

Mongolia	
Policy responses	
Containment	<p>First confirmed case reported on 10 March 2020.</p> <p>13 Feb. 2020 - authorities declared the state of high alert:</p> <ul style="list-style-type: none"> <li>• travel ban from high-risk countries;</li> <li>• temporary suspension of coal exports to China</li> <li>• social distancing</li> <li>• public events cancellations;</li> <li>• school and university closures</li> </ul> <p>10 Mar 2020: Government places Ulaanbaatar and other cities on lockdown <sup>1</sup> (border closure)</p> <p>27 May 2020: Mongolia to extend border closure till 30 June 2020. The country will open its borders with Russia and China only after vaccine is found.<sup>2</sup></p> <p>October 2020: Temporary regulations during election campaign and for polling day on 15 October were implemented.<sup>3</sup></p> <p>26 October 2020: State Emergency Commission extended duration of restriction on all passengers including nationals on movement across country on all auto road, air and railway border crossing; including extension of the “heightened state of readiness”; until 31 December 2020.<sup>4</sup></p> <p>November 2020: Domestic transmissions reported for first time, stringent measures were enforced including nationwide lockdowns.</p> <p>Vaccination: Mongolia aims to vaccinate 60% of the population by end 2021. As of 4 March 2021, 11,000 individuals have been vaccinated.</p>
Fiscal	<p>27 March 2020, a comprehensive set of fiscal measures for consideration was proposed by the cabinet to protect vulnerable household and businesses and to support the economy. These include: (i) tax exemptions on several imported food and medical items; (ii) increase of child allowance and unemployment benefits; (iii) exemptions on CIT, PIT, and social security contributions until the end of September; and (iv) an increase in credit guarantees to SMEs and soft loans from the development bank to cashmere producers. On April 13, Parliament approved tax exemption measures as proposed by the cabinet. (as of May the amount was MNT5.1 trillion (13 percent of GDP)</p> <p>6 May 2020: a second package of fiscal measures (amounting to roughly 2</p>

<sup>1</sup> <https://www.garda.com/crisis24/news-alerts/321181/mongolia-government-places-ulaanbaatar-and-other-cities-on-lockdown-due-to-covid-19-march-10-update-7>

<sup>2</sup> <https://news.mn/en/792655/>

<sup>3</sup> <https://montsame.mn/en/read/238511>

<sup>4</sup> <https://montsame.mn/en/read/240796>

	<p>percent of GDP) was announced to protect the vulnerable groups. These include: (i) a further increase in child money allowance; (ii) a scale-up of food stamp allowance; and (iii) an increase in social welfare pensions for the elderly, disabled, dwarfs, orphans, and single parents with more than 4 children. The government has indicated they expect to fully offset these measures with expenditure cuts.</p> <p>Health related: MNT17 billion (\$6.2 million, 0.04 percent of GDP) of additional health spending has been approved and allocated to epidemic prevention and control, acquisition of medical supply and medical staff overtime salaries (financed by a Government Reserve Fund)</p> <p>5 August:<sup>5</sup> government announced extension or modification of COVID-19 measures. Measures extended through to end of the year: (1) child money allowance; (2) CIT exemption; (3) exemption of rent income tax; (4) exemption of customs duty and VAT on certain imported goods. Modification of measures: (1) increased food stamp allowance; (2) increased social welfare pensions; (3) reduced social security contribution.</p> <p>A supplementary budget which contain these measures will be submitted to Parliament in mid-August for approval.</p> <p>18 November 2020: further extension of selected fiscal measures till end-June 2021 in response to lockdowns including exemption of rent income tax, exemption of customs duty and VAT on selected imported goods.</p> <p>2 December 2020: government announced additional measures including MNT 3 billion financial support to selected provinces; temporary exemption fo tax penalties and charges on late payment; coal briquette price subsidy.</p> <p>13 Decmeber 2020: government announced that COVID-19 measures will be financed by selected SOEs including waiving utility payments to households and enterprises; and reducing price of coal briquettes by 75%.</p>
Monetary/financial	<p>11 March 2020: the Bank of Mongolia (BOM)</p> <ul style="list-style-type: none"> <li>• reduced the policy rate by 100 bps to 10 percent;</li> <li>• reduced the MNT reserve requirement of banks by 200 basis points to 8.5 percent;</li> <li>• narrowed the policy rate corridor to <math>\pm 1</math> percent. The lower reserve requirement released MNT 324 billion (0.8 percent of GDP) of additional liquidity in the banking system</li> </ul> <p>18 March 2020: BOM and Financial Regulatory Commission implemented temporary financial forbearance measures on prudential requirements, loan classifications, and restructuring standards.</p> <p>13 April 2020: (i) cut the policy rate by 100 bps to 9 percent and (ii) allowed existing consumption loan borrowers to defer their principal and interest payments by up to 12 months.</p>

<sup>5</sup> <https://montsame.mn/en/read/232878>

	<p>30 April: The Anti-Pandemic Law approved by Parliament on April 30 compels the BOM to implement nonconventional measures, including a SOE-issued bond purchase to compensate banks' profit loss related to pension-backed loan cancellation, short-term concessional financing to gold miners, and temporary resumption of the subsidized mortgage program which ended at end-2019.</p> <p>7 August: BOM extended temporary financial forbearance measures, which was to expire end-July, through to end of the year.</p> <p>15 Sep: BOM lowered its policy rate by another 100 basis points to 8.0 percent and has now cut it 300 points this year following earlier cuts in March and April</p> <p>End September 2020: BOM's nonconventional quasi-fiscal operations amount to MNT588 billion (1.5 per cent of GDP)</p> <p>Exchange rate and balance of payments: In line with the closure of border to China, most mineral exports to China, accounting for about 90 percent of total exports, have been suspended since February 10, though coal exports started to gradually resume on March 15.</p> <p>23-Nov-20 lowered its policy rate by another 200 basis points to 6%</p>
Trade measures <sup>6</sup>	<p><b>Restrictive:</b> N/A</p> <p><b>Liberalizing:</b></p> <ul style="list-style-type: none"> <li>Exemption from customs and value-added tax on the import of test kits, drugs, medical devices, equipment, disinfectants and masks for the diagnosis and treatment of the epidemic of coronavirus infection. Furthermore, in order to stabilize the prices, supply and supply of major food products, food wheat, seed wheat, all types of food rice, triangular rice, millet, sugar and vegetable oil will be exempted from customs and value added tax from March 1 to June 30. The law has been approved on April 9, 2020.</li> </ul>
SME measures <sup>7</sup> (last update 22 January 2021)	<p><b>Tax exemption and deferral of tax payment:</b></p> <ul style="list-style-type: none"> <li>The government (i) reduced retail store rents; (ii) exempted taxes for retail store rental incomes; and (iii) implemented tax exemptions or deferred payments as appropriate in different industries.</li> <li>Entities with revenues of less than MNT 1.5 billion are entitled to exemption of corporate tax for six months from April 1 until October 1.<sup>8</sup></li> <li>The government exempted businesses and entities from paying social</li> </ul>

<sup>6</sup> <https://www.macmap.org/covid19>

<sup>7</sup> <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#I>

<sup>8</sup> <https://www.worldbank.org/en/data/interactive/2020/04/14/map-of-sme-support-measures-in-response-to-covid-19>

	<p>insurances fees between April 1 and October 1.<sup>9</sup></p> <ul style="list-style-type: none"> <li>On August 5, the government announced the extension through the end of the year of: (i) CIT exemption; (ii) exemption of rent income tax; and (iii) exemption of customs duty and VAT on certain imported goods</li> </ul> <p><b>Loan support:</b></p> <ul style="list-style-type: none"> <li>Increase in credit guarantees to SMEs and soft loans from the development bank to cashmere producers.<sup>10</sup></li> </ul> <p><b>Employment support:</b></p> <ul style="list-style-type: none"> <li>The Government will provide a wage subsidy of MNT 600/month (50 per cent of the minimum wage) for three months, targeted to workers earning MNT 4,000 or less and have experienced a 50 per cent wage reduction since 1 January 2020. Employers will be disallowed from laying off these workers and from reducing workers' existing wages. This is expected to benefit 3.3 million workers costing MNT 5.9 billion.</li> </ul>
Other policy measures	<p><b>Social protection</b></p> <ul style="list-style-type: none"> <li>Child allowance increased for all children up to 18 years old by MNT 10,000 (USD7.50) making MNT 30,000 per month per child for a period of three months.</li> <li>Government will distribute dividends of Erdenes Tavan Tolgoi, a state owned mining company, to all citizens. The total amount of the dividend is MNT 120 billion (USD53.2 million). 486 business enterprises will receive MNT 636 million.</li> <li>No penalties for relevant companies if electricity bill is not paid.</li> <li>Selected private enterprises and individuals to be exempted from social insurance contribution for a period of six months.</li> <li>VAT of the first quarter of 2020 will be refunded in April, which is around MNT40 billion (USD14.4 million) for 860 thousand people.</li> </ul> <p><b>Employment retention</b></p> <ul style="list-style-type: none"> <li>Wage and salary exempted from income tax and social insurance contribution from April 1 to October 1. This does not apply to public officials, and state-owned enterprises and businesses currently implementing projects with public funds.</li> <li>Social Insurance Fund participants will receive MNT200,000 (USD72) per month when work has stopped due to Government quarantine decision.</li> </ul> <p><b>Assistance to business and business continuity</b></p> <ul style="list-style-type: none"> <li>All schools closed until April 30, 2020. Video and online classes prepared and available on TV.</li> <li>Companies, having failed to pay their social insurance dues won't be penalized but health insurance contribution has to be paid.</li> <li>Over 100,000 SMEs exempted from taxes for a period of six months.</li> </ul>

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

	<ul style="list-style-type: none"> <li>• Penalties imposed on unpaid taxes and dues will be lifted during the period of state heightened situation. There are approximately 800,000 such taxpayers.</li> <li>• Customs due and import tax on rice, wheat, sugar and oil will be postponed for a period of two months.</li> <li>• Company's loss will be carried over in the next four years, so as to reduce the income tax.</li> </ul>
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*Source:* IMF, Policy Responses to COVID-19, if not specified.