



# AmCham News

APRIL 2019

## AMCHAM POLICY AND ADVOCACY EFFORTS

On Tuesday, April 9, AmCham Mongolia, together with the U.S. Embassy, organized a consultative meeting for interested companies with U.S. affiliation to provide their input for the embassy's annual Investment Climate Statement. During the consultation, stakeholders expressed their concerns and issues for the overall business investment climate in Mongolia, based on their experiences, including delays in court proceedings, the increased involvement of SOEs in key sectors of the economy, limitations on the minimum amount of FDI to Mongolia, and contradictory legislations. They noted that there is a need for immediate legal and banking reforms, including timely decisions from courts on investment-related disputes, USD clearance, a review of the Minerals Law, honoring the sanctity of existing contracts, and activation of the Investment Protection Council.

### AmCham Financial Services Committee

AmCham Mongolia's Financial Committee organized a Banking Roundtable, in collaboration with the U.S. Department of the Treasury and the Bank of Mongolia, on the compliance of banks with anti-money laundering reporting requirements and ways forward to implement regulations in partnership with regulators. During the roundtable, the executives and heads of compliance departments of Mongolia's top banks expressed their concerns regarding anti-money laundering/combating the financing of terrorism (AML/CFT) regulations and suspicious transaction reports (STRs), including the potential risk and disastrous outcomes of Mongolia being greylisted, the Bank of Mongolia's plan of action if greylisting happens, the need for feedback and general statistics from the Bank of Mongolia regarding the quality of their AML/CFT and STR reports, and more.



### Promoting Good Business Ethics in Mongolia with the Asia Foundation

On April 5, 2019, AmCham Mongolia launched a kick-off consultation on Promoting Good Business Ethics in Mongolia: Phase II, organized in collaboration with the Asia Foundation. This meeting was part of AmCham Mongolia and the Asia Foundation's joint effort to promote good business ethics in Mongolia through a focus on promoting best practices and positive stories, which will contribute effectively to creating an anti-corruption culture and behavior in society, especially within the private sector community.

During the consultation, AmCham Mongolia shared some of the key findings from the Study of Private Sector Perceptions of Corruption 2018, a survey conducted by Asia Foundation, and presented a sample template for a code of conduct and business ethics for comments and feedback from the consultation participants. The participants, many representing AmCham's membership, discussed practical ways to decrease corruption in the public and private sectors, and fighting corruption in business to business relations, as well as ways to replicate good practices and codes of ethics in Mongolian companies, particularly SMEs.



AmChamMongolia



@AmChamMongolia



AmChamMongolia



+976 70003437

### AmCham April Monthly Meeting Hosted Minister of Mining and Heavy Industry

During the April Monthly Meeting, Minister of Mining and Heavy Industry Sumiyabazar Dolgorsuren provided an insightful and comprehensive overview of the government's efforts to advance the policy reforms in the mining sector.

In his speech, Minister Sumiyabazar expressed his gratitude for AmCham Mongolia's productive effort to support private sector-led economic development, and said, "We must trust, respect, and smartly cooperate with our foreign investors." He continued by emphasizing, "It is of critical importance to assure the confidence of foreign investors, and improve the reputation of the Mongolian mining sector on the international stage through the OT project. Mongolia has made an international contract thus, to uphold its reputation and integrity,

Mongolia must respect contractual obligations. So I want to reassure our foreign investors that I stand with them to protect the mining industry." The Minister said the Oyu Tolgoi is currently extending an underground project with a \$5.3 billion project that Rio reports will unlock 80 percent of the resource wealth.

The Chairman of AmCham Mongolia, Oybek Khalilov highlighted in his opening remarks, "Mining agreements and contracts are critical in ensuring that mining-led growth is sustainable and inclusive to create conditions to support economic diversification. Needless to mention, as the constitution of law dictates, the sanctity of a contract is essentially what creates civic society, and is the blueprint of democratic rule.



### Mongolia Third Neighbor Trade Act Introduced to U.S. House and Senate

On April 12, Mongolia Third Neighbor Trade Act (MTNTA) was reintroduced to the United States Congress as H.R. 2911 and S. 1188. The MTNTA, a U.S. trade initiative, will grant Mongolian cashmere duty-free access to the United States – creating great potential for growth in Mongolia's cashmere and textile industry while allowing a new reliable source of cashmere to American retailers and textile manufacturers. AmCham Mongolia also urges swift action by the U.S. Congress to approve the Mongolia Third Neighbor Trade Act and for the Trump Administration to support and approve the legislation as well.

## AMCHAM MENTOR DAY

AmCham Mongolia organized its annual Corporate Social Responsibility initiative, AmCham Mentor Day 2019, on March 30, 2019, at Khan Bank Tower. AmCham Mentor Day 2019 is a day-long mentoring event that provides third and fourth year university students the opportunity to learn and hear about personal development, mentorship, and success from the leading senior executives and human resources directors of AmCham member companies.

The event program included inspirational talks from business leaders, resume development and interview strategies workshops, and teamwork exercises. AmCham Mongolia is grateful to our panelists who were the executives representing prominent businesses in Mongolia, to our 10 HR directors for their invaluable help, and to our 100 university students who participated. The esteemed speakers and panelists were from Ard Financial Group, MCS, ING,

Khan Bank, Herbalife Nutrition, Infinite Solutions and Porsche Centre. The workshops were led by HR specialists from our member companies; Khan Bank, Oyu Tolgoi, Ard Finance, Kempinski Hotel Khan Palace, Porsche, Herbalife Nutrition, and ING. We want to especially thank our sponsors Herbalife Nutrition and Porsche Center Ulaanbaatar for their generous support, and to Khan Bank for providing us with the opportunity to host the event at Khan Bank Tower.



AmChamMongolia



@AmChamMongolia



AmChamMongolia



+976 70003437



## The CFO Program

### Golomt Bank wins an award

The "Asia Money" magazine has selected Golomt Bank as the "Best Corporate and Investor Bank" in 2018 for its status as a leading corporate bank serving more than 80% of Mongolia's largest companies, many of which are all-purpose conglomerates, with interests ranging from telecoms and food production to construction and mining. Golomt Bank executed the payments and settlements of 75 percent of iron ore and ore concentrate exported nationally, 45 percent of fluorspar, 45 percent of coal exports and 68 percent of all gold exported in year 2018.

### Deloitte is organizing its annual CFO Forum

Deloitte Mongolia is organizing its annual Chief Financial Officer (CFO) Forum, a key initiative of the Deloitte Global CFO Program, in May 2019. The program has been launched in 2014 as a first of its kind by a professional services firm in Mongolia. CFO Forum brings together a multi-disciplinary team of Deloitte leaders and subject matter specialists to help

CFO's and finance professionals to stay ahead in the face of growing challenges and demands. The program harnesses our organization's broad capabilities to deliver forward thinking and fresh insights for every stage of a CFO's career - helping CFO's manage the complexities of their roles and tackle their issues.

Founded in 1995, Golomt Bank has consistently maintained its status as a stable lender supporter of systemic value industries in Mongolia. Over the years the banks has financed important mining, constructions, production and service projects. As a result, the development of the Oyu Tolgoi Project and the New Ulaanbaatar International airport projects are being implemented with international standards, advanced technology and better health and safety solutions. Congratulations Golomt Bank!



### Oyu Tolgoi project of MCS Property wins an award

The Underground Critical Facilities Construction at Oyu Tolgoi Project of MCS Property LLC has been awarded with "Civil Engineering Project Award" as one of the best 6 projects from the Civil Engineering Conference in the Asian Region. The award has been received during the Civil Engineering Conference of Asian Region today in Tokyo. Congratulations to the MCS Property LLC, Oyu Tolgoi LLC, Jacobs Engineering LLC and Underground Critical Facility Project Team!



### Jaguar Land Rover temporary showroom Media Launch

Starchase Motorsports Mongolia became the Jaguar Land Rover official dealer as of October 2018. Since then, they established their Sales Workshop and Parts Warehouse, and a temporary showroom in Zaisan Hill Entertainment Complex (the most luxurious part of town) on March 13th. Over 20 media representatives from all types of channels were eager to cover the exciting news. The new temporary showroom displays 4 new vehicles and Jaguar Land Rover branded merchandise. They are planning on starting the construction of a permanent showroom in May-June of this year, so they can welcome their customers at a permanent luxurious, top-notch professional showroom.





**ING sponsors Tsaatan Project**

Misheel Kids Foundation organized the second Tsaatan Dental Project from February 28th to March 11th. The project members consisted of dentists from Mongolia and Switzerland conducting over 508 dental treatments for the residents of Tsaatan and Tsagaanuur. The foundation also conducted dental education seminars to all the kindergartens and schools of Tsagaanuur. They also donated 400 toothbrushes. ING Bank Mongolia Representative Office sponsored the Tsaatan Project for the second year by providing transportation of 3 vehicles with drivers.

**Jacobs' second-hand donations**

Jacobs successfully collected and donated six boxes of second-hand and new items to a charity shop called "Dream Light". The shop sells the items for a low price and the revenue generated from the sales will directly fund disabled employee's salaries on top of the shop's operation costs. The charity shop opened in March 2019 and is located in north of Ulaanbaatar in the ger district. Jacobs strives to contribute to the environmental and community development of Mongolia.

**Skytel's program for students**

For their corporate responsibility project this month, Skytel invested in the intelligence and aptitude of the youth by initiating a program for 5434 students from around Chingeltei district, 17-18 khoroo. The program is designed to teach students good habits such as reading, productive ways to spend their leisure time, healthy exchange of knowledge, creating safe spaces to study, not being late to class and so on. By participating in the program, students can become more balanced, virtuous and conscientious. It is of vital importance to invest in the development of the future of the youth!

**Shangri-La Hotel Ulaanbaatar hosts Down Syndrome Media Day**

Mongolian athletes participated at the Abu Dhabi 2019 Special Olympics World Summer Games from March 14-21, 2019 and brought home 17 medals. To congratulate our champs, Shangri-La Hotel hosted the Down Syndrome Association of Mongolia (DSAMmn) on Sunday, March 24th to celebrate World Down Syndrome Media Day. Spreading awareness about mental health is an important issue and Shangri-La Hotel did a great job to contribute!

**Starchase Sponsors Team Mongolia for Wheelchair Fencing Championship**

Life of the people with physical disabilities in Mongolia is highly challenging and inaccessible. Hence, 3 Communities, Starchase Automotive Limited LLC, Mongolian Fencing Association and JCI Progress branches united to support and give an opportunity to 20 wheelchair sportsmen by organizing first of its kind championship in Mongolia. Wheelchair Fencing Championship was held at Porsche Centre Ulaanbaatar showroom as a practice tournament for Paralympics in Tokyo 2020. They received heartfelt appreciation from participants.

**SouthGobi Sands LLC establishes tripartite cooperation agreement**

The tripartite cooperation agreement has been signed by Governor of Umnugovi province Mr. Naranbaatar, Governor of Gurbantse soum Mr. Battogtokh and Manager of Environment and Community Relations Department of SouthGobi Sands LLC Mr. Aiunbold, representing the company's Executive Director Mr. Munkhbat. The cooperation agreement covers five areas including the development of infrastructure for manufacturing, mining projects, environmental protection, increase in employment, support for small and medium enterprises, and protection of cultural heritages. SouthGobi Sands is counted as one of the most socially responsible companies in the region, having invested 8.7 billion MNT on CSR projects.

