

**GUAM CODE ANNOTATED**

**TITLE 18**

**BUSINESS STRUCTURE  
AND  
FUNCTION**

**UPDATED THROUGH P.L. 35-123  
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**TABLE OF CONTENTS**  
**TITLE 18**  
**BUSINESS STRUCTURE AND FUNCTION**

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

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

- Chapter 1. Preliminary Provisions. §§ 1101-1104
- Chapter 2. Formation of Corporations.  
Article 1. Corporations Defined and How Organized. §§ 2101-2118  
Article 2. Bylaws, Directors, Elections, and Meetings. §§ 2201-2217
- Chapter 3. Corporate Stock.  
Article 1. Stocks and Stockholders. §§ 3101-3106  
Article 2. Assessment of Stock. §§ 3201-3214  
Article 3. Right To Dissent And Obtain Payment For Shares.  
§§ 3301-3303  
Article 4. Procedure for Exercise of Dissenters' Rights. §§ 3401-3409  
Article 5. Judicial Appraisal of Shares. §§ 3501-3502
- Chapter 4. Corporate Powers.  
Article 1. General Powers. §§ 4101-4112  
Article 2. Records. §§ 4201-4202  
Article 3. Examination of Corporations. §§ 4301-4304  
Article 4. Judgment Against and Sale of Corporate Property.  
§§ 4401-4405
- Chapter 5. Extension and Dissolution of Corporations.  
§§ 5101-5108
- Chapter 6. General Provisions Affecting Corporations.  
§§ 6101-6103
- Chapter 7. Foreign Corporations.  
Article 1. Foreign Corporations. §§ 7101-7119  
Article 2. Foreign Limited Liability Partnerships. §§ 7201-7202  
Article 3. Foreign Limited Liability Companies. §§ 7301-7313
- Chapter 8. Professional Corporation Act. §§ 8101-8111

Chapter 9. Corporate Merger. §§ 9101- 9102.1

**PART 2**  
**SPECIAL CORPORATE FORMS**

- Chapter 10. Religious & Nonprofit Corporations. §§ 10101-10113  
Chapter 11. Colleges and Institutions of Learning. §§ 11101-11106  
Chapter 12. Industrial Development Corporations. §§ 12101-12121  
Chapter 13. Nonprofit Cooperative Associations. §§ 13101-13133  
Chapter 14. Publication of Financial Information by Nonprofit Organizations. §§ 14101-14103  
Chapter 15. Limited Liability Companies. §§ 15101-15138  
Chapter 16. Employee-Owned Companies. §§ 16000-16007

**PART 3**  
**AGENCY**

- Chapter 20. Agency in General.  
Article 1. Definition of Agency. §§ 20101-20106  
Article 2. Authority of Agents. §§ 20201-20223  
Article 3. Mutual Obligations of Principals and Third Persons. §§ 20301-20310  
Article 4. Agent's Obligations to Third Persons. §§ 20401-20404  
Article 5. Delegation of Agency. §§ 20501-20503  
Article 6. Termination of Agency. §§ 20601-20602
- Chapter 21. Particular Agencies.  
Article 1. Auctioneers. §§ 21101-21102  
Article 2. Factors. §§ 21201-21203  
Article 3. Shipmasters & Pilots. §§ 21301-21313  
Article 4. Ships' Managers. §§ 21401-21402  
Article 5. Durable Power of Attorney. §§ 21501-21507

**PART 4**  
**PARTNERSHIP**

- Chapter 25. Partnerships in General.  
Article 1. Preliminary Provisions. §§ 25101-25105  
Article 2. Nature of a Partnership. §§ 25201-25203

- Article 3. Relations of Partners to Persons Dealing with Partnership. §§ 25301-25309
- Article 4. Relations of Partners to One Another. §§ 25401-25406
- Article 5. Property Rights of a Partner. §§ 25501-25505
- Article 6. Dissolution & Winding Up. §§ 25601-25616
- Article 7. Miscellaneous Provisions. §§ 25701-25702
- Chapter 26. Use of Fictitious Names. §§ 26101-26108
- Chapter 27. Limited Partnerships.
  - Article 1. Nature of Partnership. § 27101
  - Article 2. Formation of Partnership. § 27201
  - Article 3. Powers, Rights, Duties and Liabilities of Partners. §§ 27301- 27316
  - Article 4. Alteration and Dissolution of the Partnership. §§ 27401-27408
  - Article 5. Miscellaneous Provisions. §§ 27501-27504

**PART 5**  
**GUAM BUSINESS CORPORATION ACT**

- Chapter 28. Guam Business Corporation Act.
  - Article 1. General Provisions. §§ 28101-28111
  - Article 2. Incorporation. §§ 28201-28205
  - Article 3. Purposes and Powers. §§ 28301-28304
  - Article 4. Alteration and Dissolution of the Partnership. §§ 28401-28403
  - Article 5. Designation of Agent and Service of Process. § 28501
  - Article 6. Shares and Distribution. §§ 28601-28616
  - Article 7. Shareholders. §§ 28701-28726
  - Article 8. Directors and Officer. §§ 28801-28822
  - Article 9. [Reserved]
  - Article 10. Amendment of Articles of Incorporation and Bylaws. §§ 281001-281010
  - Article 11. Mergers and Share Exchanges. §§ 281101-281108
  - Article 12. Disposition of Assets. §§ 281201-281202
  - Article 13. Appraisal Rights. §§ 281301-281312
  - Article 14. Dissolution. §§ 281401-281415
  - Article 15. Foreign Corporations. § 281501
  - Article 16. Records and Reports. §§ 281601-281602
  - Article 17. Transition Provision. §§ 281701-281707

**DIVISION 2**

## COMMERCIAL & BUSINESS OBLIGATIONS

### PART 1 THIRD-PARTY OBLIGATIONS

- Chapter 30. Indemnity. §§ 30101-30110
- Chapter 31. Guaranty.
- Article 1. Definition of Guaranty. §§ 31101-31102
  - Article 2. Creation of Guaranty. §§ 31201-31204
  - Article 3. Interpretation of Guaranty. §§ 31301-31304
  - Article 4. Liability of Guarantors. §§ 31401-31405
  - Article 5. Continuing Guaranty. §§ 31501-31502
  - Article 6. Exoneration of Guarantors. §§ 31601-31607
- Chapter 32. Suretyship.
- Article 1. Who are Sureties. §§ 32101-32102
  - Article 2. Liability of Sureties. §§ 32201-32205
  - Article 3. Rights of Sureties. §§ 32301-32307
  - Article 4. Rights of Creditors. § 32401

### PART 2 LIENS

- Chapter 35. Liens in General.
- Article 1. Definition of Liens. §§ 35101-35106
  - Article 2. Creation of Liens. §§ 35201-35204
  - Article 3. Effect of Liens. §§ 35301-35305
  - Article 4. Priority of Liens. §§ 35401-35403
  - Article 5. Redemption from Liens. §§ 35501-35503
  - Article 6. Extinction of Liens. §§ 35601-35605
- Chapter 36. Mortgages.
- Article 1. Mortgages in General. §§ 36101-36122
  - Article 2. Mortgages of Real Property. §§ 36201-36204
  - Article 3. Guam Secure and Fair Enforcement for Mortgage Licensing Act of 2010. §§ 36301-36324
- Chapter 37. Bottomry. §§ 37101-37113
- Chapter 38. Respondentia. §§ 38101-38105
- Chapter 39. Other Liens. §§ 39101-39113

**PART 3**  
**DEPOSIT**

- Chapter 40. Deposit in General.  
    Article 1. Nature & Creation of Deposit. §§ 40101-40106  
    Article 2. Obligations of the Depository. §§ 40201-40207
- Chapter 41. Deposit for Keeping.  
    Article 1. General Provisions. §§ 41101-41108  
    Article 2. Gratuitous Deposit. §§ 41201-41204  
    Article 3. Storage. §§ 41301-41307  
    Article 4. Innkeepers. §§ 41401-41407  
    Article 5. Finding. §§ 41501-41509
- Chapter 42. Deposit for Exchange. § 42101

**PART 4**  
**LOANS**

- Chapter 45. Loan for Use. §§ 45101-45113  
Chapter 46. Loan for Exchange. §§ 46101-46105  
Chapter 47. Loan of Money. §§ 47101-47108

**PART 5**  
**HIRING**

- Chapter 50. Hiring in General. §§ 50101-50111  
Chapter 51. Hiring of Real Property (Landlord & Tenant).  
    §§ 51101-51112  
Chapter 52. Hiring of Personal Property. §§ 52101-52103

**PART 6**  
**SERVICE**

- Chapter 55. Service with Employment.  
    Article 1. Definition of Employment. § 55101  
    Article 2. Obligations of Employer. §§ 55201-55203  
    Article 3. Obligations of Employee. §§ 55301-55318  
    Article 4. Termination of Employment. §§ 55401-55409
- Chapter 56. Particular Employment.

- Article 1. Master & Servant. §§ 56101-56106
  - Article 2. Agents. §§ 56201-56204
  - Article 3. Factors. §§ 56301-56305
  - Article 4. Shipmasters. §§ 56401-56411
  - Article 5. Mates & Seamen. §§ 56501-56518
  - Article 6. Ships' Managers. §§ 56601-56603
- Chapter 57. Service Without Employment. §§ 57101-57102

**PART 7  
CARRIAGE**

- Chapter 60. Carriage in General. §§ 60101-60106
- Chapter 61. Carriage of Persons.
- Article 1. Gratuitous Carriage of Persons. § 61101
  - Article 2. Carriage for Reward. §§ 61201-61205
- Chapter 62. Carriage of Property.
- Article 1. General Definitions. § 62101
  - Article 2. Obligations of the Carrier. §§ 62201-62208
  - Article 3. Bills of Lading. [Repealed]
  - Article 4. Freightage. §§ 62401-62409
  - Article 5. General Average. §§ 62501-62508
- Chapter 63. Common Carriers.
- Article 1. Common Carriers in General. §§ 63101-63108
  - Article 2. Common Carriers of Persons. §§ 63201-63207
  - Article 3. Common Carriers of Property. §§ 63301-63308
  - Article 4. Common Carriers of Messages. § 63401

**PART 8  
TRUSTS**

- Chapter 65. Trusts in General.
- Article 1. Nature & Creation of a Trust. §§ 65101-65110
  - Article 2. Obligations of Trustee. §§ 65201-65212
  - Article 3. Obligations of Third Persons. §§ 65301-65302
- Chapter 66. Trusts for the Benefit of Third Persons.
- Article 1. Nature & Creation of the Trust. §§ 66101-66105
  - Article 2. Obligations of Trustee. §§ 66201-66206
  - Article 3. Powers of Trustee. §§ 66301-66303
  - Article 4. Rights of Trustees. §§ 66401-66403



- Article 5. Termination of the Trust. §§ 66502-66505  
Article 6. Succession or Appointment of New Trustees. §§ 66601-66603

**PART 9  
GENERAL PROVISIONS**

- Chapter 70. General Provisions. § 70101

**DIVISION 3  
GENERAL OBLIGATIONS**

**PART 1  
OBLIGATIONS DEFINED**

- Chapter 80. Obligations.  
Article 1. Definition. §§ 80101-80102  
Article 2. General Rules of Interpretation. § 80201  
Article 3. Joint or Several Obligations. §§ 80301-80303  
Article 4. Conditional Obligations. §§ 80401-80409  
Article 5. Alternative Obligations. §§ 80501-80504
- Chapter 81. Transfer of Obligations. §§ 81101-81112
- Chapter 82. Obligations Extinguished.  
Article 1. Performance. §§ 82101-82107  
Article 2. Offer of Performance. §§ 82201-82221  
Article 3. Prevention of Performance or Offer. §§ 82301-82304  
Article 4. Accord & Satisfactions. §§ 82401-82404  
Article 5. Novation. §§ 82501-82504  
Article 6. Release. §§ 82601-82604

**PART 2  
CONTRACTS**

- Chapter 85. Nature of a Contract.  
Article 1. Definition. §§ 85101-85103  
Article 2. Parties. §§ 85201-85204  
Article 3. Consent. §§ 85301-85325  
Article 4. Object of a Contract. §§ 85401-85405  
Article 5. Consideration. §§ 85501-85511
- Chapter 86. Manner of Creating Contracts. §§ 86101-86111

Chapter 87. Interpretation of Contracts. §§ 87101-87125

Chapter 88. Unlawful Contracts. §§ 88101-88108

Chapter 89. Extinction of Contracts.

Article 1. How Contracts are Extinguished. § 89101

Article 2. Rescission. §§ 89201-89204

Article 3. Alteration & Cancellation. §§ 89301-89305

### **PART 3**

#### **OBLIGATIONS IMPOSED BY LAW**

Chapter 90. Obligations Imposed by Law. §§ 90101-90114

Chapter 91. Uniform Electronic Transactions Act. §§ 91101-91120



**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

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

shareholder or record and includes a subscriber to shares in cases in 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.

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

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

(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.

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

**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).

**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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