



Nauru Bulletin

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Parliament passes seven bills

The Parliament of Nauru convened a sitting this month (3 November) in which seven bills were presented to parliament and ultimately passed.

The Acts were the Supplementary Appropriation Act 2016-17 No.2; Business Tax (Amendment) No.2 Act; Revenue Administration (Amendment) No.3 Act; Employment and Services Tax (Amendment) Act 2016; Telecommunications Service Tax (Amendment) No.2 Act 2016; Automatic Exchange of Financial Account Information Act 2016; and Constitution (Appointment of Minister) (Amendment) Act 2016.

A number of ministerial statements were also presented mostly progress reporting of the various department and ministry activities.

In introducing the Supplementary Appropriation bill No.2 2016-17, Finance Minister David Adeang said the overall changes will increase revenues by \$11.865 million and accompanied expenditure by \$17.761 million.

Minister Adeang concluded that “this supplementary budget results in a



Parliament passes a number of legislative amendments to strengthen its laws

budget deficit of \$5.252 million which is fundable but will require increased cash collection.”

The minister said there is a “forecast increase of \$10.053 million in the form of reimbursed expenditure for the provision of security services at the three RPC sites for the remainder of the year.”

Based on recent information, treasury has been required to reduce the anticipated revenue associated with expenditures made so far this financial year by \$1.252 million. A repayment from RONPHOS of \$1 million and net revenue increase to Finance Other Payments of \$9.800 million are both expected.

Fisheries revenue has also increased by \$8.379 million.

However, the minister adds that there are some anticipated reductions in revenue, such as \$3.425 million in light of the recent news about demobilisation of expatriate staff engaged with the RPC operations.

Nauru Customs also estimates revenue reduction of \$2.889 million owing to reduced customs revenue from tobacco, alcohol and machinery imports.

Additional appropriation was sought for Finance Other Payments for a further \$12.046 million for salaries Other Contracts to continue to pay for security providers at the RPC sites. Other related payments require a total \$3.147 million. A contribution to the Nauru Trust Fund will require a further appropriation of \$1.535 million. The total requested increase for Finance Other Payments is \$16.895 million.

Further appropriation have been requested for the diplomatic missions in New York and Taiwan as well as increase in Fisheries staff salaries, and addition provision associated with establishing a Police Brass Band for the 50th independence day celebrations in 2018.

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ADB Board of directors visit Nauru

Directors for the Asian Development Bank’s board (ADB) met with His Excellency President Baron Waqa on 30 October to discuss the major and unique development challenges the country faces as a micro state as well as the progress being made to achieve a sustainable future.

ADB Executive Director, Ms Swati Dandekar who arrived on Nauru with six Alternative Executive Directors acknowledged the development progress that Nauru has made, but also emphasized the importance of continued progress to address the core economic challenges of fiscal



President Waqa with the ADB delegation

sustainability and public sector performance.

Ms Dandekar congratulated the government of Nauru on the establishment of the Intergenerational Trust Fund which was established with support from ADB technical assistance, as a key step towards securing the country’s fiscal sustainability.

Moreover, Ms Dandekar also emphasized the need for continued progress to improve transparency, gender equality and educational outcomes, including through leveraging the opportunities presented by the internet and communications technology.

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Parliamentary news continued.....

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An amendment was made to the Business Tax Act including its title.

Other amendments to the Act are to section 8 which defines the meaning of resident individual, section 18 which specifies amounts of income that are exempt income, section 38 which specifies the record-keeping obligations applicable to taxpayers under the Act. Amendment to section 39 specifies the requirements for the filing of business profits tax (BPT) and SBT returns, and amendments to section 41 provides for the payment of instalments of BPT.

In presenting the amendments to the Revenue Administration Act, Minister Adeang said the changes are intended to strengthen the Act “and result in a more practical application of the provisions of the tax laws” that will “ensure that the intended outcomes of the application of the law are achieved.”

Once enacted the short title of the bill will be the Revenue Administration (Amendment) No.3 Act 2016.

Other amendments to the Act include section 3 and definitions to Revenue Office, self-assessment return, tax decision, and tax return. Section 9 provides for the issue of taxpayer identification numbers (TIN), and section 28 imposes a late payment interest on a person who fails to pay tax on or before the due date.

Section 37 of the Act provides for the refund of overpaid tax, and section 46 provides the Secretary with a right of access to premises and records.

Section 46 of the Act is amended by inserting a new subsection which provides that section 6(4) of the Telecommunications Service Tax Act applies for the purposes of the exercise of power by a tax officer under section 46.

Section 59 is amended to set out rules relating to administrative penalties and offences, and section 61 provides for an administrative penalty for failure to keep proper records.

A new section 66A is inserted to provide for a tax instalment penalty and lastly schedule 2 of the Act has been amended to include the Telecommunications Service Tax Act 2009 as a tax law for the purposes of the Act.

The Employment and Services Tax Act 2014 is amended to strengthen the law that will “result in a more practical application of the provisions of the tax laws,” and “will remove any doubt, ambiguity or unintended consequences in the interpretation and application of the law,” Minister for Finance David Adeang said in introducing the bill, which once enacted is called the Employment and Services Tax (Amendment) Act 2016.

Section 7 of the Act is amended to apply also to an individual who resides in Nauru as an asylum seeker within the meaning in the Refugee Convention Act 2012, as well as provision for a resident individual.

Section 13 which specifies amounts of income that are exempt income is also amended.

The Telecommunications Service Tax (Amendment) No.2 Bill 2016 would see the inclusion of the Act as a tax law for the purposes of the Revenue Administration Act 2014.

“This will more clearly align the provisions of the Telecommunications Service Tax Act with the Revenue Administration Act, which provides general rules for the collection and recovery of taxes covered by that Act,” Minister Adeang said.

Section 4 of the Act is amended to make clear that the monthly summary for a month is due at the same time as the Telecommunications Service Tax is due for payment for the month, hence avoiding any argument in the meanings of actual payment and due for payment.

Amendment to section 5 of the Act provides for payment and collection of Telecommunications Service Tax, and section 7 provides that the minister responsible for finance has responsibility for the administration of the Act.

There is a new insertion to section 16 which provides that the Revenue Administration Act 2014 applies for the purposes of the administration of the Telecommunications Service Act 2009.

The Automatic Exchange of Financial Account Information bill was introduced by Minister Adeang which once passed “will further re-enforce the formal commitment of Nauru to the mandate of the Organization for Economic Cooperation and Development (OECD) Global Forum in promoting international cooperation in tax matters through exchange of information.”

The bill’s passing will require reporting financial institutions in Nauru to report financial information to the secretary for finance on an annual basis.

The Constitution (Appointment of Minister) (Amendment) Act will see an additional member of parliament take up ministerial posting which will bring the total number of Cabinet members to seven, including the president.

In presenting the Bill, Minister Adeang said “ministerial responsibilities have increased significantly over time requiring a review of the optimum size of the Cabinet to enable the Government to more effectively discharge its constitutional obligations.”

One other proposed amendment to the Crimes Act to legalise abortion for asylum seekers and refugees on Nauru was met with strong criticism and opposition from the parliament over the mere thought of legalising abortion in Nauru and the fear it could set precedence to also legalising abortion for Nauruans. Minister for Multicultural Affairs David Adeang to subsequently withdrew the proposal.

All Acts can be found on <http://www.naurugov.nr/parliament-of-nauru/ronlaw-nauru's-online-legal-database.aspx>

South Korea donates seven more cars to Nauru

The Government of South Korea donated another seven vehicles to the Government of Nauru as part of its ongoing diplomatic cooperation with Nauru.

Secretary for Foreign Affairs and Trade Michael Aroi presented the seven 4X4 double cab vehicles to His Excellency President Baron Waqa on 14 October.

This will be South Korea’s second vehicle donation to the Republic of Nauru. The total value of this second donation is USD\$200,000.

The vehicles have been allocated to different departments•

Admission of new pleaders

Eleven new pleaders were admitted to the Nauru Bar in a ceremony last week (11 November) at the Court of Nauru.

Following the arrival of the Acting President His Excellency David Adeang, MP, the court convened and the mover of the petitions Assistant Minister for Justice Lionel Aingimea read out the petitions for each of the pleaders.

In his role as mover of the petitions, Assistant Minister Aingimea outlined a brief history and professional career achievements of each of the new pleaders as well as their successful completion of the pleaders course which led to their admission to the bar.

Following the petitions, Acting Chief Justice Jane Crulci welcomed all guests to the auspicious admission ceremony of the new pleaders.

“Those who have undertaken the study represent a new generation who will carry forward the excellent work of the few that have had the responsibility of advising and representing the community today,” Justice Crulci said.

Her Honour added that the pleaders play an essential role in enabling the community to access legal assistance.

“There has been an imbalance between the number of pleaders available and the many Nauruans requiring advice and assistance,” Justice Crulci said.

Justice Crulci urged the new pleaders to learn from the current pleaders how to practice as a pleader in the Nauru court.

Justice Crulci ended her remarks by congratulating the new pleaders and formally endorsing their admission to the Bar.

“We look forward to seeing the positive impact the new next generation of pleaders have as you uphold and defend the rule of law for this court,” Justice Crulci said.

Following Justice Crulci’s remarks the new pleaders swore the oath of admission.

Secretary of Justice and Border Control Graham Leung also offered his congratulatory remarks.

“I urge you all to never stop learning and growing. On our part, we in the Department of Justice stand ready and willing and to



The admission of eleven pleaders increase the local number of pleaders by 300 per cent

do all within our capacity to help mentor and guide you,” Mr Leung said.

Mr Leung reminded the new pleaders of the high professional standards of a pleader and welcomed the new pleaders to the profession.

“In conclusion, I welcome and congratulate you on your admission to the legal profession,” Mr Leung said.

President of the Nauru Law Society (NLS) Vinci Clodumar addressed the court on behalf of the NLS expressing their appreciation for the new admissions.

“There is no doubt that today is very momentous occasion for all concerned and in particular the new Pleaders as their admission to the Court’s Roll is their final step in their quest to become legal practitioners to serve the people of this country. Their admission will increase the Roll of the local pleaders by 300%,” Mr Clodumar said.

Mr Clodumar highlighted that the new pleaders will provide better legal service to the Nauruan people.

“In terms of advocacy, the more of us the better the service we will provide to the people as they will have more choice of pleaders it will eliminate overloading which, in turn, will ensure each pleader will have more time for thorough investigation, analysis and preparation of his case plan. This will go towards lifting the quality of service we provide to our clients,” Mr Clodumar said.

Closing his address, Mr Clodumar paid tribute to the late Chief Justice Ratu Joni Madraiwiwi who was a strong supporter of the pleaders course.

“To have missed opportunity to admit the new Pleaders himself to the Roll of the Court would have been a great disappointment to the late Chief Justice Ratu Joni Madraiwiwi. May he rest in peace,” Mr Clodumar said.

The new pleaders admitted to the Nauru Bar are as follows:

Julie Olsson, Cecilia Giouba, Maverick Eoe, Dale Cecil, Kristian Aingimea, Daran Adeang, Criden Appi, Francis Amram, Raelytta Daoc, Victor Soriano, and Vinson Detenamo.

Only ten of the 11 pleaders attended the admission ceremony•

ADB Board of directors Nauru visit (cont..)

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During their three day visit the ADB delegation visited several state-owned entities and ADB supported projects. This included the Nauru port development and energy project.

ADB board members met President Waqa, Cabinet ministers as well as the Australian High Commissioner John Donnelly and other development partners to discuss ADB’s assistance program and working relationship with Nauru.

ADB and Nauru have been working together since 1991, with approved loans, grants and technical assistance amounting to over \$25 million.

The ADB has also been assisting Nauru strengthen its public financial management, raise the performance of state-owned entities, improve equitable service delivery and address the country’s considerable infrastructure needs, including to improving the supply of electricity.

Nauru and ADB will further partner on projects which are being initiated including developing a modern sea port, a planned undersea cable project and a program to promote financial inclusion.

The ADB delegation departed Nauru on 2 November following the meeting with President Waqa and Cabinet ministers•

Armistice Remembrance Day honoured in Nauru

Nauru fell silent for two minutes on Armistice Day (11 Nov) in remembrance of the war dead.

The ceremony was held at the cenotaph in front of the Nauru government building on the 11th hour, the 11th day and 11th month to remember those that had fallen during the war.

The flags of Nauru, Australian, New Zealand and Republic of China (Taiwan) were lowered to half-mast.

Reverend Roger Mwareow led the ceremony with an opening prayer followed by Nauru's National Anthem, then by the laying of the wreaths.

His Excellency Acting President the Honourable David Adeang, MP laid the first wreath, followed by the Speaker of Parliament Cyril Buraman, MP, and Acting Chief Justice Her Honour Jane Crulci.

Members of the diplomatic corps, and a representative of the Nauru Police Force, state owned entities and the public, then followed.

One person of note was the chief and honoured guest, an



His Excellency Acting President the Honourable David Adeang, MP laid the first wreath

Australian, a Surgeon Lieutenant Commander, Doctor Nick Martin who works for the International Health and Medical Services (IHMS) in Nauru for the Asylum Seekers and Refugees.

Doctor Martin is the grandson of Doctor Bernard Haselden Quin, a Government medical officer for the British Phosphate Commission (BPC) in Nauru before the start of World War II.

Doctor Quin was one of five Australians that chose to remain on Nauru during the Japanese occupation, and reportedly executed by the Japanese around 1943.

For the Nauruan people it was also a day to remember loved ones that never came back from Truk Island and others killed during the war.

The "Last Post" was played followed by the reading of the third and fourth verses of the Ode of Remembrance.

Two minutes' of silence was observed in honour of the war dead and Nauruans that ended and perished during the Japanese occupation of Nauru during World War II.

Father Saimon Kokoria, MSC, delivered the closing prayer•

Nauru Rugby 7's jersey presentation

His Excellency President Baron Waqa presented the Nauru Rugby team with their playing jerseys during a ceremony at the cabinet room last week (4 November).

Nauru rugby team will be competing in this year's Oceania Rugby Sevens Championships which will kick off on 11 November in Suva, Fiji.

President of the Nauru Rugby Committee Kieren Keke thanked President Waqa for making time to see the team offered a short speech outlining the challenges faced by the team.

Mr Keke remarked what Nauru rugby has achieved is ground breaking. The team will be competing in their second Oceania rugby championship and what is only their third appearance in an international competition.

Additionally, Mr Keke congratulated and acknowledged the commitment of the team since the beginning of the year.

Mr Keke ended his remarks by thanking a number of the team's sponsors including the government of Nauru for their support.

"Big thanks to government, your cabinet ministers and the sports department for ongoing support for development of rugby on



Nauru Rugby 7's receive new jerseys for their Championship tournament

Nauru, without which would be much more difficult to progress," Mr Keke said.

Following Mr Keke's remarks, each member of the team was called individually to receive their jersey from President Waqa.

President Waqa thanked the team for the opportunity of being able to present the rugby jerseys to the team and reiterated the support of government to develop rugby on Nauru.

In addition, President Waqa reminded the team they are ambassadors of Nauru and to

take with them the pride of their countrymen.

President Waqa closed his remarks by reiterating the importance of discipline and wishing the Nauru rugby team the best in the championship.

In their opening game, the Nauru team played Papua New Guinea (PNG) and subsequently lost their match to PNG 29 points to five.

Nauru then competed against Fiji in its second pool match and was outplayed by the Rio gold medalists 73 points to nil.

The team progressed to the pool playoffs against the Solomon Islands and emerged as close victors winning by 22 points to 19•

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NAURU BULLETIN



Republic of Nauru

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