

tions made with funds described in this subsection.

(Pub. L. 87-195, pt. I, §237, as added Pub. L. 91-175, pt. I, §105, Dec. 30, 1969, 83 Stat. 814; amended Pub. L. 93-390, §2(4), Aug. 27, 1974, 88 Stat. 767; Pub. L. 95-268, §§5, 6, Apr. 24, 1978, 92 Stat. 215; Pub. L. 97-65, §6, Oct. 16, 1981, 95 Stat. 1023; Pub. L. 99-204, §§4(b), 6(b), 9(b)(2), Dec. 23, 1985, 99 Stat. 1670, 1671, 1673; Pub. L. 100-461, title V, §555, Oct. 1, 1988, 102 Stat. 2268-36; Pub. L. 102-549, title I, §105, Oct. 28, 1992, 106 Stat. 3652.)

REFERENCES IN TEXT

Sections 1872(b) and 1933(b) of this title, referred to in subsec. (c), were repealed by Pub. L. 87-195, pt. III, §642(a)(2), Sept. 4, 1961, 75 Stat. 460. Section 642(b) of Pub. L. 87-195 provided that references to provisions of law repealed by subsec. (a) were to be deemed references to the appropriate provisions of Pub. L. 87-195. See sections 2163 and 2351 of this title.

The Foreign Assistance Act of 1969, referred to in subsec. (c), is Pub. L. 91-175, Dec. 30, 1969, 83 Stat. 805, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 2151 of this title and Tables. The guaranty authorities repealed by the 1969 Act were the guaranty authorities contained in sections 2181 to 2184 prior to the general reorganization of subpart III by the 1969 Act.

The Federal Credit Reform Act of 1990, referred to in subsec. (d)(2), is title V of Pub. L. 93-344, as added by Pub. L. 101-508, title XIII, §13201(a), Nov. 5, 1990, 104 Stat. 1388-609, which is classified generally to subchapter III (§661 et seq.) of chapter 17A of Title 2, The Congress. For complete classification of this Act to the Code, see Short Title note set out under section 621 of Title 2 and Tables.

This chapter, referred to in subsec. (j), was in the original "this Act", meaning Pub. L. 87-195, Sept. 4, 1961, 75 Stat. 424, as amended, known as the Foreign Assistance Act of 1961. For complete classification of this Act to the Code, see Short Title note set out under section 2151 of this title and Tables.

The Foreign Corrupt Practices Act of 1977, referred to in subsec. (l), is title I of Pub. L. 95-213, Dec. 19, 1977, 91 Stat. 1494, as amended, which enacted sections 78dd-1 to 78dd-3 of Title 15, Commerce and Trade, and amended sections 78m and 78ff of Title 15. For complete classification of this Act to the Code, see Short Title of 1977 Amendment note set out under section 78a of Title 15 and Tables.

CODIFICATION

Amendment by Pub. L. 100-461 is based on section 110(c) of title I of H.R. 5263, One Hundredth Congress, as passed by the House of Representatives on Sept. 20, 1988, and section 110(c) of title I of S. 2757, One Hundredth Congress, as reported Sept. 7, 1988, and enacted into law by Pub. L. 100-461.

AMENDMENTS

1992—Subsec. (d). Pub. L. 102-549, §105(a), amended subsec. (d) generally. Prior to amendment, subsec. (d) read as follows: "Fees shall be charged for insurance, guaranty, and reinsurance coverage in amounts to be determined by the Corporation. In the event fees charged for investment insurance, guaranties, or reinsurance are reduced, fees to be paid under existing contracts for the same type of insurance, guaranties, or reinsurance and for similar guaranties issued under predecessor guaranty authority may be reduced."

Subsecs. (n), (o). Pub. L. 102-549, §105(b), (c), added subsecs. (n) and (o).

1988—Pub. L. 100-461 inserted reference to financing in section catchline.

1985—Subsec. (f). Pub. L. 99-204, §6(b), added cl. (3).

Pub. L. 99-204, §9(b)(2), inserted "or 2194b" after "section 2194".

Subsec. (m). Pub. L. 99-204, §4(b), added subsec. (m).
1981—Subsec. (f). Pub. L. 97-65 substituted "Compensation for insurance, reinsurance, or guaranties issued under this subpart shall not exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings, or profits actually accrued on such investment to the extent provided by such insurance, reinsurance, or guaranty, except that the Corporation may provide that (1) appropriate adjustments in the insured dollar value be made to reflect the replacement cost of project assets, and (2) compensation for a claim of loss under insurance of an equity investment may be computed on the basis of the net book value attributable to such equity investment on the date of loss" for "No insurance, reinsurance, or guaranty issued under this subpart shall exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings or profits actually accrued on said investment to the extent provided by such insurance, reinsurance, or guaranty, except that the Corporation may provide for appropriate adjustments in the insured dollar value to reflect the replacement cost of project assets", and struck out provision that the preceding sentence not apply to the extent not permitted by State law.

1978—Subsec. (f). Pub. L. 95-268, §5, inserted provisions excepting from dollar amounts adjustments in the insured dollar amounts to reflect replacement cost of project assets, and provisions excepting from limitations loans by banks or other financial institutions to unrelated parties.

Subsec. (l). Pub. L. 95-268, §6, added subsec. (l).

1974—Subsecs. (a) to (c). Pub. L. 93-390, §2(4)(A)-(C), inserted references to reinsurance wherever appearing.

Subsec. (d). Pub. L. 93-390, §2(4)(D), inserted provisions authorizing fees to be charged for reinsurance and reduction of reinsurance fees under existing contracts in the event fees charged for reinsurance are reduced.

Subsec. (e). Pub. L. 93-390, §2(4)(E), inserted reference to reinsurance.

Subsec. (f). Pub. L. 93-390, §2(4)(F), (G), inserted "reinsurance" before "or guaranty" wherever appearing and provisions relating to limitations on the amount of direct insurance or reinsurance.

Subsec. (g). Pub. L. 93-390, §2(4)(H), inserted applicability to insurance and reinsurance.

Subsecs. (h) to (k). Pub. L. 93-390, §2(4)(I)-(K), inserted reference to reinsurance wherever appearing.

DELEGATION OF FUNCTIONS

For delegation of functions of President under this section, see Ex. Ord. No. 12163, Sept. 29, 1979, 44 F.R. 56673, as amended, set out as a note under section 2381 of this title.

§ 2198. Definitions

As used in this subpart—

(a) the term "investment" includes any contribution or commitment of funds, commodities, services, patents, processes, or techniques, in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of commodities or services pursuant to a lease or other contract;

(b) the term "expropriation" includes, but is not limited to, any abrogation, repudiation, or impairment by a foreign government, a political subdivision of a foreign government, or a corporation owned or controlled by a foreign government, of its own contract with an investor with respect to a project, where such abrogation, repudiation, or impairment is not

caused by the investor's own fault or misconduct, and materially adversely affects the continued operation of the project;

(c) the term "eligible investor" means: (1) United States citizens; (2) corporations, partnerships, or other associations including non-profit associations, created under the laws of the United States, any State or territory thereof, or the District of Columbia, and substantially beneficially owned by United States citizens; and (3) foreign corporations, partnerships, of other associations wholly owned by one or more such United States citizens, corporations, partnerships, or other associations: *Provided, however*, That the eligibility of such foreign corporation shall be determined without regard to any shares, in aggregate less than 5 per centum of the total of issued and subscribed share capital, held by other than the United States owners: *Provided further*, That in the case of any loan investment a final determination of eligibility may be made at the time the insurance or guaranty is issued; in all other cases, the investor must be eligible at the time a claim arises as well as at the time the insurance or guaranty is issued;

(d) the term "noncredit account revolving fund" means the account in which funds under section 2196 of this title and all funds from noncredit activities are held;

(e) the term "noncredit activities" means all activities of the Corporation other than its loan guarantee program under section 2194(b) of this title and its direct loan program under section 2194(c) of this title;

(f) the term "predecessor guaranty authority" means prior guaranty authorities (other than housing guaranty authorities) repealed by the Foreign Assistance Act of 1969, and sections 1509(b)(3), 1872(b), and 1933(b)¹ of this title (exclusive of authority relating to informational media guaranties); and

(g) the term "local financial institution"—

(1) means any bank or financial institution that is organized under the laws of any country or area in which the Corporation operates; but

(2) does not include a branch, however organized, of a bank or other financial institution that is organized under the laws of a country in which the Corporation does not operate.

(Pub. L. 87-195, pt. I, § 238, as added Pub. L. 91-175, pt. I, § 105, Dec. 30, 1969, 83 Stat. 815; amended Pub. L. 92-226, pt. I, § 104(a), Feb. 7, 1972, 86 Stat. 22; Pub. L. 97-65, § 7, Oct. 16, 1981, 95 Stat. 1024; Pub. L. 99-204, § 17(a), Dec. 23, 1985, 99 Stat. 1676; Pub. L. 102-549, title I, § 106, Oct. 28, 1992, 106 Stat. 3653; Pub. L. 108-158, §§ 4(b), 5(b), Dec. 3, 2003, 117 Stat. 1950.)

REFERENCES IN TEXT

The Foreign Assistance Act of 1969, referred to in subsec. (f), is Pub. L. 91-175, Dec. 30, 1969, 83 Stat. 805, as amended. For complete classification of this Act to the Code, see Short Title of 1969 Amendment note set out under section 2151 of this title and Tables. The guaranty authorities repealed by the 1969 Act were the guaranty authorities contained in sections 2181 to 2184

¹ See References in Text note below.

prior to the general reorganization of subpart III by the 1969 Act.

Section 1509(b)(3) of this title, referred to in subsec. (f), was repealed by act Aug. 26, 1954, ch. 937, title V, § 542(a)(4), 68 Stat. 861.

Sections 1872(b) and 1933(b) of this title, referred to in subsec. (f), were repealed by Pub. L. 87-195, pt. III, § 642(a)(2), Sept. 4, 1961, 75 Stat. 460. Section 642(b) of Pub. L. 87-195 provided that references to provisions of law repealed by subsec. (a) were to be deemed references to the appropriate provisions of Pub. L. 87-195. See sections 2163 and 2351 of this title.

AMENDMENTS

2003—Subsec. (b). Pub. L. 108-158, § 4(b), inserted "a political subdivision of a foreign government, or a corporation owned or controlled by a foreign government," after "government".

Subsec. (d). Pub. L. 108-158, § 5(b)(1), struck out "and" after semicolon at end.

Subsec. (g). Pub. L. 108-158, § 5(b)(2), (3), added subsec. (g).

1992—Subsecs. (c) to (f). Pub. L. 102-549 struck out "and" at end of subsec. (c), added subsecs. (d) and (e), and redesignated former subsec. (d) as (f).

1985—Subsec. (c)(2). Pub. L. 99-204 inserted reference to the District of Columbia.

1981—Subsec. (a). Pub. L. 97-65 substituted "contribution or commitment of funds" for "contribution of funds".

1972—Subsec. (c). Pub. L. 92-226 struck out "required by law to be" after "share capital," in first proviso.

§ 2199. General provisions and powers

(a) Place of residence

The Corporation shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof.

(b) Transfer of prior obligations, etc.; administration prior to transfer

The President shall transfer to the Corporation, at such time as he may determine, all obligations, assets and related rights and responsibilities arising out of, or related to, predecessor programs and authorities similar to those provided for in section 2194(a), (b), and (d) of this title. Until such transfer, the agency heretofore responsible for such predecessor programs shall continue to administer such assets and obligations, and such programs and activities authorized under this subpart as may be determined by the President.

(c) Audits of the Corporation

(1) The Corporation shall be subject to the applicable provisions of chapter 91 of title 31, except as otherwise provided in this subpart.

(2) An independent certified public accountant shall perform a financial and compliance audit of the financial statements of the Corporation at least once every three years, in accordance with generally accepted Government auditing standards for a financial and compliance audit, as issued by the Comptroller General. The independent certified public accountant shall report the results of such audit to the Board. The financial statements of the Corporation shall be presented in accordance with generally accepted accounting principles. These financial statements and the report of the accountant shall be included in a report which contains, to the extent applicable, the information identified in