

W+M

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 Laws Nos. 9-139 and 10-10, for the purpose of exempting school instructional items from the duty on imports, 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
2 Federated States of Micronesia, as amended by Public Laws
3 Nos. 9-139 and 10-10, is hereby further amended to read as
4 follows:

5 "Section 222. Exemptions.

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

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

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

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

21 (2) Imported goods subsequently exported.

22 Any person who imports goods into the FSM, and
23 then exports them to a buyer who is outside both
24 the exclusive economic zone and the territorial
25 limits of the FSM, is entitled to a refund of any

1 import duty actually paid on such goods, upon
2 application to and approval by the Secretary. For
3 purposes of this subsection, raw materials or
4 ingredients which are worked into or otherwise
5 become part of a different or more finished
6 product are deemed exported when that product is
7 exported.

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

- 17 (a) up to 200 cigarettes;
- 18 (b) up to one pound of tobacco or
19 twenty cigars;
- 20 (c) up to 52 fluid ounces or 1500
21 milliliters of distilled alcoholic beverages; and
- 22 (d) up to two hundred dollars
23 (\$200) worth of goods other than tobacco products,
24 beer and malt beverages, distilled alcoholic
25 beverages, and wine.

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

7 (5) Returning goods. Goods produced or
8 properly entered in the FSM which are subsequently
9 removed from the FSM may be returned to the FSM
10 duty free. The burden shall be on the owner of
11 the goods to establish that the goods were either
12 produced in the FSM or previously and properly
13 entered.

14 (6) Foreign aid projects. An international
15 organization, foreign contractor, or other foreign
16 entity may import goods into the FSM duty free in
17 connection with the performance of services or
18 other conduct of business in furtherance of a
19 foreign aid agreement entered into by the FSM, the
20 terms of which require that such imports shall not
21 be subject to taxation by the FSM; provided that
22 if and when such goods are subsequently sold in
23 the FSM, import duty shall be due based on the
24 sale amount. The duty, together with penalties
25 and interest, shall be the joint and several

1 personal liability of the importer and the
2 purchaser and shall be secured by first liens on
3 the goods and on the importer's property as
4 hereinafter provided.

5 (7) Personal Gifts. Goods claimed as gifts,
6 valued at one hundred dollars (\$100) or less, and
7 received by persons within the FSM from sources
8 outside the FSM shall not be subject to import
9 duty provided the goods are for the recipient's
10 own personal use or consumption and not for resale
11 or exchange. There shall be a rebuttal
12 presumption that goods received from outside the
13 FSM are not gifts.

14 (8) Fishing vessels basing in the Federated
15 States of Micronesia under a valid permit or
16 license issued pursuant to title 24 of the Code of
17 the Federated States of Micronesia shall not be
18 subject to the import duty on either the vessel or
19 equipment installed in the vessel.

20 (9) Government Imports. Goods imported by
21 the National, State or local levels of government
22 of the Federated States of Micronesia, other than
23 for resale, shall be exempt from the import duty.
24 For purposes of this exemption, the term
25 'government' shall not include public

1 corporations, authorities or other entities
2 established by law to operate as independent
3 enterprises. The exemption created by this
4 subsection shall expire on September 30, 1998,
5 unless extended by law.

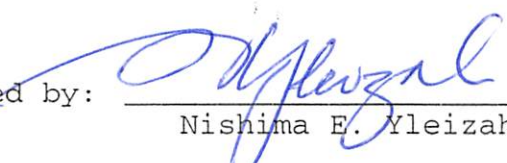
6 (10) School instructional items.
7 Instructional supplies and materials, including
8 textbooks, imported other than for resale by a
9 non-profit school, as qualified by the Secretary,
10 shall be exempt from the import duty."

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

14

15 Date: 5/13/98

Introduced by:


Nishima E. Yleizah

16

17

18

19

20

21

22

23

24

25