A BILL FOR AN ACT

To further amend title 36 of the Code of the Federated States of Micronesia (Annotated) as amended, by creating a new chapter 4 thereof governing non-profit corporation, and for other purposes.

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

Section 1. Title 36 of the Code of the Federated States of Micronesia (Annotated) as amended, is hereby further amended by creating a new chapter 4 thereof, entitled: “Non-Profit Corporation”.

Section 2. Title 36 of the Code of the Federated States of Micronesia (Annotated) as amended, is hereby further amended by inserting a new section 401 under chapter 4, to read as follows:

“Section 401. For the purpose of this chapter, a non-profit corporation is a corporation established for any lawful purpose other than for profit. Non-profit purpose includes charitable, social, recreational, public benefit and religious purposes.”

Section 3. Title 36 of the Code of the Federated States of Micronesia (Annotated) as amended, is hereby further amended by inserting a new section 402 under chapter 4, to read as follows:

“Section 402. The Registrar of Corporation may grant a charter to a non-profit corporation if an application is filed in conformity with section 403 of this chapter for any lawful purpose not inconsistent with the purposes stated in section 401. A non-profit
corporation shall comply with any regulation issued by
the President in accordance with section 404.”

Section 4. Title 36 of the Code of the Federated States of
Micronesia (Annotated) as amended, is hereby further amended by
inserting a new section 403 under chapter 4, to read as follows:
“Section 403. An application for a charter as a non-
profit corporation shall include the following
documents;

(1) Article of incorporation, which shall contain the
following minimum information:

(a) Names and addresses of incorporators who
must be three or more in number, and majority of whom
must be residents in the Federated States of Micronesia;

(b) Names and addresses of the officers and
directors, or similar officers of the corporation;

(c) The purpose or purposes for which the
corporation is organized;

(d) The period of duration, which may be
perpetual;

(e) Any provision, not inconsistent with law,
which the incorporators may elect to set forth in the
articles of incorporation including any provisions for
the distribution of assets on dissolution or final
liquidation; and

(f) That the corporation is not organized for
profit and that it will not issue any stock, and no part
of its assets, income, or earnings shall be distributed
to its members, directors, or officers, except for
services actually rendered to the corporation, and
except upon liquidation of its property in case of
corporate dissolution.

(2) By-laws that regulate the internal affairs of the
corporation."}

Section 5. Title 36 of the Code of the Federated States of
Micronesia (Annotated) as amended, is hereby further amended by
inserting a new section 404 under chapter 4, to read as follows:

"Section 404. Upon the recommendation of the Registrar
of Corporation, the President may according to the
Administrative Procedures Act issue such regulations as
are necessary providing for the implementing details of
this chapter, such as prescribed forms and formality,
period reporting, dissolution, suspension, fees,
inspection and overall regulation."

Section 6. 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: 9/20/21

Introduced by: /s/ Florencio S. Harper
Florencio S. Harper (by request)