
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:

1 Section 1. Section 208 of title 36 of the Code of the
2 Federated States of Micronesia, as enacted by Public Law No. 13-
3 70, is hereby amended to read as follows:

4 "Section 208. Authority of the Registrar of
5 Corporations - Major Corporations. Pursuant to
6 subsection (2) of section 201 of this chapter, the
7 Registrar of Corporations shall contract for the
8 professional services of a person or entity to be an
9 exclusive agent, based on the need for expertise in a
10 particular geographical location or type of business
11 outside the Federated States of Micronesia, to assist
12 the Registrar in promoting the formation of Major
13 Corporations within the Federated States of Micronesia,
14 hereinafter 'Registration Advisor'. Any such contract
15 shall be for a fixed period of years set forth in the
16 contract. Compensation for the services provided by
17 ~~the~~ a Registration Advisor shall be a sum equal to a
18 percentage of the revenue generated by the government as
19 a result of the taxation under title 54, chapter 3,

1 section 321 of the Code of the Federated States of
2 Micronesia of such Major Corporations as the
3 Registration Advisor is directly responsible for
4 soliciting to incorporate in the Federated States of
5 Micronesia, said percentage to be as provided in the
6 contract described herein. The contract shall require
7 the approval of the President of the Federated States of
8 Micronesia prior to its taking effect."

9 Section 2. Section 209 of title 36 of the Code of the
10 Federated States of Micronesia, as enacted by Public Law No. 13-
11 70, is hereby amended to read as follows:

12 "Section 209. Compensation of Registration Advisor.
13 There is hereby established a special fund to be known
14 as the 'Registration Advisor Compensation Fund'. A sum
15 equal to a percentage of the corporate income tax
16 revenue less any corporate income tax credits paid or
17 refunded, not to exceed fifty percent (50%), generated
18 pursuant to chapter 3 of title 54 of the Code of the
19 Federated States of Micronesia from Major Corporations
20 that a Registration Advisor is directly responsible for
21 soliciting to incorporate[~~d~~] in the Federated States of
22 Micronesia shall be paid into the Registration Advisor
23 Compensation Fund upon receipt of such revenue by the
24 Department of Finance. The actual amount to be so
25 deposited into the Registration Advisor Compensation

1 Fund shall be determined by the contract entered into
2 between the government of the Federated States of
3 Micronesia through the President and Registrar of
4 Corporations and the Registration Advisor. [~~The~~]
5 Registration Advisor shall be compensated from revenue
6 deposited into the Registration Advisor Compensation
7 Fund in accordance with the terms of the Registration
8 Advisor contract. [~~The~~] A Registration Advisor shall
9 not have any right or claim to be paid from any funds
10 other than those deposited in the Registration Advisor
11 Compensation Fund. A Registration Advisor, a member of
12 its control group or any of its officers, directors,
13 shareholders or employees shall not, directly or
14 indirectly, pay, compensate or reimburse, promise or
15 authorize the payment, compensation or reimbursement, of
16 any monies it receives from the Registration Advisor
17 Compensation Fund, to any Major Corporation, its control
18 group or any of its officers, directors, shareholders or
19 employees to entice such Major Corporation to
20 incorporate in the Federated States of Micronesia."
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1 Section 3. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its
3 becoming law without such approval.

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Date: 5/24/05 Introduced by: /s/ Simiram Sipenuk
Simiram Sipenuk
(by request)