A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by amending section 238 thereof, as enacted by Public Law No. 9-139, for the purpose of clarifying the right of Customs to hold one shipment when the importer still owes money for a prior shipment, and for other purposes.

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

1 Section 1. Section 238 of title 54 of the Code of the
2 Federated States of Micronesia, as enacted by Public Law No. 9-139,
3 is hereby amended to read as follows:
4 "Section 238. Importation of goods.
5
6 (1) Arrival procedures. On arrival of a vessel or an
7 aircraft at any port in the FSM the master or pilot of
8 such vessel or aircraft shall deliver to the Customs
9 officer:
10
11 (a) Copies of the manifest; and
12
13 (b) All bills of lading and air waybills for cargo
14 to be discharged at that particular port.
15
16 (2) Time limit for entry. Each consignee of imported
17 goods shall make entry of those goods at the local
18 Customs office within 15 days after departure of the
19 importing vessel or aircraft, exclusive of Sundays and
20 FSM national holidays. To enter goods means to notify
21 Customs officials of the arrival of those goods and to
22 comply with all Customs requirements in connection
23 therewith.
24
25 (3) Verification of entry.
26
27 (a) Entry shall be verified by the presentation to
28 Customs by the consignee, or authorized agent of the
29 consignee, of a completed and signed entry form together
30 with a non-negotiable bill of lading or an air waybill
31 and vendor's invoices for the imported goods.
(b) The consignee shall answer any questions relating to the goods and, upon request of a Customs officer, furnish any other documentation deemed necessary for:

(i) a proper assessment of the duties on the merchandise;

(ii) the proper collection of accurate statistics with respect to the merchandise being imported; and

(iii) a determination of whether any other applicable legal requirements have been met.

(c) The approved entry form shall set forth such facts in regard to the importation as the Secretary may require for the inspection, appraisement, payment of import taxes and for the collection of statistics.

(4) **Releasing of goods.** Customs personnel shall, on satisfactory examination of the above documents, and payment of the correct duty, stamp and release the imported goods; provided, however, that if the importer owes duty, penalties, interest, or costs with respect to a prior shipment of goods, Customs may refuse to release the current shipment until said amounts have also been paid.

(5) **Personal baggage.** Goods that are the personal baggage of passengers in a vessel or aircraft and are not
taxable goods may be released without entry.

(6) Importation defined:

(a) Goods shall, except where otherwise expressly provided, be deemed to be imported into the FSM as soon as and in any manner, whether lawfully or unlawfully, they are brought or come within the territorial limits of the FSM from any country outside those limits. For purposes of this chapter, the territorial limits of the FSM include the territorial sea, as defined in chapter 1 of title 18 of this Code.

(b) Goods whose destination is outside the territorial limits of the FSM, including ship's stores and aircraft stores, shall not be deemed to be imported unless, while they are within those limits, they are removed from the vessel or aircraft in which they arrived there.

(c) Imported goods intended for use, sale, or other disposition within the territorial sea or internal waters of the FSM must first be brought to a port of call and cleared through Customs.

(d) Vessels or aircraft entering into the territorial limits of the FSM solely in transit or for loading, unloading, transshipping, provisioning, refueling, other resupply, equipping, maintenance, repair, overhaul, and other like purposes shall not be
deemed to be goods imported into the FSM unless such
vessels or aircraft thereafter become based in the FSM.

(7) Import tax rate. Dutiable goods shall be liable to
the duty rates in force at the time when the aircraft or
vessel first arrives at a designated port of entry within
the FSM.

(8) Clearing goods prior to arrival. Each consignee of
imported goods, may, provided he or she has the required
documentation, clear those goods prior to arrival of the
vessel or aircraft. This does not waive or limit the
authority of Customs to examine those goods on arrival.

(9) Exempt goods. All tax exempt goods shall be
identified and cleared on the official clearance form.

(10) Abandoned goods:

(a) Goods remaining unentered three months after
the departure of the importing vessel or aircraft shall
be treated as goods abandoned to the National Government
and may be sold by public auction.

(b) Proceeds of such sale shall be deposited in
the General Fund and used first to pay expenses of sale,
duties, storage charges, and any lien for freight
[charges], in said order. Surplus proceeds may
be paid to the owner upon proof of his or her interest
therein."

4 of 5
Section 2. 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: 7/26/99

Introduced by: Joseph J. Ursenbal (by request)