



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 20-271
FSM CONGRESS

July 20th, 2018

The Honorable Wesley W. Simina
Speaker
Twentieth Congress of the Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed into Public Law No. 20-100:

Congressional Act No. 20-95: "AN ACT TO AMEND SUBCHAPTER II OF CHAPTER 3 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-103, BY INSERTING A NEW SECTION 324 THERETO TO GIVE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION THE AUTHORITY TO REQUIRE A THIRD-PARTY APPRAISAL TO DETERMINE FAIR MARKET VALUE OF CERTAIN ASSETS, AND FOR OTHER PURPOSES."

Thank you.

Sincerely,



Peter M. Christian

xc: Chief Justice, FSM Supreme Court





Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3

Palikir, Sokchs Pohnpei State, FM 96941

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

PRESIDENTIAL COMM. NO. 20-271
FSM CONGRESS

July 05, 2018



His Excellency Peter M. Christian
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Christian:

I have the honor to transmit herewith Congressional Act No. 20-95, "AN ACT TO AMEND SUBCHAPTER II OF CHAPTER 3 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-103, BY INSERTING A NEW SECTION 324 THERETO TO GIVE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION THE AUTHORITY TO REQUIRE A THIRD-PARTY APPRAISAL TO DETERMINE FAIR MARKET VALUE OF CERTAIN ASSETS, AND FOR OTHER PURPOSES.", which was passed by the Twentieth Congress of the Federated States of Micronesia, Fourth Special Session, 2018, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



Office of the Speaker

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. 20-271
FSM CONGRESS

ACT NO. 20-95

(CONGRESSIONAL BILL NO. 20-214)

We hereby certify that on July 03 the foregoing act passed Second and Final Reading of the Twentieth Congress of the Federated States of Micronesia, Fourth Special Session, 2018, 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 blue ink, appearing to read "Wesley W. Simina".

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

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

AN ACT

To amend subchapter II of chapter 3 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-103, by inserting a new section 324 thereto to give the Secretary of the Department of Finance and Administration the authority to require a third-party appraisal to determine fair market value of certain assets, and for other purposes.

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

1 Section 1. The Congress desires to ensure that the
2 Secretary of the Department of Finance and Administration has
3 all the authority necessary to maximize collection of all taxes
4 properly owed to the Federated States of Micronesia. In
5 determining the value of certain assets for taxable income
6 purposes, disputes can arise as to the asset's fair market
7 value. The Congress finds that the best way to avoid such
8 disputes and maximize the amount of taxes collected is to
9 utilize the expertise of qualified third-party appraisers.

10 Section 2. Subchapter II of chapter 3 of title 54 of the
11 Code of the Federated States of Micronesia (Annotated), as
12 amended by Public Law No. 18-103, is hereby further amended by
13 inserting a new section 324 to read as follows:

14 "Section 324. Requirement of third-party appraisal.

15 (1) For any asset or series of assets valued at
16 \$10,000,000 or more, the Secretary of the Department
17 of Finance and Administration has the authority to

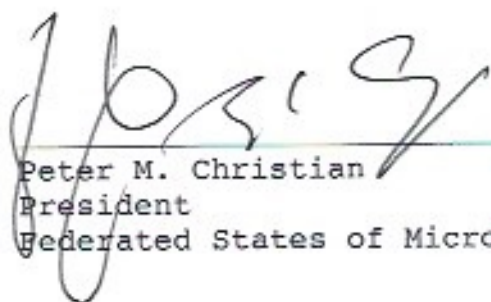
1 require that a Major Corporation or a Major FSM
2 Branch submit to a qualified third-party appraisal to
3 determine the fair market value of each asset for the
4 purpose of determining taxable income.

5 (2) If a Major Corporation or a Major FSM Branch
6 has already utilized a qualified third-party
7 appraiser to determine fair market value of an asset,
8 the Secretary has the authority to accept that
9 appraisal in lieu of the appraisal required under
10 subsection (1) of this section."

11 Section 3. This act shall become law upon approval
12 by the President of the Federated States of Micronesia or
13 upon its becoming law without such approval.

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July 20th, 2018


Peter M. Christian
President
Federated States of Micronesia