



REPUBLIC OF THE MARSHALL ISLANDS
MINISTRY OF FINANCE
DIVISION OF REVENUE & TAXATION
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PUBLIC ANNOUNCEMENT

August 28, 2019

To : Whom It May Concern
From : Ministry of Finance, Banking & Postal Services
Subject: NOTICE – Proposed DRAFT Republic of the Marshall Islands Foreign Investment Business License Regulations 2000, Amended (“RMI FIBL Regulations 2000, Amended”)

This serves to notify the general public and all interested parties of the proposed *DRAFT RMI FIBL Regulations 2000, Amended*, herewith attached, for your review and comments pursuant to the *Administrative Procedures Act 1979* (“APA”).

Authority

The Minister responsible for foreign investments is authorized under §210 of the *Foreign Investment Business License Act 1990* (“FIBL Act”) to prescribe rules and regulations for the purpose of, *inter alia*, facilitating the administration of, and otherwise give better effect to the FIBL Act.

Timeline

In accordance with §104 of the APA, all relevant authorities and interested parties are given thirty (30) days in which to review and submit comments by furnishing a written submission addressed to the Office of the Registrar for FIBL housed within the Ministry of Finance, Banking & Postal Services | PO Box 29 | Majuro, MH 96960. Due consideration will be accorded to all written submissions received within the review period and no later. An explanation as to whether or not submissions were incorporated into the final draft will be furnished accordingly.

Background

For the past 4 years, various working groups and OCIT have been working alongside various agencies in Government to improve the process for foreign investors wishing to start a business in the RMI. The ‘Starting a Business’ process comprises 5 procedures which may take up to 17 or more business days to complete, and processing fees of approximately \$1,530. In order to streamline the process and improve Government services, the Office of Commerce & Investments and the relevant agencies involved in

the process have collaborated and signed a MOU which effectively combines all processes into one universal form referred to as the *Republic of the Marshall Islands Foreign Investment Business License Application* (“RMI FIBL Application”) form. The form is provided under these regulations as *Schedule 1*, and is intended to not only minimize the FIBL application process timeframe by half and facilitate a better investment environment for potential investors, but also to ensure each agency is abreast of all data and information pertaining to each foreign investment for the purpose of regulatory compliance.

Access

Reading copies of the proposed draft will be made available at the following locations/media, pursuant to §104 of the APA:

Office of the Chief Secretary	Chief Secretary Office – Ebeye
Public Service Commission	Office of each departmental head of the Public Service
Courthouse on Majuro Atoll	Council Buildings on Majuro Atoll
Council Buildings on Ebeye	FIBL Unit – Ministry of FBPS
OCIT – Ministry of NRC	V7AB & SMS Texts

Once the regulations have been approved by Cabinet following the APA process, a certified copy of the *DRAFT RMI FIBL Regulations 2000, Amended* will be promulgated as *RMI FIBL Regulations 2000, Amended*. All certified copies of the regulations will be distributed by the Secretary of Culture & Internal Affairs, in accordance with §107 of the APA.

For any inquiries regarding this notice, kindly contact the Office of Commerce, Investment & Tourism via phone or email.

Komol tata,



Maybelline Andon-Bing
Secretary, MoFBPS

REPUBLIC OF THE MARSHALL ISLANDS
FOREIGN INVESTMENT BUSINESS LICENSE REGULATIONS
Title 36, Chapter 2

PART I – AUTHORITY, PURPOSE, AND DEFINITIONS

Section 1. Authority.

The Republic of the Marshall Islands Foreign Investment Business License Regulations 2000, as amended (the “Regulations”) are made and promulgated by the Minister responsible for foreign investment, pursuant to, 36 MIRC Chapter 2, Section 210.

Section 2. Citation.

These Regulations may be cited as the “Foreign Investment Business License Regulations 2000, Amended,” and shall come into effect after approval by the Cabinet.

Section 3. Purpose.

These Regulations are intended to prescribe the procedure for applying for a Foreign Investment Business License and other matters required or necessary to be prescribed pursuant to the Foreign Investment Business License Act 1990 (“Act”), and to facilitate the administration of, and otherwise give better effect to, the Act.

Section 4. Definitions.

Words and expressions used in these Regulations that are also used in the Act shall have the meanings respectively assigned to them in the Act.

Section 5. Application.

These Regulations shall apply to all non-citizens engaging in or intending to engage in any business activities in the Republic of the Marshall Islands, pursuant to section 203 of the Act.

**PART II – REPUBLIC OF THE MARSHALL ISLANDS FOREIGN INVESTMENT BUSINESS
LICENSE APPLICATION**

Section 1. Fees.

The fees specified in Schedule 4 of these Regulations are hereby prescribed in respect of matters set out in relation to such fee in Schedule 4.

Section 2. Prescribed Application Form.

- 1) Every non-citizen required to obtain a foreign investment business license (“FIBL”) under the Act shall submit a Republic of the Marshall Islands FIBL Application, in duplicate, to the Registrar of Foreign Investments (“Registrar”). The Application shall be in the prescribed form set out in Schedule 1 to these Regulations, and is obtainable from the Office of the Registrar located in the Ministry of Finance, Banking and Postal Services / PO Box 29 / Majuro, MH 96960 or the Office of Commerce, Investment & Tourism (“OCIT”), Ministry of Natural Resources & Commerce / PO Box 898 / Majuro, MH 96960.

- 2) An application for an FIBL shall be completed by answering all questions contained in the prescribed form, honestly and to the best of the applicant's knowledge. The completed form shall be forwarded to or returned to the Registrar by hand-delivery or by mail to the addresses referred to in paragraph (1) of this section. The form shall be accompanied by a receipt from the Ministry of Finance, Banking & Postal Services evidencing payment of the prescribed non-refundable filing fee.
- 3) All non-citizens engaging in business activities as an authorized foreign corporation, authorized foreign limited liability company, or an authorized joint-venture or partnership shall register with the Registrar for Resident Domestic Corporations at the Office of the Attorney General, pursuant to the Associations Law Title 52 of MIRC.

PART III – PROCEDURE FOR GRANTING FOREIGN INVESTMENT BUSINESS LICENSE

Section 1. Review of Application.

- 1) Pursuant to Section 206 of the Act, the Registrar shall, upon receipt of an application form, review said application and shall approve if the Registrar is satisfied the information contained in the application is in conformity with the requirements set out under the Act, these Regulations and other applicable laws of the Republic. If it is unclear whether the application is for an investment in a sector included in the Reserved List, the Registrar shall clarify the position by seeking the written opinion of the relevant ministry or agency. Decisions to clarify the sector shall be taken within 15 days from the date the matter is referred.

When the investment sector has been determined, the Registrar shall, unless the applicant has a criminal record involving deception, or is otherwise considered to be an undesirable individual or entity, pursuant to any law of the Republic of the Marshall Islands, or the application does not comply with the requirements of the Act or these Regulations:

- a. Issue a foreign investment business license if the application is for a sector or activity not included on the Reserved List;
 - b. Advise the applicant that the application has been denied if the proposed foreign investment is in a sector included on the Reserved List; or
 - c. Deny the application for any other purpose contradictory to the laws or policies of the Republic.
- 2) A denial of an application by the Registrar shall be in writing and shall state the reason(s) for the denial.
 - 3) Every FIBL issued under or pursuant to this Section is subject to the condition stated therein and shall be null and void if the applicant fails to commence business covered by the license within twelve (12) calendar months from the date the license was issued. The company shall produce the following evidentiary documents showing business commenced within the 12-month period or other forms of engagement deemed reasonable to the Registrar:
 - a. Bank Account bearing the name of the business;
 - b. If employing individuals, evidence of tax compliance;
 - c. Evidence showing company is engaging in activities related, directly or indirectly, to the scope of activity;
 - d. Certified copy of an annual report.

Section 2. Amendment of Foreign Investment License.

At the request of the registered investor, the Registrar may amend or modify a foreign investment business license to add a substantially new business activity, or otherwise substantially change the scope of the business activities on such license, upon completion of the steps below and payment of the prescribed fee under Schedule 4.

- a. If the amendment involves a change in the scope of activity, and company structure or beneficial ownership, the application shall be reviewed in the same manner as a new application;
- b. If the amendment only involves a change in the scope of activity, the Registrar may amend upon payment of the prescribed fee.

PART IV – RESERVED LIST

Section 1. Economic Sectors or Activities Reserved Solely for Citizen Investors.

- 1) Pursuant to Section 204A of the Act, the economic sectors, sub-sectors or activities specified in Schedule 2 to these Regulations are hereby reserved solely for citizen investors.
- 2) Any non-citizen who violates Subsection (1) commits an offense and shall, upon conviction, be liable to imprisonment for a term not exceeding twelve (12) months or a fine not less than ten thousand dollars (\$10,000.00) and not exceeding fifty thousand dollars (\$50,000.00) or both.

PART V – FEES AND MISCELLANEOUS MATTERS

Section 1. Fees.

- 1) Pursuant to the provisions of the Act, the fees set out in the first column of Schedule 4 to these Regulations are hereby prescribed for and in respect of the matters specified in the second column of said Schedule.
- 2) Minister may, with the prior approval of the Cabinet, by order, amend the fees referred to in paragraph (1).

Section 2. Register of Foreign Investment.

- 1) Pursuant to Section 207 of the Act, the Register of Foreign Investments in the Republic required to be maintained by the Registrar, is available for inspection in the office of the Registrar. The information or data contained in said Register is outlined in Schedule 3 to these Regulations and shall be updated and published on an annual basis.
- 2) Every foreign investment business license holder shall advise the Registrar in writing of any change in circumstances that necessitates a change to the data contained in the Register of Foreign Investments within 30 days of the change taking place.

Section 3. Modification, Suspension or Revocation of License.

- 1) Pursuant to Section 208 of the Act, a foreign investment business license granted under the Act shall at all times be subject to modification, suspension or revocation by the Registrar in accordance with the Marshall Islands Administrative Procedure Act, 6 MIRC, Chapter 1, if-
 - a. the application of the grantee is found to have contained false or fraudulent information;

- b. the grantee bribed or otherwise unlawfully influenced any government official or Registrar other than on the merits of the application;
 - c. the grantee presented false evidence or fraudulent information to the Registrar in support of his/her application;
 - d. the grantee violates any laws in the Republic;
 - e. the grantee engages in business activities which are in violation of any condition or term imposed in the license; or
 - f. the grantee engages in business activities outside the scope of the license.
- 2) An existing foreign investment business license shall not be revoked or cancelled once the investment activity engaged in is subsequently added to the Reserved List. Existing businesses are allowed to expand their existing business operations, provided such expansion does not constitute a substantially new or different business activity, which is contained on the Reserved List.

PART VI – GENERAL

Section 1. Sanctions for violations.

- 1) If any authorized foreign entity licensed under the Act fails to comply with, or otherwise violates these Regulations, the Registrar shall, at any time after notice of such default or violation, suspend or revoke the license, issue a fine or penalty pursuant to the Schedule 4 of these Regulations, or as deemed appropriate.

Section 2. Annual Report Filings.

Pursuant to the Associations Law, 52 MIRC and the regulations promulgated thereunder, each foreign entity licensed under the Act shall file an annual report with the Registrar for Resident Domestic Corporations located at the Office of the Attorney General / PO Box 890 / Majuro, MH 96960. (Jan 1st thru Jun 30th).

Section 3. Record Keeping

- 1) Each authorized foreign entity shall keep reliable and complete accounting records, minutes and beneficial ownership information of the company in accordance with the Associations Law, Part I.
- 2) All records required to be maintained under subsection (1) above, shall be retained for a period of at least five (5) years and shall be produced upon demand to the Registrars for Foreign Investments and Resident Domestic Corporations.
- 3) Failure to produce such records to the Registrars, as stipulated under sub-section (2) above, shall result in a penalty set out under Schedule 4, if the authorized foreign entity is unable to show it made all reasonable efforts to maintain and retain such records.

Section 4. Effect of Prior Regulations.

Subject to the provisions of these Regulations, all prior regulations in force on the effective date of these regulations are hereby superseded.



SCHEDULE 1 – RMI FIBL Application

Republic of the Marshall Islands Foreign Investment Business License Application

Application Type: New Application Renewal of Application Amendment of Application Date : _____
 Submitted by : _____

ADMINISTRATIVE DETAILS			
(1) Name of the Proposed Business:			
(2) Business Description and Intended Location/Island:			
(3) Address of Principal Office at which the Proposed Business is to be Conducted:			
City:	State:	Phone:	E-mail:
(4) Person to be contacted regarding this application <i>(for statistical purposes only)</i> :			
Citizenship:	Address:	Phone:	E-mail:
(5) Will contact person be available for interview regarding this application? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, the local agent will be responsible for representing application in interview)</i>			
(6) Name of local Agent in RMI:			
Address:		Phone:	E-mail:
BUSINESS SCOPE AND FINANCIAL DETAILS			
(7) The nature of the proposed business and the product or service to be provided in sufficient detail to present a clear description of the proposed activity:			
(8) Proposed total capital investment in the RMI at the end of the first twelve (12) months? <i>Check one</i>			
<input type="checkbox"/> Between 500,000 to 1,00,0000 <input type="checkbox"/> US\$1,000,000 or more <input type="checkbox"/> Other, specify amount:			
LABOR AND EMPLOYMENT		BUSINESS LOCATION AND LEASEHOLD	
(9) The number of persons to be employed according to skills		(10) Land expected to be leased? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of Skill	Foreign	Local	The location of the proposed business and whether land is expected to be leased:
Management			
Skilled			
Unskilled	N/A**		
*Total number of Employees		BUSINESS ESTABLISHMENT AND COMMENCEMENT OF OPERATIONS	
** In the first year of commencement and subsequent years, Employers must maintain a workforce of which at least 50% is comprised of Marshallese citizens		(11) The date on which it is proposed to commence establishment of business in the Marshall Islands.	
***Unskilled worker is reserved for local hires only			
TYPE OF BUSINESS			
(12) Form of Business: <i>(Check one only)</i>			
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Association			
(13) Nature of Business: <i>(Check all that apply)</i>			
<input type="checkbox"/> Domestic/Local <input type="checkbox"/> Foreign <input type="checkbox"/> Profit <input type="checkbox"/> Non-Profit			

Republic of the Marshall Islands Foreign Investment Business License Application

It is an offense if an applicant knowingly makes a false statement, uses or provides Forged or misleading documents. The Director of Immigration or an authorized Officer may, during the currency of visa, revoke that visa by issuance of a Notice of Revocation.

APPLICANT INFORMATION		
(14) Full name:		
(15) Date of Birth:	(16) Nationality:	
(17) Current Residence and Address:		
City:	State:	ZIP Code:
(18) Residency for the past 5 years:		
(19) Do you intend to reside in the RMI for more than 6 months? <input type="checkbox"/> Yes (Alien Registration is required) <input type="checkbox"/> No	(20) Marital Status:	(21) Citizenship:
(22) Do you have dual citizenship? <input type="checkbox"/> Yes (Please list both below) <input type="checkbox"/> No		
Passport 1	Passport 2	
Passport #:	Passport #:	
Issuing Authority:	Issuing Authority:	
Issuing Date:	Issuing Date:	
Expiry:	Expiry:	

(23) The names, addresses and passport numbers of all the legal and beneficial shareholding and the names, addresses and passport numbers of all the shareholders of the proposed business together with the same details of Directors, key-management and expatriate personnel:

Name/Entity	Permanent Address	Local Address	Passport #	Intends to reside in the RMI?
				<input type="checkbox"/>

Republic of the Marshall Islands Foreign Investment Business License Application

APPLICANT DECLARATION & SIGNATURE			
(24) Declaration: <i>I, hereby declare that I filled, examined and filed this document and that it, including any accompanying schedules and statements, was to the best of my knowledge and belief true, correct, and complete.</i>			
Printed Name:	Signature:	Title:	Date:

FOR OFFICIAL USE ONLY			
SIGNATORIES			
Date:	Secretary of Finance	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	FIBL: Issuance Date: Expiration Date:
Date:	Registrar, Resident/Domestic Corporations	<input type="checkbox"/> Endorsed <input type="checkbox"/> Denied	Charter: Issuance Date: Expiration Date:
Date:	MISSA Representative	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	EIN: Issuance Date: Expiration Date:
Date:	Director of Labor	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Work Permit: Issuance Date: Expiration Date:
Date:	Director of Immigration	<input type="checkbox"/> Approved <input type="checkbox"/> Disapproved	Business Visa: Issuance Date: Expiration Date:

SCHEDULE 2 - RESERVED LIST

The following list of economic sectors, subsectors or business activities indicates areas in which new investments are reserved solely for citizen investors, pursuant to Section 204A of the Act.

1. Small scale agriculture for local markets
2. Small scale mari-culture for local markets
3. Bakeries and pastry shops
4. Motor garages and fuel stations
5. Land and water taxi operations, not including airport taxis used by hotels
6. Rental of all types of motor vehicles
7. Businesses with a quarterly turnover of less than \$10,000.00
8. Laundromat and dry cleaning, other than service provided by hotels/motels
9. Tailor/sewing shop
10. Video rental
11. Hair Salons
12. Aquaculture and aquaponics

SCHEDULE 3 - REGISTER FOR FOREIGN INVESTMENT

Pursuant to Section 207 of the Act, Registrar is required to maintain a Register of Investments in the Republic which shall be available to the public. The Register shall be updated and published on an annual basis. The information or data contained in the Register of Foreign Investments shall include:

1. Foreign Investment Business License (FIBL) Number
2. Date of FIBL Approval
3. Name of Business
4. Scope of Business Activity
5. Name, Address, Contact Details and Citizenship of Business Owner
6. Level of Capital Investment
7. Number and country of citizenship of employees
8. Duration of FIBL
9. Status of Business (Active/Inactive)
10. Date of any amendment, modification, suspension, or revocation

SCHEDULE 4 - FEES & PENALTIES

Application Filing Fee	\$250
Amendment of License	\$250
Penalty Fee	
Failure to inform Registrar of change in circumstances within 30 days	\$250
Failure to maintain accounting records	\$100
Failure to maintain minutes	\$100
Failure to maintain ownership/beneficial ownership information	\$100
Failure to produce accounting records	\$1,000
Failure to produce minutes	\$1,000
Failure to produce ownership/beneficial ownership information	\$1,000
Non-Compliance Penalty	\$2,500