



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 16-135
FSM CONGRESS

December 28, 2009

The Honorable Isaac V. Figir
Speaker
16th FSM Congress
Palikir, Pohnpei State, FM 96941

Dear Speaker Figir:

I am pleased to inform you that I have designated the following Congressional Act as Public Law No 16-19:

Congressional Act No. 16-21: "AN ACT TO AMEND SECTION 313 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA TO MAKE ALL CAPTIVE INSURANCE COMPANIES SUBJECT TO THE FEDERATED STATES OF MICRONESIA CORPORATE INCOME TAX REGARDLESS OF CAPITALIZATION, AND FOR OTHER PURPOSES."

This Act complements the passage of another measure (C.A. No. 16-17) that allows for the formation and licensing of class III captive insurance companies, known as Multiple Corporate Captive Insurance Companies (MCC). By this Act, MCC being another type of captive insurance company becomes subject to the Corporate Income Tax under Chapter 3 of Title 54 of the Code.

I thank you and all the honorable members of Congress for your prompt action on this matter. Our joint efforts on this subject will hopefully bring about positive results towards attaining a more improved revenue base for the Nation.

Merry Christmas and Happy New Year!

Sincerely,

Manny Mori
President

Enclosures:

xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, Office of SBOC
Legislative Counsel, CFSM
Library, CFSM
PIO, FSM





CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Chief Clerk

December 11, 2009

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 16-21, "AN ACT TO AMEND SECTION 313 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA TO MAKE ALL CAPTIVE INSURANCE COMPANIES SUBJECT TO THE FEDERATED STATES OF MICRONESIA CORPORATE INCOME TAX REGARDLESS OF CAPITALIZATION, AND FOR OTHER PURPOSES.", which was passed by the Sixteenth Congress of the Federated States of Micronesia, Second Special Session, 2009, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Liwiana K. Ramon".

Liwiana K. Ramon
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures





PUBLIC LAW No. 16-19

SIXTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SECOND SPECIAL SESSION
NOVEMBER 30 – DECEMBER 9, 2009

An Act

TO AMEND SECTION 313 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA TO MAKE ALL CAPTIVE INSURANCE COMPANIES SUBJECT TO THE FEDERATED STATES OF MICRONESIA CORPORATE INCOME TAX REGARDLESS OF CAPITALIZATION, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: JOE N. SUKA (BY REQUEST)

DATE: DECEMBER 4, 2009

REFERRED TO: RESOURCES AND DEVELOPMENT COMMITTEE
S.C.R. NO. 16-54 – DECEMBER 8, 2009

FIRST READING: DECEMBER 8, 2009

SECOND READING: DECEMBER 9, 2009

Liwiana K. Ramon
Chief Clerk, FSM Congress



Office of the Speaker

*Congress of the
Federated States of Micronesia*

*Palikir, Pohnpei
Federated States of Micronesia*

ACT NO. 16-21

(CONGRESSIONAL BILL NO. 16-64)

We hereby certify that on December 9 the foregoing act passed Second and Final Reading of the Sixteenth Congress of the Federated States of Micronesia, Second Special Session, 2009, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

A handwritten signature in black ink, reading "Isaac V. Figir".

Isaac V. Figir
Speaker
Congress of the
Federated States of Micronesia

A handwritten signature in black ink, reading "Liwiana K. Ramon".

Liwiana K. Ramon
Chief Clerk
Congress of the
Federated States of Micronesia

AN ACT

To amend section 313 of title 54 of the Code of the Federated States of Micronesia to make all Captive Insurance Companies subject to the Federated States of Micronesia corporate income tax regardless of capitalization, and for other purposes.

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

1 Section 1. Section 313 of title 54 of the Code of the
2 Federated States of Micronesia, as enacted by Public Law No. 14-
3 110, is hereby amended to read as follows:

4 "Section 313. Applicability of this chapter. Taxes
5 imposed under this chapter shall apply to all captive
6 insurance companies licensed pursuant to title 37 of the
7 Code of the Federated States of Micronesia regardless of
8 capitalization and to all other corporations incorporated
9 in the Federated States of Micronesia unless:

10 (1) the corporation's shareholder equity or paid-in
11 capital as of the beginning of its fiscal year is less
12 than \$1,000,000; or

13 (2) the shareholder equity or paid-in capital of the
14 corporation's control group is less than \$10,000,000; or

15 (3) the corporation is principally engaged in
16 business in the Federated States of Micronesia as a bank
17 as such term is defined in title 29 of the Code of the
18 Federated States of Micronesia section 102(1); or

19 (4) the corporation was formed under the laws of the

1 Federated States of Micronesia prior to January 1, 2005.

2 Section 3. This Act shall become law upon approval by the
3 President of the Federated States of Micronesia, or upon its
4 becoming law without such approval.

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_____ 12-27, 2009

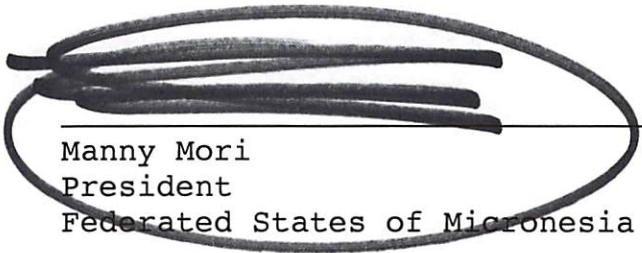
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Manny Mori
President
Federated States of Micronesia

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