

EXECUTIVE ORDER NO. 187

[repealed by Executive Order 197]

Establishing the Office of the National Bank Commissioner; creating a National Banking Task Force to draft comprehensive banking and related laws and regulations; imposing a six-month moratorium on the approval of new banks in Palau and repealing Executive Orders Nos. 173, 178 and 182

WHEREAS, Executive Order No. 173 created a National Banking Review Commission which was reconstituted under Executive Order No. 182; and

WHEREAS, Executive Order No. 178 established the Office of the National Bank Commissioner; and

WHEREAS, the lack of banking and related laws and regulations has jeopardized the security, reputation and well-being of the Republic in the eyes of the international financial community; and

WHEREAS, the lack of comprehensive banking laws creates a significant risk to domestic bank depositors in banks located in Palau; and

WHEREAS, previous attempts at enacting banking legislation have been unsuccessful; and

WHEREAS, the Republic of Palau is committed to improving its banking and financial transaction industry to meet internationally accepted standards, to improve the safety of local deposits and to fight against money laundering and other financial crimes; and

WHEREAS, recent visits by various consultants have resulted in a strategic plan for the development of appropriate banking and related legislation and regulation,

NOW THEREFORE, by virtue of the authority vested in me as President, pursuant to the Constitution and the laws of the Republic of Palau, it is hereby ordered that a Banking Commissioner be, and hereby is, established and that the following actions to be taken,

1. Repeal of Executive Orders Nos. 173, 178, and 182 -- In light of the action taken herein, Executive Orders Nos. 173, 178, and 182 are no longer necessary and are hereby repealed.

2. Establishment of a Bank Commissioner -- The Office of Bank Commissioner within the Office of the President is hereby established for the purpose of serving as the coordinating focal point of the development of appropriate banking and related legislation and regulations. Proposed legislation and regulations shall set forth the specific powers and duties to be assigned to the Bank Commissioner.

3. Creation of a Bank Law Task Force -- A Bank Law Task Force is hereby created

consisting of the following individuals: a) the Bank Commissioner, b) the Tax Legal Counsel, and c) other members as determined necessary by the Banking Commissioner and as appointed by the President.

4. Duties and Powers of the Bank Law Task Force -- The Bank Law Task Force shall meet at its convenience to discuss proposals for banking and related legislation, to discuss and present information to consultants, to meet with banking industry officials and ascertain the nature and extent of the banking industry in the Republic, to attend conferences and meetings regarding issues of international banking and financial concern (including those dealing with “tax haven” status), and to prepare drafts of comprehensive banking and related legislation by April 1, 2001, for presentation to the President.

5. Administrative Support -- Administrative support for the Banking Commission shall be provided by the Office of the President and other government agencies in the Executive Branch, as appropriate.

6. Reports to the President -- The Bank Law Task Force shall make monthly reports to the President on the status of its activities.

7. Moratorium on New Banks in Palau -- A Six-month moratorium on the approval of new banks and related financial institutions that are not U. S. Federal Depository Insurance Corporation (FDIC) approved is hereby ordered.

8. Term of Bank Law Task Force -- The Bank Law Task Force shall continue in existence until appropriate banking legislation has been enacted into law, or as otherwise ordered.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 1st day of January, 2001, at the State of Koror, Republic of Palau.

Tommy E. Remengesau, Jr.
President of the Republic of Palau