Mr. BURENJARGAL Tsogzolmaa
CEO
Mongolian Association of Securities Dealers
Монголын Унэт Цаасны Арилжаа Эрхлэгчдийн Холбоо
ASF 2014, Bangkok
### Legal framework

#### Laws
- Civil code
- Company Law
- Securities market law
- Licensing law
- Investment fund law

#### Rules
- Financial regulatory commission
- Mongolian Stock Exchange
- Securities Clearing House and Central Depository

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**Macroeconomics**

**Capital market**

**Challenges and Development**
Licensed activities

- brokerage;
- dealing;
- Investment advisory;
- Investment trust;
- underwriter;
- registration of ownership of securities;
- Securities clearing;
- Securities settlement;
- Securities central depository;
- custodian;
- exchange;
- Investment fund;
- Fund management;
- Rating;
Market capitalization & GDP

Macroeconomics
Capital market
Challenges and Development
Trading
b\text{n. MNT}

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Number of Listed companies

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**Macroeconomics**

**Capital market**

**Challenges and Development**
Listed companies

- Concentration more than 75%
- Concentration less than 75%
- Partially state owned
- Fully state owned

Macroeconomics | Capital market | Challenges and Development
Foreign and local investors’ trading volume ratio

- Foreign entities
- Foreign Citizen
- Domestic entities
- Domestic citizen

Data for years 2011 to 2014:

- **2011**: 30% Foreign entities, 10% Foreign Citizen, 60% Domestic entities, 10% Domestic citizen
- **2012**: 40% Foreign entities, 5% Foreign Citizen, 55% Domestic entities, 10% Domestic citizen
- **2013**: 35% Foreign entities, 7% Foreign Citizen, 60% Domestic entities, 8% Domestic citizen
- **2014**: 40% Foreign entities, 10% Foreign Citizen, 70% Domestic entities, 10% Domestic citizen

Macroeconomics | Capital market | Challenges and Development
Challenges for securities market

- **Develop standards and requirements** of new services such as
  - clearing
  - custodian services
  - trust services
  - asset management
  - Advisors
- **Improve Corporate governance** of listed companies
- **Improve disclosure of information** for securities issuers and professional participants and develop information receive and delivery infrastructure based on Mongolian Stock Exchange or Financial regulatory commission
- **New products**
  - MBS,
  - Government debt instruments,
  - DR
THANK YOU FOR YOUR ATTENTION
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