

RAT

A BILL FOR AN ACT

To further amend title 32 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-21, 5-54 and 5-109, by amending section 203 to require that a noncitizen who acquires more than a twenty percent interest in a business or, who having a twenty percent or greater interest in a business, acquires any additional interest in a business to obtain a new foreign-investment permit, providing for an aggregation of certain ownership interests, and for other purposes.

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

1 Section 1. Section 203 of title 32 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 203. Business activities and interests for which
4 permits required.

5 (1) A noncitizen may not engage in any business in
6 the Federated States of Micronesia without first obtaining
7 a foreign-investment permit.

8 (2) A noncitizen may not acquire ~~at~~ greater than a
9 twenty percent interest, or having previously obtained a
10 twenty percent or greater interest, acquire any additional
11 interest, other than a security interest in real or
12 personal property for the purpose of securing a loan, in
13 any business operating in the Federated States of
14 Micronesia without first obtaining a foreign-investment
15 permit. For the purposes of this paragraph, any interest
16 held by the spouse, minor child or other dependent of any
17 noncitizen shall be counted as owned by that noncitizen in
18 determining whether he has acquired a twenty percent or
19 greater interest.

20 (3) A noncitizen engaged in business in the Federated
21 States of Micronesia on the effective date of this chapter
22 under a permit issued under the Trust Territory Foreign
23 Investors' Business Permit Act or under an agreement with
24 the Trust Territory Government shall not continue to engage
25 in business in the Federated States of Micronesia after the

R+D -

C. B. No. 5-427

1 expiration of that permit or agreement without first
2 obtaining a foreign-investment permit."

3 Section 2. This act shall become law upon approval by the
4 President of the Federated States of Micronesia or upon its becoming
5 law without such approval.

6
7 Date: 3/28/89

Introduced by: Claude H. Phillip
Claude H. Phillip
(by request)

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25