



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES
COMMITTEE ON COMMERCE
 P.O. BOX 500586 SAIPAN, MP 96950

THOMAS JOHN "TJ" DELA CRUZ MANGLONA
 CHAIRMAN

Adopted delacruz
 STANDING COMMITTEE REPORT NO. 24-10
 DATE: April 22, 2025
 RE: Senate Bill No. 24-16, SD1

The Honorable Edmund S. Villagomez
 Speaker of the House of Representatives
 Twenty-Fourth Northern Marianas
 Commonwealth Legislature
 Capitol Hill
 Saipan, MP 96950

TO THE CLERK'S OFFICE
 RECEIVED BY *[Signature]*
 DATE *6-17-2025* TIME *12:25pm*

Dear Mr. Speaker:

Your Committee on Commerce to which was referred:

Senate Bill No. 24-16, SD1: To promote trade and investment economic development and diversification in the CNMI; to encourage foreign and domestic investments through incentives and streamlined processes, as well as to promote the CNMI as a trade and investment hub; and for other purposes.

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that Senate Bill No. 24-16, SD1, be passed by the House in its current form.

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to promote economic development and diversification in the CNMI by encouraging foreign and domestic investments through incentives, streamlined processes, and positioning the CNMI as a trade and investment hub. It further seeks to modernize

and strengthen the CNMI's business environment by revamping the existing framework governing foreign investment assistance.

B. Committee Findings:

Your Committee finds that the "CNMI Foreign Corporation Promotion Act of 2025" aims to boost economic growth and diversification in the CNMI by attracting foreign and domestic investments. It seeks to make the CNMI a trade and investment hub in the Western Pacific region by offering incentives, simplifying business processes, and improving the overall business environment.

Your Committee also finds that the Act, among other things, repeals and reenacts 1 CMC §§ 2495–96, which governs foreign investment assistance, transforming the former Office of Foreign Investment Assistance into the new "Office of Foreign Corporation Liaison" (OFCL) within the Department of Commerce. The OFCL, like its predecessor, will be headed by a director appointed by the Secretary of Commerce. The Act also expands the type of investors the office is authorized to assist. The office now assists both foreign and domestic investors in navigating permitting, licensing, and related requirements efficiently.

Additionally, your Committee finds that the Act requires the OFCL to propose a comprehensive package of financial and non-financial incentives, including tax credits, exemptions, grants, and other forms of financial assistance, to promote investment in key sectors, such as tourism, manufacturing, agriculture, renewable energy, and technology. The OFCL is tasked with streamlining business registration and licensing processes, acting as a one-stop shop for investors, and coordinating with government agencies to make it easier and more efficient for businesses to establish and operate in the CNMI. Like the former office, the OFCL may enter into interdepartmental agreements to expedite information dissemination and application processing.

Further, your Committee finds that the OFCL will promote the CNMI as an attractive destination for trade and investment through comprehensive marketing strategies, including participation in trade shows, investment forums, and digital campaigns. The OFCL is also required to coordinate with private industries, including banking, telecommunications, real estate, and energy sectors, to ensure that the infrastructure necessary for foreign corporations to domicile and source revenue in the CNMI is robust and competitive.

Finally, your Committee finds that the OFCL must submit an annual report to the CNMI Legislature, beginning December 31, 2025, regarding the implementation and impact of the incentives, streamlined processes, and promotional activities, including an assessment of their effectiveness in attracting investment and driving economic growth.

Your Committee agrees with the intent and purpose of Senate Bill No. 24-16, SD1, and recommends its passage in its current form.

C. Public Comments/Public Hearing:

The Committee received comments from the following:

- Honorable Aubry M. Hocog, Mayor, Office of the Mayor of the Municipality of Rota. Comments dated March 25, 2025.

“I am writing to express my full support for Senate Bill 24-16 SD1 I strongly urge the Legislature to support and pass this important piece of legislation.”

- Remedio C. Mafnas, Secretary of Commerce, CNMI Department of Commerce. Comments dated April 9, 2025.

“I am writing to express my full support for Senate Bill No. 24-16, SD1 I urge the House of Representatives to pass this bill without delay.”

- Joe C. Guerrero, President, Saipan Chamber of Commerce. Comments dated on April 11, 2025.

“I am writing to share our opposition to Senate Bill No. 24-16 SD1 We strongly support allowing the Commonwealth Economic Development Authority (CEDA) to carry out its mandated role in promoting investment and development. Dividing these responsibilities among multiple agencies risks confusion, inefficiencies, and unnecessary overlap. If aspects of this bill align with the Department of Commerce’s functions, they should be properly delegated while ensuring clear responsibility. Additionally, this bill places an added burden on the already strained Department of Commerce without providing necessary funding or resources. Circumventing CEDA’s role undermines its mandate and may create more obstacles than solutions for economic development. For these reasons, we respectfully oppose this bill’s structure to ensure a more cohesive, efficient, and well-supported approach to economic development.”

Comments received have been attached as part of the committee report.

D. Legislative History:

On February 10, 2025, Senator Corina L. Magofna introduced Senate Bill No. 24-16, titled the “CNMI Foreign Corporation Promotion Act of 2025.”

On February 28, 2025, the Senate amended the bill on its first and final reading and passed the bill in the form of Senate Bill No. 24-16, SD1. The bill was transmitted to the House

on March 3, 2025, and was referred to the House Standing Committee on Commerce for disposition on March 11, 2025.


E. Cost Benefit:

The enactment of Senate Bill 24-16, SD1, will result in additional cost to the CNMI government to effectively carry out the intent and purpose of the proposed legislation. However, these expenditures are expected to be outweighed by long-term economic benefits. By promoting foreign and domestic investments through financial and non-financial incentives, streamlining permitting and licensing processes, and enhancing the CNMI's marketing as a trade and investment hub, the legislation aims to attract new business activity to the Commonwealth. Increased investment is likely to generate higher tax revenues, create employment opportunities, and diversify the economy. Over time, the anticipated economic benefits and expanded revenue base from increased investment and business activity are expected to generate a net gain for the CNMI Government.

III. CONCLUSION:

Your Committee is in accord with the intent and purpose of Senate Bill No. 24-16, SD1, and recommends its passage.


Respectfully submitted,




Rep. Thomas John "TJ" DLC. Manglona
Chairman




Rep. Roy A. Ada, Member




Rep. Blas Jonathan "BJ" T. Attao, Member



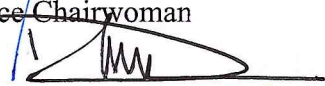
Rep. Malcolm J. Omar, Member




Rep. Patrick H. San Nicolas, Member



Rep. Julie M. A. Ogo
Vice Chairwoman



Rep. Daniel I. Aquino Jr., Member



Rep. Angelo A. Camacho, Member



Rep. Raymond U. Palacios, Member

Reviewed by:



6/10/25

House Legal Counsel

Attachments:

- Letter dated March 25, 2025, from the Mayor of the Municipality of Rota.
- Letter dated April 9, 2025, from the CNMI Department of Commerce.
- Letter dated April 11, 2025, from the Saipan Chamber of Commerce.



OPY

THE SENATE
Twenty-Fourth Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

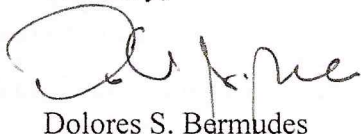
March 03, 2025

The Honorable Edmund S. Villagomez
Speaker
House of Representatives
24th Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Speaker Villagomez:


I have the honor of transmitting for your House action **Senate Bill No. 24-16, SD1**, entitled, "To promote trade and investment economic development and diversification in the CNMI; to encourage foreign and domestic investments through incentives and streamlined processes, as well as to promote the CNMI as a trade and investment hub; and for other purposes." The Senate passed S.B. No. 24-16, SD1 by unanimous voice vote, in its 3rd Day, First Regular Session on February 28, 2025.

Sincerely,


Dolores S. Bermudes
Senate Clerk

Attachment

Transmitted to HOUSE:

Received by:  Date: 3/3/2025 Time: 1:47P

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2025

S. B. NO. 24-16, SD1

A BILL FOR AN ACT

To promote trade and investment economic development and diversification in the CNMI; to encourage foreign and domestic investments through incentives and streamlined processes, as well as to promote the CNMI as a trade and investment hub; and for other purposes.

BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **Section 1. Short Title.** This Act may be cited as the “CNMI Foreign
2 Corporation Promotion Act of 2025.”

3 **Section 2. Findings and Purpose.** The Legislature finds that the Commonwealth
4 of the Northern Mariana Islands (CNMI) has the potential to authorize foreign
5 corporations to do business and pay taxes in the Commonwealth and, in so doing, to
6 become a trade and investment hub in the Western Pacific region. Although Public Law
7 14-67 established the Office of Foreign Investment Assistance within the Department of
8 Commerce in May of 2005, the transition from the CNMI permit system to US
9 immigration laws, completed in 2014, has rendered the office irrelevant. With the
10 COVID-19 pandemic changing the world order and economies, it is necessary to revamp
11 the purpose and mandate of the Office of Foreign Investment Assistance, which shall be
12 renamed as the “Office of Foreign Corporation Liaison”.

13 Accordingly, it is the purpose of this Act to promote economic development and
14 diversification in the CNMI by providing incentives, streamlining business formation,
15 registration, and licensing processes, and enhancing the CNMI's attractiveness as a
16 destination for trade and investment.

17 **Section 3. Repealer and Reenactment.** Title 1, Division 2, Part 1,
18 Chapter 9, Article 4 of the Commonwealth Code is hereby repealed and reenacted to read
19 as follows:

1 **“Article 4. Foreign Corporation Liaison.**

2 **§ 2494. Office of Foreign Corporation Liaison.**

3 There is hereby established within the Department of Commerce an Office of
4 Foreign Corporation Liaison, which shall be headed by a director appointed by the
5 Secretary of the Department of Commerce. The director shall hire staff and personnel as
6 reasonably necessary to carry out the functions of the office as provided under this
7 article.

8 **§ 2495. Office of Foreign Corporation Liaison; Duties and Responsibilities.**

9 (a) Primary Responsibility. The Office of Foreign Corporation Liaison through
10 the director shall be principally responsible for assisting any foreign or domestic investor
11 in obtaining all the requisite permitting and licensing requirements of the various
12 government departments and agencies in an expedient manner.

13 (b) The services provided by the office shall include, but not be limited to,
14 assistance in obtaining information and documents from government departments and
15 agencies, assistance in filling out applications for government permits and licenses and
16 other government requirements, routing of applications through the government
17 departments and agencies on behalf of the foreign corporation, monitoring of the progress
18 of applications for permits and licenses on behalf of the businesses, and prompt
19 coordination with departments, agencies, and public corporations and other governmental
20 entities, including, but not limited to, permitting and licensing departments and agencies,
21 on any additional documentary support required of the business.

22 (c) Rulemaking authority. The Secretary of the Department of Commerce shall
23 have rulemaking authority to prescribe reasonably necessary rules and regulations to
24 carry out the mandate and intent of this Act.

25 **§ 2496. Investment Incentives.**

26 (a) The Office of Foreign Corporation Liaison shall propose a comprehensive
27 package of financial and non-financial incentives to encourage foreign and domestic
28 investments in the CNMI. These incentives may include tax credits, exemptions or
29 reductions, grants, and other forms of financial assistance.

1 (b) The incentives shall be designed to promote investment in key sectors such as
2 tourism, manufacturing, agriculture, renewable energy, technology, and other industries
3 that can contribute to the economic development of the CNMI.

4 **§ 2497. Streamlined Investment Processes.**

5 (a) The Office of Foreign Corporation Liaison shall coordinate with other
6 government offices and agencies to streamline investment processes, including business
7 registration, permitting, and licensing, to make it easier and more efficient for investors to
8 establish and operate businesses in the CNMI.

9 (b) The office shall be the designated agency to serve as a one-stop shop for
10 investors, providing information, guidance, and assistance; throughout the investment
11 process.

12 (c) Interdepartmental agreements. The Office of Foreign Corporation Liaison,
13 through the Secretary of the Department of Commerce, may enter into agreements with
14 other departments, agencies, public corporations, and other governmental entities to
15 establish procedures for expediting the dissemination of information for foreign and
16 domestic businesses and the processing of any application for permit or license or any
17 other governmental service.

18 (d) Private sector coordination. The Office of Foreign Corporation Liaison shall
19 coordinate with the private industry within the CNMI, including banking and financial
20 services, insurance, telecommunications, energy, and real estate industries to ensure that
21 the infrastructure, necessary for foreign corporations to domicile and source revenue in
22 CNMI, is robust and attractive to foreign corporations seeking to do business in CNMI.

23 **§ 2498. Promotion of the CNMI as a Trade and Investment Hub.**

24 (a) The Office of Foreign Corporation Liaison, in collaboration with relevant
25 agencies and organizations, shall develop and implement a comprehensive marketing and
26 promotional strategy to position the CNMI as a trade and investment hub in the Western
27 Pacific region.

28 (b) Efforts shall include, but shall not be limited to participating in trade shows,
29 organizing investment forums and roadshows, and leveraging digital marketing and

1 media to showcase the CNMI's investment opportunities and business-friendly
2 environment.

3 **§ 2499. Reporting and Evaluation.**

4 The Office of Foreign Corporation Liaison shall provide an annual report
5 commencing on December 31, 2025 to the CNMI Legislature on the implementation and
6 impact of the incentives, streamlined processes, and promotional activities, including an
7 assessment of their effectiveness in attracting investment and promoting economic
8 growth."

9 **§ 2500. Director Hiring and Qualifications.**

10 Within ~~60~~ 90 days of the effective date of this Act, the Secretary of the
11 Department of Commerce shall cause to be hired the director of the Office of Foreign
12 Corporation Liaison Director.

13 The Secretary of the Department of Commerce shall not cause to be hired, as
14 director of the Office of Foreign Corporation Liaison, any person who does not meet the
15 following minimum qualifications:

16 (1) A bachelor's or equivalent degree in business, marketing, economics or
17 related field and 5 years of related professional private-industry experience; or

18 (2) 10 years of professional private-industry experience in business,
19 marketing, economics, or related fields."

20 **Section 4. Severability.** If any provision of this Act or the application of any
21 such provision to any person or circumstance should be held invalid by a court of
22 competent jurisdiction, the remainder of this Act or the application of its provisions to
23 persons or circumstances other than those to which it is held invalid shall not be affected
24 thereby.

25 **Section 5. Savings Clause.** This Act and any repealer contained herein shall not
26 be construed as affecting any existing right acquired under contract or acquired under
27 statutes repealed or under any rule, regulation, or order adopted under the statutes.
28 Repealers contained in this Act shall not affect any proceeding instituted under or
29 pursuant to prior law. The enactment of the Act shall not have the effect of terminating,

1 or in any way modifying, any liability, civil or criminal, which shall already be in
2 existence on the date this Act becomes effective.

3 **Section 6. Effective Date.** This Act shall take effect upon its approval by the
4 Governor or becoming law without such approval.

Prefiled:

Date: 02/10/25

Introduced By: /s/
Sen. Corina L. Magofna

Reviewed for Legal Sufficiency by:

/s/ Antonette R. Villagomez
Senate Legal Counsel

RECEIVED
DATE: 4/10/25 1:24pm



Commonwealth of the Northern Mariana Islands
DEPARTMENT OF COMMERCE

Office of the Secretary
12054 Pohnpei Way, Capitol Hill
P.O. Box 5795 CHRB, Saipan, MP 96950
Tel: (670) 664-3000/3077
Email: info@commerce.gov.mp
Web: www.commerce.gov.mp



Arnold I. Palacios, Governor • David M. Apatang, Lt. Governor • Remedio C. Mafnas, Secretary of Commerce

April 09, 2025

The Honorable Thomas John DLC Manglona
Chairman, Committee on Commerce
House of Representatives
24th Northern Marianas Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Re: Comments and Support for Senate Bill No. 24-16, SD1 – The CNMI Foreign Corporation Promotion Act of 2025

Dear Representative Manglona:

I am writing to express my full support for **Senate Bill No. 24-16, SD1**, also known as the "**CNMI Foreign Corporation Promotion Act of 2025**." This legislation is a pivotal step toward modernizing our investment framework and positioning the CNMI as a competitive hub for trade and commerce in the Western Pacific.

Comments:

The provisions of the bill, particularly the establishment of the **Office of Foreign Corporation Liaison**, reenacting and resurrecting the **Office of Foreign Investment Assistance**, within the Department of Commerce, are timely and essential. By creating a centralized body to streamline investor processes, coordinate inter-agency efforts, and promote the CNMI as an attractive destination for both foreign and domestic investments, this legislation addresses critical gaps in our current system.

Key Benefits and Strategic Enhancements

1. Streamlined Processes and Enhanced Inter-Agency Collaboration

The creation of a **one-stop-shop** for permits and licensing will reduce bureaucratic delays, making it easier for investors to navigate our regulatory landscape. Formalizing inter-agency agreements and integrating digital platforms will enhance coordination, provide real-time application tracking, and promote transparency across departments.

2. Promotion of Key Investment Sectors

The bill's focus on offering **targeted incentives**—such as tax credits and grants—will attract investments in sectors like tourism, manufacturing, renewable energy, technology, and agriculture. By lowering entry barriers and accelerating project timelines, we can stimulate economic growth and create new opportunities for the local workforce.

3. Enhanced Investor Confidence

The proposed reforms align CNMI corporate governance practices with global standards, sending a clear message to national and international investors that the CNMI is committed to fostering a business-friendly environment. This alignment will not only attract high-quality investments but

also strengthen our financial ecosystem, encouraging partnerships with reputable banking institutions.

4. Accountability and Continuous Improvement

The requirement for **annual reporting** by the Office of Foreign Corporation Liaison will allow the Legislature to monitor the effectiveness of the reforms and make data-driven adjustments as necessary. This built-in feedback mechanism is vital for maintaining the momentum of our economic development initiatives.

Recommendations and Observations

- **Resource Allocation and Interagency Coordination:** Given the expansive mandate of the Office, it will be critical to ensure sufficient funding, staffing, and interdepartmental cooperation. A mechanism to formalize interagency agreements could further cement the office's role as a central facilitator for investor services.
- **Long-Term Strategic Vision:** By elevating the CNMI's profile as a trade and investment hub, the bill is setting the stage for broader economic diversification. It might be useful to consider supplemental provisions that explicitly address the need for periodic strategic reviews or stakeholder consultations to continuously adapt policies to changing global conditions.

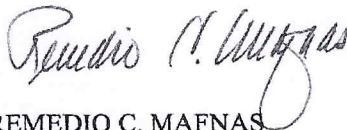
Conclusion

Senate Bill No. 24-16, SD1 is a forward-thinking piece of legislation that lays the foundation for a more dynamic and diversified economy in the CNMI. By streamlining processes, promoting key sectors, and boosting investor confidence, this bill has the potential to transform our Commonwealth into a thriving hub for trade and investment.

I urge the House of Representatives to pass this bill without delay. The Department of Commerce is fully committed to supporting its implementation and working collaboratively with all stakeholders to ensure its success.

We commend the author of this bill and we appreciate the opportunity to provide these comments. Thank you for your leadership and dedication to advancing the economic prosperity of the CNMI. Should you need any additional information or assistance, please do not hesitate to reach out.

Sincerely,



REMEDIIO C. MAFNAS
Secretary of Commerce

xc: DEPCOMM OG-File



Board of Directors

April 11, 2025

President
Joe C. Guerrero

Corina Magofna
Senator
24th Commonwealth Legislature
PO Box 500129
Saipan MP 96950

Vice President
Joshua Wise

Treasurer
Janice Tenorio

Re: S.B. No. 24-16 SD1 - To promote trade investment, economic development and diversification in the CNMI; to encourage foreign and domestic investments through incentives and streamlined processes, as well as to promote the CNMI as a trade and investment hub; and for other purposes.

Secretary
Ron Smith

Directors
Alex A. Sablan
John Arroyo
Velma Palacios
Brad Ruzsala
Nicole Babauta

Håfa adai yan tirow Senator Magofna,

I hope this letter finds you well. On behalf of the Saipan Chamber of Commerce (SCC), I am writing to share our opposition to Senate Bill No. 24-16 SD1, which seeks to promote trade investment, economic development and diversification in the CNMI; to encourage foreign and domestic investments through incentives and streamlined processes, as well as to promote the CNMI as a trade and investment hub; and for other purposes.

Executive Director
Kimberly Camacho

We strongly support allowing the Commonwealth Economic Development Authority (CEDA) to carry out its mandated role in promoting investment and development. Dividing these responsibilities among multiple agencies risks confusion, inefficiencies, and unnecessary overlap. If aspects of this bill align with the Department of Commerce's functions, they should be properly delegated while ensuring clear responsibility.

Marianas Business Plaza
2nd Floor, Suite 201-A Nauru
Loop, Susupe
PO Box 500806
Saipan, MP 96950


Additionally, this bill places an added burden on the already strained Department of Commerce without providing necessary funding or resources. Circumventing CEDA's role undermines its mandate and may create more obstacles than solutions for economic development.

Tel 1(670)234-7150

www.saipanchamber.com

For these reasons, we respectfully oppose this bill's structure to ensure a more cohesive, efficient, and well-supported approach to economic development. We appreciate the opportunity to provide input on this matter and would welcome the chance to further discuss our concerns. We look forward to collaborating with you on this and other legislative efforts aimed at improving our community.

Si Yu'us ma'asi' yan ghilisow,


Joe C. Guerrero
President



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE MAYOR
THE HONORABLE AUBRY MANGLONA HOCOG
Mayor of the Municipality of Rota
Mailing Address: Post Office Box 537 Rota, MP 96951
Phone: 670.532.9451/9452 * Email: mayor.ahocog@gmail.com



MARCH 26, 2025
4:53 PM

MOR-2025-121

March 25, 2025

The Committee on Commerce
24th CNMI Legislature
House of Representatives
Capitol Hill, Saipan, MP 96950

RE: LETTER OF SUPPORT FOR SENATE BILL NO. 24-16

Dear Honorable Members,

I am writing to express my full support for Senate Bill 24-16 SD1, the "CNMI Foreign Corporation Promotion Act of 2025". As the Mayor of Rota, I firmly believe this legislation represents a critical step forward in our Commonwealth's economic development strategy.

The bill's purpose is clear and compelling: "To promote trade and investment economic development and diversification in the CNMI; to encourage foreign and domestic investments through incentives and streamlined processes, as well as promote the CNMI as a trade and investment hub." This vision aligns perfectly with our collective goal of economic revitalization and growth.

The proposed Office of Foreign Corporation Liaison will be instrumental in attracting investments, simplifying bureaucratic processes, and creating new economic opportunities for our community. By establishing a one-stop shop for investors and developing a comprehensive marketing strategy, this legislation will position the CNMI as an attractive destination for both foreign and domestic investment.

The bill's provisions, including the creation of financial and non-financial incentives and the requirement for an annual report to the Legislature, demonstrate a thoughtful and transparent approach to economic development.

I strongly urge the Legislature to support and pass this important piece of legislation. It represents a forward-thinking approach to economic growth that can benefit all of the Northern Mariana Islands.

Sincerely,

Aubry M. Hocog