A RESOLUTION

Respectfully requesting the Speaker of the Congress of the Federated States of Micronesia to appoint a special committee to investigate the activities within the Federated States of Micronesia of foreign corporations and corporations incorporated under Trust Territory law to ensure compliance with Federated States of Micronesia law.

1. WHEREAS, certain corporations incorporated under Trust Territory law, (hereinafter referred to as TT corporations), do business within the Federated States of Micronesia; and

2. WHEREAS, some of these TT corporations have their principal offices in other jurisdictions within the Federated States of Micronesia; and

3. WHEREAS, some of the TT corporations do not appear to be in compliance with Federated States of Micronesia law; and

4. WHEREAS, some of these TT corporations and some foreign corporations appear to be paying less than their fair share of taxes in the Federated States of Micronesia; and

5. WHEREAS, it may be appropriate to change the Federated States of Micronesia law to ensure that TT corporations as well as foreign corporations pay their fair share of taxes; and

6. WHEREAS, some Federated States of Micronesia citizens hold stock in the TT corporations and foreign corporations; and

7. WHEREAS, some of these corporations have not paid their shareholders dividends for several years; and

8. WHEREAS, legislation may be appropriate to protect Federated States of Micronesia citizens who invest in TT corporations and foreign corporations; and

9. WHEREAS, Congress has the power to regulate foreign and interstate commerce under article IX, section 2, of the Constitution of the Federated States of Micronesia; now, therefore,

BE IT RESOLVED by the Second Congress of the Federated States
of Micronesia, Fourth Regular Session, 1982, that the Speaker of
the Congress of the Federated States of Micronesia is respectfully
requested to form a special committee to investigate foreign
and TT corporations operating within the Federated States of
Micronesia to determine whether new legislation is required to
ensure the following:

(1) That TT corporations and foreign corporations pay
their fair share of taxes in the Federated States of Micronesia;

(2) That TT corporations and foreign corporations not
engage in practices which deny Federated States of Micronesia
citizens a fair return on investments in these corporations; and

(3) That TT corporations and foreign corporations not
unfairly circumvent Federated States of Micronesia law by means
which could be controlled by legislation; and

BE IT FURTHER RESOLVED that certified copies of this resolution be Trans-
mitted to the President of the Federated States of Micronesia,
the Speaker of the Congress of the Federated States of Micronesia,
and the Secretary of the Department of Resources and Development of
the Federated States of Micronesia.

Date: 1/16/82

Introduced by: [Signature]