

## INTRODUCTION TO THE DRAFT LAW ON THE DEVELOPMENT BANK OF MONGOLIA (REVISED EDITION)

### On the Draft of the Revised Law on the Development Bank of Mongolia

The Parliament of Mongolia originally passed the Law on the Development Bank of Mongolia (hereinafter referred to as “DBM”) on February 10, 2011. Since then, in order to improve the bank's governance, enhance its independence, and expand its core activities, on February 10, 2017, the Revised Law was adopted.

Under this law, in recent years, events, incidents, and violations involving the Bank including those linked to certain senior officials, employees, citizens, and legal entities, have been thoroughly investigated. These matters have been examined and addressed by the judicial and law enforcement bodies in accordance with the relevant legislation of Mongolia. As a result, specific changes and reforms have been implemented to the legal framework, with the government focusing on improving management and organizational structures and taking measures to increase financial resources.

Despite the challenging financial situation of the Bank, it focused on mobilizing resources for the repayment of certain bonds due in 2022-2023, raised from the international market. As a result, the Bank directed all its operations towards loan repayment, successfully ensuring the repayment of MNT 1.7 trillion in loans and interest. Through this repayment, the Bank repaid JPY 30 billion Samurai bonds guaranteed by the government, USD 500 million Euro bonds raised independently, and other scheduled debt payments, totaling MNT 3.1 trillion in liabilities.

However, compared to MNT 5.8 trillion in assets in 2017, the Bank's assets have declined by 60%, reaching MNT 2.4 trillion by the end of 2024. Due to the Bank's inability to engage in new lending, project financing, or obtaining funding, its activities have been stagnant for a long period, resulting in a contraction of its operational scope. to a narrowing of its operational scope. There is a pressing need for legal reforms to enable the Bank to resume its core activities within the legal framework and enhance its institutional capacity.

On the other hand, there has been a lack of accountability for those receiving financing from the Bank, and insufficient regulations regarding the criteria, requirements, research, analysis, and oversight of project implementation. Many instances have occurred where borrowers misused loan financing for unintended purposes, failed to provide documentation for expenditures, or projects were never implemented. This suggests that, in some cases, the parties involved never intended to execute the projects from the beginning, highlighting weak oversight and accountability mechanisms for project implementation. The legal gaps and regulatory deficiencies have fostered corruption and bribery, leading to decisions driven by personal interests and political influence, rather than professional judgment based on research, analysis, and sound calculations.

As of now, 57.5% of the Bank's loan portfolio, or approximately MNT 1.3 trillion, has been classified as non-performing. Furthermore, the Bank remains at risk of default to

meet the repayment of foreign bonds issued by the Bank. This situation can be attributed to the continued weakness in the legal framework governing the Bank.

Therefore, in order to prevent the aforementioned issues from recurring within the legal framework, to revive the operations of the DBM, and to improve and refine its regulatory environment, the Law on the DBM has been revised. The revision introduces several fundamental changes, expanding the Bank's role in development and project financing, as well as export and import financing activities while positioning the DBM as an institution that supports export financing.

In drafting this project, we carefully examined both the failures and best practices of international development banks, comparing the DBM's current situation with the operations of development banks in East Asian countries that have demonstrated relative success in their development.

For instance, the Government of Japan involves its development bank in formulating and implementing its medium-term development programs. The bank selects, studies, and finances projects that align with these programs. The legal and regulatory framework has defined the bank as a key institution in achieving the country's development policy, outlining its scope, goals, and objectives. It also emphasizes elements of good governance, including an independent board of directors and executive management, along with governance structures that support independent decision-making. The bank establishes financial ratios and maintains them regularly, ensuring that the projects it finances are economically viable. With a comprehensive, multi-level control system in place, Japan's Development Bank has been able to successfully support the country's development.

In drafting this law, we have drawn insights from the best practices and lessons learned from the past. The legal status and functions of the DBM have been redefined, with a renewed focus on financing targeted markets that promote exports and ensure sustainable development. The proposed changes also introduce newly defined operational directions and authorities for the Bank, while enhancing its governance, control, and accountability systems.

The draft law on the DBM consists of 10 chapters and 46 articles. It introduces the following changes based on legal and practical requirements:

1. In Chapter 1 of the Law, the concept of financial activities and services is clarified by adding a definition in Article 4, which applies to the terminology used in this law.

Clear and unambiguous definitions of terms are essential for the proper implementation of legislation, and the correct use of terminology plays a key role in refining the legal framework. Therefore, to prevent legal disputes and contradictions, the definition is added in Article 4.

DBM should use diversified financial instruments tailored to the specifics of each project or program when implementing them. It is suitable to define project financing,

export financing, green financing, and trade financing distinctly by the Law and specifying the corresponding requirements separately.

In particular, “project financing” will be specifically defined in the Law, as the concept differs from generally accepted notions of “loan” and “collateral”. In accordance with Clause 8.1.9 of the current Law on the DBM, it stipulates that *the Bank conducts operations related to “export and import financing”*. Furthermore, Article 17.1 specifies that *“Projects and programs eligible for export and import financing must meet the requirements set out in Article 10.1 of this Law”*, which creates challenges and difficulties for the Bank in introducing and offering new products that are trade-finance related transaction and payment products and services to the customers under the current legal framework.

Trade financing is an activity regulated by international standards and the unified procedures of banks, based on "trade agreements". As the DBM intends to perform EXIM bank function in the long term, it has clearly defined requirements and necessary documents in the revised Law, ensuring clarity for customers seeking trade finance products and services.

Current law 8.1.1. “Financing project and programs”	Current law 8.1.3. “Issuing guarantees and guarantees”	Current law 8.1.9. “Export and import financing”
<p>10.1.The DBM finances projects and programs that meet the following requirements:</p> <p>10.1.1.<i>that conform with the Long-Term and the Medium-term Development Policy of Mongolia;</i></p> <p>10.1.2.<i>are viable economically and financially, and that shall be able to repay the loan;</i></p> <p>10.1.3.<i>that have had a technical-economic feasibility study carried out and have a design ready and a budget prepared;</i></p> <p>10.1.4.<i>that aim to support economic growth and exports, that are alternatives to imports and/or manufacture value-added products;</i></p> <p>10.1.5.<i>after having calculated a project’s risk assessment, feasibility in obtaining finance, and the economic, environmental, and social impact reviews in accordance with professional analysis and evaluation methodology and criteria; and</i></p> <p>10.1.6.<i>financing, except that specified in Article 8.1.7 of this Law is to be underpinned with satisfactory means of meeting obligations.</i></p> <p>10.2.<i>The DBM may finance projects and programs that meet the requirements set out in Article 10.1 of this Law, jointly with foreign or domestic banks, financial institutions, and/or investors.</i></p> <p>10.3.<i>The Board of Directors of the DBM shall be responsible for setting the terms and requirements other than those stipulated in Article 10.1 of this Law.</i></p> <p>10.4.<i>The DBM shall make decisions with regard to the financing of projects and programs. The Board of Directors shall set out the regulations that are applicable in such decision-making processes.</i></p>	<p>12.1. The DBM may issue a guarantee or guaranty for a third party individually or jointly with other parties in conformity with the indicators and regulations stipulated in Article 25.1 of this Law and the restrictions in Article 28 of this Law.</p> <div data-bbox="850 1290 1153 1473" style="border: 1px dashed green; padding: 5px; margin: 10px auto; width: fit-content;"> <p>12.2. Guarantee or guaranty can only be issued for a project or program that meets the requirements set out in Articles 10.1.2 to 10.1.5 of this Law.</p> </div>	<div data-bbox="1198 1485 1505 1644" style="border: 1px solid red; padding: 5px; margin: 10px auto; width: fit-content;"> <p>17.1. Projects and programs eligible for export and import financing must meet the requirements set out in Article 10.1 of this Law</p> </div>

2. Article 5 of the Law which defines the legal status of DBM has been revised to "DBM is a development institution established by the government with the mandate to support the development objectives outlined in Article 6 of this law."

In the past DBM has provided financing for projects and programs. On the other hand, DBM has also collaborated with investors to attract the required funding to provide financing for those projects and programs.

Going forward, DBM should focus on financing projects and programs to be implemented in targeted sectors, following the best practices of international development banks and development policies. The operational framework of development banks, based on international best practices, typically includes the following:

- Conducting research and evaluation on the economic and social impact of projects and programs that require financings;
- Collaborating with investors to finance large-scale projects;
- Providing technical support to sectors critical for the economic growth;
- Acting as a catalyst in financial markets by attracting investors;
- Engaging in counter-cyclical measures, such as providing loans during economic downturns and collaborating with domestic and international financial institutions to mitigate the adverse effects of financial crises.

As Mongolia's sole policy bank, DBM is obligated to implement counter-cyclical policy measures to stabilize the market and ensure the successful continuation and completion of large-scale projects. This responsibility is upheld regardless of political instability or election cycles, thereby supporting economic stability and long-term development goals.

3. The objective, powers, and areas of activities of DBM are clearly stated in Articles 6,7 and 8 of the Revised Law.

The legal framework governing development banks in other countries is continuously evolving to adapt to current circumstances. In particular, since its establishment, the Korea Development Bank since its inception has been revising its governing law and related documents to reflect the country's economic conditions and government policies and adopted into its operations. (The Korea Development Bank has revised its law a total of 10 times since 1995, specifically in the years 1995, 1997, 1998, 1999, 2002, 2008, 2009, 2010, 2016, and 2020.)

The Law on the DBM was revised once in 2017 after its approval and no further revision has been made since then, to align it with economic circumstances, government policies, and other relevant legislations.

In order to align the operations of the DBM with international standards, it was crucial to revise the DBM's Law and Charter, along with other policies, to ensure compliance with international principles of governance and management. This also includes aligning with the international regulatory standards of banks that undertake similar

activities as DBM. Additionally, necessary changes have been made to address the legal gaps that currently exist within the legislation of DBM.

The Law on the DBM, approved in 2011, required that the list of projects and programs to be financed by the bank should be approved by the Parliament during its spring session each year. However, the law passed in 2017, which is currently in effect, allows the bank to independently finance projects and programs that meet legal requirements. This change aimed to establish a mechanism for the DBM, as a professional organization, to make independent decisions without relying on Parliament or the Government. Authorized officials of the Bank would thus take responsibility for these decisions.

Nevertheless, after this change, the DBM began financing non-development projects that could have been funded by commercial banks instead of large-scale development projects. While the revision intended to reduce political influence on decision-making, the current situation suggests that it has not effectively diminished this influence in financing decisions.

4. Articles 11, 12, and 13 introduce new provisions that regulate the principles, prohibited activities, and requirements for the DBM.

By defining these principles, the law aims to ensure transparency, accountability, and ethical conduct within the Bank's operations.

Development banks are distinct entities, serving as policy instruments to support economic development. Unlike commercial banks, their operations prioritize social and economic benefits over financial profits, which necessitates unique requirements for development banks.

To clarify, the regulations governing decision-making in project financing have been explicitly defined. The draft law stipulates that external influences on the decision-making of executive management are strictly prohibited. Individuals attempting to exert such influence will be held accountable for their actions. As part of this framework, the law outlines specific prohibited actions in the operations of the DBM.

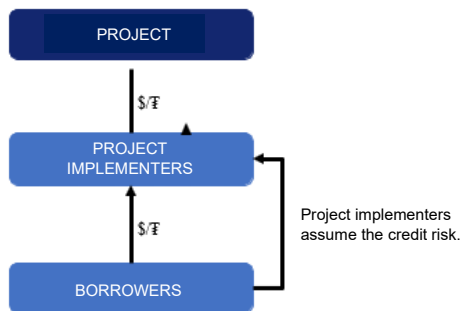
5. The financial services and activities to be conducted by the DBM, which align with its goals and objectives, are renewed in Chapter 3, Articles 14-23.

The DBM differs from commercial banks and offers the following financial services:

- Borrowing and raising funds;
- Project financing;
- Payment and settlement services;
- Issuing guarantees and letters of credit;
- Issuing securities, trading, purchasing, and safekeeping financial instruments;
- Trading and safekeeping foreign currency;
- Owning company shares and investing in investment funds;
- Providing project consulting services;
- Offering export and trade financing;
- Issuing export credit guarantees and providing insurance;
- Providing green financing.

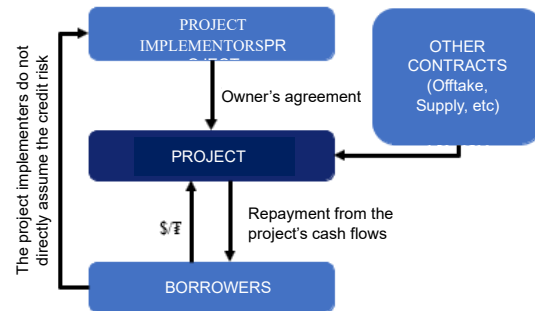
It is important to distinguish project financing from traditional direct financing or standard corporate loans. In traditional direct financing, the lender assesses all the assets of the company to secure loan repayment. In contrast, the key characteristic of project financing is that the project itself is treated as a separate legal entity. This means that the project's assets, contracts, and cash flows are independent of the project sponsor. Furthermore, project financing is structured to more effectively distribute financial returns and risks compared to traditional financing, as outlined in Chapter 16.

#### CORPORATE FINANCING



- The project implementers receive financing directly from the borrower.
- The project implementer uses the financing for project funding.
- The project implementer assumes the credit risk.

#### PROJECT FINANCING



- The project implementers establish a Special Purpose Vehicle (SPV) to receive financing from the borrower.
- The assets created from project implementation and its outcomes serve as collateral for the financing.
- The project implementer does not directly assume the credit risk.

Articles 24 and 25 also include services related to providing green financing aimed at supporting sustainable and environmentally friendly policies. This includes export financing, the issuance of export credit guarantees, and insurance services to promote exports.

For Mongolia, significant green financing is essential to achieve its Sustainable Development Goals and fulfill its commitments. On an international scale, the principles of a green economy and sustainable financing are defined in various ways, and the financial products and services offered by development banks are evolving accordingly. These key principles emphasize environmental protection, social inclusiveness, enhanced economic capabilities, reduction of greenhouse gas emissions, and the efficient allocation of resources. They are aligned with the United Nations Sustainable Development Goals. Depending on the specific circumstances of each country, the priority areas may vary.

As a policy bank supporting the development of Mongolia, the DBM has the opportunity to attract investment from the international market and provide financings for sustainable and green projects and programs within the framework of this commitment to sustainable development.

To fulfill the role of an EXIM bank and support domestic producers and exporters, the DBM must offer financing instruments that are competitive with those provided by foreign export credit agencies. In most countries, EXIM banks not only extend loans and credit guarantees to domestic exporters but also provide the necessary financing

to both foreign and domestic buyers. Research on export support has demonstrated that it is more effective to provide financing to both producers and buyers, rather than solely to exporters. Furthermore, EXIM banks do not compete with other financial institutions, such as commercial banks and insurance companies, but instead collaborate with them. This collaborative approach allows for the sharing of financing responsibilities, as well as political and commercial risks. Since each country's EXIM bank determines borrower eligibility based on traditional criteria such as project success probability, repayment capacity, and export performance, the Bank should ensure that the requirements for such financing are incorporated into its financing policy document.

6. To ensure the stability of governance, the proper allocation of decision-making authority within the operations of the Development Bank, and to clearly define duties and responsibilities, the composition of the Development Bank's Board of Directors, as well as the procedures for their appointment and dismissal, have been revised in Article 26. The criteria for the selection of Board members have been updated in Article 27, while the powers of the Board of Directors have been amended in Article 30. Additionally, Article 29 has been introduced to address the activities of the Board of Directors.

Since the inception of the DBM, a total of 11 individuals have served as the Chairperson of the Board of Directors, with an average tenure of 1.6 years. The shortest term was 51 days, while the longest was 1,404 days. Of the 10 individuals served, 5 worked an average of 230 days, 3 served an average of 650 days, and 2 served for more than 1,000 days.

Approximately 30 individuals have served as members of the Board of Directors. Their tenure ranged from a minimum of 110 days to a maximum of 1,404 days, with an average tenure of 673 days. Of the 25 members, 24% served for up to 1 year, while the remaining 76% served for 1 to 3.8 years.

Over 20 individuals have served as independent members of the Board of Directors. Their tenure ranged from a minimum of 73 days to a maximum of 2,069 days, with 16 members serving an average of 791 days. Among these 16 members, 12.5% served for up to 1 year, while the remaining 87.5% served between 1 and 5.6 years.

A total of 8 individuals have been appointed as Chief Executive Officer (CEO). Their tenure ranged from a minimum of 217 days to a maximum of 1,106 days, with an average duration of 667 days in this position.

More than 30 individuals have served as first deputies, deputies, directors, and department heads. Of these, 7 have remained in their positions since their appointment during the reporting period. Notably, 2 individuals have been in their roles since 2013, and the person with the shortest tenure has served for at least 1 year. Among the total number of positions held, the shortest tenure was 23 days, while the longest was 3,948 days. On average, the 28 individuals who have held these positions served for 837 days. Of these, 14% served for 1 year or less, while 86% served for periods ranging from 1.2 to 10.8 years, indicating a relatively stable workforce.

The results of the study indicate that the tenure of each member of the management and executive team, who are primarily accountable for the outcomes of the Bank's operations, has been unstable. When examined in the context of major projects—the core products of the Bank—this instability, coupled with the inadequate implementation of term contracts and the system for assessing work performance, has negatively impacted operational continuity and independence. These issues were further highlighted in the inspection report of the Temporary Inspection Committee, established by Resolution No. 14 of the Mongolian Parliament on April 15, 2022. This committee reviewed the "Implementation, Results, Loan Disbursement, and Repayment Progress and Status of Projects and Programs Financed by the Development Bank of Mongolia"<sup>1</sup>.

Development banks, by their mandate, are subject to significant influence from senior government officials and elected politicians in shaping their direction and operations. International studies have highlighted that without a robust governance structure, development banks are vulnerable to political influence and interference. This vulnerability may lead to heightened lending risks and potential financial losses arising from external pressures.

There is an urgent need to enhance the governance and management systems of the bank through legal reforms, with a clear delineation of the rights, responsibilities, decision-making framework, and limits of shareholders, the Board of Directors, and the Executive Management, based on a risk-based approach. For instance, the current practice of the Board of Directors making decisions on project financing conflicts with the effective implementation of the DBM's risk management and internal control systems. Consequently, decisions regarding the financing of projects or programs should be delegated to the Executive Management. The Board of Directors, in turn, should focus on the comprehensive oversight of the bank's risk management framework and the operational control systems implemented by the Executive Management.

To ensure the long-term stability of the DBM's operations and maintain its mandate as a policy bank financing large-scale strategic projects of economic and social significance, it is imperative to undertake substantial reforms to its governance and oversight systems. A thorough assessment of the bank's current challenges has underscored the necessity of prioritizing the following key issues, including:

- Operating environment: To establish a legal framework that facilitates the implementation of sound corporate governance, ensures operational independence, and supports adherence to business and commercial principles.
- Governance and management: the shareholders shall ensure that the Bank's Board of Directors is comprised of highly experienced, suitably qualified, and proficient professionals possessing expertise in public administration, business, and economics.

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<sup>1</sup> The audit report conducted by the Monitoring Temporary Committee on the "Implementation, results, loan disbursements, and repayment progress and status of projects and programs financed by the DBM" was published on March 16, 2023, at the following address: <https://www.parliament.mn/files/c02d669c1686437a83235768cd005000/?d=1>



- Political influence: The Bank governance, and management systems shall be firmly anchored in the principles of sound corporate governance. Governance policies must be safeguarded from the impact of political election cycles to ensure independent policy implementation, free from the interference of political parties and individuals involved in appointing the Board of Directors and Executive Management.
- Risk management: In line with the international principles of good governance the Board of Directors must oversee compliance and risk management systems through the Risk Committee; therefore the Board should prioritize this responsibility and ensure its continued implementation with particular diligence.
- Internal audit: As the unit responsible for the third line of defense in the Bank's internal control system, the internal audit function must adhere to principles of corporate governance, risk management, internal control, and audit. It should implement measures to safeguard the Bank against risks and maintain robust oversight mechanisms.

Consequently, the revision has been made to designate the Board of Directors with the responsibility of providing policy guidance, implementing monitoring duties, approving the annual operating plan, and ensuring that the Executive Management operates in strict adherence to the approved plan, as well as to applicable laws, rules, and regulations, all while safeguarding against personal interests.

Since the establishment of the DBM, deficiencies in the Bank's risk management, anti-corruption governance, and management structures have resulted in corruption and official misconduct, significantly damaging the reputation of both the Bank and Mongolia. Therefore, a provision has been introduced to establish a robust governance and management system aimed at preventing such incidents of corruption.

7. To enhance the accountability of Executive Management, revisions have been made to Article 31 concerning the appointment and selection process, to Article 32 outlining the criteria for Executive Management, and to Article 33 detailing the powers and duties of Executive Management.

Over the past 13 years since the establishment of the DBM, there have been 8 executive directors and 11 chairpersons of the Board of Directors, the Bank's charter has been amended 4 times, and its structure and organization have undergone 10 revisions. These frequent changes have contributed to instability and a lack of succession in governance, operations, and human resources. Therefore, to ensure the stability of the DBM's executive management, the Chief Executive Officer should be granted the authority to select, appoint, and dismiss members of the executive management team.

Therefore, the provisions have been revised to stipulate that the Board of Directors shall be responsible for appointing the CEO, while granting the CEO the authority to select and appoint members of the Executive Management Team.

8. To clarify the powers of the State Great Khural of Mongolia, the Government, and the supervision of the Bank of Mongolia over the activities of the DBM, the principles

governing external relations with entities outside the DBM have been revised in Chapter Five.

Article 28.1.1 of the Law on the DBM stipulates that *“The total amount of loans, guarantees, and assets equivalent to loans shall not exceed 30 times the capital, with the precise amount to be determined by the Bank of Mongolia.”* This implies that the Bank is authorized to provide financing up to a maximum of MNT 30 trillion, in contrast to the Bank’s authorized capital of MNT1 trillion. Considering that the gross domestic product is projected to reach MNT70 trillion by 2023, it is essential for the Bank’s loan financing budget and financing plan to be aligned with the national policies and strategic plans.

The government has identified and approved a list of strategically significant mega projects to be implemented over the long term, aimed at ensuring the economic growth of the country. It has also assigned the DBM to independently or jointly finance these projects.

9. The amendment to Article 41 of the Law outlines provisions for the restructuring of risky assets, and utilization of tools employed by professional banking institutions to mitigate the risk of non-performing assets.

In recent years, with the support of the Government, some measures have been taken to improve the legal framework and financial position of the DBM. However, since 2017, issues related to the bank’s non-performing and overdue assets have persisted. Several key factors appear to have contributed to the deterioration in asset quality, including:

*External Factors:*

- Decision-making influenced by external interference;
- Political instability and uncertainty in state policies (e.g., lack of continuity and coordination when the government changes);
- Lack of accountability from state ministries regarding resolutions and decisions related to projects and programs, financial arrangements, and contractual obligations (instability in the operations of ministries and affiliated higher authorities acting as project clients, as well as inadequate implementation of proposals for collaboration with banks).

*Internal Reasons:*

- Instability in the Bank’s policies, management, and operations;
- The borrower’s weak project implementation capacity, lack of financial discipline and responsibility, and inaccurate reporting of financial statements limit the bank’s ability to monitor project progress based on financial information;
- Misuse of loans, failure to comply with the bank’s requirements (Both the original and revised laws mandate that the Bank shall appoint supervisors; however, in practice, the appointment from its internal sources was not effective);

- Incomplete project development and readiness, unclear circumstances, and changes introduced by the borrower in the project's construction process regarding contractors and suppliers;
- Despite the project has been implemented, it is not operating in full capacity due to weak human resources;
- If the project is implemented and the product is produced, but an export permit is not issued due to circumstances in the importing country, the ability to repay the loan may be significantly reduced. Additionally, poor communication and lack of coordination among the relevant ministries and agencies further exacerbate the issue;
- The bank has not established a comprehensive integrated service system for customers (settlement services, other loan products, financial advisory services, etc. );
- There are no regulations or authorities in place to implement measures such as interest rate reductions, suspensions, waivers, off-balance sheet write-offs, partial write-offs of loans from provisions, loan sales or exchanges, and the registration of collateral as other real estate assets without integrating them into economic circulation. These measures are commonly employed by professional banking institutions to manage non-performing loans.

Therefore, DBM should be provided the legal authority to implement measures commonly used by financial institutions, to mitigate the risk of non-performing assets and to expedite the resolution process.

10. Article 4.3 will be amended to include provisions ensuring openness and transparency of information regarding the process, implementation status, and financing of projects financed or to be financed by the Bank.

The significance of transparency and openness in enhancing the accountability of the Bank's Board of Directors and Executive Management was evident from the disclosure of information on the quality of the Development Bank's loan portfolio in January 2022. Moving forward, the Bank will continue to prioritize transparency and openness in its operations, adhering to the Principles of Good Corporate Governance established by the Organization for Economic Cooperation and Development.

The lack of openness and transparency regarding information on the financing of projects and programs by the DBM, their implementation processes, and the projects and programs under review has resulted in insufficient public oversight. Consequently, the volume of non-performing assets has continued to increase annually, culminating in the current situation.

Between 2015 and 2021, external inspections conducted at the DBM repeatedly highlighted concerns regarding the increase in overdue and non-performing loans requiring urgent attention, instability in the bank's human resource policy, and inadequate control over the implementation of funded projects and programs. However, due to insufficient transparency of information, the implementation of these conclusions and recommendations has been inadequate. Therefore, it is imperative to

introduce amendments to the legislation governing the DBM to ensure greater transparency in the financing provided by the bank.

The adoption of this proposed law is anticipated to restore banking operations and bring the bank's operations, powers, responsibilities, and governance framework into alignment with international standards. It will enable a more responsible approach to loan provision and project financing, grounded in professional research and thorough analysis while ensuring that financing decisions are made independently.

It will also restore public and stakeholder confidence in the bank, enhance its reputation, and foster opportunities for the expansion of its operations.

The revised draft of the Law on the Development Bank of Mongolia shall be in alignment with the Constitution of Mongolia and other relevant laws. In connection with this draft law, amendments to the Law on Violations, the Law on the Mining Products Exchange, the Law on the Budget, the Law on the Central Bank/Bank of Mongolia, the Law on Banking, the Law on the Securities Market, the Law on State and Local Property, the Law on the National Wealth Fund, the Law on Austerity, and the Law on Public-Private Partnerships are being amended and submitted. Additionally, a draft law for the repeal of the Law on the Development Bank of Mongolia (as revised) adopted on February 10, 2017, is also being prepared and submitted.