



## Open talks on taxation



### Tax Reform Effort Underway

Cabinet has submitted a draft package of newly formulated tax laws and amendments to Parliament for consideration in the Fall Session.

The package is intended to accomplish the goals set forth in the first tax briefing of this series:

1. Increase country competitiveness by lowering the tax burden on businesses, enabling job creation;
2. Relief the tax burden on workers by reducing the tax rate and labor costs on wage earners;
3. Simplify tax administration procedures to reduce compliance costs and arbitrariness, by focusing more on service to taxpayers;
4. Expand the tax base by reducing the size of the shadow economy;
5. Support domestic investors by removing discriminatory tax provisions; and
6. Create a sound fiscal environment by adjusting the tax system into a proper structure.

The package was discussed extensively during Cabinet meetings and in numerous working sessions with Ministry personnel and other bodies. As a result, the following laws are rewritten in their entirety:

- Legal Entity Income Tax Law
- Personal Income Tax Law
- Law on Value-added Tax
- Excise Tax Law
- Immovable Property Tax Law

Amendments were submitted impacting five existing laws:

- Law on General Taxation
- Law on Administrative Penalty
- Law on Monitoring of Tax Imposition and Payment and Tax Collection
- Law on State Registration of Property Ownership Rights and Other Rights Related to the Property

- Law on Customs Tariffs

The package of laws was prepared to support the above goals and enhance the economy of Mongolia. Passage of the package will lessen the tax burden on businesses, will permit competition among all businesses in Mongolia and will encourage Mongolian businesses to become more competitive internationally.

Future briefings will discuss the specific changes and provisions in the newly written and amended laws.

The laws and amendments are posted in both Mongolian and English on the websites noted below.

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This briefing is the eighth of a series published by the Public Affairs Offices of the Ministry of Finance and the National Department of General Taxation as part of a program of consultations and communications with all Mongolians regarding the tax proposals being considered. Electronic versions can be found of these briefings can be found at The Open Government website ([www.open-government.mn](http://www.open-government.mn)), the Ministry of Finance website ([www.mof.pmis.gov.mn](http://www.mof.pmis.gov.mn)) and the NDGT website ([www.mta.mn](http://www.mta.mn)).