

AN ACT

To amend section 309 of title 29 of the Code of the Federated States of Micronesia (Annotated), to establish a maximum amount of shares an individual may own in a domestic bank, and for other purposes.

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

1           Section 1. Section 309 of title 29 of the Code of the  
2 Federated States of Micronesia (Annotated), is hereby amended to  
3 read as follows:

4           "Section 309. Amount and ownership of capital stock.

5           (1) No domestic bank shall be organized and  
6 established in the Federated States of Micronesia with  
7 a capital stock less than \$1,000,000, which shall be  
8 paid in cash before the bank shall be authorized to  
9 commence business, and at least two-thirds of which  
10 shall be owned by persons who are citizens of the  
11 Federated States of Micronesia and who shall have  
12 resided in the Federated States of Micronesia for at  
13 least one year prior to the application.

14           (2) Subsequent to organization and establishment in  
15 accordance with the provisions in this section and  
16 notwithstanding section 621 of this title, no  
17 individual may acquire direct or indirect ownership or  
18 control of more than 2.5 percent of the voting shares

1                   of a bank.

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

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May 28<sup>th</sup> \_\_\_\_\_, 2021

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/s/ David W. Panuelo  
David W. Panuelo  
President  
Federated States of Micronesia

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