

PHOENIX ISLANDS PROTECTED AREA CONSERVATION TRUST ACT 2009

Arrangement of sections

PART I--PRELIMINARY

1. Short title
2. Commencement
3. Interpretation

PART II--ESTABLISHMENT, POWERS AND FUNCTIONS OF THE TRUST

4. Establishment of Trust
5. General purpose and interpretation
6. Primary activity
7. Secondary activity
8. Acceptance of conditional contributions
9. Dedication to charitable purpose

PART III--CONSTITUTION, POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS OF THE TRUST

10. Establishment and constitution of the Board
11. Term of office of Directors
12. Chairman, Vice-Chairman and Treasurer
13. Executive Director
14. Committees of the Board
15. Powers and duties of the Board
16. Duty of care
17. Limited liability of Directors, officers and founder members
18. Conflicts of interest
19. Removal of Directors
20. Remuneration of Directors

PART IV--FINANCIAL PROVISIONS, ACCOUNTS AND AUDIT

21. Trust assets
22. Revenues of the Trust
23. Treatment of Trust assets
24. Annual budget
25. Accounts and audit

PART V--MISCELLANEOUS

26. Conservation Contract
27. Legal domicile
28. Exemption from taxation
29. Dissolution of the Trust
30. Entrenchment

REPUBLIC OF KIRIBATI
(No. 1 of 2009)

I assent,

Beretitenti
Assented: 8th May 2009

**AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE PHOENIX ISLANDS
PROTECTED AREA CONSERVATION TRUST; AND FOR INCIDENTAL MATTERS**

Commencement:
2009

MADE by the Maneaba ni Maungatabu and assented to by the Beretitenti

PART I—PRELIMINARY

1. Short title

This Act may be cited as the Phoenix Islands Protected Area Conservation Trust Act 2009.

2. Commencement

This Act shall enter into force on such day as the Minister may by notice appoint.

3. Interpretation

In this Act, unless the context otherwise requires—

‘Auditors’ means the independent external auditors appointed under the by-laws;

‘Board’ means the Board of Directors established under section 10;

‘by-laws’ means the by-laws of the Trust as adopted or amended by the Board under section 15(5)(b);

‘Chairman’ means the Chairman of the Board elected under section 12(1);

‘conflict of interest’ has the meaning set forth in section 18(2);

‘Conservation Contract’ means that agreement to be entered into by and between the Trust and the Government under section 26;

‘Conservation International’ means the Conservation International Foundation, a non-profit corporation established under the laws of California, United States of America, with a principal place of business at the time of adoption of this Act at 2011 Crystal Drive, Suite 500, Arlington, Virginia 22202, United States of America;

‘Director’ means a member of the Board;

‘Director interest’ has the meaning set forth in section 18(1);

'Executive Director' means the Executive Director appointed under section 13(1);

'founder member' means each of—

- (a) the Government;
- (b) New England Aquarium; and
- (c) Conservation International,

and includes their respective successors in law;

'Government' means the Government of the Republic of Kiribati;

'Investment Manager' means the investment consultant, investment manager or investment managers hired by the Board in accordance with the conditions set forth in this Act and the by-laws;

'New England Aquarium' means the New England Aquarium Corporation, a nonprofit corporation established under the laws of Massachusetts, United States of America, with a principal place of business at the time of adoption of this Act at Central Wharf, Boston, Massachusetts 02110, United States of America;

'Phoenix Islands Protected Area' means the protected area established by the Phoenix Islands Protected Area Regulations 2008;

'PIPA Management Plan' means the Phoenix Islands Protected Area management plan to be made by the Minister under section 47 of the Environment Act 1999;

'primary activity' has the meaning set forth in section 6;

'secondary activity' has the meaning set forth in section 7;

'special majority vote' means an affirmative vote of a majority of the Directors that includes the unanimous affirmative vote of all Directors appointed by the founder members;

'Treasurer' means the Treasurer elected under section 12(1);

'Trust' means the corporate body called the Phoenix Islands Protected Area Conservation Trust established under section 4(1); and

'Vice-Chairman' means the Vice-Chairman of the Board elected under section 12(1).

PART II—ESTABLISHMENT, POWERS AND FUNCTIONS OF THE TRUST

4. Establishment of Trust

- (1) There is hereby established a corporate body called the Phoenix Islands Protected Area Conservation Trust, with perpetual succession and a common seal, and which shall be capable of entering into contracts, acquiring, holding and disposing of real and personal property, of suing and being sued in the Trust's own name, and of doing and suffering all other lawful things that a natural person of full capacity may do and suffer.

- (2) Service of any document on the Chairman or the Executive Director shall be deemed to be service on the Trust.

5. General purpose and interpretation

The Trust is organised exclusively for charitable, educational and scientific purposes for the benefit of the public, as further described in sections 6 and 7, and the provisions of this Act shall be interpreted in manner consistent with these purposes.

6. Primary activity

- (1) The primary activity of the Trust (the 'primary activity') shall be to utilise the assets of the Trust to provide support for the following—
- (a) administration and operation of the Trust;
 - (b) management of the Phoenix Islands Protected Area; and
 - (c) ensuring that exploitation of the resources of the Phoenix Islands Protected Area remains limited or prohibited.
- (2) The Trust may provide the Government with reasonable compensation for loss of revenue occasioned by measures to limit or prohibit exploitation of the resources of the Phoenix Islands Protected Area, to the extent agreed to between the Trust and the Government from time to time pursuant to the terms of the Conservation Contract.

7. Secondary activity

The secondary activity of the Trust (the 'secondary activity') shall be to utilise the assets of the Trust to provide support for the following, if doing so could not reasonably be expected to materially impair the Trust's ability to achieve the primary activity—

- (a) sustainable development activities relating to the Phoenix Islands Protected Area;
- (b) long term data gathering and analysis, documentation and information sharing relating to the Phoenix Islands Protected Area;
- (c) collaboration with local government and natural resources institutions and other interested parties to build a national commitment to environmental conservation;
- (d) supporting environmental awareness and education programs that promote biodiversity conservation in Kiribati;
- (e) activities similar to those the Trust pursues with respect to the Phoenix Islands Protected Area in other protected areas within Kiribati; and
- (f) activities relating to the conservation of the environmental, cultural and historic resources of Kiribati for the benefit of the public.

8. Acceptance of conditional contributions

The Trust may accept donations which are subject to conditions imposed by donors if doing so could not reasonably be expected to materially impair the Trust's ability to achieve its primary activity.

9. Dedication to charitable purpose

- (1) No part of the net earnings of the Trust will inure to the benefit of any individual or be distributable to its Directors, officers or other private persons, except that the Trust is authorised and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes and activities set forth herein.
- (2) No substantial part of the activities of the Trust will be carrying on propaganda or otherwise attempting to influence legislation and the Trust shall not participate or intervene in (including publishing or distributing statements) any political campaign on behalf of (or in opposition to) any candidate for political office.
- (3) Notwithstanding any other provision of this Act, the Trust shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its charitable purpose.

PART III—CONSTITUTION, POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS OF THE TRUST

10. Establishment and constitution of the Board

- (1) There shall be a Board of Directors of the Trust composed of at least three Directors and not more than nine Directors (not including the Executive Director).
- (2) The Board shall be constituted as follows—
 - (a) subject to subsection (3), a Director appointed by each of the founder members; and
 - (b) subject to subsection (4), such additional Directors as may be appointed from time to time by a special majority vote of the Board, provided that at no time may the Board be composed of more than nine Directors (not including the Executive Director).
- (3) A founder member may at any time, by giving written notice to the Board, surrender its right to appoint a Director under subsection (2)(a).
- (4) A majority of the Directors appointed under subsection (2) must be appointed from the non-governmental sector, including, but not limited to, civil society, universities and research and scientific organisations.

11. Term of office of Directors

- (1) The Directors appointed under section 10(2)(a) shall serve until such time as they are replaced by the founder member that appointed them, or until the earlier of their resignation, death or incapacity, as further provided in the by-laws.
- (2) The Directors appointed under section 10(2)(b) shall serve terms of up to three years, renewable once, or until the earlier of their resignation, death, incapacity or removal by the Board, as further provided in this Act and the by-laws.

12. Chairman, Vice-Chairman and Treasurer

- (1) At the first meeting of the Board and at least once every two years there after, the Directors will elect from among themselves a Chairman, Vice-Chairman and Treasurer, who will each serve for a term that is concurrent with their remaining term as a Director, but that in no event is longer than two years.
- (2) Each of the Chairman, Vice-Chairman and Treasurer are eligible for re-election to such positions for as long as they remain voting Directors.
- (3) The Chairman shall preside over the meetings of the Board, and, together with the Executive Director, possesses the authority to represent the Trust legally and in its relations with third parties.
- (4) In the event of temporary absence or incapacity of the Chairman, the Vice-Chairman shall replace the Chairman and exercise all of the powers and duties of the latter.
- (5) In the case of incapacity of the Chairman, other than a temporary incapacity, the Vice-Chairman shall replace the Chairman until the election of a new Chairman.
- (6) In the event of the incapacity or absence of both the Chairman and Vice-Chairman, the members attending a Board meeting shall appoint from among themselves a meeting chairman.
- (7) The Treasurer shall supervise the Trust's financial activities.

13. Executive Director

- (1) The Board may appoint and employ an Executive Director who shall be the chief administrative officer of the Trust responsible for carrying on the day-to-day affairs of the Trust.
- (2) The Executive Director shall be responsible to the Board for the economical and efficient administration of the affairs of the Trust, as set forth in the by-laws.
- (3) The Executive Director shall—
 - (a) be an ex officio member of the Board but shall have no voting rights;

- (b) attend all meetings of the Board; and
- (c) serve as the Secretary of the Board and maintain all records of the decisions of the Board.

14. Committees of the Board

- (1) The Board, in its discretion, may establish one or more committees, each to consist of one or more Directors, to advise it or to carry out specific responsibilities of the Board.
- (2) Each committee will be presided over by a Director who reports to the Chairman.
- (3) Any committee whose function is only to advise the Board may also include outside experts who are not Directors.

15. Powers and duties of the Board

- (1) The Board shall have the executive control and management of the affairs of the Trust, and shall exercise and perform the functions, powers and duties of the Trust on its behalf, and shall be responsible for its effective and efficient administration.
- (2) Subject to subsection (3), the powers of the Board shall not be affected by any vacancy in its membership.
- (3) In the event that the seat of a Director appointed by a founder member is vacant, the Board shall have no power to act during the period beginning on the date such vacancy arises and ending on the earlier of either—
 - (a) the day 10 business days thereafter; or
 - (b) the day the vacancy is filled by the applicable founder member, following which the powers of the Board shall be fully reinstated, notwithstanding a continuing vacancy, if any.
- (4) The first meeting of the Board shall be held as soon as practicable after the first appointment of Directors under section 10(2)a). At such meeting, the Board shall—
 - (a) adopt by-laws of the Trust, not inconsistent with this Act, which shall govern the affairs of the Board and the Trust; and
 - (b) elect from among themselves a Chairman, Vice-Chairman and Treasurer, who will serve in accordance with section 12.
- (5) In addition to any powers and duties set forth in the by-laws, and subject to subsections (7) and (8), the Board shall have the following specific powers, duties and obligations which may not be delegated to any committee or employee—
 - (a) to request modifications to provisions of this Act and to approve any activities deemed necessary to obtain those modifications;

- (b) to adopt, periodically review, and amend (as required) the by-laws and any operations manuals of the Trust;
 - (c) to hire an Executive Director, to establish the conditions of the Executive Director's employment in accordance with the provisions of the by-laws, to periodically evaluate his or her performance as the Executive Director, and to dismiss the Executive Director;
 - (d) to approve, periodically review, and modify (as required) the organisational structure and personnel procedures of the Trust;
 - (e) to review, as necessary, the hiring or termination of staff by the Executive Director;
 - (f) to approve, periodically review, and modify (as required) guidelines for investment of the Trust's assets, and to appoint one or more Investment Managers and periodically evaluate the performance of such Investment Managers;
 - (g) to review and approve the annual budget and financial reports of the Trust in accordance with the by-laws;
 - (h) to create representative offices of the Trust;
 - (i) to appoint or replace the Auditors;
 - (j) to rule on issues concerning the Directors and the Executive Director, including their dismissal, reimbursement of expenses, and conflicts of interest;
 - (k) on an annual basis, to review the performance of the Government under the Conservation Contract, the PIPA Management Plan and other agreements, and authorise associated payments;
 - (l) to periodically engage in strategic planning for the Trust in accordance with the by-laws;
 - (m) to appoint officers; and
 - (n) to oversee fund-raising for the Trust, including the acceptance of conditional contributions under section 8.
- (6) The Board may, from time to time, in respect of any particular matter or class of matters, delegate to any Director or officer, or to the Executive Director, in writing, any of its functions under this Act except this power of delegation and those powers and functions set forth in subsection (5).
- (7) The following actions shall require the affirmative vote of three-quarters of the Directors—
- (a) approval and hiring of an Investment Manager;
 - (b) approval and modification of the guidelines for investment of the Trust's assets; and
 - (c) adoption of, or amendment to, the by-laws.

- (8) The Board may not, unless approved by a special majority vote, do any of the following—
- (a) authorise the utilisation of Trust assets to provide support for any of the undertakings set out in section 7;
 - (b) take any action in an effort to effect a merger of the Trust with another entity or to dissolve the Trust;
 - (c) authorise the Trust to take out any loan or engage in borrowing of any kind;
 - (d) authorise the Trust to offer or make any guarantees on behalf of any person or any protected area;
 - (e) authorise the Trust to mortgage, pledge or otherwise hypothecate the assets of the Trust as security for any purpose.

16. Duty of care

Each Director stands in a fiduciary relationship toward the Trust and shall discharge his duties in good faith, with the care an ordinarily prudent person in a like position would exercise in similar circumstances, and in a manner the Director reasonably believes to be in the best interests of the Trust.

17. Limited liability of Directors, officers and founder members

- (1) No Director or officer shall be personally liable to the Trust or any other person or entity for any action taken or omitted to be taken by such Director, officer, the Trust, the Board, or any other person, provided, however, that this limitation on liability shall not extend to conduct—
- (a) taken or omitted to be taken in bad faith;
 - (b) which constitutes fraud or wilful misconduct; or
 - (c) from which the Director or officer derived an improper personal benefit.
- (2) Further, the by-laws may, in the discretion of the Board, provide for indemnification of Directors and officers of the Trust, including the advancement of expenses, provided, however, that no indemnity shall be permitted to the extent that the Director or officer's conduct—
- (a) was taken or omitted to be taken in bad faith;
 - (b) constituted fraud or wilful misconduct; or
 - (c) was conduct from which the Director or officer derived an improper personal benefit.
- (3) No founder member shall be legally liable or have any fiduciary responsibility to the Trust or any other person or entity with respect to the appointment of a Director by such founder member or any action taken or omitted to be taken by such Director.

18. Conflicts of interest

- (1) Whenever there is a reasonably foreseeable possibility that any Director, or a member of such Director's immediate family, may benefit or suffer loss financially from any decision to be made by the Board on any matter (a 'Director interest'), the Director must disclose the material facts as to the Director interest, including the nature and extent of the Director interest, to the Board.
- (2) If the Board determines, excluding the vote of the disclosing Director for the purposes of such determination, that such Director interest constitutes a conflict of interest or conflict with the objectives of the Trust (each a 'conflict of interest'), the disclosing Director must abstain from any vote related to such matter.

19. Removal of Directors

A Director (other than a Director appointed by a founder member) may be dismissed by a vote of two-thirds of the other Directors, if he or she—

- (a) fails to notify the Board of a Director interest;
- (b) fails to attend three consecutive meetings of the Board, provided that the Director received notification of such meetings, and the Board, within its reasonable discretion, did not accept the cause of such absence;
- (c) no longer fulfils the conditions of appointment under section 10; or
- (d) has acted in a way that is detrimental to the mission, the reputation or the operations of the Trust.

20. Remuneration of Directors

The Directors shall serve on a voluntary basis and shall not receive any sitting fee or other form of remuneration for serving as Directors; provided, that reasonable out-of-pocket travel expenses and other incidental expenses incurred for attending Board meetings or conducting other business of the Board will be reimbursed to the Director incurring the expense, subject to any limit as set forth in the by-laws.

PART IV—FINANCIAL PROVISIONS, ACCOUNTS AND AUDIT

21. Trust assets

- (1) The assets of the Trust shall be exclusively dedicated to the charitable purposes and activities of the Trust as set forth in this Act.
- (2) The monies belonging to the Trust shall, subject to additional direction by the Board—
 - (a) be deposited in any onshore or offshore bank or savings bank; or
 - (b) be invested in accordance with specific investment guidelines adopted by the Board in accordance with the by-laws and managed by

the Investment Managers hired by the Board in accordance with the by-laws.

- (3) No monies shall be paid out of the Trust's assets except with the authority, and in accordance with any general or special directions, of the Board.

22. Revenues of the Trust

- (1) The revenues of the Trust may be generated from the following sources—
 - (a) gifts and bequests;
 - (b) public and private donations from national and international sources;
 - (c) budgetary allocations from the Government;
 - (d) foreign aid funds;
 - (e) fees, levies, taxes and fines that are specifically allocated to the Trust by national laws, regulations or executive orders;
 - (f) revenues from investments;
 - (g) proceeds from the sale, lease or transfer of tangible and intangible property;
 - (h) proceeds from services provided by the Trust;
 - (i) exceptional and miscellaneous income or gains; and
 - (j) any other appropriate source of revenue.
- (2) The Board is entitled to reject any gifts, bequests, donations, revenues, proceeds or income that may be offered to the Trust or otherwise accrue to it if acceptance of the gift, bequest, donation, revenue, proceeds or income, as the case may be, would be contrary to the best interests of the Trust.

23. Treatment of Trust assets

- (1) Regardless of the source of the Trust's assets, such assets shall be considered private funds and shall not be subject to local law governing public or government funds.
- (2) The Trust shall have the unrestricted right to transfer funds of the Trust in and out of Kiribati and the right to maintain foreign currency accounts.

24. Annual budget

- (1) Before the beginning of each financial year of the Trust, the Board shall cause to be prepared and approve a budget setting forth the total annual budget for the Trust.
- (2) In addition to any other pertinent matters, the budget shall include the costs of the primary activity.

- (3) In the event the applicable criteria have been satisfied, the budget may also include the costs of the secondary activity.
- (4) The Board, together with the Investment Manager and the Executive Director will be responsible for ensuring that the budget is sustainable based on—
 - (a) the size of the Trust's capital reserve;
 - (b) the rates of return currently being earned on investment of the Trust's assets;
 - (c) global economic conditions;
 - (d) current and predicted rates of inflation; and
 - (e) other factors as may be described in the by-laws and any operations manuals of the Trust.

25. Accounts and audit

- (1) The Board shall keep or cause to be kept full and correct accounts of all monies received and expended by the Trust.
- (2) An annual audit of the Trust's accounts shall be carried out by the Auditors, and the Auditors' completed annual audit report shall be submitted to the Board who shall make the report publicly available.

PART V—MISCELLANEOUS

26. Conservation Contract

- (1) As soon as practicable after completion of the PIPA Management Plan, the Trust and the Government shall enter into a contract setting forth the terms of performance and payment (to the extent funds are available) for the activities under paragraphs (b) and (c) of section 6 (the 'Conservation Contract').
- (2)
 - (a) The Conservation Contract shall be tabled at the next meeting of the Maneaba ni Maungatabu following the entering into force of such Contract.
 - (b) Any amendment to the Conservation Contract shall be tabled with the Maneaba ni Maungatabu in the manner prescribed in subsection (a) herein.

27. Legal domicile

The legal domicile of the Trust shall be in Kiribati.

28. Exemption from taxation

- (1) Notwithstanding the provisions of any other Act, the income of the Trust shall be exempt from payment of income tax, and the Trust shall not be liable for the payment of customs duty and import levy, or any other tax having a similar effect.

- (2) All instruments executed by or on behalf of the Trust shall be exempt from stamp duty.

29. Dissolution of the Trust

- (1) It is intended that the Trust shall have perpetual existence.
- (2) The Board may make a request, through the Minister, to the Maneaba ni Maungatabu that the Trust be dissolved—
- (a) in the event of bankruptcy of the Trust;
 - (b) if its tax exempt status is revoked;
 - (c) if it has become impracticable to achieve the objectives of the Trust; or
 - (d) upon a special majority vote of the Board.
- (3) In the event of dissolution of the Trust, the assets of the Trust shall be distributed in the following order of priority—
- (a) first, to pay all liabilities of the Trust;
 - (b) second, to return to the Government any contributions to the revenues of the Trust made under section 22(1)(c); and
 - (c) third, in the discretion of the Board, to one or more organizations having charitable purposes similar to those of the Trust;

provided that all assets of the Trust will be used exclusively for charitable, educational or scientific purposes.

30. Entrenchment

Save where it is intended to give effect to an express request of the Board, any amendment or repeal of this Act has no effect unless—

- (a) at least sixty days prior to submission to the Maneaba ni Maungatabu of any Bill the effect of which, if enacted, would be to amend or repeal this Act, the Board has been given notice of the intention to submit such Bill; and
- (b) where, prior to the commencement of the session of the Maneaba ni Maungatabu at which the Bill referred to in paragraph (a) will be considered for the first time, the Board has delivered to the Minister a written report setting out its views on the Bill, such report has been tabled in the Maneaba prior to any consideration of the Bill.

PHOENIX ISLANDS PROTECTED AREA CONSERVATION TRUST ACT 2009

EXPLANATORY MEMORANDUM

In February 2008, the Government promulgated the Phoenix Islands Protected Area Regulations 2008, thereby creating the Phoenix Islands Protected Area (PIPA), the largest marine protected area in the world. In cooperation with Conservation International (CI) and the New England Aquarium (NEAq), efforts are underway to provide a mechanism by which conservation activities in the PIPA may be funded. Through use of an innovative financing model, the Government will also be compensated for fishing revenue lost through reduction of fishing effort in the PIPA. The parties have agreed to jointly establish a trust fund to receive donations from those who wish to support the efforts of the Government in preserving the terrestrial and marine resources of the PIPA. Money will then be available to fund both the conservation activities and the reduction in the fishing effort.

This Act gives the trust (to be known as the Phoenix Islands Protected Area Conservation Trust ("the Trust")) a legal existence. Through this Act, the Trust will be created under the laws of Kiribati. However, it is essential that the Trust be set up so as to ensure that it will be given charitable status under the laws of the United States of America, as it is anticipated that it is from there that most of the donations will come. Drafting assistance has been provided on a pro bono basis by a prominent United States law firm to ensure that this aim is met.

Part I of the Act provides for a number of preliminary matters, including definitions. Of special note is the definition of the expression 'special majority vote' in section 3. Under the Act, the special position of the Government, CI and NEAq as the founder members of the Trust is preserved by having certain decisions require a special majority vote, or the unanimous support of all three parties.

In Part II, the Trust is established as a legal entity (section 4). Section 5 restricts the Trust to charitable, educational and scientific purposes, while sections 6 and 7 set out the Trust's primary and secondary activities. These sections, together with section 9, provide important limits on the use to which the resources of the Trust can be put. Without these limits, conferral of charitable status would be unlikely. The primary activity is to support: the administration of the Trust; management of the PIPA; and the limitation of exploitation of the PIPA's resources (through payment of compensation for lost revenue referred to above). Where funds permit, the Trust's assets can also be utilised to support other undertakings under section 7, but approval for this requires a special majority vote.

Part III provides for:

- . the composition of the Trust's Board of Directors (section 10);
- . the Directors' term of office (section 11);
- . the role of the Chairman, Vice-Chairman and Treasurer (section 12);
- . the functions and responsibilities of the Executive Director (section 13);
- . the Board's powers and duties (section 15);
- . the duty of care owed by each of the Directors to the Trust (section 16);
- . limited liability for Directors and officers of the Trust, together with (in certain circumstances) the founder members (section 17);
- . conflicts of interest (section 18); and
- . removal and remuneration of Directors (sections 19 and 20).

Part IV deals with some of the formalities of the finances of the Trust. Section 21(1) reiterates the restrictions on the uses to which the assets of the Trust might be put, while sub-section (2) provides for where the monies of the Trust might be kept. Any payment out of the Trust's assets must be authorised by the Board (section 21(3)). Section 22 sets out from where the revenues of the Trust might come, but also allows the Board to reject an offer of funds where acceptance of those funds would be contrary to the best interests of the Trust. The assets of the Trust do not in any way form part of the government funds, and there are no restrictions on the ability of the Trust to transfer funds into and out of Kiribati (section 23). Sections 24 and 25 deal with the annual budget of the Trust and the requirement to keep accounts and have them audited, respectively.

Part V provides for a number of miscellaneous matters. Section 26 requires the Trust and the Government to negotiate the Conservation Contract as soon as possible after the approval of the management plan for the PIPA. It is under the Conservation Contract that payments to Government are to be made to offset reductions in fisheries revenue. Section 27 provides for Kiribati to be the legal domicile of the Trust. Section 28 exempts the Trust from payment of income tax, customs duty and other similar taxes.

Section 29 makes provision for the possible dissolution of the Trust. Under certain circumstances, the Board's request that the Trust be dissolved may be conveyed to the Maneaba ni Maungatabu. Dissolution will require the passage of new legislation. Should the Trust be dissolved, the assets of the Trust must be paid out in the order of priority provided for in Section 29(3). This provision is essential in order to preserve the charitable status of the Trust prior to dissolution.

Section 30 limits the future ability of the Maneaba ni Maungatabu to unilaterally repeal or amend the Act. This is in recognition of the fact that the Trust is a partnership between the Government, CI and NEAq. The Board will have the right to be heard on the matter of amendment or repeal but, once heard, cannot further influence the Maneaba's consideration of the matter.

It is important to note that this Act does not make provision for how the PIPA will be managed - that will be a matter for the PIPA management plan, to be developed under the Environment Act 1999. The Board of the Trust will not make any decisions about the content of the management plan (which remains the sovereign responsibility of the Government), it simply determines how best it can support the implementation of the plan.

Titabu Tabane
Attorney General
1 December 2008