

FSM Information Services

Press Release

### **President Signs FSM Trust Fund Transparency & Accountability Law**

PALIKIR, Pohnpei— Certified by the Twentieth Congress of the Federated States of Micronesia during its Sixth Special Session, on December 3<sup>rd</sup>, 2018, President Peter M. Christian signed Public Law #20-147 which will further promote transparency and accountability of the FSM Trust Fund.

The law states “While the Board of the FSM Trust Fund...has not been duly constituted...all powers of the Board shall be vested in and exercisable by the President of the FSM; Provided, however, that he shall cause the Administrator of the Fund to report on a regular basis to Congress of the progress of the FSM Trust Fund. The Administrator shall report...to Congress on a quarterly basis but at least 10 days before each regular session....The Administrator shall be deemed a fiduciary and shall be held to the standard of a fiduciary....”

So, what does this mean? Imagine you have a bag of money that you’re keeping for when you are retired. Every year, the FSM puts money into this bag—the *FSM Trust Fund*—and the hope is that it will help sustain important operations, such as schools and hospitals, in 2023 and beyond; particularly as we improve our economy and thus increase our revenues. What the Congress certified, and the President signed, is a law that states that every quarter (or three months), the person in charge of the bag of money (the Administrator of the FSM Trust Fund) must report on how much money is in the bag. In addition, the Administrator is deemed a *fiduciary*—this is someone who has an ethical and legal obligation to do their best to take care of financial assets.