

THIRTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FOURTH REGULAR SESSION, 2004

CONGRESSIONAL BILL NO. 13-135, C.D.1,
C.D.2, C.D.3

PUBLIC LAW NO. 13-70

AN ACT

To further amend title 36 of the Code of the Federated States of Micronesia, as amended, by amending section 201 thereof to expand the duties of the Registrar of Corporations, by adding new sections 207, 208 and 209 thereto, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 201 of title 36 of the Code of the
2 Federated States of Micronesia is hereby amended to read as
3 follows:

4 "Section 201. Registrar of Corporations - Office
5 Created; Duties.

6 (1) There shall be in the Department of Economic
7 Affairs a Registrar of Corporations appointed by the
8 President of the Federated States of Micronesia, who
9 shall issue, receive, and hold as custodian all
10 certificates, papers, statements, or other records of
11 documents required by the provisions of this chapter, or
12 rules or regulations promulgated hereunder, to be
13 distributed by or filed with the Government of the
14 Federated States of Micronesia, and shall perform such
15 other duties as may from time to time be assigned to him
16 by the President of the Federated States of Micronesia
17 or the Secretary of Economic Affairs.

1 (2) In addition to the duties set forth in subsection
2 (1) above and such duties as may from time to time be
3 assigned to him by the President of the Federated States
4 of Micronesia or Secretary of Economic Affairs, the
5 Registrar of Corporations shall be responsible for
6 promoting and facilitating the formation of Major
7 Corporations within the Federated States of Micronesia.
8 For the purposes of this title, the term 'Major
9 Corporation' shall have the meaning ascribed to it by
10 section 312 of title 54 of the Code of the Federated
11 States of Micronesia."

12 Section 2. Title 36 of the Code of the Federated States of
13 Micronesia, as amended, is hereby further amended by adding a new
14 section 207 to read as follows:

15 "Section 207. Incorporation and Regulation of Major
16 Corporations. Every Major Corporation is required to be
17 incorporated by the National Government of the Federated
18 States of Micronesia, and shall be subject to regulation
19 by the National Government."

20 Section 3. Title 36 of the Code of the Federated States of
21 Micronesia, as amended, is hereby further amended by adding a new
22 section 208 to read as follows:

23 "Section 208. Authority of the Registrar of
24 Corporations - Major Corporations. Pursuant to

1 subsection (2) of section 201 of this chapter, the
2 Registrar of Corporations shall contract for the
3 professional services of a person or entity to be an
4 exclusive agent to assist the Registrar in promoting the
5 formation of Major Corporations within the Federated
6 States of Micronesia, hereinafter 'Registration
7 Advisor'. Any such contract shall be for a fixed period
8 of years set forth in the contract. Compensation for
9 the services provided by the Registration Advisor shall
10 be a sum equal to a percentage of the revenue generated
11 by the government as a result of the taxation of such
12 Major Corporations, said percentage to be as provided in
13 the contract described herein. The contract shall
14 require the approval of the President of the Federated
15 States of Micronesia prior to its taking effect."

16 Section 4. Title 36 of the Code of the Federated States of
17 Micronesia, as amended, is hereby further amended by adding a new
18 section 209 to read as follows:

19 "Section 209. Compensation of Registration Advisor.

20 There is hereby established a special fund to be known
21 as the 'Registration Advisor Compensation Fund'. A sum
22 equal to a percentage of the corporate income tax
23 revenue less any corporate income tax credits paid or
24 refunded, not to exceed fifty percent (50%), generated

1 pursuant to chapter 3 of title 54 of the Code of the
2 Federated States of Micronesia from Major Corporations
3 incorporated in the Federated States of Micronesia shall
4 be paid into the Registration Advisor Compensation Fund
5 upon receipt of such revenue by the Department of
6 Finance. The actual amount to be so deposited into the
7 Registration Advisor Compensation Fund shall be
8 determined by the contract entered into between the
9 government of the Federated States of Micronesia through
10 the President and Registrar of Corporations and the
11 Registration Advisor. The Registration Advisor shall be
12 compensated from revenue deposited into the Registration
13 Advisor Compensation Fund in accordance with the terms
14 of the Registration Advisor contract. The Registration
15 Advisor shall not have any right or claim to be paid
16 from any funds other than those deposited in the
17 Registration Advisor Compensation Fund. Registration
18 Advisor, a member of its control group or any of its
19 officers, directors, shareholders or employees shall
20 not, directly or indirectly, pay, compensate or
21 reimburse, promise or authorize the payment,
22 compensation or reimbursement, of any monies it receives
23 from the Registration Advisor Compensation Fund, to any
24 Major Corporation, its control group or any of its

