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SP. G & F.

A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by adding new sections 501 and 502 concerning filing of disclosure statements by foreign business organizations seeking to provide services to the National Government of the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Title 55 of the Code of the Federated States of
2 Micronesia is hereby further amended by adding a new section 501
3 of chapter 5 to read as follows:

4 "Section 501. Disclosure statements. Foreign business
5 organizations seeking to provide goods and services under
6 contract to the National Government of the Federated States
7 of Micronesia must file a disclosure statement with the
8 Attorney General prior to entering into a contract
9 with the Government. The form and the type of
10 information required in the statement shall be specified
11 by the Attorney General, who shall require disclosure of
12 such information as is needed to determine the likelihood
13 of fraud, conflict of interest, or inability to fulfill
14 contractual obligations. Failure to file a required
15 disclosure statement will render a contract voidable at
16 the option of the National Government of the Federated
17 States of Micronesia."

18 Section 2. Title 55 of the Code of the Federated States of
19 Micronesia is hereby further amended by adding a new section 502
20 of chapter 5 to read as follows:

21 "Section 502. Regulations. The Attorney General is
22 authorized to promulgate regulations, in accordance
23 with chapter 1 of title 17 of the Code of the Federated
24 States of Micronesia, implementing section 501 of this
25 chapter. Such regulations shall have the force and

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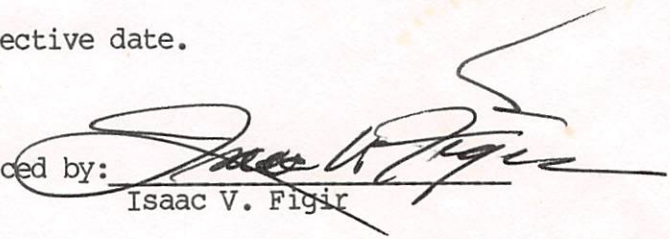
1 effect of law. Notwithstanding the language of section
2 501, these regulations may set forth exemptions to the
3 filing requirements of that section in situations where
4 those requirements would be plainly unnecessary or
5 impractical."

6 Section 3. This act shall become law upon approval by the
7 President of the Federated States of Micronesia or upon its becoming
8 law without such approval; PROVIDED that this act shall not apply to
9 contracts entered into before its effective date.

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Date: 3-31-84

Introduced by:



Isaac V. Figir