TITLE 48 – TAXATION
CHAPTER 2 - IMPORT DUTIES AND LICENSES

Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

IMPORT DUTIES ACT 1989

Arrangement of Sections

Section **Page**

PART I - PRELIMINARY **3**

§201. Short title. 3
§202. Application of the Chapter. 3
§203. Interpretation. 4

PART II - LIMITATION ON THE NUMBER OF IMPORTERS **5**

§203A. Prohibition against Importation without a License 5
§203B. License to Import Alcohol and Tobacco Products 5
§203 C Invitations to Bid 6
§203 D Number of Licenses Authorized under this Part 7
§203E Register. 8
§203F Modification, suspension, or revocation. 8
§203G Authority of Secretary of Finance 8

PART III - IMPORT DUTY **9**

§204. Imposition of duty. 9
§205. Payment of duty. 9

PART IV - EXEMPTIONS **9**

§206. General exemptions. 9
§206A. Exemption for Renewable Energy (RE) and Energy Efficiency (EE) equipments. 11
207. Exception for Renewable Energy Vehicle. 11
§207A. Zero rate duties for local manufacturing industries on input supplies and input materials. 11

§208. Re-exports. 12
§209. Goods in transit. 13

PART V - ADMINISTRATION **13**

§210. First port of entry. 13
§211. Delivery of manifest. 13
§212. Entry of goods. 14
§213. Payment of duty and release. 14
§214. Lost and damaged goods. 15
§214A. Labeling of Food Items and Prohibition. 17

PART VI - ENFORCEMENT **17**

§215. General powers and duties of Customs Officers. 17
§216. Boarding of vessels and aircraft; inspections. 18
§217. Agreements to limit powers; void. 19
§218. Duty to assist. 19
§219. Immunity 19
§220. Regulations; Coordination of Implementation. 19

PART VII - OFFENSES AND PENALTIES **20**

§221. Release of goods without clearance 20
§222. Offenses. 20
§223. Penalties. 21

PART VIII - MISCELLANEOUS **22**

§224. Regulations. 22
§225. Forfeiture. 22
§226. Facilities. 23
§227. Funding Supplement for CMI 23
§228. Incentive Fee 24

SCHEDULE 1 **25**

RATES OF IMPORT DUTY GENERAL NOTE: 25

AD VALOREM, SPECIFIC OR UNIT TAXES 25

SCHEDULE 2 **28**

TITLE 48 – TAXATION
CHAPTER 2 - IMPORT DUTIES AND LICENSES

Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

IMPORT DUTIES ACT 1989

AN ACT to provide for the imposition of import duties on goods imported into the Republic of the Marshall Islands and for matters connected therewith. **[This Chapter was previously codified at 11 MIRC 5A].**

Commencement:			*April 14, 1989*
Source:			*P. L. 1989-49*
Amended By:	*P. L. 1989-60*	*P. L. 1990-102*	*P. L. 1992-25*
P. L. 1994-77	*P. L. 1995-119*	*P. L. 1996-16*	*P. L. 1996-25*
P. L. 1997-30	*P. L. 1997-40*	*P. L. 1998-68*	*P. L. 1999-80*
P. L. 2001-43	*P. L. 2002-52*	*P. L. 2004-16*	*P. L. 2004-5*
P. L. 2005-38	*P. L. 2005-40*	*P. L. 2006-74*	*P. L. 2007-87*
P.L. 2008-3	*P.L. 2008-5*	*P.L. 2011-52*	*P.L. 2011-54*
P.L. 2015-42	*P.L 2016-18*	*P.L 2017-35*	*P.L. 2019-113*

PART I - PRELIMINARY

§201. Short title.

This Chapter may be cited as the "Import Duties Act 1989".**[P.L. 1989-49, §1.]**

§202. Application of the Chapter.

This Chapter does not apply to or in relation to the importation of goods to the United States Army Kwajalein Atoll (USAKA).**[P.L. 1 989-49, §2.]**

§203. Interpretation.

In this Chapter, unless the context otherwise requires:

(a) "**Aircraft**" means any contrivance used or capable of being used for flight through the air. Aircraft is included in the definition of the term "**vessel**" unless the context requires otherwise;

(b) "**Chief**" means the Chief of Customs Division;

(c) "**consumable**" means goods imported for the direct consumption by households for personal needs not utilized for further production or manufacture;

(d) "**Controlled Substance**" means:

(i) any goods which have been declared illegal or limited in possession by the Nitijela including, but not limited to:

(1) consumable alcohol and beverages containing alcohol;

(2) narcotics; and

(3) cigarettes;

(ii) substances proscribed by the Convention on Psychotropic Substances;

(iii) prescription drugs; and

(iv) substances or items controlled by the Vienna Convention for the Protection of the Ozone Layer;

(e) "**Customs Officer**" means an employee of the Department of Revenue and Taxation who has been designated as a customs officer by the Chief or anyone who is deputized as such an officer by the Chief or any designated Customs Officer employee;

(f) "**Goods**" means all property;

(g) "**Minister**" means the Minister of Finance;

(h) "**raw material**" means materials which are imported for the specific purpose of using as inputs in the production of semi-manufactured or manufactured goods;

(i) "**Republic**" means the Republic of the Marshall Islands;

(j) "**semi-manufactured goods**" means goods imported for the purpose of using as inputs in the production of finished consumer goods;

(k) "**smuggled goods**" means goods imported with intent to defraud the revenue;

(l) "**smuggling**" means importing goods with intent to defraud the revenue;

(m) "**supplies**" means goods, other than consumable goods, used as a provision and clothing includes goods offered for sale; and

(n) "**vessel**" means every description of craft or other contrivance used or capable of being used for transportation including aircraft, unless the context requires otherwise. **[P.L. 1989-49, §3; amended by P.L. 1990-102, §2(1); P.L. 1994-77 §2(1); re-lettered alphabetically; subparagraphs (k) and (K) added by P.L. 1998-68 §2.]**

PART II - LIMITATION ON THE NUMBER OF IMPORTERS

§203A. Prohibition against Importation without a License

(1) Notwithstanding the provisions of any other Act to the contrary, no person corporation or any other business association or entity shall have the authority to import into the Republic, any alcohol or alcohol based products or any tobacco, or any other tobacco based products, without the approval of the Secretary of Finance.

(2) Such approval shall be issued in the form of a license or licenses, pursuant to the provisions of this Part.

(3) Any person, corporation or any other business association or entity that violates the prohibition set out in subsection (1) above shall be liable to the penalties set out under Sections 203F and 223 of this Act.

[Amended by P.L. 2006-74].

§203B. License to Import Alcohol and Tobacco Products

(1) Any person, corporation or any other business association or entity who intends to import any alcohol and alcohol based products, tobacco, and any other tobacco based products, for re-sale within the Republic shall first apply to the Secretary of Finance, for license to

import such goods under this part. The Secretary of Finance shall issue separate licenses for the importation of alcohol and alcohol based products and for the importation of tobacco and tobacco based products.

(2) Such licenses shall be in a form approved by the Secretary of Finance.

(3) The application for a license under this part shall contain:

(a) the name of the applicant's business;

(b) the applicant's principal place of business in the Republic and its authorized representative for purposes of the application;

(c) the purpose, scope, and objectives of the business activities to be conducted by the applicant;

(d) the proposed form of the business organization, including the ownership and management structure;

(e) the names, addresses, and citizenship of the initial owners and managers;

(f) proposals for ownership and management by citizens of the Republic;

(g) proposals to give employment preferences to citizens of the Republic and to train citizens of the Republic for positions in management and at other levels;

(h) anticipated capital contributions, revenue and expenditure for the first three (3) years;

(i) any other information that Secretary of Finance deems necessary or appropriate.

(4) Any person, corporation or other business association or entity:

(a) that has past due and outstanding taxes under the laws of the Republic;

(b) that has failed to fulfil any arrangement with the Secretary of Finance to settle any past due and outstanding taxes;

shall not be eligible to apply for a license under this Part.

§203 C Invitations to Bid

(1) The Secretary of Finance shall solicit applications for a license under this Part, through an invitation for bids.

(2) The Invitation for bids shall contain:

(a) an invitation to all those persons, corporations or other business associations or entities intending to import alcohol and tobacco products to submit an application pursuant to Section 203B above;

(b) terms and conditions of the license, any fees payable under this Part and any other information deemed necessary by the Secretary of Finance; and

(c) a request for the production of any background information on the applicant and any other information deemed necessary by the Secretary of Finance.

(3) Adequate public notice of the Invitation for Bids shall be given by the Secretary of Finance, and may include publication in a newspaper of general circulation for a reasonable period of time.

(4) Upon receipt of the applications, the Secretary of Finance shall review the applications pursuant to the provisions of this Part.

§203 D Number of Licenses Authorized under this Part

(1) The Secretary of Finance is hereby authorized to issue:

(a) no more than thirty (30) licenses for the importation of alcohol and alcohol based products each financial year; and

(b) no more than thirty (30) licenses for the importation of tobacco and tobacco based products each financial year;

(2) Except for the initial licenses, all licenses shall take effect on October 1st and remain in force for a period of twelve months.

(3) At the expiration of such period, the Secretary of Finance shall again, solicit applications through an invitation for bids pursuant to the provisions of Section 203C above and any Regulations promulgated pursuant to this Part.

(4) Where the Secretary of Finance determines that more than fifteen applicants are equally qualified, the Secretary of Finance shall decide the outcome by a drawing of lots.**[Amended by P.L. 2005-40]**

§203E Register.

(1) The Secretary of Finance shall maintain a register of all persons, corporations or business associations and entities that have been duly licensed to import goods under this part.

(2) All license holders under this Part shall advise the Secretary of Finance of any changes in their circumstances to allow for the appropriate amendments or modifications to the data on the license holder, contained in the register.

§203F Modification, suspension, or revocation.

(1) A license granted under this Part shall at all times be subject to modification, suspension, or revocation where:

(a) the application is found to have contained false or fraudulent information;

(b) the grantee presented false or fraudulent information to Secretary of Finance in support of his application;

(c) the grantee violates any of the laws of the Republic of the Marshall Islands;

(d) the grantee engages in business activities which are in violation of any condition or terms imposed in the license: and

(e) the grantee engages in business activities outside of the scope of the license.

§203G Authority of Secretary of Finance

In addition to the provisions of this Part, the Secretary of Finance is hereby authorized to formulate and adopt Rules and Regulations pursuant to the Administrative Procedures Act, for the administration of the provisions of this part. Such authority shall include but is not limited to:

(a) the formulation of a list of prerequisites, or standards of compliance, necessary for the issuance of a license under this Part;

(b) the formulation of a procedure to govern the bid process;

PART III - IMPORT DUTY

§204. Imposition of duty.

There is hereby imposed an import duty on the goods imported into the Republic at the rates specified in the Schedule 1 appearing at the end of this Chapter. **[P.L. 1989-49, §4.]**

§205. Payment of duty.

(1) Import duty payable on any goods must be paid, or arrangements satisfactory to the Chief, Revenue and Taxation must be made, before the goods are released from the control of Customs.

(2) Until such time as the goods imported are cleared under Subsection (1) of this Section, they shall remain under the control of Customs.

(3) The Chief may license warehouses wherein goods may remain under Customs control until such time as the owner of the Goods may wish to enter them in conformance with this Chapter.**[P.L. 1989-49, §5; Subsection (3) added by P.L. 1998-68, §2.]**

PART IV - EXEMPTIONS

§206. General exemptions.

(1) The following goods imported into the country are exempt from import duty:

(a) goods imported by a passenger or a member of the crew of a vessel or aircraft, being:

(i) wearing apparel, toiletries, personal jewelry, medicinal preparations and other such goods for immediate personal use of the passenger or the member of the crew or his family and not for resale up to the value of three hundred dollars (US $300);

(ii) not more than three hundred (300) cigarettes, seventy-five (75) cigars, or eight (8) oz. of smoking tobacco, for personal consumption and not for resale;

(iii) not more than (2) liters of distilled alcoholic beverages, for personal consumption and not for resale; or

(iv) gifts not exceeding three hundred dollars (US $300) in value.

(b) bona fide stores of the vessel or aircraft, being goods required for the use of the passengers and crew of the vessel or aircraft while on board in such quantities as approved by the Chief;

(c) goods imported in any one (1) consignment on which the total duties or taxes liable do not exceed twenty ($20) dollars; and

(d) goods imported by churches for their own religious, educational, or charitable purposes, subject to satisfactory evidence or security as may be required by the Chief.

(2) Commercial travelers samples must be cut, mutilated, spoiled or otherwise treated, to the satisfaction of the Customs Officer, so as to make them unmerchantable.

(3) No import duty shall be levied on lubricating oil and diesel fuel oil imported by, for, or on behalf of, or sold to the Kwajalein Atoll Joint Utility Resource, Inc. (KAJUR) solely for the purpose of power generation. If import duties have been paid by an original importer, and residual fuel oil or diesel oil is subsequently resold to KAJUR for the purpose of power generation, then the original importer shall be entitled to a refund of import duties previously paid on that residual fuel oil or diesel oil.

(4) Notwithstanding any other provision in this Act to the contrary, the Marshall Islands Energy Company (MEC) shall be exempted from the payment of import duty tax on the import of all types of fuel into the Republic, including fuel imported for power generation and for commercial re-sale.

(5) Fishing equipment, including: nets and net supplies, wire rope, POL products, machinery, parts, supplies and salt, imported into the RMI for use on licensed fishing vessels in the RMI which operates offshore in domestic and overseas waters. **[P.L. 1989-49, §6; Subsection (3) amended by P.L. 1995-119, §2(1), and P.L. 1997-40, §2; Subsections 1(c-e) amended by P.L, 1998-68, §2.][Amended by P.L. 2005-38, removing exemption for government purchases and adding new (4)][Subsection (3) and (4) amended by P.L. 2008-5][Subsection (5) is inserted as new by P.L. 2019-113].**

§206A. Exemption for Renewable Energy (RE) and Energy Efficiency (EE) equipments.

(1) No import duty shall be levied on Renewable Energy equipments (initially, warranted solar hot water heaters, photovoltaic (PV) panels, array frames, regulators, inverters, complete solar PV kits including batteries, or wind turbine kits) imported into the Republic of the Marshall Islands for the purposes of power generation.

(2) No import duty shall be levied on Energy Efficient equipments (initially air conditioning units, refrigerators and freezers, fluorescent and LED lightings) which have an Energy Star label or equivalent, imported into the Republic of the Marshall Islands for the purposes of provision of services using electrical power.

(3) Subsection (1) and (2) shall apply to the residential, commercial and government sectors.

(4) Any person who is granted exemption under Subsections (1) and (2) shall sign a prescribed form that certifies the imported RE & EE equipment complies, and declares thereby on the certificate the right of government officers to inspect the equipment. The prescribed form is set out in Schedule 2 at the end of this Chapter. **[P.L. 2011-52, §6A]**

207. Exception for Renewable Energy Vehicle.

(1) No import duty shall be levied on Renewable Energy Vehicles.

(2) For the purposes of this Section, "Renewable Energy Vehicles" means electric vehicle, completely or directly powered by renewable energy including hybrid-electrical vehicles.**[inserted by P.L.2015-42].**

§207A. Zero rate duties for local manufacturing industries on input supplies and input materials.

(1) All input supplies or materials imported for the use of local manufacturing industries, shall be reduced from 8 percent to zero (0) percent as long as they are use for such purposes.

(2) Any input supplies or input material referred to in subsection (1) of this Section and are imported, if offered for sale, sold or use for other purposes other than the purpose for which the importer claimed reduced import duty, shall be subject to import duty prevailing at the time of

importation. Input supplies and materials subject to reduced import duty under this section shall not include consumable goods of any kind.

(3) For the purposes of this section:

a. "input supplies or materials" means supplies or materials used for manufacture of local products or value addition including packaging and labelling.

b. "local manufacturing industries" means those industries that are involved in the manufacturing, processing or value addition of local products for domestic consumption or future or existing export market.**["Exemptions for Industries and Hotels" repealed in entirety by P.L. 2002-52,][section 207 reinstated by P.L 2016-18 in entirety]**

§208. Re-exports.

(1) A person who imports goods into the Republic for the purpose of re-export is entitled to a refund of import duty paid on the goods, on proof to the satisfaction of the Chief that:

(a) the goods were declared in the entry certificate presented under Section 212 (2)(b) of this Chapter to have been imported for re-export;

(b) the goods re-exported are identical with goods so declared;

(c) the goods were re-exported to a buyer outside the Republic and were purchased by him; and

(d) the import duty due on the goods at the time of import has been paid.

(2) Notwithstanding the provisions of Subsection (1) of this Section, the Chief may, under special circumstances, refund an amount not exceeding seventy-five (75%) of the duty paid on any goods re-exported on proof to the satisfaction of the Chief that:

(a) the goods were entered and import duty has been paid at the time of importation;

(b) the goods were re-exported to a buyer outside the Republic and were purchased by him;

(c) the goods re-exported are identical with the goods referred to in Paragraph (a) of this Subsection; and

(d) the refund of duty claimed is over five hundred dollars (US $500). **[P.L. 1989-49, §8; amended by P.L. 1998-68, §2.]**

§209. Goods in transit.

Goods that are in transit from a place outside the Republic to another place outside the Republic are subject to the control of Customs, and are not subject to import duty. **[P.L. 1989-49, §9.]**

PART V - ADMINISTRATION

§210. First port of entry.

(1) A vessel or aircraft entering the Republic must obtain Customs clearance from the first port of entry before calling any other port, except in case of emergency or when authorized by the Minister, in which case Customs clearance must be obtained as soon as practicable.

(2) In this Section, "first port of entry" means an official port of entry declared under the existing law. **[P.L. 1989-49, §10.]**

§211. Delivery of manifest.

(1) On the arrival of a vessel or aircraft at the first port of entry, the master, owner or agent of the vessel or aircraft shall, in accordance with Subsection (2) of this Section, deliver to a Customs Officer one copy of the manifest and bills of lading, and shall also deliver a true copy of any correction of the manifest and bills of lading, filed on the entry of his vessel or aircraft.

(2) The documentation referred to in Subsection (1) of this Section shall be delivered:

(a) in the case of a vessel, before or within one hour after it is docked and secured, and

(b) in the case of an aircraft, immediately upon its arrival and before any passengers or goods are loaded.

(3) All cargo, including ship or aircraft stores and transit cargo, but not including accompanied passenger personal effects, must be included in the manifest and bills of lading.

(4) In addition to the documents at Subsection (1) of this Section, the master, owner or agent shall deliver to a Customs Officer a declaration of all dutiable personal items held by each crew member,

together with the ship or aircraft stores list. **[P.L. 1989-49 §11; amended by P.L. 1998-68, §2.]**

§212. Entry of goods.

(1) Except as otherwise provided in this Chapter or in the regulations made under Section 224 of this Chapter, the consignee of any imported goods shall make entry of the goods, either personally or by an agent authorized by him, at the Office of the Chief, Revenue and Taxation, or some other place designated by the Chief for the purpose, within a reasonable time after the arrival of the importing vessel or aircraft.

(2) Entry may be made by presentation to the Customs Officer of:

(a) a non-negotiable copy of the bill of lading along with the shipper's load and count and vendor's invoices covering all goods arriving on the vessel or aircraft and consigned to the consignee; and

(b) an entry certificate signed by the consignee and verified by affidavit, certifying that:

(i) the vendor's invoices are correct;

(ii) no alterations have been made to them; and

(iii) if appropriate, the goods are imported for the purpose of export.

(3) If proper documentation is not available within a reasonable time after the arrival of the goods, the estimated import duty, as assessed by the Customs Officer, shall be paid, subject to adjustments when the documents arrive. **[P.L. 1989-49, §12.]**

§213. Payment of duty and release.

(1) Imported goods shall be retained at the place of unloading until entry has been made by cash or certified check, or permission has been given by the Chief for their release.

(2) Goods not released shall remain in the physical possession of the terminal operator at the expense of the consignee, but remain under Custom's control until the provisions of Subsection (1) of this Section have been complied with.

(3) Permission for the release of any goods shall only be given by the Customs Officer by making an endorsement, using the appropriate Customs stamps, identifying the goods released, on one of the copies of the bill of lading delivered by the master of the vessel or aircraft under Section 2 12(2) of this Chapter.

(4) The Customs Officer may permit the release and delivery, before formal entry, of perishable goods and other goods the immediate delivery of which he considers necessary (such as goods for which adequate holding or storage facilities are not available), but all such goods remain under Customs control, and shall not be disposed of by the consignee, until the duty or estimated duty is paid.

(5) The Chief may require reasonable conditions for granting such release or delivery and such conditions must be complied with by the applicant. **[P.L. 1989-49, §13; amended by P.L. 1998-68, §1.]**

§214. Lost and damaged goods.

(1) If, before import tax is paid on any goods covered by a bill of lading presented and verified in accordance with Section 2 12(2) of this Chapter, it is proved to the satisfaction of the Chief, Revenue and Taxation, that the goods are missing, the Customs Officer shall note the bill of lading and invoice accordingly, and import duty is not payable with respect to the missing goods (but without prejudice to the liability of the consignee if the goods are later landed or discovered).

(2) If the goods are damaged or deteriorated, then subject to Subsection (6) of this Section, the amount of import duty payable is reduced in proportion to the reduction of their value.

(3) Subject to Subsection (5) of this Sections, if after any package containing any goods is released under this Chapter it is proved to the satisfaction of the Secretary of Finance that any goods on which import duty has been paid and that were supposedly in the package were not in it at the time of the release of the package, the Secretary of Finance may authorize the refund to the consignee of the amount of import duty paid with respect to the missing goods (but without prejudice to the liability of the consignee if the goods are later landed or discovered).

(4) Subject to Subsections (5) and (6) of this Section if, after any goods on which import duty has been paid are released, it is proved to the satisfaction of the Secretary of Finance that the goods were, at the time of their release, damaged or deteriorated, the Secretary of Finance may authorize the refund to the consignee of such amount of the import duty on the goods as is in proportion to the reduction of their value.

(5) A claim for a refund under Subsection (3) or (4) of this Section shall not be considered unless:

(a) the claim is made and the necessary evidence is submitted within thirty (30) days, or such longer period as the Chief, Revenue and Taxation allows, after the date of the release of the goods;

(b) if it is claimed that the goods, or a package containing the goods, was seen to be damaged at or immediately after the time of release:

(i) the damage was pointed out immediately to a Customs Officer;

(ii) there was no reasonable opportunity to examine the goods then and there in the presence of a Customs Officer; and

(iii) the goods were examined at the first reasonable opportunity, and if practicable in the presence of a Customs Officer; and

(c) evidence to the satisfaction of the Secretary of Finance is submitted that the damage or deterioration did not take place after the release of the goods, whether in the custody of the consignee or elsewhere.

(6) If it is claimed under Subsection (2) or (4) of this Section that goods have been damaged or deteriorated to such an extent that the amount of import duty payable should be reduced by one hundred percent (100%), or that a full refund of import duty paid should be made, the claim shall not be allowed unless the goods are handed over to a Customs Officer for destruction or disposal as directed by the Chief, Revenue and Taxation. **[P.L. 1989-49, §14.]**

§214A. Labeling of Food Items and Prohibition.

(1) All food items imported for re-sale in the Republic shall be labeled in a language that is popularly spoken, read and understood by the majority of consumers in the Republic. Accordingly, no person shall import for re-sale in the Republic, food items that are not labeled in accordance with the provisions of this section.

(2) The Minister may, pursuant to Section 224 below, promulgate the necessary Regulations to allow for the efficient administration of the requirements of this Section. **[New Section inserted by P.L. 2007-95.]**

PART VI - ENFORCEMENT

§215. General powers and duties of Customs Officers.

(1) Every Customs Officer shall exercise such powers and perform such duties as are by law conferred or imposed on a Customs Officer and shall obey all lawful directions with respect to the execution of his or her office which he or she may receive from superiors from time to time.

(2) Every Customs Officer shall have the power and duty to open and examine all goods entering or leaving the Republic including, but not limited to, postal goods.

(3) It shall be the duty of every Customs Officer to enforce all laws and regulations of the Republic and to collect such evidence as is proper for investigation.

(4) Every Customs Officer shall have the power and duty to seize and impound such goods as is necessary to perform the duties of office. Goods so seized or impounded under this Subsection shall be kept in a Customs Bond approved by the Chief, for safe custody, pending disposal in accordance with this Chapter.

(5) Every Customs Officer shall have the power and duty to prevent, detect and apprehend all persons who are attempting to commit or committing a violation of any law or regulation, whether any enforcement or investigating authority is appointed under such law or not. If any Customs Officer prevents, or apprehends any person attempting to commit or committing an offense, it shall be his or her

duty to refer all goods and materials taken into custody and person apprehended to the nearest enforcement or investigating authority under the law.

(6) Every Customs Officer shall be deemed to be on duty at all times and may from time to time be detailed for duty in any part of the Republic. **[added by P.L. 1994-77, §2(2) 15; Subsection (4) amended by P.L. 1998-68, §2.]**

§216. Boarding of vessels and aircraft; inspections.

(1) When in his or her opinion it is necessary to do so in order to carry out the provisions of this Chapter or of any regulations made pursuant hereto, a Customs Officer may at any time and without notice:

(a) board and examine any vessel or aircraft entering or leaving the Republic;

(b) board and examine any vessel or aircraft carrying goods entering or leaving the Republic; and

(c) enter any building or other structure housing goods entering or leaving the Republic and examine such goods.

(2) Upon so boarding or entering, the Customs Officer may require the master or other person in charge thereof:

(a) to produce for inspection the manifest or other documents relating to all goods entering or leaving the Republic; and

(b) to produce or make available for inspection all such goods.

(3) When in his or her opinion, it is necessary to do so in order to carry out the provisions of this Chapter or of any regulations made pursuant hereto, a Customs Officer may examine any luggage, package or goods entering or leaving the Republic and may require it or them to be opened or otherwise made available for inspection. This Subsection also applies to any goods carried by any person whom a Customs Officer has reasonable suspicion to believe may have disembarked from a vessel or aircraft in the Republic.

(4) If on examination or inspection under this Section or otherwise a Customs Officer discovers any Controlled Substances, he or she may in addition to any other remedy:

(a) in the case of any such goods not intended to be landed at the port at which the vessel or aircraft is, require such goods to be kept in such a safe custody as he or she specifies until the vessel or aircraft leaves the territorial waters or airspace of the Republic, or its arrival at the port at which such goods are to be landed; and

(b) in the case of any such goods that are intended to be landed at the port at which the vessel or aircraft is, impound them until the Chief, Revenue and Taxation, is satisfied that they may lawfully be given to a person who is entitled to possess them in the Republic. **[added by P.L. 1994-77, §2(2) 15.1; Subsection (3) amended by P.L. 1998-68, §2.]**

§217. Agreements to limit powers; void.

That portion of any agreement between any person and the Republic, or any branch, agency, commission, board, authority or government majority-owned or controlled corporation of the Republic or any Local Government, that limits the powers or interferes with the duties provided for in this Chapter is void and unenforceable. **[addedbyP.L. 1994-77, §2(2) 15.2.]**

§218. Duty to assist.

It shall be lawful for any Customs Officer to call upon any person to assist him or her while acting in the execution of his or her duties. **[added by P.L. 1994-77, §2(2) 15.3.]**

§219. Immunity.

No suit or prosecution shall lie against any Customs Officer for any act which in good faith is done or purported to be done under this Chapter. **[added by P.L. 1994-77, §2(2) 15.4.]**

§220. Regulations; Coordination of Implementation.

(1) The Minister may make regulations, not inconsistent with this Chapter, prescribing all matters that are necessary or convenient to be prescribed for carrying out and giving effect to the provisions of this Chapter and generally for the enforcement of this Chapter.

(2) In addition to, and without limiting the generality of the foregoing, the Minister may, at any time:

(a) secure the assistance of other officers and employees of any other governmental agency or statutory independent entity in performance of the duties prescribed hereunder and in particular may, in order to coordinate the proper implementation of this Chapter, issue regulations and enter into interagency agreements with:

(i) Public Safety;

(ii) Local Government bodies;

(iii) MIMRA;

(iv) EPA;

(v) Sea Patrol;

(vi) the Undercover Investigations Division;

(vii) the Marshall Islands Postal Service;

(viii) Immigration;

(ix) Quarantine; and

(x) any other applicable governmental agency or statutory independent entity. **[added by P.L. 1994-77, §2(2) 15.5.]**

PART VII - OFFENSES AND PENALTIES

§221. Release of goods without clearance.

No carrier, agent, terminal operator or other person shall release or turn over to any consignee any goods imported into the Republic until they have been officially released under Section 213 of this Chapter. **[P.L. 1989-49, §16.]**

§222. Offenses.

(1) Any person who:

(a) turns over any goods imported into the Republic to a consignee in violation of the provisions of section 221 above; or

(b) hinders or obstructs a Customs Officer or other person in the exercise of his powers or the performance of his duties under this Chapter or the regulations made thereunder, or

(c) makes in any document produced to a Customs Officer pursuant to the provisions of this Act, any statement which is false or misleading in any particular, or;

(d) smuggles or attempts to smuggle any goods into the Republic, or;

(e) moves, alters or interferes with goods subject to Customs control; or

(f) enters any Customs baggage processing area during the performance of such baggage processing, without the approval of the Chief;

(g) violates the prohibition contained in section 203(A) of this Act;

(h) imports for re-sale, goods that are not labeled in accordance with Section 214(A); shall be guilty of an offense under this Act, and upon conviction, shall be liable to the penalties set out under section 223 of this Act.

(2) The provisions of paragraph (f) above shall not apply to on-duty airline, shipping personnel or officers of the Republic performing duty in relation to baggage processing.

(3) "Person" as used in subsection (1) above and in section 223 (2) below means any natural person or persons, corporations and other legal entities.**[P.L. 1 989-49, §17; subparagraphs (d-g) added by P.L. 1998-68, §2.]**Section Amended by P.L. 2004-16.] **[Subsection (1) Amended by P.L. 2007-87, inserting new paragraph (h).]**

§223. Penalties.

(1) Any person who commits an offense under Section 222 subsection (1) paragraphs (a), (b) and (f) above, shall, upon conviction, be liable to a fine not exceeding one thousand dollars ($US 1,000) or to a term of imprisonment not exceeding one year, or both.

(2) Any person who commits an offense under section 222 subsection (1) paragraphs (c), (d), (e) and (h), or violates the prohibition contained in Section 203(A) above shall be punishable as follows:

(a) for a first offense, the offender shall be liable to a fine in an amount equal to double the value of the goods involved or twenty thousand dollars ($20,000), whichever is the greater

amount, or imprisonment for a term not exceeding 3 months, or both.

(b) for a second offense, the offender shall be liable to a fine in an amount equal to double the value of the goods involved or fifty thousand dollars ($50,000), which ever is the greater amount, and to a term of imprisonment not exceeding six (6) months, or both. If the offender in this case is a corporation or other legal entity, doing business in the Republic, the Secretary of Finance shall recommend to the appropriate Local Government, for the suspension of such entity's business license for a period of three months.

(c) for a third offense, the penalty shall be a fine in an amount equal to double the value of the goods involved or one hundred thousand dollars ($100,000), which ever is the greater amount, or to a term of imprisonment not exceeding twelve (12) months, or both. If the offender is a corporation or other legal entity doing business in the Republic, the Secretary of Finance shall recommend to the appropriate Local Government, for the permanent revocation of any such entity's business license. **[P.L. 1989-49, §18; amended by P.L. 1998-68 §2.][Subsection (c) added by P.L. 1999-80.][amended by P.L. 2004-16.][Subsection (2) amended by P.L. 2006-74.][Subsection (2) amended to include references to the new paragraph (h).]**

PART VIII - MISCELLANEOUS

§224. Regulations.

The Minister may make regulations, not inconsistent with this Chapter, prescribing all matters that are necessary or convenient to be prescribed for carrying out and giving effect to the provisions of this Chapter, and generally for the enforcement of this Chapter. **[P.L. 1989-49, §19; amended by P.L. 1998-69, §2, numbering changed by Commissioner.]**

§225. Forfeiture.

(1) Any goods in respect of which a person has been convicted of an offense pursuant to Section 222 (c), (d) and (e) shall be forfeited to the Republic.

(2) Any vehicle, conveyance, package or apparatus which has been used in the commission of an offense against this Chapter, shall be forfeited to the Republic.

(3) Such forfeited goods as referred to in Subsection (1) and (2) of this Section, shall be disposed of by the Chief, by means of public auction or tender, as shall from time to time be notified to the public. **[added by P.L. 1998-68, §2.]**

§226. Facilities.

The owner or operator of any premises requiring the regular attendance of Customs Officers to perform Customs duties at or herein, in respect of cargo, passengers or other imported goods, shall provide suitable facilities for use by Customs Officers, as required by the Chief. **[added by P.L. 1 998-68, §2.)**

§227. Funding Supplement for CMI

(1) Notwithstanding the provisions of any Act to the contrary, the Secretary of Finance is hereby authorized to deduct a certain percentage or amount from the import tax collected on the items listed below to supplement funding for the College of the Marshall Islands.

(2) The items affected and the percentages and amounts deductible pursuant to subsection (1) above are as follows:

(a) Tobacco, and cigarettes $0.25 per pack of 20 rolls;

(b) Cigars 1%

(c) Other tobacco (Copenhagen) $0.25 per 34.2 grams or 1.2 oz

(d) Beer $0.25 cents per can or 12 oz. unit

(e) Wine $0.25 per gallon

(f) Spirits $2.00 per gallon

(g) Mixed drink 1%

(h) "soft drinks"-carbonated beverages $0.00833 per 10z

non-carbonated and artificially flavored beverages 5%

(3) The Secretary of Finance shall record and withhold these deductions and shall devise a procedure or method by which these funds may be paid to the College of the Marshall Islands.

(4) Any such procedure or method must be in conformity with the provisions of the Financial Management Act, 1990. [new section 227 added by P.L. 2004-5]

§228. Incentive Fee

(1) Any person who has information that a violation of the provisions of this Act has occurred, or is about to occur, and provides such information to the Secretary of Finance, which information results in the successful conviction of the offender, shall be entitled to an incentive fee in an amount amount equal to five per cent (5%) of the fines payable under Section 223 of this Act. Such incentive fee shall be payable from the proceeds realized from under the provisions of Section 225 above.

(2) "Person" as used in subsection (1) above does not include employees of the Public Service Commission and other agencies of government who by nature of their employment are required to report such violations.

(3) Any person who makes any false and frivolous reports under subsection (1) above shall be liable to a civil penalty in the amount of one thousand dollars ($1,000). **[New section added by P.L. 2004-16]**

SCHEDULE 1

(Section 204)

RATES OF IMPORT DUTY GENERAL NOTE:

(1) Duty shall be levied according to the rates of taxation given below.

(2) Where any goods can be classified under two or more items in this Schedule, they shall be liable to pay duty at the higher or highest rate of taxation applicable.

(3) Goods imported are subject to specific or unit tax or ad valorem tax.

(4) Specific or unit tax shall be paid on quantity, weight or volume; and ad valorem tax shall be paid on the cost, insurance and freight (C.I.F.) value of the goods as per rates given below; provided, however, that in respect to goods imported on aircraft the ad valorem tax shall be paid on the free on board (F.O.B.) value of the goods as per rates given below.

(5) There shall be a uniform tax on all imports at an eight per cent (8%) rate except for the following:

AD VALOREM, SPECIFIC OR UNIT TAXES

Product	**Current**
1. Foodstuffs	5%
Fuel:	
2. Gasoline	0.25 cents per gallon
3. Jet A-1	0.08 cents per gallon
4. Diesel	0.08 cents per gallon
Other:	

Product	Current
5. Motor Vehicles (whose values can be determined in the Kelly's Blue Book	15% of value stated in the Kelly's Blue Book or of accompanying invoice, whichever is higher, provided that in no case shall the duty assessed be less than $1,500.00 and the mileage shall not be more than 100,000 miles or 160934.4 km. For the purpose of this section, every buyer of imported used motor vehicle shall obtain from an authorized dealer or a self-importer a certificate to confirm the mileage of the import used motor vehicle before it is imported to the Republic of the Marshall Islands.
6. Motor Vehicles (whose value cannot be determined in the Kelly's Blue Book	New Motor Vehicles - $2,500.00 Used Motor Vehicles - $1,500.00
7. Public Transport	5%
8. Tobacco, and cigarettes	$1.00 per pack of 20 rolls
9. Cigars	151%
10. Other tobacco (Copenhagen)	$2.75 per 34.2 grams or 1.2 oz
11. Beer	$0.35 cents per can or 12 oz. unit
12. Wine	$2.75 per gallon
13. Spirits	$15.00 per gallon
14. Mixed drink	26%
15. Soft drinks - carbonated beverages Non-carbonated and artificially flavored beverages	0.01666 per 1 oz. 10%

(2) As used in this Section:

(a) "Foodstuffs" means all consumables including sugar and sugar confectionery, animals products, canned foods, snacks foods, bakery items, prepared cereals, condiments such as salt, pepper, spices, cooking oil and ketchup.

(b) The following products shall be exempted from import duties under this Act: milk(fresh and evaporated); soy milk; rice; flour; fresh, frozen and canned vegetables; fruit; babyfood products; poultry (excluding turkey tail); and canned fish products.

(c) "New Motor Vehicle" means a motor vehicle which (1) has not previously been sold to any person except a distributor, wholesaler, or dealer for resale, except where the vehicle has not left the dealer's possession after the sale to a consumer, (2) has not been previously registered or titled in the name of a consumer except where the vehicle has not left the dealer's possession after the sale to a consumer, and (3) has not been driven more than two thousand (2000) miles; provided that where a sale, registration, entitlement, or transfer of title of a motor vehicle, or the accrual of mileage thereon, is primarily for the purpose of evading this provision, the motor vehicle shall be deemed a new motor vehicle for the purpose of this Act.

(d) "Used motor vehicle" means a motor vehicle other than a new motor vehicle. [amended by P.L. 1992-25, §2-3, P.L. 1995-119, §2(2); P.L. 1996-16, §2(1); P.L.1996-25, §2; P.L. 1997-30, §2.][P.L. 1999-80 §2][amended by P.L. 2001-43 Oct.24, 2001][rates for alcoholic products/tobacco products and soft drinks increased by P.L. 2004-5] [Amended by P.L. 2005-38 specifying rates for fuel tax][§2(a)(b) amended by P.L.2008-3][rates for beer and spirit products amended by P.L. 2011-54]

Schedule 2

(Section 206A)

RMI IMPORT DUTY CERTIFICATE OF EXEMPTION FOR RE AND EE EQUIPMENT
(Schedule 1, Section 206A(4))

Importer's Name, Address and Contact Information	
	Ministry of Resources & Development P . O. Box 1351 Majuro, MH 96960 Ph: (692) 625-3206 Fax: (692) 625-7471

Item(s) covered by this certificate:
**In accordance to subsection 4 of §206A of the Import Duties Act, government officials are required to inspect all items.*

Basis for exemption claim:
☐ Commercial Re-Sale ☐ Personal Use ☐ Government Use ☐ Other (Explain): _____

I declare, under penalty of perjury, that the information on this certificate is true, that I have submitted all the required documents to support my claim, that I have consulted the statutes, administrative rules and other sources of law applicable to my exemption, and that I have exercised reasonable care in assuring that my claim of exemption is valid under RMI law. In the event this claim is disallowed, I accept full responsibility for the payment of tax, penalty and any accrued interest.

Signature	Print Name	Title	Date