

**GUAM CODE ANNOTATED**

**TITLE 18**

**BUSINESS STRUCTURE  
AND  
FUNCTION**

**UPDATED THROUGH P.L. 33-239  
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**18 GCA BUSINESS STRUCTURE & FUNCTION**  
**CH. 1 PRELIMINARY PROVISIONS**

**DIVISION 1**  
**BUSINESS STRUCTURE**

**PART 1**  
**THE CORPORATE LAW**

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**Compiler's Note**

This entire Title comes from the Civil Code of Guam. The purpose of Title 18 is to include within it all laws pertaining to business; its organization and the general laws governing business relations not repealed from the Civil Code and placed elsewhere in the Guam Code Annotated. For instance, many parts of the Civil Code have been replaced by the Uniform Commercial Code and are found in Title 13 of the GCA. Likewise, the Uniform Consumer Credit Code, formerly commencing with § 1801.101 of the Civil Code, has been reenacted as Title 14 of the GCA. The Compiler has placed the First Division of the Civil Code into Titles 19 and 21 of the GCA, dealing with personal rights and relations and real property, respectively. What remains of business relations is in this Code. The general law on Relief will be found in Title 20 of the GCA.

This Part 1 of Title 18 comes from §§ 287 - 460 of the Civil Code. This part was originally codified under the Naval Government of Guam and recodified by the Legislature in 1953 to remove various provisions not consistent with civilian government on Guam. This Part contains the General Corporation Law as amended up to the date of codification. The only changes made by the Compiler are those changes, authorized by 1 GCA Chapter 16, which are required to conform the law to its placement within the Guam Code Annotated.

All SOURCE references in this Title will be to the original 1953 Civil Code of Guam unless otherwise stated.

**2009 NOTE:** Public Law 29-144 (Jan. 30, 2009) enacted the Guam Business Corporation Act which is codified at Chapter 28 of this Title. See § 1101.1 for the continuing effect of this Chapter 1 on corporations formed prior to the effective date of Chapter 28 of this Title.

**18 GCA BUSINESS STRUCTURE & FUNCTION**  
**CH. 1 PRELIMINARY PROVISIONS**

**CHAPTER 1**  
**PRELIMINARY PROVISIONS**

- § 1101. Short Title.
- § 1101.1. [Untitled].
- § 1102. Definitions and Construction.
- § 1103. General Application.
- § 1104. Savings Clause.

**§ 1101. Short Title.**

This Part of Title 18 of the Guam Code Annotated and all amendments hereof and any section or supplement added hereto shall be known and may be cited as *The General Corporation Law*, and is hereinafter referred to as *this Part*.

**SOURCE:** CC (Civil Code) § 277. References to *Title* and *Civil Code* have been replaced with *Part* and *this Title*, respectively, to conform to the position of this law within the Guam Code Annotated.

**§ 1101.1. [Untitled Section – Relative to the Effect of P.L. 29-144 Enacting the Guam Business Corporation Act].**

*No* corporation organized in Guam after the effective date of the Guam Business Corporation Act, 18 GCA, Division 1, Part 5, *shall* be organized under or governed by the provisions of this Part, except as provided in the Guam Business Corporation Act. A corporation organized in Guam prior to the effective date of the Guam Business Corporation Act *shall not* be subject to the Guam Business Corporation Act, and *shall* continue to be governed by this part, except as provided in the Guam Business Corporation Act.

**SOURCE:** Added by P.L. 29-144:3 (Jan. 30, 2009) as § 1101a, effective 90 days from enactment pursuant to P.L. 29-144:4. Renumbered by Compiler to harmoniously fit this chapter.

**§ 1102. Definitions and Construction.**

The following are definitions of certain terms as used in this Part:

(a) *Articles* includes the articles of incorporation, amendments thereto, amended articles, and agreements of consolidation or merger.

(b) Unless the context otherwise requires, *shareholder* or *stockholder* or *holder of shares*, means holder or record of shares or shareholder or record and includes a subscriber to shares in cases in

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**CH. 1 PRELIMINARY PROVISIONS**

which no certificates are outstanding, and a member of a nonstock corporation.

(c) *Member* includes each person signing the articles of a nonstock corporation and each person admitted to membership therein.

(d) *Incorporator* includes each person signing the articles of incorporation.

(e) *Corporation* unless otherwise expressly provided, refers only to a domestic corporation.

(f) *Domestic Corporation* means a corporation formed under the laws of this territory; and *foreign corporation* means any other corporation.

(g) *Stock corporation* means a corporation authorized to issue shares of stock.

(h) *Nonstock corporation* includes every corporation other than a stock corporation.

(i) To *represent shares* means to vote, to give written consent to corporation action, to dissent therefrom, and to execute waivers of notice of meetings.

(j) *Majority vote* and *two-thirds vote* mean votes of the holders of shares or members entitled to exercise, respectively, a majority and two-thirds (2/3) of the voting power at a shareholders' or members' meeting.

(k) *Directors* includes persons designated in the articles as such and persons designated, elected or appointed by any other name or title to act as directors and their successors.

(l) *Directors*, when used in relation to any power or duty requiring collective action shall be construed to mean *board of directors*.

(m) *Mortgage* includes any instrument to secure a debt, or any pledge or form of security.

(n) *Shares* or *shares of stock* shall be construed to include membership in nonstock corporation where the context so requires.

(o) *Investment Company* refers to any domestic corporation whose purpose includes or which does engage in the following activity:

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**CH. 1 PRELIMINARY PROVISIONS**

(1) Investing, reinvesting or trading in or the acquisition or ownership of securities or other property from which any gross fixed or determinable annual or periodic gains, profits and income shall be treated as income from sources without Guam in accordance with the provisions of § 862 or § 863 of the Guam Territorial Income Tax Law as its primary activity or engaging in the conduct of business as an investment company and defined in any law of the United States or of Guam (unless provision is made in its articles of incorporation that majority ownership must be held at all times beneficially and of record by individual residents of Guam).

(p) *International Finance Company* refers to any domestic corporation whose purpose includes or which does engage in the following activity:

(1) Deriving at least fifty percent (50%) of its annual gross income as interest or similar fees or revenue from any of its stockholders or any affiliate of its stockholders or any person responsible for the existence of such stockholder relationship and which either:

(A) has outstanding obligations with an original maturity date of longer than one (1) year in a principal amount greater than its capital;

(B) which holds, as assets, obligations of any one debtor (including, for this purpose, obligations of all other entities which are under common control with a debtor) equal to an amount greater than such company's capital; or

(C) which has at least fifty percent (50%) of its obligations guaranteed as to principal or interest by any one or more of its debtors or convertible into the securities of any one or more of its debtors.

(q) *FSC* refers to any domestic corporation which is also a FSC as defined in §922(a) of the Internal Revenue Code as the same may be amended from time to time.

**SOURCE:** CC § 278; Subsection (o) and (p) added by P.L. 16-115:1 (Oct. 20, 1982); Subsection (q) added by 17-063:3 (Aug. 29, 1984) and amended by P.L. 17-75:11 (Oct. 25, 1984).

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**CH. 1 PRELIMINARY PROVISIONS**

**2015 NOTE:** Subsection designations were added and references were altered in the Source in accordance to the authority granted by 1 GCA § 1606.

**§ 1103. General Application.**

(a) The provisions of this Part are applicable to every private corporation, profit or nonprofit, stock or nonstock, now existing or hereafter formed, and the outstanding or future securities thereof, unless such corporation be expressly excepted from the operation thereof, or there be a special provision, in relation to any class thereof inconsistent with some provision of this Part, in which case the special provision prevails.

(b) Existing Corporations. The existence of corporations heretofore formed or existing shall not be affected by the enactment of this Part, nor by any change in the requirements for the formation of corporations, nor by amendment or repeal of the laws under which they were formed or created.

**SOURCE:** CC § 279. Enacted 1953.

**2015 NOTE:** Subsection designations were added in accordance to the authority granted by 1 GCA § 1606.

**§ 1104. Savings Clause.**

Neither this Part nor the amendment or repeal thereof, nor any law affecting corporations, shall take away or impair any liability or cause of action existing or incurred against any corporation, its shareholders, directors, or officers.

**SOURCE:** CC § 280.

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