



398992

LEGISLATIVE ACTION

| Senate | . | House |
|------------|---|-------|
| Comm: RCS | . | |
| 04/13/2017 | . | |
| | . | |
| | . | |
| | . | |

The Committee on Appropriations (Mayfield) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraph (i) of subsection (1) of section
655.005, Florida Statutes, is amended to read:

655.005 Definitions.—

(1) As used in the financial institutions codes, unless the
context otherwise requires, the term:

(i) "Financial institution" means a state or federal



398992

11 savings or thrift association, bank, savings bank, trust
12 company, international bank agency, international banking
13 corporation, international branch, international representative
14 office, international administrative office, international trust
15 entity, international trust company representative office,
16 qualified limited service affiliate, credit union, or an
17 agreement corporation operating pursuant to s. 25 of the Federal
18 Reserve Act, 12 U.S.C. ss. 601 et seq. or Edge Act corporation
19 organized pursuant to s. 25(a) of the Federal Reserve Act, 12
20 U.S.C. ss. 611 et seq.

21 Section 2. Subsection (1) and paragraph (b) of subsection
22 (2) of section 655.059, Florida Statutes, are amended to read:

23 655.059 Access to books and records; confidentiality;
24 penalty for disclosure.—

25 (1) The books and records of a financial institution are
26 confidential and shall be made available for inspection and
27 examination only:

28 (a) To the office or its duly authorized representative;

29 (b) To any person duly authorized to act for the financial
30 institution;

31 (c) To any federal or state instrumentality or agency
32 authorized to inspect or examine the books and records of an
33 insured financial institution;

34 (d) With respect to an international banking corporation or
35 international trust entity, to the home-country supervisor of
36 the international banking corporation or international trust
37 entity, provided:

38 1. The home-country supervisor provides advance notice to
39 the office that the home-country supervisor intends to examine



398992

40 the Florida office of the international banking corporation or
41 international trust entity. Such examination may be conducted
42 onsite or offsite and may include ongoing reporting by the
43 Florida office of the international banking corporation or
44 international trust entity to the home-country supervisor.

45 2. The home-country supervisor confirms to the office that
46 the purpose of the examination is to ensure the safety and
47 soundness of the international banking corporation or
48 international trust entity.

49 3. The books and records pertaining to customer deposit,
50 investment, ~~and~~ custodial, and trust accounts are not disclosed
51 to the home-country supervisor.

52 4. At any time during the conduct of the examination, the
53 office reserves the right to have an examiner present, ~~or~~ to
54 participate jointly in the examination, or to receive copies of
55 all information provided to the home-country supervisor.

56
57 As used in ~~For purposes of~~ this paragraph, the term "home-
58 country supervisor" means the governmental entity in the
59 international banking corporation's or international trust
60 entity's home country with responsibility for the supervision
61 and regulation of the safety and soundness of the international
62 banking corporation or international trust entity;

63 (e) As compelled by a court of competent jurisdiction,
64 pursuant to a subpoena issued pursuant to the Florida Rules of
65 Civil Procedure, the Florida Rules of Criminal Procedure, or the
66 Federal Rules of Civil Procedure, or pursuant to a subpoena
67 issued in accordance with state or federal law. Before ~~Prior to~~
68 the production of the books and records of a financial



398992

69 institution, the party seeking production must reimburse the
70 financial institution for the reasonable costs and fees incurred
71 in compliance with the production. If the parties disagree
72 regarding the amount of reimbursement, the party seeking the
73 records may request the court or agency having jurisdiction to
74 set the amount of reimbursement;

75 (f) As compelled by legislative subpoena as provided by
76 law, in which case the provisions of s. 655.057 apply;

77 (g) Pursuant to a subpoena, to any federal or state law
78 enforcement or prosecutorial instrumentality authorized to
79 investigate suspected criminal activity;

80 (h) As authorized by the board of directors of the
81 financial institution; or

82 (i) As provided in subsection (2).

83 (2)

84 (b) The books and records pertaining to trust accounts and
85 the deposit accounts and loans of depositors, borrowers,
86 members, and stockholders of any financial institution shall be
87 kept confidential by the financial institution and its
88 directors, officers, and employees and may ~~shall~~ not be released
89 except upon express authorization of the account holder as to
90 her or his own accounts, loans, or voting rights. However,
91 information relating to any loan made by a financial institution
92 may be released without the borrower's authorization in a manner
93 prescribed by the board of directors for the purpose of meeting
94 the needs of commerce and for fair and accurate credit
95 information. Information may also be released, without the
96 authorization of a member or depositor but in a manner
97 prescribed by the board of directors, to verify or corroborate



398992

98 the existence or amount of a customer's or member's account when
99 such information is reasonably provided to meet the needs of
100 commerce and to ensure accurate credit information. In addition,
101 a financial institution, affiliate, and its subsidiaries, and
102 any holding company of the financial institution or subsidiary
103 of such holding company, may furnish to one another information
104 relating to their customers or members, subject to the
105 requirement that each corporation receiving information that is
106 confidential maintain the confidentiality of such information
107 and not provide or disclose such information to any unaffiliated
108 person or entity. Notwithstanding this paragraph, ~~nothing in~~
109 this subsection does not shall prohibit:

110 1. A financial institution from disclosing financial
111 information as referenced in this subsection as authorized
112 permitted by Pub. L. No. 106-102 (1999), as set forth in 15
113 U.S.C.A. s. 6802, as amended.

114 2. The Florida office of the international banking
115 corporation or international trust entity from sharing books and
116 records under this subsection with the home-country supervisor
117 in accordance with subsection (1).

118 Section 3. Section 663.001, Florida Statutes, is created in
119 part I of chapter 663, Florida Statutes, to read:

120 663.001 Purpose.—The purpose of this part is to establish a
121 legal and regulatory framework for the conduct by international
122 banking corporations of financial services business in this
123 state. This part is intended to:

124 (1) Support the Florida operations of international banking
125 corporations and promote the growth of international financial
126 services to benefit the economy and consumers in this state.



398992

127 (2) Provide for appropriate supervision and regulatory
128 oversight to ensure that financial services activities of
129 international banking corporations in this state are conducted
130 responsibly and in a safe and sound manner.

131 Section 4. Subsections (6) and (9) and paragraph (b) of
132 subsection (11) of section 663.01, Florida Statutes, are amended
133 to read:

134 663.01 Definitions.—As used in this part, the term:

135 (6) "International banking corporation" means a banking
136 corporation organized and licensed under the laws of a foreign
137 country. The term ~~"international banking corporation"~~ includes,
138 without limitation, a foreign commercial bank, foreign merchant
139 bank, or other foreign institution that engages in banking
140 activities usual in connection with the business of banking in
141 the country where such foreign institution is organized or
142 operating, including a corporation: the sole shareholders of
143 which are one or more international banking corporations or
144 holding companies which own or control one or more international
145 banking corporations which are authorized to carry on a banking
146 business, or a central bank or government agency of a foreign
147 country and any affiliate or division thereof; which has the
148 power to receive deposits from the general public in the country
149 where it is chartered and organized; and which is under the
150 supervision of the central bank or other bank regulatory
151 authority of such country. The term also includes ~~foreign trust~~
152 ~~companies, or any similar business entities, including, but not~~
153 ~~limited to,~~ foreign banks with fiduciary powers which, ~~that~~
154 conduct trust business as defined in the financial institutions
155 codes.



398992

156 ~~(9) "International trust company representative office"~~
157 ~~means an office of an international banking corporation or trust~~
158 ~~company organized and licensed under the laws of a foreign~~
159 ~~country which office is established or maintained in this state~~
160 ~~for the purpose of engaging in nonfiduciary activities described~~
161 ~~in s. 663.0625, or any affiliate, subsidiary, or other person~~
162 ~~that engages in such activities on behalf of such international~~
163 ~~banking corporation or trust company from an office located in~~
164 ~~this state.~~

165 (10)~~(11)~~ "Nonresident" means:

166 (b) A person, other than an individual, whose principal
167 place of business or domicile is outside the United States and
168 includes a person who conducts a majority of its business
169 activities in a foreign country and any foreign government and
170 its subdivision, agencies, and instrumentalities. Any person who
171 conducts business in the United States is considered to have its
172 principal place of business outside the United States if any one
173 of the following requirements is satisfied for its most recent
174 fiscal year:

- 175 1. Its assets located outside the United States exceed its
176 assets located within the United States;
- 177 2. Its gross revenues generated outside the United States
178 exceed its gross revenues generated within the United States; or
- 179 3. Its payroll expenses incurred outside the United States
180 exceed its payroll expenses incurred within the United States.

181 Section 5. Section 663.02, Florida Statutes, is amended to
182 read:

183 663.02 Applicability of the financial institutions codes
184 ~~state banking laws.~~



398992

185 (1) International banking corporations having offices in
186 this state are subject to all the provisions of the financial
187 institutions codes and ~~chapter 655~~ as though such corporations
188 were state banks ~~or trust companies~~, except where it may appear,
189 from the context or otherwise, that such provisions are clearly
190 applicable only to banks ~~or trust companies~~ organized under the
191 laws of this state or the United States. Without limiting the
192 foregoing general provisions, it is the intent of the
193 Legislature that the following provisions are applicable to such
194 banks or trust companies: s. 655.031, relating to administrative
195 enforcement guidelines; s. 655.032, relating to investigations,
196 subpoenas, hearings, and witnesses; s. 655.0321, relating to
197 hearings, proceedings, and related documents and restricted
198 access thereto; s. 655.033, relating to cease and desist orders;
199 s. 655.037, relating to removal by the office of an officer,
200 director, committee member, employee, or other person; s.
201 655.041, relating to administrative fines and enforcement; s.
202 655.50, relating to the control of money laundering and
203 terrorist financing; and any law for which the penalty is
204 increased under s. 775.31 for facilitating or furthering
205 terrorism. International banking corporations do not have the
206 powers conferred on domestic banks by s. 658.60, relating to
207 deposits of public funds. Chapter 687, relating to interest and
208 usury, applies to all bank loans.

209 (2) Neither an international bank agency nor an
210 international branch shall have any greater right under, or by
211 virtue of, this section than is granted to banks organized under
212 the laws of this state. Legal and financial terms used herein
213 shall be deemed to refer to equivalent terms used by the country



398992

214 in which the international banking corporation is organized.
215 This chapter and the financial institutions codes may not be
216 construed to authorize any international banking corporation ~~or~~
217 ~~trust company~~ to conduct trust business, as defined in s.
218 658.12, from an office in this state except for those activities
219 specifically authorized by s. 663.061(5) ~~ss. 663.061(5) and~~
220 ~~663.0625~~.

221 Section 6. Subsection (1) of section 663.021, Florida
222 Statutes, is amended to read:

223 663.021 Civil action subpoena enforcement.—

224 (1) Notwithstanding s. 655.059, an international
225 representative office, international bank agency, international
226 branch, ~~international trust company representative office~~, or
227 international administrative office established under this
228 chapter is not required to produce a book or record pertaining
229 to a deposit account, investment account, or loan of a customer
230 of the international banking corporation's offices that are
231 located outside the United States or its territories in response
232 to a subpoena if the book or record is maintained outside the
233 United States or its territories and is not in the possession,
234 custody, or control of the international banking corporation's
235 office, agency, or branch established in this state.

236 Section 7. Section 663.04, Florida Statutes, is amended to
237 read:

238 663.04 Requirements for carrying on financial institution
239 business.—An international banking corporation ~~or trust company~~,
240 or any affiliate, subsidiary, or other person or business entity
241 acting as an agent for, on behalf of, or for the benefit of such
242 international banking corporation ~~or trust company~~ who engages



398992

243 in such activities from an office located in this state, may not
244 transact a banking or trust business, or maintain in this state
245 any office for carrying on such business, or any part thereof,
246 unless such corporation, ~~trust company~~, affiliate, subsidiary,
247 person, or business entity:

248 (1) Has been authorized by its charter to carry on a
249 banking or trust business and has complied with the laws of the
250 jurisdiction in which it is chartered.

251 (2) Has furnished to the office such proof as to the nature
252 and character of its business and as to its financial condition
253 as the commission or office requires.

254 (3) Has filed with the office a certified copy of that
255 information required to be supplied to the Department of State
256 by those provisions of part I of chapter 607 which are
257 applicable to foreign corporations.

258 (4) Has received a license duly issued to it by the office.

259 (5) Has sufficient capital in accordance with the
260 requirements of capital accounts no less than the minimums
261 required per s. 663.055 and the rules adopted thereunder and is
262 not imminently insolvent or insolvent, as those terms are
263 defined in per s. 655.005(1).

264 (6) (a) Is not in bankruptcy, conservatorship, receivership,
265 liquidation, or similar status under the laws of any country.

266 (b) Is not operating under the direct control of the
267 government, regulatory, or supervisory authority of the
268 jurisdiction of its incorporation through government
269 intervention or any other extraordinary actions.

270 (c) Has not been in such status or control at any time
271 within the 3 7 years preceding the date of application for a



398992

272 license.

273

274 Notwithstanding paragraphs (a) and (b), the office may permit an
275 international branch, international bank agency, international
276 administrative office, or international representative office to
277 remain open and in operation pursuant to s. 663.11(1)(b).

278 Section 8. Present subsections (4) through (8) of section
279 663.05, Florida Statutes, are redesignated as subsections (5)
280 through (9), respectively, a new subsection (4) is added to that
281 section, and present subsections (4), (5), and (6), paragraph
282 (c) of present subsection (7), and present subsection (8) of
283 that section are amended, to read:

284 663.05 Application for license; approval or disapproval.—

285 (4) Notwithstanding subsection (1), an international
286 banking corporation that has operated an international branch,
287 international bank agency, international administrative office,
288 or international representative office in this state for a
289 minimum of 3 years in a safe and sound manner, as defined by
290 commission rule, and that is otherwise eligible to establish an
291 additional office may establish one or more additional
292 international branches, international bank agencies,
293 international administrative offices, or international
294 representative offices by providing an abbreviated application
295 and paying the appropriate license fee pursuant to s. 663.12.
296 This subsection does not permit an international banking
297 corporation to file an abbreviated application for any license
298 type whose permissible activities are broader than those in
299 which the international banking corporation is currently
300 authorized to engage.



398992

301 (5)-(4) An application filed pursuant to this section must
302 ~~shall~~ be made on a form prescribed by the commission office and
303 must shall contain such information as the commission or office
304 requires.

305 (6)-(5) The office may, in its discretion, approve or
306 disapprove the application, but it may shall not approve the
307 application unless, in its opinion, the applicant meets each and
308 every requirement of this part and any other applicable
309 provision of the financial institutions codes. The office shall
310 approve the application only if it has determined that the
311 directors, executive officers, and principal shareholders of the
312 international banking corporation are qualified by reason of
313 their financial ability, reputation, and integrity and have
314 sufficient banking and other business experience to indicate
315 that they will manage and direct the affairs of the
316 international banking corporation in a safe, sound, and lawful
317 manner. In the processing of an application filed pursuant to
318 this section applications, the time limitations under the
319 Administrative Procedure Act do shall not apply as to approval
320 or disapproval of the application. For applications filed on or
321 after January 1, 2018, the time limitations for approval or
322 disapproval of an application must be prescribed by rule of the
323 commission.

324 (7)-(6) The office may not issue a license to an
325 international banking corporation unless:

326 (a) It is chartered in a jurisdiction in which any
327 financial institution licensed or chartered by any state or any
328 federal bank regulatory agency in the United States bank or
329 trust company having its principal place of business in this



398992

330 ~~state~~ may establish similar facilities or exercise similar
331 powers; or

332 (b) Federal law permits the appropriate federal regulatory
333 authority to issue a comparable license to the international
334 banking corporation.

335 (8)~~(7)~~ The office may not issue a license to an
336 international banking corporation for the purpose of operating:

337 ~~(c) A trust representative office in this state unless the~~
338 ~~corporation:~~

339 1. ~~Holds an unrestricted license to conduct trust business~~
340 ~~in the foreign country under the laws of which it is organized~~
341 ~~and chartered.~~

342 2. ~~Has been authorized by the foreign country's trust~~
343 ~~business regulatory authority to establish the proposed~~
344 ~~international trust representative office.~~

345 3. ~~Is adequately supervised by the central bank or trust~~
346 ~~regulatory agency in the foreign country in which it is~~
347 ~~organized and chartered.~~

348 4. ~~Meets all requirements under the financial institutions~~
349 ~~codes for the operation of a trust company or trust department~~
350 ~~as if it were a state chartered trust company or bank authorized~~
351 ~~to exercise fiduciary powers.~~

352 (9)~~(8)~~ The commission shall establish, by rule, the general
353 principles which shall determine the adequacy of supervision of
354 an international banking corporation's foreign establishments.
355 These principles shall be based upon the need for cooperative
356 supervisory efforts and consistent regulatory guidelines and
357 shall address, at a minimum, the capital adequacy, asset
358 quality, management, earnings, liquidity, internal controls,



398992

359 audits, and foreign exchange operations and positions of the
360 international banking corporation. This subsection does ~~shall~~
361 not require examination by the home-country regulatory
362 authorities of any office of an international banking
363 corporation in this state. The commission may also establish, by
364 rule, other standards for approval of an application for a
365 license as considered necessary to ensure the safe and sound
366 operations of the international banking corporation ~~bank or~~
367 ~~trust representative office~~ in this state.

368 Section 9. Section 663.055, Florida Statutes, is amended to
369 read:

370 663.055 Capital requirements.—

371 (1) To qualify for a license under ~~the provisions of this~~
372 part, the proposed capitalization of the international banking
373 corporation must be in such amount as the office determines is
374 necessary, taking into consideration the risk profile of the
375 international banking corporation and the ability of the
376 international banking corporation to operate a licensed office
377 in a safe and sound manner. In making this determination, the
378 office must consider the financial resources of the
379 international banking corporation, including an international
380 banking corporation must have net capital accounts, calculated
381 according to United States generally accepted accounting
382 principles and practices, of at least:

383 (a) The international banking corporation's current and
384 projected capital position, profitability, level of
385 indebtedness, and business and strategic plans ~~Forty million~~
386 ~~dollars for the establishment of an international bank agency,~~
387 ~~an international branch, or an international administrative~~



398992

388 ~~office; or~~

389 (b) The financial condition of any of the international
390 banking corporation's existing offices located in the United
391 States; ~~Twenty million dollars for the establishment of an~~
392 ~~international representative office or international trust~~
393 ~~representative office.~~

394 (c) The minimum capital requirements of the international
395 banking corporation's home-country jurisdiction; and

396 (d) The capital ratio standards used in the United States
397 and in the international banking corporation's home-country
398 jurisdiction.

399 (2) The proposed capitalization of the international
400 banking corporation must be in such amount as the office deems
401 adequate, but in no case may the total capital accounts of the
402 international banking corporation be less than the minimum
403 required under s. 658.21(2) to establish a state bank
404 ~~Notwithstanding the provisions of paragraph (1)(a), the office~~
405 ~~may approve an application for a license to establish an~~
406 ~~international bank agency, an international branch, or an~~
407 ~~international administrative office if:~~

408 ~~(a) The international banking corporation is licensed to~~
409 ~~receive deposits from the general public in the country where it~~
410 ~~is organized and licensed and to engage in such other activities~~
411 ~~as are usual in connection with the business of banking in such~~
412 ~~country;~~

413 ~~(b) The office receives a certificate that is issued by the~~
414 ~~banking or supervisory authority of the country in which the~~
415 ~~international banking corporation is organized and licensed and~~
416 ~~states that the international banking corporation is duly~~



398992

417 ~~organized and licensed and lawfully existing in good standing,~~
418 ~~and is empowered to conduct a banking business; and~~

419 ~~(c) The international banking corporation has been in the~~
420 ~~business of banking for at least 10 years and is ranked by the~~
421 ~~banking or supervisory authority of the country in which it is~~
422 ~~organized and licensed as one of the five largest banks in that~~
423 ~~country in terms of domestic deposits, as of the date of its~~
424 ~~most recent statement of financial condition. However, in no~~
425 ~~event shall the office approve an application under this~~
426 ~~subsection for any international banking corporation with~~
427 ~~capital accounts of less than \$20 million.~~

428 ~~(3) The office may specify such other conditions as it~~
429 ~~determines are appropriate, considering the public interest and,~~
430 ~~the need to maintain a safe, sound, and competitive banking~~
431 ~~system in this state, and the preservation of an environment~~
432 ~~conducive to the conduct of an international banking business in~~
433 ~~this state. In translating the capital accounts of an~~
434 ~~international banking corporation, the office may consider~~
435 ~~monetary corrections accounts that reflect results consistent~~
436 ~~with the requirements of generally accepted accounting~~
437 ~~principles in the United States.~~

438 ~~(4) For the purpose of this part, the capital accounts of~~
439 ~~and capital ratio standards for an international banking~~
440 ~~corporation must ~~shall~~ be determined in accordance with rules~~
441 ~~adopted by the commission. In adopting such rules, the~~
442 ~~commission shall consider similar rules adopted by bank~~
443 ~~regulatory agencies in the United States and the need to provide~~
444 ~~reasonably consistent regulatory requirements for international~~
445 ~~banking corporations ~~which will maintain the safe and sound~~~~



398992

446 ~~condition of international banking corporations~~ doing business
447 in this state, as well as capital adequacy standards of an
448 international banking corporation's home-country jurisdiction.

449 Section 10. Subsections (1) and (3) of section 663.06,
450 Florida Statutes, are amended to read:

451 663.06 Licenses; permissible activities.—

452 (1) (a) An international banking corporation licensed to
453 operate an office in this state may engage in the business
454 authorized by this part at the office specified in such license
455 for an indefinite period.

456 (b) An international banking corporation may operate more
457 than one licensed office, each at a different place of business,
458 provided that each office is ~~shall be~~ separately licensed.

459 (c) A ~~Ne~~ license is not transferable or assignable.
460 However, the location of a licensed office may be changed after
461 notification of the office.

462 (d) Every such license must ~~shall~~ be, at all times,
463 conspicuously displayed in the place of business specified
464 therein.

465 (3) The license for any international banking corporation
466 office in this state may be suspended or revoked by the office,
467 with or without examination, upon its determination that the
468 international banking corporation or the licensed office does
469 not meet all requirements for original licensing. Additionally,
470 the office shall revoke the license of any licensed office that
471 the office determines has been inactive for 6 months or longer.
472 The commission may by rule prescribe additional conditions or
473 standards under which the license of an international bank
474 agency, international branch, international representative



398992

475 office, ~~international trust company representative office~~, or
476 international administrative office may be suspended or revoked.

477 Section 11. Section 663.0601, Florida Statutes, is created
478 to read:

479 663.0601 After-the-fact licensure process in the event of
480 the acquisition, merger, or consolidation of international
481 banking corporations.-If an international banking corporation
482 proposes to acquire, merge, or consolidate with an international
483 banking corporation that presently operates an international
484 branch, international bank agency, international administrative
485 office, or international representative office licensed in this
486 state, the office may authorize the currently licensed
487 international branch, international bank agency, international
488 administrative office, or international representative office to
489 remain open and in operation after consummation of the proposed
490 acquisition, merger, or consolidation, if the acquiring
491 international banking corporation files an after-the-fact
492 application and all of the following conditions are met:

493 (1) The international banking corporation or corporations
494 resulting from the acquisition, merger, or consolidation will
495 not directly or indirectly own or control more than 5 percent of
496 any class of the voting securities of, or control, a United
497 States bank.

498 (2) Before consummation of the acquisition, merger, or
499 consolidation, the international banking corporation currently
500 licensed to operate an international branch, international bank
501 agency, international administrative office, or international
502 representative office in this state must provide the office at
503 least 30 days' advance written notice, as prescribed by rules



398992

504 adopted by the commission, of the proposed acquisition, merger,
505 or consolidation.

506 (3) Before consummation of the acquisition, merger, or
507 consolidation, each international banking corporation commits in
508 writing that it will either:

509 (a) Comply with the conditions in subsections (1) and (2)
510 and file an after-the-fact application for a license under s.
511 663.05(1) within 60 days after consummation of the proposed
512 acquisition, merger, or consolidation; and refrain from engaging
513 in new lines of business and from otherwise expanding the
514 activities of such establishment in this state until the
515 disposition of the after-the-fact license application, in
516 accordance with chapter 120; or

517 (b) Promptly wind down and close any international branch,
518 international bank agency, international administrative office,
519 or international representative office in this state if the
520 international banking corporations that are party to the
521 acquisition, merger, or consolidation elect not to file an
522 application for a license in accordance with paragraph (a); and,
523 before such wind-down and closure, refrain from engaging in new
524 lines of business or otherwise expanding the activities of such
525 establishment in this state.

526 Section 12. Subsection (1) of section 663.061, Florida
527 Statutes, is amended to read:

528 663.061 International bank agencies; permissible
529 activities.—

530 (1) An international bank agency licensed under this part
531 may make any loan, extension of credit, or investment which it
532 could make if incorporated and operating as a bank organized



398992

533 under the laws of this state. An international bank agency may
534 act as custodian and may furnish investment management, and
535 investment advisory services authorized under rules adopted by
536 the commission, to nonresident entities or persons whose
537 principal places of business or domicile are outside the United
538 States and to resident entities or persons with respect to
539 international, ~~or~~ foreign, or domestic investments. An
540 international banking corporation that ~~which~~ has an
541 international bank agency licensed under the terms of this part
542 is shall be exempt from the registration requirements of s.
543 517.12. An international bank agency licensed by the office may
544 engage in any activity permissible for an international
545 administrative office or international representative office.

546 Section 13. Section 663.062, Florida Statutes, is amended
547 to read:

548 663.062 International representative offices; permissible
549 activities.—An international representative office may promote
550 or assist the deposit-taking, lending, or other financial or
551 banking activities of an international banking corporation. An
552 international representative office may serve as a liaison in
553 Florida between an international banking corporation and its
554 existing and potential customers. Representatives and employees
555 based at such office may solicit business for the international
556 banking corporation and its subsidiaries and affiliates, provide
557 information to customers concerning their accounts, answer
558 questions, receive applications for extensions of credit and
559 other banking services, transmit documents on behalf of
560 customers, and make arrangements for customers to transact
561 business on their accounts, but a representative office may not



398992

562 conduct any banking or trust business in this state. An
563 international representative office of an international banking
564 corporation that has fiduciary powers may engage in the
565 international trust representative office activities enumerated
566 in s. 663.409.

567 Section 14. Subsection (2) of section 663.063, Florida
568 Statutes, is amended to read:

569 663.063 International administrative offices.—

570 (2) An office established pursuant to ~~the provisions of~~
571 this section may ~~not~~ engage only in ~~any activity except~~ those
572 activities set forth in subsection (1) and the activities
573 permissible for an international representative office pursuant
574 to s. 663.062.

575 Section 15. Section 663.064, Florida Statutes, is amended
576 to read:

577 663.064 International branches; permissible activities;
578 requirements.—

579 (1) An international banking corporation that meets the
580 requirements of ss. 658.26, 663.04, and 663.05 may, with the
581 approval of the office, establish one or more branches in this
582 state. ~~An international branch shall have the same rights and~~
583 ~~privileges as a federally licensed international branch.~~ The
584 operations of an international branch shall be conducted
585 pursuant to requirements determined by the office as necessary
586 to ensure compliance with the provisions of the financial
587 institutions codes, including requirements for the maintenance
588 of accounts and records separate from those of the international
589 banking corporation of which it is a branch.

590 (2) An international branch has the same rights and



398992

591 privileges as a federally licensed international branch. The
592 permissible deposits of an international branch must be
593 determined in accordance with rules adopted by the commission.
594 In adopting such rules, the commission shall consider the
595 similar deposit-taking authority of a federally licensed
596 international branch and the need to provide reasonably
597 consistent regulatory requirements for international banking
598 corporations doing business in this state.

599 (3) An international branch licensed by the office may
600 engage in any activity permissible for an international bank
601 agency, international administrative office, or international
602 representative office.

603 Section 16. Subsection (3) of section 663.09, Florida
604 Statutes, is amended, and subsection (5) is added to that
605 section, to read:

606 663.09 Reports; records.—

607 (3) Each international banking corporation that ~~which~~
608 operates an office licensed under this part shall cause to be
609 kept, at a location accepted by the office:

610 (a) Correct and complete books and records of account of
611 the business operations transacted by such office. All policies
612 and procedures relating specifically to ~~governing~~ the operations
613 of such office, as well as any existing general ledger or
614 subsidiary accounts, must ~~shall~~ be maintained in the English
615 language. Any policies and procedures of the international
616 banking corporation which are not specific to the operations of
617 such office may be maintained in a language other than English
618 ~~The office may require that any other document not written in~~
619 ~~the English language which the office deems necessary for the~~



398992

620 ~~purposes of its regulatory and supervisory functions be~~
621 ~~translated into English at the expense of the international~~
622 ~~banking corporation.~~

623 (b) Current copies of the charter and bylaws of the
624 international banking corporation, relative to the operations of
625 the office, and minutes of the proceedings of its directors,
626 officers, or committees relative to the business of the office.
627 Such records may be maintained in a language other than English
628 and must ~~shall~~ be kept pursuant to s. 655.91 and ~~shall be~~ made
629 available to the office, upon request, at any time during
630 regular business hours of the office. Any failure to keep such
631 records as aforesaid or any refusal to produce such records upon
632 request by the office is ~~shall be~~ grounds for suspension or
633 revocation of any license issued under this part.

634 (5) The office may require at any time that any document
635 not written in the English language which the office deems
636 necessary for the purposes of its regulatory and supervisory
637 functions be translated into English at the expense of the
638 international banking corporation.

639 Section 17. Section 663.11, Florida Statutes, is amended to
640 read:

641 663.11 Termination of international banking corporation's
642 charter or authority.-

643 (1) (a) An international banking corporation that is
644 licensed to maintain an office in this state may not continue to
645 conduct its licensed business in this state if the international
646 banking corporation:

647 1. Is dissolved, or its authority or existence is otherwise
648 terminated or canceled in the jurisdiction of its



398992

649 incorporation;7

650 2. Is in bankruptcy, conservatorship, receivership,
651 liquidation, or similar status under the laws of any country;7
652 or

653 3. Is operating under the direct control of the government
654 or the regulatory or supervisory authority of the jurisdiction
655 of its incorporation through government intervention or any
656 other extraordinary actions.

657 (b)1. Notwithstanding subparagraphs (a)2. and 3., the
658 office may permit an international branch, international bank
659 agency, international administrative office, or international
660 representative office to remain open and in operation under the
661 following conditions:

662 a. Within 30 days after the occurrence of an event
663 described in subparagraph (a)2. or subparagraph (a)3., the
664 international branch, international bank agency, international
665 administrative office, or international representative office
666 provides the office with a plan to wind down its affairs and
667 business within the subsequent 90 days or provides an interim
668 operational plan outlining parameters for its continued
669 operation. If the office finds that such interim operational
670 plan does not allow for the conduct of business in a safe and
671 sound manner, the office shall revoke the license.

672 b. The international banking corporation is authorized by
673 the foreign country in which it is organized and licensed to
674 address the affairs of any international branch, international
675 bank agency, international administrative office, or
676 international representative office in this state.

677 c. The international branch, international bank agency,



398992

678 international administrative office, or international
679 representative office does not engage in any new lines of
680 business or otherwise expand its activities in this state.

681 d. The office determines that allowing the international
682 branch, international bank agency, international administrative
683 office, or international representative office to remain open
684 furtheres domestic and foreign supervisory cooperation.

685 e. The office determines that allowing the international
686 branch, international bank agency, international administrative
687 office, or international representative office to remain open is
688 in the public's interest and does not present an immediate or
689 serious danger to the public health, safety, or welfare.

690 2. The commission may establish, by rule, additional
691 standards and conditions for approval of an interim operational
692 plan and for ongoing compliance with the plan. Such standards
693 and conditions shall be based upon the need for cooperative
694 supervisory efforts, consistent regulatory oversight, and the
695 orderly administration of the international banking
696 corporation's affairs.

697 3. After the resolution of all applicable events described
698 in subparagraphs (a)2. and 3., if an international banking
699 corporation is no longer authorized by the foreign country in
700 which it is organized and licensed to conduct banking business,
701 the international branch, international bank agency,
702 international administrative office, or international
703 representative office shall surrender its license in accordance
704 with s. 663.06.

705 (2) A certificate of the official who is responsible for
706 records of banking corporations of the jurisdiction of



398992

707 ~~incorporation of such international banking corporation,~~
708 ~~attesting to the occurrence of any such event, or a certified~~
709 ~~copy of an order or decree of a court of such jurisdiction,~~
710 ~~directing the dissolution of such international banking~~
711 ~~corporation, the termination of its existence, or the~~
712 ~~cancellation of its authority, or declaring its status in~~
713 ~~bankruptcy, conservatorship, receivership, liquidation, or~~
714 ~~similar proceedings, or other reliable documentation that the~~
715 ~~international banking corporation is operating under the direct~~
716 ~~control of its government or a regulatory or supervisory~~
717 ~~authority, shall be delivered by~~ The international banking
718 corporation or its surviving officers and directors shall
719 deliver to the office:-

720 (a) A certificate of the official who is responsible for
721 records of banking corporations of the jurisdiction of
722 incorporation of such international banking corporation,
723 attesting to the occurrence of any event described in paragraph
724 (1) (a);

725 (b) A certified copy of an order or decree of a court of
726 such jurisdiction, directing the dissolution of such
727 international banking corporation, the termination of its
728 existence, or the cancellation of its authority or declaring its
729 status in bankruptcy, conservatorship, receivership,
730 liquidation, or similar proceedings; or

731 (c) Other reliable documentation evidencing that the
732 international banking corporation is operating under the direct
733 control of its government or a regulatory or supervisory
734 authority.

735 (3) The filing of the certificate, order, documentation, or



398992

736 decree has ~~shall have~~ the same effect as the revocation of the
737 license of such international banking corporation as provided in
738 s. 663.06, unless the office has permitted the international
739 branch, international bank agency, international administrative
740 office, or international representative office to remain open
741 and in operation pursuant to paragraph (1) (b).

742 Section 18. Subsection (1) of section 663.12, Florida
743 Statutes, is amended to read:

744 663.12 Fees; assessments; fines.—

745 (1) Each application for a license under ~~the provisions of~~
746 this part must ~~shall~~ be accompanied by a nonrefundable filing
747 fee payable to the office in the following amount:

748 (a) Ten thousand dollars for establishing a state-chartered
749 investment company.

750 (b) Ten thousand dollars for establishing an international
751 bank agency or branch.

752 (c) Five thousand dollars for establishing an international
753 administrative office.

754 (d) Five thousand dollars for establishing an international
755 representative office.

756 ~~(e) Five thousand dollars for establishing an international~~
757 ~~trust company representative office.~~

758 (e)-(f) An amount equal to the initial filing fee for an
759 application to convert from one type of license to another. The
760 commission may increase the filing fee for any type of license
761 to an amount established by rule and calculated in a manner so
762 as to cover the direct and indirect cost of processing such
763 applications.

764 Section 19. Subsection (11) of section 663.17, Florida



398992

765 Statutes, is amended to read:

766 663.17 Liquidation; possession of business and property;
767 inventory of assets; wages; depositing collected assets;
768 appointing agents; appointment of judges.—

769 (11) The compensation of agents and any other employees
770 appointed by the office to assist in the liquidation of an
771 international banking corporation, or any of the corporation's
772 licensed offices located in this state, the distribution of its
773 assets, or the expenses of supervision, must ~~shall~~ be paid out
774 of the assets of the corporation in the possession hands of the
775 office. Expenses of liquidation and approved claims for fees and
776 assessments due the office must ~~shall~~ be given first priority
777 among unsecured creditors.

778 Section 20. The Division of Law Revision and Information is
779 directed to create part III of chapter 663, Florida Statutes,
780 consisting of ss. 663.4001-663.416, Florida Statutes, to be
781 entitled "International Trust Company Representative Offices."

782 Section 21. Section 663.4001, Florida Statutes, is created
783 to read:

784 663.4001 Purpose.—The purpose of this part is to establish
785 a legal and regulatory framework for the conduct by
786 international trust entities of financial services business in
787 this state. This part is intended to:

788 (1) Support the Florida operations of international trust
789 entities and promote the growth of international financial
790 services to benefit the economy and consumers in this state.

791 (2) Provide for appropriate supervision and regulatory
792 oversight to ensure that financial services activities of
793 international trust entities in this state are conducted



398992

794 responsibly and in a safe and sound manner.

795 Section 22. Section 663.401, Florida Statutes, is created
796 to read:

797 663.401 Definitions.—

798 (1) "Affiliate" means a person or business or a group of
799 persons or businesses acting in concert which controls, is
800 controlled by, or is under common control of an international
801 trust entity.

802 (2) "International trust company representative office"
803 means an office of an international trust entity which is
804 established or maintained in this state for the purpose of
805 engaging in nonfiduciary activities described in s. 663.409, or
806 any affiliate, subsidiary, or other person that engages in such
807 activities on behalf of such international trust entity from an
808 office located in this state.

809 (3) "International trust entity" means an international
810 trust company or organization, or any similar business entity,
811 or an affiliated or subsidiary entity that is licensed,
812 chartered, or similarly permitted to conduct trust business in a
813 foreign country or countries under the laws where such entity is
814 organized and supervised.

815 Section 23. Section 663.402, Florida Statutes, is created
816 to read:

817 663.402 Applicability of the financial institutions codes.—

818 (1) An international trust entity that operates an office
819 licensed under this part is subject to all the financial
820 institutions codes as though such international trust entity
821 were a state trust company, except when it appears, from the
822 context or otherwise, that such provisions are clearly



398992

823 applicable only to trust companies organized under the laws of
824 this state or the United States. Without limiting the foregoing
825 general provisions, it is the intent of the Legislature that the
826 following provisions are applicable to such international trust
827 entities having offices in this state: s. 655.031, relating to
828 administrative enforcement guidelines; s. 655.032, relating to
829 investigations, subpoenas, hearings, and witnesses; s. 655.0321,
830 relating to restricted access hearings, proceedings, and related
831 documents; s. 655.033, relating to cease and desist orders; s.
832 655.037, relating to removal of a financial institution-related
833 party by the office; s. 655.041, relating to administrative
834 finances and enforcement; s. 655.50, the Florida Control of Money
835 Laundering and Terrorist Financing in Financial Institutions
836 Act; and any law for which the penalty is increased under s.
837 775.31 for facilitating or furthering terrorism.

838 (2) An international trust entity does not have any greater
839 right under, or by virtue of, this section than is granted to
840 trust companies organized under the laws of this state. Legal
841 and financial terms used in this chapter are deemed to refer to
842 equivalent terms used by the country in which the international
843 trust entity is organized. This chapter and the financial
844 institutions codes may not be construed to authorize any
845 international trust entity to conduct trust business, as defined
846 in s. 658.12, from an office in this state.

847 Section 24. Section 663.403, Florida Statutes, is created
848 to read:

849 663.403 Applicability of the Florida Business Corporation
850 Act.—Notwithstanding s. 607.01401(12), the provisions of part I
851 of chapter 607 which are not in conflict with the financial



398992

852 institutions codes and which relate to foreign corporations
853 apply to all international trust entities and their offices
854 doing business in this state.

855 Section 25. Section 663.404, Florida Statutes, is created
856 to read:

857 663.404 Requirements for conducting financial institution
858 business.—An international trust entity, or any affiliated,
859 subsidiary, or other person or business entity acting as an
860 agent for, on behalf of, or for the benefit of such
861 international trust entity, who engages in such activities from
862 an office located in this state, may not transact a trust
863 business, or maintain in this state any office for carrying on
864 such business, or any part thereof, unless such international
865 trust entity, affiliate, subsidiary, person, or business entity:

866 (1) Has been authorized by charter, license, or similar
867 authorization by operation of law to carry on trust business and
868 has complied with the laws of each jurisdiction in which it is
869 chartered, licensed, or otherwise authorized and created under
870 operation of law.

871 (2) Has furnished to the office such proof as to the nature
872 and character of its business and as to its financial condition
873 as the commission or office requires.

874 (3) Has filed with the office a certified copy of that
875 information required to be supplied to the Department of State
876 by those provisions of part I of chapter 607 which are
877 applicable to foreign corporations.

878 (4) Has received a license duly issued to it by the office.

879 (5) Has sufficient capital in accordance with the
880 requirements of s. 663.407 and the rules adopted thereunder and



398992

881 is not imminently insolvent or insolvent, as those terms are
882 defined under s. 655.005(1).

883 (6) (a) Is not in bankruptcy, conservatorship, receivership,
884 liquidation, or similar status under the laws of any country.

885 (b) Is not operating under the direct control of the
886 government or the regulatory or supervisory authority of the
887 home jurisdiction in which it has been chartered, licensed, or
888 otherwise authorized and created under operation of law, through
889 government intervention or any other extraordinary actions.

890 (c) Has not been in such status or control at any time
891 within the 3 years preceding the date of application for a
892 license.

893
894 Notwithstanding paragraphs (a) and (b), the office may permit an
895 international trust company representative office to remain open
896 and in operation pursuant to s. 663.412(1)(b).

897 Section 26. Section 663.405, Florida Statutes, is created
898 to read:

899 663.405 Civil action subpoena enforcement.-

900 (1) Notwithstanding s. 655.059, an international trust
901 company representative office established under this chapter is
902 not required to produce a book or record pertaining to a deposit
903 account, investment account, trust account, or loan of a
904 customer of the international trust entity's offices that are
905 located outside the United States or its territories in response
906 to a subpoena, if the book or record is maintained outside the
907 United States or its territories and is not in the possession,
908 custody, or control of the international trust entity's
909 representative office established in this state.



398992

910 (2) This section applies only to a subpoena issued pursuant
911 to the Florida Rules of Civil Procedure, the Federal Rules of
912 Civil Procedure, or other similar law or rule of civil procedure
913 in another state. This section does not apply to a subpoena
914 issued by or on behalf of a federal, state, or local government
915 law enforcement agency, administrative or regulatory agency,
916 legislative body, or grand jury and does not limit the power of
917 the office to access all books and records in the exercise of
918 the office's regulatory and supervisory powers under the
919 financial institutions codes.

920 Section 27. Section 663.406, Florida Statutes, is created
921 to read:

922 663.406 Application for license; approval or disapproval.-

923 (1) An international trust entity, before being licensed by
924 the office to maintain any office in this state, must subscribe
925 and acknowledge, and submit to the office, an application that
926 contains all of the following:

927 (a) The name of the international trust entity.

928 (b) The proposed location, by street and post office
929 address and county, where its business is to be transacted in
930 this state, and the name of the person who will be in charge of
931 the business and affairs of the office.

932 (c) The location where its initial registered office will
933 be located in this state.

934 (d) The total amount of the capital accounts of the
935 international trust entity.

936 (e) A complete and detailed statement of its financial
937 condition as of a date within 180 days before the date of such
938 application, except that the office in its discretion may, when



398992

939 necessary or expedient, accept such statement of financial
940 condition as of a date within 240 days before the date of such
941 application. The office in its discretion may, when necessary or
942 expedient, require an independent opinion audit or the
943 equivalent satisfactory to the office.

944 (f) A listing of any occasion within the 10-year period
945 before the application on which either the international trust
946 entity or any of its directors, executive officers, or principal
947 shareholders have been arrested for, charged with, convicted of,
948 or pled guilty or nolo contendere to, regardless of
949 adjudication, any offense with respect to which the penalties
950 include the possibility of imprisonment for 1 year or more, or
951 to any offense involving money laundering, currency transaction
952 reporting, facilitating or furthering terrorism, or fraud, or
953 otherwise related to the operation of a financial institution.

954 (2) The office shall disallow any illegally obtained
955 currency, monetary instruments, funds, or other financial
956 resources from the capitalization requirements of this section,
957 and the existence of such illegally obtained resources is
958 grounds for denial of the application for license.

959 (3) An international trust entity that submits an
960 application to the office shall concurrently submit a
961 certificate issued by the supervisory authority of the country
962 in which the international trust entity is chartered or
963 organized which states that the international trust entity is
964 duly organized and licensed, or otherwise authorized by
965 operation of law to transact business as a trust entity, and
966 lawfully existing in good standing.

967 (4) An international trust entity that has operated an



398992

968 international trust company representative office in this state
969 for at least 3 years in a safe and sound manner, as defined by
970 commission rule, and that is otherwise eligible to establish an
971 additional office may establish one or more international trust
972 company representative offices by providing an abbreviated
973 application, and paying the appropriate license fee pursuant to
974 s. 663.413.

975 (5) An application filed pursuant to this section must be
976 made on a form prescribed by the commission and must contain
977 such information as the commission or office requires.

978 (6) The office may, in its discretion, approve or
979 disapprove the application, but it may not approve the
980 application unless, in its opinion, the applicant meets each and
981 every requirement of this part and any other applicable
982 provision of the financial institutions codes. The office may
983 approve the application only if it has determined that the
984 directors, executive officers, and principal shareholders of the
985 international trust entity are qualified by reason of their
986 financial ability, reputation, and integrity and have sufficient
987 trust company and other business experience to indicate that
988 they will manage and direct the affairs of the international
989 trust entity in a safe, sound, and lawful manner. In the
990 processing of any application filed pursuant to this section,
991 the time limitations under the Administrative Procedure Act do
992 not apply as to approval or disapproval of the application. For
993 applications filed on or after January 1, 2018, the time
994 limitations for approval or disapproval of an application must
995 be prescribed by rule of the commission.

996 (7) The office may not issue a license to an international



398992

997 trust entity unless it is chartered, licensed, or similarly
998 authorized by operation of law in a jurisdiction in which any
999 financial institution licensed or chartered by any state or
1000 federal regulatory agency in the United States may establish
1001 similar facilities or exercise similar powers.

1002 (8) The office may not issue a license to an international
1003 trust entity for the purpose of operating an international trust
1004 company representative office in this state unless the trust
1005 entity:

1006 (a) Holds an unrestricted license to conduct trust business
1007 in the foreign country under whose laws it is organized and
1008 chartered;

1009 (b) Has been authorized by the foreign country's
1010 appropriate regulatory authority to establish the proposed
1011 international trust company representative office; and

1012 (c) Is adequately supervised by the appropriate regulatory
1013 agency in the foreign country in which it is organized and
1014 chartered.

1015 (9) The commission shall establish, by rule, the general
1016 principles that determine the adequacy of supervision of an
1017 international trust entity's foreign establishments. These
1018 principles must be based upon the need for cooperative
1019 supervisory efforts and consistent regulatory guidelines and
1020 must address, at a minimum, the capital adequacy, asset quality,
1021 management, earnings, liquidity, internal controls, audits, and
1022 foreign exchange operations and positions of the international
1023 trust entity. This subsection does not require examination by
1024 the home-country regulatory authorities of any office of an
1025 international trust entity in this state. The commission may



398992

1026 also establish, by rule, other standards for approval of an
1027 application for a license as considered necessary to ensure the
1028 safe and sound operations of the international trust entity in
1029 this state.

1030 Section 28. Section 663.407, Florida Statutes, is created
1031 to read:

1032 663.407 Capital requirements.-

1033 (1) For an international trust entity to qualify for a
1034 license under this part, the proposed capitalization of the
1035 international trust entity must be in such amount as the office
1036 determines is necessary, taking into consideration the risk
1037 profile of the international trust entity and the ability of the
1038 international trust entity to operate a licensed office in a
1039 safe and sound manner. In making this determination, the office
1040 shall consider the financial resources of the international
1041 trust entity, including:

1042 (a) The international trust entity's current and projected
1043 capital position, profitability, level of indebtedness, business
1044 and strategic plans, and off-balance sheet asset management and
1045 administration activities;

1046 (b) The financial condition of any of the international
1047 trust entity's existing offices located in the United States;

1048 (c) The minimum capital requirements of the international
1049 trust entity's home-country jurisdiction; and

1050 (d) The capital ratio standards used in the United States
1051 and in the international trust entity's home-country
1052 jurisdiction.

1053 (2) The proposed capitalization of the international trust
1054 entity must be in such amount as the office deems adequate, but



398992

1055 in no case may the total capital accounts of the international
1056 trust entity be less than \$1 million.

1057 (3) The office may specify such other conditions as it
1058 determines are appropriate, considering the public interest and
1059 the need to maintain a safe, sound, and competitive financial
1060 marketplace in this state.

1061 (4) For purposes of this part, the capital accounts of and
1062 capital ratio standards for an international trust entity must
1063 be determined in accordance with rules adopted by the
1064 commission. In adopting such rules, the commission shall
1065 consider similar rules adopted by regulatory agencies in the
1066 United States and the need to provide reasonably consistent
1067 regulatory requirements for international trust entities doing
1068 business in this state, as well as capital adequacy standards of
1069 an international trust entity's home-country jurisdiction.

1070 Section 29. Section 663.408, Florida Statutes, is created
1071 to read:

1072 663.408 Licenses; permissible activities of licensees.-

1073 (1) (a) An international trust entity licensed to operate an
1074 office in this state may engage in the business authorized by
1075 this part at the office specified in such license for an
1076 indefinite period.

1077 (b) An international trust entity may operate more than one
1078 licensed office, each at a different place of business, provided
1079 that each office is separately licensed.

1080 (c) A license is not transferable or assignable. However,
1081 the location of a licensed office may be changed after
1082 notification to the office.

1083 (d) A license must at all times be conspicuously displayed



398992

1084 in the place of business specified therein.

1085 (2) An international trust entity that proposes to
1086 terminate the operations of a licensed office in this state must
1087 surrender its license to the office and comply with such
1088 procedures as the commission may prescribe by rule.

1089 (3) The license for an international trust company
1090 representative office in this state may be suspended or revoked
1091 by the office, with or without examination, upon its
1092 determination that the international trust entity or the
1093 licensed office does not meet all requirements for original
1094 licensing. Additionally, the office shall revoke the license of
1095 any licensed office that the office determines has been inactive
1096 for 6 months or longer. The commission may by rule prescribe
1097 additional conditions or standards under which the license of an
1098 international trust company representative office may be
1099 suspended or revoked.

1100 (4) If any such license is surrendered by the international
1101 trust entity or is suspended or revoked by the office, all
1102 rights and privileges of the international trust entity to
1103 transact the business under the license cease. The commission
1104 shall prescribe by rule procedures for the surrender of a
1105 license and for the orderly cessation of business by an
1106 international trust entity in a manner that is not harmful to
1107 the interests of its customers or of the public.

1108 Section 30. Section 663.4081, Florida Statutes, is created
1109 to read:

1110 663.4081 After-the-fact licensure process in the event of
1111 the acquisition, merger, or consolidation of international trust
1112 entities.-If an international trust entity proposes to acquire,



398992

1113 merge, or consolidate with an international trust entity that
1114 presently operates an international trust company representative
1115 office licensed in this state, the office may allow the
1116 currently licensed international trust company representative
1117 office to remain open and in operation after consummation of the
1118 proposed acquisition, merger, or consolidation, subject to the
1119 filing with the office of an after-the-fact license application
1120 in accordance with all of the following conditions:

1121 (1) The international trust entity or entities resulting
1122 from the acquisition, merger, or consolidation will not directly
1123 or indirectly own or control more than 5 percent of any class of
1124 the voting securities of, or control, a United States bank.

1125 (2) Before consummation of the acquisition, merger, or
1126 consolidation, the international trust entity currently licensed
1127 to operate an international trust company representative office
1128 in this state must provide the office at least 30 days' advance
1129 written notice, as prescribed by rules adopted by the
1130 commission, of the proposed acquisition, merger, or
1131 consolidation.

1132 (3) Before consummation of the acquisition, merger, or
1133 consolidation, each international trust entity commits in
1134 writing that it will:

1135 (a) Comply with the conditions in subsections (1) and (2)
1136 and file an after-the-fact application for a license under s.
1137 663.406(1) within 60 days after consummation of the proposed
1138 acquisition, merger, or consolidation; and refrain from engaging
1139 in new lines of business and from otherwise expanding the
1140 activities of such establishment in this state until the
1141 disposition of the after-the-fact license application, in



398992

1142 accordance with chapter 120; or

1143 (b) Promptly wind down and close any international trust
1144 company representative office in this state if the international
1145 trust entities that are party to the acquisition, merger, or
1146 consolidation elect not to file an application for a license in
1147 accordance with paragraph (a); and, before such wind-down and
1148 closure, refrain from engaging in new lines of business or
1149 otherwise expanding the activities of such establishment in this
1150 state.

1151 Section 31. Section 663.0625, Florida Statutes, is
1152 transferred, renumbered as section 663.409, Florida Statutes,
1153 and amended to read:

1154 663.409 ~~663.0625~~ International trust company representative
1155 offices; permissible activities; requirements.—

1156 (1) An international trust company representative office
1157 may conduct any nonfiduciary activities that are ancillary to
1158 the fiduciary business of its international trust entity ~~banking~~
1159 ~~corporation or trust company~~, but may not act as a fiduciary.
1160 Permissible activities include advertising, marketing, and
1161 soliciting for fiduciary business on behalf of an international
1162 trust entity ~~banking corporation or trust company~~; contacting
1163 existing or potential customers, answering questions, and
1164 providing information about matters related to their accounts;
1165 serving as a liaison in this state between the international
1166 trust entity ~~banking corporation or trust company~~ and its
1167 existing or potential customers; and engaging in any other
1168 activities approved by the office or under rules of the
1169 commission.

1170 (2) Representatives and employees at such office may not



398992

1171 act as a fiduciary, including, but not limited to, accepting the
1172 fiduciary appointment, executing the fiduciary documents that
1173 create the fiduciary relationship, ~~or~~ making discretionary
1174 decisions regarding the investment or distribution of fiduciary
1175 accounts, or accepting custody of any trust property or any
1176 other good, asset, or thing of value on behalf of the affiliated
1177 international trust entity, its subsidiaries or affiliates, or
1178 subsidiaries and affiliates of the international trust company
1179 representative office.

1180 (3) An international trust company representative office
1181 licensed by the office may engage in any activities permissible
1182 for a qualified limited service affiliate under part IV of this
1183 chapter.

1184 Section 32. Section 663.410, Florida Statutes, is created
1185 to read:

1186 663.410 Certification of capital accounts.—Before opening
1187 an office in this state, and annually thereafter so long as an
1188 international trust company representative office is maintained
1189 in this state, an international trust entity licensed pursuant
1190 to this part must certify to the office the amount of its
1191 capital accounts, expressed in the currency of the home
1192 jurisdiction where it has been authorized by charter, license,
1193 or similar authorization by operation of law to carry on trust
1194 business. The dollar equivalent of these amounts, as determined
1195 by the office, is deemed to be the amount of its capital
1196 accounts. The annual certification of capital accounts must be
1197 received by the office on or before June 30 of each year.

1198 Section 33. Section 663.411, Florida Statutes, is created
1199 to read:



398992

1200 663.411 Reports; records.-
1201 (1) An international trust entity that operates an office
1202 licensed under this part shall, at such times and in such form
1203 as the commission prescribes, make written reports in the
1204 English language to the office, under the oath of one of its
1205 officers, managers, or agents transacting business in this
1206 state, showing the amount of its assets and liabilities and
1207 containing such other matters as the commission or office
1208 requires. An international trust entity that maintains two or
1209 more representative offices may consolidate such information in
1210 one report unless the office requires otherwise for purposes of
1211 its supervision of the condition and operations of each such
1212 office. The late filing of such reports is subject to an
1213 administrative fine as prescribed under s. 655.045(2). If the
1214 international trust entity fails to make such report as directed
1215 by the office or if such report contains a false statement
1216 knowingly made, the same are grounds for revocation of the
1217 license of the international trust entity.
1218 (2) An international trust entity that operates an office
1219 licensed under this part shall cause to be kept, at a location
1220 accepted by the office:
1221 (a) Correct and complete books and records of account of
1222 the business operations transacted by such office. All policies
1223 and procedures relating specifically to the operations of such
1224 office, as well as any existing general ledger or subsidiary
1225 accounts, must be maintained in the English language; however,
1226 any policies and procedures of the international trust entity
1227 which are not specific to the operations of such office may be
1228 maintained in a language other than English.



398992

1229 (b) Current copies of the charter or statement of operation
1230 and bylaws of the international trust entity, relative to the
1231 operations of the international trust company representative
1232 office, and minutes of the proceedings of its directors,
1233 officers, or committees relative to the business of the
1234 international trust company representative office. Such records
1235 may be maintained in a language other than English and must be
1236 kept pursuant to s. 655.91 and be made available to the office,
1237 upon request, at any time during regular business hours of the
1238 international trust company representative office.

1239 (3) Any failure to keep such records as required in
1240 subsection (2) or any refusal to produce such records upon
1241 request by the office is grounds for suspension or revocation of
1242 any license issued under this part.

1243 (4) The office may require at any time that any document
1244 not written in the English language which the office deems
1245 necessary for the purposes of its regulatory and supervisory
1246 functions be translated into English at the expense of the
1247 international trust entity.

1248 Section 34. Section 663.412, Florida Statutes, is created
1249 to read:

1250 663.412 Termination of international trust entity's charter
1251 or authority.-

1252 (1) (a) An international trust entity that is licensed to
1253 maintain an office in this state may not continue to conduct its
1254 licensed business in this state if the international trust
1255 entity:

1256 1. Is dissolved, or its authority or existence is otherwise
1257 terminated or canceled in the home jurisdiction where it has



398992

1258 been authorized by charter, license, or similar authorization by
1259 operation of law to carry on trust business;

1260 2. Is in bankruptcy, conservatorship, receivership,
1261 liquidation, or similar status under the laws of any country; or

1262 3. Is operating under the direct control of the government
1263 or the regulatory or supervisory authority of the jurisdiction
1264 where it has been authorized by charter, license, or similar
1265 authorization by operation of law to carry on trust business
1266 through government intervention or any other extraordinary
1267 actions.

1268 (b)1. Notwithstanding subparagraphs (a)2. and 3., the
1269 office may permit an international trust company representative
1270 office to remain open and in operation under the following
1271 conditions:

1272 a. Within 30 days after the occurrence of an event
1273 described in subparagraph (a)2. or subparagraph (a)3., the
1274 international trust company representative office provides the
1275 office with a plan to wind down its affairs and business within
1276 the subsequent 90 days or provides an interim operational plan
1277 outlining parameters for its continued operation. If the office
1278 finds that such interim operational plan does not allow for the
1279 conduct of business in a safe and sound manner, the office shall
1280 revoke the license.

1281 b. The international trust entity is authorized by the
1282 foreign country in which it is organized and licensed to address
1283 the affairs of any international trust company representative
1284 office in this state.

1285 c. The international trust company representative office
1286 does not engage in any new lines of business or otherwise expand



398992

1287 its activities in this state.

1288 d. The office determines that allowing the international
1289 trust company representative office to remain open furthers
1290 domestic and foreign supervisory cooperation.

1291 e. The office determines that allowing the international
1292 trust company representative office to remain open is in the
1293 public's interest and does not present an immediate or serious
1294 danger to the public health, safety, or welfare.

1295 2. The commission may establish, by rule, additional
1296 standards and conditions for approval of an interim operational
1297 plan and for ongoing compliance with the plan. Such standards
1298 and conditions shall be based upon the need for cooperative
1299 supervisory efforts, consistent regulatory oversight, and the
1300 orderly administration of the international trust entity's
1301 affairs.

1302 3. After the resolution of all applicable events described
1303 in subparagraphs (a)2. and 3., if an international trust entity
1304 is no longer authorized by the foreign country in which it is
1305 organized and supervised to conduct trust business, the
1306 international trust company representative office shall
1307 surrender its license in accordance with s. 663.408.

1308 (2) The international trust entity or its surviving
1309 officers and directors shall deliver to the office:

1310 (a) A certificate of the official who is responsible for
1311 records of trust entities in the jurisdiction where the
1312 international trust entity has been authorized by charter,
1313 license, or similar authorization by operation of law to carry
1314 on trust business of the international trust entity, attesting
1315 to the occurrence of any event described in paragraph (1) (a);



398992

1316 (b) A certified copy of an order or decree of a court of
1317 such jurisdiction, directing the dissolution of such
1318 international trust entity, the termination of its existence, or
1319 the cancellation of its authority, or declaring its status in
1320 bankruptcy, conservatorship, receivership, liquidation, or
1321 similar proceedings; or

1322 (c) Other reliable documentation evidencing that the
1323 international trust entity is operating under the direct control
1324 of its government or a regulatory or supervisory authority.

1325 (3) The filing of the certificate, order, documentation, or
1326 decree has the same effect as the revocation of the license of
1327 such international trust entity as provided in s. 663.408,
1328 unless the office has permitted the international trust company
1329 representative office to remain open and in operation pursuant
1330 to paragraph (1) (b).

1331 Section 35. Section 663.413, Florida Statutes, is created
1332 to read:

1333 663.413 Application and examination fees.-

1334 (1) An application for a license to establish an
1335 international trust company representative office under this
1336 part must be accompanied by a nonrefundable \$5,000 filing fee,
1337 payable to the office.

1338 (2) An international trust entity that maintains an office
1339 licensed under this part must pay to the office examination fees
1340 that are determined by the commission by rule and that are
1341 calculated in a manner so as to be equal to the actual cost of
1342 each examiner's participation in the examination, as measured by
1343 the examiner's pay scale, plus any other expenses directly
1344 incurred in the examination. However, the examination fees may



398992

1345 not be less than \$200 per day for each examiner participating in
1346 the examination.

1347 Section 36. Section 663.414, Florida Statutes, is created
1348 to read:

1349 663.414 Rules; exemption from statement of estimated
1350 regulatory costs requirements.—In addition to any other
1351 rulemaking authority it has under the financial institutions
1352 codes, the commission may adopt reasonable rules that it deems
1353 advisable for the administration of international trust entities
1354 under this part in the interest of protecting depositors,
1355 creditors, borrowers, or the public interest and in the interest
1356 of maintaining a sound banking and trust system in this state.
1357 Because of the difficulty in obtaining economic data with regard
1358 to such trusts, ss. 120.54(3) (b) and 120.541 do not apply to the
1359 adoption of rules pursuant to this section.

1360 Section 37. Section 663.415, Florida Statutes, is created
1361 to read:

1362 663.415 Travel expenses.—If domestic or foreign travel is
1363 deemed necessary by the office to effectuate the purposes of
1364 this part, the office must be reimbursed for actual, reasonable,
1365 and necessary expenses incurred in such domestic or foreign
1366 travel by the international trust company representative office
1367 under examination.

1368 Section 38. The Division of Law Revision and Information is
1369 directed to create part IV of chapter 663, Florida Statutes,
1370 consisting of ss. 663.530–663.540, Florida Statutes, to be
1371 entitled “Qualified Limited Service Affiliates of International
1372 Trust Entities.”

1373 Section 39. Section 663.530, Florida Statutes, is created



398992

1374 to read:

1375 663.530 Definitions.—

1376 (1) As used in ss. 663.531-663.539, the term:

1377 (a) "Foreign country" means a country other than the United
1378 States and includes any colony, dependency, or possession of
1379 such country notwithstanding any definitions in chapter 658, and
1380 any territory of the United States, including Guam, American
1381 Samoa, the Virgin Islands, and the Commonwealth of Puerto Rico.

1382 (b) "Home-country regulator" means the supervisory
1383 authority or equivalent or other similarly sanctioned body,
1384 organization, governmental entity, or recognized authority,
1385 which has similar responsibilities in a foreign country in which
1386 and by whom an international trust entity is licensed,
1387 chartered, or has similar authorization to organize and operate.

1388 (c) "International trust entity" means an international
1389 trust company or organization, or any similar business entity,
1390 or an affiliated or subsidiary entity that is licensed,
1391 chartered, or similarly permitted to conduct trust business in a
1392 foreign country or countries under the laws where such entity is
1393 organized and supervised.

1394 (d) "Limited service affiliate" means a marketing and
1395 liaison office that engages in the permissible activities
1396 enumerated in s. 663.531 for the benefit of an international
1397 trust entity.

1398 (e) "Nonresident" has the same meaning as in s. 663.01.

1399 (f) "Professional" means an accountant, attorney, or other
1400 financial services and wealth planning professional who is
1401 licensed by a governing body or affiliated with a licensed,
1402 chartered, or similarly authorized entity.



398992

1403 (g) "Qualified limited service affiliate" means a person or
1404 entity that is qualified under this part to perform the
1405 permissible activities outlined in s. 663.531 related to or for
1406 the benefit of an affiliated international trust entity.

1407 (2) As used in ss. 663.531-663.539, the terms "affiliate,"
1408 "commission," "executive officer," "financial institution,"
1409 "financial institution-affiliated party," "financial
1410 institutions codes," "office," "officer," "state," and
1411 "subsidiary" have the same meaning as provided in s. 655.005.

1412 Section 40. Section 663.531, Florida Statutes, is created
1413 to read:

1414 663.531 Permissible activities; prohibited activities.—

1415 (1) Qualification as a qualified limited service affiliate
1416 under this part does not provide any exemption from licensure,
1417 registration, application, and requirements to conduct licensed
1418 business activities in this state. A qualified limited service
1419 affiliate may engage in any of the following permissible
1420 activities, which are not meant to be restrictive unless an
1421 activity is prohibited under subsection (2):

1422 (a) Marketing and liaison services related to or for the
1423 benefit of the affiliated international trust entities, directed
1424 exclusively at professionals and current or prospective
1425 nonresident clients of an affiliated international trust entity;

1426 (b) Advertising and marketing at trade, industry, or
1427 professional events;

1428 (c) Transmission of documents between the international
1429 trust entity and its current or prospective clients or a
1430 designee of such clients; and

1431 (d) Transmission of information about the trust or trust



398992

1432 holdings of current clients between current clients or their
1433 designees and the international trust entity.

1434 (2) A qualified limited service affiliate may not engage in
1435 any of the following activities:

1436 (a) Advertising and marketing related to or for the benefit
1437 of the international trust entity which are directed to the
1438 general public;

1439 (b) Acting as a fiduciary, including, but not limited to,
1440 accepting the fiduciary appointment, executing the fiduciary
1441 documents that create the fiduciary relationship, or making
1442 discretionary decisions regarding the investment or distribution
1443 of fiduciary accounts;

1444 (c) Accepting custody of any trust property or any other
1445 good, asset, or thing of value on behalf of the affiliated
1446 international trust entity, its subsidiaries or affiliates, or
1447 subsidiaries and affiliates of the qualified limited service
1448 affiliate;

1449 (d) Soliciting business within this state from the general
1450 public related to or for the benefit of an affiliated
1451 international trust entity;

1452 (e) Adding a director, an executive officer, a principal
1453 shareholder, a manager, a managing member, or an equivalent
1454 position to the qualified limited service affiliate without
1455 prior written notification to the office;

1456 (f) Commencing services for an international trust entity
1457 without complying with the requirements of s. 663.532;

1458 (g) Providing services for any international trust entity
1459 that is in bankruptcy, conservatorship, receivership,
1460 liquidation, or a similar status under the laws of any country;



398992

1461 or
1462 (h) Otherwise conducting banking or trust business.
1463 (3) The provisions of subsection (2) are not deemed to
1464 prevent the qualified limited service affiliate's use of an
1465 international trust entity's website, or its own website, if the
1466 posted information or communication includes the following:
1467 (a) The following statement: "Certain described services
1468 are not offered to the general public in Florida, but are
1469 marketed by ...(insert name of qualified limited service
1470 affiliate)... exclusively to professionals and current or
1471 prospective non-U.S. resident clients of the affiliated
1472 international trust entity or entities."
1473 (b) The notice required by s. 663.535.
1474 (4) In addition to any other power conferred upon it to
1475 enforce and administer this chapter and the financial
1476 institutions codes, the office may impose any remedy or penalty
1477 pursuant to s. 655.033, relating to cease and desist orders; s.
1478 655.034, relating to injunctions; s. 655.037, relating to
1479 removal of a financial institution-affiliated party by the
1480 office; or s. 655.041, relating to administrative fines and
1481 enforcement, if a qualified limited service affiliate engages in
1482 any of the impermissible activities in subsection (2).
1483 Section 41. Effective upon this act becoming a law, section
1484 663.532, Florida Statutes, is created to read:
1485 663.532 Qualification.—No later than March 31, 2018, a
1486 person or entity that previously qualified under the moratorium
1487 in s. 663.041 must seek qualification as a qualified limited
1488 service affiliate or cease doing business in this state.
1489 Notwithstanding the expiration of the moratorium under s.



398992

1490 663.041, a person or entity that previously qualified under such
1491 moratorium may remain open and in operation but shall refrain
1492 from engaging in new lines of business in this state until
1493 qualified as a qualified limited service affiliate under this
1494 part.

1495 Section 42. Section 663.532, Florida Statutes, as created
1496 by this act, is amended to read:

1497 663.532 Qualification.—

1498 (1) To qualify as a qualified limited service affiliate
1499 under this part, a limited service affiliate must file a written
1500 notice with the office, in the manner and on a form prescribed
1501 by the commission. Such written notice must include:

1502 (a) The name under which the proposed qualified limited
1503 service affiliate will conduct business in this state.

1504 (b) A copy of the articles of incorporation or articles of
1505 organization, or the equivalent, of the proposed qualified
1506 limited service affiliate.

1507 (c) The physical address where the proposed qualified
1508 limited service affiliate will conduct business.

1509 (d) The mailing address of the proposed qualified limited
1510 service affiliate.

1511 (e) The name and biographical information of each director,
1512 executive officer, manager, managing member, or equivalent
1513 position of the proposed qualified limited service affiliate, to
1514 be submitted on a form prescribed by the commission.

1515 (f) The number of officers and employees of the proposed
1516 qualified limited service affiliate.

1517 (g) A detailed list and description of the activities to be
1518 conducted by the proposed qualified limited service affiliate.



398992

1519 The detailed list and description must include:

1520 1. The services and activities of the proposed qualified
1521 limited service affiliate;

1522 2. An explanation of how the services and activities of the
1523 proposed qualified limited service affiliate serve the business
1524 purpose of each international trust entity; and

1525 3. An explanation of how the services and activities of the
1526 proposed qualified limited service affiliate are distinguishable
1527 from those of the permissible activities of an international
1528 trust company representative office described under s. 663.409.

1529 (h) Disclosure of any instance occurring within the prior
1530 10 years when the proposed qualified limited service affiliate's
1531 director, executive officer, principal shareholder, manager,
1532 managing member, or equivalent position was:

1533 1. Arrested for, charged with, or convicted of, or who pled
1534 guilty or nolo contendere to, regardless of adjudication, any
1535 offense that is punishable by imprisonment for a term exceeding
1536 1 year, or to any offense that involves money laundering,
1537 currency transaction reporting, tax evasion, facilitating or
1538 furthering terrorism, fraud, theft, larceny, embezzlement,
1539 fraudulent conversion, misappropriation of property, dishonesty,
1540 breach of trust, breach of fiduciary duty, or moral turpitude,
1541 or that is otherwise related to the operation of a financial
1542 institution;

1543 2. Fined or sanctioned as a result of a complaint to the
1544 office or any other state or federal regulatory agency; or

1545 3. Ordered to pay a fine or penalty in a proceeding
1546 initiated by a federal, state, foreign, or local law enforcement
1547 agency or an international agency related to money laundering,



398992

1548 currency transaction reporting, tax evasion, facilitating or
1549 furthering terrorism, fraud, theft, larceny, embezzlement,
1550 fraudulent conversion, misappropriation of property, dishonesty,
1551 breach of trust, breach of fiduciary duty, or moral turpitude,
1552 or that is otherwise related to the operation of a financial
1553 institution.

1554 (i) A declaration under penalty of perjury signed by the
1555 executive officer, manager, or managing member of the proposed
1556 qualified limited service affiliate that, to the best of his or
1557 her knowledge:

1558 1. No employee, representative, or agent provides, or will
1559 provide, banking services; promotes or sells, or will promote or
1560 sell, investments; or accepts, or will accept, custody of
1561 assets.

1562 2. No employee, representative, or agent acts, or will act,
1563 as a fiduciary in this state, which includes, but is not limited
1564 to, accepting the fiduciary appointment, executing the fiduciary
1565 documents that create the fiduciary relationship, or making
1566 discretionary decisions regarding the investment or distribution
1567 of fiduciary accounts.

1568 3. The jurisdiction of the international trust entity or
1569 its offices, subsidiaries, or any affiliates that are directly
1570 involved in or facilitate the financial services functions,
1571 banking, or fiduciary activities of the international trust
1572 entity is not listed on the Financial Action Task Force Public
1573 Statement or on its list of jurisdictions with deficiencies in
1574 anti-money laundering or counterterrorism.

1575 (j) For each international trust entity that the proposed
1576 qualified limited service affiliate will provide services for in



398992

1577 this state, the following:
1578 1. The name of the international trust entity;
1579 2. A list of the current officers and directors of the
1580 international trust entity;
1581 3. Any country where the international trust entity is
1582 organized or authorized to do business;
1583 4. The name of the home-country regulator;
1584 5. Proof that the international trust entity has been
1585 authorized by charter, license, or similar authorization by its
1586 home-country regulator to engage in trust business;
1587 6. Proof that the international trust entity lawfully
1588 exists and is in good standing under the laws of the
1589 jurisdiction where it is chartered, licensed, or organized;
1590 7. A statement that the international trust entity is not
1591 in bankruptcy, conservatorship, receivership, liquidation, or in
1592 a similar status under the laws of any country;
1593 8. Proof that the international trust entity is not
1594 operating under the direct control of the government or the
1595 regulatory or supervisory authority of the jurisdiction of its
1596 incorporation, through government intervention or any other
1597 extraordinary actions, and confirmation that it has not been in
1598 such a status or under such control at any time within the prior
1599 3 years;
1600 9. Proof and confirmation that the proposed qualified
1601 limited service affiliate is affiliated with the international
1602 trust entities provided in the notice; and
1603 10. Proof that the jurisdictions where the international
1604 trust entity or its offices, subsidiaries, or any affiliates
1605 that are directly involved in or that facilitate the financial



398992

1606 services functions, banking, or fiduciary activities of the
1607 international trust entity are not listed on the Financial
1608 Action Task Force Public Statement or on its list of
1609 jurisdictions with deficiencies in anti-money laundering or
1610 counterterrorism.

1611 (k) A declaration under penalty of perjury, signed by an
1612 executive officer, manager, or managing member of each
1613 affiliated international trust entity, declaring that the
1614 information provided to the office is true and correct to the
1615 best of his or her knowledge.

1616
1617 The proposed qualified limited service affiliate may provide
1618 additional information in the form of exhibits when attempting
1619 to satisfy any of the qualification requirements. All
1620 information that the proposed qualified limited service
1621 affiliate desires to present to support the written notice must
1622 be submitted with the notice.

1623 (2) The office may request additional information as the
1624 office reasonably requires. Any request for additional
1625 information must be made by the office within 30 days after
1626 initial receipt of the written notice. Additional information
1627 must be submitted within 60 days after a request has been made
1628 by the office. Failure to respond to such request within 60 days
1629 after the date of the request is a ground for denial of the
1630 qualification. A notice is not deemed complete until all
1631 requested information has been submitted to the office. Upon
1632 deeming the notice complete, the office has 120 days to qualify
1633 the limited service affiliate or issue a denial. An order
1634 denying a qualification must contain notice of opportunity for a



398992

1635 hearing pursuant to ss. 120.569 and 120.57.

1636 (3) A qualification under this part must be summarily
1637 suspended by the office if the qualified limited service
1638 affiliate made a material false statement in the written notice.
1639 The summary suspension must remain in effect until a final order
1640 is entered by the office. For purposes of s. 120.60(6), a
1641 material false statement made in the qualified limited service
1642 affiliate's written notice constitutes an immediate and serious
1643 danger to the public health, safety, and welfare. If a qualified
1644 limited service affiliate made a material false statement in the
1645 written notice, the office must enter a final order revoking the
1646 qualification and may issue a fine as prescribed by s. 655.041
1647 or issue an order of suspension, removal, or prohibition under
1648 s. 655.037 to a financial institution-affiliated party of the
1649 qualified limited service affiliate.

1650 (4) Upon the filing of a completed qualification notice
1651 under this section, the office shall make an investigation of
1652 the character, reputation, business experience, and business
1653 qualifications of the proposed qualified limited service
1654 affiliate's proposed directors, executive officers, principal
1655 shareholder, managers, managing members, or equivalent
1656 positions. The office shall approve the qualification only if it
1657 has determined that such persons are qualified by reason of
1658 their ability, reputation, and integrity and have sufficient
1659 experience to manage and direct the affairs of the qualified
1660 limited service affiliate in a lawful manner and in accordance
1661 with the requirements for obtaining and maintaining a
1662 qualification under this part. When evaluating a qualification
1663 notice, the office may consider factors reasonably related to an



398992

1664 offense or related to a violation, fine, or penalty, such as
1665 mitigating factors, history of multiple violations, severity of
1666 the offense, and showings of rehabilitation.

1667 (5) A qualification is not transferable or assignable.

1668 (6) A person or entity in operation as of January 1, 2018,
1669 which meets the definition of a limited service affiliate under
1670 s. 663.530 must, on or before March 31, 2018, file the written
1671 notice pursuant to this section seeking qualification as a
1672 qualified limited service affiliate or cease doing business in
1673 this state.

1674 (7) No later than March 31, 2018, a person or entity that
1675 previously qualified under the moratorium in s. 663.041 must
1676 seek qualification as a qualified limited service affiliate or
1677 cease doing business in this state. Notwithstanding the
1678 expiration of the moratorium under s. 663.041, a person or
1679 entity that previously qualified under such moratorium may
1680 remain open and in operation but shall refrain from engaging in
1681 new lines of business in this state until qualified as a
1682 qualified limited service affiliate under this part.

1683 Section 43. Section 663.5325, Florida Statutes, is created
1684 to read:

1685 663.5325 Civil action subpoena enforcement.—

1686 (1) Notwithstanding s. 655.059, a qualified limited service
1687 affiliate established under this chapter is not required to
1688 produce a book or record pertaining to a customer of an
1689 affiliated international trust entity that is located outside
1690 the United States or its territories in response to a subpoena
1691 if the book or record is maintained outside the United States or
1692 its territories and is not in the possession, custody, or



398992

1693 control of the qualified limited service affiliate.
1694 (2) This section applies only to a subpoena issued pursuant
1695 to the Florida Rules of Civil Procedure, the Federal Rules of
1696 Civil Procedure, or other similar law or rule of civil procedure
1697 in another state or territory of the United States. This section
1698 does not apply to a subpoena issued by or on behalf of a
1699 federal, state, or local government law enforcement agency,
1700 administrative or regulatory agency, legislative body, or grand
1701 jury and does not limit the power of the office to access all
1702 books and records in the exercise of the office's regulatory and
1703 supervisory powers under the financial institutions codes.
1704 Section 44. Section 663.533, Florida Statutes, is created
1705 to read:
1706 663.533 Applicability of the financial institutions codes.-
1707 A qualified limited service affiliate is subject to the
1708 financial institutions codes. Without limiting the foregoing,
1709 the following provisions are applicable to a qualified limited
1710 service affiliate:
1711 (1) Section 655.012, relating to general supervisory powers
1712 of the office.
1713 (2) Section 655.031, relating to administrative enforcement
1714 guidelines.
1715 (3) Section 655.032, relating to investigations, subpoenas,
1716 hearings, and witnesses.
1717 (4) Section 655.0321, relating to restricted access to
1718 certain hearings, proceedings, and related documents.
1719 (5) Section 655.033, relating to cease and desist orders.
1720 (6) Section 655.034, relating to injunctions.
1721 (7) Section 655.037, relating to removal of a financial



398992

1722 institution-affiliated party by the office.

1723 (8) Section 655.041, relating to administrative fines and
1724 enforcement.

1725 (9) Section 655.057, relating to restrictions on access to
1726 public records.

1727 (10) Section 655.059, relating to access to books and
1728 records.

1729 (11) Section 655.0591, relating to trade secret documents.

1730 (12) Section 655.91, relating to records of institutions
1731 and copies thereof; retention and destruction.

1732 (13) Section 655.968, relating to financial institutions;
1733 transactions relating to Iran or terrorism.

1734
1735 This section does not prohibit the office from investigating or
1736 examining an entity to ensure that it is not in violation of
1737 this chapter or applicable provisions of the financial
1738 institutions codes.

1739 Section 45. Section 663.534, Florida Statutes, is created
1740 to read:

1741 663.534 Events that require notice to be provided to the
1742 office.—A qualified limited service affiliate must report to the
1743 office, within 15 days of its knowledge of the occurrence, any
1744 changes to the information previously relied upon by the office
1745 when qualifying or renewing a qualification under this part.

1746 Section 46. Section 663.535, Florida Statutes, is created
1747 to read:

1748 663.535 Notice to customers.—All marketing documents and
1749 advertisements and any display at the location of the qualified
1750 limited service affiliate or at any trade or marketing event



398992

1751 must contain the following statement in a contrasting color in
1752 at least 10-point type: "The Florida Office of Financial
1753 Regulation DOES NOT provide safety and soundness oversight of
1754 this company, does not provide any opinion as to any affiliated
1755 companies or products, and does not provide the oversight of
1756 this company's affiliated international trust entities or the
1757 jurisdictions within which they operate. This company may not
1758 act as a fiduciary and may not accept the fiduciary appointment,
1759 execute or transmit fiduciary documents, take possession of any
1760 assets, create a fiduciary relationship, make discretionary
1761 decisions regarding the investment or distribution of fiduciary
1762 accounts, provide banking services, or promote or sell
1763 investments."

1764 Section 47. Section 663.536, Florida Statutes, is created
1765 to read:

1766 663.536 Recordkeeping requirements for trade, industry, or
1767 professional events.—A qualified limited service affiliate who
1768 participates in a trade, industry, or professional event
1769 pursuant to s. 663.531 must keep a record of its participation
1770 in the event. The record must be maintained for at least 2 years
1771 following the event and must contain the following information:

- 1772 (1) The date, time, and location of the event;
1773 (2) To the extent known or available, a list of
1774 participants in the event, including other vendors, presenters,
1775 attendees, and targeted attendees;
1776 (3) The nature and purpose of the event;
1777 (4) The qualified limited service affiliate's purpose for
1778 participating in the event; and
1779 (5) Samples of materials or, when samples are unavailable,



398992

1780 descriptions of materials provided by the qualified limited
1781 service affiliate to attendees and other participants.

1782 Section 48. Section 663.537, Florida Statutes, is created
1783 to read:

1784 663.537 Examination or investigation of a qualified limited
1785 service affiliate.—The office may conduct an examination or
1786 investigation of a qualified limited service affiliate at any
1787 time that it deems necessary to determine whether the qualified
1788 limited service affiliate or financial institution-affiliated
1789 party thereof has violated, or is about to violate, any
1790 provision of this chapter, any applicable provision of the
1791 financial institutions codes, or any rule adopted by the
1792 commission pursuant to this chapter or the financial
1793 institutions codes. The office shall conduct an examination of
1794 each qualified limited service affiliate at least once every 18
1795 months to assess compliance with this part and the financial
1796 institutions codes. The office may conduct an examination,
1797 before or after qualification, of any person or entity that
1798 submits the written notice for qualification pursuant to s.
1799 663.532 to confirm information provided in the written notice
1800 and to confirm the activities of the person or entity seeking
1801 qualification.

1802 Section 49. Section 663.538, Florida Statutes, is created
1803 to read:

1804 663.538 Suspension, revocation, or voluntary surrender of
1805 qualification.—

1806 (1) A qualified limited service affiliate that proposes to
1807 terminate operations in this state shall surrender its
1808 qualification to the office and comply with such procedures as



398992

1809 required by rule of the commission.

1810 (2) A qualified limited service affiliate that fails to
1811 renew its qualification may be subject to a fine and penalty;
1812 however, such qualified limited service affiliate may renew its
1813 qualification within 30 days after expiration or may surrender
1814 the qualification in accordance with procedures prescribed by
1815 commission rule.

1816 (3) The qualification of a qualified limited service
1817 affiliate in this state may be suspended or revoked by the
1818 office, with or without examination, upon the office's
1819 determination that the qualified limited service affiliate does
1820 not meet all requirements for original or renewal qualification.

1821 (4) If a qualified limited service affiliate surrenders its
1822 qualification or its qualification is suspended or revoked by
1823 the office, all rights and privileges afforded by this part to
1824 the qualified limited service affiliate cease.

1825 (5) At least 60 days before a proposed date of voluntary
1826 termination of a qualification, a qualified limited service
1827 affiliate must provide to the office written notice by letter of
1828 its intention to surrender its qualification and terminate
1829 operations. The notice must include the proposed date of
1830 termination and the name of the officer in charge of the
1831 termination procedures.

1832 (6) The office may conduct an examination of the books and
1833 records of a qualified limited service affiliate at any time
1834 after receipt of the notice of surrender of qualification to
1835 confirm the winding down of operations.

1836 (7) Operations of a qualified limited service affiliate are
1837 deemed terminated effective upon the later of the expiration of



398992

1838 60 days from the date of the filing of the notice of voluntary
1839 surrender or upon the date provided in the notice of voluntary
1840 surrender, unless the office provides written notice specifying
1841 the grounds for denial of such proposed termination. The office
1842 may not deny a request to terminate unless it learns of the
1843 existence of any outstanding claim or claims against the
1844 qualified limited service affiliate, it finds that the
1845 requirements to terminate operations have not been satisfied, or
1846 there is an immediate and serious danger to the public health,
1847 safety, and welfare if the termination occurred.

1848 Section 50. Section 663.539, Florida Statutes, is created
1849 to read:

1850 663.539 Biennial qualification renewal.—A qualification
1851 must be renewed every 2 years. A qualification must be renewed
1852 by furnishing such information as the commission requires. A
1853 complete biennial renewal of qualification must include a
1854 declaration under penalty of perjury, signed by the executive
1855 officer or managing member of the qualified limited service
1856 affiliate seeking renewal, declaring that the information
1857 submitted for the purposes of renewal is true and correct to the
1858 best of his or her knowledge, and confirming or providing all of
1859 the following:

1860 (1) That the qualified limited service affiliate is in
1861 compliance with this part.

1862 (2) The physical location of the principal place of
1863 business of the qualified limited service affiliate.

1864 (3) The telephone number of the qualified limited service
1865 affiliate.

1866 (4) A list of the qualified limited service affiliate's



398992

1867 current directors, executive officers, principal shareholder,
1868 managers, managing members, or equivalent positions.

1869 (5) Any updates or changes in information which were not
1870 previously provided either in the initial qualification or in
1871 subsequent qualification renewals or which were not previously
1872 disclosed to the office.

1873 Section 51. For the purpose of incorporating the amendment
1874 made by this act to section 663.01, Florida Statutes, in a
1875 reference thereto, subsection (4) of section 663.16, Florida
1876 Statutes, is reenacted to read:

1877 663.16 Definitions; ss. 663.17-663.181.—As used in ss.
1878 663.17-663.181, the term:

1879 (4) Except where the context otherwise requires,
1880 "international banking corporation" or "corporation" has the
1881 same meaning as that provided in s. 663.01 and includes any
1882 licensed office of an international banking corporation
1883 operating in this state.

1884 Section 52. Except as otherwise expressly provided in this
1885 act and except for this section, which shall take effect upon
1886 this act becoming a law, this act shall take effect January 1,
1887 2018.

1888
1889 ===== T I T L E A M E N D M E N T =====

1890 And the title is amended as follows:

1891 Delete everything before the enacting clause
1892 and insert:

1893 A bill to be entitled
1894 An act relating to international financial
1895 institutions; amending s. 655.005, F.S.; redefining



398992

1896 the term "financial institution" to include
1897 international trust entities and qualified limited
1898 service affiliates; amending s. 655.059, F.S.;
1899 specifying conditions under which confidential books
1900 and records of international trust entities may be
1901 disclosed to their home-country supervisors; revising
1902 conditions for such disclosure for international
1903 banking corporations; redefining the term "home-
1904 country supervisor"; requiring books and records
1905 pertaining to trust accounts to be kept confidential
1906 by financial institutions and their directors,
1907 officers, and employees; providing an exception;
1908 providing construction; creating s. 663.001, F.S.;
1909 providing legislative intent; amending s. 663.01,
1910 F.S.; redefining terms; deleting the definition of the
1911 term "international trust company representative
1912 office"; amending s. 663.02, F.S.; revising
1913 applicability of the financial institutions codes as
1914 to international banking corporations; amending s.
1915 663.021, F.S.; conforming a provision to changes made
1916 by the act; amending s. 663.04, F.S.; deleting
1917 international trust companies from requirements for
1918 carrying on financial institution business; conforming
1919 a provision to changes made by the act; authorizing
1920 the Office of Financial Regulation to permit certain
1921 entities that would otherwise be prohibited from
1922 carrying on financial institution business to remain
1923 open and in operation under certain circumstances;
1924 amending s. 663.05, F.S.; providing for an abbreviated



398992

1925 application procedure for certain entities established
1926 by an international banking corporation; specifying
1927 that the Financial Services Commission, rather than
1928 the office, prescribes a certain application form;
1929 requiring the commission to adopt rules for a time
1930 limitation for an application decision after a
1931 specified date; revising conditions for the office to
1932 issue an international banking corporation license;
1933 conforming a provision to changes made by the act;
1934 amending s. 663.055, F.S.; revising capital
1935 requirements for international banking corporations;
1936 amending s. 663.06, F.S.; making technical changes;
1937 conforming a provision to changes made by the act;
1938 creating s. 663.0601, F.S.; providing an after-the-
1939 fact licensure process in the event of the
1940 acquisition, merger, or consolidation of international
1941 banking corporations; specifying conditions for such
1942 license; amending s. 663.061, F.S.; providing
1943 permissible activities for international bank
1944 agencies; amending s. 663.062, F.S.; providing
1945 permissible activities for certain international
1946 representative offices; amending s. 663.063, F.S.;
1947 providing permissible activities for international
1948 administrative offices; amending s. 663.064, F.S.;
1949 requiring the commission to adopt rules relating to
1950 permissible deposits of international branches;
1951 providing permissible activities for international
1952 branches; amending s. 663.09, F.S.; revising
1953 requirements for the maintenance of books and records



398992

1954 of international banking corporations; authorizing the
1955 office to require international banking corporations
1956 to translate certain documents into English at the
1957 expense of the international banking corporations;
1958 amending s. 663.11, F.S.; authorizing the office to
1959 permit certain entities that would otherwise be
1960 prohibited from continuing business to remain open and
1961 in operation under certain circumstances; authorizing
1962 the commission to adopt certain rules; requiring an
1963 entity to surrender its license under certain
1964 circumstances; making technical and conforming
1965 changes; amending s. 663.12, F.S.; conforming a
1966 provision to changes made by the act; amending s.
1967 663.17, F.S.; making technical changes; providing a
1968 directive to the Division of Law Revision and
1969 Information to create part III of ch. 663, F.S.,
1970 entitled "International Trust Company Representative
1971 Offices"; creating s. 663.4001, F.S.; providing
1972 legislative intent; creating s. 663.401, F.S.;

1973 defining terms; creating s. 663.402, F.S.; providing
1974 applicability of the financial institutions codes as
1975 to international trust entities; creating s. 663.403,
1976 F.S.; providing applicability of the Florida Business
1977 Corporation Act as to international trust entities;
1978 creating s. 663.404, F.S.; specifying requirements for
1979 an international trust entity or certain related
1980 entities to conduct financial institution business;
1981 authorizing the office to permit an international
1982 trust company representative office that would



398992

1983 otherwise be prohibited from continuing business to
1984 remain open and in operation under certain
1985 circumstances; creating s. 663.405, F.S.; providing
1986 that an international trust company representative
1987 office is not required to produce certain books and
1988 records under certain circumstances; providing
1989 applicability; creating s. 663.406, F.S.; providing
1990 requirements for applications for an international
1991 trust entity license; requiring the office to disallow
1992 certain financial resources from capitalization
1993 requirements; requiring the international trust entity
1994 to submit to the office a certain certificate;
1995 providing an abbreviated application process for
1996 certain international trust entities to establish
1997 international trust company representative offices;
1998 specifying parameters and requirements for the office
1999 in determining whether to approve or disapprove an
2000 application; requiring the commission to adopt by rule
2001 general principles regarding the adequacy of
2002 supervision of an international trust entity's foreign
2003 establishments rules; creating s. 663.407, F.S.;
2004 providing capital requirements for an international
2005 trust entity; requiring the commission to adopt rules;
2006 creating s. 663.408, F.S.; providing permissible
2007 activities under and requirements and limitations for
2008 international trust entity licenses; providing
2009 procedures, conditions, and requirements for the
2010 suspension, revocation, or surrender of an
2011 international trust entity license; creating s.



398992

2012 663.4081, F.S.; providing for an after-the-fact
2013 licensure process in the event of the acquisition,
2014 merger, or consolidation of international trust
2015 entities; specifying conditions for such licensure;
2016 transferring, renumbering, and amending s. 663.0625,
2017 F.S.; adding prohibited activities of representatives
2018 and employees of an international trust company
2019 representative office; providing permissible
2020 activities of such offices; conforming provisions to
2021 changes made by the act; creating s. 663.410, F.S.;
2022 requiring international trust entities to certify to
2023 the office the amount of their capital accounts at
2024 specified intervals; providing construction; creating
2025 s. 663.411, F.S.; specifying reporting and
2026 recordkeeping requirements for international trust
2027 entities; providing penalties; authorizing the office
2028 to require an international trust entity to translate
2029 certain documents into English at the international
2030 trust entity's expense; creating s. 663.412, F.S.;
2031 prohibiting an international trust entity from
2032 continuing to conduct business in this state under
2033 certain circumstances; authorizing the office to
2034 permit an international trust company representative
2035 office to remain open and in operation under certain
2036 circumstances; authorizing the commission to adopt
2037 certain rules; requiring an entity to surrender its
2038 license under certain circumstances; requiring an
2039 international trust entity or its surviving officers
2040 and directors to deliver specified documents to the



398992

2041 office; providing construction; creating s. 663.413,
2042 F.S.; specifying application and examination fees for
2043 international trust company representative offices;
2044 creating s. 663.414, F.S.; authorizing the commission
2045 to adopt certain rules; providing an exemption from
2046 statement of estimated regulatory costs requirements;
2047 creating s. 663.415, F.S.; requiring international
2048 trust company representative offices that are under
2049 examination to reimburse domestic or foreign travel
2050 expenses of the office; providing a directive to the
2051 Division of Law Revision and Information to create
2052 part IV of ch. 663, F.S., entitled "Qualified Limited
2053 Service Affiliates of International Trust Entities";
2054 creating s. 663.530, F.S.; defining terms; creating s.
2055 663.531, F.S.; specifying permissible and prohibited
2056 activities of a qualified limited service affiliate;
2057 requiring specified notices to be posted on an
2058 international trust entity's or qualified limited
2059 service affiliate's website; authorizing enforcement
2060 actions by the office; providing construction;
2061 creating s. 663.532, F.S.; requiring certain persons
2062 or entities to qualify as qualified limited service
2063 affiliates by a specified date or cease doing business
2064 in this state; permitting certain persons or entities
2065 to remain open and in operation under certain
2066 circumstances; amending s. 663.532, F.S., as created
2067 by this act; specifying qualification notice
2068 requirements; providing requirements and procedures
2069 for additional information requested by the office;



398992

2070 providing summary suspension requirements and
2071 procedures; requiring the office to make investigation
2072 of specified persons upon the filing of a completed
2073 qualification notice; requiring the office to approve
2074 a qualification only if certain conditions are met;
2075 providing factors for the office to consider when
2076 evaluating a previous offense or violation committed
2077 by, or a previous fine or penalty imposed on,
2078 specified persons; providing that qualifications are
2079 not transferable or assignable; requiring certain
2080 persons or entities to file notices seeking
2081 qualification by a specified date or cease doing
2082 business in this state; creating s. 663.5325, F.S.;
2083 providing that a qualified limited service affiliate
2084 is not required to produce certain books and records
2085 under certain circumstances; providing applicability;
2086 creating s. 663.533, F.S.; providing applicability of
2087 the financial institutions codes as to qualified
2088 limited service affiliates; providing construction;
2089 creating s. 663.534, F.S.; requiring qualified limited
2090 service affiliates to report changes of certain
2091 information to the office within a specified
2092 timeframe; creating s. 663.535, F.S.; requiring a
2093 specified notice to customers in marketing documents,
2094 advertisements, and displays at the qualified limited
2095 service affiliate's location or at certain events;
2096 creating s. 663.536, F.S.; specifying recordkeeping
2097 requirements relating to certain events that a
2098 qualified limited service affiliate participates in;



398992

2099 creating s. 663.537, F.S.; authorizing the office to
2100 conduct examinations or investigations of qualified
2101 limited service affiliates for certain purposes;
2102 specifying a minimum interval of examinations to
2103 assess compliance; authorizing the office to examine a
2104 person or entity submitting a notice of qualification
2105 for certain purposes; creating s. 663.538, F.S.;
2106 providing requirements and procedures relating to the
2107 suspension, revocation, or voluntary surrender of a
2108 qualified limited service affiliate's qualification;
2109 providing a penalty; authorizing the office to conduct
2110 examinations under certain circumstances; prohibiting
2111 the office from denying a request to terminate
2112 operations except under certain circumstances;
2113 providing construction; creating s. 663.539, F.S.;
2114 requiring a qualified limited service affiliate to
2115 renew its qualification biennially; specifying
2116 requirements for the renewal qualification; reenacting
2117 s. 663.16, F.S., relating to definitions, to
2118 incorporate the amendment made to s. 663.01, F.S., in
2119 a reference thereto; providing effective dates.