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A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by further amending section 222 thereof, as amended by Public Law No. 10-10, in order to exempt imports by nonprofit educational institutions, and for other purposes.

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

1 Section 1. Section 222 of title 54 of the Code of the Federated States
2 of Micronesia, as amended by Public Law No. 10-10, is hereby further amended
3 to read as follows:

4 "Section 222. Exemptions.

5 (1) Damaged, pillaged or faulty goods. Upon receipt of a
6 written request within 28 days of the goods' release from
7 Customs control, the Secretary may authorize a refund of the
8 whole or part of the duty paid, where any of the following
9 conditions exists:

10 (a) Goods have been damaged, pillaged, lost or
11 destroyed during the voyage;

12 (b) Goods have, while subject to the control of
13 Customs, been damaged, pillaged, lost or destroyed; or

14 (c) The Commissioner is satisfied that, owing to a
15 fault or defect in any goods, the importer has received a
16 reduction or a refund, in whole or part, of the price paid for the
17 goods.

18 (2) Imported goods subsequently exported. Any person
19 who imports goods into the FSM, and then exports them to a
20 buyer who is outside both the exclusive economic zone and the
21 territorial limits of the FSM, is entitled to a refund of any import
22 duty actually paid on such goods, upon application to and
23 approval by the Secretary. For purposes of this subsection, raw
24 materials or ingredients which are worked into or otherwise

1 exported when that product is exported.

2 (3) Per trip abroad. Each time an individual person enters
3 or returns to the FSM from a foreign jurisdiction, he or she is
4 entitled to bring into the FSM the following goods, duty free,
5 provided that such goods are for that person's own personal use
6 or consumption and not for resale or exchange, and provided
7 further that such person is permitted by applicable State law to
8 possess, use, and consume such goods:

9 (a) up to 200 cigarettes;

10 (b) up to one pound of tobacco or twenty
11 cigars;

12 (c) up to 52 fluid ounces or 1500 milliliters of
13 distilled alcoholic beverages; and

14 (d) up to two hundred dollars (\$200) worth
15 of goods other than tobacco products, beer and malt beverages,
16 distilled alcoholic beverages, and wine.

17 (4) Visitors' personal effects. A visitor to the FSM may
18 import bona fide personal effects into the FSM duty free, provided
19 the goods are for the visitor's own personal use and will be taken
20 with the visitor when he or she leaves the country.

21 (5) Returning goods. Goods produced or properly entered
22 in the FSM which are subsequently removed from the FSM may be
23 returned to the FSM duty free. The burden shall be on the owner
24 of the goods to establish that the goods were either produced in
25 the FSM or previously and properly entered.

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1 (6) Foreign aid projects. An international organization,
2 foreign contractor, or other foreign entity may import goods into
3 the FSM duty free in connection with the performance of services
4 or other conduct of business in furtherance of a foreign aid
5 agreement entered into by the FSM, the terms of which require
6 that such imports shall not be subject to taxation by the FSM;
7 provided that if and when such goods are subsequently sold in the
8 FSM, import duty shall be due based on the sale amount. The
9 duty, together with penalties and interest, shall be the joint and
10 several personal liability of the importer and the purchaser and
11 shall be secured by first liens on the goods and on the importer's
12 property as hereinafter provided.

13 (7) Personal Gifts. Goods claimed as gifts, valued at one
14 hundred dollars (\$100) or less, and received by persons within the
15 FSM from sources outside the FSM shall not be subject to import
16 duty provided the goods are for the recipient's own personal use
17 or consumption and not for resale or exchange. There shall be a
18 rebuttable presumption that goods received from outside the FSM
19 are not gifts.

20 (8) Fishing vessels basing in the Federated States of
21 Micronesia under a valid permit or license issued pursuant to title
22 24 of the Code of the Federated States of Micronesia shall not be
23 subject to the import duty on either the vessel or equipment
24 installed in the vessel.

25 (9) Government Imports. Goods imported by the National,

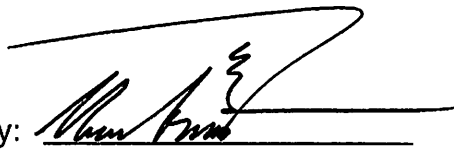
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1 State or local levels of government of the Federated States of
 2 Micronesia, other than for resale, shall be exempt from the import
 3 duty. For purposes of this exemption, the term 'government' shall
 4 not include public corporations, authorities or other entities
 5 established by law to operate as independent enterprises. The
 6 exemption created by this subsection shall expire on September
 7 30, 1998, unless extended by law.

8 (10) Goods imported by non-profit educational institutions.
 9 Imports, other than for resale, by nonprofit educational
 10 institutions of books and other instructional materials,
 11 instructional equipment, and supplies and materials for
 12 construction of school facilities."

13 Section 2. This act shall become law upon approval by the President of
 14 the Federated States of Micronesia or upon its becoming law without such
 15 approval.

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 17 Date: 11/05/97

Introduced by: 
 Resio S. Moses

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