



# ANNUAL REPORT

2025

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# ABBREVIATIONS AND ACRONYMS

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<b>AML/CFT</b>	Anti–Money Laundering and Combating the Financing of Terrorism
<b>API</b>	Application Programming Interface
<b>BoD</b>	Board of Director
<b>DPMS</b>	Dealers in Precious Metal and Stones
<b>EMMoU</b>	Enhanced Multilateral Memorandum of Understanding
<b>FATF</b>	Financial Action Task Force
<b>FRC</b>	Financial Regulatory Commission (of Mongolia)
<b>IAIS</b>	International Association of Insurance Supervisors
<b>IMF</b>	International Monetary Fund
<b>IOSCO</b>	International Organization of Securities Commissions
<b>JSC</b>	Joint Stock Company
<b>LLC</b>	Limited Liability Company
<b>MACE</b>	Mongolian Agricultural Commodity Exchange
<b>MMoU</b>	Multilateral Memorandum of Understanding
<b>MNT</b>	Mongolian tugrik
<b>MLSP</b>	Money Loan Service Providers
<b>MONICPA</b>	Mongolian Institute of Certified Public Accountants
<b>MoU</b>	Memorandum of Understanding
<b>MSE</b>	Mongolian Stock Exchange
<b>NBFI</b>	Non–Bank Financial Institution
<b>NGO</b>	Non–Governmental Organization
<b>REB</b>	Real Estate Broker
<b>SC</b>	Securities Company
<b>SCC</b>	Savings and Credit Cooperative
<b>SME</b>	Small and Medium Enterprise
<b>VASP</b>	Virtual Assets Service Providers
<b>QR</b>	Quick Response Code

# ABBREVIATIONS AND ACRONYMS

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<b>IFRS</b>	International Financial Reporting Standards
<b>VACG</b>	Virtual Asset Contact Group
<b>MARC</b>	Machine-Readable Cataloging
<b>CAGR</b>	The Compound Annual Growth Rate
<b>WALIR</b>	Weighted average loan interest rate
<b>WAIRD</b>	Weighted average interest rate on deposits
<b>SSD</b>	Securities Supervision Direction
<b>ISD</b>	Insurance Supervision Direction
<b>NBFISD</b>	Non-Bank Financial Institution Supervision Direction
<b>SCCSD</b>	Savings and Credit Cooperatives Supervision Direction
<b>REBSD</b>	Real Estate Brokerage Supervision Direction
<b>AMLSD</b>	Anti-Money Laundering Supervision Direction
<b>PRR</b>	Person responsible for reporting
<b>ORSI</b>	Official requirements of the state inspector
<b>2FA</b>	Two-Factor Authentication
<b>AFI</b>	Alliance for Financial Inclusion
<b>AML</b>	Office – Anti-Money Laundering Office
<b>API</b>	Application Programming Interface
<b>APRC</b>	Asia Pacific Research Committee
<b>AUSTRAC</b>	Australian Transaction Reports and Analysis Centre
<b>B2B</b>	Business to Business
<b>FCA</b>	Financial Conduct Authority
<b>FINCEN</b>	Financial Crimes Enforcement Network
<b>FINTRAC</b>	Financial Transactions and Reports Analysis Centre of Canada
<b>FMA</b>	Financial Markets Authority
<b>FSA</b>	Financial Services Agency
<b>GEMC</b>	Global Energy Metals Corporation
<b>IPO</b>	Initial Public Offering
<b>ISLA</b>	International Securities Lending Association
<b>KIDI</b>	Korea Insurance Development Institute
<b>MOF</b>	Ministry of Finance
<b>OTC</b>	Over-the-Counter
<b>P2P</b>	Peer-to-Peer
<b>SSL</b>	Secure Sockets Layer
<b>TNC</b>	The Nature Conservancy
<b>VACG</b>	Virtual Asset Contact Group

## FOREWORD



We are pleased to present the 2025 Annual Report of the Financial Regulatory Commission.

In 2025, Mongolia's economy grew by 6.8 percent, and the country's credit rating improved to BB- with a stable outlook, reaching its highest level since 2012. The assets and market size of the sectors regulated by the Financial Regulatory Commission expanded to a level equivalent to 26.8 percent of GDP. This reflects a year of growth and development for both the national economy and the financial market.

In 2025, the Financial Regulatory Commission implemented a comprehensive set of phased measures aimed at developing a multi-pillar financial market, aligning the regulatory environment with international best practices, and expanding the

range of financial products and services.

Within the framework of amendments to the Securities Market Law of Mongolia, new regulatory provisions were introduced, including equity crowdfunding services, the trading of bank-issued deposit certificates in the securities market, securities borrowing and lending services, and the issuance of securities involving international financial institutions. Furthermore, important steps were taken to diversify the capital market and promote long-term investment by introducing sustainable finance instruments such as social bonds and sustainability bonds, as well as establishing a legal framework for the creation of private equity funds on a contractual basis.

As of 2025, Mongolia's capital market valuation reached MNT 13.9 trillion, while total securities trading volume amounted to MNT 1.3 trillion.

In the insurance sector, policy and regulatory reforms were implemented to establish a multi-pillar insurance system, strengthen insurance guarantees, promote mortgage and compulsory insurance services, and enhance the protection of policyholders' rights and interests.

For instance, amendments were made to insurance package regulations, increasing the maximum guarantee limit of domestic insurance companies by fourfold. As of 2025, total insurance guarantees issued reached MNT 611.8 billion. In addition, a regulatory framework was established to channel life and health insurance for mortgage borrowers into long-term insurance products.

In the non-bank financial sector, macroprudential policy measures were implemented to curb the rapid growth of consumer lending observed in recent years, reduce household debt burdens, and promote responsible lending practices.

As a result of these measures, the growth of consumer and auto loans slowed, while financing for business loans increased, reflecting positive structural changes in the sector. In addition, a revised draft of the Law on Savings and Credit Cooperatives was developed and submitted to the State Great Khural of Mongolia with the aim of elevating the sector's legal and regulatory environment to a new level.

The Financial Regulatory Commission carries out its core functions by ensuring the implementation of laws, regulations, and policy decisions; conducting both off-site and on-site supervision and inspections of market participants; protecting the rights and interests of investors and consumers; and enhancing public financial literacy. At the same time, it is focused on developing a sustainable financial sector driven by technology and innovation and supportive of environmental and social responsibility. In 2026, Mongolia will mark the 20th anniversary of the establishment of its financial regulatory authority. Over the past two decades, the Financial Regulatory Commission of Mongolia has brought 5,930 market participants across 11 sectors under its regulatory framework and has developed into a fully fledged

member of the international community of financial regulators.

Initially regulating only the securities, insurance, non-bank financial institution, and savings and credit cooperative sectors, the Commission now also oversees real estate brokerage, the trading of precious metals, gemstones, and related products, money lending activities, virtual asset service providers, mining commodity exchanges, and the fintech sector, reflecting new trends in financial market development.

Looking ahead, the Commission will continue to focus its policies and regulatory efforts on advancing legal reforms in the regulated sectors, strengthening investor confidence in both domestic and international markets, building a base of professional and long-term investors, and developing a multi-pillar, transparent, and sustainable financial system with strong savings and investment capacity.

CHAIRMAN



JAMBAAJAMTS TUNDEV

# TIMELINE 10

# 1

**Approved regulations enabling professional investors to lend securities**



Through amendments to the Securities Market Law and related regulations, aligned with the principles and international regulatory practices of the International Securities Lending Association (ISLA), the Financial Regulatory Commission approved regulations enabling professional investors to engage in securities lending activities. These regulations allow professional investors in the capital market to generate additional income and manage investment risks more efficiently through securities lending.

# 2

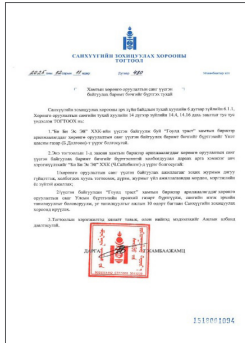
**Mongolia's OTC Securities Market Transitioned to 24-Hour Trading**



The Mongolian Association of Securities Dealers successfully introduced blockchain-based trading into the over-the-counter (OTC) market environment regulated by the Financial Regulatory Commission. As a result, OTC market trading transitioned to a 24/5 operating model, creating opportunities for faster settlement and continuous transactions. This made Mongolia one of the first countries to introduce blockchain technology into OTC market trading.

# 3

## Mongolia's First Gold ETF Was Established



The documents for the establishment of an Exchange-Traded Fund (Gold ETF) were officially registered. Within the scope of its investment activities, the fund aims to invest its assets in eligible financial instruments and provide unit holders with returns and risk exposure linked to gold price movements.

# 4



## A Regulatory Environment Was Established for International Financial Institutions to Issue Bonds

Under Resolution No. 116 of 2025 of the Financial Regulatory Commission, amendments were made to the Regulation on the Registration of Debt Instruments to include provisions related to the issuance of debt instruments by international financial institutions. As a result, international financial institutions are now able to issue bonds in Mongolia's capital market.

# 5

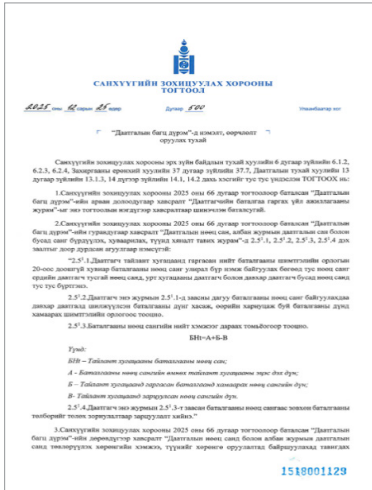
## Debt-to-Income and Loan-to-Value Ratios Were Established



To protect the rights and interests of investors and consumers and to prevent citizens from falling into excessive debt burdens, it was decided that the debt-to-income ratio for all consumer loan products issued by non-bank financial institutions, as well as the loan-to-value ratio for vehicle-collateralized loans, must not exceed 60 percent.

# 6

## The Maximum Guaranteed Limit for Insurers Was Increased



Amendments were made to Annexes 2, 3, 4, and 10 of Annex 17 of the Insurance Package Regulations and related procedures, increasing the maximum guarantee limit for insurance companies by fourfold. As a result, insurers are now able not only to provide insurance products approved by the state regulatory authority, but also to develop and offer new products such as credit risk insurance, export–import insurance, employment insurance, and cyber risk insurance. This is significant in expanding the range of insurance products, strengthening risk protection, and increasing insurers' capacity to assume risk and implement strategic policies.

# 7

## A Forum Was Organized to Exchange the Experiences of Local SCCs



The Financial Regulatory Commission, in cooperation with The Nature Conservancy (TNC) and the National Association of Savings and Credit Cooperatives of Mongolia (MOCCU), organized the “Local Savings and Credit Cooperatives and Nature–Based Resource Management Forum” in November 2025. The forum aimed to support the sustainable livelihoods of local citizens through environmental protection activities and to share experiences, lessons learned, and opportunities related to community–based natural resource management, savings and credit cooperatives, and insurance.



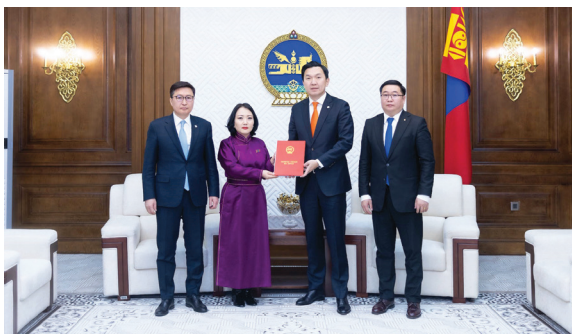
## 8

### Participated in the National Risk Assessment Working Group on Combating Money Laundering and Terrorism Financing

Under Order No. A/76 of 2025 issued by the Chair of the National Council and Minister of Justice and Internal Affairs, the Financial Regulatory Commission participated in Mongolia's National Risk Assessment Working Group on Combating Money Laundering and Terrorism Financing. The Commission organized sectoral risk assessment workshops for regulated entities in nine sectors and actively contributed to the national risk assessment process by conducting evaluations of risks related to anti-money laundering and counter-terrorism financing activities.

## 9

### Submitted the Revised Draft Law on Savings and Credit Cooperatives to Parliament



The revised draft Law on Savings and Credit Cooperatives was submitted to the State Great Khural (Parliament). The draft law aims to strengthen risk protection, improve governance, and support the financial inclusion of citizens and micro, small, and medium-sized enterprises. It is also intended to align the sector's development with international standards and establish a more professional and development-oriented institutional framework.



# 10

**Introduced  
Mongolia's Green  
Finance Policies  
and Regulatory  
Framework to  
Representatives of  
the Central Bank of  
Namibia**

At the request of the Alliance for Financial Inclusion (AFI), representatives of the Central Bank of the Republic of Namibia visited Mongolia to learn about the country's green and inclusive finance policies, regulations, and experiences in sustainable financial sector development. During the visit, discussions were held on policies for developing the green finance market, consumer protection measures, and regulatory practices.

01

ORGANIZATION STRUCTURE, HUMAN RESOURCES

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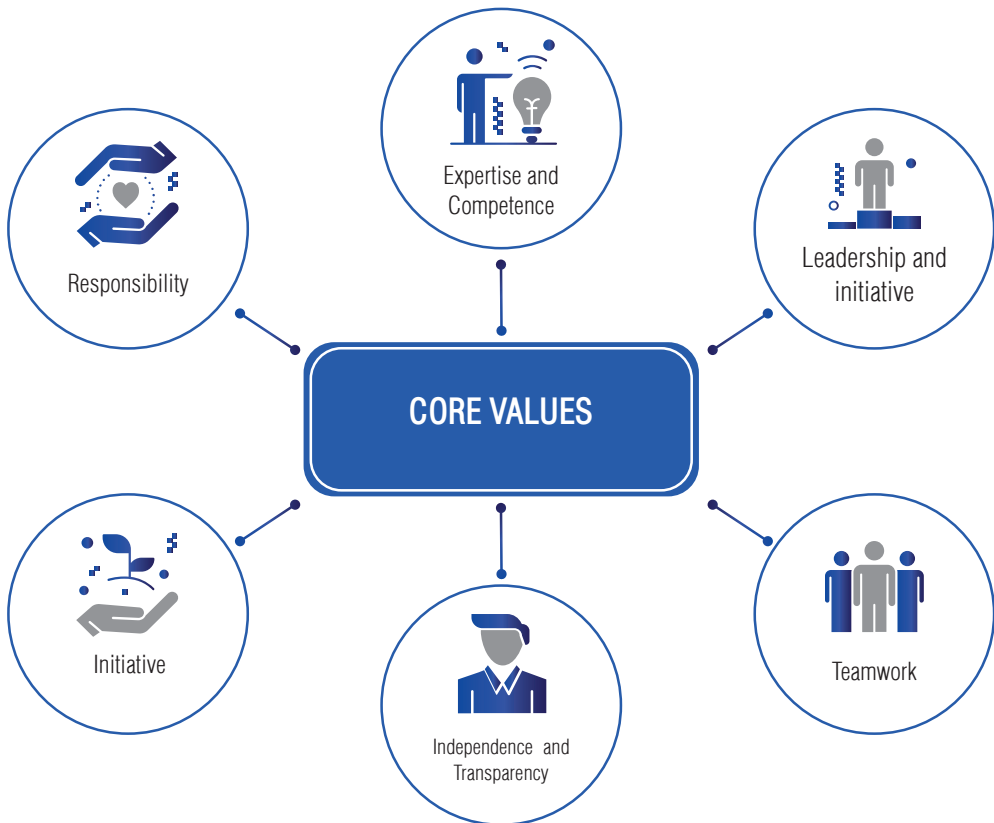
01

# ABOUT US

The Financial Regulatory Commission is a government body responsible for ensuring the stability of the financial market, regulating financial services, monitoring compliance with relevant laws and regulations, and protecting the rights and interests of investors and clients.

**VISION** → Our vision is to establish an intelligent financial market that earns the trust and confidence of investors and clients.

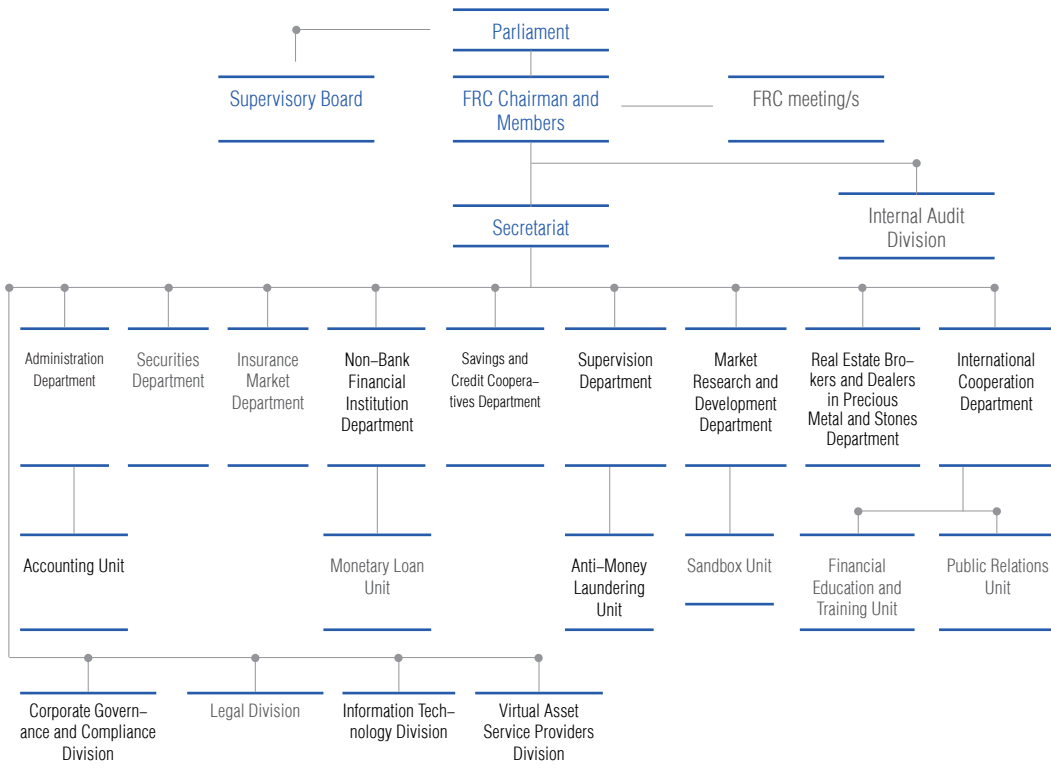
**MISSION** → We are dedicated to developing a diverse, inclusive, and technology-driven financial market.



The Financial Regulatory Commission (FRC) of Mongolia commenced operations in 2006 following the establishment of its legal framework. In 2005, the State Great Khural of Mongolia enacted the Law on the Legal Status of the Financial Regulatory Commission, and in 2006, the Commission’s regulations were adopted, officially defining its powers, responsibilities, and operational scope.

As of 2025, the FRC consists of 9 departments, 4 divisions, and 6 units, employing a total of 190 staff members.

**Figure 1.** Organization structure



## EMPLOYEES

As of the reporting year, the Financial Regulatory Commission employed a total of 190 staff members, including 3 civil servants, 179 government administrative officers, 4 public service employees, and 4 contracted workers.

### BY GENDER

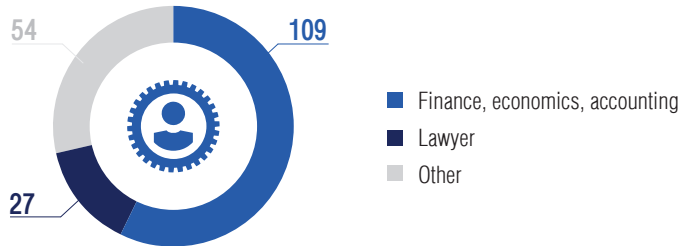


### EDUCATION DEGREE



# HUMAN RESOURCES

## OCCUPATION



## By Age

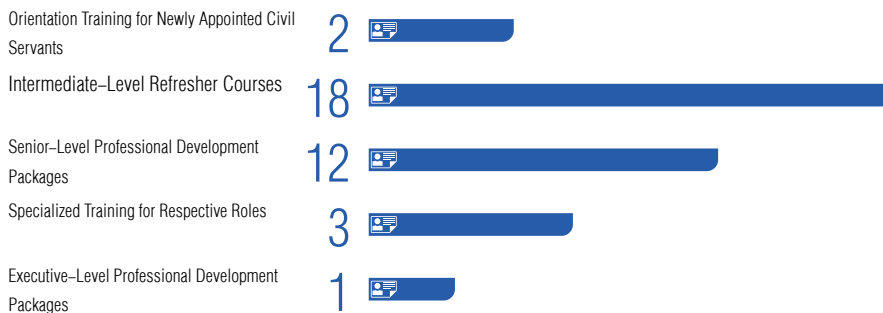


## By years of service of employees



## Training

A total of 36 officials participated in various professional development programs, including short- and medium-term training courses for civil servants.



## APPROVAL OF THE CIVIL SERVANT WORK ENVIRONMENT AND SOCIAL SECURITY PROGRAM



In accordance with the provisions of the Civil Service Law concerning the social security of civil servants, the Commission has implemented measures to improve working conditions and continuously expand employee support opportunities. The objective is to create a stable, productive, and supportive work environment that promotes long-term employee satisfaction and job security. To this end, the “Employee Work Environment and Social Security Program” was approved in 2024 and is currently being implemented.

## SOCIAL SECURITY AND HEALTH

- Employees of the Commission are now able to enroll their kindergarten-aged children at Kindergarten No. 5.
- Senior employees were provided with allowances and benefits in celebration of the Lunar New Year, National Naadam Festival, and Senior Citizens’ Day, and also participated in preventive health screenings organized by the United Association of State Special Service Employees.
- The Commission’s clinic provided 1,283 instances of treatment and services to employees, including both pharmaceutical and non-pharmaceutical care.



## EMPLOYEE ENGAGEMENT INITIATIVES



### Joined the “One Billion Trees” National Movement

*Leading the way among 13 regulatory organizations, employees of the Commission planted 769 trees at the National Garden Park.*



### JOINED THE BLOOD DONATION CAMPAIGN

*A total of 43 employees participated in the blood donation campaign.*



### “HEALTHY AIR – ACTIVE WALKING” INITIATIVE

*A hiking event was organized on September 30, 2025.*

## SUPPORTING EMPLOYEE ENGAGEMENT INITIATIVES



### **Sports Festival:**

The “Sports Festival–2025,” a five–sport competition among civil servants, was successfully organized.

The Financial Regulatory Commission’s representative

team successfully participated in 12 tournaments organized by the Parliament, the Ministry of Finance, and sectors regulated by the Commission. Competing in seven sports categories, the team won championship trophies twice and earned 10 gold medals, 10 silver medals, and 12 bronze medals. In addition, 10 employees were recognized as “Best Players.”

02

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LAWS AND REGULATIONS

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## LAW AND REGULATIONS

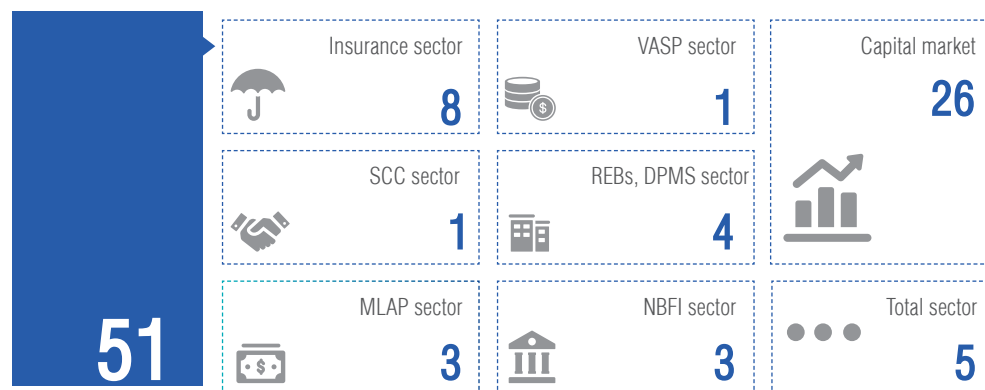
The Financial Regulatory Commission ensures the implementation of 29 laws, 51 regulations, rules, and guidelines related to the operations of the financial market

**Table 1.** Law lists

No	Name	Date of approval	Compliance date	Number of additions and changes	Government information
<b>Total sector</b>					
1	Law on the Legal Status of the Financial Regulatory Commission	2005-11-17	2005-12-17	11	2005, №46
2	Law on General Administrative	2015-06-19	2016-07-01	9	2015, №28
3	Law on Company	2011-10-06	2011-11-21	7	2011, №42
4	Law on AML/CFT	2013-05-31	2013-05-31	4	2013, №24
5	Law on Currency Regulation	1994-05-12	1994-06-01	5	1994, №6
6	Law on Payments in National Currency	2009-07-09	2009-07-09	1	2009, №28
7	Law on Licensing	2022-06-17	2023-01-01	–	2022, №38
8	Law on Banking	2010-01-28	2010-01-28	23	2010, №7
9	Law on State Supervision	2003-01-03	2003-01-03	6	2003, №2
10	Law on Violations	2017-05-11	2017-07-01	28	2017, №24
11	Law on Violations Investigation and Resolution	2017-05-18	2017-07-01	14	2017, №24
<b>Insurance sector</b>					
12	Law on Insurance	2004-04-30	2005-06-01	12	2004, №20
13	On Professional Participants in Insurance	2004-04-30	2005-06-01	5	2004, №20
14	Law on Driver Insurance	2011-10-06	2012-01-01	5	2011, №43
15	On Indexed Livestock Insurance	2014-06-13	2014-07-20	1	2014, №26
16	On Crop Insurance	1999-07-02	2000-01-01	4	1999, №31
<b>Capital market</b>					
17	Law on Securities Market	2013-05-24	2014-01-01	7	2013, №24
18	Law on Investment Funds	2013-10-03	2014-01-01	1	2013, №41
19	Law on Asset-Backed Securities	2010-04-23	2011-01-01	1	2010, №20
20	Law on Agricultural Commodities and Raw Materials Exchange	2011-06-02	2012-06-01	5	2011, №25
21	Law on Innovation	2012-05-22	2012-07-05	7	2012, №24
22	Law on Specialized Investment Banks	2023-01-20	2023-03-01	–	2023, №09
<b>NBFI sector</b>					
23	Law on Non-Banking Financial Activities	2002-12-12	2003-02-01	9	2002, №48
24	On the Loan Guarantee Fund	2012-02-10	2012-02-10	2	2012, №9
25	On Deposits, Transfers of Funds and Lending Activities of Banks and Authorized Legal Entities	2021-05-21	2021-07-01	1	2021, №27
<b>SCC sector</b>					
26	Law on Savings and Credit Cooperatives	2011-10-27	2011-11-05	1	2011, №46
<b>VASP sector</b>					
27	Law on Virtual Asset Service Providers	2021-12-17	2021-12-17	–	2022, №6
<b>Monetary loan provider sector</b>					
28	On Regulation of Monetary Loan Activity	2022-11-04	2023-03-01	–	2022, №49
<b>Mining Products Exchange and Exchange Brokerage Sector</b>					
29	Law on Mining Products Exchange	2022-12-23	2023-06-30	–	–

The following is a list of the laws followed by the Financial Regulatory Commission, organized by their approval timelines:

Approved – 36



The following measures have been taken to improve the legal environment in the regulatory sectors:

**Table 2.** Measures taken

Sector	Newly approved	Newly approved	Amendments made	Cancelled
Securities	4	6	4	9
Insurance	–	2	–	2
NBFI	–	4	2	2
SCC	–	–	–	1
MLAP	–	1	–	–
VASP	–	1	1	1
Total sector	–	–	7	–

## IMPLEMENTATION OF RESOLUTIONS AND DECISIONS

The Financial Regulatory Commission's 2025 Performance Plan was developed in accordance with the "Procedure for Developing Organizational Performance Plans, Establishing Performance Targets and Indicators, and Reporting," approved by Government Resolution No. 217 of 2020, as well as the methodology and guidelines approved by Executive Order No. 100 of 2020. A total of 160 goals and measures were implemented under the plan. Monitoring and evaluation were conducted to assess whether the objectives and measures specified in the organizational performance plan were achieved at the planned level, resulting in an overall performance rating of 95.0 percent.

The Financial Regulatory Commission's 2022–2025 Strategic Plan was approved with four objectives and 75 measures to implement nine strategic goals. The mid-term evaluation of the strategy implementation was assessed at 92.2 percent completion, with the implementation period concluding in the reporting year. Of the 75 measures implemented under the strategy, 61 achieved performance levels of 81 percent or higher, 10 achieved performance levels between 51–80 percent, and four achieved performance levels of 50 percent or below.

THE COMMISSION ALSO IMPLEMENTED POLICIES AND ACTIONS IN ALIGNMENT WITH THE FOLLOWING NATIONAL DEVELOPMENT FRAMEWORKS:

**Table 3.** Implementation

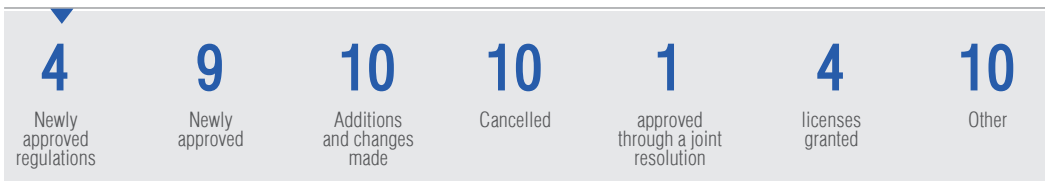
No	Implementation of the decision	Number of measures implemented	Performance
1	"Vision 2050" Long-Term Development Policy of Mongolia	31	87.3 %
2	Five-Year Main Directions for the Development of Mongolia (2021–2025)	4	93.8%
3	Mongolia's 2025 Development Plan (Implementation Direction)	6	97.5%
4	Mongolia's 2025 Development Plan	4	85.1%
5	Government Action Program of Mongolia (2024–2028)	4	86.7%
6	Main Directions of the State Monetary Policy for 2025	7	85.7%
7	"New Revival Policy"	1	100%
8	Measures under the Interest Rate Reduction Program approved by Resolution No. 79 of the State Great Khural of Mongolia	2	100%
9	National Program for Improving Financial Inclusion in Mongolia	69	94.0%
10	National Roadmap for Sustainable Finance	56	56.1%

## MEETINGS AND RESOLUTIONS OF THE FINANCIAL REGULATORY COMMISSION

Pursuant to Article 7.1 of the Law on the Legal Status of the Financial Regulatory Commission, which stipulates that “the Commission shall organize its activities through meetings and resolutions,” the Financial Regulatory Commission conducted 21 meetings in accordance with Resolution No. 231 of 2025 approving the “Rules of Procedure for Meetings of the Financial Regulatory Commission.” During these meetings, issues were discussed and resolved, resulting in the issuance of a total of 600 resolutions and directives.



**48** REGULATORY ENVIRONMENT

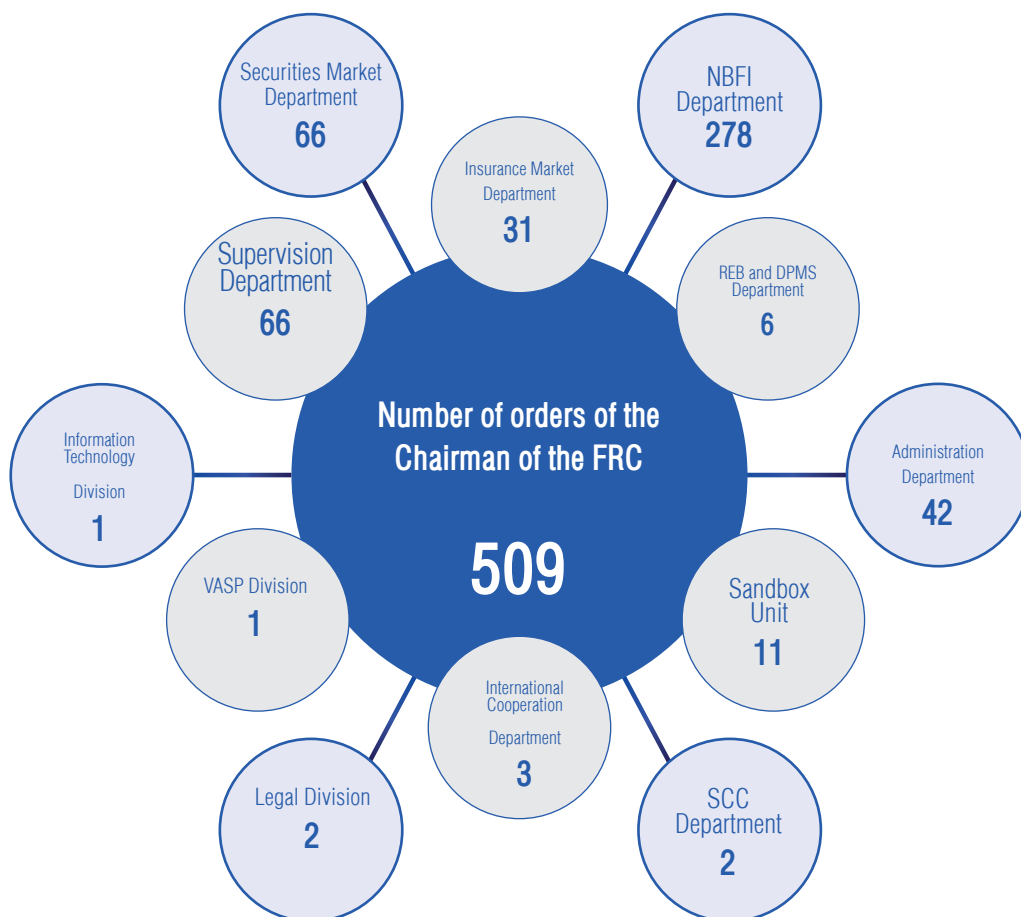


**461** REGISTRATIONS AND PERMITS



## RESOLUTIONS OF THE FRC

According to Section 3.2 of the Regulations of the Financial Regulatory Commission, “The Chairman of the Commission is authorized to issue resolutions in order to exercise the powers granted by law and these regulations.” In line with this provision, during the reporting period, the Chairman of the Financial Regulatory Commission issued 509 resolutions within the scope of his authority, ensuring the effective implementation of these decisions.



According to Section 4.5 of the Regulations, which states that “The Chief Executive, in addition to the powers outlined in Section 18.3 of the Law on the Legal Status of the Financial Regulatory Commission, shall have the following rights and responsibilities,” during the reporting period, the Chief Executive issued 393 resolutions.



03

Financial market

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## INTERNATIONAL FINANCIAL MARKETS

The global economy is projected to grow by 3.2 percent in 2025, according to the International Monetary Fund (IMF), while emerging markets and developing economies are projected to grow by 4.2 percent, and high-income countries by 1.6 percent.

### CAPITAL MARKET

The total valuation of the global capital market reached USD 130.4 trillion in 2025, reflecting a 22.2 percent increase compared to the previous year. Of this, the United States accounted for USD 61.8 trillion, or 47.4 percent of the total market valuation. Other major markets included the European Union with USD 11.9 trillion, Japan with USD 6.4 trillion, and the United Kingdom with USD 4.4 trillion.

### INSURANCE MARKET

Global insurance premium income reached approximately USD 8.2 trillion in 2024, while the insurance market is projected to grow by around 2 percent in 2025. The insurance penetration rate stood at 7.4 percent in 2024 and is expected to remain stable at the same level in 2025.

### MICROFINANCE MARKET

The global microfinance market was valued at approximately USD 279.2 billion in 2024 and increased to USD 310.1 billion in 2025, reflecting growth of approximately 11.1 percent compared to the previous year. The main drivers of this growth include financial inclusion, micro-production activities, household consumption, small businesses, and rising demand for household lending.

### REAL ESTATE AGENCY AND BROKERAGE MARKET

The real estate agency and brokerage market has experienced steady growth in financial services. The market size was USD 1.5 trillion in 2024 and is projected to reach USD 1.6 trillion in 2025, with a compound annual growth rate of 6.9 percent. Growth in lending during the period was influenced by economic expansion in emerging markets, rising household incomes, government policy support, and implemented financing measures.

### VIRTUAL CURRENCY MARKET

In the third quarter of 2025, the total global cryptocurrency market capitalization reached USD 4.0 trillion for the first time in history. Despite a subsequent USD 19 billion market liquidation that began in October 2025, the global market valuation remains at around USD 3.0 trillion.



## GLOBAL GROSS DOMESTIC PRODUCT (GDP)

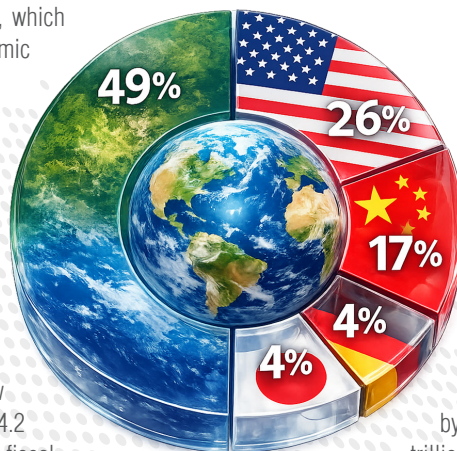
According to the World Economic Outlook (WEO) report of the International Monetary Fund (IMF), global gross domestic product reached USD 117.2 trillion in 2025, an increase of approximately 3.3 percent from the previous year. Growth was mainly driven by the world's four largest economies, led by the United States and the People's Republic of China, which together account for more than half of global GDP.

### UNITED STATES – GDP: USD 30.6 TRILLION

In 2025, the United States' GDP grew by 2.1 percent to reach USD 30.6 trillion. This growth was supported by expansionary fiscal policy, lower interest rates, improved financing conditions, and continued growth in the technology sector, which contributed to sustained economic expansion.

### PEOPLE'S REPUBLIC OF CHINA – GDP: USD 19.4 TRILLION

In 2025, the People's Republic of China's GDP grew by 5 percent to reach USD 19.4 trillion.



### JAPAN – GDP: USD 4.2 TRILLION

In 2025, Japan's GDP grew by 1.1 percent to reach USD 4.2 trillion, supported in part by fiscal stimulus measures implemented by the new government to support economic activity.

### GERMANY – GDP: USD 5.0 TRILLION

In 2025, Germany's GDP grew by 0.2 percent to reach USD 5.0 trillion. Growth was supported by increased government spending, relatively stable domestic demand, and its position as a major economy within the Eurozone. However, persistent high energy prices and structural challenges continued to weigh on medium-term growth prospects.

## ECONOMIC OVERVIEW OF MONGOLIA


Mongolia's GDP, calculated by the production approach, reached an estimated MNT 89.9 trillion in 2025. This represents an increase of 11.5 percent (MNT 9.3 trillion) compared to the previous year. Growth was primarily driven by a MNT 2.2 trillion (36.7 percent) increase in the agricultural sector, a MNT 4.1 trillion (11.5 percent) rise in the services sector, and a MNT 2.0 trillion (22.4 percent) expansion in the manufacturing and construction sectors' value added.

 **5.9%** Economic growth

 **\$7** billion State foreign exchange reserves

 **7.5%** Inflation rate

 **\$4.4** billion Foreign Trade Balance

 **12%** Policy interest

 **\$1.0** billion Payment method

 **5.6%** Unemployment rate

 **62.3%** Workforce participation

 **121.8%** Financial market share as a percentage of GDP

## OVERVIEW OF THE FINANCIAL MARKET



In 2025, the financial sectors regulated by the Financial Regulatory Commission of Mongolia—including the capital market, insurance market, non-bank financial institutions (NBFIs), and savings and credit cooperatives—collectively accounted for **26.8 percent** of GDP (calculated using the production approach).

Capital market  
valuation,

**15.4%**

NBFI total  
assets

**10.1%**

Figure 2. Financial market regulated entities

**26.8%**

FINANCIAL SECTOR MARKET  
VALUATION, TOTAL ASSETS IN GDP



CAPITAL MARKET

**15.4%** =  $\frac{\text{Market valuation}}{\text{GDP}}$



INSURANCE  
MARKET

**0.9%** =  $\frac{\text{Total assets}}{\text{GDP}}$



NBFI

**10.1%** =  $\frac{\text{Total assets}}{\text{GDP}}$



SCC

**0.4%** =  $\frac{\text{Total assets}}{\text{GDP}}$

## REGULATORY SECTORS

Since its establishment in 2006, the Financial Regulatory Commission (FRC) of Mongolia has been responsible for ensuring the stability of four key financial sectors: securities, insurance, non-bank financial institutions (NBFIs), and savings and credit cooperatives. The Commission's mandate includes regulating financial services, monitoring compliance with relevant legislation, and protecting the rights and interests of investors and clients.

Over time, due to amendments and the introduction of new legal frameworks, the scope of regulation has expanded significantly. As of 2025, the FRC regulates a total of 11 sectors, covering both financial and non-financial industries.

### 2006



two times compared to 2020



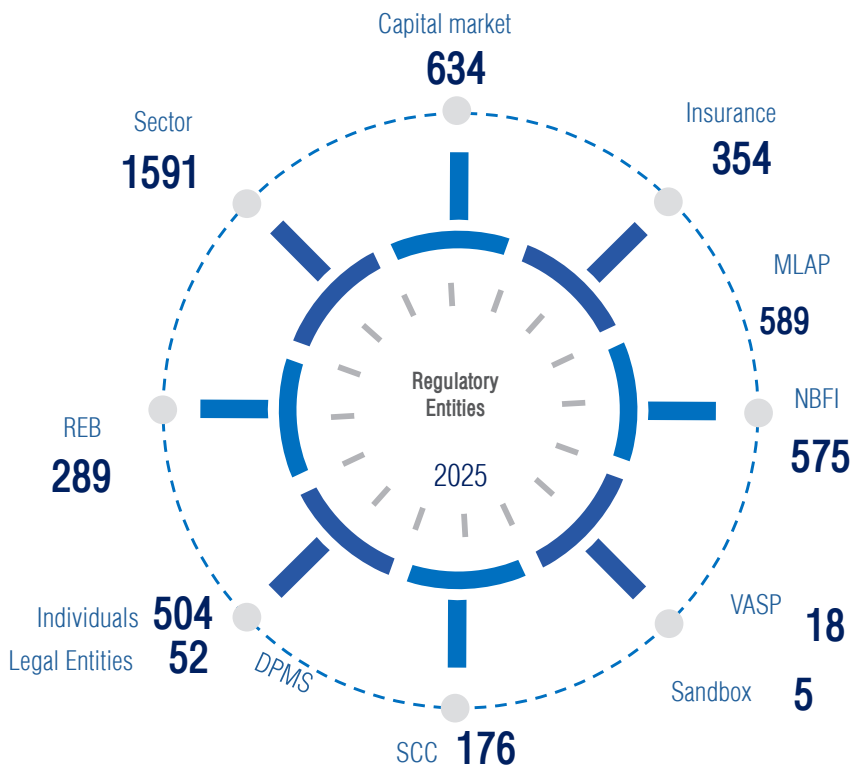
### REGULATED SECTOR | TOTAL 11 SECTOR

	<b>2020</b>	Amendments to the Law on the Legal Status of the FRC	<ul style="list-style-type: none"> <li>Real estate brokerage</li> <li>DPMS</li> </ul>
	<b>2021</b>	Amendments to the Law on Banking Law on VASP	<ul style="list-style-type: none"> <li>Systemically important banks to become public</li> <li>Sandbox environment management</li> </ul>
	<b>2022</b>	Law on VASP	VASP
	<b>2023</b>	Law on Monetary Loan Activity Law on Mining Products Exchange	<ul style="list-style-type: none"> <li>MLAP individual, Legal Entities</li> <li>Supervision and regulation of the mining products exchange</li> </ul>

## FINANCIAL MARKET OVERVIEW

As of 2025, the Financial Regulatory Commission (FRC) is overseeing the operations of approximately 5,930 regulated entities across 11 financial and non-financial sectors.

Figure 3. Financial market statistics

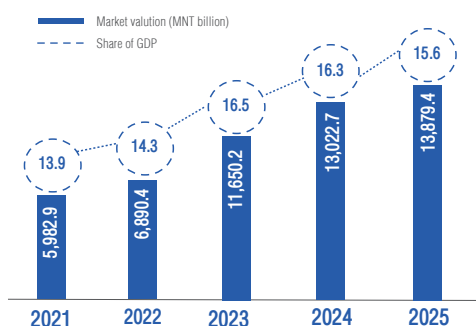


## CAPITAL MARKET

In the capital market, 634 regulated entities and public companies are operating.

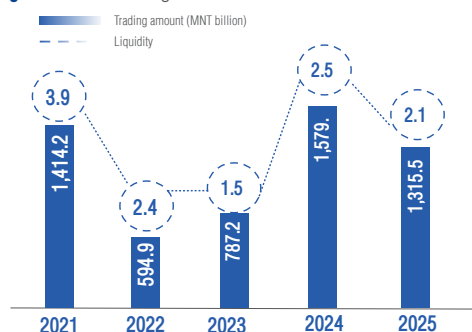
In the reporting year, the market capitalization of the capital market reached a historical high of MNT 13.9 trillion. This represents an increase of 6.6 percent, or MNT 856.7 billion, compared to the previous year, equivalent to 15.6 percent of GDP (calculated using the production approach).

**Figure 4.** Capital market valuation



In 2025, MNT 1,315.5 billion worth of securities were traded, a decrease of 16.7 percent compared to the previous year and 7.0 percent compared to 2021. The breakdown of total transactions is as follows: 28.3 percent in asset-backed securities (ABS), 24.6 percent in corporate bonds, 21.8 percent in stocks, 14.3 percent in investment fund units (IFUs), and 11 percent in government securities. The liquidity ratio for secondary market stock trading stood at 2.1 percent.

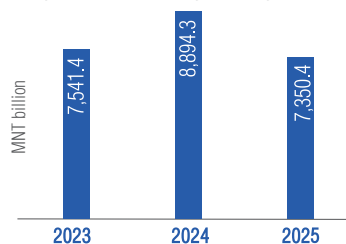
**Figure 5.** Total trading amount



## MINING PRODUCT EXCHANGE

In 2025, 619 transactions were conducted through the mining product exchange, totaling 27.8 million tons of mining products traded for MNT 7,350.4 billion. This represents a 17.4 percent decrease compared to the previous year. The distribution of trading volume was as follows: 76.0 percent coal, 18.2 percent iron ore and concentrate, 5.1 percent copper concentrate, and 0.7 percent fluorspar.

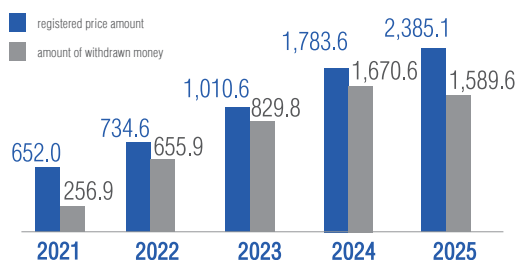
**Figure 6.** Mining Products Exchange trading amount



## OVER-THE-COUNTER (OTC) TRADING

In 2025, 150 debt instruments from 125 issuers were registered in the OTC market. Of these, debt instruments totaling MNT 2,385.1 billion were registered, with MNT 1,589.6 billion successfully raised. This corresponds to approximately USD 84.0 million registered and USD 63.9 million successfully raised.

**Figure 7.** Trading amount (MNT billion)



## INSURANCE MARKET

As of 2025, the insurance market comprises 22 insurance companies, including 18 non-life insurance companies, three life insurance companies, and one reinsurance company. In addition, there are 63 insurance brokerage firms, 29 insurance loss adjusters, 153 auditors, 40 actuaries, 47 auditing companies, and 1,143 insurance agents operating under special permits or licenses granted by the Financial Regulatory Commission.

Over the past five years, total sector assets have grown at an average annual rate of 15.1 percent, while insurance premiums have grown at an average annual rate of 23.8 percent.

The sector plays a vital role in protecting rural households from poverty by providing coverage for livestock against natural disasters such as droughts and blizzards, reducing losses from transportation accidents, and safeguarding mortgage borrowers from financial risks. The share and significance of these products and services in the economy have steadily increased year by year.

Key indicators of the insurance sector's development include an insurance penetration rate of 0.62 percent of GDP and insurance density of MNT 163,223 per capital.

Figure 8. Insurance sector total assets, reserve fund (billion MNT)

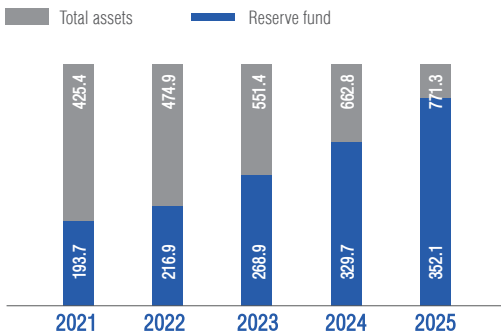


Figure 9. Insurance compensation (MNT billion)

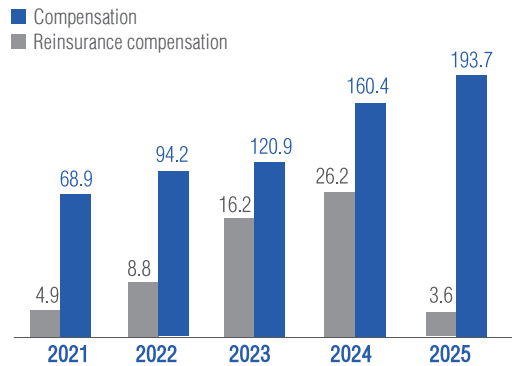


Figure 10. Insurance fee (MNT billion)

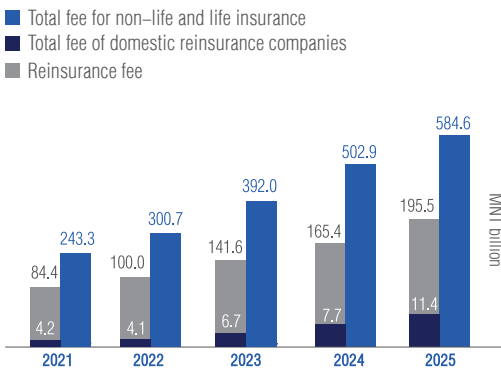
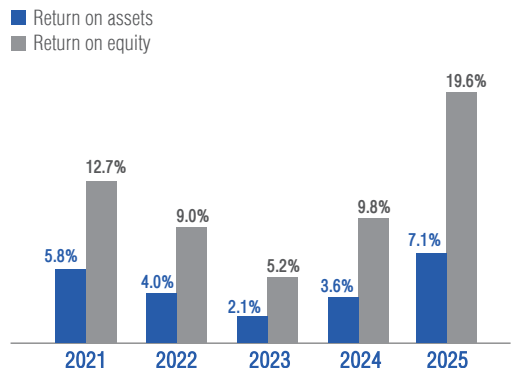


Figure 11. Return on equity and capital (billion MNT)



## NON-BANK FINANCIAL INSTITUTIONS SECTOR

There are a total of 575 non-bank financial institutions (NBFIs) operating in Mongolia, with 36,336 shareholders (duplicated count). Of these, 120 NBFIs operate 591 branches and 10 representative offices. The sector employs a total of 6,578 staff and provides

financial services to 752.7 thousand borrowers across 21 provinces and eight districts of Mongolia. Fintech borrowers account for 89.1 percent of total borrowers.

**575** NBFIs | **82** Fintech NBFIs

TOTAL BORROWERS **752,700**  
With duplicate numbers **3,153.3**

Figure 12. NBFI total assets (billion MNT)

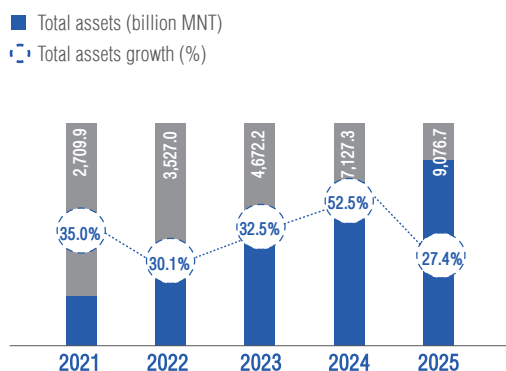


Figure 13. NBFI loan classification (billion MNT)

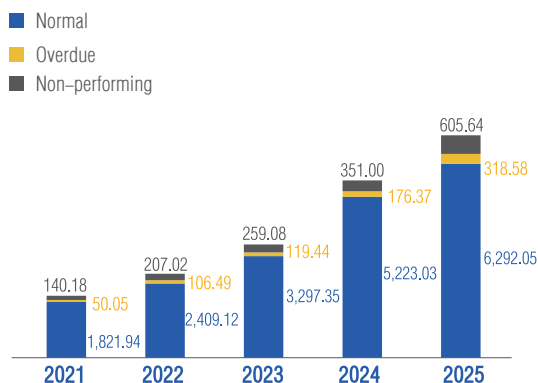


Figure 14. NBFI non-performing loans and weighted average loan interest rate (billion MNT)

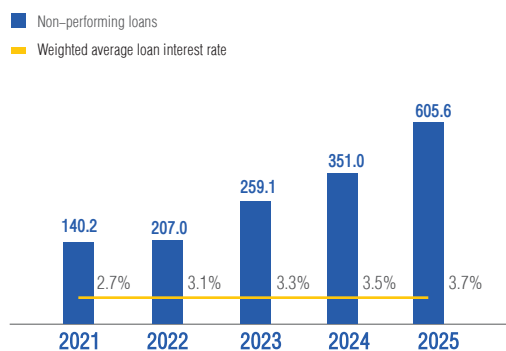
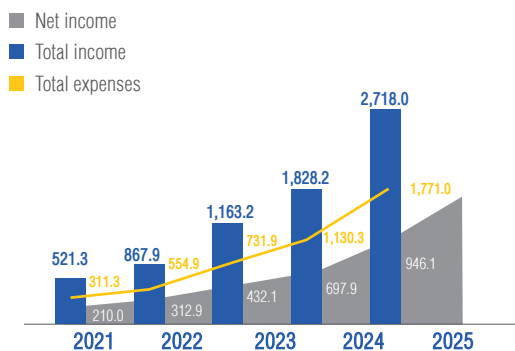


Figure 15. NBFI total income and total expenses (billion MNT)



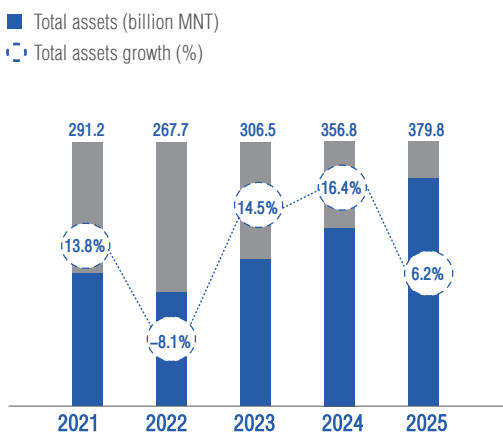
## SAVINGS AND CREDIT COOPERATIVE (SCC) SECTOR

In Mongolia, there are 176 savings and credit cooperatives (SCCs) and 43 branches operating, providing services to their members. Among these, 82 SCCs are based in Ulaanbaatar, while 94 are located in the provinces. The number of SCC members increased by 2.5 percent compared to the previous year, reaching a

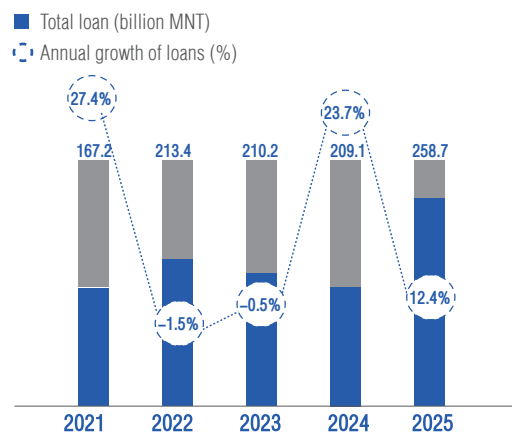
total of 77,155 members.

The total capital contribution of SCCs grew by 4.8 percent, amounting to MNT 30.3 billion, while the value of member-owned assets increased by 14.8 percent, reaching MNT 61.3 billion.

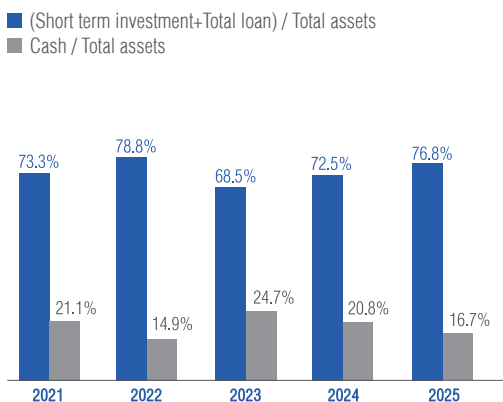
**Figure 16.** SCC total assets



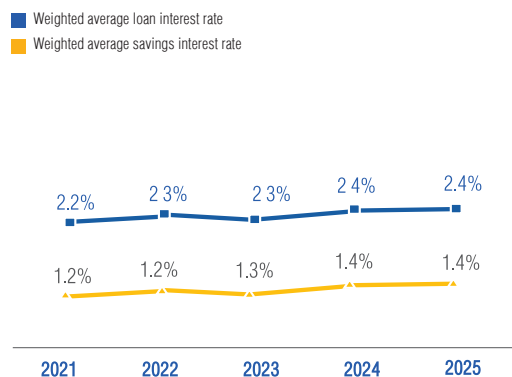
**Figure 17.** SCC total loan



**Figure 18.** SCC liquidity



**Figure 19.** SCC loan and weighted average loan interest rate

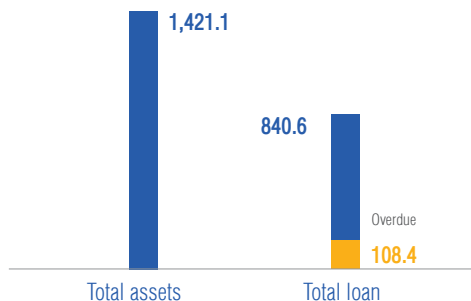


## MONETARY LOAN ACTIVITY PROVIDER SECTOR

In 2025, there are 592 monetary loan activity providers in Mongolia, consisting of 382 legal entities and 210 individuals. Among them, 45 providers operate 167 branches, and 74 legal entities are registered with the Financial Regulatory Commission. Of the total, 413 are based in Ulaanbaatar, while 179 operate in regional areas.

The total assets of the monetary loan sector amount to MNT 1,421.1 billion, with outstanding loan balances reaching MNT 840.6 billion. Of this, 12.9 percent, or MNT 108.4 billion, represents overdue loans.

Figure 20. Total assets and loan (billion MNT)



## REAL ESTATE BROKERAGE SECTOR

As of 2025, a total of 289 real estate brokerage organizations are registered in the real estate brokerage sector (REBS), employing 1,192 agents and 303 brokers. In 2025, these organizations operate with equity of MNT 5.8 billion, 425 shareholders, accumulated profits of MNT 25.6 billion, and total assets amounting to MNT 221.2 billion. Compared to the previous year, accumulated profits decreased by 14.7 percent, while

total assets declined by 1.5 percent.

In real estate transactions, properties with a total area of 4,022.1 thousand square meters and a value of MNT 3,325.4 billion were sold through brokerage services. In addition, properties with a total area of 794.1 thousand square meters and a value of MNT 301.3 billion were rented.

Figure 21. Real estate trading

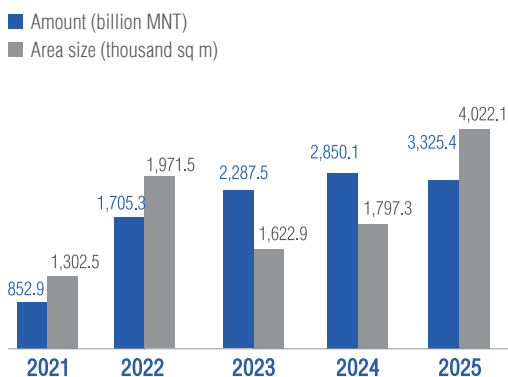
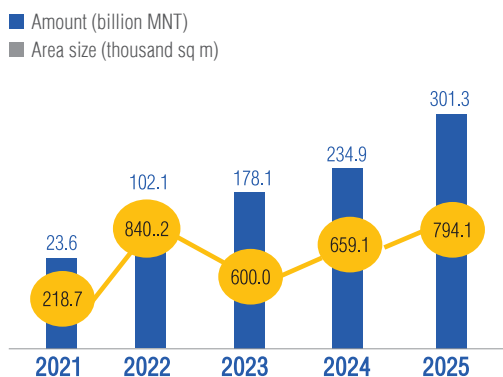


Figure 22. Real estate leasing



## DEALERS IN PRECIOUS METALS AND STONES

In the sector of precious metals and stones, or articles made from them, a total of 52 legal entities and 504 individuals are actively operating. In 2025, traders in this sector purchased 2.1 tons of precious metals worth MNT 615.2 billion and sold 1.7 tons worth MNT 636.6

billion. In addition, precious jewelry and articles made from these materials valued at MNT 57.9 billion were purchased, while items worth MNT 80.1 billion were sold.

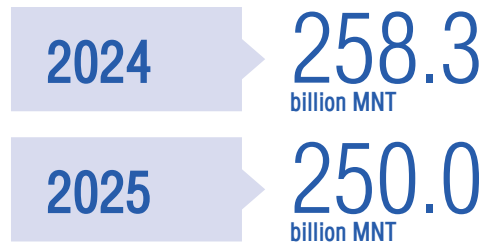


## VIRTUAL ASSET SERVICE PROVIDER SECTOR

As of 2025, 12 legal entities are operating as virtual asset service providers (VASPs) in Mongolia, with a combined total asset value of MNT 53.9 billion. Through these platforms, 770 virtual assets are actively traded, of which 4.8 percent (37 assets) are domestic virtual assets.

The market valuation of domestic virtual assets reached MNT 250.0 billion, representing a decrease of MNT 8.3 billion (3.2 percent) compared to the previous year. A total of 709,567 users (duplicated count) are registered with VASPs, with 2.6 percent (18,463 users) actively participating in trading activities.

**Figure 23.** Domestic virtual asset market valuation (billion MNT)



## SANDBOX REGULATORY ENVIRONMENT

Within the sandbox regulatory environment, eight types of products and services are currently being piloted, including repo transactions between non-bank financial institutions (NBFIs), peer-to-peer (P2P) lending services, two forms of crowdfunding (reward-based and donation-based), a blockchain-based OTC trading system, and short-term B2B financing intermediation services.

A total of 41 lenders and 39 borrowers participated in repo transactions between non-bank financial institutions (NBFIs), conducting 806 trades amounting to MNT 190.1 billion.

The crowdfunding service facilitated the publication of 64 projects totaling MNT 2.6 billion, successfully raising

MNT 354.1 million. In terms of B2B lending services, 37 customers received loans worth MNT 106.1 billion, while P2P lending services provided loans worth MNT 769.5 million to 1,717 borrowers.

In the case of the blockchain-based OTC trading system, 261,540 securities were traded during the sandbox testing period, totaling MNT 28.3 billion. Following the full transition to the blockchain system, 1,131,211 securities were traded in the primary market for MNT 668.1 billion, while 1,072,531 securities were traded in the secondary market for MNT 584.5 billion.

# SUSTAINABLE FINANCE

## CAPITAL MARKET

2021 | The regulatory environment for green bonds is in place.

2022 | “ESG launches sustainability reporting guidelines.

2025 | The regulatory environment for social and sustainable bonds is in place.

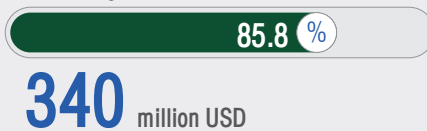


THE FIRST «GENDER BOND» WAS RECORDED.

## GREEN AND SOCIAL SUSTAINABILITY BONDS

Figure 24. Share of international and domestic green and socially sustainable bonds

International green and social bonds



Domestic green and social bonds

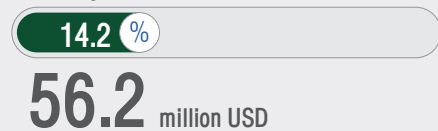


Figure 25. Types of domestic bonds

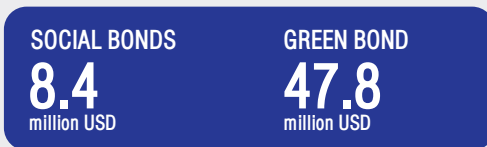


Figure 26. Domestic green bond withdrawal amount

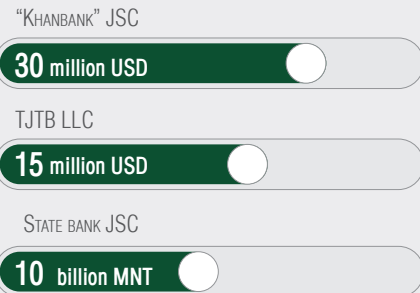


Figure 27. Amount traded on the exchange and over-the-counter markets



## Amount raised by gender bonds



## SAVINGS AND CREDIT COOPERATIVE SECTOR

12 SCCs  
160 participants



On 14 November 2025, a forum was organized in collaboration with the Mongolian representative office of The Nature Conservancy (TNC).

An accessible, green, and gender-sensitive finance guide for savings and credit cooperatives (SCCs) was published as part of an Asian Development Bank (ADB) project.



Green loan research reports have been received since the second quarter of 2024.

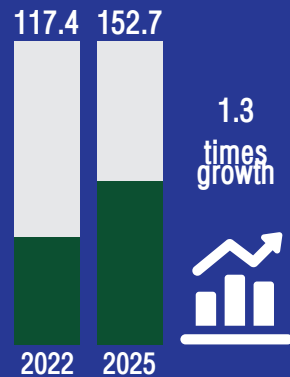
## NON-BANK FINANCIAL INSTITUTIONS

Policy measures have been implemented to increase non-bank financial institution (NBF) green loans to 5 percent and to begin collecting reports in line with the “Mongolian Green Taxonomy” from the first quarter of 2022. As a result, the green loan balance increased 1.3 times, from MNT 117.4 billion at the end of 2022 to MNT 152.7 billion in 2025.

**65%–80%**  
DEPENDING ON  
THE GREEN LOAN  
PORTFOLIO

In addition, depending on the proportion of an NBF's green loan portfolio, the amount of resources attracted through trust operations has been increased and differentiated, up to 80 percent of equity.

Figure 28. Green loan balance (billion MNT)



## INSURANCE

INSURANCE  
COMPANIES

18

18 insurance companies have submitted ESG reports.

GREEN INSURANCE  
PRODUCTS

7

With the registration of four new green insurance products, the total number of green products in the market has increased to seven. This has expanded access to environmentally friendly insurance products and broadened the range of financial services supporting sustainable development.

## OTHER

### JOINED THE “WOMEN ENTREPRENEURS FINANCE CODE”



On 16 April 2025, the Financial Regulatory Commission joined the Women Entrepreneurs Finance Code (WE-Finance Code).



A working group to develop a taxonomy for financing women entrepreneurs was established under Joint Order No. 367/A-235 of 2025 of the Financial Regulatory Commission (FRC) and the Bank of Mongolia (BoM).



04

Regulatory Environment

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## POLICY COUNCIL

A Policy Council operates under the Financial Regulatory Commission to support the implementation of laws and regulations within the scope of the Commission's functions. Its purpose is to assist in activities related to the formulation, regulation, and monitoring of financial market stability policies.

### SECURITIES POLICY COUNCIL

The composition of the “Securities Market Policy Council” was re-established under Order No. 319 of 2025 issued by the Chairman of the Financial Regulatory Commission.

At the meeting held on 1 October 2025, “Proposal No. 1” for the development of the capital market was submitted to the relevant organizations.



### INSURANCE POLICY COUNCIL

The composition of the “Insurance Policy Council” was established under Order No. 199 of 2025 issued by the Chairman of the Financial Regulatory Commission.

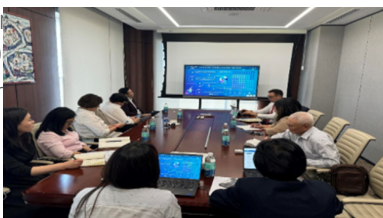
At the meeting held on 3 November 2025, a draft resolution on “Amendments to the Insurance Package Rules” related to the issuance of insurance guarantees was presented.



### MICROFINANCE POLICY COUNCIL

The composition of the “Microfinance Policy Council” was established under Order No. 449 of 2025 issued by the Chairman of the Financial Regulatory Commission.

At the meeting held on 18 December 2025, policy measures implemented in the non-bank financial institution (NBFI) sector in 2025 were presented.



### MONETARY LOAN ACTIVITY POLICY COUNCIL

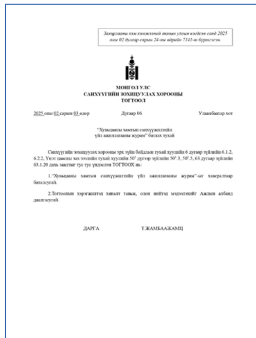
On 26 February 2025, the meeting decided to maintain the maximum monthly interest rate on loans issued by entities engaged in monetary loan activities at 4.5 percent per month. The decision was submitted to the Ministry of Justice and Internal Affairs and registered in the Unified State Register of Administrative Normative Acts.



# CAPITAL MARKET

## THE LEGAL ENVIRONMENT HAS IMPROVED

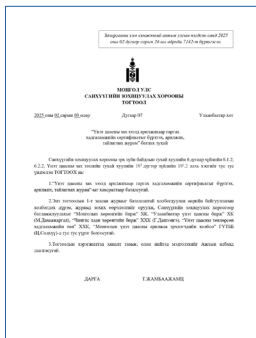
In connection with the amendments to the Law on the Securities Market in 2024, the Financial Regulatory Commission approved the following regulations in 2025, thereby creating a regulatory environment for new products and services:



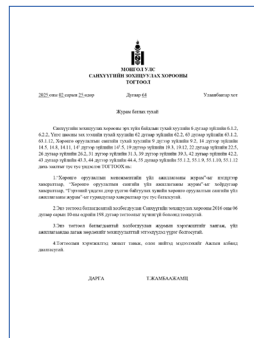
**Regulation on stock crowdfunding activity**



**Regulation on the provision of securities lending and borrowing services**



**Regulation for the registration, trading, and reporting of certificates of deposit issued for trading in the securities market**



**Regulation for the activities of a private investment fund established on a contractual basis**

## PROGRAM TO INCREASE THE PARTICIPATION OF "TOP 100" ENTITIES IN THE CAPITAL MARKET

Within the framework of this program, amendments were made to the following regulations in 2025:

Regulation on the registration of securities

Regulation on the registration of debt instruments

Regulation on OTC market activities

This has created the following benefits for "Top 100" entities to participate in the capital market through the issuance of securities:

Asset valuation is not required for IPOs

Collateral or guarantees are not required for bond issuance under both open and closed frameworks

Bond issuance under open and closed frameworks does not require an underwriting agreement

## Representation of TOP-100 companies in the capital market:



"Shunkhlay LLC 180 billion MNT unsecured bonds



"Suu" JSC issues 5 billion tugriks of unsecured bonds

**ESTABLISHED THE REGULATORY ENVIRONMENT FOR ISSUING SOCIAL AND SUSTAINABILITY BONDS**

The Financial Regulatory Commission has amended the “Regulation on the Registration of Debt Instruments” to create a regulatory environment for gender bonds (a type of social bond). This has enabled issuers to issue “social bonds” and “sustainability bonds” in the domestic capital market.



«Khaan Bank» JSC has issued a 30 billion gender bond on the capital market.

**“BOND FORUM” WAS ORGANIZED**

On 17 April 2025, the Financial Regulatory Commission organized the Bond Forum. During the forum, the Financial Regulatory Commission (FRC), the Mongolian Association of Securities Dealers (MASD), the Mongolian Stock Exchange (MSE), and the Mongolian National Chamber of Commerce and Industry (MNCCI) signed multilateral memorandums of understanding (MMoUs).



**PARTICIPATED IN “MONGOLIAN INVESTMENT FORUM: NEW YORK 2025”**

On 28 April 2025, representatives of the Financial Regulatory Commission (FRC) participated in the “Mongolian Investment Forum: New York 2025”. Within the framework of the forum, the FRC presented the implementation of policy measures in recent years and exchanged views with investors.



**“MONGOLIA’S CAPITAL MARKET CONNECTIVITY–2025” WAS ORGANIZED**

On 12 September 2025, the “Mongolia’s Capital Market Connectivity” event was organized in Ulaanbaatar. The event has been held as a series since 2023 to promote Mongolia’s capital market globally.



## BLOCKCHAIN-BASED MARKET REFORM PRESENTED AT SINGAPORE FINTECH FESTIVAL

Representatives of the Financial Regulatory Commission presented at the Singapore Fintech Festival on “Mongolia’s full transition to blockchain technology for OTC market trading and settlement”.



## “MONGOLIA DAY” FORUM

At the “Mongolia Day” forum held in Japan on 26 November 2025, representatives of the Financial Regulatory Commission presented the current situation of Mongolia’s capital market.



## INSURANCE MARKET

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### A DRAFT LAW IS UNDER DEVELOPMENT

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The revision of the Insurance Package Law is being finalized, and preparations are underway to submit it to the Parliament of Mongolia.

The adoption of the draft law is expected to increase insurance coverage and the ratio of premium income to GDP, promote a balanced market structure, establish a multi-pillar insurance system, and develop technology-based insurance services.



### THE LEGAL ENVIRONMENT HAS IMPROVED

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The Insurance Package Rules have been amended to consolidate borrowers' life and health insurance into long-term insurance products. The regulation entered into force on 1 August 2025, and by the end of 2025, 5,440 new contracts had been concluded.

Insurance guarantee regulations have also been strengthened. Amendments to the Insurance Package Rules increased the maximum guarantee amount for domestic insurance companies by fourfold, enabling them to issue all types of guarantees with the participation of reinsurance.

**HEALTH PROFESSIONAL INSURANCE:** The Financial Regulatory Commission is working with relevant research submitted to Member of Parliament T. Munkhsaikhan to improve regulations on liability insurance for healthcare professionals, as part of the draft Primary Law on Medical Professionals. The adoption of this law is expected to improve oversight and accountability in the healthcare sector, as well as strengthen the social protection of professionals.

**PROTECTION OF INSURED PERSONS' INTERESTS:** To ensure the stability of the insurance market and protect the interests of insured persons, amendments and additions have been made to regulations under Annexes 1, 2, 9, 10, and 12 of the Insurance Package Rules. The draft has been published on the Financial Regulatory Commission's website for public consultation.



## INSURERS' INVOLVEMENT IN THE CAPITAL MARKET HAS INCREASED

Insurers' involvement in the capital market is increasing. As of the reporting year, insurance companies' investments in the capital market reached MNT 87.5 billion.

Five insurance companies operate as public joint-stock companies. As of 2025, the number of shareholders in the insurance sector reached 28,261.



## INSURANCE PRODUCTS AND SERVICES ARE EXPANDING

In accordance with the "Regulation for Issuing Guarantee Activities by Insurers" approved under the Financial Regulatory Commission's Resolution No. 46 of 2023, insurers began issuing insurance guarantees in August 2024. In 2025, 10 insurance companies issued guarantees totaling MNT 611.8 billion and collected MNT 19.8 billion in guarantee contract fees.



**2025.07.24** Long-term insurance company "Connect Life" was registered.



**2025.11.27** Non-life Insurance Company "National General Insurance" LLC has been registered.

## DISCUSSION HELD ON PREVENTING FRAUD IN THE INSURANCE SECTOR AND REDUCING NEGATIVE MARKET IMPACT



On 26 May 2026, the Financial Regulatory Commission and the Mongolian Insurance Market Association jointly organized a training session titled "Promoting Healthy Market Development: A Comprehensive Fraud Prevention System." The training was led by Mr. Rudolf Frie, Managing Director and Principal Consultant at IBNR in Hong Kong and Singapore, and was attended by insurance market regulators and officials.



The training provided comprehensive knowledge on the current state of insurance fraud, its negative impact on the market, and methods for prevention, detection, and mitigation.

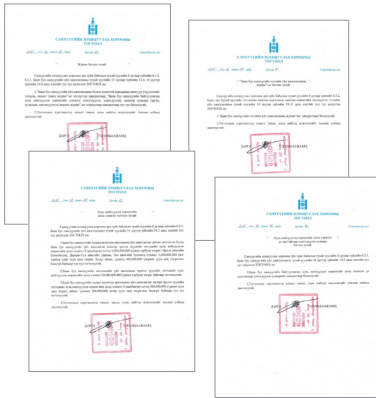
# NON-BANK FINANCIAL INSTITUTION SECTOR



## THE DRAFT LAW REVISION IS UNDER PROCESS

The concept, feasibility study, and impact assessment of the revision of the Non-Banking Financial Activities Law have been updated and presented to the Chairman of the Parliament and members of the Standing Committee on Economics.

## SECTOR REGULATIONS APPROVED



Resolution No. 68 dated 2025.02.25: "Regulation on calculating and monitoring non-bank financial activities and prudential ratio requirements"

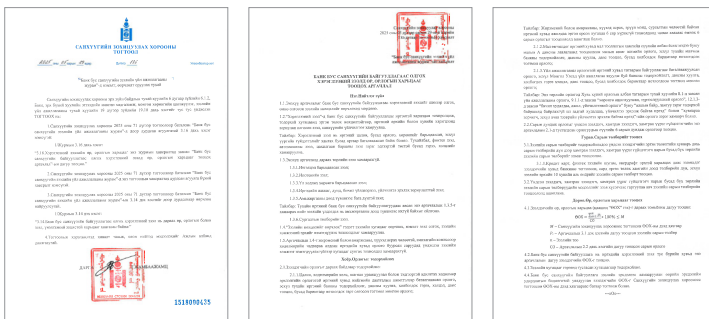
Resolution No. 69: "On establishing the minimum share capital requirement for non-bank financial institutions"

Resolution No. 70: "On the schedule for the phased increase of the minimum share capital requirement for non-bank financial institutions"

Resolution No. 71: "Regulation on non-bank financial lending activities"

Resolution No. 503 dated 2025.12.25 approved the schedule for the phased increase in the minimum share capital requirement for legal entities engaged in non-bank financial trust activities. Resolution No. 504 approved the schedule for the phased increase in the minimum share capital requirement for non-bank financial institutions with special licenses.

## METHODOLOGY FOR CALCULATING DEBT-TO-INCOME RATIO APPROVED



Resolution No. 186 of 2025 of the Financial Regulatory Commission revised the "Methodology for Calculating the Debt-to-Income Ratio for Consumer Loans Provided by Non-Bank Financial Institutions."

## LIMITS ON SOURCES OF FUNDING ESTABLISHED

By Resolution No. 78 of 2025 of the Financial Regulatory Commission dated 2025.03.20, the funding sources for non-bank financial institutions' (NBFIs) trust services were reduced from 80 percent of equity to 60 percent. Funding limits for debt instruments were reduced from 50 percent of equity to 30 percent, and limits for asset-backed securities were set at 60 percent of equity. In addition, domestic commercial banks and entities engaged in monetary lending activities were restricted from providing funding.

## SAVINGS AND CREDIT COOPERATIVE SECTOR

### REVISED LAW ON FINANCIAL COOPERATIVES SUBMITTED TO PARLIAMENT

The draft law on financial cooperatives was made available for public feedback through the website [d.parliament.mn](http://d.parliament.mn). Public discussions were also held in Darkhan–Uul, Selenge, Orkhon, Bulgan, Dornogovi, Dundgovi provinces, and Ulaanbaatar city.

The revision of the law, jointly initiated by Members of Parliament Ms. D. Uuriintuya and Mr. B. Zayabal, was submitted to Parliament on 31 December 2025.



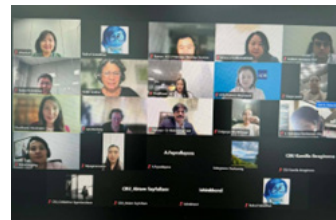
### PARTICIPATION IN THE 9TH CONFERENCE OF ASIAN CREDIT UNION REGULATORS

In February 2025, the 9th Conference of Asian Credit Union Regulators on Current Needs and Future Opportunities was held in Bangkok, Thailand. During the conference, future sector trends and good regulatory practices were shared. The meeting appointed a new board of directors for the Asian Credit Union Regulators Alliance (ACCRA), and the Financial Regulatory Commission was appointed as its Vice–Chair.



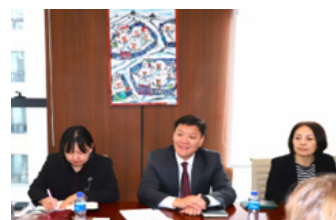
### VIRTUAL MEETING WITH APEC MEMBER COUNTRIES

A virtual meeting of Asia–Pacific Economic Cooperation (APEC) member economies was held in July 2025. Representatives from the Central Banks of Pakistan and Uzbekistan, the Asia Confederation of Credit Unions, and the Mongolian National Cooperative Association participated. The participants exchanged views on gender and green financial products among savings and credit cooperatives.



### EXCHANGED VIEWS WITH REPRESENTATIVES OF THE ASIAN DEVELOPMENT BANK

In October 2025, Mr. T. Jambaajamts, Chairman of the Financial Regulatory Commission, met with Ms. Shannon Cowlin, Country Director of the Asian Development Bank in Mongolia. During the meeting, both sides agreed to continue efforts to reform the legal and regulatory framework for the savings and credit cooperative (SCC) sector and to collaborate on improving access to financial services for local citizens.



## PRECIOUS METALS AND STONES OR ARTICLES MADE FROM THEM SECTOR

### PROJECT DEVELOPED AND SUBMITTED



MNS ISO 9202:2025 | MNS ISO 11596:2025 | MNS ISO 15093:2025

In accordance with the Law on Standardization, Technical Regulation and Conformity Assessment, the Technical Committee for Jewelry Standardization was established by order of the Mongolian Agency for Standardization and Metrology dated 28 May 2025. The Technical Committee includes representatives from the Financial Regulatory Commission.



### PARTICIPATION IN THE EXHIBITION

Representatives of the Financial Regulatory Commission participated in the international gemstone and jewelry exhibition “Junwex Saint Petersburg 2025,” held in St. Petersburg, Russia, from 9–25 February 2025.



### CONFERENCE ORGANIZED

Under the patronage of the President of Mongolia, the Ministry of Culture, Sports, Tourism and Youth, the Ministry of Mining and Heavy Industry, and the Financial Regulatory Commission jointly organized the conference “Mongolian Blacksmith Traditions and Innovation” at the Government Palace.

## REAL ESTATE BROKERAGE SECTOR



### PUBLISHED TRAINING MANUAL

In accordance with the training program approved by the Financial Regulatory Commission, the “United Roof Association of Real Estate Business Owners” and the “Real Estate Academy of Mongolia” jointly developed a training manual for agent licensing, which has been introduced for use in training activities.



### PARTICIPATION IN INTERNATIONAL MEETINGS

Representatives of the Financial Regulatory Commission (FRC) participated in the “Realtors’ Legislative Meeting 2025” organized by the National Association of Realtors in Washington, D.C., from 30 May to 5 June 2025.

The FRC participated in the RE/MAX Franchise Asia Pacific Conference held in Ulaanbaatar from 2–5 July 2025.

On 19 June 2025, the “Voice of Realtors 2025” event was organized in collaboration with the Real Estate Academy of Mongolia.



### INFORMATION SUBMITTED TO WORKING GROUP

In response to a public petition to repeal the 2 percent tax on real estate sales, data on price indices and volatility of real estate transactions conducted through brokerage firms were processed and submitted to the relevant working group.

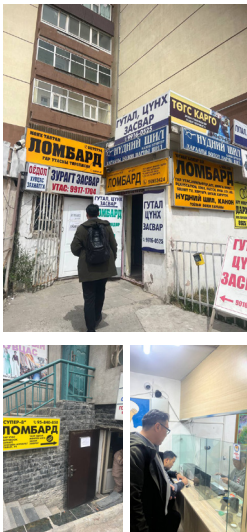
## MONETARY LOAN ACTIVITY PROVIDER SECTOR



### TRAINING WAS ORGANIZED

As of 31 December 2025, a total of 2,350 citizens participated in online training for monetary loan activity providers organized by the Financial Education Center and received certificates.

The regulations for the registration and operation of entities engaging in monetary loan activities were revised. In this regard, informational training was organized in collaboration with the Office of the Governor and the Anti-Theft Department of the National Police Agency (NPA).



### ON-SITE SUPERVISION CONDUCTED

In accordance with the guidelines approved by order of the Chairman of the Financial Regulatory Commission, a total of three on-site supervision activities were conducted in 2025. As a result, 18 individuals and five legal entities were fined under the Law on Violations for exceeding the maximum interest rate allowed for entities engaged in monetary loan activities.

In addition, through on-site supervision, 20 individuals and three legal entities engaging in monetary loan activities without registration as authorized persons were fined under the Law on Violations, and measures were taken to ensure consumer protection.

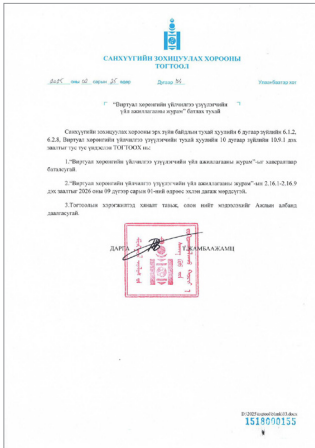
### INTRODUCTION OF DIGITAL SYSTEM



A digital system for receiving, processing, and recording reports from monetary loan activity providers has been introduced, with reporting to be submitted on a quarterly and annual basis starting from the end of 2024.

## VIRTUAL ASSET SERVICE PROVIDER SECTOR

### THE REGULATION HAS BEEN REVISED

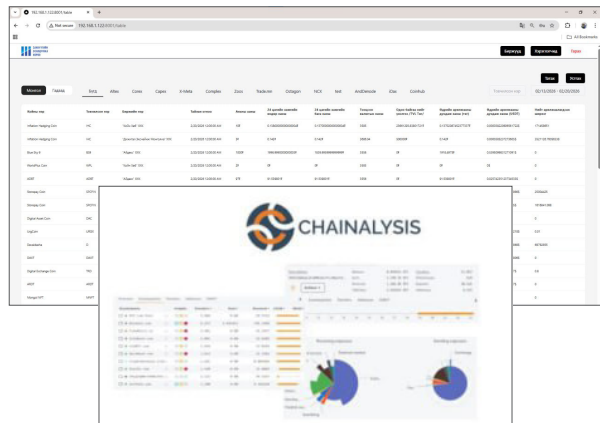


The “Regulation on Virtual Asset Service Provider Activity” approved by the Financial Regulatory Commission under Resolution No. 657 of 2024 was revised and reaproved under Resolution No. 74 of 2025.

### ON-SITE AND OFF-SITE SUPERVISION CONDUCTED

The blockchain analytics system for off-site supervision of Virtual Asset Service Providers (VASPs) is operating normally, and monitoring is carried out regularly. The Commission receives detailed trading and exchange rate data from VASPs daily through the API system and conducts weekly and monthly monitoring.

In the area of supervision and regulation of VASPs, the Financial Regulatory Commission, the Bank of Mongolia, and the Financial Information Unit conducted joint on-site supervision of 12 registered VASPs.



### MEETINGS AND DISCUSSIONS WERE ORGANIZED

The Financial Regulatory Commission represents the Asia-Pacific region in the Virtual Asset Contact Group (VACG) of the Financial Action Task Force (FATF) and regularly participates in relevant meetings. On 4 December 2025, as part of activities implemented by the United Nations Office on Drugs and Crime (UNODC), an online presentation was delivered to representatives of Palau, Fiji, and Tonga, sharing regulatory experiences.



## SANDBOX REGULATORY ENVIRONMENT



The Financial Regulatory Commission provides an opportunity to test innovative, technology-based financial products, services, and business models within a limited scope, in a real-market environment, for a defined period of time, under its supervision and regulatory oversight.



### THE SANDBOX COUNCIL'S REGULAR MEETINGS WERE HELD

The 8th and 9th regular meetings of the Sandbox Council were held on 19 January and 23 December 2025. A total of 11 agenda items were discussed and resolved, including amendments to the “Regulation on the Sandbox Regulatory Environment.”

## WORKING TO EXPAND INTERNATIONAL COOPERATION



The “Professional and Technical Assistance Program for Developing the Legal and Regulatory Environment for the Fintech Sector in Mongolia” project has been completed. Access Partnership Ltd served as a consultant for the project, which was jointly implemented by the Financial Regulatory Commission (FRC), the Bank of Mongolia (BoM), and the Ministry of Finance (MoF), with funding from the Asian Development Bank. The developed documents, project results,

and implementation outcomes were presented to sector officials.

The Financial Regulatory Commission also participated as a speaker and panelist in the discussion on “Using Artificial Intelligence to Increase Financial Inclusion” at the Global Policy Forum, jointly organized by the Alliance for Financial Inclusion and the Bank of Namibia. The FRC presented its experience in the use and regulation of artificial intelligence in the financial sector, as well as Mongolia's fintech sector and sandbox regulatory environment.



## PROVIDED INFORMATION TO THE PUBLIC

A total of 19 meetings were organized with representatives from four companies interested in testing their products and services in the sandbox, as well as six companies currently operating within the sandbox environment. During these meetings, guidance was provided on the sandbox environment and the requirements set by regulatory authorities.

## AMENDMENTS INTRODUCED FOR SANDBOX REGULATIONS

Amendments were made to the Regulation on the Sandbox Environment, approved by Joint Resolution No. 124/75/A/86 (2025) of the Chairman of the Financial Regulatory Commission, the Minister of Finance, and the Governor of the Bank of Mongolia. Through these amendments, provisions were introduced to:

- Facilitate the transition of successfully tested products and services from the sandbox environment into the regulated market,
- Monitor timelines for establishing a regulatory environment,
- Temporarily suspend the activities of participants during the sandbox period,
- Ensure compliance with the Laws on Anti-Money Laundering and Combating the Financing of Terrorism, and
- Restrict the use of the sandbox environment to avoid licensing requirements.

## THE KNOWLEDGE AND CAPABILITIES OF PARTICIPANTS IN THE FINANCIAL MARKET



The Financial Regulatory Commission continuously organizes training programs for professionals participating in regulated sectors. In addition, it focuses on enhancing their knowledge of financial laws and regulations, policies, and compliance on a regular basis.

**Table 4.** Organized trainings in the regulatory sector:

Д/А	Type of training	Number of training	Participants
1	Authorization	43	2,862
2	Specialization	28	626
3	In the field of AML / CFT	32	1,696
4	In the field of Monetary loan activities /virtual/	–	2,208



A total of 72 joint training sessions were organized with professional associations that signed agreements, with a total of 3,488 participants from the financial market. Of these, 2,757 participants met the qualifications required to work in regulated sectors and received certification.

Additionally, 28 specialized training sessions were held for professional participants, with 626 attendees, 602 of whom were awarded certificates.

## TO ENHANCE FINANCIAL LITERACY AMONG CITIZENS AND THE PUBLIC



In accordance with Section 6.1.13 of Article 6 of the Law on the Legal Status of the Financial Regulatory Commission, which mandates the authority to “organize activities to provide financial knowledge to citizens,” the FRC is actively fulfilling this responsibility.



### SHARED INFORMATION

To promote financial literacy among the public, a total of 224 news articles, video broadcasts, interviews, and reels were distributed through various public media channels such as the Financial Regulatory Commission’s website, social media channels, and partner organizations.



The FRC participated in pro bono events for lawyers and Book Day celebrations, providing advice and information about the functions and activities of the FRC to the public.



## TO ENHANCE FINANCIAL LITERACY AMONG LOCAL CITIZENS



The “Capital Market and 1072 Shares” open day event was organized in collaboration with key organizations in the securities market sector, in a regional format. This activity was successfully implemented in 14 provinces, including 4 in the Western region, 5 in the Central region, 2 in the Gobi region, and 3 in the Eastern region, reaching more than 10,000 citizens.



## COLLABORATING WITH SECONDARY SCHOOLS AND UNIVERSITIES

The FRC, the Bank of Mongolia, the Savings Insurance Corporation, and the General Education Agency jointly implemented the “LEVEL-UP” program from January to May 2025 to improve the financial literacy of secondary school students. A total of 5,033 students and 149 teachers from 6 districts and 6 provinces attended the program, and the best-performing province, school, and participant were awarded.



The FRC, in collaboration with the University of Finance and Economics, announced a creative competition for students on the topic of preventing financial fraud.



At the National University of Mongolia, the University of Finance and Economics, and Citi University, an open day event titled “Financial Market” was organized to provide information. During the event, representatives of the FRC provided information on the capital market, insurance, and savings insurance. A Q&A competition was also held to select outstanding students. In addition, a career orientation session was conducted, offering students the opportunity to visit regulatory institutions.





Within the framework of the “Youth Parliament – 2024” program, financial literacy training was organized for senior students of Sukhbaatar District. The training provided information on current market conditions, securities, investment, and risk. Discussions and competitions with the active participation of students were successfully conducted.

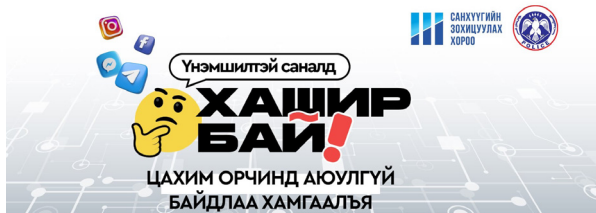
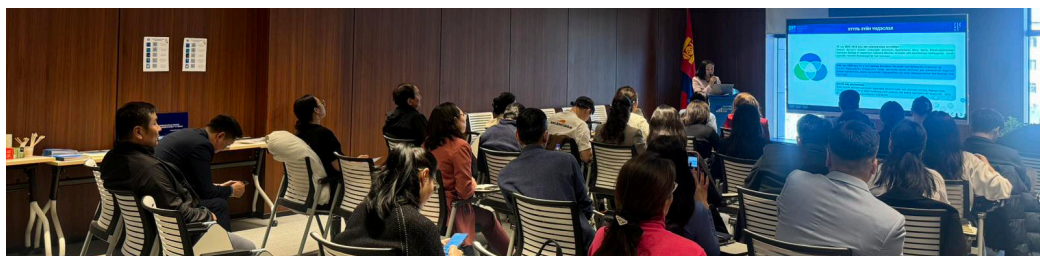
## TRAINING ORGANIZED



The Financial Regulatory Commission organized 27 training sessions to provide knowledge and information to citizens and the public on its activities, policies, regulations, and financial education. A total of 17,500 individuals participated in these sessions.



The “Introductory Training on the Securities Market,” “Introductory Training on the Money Market,” and “Overview of the Insurance Market” were held six times, with a total of 800 participants. Participants received comprehensive information on the current state of the securities market, the regulatory environment, the economy, as well as an understanding of securities issuance, trading, and participation in the market.



To protect consumer rights and interests, a memorandum of understanding was signed with the General Police Department and 11 other professional organizations to develop a program to enhance citizens’ financial literacy and prevent fraud. Within the framework of this program, the “Stay alert” campaign was launched.

05

Registration and Permission

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05

## REGISTRATION AND PERMISSION



In the reporting period, a total of 2,628 legal entities and individuals submitted documents requesting special permits, approvals, registrations, and other authorizations. Following a review of the completeness of these documents, 656 applications that met the basic requirements were accepted. Additionally, guidance and advice were provided to 2,155 applicants, and 727 incomplete or ineligible submissions were returned.



Legal entity license certificate <b>8</b>	Civil license certificate <b>3</b>	Civil license card <b>3</b>	Registration certificate <b>11</b>
Monetary loan registration certificate <b>6</b>	Monetary loan sector certificate <b>3</b>	Unit permit certificate <b>85</b>	Representative ID <b>152</b>
Invalid license certificate <b>6</b>	Sector certification <b>36</b>	Insurance agent's ID <b>1538</b>	Other changes <b>912</b>



### CAPITAL MARKET



During the reporting period, 320 applications were received from individuals and legal entities. These applications were reviewed in accordance with relevant laws and regulations, resulting in the resolution of 271 matters, including securities registration and amendments, issuance of special permits and approvals, and other related registrations. The details are as follows:



#### License and Permission

1	Broker	2
2	Underwriter	1
3	Dealer	2
4	Mining products exchange broker	1
5	Financial capacity rating	1
6	Investment management activities	3
7	Intermediary in the sale and purchase of securities in foreign securities markets	3
8	Providing services to customers through nominal cash accounts	1
9	Issue of asset-backed securities	10
10	Trust management of securities funds	2
11	Securities investment advisor	5
12	Mutual investment fund	1
13	Controller of the registration of collateralized securities portfolios	1
14	Permission to hold a nominal account for securities	3
15	Permission to start trading on the secondary market	13



### Registration and more:

1	Securities offered as a public offering	1
2	Asset-backed securities	11
3	Debt instruments offered to the public	3
4	Common stock issued in a private placement to convert debt into equity	1
5	Private investment fund founding documents	7
6	Registering a Certified Public Accountant	4
7	Allow changing the assigned name	3
8	Identifying the appropriate person	74
9	Approve appointment to the position of Executive Director	9
10	/Resolution/ on Amendments to the Securities Registry	2
11	Order on Amendments to the Securities Registry	11
12	Registering changes in the securities registry	2
13	Written approval from the FRC	11
14	Changes in the structure, composition, and amount of share capital of shareholders	10
15	Closed-end debt instrument	1
16	Introduction to Mutual Investment Fund Units	3
17	Documents establishing a Mutual Investment Fund	3
18	Providing audit services to securities market participants	4
19	Providing asset valuation services to securities market participants	1
20	Providing legal advice to securities market participants	5
21	Changes in the amount of share capital	12
22	Change of address	18
23	Removal of untraded covered securities from the central depository register	1
24	De-registering a paid-up debt instrument	6
25	Deregistration of fully paid-up Asset-backed securities	8
26	Amendments to the investment fund's rules, policy documents, and unit prospectus	22
27	«Approval of the merger of «Mongolian Securities Clearing Center» LLC with «Centralized Securities Depository Center» LLC and the deregistration of «Mongolian Securities Clearing Center» LLC	1



## INSURANCE MARKET



A total of 512 requests for special permits, permits, and registrations were received through 242 official letters. These requests were reviewed and processed in accordance with the relevant laws and regulations. Specifically



### License

1	License to conduct non-life insurance activities	1
2	License to conduct life insurance activities	1
3	License to operate as an insurance intermediary	4
4	License to operate as an insurance agent	19
5	Revocation of insurance agent license	3

### Authorization:

6	On granting the right to audit insurance organizations	1
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### Permission and registration:

7	Changes in the shareholders and capital of an insurance company	6
8	Opening a branch or representative office of an insurance company	26
9	Deregistration of branches and representative offices	19
10	Registration of names	2
11	Registration of authorized officials of the insurer	81
12	Monitoring and registering insurance types and products	59
13	Registration of shareholders of an insurance professional participant	16
14	Registration of authorized officials of professional participants	31
15	Registering changes of address and location	55



## NON-BANKING FINANCIAL SECTOR



In the area of registration and authorization, 764 requests related to the operations of non-banking financial institutions were received, reviewed, and processed in accordance with the relevant laws and regulations.



### License:

1	About issuing a special license	15
2	On granting additional licenses	21
3	Suspension of a special license	11
4	About license renewal	8
5	Revocation of a license	11
6	Partial suspension of a special license	17
7	Partial revocation of a special license	20
8	On the consolidation and revocation of special licenses	3
9	Partial renewal of a special license	0

**Permission and registration:**

1	Changes to the amount of share capital and the composition of shareholders	187
2	About establishing a branch	63
3	About registering a change of name	10
4	About the cancellation of the branch	2
5	On the establishment of a representative office	0

**SCC SECTOR**

A total of 87 requests were received from 77 cooperatives and reviewed and resolved in accordance with relevant laws and regulations. Of these, 7 cooperatives applied for special licenses, while 53 cooperatives submitted requests related to changes through the electronic licensing system.

**License:**

1	Issuance of special permits for SCC activities	7
2	Suspension of special permits for SCC activities	7
3	Restoration of special permits for SCC activities	1
4	Cancellation of special permits for SCC activities	9

**DPMS**

A total of 56 requests related to special permits and registrations were received and reviewed in accordance with relevant laws and regulations. Specifically:

**License:**

1	Issuance of special permits for business activities involving the trade of precious metals, precious stones, or products made thereof (legal entities)	3
2	Issuance of special permits for business activities involving the trade of precious metals, precious stones, or products made thereof (individuals)	36

**Registration:**

1	Changes in shareholder or equity holder structure	2
2	Opening of branches	3
3	Change of executive director	2
4	Registration of address changes	4



## REAL ESTATE AGENCY SECTOR



A total of 265 requests for special permits and registrations have been submitted and are being reviewed and processed in accordance with relevant laws and regulations. Specifically:



### License:

1 Issuance of special permits for the operation of real estate agencies	3
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### Registration

1 Changes in shareholder structure and composition	21
2 Registration of changes in authorized officials	47
3 Registration of agent changes	137
4 Registration of changes in registered names	3
5 Opening of branches and representative offices	1
6 Registration of address changes	22
7 Registration of legal entities providing legal advisory services	2
8 Registration of legal entities providing auditing services	10



## VIRTUAL ASSET SERVICE PROVIDER SECTOR



A total of 11 requests have been submitted and reviewed and processed in accordance with relevant laws and regulations. These include registration requests for



1 Changes in the chairpersons of the board	6
2 Changes in compliance officers	2
3 Changes in executive directors	3



## SANDBOX REGULATORY ENVIRONMENT



A total of 12 requests have been submitted and reviewed. Of these, 1 request did not meet the required conditions and requirements, while the remaining 11 requests were reviewed and resolved. Specifically:



### Product and Service Testing:

1 Entry into the sandbox environment	1
2 Extension of the testing period in the sandbox regulatory environment	4
3 Transition from the sandbox environment	3
4 Exit from the sandbox environment	3



### MONETARY LOAN ACTIVITY PROVIDER SECTOR:



A total of 52 requests have been received, of which 46 have been reviewed and processed in accordance with relevant laws and regulations. These include:



1	Registration of entities engaged in monetary loan	6
2	Registration of branches	7
3	Deregistration of branches	3
4	Changes in the amount of share capital, shareholder structure, and composition	9
5	Registration of address changes	15
6	Registration of changes in executive directors	2
7	Registration of changes in registered names	1
8	Cancellation of entities engaged in money lending	2
9	Cancellation of entities engaged in money lending	1



# 06

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SUPERVISION, ANTI MONEY LAUNDERING  
AND COMBATING THE FINANCING  
OF TERRORISM, INVESTOR, AND  
PROTECTING CUSTOMERS' INTERESTS

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## SUPERVISION

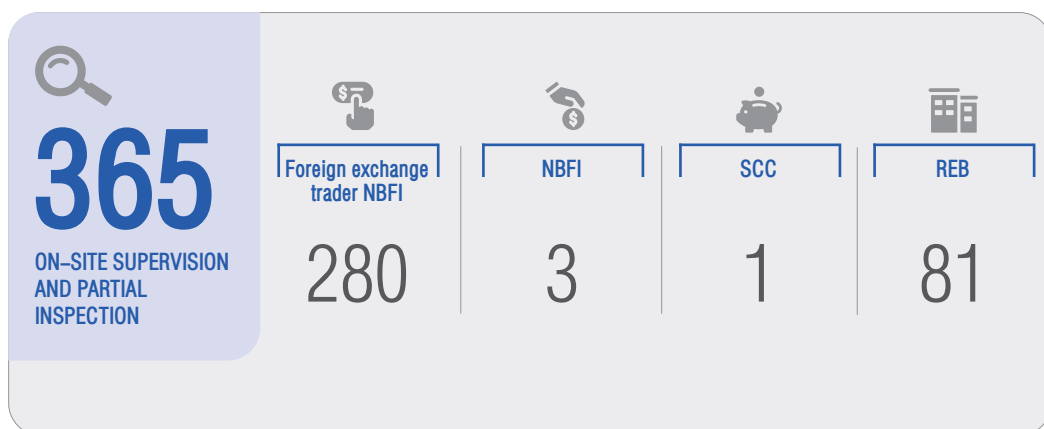
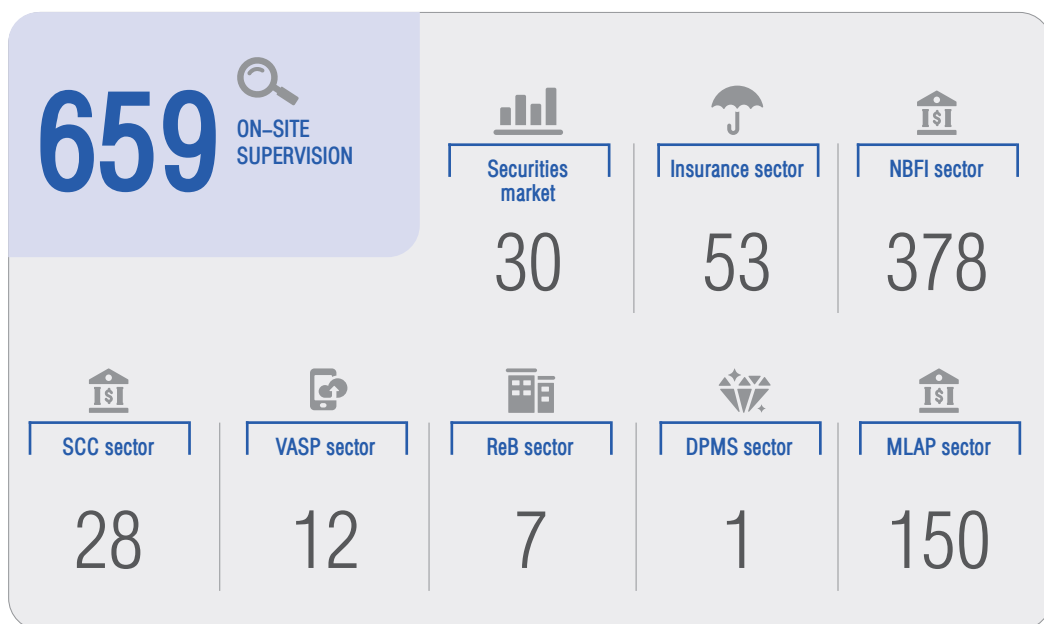
### ON-SITE SUPERVISION

The Financial Regulatory Commission conducts on-site supervision by monitoring the operations, financial condition, solvency, and compliance with prudential indicators of regulated entities. This includes overseeing compliance with relevant laws and regulations, fulfillment of regulatory requirements, and adherence to

applicable standards.

Where regulated entities experience financial instability, liquidity difficulties, or fail to maintain sound business operations, the Commission takes corrective measures in accordance with applicable laws and regulations. These actions are aimed at protecting the rights and interests of investors and service users.

Figure 29. Number of full and partial on-site inspections by sector

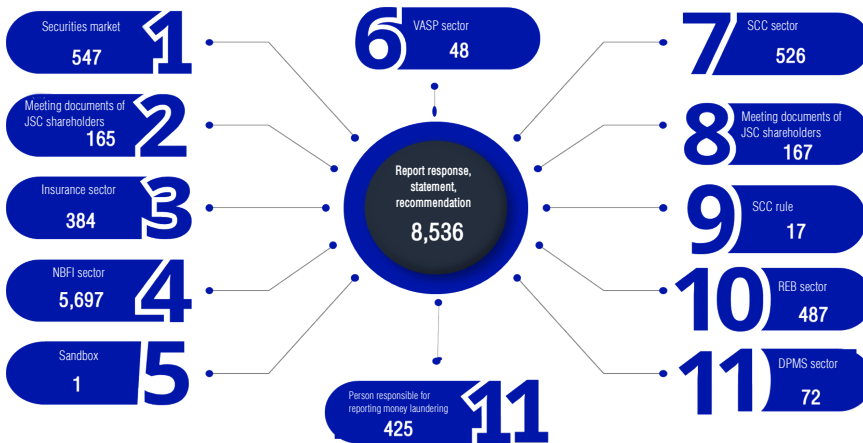


## OFF-SITE SUPERVISION

The FRC reviewed and analyzed quarterly and monthly reports, information, and data submitted by regulated entities, as well as documentation from shareholders' meetings and board meetings of companies. Based on this information, the Commission conducted

off-site supervision and provided relevant responses, information, and recommendations.

These activities included matters related to anti-money laundering and combating the financing of terrorism, as well as risk assessments concerning the financing of the proliferation of weapons of mass destruction.



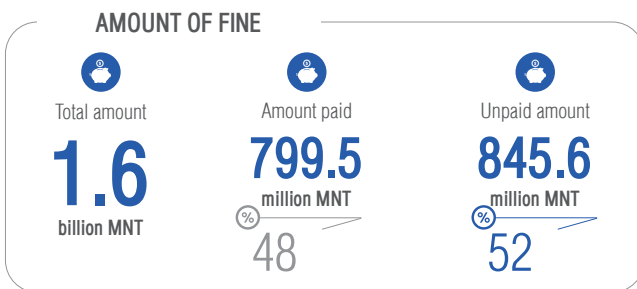
## MEASURES TAKEN IN CASE OF VIOLATIONS AND DEFICIENCIES DISCLOSED THROUGH SUPERVISION AND INSPECTION

**211**  
VIOLATIONS FOR WHICH A PENALTY HAS BEEN IMPOSED

Sentenced case	23
Exemption from penalty	0
Checked using simplified procedures	188
Resolved on site	0

**211** TYPE OF PENALTY

Basic – Fine	Addition – Subtraction
23	0



OFFICIAL REQUIREMENTS OF THE STATE INSPECTOR

**205**

## AML/CFT DIRECTIONS

THE REPRESENTATIVE OF THE FRC WAS APPOINTED TO THE MANAGEMENT TEAM OF THE ASIA-PACIFIC FINANCIAL INTELLIGENCE UNITS (AFI)



THE FINANCIAL REGULATORY COMMISSION PARTICIPATES IN THE VIRTUAL ASSETS CONTACT GROUP (VACG) UNDER THE FINANCIAL ACTION TASK FORCE (FATF).

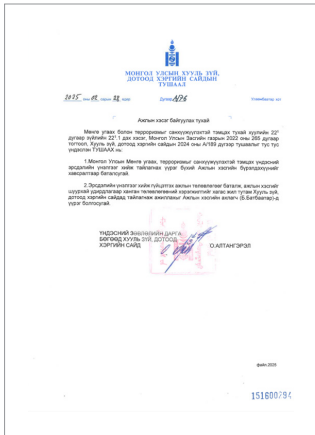
It has also been selected to represent 42 countries of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) group within the VACG.

“INTERNATIONAL CRYPTO AML SUPERVISOR’S ROUNDTABLE”

- Australia:** AUSTRAC
- Canada:** FINTRAC
- USA:** FINCEN
- Great Britain:** FCA
- New Zealand:** FMA
- India:** MOF
- Denmark:** FSA
- Malaysia:** SC
- Thailand:** AML Office
- Japan:** FSA
- Mongolia:** FRC









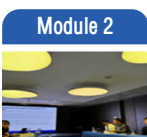

## ORDER NO. A/76 OF 2025 OF THE MINISTER OF JUSTICE AND INTERNAL AFFAIRS OF MONGOLIA

The Financial Regulatory Commission is participating as both a lead and contributing member in 11 sub-working groups across 10 modules. A total of 169 representatives from the public and private sectors are involved in the assessment, including overlapping participation across groups.



### SUB-WORKING GROUPS THAT ARE MEMBERS OF

### LEADING SUB-WORKING GROUPS

 <b>Module 4</b> Securities sector	 <b>Module 5</b> Insurance sector	 <b>Module 6.1</b> NBFIs sector	 <b>Module 6.1</b> SCC sector
 <b>Module 6.3</b> MLAP sector	 <b>Module 9</b> Financial inclusion products	 <b>Module 11</b> VASP sector	
 <b>Module 7</b> REB sector	 <b>Module 7</b> DPMS sector	 <b>Module 2</b> National vulnerability	 <b>Module 8</b> Terrorism financing risk

## PROTECTING THE RIGHTS AND INTERESTS OF INVESTORS AND CLIENTS



In accordance with Article 4.1 of Section 4 of the Law on the Legal Status of the Financial Regulatory Commission, the Commission oversees compliance with relevant legislation and protects the rights and interests of investors and clients as set out in Article 3 of the same law.



THE CASE WAS  
RESOLVED WITHIN THE  
LEGAL TIMEFRAME.

TOTAL **976**

A total of 976 requests and complaints were received, registered, and processed in accordance with official documentation and archival procedures



**670**

BY WRITING



**221**

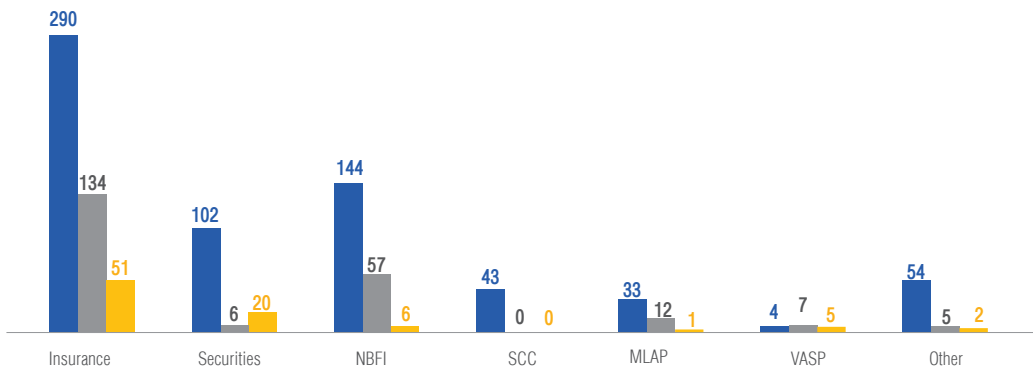
BY ELECTRONIC  
SYSTEM



**85**

11-11

### APPLICATIONS AND COMPLAINTS



The Financial Regulatory Commission reviewed and resolved a total of 976 requests and complaints within the legal timeframe and implemented relevant measures. Of these, 8.7% were related to insurance services. Due to differences in the nature and complexity of cases, resolution times vary. The average resolution time is 21 days.

## RESOLUTION OF ISSUES

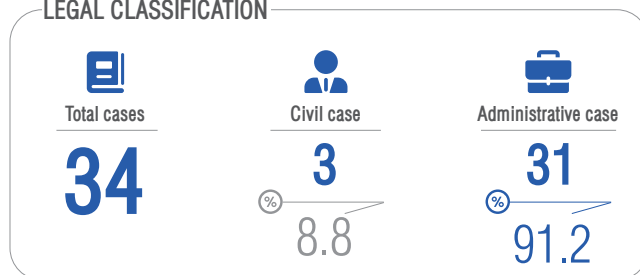


The Financial Regulatory Commission participates in civil and administrative court proceedings as a plaintiff, defendant, or third party, in order to protect the rights and interests of investors and clients within its mandate.

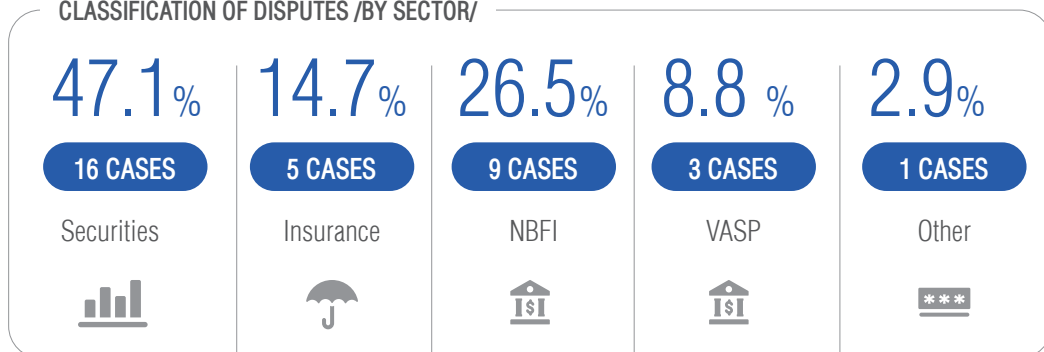
A total of 34 cases were handled, including 13 carried over from the previous year, 18 newly initiated cases, and 3 cases received during the reporting period. In total, the FRC participated in more than 120 court hearings related to these cases.

On average, cases involving the Commission are resolved within 156 days.

### LEGAL CLASSIFICATION



### CLASSIFICATION OF DISPUTES /BY SECTOR/



19

CASE RESOLVED



07

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COOPERATION, RESEARCH, COMPLAINS AND  
FINANCE

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07

## INTERNATIONAL COOPERATION

### MEETING HELD WITH REPRESENTATIVES OF THE U.S. OTC MARKETS GROUP AND THE CANADIAN SECURITIES EXCHANGE (CSE)

2025.04.29

The meeting with executives from the U.S. OTC Markets Group and the Canadian Securities Exchange (CSE) was held. During the meeting, the parties discussed opportunities and requirements for cross-border trading through the OTC Markets Group platform.

In this regard, the parties agreed to further strengthen cooperation by developing infrastructure linkages between brokerage firms in Mongolia and the United States.



### THE 50TH IOSCO ANNUAL MEETING

2025.05.15

Mr. T. Tserenbadral, Vice-Chairman of the Financial Regulatory Commission (FRC), attended the 50th Annual Meeting of the International Organization of Securities Commissions (IOSCO), held in Doha, Qatar.

At the meeting, regulators and market participants discussed key challenges facing global financial markets, including digitalization, cybersecurity, and market sustainability.

The FRC is a member of IOSCO's Asia-Pacific Regional Committee (APRC) and the Growth and Emerging Markets Committee (GEMC). The FRC became a full member of IOSCO in 2009.



### THE SECOND PHASE OF THE "GREEN FINANCE MARKET DEVELOPMENT" PROJECT HAS BEEN LAUNCHED

2025.06.05

The Financial Regulatory Commission (FRC) signed a Memorandum of Understanding (MoU) with the International Finance Corporation (IFC) to strengthen financial market risk management and stability, and to develop a sustainable and green financial system by supporting environmentally friendly projects and initiatives.



### FUTURE COOPERATION INSIGHTS EXCHANGED WITH SEOUL GUARANTEE INSURANCE

2025.06.30

Mr. N.Khuderchuluun, Vice-Chairman of the Financial Regulatory Commission (FRC), met with directors of Seoul Guarantee Insurance. They exchanged views on the current state of the guarantee insurance markets in both countries and discussed future cooperation opportunities.

Both sides agreed to cooperate in establishing a professionally developed risk management system based on research and qualified human resources, as well as in enhancing capacity-building within the sector.



## EXPRESSED COMMITMENT TO COOPERATE WITH THE KOREA INSURANCE DEVELOPMENT INSTITUTE

2025.08.20

At the invitation of the Mongolian Motor Insurers' Bureau, Mr. Chang–Yeon Hyo, Executive Director of the Korea Insurance Development Institute (KIDI), is paying an official working visit to Mongolia.

Within the framework of this visit, Mr. N. Khuderchuluun, Vice–Chairman of the Financial Regulatory Commission, held an official meeting with Mr. Chang–Yeon Hyo. During the meeting, he highlighted the importance of the Memorandum of Understanding signed between the Mongolian Motor Insurers' Bureau and the Korea Insurance Development Institute.

The parties exchanged information on bilateral cooperation in the insurance sector and discussed opportunities to further expand collaboration, including the development of compulsory insurance operations, enhancement of industry professionals' capacity, and the application of advanced technologies in insurance services.



## MEMORANDUM OF UNDERSTANDING SIGNED WITH THE ASTANA FINANCIAL SERVICES AUTHORITY

2025.09.04

Mr. T. Jambaajamts, Chairman of the Financial Regulatory Commission, and Ms. Evgeniya Bogdanova, CEO of the Astana Financial Services Authority, signed a Memorandum of Understanding. The parties agreed to collaborate on exchanging information on cross–border financial transactions and on strengthening the supervision and regulation of licensed institutions, including capital markets, insurance, and fintech sectors.



## MEETING WITH THE SECURITIES DEALERS ASSOCIATIONS OF JAPAN AND THE REPUBLIC OF KOREA

2025.09.16

Mr. T. Tserenbadral, Commissioner and Vice–Chairman of the Financial Regulatory Commission (FRC), met with the chairpersons of the Japan Securities Dealers Association (JSDA) and the Korea Financial Investment Association (KOFIA). During the meeting, the parties exchanged views on promoting Mongolia's capital market and increasing foreign investor participation.

Both sides discussed strengthening cooperation and agreed to continue the “Mongolia's Capital Market Connectivity” initiative. They also expressed their commitment to further deepen collaboration in the future.



## ASIA SECURITIES FORUM HELD IN ULAANBAATAR

2025.12.16

The 30th Asian Securities Forum (ASF) was officially opened in Ulaanbaatar, marking the first time Mongolia has hosted this prestigious regional event. The forum brought together over 24,000 capital market experts from more than 20 countries across the Asia–Pacific region to discuss key issues, including capital market development, regional cooperation, sustainable finance, digital transformation, and investor protection.



## RESEARCH AND ANALYSIS



RESEARCH BROCHURE  
every year

In 2025, the Financial Regulatory Commission compiled selected research studies into the publication “Research Bulletin No. 6”, making them publicly accessible. The findings of these studies contribute significantly to sector policy development and decision-making processes.

This bulletin includes research on topics such as:

the structure and operation of capital markets, the use and regulation of artificial intelligence in the financial sector, regulation of foreign exchange trading centers and international practices, green finance and sustainable development in the financial sector, challenges in capital market development and possible solutions, the legal framework for financial regulatory supervision, applications of deep learning methods, including short-term gold price forecasting.

These studies examine current trends in financial innovation, emerging regulatory approaches, sustainable development, and sector stability in relation to Mongolia’s financial market. Based on the findings, recommendations and policy proposals were developed, contributing to improvements in the legal and regulatory framework and supporting evidence-based policymaking.

Additionally, for the first time in Mongolia, a sample survey measuring the financial well-being of citizens and assessing access to financial services has been published.

As part of the “Financial Access Improvement Program of Mongolia,” efforts are being made to:

enhance financial discipline among citizens, improve financial decision-making skills, promote savings and investment, encourage protection against financial risks, and expand financial inclusion.

To support these objectives, regular updates and financial market information are published through the Commission’s official website.



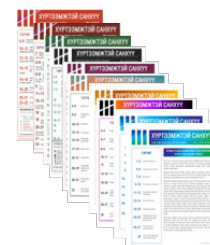
POWER BI DASHBOARD  
every season



FINANCIAL MARKET REVIEW  
every year



CITIZEN, YOUR FINANCIAL KNOWLEDGE  
every year



«FINANCIAL INCLUSION» MAGAZINE  
every month



“CITIZENS, YOUR FINANCIAL LITERACY” SERIES OF POSTERS  
every month



FINANCIAL MARKET NEWS FOR THE WEEK  
every week



STATISTICAL BULLETIN  
every season



MONTHLY FINANCIAL MARKET REVIEW  
every month

Market overviews, journals, statistics, and research are available on the FRC website ([www.frc.mn](http://www.frc.mn)), via e-mail ([rsa@frc.mn](mailto:rsa@frc.mn)), or by calling 51-261106.



## CORPORATE GOVERNANCE AND COMPLIANCE



The effective implementation of corporate governance and compliance frameworks is a key prerequisite for the long-term sustainable development of companies and, more broadly, for ensuring the stability of the financial market. In this regard, the Financial Regulatory Commission is actively working to:

Strengthen the regulatory framework for compliance within the financial sector,

Improve the management of compliance-related risks, Foster a culture of compliance within organizations, and Institutionalize compliance practices across the sector.



### IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE: COMPLIANCE RISK ASSESSMENT TRAINING AND DISCUSSIONS

As part of the implementation of the “Corporate Governance Code” and the National Anti-Corruption Program approved by Resolution No. 46 of 2024, training sessions and discussions were organized.

Within this framework:

Standards such as ISO 37301 (Compliance Management Systems) and ISO 26000 (Social Responsibility) were introduced, Practical implementation issues were discussed, The current state and future development of the insurance market were reviewed, and Information was shared and views were exchanged with more than 30 authorized officials.

In addition, in cooperation with the Independent Authority Against Corruption and the Mongolian Agency for Standardization and Metrology, modular training was organized to provide knowledge necessary for implementing these standards. A total of 16 officials from the Financial Regulatory Commission participated.



### IMPLEMENTATION OF THE “CORPORATE GOVERNANCE CODE” IN REGULATED SECTORS

By Resolution No. 145 of 2022 of the Financial Regulatory Commission, the revised “Corporate Governance Code” was adopted, requiring not only publicly listed companies but also insurers, trust service providers, non-bank financial institutions, and investment management companies to comply. As of the second quarter of 2025, implementation among listed companies reached

62.0%, representing an increase of 5.4 percentage points compared to the previous year. In sectors such as insurance, non-bank financial institutions (NBFIs), and custodians, the average implementation rate reached 75.3%, an increase of 1.3 percentage points compared to the same period of the previous year.

#### INFORMATION TRANSPARENCY

Category 1

Category 2

Category 3

INFORMATION FULLY UPLOADED

82%

62%

UPDATING

7%

18%

INCOMPLETE INFORMATION UPLOADED

18%

31%

50%

NO WEBSITE

32%

### APPROVAL OF THE “COMPLIANCE RISK ASSESSMENT METHODOLOGY”

The “Compliance Risk Assessment Methodology” was approved by Order No. 52 of 2024 issued by the Chairman of the Financial Regulatory Commission.

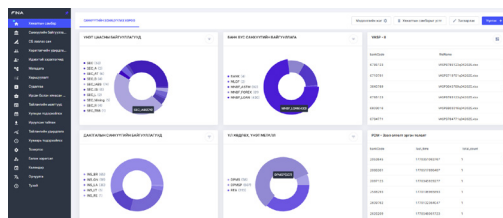
In accordance with this methodology, compliance risk assessments were conducted across four regulated sectors: insurance, non-bank financial institutions (NBFIs), custodians, and virtual asset service providers. A compliance risk assessment report was prepared and made public.



## INFORMATION TECHNOLOGY

### UPGRADE OF THE FINA SYSTEM FOR RECEIVING AND PROCESSING REPORTS

To electronically receive and process periodic reports and information submitted by regulated entities, the integrated FINA system was upgraded and implemented. As a result, risks related to reporting errors and incomplete submissions have been reduced, system efficiency has been improved, and workload has been optimized.



### UPGRADE OF THE OFFICIAL DOCUMENT MANAGEMENT SYSTEM

The Financial Regulatory Commission's official document management system has been developed and implemented on the Microsoft 365 platform. This has improved operational efficiency, reduced paper usage, enabled real-time monitoring, and enhanced workflow management.

Иргэйн дэвхэвч	Хэргийн төрөл	Хэргийн төрөл	АВ-ын өгөг	АВ-ын өгөг	Төлөөлөгч	Хураангуй	Хураангуй	Хураангуй	Хураангуй	Хураангуй
845	Иргэдийн ХХК	Дэмжлэг	11/15/2023	23.08	Тасалгаагүй	1	No	11/15/2023	12/15/2023	
828	Бид Төрийн ХХК	Зөвшөөрөл	11/5/2023	24.02/12	Тасалгаагүй	1	No	11/05/2023	12/05/2023	
918	Уриан Холбоо, Хөдөлгөөн, Мөнгөний Хэрэгжүүлэгч		9/15/2023	22.01/9	Санаа авах тусгай	1	No	11/02/2023	12/02/2023	
890	Олон Холбоо, Хөдөлгөөн, Мөнгөний Хэрэгжүүлэгч	Уламжлал	10/23/2023	22.07	Санаа авах тусгай	1	No	10/04/2023	11/04/2023	
870	Олон Холбоо, Хөдөлгөөн, Мөнгөний Хэрэгжүүлэгч		10/16/2023	22.02/9	Тасалгаагүй	1	No	10/16/2023	11/16/2023	
8	Хүргийн, төлөөлөгчийн хурлын тусгай	Албан ёсоор	11/17/2023	22.02	Хураангуй	No	No	11/17/2023	11/17/2023	
9	Бие Вч санхүүгийн байгууллагын тусгай	Хүргийн Вч	11/16/2023	22	Санаа авах тусгай	No	No	11/16/2023	11/16/2023	
	Тусгай зөвшөөрөл	Нэгж-Ажлын	11/24/2023	22.06/10/20/23	Санаа авах тусгай	No	No	11/24/2023	12/5/2023	

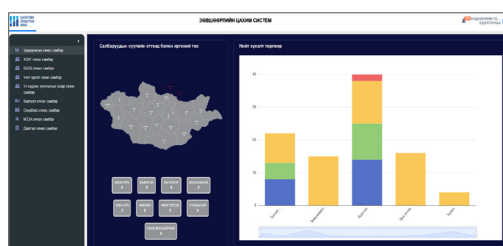
### UPGRADE AND DEVELOPMENT OF THE LICENSING ELECTRONIC SYSTEM

To fully digitalize the processes of receiving and processing registration and licensing applications from regulated entities, enhance information security, and reduce manual operations, the licensing electronic system is being upgraded.

Within this framework, integration has been established with:

the “HUR” government data exchange system, and the “DAN” identification system,

enabling the Commission to obtain required information directly from government organizations through integrated digital services.



Хэрэгний ID	Хэрэгжүүлэгч	Төрөл	Хэрэг	Хугацаа	Төлөөлөгч	Төлөөлөгч	Төлөөлөгч	Төлөөлөгч	Төлөөлөгч
1	10000000000000000000	Хэрэг	Хэрэг	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10
2	10000000000000000000	Хэрэг	Хэрэг	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10
3	10000000000000000000	Хэрэг	Хэрэг	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10
4	10000000000000000000	Хэрэг	Хэрэг	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10
5	10000000000000000000	Хэрэг	Хэрэг	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10
6	10000000000000000000	Хэрэг	Хэрэг	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10
7	10000000000000000000	Хэрэг	Хэрэг	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10	2023-10-10

## ESTABLISHMENT OF A DIGITAL DATABASE

Through the licensing electronic system, documents related to registration and licensing applications from legal entities were received and processed, resulting in the accumulation of a total of 120.0 GB of data.

Additionally, through the FINA system, monthly and quarterly financial reports and information from regulated entities were collected, resulting in a total of 505.0 GB of data. This has contributed to improved data management and system reliability.

## STRENGTHENING OF CYBERSECURITY AND DATA PROTECTION

To enhance the confidentiality, integrity, and availability of information, the Information Security Policy of the Financial Regulatory Commission was approved under Resolution No. 158 issued by the Chairman of the FRC.

Furthermore, based on recommendations from independent information security audits, a remediation plan was developed and implemented, including the following measures:

- Implementation of unified identity and access management for Microsoft 365 and official workstations;
- Enforcement of password policies and introduction of two-factor authentication (2FA);
- Upgrading of firewall and system logging equipment;
- Installation of anti-malware software on official computers;
- Implementation and configuration of virtual server backup and security systems;
- Updating and configuration of SSL security for electronic systems and websites;
- Regular server backups and monthly system diagnostics.

## TRAINING PROGRAMS TO STRENGTHEN INFORMATION TECHNOLOGY CAPACITY

To enhance the knowledge and skills of the Financial Regulatory Commission's officials in information technology and information security, training sessions were organized on the following topics:

- Use of the electronic licensing system;
- Information security policy of the FRC;
- Cybersecurity training;
- Updates and new features of the FINA system;
- Use of the official electronic document management system.



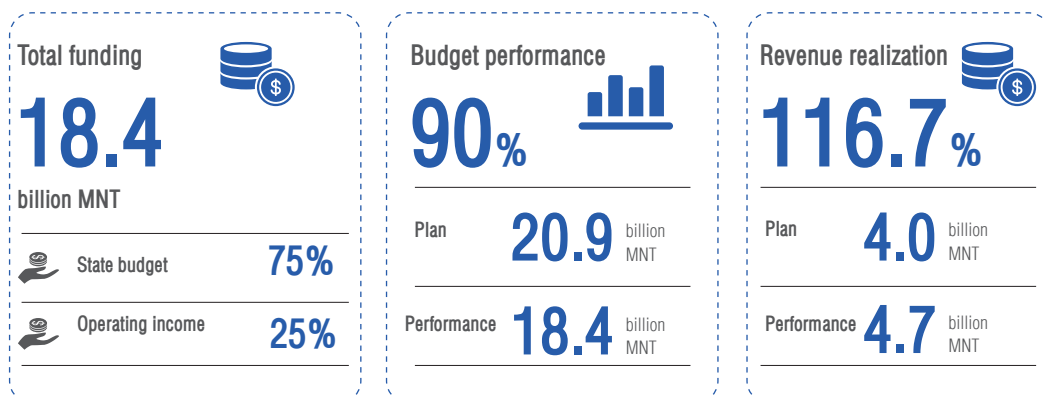
## BUDGET, FINANCE



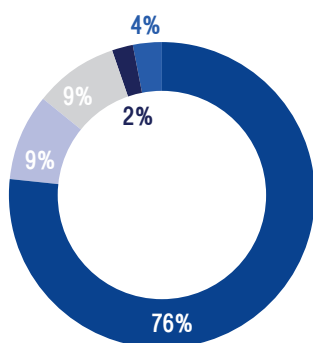
In 2025, the approved budget amounted to 20.9 billion MNT, of which current expenditure accounted for 20.7 billion MNT and capital expenditure for 0.2 billion MNT. Actual budget execution reached 18.4 billion MNT, corresponding to an execution rate of 90%.

Of the total financing: 75% was funded by the state budget, 25% was generated from core operational income.

During the reporting period, revenue from regulatory services was planned at 4.0 billion MNT; however, actual performance reached 4.7 billion MNT, achieving 116.7% of the target.



### COST STRUCTURE



- Salary and additional deductions 76%
- Social insurance contributions paid by the employer 9%
- Public utility fees 9%
- Government current transfers 2%
- Other costs 4%

### OPERATIONAL CONTINUITY

The Financial Regulatory Commission ensured stable and uninterrupted operations by maintaining sufficient financial resources throughout the reporting period.

### BUDGET PERFORMANCE AND EFFICIENCY

Budget planning and execution were carried out effectively, ensuring efficient utilization of financial resources.

# GOALS FOR 2026

