
A BILL FOR AN ACT

To further amend title 30 of the Code of the Federated States of Micronesia (Annotated), as amended, by amending sections 122, 125 and 126 therein, to designate the management and operation of the FSM Development Bank, to permit directors to borrow from the Bank, to provide payment of honoraria to all directors, and for other purposes.

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

1 Section 1. Title 30 of the Code of the Federated States of
2 Micronesia (Annotated), as amended, is hereby amended by amending
3 section 122, to read as follows:

4 "Section 122. Officers of the Bank.

5 The officers of the Bank shall consist of a President, a
6 senior Vice President, a Secretary/Treasurer (or a
7 Secretary and a Treasurer), and such other officers,
8 including one or more junior Vice Presidents, as may be
9 specified in the bylaws of the Bank. The President and
10 senior Vice President shall be appointed by and serve at
11 the pleasure of the Board. All other officers shall be
12 appointed and serve for such terms as may be specified
13 in the bylaws. The duties and responsibilities of the
14 President and Vice President(s) including, but are not
15 limited to the following:

16 (1) President. Subject to the control of the Board,
17 and to the extent delegated by the Board, the Chairman,
18 the President shall be the chief executive officer of

1 the Bank and shall have the general supervision,
2 direction and control of the business and officers of
3 the Bank. The President shall be delegated the duties
4 and responsibilities of the day-to-day management and
5 operation of the Bank. The President shall be an *ex*
6 *officio* member of the Board, with full voting and other
7 rights, except that the President may not hold the
8 office of Chairman or Vice Chairman. The President
9 shall have the general powers and duties of management
10 usually vested in the office of the President of a
11 corporation engaged in the banking business.

12 (2) Vice President(s). In the absence of the
13 President, the senior Vice President, or any other Vice
14 President in the order specified in the bylaws, shall
15 perform [~~all~~] the duties [~~of~~] assigned by the President
16 [~~except that of ex officio director,~~] and when so acting
17 shall have [~~all~~] the assigned powers of, and be subject
18 to all the restrictions imposed upon, the President."

19 Section 2. Title 30 of the Code of the Federated States of
20 Micronesia (Annotated), as amended, is hereby amended by amending
21 section 125, to read as follows:

22 "Section 125. Acts affecting personal financial
23 interest.

24 No director or officer of the Bank shall participate
25 personally and substantially in the making of any

1 decision relating to any application for a loan or other
2 commitment from or through the Bank in which, to his
3 knowledge, he, his spouse, child, close relatives,
4 partner, organization in which he or she is serving as
5 officer, directors, trustee, partner, or employees, or
6 any person or organization with whom he is negotiating
7 or has any arrangement concerning prospective employment
8 has a financial interest. No [~~director or~~] officer of
9 the Bank shall be eligible to borrow money from or
10 through the Bank, or to assume responsibility in whole
11 or in part under a guarantee or indemnity or by the
12 deposit of a security to the Bank in respect of a debt
13 or obligation of a third party."

14 Section 3. Title 30 of the Code of the Federated State of
15 Micronesia (Annotated), as amended, is hereby amended by amending
16 section 126, to read as follows:

17 "Section 126. Expenses and honoraria.
18 Directors shall be entitled to necessary travel expenses
19 while on the business of the Bank. All Directors [~~may~~]
20 receive an honorarium of such amount as [~~may be~~]
21 determined by the Board. [~~Government employees shall not~~
22 ~~be entitled to an honorarium for attending Board~~
23 ~~meetings during normal hours of employment.]"~~

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1 Section 4. 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: 9/11/20

Introduced by: /s/ Dion G. Neth
Dion G. Neth

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