
A BILL FOR AN ACT

To amend section 313 of title 54 of the Code of the Federated States of Micronesia to make all Captive Insurance Companies subject to the Federated States of Micronesia corporate income tax regardless of capitalization, and for other purposes.

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

1 Section 1. Section 313 title 54 of the Code of the Federated
2 States of Micronesia, is hereby amended, to read as follows:

3 "Section 313. Applicability of this chapter. Taxes
4 imposed under this chapter shall apply to all captive
5 insurance companies licensed pursuant to title 37 of the
6 Code of the Federated States of Micronesia regardless of
7 capitalization and to all other corporations incorporated
8 in the Federated States of Micronesia unless:

9 (1) the corporation's shareholder equity or paid-in
10 capital as of the beginning of its fiscal year is less
11 than \$1,000,000; or

12 (2) the shareholder equity or paid-in capital of the
13 corporation's control group is less than \$10,000,000; or

14 (3) the corporation is principally engaged in business
15 in the Federated States of Micronesia as a bank as such
16 term is defined in title 29 of the Code of the Federated
17 States of Micronesia section 102(1); or

18 (4) the corporation was formed under the laws of the
19 Federated States of Micronesia prior to January 1, 2005.

20 Section 3. This Act shall become law upon approval by the

1 President of the Federated States of Micronesia, or upon its
2 becoming law without such approval.

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4 Date: 12/4/09 Introduced by: /s/ Joe N. Suka
5 Joe N. Suka
6 (by request)

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