



Office of the Governor of Guam

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Office of the People's Speaker  
vicente (ben) c. pangelinan

JAN 13 2004

TIME: 2:55 ( ) AM ( ) PM  
RECEIVED BY:

Felix Perez Camacho  
Governor

Kaleo Scott Moylan  
Lieutenant Governor

13 JAN 2004

The Honorable Vicente C. Pangelinan  
Speaker

*I Mina'Bente Siete Na Liheslaturan Guahån*  
Twenty-Seventh Guam Legislature  
155 Hesler Street  
Hagåtña, Guam 96910

Dear Speaker Pangelinan:

Transmitted herewith is Bill No. 106 (COR), "AN ACT TO IMPROVE THE BUSINESS CLIMATE ON THE ISLAND BY CLARIFYING BUSINESS LICENSE LAWS ON GUAM, THROUGH THE AMENDMENTS OF §§ 26101(a), 26101(k), 70103(c), 70103(e), 70130, 70131, 76504 and 106721 of TITLE 11; TO REPEAL AND REENACT §2110, §113106 AND CHAPTER 7, AND ADD §§ 2110.1, 2110.2 AND 4304 OF TITLE 18; AND ADD ARTICLES 2 AND 3 OF CHAPTER 7 OF PART 1 OF TITLE 18, ALL OF THE GUAM CODE ANNOTATED," that I have signed into law on December 18, 2003, as **Public Law 27 - 57**.

Bill No. 106 is a commendable piece of legislation. It clarifies existing inconsistent statutes governing the conduct of business and license requirements to do business on Guam. It also reconciles Guam's business law with other jurisdictions in the United States by adopting a uniform model. This would enable Guam's business climate to thrive with the growth of interstate and foreign commerce on Guam. With any model that Guam adopts, we need to be mindful and considerate of Guam's particular economic situation that is unique from other states. As Guam's physical location is closer to Asia than the U.S. mainland, our business laws should allow circumstances of business transactions determine what is and is not the conducting of business rather than offering a blanket mainland legislation exempting specific activities. Our laws should fit Guam's particular needs in business practices. I hope to work with *I Liheslaturan* to make sure our laws are more conducive to our environment in order to achieve the best results.

Sincerely yours,

FELIX P. CAMACHO

*I Maga'låhen Guåhan*  
Governor of Guam

Attachment: copy attached of signed bill

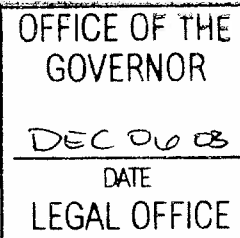
cc: The Honorable Tina Rose Muna-Barnes  
Senator and Legislative Secretary



**MINA' BENTE SIETE NA LIHESLATURAN GUÅHAN**  
TWENTY-SEVENTH GUAM LEGISLATURE  
155 Hessler Place, Hagåtña, Guam 96910

December 6, 2003


The Honorable Felix P. Camacho  
*I Maga'lahen Guåhan*  
*Ufisinan I Maga'lahi*  
Hagåtña, Guam 96910



Dear *Maga'lahi* Camacho:

Transmitted herewith are Bill No. 192(COR), and Substitute Bill Nos. 106(COR) and 194(COR) which were passed by *I Mina' Bente Siete Na Liheslaturan Guåhan* on December 6, 2003.

Sincerely,

  
TINA ROSE MUNA BARNES  
Legislative Secretary


Enclosures (3)

I MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN  
2003 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

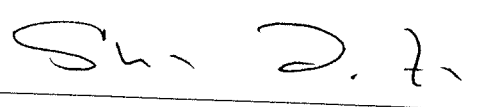
This is to certify that Substitute Bill No. 106 (COR), "AN ACT TO IMPROVE THE BUSINESS CLIMATE ON THE ISLAND BY CLARIFYING BUSINESS LICENSE LAWS ON GUAM, THROUGH THE AMENDMENTS OF §§ 26101(a), 26101(k), 70103(c), 70103(e), 70130, 70131, 76504 AND 106721 OF TITLE 11; TO REPEAL AND REENACT §2110, §113106 AND CHAPTER 7, AND ADD §§ 2110.1, 2110.2 AND 4304 OF TITLE 18; AND ADD ARTICLES 2 AND 3 OF CHAPTER 7 OF PART 1 OF TITLE 18, ALL OF THE GUAM CODE ANNOTATED," was on the 6<sup>th</sup> day of December, 2003, duly and regularly passed.

Attested:

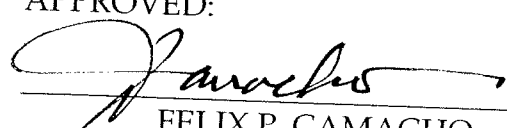
  
Tina Rose Muña Barnes  
Senator and Legislative Secretary

\_\_\_\_\_  
vicente (ben) c. pangelinan  
Speaker

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This Act was received by *I Maga'lahen Guåhan* this 6 day of December, 2003, at 4:15 o'clock  
P.M.

  
\_\_\_\_\_  
Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:

  
\_\_\_\_\_  
FELIX P. CAMACHO  
*I Maga'lahen Guåhan*

Date: 12/18/03

Public Law No. 27-57

I MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN  
2003 (FIRST) Regular Session

**Bill No. 106 (COR)**

As substituted by the Committee on Rules  
and amended on the Floor.

Introduced by:

v. c. pangelinan  
Toni Sanford  
F. B. Aguon, Jr.  
T. R. Muña Barnes  
J. M.S. Brown  
F. R. Cunliffe  
C. Fernandez  
Mark Forbes  
L. F. Kasperbauer  
R. Klitzkie  
L. A. Leon Guerrero  
J. A. Lujan  
J. M. Quinata  
R. J. Respicio  
Ray Tenorio

AN ACT TO IMPROVE THE BUSINESS CLIMATE ON THE  
ISLAND BY CLARIFYING BUSINESS LICENSE LAWS ON  
GUAM, THROUGH THE AMENDMENTS OF §§ 26101(a),  
26101(k), 70103(c), 70103(e), 70130, 70131, 76504 AND 106721 OF  
TITLE 11; TO REPEAL AND REENACT §2110, §113106 AND  
CHAPTER 7, AND ADD §§ 2110.1, 2110.2 AND 4304 OF TITLE  
18; AND ADD ARTICLES 2 AND 3 OF CHAPTER 7 OF PART 1  
OF TITLE 18, ALL OF THE GUAM CODE ANNOTATED.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Statement. *I Liheslaturan Guåhan* finds that the  
government of Guam has sought to attract, as an integral part of its blueprint  
to effect continual economic growth and development, foreign and domestic

1 investments on Guam. The mainstay of this plan has been lucrative tax breaks  
2 for new business prospects, in exchange for the creation of new jobs for our  
3 local residents. While a certain degree of success has been achieved, we have  
4 *not* reached our full potential.

5 Recent events have brought to question the clarity and certainty of  
6 Guam's business laws, which could truncate our future viability as an  
7 attractive investment destination. To remedy this potential economic  
8 deterrent, we must clear up any uncertainty in business climate caused by the  
9 imposition of inconsistent statutes governing the conduct of business and  
10 license requirements for doing business on Guam.

11 Over the last several decades, public laws governing business license  
12 requirements were enacted in a patchwork manner, which today results in a  
13 disconcerting environment for many conducting or seeking to conduct  
14 business on our Island. Such laws have caused avoidable disruptions in  
15 existing contractual relationships, and the effect has been the dampening in  
16 the growth of interstate and foreign commerce on Guam. Past court  
17 proceedings have further exposed the need for certainty of the laws governing  
18 business and banking activities conducted on Guam. Concurrently, many  
19 prominent members of our Guam community, including attorneys-at-law,  
20 businessmen and scholars, have for years attested to the pressing need for a  
21 well-defined and structured set of laws.

22 In essence, the existing laws governing business licenses on Guam are  
23 discordant with other commerce laws, hindering the economic growth and  
24 development of our island. Under precarious business environment, Guam,  
25 with resources that naturally limit manufacturing and export potential, would

1 not be able to entice off-island investors to infuse much-sought capital and  
2 create attractive jobs for our residents.

3 It is the intent of *I Liheslaturan Guåhan* to enact a body of business laws  
4 consistent with the practice of other investment jurisdictions. Such action will  
5 place Guam in the most favorable position to attract an inflow of foreign and  
6 domestic capital and new business prospects. Passage of this Act will elevate  
7 Guam's competitiveness as the new hub of international business activities in  
8 the Pacific Rim, and lay the groundwork for future long-term prosperity.

9 **Section 2.** This Act shall be known as the "*Guam Business Corporation*  
10 *Reform Act of 2003.*"

11 **Section 3.** §26101(a) of Article 1, Chapter 26, Division 2, Title 11, of the  
12 Guam Code Annotated is hereby *amended* to read as follows:

13 "(a) Business and engaging in, transacting, conducting,  
14 continuing, doing or carrying on business includes all activities, whether  
15 personal, professional or corporate, carried on within Guam for  
16 economic benefit, either direct or indirect, but shall *not* include casual  
17 sales. Engaging in business shall also include the exercise of corporate  
18 franchise powers, but neither the conduct of business as such within or  
19 without Guam by an investment company or by an international finance  
20 company, as each or either is defined in any law of the United States or  
21 Guam, or by any company registered as an investment company under  
22 the United States Investment Company Act of 1940 nor the exercise of  
23 corporate franchise powers by any such corporation, shall constitute  
24 either business or engaging in business to the extent that such conduct  
25 or exercise within Guam does *not* exceed the management and

1 administration of its business and activities incidental thereto,  
2 transactions involving its capitalization, and the acquisition and  
3 disposition of property from which any income would constitute foreign  
4 source income pursuant to the provisions of the Guam Income Tax Law.

5 Without excluding other activities which may *not* be considered to  
6 be *specifically* engaging in, transacting, conducting, continuing, doing or  
7 carrying on a business, including those activities specified above, a  
8 person shall *not* be considered to be engaging in, transacting,  
9 conducting, continuing, doing or carrying on a business within the  
10 meaning of this Division solely by reason of carrying on in Guam any  
11 one (1) or more of the following activities:

12 (1) maintaining or defending any action or suit, or any  
13 administrative or arbitration proceeding, or effecting the  
14 settlement thereof or the settlement of claims or disputes;

15 (2) holding meetings of the board of directors or  
16 shareholders, or carrying on other activities concerning internal  
17 corporate affairs;

18 (3) maintaining bank accounts;

19 (4) maintaining offices or agencies for the transfer,  
20 exchange and registration of the corporation's own securities, or  
21 appointing and maintaining trustees or depositaries with respect  
22 to those securities;

23 (5) effecting sales through independent contractors;

24 (6) soliciting or procuring orders, whether by mail or  
25 through employees, agents or otherwise, where those orders

1 require acceptance outside Guam *before* they become binding  
2 contracts;

3 (7) creating or acquiring evidences of debt or mortgages,  
4 liens, or security interests in real or personal property;

5 (8) securing or collecting one's own debts or enforcing  
6 mortgages and security interests in property securing one's own  
7 debts;

8 (9) owning, without more, real or personal property;

9 (10) conducting an isolated transaction that is completed  
10 within ninety (90) days and that is *not* one in the course of a  
11 number of repeated transactions of a like nature; *and*

12 (11) transacting business in interstate commerce.

13 The list of activities in this Subsection is *not* exhaustive."

14 **Section 4.** §26101(k) of Article 1, Chapter 26, Division 2, Title 11 of the  
15 Guam Code Annotated, is hereby *amended* to read as follows:

16 "(k) 'Person' includes any individual, firm, co-partnership, joint  
17 venture, association, corporation, estate, trust, limited liability company,  
18 limited partnership, limited liability partnership, or any other group or  
19 combination, foreign or domestic, acting as a unit."

20 **Section 5.** §70103(c) of Chapter 70, Division 3, Title 11 of the Guam  
21 Code Annotated, is hereby *amended* to read as follows:

22 "(c) 'Business' shall mean and include *any* activity or conduct,  
23 whether proprietary, partnership, corporate, or whatever form, engaged  
24 in, transacted, conducted, continued, done or carried on, or caused to be



1 engaged in, transacted, conducted, continued, done or carried on, with  
2 the object of gain or economic benefit, either direct or indirect, but shall  
3 *not* include casual sales, personal service contracts or fund raising  
4 activities by political candidates, committees, parties, corporations,  
5 associations, organizations or funds. No political candidate, committee,  
6 party, corporation, association, organization or fund shall be required to  
7 register with the Department of Revenue and Taxation or be required to  
8 obtain a business license."

9 **Section 6.** §70103(e) of Chapter 70, Division 3, Title 11 of the Guam  
10 Code Annotated, is hereby *amended* to read as follows:

11 "(e) '*Engaging in, transacting, conducting, continuing, doing or*  
12 *carrying on a business*' means a regular employment which occupies the  
13 time, labor, or attention of the person on a continuing basis although  
14 one (1) act may be sufficient *if* circumstances show a purpose to  
15 continue, and it need *not* be the sole or full-time employment of the  
16 person, but may be on a part-time or periodic basis.

17 Without excluding other activities which may *not* be considered to  
18 be specifically engaging in, transacting, conducting, continuing, doing  
19 or carrying on a business, a person shall *not* be considered to be  
20 engaging in, transacting, conducting, continuing, doing or carrying on a  
21 business within the meaning of this Division *solely* by reason of carrying  
22 on in Guam any one (1) or more of the following activities:

1           (1) maintaining or defending any action or suit, or any  
2 administrative or arbitration proceeding, or effecting the  
3 settlement thereof or the settlement of claims or disputes;

4           (2) holding meetings of the board of directors or  
5 shareholders, or carrying on other activities concerning internal  
6 corporate affairs;

7           (3) maintaining bank accounts;

8           (4) maintaining offices or agencies for the transfer,  
9 exchange and registration of the corporation's own securities, or  
10 appointing and maintaining trustees or depositaries with respect  
11 to those securities;

12          (5) effecting sales through independent contractors;

13          (6) soliciting or procuring orders, whether by mail or  
14 through employees or agents or otherwise, where those orders  
15 require acceptance outside Guam *before* they become binding  
16 contracts;

17          (7) creating or acquiring evidences of debt or mortgages,  
18 liens or security interests in real or personal property;

19          (8) securing or collecting one's own debts, or enforcing  
20 mortgages and security interests in property securing one's own  
21 debts;

22          (9) owning, without more, real or personal property;

23          (10) conducting an isolated transaction that is completed  
24 within ninety (90) days, and that is *not* one in the course of a  
25 number of repeated transactions of a like nature; *and*

1 (11) transacting business in interstate commerce.

2 The list of activities in this Subsection (e) is *not* exhaustive."

3 **Section 7.** §70130 of Chapter 70, Division 3, Title 11 of the Guam Code  
4 Annotated, is hereby *amended* to read as follows:

5 "§70130. **Restriction of Activities on Persons Engaging in,**  
6 **Transacting, Conducting, Continuing, Doing, or Carrying on a**  
7 **Business Without Licenses.** It is the policy of the government of Guam  
8 that all persons engaging in, transacting, conducting, continuing, doing,  
9 or carrying on a business have business licenses. *Unless* otherwise  
10 specifically exempted by law, no person shall engage in, transact,  
11 conduct, continue, do, or carry on a business in Guam *until* it obtains a  
12 business license. The requirement to obtain a business license shall be  
13 independent of and in addition to a requirement for a certificate of  
14 authority from the Director of Revenue and Taxation or other applicable  
15 regulating agency or board, pursuant to applicable Guam laws,  
16 including, but *not* limited to, 22 GCA §15307, 22 GCA § 15102, 18 GCA  
17 §7102 and 11 GCA §106213.

18 **Section 8.** §70131 of Chapter 70, Division 3, Title 11 of the Guam Code  
19 Annotated, is hereby *amended* to read as follows:

20 "§70131. **Consequences of Engaging in, Transacting,**  
21 **Conducting, Continuing, Doing, or Carrying on a Business Without**  
22 **Business License or Certificate of Authority.**

23 (a) Any person engaging in, transacting, conducting,  
24 continuing, doing, or carrying on a business within Guam which is

1 otherwise required by law to have a current business license and,  
2 as may be required by all applicable laws of Guam, a certificate of  
3 authority from the Director of the Department of Revenue and  
4 Taxation, or other applicable regulating agency or board, but does  
5 *not* have one, shall be closed promptly by the Department of  
6 Revenue and Taxation, after a hearing pursuant to the  
7 Administrative Adjudication Law, until all required returns are  
8 filed and all taxes paid or arrangements are made to pay them.  
9 All assets of the person or corporation shall be frozen after such  
10 hearing until all required tax returns are submitted to the  
11 Department of Revenue and Taxation, all taxes are paid, or  
12 payment arrangements are made, and a valid business license is  
13 obtained.

14 (b) Any person engaging in, transacting, conducting,  
15 continuing, doing, or carrying on a business on Guam without a  
16 business license and, as may be required by all applicable laws of  
17 Guam, a certificate of authority from the Director of the  
18 Department of Revenue and Taxation, or other applicable  
19 regulating agency or board, may *not* maintain a proceeding in any  
20 Court on Guam *until* it obtains a business license and, as may be  
21 required by all applicable laws of Guam, a certificate of authority  
22 to transact business on Guam.

23 (c) The successor to any person who transacted, engaged  
24 in, conducted, continued, carried on, or done business on Guam  
25 without a business license and, as may be required by all

1 applicable laws of Guam, a certificate of authority from the  
2 Director of the Department of Revenue and Taxation, or other  
3 applicable regulating agency or board, and the assignee of a cause  
4 of action arising out of that business may *not* maintain a  
5 proceeding based upon that cause of action in any Court on Guam  
6 *until* the person or that person's successor obtains a business  
7 license and, as may be required by all applicable laws of Guam, a  
8 certificate of authority from the Director of the Department of  
9 Revenue and Taxation, or other applicable regulating agency or  
10 board.

11 (d) A Court may stay a proceeding commenced by a  
12 person, its successor, or assignee *until* it determines whether the  
13 person, or that person's successor, or assignee requires a business  
14 license, and, as may be required by all applicable laws of Guam, a  
15 certificate of authority from the Director of the Department of  
16 Revenue and Taxation, or other applicable regulating agency or  
17 board. *If* it so determines, the Court may further stay the  
18 proceeding *until* the person, or that person's successor, or assignee  
19 obtains the business license, and, as may be required by all  
20 applicable laws of Guam, or other applicable regulating agency or  
21 board, a certificate of authority from the Director of the  
22 Department of Revenue and Taxation, or other applicable  
23 regulating agency or board.

24 (e) Notwithstanding the provisions of this Section, the  
25 failure of a person to obtain a business license, and, as may be

1 required by all applicable laws of Guam, a certificate of authority  
2 from the Director of the Department of Revenue and Taxation, or  
3 other applicable regulating agency or board, does *not* impair the  
4 validity of its corporate acts or prevent it from defending any  
5 proceeding in Guam."

6 **Section 9.** §76504 of Article 5, Chapter 76, Division 3, Title 11 of the  
7 Guam Code Annotated, is hereby *amended* to read as follows:

8 **"§76504. Parts of Foreign Corporation Law Not Applicable.**

9 Chapter 7 of Title 18 of the Guam Code Annotated shall *not* apply  
10 to any corporation holding a Trader's Certificate."

11 **Section 10.** §106721 of Part B, Article 7, Chapter 106, Division 4, Title  
12 11 of the Guam Code Annotated, is hereby *amended* to read as follows:

13 **"§106721. Right of Foreign Banking Corporation to Engage in**  
14 **Business.** A foreign banking corporation shall *not* engage in the  
15 banking or trust business on Guam, *unless* it is licensed to do so  
16 pursuant to the provisions of § 106725, and *unless* it first complies with  
17 all the provisions of this Chapter and Chapter 7 of Title 18 of the Guam  
18 Code Annotated, and then *only* to the extent expressly permitted in this  
19 Chapter, or by regulations of the Board. In transacting such business a  
20 foreign banking corporation shall comply with all applicable provisions  
21 of this Title and of the laws of Guam."

22 **Section 11.** §2110 of Article 1, Chapter 2, Part 1, Title 18 of the Guam  
23 Code Annotated, is hereby *repealed and reenacted* to read as follows:

1           "§2110.     **Corporate Name.** The Director of the Department of  
2 Revenue and Taxation shall *not* file any Articles of Incorporation  
3 submitted by a corporation *unless* the corporate name of such  
4 corporation meets *all* of the following requirements:

5           (a) shall contain the word 'corporation,' 'incorporated,'  
6 'company,' or 'limited,' or the abbreviation 'corp.,' 'inc.,' 'co.,' or  
7 'ltd.,' or words or abbreviations of like import in another  
8 language; provided, however, that *if* the word 'company' or its  
9 abbreviation is used, it shall *not* be immediately preceded by the  
10 word 'and' or by an abbreviation of or symbol representing the  
11 word 'and;'

12           (b) shall *not* contain any word or phrase stating or  
13 implying that the corporation is organized for a purpose other  
14 than that permitted by its Articles of Incorporation and all  
15 applicable laws of Guam;

16           (c) *except* as authorized by Subsections (d) and (e) of this  
17 Section, a corporate name shall *not* be the same as, or deceptively  
18 similar to:

19                   (1) the corporate name of a corporation incorporated  
20 or authorized to transact business on Guam;

21                   (2) a name reserved under §2110.1 or registered  
22 under § 2110.2;

23                   (3) the fictitious name adopted by a foreign  
24 corporation authorized to transact business on Guam  
25 because its real name is unavailable;

1 (4) the corporate name of a not-for-profit  
2 corporation incorporated or authorized to transact business  
3 on Guam; *or*

4 (5) the name of any partnership, limited  
5 partnership, limited liability partnership or limited liability  
6 company, domestic or foreign, which is organized under the  
7 laws of Guam or registered to transact business on Guam;

8 (d) A corporation may apply to the Director of the  
9 Department of Revenue and Taxation for authorization to use a  
10 name that is the same as, or deceptively similar to, one (1) or more  
11 of the names described in Subsection (c) of this Section; the  
12 Director of Revenue and Taxation shall authorize use of the name  
13 applied for if:

14 (1) the other corporation, holder of a reserved or  
15 registered name, limited partnership, limited liability  
16 partnership or limited liability company consents to the use  
17 in writing and submits an undertaking in form satisfactory  
18 to the Director of the Department of Revenue and Taxation  
19 to change its name to a name that is the same as, or  
20 deceptively similar to, the name of the applying corporation;  
21 *or*

22 (2) the applicant delivers to the Director of the  
23 Department of Revenue and Taxation a certified copy of the  
24 final judgment of a court of competent jurisdiction



1 establishing the applicant's right to use the name applied for  
2 on Guam;

3 (e) a corporation may use the name, including the  
4 fictitious name, of another domestic or foreign corporation that is  
5 used on Guam *if* the other corporation or limited liability company  
6 is organized or authorized to transact business on Guam and the  
7 proposed user corporation:

8 (1) has merged with the other corporation;

9 (2) has been formed by reorganization of the other  
10 corporation; *or*

11 (3) has acquired all, or substantially all, of the assets,  
12 including the name, of the other corporation or limited  
13 liability company;

14 (f) The provisions of this Section do *not* control the use of  
15 fictitious names;

16 (g) nothing in this Section shall abrogate or limit the law  
17 as to unfair competition or unfair practice in the use of trade  
18 names, nor derogate from the common law, the principles of  
19 equity, or the statutes of Guam or of the United States with respect  
20 to the right to acquire and protect trade names; *and*

21 (h) the assumption of a name in violation of this Section  
22 shall *not* affect or vitiate the corporate existence, but the courts of  
23 Guam, having equity jurisdiction, may, upon the application of  
24 the government, or of any person, unincorporated association, or  
25 corporation interested or affected, enjoin such corporation in

1 violation from transacting business under any name assumed in  
2 violation of this Section."

3 **Section 12.** §2110.1 is hereby *added* to Article 1, Chapter 2, Part 1, Title  
4 18 of the Guam Code Annotated, to read as follows:

5 **"§2110.1. Reserved Name.**

6 (a) A person may reserve the *exclusive* use of a corporate  
7 name, including a fictitious name, for a foreign corporation whose  
8 corporate name is *not* available, by delivering an application to the  
9 Director of the Department of Revenue and Taxation for filing.  
10 The application must set forth the name and address of the  
11 applicant, and the name proposed to be reserved. *If* the Director  
12 of the Department of Revenue and Taxation finds that the  
13 corporate name applied for is available, the Director of the  
14 Department of Revenue and Taxation shall reserve the name for  
15 the applicant's *exclusive* use for a non-renewable one hundred  
16 twenty (120) day period.

17 (b) The owner of a reserved corporate name may transfer  
18 the reservation to another person by delivering to the Director of  
19 the Department of Revenue and Taxation a signed notice of the  
20 transfer that states the name and address of the transferee.

21 (c) The filing fee for every application for a reserved name  
22 shall be Twenty-five Dollars (\$25.00)."

23 **Section 13.** §2110.2 is hereby *added* to Article 1, Chapter 2, Part 1, Title  
24 18 of the Guam Code Annotated, to read as follows:

25 **"§2110.2. Registered Name.**

1 (a) A foreign corporation may register its corporate name,  
2 or its corporate name with any addition required by §7107, *if* the  
3 name is distinguishable upon the records of the Director of the  
4 Department of Revenue and Taxation from the corporate names  
5 that are *not* available under §2110(c)(3).

6 (b) A foreign corporation registers its corporate name, or  
7 its corporate name with any addition required by §7107, by  
8 delivering to the Director of the Department of Revenue and  
9 Taxation for filing an application:

10 (1) setting forth its corporate name, or its corporate  
11 name with any addition required by §7107, the state or  
12 country and date of its incorporation, and a brief description  
13 of the nature of the business in which it is engaged; *and*

14 (2) accompanied by a certificate of existence, or a  
15 document of similar import, from the state or country of  
16 incorporation.

17 (c) The name is registered for the applicant's *exclusive* use  
18 upon the effective date of the application.

19 (d) A foreign corporation whose registration is effective  
20 may renew it for successive years by delivering to the Director of  
21 the Department of Revenue and Taxation for filing a renewal  
22 application, which complies with the requirements of Subsection  
23 (b), between April 1 and June 30 of the preceding calendar year.  
24 The renewal application renews the registration for the following  
25 calendar year.

1 (e) A foreign corporation whose registration is effective  
2 may thereafter qualify as a foreign corporation under the  
3 registered name, or consent in writing to the use of that name by a  
4 corporation thereafter incorporated under the laws of Guam or by  
5 another foreign corporation thereafter authorized to transact  
6 business on Guam. The registration terminates when the domestic  
7 corporation is incorporated or the foreign corporation qualifies or  
8 consents to the qualification of another foreign corporation under  
9 the registered name.

10 (f) The filing fee for every application for a registered  
11 name and for a renewal of registered name shall be Twenty-five  
12 Dollars (\$25.00)."

13 **Section 14.** §4304 is hereby *added* to Article 3, Chapter 4, Part 1, Title  
14 18 of the Guam Code Annotated, to read as follows:

15 **"§4304. Annual Report of Domestic and Foreign**  
16 **Corporations.**

17 (a) Each domestic corporation and each foreign  
18 corporation authorized to transact business on Guam shall deliver  
19 to the Director of the Department of Revenue and Taxation for  
20 filing a sworn annual report that sets forth:

21 (1) the name of the corporation and the state or  
22 country under whose law it is incorporated;

23 (2) the date of incorporation or, *if* a foreign  
24 corporation, the date on which it was authorized to transact  
25 business on Guam;

1                   (3) where the corporation is required by law to have  
2 a registered office and registered agent on Guam, the street  
3 address of its registered office of the corporation on Guam,  
4 and the name of its registered agent on Guam at that  
5 address;

6                   (4) the address of its principal office;

7                   (5) the names and business addresses of the  
8 corporation directors and principal officers;

9                   (6) a brief statement of the character of the business  
10 in which the corporation is actually transacted on Guam;

11                   (7) the aggregate number of shares which the  
12 corporation has authority to issue, itemized by class, par  
13 value of shares, shares without par value, and series, *if any*,  
14 within each class;

15                   (8) the aggregate number of issued and outstanding  
16 shares, itemized by class, par value of shares, shares without  
17 par value, and series, *if any*, within each class;

18                   (9) *if* the domestic or foreign corporation has *less*  
19 *than* fifteen (15) shareholders, for each shareholder state the  
20 name, citizenship, and the number and class or series of  
21 shares held.

22                   (b) The information contained in the annual report shall  
23 be current as of the date the annual report is executed on behalf of  
24 the corporation.

1           (c) The first annual report must be delivered to the  
2 Director of the Department of Revenue and Taxation between July  
3 1 and September 1, or such other date as the Director of the  
4 Department of Revenue and Taxation may specify by rules or  
5 regulations, of the year following the calendar year in which a  
6 domestic corporation was incorporated, or a foreign corporation  
7 was authorized to transact business on Guam. Subsequent annual  
8 reports must be delivered to the Director of the Department of  
9 Revenue and Taxation between July 1 and September 1, or such  
10 other date as the Director of the Department of Revenue and  
11 Taxation may specify by rules or regulations, of the following  
12 calendar years.

13           (d) *If* an annual report does *not* contain the information  
14 required by this Section, the Director of the Department of  
15 Revenue and Taxation shall notify the reporting corporation in  
16 writing, and return the report to it for correction. *If* the report is  
17 corrected to contain the information required by this Section and  
18 delivered to the Director within thirty (30) days *after* the effective  
19 date of notice, it shall be deemed to be timely filed.

20           (e) A corporation may deliver to the office for filing an  
21 amendment to the annual report *if* a change in the information set  
22 forth in the annual report occurs *after* the report is delivered to the  
23 office for filing and before the next anniversary. This Subsection  
24 applies *only* to a change that is *not* required to be made by an

1 amendment to the Articles of Incorporation. The amendment to  
2 the annual report must set forth:

3 (1) the name of the corporation, as shown on the  
4 records of the Department of Revenue and Taxation; *and*

5 (2) the information as changed.

6 (f) Any corporation failing to file an annual report that  
7 complies with the requirements of this Section, within sixty (60)  
8 days after it is due, shall pay, in addition to the regular annual  
9 report fee, the sum of Fifty Dollars (\$50.00), *providing* the report is  
10 received by the Director of the Department of Revenue and  
11 Taxation *prior* to revocation as provided in this Title, and shall be  
12 subject to dissolution or cancellation of its certificate of authority  
13 to transact business as provided in this Chapter.

14 (g) The filing fee for an annual report shall be One  
15 Hundred Dollars (\$100.00).

16 (h) Any corporation which is required to file or provide an  
17 annual report with another government agency or regulating body  
18 may satisfy the annual report required by this Section by filing the  
19 same report with the Director of the Department of Revenue and  
20 Taxation; *provided*, the Director of the Department of Revenue and  
21 Taxation has determined in writing that the report contains the  
22 same or substantially similar information pursuant to this  
23 Section."

24 **Section 15.** §113106 of Chapter 113, Title 11, of the Guam Code  
25 Annotated, is hereby *repealed* in its entirety.

1       **Section 16.** Chapter 7 of Part 1, Title 18 of the Guam Code Annotated,  
2 is hereby *repealed and reenacted* to read as follows:

3                               **"CHAPTER 7.**

4                               **FOREIGN CORPORATION.**

5               §7101.       **Definitions.**

6               §7102.       **License and Authority to Transact Business**  
7                               **Required.**

8               §7103.       **Consequences of Transacting Business Without**  
9                               **Authority.**

10              §7104.       **Application for Certificate of Authority.**

11              §7105.       **Amended Certificate of Authority.**

12              §7106.       **Effect of Certificate of Authority.**

13              §7107.       **Corporate Name of Foreign Corporation.**

14              §7108.       **Registered Office and Registered Agent of Foreign**  
15                               **Corporation.**

16              §7109.       **Change of Registered Office or Registered Agent of**  
17                               **Foreign Corporation.**

18              §7110.       **Resignation of Registered Agent of Foreign**  
19                               **Corporation.**

20              §7111.       **Amendment to Articles of Incorporation of Foreign**  
21                               **Corporation.**

22              §7112.       **Suits by Attorney General Against Foreign**  
23                               **Corporations.**

24              §7113.       **Service of Process on Foreign Corporation.**



- 1           §7114.       Withdrawal of Foreign Corporation.
- 2           §7115.       Grounds for Revocation of Certificate of Authority.
- 3           §7116.       Procedure for and Effect of Revocation.
- 4           §7117.       Appeal from Revocation.
- 5           §7118.       Revocation; Application for Reinstatement.
- 6           §7119.       Laws Governing Foreign Corporations.

1           **§7101. Definitions.** As used in this Chapter, *unless* the  
2 context otherwise requires:

3           (a) '*Department*' shall mean the Department of Revenue  
4 and Taxation.

5           (b) '*Director*' shall mean the Director of the Department of  
6 Revenue and Taxation.

7           (c) '*Person*' shall mean any individual, firm, partnership,  
8 association, corporation, company, syndicate, estate, trust, limited  
9 liability company, limited partnership, limited liability  
10 partnership, business trust or organization of any kind, or any  
11 branch or division thereof.

12           **§7102. License and Authority to Transact Business**  
13 **Required.**

14           (a) A foreign corporation shall *not* transact business in  
15 Guam until it obtains *both* a business license and a certificate of  
16 authority to do so from the Director of the Department of Revenue  
17 and Taxation.

18           (b) Without excluding other activities which may *not* be  
19 considered to be transacting business, a foreign corporation shall  
20 *not* be considered to be transacting business merely because its  
21 subsidiary transacts business in Guam, or merely because of its  
22 status as any one (1) or more of the following:

23           (1) a shareholder of a domestic corporation;

1 (2) a shareholder of another foreign corporation  
2 transacting business;

3 (3) a limited partner of a foreign limited partnership  
4 transacting business;

5 (4) a limited partner of a domestic limited  
6 partnership;

7 (5) a member or manager of a foreign limited  
8 liability company transacting business;

9 (6) a member or manager of a domestic limited  
10 liability company;

11 (7) a limited partner of a foreign limited liability  
12 partnership transacting business; *or*

13 (8) a limited partner of a domestic limited liability  
14 partnership.

15 (c) Without excluding other activities which may *not* be  
16 considered to be transacting business in Guam, a foreign  
17 corporation shall *not* be considered to be transacting business in  
18 Guam within the meaning of this Subdivision *solely* by reason of  
19 carrying on in Guam any one (1) or more of the following  
20 activities.

21 The following activities, among others, do *not* constitute  
22 transacting business within the meaning of Subsection (1) of this  
23 Section:

24 (1) maintaining, defending or settling any  
25 proceeding;

1 (2) holding meetings of the board of directors or  
2 shareholders, or carrying on other activities concerning  
3 internal corporate affairs;

4 (3) maintaining bank accounts;

5 (4) maintaining offices or agencies for the transfer,  
6 exchange and registration of the corporation's own  
7 securities, or maintaining trustees or depositaries with  
8 respect to those securities;

9 (5) selling through independent contractors;

10 (6) soliciting or obtaining orders, whether by mail or  
11 through employees or agents or otherwise, *if* the orders  
12 require acceptance outside Guam before they become  
13 contracts;

14 (7) creating or acquiring indebtedness, mortgages  
15 and security interests in real or personal property;

16 (8) securing or collecting one's own debts or  
17 enforcing mortgages and security interests in property  
18 securing one's own debts;

19 (9) owning, without more, real or personal property;

20 (10) conducting an isolated transaction that is  
21 completed within sixty (60) days and that is *not* one in the  
22 course of repeated transactions of a like nature; *or*

23 (11) transacting business in interstate commerce.

24 (d) The list of activities in this Section are *not*  
25 exhaustive.

1           §7103. Consequences of Transacting Business Without  
2 Authority.

3           (a) No foreign corporation transacting business on Guam  
4 without a business license and a certificate of authority shall be  
5 permitted to maintain any action, suit or proceeding in any court  
6 on Guam *until* it obtains *both* a business license and a certificate of  
7 authority to transact business on Guam.

8           (b) No successor to a foreign corporation that transacted  
9 business on Guam without a business license and a certificate of  
10 authority, and the assignee of a cause of action arising out of that  
11 business, shall maintain any action, suit or proceeding based upon  
12 that cause of action in any court on Guam until the foreign  
13 corporation, or its successor or assignee obtains *both* a business  
14 license and a certificate of authority.

15           (c) The court may stay any action, suit or proceeding  
16 commenced by a foreign corporation, its successor, or assignee  
17 until it determines whether the foreign corporation, or its  
18 successor, requires a business license and a certificate of authority.  
19 *If* it so determines, the court may further stay the proceeding until  
20 the foreign corporation, or its successor or assignee obtains the  
21 license and certificate.

22           (d) A foreign corporation which transacts business on  
23 Guam without a business license and a certificate of authority  
24 shall be liable to the government of Guam for the years or parts  
25 thereof during which it transacted business on Guam without a

1 business license and a certificate of authority, in an amount equal  
2 to all fees and taxes which would have been imposed under this  
3 Chapter upon such corporation had it duly applied for and  
4 received a business license and a certificate of authority to transact  
5 business on Guam, as required by this Chapter, and thereafter  
6 filed all reports required by this Chapter, plus a penalty of Two  
7 Hundred Dollars (\$200.00) for each day that unauthorized  
8 business is transacted; and the foreign corporation, by transacting  
9 unauthorized business, shall be deemed to consent to the  
10 jurisdiction of the courts of Guam in any civil action arising on  
11 Guam in which the corporation is named a party defendant.

12 The penalty established in this Section shall be assessed  
13 according to the number of days it is found that the corporation  
14 has been willfully transacting unauthorized business.

15 (e) Notwithstanding Subsections (a) and (b) of this  
16 Section, the failure of a foreign corporation to obtain *both* a  
17 business license and a certificate of authority does *not* impair the  
18 validity of any contract, mortgage, deed or act of such corporation,  
19 and shall not prevent such corporation from defending any action,  
20 suit or proceeding in any courts of Guam.

21 **§7104. Application for Certificate of Authority.**

22 (a) A foreign corporation may apply for a certificate of  
23 authority to transact business on Guam by delivering an  
24 application to the Director of the Department of Revenue and  
25 Taxation for filing. The application shall set forth:

1                   (1) the name of the foreign corporation or, if its  
2 name is unavailable for use on Guam, a corporate name that  
3 satisfies the requirements of § 7107 of this Title;

4                   (2) the name of the state or country under whose  
5 law it is incorporated;

6                   (3) the date of incorporation and the period of  
7 duration of the corporation;

8                   (4) the address, including street and number and  
9 mailing address, *if* different, of the principal office of the  
10 corporation in the state or country under the laws of which it  
11 is incorporated;

12                   (5) the address, including street and number, of its  
13 registered office on Guam and the name of its registered  
14 agent at that office;

15                   (6) the purpose(s) of the corporation which it  
16 proposes to pursue in the transaction of business on Guam;

17                   (7) the names and usual business addresses of its  
18 current directors and officers; *and*

19                   (8) such additional information as may be necessary  
20 or appropriate in order to enable the Director of the  
21 Department of Revenue and Taxation to determine whether  
22 such corporation is entitled to a certificate of authority to  
23 transact business on Guam, and to determine and assess the  
24 fees and taxes payable as prescribed by the laws of Guam.

1 (b) The foreign corporation shall deliver with the  
2 completed application a certificate of existence, or a document of  
3 similar import, duly authenticated by the secretary of state, or  
4 other official having custody of corporate records in the state or  
5 country under whose law it is incorporated. A translation of the  
6 certificate, under oath of the translator, must be attached to a  
7 certificate which is in a language *other* than the English language.

8 (c) The filing fee for application of a certificate of  
9 authority shall be One Hundred Dollars (\$100.00).

10 **§7105. Amended Certificate of Authority.**

11 (a) A foreign corporation authorized to transact business  
12 on Guam must obtain an amended certificate of authority from the  
13 Director of the Department of Revenue and Taxation *if* it changes:

- 14 (1) its corporate name;  
15 (2) the period of its duration;  
16 (3) the state or country of its incorporation; *or*  
17 (4) *if* any, the purpose or purposes of the  
18 corporation which it proposes to pursue in the transaction of  
19 business on Guam, in addition to those set forth in its prior  
20 application for a certificate of authority.

21 (b) Such application shall be made within thirty (30) days  
22 *after* the occurrence of any change mentioned in Subsection (a).

23 (c) The requirements of §7104 for obtaining an original  
24 certificate of authority apply to obtaining an amended certificate  
25 under this Section.



1 (d) The filing fee for application of an amended certificate  
2 of authority shall be Twenty-five Dollars (\$25.00).

3 **§7106. Effect of Certificate of Authority.**

4 (a) A certificate of authority authorizes the foreign  
5 corporation to which it is issued to transact business on Guam;  
6 subject, *however*, to the right of the government of Guam to  
7 suspend or revoke such authority and certificate as provided in  
8 this Chapter and all applicable laws of Guam.

9 (b) A foreign corporation with a valid certificate of  
10 authority under this Chapter shall, until the certificate is revoked  
11 or withdrawn, have the same, but no greater rights and has the  
12 same but no greater privileges as, and *except* as otherwise  
13 provided by this Chapter, is subject to the same duties,  
14 restrictions, penalties, and liabilities now or later imposed upon, a  
15 domestic corporation of like character.

16 (c) This Chapter does *not* authorize the government of  
17 Guam to regulate the organization or internal affairs of a foreign  
18 corporation authorized to transact business on Guam.

19 **§7107. Corporate Name of Foreign Corporation.**

20 (a) *If* the corporate name of a foreign corporation does *not*  
21 satisfy the requirements of §2110, the foreign corporation to obtain  
22 or maintain a certificate of authority to transact business on Guam:

23 (1) may add the word 'corporation,' 'incorporated,'  
24 'company,' or 'limited,' or the abbreviations 'corp.,' 'inc.,'  
25 'co.,' or 'ltd.,' to its corporate name for use in Guam; *or*

1                   (2)    may use a fictitious name to transact business on  
2                   Guam *if* its real name is unavailable and it delivers to the  
3                   Director of the Department of Revenue and Taxation for  
4                   filing a copy of the resolution of its Board of Directors,  
5                   certified by its secretary, adopting the fictitious name.

6                   (b)   *Except* as authorized by Subsections (d) and (e) of this  
7                   Section, the corporate name, including a fictitious name, of a  
8                   foreign corporation must be distinguishable upon the records of  
9                   the Director of the Department of Revenue and Taxation from:

10                   (1)   the name of any domestic and foreign  
11                   corporation, partnership, limited liability company, limited  
12                   partnership or limited liability partnership organized under  
13                   the laws of Guam or authorized to transact business on  
14                   Guam;

15                   (2)   a corporate name reserved or registered under  
16                   §2110.1 and §2110.2;

17                   (3)   the fictitious name of another foreign corporation  
18                   authorized to transact business on Guam; *or*

19                   (4)   the name of a not-for-profit corporation  
20                   incorporated or authorized to transact business on Guam.

21                   (c)   A foreign corporation may apply to the Director of the  
22                   Department of Revenue and Taxation for authorization to use on  
23                   Guam a name of another domestic or foreign corporation  
24                   incorporated or authorized to transact business on Guam that is  
25                   *not* distinguishable upon the corporation's records from the name

1 applied for. The Director of the Department of Revenue and  
2 Taxation shall authorize use of the name applied for *if*:

3 (1) the other corporation consents to the use in  
4 writing and submits an undertaking in form satisfactory to  
5 the Director of the Department of Revenue and Taxation to  
6 change its name to a name that is distinguishable upon the  
7 records of the Director of the Department of Revenue and  
8 Taxation from the name of the applying corporation; *or*

9 (2) the applicant delivers to the Director of the  
10 Department of Revenue and Taxation a certified copy of a  
11 final judgment of a court of competent jurisdiction  
12 establishing the applicant's right to use the name applied for  
13 on Guam.

14 (d) A foreign corporation may use on Guam a name which  
15 is the same as the name, including the fictitious name, of another  
16 domestic or foreign corporation organized under the laws of  
17 Guam, or authorized to transact business on Guam, *if* the foreign  
18 corporation:

19 (1) has merged with the other corporation;

20 (2) has been formed by reorganization of the other  
21 corporation; *or*

22 (3) has acquired all, or substantially all, of the assets,  
23 including the corporate name, of the other corporation.

24 (e) *If* a foreign corporation authorized to transact business  
25 on Guam changes its corporate name to one that does *not* satisfy

1 the requirements of §2110, it may *not* transact business on Guam  
2 under the changed name, *until* it adopts a name satisfying the  
3 requirements of §2110 and obtains an amended certificate of  
4 authority under §7105.

5 **§7108. Registered Office and Registered Agent of Foreign**  
6 **Corporation.**

7 (a) Each foreign corporation authorized to transact  
8 business on Guam shall continuously maintain on Guam:

9 (1) a registered office that may be the same as any of  
10 its places of business; and

11 (2) a registered agent, who shall be:

12 (i) an individual who resides on Guam and  
13 whose business office is identical to the registered  
14 office;

15 (ii) a domestic corporation or nonprofit  
16 domestic corporation whose business office is identical  
17 with the registered office; *or*

18 (iii) a foreign corporation or foreign nonprofit  
19 corporation authorized to transact business on Guam  
20 whose business office is identical with the registered  
21 office.

22 (b) A registered agent appointed pursuant to this Section  
23 or a successor registered agent appointed pursuant to §7109 on  
24 whom process may be served shall each file a statement in writing  
25 with the Department, in such form and manner as shall be

1 prescribed by the Director of the Department of Revenue and  
2 Taxation, accepting the appointment as a registered agent  
3 simultaneously with the registered agent being designated. Such  
4 statement of acceptance shall state that the registered agent is  
5 familiar with, and accepts, the obligations of that position.

6 **§7109. Change of Registered Office or Registered Agent of**  
7 **Foreign Corporation.**

8 (a) A foreign corporation authorized to transact business  
9 on Guam may change its registered office or registered agent, or  
10 both, by delivering to the Director of the Department of Revenue  
11 and Taxation for filing a statement of change that sets forth:

- 12 (1) the name of the foreign corporation;  
13 (2) the street address of its current registered office;  
14 (3) *if* the current registered office is to be changed,  
15 the street address to which the registered office is to be  
16 changed;  
17 (4) the name of its current registered agent;  
18 (5) *if* the current registered agent is to be changed,  
19 the name of its new registered agent and the new agent's  
20 written consent, either on the statement or attached to it, or  
21 in the corporation's next annual report filed with the  
22 Director of the Department of Revenue and Taxation, to the  
23 appointment;

1 (6) that after the change or changes are made, the  
2 street addresses of its registered office and the business  
3 office of its registered agent will be identical; *and*

4 (7) that such change was authorized by resolution  
5 duly adopted by its Board of Directors.

6 (b) *If* a registered agent changes the mailing address or  
7 location of the registered agent's business office, the registered  
8 agent shall change the mailing address or location of the registered  
9 office of any foreign corporation for which that person is the  
10 registered agent by notifying the corporation in writing of the  
11 change and signing, *either* manually or in facsimile, and delivering  
12 to the Director of the Department of Revenue and Taxation for  
13 filing a statement of change that complies with the requirements  
14 of Subsection (a) of this Section, and recites that the corporation  
15 has been notified of the change.

16 **§7110. Resignation of Registered Agent of Foreign**  
17 **Corporation.**

18 (a) The registered agent of a foreign corporation may  
19 resign the registered agent's agency appointment upon signing  
20 and delivering to the Director of the Department of Revenue and  
21 Taxation for filing the original and two (2) exact or conformed  
22 copies of a statement of resignation. The statement of resignation  
23 may include a statement that the registered office is also  
24 discontinued.

1 (b) After filing the statement, the Director of the  
2 Department of Revenue and Taxation shall attach the filing receipt  
3 to one (1) copy and mail the copy and receipt to the registered  
4 office if *not* discontinued. The Director of the Department of  
5 Revenue and Taxation shall mail the other copy to the foreign  
6 corporation at the foreign corporation's mailing address or the  
7 foreign corporation's principal office address shown in its most  
8 recent annual report.

9 (c) The agency appointment is terminated, and the  
10 registered office discontinued if so provided in the signed  
11 statement under Subsection (a) of this Section, on the thirty-first  
12 (31<sup>st</sup>) day after the date on which the statement was filed.

13 **§7111. Amendment to Articles of Incorporation of Foreign**  
14 **Corporation.**

15 (a) Whenever the Articles of Incorporation of a foreign  
16 corporation authorized to transact business on Guam are  
17 amended, such foreign corporation shall, within thirty (30) days  
18 after such amendment becomes effective, file in the office of the  
19 Director of the Department of Revenue and Taxation a copy of  
20 such amendment duly authenticated by the proper officer of the  
21 state or country under the laws of which it is incorporated;  
22 *provided*, the filing thereof shall *not* of itself enlarge or alter the  
23 purpose or purposes which such corporation is authorized to  
24 pursue in the transaction of business on Guam, nor authorize such

1 corporation to transact business on Guam under any other name  
2 than the name set forth in its certificate of authority.

3 (b) The filing fee for application for amendment to  
4 Articles of Incorporation shall be Fifty Dollars (\$50.00).

5 **§7112. Suits by Attorney General Against Foreign**  
6 **Corporations.** The Attorney General may bring an action to restrain a  
7 foreign corporation from transacting business on Guam without  
8 authority any business for which authority is required by this Chapter;  
9 any business which it is *not* authorized to do in its jurisdiction of  
10 incorporation, or which it is *not* authorized to do under this Chapter, or  
11 which it is transacting without securing any license or other authority  
12 required under the laws of Guam; any business, authority for which was  
13 obtained through fraud, misrepresentation or concealment of a material  
14 fact. A certified copy of any order or judgment restraining or enjoining  
15 any such corporation from doing business, or a particular business, on  
16 Guam shall be filed with the Director of the Department of Revenue and  
17 Taxation.

18 **§7113. Service of Process on Foreign Corporation.**

19 (a) The registered agent of a foreign corporation  
20 authorized to transact business on Guam is the corporation's agent  
21 for service of process, notice or demand required or permitted by  
22 law to be served on the foreign corporation.

23 (b) A foreign corporation may be served by registered or  
24 certified mail, return receipt requested, addressed to the secretary  
25 of the foreign corporation at its principal office shown in its



1 application for a certificate of authority or the correspondence  
2 address indicated in its most recent annual report *if* the foreign  
3 corporation:

4 (1) has no registered agent, or its registered agent  
5 cannot with reasonable diligence be served;

6 (2) has withdrawn from transacting business on  
7 Guam under § 7114 of this Title; *or*

8 (3) has had its certificate of authority revoked under  
9 § 7116 of this Title.

10 (c) Service is perfected under Subsection (b) of this Section  
11 at the earliest of:

12 (1) the date the foreign corporation receives the  
13 mail;

14 (2) the date shown on the return receipt, *if* signed on  
15 behalf of the foreign corporation; *or*

16 (3) five (5) days *after* its deposit in the United States  
17 mail, as evidenced by the postmark, *if* mailed postpaid and  
18 correctly addressed.

19 (d) In addition to Subsection (b), whenever a foreign  
20 corporation authorized to transact business on Guam shall fail to  
21 appoint or maintain a registered agent on Guam, or whenever any  
22 such registered agent cannot with reasonable diligence be found at  
23 the registered office, or whenever the certificate of authority of a  
24 foreign corporation shall be suspended or revoked, then the  
25 Director of the Department of Revenue and Taxation may be an

1 agent of such corporation upon whom any such process notice, or  
2 demand may be served.

3 (e) Every foreign corporation which transacts business on  
4 Guam without having been authorized to transact business on  
5 Guam thereby submits itself to the jurisdiction of the courts of  
6 Guam, and also thereby designates the Director of the Department  
7 of Revenue and Taxation as its agent upon whom any process,  
8 notice or demand upon it may be served in any action or  
9 proceeding arising out of or in connection with the transaction of  
10 business on Guam.

11 (f) This Section does *not* prescribe the *only* means, or  
12 necessarily the required means, of serving a foreign corporation.

13 **§7114. Withdrawal of Foreign Corporation.**

14 (a) A foreign corporation authorized to transact business  
15 on Guam may *not* withdraw from Guam *until* it obtains a  
16 certificate of withdrawal from the Director of the Department of  
17 Revenue and Taxation.

18 (1) A foreign corporation authorized to transact  
19 business on Guam may apply for a certificate of withdrawal  
20 by delivering an application to the Director of the  
21 Department of Revenue and Taxation for filing. The  
22 application must set forth:

23 (i) the name of the foreign corporation and the  
24 name of the state or country under whose law it is  
25 incorporated;

1 (ii) that the corporation is *not* transacting  
2 business on Guam and that it surrenders its authority  
3 to transact business on Guam;

4 (iii) that the corporation revokes the authority  
5 of its registered agent to accept service of process on its  
6 behalf, and consents that service of process in any  
7 action, suit or proceeding based upon any cause of  
8 action during the time it was authorized to transact  
9 business on Guam may thereafter be made on such  
10 corporation by service upon the Director of the  
11 Department of Revenue and Taxation;

12 (iv) appoints the Director of the Department of  
13 Revenue and Taxation as its agent for a mailing  
14 address at which the service may be made under  
15 Paragraph (iii) of this Subsection;

16 (v) a commitment to notify the Director of the  
17 Department of Revenue and Taxation in the future of  
18 any change in its mailing address; *and*

19 (vi) such additional information as may be  
20 necessary or appropriate in order to enable the  
21 Director of the Department of Revenue and Taxation  
22 to determine and assess any unpaid fees or taxes  
23 payable by such foreign corporation.

24 (b) Such application may be made on forms prescribed  
25 and furnished by the Director, of the Department of Revenue and

1 Taxation and shall be executed in duplicate by the corporation by  
2 its president, a vice-president and by its secretary or an assistant  
3 secretary, and verified by one (1) of the officers signing such  
4 application.

5 (c) After the withdrawal of the corporation is effective,  
6 service of process on the Director of the Department of Revenue  
7 and Taxation under this Section is service upon the foreign  
8 corporation. Upon receipt of process, the Director of the  
9 Department of Revenue and Taxation shall mail a copy of the  
10 process to the foreign corporation at the mailing address set forth  
11 under Subsection (b).

12 (d) The filing fee for application for a certificate of  
13 withdrawal shall be Twenty-five Dollars (\$25.00).

14 **§7115. Grounds for Revocation of Certificate of Authority.**

15 The Director of the Department of Revenue and Taxation may  
16 commence a proceeding under §7116 of this Title to revoke the  
17 certificate of authority of a foreign corporation authorized to transact  
18 business on Guam *if*:

19 (a) the foreign corporation does *not* deliver its annual  
20 report to the Director of the Department of Revenue and Taxation  
21 within sixty (60) days after it is due;

22 (b) the foreign corporation does *not* pay within sixty (60)  
23 days after they are due any fees or penalties imposed under this  
24 Chapter or other law;

1 (c) the foreign corporation is without a registered agent or  
2 registered office on Guam for sixty (60) days or more;

3 (d) the Director of the Department of Revenue and  
4 Taxation has credible information that the foreign corporation has  
5 failed to notify the Director of the Department of Revenue and  
6 Taxation within sixty (60) days of the occurrence that its registered  
7 agent or registered office has changed, that its registered agent has  
8 resigned or that its registered office has been discontinued;

9 (e) the Director of the Department of Revenue and  
10 Taxation has credible information that an incorporator, director,  
11 officer or agent of the foreign corporation signed a document that  
12 that person knew was false in any material respect, with intent  
13 that the document be delivered to the Director of the Department  
14 of Revenue and Taxation for filing; *or*

15 (f) the Director of the Department of Revenue and  
16 Taxation receives a duly authenticated certificate from the official  
17 having custody of corporate records in the state or country under  
18 whose law the foreign corporation is incorporated, stating that it  
19 has been dissolved or disappeared as a result of a merger.

20 **§7116. Procedure for and Effect of Revocation.**

21 (a) *If* the Director of the Department of Revenue and  
22 Taxation determines that one (1) or more grounds exist under  
23 §7115 of this Chapter, for revocation of a certificate of authority,  
24 the Director of the Department of Revenue and Taxation shall

1 serve the foreign corporation with written notice of such  
2 determination under §7113.

3 (b) *If the foreign corporation does not correct each ground*  
4 *for revocation or demonstrate to the reasonable satisfaction of the*  
5 *Director of the Department of Revenue and Taxation that each*  
6 *ground determined by the Director of the Department of Revenue*  
7 *and Taxation does not exist within sixty (60) days after issuance of*  
8 *notice is perfected under §7113, the Director of the Department of*  
9 *Revenue and Taxation shall revoke the foreign corporation's*  
10 *certificate of authority by signing a certificate of revocation that*  
11 *recites the ground(s) for revocation and its effective date.*

12 (c) The authority of a foreign corporation to transact  
13 business on Guam ceases on the date shown on the notice of  
14 revocation of its certificate of authority.

15 (d) Service of process on a foreign corporation whose  
16 certificate of authority has been revoked may be made upon its  
17 registered agent, *if any*, or pursuant to §7113.

18 (e) Revocation of a foreign corporation's certificate of  
19 authority does *not* terminate the authority of the registered agent  
20 of the corporation.

21 **§7117. Appeal from Revocation.**

22 (a) A foreign corporation may appeal the Director's  
23 revocation of its certificate of authority to the Superior Court of  
24 Guam within thirty (30) days *after* service of the notice of  
25 revocation is perfected under §7113. The foreign corporation

1 appeals by petitioning the Court to set aside the revocation and  
2 attaching to the petition copies of its certificate of authority and  
3 the notice of revocation from the Director of the Department of  
4 Revenue and Taxation.

5 (b) The Court may summarily order the Director of the  
6 Department of Revenue and Taxation to reinstate the certificate of  
7 authority, or may take any other action the Court considers  
8 appropriate.

9 (c) The Court's final decision may be appealed as in other  
10 civil proceedings.

11 **§7118. Revocation; Application for Reinstatement.**

12 (a) A foreign corporation whose certificate of authority  
13 has been revoked pursuant to §7116 may apply to the Director of  
14 the Department of Revenue and Taxation for reinstatement at any  
15 time *after* the effective date of revocation of authority. The  
16 application must:

17 (1) recite the name of the foreign corporation and  
18 the effective date of its revocation of authority;

19 (2) state that the ground or grounds for revocation  
20 of authority either did *not* exist, or have been eliminated and  
21 that no further grounds currently exist for revocation of  
22 authority;

23 (3) state that the foreign corporation's name satisfies  
24 the requirements of §7107; and

1 (4) state that all fees owed by the corporation and  
2 computed at the rate provided by law at the time the foreign  
3 corporation applies for reinstatement have been paid; *or*

4 (b) As an alternative, the foreign corporation may submit  
5 a current annual report, signed by the registered agent and an  
6 officer or director, which substantially complies with the  
7 requirements of Subsection (a).

8 (c) *If* the Director of the Department of Revenue and  
9 Taxation determines that the application contains the information  
10 required by Subsections (a) and (b), and that the information is  
11 correct, it shall cancel the certificate of revocation of authority and  
12 prepare a certificate of reinstatement that recites its determination  
13 and prepare a certificate of reinstatement, file the original of the  
14 certificate, and serve a copy upon the corporation.

15 (d) When the reinstatement is effective, it relates back to  
16 and takes effect as of the effective date of the revocation of  
17 authority, and the foreign corporation resumes carrying on its  
18 business as if the revocation of authority had never occurred.

19 (e) The name of the foreign corporation whose certificate  
20 of authority has been revoked is *not* available for assumption or  
21 use by another corporation until one (1) year after the effective  
22 date of revocation of authority, *unless* the corporation provides the  
23 Director of the Department of Revenue and Taxation with an  
24 affidavit permitting the *immediate* assumption or use of the name  
25 by another corporation.



1 (f) If the name of the foreign corporation has been  
2 lawfully assumed on Guam by another corporation, the Director  
3 of the Department of Revenue and Taxation shall require the  
4 foreign corporation to comply with §7107 *before* accepting its  
5 application for reinstatement.

6 **§7119. Laws Governing Foreign Corporations.** Any foreign  
7 corporation *not* formed, organized or existing under the laws of Guam  
8 shall be bound by all laws, rules and regulations applicable to domestic  
9 corporations of the same class, save and except such only as provided  
10 for the creation, formation, organization, or dissolution of corporations  
11 or such as fix the qualifications, relations, liabilities, responsibilities, or  
12 duties of members, stockholders, directors, or officers of the corporation  
13 to each other or to the corporation; provided, *however*, that nothing in  
14 this Section shall be construed to exempt any foreign corporation from  
15 compliance with the Business License Law, Division 3, Title 11 of the  
16 Guam Code, Annotated."

17 **Section 17.** A new Article 2 is hereby *added* to Chapter 7 of Part 1, Title  
18 18, Guam Code Annotated, to read as follows:

19 "Article 2.

20 **Foreign Limited Liability Partnerships.**

21 **§7201. Foreign limited liability partnerships transacting**  
22 **business; registration and filing requirements; fee; time of**  
23 **registration; form; penalty; transact business definition. (a)(1)**  
24 Before transacting business in Guam, a foreign limited liability

1 partnership shall comply with all statutory and administrative  
2 registration or filing requirements of the rules and regulations  
3 governing a particular profession in which the partnership  
4 proposes to be engaged. A foreign limited liability partnership  
5 that transacts business in Guam shall within thirty (30) days after  
6 the effective date of the Act enacting this Section or the date on  
7 which the foreign limited liability partnership first transacts  
8 business in Guam, whichever is later, register with the  
9 Department of Revenue and Taxation by submitting to the  
10 Department of Revenue and Taxation an application for  
11 registration as a foreign limited liability partnership, signed by a  
12 person with authority to do so under the laws of the jurisdiction of  
13 formation of the foreign limited liability partnership, stating the  
14 name of the partnership, the address of its principal office, the  
15 name and address of its agent for service of process in Guam, a  
16 brief statement of the business in which the partnership engages,  
17 and any other matters that the partnership determines to include,  
18 on a form prescribed by the Department of Revenue and Taxation.

19 (2) Annexed to the application for registration shall be a  
20 certificate from an authorized public official of the foreign limited  
21 liability partnership's jurisdiction of organization to the effect that  
22 the foreign limited liability partnership is in good standing in that  
23 jurisdiction, *if* the laws of that jurisdiction permit the issuance of  
24 those certificates, or, in the alternative, a statement by the foreign

1 limited liability partnership that the laws of its jurisdiction of  
2 organization do *not* permit the issuance of those certificates.

3 (b) The registration shall be accompanied by a fee as set by  
4 the Department of Revenue and Taxation pursuant to the  
5 Administrative Adjudication Law.

6 (c) The Department of Revenue and Taxation shall register  
7 as a foreign limited liability partnership any partnership that  
8 submits a completed application for registration with the required  
9 fee.

10 (d) The Department of Revenue and Taxation may cancel  
11 the filing of the registration *if* a check or other remittance accepted  
12 in payment of the filing fee is *not* paid upon presentation. Upon  
13 receiving written notification that the item presented for payment  
14 has *not* been honored for payment, the Department of Revenue  
15 and Taxation shall give a first written notice of the applicability of  
16 this Section to the agent for service of process, or to the person  
17 submitting the instrument. Thereafter, if the amount has not been  
18 paid by cashier's check or equivalent, the Department of Revenue  
19 and Taxation shall give a second written notice of cancellation and  
20 the cancellation shall thereupon be effective. The second notice  
21 shall be given twenty (20) days or more after the first notice and  
22 ninety (90) days or less after the original filing.

23 (e) A partnership becomes registered as a foreign limited  
24 liability partnership at the time of the filing of the initial  
25 registration with the Department of Revenue and Taxation, or at

1 any later date or time specified in the registration and the payment  
2 of the fee required by Subsection (b). A partnership continues to  
3 be registered as a foreign limited liability partnership until a  
4 notice that it is no longer so registered as a limited liability  
5 partnership has been filed pursuant to §7202 or, if applicable, once  
6 it has been dissolved and finally wound up. The status of a  
7 partnership registered as a foreign limited liability partnership  
8 and liability of a partner of that foreign limited liability  
9 partnership shall not be adversely affected by errors or subsequent  
10 changes in the information stated in an application for registration  
11 under Subsection (a), or an amended registration or notice under  
12 §7202.

13 (f) The fact that a registration, or amended registration  
14 pursuant to §7202 is on file with the Department of Revenue and  
15 Taxation is notice that the partnership is a foreign limited liability  
16 partnership and of those other facts contained herein that are  
17 required to be set forth in the registration or amended registration.

18 (g) A foreign limited liability partnership transacting  
19 business in Guam shall *not* maintain any action, suit, or  
20 proceeding in any court of Guam until it has registered in Guam  
21 pursuant to this Section.

22 (h) Any foreign limited liability partnership that transacts  
23 business in Guam without registration is subject to a penalty of  
24 Twenty Dollars (\$20.00) for each day that unauthorized business is

1 transacted, up to a maximum of Ten Thousand Dollars  
2 (\$10,000.00).

3 (i) A foreign limited liability partnership, transacting  
4 business in Guam without registration, appoints the Department  
5 of Revenue and Taxation as its agent for service of process with  
6 respect to causes of action arising out of the transaction of business  
7 in Guam.

8 (j) Without excluding other activities that may not be  
9 considered to be transacting business, a foreign limited liability  
10 partnership shall not be considered to be transacting business  
11 merely because of its subsidiary or affiliate transacts business, or  
12 merely business because of its status as any one (1) or more of the  
13 following:

14 (1) A shareholder of a domestic corporation.

15 (2) A shareholder of a foreign corporation transacting  
16 business.

17 (3) A limited partner of a foreign limited partnership  
18 transacting business.

19 (4) A limited partner of a domestic limited partnership.

20 (5) A member or manager of a foreign limited liability  
21 company transacting business.

22 (6) A member or manager of a domestic limited liability  
23 company.

24 (l) Without excluding other activities that may not be  
25 considered to be transacting business, a foreign limited liability

1 partnership shall not be considered to be transacting business  
2 within the meaning of this subdivision solely by reason of carrying  
3 on in Guam any one (1) or more of the following activities:

4 (1) Maintaining or defending any action or suit or any  
5 administrative or arbitration proceeding, or effecting the  
6 settlement thereof or the settlement of claims or disputes.

7 (2) Holding meetings of its partners or carrying on any  
8 other activities concerning its internal affairs.

9 (3) Maintaining bank accounts.

10 (4) Maintaining offices or agencies for the transfer,  
11 exchange, and registration of the foreign limited liability  
12 partnership's securities or maintaining trustees or  
13 depositories with respect to those securities.

14 (5) Effecting sales through independent contractors.

15 (6) Soliciting or procuring orders, whether by mail or  
16 through employees or agents otherwise, where those orders  
17 require acceptance without this state before becoming  
18 binding contracts.

19 (7) Creating or acquiring evidences of debt or mortgages,  
20 liens, or security interest in real or personal property.

21 (8) Securing or collecting debts or enforcing mortgages and  
22 security interests in property securing the debts.

23 (9) Conducting an isolated transaction that is completed  
24 within thirty (30) days and not in the course of a number of  
25 repeated transactions of a like nature.

1 (m) A person shall not be deemed to be transacting  
2 business in Guam merely because of its status as a partner of a  
3 registered limited liability partnership or a foreign limited liability  
4 company whether or not registered to transact business in Guam.

5 (n) The Attorney General may bring an action to restrain a  
6 foreign limited liability partnership from transacting business in  
7 Guam in violation of this Chapter.

8 **§7202. Amended registration of foreign limited**  
9 **partnership; notice of termination; withdrawal of registration;**  
10 **fee.** (a) The registration of a foreign limited partnership may be  
11 amended by an amended registration executed by one or more  
12 partners authorized to execute an amended registration and filed  
13 with the Department of Revenue and Taxation, as soon as  
14 reasonably practical after any information set forth in the  
15 registration or previously filed amended registration becomes  
16 inaccurate, to add information to the registration or amended  
17 registration or to withdraw its registration as a foreign limited  
18 liability partnership.

19 (b) If a foreign limited partnership ceases to be a limited  
20 liability partnership, it shall file with the Department of Revenue  
21 and Taxation a notice, executed by one or more partners  
22 authorized to execute the notice, that it is no longer a foreign  
23 limited liability partnership.

24 (c) A foreign limited liability partnership that is, but is no  
25 longer required to be, registered under §7201 may withdraw its

1 registration by filing a notice with the Department of Revenue and  
2 Taxation, executed by one (1) or more partners authorized to  
3 execute the notice.

4 (d) The filing of amended registration forms pursuant to  
5 subdivision (a) and a notice pursuant to subdivision (b) or (c) shall  
6 each be accompanied by a fee as set forth by the Department of  
7 Revenue and Taxation pursuant to the Administrative  
8 Adjudication Law."

9 **Section 18.** A new Article 3 is hereby *added* to Chapter 7 of Part 1, Title  
10 18, Guam Code Annotated, to read as follows:

11 **"Article 3.**

12 **Foreign Limited Liability Companies.**

13 **§7301. Law governing; conflicts of law.** (a) The laws of  
14 the state or foreign country under which a foreign limited liability  
15 company is organized shall govern its organization and internal  
16 affairs and the liability and authority of its managers and  
17 members.

18 (b) A foreign limited liability company may not be denied  
19 registration by reason of any difference between those laws and  
20 the laws of Guam.

21 **§7302. Registration; application; contents; certificate of**  
22 **good standing; cancellation; notice.** (a) Before transacting  
23 business in Guam, a foreign limited liability company shall  
24 register with the Department of Revenue and Taxation. In order to  
25 register, a foreign limited liability company shall submit to the



1 Department of Revenue and Taxation an application for  
2 registration as a foreign limited liability company, signed by a  
3 person with authority to do so under the laws of the state of its  
4 organization, on a form prescribed by the Department of Revenue  
5 and Taxation and setting forth:

- 6 (1) The name of the foreign limited liability company and,  
7 if different, the name under which it proposes to  
8 transact business in Guam.
- 9 (2) The state and date of its organization and a statement  
10 that the foreign limited liability company is authorized  
11 to exercise its powers and privileges in that state.
- 12 (3) The name and address of an agent for service of process  
13 on the foreign limited liability company.
- 14 (4) A statement that the Department of Revenue and  
15 Taxation is appointed the agent of the foreign limited  
16 liability company for service of process if the agent has  
17 resigned and has *not* been replaced or *if* the agent  
18 cannot be found or served with the exercise of  
19 reasonable diligence.
- 20 (5) The address of the principal executive office of the  
21 foreign limited liability company and of its principal  
22 office in Guam, *if* any.
- 23 (b) Annexed to the application for registration shall be a  
24 certificate from an authorized public official of the foreign limited  
25 liability company's jurisdiction of organization to the effect that

1 the foreign limited liability company is in good standing in that  
2 jurisdiction, *if* the laws of that jurisdiction permit the issuance of  
3 those certificates; or, in the alternative, a statement by the foreign  
4 limited liability company that the laws of its jurisdiction of  
5 organization do not permit the issuance of those certificates.

6 (c) The Department of Revenue and Taxation may cancel the  
7 application and certificate of registration of a foreign limited  
8 liability company *if* a check or other remittance accepted in  
9 payment of the filing fee is *not* paid upon presentation. Upon  
10 receiving written notification that the item presented for payment  
11 has *not* been honored for payment, the Department of Revenue  
12 and Taxation shall give a first written notice of the applicability of  
13 this Section to the agent for service of process, or to the person  
14 submitting the instrument. Thereafter, if the amount has *not* been  
15 paid by cashier's check or equivalent, the Department of Revenue  
16 and Taxation shall give a second written notice of cancellation and  
17 the cancellation shall thereupon be effective. The second notice  
18 shall be given twenty (20) days or more after the first notice and  
19 ninety (90) days or less after the original filing.

20 **§7303. Certificate of registration to transact business;**  
21 **issuance; company name; requirements.** (a) *If* the Department of  
22 Revenue and Taxation finds that an application for registration  
23 conforms to law and all requisite fees have been paid, the  
24 Department of Revenue and Taxation shall issue a certificate of

1 registration to transact business in Guam, subject, however, to any  
2 licensing requirements imposed by the laws of Guam.

3 (b) A foreign limited liability company may register with the  
4 Department of Revenue and Taxation under any name, whether or  
5 *not* it is the name under which it is registered in its state of  
6 organization, that includes the words "limited liability company"  
7 or "limited company" or their abbreviations "L.L.C.", "L.C.",  
8 "LLC" or "LC", in uppercase or lowercase letters, or *if* required or  
9 permitted by the jurisdiction in which it was formed the words  
10 "professional limited liability company" or the abbreviations  
11 "P.L.L.C.", "P.L.C.", "PLLC" or "PLC", in uppercase or lowercase  
12 letters, and that could be registered by a domestic limited liability  
13 company.

14 **§7304. Name of foreign limited liability company.** (a) A  
15 foreign limited liability company must use a fictitious name to  
16 transact business in Guam if its real name is unavailable and it  
17 delivers to the Department of Revenue and Taxation for filing a  
18 copy of the resolution of its managers, in the case of a manager-  
19 managed company, or of its members, in the case of a member-  
20 managed company, adopting the fictitious name.

21 (b) Except as authorized by Subsections (c) and (d), the  
22 name, including a fictitious name to be used to transact business in  
23 Guam, of a foreign limited liability company must be  
24 distinguishable upon the records of the Department of Revenue  
25 and Taxation from:

1 (1) the name of any corporation, limited partnership, or  
2 company incorporated, organized, or authorized to transact  
3 business in Guam;

4 (2) a name reserved or registered; and

5 (3) the fictitious name of another foreign limited liability  
6 company authorized to transact business in Guam.

7 (c) A foreign limited liability company may apply to the  
8 Department of Revenue and Taxation for authority to use in Guam  
9 a name that is not distinguishable upon the records of the  
10 Department of Revenue and Taxation from a name described in  
11 Subsection (b). The Department of Revenue and Taxation shall  
12 authorize use of the name applied for, *if*:

13 (1) the present user, registrant, or owner of a reserved  
14 name consents to the use in a record and submits an  
15 undertaking in form satisfactory to the Department of  
16 Revenue and Taxation to change its name to a name that is  
17 distinguishable upon the records of the Department of  
18 Revenue and Taxation from the name of the foreign  
19 applying limited liability company; or

20 (2) the applicant delivers to the Department of  
21 Revenue and Taxation a certified copy of a final judgment of  
22 a court establishing the applicant's right to use the name  
23 applied for in Guam.

24 (d) A foreign limited liability company may use in Guam  
25 the name, including the fictitious name, of another domestic or

1 foreign entity that is used in Guam, *if* the other entity is  
2 incorporated, organized, or authorized to transact business in  
3 Guam and the foreign limited liability company:

- 4 (1) has merged with the other entity;  
5 (2) has been formed by reorganization of the other entity; or  
6 (3) has acquired all or substantially all of the assets,  
7 including the name, of the other entity.

8 **§7305. False or erroneous statements in application for**  
9 **registration; amendment; filing.** *If* any statement in the  
10 application for registration of a foreign limited liability company  
11 was false when made or any statements made have become  
12 erroneous, the foreign limited liability company shall promptly  
13 file in the Department of Revenue and Taxation an amendment to  
14 the application for registration, signed by a person with authority  
15 to do so under the laws of the state of its organization, amending  
16 the statement.

17 **§7306. Activities not constituting transacting business.** (a)  
18 Activities of a foreign limited liability company that do not  
19 constitute transacting business in Guam within the meaning of  
20 this Article to include:

- 21 (1) maintaining, defending, or settling an action or  
22 proceeding;  
23 (2) holding meetings of its members or managers or  
24 carrying on any other activity concerning its internal  
25 affairs;

- (3) maintaining bank accounts;
- (4) maintaining offices or agencies for the transfer, exchange, and registration of the foreign company's own securities or maintaining trustees or depositories with respect to those securities;
- (5) selling through independent contractors;
- (6) soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if the orders require acceptance outside Guam before they become contracts;
- (7) creating or acquiring indebtedness, mortgages, or security interests in real or personal property;
- (8) securing or collecting one's own debts or enforcing mortgages or other security interests in property securing one's own debts, and holding, protecting, and maintaining property so acquired;
- (9) conducting an isolated transaction that is completed within thirty (30) days and is *not* one (1) in the course of similar transactions of a like manner; and
- (10) transacting business in interstate commerce.

(b) For purposes of this Article, the ownership in this Guam of income-producing real property or tangible personal property, other than property excluded under Subsection (a), constitutes transacting business in Guam.

1           (c) This Section does not apply in determining the contacts or  
2 activities that may subject a foreign limited liability company to service  
3 of process, taxation, or regulation under any other law of Guam.

4           **§7307. Certificate of cancellation; filing; effect.** A foreign  
5 limited liability company may cancel its registration by filing with the  
6 Department of Revenue and Taxation a certificate of cancellation signed  
7 by a person with authority to do so under the laws of the state of its  
8 organization. A cancellation does not terminate the authority of the  
9 Department of Revenue and Taxation to accept service of process on the  
10 foreign limited liability company with respect to causes of action arising  
11 out of the transaction of business in Guam.

12           **§7308. Action, suit, or proceedings in Guam; registration**  
13 **requirement; failure to register; penalty; liability of members for**  
14 **company debts and obligations; agent for service of process.** (a) A  
15 foreign limited liability company transacting business in Guam shall not  
16 maintain any action, suit, or proceeding in any court of Guam until it  
17 has registered in Guam.

18           (b) Any foreign limited liability company that transacts business  
19 in Guam without registration is subject to a penalty of Twenty Dollars  
20 (\$20.00) for each day that unauthorized business is transacted, up to a  
21 maximum of Ten Thousand Dollars (\$10,000.00).

22           (c) A member of a foreign limited liability company is not liable  
23 for the debts and obligations of the foreign limited liability company  
24 solely by reason of its having transacted business in Guam without  
25 registration.

1 (d) A foreign limited liability company, transacting business in  
2 Guam without registration, appoints the Department of Revenue and  
3 Taxation as its agent for service of process with respect to causes of  
4 action arising out of the transaction of business in Guam.

5 **§7309. Action to restrain foreign company from transacting**  
6 **business.** The Attorney General may bring an action to restrain a  
7 foreign limited liability company from transacting business in Guam in  
8 violation of this Chapter.

9 **§7310. Revocation of certificate of registration of foreign**  
10 **limited liability company.** The certificate of registration of a foreign  
11 limited liability company to transact business in Guam may be revoked  
12 by the Department of Revenue and Taxation, *if* any of the following  
13 events occur:

14 (1) The foreign limited liability company fails to:

15 (a) Pay any fees or penalties prescribed by this Chapter.

16 (b) Appoint and maintain a statutory agent as required by  
17 this Chapter.

18 (c) File a report on a change in the name or business  
19 address of the statutory agent.

20 (d) File with the Department of Revenue and Taxation any  
21 amendment to its application for a certificate of registration  
22 as specified in §7311.

23 (2) A misrepresentation has been made of any material matter  
24 in any application, report, affidavit, or other document submitted  
25 by the foreign limited liability company pursuant to this Chapter.



1           **§7311. Changes and amendments to foreign registration.** *If a*  
2           statement in the application for registration of a foreign limited liability  
3           company was false when made, or any arrangements, or other facts  
4           described have changed, making the application inaccurate in any  
5           respect, a foreign limited liability company shall promptly file with the  
6           Department of Revenue and Taxation, in duplicate, a certificate  
7           correcting the statement that is signed and acknowledged on its behalf  
8           by a member.

9           **§7312. Certificate of Registration; Application.** Before  
10          transacting business in Guam, a foreign limited liability company shall  
11          obtain a certificate of registration. An applicant for a certificate of  
12          registration shall pay the required filing fee and shall submit to the  
13          Department of Revenue and Taxation an application for registration as a  
14          foreign limited liability company that is signed and acknowledged on its  
15          behalf by any manager, member, or other authorized agent and that  
16          states:

- 17           (1) The name of the foreign limited liability company and, *if*  
18           different, the name under which it proposes to register and  
19           transact business in Guam.
- 20           (2) The state and date of its formation.
- 21           (3) The purpose of the foreign limited liability company or the  
22           general character of the business it proposes to transact in state.
- 23           (4) The name and address of the proposed agent for service of  
24           process on the foreign limited liability company.

1 (5) That the Department of Revenue and Taxation is appointed  
2 the agent of the foreign limited liability company for service of  
3 process, *if* either of the following occurs:

4 (a) An agent has not been appointed under paragraph 4, or  
5 *if* appointed, the agent's authority has been revoked.

6 (b) The agent cannot be found or served with the exercise of  
7 reasonable diligence.

8 (6) The address of the office required to be maintained in the  
9 state of its organization by the laws of that state or, if not so  
10 required, of the principal office of the foreign limited liability  
11 company.

12 (7) A foreign limited liability company shall deliver with the  
13 completed application a certificate of existence or a record of  
14 similar import authenticated by the Secretary of State or other  
15 official having custody of company records in the State or country  
16 under whose law it is organized.

17 (8) Whether the company is manager-managed, and, *if* so, the  
18 name and address of each initial manager.

19 (9) The address of its initial designated office in Guam.

20 **§7313. Effect of failure to obtain certificate of authority.** (a) A  
21 foreign limited liability company transacting business in Guam may *not*  
22 maintain an action, or proceeding in Guam, *unless* it has a certificate of  
23 authority to transact business in Guam.

24 (b) The failure of a foreign limited liability company to have a  
25 certificate of authority to transact business in Guam does not impair the

1 validity of a contract, or act of the company, or prevent the foreign  
2 limited liability company from defending an action; or proceeding in  
3 Guam.

4 (c) Limitations on personal liability of managers, members, and  
5 their transferees are *not* waived solely by transacting business in Guam  
6 without a certificate of authority.

7 (d) *If a foreign limited liability company transacts business in*  
8 *Guam without a certificate of authority, it appoints the Department of*  
9 *Revenue and Taxation as its agent for service of process for claims of*  
10 *relief arising out of the transaction of business in Guam."*

11 **Section 19. Authorization to Establish and Collect Fees.** The Director  
12 of the Department of Revenue and Taxation is authorized to establish and  
13 collect fees for any document required or permitted to be filed in accordance  
14 with this Act for which the fee has *not* been specifically established in  
15 accordance with the Administrative Adjudication Law; *provided*, that no fee  
16 shall be in excess of Fifty Dollars (\$50.00).

17 **Section 20. Application to Existing Domestic Corporations.** This Act  
18 applies to all domestic corporations in existence on its effective date that were  
19 incorporated under any general statute of Guam providing for incorporation  
20 of corporations for profit.

21 **Section 21. Application to Qualified Foreign Corporations.** Every  
22 foreign corporation which has both a foreign corporation license and a  
23 certificate of registration on the effective date of this Act is subject to this Act,

1 but is *not* required to obtain a new certificate of authority to transact business  
2 under this Act *until* it submits its first annual report as required by this Act.

3 **Section 22. Saving Provisions.**

4 (a) *Except* as provided in Subsection (b), the repeal, repeal and  
5 reenactment, or amendment of a statute by this Act does *not* affect:

6 (1) the operation of the statute, or any action taken under  
7 it *before* its repeal, repeal and reenactment, or amendment;

8 (2) any ratification, right, remedy, privilege, obligation, or  
9 liability acquired, accrued, or incurred under the statute *before* its  
10 repeal, repeal and reenactment, or amendment;

11 (3) any violation of the statute, or any penalty, forfeiture,  
12 or punishment incurred because of the violation, *before* its repeal,  
13 repeal and reenactment, or amendment; *or*

14 (4) any proceeding, reorganization or dissolution  
15 commenced under the statute *before* its repeal, repeal and  
16 reenactment, or amendment, and the proceeding, reorganization,  
17 or dissolution may be completed in accordance with the statute as  
18 if it had *not* been repealed, repealed and reenacted, or amended.

19 (b) *If* a penalty or punishment imposed for violation of a statute  
20 repealed, repealed and reenacted, or amended by this Act is reduced by  
21 this Act, the penalty or punishment, if *not* already imposed, shall be  
22 imposed in accordance with this Act.

23 **Section 23. Promulgation of Rules and Regulations.** The

24 Department of Revenue and Taxation may develop and promulgate the

1 necessary rules and regulations, in compliance with the Administrative  
2 Adjudication Law, to carry out the purposes of this Act.

3       **Section 24. Effective Date.** The provisions of this Act shall take effect  
4 ninety (90) days after enactment.

5       **Section 25. Severability.** *If* any of the provisions of this Act or the  
6 application to any person or circumstances is found to be invalid or contrary  
7 to law, such invalidity shall *not* affect other provisions or applications of this  
8 Act, which can be given effect without the invalid provisions or application,  
9 and to this end the provisions of this Act are severable.