A BILL FOR AN ACT

To further amend title 36 of the Code of the Federated States of Micronesia, as amended, by amending sections 208 and 209 thereof, and for other purposes.

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

Section 1. Section 208 of title 36 of the Code of the
Federated States of Micronesia, as enacted by Public Law No. 13-70, is hereby amended to read as follows:

"Section 208. Authority of the Registrar of
Corporations - Major Corporations. Pursuant to
subsection (2) of section 201 of this chapter, the
Registrar of Corporations shall contract for the
professional services of a person or entity to be an
exclusive agent, based on the need for expertise in a
particular geographical location or type of business
outside the Federated States of Micronesia, to assist
the Registrar in promoting the formation of Major
Corporations within the Federated States of Micronesia,
hereinafter 'Registration Advisor'. Any such contract
shall be for a fixed period of years set forth in the
contract. Compensation for the services provided by
[the] a Registration Advisor shall be a sum equal to a
percentage of the revenue generated by the government as
a result of the taxation under title 54, chapter 3,"
section 321 of the Code of the Federated States of Micronesia of such Major Corporations as the Registration Advisor is directly responsible for soliciting to incorporate in the Federated States of Micronesia, said percentage to be as provided in the contract described herein. The contract shall require the approval of the President of the Federated States of Micronesia prior to its taking effect."

Section 2. Section 209 of title 36 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-70, is hereby amended to read as follows:

"Section 209. Compensation of Registration Advisor. There is hereby established a special fund to be known as the 'Registration Advisor Compensation Fund'. A sum equal to a percentage of the corporate income tax revenue less any corporate income tax credits paid or refunded, not to exceed fifty percent (50%), generated pursuant to chapter 3 of title 54 of the Code of the Federated States of Micronesia from Major Corporations that a Registration Advisor is directly responsible for soliciting to incorporate in the Federated States of Micronesia shall be paid into the Registration Advisor Compensation Fund upon receipt of such revenue by the Department of Finance. The actual amount to be so deposited into the Registration Advisor Compensation
Fund shall be determined by the contract entered into between the government of the Federated States of Micronesia through the President and Registrar of Corporations and the Registration Advisor. [The Registration Advisor shall be compensated from revenue deposited into the Registration Advisor Compensation Fund in accordance with the terms of the Registration Advisor contract. [The] A Registration Advisor shall not have any right or claim to be paid from any funds other than those deposited in the Registration Advisor Compensation Fund. A Registration Advisor, a member of its control group or any of its officers, directors, shareholders or employees shall not, directly or indirectly, pay, compensate or reimburse, promise or authorize the payment, compensation or reimbursement, of any monies it receives from the Registration Advisor Compensation Fund, to any Major Corporation, its control group or any of its officers, directors, shareholders or employees to entice such Major Corporation to incorporate in the Federated States of Micronesia."
Section 3. 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: 5/24/05

Introduced by: /s/ Simiram Sipenuk

Simiram Sipenuk
(by request)