MONGOLIAN STOCK EXCHANGE

Foreign Investors' Guide

A Complete Guide to Investing in Mongolia's Capital Market



2026

www.mse.mn

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Eight short sections, from regulation to everyday practice.

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01

Introduction

An overview of the Mongolian Stock Exchange, its regulator and the market's main features for foreign investors.

About this guide

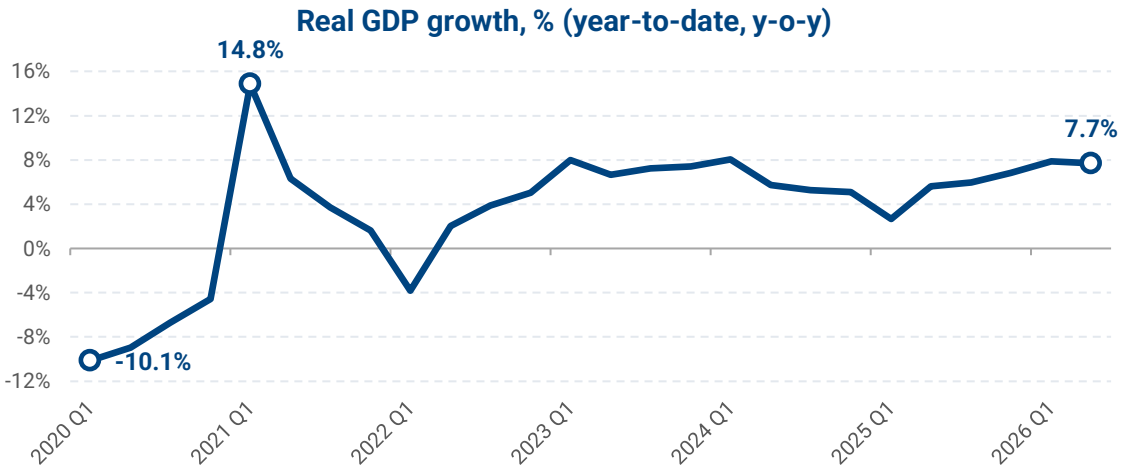
This guide is intended for foreign institutional and individual investors considering exposure to Mongolian securities. It summarizes the regulatory framework, the account-opening process, tax considerations for non-resident investors, and the trading, clearing and settlement mechanics for securities traded on the MSE. The information contained herein serves as a general orientation and should be reviewed alongside the disclaimer at the end of this guide.

The market at a glance

Mongolia's capital market

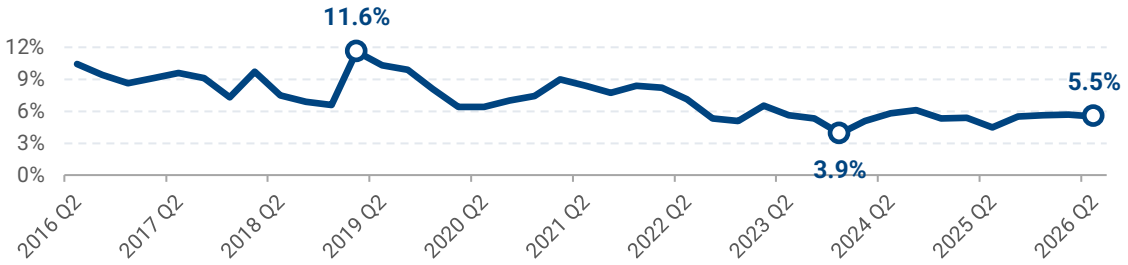
- Under Mongolia's Investment Law and Company Law, foreign and domestic investors enjoy equal, non-discriminatory access to the securities market.
- Mongolia was approved for inclusion in FTSE Russell's Frontier Market classification effective from September 2023, increasing the market's visibility to global frontier-market investors.

Mongolia's economy has rebounded strongly since the pandemic. After contracting by 10.1% in the first quarter of 2020, GDP recovered by 14.8% in the first quarter of 2021 and has grown by roughly 5–8% a year since 2023, reaching 6.8% for full-year 2025 and 7.7% year-on-year in the first half of 2026.



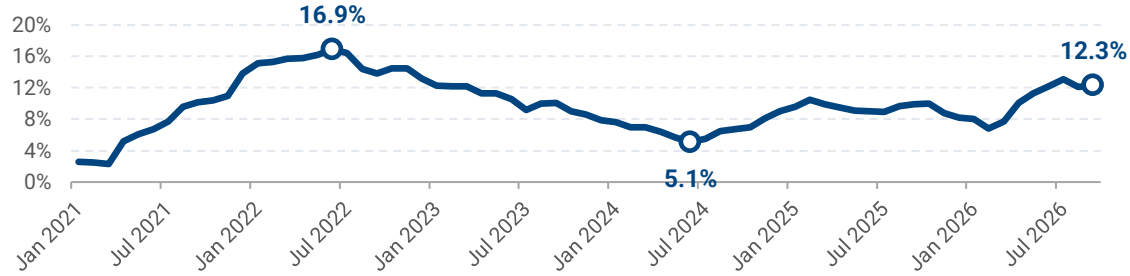
Stronger growth has fed through to the labor market. The unemployment rate has fallen from around 10% in 2016 to around 4–6% since 2023, pointing to a steadily improving jobs picture.

Unemployment rate in Mongolia, % (quarterly)



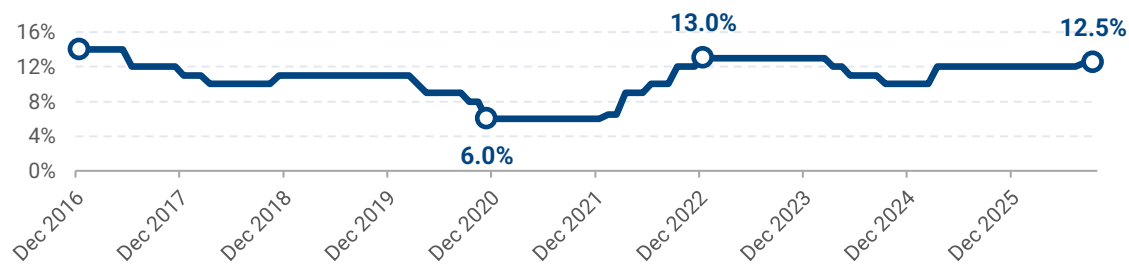
The recovery has, however, been accompanied by high inflation. Annual growth in the national consumer price index (2020 = 100) rose from around 2.5% in early 2021 to a peak of 16.9% in June 2022, before slowing to a low of 5.1% in June 2024. Price pressures have since re-emerged, with inflation reaching 12.3% year-on-year in September 2026.

Consumer price inflation, % (y-o-y, 2020 = 100)



The Bank of Mongolia has responded by keeping monetary policy tight. Having cut the policy rate from 14% at the end of 2016 to a record low of 6% in November 2020 to support the economy through the pandemic, it raised the rate in steps to 13% by December 2022 as inflation accelerated. After easing to 10% in late 2024, the rate was raised again to 12% in March 2025 and to 12.5% in August 2026 as price pressures returned.

Bank of Mongolia policy rate, %



The Mongolian Stock Exchange

The Mongolian Stock Exchange (MSE) is the country's primary securities exchange and operates under the regulatory oversight of the Financial Regulatory Commission (FRC). Established in 1991 to support the transition to a market economy, the exchange lists equities, corporate and government bonds, asset-backed securities (ABS), investment fund units and other financial instruments. The exchange operates modern order-matching infrastructure and has expanded product coverage in recent years, including investment fund units, debt instruments and market-making arrangements designed to improve on-screen liquidity.

KEY FACTS	DETAILS
Exchange	Mongolian Stock Exchange (MSE)
Established	1991
Main indices	Top 20 Index, MSE A, MSE B, FTI Index
Financial instruments	Equities, corporate and government bonds, asset-backed securities (ABS), investment fund units and other instruments

WHY INVEST

Foreign and domestic investors enjoy equal, non-discriminatory access to the market, and Mongolia's inclusion in FTSE Russell's Frontier Market classification from September 2023 has increased its visibility to global frontier-market investors.

02

Regulatory framework

The FRC regulates the market; foreign and domestic investors enjoy equal, non-discriminatory access.

Legal basis

Mongolia's capital market is supported by a three-tier framework: the Financial Regulatory Commission (FRC), as the primary regulator of capital markets; the MSE, as the principal trading venue; and the Mongolian Central Securities Depository (MCSD) and related clearing infrastructure, which support ownership registration, clearing and settlement. The key legislation is:

- Securities Market Law of Mongolia — governs issuance, listing, trading, disclosure, and licensing of market participants.
- Company Law of Mongolia — governs the corporate form of listed issuers, shareholder rights, and corporate actions.
- Investment Law of Mongolia — outlines statutory protections and guarantees for capital, establishing equal treatment and non-discrimination for foreign investors.
- Law on Combating Money Laundering and Terrorism Financing — sets the KYC/AML obligations that brokers and clearing banks must apply to all clients, foreign and domestic.
- FRC regulations and orders — implementing rules on listing, trading, settlement, market making and other operational matters, updated periodically by FRC order (e.g., the Market Maker Activity Procedure approved under FRC Order No. 385).

Market institutions

INSTITUTION	ROLE	WEBSITE
Financial Regulatory Commission (FRC)	Licenses and supervises brokers, investment managers, and market infrastructure; approves market rules.	www.frc.mn
Mongolian Stock Exchange (MSE)	Operates the trading venue; sets listing and trading rules within the FRC framework.	www.mse.mn
Mongolian Central Securities Depository (MCSD)	Maintains securities ownership records and supports clearing and settlement of securities transactions.	www.mcsd.mn
Bank of Mongolia	Central bank; regulates the clearing-bank system and, separately, operates the CSD, money-market and FX infrastructure used for government securities.	www.mongolbank.mn
Mongolian Association of Securities Dealers (MASD)	Self-regulatory organization for capital-market professionals; represents 95+ member brokers, dealers and custodians, trains and certifies market professionals, and operates the M-OTC over-the-counter market.	www.masd.mn

Rules specific to foreign investors

Under Mongolia's Investment Law and Company Law, foreign and domestic investors enjoy equal, non-discriminatory access to the securities market. Foreign investors trade through the same order book and price-discovery mechanism as domestic investors, with no separate foreign board or quota in the general equity market. Sector-specific rules and tax exceptions can apply outside the general securities-market framework, including for entities holding mineral resource, oil exploration or mining licenses.

PLEASE NOTE

Regulatory texts are amended periodically. Investors and intermediaries should confirm the current binding rules directly with the FRC and MSE before relying on a specific provision.

03

Opening an account

Three accounts are needed before trading; opening commonly takes approximately one to three weeks.

Overview

Foreign investors — individuals and legal entities alike — generally follow the same account-opening framework as domestic investors. Investors normally require a depository account, a brokerage account and a securities settlement cash account before trading on the MSE. Physical presence in Mongolia may not be required where the investor appoints a broker or authorized representative under a properly executed power of attorney; however, brokers and banks may apply additional onboarding, notarization, legalization and AML/KYC requirements.

Account opening across the required account structure commonly takes approximately one to three weeks from submission of a complete document set. The actual timeline depends on the chosen broker and clearing bank, the investor's jurisdiction, and whether documents require notarization, apostille or consular legalization.

Step by step

1. Choose a broker currently compliant with FRC/MSE rules (list published on mse.mn).
2. Complete the Client (or Entity) Account Opening Agreement (MCSD) and the broker's KYC/due-diligence form.
3. Submit the required documents, notarized and apostilled or legalized where executed abroad.
4. The broker submits the account opening agreement to the MCSD to open the depository account on your behalf.
5. Open the securities settlement cash account with the broker's clearing bank and fund it.

The three-account structure

ACCOUNT	OPENED AT	PURPOSE
1. MCSD account	Mongolian Central Securities Depository (MCSD)	Records legal ownership of securities. Opened by the broker submitting a Client Account Opening Agreement to the MCSD on the investor's behalf.
2. Brokerage account	FRC-licensed securities firm	Used to place buy/sell orders on the MSE. Only firms currently compliant with FRC/MSE rules may execute trades — the current list is published on mse.mn.
3. Securities settlement cash account	Clearing bank used by the investor's broker	Holds cash for trade settlement and receipt of dividends/coupons. The account is opened with the clearing bank used by the investor's broker.

Required documents

INDIVIDUAL INVESTORS	INSTITUTIONAL INVESTORS
► Passport or national ID (notarized copy if not applying in person in Mongolia) ► Completed Client Account Opening Agreement (MCSD) and the broker's own KYC form ► Proof of address and contact details	► Notarized copy of the certificate of incorporation / state registration ► Entity Account Opening Agreement (MCSD) and the broker's KYC/due-diligence form ► Board or shareholders' resolution naming the authorized signatory(ies) and their powers
► Power of attorney, if a representative signs on the investor's behalf (notarized, and apostilled or legalized at a Mongolian diplomatic mission if executed abroad)	► Specimen signatures and a notarized passport/ID copy of each authorized representative ► Ultimate beneficial ownership information, consistent with AML law requirements

TIP

Foreign documentation requires notarization and either an Apostille certificate (for Hague Convention jurisdictions) or legalization at a Mongolian embassy/consulate. Confirm current document lists directly with the chosen broker and clearing bank, as firms may apply additional internal requirements.

Choosing a broker

- Licensing and regulatory standing — only firms currently compliant with FRC/MSE rules may execute trades; the current list is published on mse.mn.
- Clearing bank — the settlement cash account is opened with the clearing bank used by the broker (e.g., Golomt Bank, Khan Bank, Trade & Development Bank).
- Settlement functionality — some licensed brokers offer same-day settlement for eligible transactions through their own platforms.
- Professional standing — the Mongolian Association of Securities Dealers (MASD), the industry's self-regulatory organization, maintains a searchable registry of member firms and certified market professionals at masd.mn.

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Tax treatment

Non-resident investors are taxed on Mongolian-source income, generally through withholding at source; double tax treaties may reduce the rate.

Taxation of investment income

Mongolia taxes non-resident investors on Mongolian-source income under applicable corporate and personal income tax rules, generally through withholding at source. The rates below summarize domestic-law positions for common investment income categories; applicable double tax treaties and investor-specific documentation may reduce or modify the final tax treatment.

INCOME TYPE	STANDARD WHT RATE	REDUCED RATE
Dividends	20%	5% on dividends from shares of a local (non-mining/oil) entity traded on local and international markets; further reduction possible under an applicable double tax treaty (DTT).
Interest (incl. listed bonds)	20%	5% on interest from listed debt instruments of a local (non-mining/oil) entity; 5% on bank-bond interest; DTT relief may apply.
Capital gains on sale of shares/securities	Generally 20% WHT on Mongolian-source gains for non-resident entities; individual treatment may differ under personal income tax rules.	Treaty relief possible depending on the specific DTT's capital gains article; treatment can also depend on investor type and structure.

Double taxation treaties

Mongolia maintains double tax treaties with several countries that can reduce withholding rates on dividends, interest, and in some cases capital gains. Coverage and rates vary by treaty partner and by the size of shareholding (many treaties apply a lower rate — commonly around 5–10% — only where the recipient is a company holding a minimum stake, often 10% or more, with a higher rate otherwise). Investors should check whether their country of tax residence has a treaty in force with Mongolia and review its specific terms.

Withholding and reporting

- Tax is withheld at source by the paying entity (issuer, broker, or clearing bank acting as paying agent) and remitted to the Mongolian Tax Administration, generally within 10 working days of payment.
- Withholding tax statements are filed quarterly (within 20 days of quarter-end) and an annual statement is due by 10 February of the following year.
- Double tax treaty relief is not automatic — investors typically need to provide a certificate of tax residency and complete any required treaty-relief documentation to the withholding agent in advance of payment.

TAX ADVICE

These are general domestic-law positions summarized from publicly available tax guidance current as of 2026. Tax treatment depends on the investor's residency, entity type, treaty eligibility, documentation and the specific security held. This guide is not tax advice; investors should confirm their position with a licensed Mongolian tax advisor and, where relevant, the Mongolian Tax Administration before investing.

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Trading and settlement

Trading is electronic and order-driven; the standard settlement cycle is T+2.

TRADING HOURS

10:00-13:00

For securities trading Ulaanbaatar Time, UTC+8

SETTLEMENT CYCLE

T+2

T+0 settlement is offered by some brokers for eligible trades

TRADING CURRENCY

MNT

Trading sessions and rules

The MSE operates an electronic, order-driven continuous trading market. Orders are placed through a licensed broker; foreign investors trade through the same order book and price-discovery mechanism as domestic investors, with no separate foreign board or quota in the general equity market.

PARAMETER	DETAILS
Trading days	Monday–Friday, excluding exchange holidays
Trading system	Electronic, order-driven continuous trading market
Order types	Limit order, market order
Daily price limits	15%

Clearing and settlement

Trades executed on the MSE are cleared and settled through the market's central depository and clearing infrastructure. Public investor guidance describes the standard securities settlement cycle as T+2, while some licensed brokers have introduced same-day settlement functionality for eligible transactions through their own platforms. Cash settlement flows through a securities settlement cash account at the clearing bank used by the investor's broker (e.g., Golomt Bank, Khan Bank, Trade & Development Bank). Investors should confirm the applicable settlement timing, the current list of eligible clearing banks and account requirements with their broker before placing orders.

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Practical notes

No general legal distinction is drawn between foreign and domestic investors in accessing MSE-listed securities — the same three-account structure, broker relationship, and trading rules apply.

Currency and repatriation of funds

Mongolia does not apply a general capital-account restriction specific to foreign portfolio investment in listed securities; funds are moved through the investor's securities settlement cash account in the ordinary course of banking. Investors should confirm current foreign-exchange and reporting requirements with their clearing bank, as day-to-day banking procedures (e.g., FX conversion, transfer documentation) are set by individual commercial banks under Bank of Mongolia rules.

Corporate actions and dividends

Cash dividends, coupon payments, and other cash entitlements are credited to the investor's securities settlement cash account, net of any withholding tax due, following the same account structure used for trade settlement.

Before you invest

- Confirm your broker is on the current FRC/MSE-compliant list published on mse.mn
- Confirm tax treatment and treaty eligibility, and review the issuer's sector and license status — sector-specific rules and tax exceptions can apply to entities holding mineral resource, oil exploration or mining licenses
- Arrange a notarized (and apostilled, if executed abroad) power of attorney if you will not travel to Mongolia
- Engage a licensed Mongolian tax advisor and legal counsel for transaction-specific advice

TIP

Settlement timing can differ by instrument and broker — confirm whether standard T+2 or same-day settlement applies before placing an order.

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Useful resources

Official sources of information on the Mongolian capital market.

ORGANIZATION	WHAT YOU WILL FIND	WEBSITE
Mongolian Stock Exchange (MSE)	Market rules and the current list of compliant brokers	www.mse.mn
Financial Regulatory Commission (FRC)	Current binding rules and regulations	www.frc.mn
Mongolian Central Securities Depository (MCSD)	Depository account services, securities ownership records and settlement information	www.mcsd.mn
Mongolian Tax Administration	Tax laws, withholding rules and filing guidance	https://mta.gov.mn
Bank of Mongolia	Policy rate, official exchange rates and foreign-exchange regulations	www.mongolbank.mn
Invest Mongolia (Investment & Trade Agency)	Investment climate information and support services for foreign investors	www.investmongolia.gov.mn
Mongolian Association of Securities Dealers (MASD)	Member firms, registry of certified market professionals and over-the-counter (M-OTC) market data	www.masd.mn

CONTACT INVESTOR RELATIONS

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Disclaimer

Important information about the use of this guide.

This guide has been prepared by the Mongolian Stock Exchange for general informational purposes only. This document does not constitute legal, tax or investment advice and should not be relied upon as a substitute for advice from qualified professional advisors.

While reasonable efforts have been made to ensure accuracy at the time of publication, regulations, tax rates, settlement cycles and lists of licensed intermediaries may change periodically. The Mongolian Stock Exchange accepts no liability for actions taken solely based on this guide.

Investors should confirm current rules directly with the FRC, MSE, relevant depository and clearing institutions, their broker, clearing bank, and licensed Mongolian tax and legal advisors before making an investment decision.

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