

Regulations Implementing the

Environmental Protection Fee 24 PNC §3413

And the Departure Tax 40 PNC §1403(a)

1. These Regulations shall be known as the “Environmental Protection Fee/Departure Tax Regulations”.
2. These Regulations are promulgated pursuant to 24 PNC § 3413(d) and 40 PNC § 1403(b). Upon their effective date these Regulations shall have the full force and effect of law, and all other regulations, executive orders, directives or policies concerning the same subject matter shall be and hereby are repealed.
3. The Ministry of Finance of the Republic of Palau through its Bureau of Revenue, Customs and Taxation (the “Bureau”) shall be responsible for implementing the Environmental Protection Fee/Departure Tax Regulations and collecting the Environmental Protection Fee and the Departure Tax. The Minister of Finance shall assign personnel to collect the Environmental Protection Fee and the Departure Tax. All Ministries and agencies of the Executive Branch of the National Government of the Republic of Palau shall cooperate with and make available staffing and other resources as requested by the Minister of Finance.
4. The Environmental Protection Fee is \$15.00 per person and, commencing November 1, 2009, shall be collected by the Republic from every visitor departing Palau.
5. All “visitors” to the Republic shall be required to pay the Environmental Protection Fee upon their departure from Palau; provided, however, that the following persons shall not be considered “visitors” and are exempt from paying the Environmental Protection Fee.
 - A. Diplomats, and persons exempt from obtaining a visa upon their entry into Palau such as a members of a diplomatic mission and their families, and the masters, pilots, and other crew members of any vessel or aircraft lawfully operating as a common carrier;
 - B. Persons who are in transit aboard aircraft stopping in Palau and who leave within twenty-four (24) hours; and
 - C. Persons issued the following types of visas/permits upon their entry into the Republic, or presenting the following documents upon departure:
 - Dependent Visa/permit;

- Foreign Government/International Organization Representative Visa/permit;
- Government Employee Visa/permit;
- Investor Visa/permit;
- Missionary Visa/permit;
- Resident Visa/permit,
- Student Visa/permit;
- Work Visa/permit;
- A valid Republic of Palau passport;
- A Birth Certificate showing that the person was born in Palau of at least one Palauan parent, or

6. The Bureau shall provide a form receipt/stamp to be issued to each visitor upon their paying the Environmental Protection Fee (a “Green Fee Receipt”). The Green Fee Receipt shall be affixed to the visitor’s boarding pass and shall be prima facie evidence that the visitor has paid the Environmental Protection Fee and is cleared to depart from Palau. The Bureau also shall provide a form/stamp to be issued to persons departing Palau who are not required to pay the Environmental Protection Fee (a “Green Fee Exemption”). The Green Fee Exemption shall be affixed to the visitor’s boarding pass and shall be prima facie evidence that the visitor is exempt from paying the Environmental Protection Fee and is cleared to depart from Palau. The Bureau of Immigration shall not permit a person to depart Palau unless, upon being processed and screened for departure, the person presents a Green Fee Receipt or a Green Fee Exemption to the Immigration Officer.

7. The Departure Tax is \$20.00 per person and, commencing November 1, 2009, shall be collected by the Republic instead of the airlines from every person departing Palau; provided that children under the age of three, Palauan students traveling to school, medical referral patients and persons accompanying them, and masters, pilots, and other crew members of any vessel or aircraft lawfully operating as a common carrier are exempt from the payment of the Departure Tax; and further provided that Palauan citizens and their spouses shall pay 50% of the Departure Tax. Persons who are in transit aboard aircraft stopping in Palau and who leave within twenty-four (24) hours shall not be subject to the Departure Tax.

8. The Bureau shall provide a form receipt/stamp to be issued to each person upon their paying the Departure Tax (a “Departure Tax Receipt”). The Departure Tax Receipt shall be affixed to the person’s boarding pass and shall be prima facie evidence that the person has paid the Departure Tax and is cleared to depart from Palau. The Bureau of Immigration shall not

permit a person to depart Palau unless, upon being processed and screened for departure, the person presents a Departure Tax Receipt to the Immigration Officer.

9. At a minimum of once daily, but more frequently if the Minister of Finance in his sole discretion determines that such is necessary, the Bureau shall arrange for and conduct an accounting of the Environmental Protection Fee and the Departure Tax collected for that day and promptly shall deposit all funds so collected at a financial institution in the Republic. The Bureau promptly shall make arrangements to permit the payment of the Environmental Protection Fee and the Departure Tax by credit or debit card.

10. The Bureau promptly shall erect signage [sic] and prominently display the same at the Palau International Airport, specifically including but not limited to the arrival, lobby, and check-in areas, notifying visitors to the Republic in the English, Japanese, Chinese and Korean languages that, "Please be advised that upon their departure from Palau Visitors to the Republic are required to pay a Environmental Protection Fee of \$15.00 and a Departure Tax of \$20.00." The Bureau promptly shall file a true and correct copy of these Regulations with the Bureau of Domestic Affairs, Ministry of State, and shall distribute copies of these Regulations to all airlines, hotels, tour agents, the Palau Chamber of Commerce, the Belau Tourism Association, and to any other business or organization designated by the Minister of Finance. All tourism related businesses in Palau are encouraged to disseminate and explain these Regulations to their customers.

11. The President may waive the payment of the Environmental Protection Fee and/or of Departure Tax when, in his sole discretion, circumstances warrant

12. These Regulations shall become effective upon their approval by the President of Palau.

10 - 19 - 09
Date

/s/
Mr. Adair Sumang
Director, Bureau of Revenue,
Customs and Taxation

10 - 19 - 09
Date

/s/
Honorable Kerai Mariur
Minister of Finance

October 19, 2009
Date

/s/
Honorable Johnson Toribiong
President, Republic of Palau