



## Other Business Entities

January 20, 2025

### 1. Overview

Palau passed a new Corporations Act in 2021. The Corporations Act did not include provisions for cooperatives, credit unions or corporations sole. To address this, Palau enacted new legislation for this other business entities in December 2024. The new legislation, officially called RPPL 11-40, is procedurally an amendment to the 2021 Corporations Act. Unfortunately, while the Corporations Act modernizes the law for corporations, the amendment governing other business entities merely copies the old regulations into law. This means that there are no changes in the way cooperatives, credit unions or corporations sole are formed or managed during their life-cycle. Unfortunately, it also means that online filing is not permitted for these other entities. The only change in how these other entities will be administered is that the Financial Institutions Commission (FIC) will now be the Registrar for them, replacing the Office of the Attorney General.

**2. Filing with the FIC.** The new Corporations Act allows for all corporate filings to be submitted online. Unfortunately, that reform does not extend to cooperatives, credit unions or corporations sole. However, the new online register that has been put in place for corporations is scalable. This means that it will allow Palau to add more entities into the register over time so that all business entity types can eventually be included in one register. FIC hopes that all registered entities can one day be included in the online register.

To submit filings for cooperatives, credit unions or corporations sole, you must physically present them at the new FIC office. FIC will not accept mailed-in forms. In order to file documents with the FIC, you must physically submit the forms to:

Financial Institutions Commission, Surangel & Sons Building, 2<sup>nd</sup> Floor, Ernguul Road, Ikelau, Koror, Palau.

**3. Fees.** A few cooperative, credit union and corporation sole filings require payment of a filing fee. This fee must be paid at the National Treasury. Once you have made the payment you will receive a payment receipt which you will then provide to FIC to show that the payment has been made. FIC will then be able to accept your document for filing. If you are paying by check make

the check payable to: Palau National Treasury. FIC will then be able to accept your document for filing. If you are paying by check, make the check payable to: Palau National Treasury. When preparing to make a payment please visit or contact FIC Office to obtain a Transmittal to submit with your payment to the Palau National Treasury. This will assure the correct fee is paid and is credited to the proper FIC account.

**4. Searching the files and obtaining copies.** If you wish to research the file for any particular cooperatives, credit unions or corporation sole, contact FIC. You may view the publicly available parts of the file for no charge during regular business hours, but FIC does need to know in advance which file(s) you seek to make sure that all records are available. You may also obtain copies of the publicly available papers that have been filed. There is a flat \$20 processing fee plus an additional \$1 per page up to a maximum of \$50 for copies. If you need copies, ask FIC to count the pages in the file so that the fee can be determined. You will the make the payment to the Palau National Treasury as described above and bring the payment receipt to FIC.