



LAW OF MONGOLIA

June 17, 2011

State Palace, Ulaanbaatar

EMPLOYMENT PROMOTION /renewed version/

CHAPTER ONE **GENERAL PROVISIONS**

Article 1. Purpose of the law

1.1. The purpose of this law is to establish the legal framework for employment promotion activities, to regulate relations associated with types, forms, scope, and financing of the employment promotion activities as well as relation between employment institutions.

Article 2. Legislation on employment promotion

2.1. Employment promotion legislation shall consist of the Constitution of Mongolia¹, the Labour Law², the Social Insurance Act³, Law on Sending labour force abroad, and receiving labour force and specialists from abroad⁴, Law on Payment of unemployment benefits from the Social insurance fund⁵, Law on Social welfare⁶, Law on Technical and vocational training and education⁷, this law and other legislative acts, enacted in conformity with this law.

2.2. If international treaty, to which Mongolia is party, stipulates otherwise than this law, then the provisions of the international treaty shall override.

Article 3. Definition of legal terms

3.1. For the purpose of this law the following terms should be understood as follows:

¹ The Constitution of Mongolia – published in the 1st edition of the 1992 “State information” pamphlet.

² Labour Law – published in the 25th edition of the 1999 “State information” pamphlet.

³ Social Insurance Act – published in the 8th edition of the 1994 “State information” pamphlet.

⁴ Law on Sending labour abroad, and receiving labour force and specialists from abroad - published in the 17th edition of the 2001 “State information” pamphlet.

⁵ Law on Payment of unemployment benefits from social insurance fund – published in the 8th edition of the 1994 “State information” pamphlet.

⁶ Law on Social welfare – published in the 4th edition of the 2006 “State information” pamphlet.

⁷ Law on Technical and vocational training and education – published in the 10th edition of the 2009 “State information” pamphlet.

3.1.1."job seeker" means a citizen, who is currently unemployed; employed but seeking work to improve his work condition or to earn additional income; registered at or has contacted the employment office, labour exchange office;

3.1.2."unemployed citizen" means a citizen who is at working age and is capable of employment, who is unemployed, available for employment, actively seeking job and is registered at the employment office;

3.1.3."unemployed" means a not working in political or civil services in accordance to the State civil service law, also not undertaking to perform certain work on an employment contract in accordance to the Labour Code, or not undertaking to perform work based on wage contract or contract equal to it, in accordance to the Article 359 of the Civil code⁸, or is not self employed;

3.1.4."available for employment" means not objecting to entering into an employment contract or an agreement, in accordance to the Labour code, or not objecting to entering into a wage contract or contract equal to it in accordance to the Article 359 of the Civil code;

3.1.5."actively seeking for a job" means attempts to find employment by notifying the employment office not less than once in month about his job seeking upon registration at the employment office, to registering at the aimag, capital city, district employment office, labour exchange office and obtaining information on employment; contacting employers based on the job advertisement and through web pages; placing advertisements and notices on public information boards and through media to find employment;

3.1.6."citizen with a risk of unemployment" means a citizen who has received notice for termination of employment contract; who is required to change his jobs due to health reasons; whose business has become obsolete and will no longer revive and has informed about this situation and is registered at the aimag, capital city, district employment office, labour exchange office;

3.1.7."citizens having difficulty finding employment" means a citizen in a household who is at working age, capable of employment but is in inevitable need for additional employment services and assistance; citizens with disabilities, as specified in the provision 3.1 of Law on Social welfare of citizens with disabilities; citizens who are out of prisons or who left orphanages due to reaching working age; citizens who are not able to find employment for the period of over 6 months;

3.1.8."self employed" means a citizen who runs own business or jointly with others; has business, registered at taxation authority, and makes business related decisions independently;

3.1.9."herder" means a citizen who earns his income from engaging in animal husbandry;

⁸ Civil code – published in the 7th edition of the 2002 "State information" pamphlet.

3.1.10."job mediation" means provision of services intended to assist citizens to find an employment consistent with his/her interests, specialisation and skills; help employers find employees in compliance with their needs and requirements;

3.1.11."business incubator service" means provision of information, counseling to self employed, citizens wishing to run private businesses and herders; provision of skills for running business; support to leasing production facilities and facilitating favorable environment for running business.

Article 4. State policy principle and direction on employment promotion activity

4.1.The following principles will be applied for employment promotion activities:

4.1.1.non-discrimination of citizens by nationality, ethnic origin, language, age, race, health condition, financial status, education, social status, religion or opinion;

4.1.2.employment promotion services should be equally assessable, open and transparent;

4.1.3.employment of citizens on voluntary basis;

4.1.4.equal employment opportunity should be provided to citizens, faced with difficulties finding employment;

4.1.5.supportive of social partnership;

4.1.6.based on civil participation.

4.2.The state will apply the following policy directions for employment promotion:

4.2.1.to create employment opportunities, to ensure sustainable employment level of the labour force;

4.2.2.to develop labour force in line with investment and labor market demand;

4.2.3.to continuously develop vocational skills of citizens in consistence with labour market demand;

4.2.4.to improve labour market data and research, to increase access to and enhance quality and efficiency of the employment services and employment promotion measures;

4.2.5.to possess local labor market, to improve skills and specialization at the foreign market;

Article 5.Support for labour market demand

5.1.The state will conduct the following labour market demand promotion measures on annual basis:

5.1.1.to conduct research on introducing domestically produced goods at foreign markets and establish contracts and agreements;

5.1.2.to create jobs and increase number of facilities for producing goods for exports, provide primarily loans for small and medium enterprises, to provide tax relief based on the number of newly created employment;

5.1.3.to promote private sector investment in the regions which are remote and have less developed economies, or invest based on the principle of public and private partnership;

5.1.4.other measures identified by the Government.

5.2.The measures specified in the provision 5.1 of this law, should be identified by the state central administrative body in charge of main guidelines for national socio-economic development, the state central administrative body in charge of financial matters should incorporate the required funds to the state annual budget.

[/This part is amended by law in August 17 of 2012,/](#)

Article 6. Types and forms of the employment promotion activities

6.1.The employment promotion activity types shall be as follows:

6.1.1.employment promotion services;

6.1.2.employment promotion measures.

6.2.The employment promotion services will be provided in the following form:

6.2.1.provision of occupational and vocational orientation, counseling and information;

6.2.2.job mediation;

6.2.3.provision of unemployment benefits;

6.2.4.incorporation in the integrated registration and information service;

6.2.5.other services.

6.3.The employment promotion measures shall be implemented as follows in the form of projects and programs:

6.3.1.preparation for employment;

6.3.2.conduction of job training;

6.3.3.support to herders and self employed, support to citizens willing to establish partnerships and cooperatives;

6.3.4.support to employers;

6.3.5.organization of public works;

6.3.6.promotion of employment to citizens faced with difficulties finding employment;

6.3.7.other projects and programs, specified in the law or identified by the decision of the Government and National council of employment.

6.4. Entitlement to and procedures for payment of unemployment benefits shall be regulated by the Law on Payment of unemployment benefit from Social Insurance Fund.

6.5.Employment promotion services shall be free of charge.

Article 7. Scope of the employment promotion activities

7.1. As specified in this law, the employment promotion activities shall cover job seekers, citizen with a risk of unemployment, citizens faced with difficulties finding employment, herders, self employed, citizens willing to establish partnerships and cooperatives and employers.

CHAPTER TWO Employment promotion services

Article 8. Occupational and vocational orientation, counseling and information.

8.1. Occupational and vocational orientation, counseling and information services shall include services related to provision of information to citizens concerning specific occupation, job opening, and counseling for choosing occupations, terms for engaging in employment promotion services, provision of information on labour market.

8.2. Occupational and vocational orientation, counseling and information services shall be organized on individual or group basis.

8.3. Occupational and vocational orientation services for secondary school students shall be organized jointly with school administration, based on the special curriculum.

8.4.The job mediation office shall prepare handbooks to be used for occupational and vocational orientation, prepare descriptions of each common occupations, establish information database.

Article 9. Job mediation

9.1.Job seekers and citizens with a risk of unemployment shall be registered and placed in jobs by aimag, capital city, district employment office, job mediation offices based on the employers' demand and request.

9.2.Based on the opinions and conclusions of the central job mediation office, the private job mediation offices shall be registered and linked to the integrated database by the State central administrative body in charge of labour matters or its authorized body.

[/This part is amended by law in December 21 of 2012/](#)

9.3.In the framework of the services, specified in the provision 9.1 of this law, if the private job mediation office cannot place the citizen in a job, then it shall notify the aimag, capital city, district, soum, khoroo employment officer to engage such citizen in the employment promotion measures.

9.4.The private mediation office, linked to the integrated information database, specified in the provision 9.2 of this law, shall obtain financing from the Labor promotion fund, which shall be based on the number of registered job seekers from the consolidated information database, who have been placed in jobs or who used job mediation services; the private job mediation office is prohibited from directly or indirectly charging fees from citizens who have used job mediation services.

9.5.The statutes for registering and providing financing for private job mediation offices shall be approved by a member of the Cabinet in charge of labour matters.

CHAPTER THREE EMPLOYMENT PROMOTION MEASURES

Article 10. Preparation for employment

10.1.Measures for preparation for employment will have a form of service, support and assistance package which includes provision of necessary skills for people facing difficulty finding employment, to assist school drop outs, children who reached working age to learn how to associate with people, provide them with knowledge on labour relations, assist them in adapting to the labour disciplines and learn production procedures.

10.2.The measures for employment preparation services, support and assistance could be rendered by the private and non-government organizations on a contractual basis.

Article 11. Organization of employment trainings

11.1. In order to provide skills training and development, the employment trainings will be provided in the form of on job training, skills retraining, mobile and distance learning for the duration of a certain period.

11.2. The employment trainings will be provided to unemployed, citizen with a risk of unemployment, citizens having difficulty finding employment, school dropouts, children who reached working age.

11.3. Aimag, capital city, district employment offices in collaboration with professional vocational training institutions and enterprises, citizens shall organize the employment trainings.

11.4. The training costs for the citizens, specified in the provision 11.2 of this law, shall be fully or partially be financed from the Employment promotion fund.

11.5. Citizens other than those, specified in the provision 11.2 of this law, can be engaged in the employment trainings, bearing costs themselves or from their organizations funds, or from the Employment insurance fund, as specified in the Law on Payment of unemployment benefit from the Social Insurance Fund.

11.6. The works related to evaluation, monitoring and verification of vocational skills of citizens, who participated in the employment trainings, shall be organized by the state administrative organization in charge of labour matters, specified in the provision 29.1 of this law, and the statutes for evaluating, monitoring and verifying the vocational skills shall be approved by the member of the Cabinet in charge of labour matters.

[/This part is amended by law in August 17 of 2012/](#)
[/This part is amended by law in December 21 of 2012/](#)

11.7. Vocational skills of citizens, who have worked and acquired vocational skills abroad, could be evaluated and verified by the state administrative organization in charge of labour matters, specified in the provision 29.1 of this law, based on their request and documents of evidence.

[/This part is amended by law in August 17 of 2012/](#)
[/This part is amended by law in December 21 of 2012/](#)

11.8. Employment training projects for convicts and military official serving for definite period could be implemented.

Article 12. Support to herders, self employed and citizens who will establish partnerships or cooperatives

12.1. Measures for supporting herders, self employed and citizens who will establish partnerships or cooperatives will be in the form of providing support by giving professional and methodological advice to run business on their own or in

cooperation with others, providing training for running business, small loan and financial support, business incubation services.

12.2.Small loans, financial support to herders, self employed and citizens running partnerships and cooperatives will be provided from the Employment promotion fund and the small loans will be provided through banks.

12.3.Loans in the amount of up to five million tugrugs will be extended to herders, self employed, up to ten million will be extended to citizens who will establish partnerships or cooperatives for the period of up to two years.

12.4.If citizens, who have difficulty finding employment, have obtained loan to purchase materials, raw materials, seeds, fertilizers, livestock, domestic animals, equipment, tools and appliances in the amount of up to two million tugrugs, then the interest payment will be compensated from the Employment promotion fund based on the contract with the bank.

12.5.The interest rate charged to the loan, granted from the Employment promotion fund in accordance to the provision 12.2 of this law, shall be lower than the interest rate of the bank, where the funds are placed.

12.6.In accordance to the provision 12.2 of this law, small loan risk and guarantee fund could be established from the Employment promotion fund.

12.7.The Government shall approve the statutes for establishing risk and guarantee fund from the Employment promotion fund, to provide small loans and financial support.

12.8.The business incubation services will be implemented in the following form:

12.8.1.conduct entrepreneurial training, provide assistance, advice and information needed for project proposal for citizens who have business ideas;

12.8.2.provide leasing for equipment and place for manufacturing, provide discount on the leasing for certain period of time for citizens who have developed business project proposal and been selected;

12.8.3.provide business information, advice, and assistance in establishing communication for partnership;

12.8.4.provide loan, concession, as specified in the provision 12.3, 12.4 of this law;

12.8.5.other.

12.9.If a citizen, who has returned from working abroad, creates employment, then he/she will be provided business incubation services, will be granted and provided loan, concession, in accordance to provisions 12.3, 12.4 of this law.

Article 13. Support to employers

13.1.The support to employers will be implemented in a form of fully or partially subsidizing of expenses, occurred in respect to hiring citizens having difficulty finding employment, and financial support intended to promote sustainable employment of these citizens in the jobs, created by the employer.

13.2.Financial support will be provided from the Unemployment insurance fund to employers who meet certain qualifications and conditions in order to retain the job places.

13.3.The qualifications and conditions for the provision of financial support, as specified in the provision 13.2 of this law, will be defined in the Law on Payment of unemployment benefit from the Social Insurance Fund.

13.4.Citizens who own livestock and employing others to breed their livestock by contract will be considered as employers in accordance to the provision 13.1 of this law.

Article 14. Public works

14.1.Public works will be organized in the form of various measures intended to temporarily employ and increase incomes of citizens who are unemployed, citizens with a risk of unemployment, citizens having difficulty finding employment.

14.2.the Public works program will be developed in accordance to the reserves, demand and needs of the aimag, capital city, district employment offices and will be jointly organized by the local municipality offices, business entities and non-government institutions.

14.3.In order to overcome and rehabilitate damages caused by the natural disasters and other force major type of conditions, the aimag, capital city, district employment offices can implement temporary programs for public works.

14.4.The wages for public works, expenses for occupational safety and sanitation measures, related to the performance of these public works, shall be financed from the Employment promotion fund, other expenses shall be covered by the local budgets and by the business entities and organizations.

14.5.Based on the distinctive nature of the public works, the hourly wages, expenses for occupational safety and sanitary measures shall be defined by the member of the Cabinet in charge of labour matters.

14.6.the hourly wages for public works shall not be less than minimum labour wages.

Article 15. Support to employment of citizens having difficulty finding employment

15.1. In order to support employment of citizens having difficulty finding employment, the following forms of support will be provided other than specified in this law:

15.1.1. citizens having difficulty finding employment will be provided food and transportation allowances for the duration of their employment training and such expenses will be financed from the Employment promotion fund;

15.1.2. employers, who hired as employees citizens, who left orphanages due to reaching working age and out of prison convicts for the duration of more than 1 year, will be reimbursed for the training expenses incurred during the practical training period, and one time financial support in the amount of one year wage shall be given to each employee and employer;

15.1.3. if citizens having difficulty finding employment shall become self employed or will run household business, he/she will receive one time financial support in the amount of up to one million tugrugs from the Employment promotion fund;

15.1.4. employers, who hired for the duration of over 12 months citizens with disabilities and citizens who were unemployed for over 6 months, will be given one time incentive pay equal to 12 times the minimum labor wages;

15.1.5. employers, who initiated and made certain achievements to provide employment and to resolve social matters of registered at employment office citizens with disabilities, citizens who left orphanages due to reaching working age and out of prison convicts, will be selected and promoted by the National labour council based on the certain criteria.

15.2. Herders, who hired as assistant herders the citizens without livestock or those who have small number of livestock for over 12 months, who trained them to engage in animal husbandry and enabled them to cattle livestock, may be provided one time financial support of up to one million tugrugs from the Employment promotion fund, based on the wages paid to the hired citizens.

15.3. The aimag, capital city, district employment offices, labour exchange offices will enter into an agreement with citizens having difficulty finding employment and his/her employer and will monitor the contract implementation.

CHAPTER FOUR EMPLOYMENT REGISTRATION, INFORMATION

Article 16. Employment registration and information structure

16.1. Employment registration and information structure will comprise of the employment registration, information database, employment registration information network, its software and hardware supply, information collection, dissemination services and sources of information.

Article 17. Employment registration, information consolidated database

17.1. Employment registration, information database will contain data and information concerning the labour force, registration and information of employment and job seekers, unemployed, citizens with a risk of unemployment, citizens having difficulty finding employment, implementers of the employment promotion activities, beneficiary citizens, business entities and organizations.

Article 18. Employment registration and information network

18.1. Employment registration and information network will comprise of employment registration, information database, web page, web based software, hardware and other mediums designed to collect, process, store, protect, disseminate information.

Article 19. An organization in charge of employment registration, information consolidated database, employment registration and information network operations

19.1. In accordance to the provision 29.5 of this law, the Central labour exchange office will have a function of establishing employment registration, information database, consolidating, processing, storing and protecting data and information; it will be in charge of professional, methodological and technological aspect and normal functioning of the employment registration and information network.

19.2. The State central administrative body in charge of labour matters will have the function of defining the operations, safety conditions, protection statutes, standards and development of software and hardware for the employment registration and information database, employment registration and information network.

[/This part is amended by law in August 17 of 2012/](#)

Article 20. Employment registration, information sources and registration

20.1. Sources of employment registration, information will be the citizens, employers, citizens, business entities and organizations engaged in the implementation of the employment promotion activities.

20.2. The employer shall provide the aimag, capital city, district employment offices and labour exchange offices with information concerning labour force, employment positions, or will register them at the registration, information network, place information, regularly update changes made in the information; the employer shall provide information on total employment positions once at the beginning of each year, on new positions or obsolete positions on quarterly basis, information on job opening positions on case by case basis in the form, specified in the provision 20.7 of this law, to the respective aimag, capital city, district employment office, soum, khoroo labour employees and labour exchange.

20.3.The employer shall provide the employment related information, specified in the provision 20.2 of this law, free of charge.

20.4.Citizen may get registered at the information database via internet or by going to the labour exchange office in person and place his information or obtain necessary information.

20.5.Aimag, capital city, district employment offices shall consolidate and enter into employment consolidated registration, information database the registration and information on implementers of and citizens, business entities and organizations engaged in the employment promotion measures and on citizens having difficulty finding employment.

20.6.The employment offices shall exchange free of charge reports, information and relevant documentation with organizations in charge of state registration, statistics, taxation, social insurance and welfare.

20.7.Employment registration, information forms, upon permission of the chairman of the statistical organization, shall be approved by the member of the Cabinet in charge of labour matters.

CHAPTER FIVE EMPLOYMENT PROMOTION FUND

Article 21. Employment promotion fund

21.1.The Employment promotion fund shall be established for the purposes of financing the employment promotion activities.

21.2.The Government shall define procedures on fund raising, utilizing and monitoring the funds of the Employment Promotion Fund.

Article 22. Sources for financing the Employment promotion fund

22.1.The Employment promotion fund shall be financed from the following sources:

22.1.1.funds allocated from the state budget;

22.1.2.funds allocated from the local budget;

22.1.3.interest on bank deposit of the remaining balance of the Employment promotion fund;

22.1.4.payments from employers for hiring foreign citizens on contractual basis;

22.1.5.loans granted from foreign countries, international organizations for the purposes of employment promotion;

22.1.6. donations and assistance granted to the Employment Promotion Fund from foreign countries, international organizations, national and foreign business enterprises, organizations, non-government organizations and individuals;

22.1.7. payments from business entities and organizations for not employing people with disabilities or dwarfs;

22.1.8. other sources.

22.2. The activities for generating unemployment insurance contribution revenue shall be regulated by the law on Social insurance.

Article 23. Employment promotion fund spending

23.1. The proceeds of the Employment promotion fund shall be spent for the financing of below mentioned employment promotion measures:

23.1.1. vocational orientation, counseling and information;

23.1.2. job mediation;

23.1.3. employment preparation;

23.1.4. organization of employment training;

23.1.5. support to employers;

23.1.6. organization of public works;

23.1.7. support to herders, self employed and citizens running partnerships or cooperatives;

23.1.8. support to citizens having difficulty finding employment;

23.1.9. establish, run and renew then employment registration, information database, employment registration and information network;

23.1.10. strengthen capacity of staff implementing employment promotion activities; support activities of national and sub-sectoral employment councils; monitor implementation of labor basic principles and rights; conduct labor market research; organize promotional activities, prepare and publish handbooks, printed materials; conduct monitoring and evaluation of employment promotion activities;

23.1.11. finance other projects and programs specified in the legislation or determined by the decision of the Government and National labour council.

23.1.12. Assets for the support of soum citizen's employment shall be allocated to the fund for developing soum.

[/This part is amended by law in September 11 of 2012/](#)

23.1.13. Assets for the support of education and vocational training shall be allocated to the fund for trainings and education support.

[/This part is amended by law in October 31 of 2014, and shall come into force in January 1 of 2015/](#)

23.2. Unemployment insurance contribution revenues should be spent as specified in the Law on Payment of unemployment benefit from the Social Insurance Fund.

23.3. It is prohibited to use proceeds of the Employment Promotion Fund for purposes other than employment promotion activities.

23.4. Amounts of funds specified in Article 23.1.12 of this Law shall be defined by the Government.

[/This part is amended by law in September 11 of 2012/](#)

Article 24. Employment promotion fund revenue and expenditure budget

24.1. Funds will be allocated to the Employment promotion fund from the state budget on annual basis.

~~24.2. Funds to be allocated annually to the Employment Promotion Fund from the state budget should not be less than 0,3 percent of the state budget revenue.~~

[/This part is considered as invalid by law in December 23 of 2011/](#)

24.3. Amount of funds to be allocated from the state budget in a certain year shall be approved by the Parliament based on the Government proposal, which takes into consideration unemployment rate, labour force participation and employment rate.

24.4. Employment promotion fund's budget allocation for that particular year shall be approved by the member of the Cabinet in charge of labor matters, while taking into consideration the proposal of the National labour council.

24.5. Employment promotion fund's approved budget shall be allocated to aimag, capital city or districts, based on the population, unemployment, poverty rate and number of people expected to be covered.

Article 25. Balance sheet of the Employment promotion fund

25.1. Revenue and expenditure report of the Employment Promotion Fund shall be submitted in accordance to the below mentioned time schedule:

25.1.1. quarterly report shall be submitted by the district employment office to the capital city employment office; the sum officer in charge of labour matters submits to the aimag employment office within 5th of first month of the following quarter; aimag, capital city employment offices, Central labor exchange office shall submit the report to the State central administrative body in charge of labour matters within 15th of first month of the following quarter;

[/This part is amended by law in August 17 of 2012/](#)

25.1.2.State central administrative body in charge of labour matters shall submit the consolidated quarterly report within 20th day of the first month of the following quarter and annual report within 10th of February of the next year to the central public administration in charge of finance and budget matters, to the National Employment Council and to the Central social insurance authority.

[/This part is amended by law in August 17 of 2012/](#)

Article 26.Registration and report forms of the Employment Promotion Fund.

26.1.Registration and report forms of the Employment Promotion Fund shall be approved jointly by the Cabinet members in charge of finance, budget and labour matters.

CHAPTER SIX ADMINISTRATION AND MANAGEMENT OF THE EMPLOYMENT PROMOTION ACTIVITIES

Article 27. Organization of the employment administration

27.1.Administratively the management of labour shall consist of the state central administration body in charge of labour matters, the national and aimag, capital city and district labour councils, aimag, capital city, district employment offices of the state central administration body in charge of labour matters, sum, khoroo labour officers, labour exchange offices.

[/This part is amended by law in August 17 of 2012/](#)

[/This part is amended by law in December 21 of 2012/](#)

27.2.The national, aimag, capital city and district labour councils shall be the social consent organizations.

27.3.The labour exchange office shall be the employment service provider and shall consists of state, non state organizations and private institutions, linked to the employment registration and information network.

Article 28. National and aimag, capital city, district employment council

28.1.The national and aimag, capital city, district employment council, consisting of the representatives of the Government, national level organization, which represents and protects rights and legal interests of the employers and workers, shall be established and be operational.

28.2.Three parties, specified in the provision 28.1, shall have equal number of representatives in the national and aimag, capital city, district employment council.

28.3.The statutes of the National labour council shall be approved by the Government in consensus with national level organizations which represents and protects rights and legal interests of the employers and workers; the statutes of the

aimag, capital city, district employment councils shall be approved by the National labour council /further specified as “National Council”/.

28.4. The composition of the National Council, based on the proposal by the parties, shall be approved by the Prime Minister for a period of 4 year-term and it will consist of the following:

28.4.1. one member from each state central administrative body in charge of labour, finance and budget, and education issues to represent the Government;

28.4.2. three members from trade unions which represent and protect the rights and legal interests of workers at the national level;

28.4.3. three members from employer’s organization which represent and protect the rights and legal interests of employers at the national level.

28.5. The Chairman of the National Council shall be a member of the Cabinet in charge of labour matters.

28.6. The Vice chairman of the National Council shall be approved upon consultation between parties, specified in the provision 28.1 of this law, by the majority votes of the members present at the councils' meeting.

28.7. The Director and staff of employment offices are not allowed to be a members of the national and aimag, capital city, district employment councils.

28.8. The National Council shall have the following competencies:

28.8.1. Monitor over implementation of the legislation on employment promotion, and sending of labour abroad and receiving labour force and specialists from abroad;

28.8.2. elaborate, discuss proposals concerning state policy for labour, strategy, to discuss and approve projects and programs specified in the provisions 6.3.1-6.3.4, 6.3.6 of this law;

28.8.3. discuss, draw conclusions and proposals on reports and information submitted by the employment administration concerning the employment promotion activities; and on reports submitted by independent organizations for monitoring and evaluating employment promotion activities, in case of need, to submit some issues to relevant institutions for decision making;

28.8.4. discuss and make recommendations on the Employment Promotion Fund budget allocations, monitor the revenue and expenditure of the fund;

28.8.5. discuss and draw conclusions and proposals on semi-annual or annual financial reports of the Employment Promotion Fund;

28.8.6. discuss implementation process, monitoring and evaluation results of the policy and legislation on employment and on sending labour abroad and receiving labour force and specialists from abroad, and based on it draw recommendations for improving the legislation and programs and deliver them to respective organizations;

28.8.7. provide recommendation concerning setting the payment amount by employers for hiring foreign citizens, and for determining the required number of hiring foreign skilled employees for that particular year, and deliver the recommendation to the state central administrative organisation in charge of labour matters.

28.9. Members of the National Council could be rewarded on quarterly basis, depending on their contribution to the activities of the Council, and the amount of the reward should be defined by the state administration body in charge of labour matters.

Article 29. The employment offices.

~~29.1. State central administrative body in charge of labour matters shall be the Government implementing agency responsible nationwide for establishing labour exchange office registration and information database, organizing employment promotion activities.~~

[/This part is considered as invalid by law in August 17 of 2012/](#)

~~29.2. The chairman of the state central administrative body in charge of labour matters shall be nominated in accordance to the provision 45.1 of the Law on Budget entity management and financing law, and shall be appointed and dismissed by the Cabinet, based on the proposal of the member of the Cabinet in charge of labour matters.~~

[/This part is considered as invalid by law in August 17 of 2012/](#)

29.3. Aimag, capital city employment office heads shall be appointed and dismissed by the relevant Governor, based on the consultation with the chairman of the state central administrative body in charge of labour matters, while the district employment office heads in consultation with capital city employment office head. The chairman of the Central labour exchange office shall be appointed and dismissed by the chairman of the State central administrative body in charge of labour matters.

29.4. Soum, khoroo employment officers shall be appointed by the Governors of the respective soums and khoroos in consultation with aimag, district employment office heads.

[/This part is amended by law in December 21 of 2012/](#)

29.5. The Central labour exchange office shall operate under the State central administrative body in charge of labour matters.

/This part is amended by law in August 17 of 2012/

29.6. The State central administrative body in charge of labour matters, Central labour exchange office and aimag, capital city, district employment offices shall be financed from state budget.

/This part is amended by law in August 17 of 2012/

29.7. The statutes of the Central labour exchange office, aimag, capital city, district employment offices shall be approved by the chairman of the central organization in charge of labour.

/This part is amended by law in August 17 of 2012/

~~29.8. */This part is considered as invalid by law in August 17 of 2012/*~~

~~29.8. State central administrative body in charge of labour matters shall have the following competencies other than specified in this law:~~

~~29.8.1. organize nationwide measures for the promoting legislation on employment promotion, and employment promotion activities, to monitor and report on the implementation;~~

~~29.8.2. conduct analysis of employment data and information, regular analysis of labour market demand and supply, trends and labour force skills demand, to hire on contractual basis professional organizations to render these tasks, develop an estimation forecast model, elaborate proposals on decisions concerning the policy coordination, draft and make decisions within given competency;~~

~~29.8.3. develop, operate and update employment registration, information database;~~

~~29.8.4. generate revenue of the Employment promotion fund, draft proposals and get approval on allocation of the fund proceeds, disbursement of proceeds in accordance to approved schedule, monitoring and reporting;~~

~~29.8.5. provide aimag, capital city, district employment office, labour exchange office, mediation offices for sending labour abroad and receiving labour from abroad with professional and administrative guidance, coordinate their operations;~~

~~29.8.6. other competencies specified in the legislation.~~

29.9. the aimag, capital city, district employment offices shall have the following competencies other than specified in this law:

29.9.1. develop proposals for reflecting funds specified in the provision 22.1.2 of this law in aimag, capital city, district budgets on annual basis;

29.9.2. organize and monitor local level measures for promoting legislation on employment promotion, and employment promotion measures;

29.9.3. within respective territory, obtain from employers information on total, new, obsolete and job opening positions;

29.9.4. mediate job seekers to appropriate jobs;

29.9.5. develop proposals and conclusion specified in the provision 9.2 of this law, monitor activities of private labour exchange offices;

29.9.6. promote employment promotion legislation to organizations and citizens;

29.9.7. conduct studies on registration and demand for employment at aimag, capital city, district level, concerning citizens faced with difficulty finding employment, establish an information database;

29.9.8. Provide occupational and vocational orientation, counseling services;

29.9.9. Establish, run and renew employment registration and information database; [*/This part is amended by law in December 21 of 2012/*](#)

29.9.10. Assist in enforcing the Law on Technical and vocational training and education in the local level, monitor, and establish information database;

[*/This part is amended by law in December 21 of 2012/*](#)

29.9.11. Organize implementation in the local level on Law on Small and Medium-sized Enterprises, to assist small and medium-sized enterprises industrialist, monitor, and establish information database;

[*/This part is amended by law in December 21 of 2012/*](#)

29.9.12. To implement programmes and Law on labor relations, occupational safety and health and safety in local level, to promote and monitor to citizens, entities and organizations.

[*/This part is amended by law in December 21 of 2012/*](#)

29.9.13. other competencies specified in the legislation.

[*/This part is amended by law in December 21 of 2012/*](#)

29.10. Central labour exchange office shall have the following competencies other than specified in this law:

29.10.1. analyze short-term and long terms trends of the labour market demand and supply, develop estimated forecasting;

29.10.2. provide citizens and employers with information concerning labour market, with occupational and vocational orientation, counseling and job mediation;

29.10.3.compile an information database on business entities, organizations providing employment services and citizens, to provide services to the public;

29.10.4.propose and draw conclusion, specified in the provision 9.2 of this law;

29.10.5.provide software, professional and administrative guidance to the entities linked to the employment registration and information network; facilitate an environment suitable for integrated operations;

29.10.6.other competencies specified in the legislation.

29.11.The labour exchange offices shall have the following competencies other than specified in this law:

29.11.1.conduct registration on labour market participants, provide information and advice;

29.11.2.occupational and vocational orientation;

29.11.3.job mediation;

29.11.4.obtain employment registration and information concerning total, job opening, new and obsolete positions, information on job seekers, citizens with risks for unemployment, to enter this information into the employment registration, information database;

29.11.5.organize employment trainings;

29.11.6.other competencies specified in the legislation.

29.12.Labour exchange offices shall have common requirements of having single window facility, technically equipped, create an environment enabling internet access to users, shall have service personnel with adequate knowledge and skills.

29.13.Soum, khoroo employment officers shall have the following competencies other than specified in this law:

[/This part is amended by law in December 21 of 2012/](#)

29.13.1.run a registration of unemployed citizens, job seekers, citizens with risk of unemployment and citizens having difficulty finding employment, citizens who will be engaged in the employment activities, services providers and employers within given territory; compile data into the employment registration, information consolidated database;

29.13.2.obtain from employers within given territory the data and information concerning the labour force and work positions; deliver the information to the aimag, capital city, district employment offices, or labour exchange offices;

29.13.3.to determine demand of the citizens for involving in the employment promotion measures;

29.13.4.provide citizens and employers with information concerning labour market, promote legislation of labour promotion;

29.13.5. To promote and monitor the implementation of legislation and programmes on labour relations, occupational safety, health, vocational education, small and medium-sized enterprises;

[/This part is amended by law in December 21 of 2012/](#)

29.13.6. other competencies specified in the legislation.

[/This part is amended by law in December 21 of 2012/](#)

Article 30. Competencies of the State central administrative organisation, Khural and Governor

30.1.The State central administrative organisation in charge of labour matters shall have the following competencies in respect to employment promotion, poverty reduction and improving employment common services and results:

30.1.1.formulate justification and direction for state policy, to reflect them in legislation, statutes, projects and programs and other draft decisions, get approval, make decisions within given competency;

30.1.2.monitor and evaluate implementation of legislation, statutes, guidelines, projects, programs and other decisions, sectoral and inter-sectoral coordination;

30.1.3.develop, approve and monitor implementation of norms and standards for employment services;

30.1.4.conduct analysis and determine trends of the labour market, develop short, medium and long-term objectives;

30.1.5.provide employment offices with policy, professional and administrative guidance, and monitor their operations;

30.1.6.plan and allocate sources of employment promotion activities, budgets, special purpose funds, project and programs; monitor and evaluate fund disbursements;

30.1.7.build capacity of labour sector human resources; organize capacity building trainings;

30.1.8.determine policies consistent with labour market demand; administer its implementation;

30.1.9. discuss recommendations, proposals and conclusions of the National council; take measures for their implementation; provide support to their operations;

30.1.10. discontinue financing and get reimbursement of funds from citizens, business entities and organizations which have misused the funds allocated from the Employment promotion fund; submit such matters to the respective authorities;

30.1.11. examine and settle proposals, complaints from citizens concerning the Unemployment insurance benefit;

30.1.12. obtain from state, non-government organizations, business entities, organizations (not withstanding their ownership type), and officials free of charge the necessary information, other than those considered personal and confidential, analysis and estimates concerning the employment issue;

30.1.13. Organize, monitor and to report the implementation of Employment Promotion Law, and the employment promotion activities in nationwide;
[/This part is amended by law in August 17 of 2012/](#)

30.1.14. Analyze information in employment, labour market demand and supply, and to develop estimation forecasting in frequency, to implement by professional organizations by contract, and to develop a model;

[/This part is amended by law in August 17 of 2012/](#)

[/This part is amended by law in December 21 of 2012/](#)

~~30.1.15. *[/This part is considered as invalid by law in December 21 of 2012 /](#)*~~

30.1.16. To create revenue of employment promotion fund, to develop and approve the project on asset allocation, to spend, monitor and report the approved asset according to the schedule.

[/This part is amended by law in August 17 of 2012/](#)

30.1.17. To provide professional and technical guidance, coordinate and regulate activities of aimag, capital city, district employment office, labour exchange office, intermediate organizations on sending workers abroad and receiving workers from abroad,.

[/This part is amended by law in August 17 of 2012/](#)

30.1.18. Other competencies specified in the legislation.

[/This part is amended by law in August 17 of 2012/](#)

30.2. In respect to employment promotion, the aimag, capital city, soum, district Citizens representative khurals shall have the following competencies:

30.2.1. allocate the funds specified in the provision 22.1.2 of this law in the aimag, capital city, district budget on annual basis;

30.2.2. monitor the implementation of the employment promotion services and measures; take measures for improving the implementation;

30.2.3.hear out the report and information on the implementation of objectives specified in the Governor's action plan in respect to employment promotion, if competencies, specified in the provision 30.3 of this law, are not fulfilled, then measures in accordance to the provision 32.2 of the Law of Mongolia on Administrative and territorial units and their governance⁹ shall be taken;

30.2.4.other competencies specified in the legislation.

30.3.In respect to employment promotion, the aimag, capital city, soum, district Governors shall have the following competencies:

30.3.1.formulate proposal on allocating funds specified in the provision 22.1.2 of this law in the aimag, capital city, district budget on annual basis;

30.3.2.organize coordinated works concerning the employment promotion services; monitor their implementation;

30.3.3.collect and conduct study concerning citizens faced with difficulty finding employment to be engaged in the employment promotion measures; determine their employment demand; engage them in employment promotion services and employment promotion measures;

30.3.4.other competencies specified in the legislation.

Article 31. Competencies of business entities, organizations and citizens in the employment promotion activities

31.1.The citizen, participating in the employment promotion activities shall have the following competencies, other than specified in this law:

31.1.1.submit a request for engaging in the employment promotion measures to the soum, khoroo employment officer, or aimag, capital city, district employment offices, labour exchange offices and get registered; upon registration actively communicate and collaborate with the aimag, capital city, district employment office, officers, and labour exchange offices, in accordance to the related statutes;

31.1.2.disburse proceeds of the Employment promotion fund allocated in accordance to this law; submit the results and financial reports to the soum, khoroo employment officer, aimag, capital city, district employment offices within the specified time period;

31.1.3.select positions, employment promotion services and activities proposed by the aimag, capital city, district employment office and labour exchange offices.

⁹ Law of Mongolia on Administrative and territorial units and their governance – published in the 2nd edition of the 2007 “State information” pamphlet.

31.2. Business entities and organizations engaged in the employment promotion activities shall have the following competencies other than specified in this law:

31.2.1. employer shall submit the information concerning total, job opening and obsolete positions in accordance to the form, specified in the provision 20.7 of this law, within given time period; shall submit training needs for developing skills of the employees on case by case basis to the aimag, capital city, district employment offices;

31.2.2. in case of downsizing or major layoff of workers, in accordance to the Labour Code provision 40.5, the aimag, district employment offices shall be notified one month in advance;

31.2.3. if the citizen, recommended by the aimag, capital city, district employment offices, labour exchange offices for the job opening position, has been hired, then the respective organization shall be notified within 5 working days of such decision;

31.2.4. report and information on the employment of people with disabilities and dwarfs in accordance to the Article 111 of the Labour Code, shall be submitted to the aimag, district employment office on quarterly basis;

31.2.5. disburse proceeds of the Employment promotion fund according to the specified purpose; submit the results and financial reports to the soum, khoro employment officer, aimag, capital city, district employment offices within the specified time period;

31.2.6. other competencies specified in the legislation.

31.3. Business entities, organizations and citizens shall have a right to select and hire citizens, recommended by the aimag, capital city, district employment offices and labour exchange offices, in accordance to the requirements of the position, and they have a right to voluntarily engage in the employment promotion services and activities.

31.4. Information regarding citizens, who left orphanages due to reaching working age and, and out of prison convicts shall be notified by the respective organizations to the aimag, capital city, district employment offices; such offices shall register the citizens based on their request and engage them in the employment promotion activities.

Article 32. Monitoring over implementation of the employment promotion legislation

32.1. The following authorized organizations or officials will monitor the implementation of the employment promotion legislation:

32.1.1. the Parliament, the Cabinet, all level Citizens representative khurals, Governors within their competencies;

32.1.2.specialized inspection shall be carried out to specialized inspection agency as specified in the Law in State inspection¹⁰.

32.2.Employment promotion activities shall be monitored and evaluated by an independent entity on annual basis.

CHAPTER SEVEN OTHER PROVISIONS

Article 33. Sanctions to be imposed for violators of the legislation

33.1.If violation of the employment promotion legislation is not subject to the criminal procedures, the following administrative sanctions are to be imposed to the violator by the state labour inspector or judge:

33.1.1.officials, who violated the provision 4.1.1 of this law, shall be fined with 50,000-250,000 tugrugs, entities or organizations with 500,000-1,000,000 tugrugs;

33.1.2.officials, who violated provisions 9.2 and 9.4. of this law, shall reimburse incurred losses and be fined with 100, 000-250,000 tugrugs, business entities or organizations with 500,000-1,000,000 tugrugs;

33.1.3.in case of misuse or illegal use of the Employment Promotion fund proceeds, officials shall reimburse incurred losses and be fined with 500,000-1,000,000 tugrugs, business entities or organizations will be fined with 1,000,000-2,500,000 tugrugs;

33.1.4.officials, who did not fulfill duties, specified in provision 20.2 of this law, shall be fined with 250,000-500,000 tugrugs and business entities or organizations with 1,000,000-1,500,000 tugrugs;

33.1.5.officials, who did not fulfill duties, specified in provision 31.2.2 of this law, shall be fined with 50,000-250,000 tugrugs and business entities or organizations with 500,000-1,500,000 tugrugs.

Article 34. Effectiveness of the law

34.1.This law shall come into force from 1 October 2011.

34.2.The provision 13.2 of this law shall come into force from 1 January 2013.

SPEAKER OF THE PARLIAMENT
OF MONGOLIA

D.DEMBEREL

¹⁰ Law on state inspection – published in the 2nd edition of the 2003 “State information” pamphlet.