

## Mongolia-Korea (South)

**Date this Convention is Modified by the MLI (Enters into Force):** January 1, 2025

**MLI instrument of ratification deposited (Mongolia):** September 30, 2024

**MLI instrument of ratification deposited (South Korea):** May 13, 2020

**MLI effective date, withholding taxes (Mongolia and South Korea):**

January 1, 2025

**MLI effective date, all other taxes (Mongolia and South Korea):** Taxable period beginning on or after July 1, 2025

**Editor's Note.** This summary is based on the MLI positions submitted to the Depositary upon the deposit of the ratification instruments by Mongolia and Korea (South), and does not constitute business, legal, tax, or other professional advice or services. It is intended only to provide a general guide. In applying the MLI provisions to this treaty, researchers should ensure they review other relevant MLI sources. Please see the Bloomberg Tax [MLI Watch](#) page for further research.

### Purpose of a Covered Tax Agreement (MLI Article 6)

According to MLI Art. 6(2), to meet the minimum standard, the text of MLI Art. 6(1), indicating the intent to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance, including through treaty shopping arrangements, replaces the notified preamble language of this Convention. The optional preamble language of MLI Art. 6(3) does not apply.

**Prevention of Treaty Abuse (MLI Article 7)** According to MLI Art. 7(2), to meet the minimum standard, the Principal Purpose Test (PPT) provision of MLI Art. 7(1), that denies benefits that would otherwise be provided where the principal purpose or one of the principal purposes of any arrangement or transaction was to obtain those benefits, applies and supersedes the provisions of this Convention to the extent of incompatibility (i.e., the PPT provision is added to this Convention). The optional language of MLI Art. 7(4) does not apply. The Simplified Limitation on Benefits Provision (S-LOB) does not apply.

**Mutual Agreement Procedure (MLI Article 16)** The following provision of this Convention related to dispute resolution is modified to meet the minimum standard:

- The first sentence of MLI Art. 16(1), providing that a person may present a case to the competent authority of either jurisdiction, replaces the first sentence of Art. 25(1) of this Convention.

The remaining provisions of this Convention relating to dispute resolution are retained as they are considered consistent in content with the provisions of MLI Art. 16(1)(second sentence), MLI Art. 16(2), and MLI Art. 16(3), and meet the minimum standard.

According to MLI Art. 35(4), the mutual agreement procedure provisions of MLI Art. 16 have effect for cases presented to the competent authority on or after January 1, 2025, except for cases that were not eligible to be presented as of that date, without regard to the taxable period to which the case relates.