
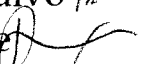
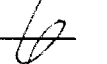


**MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN  
2006 (SECOND) REGULAR SESSION**

**Bill No. 257 (EC)**

Introduced by:

Edward J.B. Calvo   
Robert Klitzkie   
A.R. Unpingco 

**AN ACT TO REPEAL AND REENACT §2206 OF  
TITLE 18, GUAM CODE ANNOTATED,  
RELATIVE TO THE OWNERSHIP OF  
CORPORATE STOCK AND QUALIFICATIONS  
OF DIRECTORS OF A CORPORATION.**

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

2           **Section 1. Legislative Findings and Intent.** Section 2206 of Title 18,  
3 Guam Code Annotated, establishes that a person must own one share of stock  
4 in a Guam corporation in order to be qualified to serve as a director. This  
5 requirement creates a disincentive to organized corporations in Guam.  
6 Corporate directors of foreign corporations [stock ownership exception 18  
7 GCA §2116], investment companies or international finance corporations  
8 [stock ownership exception 18 GCA §2115(a)(1)] are not required to own  
9 stocks in order to register and operate as a Guam Corporation.

10           *I Liheslaturan Guåhan* finds that this privilege should extend to the  
11 qualifications for directors of all corporations registered on Guam. The Act is

1 patterned after a similar standard contained within the “Model Corporation  
2 Act.” The Act will provide for a friendlier business landscape that will  
3 stimulate further investment incentives and opportunities to Guam.

4 **Section 2. Repeal and Reenactment.** Section 2206 of Title 18, of the  
5 Guam Code Annotated is hereby repealed and reenacted as follows:

6 **“§2206. Qualifications of Directors.** The Articles of  
7 Incorporation or Bylaws may prescribe qualifications for directors.  
8 A director need not be a resident of Guam unless the Articles of  
9 Incorporation or Bylaws so prescribe.”