

REPUBLIC OF THE MARSHALL ISLANDS
FOREIGN INVESTMENT BUSINESS LICENSE REGULATIONS
Title 10, Marshall Islands Administrative Code
Regulation 501 et seq.
(10 MIRC 501 et seq.)

PART1- AUTHORITY, PURPOSE AND DEFINITIONS

501. *Authority*

These Regulations are made and promulgated by the Minister responsible for Foreign Investment, pursuant to Section 501 of the Foreign Investment Business License Act of 1990, 10 MIRC, Chapter 5, as amended by the Foreign Investment Business License (Amendment) Act P.L.2004 (the Act”)

502. *Citation*

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

503. *Purpose*

These Regulations are intended to prescribe the procedure for making application for Foreign Investment Business License and other matters required or necessary to be prescribed pursuant to the Act, and to facilitate the administration of, and otherwise give better effect to, the Act.

504. *Definitions*

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

PART II – APPLICATION FOR FOREIGN INVESTMENT BUSINESS LICENSE

505. *Application*

- 1) Every non-citizen required to obtain a foreign investment business license (“license”) under the Act shall submit an application, in duplicate, to the Registrar of Foreign Investment (“Registrar”). The application shall be in the form set out in Schedule 1 to these Regulations, and is obtainable from the office of the Registrar located in the Ministry of Finance, PO Box 29, Majuro, MH, 96960.
- 2) An application for a license shall complete said form by answering the questionnaire therein honestly and to the best of his or her knowledge, information and ability. The completed form shall be returned to the Registrar

by hand-delivery or by mail at the address referred to in paragraph (1). The form shall be accompanied by a receipt issued by the Ministry of Finance evidencing payment of the prescribed non-refundable filing fee.

PART III – PROCEDURE FOR GRANTING FOREIGN INVESTMENT BUSINESS LICENSE

506. Review of Application and Issue of License by Registrar

- 1) Pursuant to Section 506 of the Act, the Registrar shall upon receipt of an application form such as is referred to in Section 505, review said application.
- 2) If it is unclear whether the application is for investment in a sector included on the Reserved List, the Registrar shall clarify the position by seeking the written opinion of the Secretary of Resources and Development, who shall have sought the views of the appropriate ministries and agencies. If the Secretary is unable to clarify the position or form an opinion, the matter shall be finally determined or clarified by a Foreign Investment Panel composed of the Secretary of Resources and Development, the Secretary of Finance, and a representative of the private sector appointed by the Cabinet/Majuro Chamber of Commerce. Decisions as far as possible shall be taken within 15 days from the date the matter is referred to said panel.
- 3) When the investment sector has been determined, the Registrar shall, unless the applicant has criminal record involving dishonesty, 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 investment 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.
- 4) Every license issued under or pursuant to this Section is subject to the condition that said license shall be null and void if the applicant fails to commence the business covered by the license within twelve (12) calendar months from the date the license was issued.

507. Amendment of Foreign Investment License

At the request of the registered investor, the Registrar may amend or modify a foreign investment business license to substitute or add a substantially new business activity, or

otherwise substantially change the scope of the business activities on such license, upon payment of the prescribed fee referred to in Section 503 (3).

PART IV – RESERVED LIST

508. Economic Sector or Activities Reserved Solely for Citizen Investors

- 1) Pursuant to Section 504 of the Act, the economic sectors, sub sectors or activities specified in Schedule 2 to those 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

509. Fees

- 1) Pursuant to the provisions of the Foreign Investment Business License (Amendment) (No. 2) Act, 200, P.L. 2004, the fees set out in the first column of Schedule 3 to these Regulations are hereby prescribed for and in respect of the matters specified in the second column of said Schedule.
- 2) The minister may, with the prior approval of the Cabinet, by order amend the fees referred to in paragraph (1).

510. Register of Foreign Investment

- 1) Pursuant to Section 507 of the Act, the Register of Foreign Investment in the Republic required to maintain by the Registrar, is available for inspection in the office of the Registrar. The items of information or data contained in said Register are outlined in Schedule 3 to these Regulations.
- 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 Investment within 30 days of the change-taking place.

511. Modification, Suspension or Revocation of License

- 1) Pursuant to Section 508 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; and
 - f.** the grantee engages in business activities outside the scope of the license;
- 2) An existing foreign investment business license can not be revoked or cancelled once the investment has commenced, if the reason is that the investment activity it was issued for had been added, subsequently, 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.

Schedule 1

Regulation 505 (1)

Foreign Investment Business License Application

Instructions:

Pursuant to Section 505 (2) of the Regulations, all Application for a Foreign Investment Business License must contain the information required per this form. The completed application must be signed and dated by the applicant and submitted in duplicate, to the Registrar of Foreign Investment in the Ministry of Finance, Capital Building, Majuro, Republic of the Marshall Islands, MH, 96960 (“RMI”).

ADMINISTRATIVE DETAILS

1. Name of the proposed business:

2. Address of the principal office at which the proposed business is to be conducted:

3. Name, Address and Citizenship (for statistical purposes only) of the person to be contacted regarding this application:

4. State whether contact person will be available for interview regarding this application, if necessary (if no, the local agent will be responsible for representing application in interview):

5. Name and Address of applicant’s local agent in RMI:

BUSINESS SCOPE AND FINANCIAL DETAILS

6. 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:

7. If a corporate entity, 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	ADDRESS	PASSPORT #

8. * Proposed total capital investment in the RMI at the end of the first twelve (12) month period:
- a. less than US\$ 50,000 _____
 - b. between US\$ 50,000 and US\$ 100,000 _____
 - c. between US\$100,000 and US\$ 500,000 _____
 - d. between US\$ 500,000 and US\$ 1,000,000 _____
 - e. greater that US\$ 1,000,000 _____

LABOR AND EMPLOYMENT

9. * The number of persons to be employed according to skill level:
- a. Management _____
 - b. Skilled _____
 - c. Unskilled _____

BUSINESS LOCATION AND LEASEHOLD

10. The location of the proposal business and whether land is expected to be leased for the business:

BUSINESS ESTABLISHMENT AND COMMENCEMENT OF OPERATIONS

11. The date on which it is proposed to commence establishment of the business in the Marshall Islands:

TYPE OF BUSINESS

12. Form of business organization:
- a. Corporation
 - b. Other than corporation (indicate form of business if other than corporation)
13. ** Corporations:
- a. Name, address and citizenship of Incorporators

 - b. Stipulation not to restrict issuance of stock to citizens of the Republic of the Marshall Islands, except by way of preemptive rights of existing shareholders

 - c. Subsequent contemplated issuance of stock

 - d. Proposed minimum paid-in capital before commencing business (10% of authorized capital stock of domestic corporations must be paid in)

 - e. Provision in Articles of Incorporation stating that the stock authorized and reserved for citizens of the Republic shall not be revalued for the first five (5) years after receipt of business license

 - f. Ownership participation by citizens of the Republic of the Marshall Islands

 - g. If a domestic (or Republic of the Marshall Islands) corporation, stipulation agreeing to offer shares of stock at the principal place of business in the Republic

14. ** Articles, by-laws, charter, status of corporation, a copy, duly certified by the officer authorized to grant such certification, of each of the following documents:
- a. Articles of incorporation and By-Laws
 - b. Charter of certificate to do business in state or territory where organized
 - c. Insurance companies should attach copy of last annual statement

(In order to obtain a Marshall Islands Corporate Charter, an original and two copies each of the proposed Articles of Incorporation and By-Laws should be filed with the Marshall Islands Registrar of Corporation)

Signature:

Date:

* For statistical and monitoring purposes only

** For Corporations only

Schedule 2

Regulation 508 (1)

Reserved List

The following list of economic sectors, subsectors or business activities indicates areas in which new investment are reserved solely for citizen investors, pursuant to Section 504.5 of the Act.

1. Small scale agriculture for local markets
2. Small scale mariculture for local markets
3. Bakeries and pastry shops
4. Motor garages and fuel filling stations
5. Land Taxi Operations, not including airport taxis used by hotels
6. Rental of all types of motors vehicles
7. Small retail shops with a quarterly turnover of less than \$1,000.00 (including mobile retail shops and/or open-air vendors/take-outs)
8. Laundromat and dry cleaning, other than service provided by hotels/motels
9. Tailor/sewing shop
10. Video rental
11. Delicatessen or Deli Shop of Food take-out

Schedule 3

Regulation 510

Register of Foreign Investment

Pursuant to Section 507 of the Act, the items of information or data contained in the Register of Foreign Investment are as follows:

- Foreign Investment Business License (FIBL) Number
- Date of FIBL Approval
- Name of Business
- Scope of Business Activity
- Name, Address, Contact Details and Citizenship of Business Owner
- Level of Capital Investment
- Number and type (RMI citizen, Expatriate, etc) of employees
- Duration of FIBL
- Status of Business (Active/Defunct)

Schedule 4
Regulation 509

Fees

Description	Amount
License Application Filing Fee	US \$250.00
Amendment of License	US \$250.00