

AN ACT

To establish a dedicated account for the Our Ocean Conference, which will be hosted by the Republic of Palau in the year 2020; to establish a tax exemption for local contributions to the same; and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIIL ERA KELULAU DO ENACT AS FOLLOWS:

1           Section 1. Legislative Findings.

2           The Olbiil Era Kelulau finds that the Republic of Palau has been greatly  
3 honoured by being named to host the Our Ocean Conference in 2020. The most recent  
4 Our Ocean Conference was hosted in October 2017 by the European Union in Malta,  
5 and our leaders have worked diligently to secure the 2020 conference in Palau. The  
6 Republic must embrace this opportunity to showcase our leadership as stewards of the  
7 One World Ocean, and to cement our reputation as a Large Ocean State. From the  
8 Micronesia Challenge, World's First Shark Sanctuary, and Palau National Marine  
9 Sanctuary to the Pristine Paradise. Palau brand, this conference will be a platform to  
10 promote some of our most important national undertakings.

11           The Olbiil Era Kelulau also finds that this conference will be the largest and most  
12 high-profile event ever to take place in the Republic of Palau. The number and relative  
13 importance of attendees to this conference will create logistical and security challenges  
14 that Palau has not dealt with before. While there is no doubt that Palau can rise to this  
15 occasion, there is also no reason to delay preparations. To succeed in hosting an event of  
16 this global scale, we need to begin preparing right away.

17           To this end, the Olbiil Era Kelulau finds that a special dedicated account is an  
18 important first step in the national, multi-year effort of preparing for this conference.  
19 This account will be used to collect, and store, conference funding from all available  
20 sources. Diligence, accountability, and responsible preparation will be the keys to a  
21 successful Our Ocean Conference in 2020.

22           Section 2. Amendment.

23           To create a new Section 413 within Chapter 4 of Title 40 of the Palau National  
24 Code, to read as follows:

1           **“§ 413. Our Ocean Conference 2020 Fund.**

2           **(a) There is hereby established a revolving fund within the National Treasury**  
3 **that shall be known as the “Our Ocean Conference 2020 Fund,” to be maintained by the**  
4 **Ministry of Finance, separate and apart from other funds of the National Treasury.**  
5 **Independent records and accounts shall be maintained in connection therewith.**

6           **(b) The Our Ocean Conference 2020 Fund shall be the primary account for all**  
7 **monies collected to fund the 2020 Our Ocean Conference, and the primary account from**  
8 **which 2020 Our Ocean Conference expenses shall be paid. All appropriations, funds,**  
9 **and revenues made or received for the purpose of funding the 2020 Our Ocean**  
10 **Conference shall be deposited into the Our Ocean Conference 2020 Fund.**

11           **(c) Except when specific requirements are imposed by law or by the grantor or**  
12 **donor, monies from the Fund shall be applied to the costs of hosting the 2020 Our Ocean**  
13 **Conference. Such costs may include, among others:**

- 14                   **(1) The cost of procuring, improving, or constructing conference space**  
15                   **and related facilities;**  
16                   **(2) The cost of security for the conference, and of any additional security**  
17                   **required by high-profile conference attendees;**  
18                   **(3) The cost of advertising and publicizing conference information;**  
19                   **(4) The cost of developing conference materials;**  
20                   **(5) The cost of catering, ground transportation, communication, or other**  
21                   **services for conference attendees; and**  
22                   **(6) The rental or purchase of required equipment.**

23           **(d) Surplus funds remaining in the 2020 Our Ocean Conference Fund, upon the**  
24 **completion of the Our Ocean Conference and payment of all related expenses, absent**  
25 **requirements imposed by law or by the grantor or donor, may be rolled into the trust**  
26 **account for the Palau National Marine Sanctuary, and the 2020 Our Ocean Conference**  
27 **Fund shall cease to exist. A final, comprehensive report of all account activity shall be**  
28 **generated and made available within six months of the conclusion of the 2020 Our**  
29 **Ocean Conference for any interested Fund contributor.”**



1           Section 3. Amendment.

2           To amend Section 1104 within Chapter 11 of Title 40 of the Palau National Code,  
3 to read as follows:

4           “§ 1104. Refunds; contributions to the nonprofit corporations.

5           If it is shown upon application by an employee that there has been withheld from  
6 his wages or salary any tax not due thereon, then the Director shall refund the amount  
7 overpaid within thirty (30) days from the application. If an employee files with the  
8 Director a verified receipt indicating money paid for preschool, elementary, secondary  
9 or post-secondary school tuition for his own children or those under his guardianship, or  
10 financial contributions made by such employee to the Our Ocean Conference 2020  
11 Fund, the Palau Community College, or nonprofit corporations during the tax year,  
12 which all non-profit corporations are subject to regulations and must meet the criteria  
13 of eligibility for the individual to receive a financial contributions tax refund then the  
14 Director shall refund such amounts within ninety (90) days after the end of the tax year;  
15 provided that the amount of such a refund shall not exceed ten percent (10%) of the  
16 income taxes paid by that employee in that tax year. Eligibility shall be based upon  
17 promulgation of regulations by the Minister of Finance, pursuant to Administrative  
18 Procedure Act, 6 PNC Chapter 1.”

19           Section 4. Amendment.

20           To amend Section 1206 within Chapter 12 of Title 40 of the Palau National Code,  
21 to read as follows:

22           “§ 1206. Business tax refund.

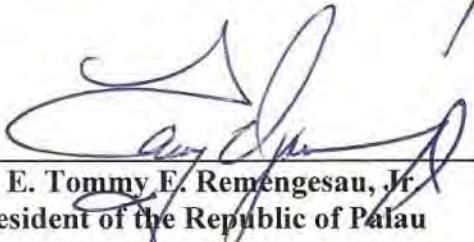
23           If a business files with the Director a verified receipt indicating financial  
24 contributions made by such business to the Our Ocean 2020 Fund or to nonprofit  
25 corporations, all nonprofit corporations are subject to regulations and must meet the  
26 criteria of eligibility for a business donor to receive a tax refund based on regulations  
27 promulgated by the Minister of Finance, during the tax year, the Director shall refund  
28 such amounts within ninety (90) days after the end of the tax year; provided that the  
29 amount of such refund shall not exceed ten percent (10%) of the gross revenue or net

1 income taxes paid by that business in that tax year. Criteria for eligibility of a donor  
2 business to receive financial contributions tax refund shall be based upon promulgation  
3 of regulations by the Minister of Finance, pursuant to Administrative Procedure Act, 6  
4 PNC Chapter 1.”

5 Section 5. Effective Date. This Act shall take effect upon approval by the  
6 President of the Republic of Palau or upon becoming law without such approval.

PASSED: January 31, 2018

Approved this 12<sup>th</sup> day of February, 2018.

  
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H. E. Tommy E. Remengesau, Jr.  
President of the Republic of Palau