
A BILL FOR AN ACT

To further amend title 41 of the Code of the Federated States of Micronesia (Annotated), by creating a new chapter 12 to establish the FSM Pharmaceutical Act of 2019, and for other purposes.

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

1 Section 1. Title 41 of the Code of the Federated States of
2 Micronesian (Annotated), is hereby amended by creating a new
3 chapter 12 entitled: "FSM Pharmaceutical Act of 2019".

4 Section 2. Chapter 12 of title 41 of the Code of the
5 Federated States of Micronesia (Annotated), is hereby amended by
6 inserting a new subchapter 1 entitled: "General Provisions".

7 Section 3. Chapter 12 of title 41 of the Code of the
8 Federated States of Micronesia (Annotated), is hereby amended by
9 inserting a new section 1201 of subchapter 1 to read as follows:
10 "Section 1201. Short title. This Act may be referred
11 to as the FSM Pharmaceutical Act of 2019.".

12 Section 4. Chapter 12 of title 41 of the Code of the
13 Federated States of Micronesia (Annotated), is hereby amended by
14 inserting a new section 1202 of subchapter 1 to read as follows:
15 "Section 1202. Statement of Policy. It is hereby
16 declared as a policy of the Federated States of
17 Micronesia:

18 1. That all people have the right to access quality,
19 safe, effective and affordable medicines;

1 2. That a national regulatory authority shall be
2 established and progressively strengthened to administer
3 and enforce regulations of all pharmaceutical products
4 to ensure acceptable standards of quality, safety and
5 efficacy; regulate promotion and marketing to ensure
6 rational drug use; control use of antimicrobials; and
7 ensure compliance to standards and requirements for all
8 personnel, business establishments , premises and
9 practices in the manufacture, storage, supply and
10 distribution, sale, prescription and dispensing of
11 pharmaceutical products;

12 3. That the national regulatory authority shall, to
13 the extent possible, participate in regulatory
14 convergence and cooperation as a means to strengthen the
15 FSM regulatory system and cooperate with regulatory
16 authorities in other countries as appropriate, to align
17 regulatory processes where needed to tackle public
18 health emergencies, including antimicrobial resistance
19 and address the proliferation of substandard, falsified
20 and unlicensed products across borders."

21 Section 5. Chapter 12 of title 41 of the Code of the
22 Federated States of Micronesia (Annotated), is hereby amended by
23 inserting a new section 1203 of subchapter 1 to read as follows:

24 "Section 1203. Definition: For the purposes of this
25 title, the following terms shall be given the meanings

1 described herein:

2 1. "Active Pharmaceutical Ingredient" (API) is the
3 chemical substance contained in a pharmaceutical, which
4 is responsible for its therapeutic effect. Some
5 pharmaceuticals contain more than one active ingredient
6 (combination product).

7 2. "Administer" means administering of medicines to a
8 human being either orally or by injection or by
9 introduction into the body in any other way or by
10 external application whether with direct body contact or
11 not.

12 3. "Adverse drug reaction" (ADR) is a response to a
13 medicinal product which is noxious and unintended and
14 which occurs at doses normally used in man for the
15 prophylaxis, diagnosis or therapy of disease or for the
16 restoration, correction or modification of physiological
17 function. An adverse drug reaction, contrary to an
18 adverse event, is characterized by the suspicion of a
19 causal relationship between the medicine and the
20 occurrence. *Serious adverse reaction:* An adverse
21 reaction which results in death, is life-threatening,
22 requires in-patient hospitalization or prolongation of
23 existing hospitalization, results in persistent or
24 significant disability or incapacity, or is a congenital
25 anomaly/birth defect. *Unexpected adverse reaction:* An

1 adverse reaction, the nature, severity or outcome of
2 which is not consistent with the summary of product
3 characteristics.

4 4. "Advertising" means the act or practice of calling
5 or bringing public's attention to one's product,
6 services and others especially by paid announcements in
7 print and technology media to promote the sale and use
8 of medicines.

9 5. "Authorized port-of-entry": An authorized port-of-
10 entry is a port designated by the government where
11 medicines may enter or leave under official supervision
12 of relevant government authorities.

13 6. "Authorization holder" means the person or company
14 in whose name the marketing authorization has been
15 granted. This party is responsible for all aspects of
16 the product, including quality and compliance with the
17 conditions of marketing authorization. The
18 authorization holder must be physically present in the
19 country and be subject to all the rules and regulations
20 of the country.

21 7. "Brand name" or "innovator's name" Name given for
22 marketing purposes to any ready-prepared medicine placed
23 on the market under a special name and in a special
24 pack. A brand name may be a protected trademark

25 8. "Certificate of pharmaceutical product (CPP)" is

1 a certificate issued in the format recommended by the
2 World Health Organization (WHO), which establishes the
3 status of the pharmaceutical product and of the
4 applicant for this certificate in the exporting country.
5 The certificate attests that a specific pharmaceutical
6 product is authorized for marketing in the certifying
7 country, or if not, the reason why authorization has not
8 been accorded; and the manufacturing facilities and
9 operations conform to good manufacturing practices (GMP)
10 as recommended by WHO. A CPP is issued by the
11 authorized body of the exporting country and is intended
12 for use by the national regulatory authority or other
13 competent bodies in the Federated States of Micronesia
14 when a pharmaceutical product is under consideration for
15 a product license/marketing authorization that will
16 authorize its importation and sale in FSM and when
17 administrative action is required to renew, extend vary
18 or review such license.

19 9. " Clinical Trial" is any systematic study on
20 pharmaceutical products in human subjects, whether in
21 patients or other volunteers in order to discover or
22 verify the effects of, and/or identify any adverse
23 reaction to, investigational products, and/or to study
24 the absorption, distribution, metabolism and excretion
25 of the products with the object of ascertaining their

1 efficacy and safety.

2 10. "Competent authority" A regulatory body
3 authorized by the government to administer, implement
4 and enforce regulations and compliance to national laws
5 and carry out duties on behalf of the government.

6 11. "Complementary medicine" (CAM): often refers to a
7 broad set of health care practices that are not part of
8 a country's own tradition and are not integrated into
9 the dominant health care system. Other terms sometimes
10 used to describe these health care practices include
11 "natural medicine", "nonconventional medicine" and
12 "holistic medicine.

13 12. "Competent jurisdictions mean jurisdictions with
14 stringent and operational regulatory system approved by
15 the Secretary where medicines can be imported. Such
16 approved jurisdictions shall be listed in a record and
17 kept by the Secretary.

18 13. "Controlled Medicine" or "Controlled Substance"
19 means medicine/drug, substance or immediate precursor in
20 schedules I through V of subchapter II of chapter 11 of
21 Title 11 of the Code of the Federated States of
22 Micronesia

23 14. "Dispensing" means providing medicines by an
24 authorized person licensed to dispense medicines.

25 15. "Disposal" in this act means the action or

1 process of getting rid of expired, damaged,
2 deteriorated, or unwanted medicines/pharmaceutical
3 products.

4 16. "Distribution" means the division and movement
5 of pharmaceutical products from the premises of the
6 manufacturer of such products, or another central point,
7 to the end user thereof, or to an intermediate point by
8 means of various transport methods, via various storage
9 and/or health establishments.

10 17. "Donation" pertains to the act by which
11 organizations, institutions, international development
12 partners, non-government organizations and other legal
13 entities within and outside FSM provide pharmaceutical
14 products to the government for free and for specific
15 use, such as in the case of emergencies or humanitarian
16 purposes.

17 18. "Dosage form". The form of the completed
18 pharmaceutical product, e.g. tablet, capsule, elixir,
19 injection or suppository.

20 19. "Drug and therapeutics committee" is a group of
21 people established and officially approved by the
22 Secretary of Health and Social Affairs or State health
23 Directors that promotes the safe and effective use of
24 medicines in the area or facility under its
25 jurisdiction.

1 20. "Essential medicines" are medicines that satisfy
2 the priority health care needs of the population. They
3 are selected with due regard to public health relevance,
4 evidence on efficacy and safety, and comparative cost-
5 effectiveness.

6 21. "Establishment" means a licensed establishment or
7 entity approved under this Act to engage in the
8 manufacture, trade, distribution of pharmaceuticals and
9 other products regulated under this Act. It includes,
10 but not limited to the following:

11 a. Wholesalers;

12 b. Distributors;

13 c. Pharmacies;

14 d. Importers

15 e. Exporters

16 f. Manufacturers

17 g. Warehouse operators

18 h. Packaging

19 i. Retailers

20 1. "Exportation" means the process of sending
21 medicines out of FSM by, sea or air.

22 24. "Finished product" is a product that has
23 undergone all stages of production, including
24 packaging in its final container and labeling and are
25 no longer in their basic natural forms.

1 25. "Formulary". A formulary is a manual containing
2 clinically oriented summaries of pharmacological
3 information about selected drugs. A national formulary
4 generally includes available and affordable medicines
5 that are relevant to the treatment of diseases. It may
6 also include administrative and regulatory information
7 pertaining to the prescribing and dispensing of drugs.

8 26. "FSM Approved Medicines List" means list of
9 medicines determined to meet the needs of the
10 population of FSM and approved by the Secretary, to
11 obtain marketing authorization in FSM and to be
12 imported into and circulated in the FSM,

13 27. "Generic" is a pharmaceutical product which has
14 the same qualitative and quantitative composition in
15 active substances and the same pharmaceutical form as
16 the reference medicinal product, and whose
17 bioequivalence with the reference medicinal product
18 has been demonstrated by appropriate bioavailability
19 studies. The different salts, esters, ethers,
20 isomers, mixtures of isomers, complexes or derivatives
21 of an active substance shall be considered to be the
22 same active substance, unless they differ
23 significantly in properties with regard to safety
24 and/or efficacy. In such cases, additional
25 information providing proof of the safety and/or

1 efficacy of the various salts, esters or derivatives
2 of an authorized active substance must be supplied by
3 the applicant. The various immediate-release oral
4 pharmaceutical forms shall be considered to be one and
5 the same pharmaceutical form. Generics can be
6 classified in branded generics (generics with a
7 specific trade name) and unbranded generics (which use
8 the international non-proprietary name and the name of
9 the company).

10 27. "Importation" means the lawful process of
11 bringing medicines into the Federated States of
12 Micronesia, by sea or air.

13 28. "Importer". An importer is an individual or
14 company or similar legal entity importing or seeking
15 to import a pharmaceutical product. A "licensed" or
16 "registered" importer is one who has been granted a
17 license or registration status for the purpose. The
18 license or registration of an importer does not
19 automatically grant the importation of any
20 medicinal/pharmaceutical product/s in the country as
21 products to be imported shall be subject to a separate
22 process of registration/marketing authorization as
23 regulated by this Act.

24 29. "Good manufacturing practices" (GMP) is the
25 element of quality management which ensures that

1 products are consistently produced and controlled
2 according to the quality standards appropriate of
3 their intended use and as required by the marketing
4 authorization, clinical trial authorization or product
5 specification. It is aimed at managing and minimizing
6 the risks inherent in pharmaceutical manufacture in
7 order to ensure the quality, safety and efficacy of
8 products.

9 30. "Good distribution practice" (GDP) is part of
10 quality assurance which ensures that the quality of
11 pharmaceuticals is maintained throughout the numerous
12 activities occurring during the distribution process.
13 It encompasses the following elements: maintain a
14 constant supply of drugs, keep pharmaceuticals in good
15 condition through the distribution process, minimize
16 pharmaceutical losses due to spoilage and expiry,
17 maintain accurate inventory records, rationalize drug
18 storage points, use available transportation resources
19 as efficiently as possible, reduce theft and fraud,
20 and provide information for forecasting
21 pharmaceuticals needs.

22 31. "Good pharmacy practice" is the practice of
23 pharmacy aimed at providing and promoting the best use
24 of drugs and other health care services and products
25 by patients and members of the public.

1 32. "Inspection" is an official examination,
2 usually conducted on-site by a relevant authority to
3 determine compliance to regulations, standards and
4 good practices for, but not limited to, pharmaceutical
5 establishments; warehouses; ports or any other entity
6 engaged in the trade and supply of pharmaceutical
7 products as well as establishments providing
8 pharmaceutical services.

9 33. "Inspector" means a person designated, upon
10 appropriate training and certification, to carry out
11 inspection of medicines and establishments.
12 Certification of inspectors shall be in compliance
13 with health regulations and policies as established
14 under this Act.

15 34. "International non-proprietary name" (INN) or
16 "generic name" is a unique name that is globally
17 recognized as the unique and universally available
18 designated name to identify each pharmaceutical
19 substance. INN is used in the international
20 nomenclature for the clear identification, safe
21 prescription and dispensing of medicines to patients,
22 INNs are intended for use in pharmacopoeias, labeling,
23 product information, advertising and other promotional
24 material, medicine regulation and scientific
25 literature, and as a basis for product names.

1 34. "Internet pharmacy" means pharmacy that
2 operates over the internet or is involved in trading
3 of pharmaceutical products online.

4 35. "License holder for pharmaceutical product" is
5 an individual or entity duly registered under this Act
6 who holds a marketing authorization for a
7 pharmaceutical product.

8 36. "Licensing system" is a national legal
9 requirement provided for in this Act on who should
10 manufacture, import or supply pharmaceuticals
11 products, what qualifications people in the supplying
12 agency should have, and who should dispense and sell
13 pharmaceutical products.

14 37. "Manufacturer" is a natural or legal person
15 with responsibility for manufacturing of a product.

16 39. "Manufacturing" includes all operations of
17 receipt of materials, production, packaging,
18 repackaging, labeling, relabeling, quality control,
19 release, storage and distribution of active
20 pharmaceutical ingredients and related controls.

21 40. "Marketing authorization (registration)" is a
22 legal document issued under this Act, for the purpose
23 of marketing or free distribution of a product after
24 evaluation for safety, efficacy and quality and the
25 needs of the people in FSM. Once a product has been

1 given marketing authorization, it is included on a
2 list of authorized products – the register – and is
3 often said to be "registered" or to "have
4 registration". Market authorization may occasionally
5 also be referred to as a "license" or "product
6 license".

7 41. "Medication error" is any preventable event
8 that may cause or lead to inappropriate medication use
9 or patient harm while the medication is in the control
10 of the health care professional, patient, or consumer.
11 Such events may be related to professional practice,
12 health care products, procedures, and systems,
13 including prescribing; order communication; product
14 labeling, packaging, and nomenclature; compounding;
15 dispensing; distribution; administration; education;
16 monitoring; and use.

17 42. "Medicine Information". For the purpose of this
18 Act, medicine information will include but not limited
19 to:

20 a. Medicine description (generic name;
21 strength; dosage form/formulation; etc)

22 b. Indication

23 c. Adverse Effects

24 d. Warnings

25 43. "Medicines regulatory authority (or National

1 Regulatory Authority)“is a body created under this Act
2 to administer and enforce the full spectrum of
3 pharmaceutical regulations, including but not limited
4 to the following: marketing authorization of new
5 products and variation of existing products; quality
6 control laboratory testing; pharmacovigilance;
7 provision of medicine information and promotion of
8 rational medicines use; enforcement of Good
9 Manufacturing Practice (GMP); inspections and
10 licensing of manufacturers, wholesalers, pharmacies,
11 importers, exporters and distributors; enforcement
12 operations and monitoring of medicines utilization
13 and all other regulations that are deemed necessary in
14 ensuring the safety, quality, and efficacy of
15 pharmaceuticals.

16 44. “Medicinal device” means goods consisting of an
17 instrument, apparatus, appliance, materials or other
18 articles (whether for a use alone or in combination)
19 together with any accessories or software required for
20 its proper functioning, which is intended to be used
21 in, on, or for human beings for therapeutic purpose
22 and which does not achieve its principles intended
23 action by pharmacological, chemical, immunological or
24 metabolic means though it may be assisted in such
25 functions by such means.

1 45. "National Essential Medicines List" is the list
2 of essential medicines that has been defined and
3 adopted by the National Drug Therapeutics Committee
4 through an evidence-based process and approved by The
5 Secretary which includes all pharmaceutical and
6 therapeutic products that meets the need of the people
7 of FSM. The list shall be the basis for marketing
8 authorization, importation, and procurement by health
9 service providers and reimbursement by health
10 insurance.

11 46. "National medicines policy (NMP)". The
12 national medicine policy of FSM embodies the
13 commitment, goal and strategic direction for improving
14 access to quality, safe and effective essential
15 medicines for the people of FSM. It expresses and
16 prioritizes the medium- to long-term goals set by the
17 government for the pharmaceutical sector, and
18 identifies the main strategies for attaining them. It
19 provides a framework within which the activities of
20 the pharmaceutical sector can be coordinated. The NMP
21 may be reviewed from time to time as the need arises.

22 47. "New chemical entity (NCE)" is a chemical
23 molecule developed by the innovator company in the
24 early discovery stage, which after undergoing clinical
25 trials could translate into a pharmaceutical that

1 could be a cure for some disease.

2 48. “Over-the-counter medicines (non-prescription
3 medicines)” are medicines that can be sold from
4 licensed dealers without professional supervision and
5 without prescription. These medicines are suitable for
6 self medication for minor disease and symptoms.

7 49. “Pharmaceutical (medicine, drug)”. A
8 pharmaceutical is any substance or pharmaceutical
9 product for human or veterinary use that is intended
10 to modify or explore physiological systems or
11 pathological states for the benefit of the recipient.
12 In this document, the terms drug, medicine, and
13 pharmaceutical are used interchangeably, and shall
14 include, medicines, vaccines, traditional medicines,
15 biologicals and/or other products with proven
16 therapeutic effect. Any product entered and sold into
17 FSM with a therapeutic claim shall be treated and
18 regulated as a pharmaceutical product and shall
19 conform to all the requirements and regulations under
20 this Act.

21 50. “Pharmaceutical form” is the pharmaceutical-
22 technological form in which an active substance is
23 made available. Pharmaceutical may be administered in
24 solid form (e.g. tablets, powers), in semi-liquid form
25 (e.g. ointments, pastes), in liquid form (e.g., drops,

1 injectables, infusions) or in gaseous form
2 (inhalation).

3 52. "Pharmaceutical product" is a unique product
4 defined by its active pharmaceutical ingredient, the
5 strength of the active pharmaceutical ingredient, its
6 pharmaceutical form and route of administration.

7 53. "Pharmacopeia" or "International Pharmacopoeia"
8 constitutes a collection of recommended procedures for
9 analysis and specifications for the determination of
10 pharmaceutical substances and dosage forms that is
11 intended to serve as source material to establish
12 pharmaceutical requirements.

13 54. "Pharmacists" are persons who have completed
14 studies in pharmacy at university level (granted by
15 adequate diploma) and who are licensed to practice
16 pharmacy.

17 55. "Pharmaceutical sector" is a part of the
18 health sector that deals with, but not limited to:

19 a. Medicines; vaccines and biological
20 products; diagnostics; traditional medicines and other
21 medicinal/pharmaceutical products

22 b. Private and government entities and
23 establishments that handles medicines or provide
24 pharmaceutical services;

25 c. Individuals practicing pharmacy.

1 56. "Pharmacovigilance" is the science and
2 activities relating to the detection, assessment,
3 understanding and prevention of adverse effects or any
4 other drug-related problems.

5 57. "Pharmacy" or "Pharmacies" are premises which
6 in accordance to the local legal provisions and
7 definitions may operate as a facility in the provision
8 of pharmacy services in the community or health
9 facility setting.

10 58. "Person" includes, but is not limited to, an
11 individual, body corporate, companies, organizations,
12 and corporations.

13 59. "Post-marketing surveillance" is the testing of
14 medicine samples to assess the quality of medicines
15 that have already been licensed for public use.

16 60. "Prequalification". The activities undertaken
17 in defining a product or service need, seeking
18 expressions of interest from enterprises to supply the
19 product or service, and examining the product or
20 service offered against the specification and the
21 facility where the product or service is prepared
22 against common standards of good manufacturing
23 practice (GMP). The examination of the product or
24 service and of the facility where it is manufactured
25 is performed by trained and qualified inspectors

1 against common standards. Once the product is
2 approved, and the facility is approved for the
3 delivery of the specified product or service, other
4 procurement agencies are informed of the decision.
5 Prequalification is required for all pharmaceutical
6 products regardless of their composition and place of
7 manufacture/registration, but the amount and type of
8 information requested from the supplier for assessment
9 by the procurement agency may differ.

10 61. "Prescriber". A prescriber is a health care
11 professional who is legally qualified to write a
12 prescription.

13 62. "Prescription" is an order mostly in written
14 form by a qualified health care professional to a
15 pharmacist or other therapist for a medicine or
16 treatment to be provided to their patients.

17 63. "Prescription-only medicines" are medicines
18 supplied only in licensed pharmacies on the
19 presentation of signed prescriptions issued by a
20 licensed and registered medical practitioner, licensed
21 and/or registered dentist (for dental treatment only),
22 and/or licensed and/or registered veterinarian (for
23 animal treatment only) and/or other health
24 professionals allowed to prescribe in FSM and the
25 supply and dispensing of these medicines must be

1 carried out by a pharmacist or under the supervision
2 of a pharmacist. Prescription-only medicines are
3 further subdivided into controlled medicines (narcotic
4 medicines and psychotropic substances) and non-
5 controlled medicines.

6 64. "Procurement" is the process of acquiring
7 supplies, including those obtained by purchase,
8 donation, and manufacture.

9 65. "Promotion" refers to all informational and
10 persuasive activities by manufacturers and
11 distributors, the effect of which is to induce the
12 prescription, supply, purchase and/or use of medicinal
13 drugs.

14 66. "Quality assurance" is a wide-ranging concept
15 covering all matters that individually or collectively
16 influence the quality of pharmaceuticals.

17 67. "Quality control" are all measures taken,
18 including the setting of specifications, sampling,
19 testing and analytical clearance, to ensure that raw
20 materials, intermediates, packaging materials and
21 finished pharmaceutical products conform with
22 established specifications for identity, strength,
23 purity and other characteristics.

24 68. "Rational use of medicines". Rational use of
25 medicines requires that patients receive medications

1 appropriate to their clinical needs, in doses that
2 meet their own individual requirements, for an
3 adequate period of time, and at the lowest cost to
4 them and their community.

5 69. "Recalls" are actions taken to remove a
6 pharmaceutical product from the market which do not
7 conform to established standards of quality, safety
8 and efficacy, and/or harmful to the public and/or
9 unlicensed by the national regulatory authority of
10 FSM.

11 70. "Recognition" is the acceptance of the
12 regulatory decision of another regulatory authority of
13 another country.

14 71. "Regulatory cooperation is the mechanism
15 whereby the pharmaceutical regulatory authority
16 established under this Act shall work with other
17 relevant regulatory authorities, agencies or
18 institutions within the country or in other countries
19 in order to efficiently and effectively regulate
20 pharmaceutical products. Regulatory cooperation may
21 also include working with international counterparts
22 to build regulatory capacity or provide technical
23 assistance in the implementation and/or enforcement of
24 its functions.

25 72. "Regulatory Inspection" is an officially

1 conducted examination (i.e. review of quality
2 assurance processes, personnel involved, any
3 delegation of authority and audit) by relevant
4 authorities at sites where pharmaceutical activities
5 take place (i.e. manufacturing, wholesale, testing,
6 distribution, clinical trials) to verify adherence to
7 Good Practices.

8 73. "Reliance" is the act whereby the regulatory
9 authority established in the Act shall take into
10 account the evaluations performed by other regulatory
11 authorities as a basis for decision making.

12 74. "Regulations" are the set of instruments
13 provided under this Act and other relevant laws and
14 regulations of the Federated States of Micronesia by
15 which the government places and enforces
16 requirements and standards for establishments,
17 products and individuals to ensure the quality,
18 safety, efficacy and appropriate use of
19 pharmaceuticals.

20 75. "Regulatory convergence" is a voluntary process
21 whereby the regulatory requirements in different
22 countries or regions become more similar or "aligned"
23 over time. The process results from the gradual
24 adoption of internationally recognized technical
25 guideline documents, standards and scientific

1 principles, common or similar practices and
2 procedures, or the establishment of appropriate
3 domestic regulatory mechanisms that align with shared
4 principles to achieve a common public health goal.

5 76. "Raw materials" are basic materials or
6 substances that have not been processed and are still
7 in the form in which they are found in nature which
8 are used alone or in combinations to make medicinal
9 preparations.

10 77. "Retailing" means selling of medicines to end
11 users not for resale but for use and consumption by
12 the purchaser.

13 78. "Standard operating procedure (SOP)" is an
14 authorized written procedure providing a documented
15 process to follow in a specific situation.

16 79. "Sample". A sample is a portion of a material
17 or a pharmaceutical product collected according to a
18 defined sampling procedure.

19 80. "Sampling". Operations designed to obtain a
20 representative portion of a pharmaceutical product,
21 based on an appropriate statistical procedure, for a
22 defined purpose.

23 81. "Secretary" means the Secretary of Health and
24 Social Affairs, or his or her designee.

25 82. "Selling" means providing medicines to another

1 person in exchange for money or something considered
2 to have monetary value.

3 83. "Specification" is a list of detailed
4 requirements with which the products or materials used
5 or obtained during manufacture have to conform. They
6 serve as a basis for quality evaluation.

7 84. "Standard treatment guidelines" (STGs) are
8 recommended and standardized treatment protocols for
9 commonly occurring conditions.

10 85. "Substandard medicines" mean medicines that are
11 of low or poor quality than what it is indicated in
12 the labeling or package inserts.

13 86. "Summary of product characteristics" (SPC) are
14 product information as approved by the Regulatory
15 Authority. The SPC serves as the basis for production
16 of information for health personnel as well as for
17 consumer information on labels and leaflets of
18 medicinal products and for control of advertising.

19 87. "Traditional Medicine" is the sum total of
20 knowledge, skills, and practices based on the
21 theories, beliefs and experiences indigenous to
22 different cultures, whether explicable or not, used in
23 the maintenance of health as well as in prevention,
24 diagnosis, improvement, or treatment of physical and
25 mental illnesses.

1 88. "Wholesale". All activities consisting of
2 procuring, holding, supplying or exporting medicinal
3 products, apart from supplying medicinal products to
4 the public. Such activities are carried out with
5 manufacturers or their depositories, importers, other
6 wholesale distributors or with pharmacists and persons
7 authorized or entitled to supply medicinal products to
8 the public.

9 89. WHO certification scheme". The WHO
10 Certification Scheme offers to importing countries
11 information about: a) the status of the pharmaceutical
12 product; b) the status of the manufacturer of the
13 pharmaceutical product; c) the quality of individual
14 batches of the exported pharmaceutical product; d)
15 product information as approved in the country of
16 export."

17 Section 6. Chapter 12 of title 41 of the Code of the
18 Federated States of Micronesia (Annotated), is hereby amended by
19 creating a new subchapter 2 entitled: "Scope of the Law".

20 Section 7. Chapter 12 of title 41 of the Code of the
21 Federated States of Micronesia (Annotated), is hereby amended by
22 inserting a new section 1204 of subchapter 2 to read as follows:

23 "Section 1204. Pharmaceutical Products
24 All pharmaceutical products, including, but not limited to
25 medicines, vaccines, biopharmaceuticals, blood and blood

1 products, tradition medicine, and any other products with
2 therapeutic claims shall be a regulated under this law."

3 Section 8. Chapter 12 of title 41 of the Code of the
4 Federated States of Micronesia (Annotated), is hereby amended by
5 inserting a new section 1205 of subchapter 2 to read as follows:

6 "Section 1205. Pharmaceutical Activities
7 All pharmaceutical activities including but not limited to
8 the manufacture, importation, exportation, wholesaling,
9 distribution, supply and retailing, labeling and
10 packaging, advertisement and marketing, clinical trials,
11 and donations shall be regulated under this law."

12 Section 9. Chapter 12 of title 41 of the Code of the
13 Federated States of Micronesia (Annotated), is hereby amended by
14 inserting a new section 1206 of subchapter 2 to read as follows:

15 "Section 1206. Practice of Pharmacy
16 The practice of pharmacy, including but not limited to
17 dispensing and prescribing shall be regulated under this
18 law. The use of pharmaceutical products shall strictly
19 follow regulations under this Act, other relevant laws and
20 other subsequent guidance that will be issued by competent
21 authorities in FSM."

22 Section 10. Chapter 12 of title 41 of the Code of the
23 Federated States of Micronesia (Annotated), is hereby amended by
24 creating a new Subchapter 3 entitled: "Administration".

25 Section 11. Chapter 12 of title 41 of the Code of the

1 Federated States of Micronesia (Annotated), is hereby amended by
2 inserting a new section 1207 of subchapter 3 to read as follows:

3 "Section 1207. Pharmaceutical Unit

4 The Secretary shall establish a structure/unit within
5 the Department of Health and Social Affairs to be called
6 the Pharmaceutical Access, Standards and Regulatory
7 Unit, to be headed by a coordinator, otherwise known as
8 the Pharmaceutical Unit. The unit shall have the
9 following functions:

10 1. Administrative Functions:

11 a. Administer and oversee the implementation
12 and enforcement of this Act and regulations established
13 under this Act;

14 b. Provide advice to the Secretary on matters
15 of policies and regulations pertaining to the
16 pharmaceutical sector, and access to pharmaceutical
17 products;

18 c. Lead and coordinate the implementation of
19 this Act and other related laws, ordinances and
20 regulations pertaining to pharmaceutical activities and
21 services;

22 d. Monitor on a regular basis the
23 pharmaceutical situation and generate information on
24 access, affordability and quality, safety and efficacy
25 of medicines;

1 e. Cooperate in the performance of its function
2 in conjunction with other related established government
3 bodies to carry out its functions”; and

4 f. Monitor and review the implementation of the
5 legislation;

6 1. Regulatory Functions:

7 a. Establish the requirements and standards for
8 the registration/marketing authorization of products and
9 licensing of establishments based on internationally
10 accepted standards;

11 b. Require that all medicinal products
12 manufactured in, imported into or exported from the
13 country conform to prescribed standards of quality,
14 safety and efficacy, and that the personnel, premises
15 and practices employed to manufacture, promote, procure,
16 store, distribute and sell such products comply with
17 defined standards, codes of practice and other
18 requirements prescribed under this law, rules and
19 regulations, administrative orders and other relevant
20 regulations in the Federated States of Micronesia;

21 c. Require continued conformity of
22 pharmaceutical products to established standards along
23 the supply chain until their delivery to the end user;

24 d. Grant, after due assessment, appraisal or
25 evaluation, authorizations/licenses for

1 medicinal/pharmaceutical products, whether locally
2 manufactured or imported, and whether destined for the
3 national market or export;

4 e. Cancel the authorization/registration of, or
5 cause to be recalled from the market, such medicinal
6 products, the continued use of which may be detrimental
7 to public health;

8 f. Grant, after due assessment, appraisal or
9 evaluation, licenses to establishments, intending to
10 manufacture, import, export, wholesale, distribute and
11 supply, retail or undertake any other activity in
12 relation to pharmaceutical products;

13 g. Cancel the license of such establishments
14 which do not meet requirements and standards or the
15 continued operation of which may be detrimental to
16 public health;

17 h. Maintain an inventory and publish from time
18 to time a list of registered medicinal products and
19 licensed establishments;

20 i. Ensure that dossiers for marketing
21 authorization of medicinal products and establishments
22 are kept up to date by the applicants and to approve
23 alterations/changes thereto;

24 j. Ensure that the promotion and marketing of
25 medicinal products is in accordance with product

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- 1 information as approved by the drug regulatory
2 authority;
- 3 k. Regulate the use of pharmaceutical products
4 (registered & unregistered / unauthorized) for clinical
5 trial purposes or for compassionate use;
- 6 l. Regulate the conduct and implement ethical
7 standards and oversight of clinical trials on
8 pharmaceutical products;
- 9 m. Monitor the presence and cause the
10 elimination of f substandard, falsified, illegal /
11 unlicensed pharmaceutical products in FSM;
- 12 l. Disseminate information on medicinal
13 products to the health professions in order to promote
14 their rational use;
- 15 n. Establish and implement a national
16 pharmacovigilance system to monitor the safety of
17 medicines including adverse drug reactions and events.
- 18 o. Establish and implement a system for drug
19 recall of substandard, falsified and products that do
20 not meet standards of quality, safety and efficacy and
21 disseminate information on such recall;
- 22 p. Establish policy and system for post-
23 marketing surveillance and quality assurance of
24 medical products along the supply chain;
- 25 q. Examine, review, and make recommendations

1 with respect to the issuance, renewal, suspension, or
2 revocation of licenses issued or in effect pursuant to
3 this chapter in accordance with the regulations
4 established by this Act; and

5 r. Establish other regulations or any other
6 legal requirements that may be necessary to support
7 the objectives of this Act.

8 1. Inspectoral/Inspectorate Functions:

9 a. Inspect all manufacturing premises,
10 importing agents, wholesalers, distributors, hospital
11 dispensaries, pharmacies and retail outlets to ensure
12 compliance to rules and regulations and standards
13 stipulated under this Act;

14 b. Undertake the inspection at the port of
15 entry of all pharmaceutical products imported in the
16 Federated States of Micronesia; and

17 c. Inspect unlicensed entities that are
18 operating and conducting pharmaceutical activities,
19 and cause the issuance of cease and decess orders as
20 appropriate.

21 d. Quality Assurance Functions:

22 f. Establish and implement a system for post-
23 marketing surveillance and detection of substandard,
24 falsified and unregistered products circulating within
25 the jurisdiction of the Federated States of

1 Micronesia; and

2 g. Provide for sampling and analytical and
3 other testing of finished pharmaceutical products
4 released into the distribution chain to assure their
5 compliance with labeled specifications.”

6 Section 13. Chapter 12 of title 41 of the Code of the
7 Federated States of Micronesia (Annotated), is hereby amended by
8 creating a new subchapter 4 entitled: “Regulatory Cooperation”.

9 Section 14. Chapter 12 of title 41 of the Code of the
10 Federated States of Micronesia (Annotated), is hereby amended by
11 inserting a new section 1208 of subchapter 4 to read as follows:

12 “Section 1208. National Drug and Therapeutics
13 Committee

14 1. The Secretary shall establish a Committee to
15 be called National Drug and Therapeutics Committee and
16 shall be chaired by the Pharmaceutical Unit or by the
17 Secretary’s designee. This Committee and the
18 Pharmaceutical Unit shall coordinate with each other.

19 2. The Committee shall:

20 a. Advice and assist the Secretary on
21 policies to improve access and rational use of
22 pharmaceutical products;

23 b. Establish and implement a mechanism to
24 develop and review on a regular basis the essential
25 medicines list and FSM Approved Medicines List;

1 c. Develop or adopt standard treatment
2 guidelines and formularies that are appropriate and in
3 consonance with the needs and services provided;

4 d. Establish and implement mechanisms to
5 monitor rational drug use in all health service
6 facilities; including monitoring of prescription,
7 dispensing and consumption and expenditure of
8 medicines;

9 e. Establish and implement antimicrobial
10 stewardship programs in all levels of health service
11 facilities;

12 f. Provide report to the Secretary on a
13 regular basis on implementation of the above
14 functions; and

15 g. Perform such other duties or functions as
16 maybe lawfully assigned by the Secretary."

17 Section 15. Chapter 12 of title 41 of the Code of the
18 Federated States of Micronesia (Annotated), is hereby amended by
19 creating a new subchapter 5 entitled: "Regulation of
20 Pharmaceutical Products".

21 Section 16. Chapter 12 of title 41 of the Code of the
22 Federated States of Micronesia (Annotated) is hereby amended by
23 inserting a new section 1210 of subchapter 5 to read as follows:

24 "Section 1210. FSM Approved Medicines List

25 1. The Secretary shall establish the FSM Approved

1 Medicines List. Only medicines listed on the approved
2 medicines list shall be imported and registered in the
3 Federated States of Micronesia.

4 2. Other pharmaceutical products which are not in the
5 approved medicines list may be registered upon
6 certification of need by the National Drug Therapeutic
7 Committee and upon approval by the Secretary for inclusion
8 in the approved medicines list.

9 3. Pharmaceutical products for public health
10 emergencies and for compassionate use, not otherwise
11 contained in the FSM Approved List may be granted exemption
12 from this provision upon recommendation of the National
13 Drug Therapeutics Committee and upon certification by the
14 Secretary.

15 4. The FSM Approved Medicines List shall be reviewed
16 every two years or as often as necessary as the need
17 arises.”

18 Section 17. Chapter 12 of title 41 of the Code of the
19 Federated States of Micronesia (Annotated), is hereby amended by
20 inserting a new section 1211 of subchapter 5 to read as follows:

21 “Section 1211. Market Authorization

22 1. All pharmaceutical products used for the
23 prevention, diagnosis, treatment, management and care for
24 medical conditions, shall be registered or granted a
25 marketing authorization before they are imported, sold, and

1 distributed in the Federated States of Micronesia;

2 2. The Secretary shall establish a registration
3 system for pharmaceutical products. The Pharmaceutical Unit
4 created under this Act, shall develop and implement a
5 protocol for the appraisal, review and evaluation of
6 products for registration. Pharmaceutical products already
7 registered in competent jurisdictions with stringent
8 regulatory measures or medicines from other jurisdictions
9 that meet the standards of the WHO prequalification scheme
10 and are included on the FSM Approved Medicines List may be
11 exempted from the review process.

12 3. The Secretary shall establish the criteria and
13 conditions for registration, including information on the
14 nature and characteristics of the product, pharmaceutical
15 dosage form; quality and safety data; shelf life and
16 storage conditions; packaging characteristics; product
17 information approved for health professionals and the
18 public; sales category; level of access ; name and address
19 of manufacturer, country of manufacture; name of countries
20 where product is registered; name and address of entity
21 applying for the registration; source of the product;
22 country of origin; conditions of manufacture, such other
23 information that are necessary to ensure the identity,
24 source and quality and safety of the product.

25 4. The Secretary shall establish specific criteria

1 and procedure for registration for new chemical entities
2 and variations to existing marketing authorization;

3 5. The Secretary shall establish an expert committee,
4 or may call upon independent experts to assist the
5 pharmaceutical unit in the evaluation of applications for
6 marketing authorization of pharmaceutical products.

7 6. The Secretary shall determine the level of fees
8 for the evaluation of application for marketing
9 authorizations.

10 7. The Secretary may limit the number of products of
11 the same type and dosage form to be registered as well as
12 the number of marketing authorization holders.

13 8. The Secretary shall promulgate the guidelines for
14 applicants for registration or marketing authorization.

15 9. Upon the establishment of the registration
16 process, the Secretary shall require the conduct of market
17 inventory to determine the products that are already
18 available and/or circulating in the market.

19 10. All applications shall be accompanied by
20 certificate of pharmaceutical product (CPP)/certificate of
21 marketing authorization in the exporting country, and
22 certification that the product to which the certificate
23 applies is identical in all respects to that marketed in
24 the exporting country, or define and justify any
25 differences.

1 11. Publication of marketing authorization decisions:

2 The Pharmaceutical unit shall publish lists of newly
3 authorized products, including at least the following
4 information:

- 5 a. Generic name, dosage form, and strength;
- 6 b. Brand name (if present);
- 7 c. Marketing authorization holder;
- 8 d. Product marketing authorization number; and
- 9 e. Product Profile (Indication; Safety & Efficacy
10 Information

11 12. Periodic reviews: All marketing authorizations
12 should be reviewed and updated regularly.

13 13. Suspension and revocation of marketing
14 authorization: Marketing authorization may be suspended or
15 revoked, in any of the following circumstances:

16 14. The product has been proven to be ineffective
17 for the approved indication(s);

18 15. It is strongly suspected that the product is
19 unsafe in the normal conditions of use;

20 16. The quantitative or qualitative composition is
21 not as agreed in the marketing authorization;

22 17. The product is not in compliance with the
23 conditions of marketing authorization;

24 18. The product is being promoted in an
25 inappropriate or unethical manner.

1 19. When the marketing authorization in the
2 country of origin is revoked.”

3 Section 18. Chapter 12 of title 41 of the Code of the
4 Federated States of Micronesia (Annotated), is hereby amended by
5 inserting a new section 1212 of subchapter 5 to read as follows:

6 “Section 1212. Entry of pharmaceutical products for public
7 health emergency and live saving medicinal products.

8 1. The Secretary shall establish a facilitated and
9 streamlined mechanism for the entry of pharmaceutical
10 products for public health emergencies and life-saving
11 medicines which are not registered in the Federated States
12 of Micronesia;

13 2. In the event of public health emergency, the
14 Secretary shall immediately convene the National
15 Therapeutics Committee and the Pharmaceutical Unit to
16 determine and advice her/him on the need and urgency of the
17 registration and importation of such pharmaceutical
18 products;

19 3. The Secretary, upon the recommendation of relevant
20 entities within the Department of Health and Social Affairs
21 and other relevant agencies of the government shall
22 establish the criteria of what constitutes a public health
23 emergency. In addition, the Secretary may refer to the
24 advice and guidance of internationally recognized bodies
25 and the International Health Regulations (IHR). The

1 Secretary may authorize the entry of products and exempt
2 these from the registration process in the following
3 situations:

4 a. In the event of public health emergency;

5 b. Medicines urgently needed for public health
6 programs;

7 c. Where severe and life-threatening illness
8 exists, where existing registered therapy fail or are
9 ineffective; and

10 e. For rare and neglected diseases

11 1. The use pharmaceutical products under this Section
12 shall be placed under strict control and monitoring by the
13 Pharmaceutical Unit."

14 Section 19. Chapter 12 of title 41 of the Code of the
15 Federated States of Micronesia (Annotated), is hereby amended by
16 inserting a new section 1213 of subchapter 5 to read as follows:

17 "Section 1213. Pharmaceutical Products for Personal Use
18 Pharmaceutical products intended for personal use may be
19 allowed entry into the country, upon full satisfaction of
20 the following:

21 1. Product is not for treatment of a serious
22 condition and there is no known significant health risk
23 (Over the Counter, OTC); and

24 2. If product is a prescription drug; it must
25 satisfy the following:

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- 1 a. The product must be accompanied by a
2 prescription from a licensed physician in FSM or if the
3 product is a continuation of a treatment obtained from a
4 foreign country, a certification from the physician in that
5 country who has administered the treatment;
6 b. The product will not be commercialized or
7 distributed to other persons in FSM;
8 c. The consumer affirms in writing that the
9 product is for personal use; and
10 d. The quantity is generally not more than a
11 three-month supply."

12 Section 20. Chapter 12 of title 41 of the Code of the
13 Federated States of Micronesia (Annotated), is hereby amended by
14 inserting a new section 1214 of subchapter 5 to read as follows:

15 "Section 1214. Donations
16 Only products contained in the FSM Approved List will be
17 accepted for donations in FSM. All donations will be
18 subject to regulations under this act. Donations that are
19 not in the FSM Approved List shall be treated under Section
20 1210 of this Act."

21 Section 21. Chapter 12 of title 41 of the Code of the
22 Federated States of Micronesia (Annotated), is hereby amended by
23 creating a new subchapter 6 entitled: "Quality Assurance".

24 Section 22. Chapter 12 of title 41 of the Code of the
25 Federated States of Micronesia (Annotated). is hereby amended by

1 inserting a new section 1215 of subchapter 6 to read as follows:

2 "Section 1215: Quality Assurance

3 1. Pharmaceutical standards: The International
4 Pharmacopoeia and other pharmacopoeias recognized by the
5 Pharmaceutical Unit of FSM may be used as the basis for
6 compendial standards for quality testing of pharmaceutical
7 products in FSM.

8 2. The Secretary shall establish a strategic plan and
9 mechanism for quality assurance of medical products in the
10 market including laboratory testing and analysis of drug
11 samples, in a competent pharmaceutical control laboratory.

12 3. When resources allow, the Secretary shall cause
13 the establishment and operation of a national
14 pharmaceutical control laboratory to carry out the required
15 analysis and tests to ensure that pharmaceutical products
16 meet quality specifications."

17 Section 23. Chapter 12 of title 41 of the Code of the
18 Federated States of Micronesia (Annotated), is hereby amended by
19 creating a new subchapter 7 entitled: "Importation of Medicine".

20 "Section 1216. Importation of Medicines

21 1. Only medicines included in the FSM Approved List
22 and issued marketing authorization shall be imported,
23 distributed, exported, stored, supplied, prescribed,
24 dispensed, and sold in FSM

25 2. All imported medicines shall have all required

1 documentation, including among others, marketing
2 authorization, certificate of pharmaceutical product and
3 certificates of analysis and shall be inspected upon
4 arrival at the port-of-entry and in the establishments in
5 accordance with inspection or verification procedural
6 processes established by regulation under this Act.

7 3. Only registered license holders shall be eligible
8 to procure, import, distribute, export, store, supply,
9 prescribe, dispense, and sell medicines in accordance with
10 the scope of their licenses.

11 4. The transportation and maintenance of distributed
12 medicines shall be in accordance with established
13 regulation as may be varied from time to time by the
14 Secretary.

15 5. Procurement, storage, prescribing, dispensing,
16 counseling, book keeping and disposal practices shall be in
17 accordance with the best practices in the industry and by
18 regulation.

19 6. Licensed establishments and health institutions
20 shall keep all records of medicines for a certain period of
21 time as may be established by regulations."

22 Section 24. Chapter 12 of title 41 of the Code of the
23 Federated States of Micronesia (Annotated), is hereby amended by
24 creating a new subchapter 8 entitled: "Port of Entry for
25 Pharmaceutical Products".

1 Section 25. Chapter 12 of title 41 of the Code of the
2 Federated States of Micronesia (Annotated) is hereby amended by
3 inserting a new section 1217 of subchapter 8 to read as follows:

4 “Section 1217. Designation of a Port of Entry for
5 Pharmaceutical Products

6 1. The Secretary, in coordination with the Department
7 of Finance and Administration and/or other relevant
8 departments or agencies shall designate the port of entry
9 of pharmaceutical products into the Federated States of
10 Micronesia.

11 2. The Secretary shall cause the inspection of all
12 pharmaceutical products at the port-of-entry or at the
13 establishments, to verify the validity of their marketing
14 authorization in FSM.

15 3. The Secretary may from time to time order the
16 sampling of products at the port of entry for quality
17 testing.

18 4. The Secretary may cause the non-release of
19 pharmaceutical product, with questionable nature and origin
20 and when risk of these being substandard or falsified
21 exists. Pharmaceutical products that are entered into the
22 Federated States of Micronesia outside the designated port
23 of entry shall be subjected to seizure, quarantine and
24 destruction by the competent authorities.”

25 Section 26. Chapter 12 of title 41 of the Code of the

1 Federated States of Micronesia (Annotated) is hereby amended by
2 creating a new subchapter 9 entitled: "Labeling, Packaging,
3 Advertisement or Promotion".

4 Section 27. Chapter 12 of title 41 of the Code of the
5 Federated States of Micronesia (Annotated) is hereby amended by
6 inserting a new section 1218 of subchapter 9 to read as follows:

7 "Section 1218. Labeling, Packaging, Advertisement or
8 Promotion

9 1. All medicines must be clearly labeled and
10 packaged to ensure that medicines are correctly described,
11 readily identifiable and safe for use.

12 2. All imported and dispensed medicines and
13 authorized handlers of medicines shall comply with
14 labeling, packaging, advertising, and promotional
15 requirements established by regulation and health policies,
16 which shall set standards and requirements on the subject
17 matters and other related items."

18 Section 28. Chapter 12 of title 41 of the Code of the
19 Federated States of Micronesia (Annotated) is hereby amended by
20 creating a new subchapter 10 entitled: "Medicine Information".

21 Section 29. Chapter 12 of title 41 of the Code of the
22 Federated States of Micronesia (Annotated), is hereby amended by
23 inserting a new section 1219 of subchapter 10 to read as
24 follows:

25 "Section 1219: Medicine Information

1 1. Licensed dispensers or sellers of medicines are
2 required to provide adequate information and appropriate
3 patient counseling at all times when a medicine is
4 dispensed or sold.

5 2. Information on different types of medicine and the
6 disseminating of information of the medicines to health
7 institutions, relevant health workers, and patients shall
8 be in compliance with relevant legislation, health
9 regulations, and policies.”

10 Section 30. Chapter 12 of title 41 of the Code of the
11 Federated States of Micronesia (Annotated), is hereby amended by
12 creating a new subchapter 11 entitled: “Pharmacovigilance”.

13 Section 31. Chapter 12 of title 41 of the Code of the
14 Federated States of Micronesia (Annotated), is hereby amended by
15 inserting a new section 1220 of subchapter 11 to read as
16 follows:

17 “Section 1220: Pharmacovigilance

18 1. The Secretary shall establish the national
19 pharmacovigilance system to monitor and report adverse
20 events, adverse drug reactions and adverse events following
21 immunizations (AEFI) and other such conditions to safe
22 guard public health, aid in the regulation of
23 pharmaceutical products; Such information collected shall
24 be shared with relevant authorities, health service
25 providers, health professionals, and when necessary to the

1 public in a timely manner.

2 2. If at any time any dispenser of medicines or a
3 person permitted to administer medicines has reason to
4 believe that a substantial adverse reaction has risen from
5 the use of the medicine, the said individual shall
6 immediately notify the Pharmaceutical Unit the nature of
7 such effects and the circumstances in which they arose.”

8 Section 32. Chapter 12 of title 41 of the Code of the
9 Federated States of Micronesia (Annotated), is hereby amended by
10 creating a new subchapter 12 entitled: “Recall and Withdrawal”.

11 Section 33. Chapter 12 of title 41 of the Code of the
12 Federated States of Micronesia (Annotated), is hereby amended by
13 inserting a new section 1220 of subchapter 12 to read as follows:

14 “Section 1221: Recall and Withdrawal

15 1. The Secretary shall establish a system for medicine
16 recall and withdrawal of:

17 a. Substandard, falsified and
18 unlicensed/unregistered medicines;

19 b. Pharmaceutical products that are imported,
20 distributed and sold by establishments which are not
21 licensed to conduct pharmaceutical activities in the
22 Federated States of Micronesia;

23 c. Products with therapeutic claims that are not
24 otherwise registered as pharmaceutical products;

25 d. Secretary shall ensure that Information on such

1 recalls are disseminated to the public, and reported to
2 international monitoring bodies in the case of substandard
3 and falsified products.”

4 Section 34. Chapter 12 of title 41 of the Code of the
5 Federated States of Micronesia (Annotated), is hereby amended by
6 creating a new subchapter 13 entitled: “Antimicrobial Medicines”.

7 Section 35. Chapter 12 of title 41 of the Code of the
8 Federated States of Micronesia (Annotated), is hereby amended by
9 inserting a new section 1222 of subchapter 13 to read as follows:

10 “Section 1222: Antimicrobial Medicines

11 1. In addition to the regulations established under
12 this Act, the importation, distribution, sale,
13 prescription, dispensing and use of antimicrobial drugs
14 shall be placed under the strict regulation and oversight
15 by the Secretary.

16 2. The Secretary shall direct the stringent monitoring
17 of prescription, dispensing, sale and use of antimicrobial
18 medicines in all pharmaceutical establishments and across
19 all levels of health care;

20 3. The Secretary shall require from time to time the
21 collection of samples and testing of antimicrobials in a
22 competent laboratory

23 4. The Secretary shall direct the establishment of
24 antimicrobial stewardship programs at all levels of health
25 care,

1 5. The Secretary shall coordinate with all relevant
2 departments the restriction and monitoring of use of
3 antibiotics in the agriculture and animal sectors including
4 the use of antimicrobials for other purposes other than for
5 their intended use under this Act.

6 6. It shall be unlawful to use antimicrobials without
7 the direction, advice of competent professionals and
8 outside of their intended use."

9 Section 36. Chapter 12 of title 41 of the Code of the
10 Federated States of Micronesia (Annotated), is hereby amended by
11 creating a new subchapter 14 entitled: "Establishments".

12 Section 37. Chapter 12 of title 41 of the Code of the
13 Federated States of Micronesia (Annotated), is hereby amended by
14 inserting a new section 1223 of subchapter 14 to read as
15 follows:

16 "Section 1223: Licensing.

17 1. All establishments are prohibited from handling
18 medicines unless duly licensed by the Secretary.

19 2. The Secretary shall establish regulations which
20 shall set forth requirements and criteria for licensing,
21 and code of conduct or a professional standard for
22 establishments or persons involved in the handling of
23 medicines in relation to importation, distribution,
24 exportation, manufacturing, wholesaling, retailing,
25 advertising and promotion.

1 3. The Secretary shall also have the power to renew,
2 suspend, or revoke licenses.

3 4. The Secretary or his or her designee shall have the
4 power to perform unannounced inspections at establishments
5 that handle medicines and also perform random sampling of
6 medicines for quality assurance.

7 5. A license holder shall report to the Secretary of
8 any change of address of business, change of ownership of
9 business and the date where business will cease to
10 operate.”

11 Section 38. Chapter 12 of title 41 of the Code of the
12 Federated States of Micronesia (Annotated), is hereby amended by
13 inserting a new section 1224 of subchapter 14 to read as follows:

14 “Section 1224: License Fees.

15 1. The Secretary with advice of the Committee may by
16 regulation require that a fee be paid by applicants for
17 licenses or renewal of licenses. Fees shall be payable upon
18 application or such other times as is determined by the
19 Secretary. Such fees may be different for the different
20 categories of licenses as prescribed by the Secretary and
21 such fees may change from time to time. All fees shall be
22 deposited in an account nominated by the Secretary as a
23 revolving fund for the Unit or the Department of Health and
24 Social Affairs purposes.”

25 Section 39. Chapter 12 of title 41 of the Code of the

1 Federated States of Micronesia (Annotated), is hereby amended to
2 insert a new section 1225 of subchapter 14 to read as follows:

3 “Section 1225. Display and Record of Licenses.
4 Licenses shall be posted in a prominent location at the
5 license establishments or premises. A permanent record of
6 each license and each renewal thereof shall be kept in a
7 record by the Secretary.”

8 Section 40. Chapter 12 of title 41 of the Code of the
9 Federated States of Micronesia (Annotated), is hereby amended to
10 insert a new section 1226 of subchapter 14 to read as follows:

11 “Section 1226. Revocation or Suspension of Licenses.

12 1. Any license issued or in effect pursuant to the
13 provisions of this chapter or provisions of regulations
14 established under this chapter may be revoked or suspended
15 for cause by the Secretary. The Secretary may take other
16 such disciplinary actions against the license holder in
17 accordance with the provisions of chapter 1, of the Title
18 17 of the FSMC as she or he finds appropriate. FSMC shall
19 apply to such action.

20 2. Upon a revocation or suspension or their becoming
21 final all pharmaceutical medicines shall be forfeited to
22 the FSM government and shall be dealt with by the Secretary
23 in accordance with established regulations and policies.”

24 Section 41. Chapter 12 of title 41 of the Code of the
25 Federated States of Micronesia (Annotated) is hereby amended to

1 insert a new section 1227 of subchapter 14 to read as follows:

2 "Section 1227. Confidentiality of Records.

3 1. All information provided to the Secretary by any
4 source in connection to official activities of the Unit or
5 the Committee shall be kept confidential and shall be
6 released only in response to subpoena or court order or
7 administrative order provided, however, that such sources
8 shall have access to their records in accordance with
9 policy and procedures established by regulations and
10 legislation.

11 2. Whistle blowers shall be protected by regulations
12 and policy and procedure."

13 Section 42. Chapter 12 of title 41 of the Code of the
14 Federated States of Micronesia (Annotated), is hereby amended by
15 inserting a new subchapter 15 entitled: "Manufacturing".

16 Section 43. Chapter 12 of title 41 of the Code of the
17 Federated States of Micronesia (Annotated), is hereby amended by
18 inserting a new section 1228 of subchapter 15 to read as follows:

19 "Section 1228. Unless permitted by the Secretary,
20 applicable legislation, health policy and regulation, the
21 manufacturing of medicines is prohibited".

22 Section 44. Chapter 12 of title 41 of the Code of the
23 Federated States of Micronesia (Annotated) is hereby amended by
24 inserting a new subchapter 16 entitled: "Internet Pharmacy"

25 Section 45. Chapter 12 of title 41 of the Code of the

1 Federated States of Micronesia is hereby amended by inserting a
2 new section 1229 of subchapter 16 to read as follows:

3 “Section 1229. Unless permitted by the Secretary,
4 applicable or relevant legislations, national health
5 policies and regulations, Internet Pharmacy is strictly
6 prohibited.”

7 Section 46. Chapter 12 of title 41 of the Code of the
8 Federated States of Micronesia (Annotated), is hereby amended by
9 inserting a new subchapter 17 entitled: “Complementary and
10 Traditional Medicines”.

11 Section 47. Chapter 12 of title 41 of the Code of the
12 Federated States of Micronesia (Annotated), is hereby amended by
13 inserting a new section 1230 of subchapter 17 to read as
14 follows:

15 “Section 1230. Finished Products.
16 For the purpose of this Act, finished products proclaiming
17 to have healing effects will be treated and regulated as
18 medicines unless otherwise directed by the Secretary,
19 relevant legislations, regulations and health policies.”

20 Section 48. Chapter 12 of title 41 of the Code of the
21 Federated States of Micronesia (Annotated), is hereby amended by
22 inserting a new section 1231 of subchapter 17 to read as
23 follows:

24 “Section 1231. Traditional Medicine
25 The Secretary shall promote and regulate the use of

1 traditional medicine through regulation to be promulgated
2 in accordance with the Administrative Procedures Act in
3 Title 17 of this Code.”

4 Section 49. Chapter 12 of title 41 of the Code of the
5 Federated States of Micronesia (Annotated), is hereby amended by
6 inserting a new subchapter 18 entitled: “General Offenses and
7 Penalties”.

8 Section 50. Chapter 12 of title 41 of the Code of the
9 Federated States of Micronesia (Annotated), is hereby amended by
10 inserting a new section 1233 of subchapter 18 to read as follows:

11 “Section 1233. Penalties

12 1. Any wilful violation of any provision of this
13 chapter is subject to a fine of \$3,000 up to \$15,000 and/or
14 imprisonment of up to five (5) years.

15 2. Where an offense is committed by a corporation or
16 legal entity, the maximum fine is up to \$100,000; and where
17 a violation by a corporation or legal entity resulted in a
18 serious injury or death of a person, the maximum fine is up
19 to \$200,000.

20 (1) The Secretary may issue regulation to implement this
21 section and any other provision of this chapter.”

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1 Section 51. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its
3 becoming law without such approval.

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5 Date: 5/23/19

Introduced by: /s/ Florencio S. Harper
Florencio S. Harper
(by request)

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