

III. Incorporation Under the Laws  
of the Trust Territory

We have considered at some length the question of whether the proposed corporation should be incorporated under the laws of the Trust Territory or outside the Trust Territory.

We believe it would be possible for the corporation to be organized under the laws of some other jurisdiction, either one located relatively near the Marianas, such as Hawaii or California, or one with a modern and successful non-profit corporation act, such as the District of Columbia. If the corporation were established outside the laws of the Trust Territory, it might be required to secure a permit pursuant to the Foreign Investors Business Permit Act, 1/ and subjected to the procedural regulations under that Act. In our view, the corporation could successfully carry on its proposed activities subject to such regulation.

However, it may be difficult to explain to the people of the Marianas why a corporation organized on their behalf should be incorporated in another jurisdiction, and there may be other political and psychological disadvantages to such action. Moreover, the United

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1/ 33 T.T.C. §§ 1 - 19.