NITIJELA OF THE MARSHALL ISLANDS

23rd CONSTITUTIONAL REGULAR SESSION, 2002 BILL NO: 100 N.D.1

P.L. 2002-59

An Act

to amend certain sections of the Banking Act, 1987 (the Act) as amended, to clarify certain provisions; and to insert additional language to provide for further enforcement and civil penalty provisions.

BE IT ENACTED BY THE NITIJELA OF THE MARSHALL ISLANDS

Section 1. **Short Title.**

This Act may be cited as the Banking (Amendment) Act 2002.

Section 2. **Amendments.**

(1). Sections 68 (2), 68 (4) (b), 69 (1), 69 (2) and 69 (3) of the Act are hereby amended in the following manner;

(a). Section 68 (2) is hereby amended to read in the following manner ;

"(2). A financial institution or cash dealer shall record and verify the identity, representative capacity, domicile, legal capacity, occupation or business purpose of persons, as well as other identifying information on those persons, whether they be occasional or usual clients, through the use of documents providing convincing evidence of their legal existence and the powers of their legal representative, or any other official or private

documents , especially when opening new accounts or passbooks, entering into fiduciary transactions, renting of safe deposit boxes, or performing cash transactions over an amount pursuant to the requirement outlined in section 70 (1) of the Act.

(b). Section 68 (4) (b) is hereby amended to read as follows;

(b)." there is a transaction or a series of transactions taking place in which the applicant has already produced satisfactory evidence of identity.

(c). Section 69 (1) is hereby amended in the following manner;

(1). ". Every financial institution and cash dealer shall retain records for all transactions. These records shall be kept in readily recoverable form.

(d). Section 69 (2) is hereby amended to read in the following manner;

(2). "Financial institutions and cash dealers shall maintain records on customer identification, account files and business correspondences for six (6) years after the account has been closed, and all records necessary to reconstruct financial transactions for six (6) years after the conclusion of the transactions.

(e). Section 69 (3) is hereby amended to read in the following manner;

(3). "Records regarding financial transactions shall contain

particulars sufficient to identify the following:

Section 3: **Additional Enforcement and Civil Penalty Provisions.**

(1). The Act is further amended by inserting the following provisions immediately following section 80, to provide as follows;

Section 81. **Currency Transaction Reports [to be filed with the Office of the Banking Commissioner]**

(1). The Commissioner of Banking may prescribe a regulation that requires a financial institution or cash dealer involved in a transaction for the payment, receipt or transfer of currency to file a report on the transaction with the Commissioner's office and collect and maintain supporting documentation pertaining to such transaction. The requirements for when a currency transaction report must be filed may include, but are not limited to, a currency transaction that exceeds $10,000 or involves multiple transactions taken by or on behalf of a single person within a 24 hour period and, when aggregated, exceeds $10,000. The Commissioner of Banking may also prescribe under the regulation the right to exempt certain transactions, including a class of transactions, from the filing requirement by the use and maintenance of an exemption registry by financial institutions and cash dealers. The Commissioner has the authority to revoke any exemption granted under the regulation."

or entity within six years of their resignation, termination of employment or termination of participation in the affairs of the financial institution or cash dealer.

(5). The Banking Commissioner may prescribe regulations establishing criteria and procedures not inconsistent with these provisions as may be necessary to carry out the provisions of this Part XIII.

Section 4. **Effective Date**

This Act shall take effect in accordance with the relevant provisions of the Rules of Procedures of the Nitijela and the relevant provisions of the Constitution of the Republic of the Marshall Islands.

CERTIFICATE

I hereby certify;

(1). that the above Nitijela Bill No. 100 N.D.1 was passed by the Nitijela of the Marshall Islands on the 26th day of August, 2002; and

(2). that I am satisfied that Nitijela Bill No.100 N.D.1 was passed in accordance with 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 of the Nitijela on this 6th day of September 2002.

Attest:

Litokwa Tomeing
Speaker
Nitijela of the Marshall Islands

Joe Riklon
Clerk
Nitijela of the Marshall Islands