



Press Release
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**AmCham Mongolia hosts Mr.Munkh-Orgil Tsend, Member of Parliament
to discuss the revised draft of the Labor Code**

ULAANBAATAR, Mongolia – The American Chamber of Commerce in Mongolia (AmCham Mongolia) held a “Virtual Roundtable on Developing Competitive Labor Market in Mongolia” on April 6th 2021.

The meeting was attended by representatives of the AmCham community, foreign and national investors, embassies and ministries. MP Mr.Munkh-Orgil talked in detail about the background of the draft Labor Code, new provisions and what it means to employers and employees of Mongolia and answered AmCham members’ questions.

Mr. Munkh-Orgil stated that the government has submitted the draft Labor Code to the State Great Khural on the 26th of March of 2018 and several accounts were made in the previous years. The current labor code was adopted in 1999, and since then it has been amended 24 times and the law needs to reflect the new trends and existing institutions. He continued, “About the draft that has been submitted, what it tried to change and what novelties it contained compared to the 1999 or the current labor code.

First of all, the government decided to expand on the scope of the application of the labor law, meaning that the current 1999 draft labor code applies to people who qualify as employers with a caveat that the employment contract is recognized as valid, only if it is concluded in writing.

This new draft by the government provides the possibilities of the employment contract to be concluded both in writing or orally, and the emphasis is not on the formality of signing or concluding a written contract but more on the factual establishment of the existence of the employment relationship.

During the Roundtable Mr. Munkh-Orgil provided a detailed overview of the new provisions and amendments.

He also stated that the parliament will pick up this discussion in the first half of June and we will have the draft law, hopefully adopted before Naadam”

Mr. Gregory May, Deputy Chief of Mission at the U.S Embassy in Mongolia thanked Mr. Munkh-Orgil for working on the US-Mongolia relations over these years as foreign minister and now as a member of parliament and chairman of the US-Mongolia working group at the Parliament. He stated that this is the sort of engagement that Mongolia’s own laws and regulations require and that this is a big part of the US-Mongolia bilateral transparency agreement.

Mr. May quoted, “We have been working hard for several years on that agreement, under which Mongolia would provide english translations of the proposed laws and allow stakeholders to have a say and comment. We are very committed to Mongolia bouncing back from the economic blow caused by the pandemic and creating a good environment for business and workers. We would like to do more as covid gets behind us and do exchanges with other federal agencies involved in labor mediation and labor issues. I think there is a lot of room to improve the bilateral cooperation.

It is a matter of broad principle that is functional, fair labor law balances employer, employee interests and obligations, clearly defines the government role in creating a transparent and predictable, sustainable rules based method for solving disputes amicably.”

Mr. Jay Liotta, AmCham's Chairman stated that the labor law has a large impact and affects the economy and international investment of this country, therefore creating a market environment to attract investors to Mongolia would make the country globally competitive.

The discussion was followed by an interesting Q&A session, to which you can watch via [\(link\)](#)

About AmCham Mongolia

The American Chamber of Commerce (AmCham) in Mongolia is an independent membership-driven organization that seeks to build, strengthen, and protect business between the United States and Mongolia and to actively promote Mongolia as a destination for American investment. AmCham Mongolia is accredited by the U.S. Chamber of Commerce as its official affiliate in Mongolia. Based in Washington D.C., the U.S. Chamber of Commerce is the largest federation in the world with over 3 million members.