

A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 9-139, as amended, by adding a new section 222, to provide for the collection of import duties levied on certain goods imported into a State in the Federated States of Micronesia and subsequently sold in another State; to renumber existing sections 222 through 227; and for other purposes.

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

1 Section 1. Title 54 of the Code of the Federated States of
2 Micronesia, as enacted by Public Law No. 9-139, and as amended by
3 Public Laws Nos. 10-10, 10-68, 10-93, 10-136, 10-149, 11-43,11-70,
4 11-82, 12-18, and 13-21, is hereby further amended by adding a new
5 section 222 to read as follows:

6 "Section 222. Collection of import duties.

7 (1) Except as provided in subsection (2) of this
8 section, the duties specified in section 221 of this
9 title shall be deemed as collected in the State where
10 the imported products first arrived in the Federated
11 States of Micronesia.

12 (2) If the product is subsequently transferred to
13 another State for sale or resale, the import duties
14 shall be deemed as collected in that other State.

15 (3) An importer shall pay the import duties indicated
16 in subsection (1) of this section. If the products are
17 transferred to a business wholly or partially owned by

1 him in another State, he shall pay the duties again and
2 shall be entitled to reimburse the duties he paid
3 earlier for the same products in the importing State, as
4 provided in subsection (5) of this section.

5 (4) A person other than the importer who, or a
6 business the importer has no ownership interest in
7 which, purchased the products from an importer then sold
8 them in a different State shall pay the import duties.

9 (5) An importer shall be reimbursed for any duties he
10 paid for imported products he sold to a reseller in a
11 different State. He shall also be reimbursed for any
12 duties he paid for imported products transferred to a
13 different State for sale. However, he shall first
14 present to the Secretary valid invoices issued by custom
15 officers of the two different States showing that the
16 applicable duties of the same products have been paid
17 twice by himself alone, or by himself and the reseller.
18 Such supporting evidence shall be presented to the
19 Secretary within 90 days after the products have been
20 transferred from the importing State.

21 (6) The Secretary shall promulgate the necessary
22 regulations to implement the provisions of this section
23 not later than January 1, 2005. Such regulations shall
24 include the requirement that importers accurately report
25 to the Secretary any imported products transferred to

1 another State for sale or resale, the penalties for
2 failure to make such reports, and the period of time
3 within which such reports must be filed."

4 Section 2. Title 54 of the Code of the Federated States of
5 Micronesia, as enacted by Public Law No. 9-139, and as amended by
6 Public Laws Nos. 10-10, 10-68, 10-93, 10-136, 10-149, 11-43, 11-
7 70, 11-82, 12-18, and 13-21, is hereby further amended by
8 renumbering sections 222 through 227 as new sections 223 to 228,
9 respectively.

10 Section 3. Effective date. This act shall become effective
11 on January 1, 2005.

12 Section 4. This act shall become law upon approval by the
13 President of the Federated States of Micronesia or upon its
14 becoming law without such approval.

15
16 Date: 9/2/04

Introduced by: /s/ Sabino S. Asor
Sabino S. Asor