

CHAPTER 2

Banking Board

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§ 201. Creation.

(1) There is hereby established a Banking Board which shall be composed of three members appointed by the President and with the advice and consent of the Congress of the Federated States of Micronesia.

(2) All appointments shall be for a term of four years, provided however, that, unless otherwise provided by the President, all rights and powers of a Banking Board member shall be maintained by each member until the appointment of such member's successor. Banking Board members shall be eligible for reappointment.

(3) The Chairman of the Banking Board shall be appointed by the President from among the members appointed pursuant to subsection (1) of this section.

Source: PL 9-130 § 2; PL 13-56 § 3.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

The official website of the Congress of the Federated States of Micronesia contains the public laws enacted by the Congress, sessions, committee hearings, rules, and other Congressional information at <http://www.fsmcongress.fm/>.

§ 202. Principal purposes.

The principal purposes of the Banking Board shall be:

- (1) To undertake the licensing and supervision of banks;
- (2) To protect the interests of depositors; and
- (3) To promote the soundness, stability, and development of the banking system of the Federated States of Micronesia.

Source: PL 9-130 § 3.

§ 203. Powers.

The Banking Board shall be responsible for its policy and affairs, shall have the powers conferred upon it by this subtitle and may issue directives for the purpose of giving effect to the provisions of this Act.

Source: PL 9-130 § 4.

§ 204. Meetings; Quorum; Majority.

(1) The Banking Board shall meet as often as may be required, at such times, places and with such prior notice as the members thereof shall fix, but not less frequently than once in every three months; provided that any member thereof may request a special meeting upon giving at least 24 hours' notice to the Chairman. A majority of the members of the Banking Board shall constitute a quorum. Decisions shall be adopted by a simple majority of the votes of the members present.

(2) No act or proceeding of the Banking Board shall be invalidated merely by reason of the existence of a vacancy among the members thereof.

Source: PL 9-130 § 5.

§ 205. Reports.

(1) The Banking Board shall prepare a report each year on the condition of the banking system of the Federated States of Micronesia and on the operations of the Board during the year. Copies of the report shall be submitted to the President and the Speaker of the Congress within three months of the end of each year. The report shall also be published.

(2) The Banking Board shall also make up and publish a consolidated statement of assets and liabilities of the Federated States of Micronesia banking system not less frequently than quarterly, and send copies of the statement to the President and the Speaker of the Congress. The Banking Board may also publish from time to time a consolidated statement of assets and liabilities of the Federated States of Micronesia banking system showing figures

separately by state.

Source: PL 9-130 § 6; PL 12-57 § 3.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 206. Banking Commissioner.

(1) The President shall appoint a person to be Banking Commissioner, who shall serve as the Chief Executive Officer of the Banking Board, responsible to it for the execution of its policy and the performance of duties and exercise of powers conferred by this subtitle.

(2) The Banking Commissioner shall be a person of recognized experience in banking and financial matters and shall be eligible for reappointment. The Banking Commissioner shall not hold or occupy any other office unless approved in writing by the President.

(3) The remuneration and other terms and conditions of employment of the Banking Commissioner shall be determined from time to time by the Banking Board.

(4) The Banking Commissioner shall, except as may otherwise be provided in this subtitle or the resolutions of the Banking Board, have the power to act and sign instruments and documents on behalf of the Banking Board.

(5) The Banking Commissioner shall serve, *ex officio*, as a non-voting member of the Banking Board.

(6) During any period when there is no duly appointed person serving as Banking Commissioner, the Chairman of the Banking Board shall perform the duties and exercise the rights of the Banking Commissioner.

Source: PL 9-130 § 7.

§ 207. Services of Public Auditor and others.

The Banking Board and the Banking Commissioner shall be entitled to utilize the services of the Public Auditor and such independent accountants, lawyers, and other experts as they may select in carrying out their powers and duties under this subtitle. The President of the Federated States of Micronesia shall provide such administrative support and staff as may be needed to conduct the business of the Banking Board.

Source: PL 1-94 § 204; PL 2-20 § 3; PL 9-130 § 8.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. Chapter 5 of title 55 of this code is on the Public Auditor.

§ 208. Court review.

Any person aggrieved by an order of the Banking Board may appeal to the Trial Division of the Supreme Court of the Federated States of Micronesia within 30 days after the issuance of the order. The filing of such appeal shall not stay enforcement of an order but the Court may order a stay upon such terms as it deems proper.

Source: PL 1-94 § 205; PL 6-73 § 1; renumbered by PL 9-130 § 9.

Cross-reference: The statutory provisions on the FSM Supreme Court and the Judiciary are found in title 4 of this code. The statutory provisions on Judicial Procedure are found in title 6 of this code.

The FSM Supreme Court website contains court decisions, rules, calendars, and other information of the court, the Constitution, the code of the Federated States of Micronesia, and other legal resource information at <http://www.fsmsupremecourt.org/>.

§ 209. Indemnity.

Neither the Banking Board nor any of its members, the Banking Commissioner, employee or any person duly appointed to assist the Banking Board in carrying out its powers and duties under this subtitle shall incur any liability as a result of anything done in good faith in the exercise of any power or the performance of any duty under this subtitle.

Source: PL 12-57 § 4.