

Effective: Feb. 13, 2002

FIFTH LEGISLATURE

BILL NO. 5-154, D3

STATE OF YAP

YAP STATE LAW NO. 5-72

THIRD REGULAR SESSION, 2001

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AN ACT

To amend Title 22 of the Yap State Code by repealing Chapter 2 in its entirety and adding a new Chapter 3 concerning the Yap State Foreign Investment Act, and for other purposes.

Be it enacted by the Legislature of the State of Yap.

1 Section 1. Chapter 2 of Title 22 of the Yap State Code  
2 is hereby repealed in its entirety.

3 Section 2. Title 22 of the Yap State Code is hereby  
4 further amended by adding a new Chapter 3 to read as follows:

5 "Chapter 3: Yap State Foreign Investment

6 Section 301. Short Title. This Chapter shall be  
7 known and may be cited as the 'Yap State Foreign Investment  
8 Act'.

9 Section 302. Purpose. The purpose of this Chapter  
10 is to encourage foreign investment within the State of Yap in  
11 a manner which serves the economic, social, and cultural  
12 interest of the State of Yap. This purpose shall be borne in  
13 mind in the implementation and interpretation of the  
14 provisions of this Chapter.

15 Section 303. Definitions. When used in this  
16 Chapter, the following terms shall have the following  
17 meanings, which are consistent with the definitions set forth  
18 in the FSM Foreign Investment Act, unless otherwise stated or  
19 required by context:

20 (a) "Business" and "engaging in business" mean  
21 any activity or conduct (whether proprietary, partnership,  
22 corporate, or whatever form, including non-profit  
23 organizations operating businesses) engaged in with the object  
24 of gain, economic benefit or advantage, either direct or  
25 indirect, except as may be provided in the Yap State Foreign

1 Investment Regulations.

2 (b) "Business entity" means any sole  
3 proprietorship, partnership, company, corporation, joint  
4 venture, or other association of persons engaging in business.

5 (c) "Business License" means a Yap State  
6 Business License.

7 (d) "Citizen" means a citizen of the FSM.

8 (e) "Commercial exportation" means exportation  
9 for other than personal use as defined in the Yap State  
10 Foreign Investment Regulations.

11 (f) "Director" means the Director of the  
12 Department of Resources and Development of the State of Yap,  
13 or his designee.

14 (g) "Fish" means those living marine resources  
15 defined in the Yap State Foreign Investment Regulations.

16 (h) "Foreign Investment Permit" means either  
17 an FSM Foreign Investment Permit or a Yap State Foreign  
18 Investment Permit.

19 (i) "Foreign Investment" means any business  
20 within the State of Yap with ownership interest by at least  
21 one noncitizen.

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

24 (k) "FSM Foreign Investment Act" means the  
25 Foreign Investment Act of 1997 enacted by the Congress of the

1 Federated States of Micronesia as FSM Public Law No. 10-49, as  
2 may be amended from time to time.

3 (l) "FSM Foreign Investment Permit" means a  
4 foreign investment permit issued pursuant to the provisions of  
5 the FSM Foreign Investment Act.

6 (m) "FSM Foreign Investment Regulations" means  
7 the regulations promulgated pursuant to the provisions of the  
8 FSM Foreign Investment Act.

9 (n) "Government" means the Government of the  
10 State of Yap.

11 (o) "Hearing officer" means an individual  
12 designated by the Director to preside over a public hearing  
13 pertaining to a Yap State Foreign Investment Permit; provided,  
14 however, that the Director is ineligible to serve as the  
15 hearing officer.

16 (p) "Legal entity" means any partnership,  
17 company, corporation, joint venture, or other association of  
18 persons engaging in business.

19 (q) "Noncitizen" means any person who is not  
20 a citizen of the FSM and any business entity which has any  
21 ownership interest owned by one or more persons who are not  
22 citizens of the FSM.

23 (r) "Ownership interest" in a business entity  
24 means the ownership or control over, whether directly,  
25 indirectly, legally, or beneficially, some or all of the

1 shares of, property or assets of, voting rights in, or rights  
2 to profits or revenue from, that business entity; provided,  
3 however; that:

4 (1) Ownership interest shall not include  
5 a security interest in real or  
6 personal property for the purpose of  
7 securing a loan or other obligation;  
8 and

9 (2) Any interest owned or controlled by  
10 the spouse, minor child, or other  
11 dependent of a person shall be  
12 counted as owned or controlled by  
13 that person in determining whether  
14 he has an ownership interest in a  
15 business entity; provided that this  
16 subsection shall not apply to a  
17 noncitizen spouse who is married to  
18 a citizen and who does not hold an  
19 ownership interest in his or her own  
20 right.

21 (s) "Secretary" means the Secretary of the FSM  
22 Department of Economic Affairs.

23 (t) "States" means the states of the Federated  
24 States of Micronesia.

25 (u) "Yap State Business License Regulations"

1 means regulations promulgated by the Director in accordance  
2 with the Yap State Business License Act.

3 (v) "Yap State Foreign Investment Regulations"  
4 means regulations promulgated by the Director in accordance  
5 with the provisions of this Chapter.

6 (w) "Yap State Foreign Investment Permit" means  
7 a permit issued by the Director in accordance with the  
8 provisions of this Chapter.

9 Section 304. Categories of Economic Sectors.

10 (a) Red List. Foreign investment in the  
11 following economic sectors is prohibited within the State of  
12 Yap:

13 (1) Such economic sectors as the  
14 Director may designate in the Yap  
15 State Foreign Investment  
16 Regulations.

17 (b) Amber List. Foreign investment in the  
18 following economic sectors is subject to Government regulation  
19 and certain criteria specified in the Yap State Foreign  
20 Investment Regulations must be met before a Yap State Foreign  
21 Investment Permit will be issued:

22 (1) Commercial fishing, including, but  
23 not limited to, the catching,  
24 processing and commercial  
25 exportation of fish caught within

1                   the internal waters of the State or  
2                   within the State Fishery Zone as  
3                   defined by Title 18 of the Yap State  
4                   Code; and

5                   (2) Such other economic sectors as the  
6                   Director may designate in the Yap  
7                   State Foreign Investment  
8                   Regulations.

9   The Director may, by regulation, establish criteria which must  
10   be met by a foreign investment in order for a Yap State  
11   Foreign Investment Permit issued for an Amber List economic  
12   sector to remain effective.

13                   (c) Green List. Foreign investment in all  
14   other economic sector is allowed, subject to all applicable  
15   laws.

16                   (d) The Director shall by regulation establish  
17   a procedure whereby a person can petition the Director to have  
18   an economic sector added to or removed from the Red List or  
19   the Amber List. Said procedure shall include a period for  
20   public comment and a public hearing.

21                   Section 305. Foreign Investment Permit. A  
22   noncitizen shall not engage in business within the State  
23   unless that noncitizen holds a valid Foreign Investment Permit  
24   authorizing that noncitizen to engage in business within the  
25   State. All foreign investments engaging in business within

1 the State shall be required to comply with all applicable laws  
2 of the State, including, but not limited to, the Yap State  
3 Business License Act and the Yap State Corporations and  
4 Partnership Act.

5 Section 306. Reports by Foreign Investments.

6 (a) The holder of a Yap State Foreign  
7 Investment Permit shall submit to the Director such reports as  
8 the Director may prescribe in the Yap State Foreign Investment  
9 Regulations.

10 (b) The holder of a Yap State Foreign  
11 Investment Permit shall immediately report to the Director:

12 (1) Any ten percent or greater change in  
13 the aggregate foreign ownership or  
14 control of a business entity to  
15 which a Yap State Foreign Investment  
16 Permit has been issued; or

17 (2) Any change resulting in an  
18 individual foreign investor owning  
19 or controlling a ten percent or  
20 greater ownership interest in a  
21 business entity to which a Yap State  
22 Foreign Investment Permit has been  
23 issued.

24 (c) After reviewing any report submitted  
25 pursuant to this section or the Yap State Foreign Investment

1 Regulations, the Director may take such action as he considers  
2 appropriate, including the cancellation of the Yap State  
3 Foreign Investment Permit if appropriate under the provisions  
4 of Section 308 of this Chapter.

5 Section 307. Application procedures for Yap State  
6 Foreign Investment Permits.

7 (a) Application for a Yap State Foreign  
8 Investment Permit shall be made on the form or forms  
9 prescribed in the Yap State Foreign Investment Regulations.  
10 Such application form or forms shall be made available at the  
11 Director's offices. The application form shall require the  
12 applicant to identify the person(s) resident in the State of  
13 Yap who are designated as agent for service of process.

14 (b) Submission of an application for a Yap  
15 State Foreign Investment Permit shall be made to the Director.

16 (c) Upon receiving an application for a Yap  
17 State Foreign Investment Permit, the Director shall, within  
18 such periods of time as may be prescribed for this purpose in  
19 the Yap State Foreign Investment Regulations, take one or more  
20 of the following actions, as appropriate:

21 (1) Determine which economic sector the  
22 application relates to;

23 (2) Deny the application if:

24 (i) it relates to foreign  
25 investment in an economic



- 1 sector on the Red List;
- 2 (ii) it relates to foreign
- 3 investment in an economic
- 4 sector on the Amber List and
- 5 fails to satisfy any of the
- 6 relevant criteria established
- 7 in the Yap State Foreign
- 8 Investment Regulations; or
- 9 (iii) the application is incomplete.
- 10 (3) Forward the application to the
- 11 Secretary if it relates to foreign
- 12 investment in an economic sector
- 13 governed by the FSM Foreign
- 14 Investment Act.
- 15 (4) Require the applicant to submit
- 16 further information if the
- 17 application is incomplete or does
- 18 not provide enough information for
- 19 the Director to determine which
- 20 economic sectors are involved.
- 21 (5) If the application relates to an
- 22 economic sector on the Green List
- 23 and the application is complete,
- 24 issue a Yap State Foreign Investment
- 25 Permit.

1 (6) If the application relates to an  
2 economic sector on the Amber List,  
3 the application is complete, and the  
4 investment meets the relevant  
5 criteria established in the Yap  
6 State Foreign Investment  
7 Regulations, issue a Yap State  
8 Foreign Investment Permit for  
9 investment in that particular  
10 economic sector.

11 (d) Upon taking any action described in  
12 subsection (c) of this section, the Director shall, within  
13 such periods of time as may be prescribed in the Yap State  
14 Foreign Investment Regulations, advise the applicant in  
15 writing of the action taken and the reasons therefore.

16 (e) The amount of the application fee, if any,  
17 to be paid by an applicant seeking a Yap State Foreign  
18 Investment Permit shall be established in the Yap State  
19 Foreign Investment Regulations. In establishing the amount of  
20 the application fee, the Director shall set the fee in an  
21 amount equivalent to the cost to the Government of issuing a  
22 Yap State Foreign Investment Permit. If an application fee is  
23 required, it shall be tendered at the time that the  
24 application is submitted to the Director. The application fee  
25 shall be non-refundable.

1           (f) If the Director issues a Yap State Foreign  
2 Investment Permit pursuant to subsection (c) (5) or (6) of this  
3 section, the Yap State Foreign Investment Permit shall be sent  
4 to the applicant and copies shall be (i) inserted into a  
5 register to be maintained by the Director for this purpose,  
6 (ii) sent to the Secretary, for insertion in a register to be  
7 maintained by the FSM for this purpose, and (iii) distributed  
8 to the appropriate Yap State Government agencies as may be  
9 designated in the Yap State Foreign Investment Regulations.

10           (g) If the Director denies an application for  
11 a Yap State Foreign Investment Permit pursuant to subsection  
12 (c) (2) of this section, the applicant may:

- 13                   (1) resubmit the application with  
14                   modifications designed to meet any  
15                   applicable criteria established in  
16                   the Yap State Foreign Investment  
17                   Regulations; or  
18                   (2) provide to the Director additional  
19                   information or explanation to  
20                   indicate how, in the applicant's  
21                   opinion, the foreign investment  
22                   would satisfy such criteria.

23 On receipt of such modifications or additional information,  
24 the Director shall review the application and make a  
25 determination under the procedures prescribed in subsection

1 (c) of this section. There is no limit to the number of times  
2 an applicant can modify an application in order to meet the  
3 requirements for a Yap State Foreign Investment Permit. Upon  
4 receipt of a resubmitted application, the Director may require  
5 the applicant to submit a new application fee if, in the  
6 Director's opinion, the initial application has been  
7 substantially modified.

8 Section 308. Fees, renewal, modification, and  
9 cancellation of Yap State Foreign Investment Permit.

10 (a) Upon the issuance of a Yap State Foreign  
11 Investment Permit, the holder shall fulfill the requirements,  
12 if any, included in the Yap State Foreign Investment  
13 Regulations for the payment of an annual fee. In establishing  
14 the amount of the annual fee, the Director shall set the fee  
15 in an amount equivalent to the cost to the Government of  
16 monitoring foreign investment and renewing a Yap State Foreign  
17 Investment Permit.

18 (b) A Yap State Foreign Investment Permit  
19 shall be valid for one year, and, unless it has been canceled,  
20 suspended, or surrendered pursuant to subsections (e) through  
21 (h) of this section, it shall be automatically renewed on an  
22 annual basis upon the fulfillment of the requirements, if any,  
23 included in the Yap State Foreign Investment Regulations and  
24 the conditions, if any, attached to the Yap State Foreign  
25 Investment Permit.

1           (c) A Yap State Foreign Investment Permit  
2 shall not be transferable between foreign investors and shall  
3 not be assignable to any foreign investor other than the one  
4 for which it was issued.

5           (d) The holder of a valid Yap State Foreign  
6 Investment Permit may engage in any lawful business activity  
7 within the State which falls within a Yap State Green List  
8 economic sector. The holder of a valid Yap State Foreign  
9 Investment Permit may engage in business within the State  
10 which falls within a Yap State Amber List economic sector only  
11 if specifically authorized by the Yap State Foreign Investment  
12 Permit. ~~Except as otherwise provided, the holder of a Yap~~  
13 ~~State Foreign Investment Permit may not begin operation in a~~  
14 ~~different economic sector than the one(s) for which the Yap~~  
15 ~~State Foreign Investment Permit was issued without obtaining~~  
16 ~~either (1) a new Yap State Foreign Investment Permit for that~~  
17 ~~purpose under Section 305 of this Chapter (or, if applicable,~~  
18 ~~an FSM Foreign Investment Permit under the FSM Foreign~~  
19 ~~Investment Act); or (2) a modification in the terms of its~~  
20 ~~present Yap State Foreign Investment Permit. Such a~~  
21 ~~modification may be requested by the holder of the Yap State~~  
22 ~~Foreign Investment Permit, and granted by the Director, in~~  
23 ~~accordance with the procedures and requirements the Director~~  
24 ~~may establish in the Yap State Foreign Investment Regulations.~~  
25 However, no such modification is necessary if an existing

1 business entity for which an FSM Foreign Investment Permit has  
2 been issued is expanded without any change in the business it  
3 is engaged in.

4 (e) The Director may suspend or cancel a Yap  
5 State Foreign Investment Permit if the Director determines by  
6 a preponderance of the evidence, following the procedural  
7 requirements of subsection (g) of this section, that one or  
8 more of the following circumstances exist:

9 (1) Any fees required under subsection  
10 (a) or subsection (b) of this  
11 section have not been paid;

12 (2) The holder of the permit requests  
13 its cancellation;

14 (3) The permit application is found to  
15 have contained false or fraudulent  
16 information;

17 (4) The holder of the permit bribed or  
18 otherwise exercised, or attempted to  
19 exercise, undue influence on the  
20 decision to issue the permit;

21 (5) The holder of the permit fails or  
22 refuses to comply with the reporting  
23 requirements under Section 306 of  
24 this Chapter or with any other  
25 requirements of this Chapter or of

1 the Yap State Foreign Investment  
2 Regulations;

3 (6) The holder of the permit knowingly  
4 included false or fraudulent  
5 information in the annual report  
6 required under Section 306 of this  
7 Chapter or in any other reports  
8 required under the Yap State Foreign  
9 Investment Regulations.

10 (7) The holder of the permit fails or  
11 refuses to comply with any  
12 restrictions or conditions included  
13 in the permit or engages in business  
14 in a prohibited economic sector or  
15 in restricted economic sectors for  
16 which a foreign investment permit  
17 has not been issued; or

18 (8) The holder of the permit fails to  
19 comply with any applicable State or  
20 FSM law.

21 (f) If a Yap State Foreign Investment Permit  
22 is suspended or canceled pursuant to the procedural  
23 requirements of subsection (g) of this section, the noncitizen  
24 holding that permit shall:

25 (1) Immediately stop engaging in

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business in the State;

(2) Take such steps as the Director shall direct in order to dispose of that noncitizen's interest in any applicable business entity; and

(3) Pay any fines or other penalties that may be imposed under Section 313 of this Chapter.

(g) If it appears to the Director that one or more grounds for cancellation or suspension of a Yap State Foreign Investment Permit, as enumerated in subsection (e) of this section, may exist, the Director may temporarily suspend the Yap State Foreign Investment Permit and shall commence the following procedures:

(1) Within five business days of such suspension, the Director shall schedule a public hearing on the matter before a hearing officer. The public hearing shall be held at a designated location in Colonia, Yap. At least ten calendar days written notice of the hearing shall be given to the holder of the Yap State Foreign Investment Permit, stating the alleged grounds for



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cancellation and the location of the hearing. Notice of the hearing shall be published to the public as set forth in the Yap State Foreign Investment Regulations.

- (2) If, prior to the date of the hearing, the holder of the Yap State Foreign Investment Permit takes action to remedy the violation or provides substantial evidence to disprove the allegations to the satisfaction of the Director, the Director may cancel the hearing and reinstate the Yap State Foreign Investment Permit.
- (3) If the Director has temporarily suspended a Foreign Investment Permit and fails to commence hearing procedures within ten business days of such suspension, the suspension shall automatically end and the Foreign Investment Permit shall be automatically reinstated.
- (4) Hearing procedures shall be prescribed by the Director in the

1 Yap State Foreign Investment  
2 Regulations and shall include the  
3 opportunity of the holder of the Yap  
4 State Foreign Investment Permit to  
5 participate in the hearing and to be  
6 represented by counsel, to call  
7 witnesses, to cross-examine  
8 witnesses, and to submit relevant  
9 evidence at the hearing.

10 (5) Within the five business days after  
11 a hearing, the hearing officer shall  
12 issue a written decision including  
13 findings of fact, the reasons for  
14 the action taken, and the remedy or  
15 penalty to be imposed pursuant to  
16 subsection (f) of this section, and  
17 shall transmit that decision  
18 immediately to the holder of the Yap  
19 State Foreign Investment Permit and  
20 to the Director.

21 (6) If the decision has not been issued  
22 pursuant to subsection (g)(4) of  
23 this section within ten business  
24 days of--the--conclusion--of--the  
25 hearing, any temporary suspension

1 ordered by the Director shall  
2 automatically end, and the Yap State  
3 Foreign Investment Permit shall be  
4 automatically reinstated.

5 (7) Within thirty calendar days after  
6 receiving the notice of the decision  
7 of the hearing officer, the holder  
8 of the Yap State Foreign Investment  
9 Permit may appeal the decision to a  
10 court of competent jurisdiction.  
11 Copies of any notice of appeal shall  
12 be served on the Director and the  
13 Attorney General of the State of  
14 Yap. The Yap State Administrative  
15 Procedure Act shall apply to all  
16 appeals filed pursuant to this  
17 subsection.

18 (h) If a Yap State Foreign Investment Permit  
19 is suspended pursuant to subsection (g) of this section, the  
20 noncitizen holding that suspended permit shall immediately  
21 stop engaging in business in the State and refrain from  
22 resuming business unless and until the Yap State Foreign  
23 Investment Permit is reinstated.

24 (i) A holder of a Yap State Foreign Investment  
25 Permit who wishes to cease doing business within the State of

1 Yap shall surrender the original Yap State Foreign Investment  
2 Permit to the Director, along with a sworn statement that all  
3 taxes and fees due and owing to the State and the FSM or any  
4 subdivisions thereof have been paid in full. The Director may  
5 promulgate regulations setting forth additional requirements  
6 for the surrender of a Yap State Foreign Investment Permit.

7 Section 309. Relationship between the Yap State  
8 Government and the FSM Government regarding the regulation of  
9 foreign investment within the State of Yap. The Director  
10 shall:

11 (a) Take all action within the Director's  
12 power to prohibit foreign investment within the State falling  
13 within economic sectors prohibited by the FSM Foreign  
14 Investment Act;

15 (b) Participate in meetings convened by the  
16 FSM Government to review sector developments and to add  
17 economic sectors to, or remove them from, the investment  
18 categories established by the FSM Foreign Investment Act; and

19 (c) Cooperate in other ways with the FSM  
20 Department of Economic Affairs, and with responsible  
21 authorities from other States, regarding the regulation of  
22 foreign investment.

23 Section 310. Expatriate Worker Authorizations and  
24 Entry Permits. The Director shall follow the provisions of  
25 the FSM Foreign Investment Act and the FSM Foreign Investment

1 Regulations in providing information to foreign investments  
2 concerning the issuance of expatriate worker authorizations  
3 ("EWAs") and entry permits.

4 Section 311. Reports by the Director.

5 (a) The Director shall publish information  
6 annually, in such form and detail as may be prescribed in the  
7 Yap State Foreign Investment Regulations, concerning the  
8 extent of foreign investment in the State of Yap.

9 (b) The Director shall provide a copy of the  
10 information published pursuant to subsection (a) of this  
11 section to the Secretary.

12 Section 312. Guarantees and entitlements regarding  
13 foreign investments.

14 (a) Property owned by a foreign investment  
15 shall not be taken by the Government without payment of just  
16 compensation as required by Article II, Section 11, of the Yap  
17 State Constitution.

18 (b) Any ownership interest in a foreign  
19 investment may be transferred without approval of the  
20 Director.

21 (c) The Government shall not prohibit the  
22 repatriation of capital.

23 Section 313. Injunction and penalties.

24 (a) Where, on application by the Director, a  
25 court of competent jurisdiction has determined by a

1 preponderance of the evidence that a person has acted, or is  
2 about to act, in contravention of the provisions of this  
3 Chapter or of the Yap State Foreign Investment Regulations,  
4 the court may enjoin said act and grant such other remedy as  
5 it deems appropriate. Rules of civil procedure shall apply to  
6 any proceeding brought pursuant to this subsection.

7 (b) If the Director determines that any person  
8 has failed or refused to comply with requirements imposed  
9 under or pursuant to this Chapter or the Yap State Foreign  
10 Investment Regulations, the Director may, in addition to  
11 taking action under subsection (a) of this section, take one  
12 or more of the following actions:

- 13 (1) Suspend or cancel a Yap State  
14 Foreign Investment Permit pursuant  
15 to Section 308 of this Chapter;
- 16 (2) Impose such administrative fines and  
17 penalties as may be prescribed in  
18 the Yap State Foreign Investment  
19 Regulations; or
- 20 (3) Initiate measures for the imposition  
21 of criminal penalties as described  
22 in subsection(c) of this section or  
23 in other laws of the State.

24 (c) Any person guilty of willfully  
25 contravening the provisions of Sections 304 or 305 of this

1 Chapter with regards to the requirements of a Foreign  
2 Investment Permit shall be guilty of unauthorized foreign  
3 investment and upon conviction thereof, shall be subject to  
4 the following penalties:

- 5 (1) In the case of an individual or  
6 officers or directors of legal  
7 entities, imprisonment for not more  
8 than one year, or a fine of not more  
9 than \$10,000.00 each, or both.
- 10 (2) In the case of a legal entity, a  
11 fine of not more than \$50,000.00.
- 12 (3) In any case, forfeiture to the  
13 Government of the assets or property  
14 rights in any business entity  
15 engaging in business in  
16 contravention of this Chapter;  
17 provided, however, that the value of  
18 such assets or property so forfeited  
19 shall not be unreasonable in  
20 relation to the illegal behavior and  
21 the injury it has caused.

22 Section 314. Judicial Review. A decision by the  
23 Director pursuant to Section 307 of this Chapter regarding an  
24 application for a Yap State Foreign Investment Permit may be  
25 appealed by the applicant to a court of competent

1 jurisdiction. A notice of any such appeal shall be filed with  
2 the Clerk of Court within thirty days of receipt of notice of  
3 the Director's decision. For the purpose of this section,  
4 receipt of notice of the Director's decision shall be deemed  
5 to occur upon the date of actual hand delivery, if such notice  
6 is hand delivered, or seven days after the notice is  
7 postmarked by the FSM Postal Service, if such notice is  
8 mailed. A copy of any notice of appeal shall also be served  
9 on the Director and the Attorney General of the State of Yap.  
10 The Yap State Administrative Procedures Act shall apply to all  
11 actions filed pursuant to this section.

12 Section 315. Confidentiality. In carrying out the  
13 responsibilities imposed by this Chapter regarding the  
14 regulation of foreign investment in the State, the Director  
15 shall maintain or cause to be maintained the confidentiality  
16 of any sensitive business information relating to a particular  
17 foreign investment or prospective foreign investor, if so  
18 requested by such person; provided, however, that this  
19 provision shall not prevent the Director from disclosing  
20 information upon order of a court of competent jurisdiction or  
21 pursuant to other laws and regulations of the State or of the  
22 FSM or as necessary to enforce this title.

23 Section 316. Enforcement.

24 (a) Primary responsibility for the enforcement  
25 of this Chapter shall be placed in the Director and in the



1 Office of the Attorney General.

2 (b) In carrying out the responsibilities  
3 imposed by this Chapter, the Director may issue subpoenas  
4 requiring the attendance of any citizen or noncitizen at a  
5 meeting or hearing conducted by the Director and may require  
6 such persons to testify or produce at, before, or after such  
7 meeting or hearing documents, information, and things relevant  
8 to enforcement of the provisions of this Chapter.

9 (c) The Director shall promulgate the  
10 regulations necessary to implement this Chapter, which  
11 regulations shall have the force and effect of law.

12 Section 317. Severability. If any provision of  
13 this Chapter or any regulation or order promulgated hereunder,  
14 or the application of any such provision, regulation or order  
15 to any person or circumstances shall be held invalid, the  
16 remainder of this Chapter, or any regulations or orders  
17 promulgated pursuant there to, or the application of such  
18 provisions, regulations or orders to persons or circumstances  
19 other than those to which it is held invalid shall not be  
20 affected thereby, and to this extent the provisions of this  
21 Chapter are severable."

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1 Section 3. This Act shall become law upon its approval  
2 by the Governor, or upon its becoming law without such  
3 approval. This Act shall take effect sixty days after its  
4 becoming law.

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6 Certified by:

*[Signature]*  
Robert A. Ruecho'  
Speaker

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9 Certified by:

*[Signature]*  
Aggie Kotnay  
Chief Clerk

Date:

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13 Approved by:

Vincent A. Figir  
Governor

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16 Date: \_\_\_\_\_

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20 12/28/01  
21 Became Law w/out my  
22 signature  
23 *[Signature]*  
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