



The President
Palikir, Pohnpei
Federated States of Micronesia

June 1, 2021

PRESIDENTIAL COMM. NO. 22-32
FSM CONGRESS

The Honorable Wesley W. Simina
Speaker
Twenty-Second Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed to become Public Law No. 22-06:

Congressional Act No. 22-06, entitled: "AN ACT TO AMEND SECTIONS 1202, 1204, AND 1216 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAWS NOS. 19-67, 20-185, AND 21-12, TO CLARIFY DEFINITIONS, TO CLARIFY THE PURPOSE AND RESTRICTIONS OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES."

I take this opportunity to express my personal appreciation and thanks to all the Members of the 22nd FSM Congress for the passage of this important piece of legislation supporting our national trust fund investments on renewable and clean energy.

Sincerely,

David W. Panuelo
President

Xc: Chief Justice, FSM Supreme Court





Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3

Palikir, Sokehs Pohnpei State, FM 96941

Tel: (691) 320-2324 / 2338 Fax: (691) 320-5122

PRESIDENTIAL COMM. NO. 22-32
FSM CONGRESS

May 27, 2021

RECEIVED
MAY 27 2021
Office of the
President FSM

His Excellency David W. Panuelo
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 22-06, "AN ACT TO AMEND SECTIONS 1202, 1204, AND 1216 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAWS NOS. 19-67, 20-185, AND 21-12, TO CLARIFY DEFINITIONS, TO CLARIFY THE PURPOSE AND RESTRICTIONS OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES", which was passed by the Twenty-Second Congress of the Federated States of Micronesia, First Regular Session, 2021, 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 "Jessicalynn Reyes", is written over a horizontal line.

Jessicalynn Reyes
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 22-32
FSM CONGRESS

TWENTY-SECOND CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
FIRST REGULAR SESSION
MAY 11 – 30, 2021

An Act

TO AMEND SECTIONS 1202, 1204, AND 1216 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAWS NOS. 19-67, 20-185, AND 21-12, TO CLARIFY DEFINITIONS, TO CLARIFY THE PURPOSE AND RESTRICTIONS OF THE FSM TRUST FUND, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: MAY 25, 2021

REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – MAY 26, 2021

FIRST READING: – MAY 26, 2021

SECOND READING: – MAY 27, 2021

PUBLIC LAW No. 22- 06

A stylized, cursive signature in black ink, appearing to read "JR", is written over a horizontal line.

Jessicalynn Reyes
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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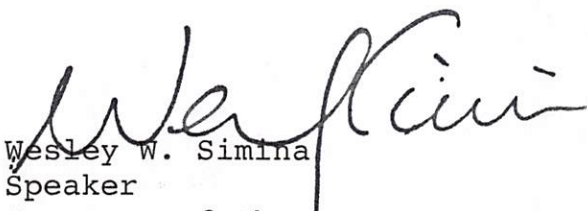
Fax: (691) 320-5122


PRESIDENTIAL COMM. NO. 22-32
FSM CONGRESS

ACT NO. 22-06

(CONGRESSIONAL BILL NO. 22-25)

We hereby certify that on May 27 the foregoing act passed Second and Final Reading of the Twenty-Second Congress of the Federated States of Micronesia, First Regular Session, 2021, 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.


Wesley W. Simina
Speaker
Congress of the
Federated States of Micronesia


Jessicalynn Reyes
Chief Clerk
Congress of the
Federated States of Micronesia

TWENTY-SECOND CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST REGULAR SESSION, 2021

CONGRESSIONAL BILL NO. 22-25

AN ACT

To amend sections 1202, 1204, and 1216 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 19-67, 20-185, and 21-12, to clarify definitions, to clarify the purpose and restrictions of the FSM Trust Fund, and for other purposes.

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

1 Section 1. Section 1202 of title 55 of the Code of the
2 Federated States of Micronesia (Annotated), as amended by Public
3 Law No. 19-67, is hereby further amended to read as follows:

4 "Section 1202. Definitions. Unless otherwise
5 specified or clear from the context, words and
6 phrases used in this chapter shall have the following
7 meanings:

8 (1) 'Baseline Funding' means the balance of the FSM
9 Trust Fund on January 1, 2016 not including the
10 balances of the State Sub-Accounts;

11 (2) 'Board' means the Board of Trustees of the Fund
12 appointed pursuant to section 1208 of this title;

13 (3) 'Contributing government' means the government of
14 any State of the FSM or the National Government once
15 such government has made a contribution of funds to the
16 State Sub-Account's;

17 (4) 'FSM' means the sovereign nation of the
18 Federated States of Micronesia;

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(5) 'Financial year' means the fiscal year of the Fund, which shall be the twelve-month period ending on the last day of each September;

(6) 'Fiscal year' means the fiscal year of the National Government;

(7) 'Fund' means the FSM Trust Fund created by this chapter, including the accounts therein;

(8) 'Fund custodians' means the one or more firms selected by the Board to assume responsibility for the physical possession of the Fund assets or evidences of assets;

(9) 'Fund managers' means one or more firms selected by the Board to manage the investment and reinvestment of the Fund's resources;

(10) 'Fund returns' means the returns accruing to the Fund by way of income generated from the Fund's resources and the capital appreciation of those resources;

(11) 'General Fund' means the General Fund of the Federated States of Micronesia, into which all revenues raised pursuant to the tax laws and other revenue laws shall be deposited.

(12) 'National Government' means the National Government of the FSM;

(13) 'Other participating government' means a State

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1 government of the FSM;

2 (14) 'Real value' means the value of contributions to
3 the Fund adjusted annually at the beginning of the
4 financial year in the same percentage as the United
5 States Bureau of Labor Statistics Consumer Price Index
6 for All Urban Consumers All Items, United States City
7 Average of the previous 12 months; and

8 (15) 'Reinvestment' means the process whereby Fund
9 returns, whether in the form of income or appreciation,
10 become part of the capital of the Fund."

11 Section 2. Section 1204 of title 55 of the Code of
12 the Federated States of Micronesia (Annotated), as amended
13 by Public Laws Nos. 19-67 and 21-12 is hereby further
14 amended to read as follows:

15 "Section 1204. Purpose.

16 (1) The purpose of the Trust Fund is to establish
17 sustainable and permanent financial resources to assist
18 the National and State Governments in addressing
19 potential long-term challenges and unforeseen threats.

20 (2) The establishment of Account A and Account B is
21 to create a disciplined approach to ensure the
22 protection of the Fund's Real Value into perpetuity
23 while providing sustainable source to supplement the
24 needs of the General Fund.

25 (3) The purpose of the State Sub-Account's A and B of

1 the Fund are consistent with the subsections (1) above
2 and are further defined in section 1217 of this
3 chapter."

4 Section 3. Section 1216 of title 55 of the Code of the
5 Federated States of Micronesia (Annotated), as amended by Public
6 Laws Nos. 19-67 and 20-185, is hereby further amended to read as
7 follows:

8 "Section 1216. Miscellaneous restrictions.

9 (1) Except as provided in subsection 1211(a) of this
10 chapter, the Fund shall not borrow money.

11 (2) The Fund shall not be used to guaranty the debt
12 of another person or entity.

13 (3) In recognition of the existential threat from
14 climate change, it is mandate that the investments in
15 the Trust fund shall follow a sustainable investment
16 policy that integrates the considerations of the risks
17 and opportunities coming from a global transition into a
18 lower carbon economy, such as renewable and clean
19 energy. Specifically, current investment returns shall
20 be balanced against long term sustainability goals.
21 Portfolio management techniques shall evolve with the
22 conform to the prevailing green finance policies

23 a. Investment portfolio shall seek protection
24 from investment risks associated with rapid global
25 decarbonization.

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b. Investment portfolio shall seek investment opportunities associated with a global transition to a lower carbon economy such as emerging technology and industries of renewable energy, energy efficiency, water, waste management, carbon capture, pollution control, food & sustainable agriculture, as well as other goals set forth in the United Nations Sustainable Development Goals (UNSDGs)."

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

June 1st, 2021



David W. Panuelo
President
Federated States of Micronesia

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