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:

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

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

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

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

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

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

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

(6) To act as agent of and as correspondent
for other banks;

(7) To make, issue, and circulate notes upon such terms and subject to such provisions and conditions as may be prescribed by the Board;

(8) To guarantee or become liable for the payment of money or for the performance of any obligations, and generally to carry on guarantee and indemnity business of all kinds and to effect counter guarantees;

(9) To take and otherwise acquire and hold shares, stocks, mortgages, bonds, obligations, securities, and investments of all kinds;

(10) To lend money either with or without security, and if with security upon such terms as may from time to time seem expedient;

(11) To borrow or raise any sum or sums of money on such security and, upon such terms as to interest or otherwise, as may from time to time seem expedient, provided, however, that the Bank shall not do so by taking deposits from the general public;

(12) To buy, sell, and deal in bullion, specie, precious metals, currencies, and exchange of and with all countries;

(13) To lend and advance money to or
negotiate loans or discount promissory notes or
other negotiable instruments for, or on behalf of,
or otherwise financially assist, persons, firms,
or companies concerned in any way whatever in the
sale or purchase of any property, real or
personal, for cash or on credit or on hire
purchase, hire agreement, time payment,
installment system, or otherwise, and generally to
transact or engage in any class of business
commonly undertaken by financiers;

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

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

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

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

(18) To form or assist in forming any company
for the purpose of carrying on any business which
the Bank is authorized to carry on, or any other
business which may seem conducive to any of the
interests of the Bank, or to acquire by purchase
or otherwise the whole or any part of the
business, property, and liabilities, or the whole
or any part of the shares or stock of any company
carrying on or proposing to carry on any such
business as aforesaid; to hold shares, stock,
debentures, debenture stock, or any interest in
any such company and to dispose of such shares,
stock, debentures, debenture stock, or interest
and to make or carry out arrangements for giving
the Bank the entire or partial control and
management or benefit of the business of any such
company and to guarantee dividends and interest on
shares, stock, debentures, debenture stock,
mortgages, bonds, or securities of any such
company;

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

(20) To permit the Bank to be registered or
recognized in any country, state, or place outside
of the Federated States of Micronesia, and to
in order to enable the Bank to carry on business
in any such country, state, or place, and to
establish or guarantee local companies or branch
offices constituted or regulated under or by local
laws for carrying on any business which the Bank
is authorized to carry on;

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

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

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

Date: 11/7/78

Introduced by: Yośiwo P. George