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FIFTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST SPECIAL SESSION, 1987

C.B. No. 5-90

A BILL FOR AN ACT

To further amend title 21 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 3-15, 3-27, 4-45 and 5-7, by repealing section 231(5), as established by Public Law No. 5-7, relating to Congress approval of the assumption of debts, or the agreement to liens or other security interest by the FSM Telecommunications Corporation, and for other purposes.

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

1 Section 1. Section 231 of title 21 of the Code of the Federated
2 States of Micronesia, as established by Public Law No. 5-7, is hereby
3 amended to read as follows:

4 "Section 231. Liens and debts.

5 (1) The Board of Directors is hereby empowered to
6 secure its debts by the granting of a first lien on
7 specified assets of the Corporation. A first lien shall
8 have priority over all other liens against such assets
9 whether derived by contract, statute, common law or custom.

10 (2) A first lien shall be perfected by the filing of
11 the lien documentation with the Assistant Clerk or Clerk of
12 the Supreme Court of the Federated States of Micronesia in
13 the State in which the asset is located.

14 (3) All subsequent creditors and lien holders shall be
15 conclusively deemed to have constructive notice of such lien
16 upon filing as set forth in subsection (2) of this section.

17 (4) The assets which may be pledged to secure debts of
18 the Corporation include all revenue of the Corporation, all
19 personal property and fixtures and real property to the
20 extent permitted by the laws of the Federated States of
21 Micronesia and the State in which the real property is
22 located.

23 (5) *The Corporation shall not assume any debt that will*
24 *be repaid later than 303 days from the date of execution, or*
25 *agree to a lien or other security interest in the assets of*

