



RMI

SBDC

Small Business Development Center

..in partnership with PISBDCN and U.S. SBA



Introduction

This guide has been prepared by the RMI Small Business Development Center to assist all businesses – both large and small, locally owned or foreign owned – to understand all applicable “rules and regulations” that they must comply with in order to operate a business in the Republic of the Marshall Islands.

There are three sets of government rules and regulations which apply to all businesses. The National Government regulates certain areas of business and sets most taxes. The Local Government regulates all businesses operating within the atoll or island and collects certain fees and excise charges. The Social Security Administration regulates the Social Security Fund and the Health Fund.

Additionally, this guide also provides a listing of locally available business resources and their contact information. The listing is intended to facilitate the linkages of business owners with local business resources.

If you need further assistance and/or guidance to finding information, contact:

RMI Small Business Development Center
P.O. Box 1727
Majuro, MH 96960

Phone: (692) 625-3685
Fax: (692) 625-7471
Email: rmisbdc@ntamar.net
Website: www.pacificsbdc.com

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GOVERNMENT REGULATIONS

The following list of requirements is provided to give the business owner a starting point. It is not intended as an interpretation of the laws of the National Government of the Republic of the Marshall Islands and all Atoll and Island Local Governments. It is the responsibility of all business owners and managers to contact the appropriate regulatory agencies for information about the laws that apply to their business.

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- 3.3 Tobolar Copra Processing Plant
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- 4.2 Moylan's Insurance
- 4.3 Individual Assurance Company
- 4.4 North Pacific Insurance Agency

5. Attorneys:

- 5.1 David Strauss
- 5.2 Dennis Reeder
- 5.3 John E. Masek
- 5.4 Scott Stege
- 5.4. Micronesia Legal Services

1. NATIONAL GOVERNMENT OF THE REPUBLIC OF THE MARSHALL ISLANDS

1.1. Social Security Tax

Every employer is required to file on a quarterly basis, the Employer's Quarterly Tax Return (EQTR) to the Marshall Islands Social Security Administration. All employees should have a Social Security Number upon employment. Any business with at least one employee or which makes in excess of \$10,000 in gross revenue annually must pay the Social Security tax at the end of every quarter. The tax rate is 14% of the salary base of each employee, 7% of which is contributed by the employer and the remaining 7% is contributed by the employee through wage withheld by the employer. There are several forms which must be completed on a quarterly basis and submitted with payments to the Marshall Islands Social Security Administration Office.

EQTR are to be paid and filed within 10 days after the end of each Calendar Quarter.

- Quarter ending March 31st. (Jan, Feb, Mar) – Deadline April 10th.
- Quarter ending June 30th. (Apr, May, June) – Deadline July 10th.
- Quarter ending Sept. 30th. (July, Aug, Sept) – Deadline October 10th.
- Quarter ending Dec. 31st. (Oct, Nov, Dec) – Deadline January 10th.

Contact Information:

RMI Social Security Administration
P.O. Box 175
Telephone: (692) 625-3101
Fax: (692) 625-4570
Email: missa3@ntamar.net

1.2 Employer Identification Number

Before an E.I.N. is issued out; the applicant must submit his/or her Business License. If it is a corporate business, the Corporate Charter must also be turned in. If it is a foreign business, a Foreign Business License shall be attached with the E.I.N. application.

Contact Information:

RMI Social Security Administration
P.O. Box 175
Telephone: (692) 625-3101
Fax: (692) 625-4570
Email: missa3@ntamar.net

1.3 Worker's Social Security Number

Every person that is employed is required to obtain a Social Security Number. There is a special for "Application for a Republic of the Marshall Islands Social Security Number"

which must be completed and accompanied by a fee of \$1.00. The applicant must submit documentary evidence of age, identity, and citizenship or legal alien status before the application can be processed. Persons age 18 or over must apply in person for a Social Security card. The RMI Social Security Administration will then assign the

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applicant a number which must be presented to all employers when the individual is hired. Social Security cards should be shown to employers and every employer should be careful to record each employee's Social Security Number. Social Security Numbers should be accurately reported on the Employer's Quarterly Tax Return.

Contact Information:

RMI Social Security Administration
P.O. Box 175
Telephone: (692) 625-3101
Fax: (692) 625-4570
Email: missa3@ntamar.net

1.4 Wage/Withholding Tax

All employees are required to pay part of their gross pay to the RMI Government as a Wage Tax. The current tax rates are 8% for the first \$10,400 earned and 12% on any amount earned thereafter. Employees whose gross annual wages and salaries are \$5,500.00 or less are allowed an exemption of \$1,040.00 per year (or \$20.00 per week). There is a tax of \$0.25 per hour, with the minimum payment being for 40 hours per week, on non-citizen workers that is earmarked for the National Training Council (US, FSM, and Palauan citizens are exempt from this tax). Unlike the tax on local workers, this tax is payable quarterly.

Contact Information:

Ministry of Finance
Division of Revenue and Taxation
P.O. Box 29
Telephone: (692) 625-8606
Fax: (692) 625-5724
Email: edpofc@ntamar.com

1.5 Gross Revenue Tax

All business owners who are engaged in business to make a profit are required to pay Gross Revenue Tax. There are no exceptions based on the type of business being run. The current rate of tax is \$80 for the first \$10,000 in sales and 3% of any amount in excess of the \$10,000. This includes both cash and credit sales. If a business makes less than \$2,000 within a calendar year, they may apply for a refund at the end of the year. The appropriate form must be filed and submitted with payment to the RMI Ministry of Finance, Division of Customs, Revenue & Taxation by the appropriate time. This tax is due by the 10th. day of the month following the end of a quarter (i.e. no later than April 10th., July 10th., October 10th., and January 10th.).

Contact Information:

Ministry of Finance
Division of Revenue and Taxation
P.O. Box 29
Telephone: (692) 625-8606
Fax: (692) 625-5724
Email: edpofc@ntamar.com

1.6 Import Tax

All items being imported into the Republic of the Marshall Islands for any reason are subject to RMI Import Taxes. There shall be uniform tax on imports at the rate of eight percent (8%) value except for the following:

<u>Product:</u>	<u>Current:</u>
a. Foodstuffs	5%
b. Motor Vehicles (shoes value 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.
c. Motor Vehicle (whose value cannot be Determined in the Kelly's Blue Book)	New Motor Vehicles - \$2,500.00 Used Motor Vehicles - \$1,500.00
d. Public Transport	5%
e. Tobacco, of which cigarettes	\$0.75 per pack of 20 rolls
f. Cigars	150%
g. Other tobacco (Copenhagen)	\$2.50 per 34.2 grams or 1.2 oz.
h. Beer	25 cent per can or 12 oz. Unit
i. Wine	\$2.50 per gallon
j. Spirits	\$10.00 per gallon
k. Mixed drink	25%
l. Soft drink - carbonated beverages - non-carbonated and artificially flavored beverages	\$0.00833 per 1 oz. 5% of value (CIF)

Contact Information:

Ministry of Finance
Division of Revenue and Taxation
P.O. Box 29
Telephone: (692) 625-8606
Fax: (692) 625-5724
Email: edpofc@ntamar.com

1.7 RMI Foreign Investment Permit

Except as provided for in this Act and the regulations promulgated hereunder:

- no non-citizen shall be permitted to do business in the Republic without first obtaining a foreign investment business license under this Act; and,
- no non-citizen shall be permitted to acquire an interest in any business previously owned entirely by citizens of the Republic until the business obtains a foreign investment business license under this Act; and
- a license shall be in the form set out in Schedule 1 to this Act; and,
- the issuance of a license does not, in any way, provide, implicitly or explicitly, any sort of guarantee by the Government with respect to the investment, nor does the license provide any privileges to the foreign investor other than allowing the

license holder to be treated equally with resident investors, subject to the laws of the Republic. If the business is doing anything that can be considered international or interest or if the business is involved in banking, insurance, telecommunication, interstate/international transportation or fishing inside of the 200-mile EEZ of the Republic of the Marshall Islands, the owner should contact the RMI Ministry of Foreign Affairs to obtain the required foreign investment permit.

Contact Information:

Ministry of Resources and Development
P.O. Box 1727
Majuro, MH 96960
Telephone: (692) 625-3206 or 4020
Fax: (692) 625-7471
Email: rndsec@ntamar.net

1.8 Entry and Work Permits

The Immigration Act provides that no non-citizen, unless specifically exempted, is permitted to enter or otherwise remain in the Republic without having been issued an appropriate Entry Permit. Different types of Entry Permits and Work Permits are issued depending on the purpose and length of the non-citizen's stay in the Republic.

Contact Information:

Ministry of Foreign Affairs
Employment Services Division
P.O. Box 1349
Majuro, MH 96960
Telephone: (692) 625-3012 or 3181
Fax: (692) 625-4979
Email: aeleas2000@yahoo.com

1.9 Food Import/Export License

Any business which imports any kind of food item into the Republic must obtain a Food Import License. Also, any business which exports local food stuffs for commerce outside the Republic must obtain a Food Export License.

Contact Information:

Ministry of Resources and Development
P.O. Box 1727
Majuro, MH 96960
Telephone: (692) 625-3206 or 4020
Fax: (692) 625-7471
Email: rndsec@ntamar.net

1.10 Food Handler's License

Any facility of a business handling food is required to conform to the appropriate building specifications, a copy of which can be obtained from the Ministry of Health and Environment. Upon inspection before opening the business, a Food Handler's License will be issued with a grading for cleanliness. Inspections may be conducted without prior notice. No fee is charged for this service.

Contact Information:

Ministry of Health and Environment
P.O. 16
Majuro, MH 96960
Telephone: (692) 625-3355 or 3399
Fax: (692) 625-3432
Email: mimoh@ntamar.net

1.11 Fishing License

Any person or business engaging in commercial fishing activities outside of the State's 12 mile territorial waters and inside of the Republic of the Marshall Island 200 EEZ is required to obtain a Fishing License from the Marshall Islands Marine Resources Agency (MIMRA).

Contact Information:

Marshall Islands Marine Resources Agency (MIMRA)
P.O. Box 860
Majuro, MH 96960
Telephone: (692) 625-8262 or 5632
Fax: (692) 625-5447
Email: libeb@ntamar.net

2. GENERAL BUSINESS RESOURCES

2.1 Banks

- a. Bank of the Marshall Islands
P.O. Box J
Telephone: (692) 625-3636 or 3637
Fax: (692) 625-3661
Email: bankmar@ntamar.net
- b. Bank of Guam-Majuro Branch
P.O. Box C
Telephone: (692) 625-3322 or 3331
Fax: (692) 625-3444
Email: bogmaj@ntamar.net
- c. Marshall Islands Development Bank
P.O. Box 1048
Telephone: (692) 625-3230 or 5270
Fax: (692) 625-
Email: midbrmi@ntamar.net

2.2 Big Businesses

- a. Matson
Telephone: (692) 625-3250

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Fax: (692) 625-3505
Website: www.matson.com

- b. Jane's Corporation
Telephone: (692) 625-3461/3462/3464
Fax: (692) 625-5456
Email: janesco@ntamar.net
- c. Micronesian Homes International Inc.
P.O. Box 568
Majuro, Marshall Islands 96960
Telephone: (692) 625-7446
Fax: (692) 625-6444
Email: durakit@ntamar.net
- d. West of Dawn Services
P.O. Box 80
Majuro, Marshall Islands 96960
Telephone: (692) 625-3657
Cell Phone: (692) 625-0111
Fax: (692) 625-211
Email: wofdser@ntamar.net
- e. Pacific International Inc.
P.O. Box 6
Majuro, Marshall Islands 96960
Telephone: (692) 625-3122/5316
Fax: (692) 625-3560
Email: piimaj@ntamar.net
- f. G & L Enterprises
P.O. Box 957
Majuro, Marshall Islands 96960
Telephone: (692) 625-3133/3965
Fax: (692) 625-3164
Email: glent@ntamar.net
- g. Majuro Payless Super Market
P.O. Box 1782
Majuro, Marshall Islands 96960
Telephone: (692) 625-3321/3123/3268
Fax: (692) 625-3293
- h. Robert Reimers Enterprises
P.O. Box 1
Majuro, Marshall Islands 96960
Telephone: (692) 625-3250
Fax: (692) 625-3505
Email: rreadmin@ntamar.net

2.3 Big Hotels

- a. RRE Hotel

P.O. Box 1
Majuro, Marshall Islands 96960
Telephone: (692) 625-4229
Fax: (692) 625-3136
Email: rreadmin@ntamar.net

b. Marshall Islands Resorts
Telephone: (692) 625-2525
Fax: (692) 625-5000
Email: ormrfood@ntamar.net

c. Long Island Hotel
P.O. Box 672
Majuro, Marshall Islands 96960
Telephone: (692) 247-6789
Fax: (692) 247-6780
Email: lihotel@ntamar.net

d. Backpacker Hotel
Telephone: (692) 625-4229
Fax: (692) 625-3136
Email: journal@ntamar.net

3. Agency:

3.1 Marshall's Energy Company
Telephone: (692) 625-3827/3828
Fax: (692) 625-3397
Email: meccorp2ntamar.net

3.2 Majuro Sewers and Water Company
Telephone: (692) 625-8838/8934
Fax: (692) 625-7206
Email: mwsco@ntamar.net

3.3 Tobolar Copra Processing Company
Telephone: (692) 625-3116/3493
Fax: (692) 625-7206
Email: tobolar@ntamar.net

3.4 The Trust Company of the Marshall Islands
P.O. Box 1405
Majuro, Marshall Islands 96960
Telephone: (692) 247-3016
Fax: (692) 247-3017
Email: tcmi@ntamar.net

3.5 National Telecommunication Authority
P.O. Box 1169
Majuro, Marshall Islands 96960
Telephone: (692) 625-3952/1141
Fax: (692) 625-3386
Email: ntamrklg@ntamar.net

4. Insurance Companies:

- 4.1 Marshall Insurance Agency
P.O. Box 113
Majuro, Marshall Islands 96960
Telephone: (692) 625-3366
Fax: (692) 625-3189
Email: miagency@ntamar.net
- 4.2 Moylan's Insurance
P.O. Box 727
Majuro, Marshall Islands 96960
Telephone: (692) 625-3300
Fax: (692) 625-3361
Website: www.moylansinsurance.com
- 4.3 Individual Assurance Company
Telephone: (692) 625-3670
Fax: (692) 625-3870
Email: [Not available](#)
- 4.4 North Pacific Insurance Agency
P.O. Box 3084
Majuro, Marshall Islands 96960
Telephone: (692) 625-4158/1424
Fax: (692) 625-5955
Email: norpacia@ntamar.net
efrnh@hotmail.com

5. Attorneys:

- 5.1 David Strauss
P.O. Box 534
Majuro, Marshall Islands 96960
Telephone: (692) 625-3391
Fax: (692) 625-6210
Email: dstrauss@ntamar.net
- 5.2 Dennis Reeder
P.O. Box 601
Majuro, Marshall Islands
Telephone: (692) 625-3603
Fax: (692) 625-6210
Email: dreeder@ntamar.net
- 5.3 John E. Masek
P.O. Box 3373
Majuro, Marshall Islands 96960
Telephone: (692) 625-4824

Fax: (692) 625-4248
Email: jemesq@hotmail.com

- 5.4 Scott Stege
P.O. Box 423
Majuro, Marshall Islands 96960
Telephone: (692) 625-3107
Fax: (692) 625-3207
Email: sbstege@ntamar.com
- 5.5 Micronesian Legal Services
Telephone: (692) 625-8128/8227
Fax: (692) 625-5119
Email: kabilar@ntamar.net