



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
HOUSE OF REPRESENTATIVES
COMMITTEE ON COMMERCE
P.O. BOX 500586 SAIPAN, MP 96950

THOMAS JOHN "TJ" DELA CRUZ MANGLONA
CHAIRMAN

ANDRES DELA CRUZ
STANDING COMMITTEE REPORT NO. 24-9
DATE: May 8, 2025
RE: Senate Bill No. 24-15, SD1

The Honorable Edmund S. Villagomez
Speaker of the House of Representatives
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

TO THE CLERK'S OFFICE
RECEIVED BY/TJ
DATE 05-12-2025 TIME 12:05 pm

Dear Mr. Speaker:

Your Committee on Commerce to which was referred:

Senate Bill No. 24-15, SD1: To amend 4 CMC § 4266 to add a filing number to incorporation filings; to amend 4 CMC § 4269 to create an internet portal for public search of corporate existence by filing number; and for other purposes.

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that Senate Bill No. 24-15, SD1, be passed by the House in its current form.

II. ANALYSIS:

A. Purpose:

To amend the Commonwealth Code to add a unique filing number to all incorporation filings, and to create a publicly-accessible online database that allows members of the public to

search for and verify the existence and good standing of CNMI-chartered corporations by their filing number. These changes aim to enhance the transparency and efficiency of the CNMI's corporate registry system, facilitating CNMI corporations' access to the services of nationally-chartered U.S. banks.

B. Committee Findings:

Your Committee finds that Senate Bill No. 24-15, SD1 aims to enhance the incorporation filing process in the Commonwealth of the Northern Mariana Islands (CNMI). The bill amends the CNMI code to add a unique filing number to all incorporation filings, allowing for better identification and verification of CNMI-chartered corporations. The bill also requires the creation of a publicly-accessible online database within 90 days, which will enable members of the public, including nationally-chartered U.S. banks, to search for and verify the existence and good standing of CNMI-chartered corporations by their filing number. This is a crucial step in facilitating CNMI corporations' access to the services of nationally-chartered U.S. banks, which often require such verification as part of their due diligence process.

Additionally, your Committee finds that the enactment of this bill will significantly improve the transparency and efficiency of the CNMI's corporate registry system, benefiting both CNMI-chartered corporations and the broader business community. By addressing the current limitations in the CNMI's corporate registry system, this legislation aims to enhance the competitiveness and accessibility of the CNMI as a jurisdiction for business incorporation and operations. After considerable discussion, your Committee recommends that Senate Bill No. 24-15, SD1, be passed by the House in its current form.

C. Public Comments/Public Hearing:

The Committee received comments from the following:

- Remedio C. Mafnas, Secretary of Commerce, CNMI Department of Commerce. Comments dated April 9, 2025.

“I write to express the Department of Commerce’s (Commerce) full support for **Senate Bill No. 24-15, SD1**, which proposes amendments to **4 CMC § 4266 and § 4269** relating to corporate filing and verification procedures.”

Comments received have been attached as part of the committee report.

D. Legislative History:

On February 10, 2025, Senator Corina L. Magofna introduced Senate Bill No. 24-15, and after amendment and passage in the Senate, it was transmitted to the House of Representatives on March 3, 2025, and was referred to the House Standing Committee on Commerce for disposition on March 11, 2025.

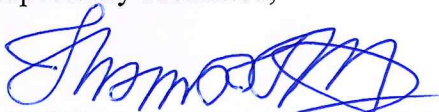
E. Cost Benefit:

The enactment of Senate Bill No. 24-15, SD1, may involve initial administrative and technological costs for the CNMI government to implement a filing number system and create a publicly accessible internet portal for corporate filings. However, the bill aims to enhance transparency, streamline due diligence processes for nationally-chartered US banks, and facilitate access to banking services for CNMI corporations. These improvements are expected to attract more businesses, strengthen corporate credibility, and foster economic growth. Over time, the benefits of increased business activity and improved corporate governance are likely to outweigh the initial expenses, resulting in a net economic gain for the CNMI government.


III. CONCLUSION:

The Committee is in accord with the intent and purpose of Senate Bill No. 24-15, SD1, and recommends its passage.

Respectfully submitted,



Rep. Thomas John "TJ" DLC. Manglona,
Chairman



Rep. Roy A. Ada, Member




Rep. Blas Jonathan "BJ" T. Attao, Member



Rep. Malcolm J. Omar, Member



Rep. Patrick H. San Nicolas, Member



Rep. Julie M. A. Ogo,
Vice Chairwoman



Rep. Daniel I. Aquino Jr., Member



Rep. Angelo A. Camacho, Member



Rep. Raymond U. Palacios, Member

Reviewed by:



House Legal Counsel

Attachment:

- Letter dated April 9, 2025, from the Secretary of the CNMI Department of Commerce.



Commonwealth of the Northern Mariana Islands
DEPARTMENT OF COMMERCE

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Tel: (670) 664-3000/3077
Email: info@commerce.gov.mp
Web: www.commerce.gov.mp



Anald J. Palacios, Governor • David M. Apzang, Lt. Governor • Remedios C. Malinao, Secretary of Commerce

April 09, 2025

The Honorable Thomas John DLC Manglona
Chairman, Committee on Commerce
House of Representatives
24th Northern Marianas Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Re: Comments and Support for Senate Bill 24-15, SD1 – Amendments to 4 CMC § 4266
and § 4269 (Corporate Filing and Verification Procedures)

Dear Representative Manglona:

I write to express the Department of Commerce's (Commerce) full support for **Senate Bill No. 24-15, SD1**, which proposes amendments to **4 CMC § 4266 and § 4269** relating to corporate filing and verification procedures.

Comments:

This proposed legislation represents a meaningful advancement in modernizing our business infrastructure and aligning it with national standards, ultimately supporting both regulatory efficiency and private sector growth.

Modernizing Corporate Filing Systems

The bill's introduction of unique filing numbers for incorporation documents will significantly improve the management and tracking of corporate records. This change will reduce administrative inefficiencies and make it easier for both public agencies and private entities to access and verify corporate information.

Enhancing Transparency and Accessibility

The creation of a public internet portal to verify a corporation's existence and good standing will greatly enhance transparency and accessibility. This tool will provide businesses, investors, and the general public with streamlined access to essential corporate data—promoting trust, accountability, and informed decision-making.

Aligning with U.S. Banking and Compliance Standards

By enabling CNMI corporations to more easily meet due diligence and verification requirements—particularly those of nationally chartered U.S. banks—this bill helps remove

*The Hon. Thomas John DiC Mangiona
Chairman, Committee on Commerce
Comments and Support for Senate Bill 24-15, SD1 (Amendments to 4 CMC § 4266 and § 4269 (Corporate Filing and
Verification Procedures)
April 09, 2025
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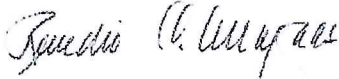
long-standing barriers to financial access. It will support our local business community in securing capital, expanding operations, and integrating more fully into the broader U.S. financial system.

Promoting Economic Growth and Credibility

Together, these changes will foster a more business-friendly environment that encourages economic development and investor confidence. Strengthening the credibility of our corporate sector is essential for attracting outside investment and positioning the CNMI as a competitive jurisdiction for doing business.

While we commend the author of this bill, we also appreciate the opportunity to provide these comments and thank you for your leadership and dedication to advancing the Commonwealth's economic development. Please do not hesitate to contact me if I can provide further information or assistance.

Sincerely,



REMEDIO C. MAFNAS
Secretary of Commerce

xc: DEPCOMM OG-File



COPY

THE SENATE
Twenty-Fourth Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

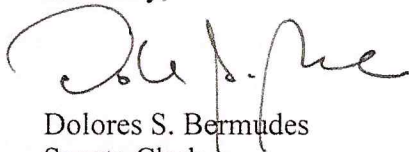
March 03, 2025

The Honorable Edmund S. Villagomez
Speaker
House of Representatives
24th Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Speaker Villagomez:

I have the honor of transmitting for your House action **Senate Bill No. 24-15, SD1**, entitled, "To amend 4 CMC § 4266 to add a filing number to incorporation filings; to amend 4 CMC § 4269 to create an internet portal for public search of corporate existence by filing number; and for other purposes." The Senate passed S.B. No. 24-15, SD1 by unanimous voice vote, in its 3rd Day, First Regular Session on February 28, 2025.


Sincerely,



Dolores S. Bermudes
Senate Clerk

Attachment

Transmitted to HOUSE:

Received by:  Date: 3/3/2025 Time: 1:47²

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST REGULAR SESSION, 2025

S. B. NO. 24-15, SD1

A BILL FOR AN ACT

To amend 4 CMC § 4266 to add a filing number to incorporation filings; to amend 4 CMC § 4269 to create an internet portal for public search of corporate existence by filing number; and for other purposes.

**BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** The Legislature finds that
2 corporations formed under the laws of the Commonwealth of the Northern Mariana
3 Islands are considered persons subject to the jurisdiction of the United States. Section 502
4 (a)(1) of The Covenant to Establish a Commonwealth of the Northern Mariana Islands in
5 Political Union with the United States of America establishes that the federal banking
6 laws of the United States shall apply to the Northern Mariana Islands.

7 The Legislature also finds that all CNMI-chartered banks are members of
8 the United States banking system. CNMI-chartered banks have no legal restriction on
9 opening accounts for corporations formed and based outside the CNMI. Likewise,
10 nationally-chartered US banks have no legal restriction on opening accounts for
11 corporations formed and based in CNMI.

12 The Legislature further finds that it would be of extreme benefit for CNMI
13 corporations to be able to avail themselves of the services of nationally-chartered US
14 banks. However, the industry standard due diligence performed by nationally-chartered
15 US banks includes verifying the existence and good standing of potential corporate
16 clients by searching the website of the Registrar of Corporations, by filing a number of
17 the corporation's Articles of Incorporation, for the state or territory in which the
18 corporation is formed and/or based and retrieving evidence of existence and good

1 standing. CNMI's Registrar of Corporations has no system that would allow banks to
2 perform such an action.

3 Therefore, the purpose of this Act is to amend 4 CMC § 4266 to add a
4 filing number to incorporation filings; to amend 4 CMC § 4269 to create an internet
5 portal for public search of corporate existence by filing number; and for other purposes.

6 **Section 2. Amendment.** 4 CMC § 4266 (b) is hereby amended to read as follows:

7 “(b) The Registrar of Corporations files a document by stamping or otherwise
8 endorsing “Filed,” together with his name and official title ~~and~~, the date and time of
9 receipt, and, upon request at time of filing, a stamped or machine-printed filing number
10 unique to the document on both the original and the document copy. After filing the
11 document, except as provided in 4 CMC §§ 4333 and 4650, the Registrar of Corporations
12 shall deliver the document copy to the domestic or foreign corporation or its
13 representative.”

14 **Section 3. Amendment.** 4 CMC § 4269 (b)(1) is hereby amended to read as
15 follows:

16 “(1) The domestic corporation's name or the foreign corporation's name used in
17 the Commonwealth and the filing number of the entity's Articles of Incorporation, if a
18 filing number was assigned;”

19 **Section 4. Amendment.** 4 CMC § 4269 is hereby amended to add a new
20 subsection (d) to read as follows:

21 “(d) Within 60 90 days of the effective date of this Act, the Secretary of
22 Commerce shall cause to be created a publicly-accessible database, viewable via the
23 official website of the Registrar of Corporations that allows members of the public to
24 search for filed Articles of Incorporation or Certificates of Authority by filing number
25 and displays all information constituting a Certificate of Existence pursuant to this
26 section.”

27 **Section 5. Severability.** If any provision of this Act or the application of any
28 such provision to any person or circumstance should be held invalid by a court of
29 competent jurisdiction, the remainder of this Act or the application of its provisions to

1 persons or circumstances other than those to which it is held invalid shall not be affected
2 thereby.

3 **Section 6. Savings Clause.** This Act and any repealer contained herein shall not
4 be construed as affecting any existing right acquired under contract or acquired under
5 statutes repealed or under any rule, regulation, or order adopted under the statutes.
6 Repealers contained in this Act shall not affect any proceeding instituted under or
7 pursuant to prior law. The enactment of the Act shall not have the effect of terminating,
8 or in any way modifying, any liability, civil or criminal, which shall already be in
9 existence on the date this Act becomes effective.

10 **Section 7. Effective Date.** This Act shall take effect upon its approval by the
11 Governor or becoming law without such approval.

Prefiled:

Date: 02/10/25

Introduced By: /s/
Sen. Corina L. Magofna

Reviewed for Legal Sufficiency by:

/s/ Antonette R. Villagomez
Senate Legal Counsel