



REPUBLIC OF PALAU
OFFICE OF THE PRESIDENT

SURANGEL WHIPPS, JR.
President

P.O. Box 6051, Palau, PW 96940
Tel. (680) 767-2403/2828
Fax. (680) 767-2424/1662
Email: president@palaupresident.info

EXECUTIVE ORDER NO. 450

Reorganizing the Ministry of Finance

WHEREAS, pursuant to Article VI of the Constitution, the national government must take positive action to protect the safety and security of persons and property; and

WHEREAS, Title 2 of the Palau National Code establishes eight Ministries, including the Ministry of Finance, which is described by Section 108; and

WHEREAS, as the national chief executive, the President is empowered, pursuant to Section 109 of Title 2 of the Palau National Code, to provide for the subdivisions of the Ministries and to prescribe their duties, responsibilities, and functions; and

WHEREAS, pursuant to 2 PNC § 108, the Ministry of Finance is responsible for administration and management of government finance, revenue, personnel, property, and related matters;

NOW, THEREFORE, by virtue of the authority vested in me as President of the Republic of Palau, pursuant to the applicable laws of the Republic, I hereby order the organization of the Ministry of Finance as follows:

MINISTRY OF FINANCE

The Ministry of Finance shall be headed by a Minister who shall be responsible for the administration and management of Government finance, revenue, personnel, and property (Section 108; Title 2 of the PNC). The Minister shall coordinate the programs of the Ministry with appropriate authorities, boards, and commissions. The Minister shall be responsible for the performance of the duties and functions of the following offices, bureaus, and divisions:

Section 1. Information Systems Support Services

The Information Systems Support Service, within the Office of the Minister, shall be headed by a manager who shall be responsible for the following duties and functions:

1. Facilitate the collection, storage, security, and integrity of electronic data for the ministry while ensuring appropriate access and reporting;
2. Develop and maintain highly effective, reliable, secure, and innovative information systems to support ministry functions;
3. Guide technology decision-making in the procurement and decommissioning of the Ministry's information technology;



4. Provide technical support and information technology consulting outside of the Ministry as requested or assigned by the Minister;
5. Digitize and archive Ministry documents related to final finances, properties, taxes, personnel, and other vital areas to be retained for specific periods or indefinitely, as determined by the Minister; and
6. Collect, register, manage and facilitate access to the archives of the Ministry.

Section 2. Bureau of National Treasury

The Bureau of National Treasury shall be headed by a Director who shall be responsible for the day-to-day management of programs and activities involving the receipt, custody, and disbursement of funds; the acquisition, accountability, and control of properties; and the general daily operations of the National Treasury. The Director shall comply with and enforce appropriate sections of Title 40 of the PNC. The Director shall be responsible for the performance of the duties and functions of the following divisions:

Division of Finance and Accounting. The Division of Finance and Accounting shall be headed by a Chief who shall responsible for the following duties and functions:

1. Maintain accounting records of all revenues, obligations, disbursements, assets, and liabilities of the Government, approve payments and other financial documents;
2. Provide staff support to the Director of the Bureau of National Treasury in the daily management and operation of the National Treasury;
3. Formulate financial policies, procedures, and regulations for the Government and ensure adherence to applicable laws and regulations in all financial transactions of the Government; and
4. Prepare such regular and special financial statements and reports as may be required by the Director of the Bureau of National Treasury.

Division of Property and Supply. The Division of Property and Supply shall be headed by a Chief who shall act as the Government's Procurement Officer for the purchase of goods (Section 608; Title 40 of the PNC). The Chief shall responsible for the following duties and functions:

1. Procure supplies, equipment, materials, and personal property for the use of the Government and assist other agencies in accordance with procurement regulations and laws; and
2. Maintain a complete inventory record of personal property of the Government and conduct periodic physical inventories to verify the accuracy of records.



Division of Treasury. The Division of Treasury shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Act as the final recipient of all cash receipts under the Bureau of National Treasury's responsibilities and issue cash receipt forms for all such monies received;
2. Maintain all of the Government's bank checking and savings amounts under the centralized financial management system;
3. Disburse all Government checks, including payroll checks;
4. Assist state governments in accounting, payroll, etc., upon request; and
5. Manage all Government funds, including the maintenance of all daily records of bank account balances and the determination of the priority of bill payments.

Division of Grants. The Division of Grants shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Monitor the Division's operations to maintain a system that reduces errors and ensures compliance;
2. Modify operations as needed to improve performance;
3. Work with the Government's departments related to grant implementation (i.e., Accounting, Payroll, Human Resources, Budget, and Planning, etc.) to improve processes and procedures as needed to ensure that grant projects meet audit standards and are in compliance with grant terms and conditions;
4. Conduct startup meeting to orient Project Managers to their role in grant management, including a review of the Government and funding agency regulations and procedures to ensure that all projects will successfully pass all program and fiscal audits;
5. Work closely with Project Managers to ensure projects are in compliance with all applicable legislation and regulations;
6. Assist Project Managers with more complex, nonroutine aspects of project implementation;
7. Contact, when necessary, funding agencies to clarify specific agency procedures and/or regulations;
8. Provide guidance in the development of sub-award agreements; and
9. Provide other technical assistance as needed.

Section 3. Bureau of Budget and Planning

The Bureau of Budget and Planning shall be headed by a Director who shall be responsible for the day-to-day management of programs and activities involving the preparation of the annual national budget and its implementation; the preparation of the annual report on the performance of



Executive Branch agencies; the monitoring and evaluation of national and sector developmental plans implementation; the compilation and dissemination of economic and socio-demographic statistics; the development and use of geographic information technology; project aid coordination and management; and the mainstreaming of climate change issues in national policies, strategies, and budgets. The Director shall be responsible for the performance of the duties and functions of the following offices:

Office of Budget and Management. The Office of Budget and Management shall perform the following duties and functions:

1. Develop revenue and budgetary estimates and justifications in order to prepare the annual national budget and adjustments thereto;
2. On request, or as assigned, assist Government agencies in the preparation and implementation of their annual operating budgets;
3. Monitor and conduct funds availability analysis in order to certify the availability of funds for expenditure in accordance with Section 401, Title 40 of the PNC; and
4. Review and report on the performance of Government agencies pursuant to Chapter 3 of Title 40 of the Palau National Code, and on request or as assigned, assist Government agencies in the implementation of performance management and the preparation of annual performance reports.

Office of Planning and Statistics. The Office of Planning and Statistics shall perform the following duties and functions:

1. Establish, develop and maintain a general data dissemination system in accordance with Chapter 5 of Title 36 of the Palau National Code that provides reliable economic and sociodemographic statistics to support developmental planning and the formulation of appropriate economic and fiscal policies and their assessment and to serve as the clearinghouse for statistical information; and
2. Establish, develop and maintain a public sector investment program that monitors and evaluates the progress and effectiveness of the implementation of national and sector plans and strategies, provides for the review of Government and sector strategic plans to ensure they are consistent with the national master plan.

Office of the Palau Automated Land and Resources Information System (PALARIS). PALARIS shall have the following duties and functions:

1. Develop, maintain, update and distribute geographic information, technology, data, and services for use by national agencies, state governments, and the public;



2. Coordinate all geographic information activities in national and state governments, and shall collect, manage and distribute geographic information maintained by state agencies and local government agencies;
3. Provide technical services related to geographic information to national agencies and state governments;
4. Set standards for the acquisition, management, and reporting of geographical information and the acquisition, creation, or use of applications employing such information by any national agency or state government;
5. Promote awareness among national agencies and state governments on the use of geographical information to support decision-making processes; and
6. Serve as Secretariat for Implementation of Executive Order 350, reconstituting the National Environmental Protection Council (NEPC).

Office of Project Management. The Office of Project Management shall have the following duties and functions:

1. Assess whether proposed projects fall within the national priorities of Palau;
2. Conduct feasibility analysis, cost/benefit analysis, and risk assessment to ascertain whether a proposed project should proceed;
3. Oversee development of project design to ensure proper input of relevant stakeholders, identification of problems and best solutions, and inclusion of a risk management mitigation plan;
4. Ensure that proposed project budgets are realistic for the outputs expected, that they include sufficient monitoring and evaluation costs, and that appropriate indirect costs incurred by the Ministry of Finance are included;
5. Ensure that projects proposals follow the required internal approval process before being submitted to grantor agencies;
6. Review project activity and assess performance, including efficiency, effectiveness and economy;
7. Monitor project outputs and assess the efficiency of allocation and use of resources;
8. Monitor progress of project implementation against the proposed timeline to ensure that the project is on schedule;
9. Maintain hardcopy and electronic files that will include: the application packet; award letter; fully executed contract with funding agency; set of related regulations; original line-item budget; originals of executed sub-award agreements with partners (sub-recipients); copies of relevant correspondence; copies of interim and final reports; and copies of project audits;
10. Provide feedback to Project Managers in order to make adjustments to assure timely and quality work and/or to correct work products where needed;
11. Work closely with project managers to ensure expenditures are in compliance with all applicable legislation and regulations; and



12. Conduct end-of-project performance evaluations to determine whether project objectives were met.

Office of Climate Change. The Office of Climate Change shall have the following duties and functions:

1. Collaborate with public and private sector stakeholders to ensure that objectives related to climate change are present in national development and environment policies, as well as in key sector policies;
2. Work with relevant Ministries and line agencies to ensure that responsibilities for responding to climate change are clearly defined within the Government;
3. Coordinate with stakeholders to ensure that specific climate-related activities are outlined and planned for in individual sector plans and strategies, including the identification and allocation of funding resources;
4. Develop effective monitoring and evaluation frameworks for following upon delivery of climate objectives and implementation of activities;
5. Review various policies and plans to ensure coherence on the issue of climate change;
6. Conduct stakeholder consultations to ensure that climate-related goals in national and sector policies and plans have the buy-in of different stakeholders, meaning they are accepted, supported, and promoted across government and within civil society and, ultimately, local communities;
7. Coordinate Joint Crediting Mechanism activities;
8. Submit climate change information to the Pacific Climate Change Portal;
9. Develop an information-sharing database system for climate change;
10. Serve the functions of the National Focal Point to the UN Framework Convention on Climate Change (UNFCCC); and
11. Lead the implementation of the Palau National Climate Change Policy.

Section 4. Bureau of Revenue and Taxation

The Bureau of Revenue and Taxation shall be headed by a Director who shall be responsible for the day-to-day management of programs and activities involving the administration and collection of revenues and taxes pursuant to Chapters 10 through 19; Tide 40 of the PNC, including the processing and assessment of taxes. The Director shall be responsible for the performance of the duties and functions of the following divisions:

Division of Taxpayer Services. The Division of Taxpayer Services shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Taxpayer education covering all tax types;



2. Conducting taxpayer educational forums, taxpayer visits;
3. Producing simple tax information guides, pamphlets, newspaper articles, etc.;
4. Potential monthly meetings with tax agents and business chamber of commerce to identify areas or issues to provide further taxpayer education;
5. Keep tax office website up to date with relevant tax information; and
6. Be responsible for all general tax office administration functions.

Division of Processing. The Division of Processing shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Responsible for collecting tax arrears and ensuring returns are lodged for all tax types;
2. Closely monitor taxpayer debts (in particular the larger arrears cases);
3. Communicate with taxpayers to ensure arrears are paid;
4. Putting in place appropriate installment arrangements (and these are monitored to ensure they are adhered to by the taxpayer);
5. Recovery of outstanding tax debt using the full and appropriate range of debt recovery tools under the tax laws;
6. Pursue lodgment of outstanding tax returns;
7. Raise default assessments where returns are not filed; and
8. Carry out reconciliation between revenue receipts to ensure payments have been correctly posted.

Division of Audit and Compliance. The Division of Audit and Compliance shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Carry out risk assessments of taxpayer base and related issues;
2. Carry out specific issues or full audits (covering all tax types), including inspection of books and accounts; and
3. Assist taxpayers in maintaining compliance with the tax laws.

Division of Debts and Returns. The Division of Debts and Returns shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Responsible for inputting tax returns, doing transfers, etc., relating to all tax types;
2. Responsible for raising assessments for all tax types; and
3. Carry out reconciliation of monthly PAYE returns to annual returns.

Section 5. Bureau of Customs and Border Protection



The Bureau of Customs and Border Protection shall be headed by a Director who shall be responsible for the day-to-day management of programs and activities involving the administration and collection of revenues and customs duties pursuant to Chapters 10 through 19; Title 40 of the PNC, including trade facilitation and control of the flow of goods, compilation of trade data and statistics, and the protection and security of Palau's borders. The Division of Border Management and Enforcement's law enforcement officers, as defined in Section 4503(f); Title 17 of the PNC, may possess firearms while acting in their official capacities pursuant to Section 4507; Title 17 of the PNC; provided that, possessing firearms by such law enforcement officers is approved by the Minister and the Director. The Director shall be responsible for the performance of the duties and functions of the following divisions:

Division of Revenue and Trade Facilitation. The Division of Revenue and Trade Facilitation shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Inspect and process all luggage, cargo, containers, and all other freight and vessels entering Palau for contraband and dutiable items subject to the import tax and collect such import tax in accordance with Chapter 13; Title 40 of the PNC;
2. Inspect and review bills of lading, manifests, and vendors' invoices arriving on any vessel or aircraft and issue Entry Certificates to importers;
3. Ensure that all cargo is securely retained at the place of unloading until it has been inspected and the import tax has been paid or other arrangements made;
4. Inspect and process the documents of all travelers and cause to be collected the departure tax at all ports of exit within Palau in accordance with Section 1403; Title 40 of the PNC; and
5. Assist with the enforcement of other taxes pursuant to Chapter 14, Title 40 of the PNC.

Division of Corporate Services. The Division of Corporate Services shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Development of outreach programs to raise public awareness of customs and border management requirements aimed at enhancing compliance, border security, and trade facilitation;
2. Development and maintenance of reliable, secure, and innovative information systems to support bureau operations and information services; and
3. Provision of quality, reliable and timely statistics relating to customs for informed decision-making purposes.



Division of Border Management and Enforcement. The Division of Border Management Enforcement shall be headed by a Chief who shall be responsible for the following duties and functions:

1. Protection and security of Palau's borders by preventing and detecting drugs, illicit goods, and other criminal activities that are harmful to our community and unique environment;
2. Inspection and processing of all persons, baggage, cargo, mail, containers, freight, and crafts entering and departing Palau to ensure that appropriate taxes are assessed and collected from all dutiable items, including excise taxes, fees, and penalties on imported and exported merchandise;
3. Conduct patrols and surveillance of territorial sea, including the contiguous zone and any part of the land or shore, in order to enter, board, and inspect any crafts or buildings for the purposes of carrying out investigations or surveillance; and
4. Establishment and operation of a Drug Detector Dog Unit to assist in illegal contraband and drug interdiction as well as public outreach efforts.

Division of Immigration. The Division of Immigration shall be headed by a Chief. The Division shall be responsible for the enforcement of Title 13 of the PNC and all regulations promulgated pursuant thereto, and shall perform such duties pertaining to nationality, emigration, and immigration, and administer all immigration and naturalization laws applicable in Palau, including the processing of visa, and other entry permit applications, performing entry and exit inspections for all passengers, aircrafts, and vessels for proper travel documents, and performing such other duties as provided by statute or as assigned by the President or the Minister of Finance.

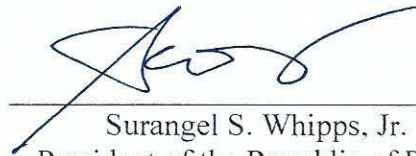
Division of Biosecurity. The Division of Biosecurity is responsible for preventing the introduction and the spread of injurious insects, pests, and diseases into Palau and to provide procedures and conditions for the safe movement of plants, animals, plant products, and animal products into Palau. It also operates and maintains a fruit fly surveillance program throughout Palau by monitoring the population and distribution of established and exotic fruit fly species. The program is also responsible for collecting and storing baseline data of fruit fly activities required for the implementation of a successful fruit fly eradication project.

Effective Date and Duration. This Order shall take effect immediately and shall continue until it is rescinded or until it is superseded in a future reorganization of the Executive Branch.



Previous Orders. Previous orders, including Executive Order 381 with its specific mention of the Ministry of Finance, are hereby superseded to the extent that they conflict with this Order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 9th day of June, 2021, at in Ngerulmud, the National Capital of the Republic of Palau.



Surangel S. Whipps, Jr.
President of the Republic of Palau