

**(15) Legislature**

The term “Legislature” means the legislative body responsible for enacting the laws of a covered territory.

**(16) Modified accrual accounting standards**

The term “modified accrual accounting standards” means recognizing revenues as they become available and measurable and recognizing expenditures when liabilities are incurred, in each case as defined by the Governmental Accounting Standards Board, in accordance with generally accepted accounting principles.

**(17) Oversight Board**

The term “Oversight Board” means a Financial Oversight and Management Board established in accordance with section 2121 of this title.

**(18) Territorial government**

The term “territorial government” means the government of a covered territory, including all covered territorial instrumentalities.

**(19) Territorial instrumentality****(A) In general**

The term “territorial instrumentality” means any political subdivision, public agency, instrumentality—including any instrumentality that is also a bank—or public corporation of a territory, and this term should be broadly construed to effectuate the purposes of this chapter.

**(B) Exclusion**

The term “territorial instrumentality” does not include an Oversight Board.

**(20) Territory**

The term “territory” means—

- (A) Puerto Rico;
- (B) Guam;
- (C) American Samoa;
- (D) the Commonwealth of the Northern Mariana Islands; or
- (E) the United States Virgin Islands.

**(21) Territory Budget**

The term “Territory Budget” means a budget for a territorial government submitted, approved, and certified in accordance with section 2142 of this title.

**(22) Territory Fiscal Plan**

The term “Territory Fiscal Plan” means a fiscal plan for a territorial government submitted, approved, and certified in accordance with section 2141 of this title.

(Pub. L. 114–187, § 5, June 30, 2016, 130 Stat. 551.)

## REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this Act”, meaning Pub. L. 114–187, June 30, 2016, 130 Stat. 549, known as the Puerto Rico Oversight, Management, and Economic Stability Act and also as PROMESA, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 2101 of this title and Tables.

**§ 2105. Placement**

The Law Revision Counsel is directed to place this Act as chapter 20 of title 48.

(Pub. L. 114–187, § 6, June 30, 2016, 130 Stat. 553.)

## REFERENCES IN TEXT

This Act, referred to in text, is Pub. L. 114–187, June 30, 2016, 130 Stat. 549, known as the Puerto Rico Oversight, Management, and Economic Stability Act and also as PROMESA, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 2101 of this title and Tables.

**§ 2106. Compliance with Federal laws**

Except as otherwise provided in this chapter, nothing in this chapter shall be construed as impairing or in any manner relieving a territorial government, or any territorial instrumentality thereof, from compliance with Federal laws or requirements or territorial laws and requirements implementing a federally authorized or federally delegated program protecting the health, safety, and environment of persons in such territory.

(Pub. L. 114–187, § 7, June 30, 2016, 130 Stat. 553.)

## REFERENCES IN TEXT

This chapter, referred to in text, was in the original “this Act”, meaning Pub. L. 114–187, June 30, 2016, 130 Stat. 549, known as the Puerto Rico Oversight, Management, and Economic Stability Act and also as PROMESA, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 2101 of this title and Tables.

## SUBCHAPTER I—ESTABLISHMENT AND ORGANIZATION OF OVERSIGHT BOARD

**§ 2121. Financial Oversight and Management Board****(a) Purpose**

The purpose of the Oversight Board is to provide a method for a covered territory to achieve fiscal responsibility and access to the capital markets.

**(b) Establishment****(1) Puerto Rico**

A Financial Oversight and Management Board is hereby established for Puerto Rico.

**(2) Constitutional basis**

The Congress enacts this chapter pursuant to article IV, section 3 of the Constitution of the United States, which provides Congress the power to dispose of and make all needful rules and regulations for territories.

**(c) Treatment**

An Oversight Board established under this section—

(1) shall be created as an entity within the territorial government for which it is established in accordance with this subchapter; and

(2) shall not be considered to be a department, agency, establishment, or instrumentality of the Federal Government.

**(d) Oversight of territorial instrumentalities****(1) Designation****(A) In general**

An Oversight Board, in its sole discretion at such time as the Oversight Board deter-