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:

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

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

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

"Section 502. Regulations. The Attorney General is authorized to promulgate regulations, in accordance with chapter 1 of title 17 of the Code of the Federated States of Micronesia, implementing section 501 of this chapter. Such regulations shall have the force and
effect of law. Notwithstanding the language of section 501, these regulations may set forth exemptions to the filing requirements of that section in situations where those requirements would be plainly unnecessary or impractical."

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

Date: 3-31-84

Introduced by: Isaac V. Figir