

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

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**PUBLIC LAW NO. 13-70**

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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

