ELEVENTH LEGISLATURE OF THE STATE OF YAP
Third Regular Session
2025

(RED)

Bill No. 11-162

A BILL FOR AN ACT

To amend Title 22 of the Yap State Code by amending Sections 303, 305 and 307 concerning the Yap Foreign Investment Act, to reduce the amount of capital required for foreign investment when the foreign investor is a professional, and for other purposes.

Be it enacted by the Legislature of the State of Yap.

Section 1. Legislative Findings. The Yap State Legislature finds that the people have a right to health care and legal services and that the availability of other professional services would be beneficial to the people of Yap. Professional services are often provided by a sole practitioner or small firm, that is likely unable to meet the required $3,000,000 investment for a Yap State Foreign Investment Permit. Further, most professionals are licensed and subject to regulations in their home jurisdictions that limit their ability to partner with an FSM citizen who does not hold the same professional license that the foreign citizen holds. The Yap State finds that there is a demand for additional professional services to be provided in the State of Yap. One of the reasons for the demand for professional services is that the Yap State Foreign Investment Act creates a barrier for foreign professionals to obtain a Foreign Investment Permit. The amendment is intended to create a regulatory framework that opens Yap State to investment by foreign citizen professionals who also obtain a license to practice their profession from the appropriate Yap State agency or authority.

Section 2. Section 303 is hereby amended by adding a new Subsection (s) to be read as follows:

"(s) 'Professional' includes an individual or firm qualified and licensed to provide professional services such as an attorney, physician, dentist, engineer, surveyor, accountant, auditor, or other professional providing a service for a fee."

Section 3. Subsections (s) through (x) is hereby renumbered as (t) through (y), respectively.

Section 4. Subsection (c) of Section 305 shall be amended to read as follows:

"(c) Green List. Foreign investment in all other economic sectors ~~is~~are allowed, subject to all applicable laws, provided however, that: ~~any proposed investment in the State of less than $3,000,000 in capital shall require a citizen partner who shall be Yapese by birth~~

(1) For any proposed investment by a professional, the professional must hold a valid license from their home jurisdiction.

(2) Any proposed investment in the State other than by a professional of less than $3,000,000 in capital shall require a citizen partner who shall be Yapese by birth.

(3) A professional investing less than $3,000,000 in capital is not required to have a citizen partner.

(4) A professional shall obtain a valid Yap State or FSM license for their profession."

Section 5. Subsection (b) of Section 307 is hereby amended to read as follows:

"(b) The holder of a Yap State Foreign Investment permit shall immediately report to the Director:

(1) Any ten percent or greater change in the aggregate foreign ownership or control of a business entity to which a Yap State Foreign Investment Permit has been issued; ~~or~~

(2) Any change resulting in an individual foreign investor owning or controlling a ten percent or greater ownership interest in a business entity to which a Yap State Foreign Investment Permit has been issued; or

(3) For a professional, any change in the

status of their professional license from their home jurisdiction or any change in the status of their Yap State or FSM professional license."

Section 6. All Foreign Investment Permit holders are expected to comply with the requirements in this Act, where applicable, within ninety (90) days of this Act becoming law.

Section 7. This Act shall become law upon its approval by the Governor or upon its becoming law without such approval.

Date: 8/14/25

Introduced by: Anne-Marie Laamar