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A BILL FOR AN ACT

To further amend title 30 of the Code of the Federated States of Micronesia, as amended, by amending section 105 thereof, as enacted by Public Law No. 8-47, for the purpose of prohibiting the FSM Development Bank from taking deposits from the general public, and for other purposes.

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

1           Section 1. Section 105 of title 30 of the Code of the  
2   Federated States of Micronesia, as enacted by Public Law No.  
3   8-47, is hereby amended to read as follows:

4           "Section 105. Powers of the Bank. In performing  
5           the functions authorized pursuant to section 104  
6           of this chapter, the Bank shall have and exercise  
7           all powers normally exercised by a banking  
8           corporation, including, but not limited to, the  
9           following:

10                   (1) To adopt, alter, and use a corporate  
11                   seal;

12                   (2) To adopt and amend bylaws governing the  
13                   conduct of its business and the exercise of its  
14                   powers;

15                   (3) To sue and be sued in its corporate  
16                   name;

17                   (4) To acquire in any lawful manner, real,  
18                   personal, or mixed property, either tangible or  
19                   intangible; to hold, maintain, use, and operate  
20                   such property; and to sell, lease, or otherwise  
21                   dispose of such property;

22                   (5) To acquire in any mode and take over the  
23                   whole or any part of the business, property, good  
24                   will, and liabilities of any other bank or banks;

25                   (6) To act as agent of and as correspondent

- 1                   for other banks;
- 2                   (7) To make, issue, and circulate notes upon
- 3                   such terms and subject to such provisions and
- 4                   conditions as may be prescribed by the Board;
- 5                   (8) To guarantee or become liable for the
- 6                   payment of money or for the performance of any
- 7                   obligations, and generally to carry on guarantee
- 8                   and indemnity business of all kinds and to effect
- 9                   counter guarantees;
- 10                  (9) To take and otherwise acquire and hold
- 11                  shares, stocks, mortgages, bonds, obligations,
- 12                  securities, and investments of all kinds;
- 13                  (10) To lend money either with or without
- 14                  security, and if with security upon such terms as
- 15                  may from time to time seem expedient;
- 16                  (11) To borrow or raise any sum or sums of
- 17                  money on such security and, upon such terms as to
- 18                  interest or otherwise, as may from time to time
- 19                  seem expedient, provided, however, that the Bank
- 20                  shall not do so by taking deposits from the
- 21                  general public;
- 22                  (12) To buy, sell, and deal in bullion,
- 23                  specie, precious metals, currencies, and exchange
- 24                  of and with all countries;
- 25                  (13) To lend and advance money to or

1 negotiate loans or discount promissory notes or  
2 other negotiable instruments for, or on behalf of,  
3 or otherwise financially assist, persons, firms,  
4 or companies concerned in any way whatever in the  
5 sale or purchase of any property, real or  
6 personal, for cash or on credit or on hire  
7 purchase, hire agreement, time payment,  
8 installment system, or otherwise, and generally to  
9 transact or engage in any class of business  
10 commonly undertaken by financiers;

11 (14) To establish agencies or connections in  
12 relation to the business of the Bank in any part  
13 of the world;

14 (15) To give letters of credit on agents and  
15 banking connections in any part of the world;

16 (16) To buy, sell, discount, rediscount, and  
17 hedge bills of exchange, promissory notes, and  
18 treasury securities;

19 (17) To buy and sell securities issued by any  
20 government agency, international organization,  
21 company, institution, or otherwise;

22 (18) To form or assist in forming any company  
23 for the purpose of carrying on any business which  
24 the Bank is authorized to carry on, or any other  
25 business which may seem conducive to any of the

1 interests of the Bank, or to acquire by purchase  
2 or otherwise the whole or any part of the  
3 business, property, and liabilities, or the whole  
4 or any part of the shares or stock of any company  
5 carrying on or proposing to carry on any such  
6 business as aforesaid; to hold shares, stock,  
7 debentures, debenture stock, or any interest in  
8 any such company and to dispose of such shares,  
9 stock, debentures, debenture stock, or interest  
10 and to make or carry out arrangements for giving  
11 the Bank the entire or partial control and  
12 management or benefit of the business of any such  
13 company and to guarantee dividends and interest on  
14 shares, stock, debentures, debenture stock,  
15 mortgages, bonds, or securities of any such  
16 company;

17 (19) To issue corporate bonds for various  
18 periods of time, upon such terms and with such  
19 conditions and provisions as are deemed necessary  
20 and desirable by the Board for the sale to the  
21 general public or to other financial institutions  
22 and government agencies;

23 (20) To permit the Bank to be registered or  
24 recognized in any country, state, or place outside  
25 of the Federated States of Micronesia, and to



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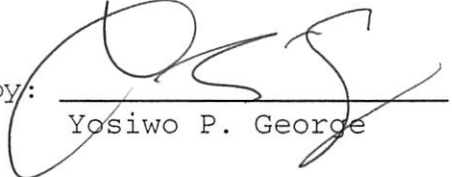
1 in order to enable the Bank to carry on business  
2 in any such country, state, or place, and to  
3 establish or guarantee local companies or branch  
4 offices constituted or regulated under or by local  
5 laws for carrying on any business which the Bank  
6 is authorized to carry on;

7 (21) To sell or otherwise dispose of, with or  
8 without recourse, loans or other assets of any  
9 kind, or interests therein; and

10 (22) To do all such other things as may be  
11 deemed incidental or conducive to the attainment  
12 of the above objects or any of them."

13 Section 2. This act shall become law upon approval by  
14 the President of the Federated States of Micronesia or upon  
15 its becoming law without such approval.

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17 Date: 11/27/78

Introduced by:   
Yosiwo P. George

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