A BILL FOR AN ACT

To further amend title 10 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 2-61, 3-4, 4-66, 4-104, and 4-105, by amending sections 202 through 209 for the purpose of making the law consistent with the Federated States of Micronesia's political status, and for other purposes.

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

Section 1. Section 202 of title 10 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 202. International organization defined.

Authority of High Commissioner President.

(1) For the purpose of this chapter the term 'international organization' means a public international organization which shall have been designated by the High Commissioner President of the Federated States of Micronesia through appropriate Executive order as being entitled to enjoy the privileges, exemptions, and immunities provided in this chapter.

(2) The High Commissioner President shall be authorized, in the light of the functions performed by any such international organization, to withhold or withdraw by appropriate executive order from any such organization or its officers or employees any of the privileges, exemptions, and immunities provided for in this chapter or to condition or limit the enjoyment by any such organization or its officers or employees of any such privilege, exemption, or immunity.

(3) The High Commissioner President shall be authorized, if in his judgment such action should be justified by reason of the abuse by an international organization or its officers and employees of the
privileges, exemptions, and immunities provided in this chapter or for any other reason, to revoke at any time the designation of any international organization under this chapter, whereupon the international organization in question shall cease to be classed as an international organization for the purposes of this chapter."

Section 2. Section 203 of title 10 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 203. Privileges, exemptions, and immunities of international organizations. International organizations shall be accorded the status, immunities, exemptions, and privileges set forth in this section, as follows:

(1) International organizations shall, to the extent consistent with the instrument creating them, possess the capacity:

(a) to contract;

(b) to acquire and dispose of personal property; and

(c) to institute legal proceedings.

(2) International organizations, their property, and their assets wherever located, and by whomsoever held, shall be accorded the same immunity from suit and every form of judicial process as is accorded by the Government of the United States Federal States of Micronesia to foreign governments, except to the extent
that such organizations may expressly waive their
immunity for the purpose of any proceedings or by the
terms of any contract.

(3) Property and assets of international organiza-
tions, wherever located and by whomever held, shall be
immune from search, unless such immunity be expressly
waived, and from confiscation. The archives of inter-
national organizations shall be inviolable.

(4) Insofar as concern customs duties and internal
revenue taxes imposed upon or by reason of importation,
and the procedures in connection therewith, the
registration of foreign agents, and the treatment of
official communications, the privileges, exemptions,
and immunities to which international organizations
shall be entitled shall be the same as those accorded
by the Government of the United States of America
Federated States of Micronesia under similar
circumstances to foreign governments.

(5) The protection of resident workers act shall
not apply to international organizations."

Section 3. Section 204 of title 10 of the Code of the
Federated States of Micronesia is hereby amended to read as follows:

"Section 204. Baggage and effects of officers and
employees. Pursuant to regulations prescribed by the
High Commander President, or as otherwise provided
by law, the baggage and effects of alien officers and
employees of international organizations, or of aliens
designated by foreign governments to serve as their
representatives in or to such organizations, or of the
families, suites, and servants of such officers,
employees, or representatives shall be admitted, when
imported in connection with the arrival of the owner,
free of customs duties and free of internal revenue
taxes imposed upon or by reason of importation."

Section 4. Section 205 of title 10 of the Code of the
Federated States of Micronesia is hereby amended to read as
follows:

"Section 205. Exemption from property taxes.
International organizations shall be exempt from all
property taxes imposed by, or under the authority
of, any law of the Trust Territory Federated States
of Micronesia or any political subdivision thereof."

Section 5. Section 206 of title 10 of the Code of the
Federated States of Micronesia is hereby amended to read as
follows:

"Section 206. Income of international organizations. The
income of international organizations received from invest-
ments in the Trust Territory Federated States of Micro-
nesia in stocks, bonds, or other domestic securities,
owned by such international organizations, or from
interest on deposits in banks in the Trust Territory of the Federated States of Micronesia of moneys belonging to such international organizations, or from any other sources within the Trust Territory of the Federated States of Micronesia shall be exempt from taxation under all tax laws of the Trust Territory of the Federated States of Micronesia and of its political subdivisions."

Section 6. Section 207 of title 10 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 207. Compensation of employees of international organizations. Wages, fees, or salaries of any employee of an international organization received as compensation for official services to such international organization shall be exempt from taxation under all income tax laws of the Trust Territory of the Federated States of Micronesia and of its political subdivisions if such employee is not a citizen of the Trust Territory of the Federated States of Micronesia."

Section 7. Section 208 of title 10 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 208. Privileges, exemptions, and immunities of officers, employees, and their families.

(1) Persons designated by foreign governments to serve as their representatives in or to international
organizations and the officers and employees of such
organizations, and members of the immediate families of
such representatives, officers, and employees residing with
them, other than citizens of the Federated States of Micronesia, shall, insofar as concerns
laws regulating entry into and departure from the Federated States of Micronesia, alien registra-
tion, and fingerprinting, and the registration of foreign agents, be entitled to the same privileges, exemptions,
and immunities as are accorded by the Government of the United States to the Federated States of Micronesia
under similar circumstances to officers and employees,
respectively, of foreign governments and members of their families.

(2) Representatives of foreign governments in or
to international organizations and officers and employees
of such organizations shall be immune from suit and legal
process relating to acts performed by them in their
official capacity and falling within their functions as
such representatives, officers, or employees except
insofar as such immunity may be waived by the foreign
government or international organization concerned."

Section 8. Section 209 of title 10 of the Code of the
Federated States of Micronesia is hereby amended to read as
follows:
"Section 209. Notification to and acceptance by High Commission President of personnel - Deportation of undesirables - Extent of diplomatic status.

(1) No person shall be entitled to the benefits of this act unless he:

(a) shall have been duly notified to and accepted by the High Commissioner President as a representative officer or employee; or

(b) shall have been designated by the High Commissioner President, prior to formal notification and acceptance, as a prospective representative, officer, or employee; or

(c) is a member of the family or suite, or servant, of one of the foregoing accepted or designated representatives, officers, or employees.

(2) Should the High Commissioner President determine that the continued presence in the Trust Territory of Federated States of Micronesia of any person entitled to the benefits of this chapter is not desirable, he shall so inform the foreign government or international organization concerned, as the case may be, and after such person shall have had a reasonable length of time, to be determined by the High Commissioner President, to depart from the Trust Territory of Federated States of Micronesia, he shall cease to be entitled to such benefits.
(3) No person shall, by reason of the provisions of this chapter, be considered as receiving diplomatic status or as receiving any of the privileges incident thereto other than such as are specifically set forth herein."

Section 9. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 3-31-81

Introduced by: Isaac V. Pigot