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A BILL FOR AN ACT

To further amend title 54 of the Code of the Federated States of Micronesia, as amended, by amending section 238 thereof, as enacted by Public Law No. 9-139, for the purpose of clarifying the right of Customs to hold one shipment when the importer still owes money for a prior shipment, and for other purposes.

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

1 Section 1. Section 238 of title 54 of the Code of the  
2 Federated States of Micronesia, as enacted by Public Law No. 9-139,  
3 is hereby amended to read as follows:

4 "Section 238. Importation of goods.

5 (1) Arrival procedures. On arrival of a vessel or an  
6 aircraft at any port in the FSM the master or pilot of  
7 such vessel or aircraft shall deliver to the Customs  
8 officer:

9 (a) Copies of the manifest; and

10 (b) All bills of lading and air waybills for cargo  
11 to be discharged at that particular port.

12 (2) Time limit for entry. Each consignee of imported  
13 goods shall make entry of those goods at the local  
14 Customs office within 15 days after departure of the  
15 importing vessel or aircraft, exclusive of Sundays and  
16 FSM national holidays. To enter goods means to notify  
17 Customs officials of the arrival of those goods and to  
18 comply with all Customs requirements in connection  
19 therewith.

20 (3) Verification of entry.

21 (a) Entry shall be verified by the presentation to  
22 Customs by the consignee, or authorized agent of the  
23 consignee, of a completed and signed entry form together  
24 with a non-negotiable bill of lading or an air waybill  
25 and vendor's invoices for the imported goods.

1 (b) The consignee shall answer any questions  
2 relating to the goods and, upon request of a Customs  
3 officer, furnish any other documentation deemed necessary  
4 for:

5 (i) a proper assessment of the duties on the  
6 merchandise;

7 (ii) the proper collection of accurate  
8 statistics with respect to the merchandise being  
9 imported; and

10 (iii) a determination of whether any other  
11 applicable legal requirements have been met.

12 (c) The approved entry form shall set forth such  
13 facts in regard to the importation as the Secretary may  
14 require for the inspection, appraisement, payment of  
15 import taxes and for the collection of statistics.

16 (4) Releasing of goods. Customs personnel shall, on  
17 satisfactory examination of the above documents, and  
18 payment of the correct duty, stamp and release the  
19 imported goods; provided, however, that if the importer  
20 owes duty, penalties, interest, or costs with respect to  
21 a prior shipment of goods, Customs may refuse to release  
22 the current shipment until said amounts have also been  
23 paid.

24 (5) Personal [B]baggage. Goods that are the personal  
25 baggage of passengers in a vessel or aircraft and are not

1 taxable goods may be released without entry.

2 (6) Importation defined:

3 (a) Goods shall, except where otherwise expressly  
4 provided, be deemed to be imported into the FSM as soon  
5 as and in any manner, whether lawfully or unlawfully,  
6 they are brought or come within the territorial limits of  
7 the FSM from any country outside those limits. For  
8 purposes of this chapter, the territorial limits of the  
9 FSM include the territorial sea, as defined in chapter 1  
10 of title 18 of this Code.

11 (b) Goods whose destination is outside the  
12 territorial limits of the FSM, including ship's stores  
13 and aircraft stores, shall not be deemed to be imported  
14 unless, while they are within those limits, they are  
15 removed from the vessel or aircraft in which they arrived  
16 there.

17 (c) Imported goods intended for use, sale, or  
18 other disposition within the territorial sea or internal  
19 waters of the FSM must first be brought to a port of call  
20 and cleared through Customs.

21 (d) Vessels or aircraft entering into the  
22 territorial limits of the FSM solely in transit or for  
23 loading, unloading, transshipping, provisioning,  
24 refueling, other resupply, equipping, maintenance,  
25 repair, overhaul, and other like purposes shall not be

1 deemed to be goods imported into the FSM unless such  
2 vessels or aircraft thereafter become based in the FSM.

3 (7) Import tax rate. Dutiable goods shall be liable to  
4 the duty rates in force at the time when the aircraft or  
5 vessel first arrives at a designated port of entry within  
6 the FSM.

7 (8) Clearing goods prior to arrival. Each consignee of  
8 imported goods, may, provided he or she has the required  
9 documentation, clear those goods prior to arrival of the  
10 vessel or aircraft. This does not waive or limit the  
11 authority of Customs to examine those goods on arrival.

12 (9) Exempt goods. All tax exempt goods shall be  
13 identified and cleared on the official clearance form.

14 (10) Abandoned goods:

15 (a) Goods remaining unentered three months after  
16 the departure of the importing vessel or aircraft shall  
17 be treated as goods abandoned to the National Government  
18 and may be sold by public auction.

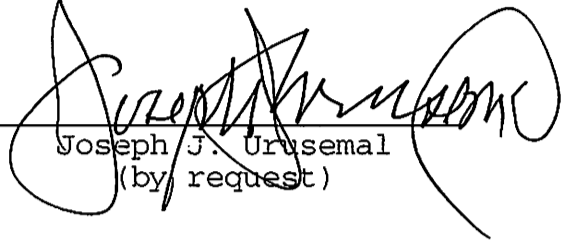
19 (b) Proceeds of such sale shall be deposited in  
20 the General Fund and used first to pay expenses of sale,  
21 duties, storage charges, and any lien for freight  
22 [~~changes~~] charges, in said order. Surplus proceeds may  
23 be paid to the owner upon proof of his or her interest  
24 therein."  
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C.B. NO. 11-65

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

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5 Date: 7/28/99

Introduced by:   
Joseph J. Urusemal  
(by request)

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