

TENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FOURTH REGULAR SESSION, 1998 CONGRESSIONAL BILL NO. 10-305, C.D.1, C.D.2

AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by further amending section 222 thereof, as enacted by Public Law No. 9-139 and amended by Public Law No. 10-10, for the purpose of modifying the import tax exemptions, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 222 of title 54 of the Code of the
2 Federated States of Micronesia, as enacted by Public Law No. 9-139
3 and amended by Public Law No. 10-10, is hereby further amended to
4 read as follows:

5 "Section 222. Exemptions.

6 (1) Damaged, pillaged or faulty goods. Upon
7 receipt of a written request within 28 days of the
8 goods' release from Customs control, the Secretary may
9 authorize a refund of the whole or part of the duty
10 paid, where any of the following conditions exist:

11 (a) Goods have been damaged, pillaged, lost
12 or destroyed during the voyage;

13 (b) Goods have, while subject to the control
14 of Customs, been damaged, pillaged, lost or destroyed;
15 or

16 (c) The Commissioner is satisfied that, owing
17 to a fault or defect in any goods, the importer has
18 received a reduction or a refund, in whole or part, of
19 the price paid for the goods.

20 (2) Imported goods subsequently exported. Any
21 person who imports goods into the FSM, and then exports
22 them to a buyer who is outside both the exclusive

1 economic zone and the territorial limits of the FSM, is
2 entitled to a refund of any import duty actually paid on
3 such goods, upon application to and approval by the
4 Secretary. For purposes of this subsection, raw
5 materials or ingredients which are worked into or
6 otherwise become part of a different or more finished
7 product are deemed exported when that product is
8 exported. With respect to importers primarily engaged
9 in re-exporting, the Secretary may provide by policy or
10 regulation for waiving, rather than collecting and
11 subsequently refunding, duties on imports to be re-
12 exported.

13 (3) Per trip abroad. Each time an individual
14 person enters or returns to the FSM from a foreign
15 jurisdiction, he or she is entitled to bring into the
16 FSM the following goods, duty-free, provided that such
17 goods are for that person's own personal use or
18 consumption and not for resale or exchange, and provided
19 further that such person is permitted by applicable
20 State law to possess, use, and consume such goods:

- 21 (a) up to 200 cigarettes;
22 (b) up to one pound of tobacco or twenty
23 cigars;
24 (c) up to 52 fluid ounces or 1500 milliliters
25 of distilled alcoholic beverages; and

1 (d) up to two hundred dollars (\$200) worth of
2 goods other than tobacco products, beer and malt
3 beverages, distilled alcoholic beverages, and wine.

4 (4) Visitors' personal effects. A visitor to the
5 FSM may import bona fide personal effects into the FSM
6 duty-free, provided the goods are for the visitor's own
7 personal use and will be taken with the visitor when he
8 or she leaves the country.

9 (5) Returning goods. Goods produced or properly
10 entered in the FSM which are subsequently removed from
11 the FSM may be returned to the FSM duty-free. The
12 burden shall be on the owner of the goods to establish
13 that the goods were either produced in the FSM or
14 previously and properly entered.

15 (6) Foreign aid projects. An international
16 organization, foreign contractor, or other foreign
17 entity may import goods into the FSM duty-free in
18 connection with the performance of services or other
19 conduct of business in furtherance of a foreign aid
20 agreement entered into by the FSM, the terms of which
21 require that such import shall not be subject to
22 taxation by the FSM; provided that if and when such
23 goods are subsequently sold in the FSM, import duty
24 shall be due based on the sale amount. The duty,
25 together with penalties and interest, shall be the joint

1 and several personal liability of the importer and the
2 purchaser and shall be secured by first liens on the
3 goods and on the importer's property as hereinafter
4 provided.

5 (7) Personal Gifts. Goods claimed as gifts,
6 valued at one hundred dollars (\$100) or less, and
7 received by persons within the FSM from sources outside
8 the FSM shall not be subject to import duty provided the
9 goods are for the recipient's own personal use or
10 consumption and not for resale or exchange. There shall
11 be a rebuttable presumption that goods received from
12 outside the FSM are not gifts.

13 (8) Fishing vessels basing in the Federated States
14 of Micronesia under a valid permit or license issued
15 pursuant to title 24 of the Code of the Federated States
16 of Micronesia shall not be subject to the import duty on
17 either the vessel or equipment installed in the vessel."

Section 2. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

_____, 1998

Jacob Nena
President
Federated States of Micronesia

R+D/W+M

TENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FOURTH REGULAR SESSION, 1998

C.B NO. 10-305

A BILL FOR AN ACT

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17 individual person enters or returns to the
18 FSM from a foreign jurisdiction, he or she
19 is entitled to bring into the FSM the following
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19 (8) Fishing vessels basing in the
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21 license issued pursuant to title 24 of the Code of the
22 Federated States of Micronesia shall not be subject
23 to the import duty on either the vessel or equipment
24 installed in the vessel.
25

1 (b) Government Imports/ Goods imported by the
 2 National, State or Local Levels of Government of the
 3 Federated States of Micronesia, other than for resale,
 4 shall be exempt from the import duty. For purposes of
 5 this exemption, the term "Government" shall not include
 6 public corporations, authorities or other entities
 7 established by law to operate as independent
 8 enterprises. The exemption created by this subsection
 9 shall expire on September 30, 1998, unless extended by
 10 law."

11 Section 2. This act shall become law upon
 12 approval by the President of the Federated States of
 13 Micronesia or upon its becoming law without such
 14 approval.

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 16 Date: 11/24/98

Introduced by: 

Joseph J. Urusemal
 (by request)