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Dr. Uyanga Delger, attorney-at-law

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Did the Mongolian government **ABDUCT A PERSON?**

A democratic government has the duty to protect three things of utmost importance – people's security, human rights, and people's property. In terms of protecting people's property, the Mongolian government has been stealing from public property instead of safeguarding it. This is evidenced by the authorities at the Ministry of Environment stealing the land around Bogd Mountain over the years. Also, the capital city authorities have been embezzling land and real estate that belong to the people.

In terms of protecting people's security, the government has been indirectly compromising our right to life through their failure on air pollution, traffic control, and construction works that don't comply with required standards.

“ However, we used to believe that, if the government cannot protect us on these fronts, they would at least not compromise people's

security deliberately. But that was until 27 July 2018. ”

On this day, the Mongolian government attempted to abduct a person and send him abroad. The people knew of this incident immediately and stood together using social media, which resulted in stopping the abduction.

“ The people of Mongolia have shown that power lies in the hands of the people in a true democracy. ”

The point is not about the abducted person being a foreign national but about the laws of Mongolia serving people in Mongolia equally, especially when it comes to protecting people's rights, freedom and property. It is illegal in our country to abduct a person.

TIMELINE OF THE CRIME OF ABDUCTION

Turkish teacher Veysel Akcay, a Turkish citizen who has worked in Mongolia for 25 years, was abducted in Ulaanbaatar on 27 July 2018.

- 09:30am. Akcay is forcefully taken into a Toyota

Alphard minivan by a group of people who were Mongolians.

- 09:51am. The Sukhbaatar district police is notified of an incident where a Turkish citizen was abducted into a car. ▶▶



- ▶ - 01:00pm. B. Ganbat, the Mongolian director of the Turkish school where Akcay worked, puts out a video on social media informing the public of the incident.
- 01:54pm. A Turkish private plane CT-4010 lands at Chinggis Khaan international airport at the designated time set out in their flight permit.
- 03:30pm. Akcay is taken to the airport.
- 04:00pm. A group of alumni from the Turkish school starts gathering at the airport. This coincides with the arrival of certain officials, including B. Tsogtgerel, then Deputy Minister of Road and Transportation Development, and MP Lu. Bold.
- 05:00pm. B. Battsetseg, Deputy Minister of Foreign Affairs, proposes to halt the take-off of the Turkish plane until matters are clarified.
- 06:00pm. The opposition leader from the Democratic Party sends a letter to Prime Minister U. Khurelsukh from the Mongolian People's Party demanding that he provides an explanation of what is happening.
- 08:00pm. The abductors leave Akcay outside his home after keeping him the whole day with a bag on his head, a tape over his mouth, and in handcuffs.
- 09:00pm. Akcay goes to the General Police Authority and gives a statement.
- 09:20pm. The Turkish plane, which came with four people on board, flies back with the same four people, but three hours and twenty minutes late from their departure time.
- 01:40am. Akcay leaves the police station and issues a short statement to people who had gathered there thanking Mongolians.

Three days later, Turkish foreign ministry spokesman Hami Aksoy said in a statement "We're very uncomfortable with the fact that Friday's events... are being presented as a kidnapping operation. All such claims are false and we reject them."

“ If you look at this chain of events, it can be interpreted as an attempt to abduct a person by the joint efforts of Turkish and Mongolian intelligence. The General Intelligence Agency of Mongolia reports directly to the Prime Minister, who hasn't said a single word about what happened. His silence is creating a degree of fear amongst the people. ”

CRIME AGAINST THE PEOPLE

If you dig deeper into what the failed abduction attempt means, it can be interpreted as a crime against the people of Mongolia. The Government of Mongolia has made two serious mistakes. Firstly, the government has ignored their commitments under the Constitution of Mongolia, other relevant legislation, and international conventions. Secondly, Mongolia has failed to comply with an agreement established with another country. Mongolia and Turkey signed an agreement in 2000 to provide mutual legal assistance in civil, commercial and penal matters.

Also, it is still fresh in the memory that the General Intelligence Agency of Mongolia abducted a person in the past. In May 2003, they abducted Mongolian National D. Enkhbat, who had obtained French citizenship, and brought him into Mongolia. Enkhbat was then jailed in Mongolia and died soon after.

The Turkish government allegedly views Akcay as Gulen's associate, and Mongolia cannot accept it until there is a declaration or a ruling from the Turkish

judiciary. Mongolia is a democracy, so any detention can only take place with a court decision.

“ This incident is enough to question whether the people of Mongolia can enjoy our inherent rights and freedom granted by the constitution. The fact that an aircraft that belongs to the Republic of Turkey landed in Mongolia proves that it was agreed at the government level. Therefore, there is a good reason to have fears about the Mongolian government allowing abduction of a person. ”

The people are demanding that Prime Minister U. Khurelsukh and the relevant authorities issue a formal statement about the incident. The abduction was interrupted by the people this time, but the public needs a guarantee that it will not happen in the future. There is no doubt that relevant international organizations would support this plea from the Mongolian people. ■

2018.08.15



Use It or Lose It: **FAIR COMPETITION AND TRADEMARK USE IN MONGOLIA**

“In a market economy that encourages free and fair competition, everyone should have an opportunity to participate and succeed.”

Laws meant to regulate business should promote performance competition and combat economic exploitation.

One downside of a competitive economy is the lack of a permanent ownership position: One may lose tomorrow that what she or he gained today. However, despite this insecurity, competitive economies give ordinary people the best chance for economic success, the most thrilling results of which are innovation, creativity, and an entrepreneurial spirit. Indeed, competition is far better than the alternatives we've seen, such as feudal, state-controlled, or political party cartel systems, in which only a few control the wealth of a country while the majority struggle with low wages and less opportunity.

And yet, 26 years since the collapse of the socialist system, the notion that the state should encourage free and fair competition is not very clear to many Mongolians. Luckily there is such a mechanism for the promotion of competition in the form of the current Trademark Law of Mongolia.

Trademarks give individuals and businesses the opportunity to own a product or service name by obtaining a state registration. With a registration, one gains the position of excluding others from using the same or similar name for the same or similar product or service. In Europe, for example, this opportunity is not given out for free without obligation; the trademark owner should be an active participant in the economy by producing and selling goods or services under that trademark. If the trademark owner fails to produce or sell goods or services using the registered trademark within a period of time set by law (normally five years), she or he loses the ownership of the trademark. This then gives other businesses an opportunity to use the same or similar name (referred to as “non-use cancellation”).

Essentially, with trademarks, it's “use it or lose it”.

But in Mongolia the Trademark Law does not provide a non-use cancellation requirement. Additionally, the trademark registration, examination, and renewal fees are extremely low. One could say that the Mongolian state is offering the trademark registration services almost for free. Consequently, there is an increasing tendency for enterprises and individuals to register trademarks in Mongolia without a serious interest in actually participating in the Mongolian economy through the production and/or selling of goods or services using their trademark.

“Therefore, as a result of the current trademark registration system, enterprises might find out that their product or service names are already registered to someone else.”

In such cases, these enterprises might be forced to negotiate with the owner of the Mongolian trademark in order to obtain the registration, often by ownership transfer or consent. Start-up companies might end up spending most of their valuable time in legal disputes with a trademark registration owner who does not do any business at all.

“The belief that trademark registration is a money-making opportunity seems to prevail.”

It is, therefore, not surprising when one encounters a Mongolian trademark registration owner who insists on trademark licensing against payment of annual fees, even though she or he did not establish a product or service brand, nor attempt to introduce goods or services to the market.

“Mongolia would do well to increase its awareness of the actual purpose and benefit of trademark protection—that it encourages fair competition and legitimate contributions to the economy. ■”



INCIDENTS IN MINISTRY OF ROAD AND TRANSPORT DEVELOPMENT

On August 9th 2018 around 10pm a lawyer, thirty-eight years old Mr. Gombosuren, who was head of Monitoring evaluation and Internal audit department of Ministry of Road and Transport Development, was beaten to death near the ministry's building by another public servant named Mr. Makhbal, who was a former policeman 48 years old and serving as head of State administration and Management department at the same ministry. He was also public servant in the previous government and he was the department head at Ministry of Mining previously and then discharged. Please, could you tell us more about the reason behind this murder and if it's related to corruption in the government.

In the biggest sense we talk about not only this accident shows how deep is this governance crisis in Mongolia, but Mongolian governance is based on the secrecy of Mongolian political party's financing. Political parties are the only institutions in democracy which takes whole power of the government. And this Mongolian political parties never disclose true picture of their financing. As a result, they are selling public positions like a goods with different prices in higher the rank is the more expensive their prices. It shows the quality of Mongolian public officers. It's one of the bad case of this officers.

According to his income statement, the accused has a family income of around 93000 dollars per year, and he also has a 600,000 dollar worth real estate.

Does this mean that this public officer was conducting private business company also?

It's interesting question. In democracy you should not have sealing of how much you can be rich. But

only thing is this wealth you have should be created, earned through the work in legally, not illegally. If it is illegally, that's the duty of state to stop. In Mongolia trying so we have a system where public officers declare their annual income. And according to this system you can go and check on [website](#), any political officer you put name and they will find out. They will tell you how much wealth he has. And also on this website that person Mr.Makhbal had borrowed 500 million tugriks from another individual name Lkhamsuren. So another question really comes having the sort of wealth he has and also this sort of large loan. The question raises whether this loan is connected with anything to do with the Ministry of Road and Transport development, where he was a responsible for certain department. In general, it shows why Mongolian public officers are becoming very wealthy, meanwhile Mongolian companies are becoming poorer.

So what actions has the government taken so far?

The minister is in a request to resign. But however it's very interesting thing to note is the minister cannot be fired by prime minister of Mongolia though he is a cabinet member. Why? Because all ministers of Mongolia are nominated by the parliament, through which prime minister becoming very weak as he cannot hire and fire his cabinet members. As a result, we have very weak executive government in Mongolia, and we have not one prime minister as we say 76 prime ministers which are 76 parliament members of Mongolia.

NON-BANKING SECTOR IS EXPERIENCING GROWTH

Regarding a nonbanking sector, which is experiencing growth, the financial regulatory commission reports show that nonbanking sector is experiencing rapid growth in the first half of 2018. More specifically in the non bank financial institutions the total asset of around 485 active institutions has increased by 33 %, last year reaching in 417 million US dollars. In the insurance sector the total asset of 17 companies has increased by 13 %, in the last year, reaching 117 million US dollars. Then with regard to savings and credit unions, the total revenue of 289 organizations has increased by 37.4 %, in the last

year reaching 7.9 million dollars. And also on the stock exchange where 303 public companies are listed, and the top 20 of them have brought 50.6 % increase in market value. On the other hand, securities market is comprised of 54 active companies and that market has increased by 65 % reaching 1 billion US dollars. So the question is, is this rapid growth in the non banking sector healthy?

Well, let's see the structure of Mongolian financial market, which is consisting of money market, mostly commercial banks and non bank financial institutions,

because those assets term the loan term is less than one year. Every money, short money with the term of less than one year called money market, with more than one year up to twenty thirty years called capital market. Mongolian commercial bank's total asset and reached first time 30 trillion tugriks, which is first time more than Mongolian GDP which is in 2017 was 27 trillion tugriks.

Unfortunately, insurance system is not very much trusted though cases are different. My private case, just two years ago my car was stolen and broken and it is tuned over in the countryside. It was only five years old car and I was three years insuring with Mandal insurance company. But my insurance company haven't paid any payment. So I got nothing from the insurance company.

So with regards to banking sector how come is it not experiencing the same rapid growth?

They have experienced a certain growth year on

year base 2018 first half they have, if you compare year on year base, it's about 13% growth of banking asset. Also they 10% loan portfolio growth, but it is not that faster as 33% non banking financial sector. So one large, smaller one is growing 30% which is acceptable, but however still concerned that Mongolia is very hard to find money. To borrow money is very expensive over 20-24 %, which makes almost impossible for small companies go ahead, because you cannot make more than 24% of your profit is paid to the bank, and you cannot make more profit on that. That's why private sector, first is not very much thriving, second because the tax is high, people have less money for investment to extending their businesses. And state owned companies are increasing. They are more politically connected. It's very hard to compete with your ministries company. So that's the situation in Mongolia and this country still needs more liquidity available for private sector.

"MONGOLIAN GOLD BOSSES" AND SHADOW ECONOMY

Regarding the gold production and mining sector, production companies that sell gold to Mongolbank are selling them to as a private individual not as a company. So what is the impact of taxation on gold production in Mongolia?

Gold is important when they come to Mongolbank, it turns over money. If they don't come if the tax is high, they disappear through black market mostly smuggling, which creates shadow economy, which creates money laundering.

Problem is along with this person coming as a person from the company there are many people who are coming really is a person. And those persons go where the "ninja" are there, we have about 100,000 of them all around Mongolia, because Mongolia is very large country we cannot control all the time where the people are digging gold. They digging at

their campus usually at night there will be a person who will buy all these gold at very good market price from them. It means that they are not recovering the place, big holes after there. They really destroy the nature there and still this person is coming and giving a gold to Mongolbank. Mongolbank is not demanding from him where the gold is taken, which is kind of promoting these "ninja" activities. But on the other side if Mongolbank demand too much details they will smuggle the gold. So that's the very hard dilemma for Mongolian government about the gold. So enforcement the law and creating other jobs which could be more profitable for this "ninja" people and all gold company should be officially declared.

This review has been edited here for space and clarity. You can watch the full 30-minute review on the Defacto website [HERE](#).



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CONTACT US:

✉ editor1@jargaldefacto.com
☎ +976 94109342
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