

REGULATION ON SETTING REQUIREMENTS FOR THE VIRTUAL ASSET SERVICE PROVIDERS' PROFESSIONAL ASSOCIATION

ONE. GENERAL PROVISIONS

- 1.1. This regulation aims to determine the requirements of the Financial Regulatory Commission (hereinafter referred to as the 'FRC') for the virtual asset service providers' professional association (hereinafter referred to as the '*professional association*').
- 1.2. The FRC meeting shall determine whether the professional association meets the requirements of this regulation, and the FRC shall cooperate by preparing a memorandum of understanding in accordance with the laws and regulations.
- 1.3. The professional association shall submit annual changes that occurred in the number of members to the FRC.

TWO. REQUIREMENTS FOR PROFESSIONAL ASSOCIATIONS

- 2.1 The professional association shall comply with the following requirements:
 - 2.1.1 be registered with the State Registration Authority, with a legal name, official seal, letterhead, and checking account;
 - 2.1.2 at least 51% of the virtual asset service providers (registered with the FRC and operating in the territory of Mongolia) must be members;
 - 2.1.3 have the professional capacity to make conclusions on compliance with requirements set forth in Sections 7.1.2., 7.1.5, and 7.1.6 of the *Law on Virtual Asset Service Providers*;
 - 2.1.4 have a development policy and strategic plan for the virtual asset service providers' sector, and the ability to provide professional and methodological support for its members;
 - 2.1.5 have an internal audit system for a professional code of conduct;
- 2.2. Board chair, members, and executive director of the professional association shall meet the criteria specified in the *Procedure for determining fit and proper persons* approved by the FRC.
- 2.3. The professional association shall submit the requested and related documents specified in Annex 2 of this regulation to the FRC, regarding changes in address, location, board chair, members, and executive director.
- 2.4. The professional association shall draft a training program/agenda that is to be approved by the FRC.

THREE. REQUIRED DOCUMENTS

- 3.1. The professional association shall submit a request and relevant documents, for a memorandum of understanding specified in Annex 1 of this regulation, to the FRC.
- 3.2. The professional association's rules and relevant regulations (approved in the meeting of all members of the professional association) shall comply with the *Law on Virtual Asset Service Providers*, *Law on Non-Governmental Organizations* and relevant regulations of the FRC.
- 3.3. The FRC shall review the documents specified in Paragraph 3.1 of this regulation within 20 working days from the date of the receipt of completed documents, and inform the applicant in writing whether to sign a memorandum of understanding.

FOUR. OPERATING PRINCIPLES

- 4.1 The professional association shall abide by the following principles:
 - 4.1.1. comply with the legislation, and regulations approved by the FRC;
 - 4.1.2. protect the legitimate interests of members and support their initiatives;
 - 4.1.3. ensure transparency of membership fees, expenditure and reporting;

- 4.1.4. protect confidential information of members;
- 4.1.5. analyze and evaluate the market situation for virtual asset service providers, and members' activities, based on research and analysis.

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*Annex 1 to the Regulation on Setting Requirements
for the Virtual Asset Service Providers' Professional Association*

**APPLICATION FOR A MEMORANDUM OF UNDERSTANDING FOR PROFESSIONAL
ASSOCIATIONS**

Date of application	Year	Month	Date		
Do you have experience in operating in the financial sector?				Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, please write where and what kind of activities you operate? How long have you operated?					
Have you submitted an application previously?				Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, when did you submit? How was it resolved?					
I. Background information of professional association					
Name of applicant	in Mongolian				
	in English <i>(Please write the name of applicant in Latin script)</i>				
Changes of legal name	Name _____				
	From when ____/____/____ until ____/____/____ <i>(If the legal name is changed, please write the previous full name; and date in the form of year/month/ day)</i>				
Date of establishment	____/____/____ <i>(Please provide the meeting date; when legal entity was established)</i>				
State Registration Number					
Registration Number					
Contact	Telephone	Mobile phone	Fax:		
Email address					
Website					
II. Address for operation					
<input type="checkbox"/> Own <input type="checkbox"/> Lease <input type="checkbox"/> Other (check using <input checked="" type="checkbox"/> in appropriate box)					
Address	Province/city				
	Soum/district				
	Sub-district				
	Street/building				
	Suite/Door				
<i>Note: Physical address for operations must be the same as the address stated in the State Registration Certificate and the company's bylaws.</i>					

III. Members of professional associations

Number of members			
No	Name of legal entity member	Registration number	Residential address/ contact number

Note: Include each member.

IV. Board Chair, members, & executive directors**a/ Board chair & member**

No	Full name	Board chair/member

Note: Include each member, write information stated in Annex 3, and attach relevant documents.

The ethics and business reputation of the above-mentioned persons do not contradict the management of the legal entity. The above-mentioned persons were appointed to authorized positions as they are deemed to meet the fit and proper criteria, along with the following criteria. Those are:

- *sufficient knowledge, skills and experience to manage a legal entity fairly and efficiently;*
- *moral maturity to put the interests of a legal entity above personal interests, and being able to work in accordance with the code of ethics;*
- *no overdue debts under the loan, guarantee or guarantee agreement, and no debts under court enforcement;*
- *not involved in any crimes of money laundering, terrorist financing or others*
- *no record of criminal/offense punishments.*

b/ Executive director of professional association

No	Position	Full name

Note: Write information stated in Annex 3, and attach relevant documents.

The ethics and business reputation of the above-mentioned persons do not contradict the management of the legal entity. The above-mentioned persons were appointed to authorized positions as they are deemed to meet the fit and proper criteria, along with the following criteria. Those are:

- *sufficient knowledge, skills and experience to manage a legal entity fairly and efficiently;*

- *moral maturity to put the interests of a legal entity above personal interests, and being able to work in accordance with the code of ethics;*
- *no overdue debts under the loan, guarantee or guarantee agreement, and no debts under court enforcement;*
- not involved in any crimes of money laundering, terrorist financing or others*
- no record of criminal/offense punishments.*

V. Documents attached for application

1	Official letter for submitting application.	
2	Application for registration (Annex 1 of this regulation).	
3	Certified copy of State Registration Certificate.	
4	Original Professional Association’s Charter registered in the State Registration Authority.	
5	Information of Board Chair, members and executive director (Annex 3 of this regulation).	
6	Decision that appointed Board Chair, members and executive director; with certified copy of identification.	
7	Original regulation on requirements for enlisting, revoking and delisting members, and membership fees.	
8	Original Code of Professional Conduct.	
9	Original procedure for resolving complaints and disputes.	
10	Original regulation for conducting training and capacity building activities.	
11	Original regulation to make conclusions stated in Paragraph 10.8 of the <i>Law on Virtual Asset Service Providers</i>	

Total pages

We have provided complete and accurate documents in accordance with the Regulation on Setting Requirements for the Virtual Asset Service Providers’ Professional Association. The submitted documents will not contain any false or misleading information.

Applicant:

Board Chair

Signature

Date

*Annex 2 to the Regulation on Setting Requirements
for the Virtual Asset Service Providers' Professional Association*

APPLICATION FOR INFORMING CHANGES IN THE COMPOSITION OF BOARD CHAIR, MEMBERS AND EXECUTIVE DIRECTOR, AND ADDRESS OF THE PROFESSIONAL ASSOCIATION

Date of application	Year		Month		Day	
Name of professional association						
Registration number						
Please select the appropriate type (<i>check using √ in appropriate box</i>)						
<input type="checkbox"/> Board Chair		<input type="checkbox"/> Boar member				
<input type="checkbox"/> Address		<input type="checkbox"/> Executive Director				
I. Information of board chair, member and executive director						
№	Full name	Date and Decision Number		Position		
<i>Note: Include each member whose position has changed; provide information stated in Annex 3, and attach relevant documents</i>						
II. Information regarding new address of professional association						
Date and decision number of all members' meeting when the new address of the Professional Association's Charter was discussed.			_____	_____	_____	_____
			/year/	/month/	/day/	/decision number/
Address	Province/city					
	Soum/district					
	Sub-district					
	Street/building					
	Suite/ door					
	Contact number					
<input type="checkbox"/> Own <input type="checkbox"/> Lease <input type="checkbox"/> Other (<i>check using √ in the appropriate box</i>).						
Note: Please attach the following documents						
-Certified copy of the State Registration Certificate that reflects the new address and the executive director						
-Original Professional Association's Charter that reflects the new address and executive director						

Applicant:

Board Chair

Signature

Date

Annex 3 to the Regulation on Setting Requirements
for the Virtual Asset Service Providers' Professional Association

INFORMATION OF BOARD CHAIR, MEMBER AND EXECUTIVE DIRECTOR

I. Brief information					
Family name					
Surname					
First name					
Date of birth					
Registration number					
Nationality					
Residential address					
Email address					
Contact number					
II. Work information					
Current workplace					
Position					
Job function					
Work address and contact number					
Date and decision number that appointed the board member and executive director of the professional association					
Workplace in recent 3 years	Position	Job function	Date of appointment	Date and reason for dismissal	
III. Education (Secondary and Graduate Schools)					
Country	School name	Date		Profession	Degree
		Enrollment year	Graduation year		

IV. Marital status (family members, partner information)			
№	Full name and registration number	Relation	Current work, position, and contact number
1			
2			
...			

Identification cards and copies of decision that appointed board chair, members and executive directors are attached.

All information in this request/application is accurate and correct.

(name)

(signature)

..... year..... monthday