



*The President*  
*Palikir, Pohnpei*  
*Federated States of Micronesia*

July 20<sup>th</sup>, 2018

The Honorable Wesley W. Simina  
Speaker  
Twentieth Congress of the Federated States of Micronesia  
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following congressional act, which I have signed into Public Law No. 20-100:

Congressional Act No. 20-95: "AN ACT TO AMEND SUBCHAPTER II OF CHAPTER 3 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-103, BY INSERTING A NEW SECTION 324 THERETO TO GIVE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION THE AUTHORITY TO REQUIRE A THIRD-PARTY APPRAISAL TO DETERMINE FAIR MARKET VALUE OF CERTAIN ASSETS, AND FOR OTHER PURPOSES."

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter M. Christian".

Peter M. Christian

xc: Chief Justice, FSM Supreme Court



Office of the Chief Clerk

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3

Palikir, Sokehs Pohnpei State, FM 96941

Tel: (691) 320-2324 / 2338 Fax: (691) 320-5122

July 05, 2018

His Excellency Peter M. Christian  
President  
Federated States of Micronesia  
Palikir, Pohnpei FM 96941

RECEIVED  
JUL 5 2018  
Office of the  
President FSM

Dear President Christian:

I have the honor to transmit herewith Congressional Act No. 20-95, "AN ACT TO AMEND SUBCHAPTER II OF CHAPTER 3 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-103, BY INSERTING A NEW SECTION 324 THERETO TO GIVE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION THE AUTHORITY TO REQUIRE A THIRD-PARTY APPRAISAL TO DETERMINE FAIR MARKET VALUE OF CERTAIN ASSETS, AND FOR OTHER PURPOSES.", which was passed by the Twentieth Congress of the Federated States of Micronesia, Fourth Special Session, 2018, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis  
Chief Clerk, Congress of the  
Federated States of Micronesia

Enclosures



TWENTIETH CONGRESS OF THE  
FEDERATED STATES OF MICRONESIA  
FOURTH SPECIAL SESSION  
JUNE 25 – JULY 4, 2018

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## An Act

TO AMEND SUBCHAPTER II OF CHAPTER 3 OF TITLE 54 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED BY PUBLIC LAW NO. 18-103, BY INSERTING A NEW SECTION 324 THERETO TO GIVE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION THE AUTHORITY TO REQUIRE A THIRD-PARTY APPRAISAL TO DETERMINE FAIR MARKET VALUE OF CERTAIN ASSETS, AND FOR OTHER PURPOSES.

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INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: JULY 02, 2018

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REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – JULY 02, 2018

FIRST READING: – JULY 02, 2018

SECOND READING: – JULY 03, 2018

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A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis". The signature is written over a horizontal line.

Liwiana Ramon Ioanis  
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3 Palikir, Sokehs

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ACT NO. 20-95

(CONGRESSIONAL BILL NO. 20-214)

We hereby certify that on July 03 the foregoing act passed Second and Final Reading of the Twentieth Congress of the Federated States of Micronesia, Fourth Special Session, 2018, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

A handwritten signature in blue ink, appearing to read "Wesley W. Simina".

Wesley W. Simina  
Speaker  
Congress of the  
Federated States of Micronesia

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis  
Chief Clerk  
Congress of the  
Federated States of Micronesia

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AN ACT

To amend subchapter II of chapter 3 of title 54 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-103, by inserting a new section 324 thereto to give the Secretary of the Department of Finance and Administration the authority to require a third-party appraisal to determine fair market value of certain assets, and for other purposes.

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

1           Section 1. The Congress desires to ensure that the  
2 Secretary of the Department of Finance and Administration has  
3 all the authority necessary to maximize collection of all taxes  
4 properly owed to the Federated States of Micronesia. In  
5 determining the value of certain assets for taxable income  
6 purposes, disputes can arise as to the asset's fair market  
7 value. The Congress finds that the best way to avoid such  
8 disputes and maximize the amount of taxes collected is to  
9 utilize the expertise of qualified third-party appraisers.

10           Section 2. Subchapter II of chapter 3 of title 54 of the  
11 Code of the Federated States of Micronesia (Annotated), as  
12 amended by Public Law No. 18-103, is hereby further amended by  
13 inserting a new section 324 to read as follows:

14           "Section 324. Requirement of third-party appraisal.

15                   (1) For any asset or series of assets valued at  
16                   \$10,000,000 or more, the Secretary of the Department  
17                   of Finance and Administration has the authority to


1 require that a Major Corporation or a Major FSM  
2 Branch submit to a qualified third-party appraisal to  
3 determine the fair market value of each asset for the  
4 purpose of determining taxable income.

5 (2) If a Major Corporation or a Major FSM Branch  
6 has already utilized a qualified third-party  
7 appraiser to determine fair market value of an asset,  
8 the Secretary has the authority to accept that  
9 appraisal in lieu of the appraisal required under  
10 subsection (1) of this section."

11 Section 3. This act shall become law upon approval  
12 by the President of the Federated States of Micronesia or  
13 upon its becoming law without such approval.

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July 20<sup>th</sup>, 2018

  
Peter M. Christian  
President  
Federated States of Micronesia