
AN ACT

To enact a Value Added Tax and repealing in its entirety TSL5-119, as amended, and for other purposes.

Be it enacted by the Chuuk State Legislature:

1 Section 101. Short Title. This Act may be cited as the “Value Added Tax Act of
2 2009”.

3 Section 102. Definitions. Wherever used in this Act, unless the subject matter, context,
4 or sense otherwise requires:

5 (1) “Ancillary transport services” means stevedoring services, lashing and
6 securing services, cargo inspection services, preparation of customs documentation,
7 container handling services, and the storage of transported goods or goods to be
8 transported, but does not include such services supplied directly in connection with an
9 aircraft or ship that is a temporarily imported good.

10 (2) “Associate” has the meaning set forth in section 3.

11 (3) “Authority” means the FSM Unified Revenue Authority established under
12 section 711 of the FSM Unified Revenue Authority Act.

13 (4) “Capital asset” means an asset, whether tangible or intangible, acquired by a
14 person for use in the person’s enterprise, but does not include –

15 (a) an asset acquired for the principal purpose of resale in the ordinary course of
16 carrying on an enterprise, whether or not the asset is to be sold in the form or state
17 in which it was acquired; or

18 (b) consumables or raw materials.

19 (5) “CEO” means the means the Chief Executive Officer appointed under section
20 731 of the FSM Unified Revenue Authority Act.

21 (6) “Commencement date” means the date that this Act comes into force.

22 (7) “Consideration”, in relation to a supply, means the total of the following
23 amounts –

1 (a) the amount in money paid or payable by any person, directly or indirectly, for
2 the supply;

3 (b) the fair market value of an amount in kind paid or payable by any person,
4 directly or indirectly, for the supply; and

5 (c) any taxes, duties, levies, fees, and charges (including VAT) paid or payable
6 on, or by reason of the supply, reduced by any price discounts or rebates allowed and
7 accounted for at the time of the supply.

8 (8) "Consumable stores" means --

9 (a) goods for consumption by passengers or crew on board an aircraft or ship; or

10 (b) goods that are necessary to operate or maintain the aircraft or ship, including
11 fuel and lubricants, but not including spare parts and equipment.

12 (9) "Creditable acquisition", in relation to a taxable person, means -

13 (a) a taxable supply made to the person;

14 (b) a taxable import under FSMC Title 54 section 221 made by the person; or

15 (c) a creditable interstate acquisition of the person.

16 (10) "Creditable interstate acquisition", in relation to a taxable person, means a
17 supply made to the person that is a taxable supply under a State VAT law.

18 (11) "Creditable supply" means a taxable or VAT-free supply.

19 (12) "Employment" means an employer-employee relationship as determined
20 under the usual common law rules and includes activities performed as the holder of an
21 office unless the office is held as part of a business of an office holder.

22 (13) "Enterprise" has the meaning set forth in section 104.

23 (14) "Exempt supply" means a supply specified in section 113.

24 (15) "Exempt use" means the use of goods or services to make an exempt supply.

25 (16) "Face value", in relation to a voucher, means a monetary amount stated on
26 the voucher (whether visibly, electronically, or otherwise, including when the amount is
27 intrinsically connected with the voucher by means of a unique identification number or
28 some other means of linking the voucher with the amount), when the amount represents
29 the value of supplies of goods or services for which the voucher is redeemable.

1 (17) "Face value voucher" means a voucher that entitles the holder to receive a
2 supply or supplies of goods or services up to the face value of the voucher.

3 (18) "Fair market value" has the meaning set forth in section 106.

4 (19) "Finance lease" means a lease that is treated under generally accepted
5 accounting principles as a finance lease and is so accounted for by the lessor in its
6 financial accounts.

7 (20) "Financial services" means -

8 (a) granting, negotiating, and dealing with loans, credit, credit guarantees, and any
9 security for money, including management of loans, credit, or credit guarantees
10 by the grantor;

11 (b) transactions concerning money, deposit and current accounts, payments,
12 transfers, debts, checks, or negotiable instruments, other than debt collection and
13 factoring;

14 (c) transactions relating to financial derivatives, forward contracts, options to
15 acquire financial instruments, and similar arrangements;

16 (d) transactions relating to shares, stocks, bonds, and other securities, other than
17 custody services;

18 (e) management of investment funds;

19 (f) provision or transfer of ownership of an insurance contract or the provision of
20 reinsurance in respect of any such contract;

21 (g) provision, or transfer of ownership, of an interest in a scheme for the
22 payment or granting of benefits by a benefit fund, provident fund, pension fund,
23 retirement annuity fund, or preservation fund;

24 (h) a supply of credit under a finance lease, if the credit for the goods is provided
25 for as a separate charge and the charge is disclosed to the recipient of the goods;

26 or

27 (i) the arranging of any of the services in paragraphs (a) to (h).

28 (21) "Fishery waters" has the meaning set forth in FSMC Title 24.

29 (22) "Fishing vessel" has the meaning set forth in FSMC Title 24.

30 (23) "FSM" means the Federated States of Micronesia.

1 (24) "FSM Unified Revenue Authority Act" means FSMC, Title 54, Chapter 7.

2 (25) "Goods" means real or tangible personal property, but does not include
3 money or unimproved land.

4 (26) "Government entity" means --

5 (a) the National Government of the FSM, including a department, division, or
6 agency of the Government;

7 (b) a State, or local government authority, council, or similar body in the FSM;

8 (c) a foreign government or political subdivision of a foreign government; or

9 (d) a person that has the responsibility to issue a license, permit, certificate,
10 concession, authorization, or other document for a fee under --

11 (i) a law of [the State]; or

12 (ii) a law of the FSM if the license, permit, certificate, concession,
13 authorization, or other document has effect in [the State].

14 (27) "Input tax", in relation to a person, means the VAT payable in respect of a
15 creditable acquisition by a person, and includes an amount that is treated under this Act
16 as input tax payable by the person, but does not include a penalty imposed under this Act,
17 a State VAT Law, or the Revenue Administration Act in respect of such acquisition or
18 import.

19 (28) "Input tax credit", in relation to a person, means the credit for input tax
20 allowed to the person under this Act.

21 (29) "International transport services" means the services, other than ancillary
22 transport services, of transporting goods or passengers by sea or air --

23 (a) from a place outside the FSM to another place outside the FSM, including, if
24 relevant, any part of the transport that takes place across the territory of [the
25 State Chuuk];

26 (b) from a place outside the FSM to a place within [the State] as the final
27 destination for the transportation; or

28 (c) from a place within [the State] as the place where the transportation
29 commenced to a place outside the FSM.

1 (30) "Inventory" means anything produced, manufactured, purchased, or
2 otherwise acquired for sale or exchange, and includes any raw materials or consumables
3 used in the production or manufacturing process and livestock.

4 (31) "Invoice" means any document notifying an obligation to make a payment.

5 (32) "Late payment interest" means interest imposed under section 183.

6 (33) "Lay-by agreement" means a purchase agreement for goods under which –

7 (a) the purchase price is payable by at least one additional payment after
8 the payment of a deposit;

9 (b) delivery of the goods takes place at any time after payment of the
10 deposit; and

11 (c) ownership of the goods is transferred by delivery.

12 (34) "Money" means –

13 (a) any coin or paper currency that is legal tender in the FSM, other than a
14 coin or paper currency that is a collector's piece;

15 (b) a bill of exchange, promissory note, bank draft, or postal or money
16 order; or

17 (c) whatever is supplied as payment by way of –

18 (i) credit card or debit card; or

19 (ii) crediting or debiting an account.

20 (35) "National VAT" means that VAT imposed under FSMC, Title 54, Chapter 2
21 section 221.

22 (36) "Net VAT", in relation to a VAT period, means the net VAT payable for the
23 period computed under section 161.

24 (37) "Output tax" means the VAT payable in respect of a taxable supply made by
25 a taxable person and includes an amount that is treated as output tax under this Act.

26 (38) "Person" means an individual, company, corporation, partnership,
27 unincorporated association or other business entity, trust, estate, a government, a political
28 subdivision of a government, or Government entity.

1 (39) "Phone card" means a card or similar item in whatever form it is issued,
2 including electronically, that entitles the holder to receive telecommunications services
3 up to its face value, and includes a pre-paid Subscriber Identity Module ("SIM") card, a
4 rechargeable card, or a similar item.

5 (40) "Prescribed" means as set forth in regulations made under this Act.

6 (41) "Recipient", in relation to a supply, means the person or persons to whom the
7 supply is made.

8 (42) "Registered person" means a person registered under this Act.

9 (43) "Regulated supply" means a supply occurring in the period commencing six
10 months before and ending one year after the commencement date.

11 (44) "Relative" in relation to an individual, means--

12 (a) an ancestor, a descendant of any of the grandparents, or an adopted
13 child, of the individual;

14 (b) an ancestor, a descendant of any of the grandparents, or an adopted
15 child of a spouse of the individual; or

16 (c) a spouse of the individual or any person specified in paragraph (a) or

17 (b).

18 (45) "Revenue Administration Act" means FSMC, Title 54, Chapter 8.

19 (46) "Revenue law" means -

20 (a) any Chapter under Chuuk, Title 54;

21 (b) a law of the FSM imposing a tax or duty if the law provides that the
22 Authority has responsibility for the administration of the tax or duty;

23 (c) a law of [the State] or any other State imposing a tax or duty if the law
24 provides that the Authority has responsibility for the administration of the tax or duty.

25 (47) "Revenue Officer" means the CEO and any officer appointed under section
26 732 of the FSM Unified Revenue Authority Act.

27 (48) "Services" means the provision of work or facilities, or anything that is not
28 goods, unimproved land, or money.

29 (49) "State" means a State of the FSM.

1 (50) "State VAT Law" means a Law of a State (other than [the State]) imposing
2 value added tax in that State;

3 (51) "Supplier", in relation to a supply, means the person or persons who make
4 the supply.

5 (52) "Supply" means a supply of goods or services.

6 (53) "Supply of goods" means -

7 (a) a sale, exchange, or other transfer of the right to dispose of goods as owner; or

8 (b) the lease of goods under a finance lease.

9 (54) "Supply of services" means anything done that is not a supply of goods,
10 unimproved land, or money, including -

11 (a) the grant, assignment, or surrender of any right;

12 (b) the making available of any facility or advantage;

13 (c) the toleration of any situation;

14 (d) the refraining from the doing of any act; or

15 (e) the issuing of any license, permit, certificate, concession, authorization, or
16 other document by a Government entity.

17 (55) "Tax fraction", in relation to a taxable supply, means the fraction computed
18 in accordance with the following formula -

19
$$r / (1+r)$$

20 where r is the rate of VAT applicable to the supply as determined under section 111(1).

21 (56) "Taxable import" has the meaning in FSMC, Title 54, Chapter 2.

22 (57) "Taxable person" means -

23 (a) a registered person; or

24 (b) a person who is required to apply for registration but has failed to do so
25 within the time allowed under section 121.

26 (58) "Taxable supply" means -

27 (a) a supply made in [the State];

28 (b) anything treated as a taxable supply under this Act; or

29 (c) a supply of goods or services made by a person in connection with the

1 carrying on of an enterprise in [the State] to a person for use or consumption in
2 another State, including a supply in connection with the commencement or
3 termination of an enterprise, but does not include an exempt or a VAT-free
4 supply.

5 (59) "Telecommunications services" means the transmission, emission, or
6 reception of signals, writing, images, sounds, or information of any kind by wire, radio,
7 optical, or other electromagnetic systems, and includes –

8 (a) the related transfer or assignment of the right to use capacity for such
9 transmission, emission, or reception; and

10 (b) the provision of access to global or local information networks, but does not
11 include the supply of the underlying writing, images, sounds, or information.

12 (60) "Temporarily imported goods" means goods temporarily imported into FSM
13 under FSMC, Title 54, Chapter 2, section 223.

14 (61) "Used goods supplier" means a taxable person whose enterprise principally
15 involves the re-supply of used goods in substantially the same state as they were in when
16 purchased by the person.

17 (62) "VAT" means the value added tax imposed under section 11.

18 (63) "VAT-exclusive fair market value", in relation to a supply, means the fair
19 market value of the supply reduced by an amount equal to the fair market value
20 multiplied by the tax fraction.

21 (64) "VAT-free supply" means a supply specified in section 12.

22 (65) "VAT credit note" means a document that a supplier is required to issue
23 under section 72(1).

24 (66) "VAT debit note" means a document that a supplier is required to issue under
25 section 72(3).

26 (67) "VAT invoice" means a document required to be issued under section 71.

27 (68) "VAT period" means the calendar month.

28 (69) "Voucher" means a voucher, stamp, token, coupon, or similar article that can
29 be redeemed by the holder only for supplies of goods or services, and includes a phone
30 card but does not include a postage stamp.

1 Section 103. Associate.

2 (1) Subject to subsection (2), two persons are associates if the relationship
3 between them is such that one may reasonably be expected to act in accordance with the
4 intentions of the other, or both persons may reasonably be expected to act in accordance
5 with the intentions of a third person.

6 (2) Two persons are not associates solely by reason of the fact that one person is
7 an employee of the other or both persons are employees of a third person.

8 (3) Without limiting the generality of subsection (1), the following are treated as
9 associates –

10 (a) an individual and a relative of the individual, except if the CEO is satisfied
11 that neither person may reasonably be expected to act in accordance with the intentions of
12 the other;

13 (b) a partner in a partnership and the partnership, if the partner, either alone or
14 together with an associate or associates under another application of this section, controls
15 fifty per cent or more of the rights to income or capital of the partnership; (c) a trust and a
16 person who benefits or may benefit (including by the exercise of a power of appointment)
17 under the trust;

18 (d) a shareholder in a company and the company, if the shareholder, either alone
19 or together with an associate or associates under another application of this section,
20 controls either directly or through one or more interposed persons –

21 (i) fifty per cent or more of the voting power in the company;

22 (ii) fifty per cent or more of the rights to dividends; or

23 (iii) fifty per cent or more of the rights to capital, and

24 (e) two companies, if a person, either alone or together with an associate or
25 associates under another application of this section, controls either directly or through
26 one or more interposed persons–

27 (i) fifty per cent or more of the voting power in both companies,

28 (ii) fifty per cent or more of the rights to dividends in both companies, or

29 (iii) fifty per cent or more of the rights to capital in both companies.

1 (4) In applying subsection (3) (b), (d), or (e), holdings that are attributable to a
2 person from an associate are not reattributed to another associate.

3 Section 104. Enterprise.

4 (1) Subject to this section, an enterprise is -

5 (a) an independent economic activity undertaken for pecuniary profit but
6 does not include an employment, or a hobby or leisure activity; or

7 (b) an activity of a Government entity that involves the supply of goods or
8 services for a fee, including but not limited to the service of issuing a license, permit,
9 certificate, concession, authorization, or other document for a fee.

10 (2) Subject to subsection (4), an enterprise conducted by a taxable person in
11 branches or divisions is treated as a single enterprise for the purposes of this Act.

12 (3) A person who conducts an enterprise in branches or divisions must be
13 registered in the name of the person and not in the names of the branches and divisions.

14 (4) A Government entity that is required to register under section 121(5)(b) and
15 that conducts its enterprise in branches or divisions may register each of those branches
16 or divisions as single enterprises for the purposes of this Act.

17 (5) If the enterprise of a person is carried on in more than one State, the reference
18 in this Act to an enterprise of the person is a reference to that part of the enterprise carried
19 on in [the State].

20 Section 105. Mixed Supplies.

21 (1) A supply of a particular kind that is ancillary or incidental to a supply of
22 another kind (referred to as the "principal supply"), is treated as part of the principal
23 supply.

24 (2) Subject to subsection (1), the Regulations may provide that a supply of goods
25 and services is a supply of goods or a supply of services, or that a supply of more than
26 one kind is a supply of one of those kinds.

27 (3) A supply of services does not include a supply of services the value of which is
28 treated as part of the taxable amount of a taxable import under section 225 of FSMC, Title 54,
29 Chapter 2.

1 treating temporarily imported goods if the first-mentioned goods –

2 (i) are wrought into, affixed to, attached to, or otherwise form part of the
3 temporarily imported goods; or

4 (ii) are consumable stores that become unusable or worthless as a direct
5 result of being used in the repair, renovation, modification, or treatment
6 process; and

7 (d) a supply of goods or services as part of the transfer of an enterprise in [the
8 State], or part of an enterprise in [the State], as a going concern by a registered
9 person to another registered person if –

10 (i) all the goods or services necessary for the continued operation of the
11 enterprise or part of the enterprise are supplied to the transferee;

12 (ii) the transferor carries on the enterprise until the day of transfer;

13 (iii) the transferee will not carry on the enterprise to make exempt supplies
14 and will not use the goods or services for private use; and

15 (iv) the transferor and transferee agree in writing, on or before the date of
16 the transfer, that it will be treated as a transfer of an enterprise or part of
17 an enterprise as a going concern for the purposes of this Act.

18 (2) A supply of goods is not a VAT-free supply under subsection (1)(a) if the
19 goods have been or will be re-imported into FSM.

20 (3) Goods are exported from FSM if the goods are delivered to, or made available
21 at, an address outside FSM and, for this purpose, evidence of –

22 (a) the consignment or delivery of goods to an address outside FSM; or

23 (b) the delivery of the goods to the owner, charterer, or operator of a ship or
24 aircraft supplying international transport services for the purposes of carrying the
25 goods outside of FSM, is considered sufficient evidence that the goods have been
26 exported, in the absence of proof to the contrary.

27 (4) Services are exported from FSM if they are for use or consumption outside the
28 FSM as evidenced by documentary proof acceptable to the CEO.

29 Section 113. Exempt Supplies.

30 (1) Subject to subsection (2), a supply of financial services is an exempt supply.

1 (2) A supply of financial services is not an exempt supply if, but for subsection
2 (1), the supply would be a VAT-free supply.

3 Chapter III: Registration

4 Section 121. Compulsory and Voluntary Registration.

5 (1) A person must apply to the CEO for registration for VAT –

6 (a) at the beginning of any 12 month period, if there are reasonable
7 grounds to expect that the person's VAT turnover for the period will exceed the
8 registration threshold; or

9 (b) at the end of any period not exceeding 12 months, if in that period the
10 person's VAT turnover for the period exceeds the registration threshold.

11 (2) The registration threshold is [\$100,000].

12 (3) Subject to subsection (4), the VAT turnover of a person for a period is the sum
13 of the following amounts -

14 (a) the value of taxable supplies made by the person in the period;

15 (b) the value of VAT-free supplies made by the person in the period;

16 (c) the value of supplies treated as taxable or VAT-free supplies under a State
17 VAT Law.

18 (4) In determining the VAT turnover for a period –

19 (a) the value of the following supplies is ignored –

20 (i) a supply by way of the sale of a capital asset of the person is ignored;

21 or

22 (ii) a supply made solely as a consequence of the person selling the whole
23 or a part of the person's enterprise, or permanently ceasing to carry on the
24 person's enterprise;

25 (b) the CEO may treat the value of taxable supplies made by the person as
26 including -

27 (i) the value of taxable supplies made by an associate of the person; and

28 (ii) the value of supplies made by an associate of the person that are

29 treated as taxable supplies under a State VAT Law, if the CEO is satisfied

1 that it is appropriate to do so having regard to the nature of the enterprises,
2 the way in which the enterprises of both persons are carried on, and the
3 connections between the persons and their enterprises.

4 (5) A person must apply to the CEO for registration, irrespective of whether the
5 person exceeds the registration threshold, if the person –

6 (a) carries on an enterprise in [the State] and is a registered person under a State
7 VAT Law; or

8 (b) is a Government entity carrying on an enterprise.

9 (6) A person who is not required to apply for registration under this section may
10 apply for registration if the person makes or intends to make taxable supplies or VAT-
11 free supplies.

12 (7) An application for registration must be in the prescribed form and –

13 (a) in the case of an application under subsection (1), must be filed with the CEO
14 within seven days of becoming required to apply for registration; or

15 (b) in the case of an application under subsection (5), must be filed with the CEO
16 within seven days before the date the person commences to carry on an enterprise
17 in [the State].

18 Section 122. Registration.

19 (1) The CEO must register a person who has applied for registration if satisfied
20 that the person is required to apply for registration under section 121(1) or (5).

21 (2) If the CEO is satisfied that a person who is required to apply for registration
22 has not done so within the time limit specified in section 121(7), the CEO may register
23 the person.

24 (3) The CEO must register a person who has applied for registration under section
25 121(6) if satisfied that –

26 (a) the person is making, or will make taxable or VAT-free supplies;

27 (b) the person has a fixed place of business at which the person's enterprise is
28 carried on;

29 (c) if the person has commenced carrying on an enterprise, the person-

30 (i) has kept proper records of its enterprise; and

1 (ii) complied with its obligations under other revenue laws; and

2 (d) there are reasonable grounds to believe that the person will keep proper
3 records and furnish regular and reliable VAT returns.

4 (4) Subject to subsection (5), registration takes effect –

5 (a) in the case of a person registered under subsection (1) or (2), from the
6 beginning of the first VAT period after the person was required to apply for
7 registration or such later time as set out in the person's VAT registration

8 certificate; or

9 (b) in the case of person registered under subsection (3), from the date set out in
10 the person's VAT registration certificate.

11 (5) If a person required to apply for registration has applied within the time
12 specified in section 121(7) and the person has not been registered by the CEO within the
13 time period specified in subsection (4)(a), the person's registration takes effect from the
14 beginning of the first VAT period after the person was registered.

15 (6) The CEO must issue a person registered under this section with a VAT
16 registration certificate in the prescribed form.

17 (7) A registered person must display, in a conspicuous place –

18 (a) the original copy of its VAT registration certificate at the principal place at
19 which the person carries on its enterprise; and

20 (b) a certified copy of the certificate obtained from the CEO at every other place
21 at which the person carries on its enterprise.

22 (8) A registered person must notify the CEO, in writing, of any change in the
23 name (including business or other trading name), address, place of business, or nature of
24 the enterprise of the person within 21 days of the change occurring.

25 (9) If the CEO decides not to register a person who has applied for registration,
26 the CEO must, within seven days after making the decision, notify the person in writing
27 stating the reasons for the decision.

28 Section 123. Cancellation of Registration.

29 (1) A registered person who ceases to carry on an enterprise or starts to make only
30 exempt supplies must apply to the CEO in the prescribed form for cancellation of the

1 person's registration within seven days of the date on which the person ceased to carry on
2 an enterprise. If the person is a registered person under the value added tax law of more
3 than one State, the person is required to apply for cancellation of the person's registration
4 under this subsection only if the person is required to make a similar application under
5 the State VAT Law of all the other States in which the person is registered.

6 (2) Subject to subsection (3), a registered person to whom subsection (1) does not
7 apply but who, if they were unregistered, would not be required to apply for registration
8 under section 121 may apply to the CEO in the prescribed form for cancellation of the
9 person's registration. If a person is a registered person under the value added tax law of
10 more than one State, the person can apply for cancellation of the person's registration
11 under this subsection only if the person makes a similar application under the State VAT
12 Law of all the other States in which the person is registered.

13 (3) If a person was registered as a result of an application under section 121(6), an
14 application under subsection 123 (2) can be made only after the expiration of two years
15 from the date of registration, unless the CEO permits an application to be made earlier.

16 (4) The CEO must, by notice in writing, cancel the registration of a person who
17 has applied for cancellation if satisfied that the person is required to apply for
18 cancellation under subsection (1) or permitted to apply for cancellation under subsection
19 (2).

20 (5) The CEO must, by notice in writing, cancel the registration of a person who
21 has failed to apply for cancellation of the person's registration as required under
22 subsection (1), if the CEO is satisfied that the person has ceased to carry on an enterprise
23 or started to make only exempt supplies.

24 (6) The CEO may cancel the registration of a person who does not satisfy the
25 registration threshold in section 121(2) if the CEO is satisfied that the person -

26 (a) has not kept proper records of its business;

27 (b) has not filed regular and reliable VAT returns; or

28 (c) has not complied with obligations under other revenue laws.

29 (7) The cancellation of a person's registration takes effect from the date set out in
30 the notice of cancellation.

1 (8) A person whose registration is cancelled under this section is treated as having
2 made a taxable supply of any goods (other than capital goods) that are either on hand at
3 the time the registration is cancelled or that have been subsumed into goods on hand at
4 that time, but only if the person was allowed an input tax credit on acquisition or import
5 of the goods or services.

6 (9) The taxable supply referred to in subsection (8) is treated as having been made
7 immediately before cancellation of the person's registration and the VAT payable in
8 respect of the taxable supply is the amount of the input tax credit allowed to the person
9 on acquisition or import of the goods.

10 (10) If a person's registration is cancelled under this section, the person must —

11 (a) immediately cease to hold out that the person is a registered person, including
12 in any documentation used by the person;

13 (b) file a final VAT return and pay all VAT due, including the VAT referred to in
14 subsection (9), within 15 days after the date of cancellation of the person's
15 registration; and

16 (c) immediately return the person's VAT registration certificate, and any certified
17 copies thereof, to the CEO.

18 Chapter IV: Supplies

19 Section 131. Time of a Supply.

20 (1) Subject to this Act, a supply of goods or services occurs on the earlier of —

21 (a) the date on which the invoice for the supply is issued; or

22 (b) the date on which any payment (including part payment) for the supply is
23 made.

24 (2) A supply between associates or by way of a gift occurs —

25 (a) in the case of goods, on the date the goods are delivered; or

26 (b) in the case of services, on the date the performance of the services is
27 complete.

28 (3) A supply of goods under a finance lease occurs on the date of commencement
29 of the lease.

1 (4) A supply of goods by means of a vending machine, meter, or other device
2 operated by a coin, note, or token occurs on the date the coin, note, or token is taken from
3 the machine, meter, or other device by or on behalf of the supplier.

4 (5) If services are supplied –

5 (a) by way of a lease of goods (other than a finance lease); or

6 (b) progressively under an agreement or law that provides for periodic payments,
7 the supply of services (referred to as the “actual supply”) is treated as a series of
8 separate, successive supplies of services corresponding to the successive parts of
9 the period of the lease or agreement, or as determined by law, and each
10 successive supply is treated as occurring on the earlier of the date on which the
11 payment for that part of the actual supply is due or received.

12 Section 132. Supplies in [the State].

13 (1) A supply of goods occurs in [the State] if the goods are delivered or made
14 available by the supplier in [the State] or, if the delivery or making available involves
15 transportation, the goods are in [the State] when the transportation commences.

16 (2) Subject to this section, a supply of services occurs in [the State] if the place of
17 business of the supplier from which the services are supplied is in [the State].

18 (3) The supply of the following services occurs [in the State] if the recipient uses
19 or obtains the advantage of the services in [the State] –

20 (a) a transfer or assignment of, or grant of a right to use, a copyright, patent,
21 trademark, or similar right;

22 (b) the services of a consultant, engineer, lawyer, architect, or accountant, the
23 processing of data or supplying information, or any similar service;

24 (c) an advertising service;

25 (d) the toleration of any situation or the refraining from the doing of any act;

26 (e) the supply of personnel; or

27 (f) the service of an agent in procuring a service described in this subsection.

28 (4) A supply of transportation services occurs in [the State] if the transportation
29 commences in [the State].

1 (5) A supply of services in connection with real property occurs in [the State] if
2 the real property is located in the State.

3 (6) A supply of services consisting of the issuing of a license, permit, certificate,
4 concession, authorization, or other document occurs in [the State] if the license, permit,
5 certificate, concession, authorization, or other document is issued in [the State].

6 (7) A supply of telecommunications services occurs in [the State] if the person
7 who initiates the supply is physically in [the State] at the time the supply is initiated,
8 including when the person initiates the supply on behalf of another person.

9 (8) If a supplier of telecommunications services cannot apply subsection (7)
10 because it is impractical for the supplier to determine the physical location of the person
11 who initiates the supply due to the type of service or the class of customer to which the
12 person belongs, the supply occurs in [the State] if the billing address of the person who
13 initiates the supply for receiving invoices from the supplier is in [the State].

14 (9) If subsection (8) applies, the supplier must apply the subsection to all supplies
15 of telecommunications services made for that type of service or class of customer.

16 (10) Subsections (7) and (8) do not apply to supplies made between
17 telecommunications suppliers.

18 (11) For the purposes of subsections (7) and (8), the person who initiates a supply
19 of telecommunications services is the person who –

20 (a) controls the commencement of the supply;

21 (b) pays for the services; or

22 (c) contracts for the supply, and if persons are identified under more than one
23 paragraph for the same supply, the person who initiates the supply is the person
24 who appears in highest listed paragraph.

25 (12) The billing address of a person who initiates a telecommunications supply is

26 (a) the address to which invoices for the supply are mailed; or

27 (b) if invoices are not mailed –

28 (i) in the case of an individual, the place where the individual resides; or

29 (ii) in the case of any other person, the place where the person who

30 initiates the supply undertakes an enterprise or other activity.

1 Section 133. Value of a Supply.

2 (1) Subject to this section –

3 (a) the value of a taxable supply made by a taxable person is the consideration for
4 the supply reduced by an amount equal to the consideration multiplied by the tax
5 fraction; and

6 (b) the value of any other supply is the consideration for the supply.

7 (2) The value of a taxable supply made by a registered person to an associate who
8 is not a registered person for no consideration or for a consideration that is less than the
9 fair market value of the supply is the VAT-exclusive fair market value of the supply
10 determined at the time of the supply.

11 (3) The value of a taxable supply under a finance lease is –

12 (a) if the lessor and lessee are not associates and an amount is stated as the cost or
13 value of the asset (excluding VAT) in the lease agreement, that amount; or

14 (b) in any other case, the VAT-exclusive fair market value of the asset at the
15 commencement of the lease.

16 (4) Except as provided in this Act, the value of a supply of goods or services for
17 no consideration is zero.

18 Section 134. Application of Goods to Private or Exempt Use.

19 (1) An application of goods or services by a taxable person wholly or partly to a
20 private or exempt use is a taxable supply of the goods or services, but only if the taxable
21 person has been allowed an input tax credit in respect of the acquisition or import of the
22 goods or services, or that part of the goods or services applied to a private or exempt use.

23 (2) A taxable supply referred to in subsection (1) occurs on the date the goods or
24 services are first applied to private or exempt use.

25 (3) Subject to subsection (4), the VAT payable on the taxable supply referred to in
26 subsection (1) is the amount of the input tax credit allowed to the person in respect of the
27 acquisition or import of the goods or services.

1 (4) If part only of the goods or services were applied to a private or exempt use,
2 the amount determined under subsection (3) is reduced by an amount reflecting the extent
3 to which the goods or services were not so applied.

4 Section 135. Lay-by Sales.

5 (1) A supply of goods under a lay-by agreement occurs on the date the goods are
6 delivered to the purchaser.

7 (2) If a lay-by agreement is cancelled and the seller retains any amount paid by
8 the purchaser or recovers any amount owing by the purchaser under the agreement –

9 (a) the cancellation of the agreement is a supply of services by the seller at the
10 time of cancellation;

11 (b) the value of the supply –

12 (i) if the seller is a taxable person at the time of the cancellation, is the amount
13 retained or recovered by the seller reduced by an amount equal to the amount retained or
14 recovered multiplied by the tax fraction; or

15 (ii) in any other case, the amount retained or recovered by the seller.

16 Section 136. Rights, Options, and Vouchers.

17 (1) If a right or option is exercised, the consideration for the supply on exercise of
18 the right or option is limited to the additional consideration (if any) for the supply or in
19 connection with the exercise of the right or option.

20 (2) The issue of a voucher is not a supply if the voucher -

21 (a) entitles the holder to receive supplies of goods or services up to a monetary
22 amount on redemption of the voucher; and

23 (b) is issued for a consideration in money.

24 (3) If a voucher referred to in subsection (2) is redeemed for a supply of goods or
25 services, the value of the supply includes the consideration for the voucher.

26 (4) If –

27 (a) a taxable person issues a voucher for no consideration; and

28 (b) the voucher entitles the holder to a discount on the price of goods or services
29 supplied by another person, the value of the supply of goods or services includes
30 the monetary value of the voucher reduced by an amount equal to the monetary

1 value multiplied by the tax fraction.

2 (5) A taxable person is entitled to an input tax credit in respect of any amount paid
3 to a supplier in respect of the redemption by the supplier of a voucher referred to in
4 subsection (4).

5 (6) The amount of the input tax credit referred to in subsection (5) is the amount
6 paid to the supplier multiplied by the tax fraction.

7 (7) The supply of telecommunications services through the use of a phone card
8 acquired in [the State] that can be used either in or outside FSM occurs at the time the
9 phone calls are made with the card.

10 Section 137. Used Goods.

11 The value of a taxable supply by a used goods supplier of used goods purchased from a
12 person who is not a taxable person and re-supplied in substantially the same state as they
13 were in when purchased by the supplier is equal to the amount computed according to the
14 following formula -

$$(A - B) \times C$$

15 where:

16 **A** is the consideration for which the goods are supplied by the used goods supplier;

17 **B** is the consideration for which the goods were acquired by the used goods
18 supplier; and

19 **C** is the tax fraction.

20 Section 138. Services Acquired by a Branch in [the State].

21 (1) If a taxable person carries on an enterprise both in [the State] and outside the
22 FSM, that part of the enterprise carried on by the taxable person in [the State] (referred to
23 as the “[the State] enterprise”) is treated as if it were an enterprise separate from that part
24 of the enterprise carried on by the taxable person outside FSM (referred to as the
25 “overseas enterprise”).

26 (2) An internal provision of services from the overseas enterprise of a taxable
27 person to [the State] enterprise of the person is treated as a taxable supply made by the
28 taxable person, but only to the extent that the taxable person would not have been entitled
29

1 to a credit for the full amount of input tax that would have been payable if the person had
2 acquired the services in a creditable acquisition.

3 (3) An internal provision of services treated as a taxable supply under subsection
4 (2) is treated as having been made at the time the services were performed by the
5 overseas enterprise for a value equal to the fair market value of the services provided.

6 Section 139. Reverse Charge on Acquisition of Foreign Services.

7 (1) If –

8 (a) a person makes a supply of services to a taxable person in [the State];

9 (b) the supply is not made in the FSM under the value added tax law of any State;

10 and

11 (c) the supply would have been a taxable supply if it had been made in [the State],

12 the supply is treated as a taxable supply made by the recipient of the supply, but

13 only to the extent the recipient would not have been entitled to a credit for the full

14 amount of input tax payable if the recipient had acquired the services in a

15 creditable acquisition.

16 (2) A supply treated as a taxable supply made by the recipient of the supply under
17 subsection (1) is treated as having been made at the time the services were performed for
18 a value equal to -

19 (a) if the supplier and recipient are associates, the fair market value of the taxable

20 supply; or

21 (b) in any other case, the amount determined under section 133(1)(b).

22 Chapter V: Post-sale Adjustments

23 Section 141. Post-sale Adjustments Relating to Changes to a Supply.

24 (1) This section applies if –

25 (a) a supply is cancelled;

26 (b) the nature of a supply is fundamentally varied or altered;

27 (c) the consideration for a supply is altered; or

28 (d) the goods (or part thereof) the subject of a supply are returned to the supplier.

1 (2) If this section applies and the VAT properly chargeable in respect of the
2 supply exceeds the VAT actually accounted for by the supplier, the supplier must treat
3 the amount of the excess as output tax payable on a taxable supply made by the supplier
4 in the VAT period in which the event referred to in subsection (1) occurred.

5 (3) If subsection (2) applies and the supplier has issued a VAT debit note to the
6 recipient of the supply in accordance with section 172, the recipient must treat the
7 additional VAT specified in the debit note as input tax payable on a taxable supply made
8 to the recipient in the VAT period in which the debit note is received.

9 (4) Subject to subsection (6), if this section applies and the VAT actually
10 accounted for by the supplier exceeds the VAT properly chargeable in respect of the
11 supply, the supplier is allowed an input tax credit for the amount of the excess in the
12 VAT period in which the event referred to in subsection (1) occurred.

13 (5) If subsection (4) applies and the supplier has issued a VAT credit note to the
14 recipient of the supply in accordance with section 172, the recipient must treat the
15 additional VAT specified in the credit note as output tax payable on a taxable supply
16 made by the recipient in the VAT period in which the credit note is received.

17 (6) If the recipient of a supply to which subsection (4) applies is unregistered, no
18 input tax credit is allowed under that subsection until the supplier has repaid the excess
19 VAT to the recipient of the supply, whether in cash or as a credit against any amount
20 owing to the supplier by the recipient.

21 Section 142. Post-sale Adjustment for Bad Debts.

22 (1) Subject to subsection (3), if a taxable person has accounted for output tax
23 payable on a taxable supply made by the person and the whole or a part of the
24 consideration for the supply is subsequently treated in the accounts of the person as a bad
25 debt, the person is allowed an input tax credit for the amount of output tax accounted for
26 to the CEO in respect of the supply that corresponds to the amount of the debt treated as
27 bad.

28 (2) An input tax credit under subsection (1) arises on the later of -

29 (a) the date on which the bad debt was written off in the accounts of the taxable

1 person; or

2 (b) twelve months after the end of the VAT period in which the output tax was
3 accounted for to the CEO by the taxable person in respect of the supply.

4 (3) If the recipient of a taxable supply to which subsection (1) applies is a
5 registered person that is still in existence at the time the input tax credit arises under
6 subsection (2), the credit is allowed only if the supplier issues a VAT credit note in
7 accordance with section 172 to the recipient specifying the amount of the bad debt
8 claimed computed in accordance with subsection (1).

9 (4) The recipient of a taxable supply issued with a VAT credit note under
10 subsection (3) must treat the amount of VAT specified in the credit note as output tax
11 payable by the recipient on a taxable supply made in the VAT period in which the credit
12 note was received.

13 (5) If an amount in respect of which an input tax credit has been allowed in
14 accordance with subsection (1) is, at any time, wholly or partly recovered by the taxable
15 person, the taxable person is treated as having charged output tax in respect of a taxable
16 supply made by the person during the VAT period in which the bad debt is wholly or
17 partly recovered, being an amount of output tax computed according to the following
18 formula -

$$19 \quad \quad \quad \mathbf{A \times \underline{B}}$$

$$20 \quad \quad \quad \mathbf{C}$$

21 where,

22 **A** is the amount allowed as a credit under subsection (1);

23 **B** is the amount of the bad debt recovered; and

24 **C** is the amount of the bad debt written off.

25 (6) If -

26 (a) subsection (1) has applied in respect of a taxable supply (referred to as the
27 "original taxable supply");

28 (b) subsection (5) applies to an amount that the supplier of the original taxable
29 supply has recovered from the recipient of the original taxable supply; and

30 (c) the recipient of the original taxable supply was a registered person at the time

1 of the original taxable supply and at the time of the deemed taxable supply under
2 subsection (5), the supplier must issue a VAT debit note in accordance with
3 section 172 to the recipient stating the amount of output tax referred to subsection
4 (5) and the recipient is allowed an input tax credit for that amount to the extent
5 that the original taxable supply was used by the recipient to make taxable
6 supplies.

7 Chapter VI: Input Tax Credits

8 Section 151. Input Tax Credits.

9 (1) Subject to this Act, if all the supplies made by a taxable person during a VAT
10 period are creditable supplies, the person is allowed a credit for all the input tax payable
11 on creditable acquisitions by the person during that period in making those supplies.

12 (2) Subject to this Act, if none of the supplies made by a taxable person during a
13 VAT period are creditable supplies, the person is not allowed any credit for the input tax
14 payable on creditable acquisitions by the person during that period.

15 (3) Subject to this Act, if a taxable person makes both creditable and other
16 supplies during a VAT period, the input tax credits allowed to the person for that period
17 are determined as follows –

18 (a) if a creditable acquisition by the person relates wholly to making creditable
19 supplies, an input tax credit is allowed for the full amount of input tax payable in
20 respect of the acquisition;

21 (b) if a creditable acquisition by the person relates wholly to making supplies that
22 are not creditable supplies, no input tax credit is allowed for the input tax payable
23 in respect of the acquisition; or

24 (c) if a creditable acquisition by the person relates, whether directly or indirectly,
25 partly to making creditable supplies and partly to making other supplies, the sum
26 of the input tax credits allowed for such acquisitions during the VAT period is
27 calculated according to the following formula –

$$28 \qquad \qquad \qquad \mathbf{A \times B}$$
$$29 \qquad \qquad \qquad \mathbf{C}$$

30 where –

1 **A** is the total amount of input tax payable in respect of creditable
2 acquisitions made by the person during the period, less the input tax accounted for under
3 paragraphs (a) and (b);

4 **B** is the value of all creditable supplies made by the taxable person
5 during the period; and

6 **C** is the value of all supplies made by the taxable person during the
7 period in [the State].

8 (4) If the fraction B/C in subsection (3)(c) for a VAT period –

9 (a) is more than 0.90, the taxable person is allowed an input tax credit for all of
10 the input tax comprising component **A** of the formula in subsection (3)(c); or

11 (b) is less than 0.10, the taxable person is not allowed any input tax credit for the
12 input tax comprising component **A** of the formula in subsection (3)(c).

13 (5) The amount of input tax allowed as a credit under this section in respect of a
14 creditable interstate acquisition is limited to the input tax that would have been allowed
15 as a credit if the creditable interstate acquisition were subject to the rate of VAT specified
16 in section 111.

17 (6) If a taxable person is a financial institution making both creditable and other
18 supplies, subsection (3)(c) does not apply and the amount allowed as an input tax credit
19 for creditable acquisitions that relate partly to the making of creditable supplies and
20 partly to the making of other supplies is determined in accordance with the regulations.

21 (7) Subject to subsection (8), an input tax credit is allowed:

22 (a) in the case of creditable acquisition that relates to a taxable import, at the time
23 of the taxable import as determined under Chapter 2 of FSMC Title 54; or

24 (b) in the case of any other creditable acquisition, at the time of the supply in
25 respect of which the creditable acquisition relates.

26 (8) If, at the time a taxable person furnishes a VAT return for a VAT period in
27 which an input tax credit would otherwise be allowable under this Act, the person does
28 not hold the documentation referred to in subsection (9), the input tax credit is not
29 allowed in that VAT period but instead is allowed in the first VAT period in which the
30 person holds such documentation.

1 (9) The documentation required for the purposes of subsection (8) is –

2 (a) in the case of a creditable acquisition that relates to a taxable import, a bill of
3 entry or other document prescribed under Chapter 2 of FSMC Title 54 for the
4 import;

5 (b) in the case of a creditable interstate acquisition, a VAT invoice issued under
6 the relevant State VAT Law for the taxable supply to which the acquisition relates;

7 (c) in the case of any other creditable acquisition, the VAT invoice for the taxable
8 supply to which the acquisition relates;

9 (d) in the case of an input tax credit allowed in respect of input tax treated as
10 payable under section 141(3) or 142(6), the VAT debit note required to be issued under
11 those sections;

12 (e) in the case of an input tax credit allowed under section 141(4), a copy of the
13 VAT credit note issued to the recipient of the supply; or

14 (f) in the case of an input tax credit allowed under section 142(1), a copy of the
15 debt written off in the taxable person's accounts.

16 (10) Whether a creditable acquisition made in a VAT period relates to making a
17 particular kind of supply is determined on the basis of the taxable person's intention at
18 the time of the acquisition, but the taxable person may take account of actual use or a
19 change in intention that occurs before the date on which the VAT return for that period is
20 required to be furnished.

21 Section 152. Input Tax Credit for Newly Registered Person. Subject to this Act,
22 a taxable person may claim, in the first VAT return of the person, an input tax credit
23 determined in accordance with sections 151 and 153 for the input tax paid in respect of
24 goods held at the date of registration for the purpose of making creditable supplies, if –

25 (a) at the end of the last day before the date of the person's registration, the person
26 held the goods as inventory;

27 (b) the inventory was acquired by the person in a creditable acquisition by the
28 person;

29 (c) the creditable acquisition occurred no more than four months prior to the date
30 of registration; and

1 (d) the person can provide documentary evidence satisfactory to the CEO that
2 input tax has been paid on the creditable acquisition.

3 Section 153. Denial of Input Tax Credits.

4 (1) No input tax credit is allowed under this Act for input tax payable in respect of
5 a creditable acquisition by a taxable person –

6 (a) of a passenger vehicle, or spare parts or repair and maintenance services for
7 such vehicle, unless the person's enterprise involves the dealing in, or hiring of
8 such vehicles and the vehicle was acquired for such purpose;

9 (b) of petroleum products, unless those products are wholly for use in the
10 enterprise of the person;

11 (c) to the extent that the acquisition is used to provide entertainment, unless –

12 (i) the entertainment was provided in the ordinary course of enterprise
13 carried on by the person to provide the entertainment and the
14 entertainment was not supplied to an associate or employee; or

15 (ii) the entertainment was provided while the recipient of the
16 entertainment was away from home for the purposes of the enterprise of
17 the recipient or the recipient's employer;

18 (d) to the extent to which the acquisition is used to provide accommodation,
19 unless –

20 (i) the person's enterprise involves providing accommodation and the
21 accommodation was provided in the ordinary course of the enterprise; or

22 (ii) the accommodation was provided while the recipient of the
23 accommodation was away from home for the purposes of the enterprise of
24 the recipient or the recipient's employer; or

25 (e) if the acquisition provides membership or entrance for any person in a
26 sporting, social, or recreational club, association, or society.

27 (2) Section 151 applies in determining whether an input tax credit is allowed for a
28 creditable acquisition that is an exception to the denial of input tax credits under
29 subsection (2)(a), (b), (c), or (d).

1 (3) A passenger vehicle is a road vehicle designed or adapted for the transport of
2 nine or fewer seated passengers.

3 Chapter VII: Net VAT Payable

4 Section 161. Computation of Net VAT Payable.

5 (1) The amount that a taxable person must remit to the CEO for a VAT period is
6 the net VAT payable for the period computed according to the following formula –

7
$$\mathbf{A - B}$$

8 where –

9 **A** is the total output tax payable in respect of taxable supplies made or treated under
10 this Act as having been made by the person in the period; and

11 **B** is the total input tax credit allowed to the person under this Act for the period.

12 (2) If the equivalent in a State VAT Law of section 141 of this Act applies to a
13 taxable person in a VAT period in respect of a creditable interstate acquisition -

14 (a) component **A** of the formula in subsection (1) for the period includes any
15 output tax treated as payable in the period by the person under the equivalent in
16 the State VAT Law of section 141(5) of this Act in respect of the acquisition;

17 or

18 (b) component **B** of the formula in subsection (1) for the period includes any input
19 tax treated as payable in the period by the person under the equivalent in the State
20 VAT Law of section 141(3) of this Act in respect of the acquisition.

21 (3) Subsection (2)(b) applies only if the taxable person has a VAT debit note
22 issued the relevant State VAT Law in respect of the adjustment.

23 (4) If the equivalent in a State VAT Law of section 142 of this Act applies to a
24 taxable person in a VAT period in respect of a creditable interstate acquisition -

25 (a) component **A** of the formula in subsection (1) for the period includes any
26 output tax treated as payable in the period by the person under the equivalent in
27 the State VAT Law of section 142(4) of this Act in respect of the acquisition;

28 and

29 (b) component **B** of the formula in subsection (1) for the period includes any input
30 tax treated as payable in the period by the person under the equivalent in the State

1 VAT Law of section 142(6) of this Act in respect of the original acquisition.

2 Section 162. Refunds.

3 (1) Subject to subsection (3), if, for any VAT period, the total input tax credit
4 allowed to a taxable person exceeds the person's total output tax for the period -

5 (a) the excess is carried forward and allowed as an input tax credit in the
6 following VAT period and any amount of the excess not credited in that period is
7 carried forward to the next following VAT period and allowed as an input tax
8 credit in that period; and

9 (b) any amount of the excess not credited under paragraph (a) is, upon written
10 application by the person, refunded to the person.

11 (2) If a taxable person has an excess input tax credit carried forward under this
12 section for more than one VAT period, the excess credit of the earliest VAT period is
13 allowed first.

14 (3) If the excess referred to in subsection (1) is due to excess input tax credits that
15 are a regular feature of the taxable person's enterprise, the CEO must, upon application in
16 writing, refund the excess within 45 days after the person has furnished the VAT return
17 for the period.

18 (4) A taxable person who has erroneously overpaid VAT for a VAT period may
19 apply, in writing, to the CEO for an input tax credit in the amount of the overpayment.

20 (5) If the CEO is satisfied that an application has been properly made by a taxable
21 person under subsection (4), the CEO must allow the person an input tax credit in the
22 VAT period specified by the CEO for the amount of the overpayment.

23 (6) An application under subsection (4) must be made within 6 years from the
24 date of the overpayment.

25 Chapter VIII: VAT Documentation

26 Section 171. VAT Invoices.

27 (1) A registered person making a taxable supply to another registered person
28 must, at the time of the supply, issue that other person with the original VAT invoice for
29 the supply.

30 (2) A VAT invoice must contain the following particulars –

-
-
- 1 (a) the words “VAT INVOICE” in a prominent place;
- 2 (b) the name, address, and Taxpayer Identification Number of the supplier;
- 3 (c) the name, address, and Taxpayer Identification Number of the recipient;
- 4 (d) the individualized serial number and the date on which the VAT invoice is
- 5 issued;
- 6 (e) the description of the goods (including quantity or volume) or services
- 7 supplied and the date on which the supply was made; and
- 8 (f) the consideration for the supply and the amount of VAT charged.

9 Section 172. VAT Credit and Debit Notes.

10 (1) If -

11 (a) a registered person (referred to as “the supplier”) has made a taxable supply to

12 another registered person (referred to as “the recipient”);

13 (b) at the time of the supply, the supplier has issued an original VAT invoice to

14 the recipient;

15 (c) section 141 or 142 applies to the supply; and

16 (d) the amount shown on the invoice as the VAT charged exceeds the VAT

17 properly chargeable in respect of the supply or section 142(4) applies to the supply, the

18 supplier must provide the recipient with an original VAT credit note.

19 (2) A VAT credit note must contain the following particulars –

20 (a) the words “VAT CREDIT NOTE” in a prominent place;

21 (b) the name, address, and Taxpayer Identification Number of the supplier;

22 (c) the name, address, and Taxpayer Identification Number of the recipient;

23 (d) the individualized serial number and the date on which the VAT credit note is

24 issued;

25 (e) a brief description of the circumstances giving rise to the issuing of the VAT

26 credit note, including information sufficient to identify the taxable supply to

27 which the VAT credit note relates;

28 (f) if section 141(1)(a), (c), or (d) applies, the consideration shown on the VAT

29 invoice for the supply, the correct amount of the consideration, the difference

30 between those two amounts, and the amount of VAT that relates to the difference;

1 and

2 (g) in any case when paragraph (f) does not apply, the VAT originally payable,
3 the VAT payable as a result of the circumstances giving rise to the issuing of the
4 VAT credit note, and the difference between those amounts.

5 (3) If –

6 (a) a registered person (referred to as “the supplier”) has made a taxable supply to
7 another registered person (referred to as “the recipient”);

8 (b) at the time of the supply, the supplier has issued an original VAT invoice to
9 the recipient;

10 (c) section 141 or 142 applies to the supply; and

11 (d) the VAT properly chargeable in respect of the supply exceeds the amount
12 shown on the invoice as the VAT charged or section 142(6) applies to the supply,
13 the supplier must provide the recipient with an original VAT debit note.

14 (4) A VAT debit note must contain the following particulars -

15 (a) the words “VAT DEBIT NOTE” in a prominent place;

16 (b) the name, address, and Taxpayer Identification Number of the supplier;

17 (c) the name, address, and Taxpayer Identification Number of the recipient;

18 (d) the individualized serial number and the date on which the VAT debit note is
19 issued;

20 (e) a brief description of the circumstances giving rise to the issuing of the VAT
21 debit note, including information sufficient to identify the taxable supply to which
22 the VAT debit note relates;

23 (f) if section 141(1)(a), (c), or (d) applies, the consideration shown on the VAT
24 invoice for the supply, the correct amount of the consideration, the difference
25 between those two amounts, and the amount of VAT that relates to the difference;

26 and

27 (g) in any case when paragraph (f) does not apply, the VAT originally payable,
28 the VAT payable as a result of the circumstances giving rise to the issuing of the
29 VAT credit note, and the difference between those amounts.

30 Section 173. VAT Documentation Issued by or to Agents.

1 (1) If a taxable supply is made by or to an agent on behalf of a principal and both
2 the agent and principal are registered persons, any VAT invoice, VAT credit note, or
3 VAT debit note required to be issued by or to the principal may be issued by or to the
4 agent, using the name, address and Taxpayer Identification Number of the agent.

5 (2) If a taxable supply is made by or to an agent on behalf of a principal and the
6 principal is a registered person but the agent is not, any VAT invoice, VAT credit note, or
7 VAT debit note required to be issued by or to the principal may be issued by or to the
8 agent, but using the name, address and Taxpayer Identification Number of the principal.

9 (3) If a taxable supply is made by or to an agent on behalf of a principal,
10 any VAT invoice, VAT credit note, or VAT debit note required to be issued under this
11 Act can be issued once only and must not be issued by or to both the agent and the
12 principal.

13 (4) A VAT invoice, VAT credit note, or VAT debit note issued by or to an agent
14 in accordance with this section is treated as issued by or to the principal, as the case may
15 be, for the purposes of the Act.

16 Section 174. Requests for VAT Documentation.

17 (1) A taxable person who, for any reason, has not been issued with an original
18 VAT invoice, VAT credit note, or VAT debit note as required under this Act may make a
19 written request to the supplier to issue the document.

20 (2) A request under subsection (1) must be made –

21 (a) in the case of a VAT invoice, within 60 days of the date of the supply; or

22 (b) in the case of a VAT credit note or VAT debit note, within 60 days of the date
23 of the event under section 141 or 142 to which the VAT credit note or VAT debit
24 note relates.

25 (3) A registered person receiving a request under subsection (1) must comply with
26 the request within 14 days of receiving the request.

27 Section 175. Maintenance of VAT Documentation.

28 (1) A registered person must issue only one original VAT invoice for a taxable
29 supply, or one original VAT credit note or VAT debit note for an event under section 141

1 or 142, but a copy clearly marked as such may be provided to a registered person who
2 claims to have lost the original.

3 (2) A person must not issue a VAT invoice, VAT credit note, or VAT debit note
4 other than in the circumstances specified in this Act.

5 (3) The following documents must be maintained by a registered person
6 for the purposes of the Act –

7 (a) original (or copies issued under subsection (1)) of all VAT invoices, VAT
8 credit notes, and VAT debit notes received by the person;

9 (b) a copy of all VAT invoices, VAT credit notes, and VAT debit notes issued by
10 the person;

11 (c) documentation relating to imports and exports of goods by the person; and

12 (d) in relation to all services to which section 138 or 139 apply, sufficient written
13 evidence to identify the supplier and the recipient, and to show the nature and
14 quantity of services supplied, the time of supply, the place of supply, the
15 consideration for the supply, and the extent to which the supply has been used by
16 the recipient for particular purposes.

17 (4) The documents referred to in subsection (3)(b) must be maintained in
18 chronological order.

19 Chapter IX: VAT Procedure

20 Section 181. VAT Returns. A taxable person must file a VAT return, in the
21 prescribed form and manner, for each VAT period within 15 days after the end of the
22 period.

23 Section 182. Due Date for Payment of VAT.

24 (1) The net VAT payable by a taxable person for a VAT period is payable by the
25 due date for furnishing the VAT return for that period.

26 (2) The liability for VAT arises by operation of this section and does not depend
27 on the CEO making an assessment of the VAT due.

28 Section 183. Late Payment Interest

29 (1) A person who fails to pay the net VAT payable for a VAT period on or before
30 the due date for payment is liable for late payment interest at the rate of six percent per

1 annum on the amount unpaid calculated from the date the payment was due to the date
2 the payment is made.

3 (2) Late payment interest paid by a person under subsection (1) must be refunded
4 to the person to the extent that the principal amount to which the interest relates is found
5 not to have been payable.

6 (3) Late payment interest payable under this section is calculated as simple
7 interest.

8 (4) Late payment interest payable under this section is in addition to any penalty
9 imposed under this Chapter X or any sanction imposed under Chapter XI in respect of the
10 same act or omission.

11 (5) Late payment interest payable under this section is treated as tax payable by a
12 taxpayer for the purposes of Chapters IV and V of Chapter 8, and section 871 of Title 54.

13 Section 184. Self-assessments. A registered person that files a VAT return for a
14 VAT period is treated as having made a self-assessment of the net VAT payable by the
15 person for the period as specified in the return. The VAT return filed by a registered
16 person is treated as a notice of the self-assessment served by the CEO on the person on
17 the date that the return was filed.

18 Section 185. Assessment of Recipient of a Supply.

19 (1) If a taxable person has, in consequence of misrepresentation or fraud by the
20 recipient of a supply, incorrectly treated the supply as –

21 (a) an exempt supply; or

22 (b) a VAT-free supply, the CEO may assess the recipient of the supply for
23 payment of the VAT due in respect of the supply and any late payment interest and
24 penalty imposed as a result of the late payment of the VAT.

25 (2) The CEO must serve notice of an assessment under subsection (1) on the
26 recipient specifying -

27 (a) the reason for the assessment as provided for in subsection (1),

28 (b) the VAT payable under the assessment;

29 (c) the date on which the VAT payable under the assessment is due, which must

1 be at least thirty days after the date on which the notice is served; and

2 (d) the time, place, and manner of objecting to the assessment.

3 (3) Subsection (1) does not preclude the CEO from recovering the whole or part
4 of the VAT due in respect of the supply together with any interest from the taxable
5 person who made the supply and –

6 (a) any amount recovered from the recipient of the supply is credited against the
7 liability of the supplier in respect of the supply; and

8 (b) any amount recovered from the supplier is credited against the liability of the
9 recipient of the supply, but the CEO cannot recover more than the total amount of

10 VAT and interest payable in relation to the supply.

11 (4) Any supplier who pays VAT or interest referred to in subsection (1) may
12 recover the amount from the recipient of the supply.

13 Section 186. Diplomatic Missions and International Agreements.

14 (1) The CEO may authorize, subject to such conditions and restrictions as the
15 CEO considers appropriate, the granting of a refund of part or all the VAT incurred in
16 relation to a taxable supply to, or taxable import by –

17 (a) a diplomatic or consular mission, or by a diplomat or consular official
18 enjoying full or limited immunity, rights, or privileges under the [Diplomatic
19 Privileges and Immunities Act] or [Consular Relations Act], as the case may be,
20 to the extent required under [the Act]; or

21 (b) a public international organization or foreign government to the extent
22 required under an international agreement.

23 (2) An application for a refund under subsection (1) must be made in the
24 prescribed form and lodged in the prescribed manner by the CEO and must be
25 accompanied by such supporting documentation as the CEO may require including but
26 not limited to –

27 (a) evidence that the VAT for which the refund is sought was incurred; and

28 (b) evidence of the applicant's entitlement to make an application under
29 subsection (1).

1 (3) An “international agreement” is an agreement between the FSM National
2 Government and a foreign government or public international organization for the
3 provision of financial, technical, humanitarian, or administrative assistance to the FSM
4 National Government.

5 Section 187. Tax Avoidance Schemes.

6 (1) Notwithstanding anything in this Act, if the CEO is satisfied –
7 (a) that a scheme has been entered into or carried out;
8 (b) a person has obtained a tax benefit in connection with the scheme; and
9 (c) having regard to the substance of the scheme, it would be concluded that the
10 person, or one of the persons, who entered into or carried out the scheme did so
11 for the sole or dominant purpose of enabling the person to obtain a tax benefit, the
12 CEO may determine the VAT liability of the person who has obtained a tax
13 benefit as if the scheme had not been entered into or carried out.

14 (2) If the CEO makes a determination under subsection (1), the CEO must make
15 an assessment giving effect to the determination.

16 (3) Except in the case of fraud or willful neglect, a determination under subsection
17 (1) must be made within 6 years from the last day of the VAT period to which the
18 determination relates.

19 (4) A scheme includes a course of action, and an agreement, arrangement,
20 promise, plan, proposal, or undertaking, whether express or implied, and whether or not
21 legally enforceable.

22 (5) Any of the following is a tax benefit –

- 23 (a) a reduction in the liability of a person to pay VAT;
24 (b) an increase in the entitlement of a person to an input tax credit, including an
25 increase in an excess input tax credit carried forward;
26 (c) an entitlement to a refund;
27 (d) a postponement of a liability for the payment of VAT;
28 (e) an acceleration of an entitlement to an input tax credit;
29 (f) any other advantage arising because of a delay in payment of VAT or an
30 acceleration of the entitlement to an input tax credit;

1 (g) anything that causes a taxable supply or taxable import not to be a taxable
2 supply or taxable import, as the case may be; or

3 (h) anything that gives rise to an input tax credit entitlement for an acquisition or
4 import that is used or to be used other than in making taxable supplies.

5 Chapter X: Administrative Penalties

6 Section 191. Penalty for Failure to Apply for VAT Registration. A person who
7 fails to apply for registration as required by section 121 is liable for a penalty equal to
8 [double] the amount of VAT payable for the period commencing on the day on which the
9 person was first required to apply for registration until either the person lodges an
10 application for registration or the person is registered by the CEO on the CEO's own
11 motion.

12 Section 192. Penalty for Failure to Display VAT Registration Certificate. A
13 person who fails to display its VAT registration certificate or a copy thereof as required
14 by section 122(7) is liable for a penalty equal to [\$250] per day for each day or part day
15 on which the failure occurs.

16 Section 193. Penalty for Failure to File a Tax Return or Lodge Other Document

17 (1) A taxable person who fails to file a VAT return or lodge any other document
18 as required under this law is liable –

19 (a) in the case of a failure to file a VAT return under which an amount of tax is
20 payable, for a penalty of 1% of the amount of the net VAT payable for the VAT
21 period to which the return relates for each month or part month that the return
22 remains unfiled; or

23 (b) in any other case, for a penalty of \$10 for each day of default.

24 (2) A taxable person served with a notice of assessment by the CEO under
25 [section 822 of Title 54 of FSMC] is liable for a penalty of 25 percent of the tax assessed
26 (taking into account any subsequent amendment of the assessment) in addition to the
27 penalty imposed under subsection (1)(a).

28 (3) For the purposes of subsection (1)(b), a person ceases to be in default at the
29 time the document is received by the CEO.

30 Section 194. Penalty for Failure to Pay VAT By Due Date.

1 (1) A taxable person who fails to pay the net VAT payable for a VAT period by
2 the due date is liable for a penalty equal to 10 percent of the amount of the net VAT
3 payable for each month, or part of a month, that the VAT remains unpaid subject to a
4 maximum penalty of 100 percent of the unpaid VAT.

5 (2) The penalty imposed under subsection (1) is in addition to interest payable
6 under section 183 for late payment of tax. The ceiling on the amount of penalty payable
7 under subsection (1) does not apply to or take into account interest payable under section
8 183.

9 Section 195. Penalty for Failure to Maintain Proper Records. A taxable person
10 who fails to maintain accounts, documents, or records as required under this Act is liable

11 (a) if the failure was knowingly or recklessly made, for a penalty equal to 50
12 percent of the amount of net VAT payable by the taxable person for the VAT
13 period to which the failure relates; or

14 (b) in any other case, for a penalty equal to ten percent of the amount of net VAT
15 payable by the taxable person for the VAT period to which the failure relates.

16 Section 196. Penalty for Making False or Misleading Statement.

17 (1) This section applies to a person –

18 (a) who makes a statement to a revenue officer that is false or misleading in a
19 material particular or omits from a statement made to a revenue officer any matter
20 or thing without which the statement is false or misleading in a material
21 particular; and

22 (b) the VAT liability of any person computed on the basis of the statement is less
23 than it would have been if the statement had not been false or misleading (the
24 difference being referred to as the “tax shortfall”).

25 (2) Subject to subsection (3), a person to whom this section applies is liable –

26 (a) if the statement or omission was made knowingly or recklessly, for a penalty
27 equal to 50 percent of the tax shortfall; or

28 (b) in any other case, for a penalty equal to ten percent of the tax shortfall.

29 (3) No penalty is payable under subsection (2) if –

30 (a) the person who made the statement did not know and could not reasonably be

1 expected to know that the statement was false or misleading in a material

2 particular; or

3 (b) the tax shortfall arose as a result of a self-assessment taxpayer taking a
4 reasonably arguable position on the application of a revenue law to the taxpayer's
5 circumstances in filing a self-assessment return.

6 (4) Nothing in subsection (3) prevents the imposition of late payment interest
7 under section 183 in respect of a tax shortfall if the tax is not paid by the due date.

8 (5) A reference in this section to a statement made to a revenue officer means a
9 statement made in writing or orally to a revenue officer acting in the performance of the
10 officer's duties under a revenue law, and includes a statement made -

11 (a) in any application, certificate, declaration, notification, tax return, objection, or
12 other document furnished or lodged under a revenue law;

13 (b) in any information required to be furnished under a revenue law;

14 © in any document furnished to a revenue officer;

15 (d) in answer to a question asked of a person by a revenue officer; or

16 (e) to another person with the knowledge or reasonable expectation that the
17 statement would be passed on to a revenue officer.

18 Section 197. Collection of Penalties.

19 (1) A liability for penalty is calculated separately with respect to each section
20 imposing penalty under this Chapter.

21 (2) If a penalty has been paid under this Act and a prosecution is initiated under
22 Chapter XI in respect of the same act or omission, the CEO must refund the amount of
23 the penalty paid, and no penalty is payable unless the prosecution is withdrawn.

24 (3) The CEO must –

25 (a) make an assessment of penalty imposed under this Chapter; and

26 (b) serve a notice of the assessment on the person subject to the penalty, which
27 notice must state the amount of penalty payable and the due date for payment.

28 (4) A person liable to pay a penalty may apply, in writing, to the CEO for
29 remission of the penalty payable.

1 (5) The CEO may, upon application under subsection (4) or on the CEO's own
 2 motion, remit, in whole or in part, any penalty payable by a person.

3 Chapter XI: Offenses

4 Section 201. Offenses Related to Registration. A person who fails -

- 5 (a) to apply for registration as required by section 121;
- 6 (b) to notify the CEO of a change in circumstances as required by section 122(8);
- 7 (c) to apply for cancellation of registration as required by section 123; or
- 8 (d) to comply with section 123(10)(a) or (c), is guilty of an offense.

9 *Penalty:* A person convicted of an offense under this section is subject to a fine not
 10 exceeding \$1000, or, if a natural person, imprisoned for not more than one year, or both.

11 Section 202. Offenses Related to VAT Documentation.

12 (1) A registered person who fails to provide a VAT invoice, VAT credit note, or
 13 VAT debit note as required under this Act is guilty of an offense.

14 *Penalty:* A person convicted of an offense under this subsection is subject to a fine not
 15 exceeding \$1000, or, if a natural person, imprisoned for not more than one year, or both.

16 (2) A person who issues a VAT invoice, VAT credit note, or VAT debit note
 17 otherwise than as provided for under the Act is guilty of an offense.

18 *Penalty:* A person convicted of an offense under this subsection is subject to a fine not
 19 exceeding \$1000, or, if a natural person, imprisoned for not more than one year, or both.

20 (3) A registered person who fails to comply with a request under § 174 is guilty of
 21 an offense.

22 *Penalty:* A person convicted of an offense under this subsection is subject to a fine not
 23 exceeding \$1000, or, if a natural person, imprisoned for not more than one year, or both.

24 Section 203. Offense for Failure to Maintain Proper Records. A taxable person
 25 who knowingly or recklessly fails to maintain accounts, documents, or records as
 26 required under the Act is guilty of an offense.

27 *Penalty:* A taxpayer convicted of an offence under this section shall be subject to a fine
 28 not exceeding \$1,000, or, if a natural person, imprisoned for not more than one year, or
 29 both.

30 Section 204. Offense for Making False or Misleading Statement

1 (1) A person is guilty of an offense if the person knowingly or recklessly –

2 (a) makes a statement to a revenue officer that is false or misleading in a material
3 particular; or

4 (b) omits from a statement made to a revenue officer any matter or thing without
5 which the statement is false or misleading in a material particular.

6 *Penalty:* A person convicted of an offense under this section shall be subject to a fine not
7 exceeding \$50,000, or, if a natural person, imprisoned for not more than one year, or
8 both.

9 (2) Section 196(5) applies in determining whether a person has made a statement
10 to a revenue officer.

11 Section 205. Prevention of Price Exploitation on Introduction of VAT.

12 (1) Subject to subsection (2), any person who makes a regulated supply for a price
13 that is excessive having regard to –

14 (a) the introduction of this Act and the repeal of [the State's Sales Tax Act];

15 (b) the person's costs;

16 (c) supply and demand conditions; and

17 (d) any other relevant matter, is guilty of an offense.

18 *Penalty:* A person convicted of an offense under this subsection is subject to a fine not
19 exceeding \$1000 for the first breach and a fine not exceeding \$1,500 for the second and
20 each subsequent breach.

21 (2) No penalty is imposed under subsection (1) if –

22 (a) the contravention was due to reasonable mistake; and

23 (b) the person took reasonable precautions and exercised due diligence to avoid
24 contravention of subsection (1).

25 (3) The CEO shall publish in the [Gazette] guidelines about when prices for
26 regulated supplies may be in contravention of subsection (1).

27 Chapter XII: Final Provisions

28 Section 211. Regulations.

29 (1) The State's Finance Director may, subject to approval of the [State Governor],
30 prescribe and have printed reasonable regulations for the enforcement of this Act and

1 such regulations have force and effect of law if they are not in conflict with the express
2 provisions of this Act or other laws of the [the State].

3 (2) The regulations may also provide for matters prescribed under the Act to be
4 made by regulation.

5 Section 212. Repeal and Savings.

6 (1) TSL 5-119, as amended, is hereby repealed with effect from the
7 commencement date of this Act.

8 (2) Notwithstanding subsection (1), TSL 5-119, as amended, continues to apply
9 for all purposes whatsoever in respect of goods [and services] subject to the Act before
10 the commencement date.

11 Section 213. Transitional Rules Relating to Registration.

12 (1) A person must apply to the CEO for registration under this Act no later than
13 the transitional registration day if -

14 (a) considering the total value of taxable supplies made or to be made by the
15 person in the course or furtherance of the person's enterprise, the person would
16 have been required to apply for registration under section 121 on or before that
17 day if this Act had come into force at least 12 calendar months before that
18 day; or

19 (b) the person is a Government entity undertaking an enterprise.

20 (2) A person who is not required to be registered under subsection (1) is required
21 to apply for registration under this Act on any subsequent day before the commencement
22 date, if on that day section 121 would have applied to that person if this Act had come in
23 force at least 12 calendar months before that day.

24 (3) Notwithstanding section 122, if a person is required to apply for registration
25 under subsection (1) or (2), the registration takes effect from the commencement date.

26 (4) If, prior to the commencement date -

27 (a) a person purported to lodge an application for registration under this Act;

28 (b) the CEO purported to register a person under this Act; or

29 (c) the CEO purported to issue a VAT registration certificate under this Act,

30 the application, registration, or certificate, as applicable, is treated for all purposes

1 of this Act and the Revenue Administration Act as if it were made on the
2 commencement date.

3 (5) If the CEO is satisfied that a person is required to apply for registration under
4 subsection (1) or (2) and the person has not applied for registration as required, the CEO
5 may register that person.

6 (6) The transitional registration day is the day that is two calendar months before
7 the commencement date.

8 Section 214. General Transitional Rules.

9 (1) Subject to subsection (2), if –

10 (a) at the end of the last business day before the commencement date, a registered
11 person held goods as inventory;

12 (b) the goods were acquired not more than 4 months before the beginning of that
13 day; and

14 (c) the CEO is satisfied that [State sales tax] has been paid on the acquisition of
15 those goods, the person may claim an input tax credit for the [State sales tax] in
16 the first VAT period after the commencement date.

17 (2) A registered person is not allowed an input tax credit under subsection (1) for
18 any sales tax paid in respect of the acquisition of goods if, and to the extent that, because
19 of the application of sections 151 and 153, the person would not have been allowed an
20 input tax credit if the acquisition had occurred after the commencement date.

21 (3) A person claiming an input tax credit under subsection (1) in respect of
22 inventory on hand at the end of the last business day before the commencement date must
23 submit a list of inventory with the person's first VAT return, supported by documentary
24 evidence of the payment of sales tax.

25 (4) If a [registered person] under the [Sales Tax Act] -

26 (a) is not required to apply for registration under section 121 and does not
27 voluntarily apply for registration;

28 (b) holds goods as inventory at the beginning of the first VAT period after the
29 commencement date; and

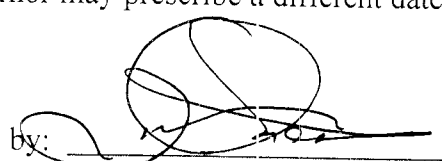
1 (c) the person [quoted their certificate of registration] under the [Sales Tax Act] in
2 respect of the purchase of the goods, the person is treated, for the purposes of the
3 [Sales Tax Act], as having applied the goods to their own use on the day
4 immediately before the commencement date.

5 (5) Subject to subsection (6), if a registered person concluded a contract before
6 the commencement date, the person is, after the commencement date, entitled to increase
7 the price of a taxable supply made under that contract by an amount equal to the price
8 multiplied by the tax fraction, notwithstanding that the contract contained no provision
9 relating to increasing the price because of the imposition of VAT.

10 (6) If the period of a supply referred to in section 131(5) as the actual supply
11 begins before and ends after the commencement date, the supply is treated as having been
12 made continuously and uniformly throughout that period and the consideration for that
13 supply is apportioned accordingly in determining the value of the supplies deemed to be
14 made because of section 131(5).

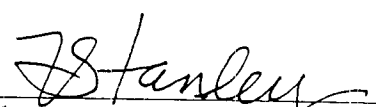
15 (7) Subsection (6) does not apply to the supply of a warranty in relation to goods
16 or a service if the value of the warranty has been included in the price of the goods or
17 service.

18 Section 214. Effective Date. This Act shall take effect upon approval by the
19 Governor, or upon its becoming law without such approval. The Authority's
20 responsibility to administer taxes shall commence twelve (12) months after the effective
21 date of the FSM Unified Revenue Authority Act for taxes under the TSL5-119, as
22 amended, and thirty (30) months after the effective date of the same Act for the VAT and
23 any other tax then in effect, provided that the Governor may prescribe a different date for
24 commencement by executive order.

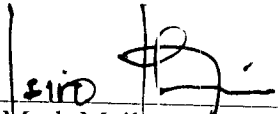
Signed by: 

Innocente I. Oneisom, Speaker
House of Representatives
Chuuk State Legislature

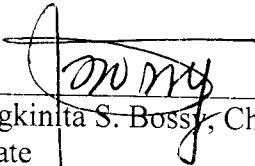
Attested:


Florence P. Stanley, Chief Clerk
House of Representatives
Chuuk State Legislature

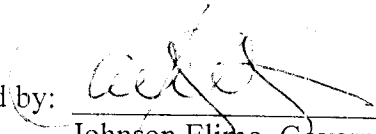
Date: 10/4/12

Signed by: 
Mark Mailo, President
Senate
Chuuk State Legislature

Attested:


Songkinfa S. Bossy, Chief Clerk
Senate
Chuuk State Legislature

Date: Oct 5, 2012

Approved by: 
Johnson Elimo, Governor
Chuuk State Government

Date: 11-5-12

History

H.B.No.: 11-09, HD1
H.S.C.R. No.: 11-1R-05
S.S.C.R. No.: 11-2R-53