

## TITLE 20: DEPARTMENT OF COMMERCE

### SUBCHAPTER 20-20.1 FOREIGN CURRENCY EXCHANGE RULES AND REGULATIONS

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Chapter Authority: 1 CMC § 2454; 4 CMC § 6108; 4 CMC § 6351.

Chapter History: Amdts Proposed 30 Com. Reg. 28858 (Oct. 25, 2008); Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: 1 CMC § 2451 originally created the Department of Commerce and Labor. 1 CMC § 2454 directs the Department to adopt rules and regulations regarding those matters over which it has jurisdiction. Title 4, division 6 of the Commonwealth Code, 4 CMC §§ 6101-6814 codifies PL 3-104 (effective Feb. 6, 1984), the "Commonwealth Banking Code of 1984." 4 CMC § 6106 empowers the Department of Commerce and Labor to administer and enforce the provisions of the banking code and to adopt such policies, rules and regulations as may be necessary for the exercise of the powers and duties conferred by the banking code. 4 CMC § 6108 authorizes the Department to issue and adopt all necessary rules and regulations to carry out the purposes of the banking code. 4 CMC § 6351 specifically authorizes the Department to regulate foreign currency exchange and to establish by regulation conditions and restrictions on foreign exchange businesses.

Executive Order 94-3 (effective August 23, 1994) reorganized the Commonwealth government executive branch, changed agency names and official titles and effected numerous other revisions. According to Executive Order 94-3 § 103: Section 103. Department of Commerce. The Department of Commerce and Labor is redesignated the Department of Commerce. The full text of Executive Order 94-3 is set forth in the commission comment to 1 CMC § 2001.

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30 Com. Reg. 28858 (Oct. 25, 2008) proposed to repeal and replace this subchapter. This regulation was not adopted.

34 Com. Reg. 32466 (June 29, 2012) proposed to add a new subchapter, 20-20.4, entitled Dormant and Inactive Accounts and Unclaimed Funds Regulations. This regulation was not adopted.

### **Part 001 - General Provisions**

#### **§ 20-20.1-001 Authority and Purpose**

(a) **Authority.** The authority for the promulgation and issuance of this subchapter is by virtue of 1 CMC § 2454 and 4 CMC §§ 6351 and 6108.

(b) **Purpose.** The purpose of this subchapter is to establish policy and procedures to implement and provide uniform enforcement of the business of selling foreign currency notes or in the business of receiving money for the purpose of transmitting the same or its equivalent to any country outside the Commonwealth of the Northern Mariana Islands; to require, administer, comply and enforce all licenses issuable under this subchapter; and to establish administrative and appeal procedures.

Modified, 1 CMC § 3806(d).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987)

Commission Comment: The 1993 amendments amended subsection (a). The 1996 amendments amended subsections (a) and (b). The 1993 and 1996 amendments readopted and republished all of the then existing Foreign Currency Exchange Rules and Regulations. The commission, therefore, cites the 1993 and 1996 amendments in the history sections throughout this subchapter.

#### **§ 20-20.1-005 Definitions**

(a) “Director” means the Director of Banking or his designee.

(b) “Licensee” means any person licensed pursuant to this subchapter and for purpose of granting authority to engage in foreign exchange transactions and transmittal or remittance.

(c) “Remittance” means the business of receiving money for the purpose of transmitting the same or its equivalent to any country outside the Commonwealth of the Northern Mariana Islands.

(d) “Foreign exchange currency transactions” means the business of receiving and/or selling foreign currency notes.

(e) “Dealer” means any person or business establishment engaged in either  
(c) or (d) or both and is a licensee.

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(f) “Agent” means a person hired or employed and appointed by dealer to have some or all duties and responsibilities enumerated in the Dictionary of Occupational Title # 211.362-022.

(g) “Quarterly foreign exchange remittance report” means that described in forms FX-10, FX-11.

Modified, 1 CMC § 3806(d), (f), (g).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The 1993 amendments added new subsections (c) through (g) and amended subsections (a) and (b). The commission added the quotation marks in subsection (g).

### **Part 100 - License Requirements**

#### **§ 20-20.1-101 Foreign Exchange License**

(a) No person shall engage in the business of selling or receiving foreign currency notes or in the business of receiving money for the purpose of transmitting the same or its equivalent to any country outside the Northern Mariana Islands without first obtaining a license from the Director. The applicant must also obtain a general business license after the issuance of a foreign exchange license.

(b) Provisions of this subchapter shall not apply to:

(1) A bank licensed to do business in the Commonwealth.

(2) The receipt of money by an agent of an incorporated telegraph company at any regular office of such company for immediate transmission by telegraph.

Modified, 1 CMC § 3806(d), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The original paragraphs of this section were not designated. The commission designated subsections (a) and (b).

#### **§ 20-20.1-105 Foreign Exchange License Fee**

Every licensee shall pay annually a license fee of three hundred dollars.

Modified, 1 CMC § 3806(e), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg.

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4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

### **§ 20-20.1-110 Foreign Exchange License Application**

The application for a license shall be in writing and shall contain the following information:

- (a) The name, address and nationality of the applicant, and the address from which the business is to take place and telephone numbers. If the applicant is a corporation, the names, addresses and nationality of the shareholders, directors and officers and the number of shares held by each shareholder are also required.
- (b) The name, address and nationality of every agent of the applicant.
- (c) Whether the license applied for is to be used for the sale of foreign currency notes or the transmittal of money or both.
- (d) Any other information which the Director may require.

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

### **§ 20-20.1-115 Denial of Foreign Exchange License**

The Director may deny an application for a license to be issued under this subchapter if, after a hearing pursuant to the provisions of the Administrative Procedure Act [1 CMC §§ 9101, et seq.], he finds that:

- (a) Granting of the license will be against the public interest;
- (b) The applicant does not intend to actively and in good faith carry on as a business with the general public the transactions which would be permitted by the issuance of the license applied for;
- (c) The applicant, and if a corporation, a shareholder, director or officer thereof, is not of good business reputation or is lacking in integrity;
- (d) The applicant has knowingly or willfully made a misstatement in an application to the Director for a license, or any document filed in support of such application, or has made a false statement in testimony given under oath before the Director or any other person acting in his stead;
- (e) The applicant has permitted any person in his employ to violate any provision of this subchapter.

Modified, 1 CMC § 3806(d), (f), (g).

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History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: In the opening paragraph, the commission changed “Procedures” to “Procedure” to correct a manifest error. In subsections (b), (c) and (d), the commission changed the final period to a semi-colon. The Commission inserted a colon after the phrase “he finds that” pursuant to 1 CMC § 3806(g).

### **§ 20-20.1-120 Issuance of Foreign Exchange License**

(a) If the application is approved by the Director, he shall, upon receipt of the license fee, issue to the applicant a license to engage in business in accordance with this subchapter. A licensee shall conduct its business at its designated office location. A licensee shall be prohibited and restricted from conducting or performing remittance collection transactions, insurance of receipts, or the collection of funds outside the premises of its designated business office location. This rule shall also apply to agents of remittance companies.

(b) Form FX-1 and all items required on the “checklist” for proposed registration as foreign exchange dealer/ agent must be completed and submitted to the Director.

Modified, 1 CMC § 3806(d).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The original paragraphs of this section were not designated. The commission designated subsections (a) and (b). The 1993 amendments added subsection (b), amended subsection (a) and republished and readopted the entire section.

### **§ 20-20.1-125 Expiration and Renewal of Foreign Exchange License**

(a) The license is not transferrable or assignable.

(b) License shall expire one year following the date of issuance. An agent’s license shall expire on the same date as the appointing dealer’s license.

(c) Failure to comply with § 20-20.1-120 shall be just cause for the non-renewal of dealer’s license and may be subjected to other certain sections of this subchapter.

(d) Any other information which Director may require as part of renewal of license requirement must be submitted.

Modified, 1 CMC § 3806(c), (d), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg.

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4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The 1993 amendments added new subsections (c) and (d). The 1996 amendments deleted former subsection (b) and replaced it with the current language and republished and readopted the entire section.

### **Part 200 - Other Requirements**

#### **§ 20-20.1-201 Registration of Agents**

- (a) Every agent of a licensee except as described under subsection (c), shall register with the Director and shall pay annually a registration fee of thirty dollars.
- (b) If appointed agent is a nonresident worker, he/she must obtain approval from the Director of Labor or submit copies of work permit and employment contract which specify duties and responsibilities inherent of “agent” as defined under § 20-20.1-005(f) of this subchapter.
- (c) Retailers and hotels in the business of foreign exchange currency transactions and having such business as only incidentals to serving their clients must also appoint agents. Only these establishments may include cashiers as agents. Names of persons doing transactions and their job title must be specified on forms FX-1 and FX-12. Only one \$30 fee may be assessed for all agents listed on FX-2 and FX-3.
- (d) Registration of agents shall be denied if applicant fails to meet the above requirements and others as required by the Director of Banking.
- (e) Forms FX-2 and FX-3 must be completed.

Modified, 1 CMC § 3806(c), (d), (e), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The final paragraph was not designated. The commission designated it subsection (e). The 1993 amendments added new subsections (b), (c), (d) and (e) and amended subsection (a). The 1996 amendments amended subsections (a) and (c).

#### **§ 20-20.1-205 Examination**

- (a) The Director may at any time and from time to time examine the business of any licensee or its agents in order to ascertain whether such business is being conducted in a lawful manner and whether all monies received for transmission are properly accounted for. Each licensee and its agents shall keep books, records and accounts in such form or manner as the Director may prescribe.
- (b) The Director has prescribed a quarterly reporting requirement as found in form FX-11 and its instructions. The Director further requires dealers to obtain details of senders of amounts aggregating \$10,000 or more, such details include social security numbers, tax identification

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numbers, addresses, type of transaction, whether by check or cash, and signature of sender. Dealer shall report such transactions upon submittal of the quarterly reports.

(c) All Foreign currency exchange dealers are required to submit a summary report of business activity on a quarterly basis:

(1) Foreign currency exchange dealers in the business of transmitting money shall submit a report of total funds remitted outside of the CNMI, and report the number of remitters.

(2) Foreign exchange currency transaction dealers shall submit a report of the total amount of foreign currency transacted in the CNMI.

(d) Every foreign exchange dealer must cause its bank to provide the Director running balances of funds transmitted abroad every quarter, except hotels and retailers. Foreign currencies collected should also be reported.

(e) Director will include collected figures and data in the annual banking report of the Director of Banking.

Modified, 1 CMC § 3806(f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The 1993 amendments added new subsections (b), (c), (d) and (e) and amended subsection (a). The 1996 amendments added subsections (c)(1) and (c)(2) and republished and readopted the entire section.

### **§ 20-20.1-210 Maintenance of Forms**

(a) Each licensee will obtain and continue to hold for three years a true copy of every receipt form used by it and by its agents for selling foreign currency notes or for money received for transmission. The receipts used shall be printed and pre-numbered and consist of at least two copies, one to be given to the customer, the other to be retained by the licensee for record keeping purposes. A receipt used for the sale of foreign currency notes shall contain not less than the following information:

(1) The amount and country of origin of the foreign currency notes involved in the transactions.

(2) The rate of exchange of the transaction.

(3) The U.S. dollar amount involved in the transaction.

(4) The commission or other charge received by the licensee for carrying out the transaction.

(b) A receipt used for the transmittal of money shall contain in addition to the above information required for the sale of foreign currency notes, the name and address of the beneficiary and the method in which the beneficiary is to receive the funds transmitted.

(c) No licensee or its agents shall use any receipts, a certified copy of which has not first been filed with the Director. Every licensee violating the requirement of this section shall be subject to a fine of fifty dollars for each violation.

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(d) Forms FX-5 or FX-6 information must be revealed in the pre-numbered receipts.

Modified, 1 CMC § 3806(e), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) through (d). The 1993 amendments added new subsection (d).

### **§ 20-20.1-215 Forwarding of Funds**

Every licensee or its agents shall forward all moneys received for transmission to a foreign country or give instructions committing equivalent funds to the person designated by the depositor within ten days after receiving such money, unless otherwise ordered by his customer.

Modified, 1 CMC § 3806(e).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

### **§ 20-20.1-220 Security Deposit**

(a) As security for the faithful performance of its obligations, each licensee, before engaging in the business of transmitting money (remittance), shall deposit with the Treasurer of the Commonwealth fifty thousand dollars in time deposit for a period of not less than one year in a bank within the Northern Mariana Islands; and such value must be maintained at all times. The Director of Banking prescribes the following procedures:

- (1) Time deposit account must show foreign exchange company “and”\* the CNMI Treasurer “or”\* the Director of Banking as holders of the account.
- (2) The Director shall notify Treasurer and company of account’s maturity date and Treasurer shall be authorized to renew or terminate such account pursuant to instruction from the Director.
- (3) Interest earned on such deposit shall accrue to the benefit of the foreign exchange company.
- (4) Complete forms FX-7, FX-9, and other forms as provided by the Director.
- (5) Release of the security deposit shall only be accomplished by authority from the Director of Banking.

(b)(1) In lieu of the deposit of money pursuant to subsection (a) of this section, a licensee may deliver to the Director of Banking the bond of a bona fide surety company, in a form satisfactory to the Director, the principal sum of fifty thousand dollars lawful money of the United States, conditioned upon the faithful holding and transmission of all monies received by such licensee or its agents for such purpose.

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(2) Form FX-13 contains language which may be used as guideline language for surety bond, otherwise, policy forms previously approved by the Insurance Commissioner shall remain acceptable.

(c) Foreign exchange currency transaction dealers who are not in the business of remittance shall not be required to put up security deposit.

(d) The Director shall forward the deposit to the CNMI Treasurer for custody and safekeeping and shall be accomplished by preparing a transmittal form and acknowledged by the Treasurer.

\* So in original.

Modified, 1 CMC § 3806(e), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: In subsection (b), the paragraphs were not designated. The commission designated subsections (b)(1) and (b)(2). The commission also designated the final paragraph subsection (d). The 1993 amendments amended subsections (a) and (b)(1) and added new subsections (a)(1) through (a)(5), (b)(2), (c) and (d). The 1996 amendments amended subsection (d) and republished and readopted the entire section.

### **§ 20-20.1-225 Trust Fund**

The money deposited with the Treasurer of the Commonwealth pursuant to § 20-20.1-220(a) and (b) of this subchapter shall constitute a fund for the benefit of persons in case a licensee or its agents is not able to pay for funds entrusted to them for remittance.

Modified, 1 CMC § 3806(c), (d).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

### **§ 20-20.1-230 Ownership of Funds for Transmission to a Foreign Country**

All funds, less fees, received by a licensee or its agents for transmission to a foreign country shall constitute trust funds owned by and belonging to the person from whom they were received until such time as directions have been given by the licensee or its agents for payment abroad of the remittance and funds provided for such payment

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

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### Part 300 - Sanctions, Penalties and Fees

#### § 20-20.1-301 Order to Cease Unlawful Practice

If it appears to the Director that the licensee is violating or failing to comply to this subchapter; the Director shall direct the licensee to comply with this subchapter or if it appears to the Director that any licensee is conducting his business in an unsafe or injurious manner he shall in like manner direct the licensee to discontinue practice. The order shall require the licensee to show cause before the Director at the time and place to be fixed by him why the order should not be observed.

Modified, 1 CMC § 3806(d), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

#### § 20-20.1-305 Suspension or Revocation of License

- (a) The Director may suspend any license issued pursuant to this subchapter if he finds that:
- (1) The licensee has violated a provision of this subchapter or any rule issued thereunder;
  - (2) Any fact or condition exists which, if it had existed at the time of the original application of such license, would be grounds for denying an application for a license under § 20-20.1-110;
  - (3) The licensee is conducting his business in an unsound manner.
- (b) The Director may revoke a license after a hearing held pursuant to the Administrative Procedure Act [1 CMC §§ 9101, et seq.] following a suspension.

Modified, 1 CMC § 3806(d), (f), (g).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) and (b). In subsection (b), the commission changed "Procedures" to "Procedure" to correct a manifest error.

#### § 20-20.1-310 Civil Penalty for Violation

- (a) Any person who violates or fails to comply with any provision of this subchapter or who, without complying with the provisions of this subchapter, represents that he is authorized to receive, or solicits or receives, money or the equivalent for transmission to a foreign country, shall be fined \$500 for each violation.
- (b) A penalty fee of \$10.00 a day for each day a report is late shall be assessed on the foreign exchange company or\* failure to submit a complete and accurate quarterly report on the filing deadline and no notice and explanation for extension request was received by the Director.

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\*So in original; probably should be “for.”

(c) If, upon sufficient evidence, the Director finds that funds were not remitted to beneficiaries within 10 days as required in § 20-20.1-215, the foreign exchange company will be fined fifty dollars for each violation; or have its license suspended, or both.

Modified, 1 CMC § 3806(c), (d), (e).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992); Certified 14 Com. Reg. 9177 (Apr. 15, 1992); Adopted 9 Com. Reg. 4925 (April 15, 1987); Proposed 9 Com. Reg. 4917 (Mar. 16, 1987); Proposed 9 Com. Reg. 4895 (Jan. 19, 1987).

Commission Comment: The 1993 amendments added new subsections (b) and (c) and amended subsection (a). The 1996 amendments changed the title, amended subsection (a), and republished and readopted the entire section.

### § 20-20.1-315 Fees

- (a) The following is a schedule of all fees required by this subchapter:
- |  |   |
|--|---|
| (1) Foreign exchange dealer license                                  | \$300.00                                  |
| (2) Foreign exchange agent license                                   | 30.00                                     |
| (3) Violations to sections 20-20.1-210, 20-20.1-215 & 20-20.1-310(c) | 50.00/day                                 |
| (4) Violations to section 20-20.1-310(a)                             | 500.00                                    |
| (5) Penalty fees section 20-20.1-310(b)                              | 10.00/day                                 |
| (6) Amendment fee  | 10.00                                     |
| (7) Duplication of documents   | .50/page                                  |
| (8) Certification fees   | 5.00                                      |
| (9) Late renewals and other filing fees                              | 2.00/day or as prescribed by the Director |
| (10) Business license  | 50.00                                     |

(b) Fees collected under this section other than business license (a)(10), shall be paid to the CNMI Treasurer, and Director of Finance shall permit the Director of Banking to use funds for the enforcement of this subchapter.

Modified, 1 CMC § 3806(c), (d), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992).

Commission Comment: The original paragraphs were not designated. The commission designated subsections (a) and (b). The 1996 amendments amended subsection (a)(4) and republished and readopted the entire section.

## TITLE 20: DEPARTMENT OF COMMERCE

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### Part 400 - Miscellaneous Provisions

#### § 20-20.1-401 Schedule of Requirements

Schedule of all requirements are enumerated in the “Checklist For Proposed Registration As Foreign Exchange Dealer/Agent” and all such requirements are included as part of this subchapter. Memoranda, rules, guidelines, comments, procedures, and other items relative to foreign exchange business to be issued by the Director of Banking shall be published annually as part of this subchapter.

Modified, 1 CMC § 3806(d).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992).

Commission Comment: The commission created the section title.

#### § 20-20.1-405 Amendments

Amendments to the rules and regulations of this subchapter shall be in accordance to the Administrative Procedure Act [1 CMC §§ 9101, et seq.]. The regulations of this subchapter shall repeal all previous Foreign Exchange Rules and Regulations upon its adoption and certification by the Director of Banking.

Modified, 1 CMC § 3806(d), (f), (g).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996); Amdts Adopted 15 Com. Reg. 10390 (Jan. 15, 1993); Amdts Proposed 14 Com. Reg. 10124 (Nov. 15, 1992).

Commission Comment: The commission created the section title. The commission changed “Procedures” to “Procedure” to correct a manifest error.

#### § 20-20.1-410 Effective Date

This subchapter is to take effect immediately after adoption and certification by the Director of Banking after its publication in the Commonwealth Register. All foreign exchange companies and agents must immediately comply.

Modified, 1 CMC § 3806(d), (f).

History: Amdts Adopted 18 Com. Reg. 14345 (Sept. 15, 1996); Amdts Proposed 18 Com. Reg. 14122 (May 15, 1996).

Commission Comment: The 1987 regulations contained an effective date provision as follows: 19. EFFECTIVE DATE. These regulations are to take effect on January 1, 1987. 9 Com. Reg. 4895, 4903 (Jan. 19, 1987). The 1993 amendments also contained an effective date provision as follows: 22. EFFECTIVE DATE. These regulations are to take effect on January 01, 1993, or whenever adopted and certified by the Director of Banking after its publication in the Commonwealth Register. All foreign exchange companies and agents must immediately comply. 15 Com. Reg. 10390, 10407 (Jan. 15, 1993).

TITLE 20: DEPARTMENT OF COMMERCE

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

CHECKLIST FOR PROPOSED REGISTRATION  
AS FOREIGN EXCHANGE DEALER/AGENT

- / / Form FX-1 Application for Foreign Exchange license
- / / Form FX-2 Application for Registration as Agent of foreign exchange
- / / Form FX-3 Appointment of agent of foreign exchange
- / / Form FX-4 Statement of Assets and Liabilities
- / / Form FX-5 Receipt Form (transmittal of money)
- / / Form FX-6 Transaction Receipt Ticket (currency exchange).
- / / Form FX-7 Deposit Agreement
- / / Form FX-8 Hypothecation Agreement
- / / Form FX-9 Deed of Assignment
- / / Form FX-10 Reporting Guidelines for the Quarterly Foreign Exchange Remittance Report
- / / Form FX-11 Quarterly Foreign Exchange Remittance Report
- / / Copy of articles of incorporation or partnership agreement
- / / General business license must be obtained immediately after the applicant is granted a Foreign Exchange Dealer license. If a licensed establishment is seeking application to engage in foreign exchange, a copy of its business license must be submitted and foreign exchange should be listed as one other activity or a separate license should be obtained.
- / / Latest financial statements of corporation, partnership, sole-proprietorship and statement of condition of each officer, and/or director of the corporation or partnership.
- / / Copies of latest gross tax receipts must be submitted.
- / / Resumes of manager, local resident, and foreign exchange agents.

TITLE 20: DEPARTMENT OF COMMERCE

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/ / Approval from the Chief of Labor for company's employees to act as agents of foreign exchange must be submitted (employment contract).

/ / Fees: Foreign Exchange Dealer: \$300.00  
Foreign Exchange Dealer Agent: \$30.00

/ / Police clearance of all officers and/or directors, managers, and foreign exchange agents.

/ / A proposal describing details of how transmittal exchange of money is to accomplish setting forth the details of company or party abroad (names and address), how funds are distributed and other details.

Other Forms:

/ / Form FX-12 Renewal application for foreign exchange license

/ / Form FX-13 Security Bond

/ / FXD Memorandum to Chief of Finance pertaining to custody of Security Deposit

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

(License Fee \$300.00)

APPLICATION FOR FOREIGN EXCHANGE LICENSE

(To be filled out using a typewriter or block letters)

**AUTHORITY:** This application is made and submitted pursuant to the provisions of the applicable rules and regulations promulgated by the Director of Banking, Department of Commerce and Labor, in accordance with the authority vested in him under Section 6351 (Foreign Exchange) of the commonwealth Banking Code of 1984, Section 340 of Public Law 3-104.

- For the Sale of Foreign Exchange Notes Only  
 For the Transmittal of Money Only  
 Both (listed above)

1. Full Name of applicant: \_\_\_\_\_  
Age: \_\_\_\_\_
2. Resident and Mailing Address: \_\_\_\_\_
3. a) Business Address: \_\_\_\_\_  
b) Telephone No.: \_\_\_\_\_  
Is telephone under business name? / / YES / / NO
4. If applicant is a partnership or association, give the name of all members thereof; if a corporation, the names and addresses of all officers of the corporation:

Name	Title	Address	Nationality

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5. List the names of all agents who are to be authorized to act under this license. Names of persons to do foreign exchange currency transactions:

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6. Have you or any person listed under Item No. 4 or 5 ever been convicted of a felony? / /YES / /NO If answer is YES, a letter of explanation, in detail must accompany application.

7. Are you, and each person under Item No. 4 or 5, familiar with the Foreign Exchange Rules and Regulations and do you agree to conduct your business in accordance therewith? / /YES / /NO

8. Have you or any person listed under Item No. 4 or 5 ever been denied or had a license suspended or revoked prior to this application by any state or territorial governments?  
/ / YES / / NO If answer is YES, attache a complete statement of facts in respect thereto.

9. Is applicant, or any person listed under Item Nos. 4 and 5, engaged in any other business, either full-time or part-time?  
/ / YES / / NO If YES, what is the nature of the other business? \_\_\_\_\_

10. Have you sufficient funds for security deposit of \$50,000.00 in cash or security bond which shall be deposited with the CNMI Treasurer, conditioned upon the faithful holding and transmission of all money received by such licensee or its agents for such purpose? / / YES / / NO

11. Current Financial Statement must be attached to this application.

12. If applicant has never been licensed for a foreign exchange, state extent of knowledge of the business of selling foreign exchange monies, or transmittal of money. \_\_\_\_\_

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13. Have you filed a certified copy of a receipt form to be used as required by the Director of Banking?

14. Educational history, showing name of school with date of attendance, and major subject. Provide resume and references.

TITLE 20: DEPARTMENT OF COMMERCE

COMMONWEALTH OF THE NORTHERN)  
Mariana Islands )  
 ) ss.  
Saipan )

\_\_\_\_\_ being duly sworn on oath  
deposes and says that he/she is the \_\_\_\_\_  
of \_\_\_\_\_.

The applicant named in the foregoing application; that he/she is  
authorized to make this verification for and on behalf of said  
\_\_\_\_\_, that he/she has read the  
application and all the exhibits, statements, and documents  
attached thereto; that the information contained in the application  
exhibits, statements and documents is true to the best of his/her  
information, knowledge and belief.

Applicant authorizes Director of Banking to inquire and verify  
deposit as well as any credit accounts with any bank in which  
foreign exchange dealer maintains banking relationship and  
applicant's signature on this application should suffice for this  
purpose.

\_\_\_\_\_  
Signature of applicant and Title  
\_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_  
19\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the CNMI  
My Commission expires \_\_\_\_\_

\_\_\_\_\_ / /Approved / /Disapproved

TITLE 20: DEPARTMENT OF COMMERCE

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

(License Fee \$30.00)

APPLICATION FOR REGISTRATION AS AGENT OF FOREIGN EXCHANGE  
(To be filled out using a typewriter or block letters)

**AUTHORITY:** This application is made and submitted pursuant to the provisions of the applicable rules and regulations promulgated by the Director of Banking, Department of Commerce and Labor, in accordance with the authority vested in him under Section 6351, (Foreign Exchange) of the Commonwealth Banking Code of 1984 - Public Law 3-104.

1. Full name of applicant: \_\_\_\_\_
2. Place and date of birth; length of residence in the CNMI:  
\_\_\_\_\_
3. Check one only - Type of Firm:  Sole Proprietorship  
 Corporation  Partnership  Other
4. If the applicant, during the ten years prior to this application, has misappropriated or converted monies of others for his own use, or has been accused of so doing, attach a complete statement of facts in respect thereto.
5. Name and business address of license appointing applicant.
6. If applicant has been convicted of a violation of a criminal statute, attach a complete statement of facts in respect thereto.
7. If applicant has been denied registration as an agent for foreign exchange, or has had registration as such suspended or revoked prior to this application by any state or territorial government, attach a complete statement of facts thereto.
8. Name and address of three references as to the character and reputation of the applicant, excluding relatives:  
\_\_\_\_\_  
\_\_\_\_\_

TITLE 20: DEPARTMENT OF COMMERCE

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COMMONWEALTH OF THE NORTHERN )  
MARIANA ISLANDS )  
 ) ss.  
Saipan )

\_\_\_\_\_ being first duly sworn on oath  
deposes and says that he/she is the applicant named in the  
foregoing information statement, that he/she has read the statement  
and all documents attached thereto, and that the information  
contained in the statement and the documents is true to the best of  
his/her knowledge and belief.

\_\_\_\_\_  
Applicant

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_  
19\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the CNMI  
My Commission Expires\_\_\_\_\_

TITLE 20: DEPARTMENT OF COMMERCE

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

APPOINTMENT OF AGENT OF FOREIGN EXCHANGE

I have read the information statement and believe the information contained therein to be true and complete and have no knowledge to the contrary. I hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as agent of Foreign Exchange and agree to notify the Director of Banking, Department of Commerce and Labor, Saipan, MP, immediately upon the termination of his employment.

\_\_\_\_\_  
LICENSEE

BY: \_\_\_\_\_

AUTHORIZED SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DIRECTOR OF BANKING

DATE: \_\_\_\_\_

Approved

Disapproved

TITLE 20: DEPARTMENT OF COMMERCE

DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

STATEMENT OF ASSETS AND LIABILITIES OF \_\_\_\_\_  
AS OF \_\_\_\_\_

Cash in _____ Bank _____	Notes Payable _____
Cash in _____ Bank _____	
Cash on hand _____ (Enumerate at their market value)	Borrowed or due on stocks and Bonds (state which hypothecated)
_____	_____
_____	_____
Notes Receivable _____	
Accounts Receivable _____	
Stock of Supplies or _____	Total Current Liabilities
Inventory _____	_____
_____	
Total Current Assets _____	Bonds or Debentures Issued
Real Estate _____ (location, description value)	_____
_____	Borrowed or due on Real Estate _____
_____	_____
Plant consisting of _____	Borrowed or due on Plant
_____	_____
Other Assets _____	Other Liabilities
_____	(Describe fully)
_____	_____
_____	_____
_____	Capital Stock Paid In
_____	(If a corporation)
_____	_____
_____	_____
_____	Surplus (or Investment)
_____	_____
_____	_____
TOTAL ASSETS _____	TOTAL LIABILITIES _____

TITLE 20: DEPARTMENT OF COMMERCE

DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

Receipts Form (Transmittal of Money)

No. \_\_\_\_\_  
Pre-Numbered

Name of Company: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Foreign Money Transfer Receipt  
NON NEGOTIABLE

Date: \_\_\_\_\_

Received From: \_\_\_\_\_

The Sum of: \_\_\_\_\_ U.S. \$ \_\_\_\_\_

For the Transfer of: \_\_\_\_\_

To: \_\_\_\_\_

By  Air Mail  Cable Rate  Per Dollar

Amount of Transfer U.S. \$ \_\_\_\_\_

Commission and Air Mail charge \$ \_\_\_\_\_

Special Handling \$ \_\_\_\_\_

TOTAL RECEIVED \$ \_\_\_\_\_

Name of Company \_\_\_\_\_

Agent: \_\_\_\_\_

Authorized Signature

(Comments, if any)

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

TRANSACTION RECEIPT TICKET (CURRENCY EXCHANGE)

Name of company: \_\_\_\_\_

Foreign Currency-Foreign Exchange: \_\_\_\_\_

Address of Company: \_\_\_\_\_

Affiliated Offices (if any) \_\_\_\_\_

Date: \_\_\_\_\_

Sold to: \_\_\_\_\_

Address: \_\_\_\_\_

Comments, if any \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Quantity	Monetary Units	Rate	Extension
	Japan-Yen		
	Philippine-Pesos		
	Hong Kong-Dollars		
	Australian-Dollars		
	Fiji-Dollars		
	Canadian-Dollars		
	English-Pounds		
	Forwarding Charges		
	Exchange Commission		

Payment received

Total U.S. \$ \_\_\_\_\_

We await payment

We debit your account

Sale No. \_\_\_\_\_

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

DEPOSIT AGREEMENT

Pursuant to the provisions of the applicable rules and regulations promulgated by the Director of Banking, Department of Commerce and Labor, under Section 6351 (Foreign Exchange) of the Commonwealth Banking Code of 1984, Public Law 3-104, the

\_\_\_\_\_ desires to qualify itself to transact the business of \_\_\_\_\_ in Saipan, and enters into this agreement with the Director of Banking of CNMI and deposits with him the following described securities to-wit:

It is agreed between the parties hereto that this \$50,000.00 deposit of securities is made in lieu of a \$50,000.00 bond and that securities of the value of at least \$50,000.00 shall remain on deposit for the benefit and protection of the customer and creditors of the company so long as the company has any liability outstanding in the Commonwealth of the Northern Marina Islands.

The company may collect and retain the interest when due on the securities deposited.

IN WITNESS WHEREOF, we have hereunto affixed our signatures and seals on the dates indicated below.

\_\_\_\_\_  
Company

By: \_\_\_\_\_  
Name and Title

Attested: \_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

\_\_\_\_\_  
Director of Banking

\_\_\_\_\_  
Date

TITLE 20: DEPARTMENT OF COMMERCE

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

HYPOTHECATION AGREEMENT

This hypothecation agreement is made and submitted pursuant to the provisions of the applicable rules and regulations promulgated by the Director of Banking, Department of Commerce and Labor, Commonwealth of the Northern Mariana Islands, in accordance with the authority vested in him under Section 340 (Foreign Exchange) of the Commonwealth Banking Code of 1984, Public Law 3-104.

The undersigned hereby authorizes \_\_\_\_\_  
\_\_\_\_\_ (hereinafter for convenience called  
Foreign Exchange Dealer/Operator although the dealer/operator's  
liability to you may be only contingent) at any time, now or  
hereafter, to pledge and grant to you a security interest in the  
following property belonging to the undersigned and the proceeds  
thereof, as security for the payment and performance of each and  
every obligation and liability, direct or contingent, of the  
Foreign Exchange Dealer/Operator to you, due or to become due,  
whether now existing or hereafter arising:

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And the undersigned expressly ratifies, consents to and adopts any and all agreements which the Foreign Exchange Dealer/Operator has made, or may hereafter make, with you regarding the use of said collateral, and the undersigned authorizes you to deliver all such collateral to the Foreign Exchange Dealer/Operator or to make such disposition of it and/or proceeds or surplus thereof as the Foreign Exchange Dealer/Operator may instruct, and the undersigned agrees that any and all such agreements and instructions of the Foreign Exchange Dealer/Operator shall be applicable to such collateral exactly as if such collateral were owned by the Foreign Exchange Dealer/Operator and the undersigned shall not be subrogated to your rights in any other security pledged by the Foreign Exchange Dealer//Operator or in which you have a security interest and/or proceeds or surplus thereof.

TITLE 20: DEPARTMENT OF COMMERCE

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The undersigned hereby waives any and all notices of every kind to which the undersigned might otherwise be entitled, either of the acceptance hereof by you, or of the incurring of any obligation or liability by the Foreign Exchange Dealer/Operator, or of the demand for payment or the payment of all or any obligations or liabilities of the Foreign Exchange Dealer/Operator to you, whether now existing or hereafter arising, or of the presentment of any instrument for the payment of money at any time now or hereafter held by you in connection with any obligation or liability of the Foreign Exchange Dealer/Operator, of protest and/or non-payment thereof, or of any exchange, sale, release or other handling or disposition of all or any such collateral, or otherwise.

Without limiting the generality of any of the foregoing, the undersigned shall not have the right to receive from you any statement, report or other notice, to object to any proposed disposition or application of such collateral, to redeem such collateral, to obtain injunctive or other relief by reason of your handling or disposition of such collateral, or to recover losses caused to the undersigned by reason of your failure to furnish any statement or other information with respect to such collateral or any other security pledged by the Foreign Exchange Dealer/Operator or in which you have a security interest and/or proceeds thereof.

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Bank Official: Name and Title

TITLE 20: DEPARTMENT OF COMMERCE

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

D E E D O F A S S I G N M E N T

KNOW ALL MEN BY THESE PRESENTS:

This Deed of Assignment made and executed by:

hereinafter referred to regardless of number as the ASSIGNOR;

- in favor of -

THE TREASURER OF CNMI, with principal office and place of business at Capitol Hill, Saipan, MP, hereinafter referred to as the ASSIGNEE;

W I T N E S S E T H:

That the ASSIGNOR for and in consideration of obtaining a Foreign Exchange License from the ASSIGNEE (Department of Commerce and Labor) pursuant to the provisions of the applicable rules and regulations promulgated by the Director of Banking, Department of Commerce and Labor, CNMI, in accordance with the authority vested in him under Section 6351 4 CMC, Div. 6, (Foreign Exchange) of the Commonwealth Banking Code of 1984 - (Public Law 3-104, Section 340) do hereby assign to the ASSIGNEE, its successors or assigns, all his/their rights, title to and interest in the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), U.S. Currency, together with any interest thereon, out of his/their \_\_\_\_\_ deposit with the ASSIGNEE, or with the \_\_\_\_\_ covered by Certificate of Deposit No. \_\_\_\_\_, and/or any renewal thereof, issued to and in his/their name, it being understood that the ASSIGNEE has the full control of the said sum, together with its interest, from and after this date and that the said sum cannot be withdrawn by the ASSIGNOR, his/their heirs, successors, so long as the ASSIGNOR has any liability outstanding in the CNMI.

The above security deposit of \_\_\_\_\_ shall remain on deposit for the benefit and protection of the customer and creditors of the ASSIGNOR.



TITLE 20: DEPARTMENT OF COMMERCE

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Reporting Guidelines for the  
Quarterly Foreign Exchange Remittance Report  
(what, who, where, when, how)

What report is to be filed?

Form FX-11 or the Quarterly Foreign Exchange Remittance Report (QFERR) with attached receipts is to be filed.

Who is to file a report?

All licensed foreign exchange dealers engaging in the remittance of money or its equivalent to foreign countries. are required to file a report. A foreign exchange agent shall report its quarterly activity to the foreign exchange dealer it represents, but is exempt from filing the QFERR.

Where to file?

Reports are to be filed at Department of Commerce and Labor, Banking and Insurance Section, Administration Building, Capitol Hill, Saipan.

When to file?

The filing deadline is thirty (30) days after the preceding quarter. Only requests for extension received prior to the deadline will be accepted. A licensee, failing to submit a timely request for extension, will report in person to the Banking and Insurance Section within five working days after the deadline. Failure to comply with these filing procedures will be just cause to invoke automatic suspension of dealer's and respective agent's license.

How to prepare and file a report?

The QFERR will consist of a brief cover letter, Form FX-11, receipts, and a comments page, as necessary.

- Cover Letter: Self explanatory.
- Form FX-11: See attached sample.
  - a) Form FX-11 may be reproduced or computer generated, but in no way shall the column format be altered.

TITLE 20: DEPARTMENT OF COMMERCE

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- b) The introductory information is only required on the first page of the report.
  - c) Agent's transactions will be reported individually, not by a sum figure. Each transaction shall be denoted to show its corresponding agent.
  - d) Report may be legibly handwritten, however, typewritten is preferred.
  - e) Report pages must be numbered.
  - f) The last page of the report shall include the subtotal for each month, the total for the quarter, and the year to quarter end total, as well as totals for any items undelivered, voided, refunded, or in transit.
  - g) For branches on Tinian and/or Rota separate totals for f) above will be reported.
- Receipts: As prescribed in the Foreign Exchange Rules and Regulations, receipts will be prenumbered. However, receipts submitted with the report are those that were signed by the recipient of the remitted funds. Bank deposit tickets are not considered receipts.
- a) Receipts issued to the customer/sender will be listed numerically in the appropriate column on Form FX-11, regardless of the status of the receipt. If the status is other than delivered then it shall be duly noted on the same line.
  - b) If the recipient's receipt is different from that of the customer's, then the recipient's receipt number shall be listed after the customer's receipt number, divided by a slash (/).
  - c) Recipients' receipts shall be in the same order as the corresponding transactions on each page of the report.
  - d) Poor reproduction copies or duplicates of receipts are not acceptable.
- Comments Page: For further explanation, as necessary.



TITLE 20: DEPARTMENT OF COMMERCE

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MP 96950

(License Fee \$300.00)

RENEWAL APPLICATION FOR FOREIGN EXCHANGE LICENSE

Pursuant to Section 6351 of the Commonwealth Banking Code of 1984, Public Law 3-104 (Foreign Exchange), I, \_\_\_\_\_, the undersigned herewith submit application for renewal of \_\_\_\_\_ foreign exchange license originally issued by the Department on \_\_\_\_\_ and herewith declare under oath that the information set forth in the original application is in compliance with the Act remains unchanged except the following matters:

"State present variances from original application"

1. Has there been any change made on management?
2. Has there been any change in Agent, which were not registered with the Director of Banking? If licensee is not solely in the business of foreign exchange, please attach a listing of persons' names and job titles doing transactions.
3. Were there any persons connected with the business convicted of a felony, within the past 12 months?
4. Current financial statement must be attached to this application at all times.
5. Were there any other office open other than the location given in the original application, for the transaction of foreign exchange?
6. Were there any other changes not listed above?

TITLE 20: DEPARTMENT OF COMMERCE

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C N M I )  
          )ss.  
SAIPAN )

\_\_\_\_\_ being first duly sworn on oath deposes and says that he/she is the applicant named in the foregoing information statement, that he/she has read the statement and all documents attached thereto, that the information contained in the statement and the documents is true to the best of his/her knowledge and belief.

\_\_\_\_\_  
Applicant

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_  
19\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the CNMI  
My Commission Expires \_\_\_\_\_

TITLE 20: DEPARTMENT OF COMMERCE

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DIRECTOR OF BANKING  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND LABOR  
SAIPAN, MP 96950

SECURITY BOND

KNOW ALL MEN BY THESE PRESENTS: That we, \_\_\_\_\_  
\_\_\_\_\_ (hereinafter called the "Principal")  
as principal and \_\_\_\_\_ (hereinafter  
called the "Surety") as surety, are held and firmly bound unto the  
Director of Banking of the Commonwealth of the Northern Mariana  
Islands (hereinafter called the "Obligee"), in the sum of FIFTY  
THOUSAND DOLLARS (\$50,000.00) lawful money of the United States,  
for the payment whereof, well and truly to be made, the principal  
and surety are bound and its successors and assigns.

The condition of this obligation is such that if the principal  
and agent shall not cause a loss to be suffered by any person as a  
result of a violation of or failure to perform the provisions of  
the applicable rules and regulations promulgated by the Director of  
Banking in accordance with the authority vested in him under  
Section 6351 (Foreign Exchange) of the Commonwealth Banking Code of  
1984 - Public Law 3-104, and shall fully and faithfully perform its  
duties and obligations thereunder then this obligation to be void;  
otherwise to remain in full force and effect.

TITLE 20: DEPARTMENT OF COMMERCE

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Provided, however, this bond is executed upon the following express conditions:

1. This bond shall remain in full force and effect continuously.
2. This bond may be terminated by the surety at any time by giving sixty (60) days written notice to the Obligee by certified mail, in which event the surety's liability shall, at the expiration of said sixty (60) days, ceased and terminated except as to such liability of the Principal as may have accrued prior to the expiration of said sixty (60) days.

Signed, sealed and dated this \_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

NAME OF COMPANY

By: \_\_\_\_\_

\_\_\_\_\_  
Director of Banking

SURETY:

