
A BILL FOR 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 [~~Resources and~~
7 ~~Development~~] Economic Affairs a Registrar of
8 Corporations appointed by the President of the Federated
9 States of Micronesia, who shall issue, receive, and hold
10 as custodian all certificates, papers, statements, or
11 other records of documents required by the provisions of
12 this chapter, or rules or regulations promulgated
13 hereunder, to be distributed by or filed with the
14 Government of the Federated States of Micronesia, and
15 shall perform such other duties as may from time to time
16 be assigned to him by the President of the Federated
17 States of Micronesia or the Secretary of [~~Resources and~~
18 ~~Development~~] 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 mean any corporation which engages in
10 foreign and interstate commerce and which is not
11 exempted by section 313 of title 54 of the Code of the
12 Federated States of Micronesia from the taxes imposed by
13 chapter 3 of that title."

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

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

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

25 "Section 208. Authority of the Registrar of

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

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

20 "Section 209. Compensation of Registration Advisor.
21 There is hereby established a special fund to be known
22 as the 'Registration Advisor Compensation Fund'. A sum
23 equal to a percentage of the income tax revenue, not to
24 exceed fifty percent (50%), generated pursuant to
25 section 321 of title 54 of the Code of the Federated

1 States of Micronesia from Major Corporations
2 incorporated in the Federated States of Micronesia shall
3 be paid into the Registration Advisor Compensation Fund
4 upon receipt of such revenue by the Department of
5 Finance. The actual amount to be so deposited into the
6 Registration Advisor Compensation Fund shall be
7 determined by the contract entered into between the
8 government of the Federated States of Micronesia through
9 the President and Registrar of Corporations and the
10 Registration Advisor. The Registration Advisor shall be
11 compensated from revenue deposited into the Registration
12 Advisor Compensation Fund in accordance with the terms
13 of the Registration Advisor contract. The Registration
14 Advisor shall not have any right or claim to be paid
15 from any funds other than those deposited in the
16 Registration Advisor Compensation Fund."

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1 Section 5. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its
3 becoming law without such approval.

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5 Date: 8/30/04

Introduced by: /s/ Sabino S. Asor
Sabino S. Asor

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