned name Other services provided in the law	Permit		2,000,000 To decide in each instance by the FRC Resolution
3.1 3.2 3.3	Re-issue lost and damaged license Other services provided in the law To get information from FRC archives about their own files, such as charter etc.	Other		200 000 To decide in each instance by the FRC Resolution 3 000 per page

Annex 5

No	Type of Currency exchange unit	For financial services engagement	Regulatory Services Fee /within 1 March next year/	
			Annually, Assets as Percentage from Capital	One time installment
1.1	To carry out activities	License	0.05% (minimum level 15 000MNT)	
2.1 2.1.1 2.1.2 2.2 2.3	To establish a branch In urban areas In rural areas To change assigned name Other services provided in the law	Permit		200,000 20,000 2,000,000 To decide in each instance by the FRC Resolution
3.1 3.2 3.3	Re-issue lost and damaged license Other services provided in the law To get information from FRC archives about their own files, such as charter etc.	Other		200 000 To decide in each instance by the FRC Resolution 3 000 per page

Table 1

NBF1 name	
Total assets, /31.12.2005/	
0,10%	lending
0,20%	factoring
0,10%	leasing
0,20%	guarantee
0,20%	Payment instrumetns
0,30%	Money remittance
0,05%	Currency exchange
0,50%	trusts
0,01%	
0,15%	consultancy
200,0%	>10,0
150,0%	10,0-25,0
100,0%	25,0-50,0
50,0%	50,0-100,0
200,0%	100,0-500,0
150,0%	500,0-1,000,0
100,0%	1,000,0>
Amount calculated from Total assets, or type of activity	

Table 2

No	Code	Company name	Total securities issued /number/	Face value of total securities issued	0.035% of the face value of total securities issued