

SUBCHAPTER XXVIII—NORTH AMERICAN
DEVELOPMENT BANK AND RELATED
PROVISIONS

Editorial Notes

CODIFICATION

This subchapter consists of part 2 of subtitle D of title V of the North American Free Trade Agreement Implementation Act, Pub. L. 103-182. Section 601 of the United States-Mexico-Canada Agreement Implementation Act, Pub. L. 116-113, repealed Pub. L. 103-182, effective on the date the USMCA entered into force (July 1, 2020). However, section 601 of div. O of Pub. L. 116-260 provided that section 601 of Pub. L. 116-113 does not apply to part 2 of subtitle D of title V of Pub. L. 103-182 and revived the provisions of such part 2 as if section 601 of Pub. L. 116-113 had not been enacted.

§ 290m. North American Development Bank

(a) Acceptance of membership

The President is hereby authorized to accept membership for the United States in the North American Development Bank (hereafter in this subchapter referred to as the “Bank”) provided for in Chapter II of the Border Environment Cooperation Agreement (hereafter in this subchapter referred to as the “Cooperation Agreement”).

(b) Subscription of stock

(1) Subscription authority

(A) In general

The Secretary of the Treasury may subscribe on behalf of the United States up to 150,000 shares of the capital stock of the Bank.

(B) Effectiveness of subscription

Except as provided in paragraph (3), any such subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(2) Limitations on authorization of appropriations

For payment by the Secretary of the Treasury of the subscription of the United States for shares described in paragraph (1), there are authorized to be appropriated \$1,500,000,000 (\$225,000,000 of which may be used for paid-in capital and \$1,275,000,000 of which may be used for callable capital) without fiscal year limitation.

(3) Funding; limitation on callable capital subscriptions

(A) Funding

For fiscal year 1995, the Secretary of the Treasury shall pay to the Bank out of any sums in the Treasury not otherwise appropriated the sum of \$56,250,000 for the paid-in portion of the United States share of the capital stock of the Bank, 10 percent of which may be transferred by the Bank to the President pursuant to section 290m-2 of this title to pay for the cost of direct and guaranteed Federal loans.

(B) Limitation on callable capital subscriptions

For fiscal year 1995, the Secretary of the Treasury shall subscribe to the callable cap-

ital portion of the United States share of the capital stock of the Bank in an amount not to exceed \$318,750,000.

(4) Disposition of net income distributed by the facility

Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

(c) Compensation of Board members

No person shall be entitled to receive any salary or other compensation from the Bank or the United States for services as a Board member.

(d) Applicability of Bretton Woods Agreements Act

The provisions of section 4 of the Bretton Woods Agreements Act [22 U.S.C. 286b] shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund.

(e) Restrictions

Unless authorized by law, neither the President nor any person or agency shall, on behalf of the United States—

(1) subscribe to additional shares of stock of the Bank;

(2) vote for or agree to any amendment of the Cooperation Agreement which increases the obligations of the United States, or which changes the purpose or functions of the Bank; or

(3) make a loan or provide other financing to the Bank.

(f) Federal Reserve banks as depositories

Any Federal Reserve bank that is requested to do so by the Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

(g) Jurisdiction of United States courts and enforcement of arbitral awards

For the purpose of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Bank in accordance with the Cooperation Agreement, including an action brought to enforce an arbitral award against the Bank, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office within the United States or its agency appointed for the purpose of accepting service or notice of service is located, and any such action to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States, including the courts enumerated in section 460 of title 28, shall have original jurisdiction of any such action. When the Bank is a defendant in any action in a State court, it may at any time before trial remove the action into the appropriate district court of the United States by following the procedure for removal provided in section 1446 of title 28.

(h) Exemption from securities laws for certain securities issued by Bank; reports required**(1) Omitted****(2) Exemption from securities laws for certain securities issued by the Bank; reports required**

Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with the raising of funds for inclusion in the Bank's capital resources as defined in Section 4 of Article II of Chapter II of the Cooperation Agreement, and any securities guaranteed by the Bank as to both the principal and interest to which the commitment in Section 3(d) of Article II of Chapter II of the Cooperation Agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of section 77c(a)(2) of title 15, and section 78c(a)(12) of title 15. The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(3) Authority of Securities and Exchange Commission to suspend exemption; reports to the Congress

The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of paragraph (2) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this subsection and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

(Pub. L. 103-182, title V, §541, Dec. 8, 1993, 107 Stat. 2165; Pub. L. 116-113, title VI, §601, Jan. 29, 2020, 134 Stat. 78; Pub. L. 116-260, div. O, title VI, §601(a)(1), (2), Dec. 27, 2020, 134 Stat. 2149.)

Editorial Notes

REFERENCES IN TEXT

This subchapter, referred to in subsec. (a), was in the original "this part" meaning part 2 of subtitle D of title V of Pub. L. 103-182, which enacted this subchapter and amended section 24 of Title 12, Banks and Banking. For complete classification of part 2 to the Code, see Tables.

CODIFICATION

Section is comprised of section 541 of Pub. L. 103-182. Subsec. (h)(1) of section 541 amended section 24 of Title 12, Banks and Banking.

AMENDMENTS

2020—Pub. L. 116-260, §601(a)(1), (2), provided that section 601 of Pub. L. 116-113 does not apply to this section and revived the provisions of this section as if such section 601 had not been enacted. See below.

Pub. L. 116-113, §601, which repealed this section effective on the date the USMCA entered into force (July

1, 2020), was made inapplicable to this section by section 601(a)(1), (2) of Pub. L. 116-260.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by Pub. L. 116-260 effective July 1, 2020, see section 601(h) of div. O of Pub. L. 116-260, set out as a note under section 81c of Title 19, Customs Duties.

§ 290m-1. Status, immunities, and privileges

Article VIII of Chapter II of the Cooperation Agreement shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon entry into force of the Cooperation Agreement.

(Pub. L. 103-182, title V, §542, Dec. 8, 1993, 107 Stat. 2167; Pub. L. 116-113, title VI, §601, Jan. 29, 2020, 134 Stat. 78; Pub. L. 116-260, div. O, title VI, §601(a)(1), (2), Dec. 27, 2020, 134 Stat. 2149.)

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AMENDMENTS

2020—Pub. L. 116-260, §601(a)(1), (2), provided that section 601 of Pub. L. 116-113 does not apply to this section and revived the provisions of this section as if such section 601 had not been enacted. See below.

Pub. L. 116-113, §601, which repealed this section effective on the date the USMCA entered into force (July 1, 2020), was made inapplicable to this section by section 601(a)(1), (2) of Pub. L. 116-260.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by Pub. L. 116-260 effective July 1, 2020, see section 601(h) of div. O of Pub. L. 116-260, set out as a note under section 81c of Title 19, Customs Duties.

§ 290m-2. Community adjustment and investment program**(a) The President**

(1) The President may enter into an agreement with the Bank that facilitates implementation by the President of a program for community adjustment and investment in support of the Agreement pursuant to chapter II of the Cooperation Agreement (hereafter in this section referred to as the "community adjustment and investment program").

(2) The President may receive from the Bank 10 percent of the paid-in capital actually paid to the Bank by the United States for the President to carry out, without further appropriations, through Federal agencies and their loan and loan guarantee programs, the community adjustment and investment program, pursuant to an agreement between the President and the Bank.

(3) The President may select one or more Federal agencies that make loans or guarantee the repayment of loans to assist in carrying out the community adjustment and investment program, and may transfer the funds received from the Bank to such agency or agencies for the purpose of assisting in carrying out the community adjustment and investment program.

(4)(A) Each Federal agency selected by the President to assist in carrying out the community adjustment and investment program shall