

AD

A BILL FOR AN ACT

To establish a National Fisheries Corporation 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. Short title. This act may be cited as the "Federated
2 States of Micronesia National Fisheries Corporation Act of 1982."

3 Section 2. Purpose. It is the intent of the Congress of the
4 Federated States of Micronesia to create a public corporation to
5 promote the development of fisheries and related industries for
6 the benefit of the people of the Federated States of Micronesia.

7 Section 3. Establishment of Corporation. The National Fisheries
8 Corporation of the Federated States of Micronesia is hereby established
9 as a public corporation under the laws of the Federated States of
10 Micronesia. It is hereinafter referred to as "the Corporation."

11 Section 4. Charter

12 (1) The charter of the Corporation shall be as prescribed
13 in this section and sections 5 through 7 of this act.

14 (2) The existence of the Corporation shall be perpetual.

15 Section 5. Charter - Principal and branch offices.

16 (1) The principal office of the Corporation shall be
17 located within the territory of the Federated States of Micronesia, at
18 a place to be designated by the Board of Directors of the Corporation.

19 (2) There may be such subordinate or branch offices in
20 such place or places as the Board of Directors of the Corporation
21 may deem necessary.

22 Section 6. Charter - Corporation authority.

23 (1) Subject to any existing limitation or limitations
24 hereafter enacted, the Corporation, through its officers and
25 agents, is authorized to engage in all commercial activities which

R + D

1 will further the development of the fishing and fisheries
2 industries in the Federated States of Micronesia.

3 (2) The Corporation's authority shall include but not be
4 limited to the following:

5 (a) To enter in joint venture, partnership, and
6 other agreements related to the fishing and fisheries industries
7 with other persons including but not limited to foreign persons and
8 governments;

9 (b) To otherwise engage or participate, as owner,
10 partner, shareholder, or other interest holder in commercial ventures
11 related to fishing and the fisheries industries;

12 (c) To manage or operate commercial projects,
13 enterprises, and ventures related to the fishing and fisheries
14 industries;

15 (d) To secure both from within and without the
16 Federated States of Micronesia financial resources to achieve the
17 purpose of this act and the Corporation's charter;

18 (e) To provide technical assistance and services for
19 project identification, project formulation, and pre-investment
20 studies, all related to the fishing and fisheries industries;

21 (f) To foster economic activities and cooperate with
22 other institutions within and without the Federated States of
23 Micronesia in supporting activities for fishing and fisheries develop-
24 ment;

25 (g) To promote the training of Micronesian citizens

RVD

1 in matters related to the fishing and fisheries industries; and
2 (h) To invest in the expansion and improvement of
3 the fishing and fisheries industries in the Federated States of
4 Micronesia.

5 Section 7. Charter - Corporation powers. In exercising the
6 authority granted in section 6 of this act, the Corporation shall
7 have and exercise all powers normally exercised by a corporation,
8 including but not limited to the following:

- 9 (1) To adopt, alter, and use a corporate seal;
- 10 (2) To adopt and amend its bylaws governing the conduct
11 of its business and the exercise of its authority; PROVIDED, that
12 such bylaws shall be consistent with the laws of the Federated
13 States of Micronesia;
- 14 (3) To sue and be sued in its corporate name;
- 15 (4) To acquire in any lawful manner, real, personal, or
16 mixed property, either tangible or intangible, to hold, maintain,
17 use, and operate such property;
- 18 (5) To acquire in any mode and take over the whole or
19 any part of the business, property, goodwill, and liabilities of
20 any other corporation or corporations, including debts, liabilities,
21 and obligations incurred prior to the time of acquisition;
- 22 (6) To take and otherwise acquire and hold shares, stocks,
23 mortgage, bonds, obligations, securities, and investments of all
24 kinds, foreign and domestic;
- 25 (7) To form or assist in forming any company for the

R 40

1 purpose of carrying on any business which the Corporation is
2 authorized to carry on, or any other business which may seem
3 conducive to any of the interests of the Corporation to acquire
4 by purchase;

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

10 (9) To make contracts and incur liabilities, borrow
11 money at such rates of interest as the Corporation may determine,
12 issue its more, and other obligations, and secure any of its obliga-
13 tions by mortgage or pledge of all or any of its property, franchises,
14 and income;

15 (10) To lend money for its corporate purposes, invest
16 and reinvest its funds;

17 (11) To sell, convey, mortgage, pledge, lease, exchange, trans-
18 fer, and otherwise dispose of all or any part of its property and assets;

19 (12) To conduct its business, carry on its operations,
20 and have offices and exercise the power granted by this section in
21 any state or territory of the Federated States of Micronesia or
22 in any foreign country;

23 (13) To permit the Corporation to be registered or
24 recognized in any country, state, or place outside of the
25 Federated States of Micronesia, and to comply with any condition

R & D

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

6 (14) To act as agent for or of any other person or
7 entity;

8 (15) Subject to other provisions of this act and
9 applicable law, to appoint such officers and agents as the business
10 of the Corporation requires;

11 (16) To indemnify any director or officer or former
12 director or officer of the Corporation, or any person who may have
13 served at its request as a director or officer of another corporation
14 in which it owns shares of capital stock or of which it is a creditor,
15 against expenses actually and reasonably incurred by him in
16 connection with the defense of any action, suit, or proceeding,
17 civil or criminal, in which he is made a party by reason of being
18 or having been such director or officer, except in relation to
19 matters as to which he is adjudged in the action, suit, or proceed-
20 ing to be liable for negligence or misconduct in the performance of
21 duty to the Corporation, and to make any other indemnification that
22 is authorized by the articles of association or charter or by any
23 bylaws or resolution adopted by the shareholders after notice;

24 (17) To pay pensions and establish pension plans,
25 pension trust, profit sharing plans, stock bonus plans, stock

R&D

1 option plans, and other incentive plans for any of its directors,
2 officers, and employees;

3 (18) To make donations for the public welfare or for
4 charitable, scientific, or educational purposes, all of which must
5 be related to the fishing and fisheries industries; and

6 (19) To have and exercise all powers necessary or
7 convenient to effect any or all of the purposes of this act and the
8 Corporation's charter.

9 Section 8. Board of Directors - Establishment. The affairs of
10 Corporation shall be managed and its corporate powers exercised by
11 a Board of Directors, hereinafter referred to as "the Board."

12 Section 9. Board of Directors - Composition. The Board shall
13 be composed of one representative from each of the following:

14 (1) One representative appointed by the President;

15 (2) One representative appointed by each Governor;

16 (3) The chief executive officer of the State agency
17 authorized by State law pursuant to title 24 of the Code of the
18 Federated States of Micronesia as amended from time to time, to
19 promote, develop, and support the commercial utilization of living
20 marine resources, as to each State in which the Corporation is
21 conducting or participating in fishery development projects, or
22 activities;

23 (4) The Executive Director of the Micronesian Maritime
24 Authority; and

25 (5) The Secretary of the Department of Resources and

R+D

1 Development of the National Government who shall serve as an
2 ex officio member of the Board without the power of vote except
3 in the event of a tie.

4 Section 10. Board of Directors - Organization meeting. From
5 1983, and annually thereafter, during the month of January on such
6 dates as are set by the Board, the Board shall meet to select its
7 officers and to conduct such other business as it shall deem
8 advisable.

9 Section 11. Board of Directors - Terms of office. Board
10 appointees serving pursuant to section 9(3),(4), and (5) shall serve
11 on the Board for the duration of their appointments to their
12 respective agencies. Board appointees serving pursuant to section 9(1)
13 and (2) shall serve on the Board at the pleasure of the appointing
14 official and may be changed from time to time at the election of
15 the appointing official.

16 Section 12. Board of Directors - Officers. The Board shall
17 elect from among its members a chairman, vice chairman, and
18 secretary-treasurer. The chairman shall ordinarily preside at
19 Board meetings. In his absence the vice chairman shall preside.
20 The bylaws shall provide for determination of the presiding
21 officer in the absence of these officers.

22 Section 13. Board of Directors - Regular meetings. Regular
23 meetings shall be held not less than once per year, at such times
24 and place or places as shall be determined by the bylaws.

25 Section 14. Board of Directors - Special meetings. Special

R40

C.B. No. 2-3/6

1 meetings shall be called by the chairman on his own initiative,
2 or by petition of 1/3 of the members, pursuant to notice as shall
3 be provided in the bylaws.

4 Section 15. Board of Directors - Board procedure. A quorum
5 of all Board meetings shall be a majority of the full membership
6 of the Board. The Board's business shall be transacted by
7 majority vote at a Board meeting with quorum, except that adoption,
8 amendment, suspension and repeal of bylaws shall require a majority
9 of the full membership of the Board. Except as otherwise established
10 in bylaws by the Board and this act, Robert's Rules of Parliamentary
11 Procedure shall prevail.

12 Section 16. Board of Directors - Executive committee. There
13 shall be an executive committee of the Board composed of the
14 chairman, vice chairman, and secretary-treasurer, or their
15 individually designated substitutes chosen from among the membership
16 of the Board. The executive committee shall meet with the chief
17 executive officer at least once per calendar quarter at such times
18 and places as shall be determined by the bylaws. The executive
19 committee shall be empowered to conduct all business of the Board,
20 except that the executive committee shall not have the authority to
21 terminate the services of the chief executive officer, to retain
22 the services of a new chief executive officer, to alter the senior
23 levels of the administrative structure of the Corporation, to
24 approve the budget of the Corporation, or to increase the
25 indebtedness of the Corporation beyond such limits as are

R 4 D

C.B. No. 2316

1 provided in the bylaws, without the concurrence of the
2 Board.

3 Section 17. Board of Directors - Record of meetings. The
4 secretary-treasurer, or in his absence, another member designated
5 by the bylaws, shall keep full and accurate minutes of all meetings.

6 Section 18. Board of Directors - Compensation of directors.
7 Directors who are employees of the National Government or a State
8 government of the Federated States of Micronesia shall receive no
9 additional compensation for their services as members of the Board.
10 The compensation of members who are not government employees shall be
11 as determined by the Board. All members of the Board shall be entitled
12 to compensation for travel and per diem at established Federated
13 States of Micronesia Government rates when serving the Corporation.

14 Section 19. Officers and Employees.

15 (1) There shall be a Chief Executive Officer of the
16 Corporation, whose compensation, title, and term of office shall
17 be determined by the Board. The Chief Executive Officer shall be
18 responsible for the management of the operations of the Corporation,
19 and shall, in accordance with the policies established by the Board,
20 retain, direct, and terminate the service of employees and agents;

21 (2) The Board shall elect or appoint such other officers,
22 as it deems necessary and convenient to accomplish its purpose and
23 and shall determine the duties and compensation. Other employees
24 and agents shall be engaged by the Chief Executive Officer, subject
25 to the Board's approval;

1 (3) Officers and employees of the Corporation shall be
2 exempt from the provisions of the Federated States of Micronesia
3 merit system compensation plan, and similar laws and plans of the
4 Government of the Federated States of Micronesia.

5 (4) No member of the Board shall be an officer or
6 employee of the Corporation.

7 Section 20. Budget preparation. The Chief Executive Officer
8 shall prepare in advance of each fiscal year an annual budget for
9 the Corporation, taking into consideration anticipated capital and
10 operational expenditures and anticipated revenue. The Corporation
11 shall use the same fiscal calendar as that of the Government of
12 the Federated States of Micronesia. The budget shall indicate the
13 operational, capital, and maintenance requirements of the Corporation
14 that will be met with the anticipated revenues of the Corporation,
15 and such essential requirements as cannot be met without increase
16 in the rate of revenues or outside financial assistance.

17 Section 21. Supplemental budget requests. To the extent that
18 the Corporation deems it necessary and advisable, the Corporation
19 is authorized to seek appropriations from the Congress of the
20 Federated States of Micronesia and, to the extent approved by the
21 President of the Federated States of Micronesia, grants from sources
22 outside of the Federated States of Micronesia, of such funds or
23 other assistance as may be necessary to supplement revenues to
24 provide for the operations, maintenance, and expansion of fisheries
25 development in the Federated States of Micronesia.

R+D

1 Section 22. Accounts and records.

2 (1) The Board and the Chief Executive Officer shall
3 ensure that proper and complete books of account reflecting all
4 income, expenditures, assets, and liabilities of the Corporation
5 are prepared and maintained current.

6 (2) The Board, not later than 90 days after the close of
7 each governmental fiscal year, shall submit to the President, the
8 Congress, and the Governor and legislature of each State a complete
9 report showing the activities of the Corporation during fiscal year,
10 the present condition of the Corporation, and such other matters as
11 the Board shall deem appropriate.

12 Section 23. Debts and obligations of the Corporation. Unless
13 otherwise expressly provided by law, the debts and obligations of
14 the Corporation shall not be debts or obligations of the Government
15 of the Federated States of Micronesia, nor shall the Government of
16 the Federated States of Micronesia be responsible for any such
17 debts or obligations.

18 Section 24. Tax liability. The Corporation shall exist and
19 operate solely for the benefit of the public and shall be exempt
20 from any taxes or assessments on any of its property, operations,
21 or activities. Nothing herein shall be deemed to exempt employees
22 and independent contractors of the Corporation from tax liability
23 for services rendered to the Corporation, nor shall anything herein
24 be deemed to exempt any project activity or enterprise in which
25 the Corporation participates or owns any interest from tax liability.

1 The Corporation shall be liable for employers' contribution to the
2 Social Security of the Federated States of Micronesia in the manner
3 provided by law.

4 Section 25. Effective date. This act shall become law
5 upon approval by the President of the Federated States of Micronesia
6 or upon its becoming law without such approval.

7
8 Date: 11/6/82

Introduced by: Sasao Gouland
Sasao Gouland

- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25