



**REPUBLIC OF PALAU**  
Office of the Minister

**ELBUHEL SADANG**  
Minister

June 26, 2020

**Serial No. MOF-ES20-054**

Commissioner Semdiu Decherong  
Palau Financial Institutes Commission

**Re: Press release regarding US economic assistance payments**

Commissioner Decherong:

I hope this letter will help alleviate some confusion that has been going around regarding US economic impact payments (EIPs) that are received in financial institutions located in Palau.

As you know, the Ministry of State issued a press release on June 8 regarding this issue. That press release was not a communication to financial institutions, which would originate from the Ministry of Finance, the Financial Institutes Commission, or another relevant agency.

As you can see from the attached letter from Minister Rehuher-Marugg, the Ministry of State does not have any expertise or special knowledge regarding EIPs. Instead, the Ministry's press release was based on internet research. This press release does not represent an official or legal position, and should not be used as the basis of any official action by a financial institution. Since it was issued, it has come to our attention that the press release neglected to address several important issues, including dual citizenship, which apply to many here in Palau.

The Palau government does not know the rules for US EIPs, beyond what is publicly available online. Furthermore, the Palau government does not know of any specific instances in which EIPs have been received in error.

Statements by Palau should not be used as the basis for any action on EIPs. Financial institutions in Palau are advised that any official request for action on EIPs would come from the United States, and not from Palau. The US Embassy in Palau has kindly agreed to field questions about EIP eligibility.

Sincerely,

Elbuchel Sadang  
Minister of Finance



Cc:

Brandon L. Cruz  
Vice President/Belau Branch Manager  
Bank of Guam

EJ Tyler Ozu  
Vice President/Palau Island Manager  
Bank of Hawaii

Joseph Koshiba  
Vice President/Palau Branch Manager  
Bank Pacific, Ltd.

Attachment:

Ministry of State letter MS-344-2020

---

**MINISTRY OF FINANCE**  
P.O. BOX 6011 KOROR, PW 96940  
REPUBLIC OF PALAU

TEL: +(680) 767-2702/488-2465 · FAX: +(680) 767-2168/488-3844 · EMAIL: [mof@palaugov.org](mailto:mof@palaugov.org) · URL: [palaugov.pw](http://palaugov.pw)



## Ministry of State

25 June 2020  
MS-344-2020

The Honorable Elbuchel Sadang  
Minister  
Ministry of Finance

Dear Minister Sadang:

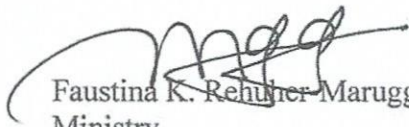
Alii from the Ministry of State! I write to seek your kind assistance on a matter related to Palau's financial institutions. There has been some miscommunication, and I hope you can smooth it out through your good relationships with our local banks.

On June 8, 2020, the Ministry of State sent out a press release, with nothing but good intentions, to recommend to citizens of Palau living in Palau not to apply for the Economic Impact Payment under the CARES Act as there may be consequences that would follow. The press release did not make any reference to U.S. citizens living in Palau.

The Ministry of State relied on the information on the IRS website and the communication between IRS and our Embassy in Washington, DC as basis for issuing the press release. We are concerned by rumors that our press release is being used as a basis for action against individual account holders in Palau. Banks cannot and should not use the press release as the basis for freezing funds from individual account holders.

To the extent that any financial institution is taking action based on our press release, we would strongly urge that to cease. The Ministry has been directing questions about these payments to the US Embassy, and would recommend the same to local banks.

Sincerely,

  
Faustina K. Rehuter Marugg  
Ministry

---

**MINISTRY OF STATE**

National Capitol, Republic of Palau 96939

Tel: (680) 767-2490/2509 ~ Fax: (680) 767-2443 ~ Email: [ministrymos.rop@gmail.com](mailto:ministrymos.rop@gmail.com)