

TITLE 10 – PLANNING AND ECONOMIC DEVELOPMENT
CHAPTER 8 - MARSHALL ISLANDS DEVELOPMENT BANK



Republic of the Marshall Islands
Jepilpilin Ke Ejukaan

MARSHALL ISLANDS DEVELOPMENT BANK ACT 1988

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AN ACT to establish the Marshall Islands Development Bank, to regulate its functions and powers and for purposes related thereto.

Commencement: March 17, 1988
Source: P. L. 1988-1
Amended By: P.L. 1988-21 P.L. 1991-122 P.L. 1993-72
P.L. 2002-50 P.L. 2006-64

PART I - PRELIMINARY

§801. Short title.

This Chapter may be cited as the “Marshall Islands Development Bank Act 1988.” [P.L. 1988-1, §1.]

§802. Interpretation.

In this Chapter unless the context otherwise requires:

- (a) **“Bank”** means the Marshall Islands Development Bank;
- (b) **“Board”** means the Board of Directors of the Bank;
- (c) **“By-laws”** means by-laws of the Bank;
- (d) **“Chairman”** means the Chairman of the Board of Directors;
- (e) **“Director”** means a member of the Board of Directors;
- (f) **“Enterprises”** means any person, group of persons or body (whether incorporated or unincorporated) that engages or

proposes to engage in any economic activity, including any activity in agriculture, fisheries, manufacturing and industry, construction, tourism and commerce, transportation, and other services;

- (g) **"IDF"** means the Investment Development Fund;
- (h) **"Minister"** means the Minister to whom the Marshall Islands Development Bank has been assigned by the President;
- (i) **"MIDA"** means the Marshall Islands Development Authority;
- (j) **"MINDB"** means the Marshall Islands National Development Bank;
- (k) **"policies and guidelines"** means policies and guidelines of the Bank; and
- (l) **"shareholder"** means the holder of shares of the Bank.
[P.L. 1988-1, §2.]

PART II- ESTABLISHMENT AND MANAGEMENT OF THE BANK

§803. Establishment of the Bank.

- (1) There is hereby established for the purposes of this Chapter a corporation which shall be called the Marshall Islands Development Bank. The Bank shall have its head office at Majuro, Marshall Islands.
- (2) The Bank shall be a body corporate having perpetual succession and a common seal and may sue and be sued in its corporate name.
[P.L. 1988-1, §3.]

§804. Capital of the Bank.

- (1) The authorized capital of the Bank is USD \$10,000,000 divided into 10,000 shares each of USD \$1,000.
- (2) The initial authorized capital of the Bank shall be not less than USD \$5,000,000 divided into 5,000 shares each of USD \$1,000. The remaining USD \$5,000,000 divided into 5,000 shares each of USD \$1,000 shall be subscribed to within a period of three (3) years.
- (3) The said shares shall entitle the holders thereof to participate in proportion to the capital paid up on their shares respectively in all sums distributed by way of dividend; and in a winding up, all

surplus assets shall belong to and be divided amongst the holders of the said shares in proportion to the amounts paid up on such shares at the commencement of the winding up.

- (4) No shareholder shall be liable to contribute to the debts or liabilities of the Bank, any sum exceeding the amount unpaid on the shares held by such shareholder. [P.L. 19881, §4.]

§805. Monies of the Bank.

All monies lying in the Bank, including the capital, shall be in a separate Fund; and the Fund shall be a separate Fund other than the Marshall Islands General Fund as permitted under Article VIII of the Constitution. [P.L. 1988-1, §5 amended completely by P.L. 1988-21, §2.]

§806. Vesting of the Investment Development Fund.

- (1) Upon the appointment of the Board of Directors of the Bank, all monies of the Investment Development Fund standing to the credit of the Marshall Islands Development Authority (“MIDA”) immediately before such date shall stand transferred to and vest in the Bank.
- (2) All acts, transactions, matters and things lawfully done, determined or entered into by MIDA with respect to the Investment Development Fund shall be deemed to have been done, determined and entered into by the Bank. All rights, duties, and obligations of MIDA with respect to the Investment Development Fund and arising from such transactions matters and things subsisting on the date determined under Subsection (1) of this Section shall become the rights, duties, and obligations of the Bank.
- (3) All other assets (including real and personal property of every kind) and liabilities of MIDA with respect to the Investment Development Fund shall cease to be assets and liabilities of MIDA and shall stand transferred to and vest in and become assets and liabilities of the Bank. [P.L. 1988-1, §6, amended by P.L. 1988-21, §3, changing the language of Subsection (1).]

§807. Board of Directors.

- (1) The Board of Directors of the Bank shall consist of not less than five (5) and not more than seven (7) members appointed as follows: