NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS
41ST CONSTITUTION REGULAR SESSION, 2020

Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

TRUST COMPANIES (AMENDMENT) ACT, 2020.

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TRUST COMPANIES (AMENDMENT) ACT, 2020.

AN ACT to amend Title 50, Chapter 2 of the Marshall Islands Revised Code to clarify certain provisions of the Chapter in line with international standards for anti-money laundering and countering the financing of terrorism.

BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS

§101. Short Title.

This Act may be cited as the Trust Companies (Amendment) Act, 2020.

§102. Amendments.

(1) *Section 205 of the Republic of the* Marshall Islands Trust Companies Act 1994 *is hereby amended as follows:*

§205. Requirement of a license.

No trust business shall be transacted in or from within the Republic except by a corporation which is in possession of a valid license issued by the Commissioner of Trust Companies, with the approval of the Cabinet, authorizing the transaction of trust business in or from within the Republic.

(2) *Section 208 of the Republic of the* Marshall Islands Trust Companies Act 1994 *is hereby amended to add a new subsection (8) as follows:*

§208. Trust company license.

. . .

(8) No license shall be issued or renewed under this Chapter unless the Commissioner is satisfied that:

(a) the applicant satisfies the capital requirements set forth in Part III of this Chapter;

(b) the applicant's directors and officers satisfy the requirements set forth in Part V of this Chapter;

(c) the applicant has retained any insurance cover required by the Commissioner pursuant to Section 228 of this Chapter;

(d) the applicant has established adequate systems for maintaining and updating the information and records required under this Chapter, the Trust Act of 1994 (50 MIRC Ch. 1), Part XIII of the *Banking Act 1987* (17 MIRC Ch. 1) and its associated regulations, and any other applicable law; and

(e) if the applicant is a foreign trust company, the foreign trust company is established or incorporated in a jurisdiction approved by the Commissioner.

(3) Section 211(1)(j) of the Republic of the Marshall Islands Trust Companies Act 1994 *is hereby amended as follows:*

§211. Suspension, revocation or variation of license.

(1) In the case of a licensed trust company:

. . .

(j) which fails to comply with the corporate law of the Republic, the Trust Act (50 MIRC Ch. 1), Part XIII of the *Banking Act 1987* (17 MIRC Ch. 1) and its associated regulations, or any other written law;

. . .

(4) Section 215 of the Republic of the Marshall Islands Trust Companies Act 1994 *is hereby amended as follows:*

§215. Penalty.

(1) If any person referred to in Section 214 of this Chapter is transacting trust business without a license he shall be guilty of an offense and shall upon conviction be liable to a fine not exceeding $10,000.

(2) Any applicant who knowingly or recklessly furnishes any information which is false or misleading in a material particular in connection with an application under this Chapter, shall be guilty of an offense and shall upon conviction be liable to a fine not exceeding $10,000 or to a term of imprisonment not exceeding six (6) months, or both.

(5) Section 224(3) of the Republic of the Marshall Islands Trust Companies Act 1994 *is hereby amended as follows:*

§224. Information and inspection.

. . .

(3) If any books, minutes accounts, cash securities, documents, and vouchers are not produced or information is not supplied, or if any item produced is false in any material particular, the defaulting trust company or affiliate or both, shall be guilty of an offense and shall upon conviction be liable to a fine not exceeding $10,000.

(6) Section 230(3) of the Republic of the Marshall Islands Trust Companies Act 1994 *is hereby amended as follows:*

§230. Secrecy.

. . .

(3) Every person who contravenes the provisions of Subsection (1) or (2) above shall be guilty of an offense and shall upon conviction be liable to a fine not exceeding $5,000.

(7) Section 235(c) of the Republic of the Marshall Islands Trust Companies Act 1994 *ishereby amended as follows:*

§235. Willfully making false entries.

. . .

(c) willfully alters, abstracts, conceals or destroys an entry in any book or record or in any report, slip, document or statement of the business, affairs, transactions, condition, assets or liabilities or accounts of such trust company or willfully causes such entry to be altered, abstracted, concealed or destroyed, shall be guilty of an offense and shall upon conviction be liable to a fine not exceeding $10,000 or a term of imprisonment not exceeding one year, or both.

(8) *Section 238 of the Republic of the* Marshall Islands Trust Companies Act 1994 *is hereby amended as follows:*

§238. Offenses relating to this Chapter.

(1) Every person who contravenes or fails to comply with any of the provisions of this Chapter or any rule, regulation, order, direction or requirement made or given under this Chapter shall be guilty of an offense and shall upon conviction be liable to a fine not exceeding $10,000.

(2) Every person who is guilty of an offense for which no punishment is prescribed in the preceding provisions, shall upon conviction be liable to a fine not exceeding $10,000.

(3) Any person who attempts to commit, or does any act preparatory to the commission of any offense under this Chapter, shall be deemed to be guilty of such offense.

§103. Effective Date.

This Bill, and all Acts contained herein, shall take effect in accordance with the Constitution and the Rules of Procedures of the Nitijela.

CERTIFICATE

I hereby certify:

1. That Nitijela Bill No: 29 was passed by the Nitijela of the Republic of the Marshall Islands on the 10th day of November 2020; and

2. That I am satisfied that Nitijela Bill No: 29 was passed in accordance with the relevant provisions of the Constitution of the Republic of the Marshall Islands and the Rules of Procedures of the Nitijela.

I hereby place my signature before the Clerk this 11th day of December 2020.

Hon. Kenneth A. Kedi
Speaker
Nitijela of the Marshall Islands

Attest:

Morean S. Watak
Clerk
Nitijela of the Marshall Islands