

**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN**  
**2005 (FIRST) Regular Session**

Bill No. 8(US)

Introduced by:

L.F. Kasperbauer *Lfk*

**AN ACT TO AMEND TO §58104 OF TITLE 12, GUAM CODE ANNOTATED RELATIVE TO ADDING INVESTMENT BANKING AND SECURITIES AND COMMODITIES TRADING TO THE LIST OF ELIGIBLE ACTIVITIES FOR QUALIFYING CERTIFICATES.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1. Legislative Finding and Intent.** *I Liheslaturan Guåhan* finds that as part of the United States, Guam offers a politically sound and stable business climate for the underwriting and the exchange/trading of securities and commodities. Largely due to advances in telecommunications, securities underwriting and trading and commodities trading are no longer confined to regional exchanges. Mergers, acquisitions and the raising of both equity and debt capital are now viewed through a global perspective with multinational implications. In terms of stability and safety, however, US financial markets continue to rank at the top and in the eyes of investors, the best venue for financial transactions.

It is the intent of *I Liheslatura* to use Guam's politically stable economic climate and security as a United States territory and the unique economic incentives of its Qualifying Certificate program to attract Investment Banking

1 firms to Guam and also provide a venue for institutions to engage in securities and  
2 commodities trading.

3  
4 **Section 2.** Section 58104 of Title 12, Guam Code Annotated is hereby  
5 *amended* to read:

6 **“§ 58104. Eligibility Defined.**

7 A Qualifying Certificate shall only be issued to the following entities:

8  
9 Any trust, partnership, sole proprietorship, Limited Liability Partnership  
10 ('LLP'), Limited Liability Company ('LLC'), corporation formed under the laws of  
11 Guam, or possessions corporation as defined in § 58106 of this Chapter, engaged,  
12 or about to engage in any of the following activities:

13 1. agriculture;

14 2. aquaculture;

15 3. mariculture;

16 4. manufacturing;

17 5. commercial fishing;

18 6. services;

19 7. tourism;

20 8. improvement of real property for purposes which are specifically  
21 determined by the Authority to be beneficial, desirable, and necessary for the  
22 economic development of Guam;

23 9. insurance issuance, either by commercial insurers, reinsurers, or captive  
24 insurers which meet the requirements of 22 GCA Chapter 15, Article 3;

25 10. export trading company, as defined in 11 GCA § 26101(d), if the main  
26 office of the export trading company is established on Guam;

1 11. producing water or disposing of wastewater, or both, jointly with the  
2 Guam Waterworks Authority;

3 12. operating on a military base on Guam a Base Operating Service  
4 Contract;

5 13. a small business entity operating on a military base on Guam, a Base  
6 Operating Service contract, or as a subcontractor to a BOS Contractor; and

7 14. a global internet infrastructure services company(ies) providing Internet  
8 connectivity and co-location facilities and its/their tenant-sellers in the sales of  
9 goods, services and information over the Internet; provided that:

10 (i) the seller is legally established in and operates from Guam;

11 (ii) the sale does not include the local sale of goods, services and  
12 information;

13 (iii) the sale is conducted exclusively through the Internet; and

14 (iv) the seller does not sell or distribute in any fashion material that is  
15 harmful to minors as that term is defined in the Internet Tax Freedom Act, a part  
16 of the Omnibus Appropriations Act of 1998, Public Law Number 105-277. For  
17 purposes of this Paragraph, a "minor" is a person under the age of eighteen (18).

18 15. Investment Banks. For purposes of this Section Investment Banks are  
19 defined as an institution that acts as an underwriter or agent for corporations and  
20 municipalities issuing securities and/or provides advisory services regarding the  
21 underwriting and issuing of securities. Such activities may include:

22 **(a) Capital raising capabilities activities include:**

23 (1) The private placement of equity

24 (2) Arrangement of debt securities

25 (3) The syndication of initial and secondary public offerings.

26 **(b) Advisory activities include:**

1           (1)The financial and negotiating strategies for mergers & acquisitions,

2           (2) Buyouts, divestitures, recapitalizations and restructurings,

3           (3) Arrange the necessary financing for these transactions.

4           16. Institutions that provide a venue for Securities and/or Commodities

5 exchange/ trading.”