

STATE OF POHNPEI FEDERATED STATES OF MICRONESIA

APPLICATION FOR COMPACT EXEMPTION FROM FOREIGN INVESTORS BUSINESS PERMIT REQUIREMENT (Pohnpei State Foreign Investment Act of 2011)

PREPARE TWO SETS OF THIS APPLICATION AND FILE WITH:

THE REGISTRAR OF CORPORATIONS
POHNPEI STATE GOVERNMENT
P.O. BOX 539
KOLONIA, POHNPEI, FM 96941
TEL: (691)320-2356 or (691)320-6689 FAX: (691)320-5298

In recognition of the special relationship between the Federated States of Micronesia and the United States of America memorialized by the Compact of Free Association, the businesses listed below may apply to the Pohnpei State Registrar of Corporations and be awarded a special Certificate of Compact Exemption which shall exempt the holder from the provisions of the Pohnpei Foreign Investment Act of 2011 for the period that the certificate remains valid.

(1) **Which Businesses the Compact Exemption Applies to:**

- A. Businesses solely owned by citizens of the United States of America who have maintained their principal place of residency within the FSM for at least five (5) consecutive years immediately preceding the filing of this application for exemption; or
- B. Businesses jointly owned by citizens of the FSM and the United States of America who have maintained their principal place of residency within the FSM for at least five (5) consecutive years preceding the filing of this application for exemption.

(2) **Filing Fee:**

The application for a Certificate of Compact Exemption requires the payment of a non-refundable filing fee of \$10.

(3) **Duration of the Compact Exemption**

- A. The exemption applies only to the extent that citizens of the FSM are accorded the same privileges of investing and doing business within the USA.
- B. A Certificate of Compact Exemption is valid until reciprocal privileges for FSM citizens doing business in the USA are revoked or are substantially regulated beyond that applied to average US citizens doing business in the USA, whichever shall first occur; PROVIDED that the certificate shall automatically expire if the recipient is no longer eligible due to loss of US citizenship.

(4) **US Citizens are Encouraged to Apply for A Foreign Investment Permit**

Notwithstanding the award of a certificate under the provisions of this section, US citizens desiring the full benefits of a Pohnpei Foreign Investment Permit, inclusive of the duration of a permit, are encouraged to apply for a regular foreign investment permit.

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Office Use Only

Application No.: _____

Date Received: _____

Approved: Yes No

Approval Date: _____

1. Attach \$10.00 U.S. dollars non-refundable filing fee. Make check payable to: POHNPEI STATE TREASURER

2. Name of business: _____

3. Address of principal office at which business is to be conducted:

In Pohnpei

Outside of Pohnpei, if applicable

4. Name and address of person to be contacted regarding this application: _____

5. Name and address of local agent: (Person residing within Pohnpei upon whom process issued under any law of the State, the Federated States of Micronesia (FSM) may be served and his place of business or residence _____

6. Details of the Business Owners:

Name	Mailing Address	Citizenship	Date FSM Residency Began	Dates Resident Outside FSM Since Residency Began

7. Other states within the FSM in which business proposed to be conducted:

Chuuk _____ Kosrae _____ Yap _____

8. Purpose, scope, and objectives of proposed business:

9. Total capital investment proposed to be made in Pohnpei:

\$ _____ (This may not necessarily be authorized capitalization of corporation)

- a. To be invested within _____ years
- b. Foreign participation _____ % \$ _____
- c. Local participation _____ % \$ _____
- TOTAL 100% \$ _____

10. Form of the business organization under which the applicant proposes to do business: (Please mark with an X)

- a. Foreign Corporation _____
Date of Charter _____ Place of Charter _____
- b. Domestic Corporation _____
Date of Charter _____
- c. Partnership General Unlimited
- d. Joint Local & Foreign Foreign Only
- e. Joint Venture (attach joint venture agreement stating particulars as to participants including nationality/citizenship of parties involved)
- f. Association
- g. Sole Proprietorship
- h. Joint Stock Company
- i. Business Association
- j. Other, Specify: _____

11. LABOR

- a. Proposed number of employees by citizenship and trade, level of skills required for proposed business

- b. Type of employment for which local people will be given preference.

- c. Initial number of local people to be employed

- d. Specific training programs to be developed within a definite time schedule for local employees in management and in upgrading skills.

- e. Existing and proposed wage and employment benefit programs, including minimum wages to be paid, annual and sick leave, etc.

12. ECONOMIC AND SOCIAL PROGRAM

- a. Please detail the economic and social program the applicant intends to implement that will directly and indirectly benefit Pohnpei.

- b. Developing and conserving the land and marine resources:

- c. Providing community-related social services such as libraries, beautification programs, etc.:

- d. Providing environmental and conservation programs: