

By Senator Flores

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1                   A bill to be entitled  
2           An act relating to limited purpose international trust  
3           company representative offices; amending s. 663.01,  
4           F.S.; defining terms; amending ss. 655.966 and  
5           662.111, F.S.; conforming cross-references; amending  
6           s. 663.02, F.S.; providing applicability of state  
7           banking laws to limited purpose international trust  
8           company representative offices; amending s. 663.03,  
9           F.S.; revising applicability of certain acts; creating  
10          s. 663.045, F.S.; exempting a limited purpose  
11          international trust company representative office from  
12          licensing requirements; requiring certain entities to  
13          be registered; specifying required information on an  
14          application for registration; requiring a sworn  
15          statement by a specified person affirming certain  
16          statements; specifying procedures for the Office of  
17          Financial Regulation to review an application;  
18          requiring the office to register an applicant if  
19          certain criteria are satisfied; specifying procedures  
20          for incomplete or deficient applications; specifying  
21          time limits for the office to approve or deny an  
22          application; specifying procedures for the office to  
23          deny an application; requiring an applicant to provide  
24          the office with a specified fidelity bond; specifying  
25          the duration of a registration; providing that the  
26          office is not responsible for examining certain  
27          entities regarding the safety and soundness of their  
28          operations; providing applicability; amending s.  
29          120.80, F.S.; exempting applications for registration  
30          of limited purpose international trust company  
31          representative offices from certain provisions of ch.  
32          120, F.S.; creating s. 663.046, F.S.; providing

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33 procedures and a fee for registration renewals;  
34 providing applicability; amending s. 663.055, F.S.;  
35 specifying capital requirements for a limited purpose  
36 international trust company representative office;  
37 creating s. 663.057, F.S.; specifying certain  
38 requirements for a limited purpose international trust  
39 company representative office; creating s. 663.058,  
40 F.S.; requiring a limited purpose international trust  
41 company representative office to procure and maintain  
42 a specified fidelity bond to indemnify against certain  
43 loss; providing fidelity bond requirements for an  
44 applicant; providing certain requirements for a  
45 corporate surety; requiring a limited purpose  
46 international trust company representative office to  
47 procure and maintain specified liability insurance  
48 coverage to cover certain acts and omissions; amending  
49 s. 663.0625, F.S.; specifying permissible and  
50 prohibited activities by a limited purpose  
51 international trust company representative office and  
52 by certain employees; requiring a specified written  
53 disclosure; amending s. 663.09, F.S.; requiring a  
54 limited purpose international trust company  
55 representative office to file specified reports with  
56 the office; requiring a limited purpose international  
57 trust company representative office to notify the  
58 office, on a specified form and within a specified  
59 time, of certain events; authorizing the office to  
60 conduct an investigation of a limited purpose  
61 international trust company representative office;

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62 creating s. 663.095, F.S.; providing grounds for which  
63 the office may revoke the registration of a limited  
64 purpose international trust company representative  
65 office; specifying procedures for the office to revoke  
66 a registration; authorizing the office to seek a court  
67 order to annul or dissolve a limited purpose  
68 international trust company under certain  
69 circumstances; creating s. 663.096, F.S.; authorizing  
70 the office to issue and serve a complaint for a cease  
71 and desist order based on certain violations;  
72 specifying procedures for the issuance of a cease and  
73 desist order and for contesting the office's action;  
74 specifying procedures for the issuance of an emergency  
75 cease and desist order; providing requirements for a  
76 limited purpose international trust company  
77 representative office to wind up its affairs after  
78 entry of an order; authorizing the office to seek a  
79 court order to annul or dissolve a limited purpose  
80 international trust company representative office  
81 under certain circumstances; creating s. 663.115,  
82 F.S.; providing requirements for a limited purpose  
83 international trust company representative office  
84 discontinuing its business; amending s. 663.12, F.S.;  
85 specifying fees for registration and conversion to or  
86 from a license; providing an effective date.

87

88 Be It Enacted by the Legislature of the State of Florida:

89

90 Section 1. Present subsections (1) through (9) of section

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91 663.01, Florida Statutes, are redesignated as subsections (2)  
92 through (10), respectively, present subsections (10) and (11) of  
93 that section are redesignated as subsections (12) and (13),  
94 respectively, and new subsections (1) and (11) are added to that  
95 section, to read:

96 663.01 Definitions.—As used in this part, the term:

97 (1) "Affiliated international trust company" means an  
98 international trust company that is a member of the same  
99 business organization as a limited purpose international trust  
100 company representative office and that does not provide  
101 depository, investment management, or brokerage services in  
102 conjunction with its trust business. An affiliated international  
103 trust company is not an international banking corporation as  
104 defined in subsection (7).

105 (11) "Limited purpose international trust company  
106 representative office" means an office organized under the laws  
107 of this state and registered and maintained in this state for  
108 the purpose of engaging in nonfiduciary activities described in  
109 s. 663.0625(2), and which is not licensed as an international  
110 trust company representative office.

111 Section 2. Paragraph (a) of subsection (2) of section  
112 655.966, Florida Statutes, is amended to read:

113 655.966 Automated teller machine; surcharge disclosure.—

114 (2) (a) Subject to the requirements of subsection (1), an  
115 agreement to operate or share an automated teller machine may  
116 not prohibit, limit, or restrict the right of the operator or  
117 owner of an automated teller machine, as defined in s.  
118 655.960(3), to charge an access fee or surcharge, not otherwise  
119 prohibited under state or federal law, to a customer conducting

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120 a transaction using an account from an international banking  
121 corporation as defined in s. 663.01(7) ~~s. 663.01(6)~~.

122 Section 3. Paragraph (e) of subsection (15) of section  
123 662.111, Florida Statutes, is amended to read:

124 662.111 Definitions.—As used in this chapter, the term:

125 (15) "Foreign licensed family trust company" means a family  
126 trust company that:

127 (e) Is not owned by, or a subsidiary of, a corporation,  
128 limited liability company, or other business entity that is  
129 organized in or licensed by any foreign country as defined in s.  
130 663.01(4) ~~s. 663.01(3)~~.

131 Section 4. Subsection (3) is added to section 663.02,  
132 Florida Statutes, to read:

133 663.02 Applicability of state banking laws.—

134 (3) (a) If a limited purpose international trust company  
135 representative office limits its activities to the activities  
136 authorized under s. 663.0625, other sections of the financial  
137 institutions codes do not apply to it except as otherwise  
138 expressly provided in this chapter.

139 (b) A limited purpose international trust company  
140 representative office is a financial institution solely for  
141 purposes of the applicability of s. 655.012, relating to general  
142 supervisory powers and rulemaking, and s. 655.057, relating to  
143 records and limitations on public access to records, except if  
144 it appears from the context that such provisions are clearly  
145 applicable only to banks or trust companies organized under the  
146 laws of this state.

147 (c) This section does not limit the office's authority to  
148 investigate an entity to ensure that it does not violate this

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149 chapter or applicable provisions of the financial institutions  
150 codes.

151 Section 5. Section 663.03, Florida Statutes, is amended to  
152 read:

153 663.03 Applicability of the Florida Business Corporation  
154 Act and the Florida Revised Limited Liability Company Act.—  
155 Notwithstanding ss. 605.0102(25) and (26) and 607.01401(12) s.  
156 607.01401(12), the provisions of chapter 605 and of part I of  
157 chapter 607 not in conflict with the financial institutions  
158 codes which relate to foreign limited liability companies or  
159 foreign corporations apply to all international banking  
160 corporations and their offices doing business in this state and  
161 to limited purpose international trust company representative  
162 offices.

163 Section 6. Section 663.045, Florida Statutes, is created to  
164 read:

165 663.045 Registration of a limited purpose international  
166 trust company representative office; application for  
167 registration; approval or disapproval.—

168 (1) A limited purpose international trust company  
169 representative office is not required to obtain a license under  
170 this chapter. However, a limited purpose international trust  
171 company representative office is required to be registered with  
172 the office if it transacts limited purpose international trust  
173 company representative office business in this state or  
174 maintains in this state any office for carrying on such  
175 business. An affiliate, subsidiary, or other person or business  
176 entity acting as an agent for, on behalf of, or for the benefit  
177 of such limited purpose international trust company

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178 representative office, which engages in such activities in this  
179 state or maintains in this state any office for carrying on such  
180 business, is also required to be registered with the office.

181 (2) A person required to be registered under subsection (1)  
182 shall register with the office on forms prescribed by the office  
183 and provide the following information in English:

184 (a) The name of the proposed limited purpose international  
185 trust company representative office, which need not be in  
186 English.

187 (b) A copy of the articles of incorporation or articles of  
188 organization and the bylaws or operating agreement of the  
189 proposed limited purpose international trust company  
190 representative office.

191 (c) The physical address and mailing address of the  
192 proposed limited purpose international trust company  
193 representative office, which must be located in this state.

194 (d) A statement describing in detail the activities of the  
195 proposed limited purpose international trust company  
196 representative office.

197 (e) The name and biographical information of each  
198 individual who will initially serve as a director, an officer, a  
199 manager, or a member acting in a managerial capacity of the  
200 proposed limited purpose international trust company  
201 representative office.

202 (f) The name of the business organization to which the  
203 limited purpose international trust company representative  
204 office belongs, together with such biographical information as  
205 the commission or office may reasonably require by rule for each  
206 person who, together with related interests as defined in s.

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207 655.005(1), owns or controls, directly or indirectly, 25 percent  
208 or more of the voting stock or nonvoting stock that is  
209 convertible into voting stock of the proposed limited purpose  
210 international trust company representative office.

211 (g) The regulatory authorities that any affiliated  
212 international trust company is subject to and proof of good  
213 standing with such regulatory authorities. Such proof must be  
214 translated into English if written in another language.

215 (h) The amount of the initial capital account of the  
216 proposed limited purpose international trust company  
217 representative office and the form in which the capital was paid  
218 and will be maintained, as stated in a review conducted by an  
219 independent certified public accountant licensed in this state.

220 (i) The type and amount of bonds or insurance that will be  
221 procured and maintained by the proposed limited purpose  
222 international trust company representative office pursuant to s.  
223 663.058.

224 (j) A sworn statement signed by an executive officer of the  
225 applicant affirming that the following statements are true:

226 1. The proposed limited purpose international trust company  
227 representative office is not providing depository, investment  
228 management, or fiduciary services and is providing only the  
229 permissible activities as authorized in s. 663.0625(2).

230 2. No director, officer, manager, or member of the proposed  
231 limited purpose international trust company representative  
232 office or of any affiliated international trust company served  
233 as a director, an officer, a manager, or a member acting in a  
234 managerial capacity for an international trust company  
235 representative office, an affiliated international trust



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236 company, or a financial institution that was licensed under the  
237 financial institutions codes, or by the Federal Government or  
238 any other state, the District of Columbia, a territory of the  
239 United States, or a foreign country, had that license suspended  
240 or revoked within 10 years preceding the date of the  
241 application.

242 3. No director, officer, or manager of, or member acting in  
243 a managerial capacity for, the proposed limited purpose  
244 international trust company representative office or an  
245 affiliated international trust company has been convicted of, or  
246 pled guilty or nolo contendere to, regardless of whether  
247 adjudication of guilt was entered by the court, or has been the  
248 subject of a civil penalty imposed for, a violation of the  
249 financial institutions codes, including s. 655.50, chapter 896,  
250 or similar state or federal law or related rule, or a crime  
251 involving fraud, misrepresentation, or moral turpitude.

252 4. No director, officer, or manager of, or member acting in  
253 a managerial capacity for, the proposed limited purpose  
254 international trust company representative office or affiliated  
255 international trust company has had a professional license  
256 suspended or revoked within the 10 years preceding the date of  
257 the application.

258 5. All information contained in the application is true and  
259 correct to the best knowledge of the executive officer signing  
260 the sworn statement on behalf of the proposed limited purpose  
261 international trust company representative office.

262 (k) Any other information that is consistent with this  
263 section, as required by commission rule.

264 (3) Upon the filing of the registration application by the

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265 limited purpose international trust company representative  
266 office, the office shall conduct an investigation to confirm:

267 (a) That the persons who will serve as directors or  
268 officers of the corporation or, if the applicant is a limited  
269 liability company, managers or members acting in a managerial  
270 capacity, have not:

271 1. Been convicted of, or entered a plea of nolo contendere  
272 to, a crime involving fraud, misrepresentation, or moral  
273 turpitude;

274 2. Been convicted of, entered a plea of nolo contendere to,  
275 or been the subject of a civil penalty imposed for, a violation  
276 of the financial institutions codes, including s. 655.50,  
277 chapter 896, or similar state or federal law;

278 3. Been directors, officers, managers, or members of a  
279 trust company or financial institution licensed or chartered  
280 under the financial institutions codes or by the Federal  
281 Government or any other state, the District of Columbia, a  
282 territory of the United States, or a foreign country and whose  
283 license or charter was suspended or revoked within the 10 years  
284 preceding the date of the application;

285 4. Had a professional license suspended or revoked within  
286 the 10 years preceding the date of the application; or

287 5. Made a false statement of material fact on the  
288 application.

289 (b) That capital accounts of the proposed limited purpose  
290 international trust company conforming to s. 663.055(5) will be  
291 established and that fidelity bonds and general liability  
292 insurance coverage required under s. 663.058 will be issued and  
293 effective as of the date the limited purpose international trust

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294 company representative office commences operations.

295 (c) That each affiliated international trust company with  
296 which it intends to engage in the activities authorized under s.  
297 663.0625 is in good standing with the relevant regulatory body  
298 that supervises the activity of such international trust  
299 company.

300 (d) That the jurisdiction in which each affiliated  
301 international trust company is organized and chartered is not  
302 currently listed on the Financial Action Task Force Public  
303 Statement or on its list of jurisdictions with deficiencies in  
304 anti-money laundering or counter-terrorist financing.

305 (4) If the investigation required under this section  
306 confirms that the applicant has met the requirements of ss.  
307 663.055(5), 663.057, and 663.058, and that the criteria in  
308 subsection (3) have been satisfied, the office shall register  
309 the applicant to operate as a limited purpose international  
310 trust company representative office.

311 (5) If the registration application is incomplete or the  
312 office is unable to verify the information provided with the  
313 application, the office shall notify the applicant in writing,  
314 and the applicant shall have 30 days after receipt of such  
315 notification to provide the required information. The office  
316 shall deny the application if the applicant fails to timely  
317 provide such information.

318 (6) (a) Notwithstanding chapter 120, an application may be  
319 returned to the applicant on a one-time basis for correction of  
320 substantial deficiencies and may be resubmitted without payment  
321 of an additional fee if the applicant resubmits the application  
322 within 60 days after the date the office returns the

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323 application.

324 (b) With respect to affiliated international trust  
325 companies, if some but not all of the criteria in paragraphs  
326 (3) (c) and (d) are met, the applicant may resubmit the  
327 application without the affiliated international trust companies  
328 that do not meet the criteria, and the office shall permit  
329 registration conditioned on the limited purpose international  
330 trust company representative office not conducting activities  
331 authorized in this state under s. 663.0625 with respect to any  
332 such affiliated international trust companies that are removed  
333 from the application.

334 (7) Notwithstanding s. 120.60(1), an application for  
335 registration of a limited purpose international trust company  
336 representative office must be approved or denied within 180 days  
337 after receipt of the original application or receipt of the  
338 timely requested additional information or correction of errors  
339 or omissions. An application for registration not approved or  
340 denied within the 180-day period shall be deemed approved  
341 subject to the satisfactory completion of conditions required by  
342 statute as a prerequisite to registration and approval of  
343 insurance coverage by the appropriate insurer.

344 (8) If the office determines the criteria in subsection (3)  
345 have not been met, the office must provide the applicant with a  
346 notice of its intent to deny registration and of the applicant's  
347 right to request a hearing pursuant to ss. 120.569 and 120.57.

348 (9) Before the office may grant approval of a registration,  
349 the applicant must provide to the office a fidelity bond that  
350 meets the requirements of s. 663.058.

351 (10) A registration under this chapter shall be valid for 1

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352 year after its effective date.

353 (11) The office is not responsible for examining a limited  
354 purpose international trust company representative office or an  
355 affiliated international trust company regarding the safety and  
356 soundness of its operations.

357 (12) A company in operation as of October 1, 2016, which  
358 meets the definition of a limited purpose international trust  
359 company representative office and is not otherwise licensed  
360 under this chapter must apply for registration as a limited  
361 purpose international trust company representative office on or  
362 before December 30, 2016, or cease doing business in this state.

363 Section 7. Subsection (3) of section 120.80, Florida  
364 Statutes, is amended to read:

365 120.80 Exceptions and special requirements; agencies.-

366 (3) OFFICE OF FINANCIAL REGULATION.-

367 (a) Notwithstanding s. 120.60(1), in proceedings for the  
368 issuance, denial, renewal, or amendment of a license or  
369 registration or approval of a merger pursuant to title XXXVIII:

370 1.a. The Office of Financial Regulation of the Financial  
371 Services Commission shall have published in the Florida  
372 Administrative Register notice of the application within 21 days  
373 after receipt.

374 b. Within 21 days after publication of notice, any person  
375 may request a hearing. Failure to request a hearing within 21  
376 days after notice constitutes a waiver of any right to a  
377 hearing. The Office of Financial Regulation or an applicant may  
378 request a hearing at any time before ~~prior to~~ the issuance of a  
379 final order. Hearings shall be conducted pursuant to ss. 120.569  
380 and 120.57, except that the Financial Services Commission shall

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381 by rule provide for participation by the general public.

382 2. Should a hearing be requested as provided by sub-  
383 subparagraph 1.b., the applicant, ~~or~~ licensee, or registrant  
384 shall publish at its own cost a notice of the hearing in a  
385 newspaper of general circulation in the area affected by the  
386 application. The Financial Services Commission may by rule  
387 specify the format and size of the notice.

388 3. Notwithstanding s. 120.60(1), and except as provided in  
389 subparagraph 4., an application for license or registration for  
390 a new bank, new trust company, new credit union, new savings and  
391 loan association, ~~or~~ new licensed family trust company, or new  
392 limited purpose international trust company representative  
393 office must be approved or denied within 180 days after receipt  
394 of the original application or receipt of the timely requested  
395 additional information or correction of errors or omissions. An  
396 application for such a license or registration or for  
397 acquisition of such control which is not approved or denied  
398 within the 180-day period or within 30 days after conclusion of  
399 a public hearing on the application, whichever is later, shall  
400 be deemed approved subject to the satisfactory completion of  
401 conditions required by statute as a prerequisite to license or  
402 registration and approval of insurance of accounts for a new  
403 bank, a new savings and loan association, a new credit union, ~~or~~  
404 a new licensed family trust company by the appropriate insurer,   
405 or a new limited purpose international trust company  
406 representative office.

407 4. In the case of an application for license to establish a  
408 new bank, trust company, or capital stock savings association in  
409 which a foreign national proposes to own or control 10 percent

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410 or more of any class of voting securities, and in the case of an  
411 application by a foreign national for approval to acquire  
412 control of a bank, trust company, or capital stock savings  
413 association, the Office of Financial Regulation shall request  
414 that a public hearing be conducted pursuant to ss. 120.569 and  
415 120.57. Notice of such hearing shall be published by the  
416 applicant as provided in subparagraph 2. The failure of such  
417 foreign national to appear personally at the hearing shall be  
418 grounds for denial of the application. Notwithstanding s.  
419 120.60(1) and subparagraph 3., every application involving a  
420 foreign national shall be approved or denied within 1 year after  
421 receipt of the original application or any timely requested  
422 additional information or the correction of any errors or  
423 omissions, or within 30 days after the conclusion of the public  
424 hearing on the application, whichever is later.

425 (b) In any application for a license, registration, or  
426 merger pursuant to title XXXVIII which is referred by the agency  
427 to the division for hearing, the administrative law judge shall  
428 complete and submit to the agency and to all parties a written  
429 report consisting of findings of fact and rulings on evidentiary  
430 matters. The agency shall allow each party at least 10 days in  
431 which to submit written exceptions to the report.

432 Section 8. Section 663.046, Florida Statutes, is created to  
433 read:

434 663.046 Renewal of registration of a limited purpose  
435 international trust company representative office.-

436 (1) Within 45 days before the expiration of the  
437 registration, a limited purpose international trust company  
438 representative office shall file its annual renewal application

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439 with the office on a form prescribed by the commission. The  
440 renewal application must include a sworn declaration by an  
441 executive officer of the limited purpose international trust  
442 company representative office which:

443 (a) Attests that the limited purpose international trust  
444 company representative office has operated in full compliance  
445 with this chapter, chapter 896, or similar state or federal law,  
446 or any related rule or regulation, and with all federal laws and  
447 regulations that apply to any client of the affiliated  
448 international trust company for whom it has conducted activities  
449 authorized under s. 663.0625(2).

450 (b) Describes any material changes to the information  
451 provided under s. 663.045 regarding its operations, principal  
452 place of business, directors, officers, managers, or members  
453 acting in a managerial capacity or any affiliated international  
454 trust company since the date of registration.

455 (c) Demonstrates that the minimum requirements for capital  
456 and insurance have been met, as stated in a review prepared by  
457 an independent certified public accountant licensed in this  
458 state.

459 (2) A fee of \$1,500 must be submitted with the annual  
460 renewal application for registration of a limited purpose  
461 international trust company representative office. All fees  
462 received by the office pursuant to this section shall be  
463 deposited into the Financial Institutions' Regulatory Trust Fund  
464 pursuant to s. 655.049 for the purpose of administering the  
465 provisions of this chapter with respect to registration of  
466 limited purpose international trust company representative  
467 offices.



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468       (3) The provisions of s. 663.045 relating to conduct of the  
469 investigation and issuance or denial of registration apply to a  
470 registration renewal under this section.

471       Section 9. Subsection (4) of section 663.055, Florida  
472 Statutes, is amended, and subsection (5) is added to that  
473 section, to read:

474       663.055 Capital requirements.—

475       (4) For the purpose of this part, the capital accounts of  
476 an international banking corporation and a limited purpose  
477 international trust company representative office shall be  
478 determined in accordance with rules adopted by the commission.  
479 In adopting such rules, the commission shall consider similar  
480 rules adopted by bank regulatory agencies in the United States  
481 and the need to provide reasonably consistent regulatory  
482 requirements for international banking corporations which will  
483 maintain the safe and sound condition of international banking  
484 corporations doing business in this state.

485       (5) A limited purpose international trust company  
486 representative office may not be organized or operated with a  
487 capital account containing less than \$100,000. Such capital  
488 shall be in the form of cash or cash equivalents.

489       Section 10. Section 663.057, Florida Statutes, is created  
490 to read:

491       663.057 Requirements for a limited purpose international  
492 trust company representative office.—A limited purpose  
493 international trust company representative office shall  
494 maintain:

495       (1) A principal office physically located in this state  
496 where original or true copies of all records and accounts of the

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497 limited purpose international trust company representative  
498 office may be accessed and made readily available for  
499 examination by the office in accordance with this chapter. A  
500 limited purpose international trust company representative  
501 office may also maintain one or more branch offices within this  
502 state and shall notify the office in writing at least 30 days  
503 before the establishment of such branch offices.

504 (2) A registered agent who has an office in this state at  
505 the street address of the registered agent.

506 (3) All applicable state and local business licenses,  
507 charters, and permits.

508 (4) A deposit account with a state-chartered or national  
509 financial institution that has a principal or branch office in  
510 this state.

511 (5) At least one director or manager who is a resident in  
512 this state.

513 Section 11. Section 663.058, Florida Statutes, is created  
514 to read:

515 663.058 Fidelity bonds; insurance.—

516 (1) A limited purpose international trust company  
517 representative office shall procure and maintain a fidelity bond  
518 on all active officers, directors, managers, members acting in a  
519 managerial capacity, and employees of the company, regardless of  
520 whether they receive a salary or other compensation from the  
521 company, in order to indemnify the company against loss because  
522 of a dishonest, fraudulent, or criminal act or an omission on  
523 the part of any such persons, whether acting alone or in  
524 combination with other persons.

525 (2) The fidelity bond required by this section:

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526 (a) Must be issued by an insurer authorized to do business  
527 in this state.

528 (b) May not be less than \$500,000.

529 (c) Must be in a form satisfactory to the office and shall  
530 run to the state for the benefit of any claimants in this state  
531 against the applicant to secure the faithful performance of the  
532 obligations of the applicant regarding the receipt, handling,  
533 and transmission of information and documents provided to the  
534 applicant. The aggregate liability of the fidelity bond may not  
535 exceed the principal sum of the bond. Claimants against the  
536 applicant may bring suit directly on the fidelity bond, or the  
537 Department of Legal Affairs may bring suit on behalf of the  
538 claimants.

539 (d) May not be cancelled by the applicant or the corporate  
540 surety except upon written notice to the office by registered  
541 mail. A cancellation may not take effect until 30 days after  
542 receipt by the office of the written notice.

543 (3) The corporate surety must, within 10 days after it pays  
544 a claim, give written notice to the office by registered mail of  
545 the payment with details sufficient to identify the claimant and  
546 the claim or judgment paid.

547 (4) If the principal sum of the bond is reduced by one or  
548 more recoveries or payments, the applicant must furnish a new or  
549 additional bond so that the total or aggregate principal sum of  
550 the bond equals the sum required in paragraph (2) (b).  
551 Alternatively, an applicant may furnish an endorsement executed  
552 by the corporate surety reinstating the bond to the required  
553 principal sum.

554 (5) The limited purpose international trust company

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555 representative office shall also procure and maintain general  
556 liability insurance coverage under a corporate or group policy  
557 with a minimum of \$1 million per occurrence and a policy period  
558 aggregate limit of \$3 million in which it is listed as an  
559 insured, to cover the acts and omissions of officers, directors,  
560 managers, members acting in a managerial capacity, and  
561 employees, regardless of whether the person receives a salary or  
562 other compensation from the company.

563 Section 12. Section 663.0625, Florida Statutes, is amended  
564 to read:

565 663.0625 International trust company representative offices  
566 and limited purpose international trust company representative  
567 offices; permissible activities; ~~requirements.~~

568 (1) An international trust company representative office  
569 may not act as a fiduciary, but may conduct any nonfiduciary  
570 activities that are ancillary to the fiduciary business of its  
571 international banking corporation or trust company, which but  
572 ~~may not act as a fiduciary. Permissible activities include:~~

573 (a) Advertising, marketing, and soliciting for fiduciary  
574 business on behalf of an international banking corporation or  
575 trust company;

576 (b) Contacting existing or potential customers, answering  
577 questions, and providing information about matters related to  
578 their accounts;

579 (c) Serving as a liaison in this state between the  
580 international banking corporation or trust company and its  
581 existing or potential customers; and

582 (d) Engaging in any other activities approved by the office  
583 or under rules of the commission.

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584       (2) A limited purpose international trust company  
585 representative office that registers pursuant to s. 663.045 may  
586 conduct any of the following activities:

587       (a) Participate in or attend conferences, seminars, or  
588 events that are intended for industry or professional  
589 participants and are not advertised to the general public, for  
590 the purposes of marketing the services of an affiliated  
591 international trust company.

592       (b) Market the services of an affiliated international  
593 trust company to lawyers, accountants, banks, licensed financial  
594 advisors, and other wealth planning professionals who are  
595 licensed by a state, federal, or territorial government or  
596 certified by a recognized professional accrediting entity.

597       (c) In connection with the authorized activities described  
598 in paragraphs (a) and (b), engage in name-recognition or  
599 branding activities in the form of signage or promotional  
600 materials that use the name of the affiliated international  
601 trust company or the name of the business organization of which  
602 the affiliated international trust company is a member.

603       (d) Assist clients or referred prospective clients of the  
604 affiliated international trust company in communicating with the  
605 affiliated international trust company, completing documentation  
606 relating to the trust relationship, and obtaining information  
607 about matters related to trusts with which they are or may  
608 become associated. However, a limited purpose international  
609 trust company representative office under this subsection may  
610 not have authority to accept such clients on behalf of the  
611 affiliated international trust company and may not otherwise  
612 bind the affiliated international trust company.

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613 (e) Exercise the powers of a corporation under chapter 607  
614 or a limited liability company under chapter 605 which are  
615 reasonably necessary to enable it to fully exercise a power  
616 enumerated in this section or authorized by this chapter.

617 (f) Engage in any other activities consistent with this  
618 section, as prescribed by commission rule.

619 (3) (a) Representatives and Employees, officers, or  
620 directors at an international trust company representative  
621 office or a limited purpose international trust company  
622 representative such office may not act as a fiduciary, accept  
623 including, but not limited to, accepting the fiduciary  
624 appointment, execute ~~executing~~ the fiduciary documents that  
625 create the fiduciary relationship, or make ~~making~~ discretionary  
626 decisions regarding the investment or distribution of fiduciary  
627 accounts.

628 (b) A limited purpose international trust company  
629 representative office may not accept custody of any property of  
630 the client of the affiliated international trust company on  
631 behalf of the affiliated international trust company and may not  
632 deliver such property to the affiliated international trust  
633 company.

634 (c) A limited purpose international trust company  
635 representative office may not solicit business from the general  
636 public on behalf of its affiliated international trust company  
637 in this state or advertise its services to the general public in  
638 this state. This paragraph does not limit a limited purpose  
639 international trust company representative office's authorized  
640 activities under subsection (2).

641 (d) A limited purpose international trust company

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642 representative office may not use the words "bank," "trust," or  
643 the name of an affiliated international trust company as part of  
644 its company or fictitious name.

645 (e) A limited purpose international trust company  
646 representative office may not market to or discuss the services  
647 of an affiliated international trust company with any person who  
648 has not previously been referred to it by a professional  
649 described in paragraph (2) (b) or who is an existing client of an  
650 affiliated international trust company.

651 (4) A limited purpose international trust company  
652 representative office shall provide the following written  
653 disclosure to a prospective or existing client of its affiliated  
654 international trust company: "... (The name of the limited  
655 purpose international trust company representative office)...  
656 and any affiliated international trust companies are not  
657 licensed or authorized to conduct the trust or fiduciary  
658 business in Florida." The commission may establish by rule  
659 criteria for the size and font of the required disclosure.

660 Section 13. Section 663.09, Florida Statutes, is amended to  
661 read:

662 663.09 Reports; records; significant events;  
663 investigations.—

664 (1) An international banking corporation doing business in  
665 this state shall, at such times and in such form as the  
666 commission prescribes, make written reports in the English  
667 language to the office, under the oath of one of its officers,  
668 managers, or agents transacting business in this state, showing  
669 the amount of its assets and liabilities and containing such  
670 other matters as the commission or office requires. An

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671 international banking corporation that maintains two or more  
672 offices may consolidate such information in one report unless  
673 the office otherwise requires for purposes of its supervision of  
674 the condition and operations of each such office. The late  
675 filing of such reports is subject to an administrative fine as  
676 prescribed under s. 655.045(2). If such international banking  
677 corporation fails to make such report, as directed by the  
678 office, or if such report contains a false statement knowingly  
679 made, the same shall be grounds for revocation of the license of  
680 the international banking corporation.

681 (2) The international banking corporation of each state-  
682 licensed international bank agency or international branch shall  
683 perform or cause to be performed an audit of such international  
684 bank agency or international branch. The commission shall, by  
685 rule, prescribe the minimum audit procedures including the audit  
686 reporting requirements which would satisfy the provisions of  
687 this subsection.

688 (3) Each international banking corporation which operates  
689 an office licensed under this part shall cause to be kept, at a  
690 location accepted by the office:

691 (a) Correct and complete books and records of account of  
692 the business operations transacted by such office. All policies  
693 and procedures governing the operations of such office, as well  
694 as any existing general ledger or subsidiary accounts, shall be  
695 maintained in the English language. The office may require that  
696 any other document not written in the English language which the  
697 office deems necessary for the purposes of its regulatory and  
698 supervisory functions be translated into English at the expense  
699 of the international banking corporation.



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700 (b) Current copies of the charter and bylaws of the  
701 international banking corporation, relative to the operations of  
702 the office, and minutes of the proceedings of its directors,  
703 officers, or committees relative to the business of the office.  
704 Such records shall be kept pursuant to s. 655.91 and shall be  
705 made available to the office, upon request, at any time during  
706 regular business hours of the office. Any failure to keep such  
707 records as aforesaid or any refusal to produce such records upon  
708 request by the office shall be grounds for suspension or  
709 revocation of any license issued under this part.

710 (4) In addition to any other reports it may be required to  
711 make, an international banking corporation which maintains an  
712 international bank agency or international branch in this state  
713 shall make reports to the office in such form and at such times  
714 as the commission prescribes by rule concerning the management,  
715 asset quality, capital adequacy, and liquidity of the  
716 international banking corporation.

717 (5) A limited purpose international trust company  
718 representative office shall file reports with the office as the  
719 commission or the commission may prescribe by rule. The rules  
720 may prescribe such reports to be subject to examination by the  
721 office as a condition of granting or maintaining the  
722 registration.

723 (6) A limited purpose international trust company  
724 representative office shall notify the office within 30 days of  
725 learning of the occurrence of any of the following significant  
726 events by filing with the office a form disclosing:

727 (a) Any civil, criminal, or administrative investigation or  
728 proceeding initiated by a regulatory or law enforcement

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729 authority against the limited purpose international trust  
730 company representative office;

731 (b) The addition, resignation, or termination of a director  
732 or manager, an executive officer, or a member acting in a  
733 managerial capacity;

734 (c) Any change in outside accountants who are used to  
735 verify capital accounts;

736 (d) Any interruption of fidelity bonding or insurance  
737 coverage;

738 (e) Any suspected criminal act perpetrated against the  
739 limited purpose international trust company representative  
740 office. However, no liability shall be incurred as a result of  
741 making a good faith effort to fulfill the disclosure requirement  
742 in this paragraph;

743 (f) The loss of the charter of any affiliated international  
744 trust company;

745 (g) The loss of good standing with the applicable  
746 regulatory authorities by any affiliated international trust  
747 company;

748 (h) A change in the company name or fictitious name of the  
749 limited purpose international trust company; or

750 (i) A change with respect to any of the statements  
751 certified under s. 663.045.

752 (7) The disclosure form shall be specified by commission  
753 rule. An executive officer of the limited purpose international  
754 trust company representative office must swear that the form is  
755 authentic and accurate.

756 (8) The office may conduct an investigation of a limited  
757 purpose international trust company representative office at any

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758 time it deems necessary to determine whether a limited purpose  
759 international trust company representative office has engaged in  
760 any act prohibited under s. 663.0625.

761 Section 14. Section 663.095, Florida Statutes, is created  
762 to read:

763 663.095 Revocation of registration of a limited purpose  
764 international trust company representative office.—

765 (1) Any of the following constitutes grounds for the office  
766 to revoke the registration of a limited purpose international  
767 trust company representative office:

768 (a) The company is not a limited purpose international  
769 trust company representative office as defined in this chapter;

770 (b) A violation of s. 663.055(5), s. 663.057, s. 663.058,  
771 or s. 663.0625;

772 (c) A violation of chapter 896, relating to financial  
773 transactions offenses, or any similar state or federal law or  
774 any related rule or regulation;

775 (d) A violation of any commission rule which continues 30  
776 days after written notice from the office;

777 (e) A violation of any order of the office which continues  
778 30 days after written notice from the office;

779 (f) A breach of any written agreement with the office;

780 (g) A prohibited act or practice under s. 663.0625;

781 (h) A failure to file annual reports or provide information  
782 or documents to the office upon written request; or

783 (i) Conviction of a felony or entry of a plea of guilty or  
784 nolo contendere, regardless of adjudication of guilt, by the  
785 limited purpose international trust company representative  
786 office, or its officers, directors, managers, or persons acting

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787 in a managerial capacity, or an affiliated international trust  
788 company in a state or federal court, or in the courts of a  
789 foreign country with which the United States maintains  
790 diplomatic relations which involves a violation of law relating  
791 to fraud, currency transaction reporting, money laundering,  
792 theft, or moral turpitude and the charge is equivalent to a  
793 felony charge under state or federal law.

794 (2) (a) Upon a finding of the occurrence of any of the acts  
795 set forth in paragraphs (1) (a)-(h), the office may enter an  
796 order suspending the company's registration and provide notice  
797 of its intention to revoke the registration and of the right to  
798 a hearing pursuant to ss. 120.569 and 120.57.

799 (b) If there has been a violation or failure to disclose a  
800 violation under paragraph (1) (i), the office may immediately  
801 enter an order revoking the registration.

802 (c) The limited purpose international trust company  
803 representative office shall have 90 days to wind up its affairs  
804 after its registration has been revoked. During such time, it  
805 may not engage in any of the activities authorized under s.  
806 663.0625, except to the extent required to provide notice that  
807 it is winding down its affairs in this state and the name or  
808 names and contact information of the persons who may be  
809 contacted for additional information.

810 (d) If after 90 days the company has not provided  
811 satisfactory proof to the office that it is no longer in  
812 operation, the office may seek an order from the circuit court  
813 for the annulment or dissolution of the company. Satisfactory  
814 proof shall consist of a corporate resolution authorizing  
815 dissolution, a certified copy of articles of dissolution filed

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816 with the Division of Corporations of the Department of State, or  
817 documentation confirming the closing of the limited purpose  
818 international trust company representative office.

819 Section 15. Section 663.096, Florida Statutes, is created  
820 to read:

821 663.096 Cease and desist authority.—

822 (1) The office may issue and serve a complaint upon a  
823 limited purpose international trust company representative  
824 office or any individual if the office has reason to believe  
825 that the limited purpose international trust company  
826 representative office or individual named therein is engaging in  
827 or has engaged in conduct that:

828 (a) Indicates the company is not a limited purpose  
829 international trust company representative office as defined in  
830 this chapter;

831 (b) Is a violation of s. 663.055(5), s. 663.057, s.  
832 663.058, or s. 663.0625;

833 (c) Is a violation of any commission rule which continues  
834 30 days after written notice from the office;

835 (d) Is a violation of any order of the office which  
836 continues 30 days after written notice from the office;

837 (e) Is a breach of any written agreement with the office;

838 (f) Is a prohibited act or practice pursuant to s.  
839 663.0625;

840 (g) Is a failure to provide information or documents to the  
841 office upon written request within 30 days after such request or  
842 such longer time as specified in the request; or

843 (h) Is a violation of chapter 896 or similar state or  
844 federal law or any related rule or regulation.

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845       (2) The complaint must contain the statement of facts and a  
846 notice of right to a hearing pursuant to ss. 120.569 and 120.57.

847       (3) If no hearing is requested within the time allowed by  
848 ss. 120.569 and 120.57, or if a hearing is held and the office  
849 finds that any of the charges are true, the office may enter an  
850 order directing the limited purpose international trust company  
851 representative office or the individual named therein to cease  
852 and desist from engaging in the conduct complained of and to  
853 take corrective action.

854       (4) If the limited purpose international trust company  
855 representative office or the individual named in such order  
856 fails to respond to the complaint within the time allotted in  
857 ss. 120.569 and 120.57, such failure constitutes a default and  
858 justifies the entry of a cease and desist order.

859       (5) A contested or default cease and desist order is  
860 effective when reduced to writing and served upon the licensed  
861 limited purpose international trust company representative  
862 office or the individual named therein. An uncontested cease and  
863 desist order is effective as agreed.

864       (6) If the office finds that conduct described in  
865 subsection (1) has occurred which presents an imminent danger to  
866 the public, it may issue an emergency cease and desist order  
867 requiring the limited purpose international trust company  
868 representative office or individual named therein to immediately  
869 cease and desist from engaging in the conduct complained of and  
870 to take corrective action. The emergency order is effective  
871 immediately upon service of a copy of the order upon the limited  
872 purpose international trust company representative office or  
873 individual named therein and remains effective for 90 days. If

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874 the office begins nonemergency cease and desist proceedings  
875 under subsection (1), the emergency order remains effective  
876 until the conclusion of the proceedings under ss. 120.569 and  
877 120.57.

878 (7) Subject to its rights under chapter 120, a limited  
879 purpose international trust company representative office shall  
880 have 90 days to wind up its affairs after entry of an order to  
881 cease and desist from operating as a limited purpose  
882 international trust company representative office. During such  
883 time, it may not engage in any of the activities authorized  
884 under s. 663.0625, except to the extent required to provide  
885 notice that it is winding down its affairs in this state and the  
886 name or names and contact information of the persons who may be  
887 contacted for additional information. If, after 90 days, a  
888 limited purpose international trust company representative  
889 office has not provided proof satisfactory to the office that it  
890 has terminated operations, the office may seek an order from the  
891 circuit court for the annulment or dissolution of the company.  
892 Satisfactory proof shall consist of a corporate resolution  
893 authorizing dissolution, a certified copy of articles of  
894 dissolution filed with the Division of Corporations of the  
895 Department of State, or documentation confirming the closing of  
896 the limited purpose international trust company representative  
897 office.

898 Section 16. Section 663.115, Florida Statutes, is created  
899 to read:

900 663.115 Discontinuing business.—If a limited purpose  
901 international trust company representative office desires to  
902 discontinue business, it must file with the office a certified

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903 copy of the resolution of the board of directors, or members or  
904 managers of a limited liability company, authorizing that  
905 action. The limited purpose international trust company  
906 representative office shall voluntarily terminate its  
907 registration as a limited purpose international trust company  
908 representative office, whereupon it shall be released from any  
909 fidelity bonds that it maintained pursuant to s. 663.058.

910 Section 17. Subsection (1) of section 663.12, Florida  
911 Statutes, is amended to read:

912 663.12 Fees; assessments; fines.-

913 (1) Each application for a license or registration under  
914 ~~the provisions of~~ this part shall be accompanied by a  
915 nonrefundable filing fee payable to the office in the following  
916 amount:

917 (a) Ten thousand dollars for establishing a state-chartered  
918 investment company.

919 (b) Ten thousand dollars for establishing an international  
920 bank agency or branch.

921 (c) Five thousand dollars for establishing an international  
922 administrative office.

923 (d) Five thousand dollars for establishing an international  
924 representative office.

925 (e) Five thousand dollars for establishing an international  
926 trust company representative office or a limited purpose  
927 international trust company representative office.

928 (f) An amount equal to the initial filing fee for an  
929 application to convert from one type of license to another or  
930 from a registration to a license. The commission may increase  
931 the filing fee for any type of license or registration to an



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932 amount established by rule and calculated in a manner so as to  
933 cover the direct and indirect cost of processing such  
934 applications.

935 Section 18. This act shall take effect October 1, 2016.