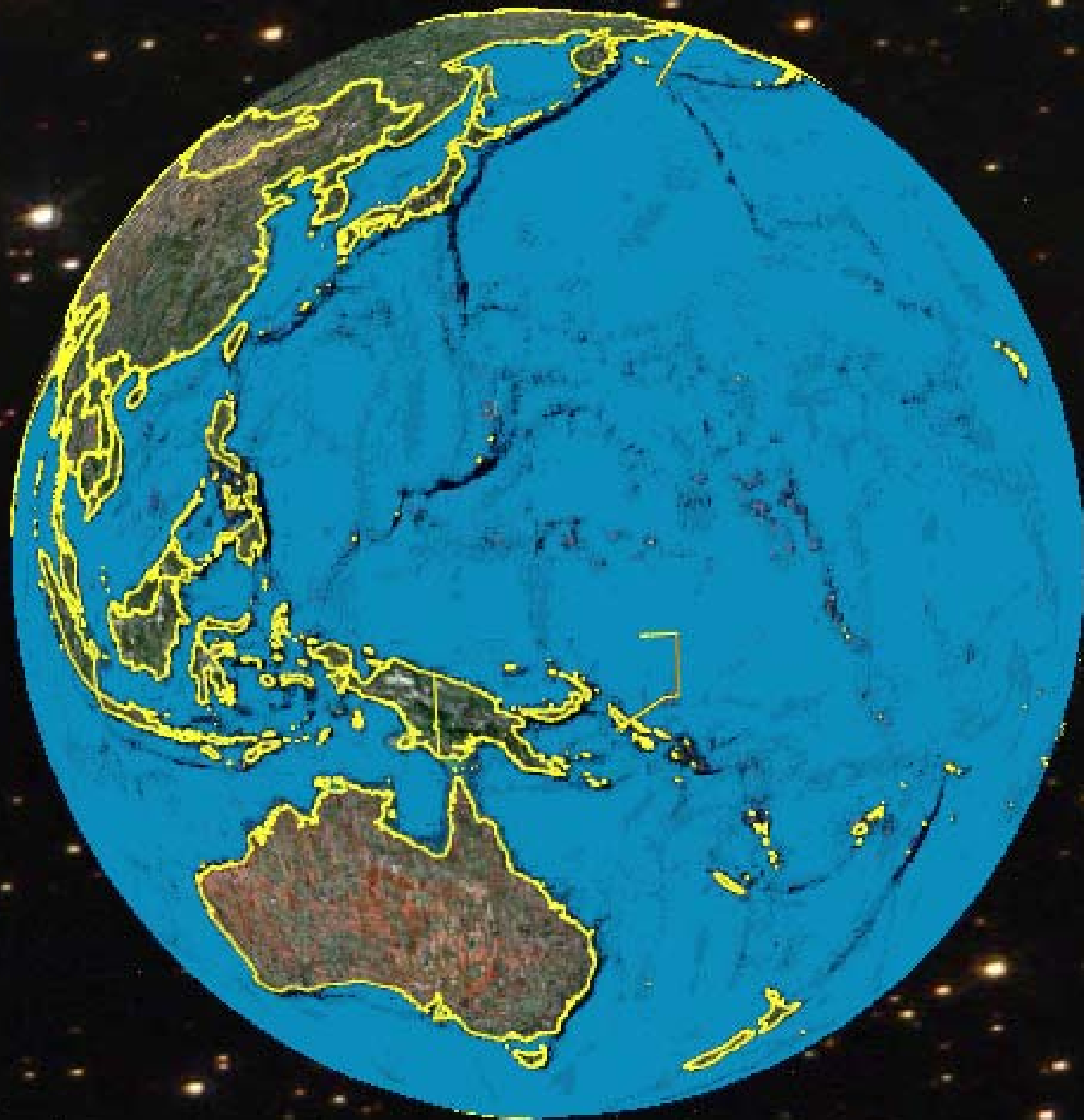





# **Commercial Success in the Northern Marianas**

- We appreciate your interest in establishing a business venture in the Northern Marianas.
- We recognize that a successful venture requires a stable political environment, a reasonable rate of return and long-term growth potential.
- We are actively engaged in the diversification of our economic base, and fostering career opportunities for our people.
- We will work with you to find the common ground.



# Rota

- 
- With its tranquil beauty and natural setting, Rota has an environment uniquely suited to ecotourists.
  - Only 45 miles from Guam, it has excellent potential as a destination for vacationing military personnel and their families.
  - Much of Rota's land and peoples are engaged in agriculture. An agricultural venture would be ideally suited to this ready-made environment.

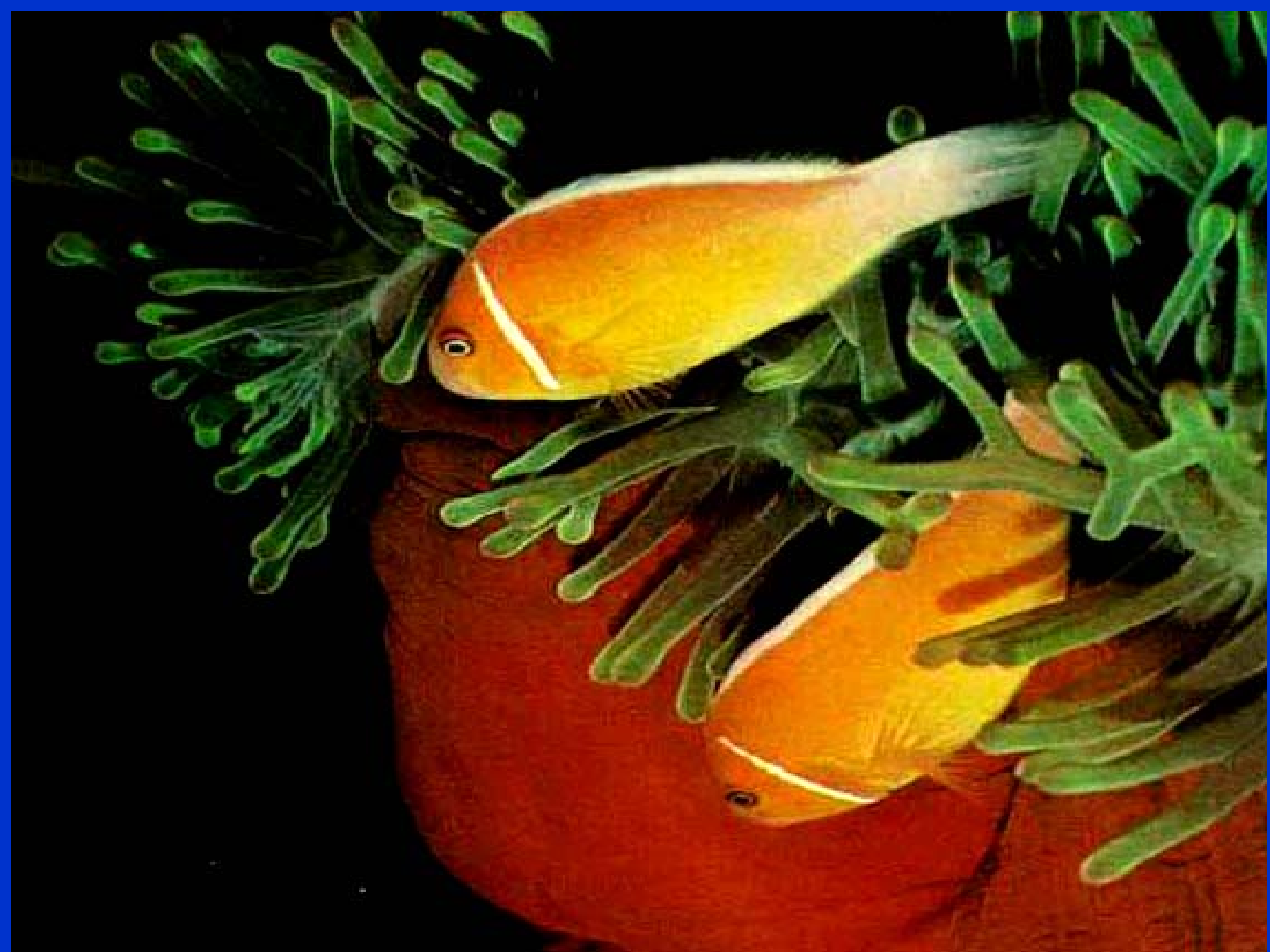
# Tinian

- The center of our gaming industry, Tinian, has a luxury hotel and casino, and more in the planning stages;
- Couples and individuals seeking a more adult vacation atmosphere will find Tinian's entertainment and natural beauty an attractive destination;
- Tinian has many historical and ancient sites of interest as well.

# Saipan

- Saipan has focused on family-oriented tourism.
- We have beautiful beaches, luxury hotels, restaurants, shopping, water sports, dive shops, golf courses, a zoo, museums, and many points of interest for family members of all ages.
- Saipan is the Capital and the largest, most populated island.







# **Staying in the Commonwealth**

## **➤ Regular-Term Entry Certificate – 1 year**

- Allows investors to stay in the CNMI for a period totaling ninety (90) days within a twelve (12) month period, and
- Engage in business in the Commonwealth

## **➤ Long-Term Entry Certificate – 2 years**

- Allows investors to freely enter or exit the Commonwealth, and
- Engage in business in the Commonwealth for a period of two (2) years.

## **➤ Foreign Investment Certificate and Visa - Perpetual**

- The duration of the Foreign Investment Certificate is perpetual provided that the approved investment continues to comply with the standards of issuance.

# **Visitor Entry Information**

## **➤ Department Of Commerce**

**Caller Box 10007 CK, Saipan, MP 96950**

**Telephone: (670) 664-3000 or (670) 664-3001**

**Fax: (670) 664- 3067**

## **➤ Division of Immigration, Office of the Attorney General**

**Afetna Square Building, San Antonio Village  
P.O. Box 10007, Saipan, MP 96950**

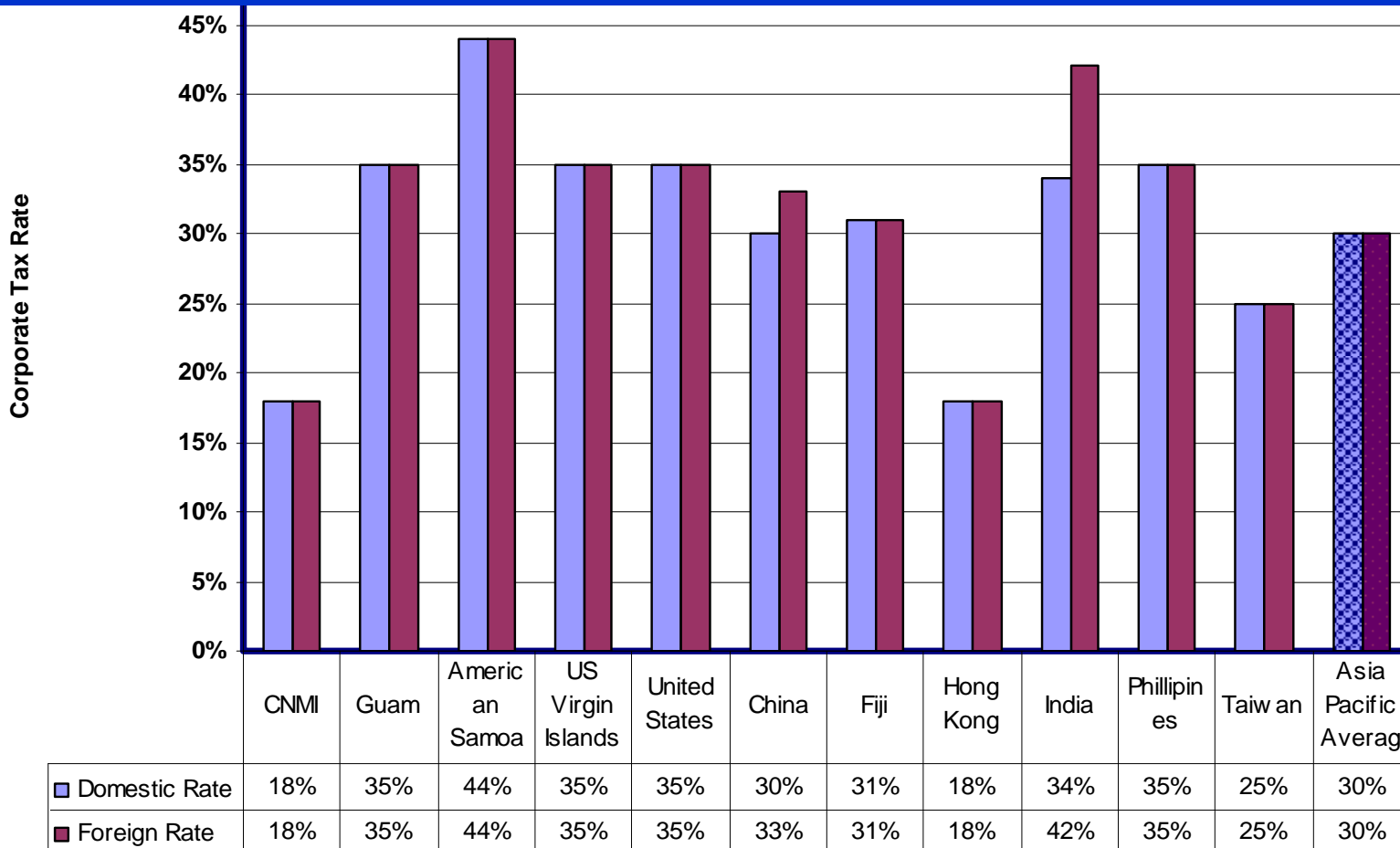
**Telephone: (670) 236.0922 or (670) 236.0923**

**Fax: (670) 664.3190**

# **Tax Structure**

- **The income tax laws of the U.S. are enforced as the Northern Marianas Territorial Income Tax.**
- **Tax rebates of 50 to 90% are provided as business incentives.**
- **Annual corporate tax filings are the same as the Federal requirements.**
- **Earnings Tax maximizes at 9% on wages or earnings exceeding \$50,000.**
- **The Business Gross Receipt Tax maximizes at 5% on revenues in excess of \$750,000.**
- **No property taxes.**

# Comparative Corporate Income Tax Rates



- A Private Sector Assessment for the Commonwealth of the Northern Marianas
- 2006 Island Fellows, US Department of the Interior, Office of Insular Affairs

# **Freight**

- **The Commonwealth has reliable, scheduled ocean shipping;**
- **Exemption from the U.S. Federal "Jones Act", allowing foreign flag vessels to ship cargo from the CNMI to ports in the US, thereby lowering freight costs;**
- **Virtually all products produced in the Commonwealth, based on foreign content criteria, are eligible for duty-free shipment to the U.S. under General Note 3(a)(iv) of the US Harmonized Tariff Schedule.**

# **Investment Incentives**

## **➤ Qualifying Certificate Program**

**➤ The CNMI Government offers tax rebates and abatements to stimulate economic growth and development.**

**➤ Public Law 12-32, the Investment Incentive Act of 2000, authorizes the granting of rebates and/or abatements of up to one hundred percent (100%) for a period of up to twenty-five (25) years to qualified investors.**







# **Immigration Update**

- **S1634 and HR3079 have been drafted in the US Congress.** The bills are essentially identical and:
  - Address concerns about U.S. border security,
  - Create federal funding for the immigration program, freeing up more CNMI government resources,
  - Insure predictability of the entry process,
  - Preserve the keystone of the CNMI's immigration program – the guest worker program, exempting it from H2B quotas.
  - Reduce remittances by increasing employment of locals – enhancing the multiplier effect in the CNMI economy.
  - Preserve the Visa waiver program, supporting the continued growth of our tourist market.
  - Includes a decade long phase-in provision, flexibility to minimize economic impacts and support for the Commonwealth's economic diversification.

# World Trade

## ➤ The Commonwealth is a beneficiary under the United Nation's Generalized System of Preferences

- Under GSP schemes of preference-giving countries, selected products are granted reduced tariff rates over the Most Favored Nation rates.
- Specific information is available at the United Nations website:

<http://www.unctad.org>

# **Moving Military Personnel from Okinawa to Guam**

- **Over 8,000 US military personnel and families currently stationed on Okinawa will be moving operations to Guam, requiring multi-billion dollar projects to prepare Guam.**
- **Our islands are the closest large land masses to Guam; Rota 45 miles, Tinian 110 miles, and Saipan 120 miles.**
- **The Northern Mariana Islands has facilities and a labor pool ready to address requirements in excess of Guam's capacity to accommodate the needs of this immense undertaking.**
- **Our islands are also a potential logistics, warehousing and transportation hub.**

# **Infrastructure Upgrades**

- **The Commonwealth Utilities Corporation continues its effort in providing services that are reliable, affordable, and cost effective.**
- **Infrastructure upgrades of water, power, sewer, and roads are an on going priority to meet the demands of new development**
- **The Administration and the Legislature are discussing the possibilities of privatization or partnering in a "Performance Management Contract", such as exists in Guam, for power generation.**
- **Compact Impact Funds are potential resources for some of these options.**
- **Tony Guerrero will be hosting a round table discussion on this subject at this conference, we encourage your attendance.**

# **Improving the Business** **Climate**

- **The current Administration of the Commonwealth Government has instigated examination of regulatory practices in the Executive Branch and taken action based on their findings.**
- **The Legislature continues to review existing statutes and is taking ongoing action to ensure a more welcoming business climate.**
- **New laws have been enacted as a result of this ongoing review.**

# Public Land Use

## ➤ **Public Law 15-02**

- **The Public Lands Authority held the authority to approve long-term leases of public lands.**
- **In 2006 the agency was merged into a department of the Executive branch of government.**
- **Operations have been streamlined.**
- **Costs as well as processing time have been reduced.**





# Tourism Investment

## ➤ Public Laws 15-83

➤ Major tourism investors are now exempt from paying a \$500 moratorium fee for each new guest worker hired while construction is ongoing.

# Renewable Energy

## ➤ P.L. 15-87

- Allows private power producers to sell renewable energy to the Commonwealth Utilities Corporation.
- Requires that renewable energy constitute 80 percent of the power utility's net sales seven years from now.
- The Marianas, with wind, sun, ocean currents, waves, tides, and thermoclines as potential energy sources, offers many possibilities to the alternative energy production industry.

# **Results**

**There are tangible results from our efforts to enhance the Commonwealth's business climate and make our islands a good investment choice.**

- 2005 - a total of 275 foreign business permits were issued**
- 2006 - there were 304 foreign business permits issued, including a \$200 million dollar investment leasing 275,000 square meters of public lands for a hotel and casino, and 1.09 million square meters for a golf course on Tinian.**
- 2007 – The final figures for 2007 are not yet available however, they include a \$66-million complex comprised of 128 timeshare units, seven villas and an upgrade of the existing golf course and resort.**

# **We Are Committed**

**I am Chairperson of the Senate Committee on Resources, Economic Development and Programs.**

**My colleagues and I are ready to listen, provide information, and support your efforts in coming to our islands.**

**My team will work to build and maintain support for your venture.**



- **Senator Maria Frica T. Pangelinan**
- **15<sup>th</sup> Northern Marianas Legislature**
  - **Phone: (670) 664-8858**
  - **Email: [fricajp@gmail.com](mailto:fricajp@gmail.com)**
  - **PO Box 500129**
  - **Saipan, MP 96950**