



*The President*  
*Palikir, Pohnpei*  
*Federated States of Micronesia*

June 18<sup>th</sup>, 2020

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

PRESIDENTIAL COMM. NO. 21-302  
FSM CONGRESS

Dear Speaker Simina:

I am pleased to transmit the following Congressional Act, which I have signed to become Public Law No. 21-120:

Congressional Act No. 21-119, entitled: "AN ACT TO FURTHER AMEND CHAPTER 6 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SUBSECTION (A) TO SECTION 609A (3), FOR THE PURPOSE OF ENSURING THAT TOURISM SECTOR BUSINESSES ARE PROPERLY COMPENSATED FOR THEIR LOSSES DURING THE COVID-19 PANDEMIC, AND FOR OTHER PURPOSES."

I would like to take the opportunity to thank the FSM Congress for the passage of this act.

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. 21-302  
FSM CONGRESS

June 01, 2020

RECEIVED  
JUN 1 2020  
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. 21-119, "AN ACT TO FURTHER AMEND CHAPTER 6 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SUBSECTION (A) TO SECTION 609A (3), FOR THE PURPOSE OF ENSURING THAT TOURISM SECTOR BUSINESSES ARE PROPERLY COMPENSATED FOR THEIR LOSSES DURING THE COVID-19 PANDEMIC, AND FOR OTHER PURPOSES.", which was passed by the Twenty-First Congress of the Federated States of Micronesia, Fourth Regular Session, 2020, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

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

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

Enclosures



TWENTY-FIRST CONGRESS OF THE  
FEDERATED STATES OF MICRONESIA  
FOURTH REGULAR SESSION  
MAY 11 - 30, 2020

PRESIDENTIAL COMM. NO. 21-302  
FSM CONGRESS

---

## An Act

TO FURTHER AMEND CHAPTER 6 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY ADDING A NEW SUBSECTION (A) TO SECTION 609A (3), FOR THE PURPOSE OF ENSURING THAT TOURISM SECTOR BUSINESSES ARE PROPERLY COMPENSATED FOR THEIR LOSSES DURING THE COVID-19 PANDEMIC, AND FOR OTHER PURPOSES.

---

INTRODUCED BY SENATOR: WESLEY W. SIMINA

DATE: MAY 14, 2020

---

REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – MAY 14, 2020

FIRST READING: – MAY 14, 2020

SECOND READING: – MAY 21, 2020

---

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

Liwiana Ramon Ioanis  
Chief Clerk, FSM Congress



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

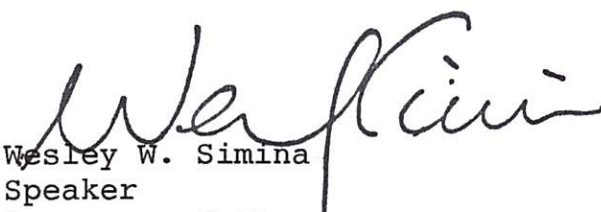
Fax: (691) 320-5122

PRESIDENTIAL COMM. NO. 21-302  
FSM CONGRESS


ACT NO. 21-119

(CONGRESSIONAL BILL NO. 21-192, C.D.1)

We hereby certify that on May 21 the foregoing act passed Second and Final Reading of the Twenty-First Congress of the Federated States of Micronesia, Fourth Regular Session, 2020, 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

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

---

AN ACT

To further amend chapter 6 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, by adding a new subsection (a) to section 609A (3), for the purpose of ensuring that tourism sector businesses are properly compensated for their losses during the COVID-19 pandemic, and for other purposes.

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

1           Section 1. Chapter 6 of title 55 of the Code of the  
2 Federated States of Micronesia (Annotated), as amended, is hereby  
3 amended by adding new subsection(a) to section 609A(3) to read as  
4 follows:

5           "Section 609A. Tourism Sector Mitigation Fund.

6           (1) There is created a Tourism Sector Mitigation  
7 Fund to be used to partially offset the economic losses  
8 of the businesses in the tourism industry and  
9 individuals working in the tourism industry who were  
10 laid off in the Federated States of Micronesia during  
11 the coronavirus epidemic.

12           (2) Moneys for the Tourism Sector Mitigation Fund  
13 shall be derived from coronavirus epidemic  
14 appropriations by the Congress of the Federated States  
15 of Micronesia and the State legislatures, United States  
16 grants, funds designated for such purposes from  
17 international organizations and from any and all other  
18 appropriate sources.

1                   (3) Tourism sector businesses operating in the  
 2                   Federated States of Micronesia seeking relief from the  
 3                   Tourism Sector Mitigation Fund must show tax returns  
 4                   from the previous year in order to establish their  
 5                   losses claimed under this fund. Individuals in the  
 6                   tourism sector, who are seeking compensation for lost  
 7                   wages due to being laid off as a result of the economic  
 8                   downturn, must submit their last paycheck stub and a  
 9                   statement from their employer in the tourism industry,  
 10                  who laid them off, evidencing their unemployment. The  
 11                  President shall issue regulations for equitable  
 12                  compensation for affected businesses, including a  
 13                  possible cap on the amount of a valid claim.

14                  (a) A tourism sector business will be eligible  
 15                  for the following relief in the relevant quarter to be  
 16                  calculated as follows:

17                         (i) a rebate for reimbursement purposes  
 18                         equivalent to 100% of the Wages and Salaries paid by the  
 19                         taxpayer to the employees of the tourism sector business  
 20                         for personal services relating to producing the Gross  
 21                         Revenue for the business;

22                         (ii) a rebate for reimbursement purposes  
 23                         equivalent to 100% for the Social Security contributions  
 24                         paid by the tourism sector business in respect of its  
 25                         employees in the quarter pursuant to section 902 of

1 title 53 of the FSM Code (Annotated);

2 (iii) a rebate for reimbursement purposes  
3 equivalent to 100% for the Gross Revenue Tax (plus any  
4 penalties and interest) payable by the tourism sector  
5 business in the relevant quarter pursuant to section 141  
6 of title 54 of the FSM Code (Annotated);

7 (iv) a rebate for reimbursement purposes  
8 equivalent to 100% for the bank interest on business  
9 loans paid by the tourism sector business to a FSM  
10 domiciled branch of a FSM registered bank;

11 (v) additional relief may be added per  
12 regulations; and

13 (vi) businesses that can show a direct  
14 economic loss as a result in the downturn experienced by  
15 the tourism sector are eligible to receive assistance  
16 under this section subject to the requirements under  
17 609A(3)(i)-(v).

18 (4) The distributions from the funds shall be  
19 managed and administered by a committee named by the  
20 President comprising representatives of the Departments  
21 of Resources and Development; Finance and  
22 Administration; Justice; and Environment, Climate Change  
23 and Emergency Management. The committee shall report  
24 quarterly to Congress on the status of the fund and  
25 distributions therefrom.

1 (5) For the purposes of this fund tourism sector  
2 businesses shall include hotel operators, car rentals,  
3 tour operators, resorts, dive shops, airlines or any  
4 other tourist specific business not mentioned above.

5 (6) The Tourism Sector Mitigation Fund shall expire  
6 at the end of fiscal year 2021. Any unexpended funds  
7 shall lapse into the Disaster Relief Fund."

8 Section 2. This act shall become law upon approval by the  
9 President of the Federated States of Micronesia or upon its  
10 becoming law without such approval.

11  
12  
13  
14  
15 June 18<sup>th</sup>, 2020

16  
17  
18 

19  
20 David W. Panuelo  
21 President  
22 Federated States of Micronesia  
23  
24  
25