

By Senator Mayfield

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1 A bill to be entitled
2 An act relating to international financial
3 institutions; amending s. 655.005, F.S.; redefining
4 the term "financial institution" to include
5 international trust entities and limited service
6 affiliates; amending s. 655.059, F.S.; specifying
7 conditions under which confidential books and records
8 of international trust entities may be disclosed to
9 their home-country supervisors; revising conditions
10 for such disclosure for international banking
11 corporations; redefining the term "home-country
12 supervisor"; requiring books and records pertaining to
13 trust accounts to be kept confidential by financial
14 institutions and their directors, officers, and
15 employees; providing an exception; providing
16 construction; creating s. 663.001, F.S.; providing
17 legislative intent; amending s. 663.01, F.S.;
18 redefining terms; deleting the definition of the term
19 "international trust company representative office";
20 amending s. 663.02, F.S.; revising applicability of
21 the financial institutions codes as to international
22 banking corporations; amending s. 663.021, F.S.;
23 conforming a provision to changes made by the act;
24 amending s. 663.04, F.S.; deleting international trust
25 companies from requirements for carrying on financial
26 institution business; conforming a provision to
27 changes made by the act; authorizing the Office of
28 Financial Regulation to permit certain entities that
29 would otherwise be prohibited from carrying on
30 financial institution business to remain open and in
31 operation under certain circumstances; amending s.
32 663.05, F.S.; providing for an abbreviated application

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33 procedure for certain entities established by an
34 international banking corporation; specifying that the
35 Financial Services Commission, rather than the office,
36 prescribes a certain application form; requiring the
37 commission to adopt rules for a time limitation for an
38 application decision after a specified date; revising
39 conditions for the office to issue an international
40 banking corporation license; conforming a provision to
41 changes made by the act; amending s. 663.055, F.S.;
42 revising capital requirements for international
43 banking corporations; amending s. 663.06, F.S.; making
44 technical changes; conforming a provision to changes
45 made by the act; creating s. 663.0601, F.S.; providing
46 an after-the-fact licensure process in the event of
47 the acquisition, merger, or consolidation of
48 international banking corporations; specifying
49 conditions for such license; amending s. 663.061,
50 F.S.; providing additional permissible activities for
51 international bank agencies; amending s. 663.062,
52 F.S.; providing additional permissible activities for
53 certain international representative offices; amending
54 s. 663.063, F.S.; providing additional permissible
55 activities for international administrative offices;
56 amending s. 663.064, F.S.; requiring the commission to
57 adopt rules relating to permissible deposits of
58 international branches; providing additional
59 permissible activities for international branches;
60 amending s. 663.09, F.S.; revising requirements for
61 the maintenance of books and records of international

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62 banking corporations; authorizing the office to
63 require international banking corporations to
64 translate certain documents into English at the
65 expense of the international banking corporations;
66 amending s. 663.11, F.S.; authorizing the office to
67 permit certain entities that would otherwise be
68 prohibited from continuing business to remain open and
69 in operation under certain circumstances; making
70 technical and conforming changes; amending s. 663.12,
71 F.S.; conforming a provision to changes made by the
72 act; amending s. 663.17, F.S.; making technical
73 changes; providing a directive to the Division of Law
74 Revision and Information; creating part III of ch.
75 663, F.S., entitled "International Trust Company
76 Representative Offices"; creating s. 663.4001, F.S.;
77 providing legislative intent; creating s. 663.401,
78 F.S.; defining terms; creating s. 663.402, F.S.;
79 providing applicability of the financial institutions
80 codes as to international trust entities; creating s.
81 663.403, F.S.; providing applicability of the Florida
82 Business Corporation Act as to international trust
83 entities; creating s. 663.404, F.S.; specifying
84 requirements for an international trust entity or
85 certain related entities to conduct financial
86 institution business; authorizing the office to permit
87 an international trust company representative office
88 that would otherwise be prohibited from continuing
89 business to remain open and in operation under certain
90 circumstances; creating s. 663.405, F.S.; providing

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91 that an international trust company representative
92 office is not required to produce certain books and
93 records under certain circumstances; providing
94 applicability; creating s. 663.406, F.S.; providing
95 requirements for applications for an international
96 trust entity license; requiring the office to disallow
97 certain financial resources from capitalization
98 requirements; requiring the international trust entity
99 to submit to the office a certain certificate;
100 providing an abbreviated application process for
101 certain international trust entities to establish
102 international trust company representative offices;
103 specifying parameters and requirements for the office
104 in determining whether to approve or disapprove an
105 application; requiring the commission to adopt by rule
106 general principles regarding the adequacy of
107 supervision of an international trust entity's foreign
108 establishments rules; creating s. 663.407, F.S.;

109 providing capital requirements for an international
110 trust entity; requiring the commission to adopt rules;
111 creating s. 663.408, F.S.; providing permissible
112 activities under and requirements and limitations for
113 international trust entity licenses; providing
114 procedures, conditions, and requirements for the
115 suspension, revocation, or surrender of an
116 international trust entity license; creating s.
117 663.4081, F.S.; providing for an after-the-fact
118 licensure process in the event of the acquisition,
119 merger, or consolidation of international trust

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120 entities; specifying conditions for such licensure;
121 transferring, renumbering, and amending s. 663.0625;
122 adding prohibited activities of representatives and
123 employees of an international trust company
124 representative office; conforming provisions to
125 changes made by the act; creating s. 663.410, F.S.;
126 requiring international trust entities to certify to
127 the office the amount of their capital accounts at
128 specified intervals; providing construction; creating
129 s. 663.411, F.S.; specifying reporting and
130 recordkeeping requirements for international trust
131 entities; providing penalties; authorizing the office
132 to require an international trust entity to translate
133 certain documents into English at the international
134 trust entity's expense; creating s. 663.412, F.S.;
135 prohibiting an international trust entity from
136 conducting business under certain circumstances;
137 authorizing the office to permit the international
138 trust entity to remain open and in operation under
139 certain circumstances; requiring an international
140 trust entity or its surviving officers and directors
141 to deliver specified documents to the office;
142 providing construction; creating s. 663.413, F.S.;
143 specifying application and examination fees for
144 international trust company representative offices;
145 creating s. 663.414, F.S.; authorizing the commission
146 to adopt certain rules; providing an exemption from
147 statement of estimated regulatory costs requirements;
148 creating s. 663.415, F.S.; requiring international

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149 trust company representative offices that are under
150 examination to reimburse domestic or foreign travel
151 expenses of the office; providing a directive to the
152 Division of Law Revision and Information; creating
153 part IV of ch. 663, F.S., entitled "Limited Service
154 Affiliates of International Trust Entities"; creating
155 s. 663.530, F.S.; defining terms; creating s. 663.531,
156 F.S.; specifying permissible and impermissible
157 activities of a limited service affiliate; requiring
158 specified notices to be posted on an international
159 trust entity's or limited service affiliate's website;
160 authorizing enforcement actions by the office;
161 providing construction; creating s. 663.532, F.S.;

162 specifying registration notice requirements and a fee
163 for limited service affiliates; providing requirements
164 and procedures for additional information requested by
165 the office; providing summary suspension requirements
166 and procedures; specifying grounds for denying a
167 registration; providing that registrations are not
168 transferable or assignable; providing for deposit of
169 fees into a specified trust fund; requiring the
170 commission to adopt rules; requiring certain persons
171 or entities to be registered as limited service
172 affiliates by a specified date; creating s. 663.533,
173 F.S.; providing applicability of the financial
174 institutions codes as to limited service affiliates;
175 providing construction; creating s. 663.534, F.S.;

176 requiring a registrant to report changes of certain
177 information to the office within a specified

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178 timeframe; creating s. 663.535, F.S.; requiring a
179 specified notice to customers in marketing documents,
180 advertisements, and displays at the limited service
181 affiliate's location or at certain events; creating s.
182 663.536, F.S.; specifying recordkeeping requirements
183 relating to certain events that a registered limited
184 service affiliate participates in; creating s.
185 663.537, F.S.; authorizing the office to conduct
186 examinations or investigations of limited service
187 affiliates for certain purposes; specifying a minimum
188 interval of examinations to assess compliance;
189 authorizing the office to examine a person or entity
190 submitting a notice of registration for certain
191 purposes; requiring limited service affiliates to pay
192 specified costs of examination within a specified
193 time; defining the terms "costs" and "actual cost";
194 providing penalties; specifying the trust fund where
195 examination fees must be deposited; requiring the
196 commission to adopt rules; creating s. 663.538, F.S.;
197 providing requirements and procedures relating to the
198 suspension, revocation, or voluntary surrender of a
199 limited service affiliate's registration; providing a
200 penalty; authorizing the office to conduct
201 examinations under certain circumstances; prohibiting
202 the office from denying a request to terminate
203 operations except under certain circumstances;
204 providing construction; creating s. 663.539, F.S.;
205 requiring a limited service affiliate to renew its
206 registration biennially; specifying the renewal fee

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207 and the trust fund where such fee must be deposited;
208 specifying requirements for the renewal registration;
209 reenacting s. 663.16(4), F.S., relating to
210 definitions, to incorporate the amendment made to s.
211 663.01, F.S., in a reference thereto; providing an
212 effective date.

213

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

215

216 Section 1. Paragraph (i) of subsection (1) of section
217 655.005, Florida Statutes, is amended to read:

218 655.005 Definitions.—

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

221 (i) "Financial institution" means a state or federal
222 savings or thrift association, bank, savings bank, trust
223 company, international bank agency, international banking
224 corporation, international branch, international representative
225 office, international administrative office, international trust
226 entity, international trust company representative office,
227 limited service affiliate, credit union, or an agreement
228 corporation operating pursuant to s. 25 of the Federal Reserve
229 Act, 12 U.S.C. ss. 601 et seq. or Edge Act corporation organized
230 pursuant to s. 25(a) of the Federal Reserve Act, 12 U.S.C. ss.
231 611 et seq.

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

234 655.059 Access to books and records; confidentiality;
235 penalty for disclosure.—

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236 (1) The books and records of a financial institution are
237 confidential and shall be made available for inspection and
238 examination only:

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

240 (b) To any person duly authorized to act for the financial
241 institution;

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

245 (d) With respect to an international banking corporation or
246 international trust entity, to the home-country supervisor of
247 the international banking corporation or international trust
248 entity, provided:

249 1. The home-country supervisor provides advance notice to
250 the office that the home-country supervisor intends to examine
251 the Florida office of the international banking corporation or
252 international trust entity. Such examination may be conducted
253 onsite or offsite and may include ongoing reporting by the
254 Florida office of the international banking corporation or
255 international trust entity to the home-country supervisor.

256 2. The home-country supervisor confirms to the office that
257 the purpose of the examination is to ensure the safety and
258 soundness of the international banking corporation or
259 international trust entity.

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

263 4. At any time during the conduct of the examination, the
264 office reserves the right to have an examiner present, or ~~or~~ to

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265 participate jointly in the examination, or to receive copies of
266 all information provided to the home-country supervisor.

267

268 As used in ~~For purposes of~~ this paragraph, the term "home-
269 country supervisor" means the governmental entity in the
270 international banking corporation's or international trust
271 entity's home country with responsibility for the supervision
272 and regulation of the safety and soundness of the international
273 banking corporation or international trust entity;

274 (e) As compelled by a court of competent jurisdiction,
275 pursuant to a subpoena issued pursuant to the Florida Rules of
276 Civil Procedure, the Florida Rules of Criminal Procedure, or the
277 Federal Rules of Civil Procedure, or pursuant to a subpoena
278 issued in accordance with state or federal law. ~~Before~~ Prior to
279 the production of the books and records of a financial
280 institution, the party seeking production must reimburse the
281 financial institution for the reasonable costs and fees incurred
282 in compliance with the production. If the parties disagree
283 regarding the amount of reimbursement, the party seeking the
284 records may request the court or agency having jurisdiction to
285 set the amount of reimbursement;

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

288 (g) Pursuant to a subpoena, to any federal or state law
289 enforcement or prosecutorial instrumentality authorized to
290 investigate suspected criminal activity;

291 (h) As authorized by the board of directors of the
292 financial institution; or

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

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294 (2)

295 (b) The books and records pertaining to trust accounts and

296 the deposit accounts and loans of depositors, borrowers,

297 members, and stockholders of any financial institution shall be

298 kept confidential by the financial institution and its

299 directors, officers, and employees and may ~~shall~~ not be released

300 except upon express authorization of the account holder as to

301 her or his own accounts, loans, or voting rights. However,

302 information relating to any loan made by a financial institution

303 may be released without the borrower's authorization in a manner

304 prescribed by the board of directors for the purpose of meeting

305 the needs of commerce and for fair and accurate credit

306 information. Information may also be released, without the

307 authorization of a member or depositor but in a manner

308 prescribed by the board of directors, to verify or corroborate

309 the existence or amount of a customer's or member's account when

310 such information is reasonably provided to meet the needs of

311 commerce and to ensure accurate credit information. In addition,

312 a financial institution, affiliate, and its subsidiaries, and

313 any holding company of the financial institution or subsidiary

314 of such holding company, may furnish to one another information

315 relating to their customers or members, subject to the

316 requirement that each corporation receiving information that is

317 confidential maintain the confidentiality of such information

318 and not provide or disclose such information to any unaffiliated

319 person or entity. Notwithstanding this paragraph, ~~nothing in~~

320 this subsection does not prohibit: ~~shall prohibit~~

321 1. A financial institution from disclosing financial

322 information as referenced in this subsection as authorized

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323 ~~permitted~~ by Pub. L. No. 106-102 (1999), as set forth in 15
324 U.S.C.A. s. 6802, as amended.

325 2. The Florida office of the international banking
326 corporation or international trust entity from sharing books and
327 records under this subsection with the home-country supervisor
328 in accordance with subsection (1).

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

331 663.001 Purpose.—The purpose of this part is to establish a
332 legal and regulatory framework for the conduct by international
333 banking corporations of financial services business in this
334 state. This part is intended to:

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

338 (2) Provide for appropriate supervision and regulatory
339 oversight to ensure that financial services activities of
340 international banking corporations in this state are conducted
341 responsibly and in a safe and sound manner.

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

345 663.01 Definitions.—As used in this part, the term:

346 (6) "International banking corporation" means a banking
347 corporation organized and licensed under the laws of a foreign
348 country. The term ~~"international banking corporation"~~ includes,
349 without limitation, a foreign commercial bank, foreign merchant
350 bank, or other foreign institution that engages in banking
351 activities usual in connection with the business of banking in

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352 the country where such foreign institution is organized or
353 operating, including a corporation: the sole shareholders of
354 which are one or more international banking corporations or
355 holding companies which own or control one or more international
356 banking corporations which are authorized to carry on a banking
357 business, or a central bank or government agency of a foreign
358 country and any affiliate or division thereof; which has the
359 power to receive deposits from the general public in the country
360 where it is chartered and organized; and which is under the
361 supervision of the central bank or other bank regulatory
362 authority of such country. The term also includes ~~foreign trust~~
363 ~~companies, or any similar business entities, including, but not~~
364 ~~limited to,~~ foreign banks with fiduciary powers which, that
365 conduct trust business as defined in the financial institutions
366 codes.

367 ~~(9) "International trust company representative office"~~
368 ~~means an office of an international banking corporation or trust~~
369 ~~company organized and licensed under the laws of a foreign~~
370 ~~country which office is established or maintained in this state~~
371 ~~for the purpose of engaging in nonfiduciary activities described~~
372 ~~in s. 663.0625, or any affiliate, subsidiary, or other person~~
373 ~~that engages in such activities on behalf of such international~~
374 ~~banking corporation or trust company from an office located in~~
375 ~~this state.~~

376 (10) ~~(11)~~ "Nonresident" means:

377 (b) A person, other than an individual, whose principal
378 place of business or domicile is outside the United States and
379 includes a person who conducts a majority of its business
380 activities in a foreign country and any foreign government and

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381 its subdivision, agencies, and instrumentalities. Any person who
382 conducts business in the United States is considered to have its
383 principal place of business outside the United States if any one
384 of the following requirements is satisfied for its most recent
385 fiscal year:

- 386 1. Its assets located outside the United States exceed its
387 assets located within the United States;
- 388 2. Its gross revenues generated outside the United States
389 exceed its gross revenues generated within the United States; or
- 390 3. Its payroll expenses incurred outside the United States
391 exceed its payroll expenses incurred within the United States.

392 Section 5. Section 663.02, Florida Statutes, is amended to
393 read:

394 663.02 Applicability of the financial institutions codes
395 ~~state banking laws.~~

396 (1) International banking corporations having offices in
397 this state are subject to all the provisions of the financial
398 institutions codes ~~and chapter 655~~ as though such corporations
399 were state banks ~~or trust companies~~, except where it may appear,
400 from the context or otherwise, that such provisions are clearly
401 applicable only to banks ~~or trust companies~~ organized under the
402 laws of this state or the United States. Without limiting the
403 foregoing general provisions, it is the intent of the
404 Legislature that the following provisions are applicable to such
405 banks or trust companies: s. 655.031, relating to administrative
406 enforcement guidelines; s. 655.032, relating to investigations,
407 subpoenas, hearings, and witnesses; s. 655.0321, relating to
408 hearings, proceedings, and related documents and restricted
409 access thereto; s. 655.033, relating to cease and desist orders;

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410 s. 655.037, relating to removal by the office of an officer,
 411 director, committee member, employee, or other person; s.
 412 655.041, relating to administrative fines and enforcement; s.
 413 655.50, relating to the control of money laundering and
 414 terrorist financing; and any law for which the penalty is
 415 increased under s. 775.31 for facilitating or furthering
 416 terrorism. International banking corporations do not have the
 417 powers conferred on domestic banks by s. 658.60, relating to
 418 deposits of public funds. Chapter 687, relating to interest and
 419 usury, applies to all bank loans.

420 (2) Neither an international bank agency nor an
 421 international branch shall have any greater right under, or by
 422 virtue of, this section than is granted to banks organized under
 423 the laws of this state. Legal and financial terms used herein
 424 shall be deemed to refer to equivalent terms used by the country
 425 in which the international banking corporation is organized.
 426 This chapter and the financial institutions codes may not be
 427 construed to authorize any international banking corporation ~~or~~
 428 ~~trust company~~ to conduct trust business, as defined in s.
 429 658.12, from an office in this state except for those activities
 430 specifically authorized by s. 663.061(5) ~~ss. 663.061(5) and~~
 431 ~~663.0625~~.

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

434 663.021 Civil action subpoena enforcement.—

435 (1) Notwithstanding s. 655.059, an international
 436 representative office, international bank agency, international
 437 branch, ~~international trust company representative office,~~ or
 438 international administrative office established under this

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439 chapter is not required to produce a book or record pertaining
440 to a deposit account, investment account, or loan of a customer
441 of the international banking corporation's offices that are
442 located outside the United States or its territories in response
443 to a subpoena if the book or record is maintained outside the
444 United States or its territories and is not in the possession,
445 custody, or control of the international banking corporation's
446 office, agency, or branch established in this state.

447 Section 7. Section 663.04, Florida Statutes, is amended to
448 read:

449 663.04 Requirements for carrying on financial institution
450 business.—An international banking corporation ~~or trust company,~~
451 or any affiliate, subsidiary, or other person or business entity
452 acting as an agent for, on behalf of, or for the benefit of such
453 international banking corporation ~~or trust company~~ who engages
454 in such activities from an office located in this state, may not
455 transact a banking or trust business, or maintain in this state
456 any office for carrying on such business, or any part thereof,
457 unless such corporation, ~~trust company,~~ affiliate, subsidiary,
458 person, or business entity:

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

462 (2) Has furnished to the office such proof as to the nature
463 and character of its business and as to its financial condition
464 as the commission or office requires.

465 (3) Has filed with the office a certified copy of that
466 information required to be supplied to the Department of State
467 by those provisions of part I of chapter 607 which are

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468 applicable to foreign corporations.

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

470 (5) Has sufficient capital in accordance with the
471 requirements of capital accounts no less than the minimums
472 required per s. 663.055 and the rules adopted thereunder and is
473 not imminently insolvent or insolvent, as those terms are
474 defined in per s. 655.005(1).

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

477 (b) Is not operating under the direct control of the
478 government, regulatory, or supervisory authority of the
479 jurisdiction of its incorporation through government
480 intervention or any other extraordinary actions.

481 (c) Has not been in such status or control at any time
482 within the 3 7 years preceding the date of application for a
483 license.

484

485 Notwithstanding subsection (6), the office may, in its
486 discretion, permit an international branch, international bank
487 agency, international administrative office, or international
488 representative office to remain open and in operation under such
489 conditions as the office deems appropriate if the office
490 determines that it is in the public's interest and that it
491 further international supervisory cooperation to allow the
492 international branch, international bank agency, international
493 administrative office, or international representative office to
494 remain open and in operation.

495 Section 8. Present subsections (4) through (8) of section
496 663.05, Florida Statutes, are redesignated as subsections (5)

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497 through (9), respectively, a new subsection (4) is added to that
498 section, and present subsections (4), (5), and (6), paragraph
499 (c) of present subsection (7), and present subsection (8) are
500 amended, to read:

501 663.05 Application for license; approval or disapproval.—

502 (4) Notwithstanding subsection (1), an international
503 banking corporation that has operated an international branch,
504 international bank agency, international administrative office,
505 or international representative office in this state for a
506 minimum of 3 years in a safe and sound manner, as defined by
507 commission rule, and that is otherwise eligible to establish an
508 additional office may establish one or more additional
509 international branches, international bank agencies,
510 international administrative offices, or international
511 representative offices by providing an abbreviated application
512 and paying the appropriate license fee pursuant to s. 663.12.
513 This subsection does not permit an international banking
514 corporation to file an abbreviated application for any license
515 type whose permissible activities are broader than those in
516 which the international banking corporation is currently
517 authorized to engage.

518 (5)~~(4)~~ An application filed pursuant to this section must
519 ~~shall~~ be made on a form prescribed by the commission ~~office~~ and
520 must ~~shall~~ contain such information as the commission or office
521 requires.

522 (6)~~(5)~~ The office may, in its discretion, approve or
523 disapprove the application, but it may ~~shall~~ not approve the
524 application unless, in its opinion, the applicant meets each and
525 every requirement of this part and any other applicable

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526 provision of the financial institutions codes. The office shall
527 approve the application only if it has determined that the
528 directors, executive officers, and principal shareholders of the
529 international banking corporation are qualified by reason of
530 their financial ability, reputation, and integrity and have
531 sufficient banking and other business experience to indicate
532 that they will manage and direct the affairs of the
533 international banking corporation in a safe, sound, and lawful
534 manner. In the processing of an application filed pursuant to
535 this section applications, the time limitations under the
536 Administrative Procedure Act do shall not apply as to approval
537 or disapproval of the application. For applications filed on or
538 after January 1, 2018, the time limitations for approval or
539 disapproval of an application must be prescribed by rule of the
540 commission.

541 (7)(6) The office may not issue a license to an
542 international banking corporation unless:

543 (a) It is chartered in a jurisdiction in which any
544 financial institution licensed or chartered by any state or any
545 federal bank regulatory agency in the United States bank or
546 trust company having its principal place of business in this
547 state may establish similar facilities or exercise similar
548 powers; or

549 (b) Federal law permits the appropriate federal regulatory
550 authority to issue a comparable license to the international
551 banking corporation.

552 (8)(7) The office may not issue a license to an
553 international banking corporation for the purpose of operating:

554 (c) A trust representative office in this state unless the

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555 corporation:

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

559 ~~2. Has been authorized by the foreign country's trust~~
560 ~~business regulatory authority to establish the proposed~~
561 ~~international trust representative office.~~

562 ~~3. Is adequately supervised by the central bank or trust~~
563 ~~regulatory agency in the foreign country in which it is~~
564 ~~organized and chartered.~~

565 ~~4. Meets all requirements under the financial institutions~~
566 ~~codes for the operation of a trust company or trust department~~
567 ~~as if it were a state chartered trust company or bank authorized~~
568 ~~to exercise fiduciary powers.~~

569 (9)~~(8)~~ The commission shall establish, by rule, the general
570 principles which shall determine the adequacy of supervision of
571 an international banking corporation's foreign establishments.
572 These principles shall be based upon the need for cooperative
573 supervisory efforts and consistent regulatory guidelines and
574 shall address, at a minimum, the capital adequacy, asset
575 quality, management, earnings, liquidity, internal controls,
576 audits, and foreign exchange operations and positions of the
577 international banking corporation. This subsection does ~~shall~~
578 not require examination by the home-country regulatory
579 authorities of any office of an international banking
580 corporation in this state. The commission may also establish, by
581 rule, other standards for approval of an application for a
582 license as considered necessary to ensure the safe and sound
583 operations of the international banking corporation ~~bank or~~

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584 ~~trust representative office~~ in this state.

585 Section 9. Section 663.055, Florida Statutes, is amended to
586 read:

587 663.055 Capital requirements.—

588 (1) To qualify for a license under ~~the provisions of this~~
589 part, the proposed capitalization of the international banking
590 corporation must be in such amount as the office determines is
591 necessary, taking into consideration the risk profile of the
592 international banking corporation and the ability of the
593 international banking corporation to operate a licensed office
594 in a safe and sound manner. In making this determination, the
595 office must consider the financial resources of the
596 international banking corporation, including an international
597 ~~banking corporation must have net capital accounts, calculated~~
598 ~~according to United States generally accepted accounting~~
599 ~~principles and practices, of at least:~~

600 (a) The international banking corporation's current and
601 projected capital position, profitability, level of
602 indebtedness, and business and strategic plans ~~Forty million~~
603 ~~dollars for the establishment of an international bank agency,~~
604 ~~an international branch, or an international administrative~~
605 ~~office; or~~

606 (b) The financial condition of any of the international
607 banking corporation's existing offices located in the United
608 States; ~~Twenty million dollars for the establishment of an~~
609 ~~international representative office or international trust~~
610 ~~representative office.~~

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

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613 (d) The capital ratio standards used in the United States
614 and in the international banking corporation's home-country
615 jurisdiction.

616 (2) The proposed capitalization of the international
617 banking corporation must be in such amount as the office deems
618 adequate, but in no case may the total capital accounts of the
619 international banking corporation be less than the minimum
620 required under s. 658.21(2) to establish a state bank

621 ~~Notwithstanding the provisions of paragraph (1)(a), the office~~
622 ~~may approve an application for a license to establish an~~
623 ~~international bank agency, an international branch, or an~~
624 ~~international administrative office if:~~

625 ~~(a) The international banking corporation is licensed to~~
626 ~~receive deposits from the general public in the country where it~~
627 ~~is organized and licensed and to engage in such other activities~~
628 ~~as are usual in connection with the business of banking in such~~
629 ~~country;~~

630 ~~(b) The office receives a certificate that is issued by the~~
631 ~~banking or supervisory authority of the country in which the~~
632 ~~international banking corporation is organized and licensed and~~
633 ~~states that the international banking corporation is duly~~
634 ~~organized and licensed and lawfully existing in good standing,~~
635 ~~and is empowered to conduct a banking business; and~~

636 ~~(c) The international banking corporation has been in the~~
637 ~~business of banking for at least 10 years and is ranked by the~~
638 ~~banking or supervisory authority of the country in which it is~~
639 ~~organized and licensed as one of the five largest banks in that~~
640 ~~country in terms of domestic deposits, as of the date of its~~
641 ~~most recent statement of financial condition. However, in no~~

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642 ~~event shall the office approve an application under this~~
643 ~~subsection for any international banking corporation with~~
644 ~~capital accounts of less than \$20 million.~~

645 (3) The office may specify such other conditions as it
646 determines are appropriate, considering the public interest and
647 the need to maintain a safe, sound, and competitive banking
648 system in this state, ~~and the preservation of an environment~~
649 ~~conducive to the conduct of an international banking business in~~
650 ~~this state. In translating the capital accounts of an~~
651 ~~international banking corporation, the office may consider~~
652 ~~monetary corrections accounts that reflect results consistent~~
653 ~~with the requirements of generally accepted accounting~~
654 ~~principles in the United States.~~

655 (4) For the purpose of this part, the capital accounts of
656 and capital ratio standards for an international banking
657 corporation must ~~shall~~ be determined in accordance with rules
658 adopted by the commission. In adopting such rules, the
659 commission shall consider similar rules adopted by bank
660 regulatory agencies in the United States and the need to provide
661 reasonably consistent regulatory requirements for international
662 banking corporations ~~which will maintain the safe and sound~~
663 ~~condition of international banking corporations~~ doing business
664 in this state, as well as capital adequacy standards of an
665 international banking corporation's home-country jurisdiction.

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

668 663.06 Licenses; permissible activities.—

669 (1) (a) An international banking corporation licensed to
670 operate an office in this state may engage in the business

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671 authorized by this part at the office specified in such license
672 for an indefinite period.

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

676 (c) ~~A~~ ~~No~~ license is not transferable or assignable.
677 However, the location of a licensed office may be changed after
678 notification of the office.

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

682 (3) The license for any international banking corporation
683 office in this state may be suspended or revoked by the office,
684 with or without examination, upon its determination that the
685 international banking corporation or the licensed office does
686 not meet all requirements for original licensing. Additionally,
687 the office shall revoke the license of any licensed office that
688 the office determines has been inactive for 6 months or longer.
689 The commission may by rule prescribe additional conditions or
690 standards under which the license of an international bank
691 agency, international branch, international representative
692 office, ~~international trust company representative office,~~ or
693 international administrative office may be suspended or revoked.

694 Section 11. Section 663.0601, Florida Statutes, is created
695 to read:

696 663.0601 After-the-fact licensure process in the event of
697 the acquisition, merger, or consolidation of international
698 banking corporations.-If an international banking corporation
699 proposes to acquire, merge, or consolidate with an international

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700 banking corporation that presently operates an international
701 branch, international bank agency, international administrative
702 office, or international representative office licensed in this
703 state, the office may authorize the currently licensed
704 international branch, international bank agency, international
705 administrative office, or international representative office to
706 remain open and in operation after consummation of the proposed
707 acquisition, merger, or consolidation, if the acquiring
708 international banking corporation files an after-the-fact
709 application and all of the following conditions are met:

710 (1) The international banking corporation or corporations
711 resulting from the acquisition, merger, or consolidation will
712 not directly or indirectly own or control more than 5 percent of
713 any class of the voting securities of, or control, a United
714 States bank.

715 (2) Before consummation of the acquisition, merger, or
716 consolidation, the international banking corporation currently
717 licensed to operate an international branch, international bank
718 agency, international administrative office, or international
719 representative office in this state must provide the office at
720 least 30 days' advance written notice, as prescribed by rules
721 adopted by the commission, of the proposed acquisition, merger,
722 or consolidation.

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

726 (a) Comply with the conditions in subsections (1) and (2)
727 and file an after-the-fact application for a license under s.
728 663.05(1) within 60 days after consummation of the proposed

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729 acquisition, merger, or consolidation; and refrain from engaging
730 in new lines of business and from otherwise expanding the
731 activities of such establishment in this state until the
732 disposition of the after-the-fact license application, in
733 accordance with chapter 120; or

734 (b) Promptly wind down and close any international branch,
735 international bank agency, international administrative office,
736 or international representative office in this state if the
737 international banking corporations that are party to the
738 acquisition, merger, or consolidation elect not to file an
739 application for a license in accordance with paragraph (a); and,
740 before such wind-down and closure, refrain from engaging in new
741 lines of business or otherwise expanding the activities of such
742 establishment in this state.

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

745 663.061 International bank agencies; permissible
746 activities.—

747 (1) An international bank agency licensed under this part
748 may make any loan, extension of credit, or investment which it
749 could make if incorporated and operating as a bank organized
750 under the laws of this state. An international bank agency may
751 act as custodian and may furnish investment management, and
752 investment advisory services authorized under rules adopted by
753 the commission, to nonresident entities or persons whose
754 principal places of business or domicile are outside the United
755 States and to resident entities or persons with respect to
756 international, ~~or~~ foreign, or domestic investments. An
757 international banking corporation that ~~which~~ has an

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758 international bank agency licensed under the terms of this part
759 ~~is shall be~~ exempt from the registration requirements of s.
760 517.12. An international bank agency licensed by the office may
761 engage in any activity permissible for an international
762 administrative office or international representative office.

763 Section 13. Section 663.062, Florida Statutes, is amended
764 to read:

765 663.062 International representative offices; permissible
766 activities.—An international representative office may promote
767 or assist the deposit-taking, lending, or other financial or
768 banking activities of an international banking corporation. An
769 international representative office may serve as a liaison in
770 Florida between an international banking corporation and its
771 existing and potential customers. Representatives and employees
772 based at such office may solicit business for the international
773 banking corporation and its subsidiaries and affiliates, provide
774 information to customers concerning their accounts, answer
775 questions, receive applications for extensions of credit and
776 other banking services, transmit documents on behalf of
777 customers, and make arrangements for customers to transact
778 business on their accounts, but a representative office may not
779 conduct any banking or trust business in this state. An
780 international representative office of an international banking
781 corporation that has fiduciary powers may engage in the
782 international trust representative office activities enumerated
783 in s. 663.409.

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

786 663.063 International administrative offices.—

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787 (2) An office established pursuant to ~~the provisions of~~
788 this section may ~~not~~ engage only in ~~any activity except~~ those
789 activities set forth in subsection (1) and the activities
790 permissible for an international representative office pursuant
791 to s. 663.062.

792 Section 15. Section 663.064, Florida Statutes, is amended
793 to read:

794 663.064 International branches; permissible activities;
795 requirements.-

796 (1) An international banking corporation that meets the
797 requirements of ss. 658.26, 663.04, and 663.05 may, with the
798 approval of the office, establish one or more branches in this
799 state. ~~An international branch shall have the same rights and~~
800 ~~privileges as a federally licensed international branch.~~ The
801 operations of an international branch shall be conducted
802 pursuant to requirements determined by the office as necessary
803 to ensure compliance with the provisions of the financial
804 institutions codes, including requirements for the maintenance
805 of accounts and records separate from those of the international
806 banking corporation of which it is a branch.

807 (2) An international branch has the same rights and
808 privileges as a federally licensed international branch. The
809 permissible deposits of an international branch must be
810 determined in accordance with rules adopted by the commission.
811 In adopting such rules, the commission shall consider the
812 similar deposit-taking authority of a federally licensed
813 international branch and the need to provide reasonably
814 consistent regulatory requirements for international banking
815 corporations doing business in this state.

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816 (3) An international branch licensed by the office may
817 engage in any activity permissible for an international bank
818 agency, international administrative office, or international
819 representative office.

820 Section 16. Subsection (3) of section 663.09, Florida
821 Statutes, is amended, and subsection (5) is added to that
822 section, to read:

823 663.09 Reports; records.—

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

827 (a) Correct and complete books and records of account of
828 the business operations transacted by such office. All policies
829 and procedures relating specifically to ~~governing~~ the operations
830 of such office, as well as any existing general ledger or
831 subsidiary accounts, must ~~shall~~ be maintained in the English
832 language. Any policies and procedures of the international
833 banking corporation which are not specific to the operations of
834 such office may be maintained in a language other than English
835 ~~The office may require that any other document not written in~~
836 ~~the English language which the office deems necessary for the~~
837 ~~purposes of its regulatory and supervisory functions be~~
838 ~~translated into English at the expense of the international~~
839 ~~banking corporation.~~

840 (b) Current copies of the charter and bylaws of the
841 international banking corporation, relative to the operations of
842 the office, and minutes of the proceedings of its directors,
843 officers, or committees relative to the business of the office.
844 Such records may be maintained in a language other than English

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845 and must ~~shall~~ be kept pursuant to s. 655.91 and ~~shall be~~ made
846 available to the office, upon request, at any time during
847 regular business hours of the office. Any failure to keep such
848 records as aforesaid or any refusal to produce such records upon
849 request by the office is ~~shall be~~ grounds for suspension or
850 revocation of any license issued under this part.

851 (5) The office may require at any time that any document
852 not written in the English language which the office deems
853 necessary for the purposes of its regulatory and supervisory
854 functions be translated into English at the expense of the
855 international banking corporation.

856 Section 17. Section 663.11, Florida Statutes, is amended to
857 read:

858 663.11 Termination of international banking corporation's
859 charter or authority.—

860 (1) (a) An international banking corporation that is
861 licensed to maintain an office in this state may not continue to
862 conduct its licensed business in this state if the international
863 banking corporation:

864 1. Is dissolved, or its authority or existence is otherwise
865 terminated or canceled in the jurisdiction of its
866 incorporation;~~;~~

867 2. Is in bankruptcy, conservatorship, receivership,
868 liquidation, or similar status under the laws of any country;~~;~~
869 or

870 3. Is operating under the direct control of the government
871 or the regulatory or supervisory authority of the jurisdiction
872 of its incorporation through government intervention or any
873 other extraordinary actions.

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874 (b) Notwithstanding subparagraphs (a)2. and 3., the office
875 may, in its discretion, permit an international branch,
876 international bank agency, international administrative office,
877 or international representative office to remain open and in
878 operation under such conditions as the office deems appropriate,
879 if the office determines that it is in the public's interest and
880 that it furthers international supervisory cooperation to allow
881 the international branch, international bank agency,
882 international administrative office, or international
883 representative office to remain open and in operation.

884 ~~(2) A certificate of the official who is responsible for~~
885 ~~records of banking corporations of the jurisdiction of~~
886 ~~incorporation of such international banking corporation,~~
887 ~~attesting to the occurrence of any such event, or a certified~~
888 ~~copy of an order or decree of a court of such jurisdiction,~~
889 ~~directing the dissolution of such international banking~~
890 ~~corporation, the termination of its existence, or the~~
891 ~~cancellation of its authority, or declaring its status in~~
892 ~~bankruptcy, conservatorship, receivership, liquidation, or~~
893 ~~similar proceedings, or other reliable documentation that the~~
894 ~~international banking corporation is operating under the direct~~
895 ~~control of its government or a regulatory or supervisory~~
896 ~~authority, shall be delivered by The international banking~~
897 ~~corporation or its surviving officers and directors shall~~
898 ~~deliver to the office:-~~

899 (a) A certificate of the official who is responsible for
900 records of banking corporations of the jurisdiction of
901 incorporation of such international banking corporation,
902 attesting to the occurrence of any event described in paragraph

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903 (1) (a);

904 (b) A certified copy of an order or decree of a court of
905 such jurisdiction, directing the dissolution of such
906 international banking corporation, the termination of its
907 existence, or the cancellation of its authority or declaring its
908 status in bankruptcy, conservatorship, receivership,
909 liquidation, or similar proceedings; or

910 (c) Other reliable documentation evidencing that the
911 international banking corporation is operating under the direct
912 control of its government or a regulatory or supervisory
913 authority.

914 (3) The filing of the certificate, order, documentation, or
915 decree ~~has shall have~~ the same effect as the revocation of the
916 license of such international banking corporation as provided in
917 s. 663.06, unless the office has permitted the international
918 branch, international bank agency, international administrative
919 office, or international representative office to remain open
920 and in operation pursuant to paragraph (1) (b).

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

923 663.12 Fees; assessments; fines.—

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

927 (a) Ten thousand dollars for establishing a state-chartered
928 investment company.

929 (b) Ten thousand dollars for establishing an international
930 bank agency or branch.

931 (c) Five thousand dollars for establishing an international

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932 administrative office.

933 (d) Five thousand dollars for establishing an international
934 representative office.

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

937 (e) ~~(f)~~ An amount equal to the initial filing fee for an
938 application to convert from one type of license to another. The
939 commission may increase the filing fee for any type of license
940 to an amount established by rule and calculated in a manner so
941 as to cover the direct and indirect cost of processing such
942 applications.

943 Section 19. Subsection (11) of section 663.17, Florida
944 Statutes, is amended to read:

945 663.17 Liquidation; possession of business and property;
946 inventory of assets; wages; depositing collected assets;
947 appointing agents; appointment of judges.—

948 (11) The compensation of agents and any other employees
949 appointed by the office to assist in the liquidation of an
950 international banking corporation, or any of the corporation's
951 licensed offices located in this state, the distribution of its
952 assets, or the expenses of supervision, must ~~shall~~ be paid out
953 of the assets of the corporation in the possession hands of the
954 office. Expenses of liquidation and approved claims for fees and
955 assessments due the office must ~~shall~~ be given first priority
956 among unsecured creditors.

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

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961 Section 21. Section 663.4001, Florida Statutes, is created
962 to read:

963 663.4001 Purpose.—The purpose of this part is to establish
964 a legal and regulatory framework for the conduct by
965 international trust entities of financial services business in
966 this state. This part is intended to:

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

970 (2) Provide for appropriate supervision and regulatory
971 oversight to ensure that financial services activities of
972 international trust entities in this state are conducted
973 responsibly and in a safe and sound manner.

974 Section 22. Section 663.401, Florida Statutes, is created
975 to read:

976 663.401 Definitions.—

977 (1) "Affiliate" means a person or business or a group of
978 persons or businesses acting in concert which controls, is
979 controlled by, or is under common control of an international
980 trust entity.

981 (2) "International trust company representative office"
982 means an office of an international trust entity which is
983 established or maintained in this state for the purpose of
984 engaging in nonfiduciary activities described in s. 663.409, or
985 any affiliate, subsidiary, or other person that engages in such
986 activities on behalf of such international trust entity from an
987 office located in this state.

988 (3) "International trust entity" means an international
989 trust company or organization, or any similar business entity;

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990 or an affiliated or subsidiary entity that is licensed,
991 chartered, or similarly permitted to conduct trust business in a
992 foreign country or countries under the laws where such entity is
993 organized and supervised.

994 Section 23. Section 663.402, Florida Statutes, is created
995 to read:

996 663.402 Applicability of the financial institutions codes.-

997 (1) An international trust entity that operates an office
998 licensed under this part is subject to all the financial
999 institutions codes as though such international trust entity
1000 were a state trust company, except when it appears, from the
1001 context or otherwise, that such provisions are clearly
1002 applicable only to trust companies organized under the laws of
1003 this state or the United States. Without limiting the foregoing
1004 general provisions, it is the intent of the Legislature that the
1005 following provisions are applicable to such international trust
1006 entities having offices in this state: s. 655.031, relating to
1007 administrative enforcement guidelines; s. 655.032, relating to
1008 investigations, subpoenas, hearings, and witnesses; s. 655.0321,
1009 relating to restricted access hearings, proceedings, and related
1010 documents; s. 655.033, relating to cease and desist orders; s.
1011 655.037, relating to removal of a financial institution-related
1012 party by the office; s. 655.041, relating to administrative
1013 finances and enforcement; s. 655.50, the Florida Control of Money
1014 Laundering and Terrorist Financing in Financial Institutions
1015 Act; and any law for which the penalty is increased under s.
1016 775.31 for facilitating or furthering terrorism.

1017 (2) An international trust entity does not have any greater
1018 right under, or by virtue of, this section than is granted to

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1019 trust companies organized under the laws of this state. Legal
1020 and financial terms used in this chapter are deemed to refer to
1021 equivalent terms used by the country in which the international
1022 trust entity is organized. This chapter and the financial
1023 institutions codes may not be construed to authorize any
1024 international trust entity to conduct trust business, as defined
1025 in s. 658.12, from an office in this state.

1026 Section 24. Section 663.403, Florida Statutes, is created
1027 to read:

1028 663.403 Applicability of the Florida Business Corporation
1029 Act.—Notwithstanding s. 607.01401(12), the provisions of part I
1030 of chapter 607 which are not in conflict with the financial
1031 institutions codes and which relate to foreign corporations
1032 apply to all international trust entities and their offices
1033 doing business in this state.

1034 Section 25. Section 663.404, Florida Statutes, is created
1035 to read:

1036 663.404 Requirements for conducting financial institution
1037 business.—An international trust entity, or any affiliated,
1038 subsidiary, or other person or business entity acting as an
1039 agent for, on behalf of, or for the benefit of such
1040 international trust entity, who engages in such activities from
1041 an office located in this state, may not transact a trust
1042 business, or maintain in this state any office for carrying on
1043 such business, or any part thereof, unless such international
1044 trust entity, affiliate, subsidiary, person, or business entity:

1045 (1) Has been authorized by charter, license, or similar
1046 authorization by operation of law to carry on trust business and
1047 has complied with the laws of each jurisdiction in which it is

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1048 chartered, licensed, or otherwise authorized and created under
1049 operation of law.

1050 (2) Has furnished to the office such proof as to the nature
1051 and character of its business and as to its financial condition
1052 as the commission or office requires.

1053 (3) Has filed with the office a certified copy of that
1054 information required to be supplied to the Department of State
1055 by those provisions of part I of chapter 607 which are
1056 applicable to foreign corporations.

1057 (4) Has received a license duly issued to it by the office.

1058 (5) Has sufficient capital in accordance with the
1059 requirements of s. 663.407 and the rules adopted thereunder and
1060 is not imminently insolvent or insolvent, as those terms are
1061 defined under s. 655.005(1).

1062 (6) (a) Is not in bankruptcy, conservatorship, receivership,
1063 liquidation, or similar status under the laws of any country.

1064 (b) Is not operating under the direct control of the
1065 government or the regulatory or supervisory authority of the
1066 home jurisdiction in which it has been chartered, licensed, or
1067 otherwise authorized and created under operation of law, through
1068 government intervention or any other extraordinary actions.

1069 (c) Has not been in such status or control at any time
1070 within the 3 years preceding the date of application for a
1071 license.

1072
1073 Notwithstanding subsection (6), the office may, in its
1074 discretion, permit an international trust company representative
1075 office to remain open and in operation under such conditions as
1076 the office deems appropriate if the office determines that it is

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1077 in the public's interest and that it furthers international
1078 supervisory cooperation to allow the international trust company
1079 representative office to remain open and in operation.

1080 Section 26. Section 663.405, Florida Statutes, is created
1081 to read:

1082 663.405 Civil action subpoena enforcement.—

1083 (1) Notwithstanding s. 655.059, an international trust
1084 company representative office established under this chapter is
1085 not required to produce a book or record pertaining to a deposit
1086 account, investment account, trust account, or loan of a
1087 customer of the international trust entity's offices that are
1088 located outside the United States or its territories in response
1089 to a subpoena, if the book or record is maintained outside the
1090 United States or its territories and is not in the possession,
1091 custody, or control of the international trust entity's
1092 representative office established in this state.

1093 (2) This section applies only to a subpoena issued pursuant
1094 to the Florida Rules of Civil Procedure, the Federal Rules of
1095 Civil Procedure, or other similar law or rule of civil procedure
1096 in another state. This section does not apply to a subpoena
1097 issued by or on behalf of a federal, state, or local government
1098 law enforcement agency, administrative or regulatory agency,
1099 legislative body, or grand jury and does not limit the power of
1100 the office to access all books and records in the exercise of
1101 the office's regulatory and supervisory powers under the
1102 financial institutions codes.

1103 Section 27. Section 663.406, Florida Statutes, is created
1104 to read:

1105 663.406 Application for license; approval or disapproval.—

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1106 (1) An international trust entity, before being licensed by
1107 the office to maintain any office in this state, must subscribe
1108 and acknowledge, and submit to the office, an application that
1109 contains all of the following:

1110 (a) The name of the international trust entity.

1111 (b) The proposed location, by street and post office
1112 address and county, where its business is to be transacted in
1113 this state and the name of the person who will be in charge of
1114 the business and affairs of the office.

1115 (c) The location where its initial registered office will
1116 be located in this state.

1117 (d) The total amount of the capital accounts of the
1118 international trust entity.

1119 (e) A complete and detailed statement of its financial
1120 condition as of a date within 180 days before the date of such
1121 application, except that the office in its discretion may, when
1122 necessary or expedient, accept such statement of financial
1123 condition as of a date within 240 days before the date of such
1124 application. The office in its discretion may, when necessary or
1125 expedient, require an independent opinion audit or the
1126 equivalent satisfactory to the office.

1127 (f) A listing of any occasion within the 10 year period
1128 before the application on which either the international trust
1129 entity or any of its directors, executive officers, or principal
1130 shareholders have been arrested for, charged with, convicted of,
1131 or pled guilty or nolo contendere to, regardless of
1132 adjudication, any offense with respect to which the penalties
1133 include the possibility of imprisonment for 1 year or more, or
1134 to any offense involving money laundering, currency transaction

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1135 reporting, facilitating or furthering terrorism, or fraud, or
1136 otherwise related to the operation of a financial institution.

1137 (2) The office shall disallow any illegally obtained
1138 currency, monetary instruments, funds, or other financial
1139 resources from the capitalization requirements of this section,
1140 and the existence of such illegally obtained resources is
1141 grounds for denial of the application for license.

1142 (3) An international trust entity that submits an
1143 application to the office shall concurrently submit a
1144 certificate issued by the supervisory authority of the country
1145 in which the international trust entity is chartered or
1146 organized which states that the international trust entity is
1147 duly organized and licensed, or otherwise authorized by
1148 operation of law to transact business as a trust entity, and
1149 lawfully existing in good standing.

1150 (4) An international trust entity that has operated an
1151 international trust company representative office in this state
1152 for at least 3 years in a safe and sound manner, as defined by
1153 commission rule, and that is otherwise eligible to establish an
1154 additional office may establish one or more international trust
1155 company representative offices by providing an abbreviated
1156 application, and paying the appropriate license fee pursuant to
1157 s. 663.413.

1158 (5) An application filed pursuant to this section must be
1159 made on a form prescribed by the commission and must contain
1160 such information as the commission or office requires.

1161 (6) The office may, in its discretion, approve or
1162 disapprove the application, but it may not approve the
1163 application unless, in its opinion, the applicant meets each and

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1164 every requirement of this part and any other applicable
1165 provision of the financial institutions codes. The office may
1166 approve the application only if it has determined that the
1167 directors, executive officers, and principal shareholders of the
1168 international trust entity are qualified by reason of their
1169 financial ability, reputation, and integrity and have sufficient
1170 trust company and other business experience to indicate that
1171 they will manage and direct the affairs of the international
1172 trust entity in a safe, sound, and lawful manner. In the
1173 processing of any application filed pursuant to this section,
1174 the time limitations under the Administrative Procedure Act do
1175 not apply as to approval or disapproval of the application. For
1176 applications filed on or after January 1, 2018, the time
1177 limitations for approval or disapproval of an application must
1178 be prescribed by rule of the commission.

1179 (7) The office may not issue a license to an international
1180 trust entity unless it is chartered, licensed, or similarly
1181 authorized by operation of law in a jurisdiction in which any
1182 financial institution licensed or chartered by any state or
1183 federal regulatory agency in the United States may establish
1184 similar facilities or exercise similar powers.

1185 (8) The office may not issue a license to an international
1186 trust entity for the purpose of operating an international trust
1187 company representative office in this state unless the trust
1188 entity:

1189 (a) Holds an unrestricted license to conduct trust business
1190 in the foreign country under whose laws it is organized and
1191 chartered;

1192 (b) Has been authorized by the foreign country's

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1193 appropriate regulatory authority to establish the proposed
1194 international trust company representative office; and

1195 (c) Is adequately supervised by the appropriate regulatory
1196 agency in the foreign country in which it is organized and
1197 chartered.

1198 (9) The commission shall establish, by rule, the general
1199 principles that determine the adequacy of supervision of an
1200 international trust entity's foreign establishments. These
1201 principles must be based upon the need for cooperative
1202 supervisory efforts and consistent regulatory guidelines and
1203 must address, at a minimum, the capital adequacy, asset quality,
1204 management, earnings, liquidity, internal controls, audits, and
1205 foreign exchange operations and positions of the international
1206 trust entity. This subsection does not require examination by
1207 the home-country regulatory authorities of any office of an
1208 international trust entity in this state. The commission may
1209 also establish, by rule, other standards for approval of an
1210 application for a license as considered necessary to ensure the
1211 safe and sound operations of the international trust entity in
1212 this state.

1213 Section 28. Section 663.407, Florida Statutes, is created
1214 to read:

1215 663.407 Capital requirements.—

1216 (1) For an international trust entity to qualify for a
1217 license under this part, the proposed capitalization of the
1218 international trust entity must be in such amount as the office
1219 determines is necessary, taking into consideration the risk
1220 profile of the international trust entity and the ability of the
1221 international trust entity to operate a licensed office in a

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1222 safe and sound manner. In making this determination, the office
1223 shall consider the financial resources of the international
1224 trust entity, including:

1225 (a) The international trust entity's current and projected
1226 capital position, profitability, level of indebtedness, business
1227 and strategic plans, and off-balance sheet asset management and
1228 administration activities;

1229 (b) The financial condition of any of the international
1230 trust entity's existing offices located in the United States;

1231 (c) The minimum capital requirements of the international
1232 trust entity's home-country jurisdiction; and

1233 (d) The capital ratio standards used in the United States
1234 and in the international trust entity's home-country
1235 jurisdiction.

1236 (2) The proposed capitalization of the international trust
1237 entity must be in such amount as the office deems adequate, but
1238 in no case may the total capital accounts of the international
1239 trust entity be less than \$1 million.

1240 (3) The office may specify such other conditions as it
1241 determines are appropriate, considering the public interest and
1242 the need to maintain a safe, sound, and competitive financial
1243 marketplace in this state.

1244 (4) For purposes of this part, the capital accounts of and
1245 capital ratio standards for an international trust entity must
1246 be determined in accordance with rules adopted by the
1247 commission. In adopting such rules, the commission shall
1248 consider similar rules adopted by regulatory agencies in the
1249 United States and the need to provide reasonably consistent
1250 regulatory requirements for international trust entities doing

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1251 business in this state, as well as capital adequacy standards of
1252 an international trust entity's home-country jurisdiction.

1253 Section 29. Section 663.408, Florida Statutes, is created
1254 to read:

1255 663.408 Licenses; permissible activities of licensees.—

1256 (1) (a) An international trust entity licensed to operate an
1257 office in this state may engage in the business authorized by
1258 this part at the office specified in such license for an
1259 indefinite period.

1260 (b) An international trust entity may operate more than one
1261 licensed office, each at a different place of business, provided
1262 that each office is separately licensed.

1263 (c) A license is not transferable or assignable. However,
1264 the location of a licensed office may be changed after
1265 notification to the office.

1266 (d) A license must at all times be conspicuously displayed
1267 in the place of business specified therein.

1268 (2) An international trust entity that proposes to
1269 terminate the operations of a licensed office in this state must
1270 surrender its license to the office and comply with such
1271 procedures as the commission may prescribe by rule.

1272 (3) The license for an international trust company
1273 representative office in this state may be suspended or revoked
1274 by the office, with or without examination, upon its
1275 determination that the international trust entity or the
1276 licensed office does not meet all requirements for original
1277 licensing. Additionally, the office shall revoke the license of
1278 any licensed office that the office determines has been inactive
1279 for 6 months or longer. The commission may by rule prescribe

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1280 additional conditions or standards under which the license of an
1281 international trust company representative office may be
1282 suspended or revoked.

1283 (4) If any such license is surrendered by the international
1284 trust entity or is suspended or revoked by the office, all
1285 rights and privileges of the international trust entity to
1286 transact the business under the license cease. The commission
1287 shall prescribe by rule procedures for the surrender of a
1288 license and for the orderly cessation of business by an
1289 international trust entity in a manner that is not harmful to
1290 the interests of its customers or of the public.

1291 Section 30. Section 663.4081, Florida Statutes, is created
1292 to read:

1293 663.4081 After-the-fact licensure process in the event of
1294 the acquisition, merger, or consolidation of international trust
1295 entities.—If an international trust entity proposes to acquire,
1296 merge, or consolidate with an international trust entity that
1297 presently operates an international trust company representative
1298 office licensed in this state, the office may allow the
1299 currently licensed international trust company representative
1300 office to remain open and in operation after consummation of the
1301 proposed acquisition, merger, or consolidation, subject to the
1302 filing with the office of an after-the-fact license application
1303 in accordance with all of the following conditions:

1304 (1) The international trust entity or entities resulting
1305 from the acquisition, merger, or consolidation will not directly
1306 or indirectly own or control more than 5 percent of any class of
1307 the voting securities of, or control, a United States bank.

1308 (2) Before consummation of the acquisition, merger, or

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1309 consolidation, the international trust entity currently licensed
1310 to operate an international trust company representative office
1311 in this state must provide the office at least 30 days' advance
1312 written notice, as prescribed by rules adopted by the
1313 commission, of the proposed acquisition, merger, or
1314 consolidation.

1315 (3) Before consummation of the acquisition, merger, or
1316 consolidation, each international trust entity commits in
1317 writing that it will:

1318 (a) Comply with the conditions in subsections (1) and (2)
1319 and file an after-the-fact application for a license under s.
1320 663.406(1) within 60 days after consummation of the proposed
1321 acquisition, merger, or consolidation and refrain from engaging
1322 in new lines of business and from otherwise expanding the
1323 activities of such establishment in this state until the
1324 disposition of the after-the-fact license application, in
1325 accordance with chapter 120; or

1326 (b) Promptly wind down and close any international trust
1327 company representative office in this state if the international
1328 trust entities that are party to the acquisition, merger, or
1329 consolidation elect not to file an application for a license in
1330 accordance with paragraph (a) and, before such wind-down and
1331 closure, refrain from engaging in new lines of business or
1332 otherwise expanding the activities of such establishment in this
1333 state.

1334 Section 31. Section 663.0625, Florida Statutes, is
1335 transferred, renumbered as section 663.409, Florida Statutes,
1336 and amended to read:

1337 663.409 ~~663.0625~~ International trust company representative

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1338 offices; permissible activities; requirements.-

1339 (1) An international trust company representative office
1340 may conduct any nonfiduciary activities that are ancillary to
1341 the fiduciary business of its international trust entity ~~banking~~
1342 ~~corporation or trust company~~, but may not act as a fiduciary.
1343 Permissible activities include advertising, marketing, and
1344 soliciting for fiduciary business on behalf of an international
1345 trust entity ~~banking corporation or trust company~~; contacting
1346 existing or potential customers, answering questions, and
1347 providing information about matters related to their accounts;
1348 serving as a liaison in this state between the international
1349 trust entity ~~banking corporation or trust company~~ and its
1350 existing or potential customers; and engaging in any other
1351 activities approved by the office or under rules of the
1352 commission.

1353 (2) Representatives and employees at such office may not
1354 act as a fiduciary, including, but not limited to, accepting the
1355 fiduciary appointment, executing the fiduciary documents that
1356 create the fiduciary relationship, ~~or~~ making discretionary
1357 decisions regarding the investment or distribution of fiduciary
1358 accounts, or accepting custody of any trust property or any
1359 other good, asset, or thing of value on behalf of the affiliated
1360 international trust entity, its subsidiaries or affiliates, or
1361 subsidiaries and affiliates of the international trust company
1362 representative office.

1363 (3) An international trust company representative office
1364 licensed by the office may engage in any activities permissible
1365 for a limited service affiliate under part IV of this chapter.

1366 Section 32. Section 663.410, Florida Statutes, is created

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1367 to read:

1368 663.410 Certification of capital accounts.—Before opening
1369 an office in this state, and annually thereafter so long as an
1370 international trust company representative office is maintained
1371 in this state, an international trust entity licensed pursuant
1372 to this part must certify to the office the amount of its
1373 capital accounts, expressed in the currency of the home
1374 jurisdiction where it has been authorized by charter, license,
1375 or similar authorization by operation of law to carry on trust
1376 business. The dollar equivalent of these amounts, as determined
1377 by the office, is deemed to be the amount of its capital
1378 accounts. The annual certification of capital accounts must be
1379 received by the office on or before June 30 of each year.

1380 Section 33. Section 663.411, Florida Statutes, is created
1381 to read:

1382 663.411 Reports; records.—

1383 (1) An international trust entity that operates an office
1384 licensed under this part shall, at such times and in such form
1385 as the commission prescribes, make written reports in the
1386 English language to the office, under the oath of one of its
1387 officers, managers, or agents transacting business in this
1388 state, showing the amount of its assets and liabilities and
1389 containing such other matters as the commission or office
1390 requires. An international trust entity that maintains two or
1391 more representative offices may consolidate such information in
1392 one report unless the office requires otherwise for purposes of
1393 its supervision of the condition and operations of each such
1394 office. The late filing of such reports is subject to an
1395 administrative fine as prescribed under s. 655.045(2). If the

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1396 international trust entity fails to make such report as directed
1397 by the office or if such report contains a false statement
1398 knowingly made, the same are grounds for revocation of the
1399 license of the international trust entity.

1400 (2) An international trust entity that operates an office
1401 licensed under this part shall cause to be kept, at a location
1402 accepted by the office:

1403 (a) Correct and complete books and records of account of
1404 the business operations transacted by such office. All policies
1405 and procedures relating specifically to the operations of such
1406 office, as well as any existing general ledger or subsidiary
1407 accounts, must be maintained in the English language; however,
1408 any policies and procedures of the international trust entity
1409 which are not specific to the operations of such office may be
1410 maintained in a language other than English.

1411 (b) Current copies of the charter or statement of operation
1412 and bylaws of the international trust entity, relative to the
1413 operations of the international trust company representative
1414 office, and minutes of the proceedings of its directors,
1415 officers, or committees relative to the business of the
1416 international trust company representative office. Such records
1417 may be maintained in a language other than English and must be
1418 kept pursuant to s. 655.91 and be made available to the office,
1419 upon request, at any time during regular business hours of the
1420 international trust company representative office.

1421 (3) Any failure to keep such records as required in
1422 subsection (2) or any refusal to produce such records upon
1423 request by the office is grounds for suspension or revocation of
1424 any license issued under this part.

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1425 (4) The office may require at any time that any document
1426 not written in the English language which the office deems
1427 necessary for the purposes of its regulatory and supervisory
1428 functions be translated into English at the expense of the
1429 international trust entity.

1430 Section 34. Section 663.412, Florida Statutes, is created
1431 to read:

1432 663.412 Termination of international trust entity's charter
1433 or authority.-

1434 (1) (a) An international trust entity that is licensed to
1435 maintain an office in this state may not continue to conduct its
1436 licensed business in this state if the international trust
1437 entity:

1438 1. Is dissolved, or its authority or existence is otherwise
1439 terminated or canceled in the home jurisdiction where it has
1440 been authorized by charter, license, or similar authorization by
1441 operation of law to carry on trust business;

1442 2. Is in bankruptcy, conservatorship, receivership,
1443 liquidation, or similar status under the laws of any country; or

1444 3. Is operating under the direct control of the government
1445 or the regulatory or supervisory authority of the jurisdiction
1446 where it has been authorized by charter, license, or similar
1447 authorization by operation of law to carry on trust business
1448 through government intervention or any other extraordinary
1449 actions.

1450 (b) Notwithstanding subparagraphs (a)2. and 3., the office
1451 may, in its discretion, permit an international trust company
1452 representative office to remain open and in operation under such
1453 conditions as the office deems appropriate, if the office

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1454 determines that it is in the public's interest and that it
1455 furtheres international supervisory cooperation to allow the
1456 international trust company representative office to remain open
1457 and in operation.

1458 (2) The international trust entity or its surviving
1459 officers and directors shall deliver to the office:

1460 (a) A certificate of the official who is responsible for
1461 records of trust companies in the jurisdiction where the
1462 international trust entity has been authorized by charter,
1463 license, or similar authorization by operation of law to carry
1464 on trust business of the international trust entity, attesting
1465 to the occurrence of any event described in paragraph (1) (a);

1466 (b) A certified copy of an order or decree of a court of
1467 such jurisdiction, directing the dissolution of such
1468 international trust entity, the termination of its existence, or
1469 the cancellation of its authority, or declaring its status in
1470 bankruptcy, conservatorship, receivership, liquidation, or
1471 similar proceedings; or

1472 (c) Other reliable documentation evidencing that the
1473 international trust entity is operating under the direct control
1474 of its government or a regulatory or supervisory authority.

1475 (3) The filing of the certificate, order, documentation, or
1476 decree has the same effect as the revocation of the license of
1477 such international trust entity as provided in s. 663.408,
1478 unless the office has permitted the international trust company
1479 representative office to remain open and in operation pursuant
1480 to paragraph (1) (b).

1481 Section 35. Section 663.413, Florida Statutes, is created
1482 to read:

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1483 663.413 Application and examination fees.-

1484 (1) An application for a license to establish an
1485 international trust company representative office under this
1486 part must be accompanied by a nonrefundable \$5,000 filing fee,
1487 payable to the office.

1488 (2) An international trust entity that maintains an office
1489 licensed under this part must pay to the office examination fees
1490 that are determined by the commission by rule and that are
1491 calculated in a manner so as to be equal to the actual cost of
1492 each examiner's participation in the examination, as measured by
1493 the examiner's pay scale, plus any other expenses directly
1494 incurred in the examination. However, the examination fees may
1495 not be less than \$200 per day for each examiner participating in
1496 the examination.

1497 Section 36. Section 663.414, Florida Statutes, is created
1498 to read:

1499 663.414 Rules; exemption from statement of estimated
1500 regulatory costs requirements.-In addition to any other
1501 rulemaking authority it has under the financial institutions
1502 codes, the commission may adopt reasonable rules that it deems
1503 advisable for the administration of international trust
1504 companies under this part in the interest of protecting
1505 depositors, creditors, borrowers, or the public interest and in
1506 the interest of maintaining a sound banking and trust system in
1507 this state. Because of the difficulty in obtaining economic data
1508 with regard to such trusts, ss. 120.54(3)(b) and 120.541 do not
1509 apply to the adoption of rules pursuant to this section.

1510 Section 37. Section 663.415, Florida Statutes, is created
1511 to read:

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1512 663.415 Travel expenses.—If domestic or foreign travel is
1513 deemed necessary by the office to effectuate the purposes of
1514 this part, the office must be reimbursed for actual, reasonable,
1515 and necessary expenses incurred in such domestic or foreign
1516 travel by the international trust company representative office
1517 under examination.

1518 Section 38. The Division of Law Revision and Information is
1519 directed to create part IV of chapter 663, Florida Statutes,
1520 consisting of ss. 663.530-663.540, Florida Statutes, to be
1521 entitled "Limited Service Affiliates of International Trust
1522 Entities."

1523 Section 39. Section 663.530, Florida Statutes, is created
1524 to read:

1525 663.530 Definitions.—

1526 (1) As used in ss. 663.531-663.539, the term:

1527 (a) "Foreign country" means a country other than the United
1528 States and includes any colony, dependency, or possession of
1529 such country notwithstanding any definitions in chapter 658, and
1530 any territory of the United States, including Guam, American
1531 Samoa, the Virgin Islands, and the Commonwealth of Puerto Rico.

1532 (b) "Home-country regulator" means the supervisory
1533 authority or equivalent or other similarly sanctioned body,
1534 organization, governmental entity, or recognized authority,
1535 which has similar responsibilities in a foreign country in which
1536 and by whom an international trust entity is licensed,
1537 chartered, or has similar authorization to organize and operate.

1538 (c) "International trust entity" means an international
1539 trust company or any international business, international
1540 business organization, or an affiliated or subsidiary entity

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1541 that is licensed, chartered, or similarly permitted to conduct
1542 trust business in a foreign country or countries under the laws
1543 of which it is organized and supervised.

1544 (d) "Limited service affiliate" means a marketing and
1545 liaison office that engages in the permissible activities
1546 enumerated in s. 663.531 for the benefit of an international
1547 trust entity.

1548 (e) "Nonresident" has the same meaning as in s. 663.01.

1549 (f) "Professional" means an accountant, attorney, or other
1550 financial services and wealth planning professional who is
1551 licensed by a governing body or affiliated with a licensed,
1552 chartered, or similarly authorized entity.

1553 (g) "Registrant" means a person or entity that is
1554 registered to perform the permissible activities outlined in s.
1555 663.531 related to or for the benefit of an affiliated
1556 international trust entity.

1557 (2) As used in ss. 663.531-663.539, the terms "affiliate,"
1558 "commission," "executive officer," "financial institution,"
1559 "financial institution-affiliated party," "financial
1560 institutions codes," "office," "officer," "state," and
1561 "subsidiary" have the same meaning as provided in s. 655.005.

1562 Section 40. Section 663.531, Florida Statutes, is created
1563 to read:

1564 663.531 Permissible activities; prohibited activities.—

1565 (1) Registration as a limited service affiliate under this
1566 part does not provide any exemption from licensure,
1567 registration, application, and requirements to conduct licensed
1568 business activities in this state. A limited service affiliate
1569 may engage in any of the following permissible activities, which

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1570 are not meant to be restrictive unless an activity is prohibited
1571 under subsection (2):

1572 (a) Marketing and liaison services related to or for the
1573 benefit of the affiliated international trust entities, directed
1574 exclusively at professionals and current or prospective
1575 nonresident clients of an affiliated international trust entity;

1576 (b) Advertising and marketing at trade, industry, or
1577 professional events;

1578 (c) Transmission of documents between the international
1579 trust entity and its current or prospective clients or a
1580 designee of such clients; and

1581 (d) Transmission of information about the trust or trust
1582 holdings of current clients between current clients or their
1583 designees and the international trust entity.

1584 (2) A limited service affiliate may not engage in any of
1585 the following activities:

1586 (a) Advertising and marketing related to or for the benefit
1587 of the international trust entity which are directed to the
1588 general public;

1589 (b) Acting as a fiduciary, including, but not limited to,
1590 accepting the fiduciary appointment, executing the fiduciary
1591 documents that create the fiduciary relationship, or making
1592 discretionary decisions regarding the investment or distribution
1593 of fiduciary accounts;

1594 (c) Accepting custody of any trust property or any other
1595 good, asset, or thing of value on behalf of the affiliated
1596 international trust entity, its subsidiaries or affiliates, or
1597 subsidiaries and affiliates of the international trust company
1598 representative office;

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1599 (d) Soliciting business within this state from the general
1600 public related to or for the benefit of an affiliated
1601 international trust entity;

1602 (e) Adding a financial institution-affiliated party to the
1603 limited service affiliate without prior written notification to
1604 the office;

1605 (f) Commencing services for an international trust entity
1606 without complying with the requirements of s. 663.532;

1607 (g) Providing services for any international trust entity
1608 that is in bankruptcy, conservatorship, receivership,
1609 liquidation, or a similar status under the laws of any country;
1610 or

1611 (h) Otherwise conducting banking or trust business.

1612 (3) The provisions of subsection (2) are not deemed to
1613 prevent the limited service affiliate's use of an international
1614 trust entity's website, or its own website, if the posted
1615 information or communication includes the following:

1616 (a) The following statement: "Certain described services
1617 are not offered to the general public in Florida, but are
1618 marketed by ...(insert name of limited service affiliate)...
1619 exclusively to professionals and current or prospective non-U.S.
1620 resident clients of the affiliated international trust entity or
1621 entities."

1622 (b) The notice required by s. 663.535.

1623 (4) In addition to any other power conferred upon it to
1624 enforce and administer this chapter and the financial
1625 institutions codes, the office may impose any remedy or penalty
1626 pursuant to s. 655.033, relating to cease and desist orders; s.
1627 655.034, relating to injunctions; s. 655.037, relating to

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1628 removal of a financial institution-affiliated party by the
1629 office; or s. 655.041, relating to administrative fines and
1630 enforcement, if a limited service affiliate engages in any of
1631 the impermissible activities in subsection (2).

1632 Section 41. Section 663.532, Florida Statutes, is created
1633 to read:

1634 663.532 Registration.—

1635 (1) To register as a limited service affiliate, a proposed
1636 registrant must file a written notice with the office, in the
1637 manner and on a form prescribed by the commission, together with
1638 a nonrefundable \$2,500 registration fee. Such written notice
1639 must include:

1640 (a) The name under which the proposed registrant will
1641 conduct business in this state;

1642 (b) A copy of the articles of incorporation or articles of
1643 organization, or the equivalent, of the proposed registrant;

1644 (c) The physical address where the proposed registrant will
1645 conduct business;

1646 (d) The mailing address of the proposed registrant;

1647 (e) The name and biographical information of the executive
1648 officer or managing member of the proposed registrant, to be
1649 submitted on a form prescribed by the commission;

1650 (f) The number of officers and employees of the proposed
1651 registrant;

1652 (g) A detailed list and description of the activities to be
1653 conducted by the proposed registrant. The detailed list and
1654 description must include:

1655 1. The services and activities of the proposed registrant;

1656 2. An explanation of how the services and activities of the

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1657 proposed registrant serve the business purpose of each
1658 international trust entity; and

1659 3. An explanation of how the services and activities of the
1660 proposed registrant are distinguishable from those of the
1661 permissible activities of an international trust company
1662 representative office described under s. 663.409;

1663 (h) Disclosure of any instance occurring within the prior
1664 10 years of a director, executive officer, principal
1665 shareholder, manager, or the equivalent who was arrested for,
1666 charged with, or convicted of, or who pled guilty or nolo
1667 contendere to, regardless of adjudication, any offense that is
1668 punishable by imprisonment for a term exceeding 1 year, or to
1669 any offense that involves money laundering, currency transaction
1670 reporting, tax evasion, facilitating or furthering terrorism,
1671 fraud, theft, larceny, embezzlement, fraudulent conversion,
1672 misappropriation of property, dishonesty, breach of trust,
1673 breach of fiduciary duty, or moral turpitude, or that is
1674 otherwise related to the operation of a financial institution;

1675 (i) A declaration under penalty of perjury, signed by the
1676 executive officer or managing member of the proposed registrant,
1677 that, to the best of his or her knowledge:

1678 1. No financial institution-affiliated party of the
1679 proposed registrant or financial institution-affiliated party of
1680 any affiliated international trust entity:

1681 a. Has been fined or sanctioned as a result of a complaint
1682 to the office or any other state or federal regulatory agency;

1683 b. Has been convicted of a felony; or

1684 c. Has been ordered to pay a fine or penalty within the
1685 prior 10 years in a proceeding initiated by a federal, state,

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1686 foreign, or local law enforcement agency or an international
1687 agency related to money laundering, currency transaction
1688 reporting, tax evasion, facilitating or furthering terrorism,
1689 fraud, theft, larceny, embezzlement, fraudulent conversion,
1690 misappropriation of property, dishonesty, breach of trust,
1691 breach of fiduciary duty, moral turpitude, or that is otherwise
1692 related to the operation of a financial institution.

1693 2. No financial institution-affiliated party of the
1694 proposed registrant:

1695 a. Provides, or will provide, banking services; promotes or
1696 sells, or will promote or sell, investments; or accepts, or will
1697 accept, custody of assets; and

1698 b. Acts, or will act, as a fiduciary in this state, which
1699 includes, but is not limited to, accepting the fiduciary
1700 appointment, executing the fiduciary documents that create the
1701 fiduciary relationship, or making discretionary decisions
1702 regarding the investment or distribution of fiduciary accounts.

1703 3. The jurisdiction of the international trust entity or
1704 its offices, subsidiaries, or any affiliates that are directly
1705 involved in or facilitate the financial services functions,
1706 banking, or fiduciary activities of the international trust
1707 entity is not listed on the Financial Action Task Force Public
1708 Statement or on its list of jurisdictions with deficiencies in
1709 anti-money laundering or counterterrorism;

1710 (j) For each international trust entity that the proposed
1711 registrant will provide services for in this state, the
1712 following:

1713 1. The name of the international trust entity;

1714 2. A list of the current officers and directors of the

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1715 international trust entity;
1716 3. Any country where the international trust entity is
1717 organized or authorized to do business;
1718 4. The name of the home-country regulator;
1719 5. Proof that the international trust entity has been
1720 authorized by charter, license, or similar authorization by its
1721 home-country regulator to engage in trust business;
1722 6. Proof that the international trust entity lawfully
1723 exists and is in good standing under the laws of the
1724 jurisdiction where it is chartered, licensed, or organized;
1725 7. A statement that the international trust entity is not
1726 in bankruptcy, conservatorship, receivership, liquidation, or a
1727 similar status under the laws of any country;
1728 8. Proof that the international trust entity is not
1729 operating under the direct control of the government or the
1730 regulatory or supervisory authority of the jurisdiction of its
1731 incorporation, through government intervention or any other
1732 extraordinary actions, and confirmation that it has not been in
1733 such a status or under such control at any time within the prior
1734 3 years;
1735 9. Proof and confirmation that the proposed registrant is
1736 affiliated with the international trust entities provided in the
1737 notice; and
1738 10. Proof that the jurisdictions where the international
1739 trust entity or its offices, subsidiaries, or any affiliates
1740 that are directly involved in or that facilitate the financial
1741 services functions, banking, or fiduciary activities of the
1742 international trust entity are not listed on the Financial
1743 Action Task Force Public Statement or on its list of

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1744 jurisdictions with deficiencies in anti-money laundering or
1745 counterterrorism; and

1746 (k) A declaration under penalty of perjury, signed by an
1747 executive officer or managing member of each affiliated
1748 international trust entity, declaring that the information
1749 provided to the office is true and correct to the best of his or
1750 her knowledge.

1751
1752 The proposed registrant may provide additional information in
1753 the form of exhibits when attempting to satisfy any of the
1754 registration requirements. All information that the proposed
1755 registrant desires to present to support the written notice must
1756 be submitted with the notice.

1757 (2) The office may request additional information as the
1758 office reasonably requires. Any request for additional
1759 information must be made by the office within 30 days after
1760 initial receipt of the written notice and the full amount of the
1761 fee specified in subsection (1). Additional information must be
1762 submitted within 60 days after a request has been made by the
1763 office. Failure to respond to such request within 60 days after
1764 the date of the request is a ground for denial of the
1765 registration. A notice is not deemed complete until all
1766 requested information has been submitted to the office. Upon
1767 deeming the notice complete, the office has 120 days to register
1768 the limited service affiliate or issue a denial. An order
1769 denying a registration must contain notice of opportunity for a
1770 hearing pursuant to ss. 120.569 and 120.57.

1771 (3) A registration under this part must be summarily
1772 suspended by the office if the limited service affiliate made a

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1773 material false statement in the written notice. The summary
1774 suspension must remain in effect until a final order is entered
1775 by the office. For purposes of s. 120.60(6), a material false
1776 statement made in the limited service affiliate's written notice
1777 constitutes an immediate and serious danger to the public
1778 health, safety, and welfare. If a limited service affiliate made
1779 a material false statement in the written notice, the office
1780 must enter a final order revoking the registration and may
1781 impose a fine as prescribed by s. 655.041 or issue an order of
1782 suspension, removal, or prohibition under s. 655.037 to a
1783 financial institution-affiliated party of the limited service
1784 affiliate.

1785 (4) Any instance in which a director, executive officer,
1786 principal shareholder, manager, or the equivalent has ever been
1787 arrested for, charged with, convicted of, or pled guilty or nolo
1788 contendere to, regardless of adjudication, any offense that
1789 involves money laundering, currency transaction reporting, tax
1790 evasion, facilitating or furthering terrorism, fraud, theft,
1791 larceny, embezzlement, fraudulent conversion, misappropriation
1792 of property, dishonesty, breach of trust, breach of fiduciary
1793 duty, or moral turpitude, or that is otherwise related to the
1794 operation of a financial institution, is a ground for denial of
1795 the registration.

1796 (5) A registration is not transferable or assignable.

1797 (6) Fees collected under this section must be submitted in
1798 the manner prescribed by the commission and must be deposited
1799 into the Financial Institutions' Regulatory Trust Fund pursuant
1800 to s. 655.049 for the purpose of administering this part.

1801 (7) A person or entity in operation as of January 1, 2018,

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1802 which meets the definition of a limited service affiliate under
1803 s. 663.530 must, on or before March 31, 2018, apply for
1804 registration as a limited service affiliate or cease doing
1805 business in this state.

1806 (8) No later than March 31, 2018, a person or entity that
1807 previously qualified under the moratorium in s. 663.041 must
1808 register under this part or cease doing business in this state.
1809 A person or entity that previously qualified under the
1810 moratorium in s. 663.041 may remain open and in operation until
1811 March 31, 2018, without registering under this part, but shall
1812 refrain from engaging in new lines of business in this state
1813 until the disposition of registration under this part.

1814 Section 42. Section 663.533, Florida Statutes, is created
1815 to read:

1816 663.533 Applicability of the financial institutions codes.-
1817 A limited service affiliate is subject to the financial
1818 institutions codes. Without limiting the foregoing, the
1819 following provisions are applicable to a limited service
1820 affiliate:

1821 (1) Section 655.012, relating to general supervisory powers
1822 of the office.

1823 (2) Section 655.031, relating to administrative enforcement
1824 guidelines.

1825 (3) Section 655.032, relating to investigations, subpoenas,
1826 hearings, and witnesses.

1827 (4) Section 655.0321, relating to restricted access to
1828 certain hearings, proceedings, and related documents.

1829 (5) Section 655.033, relating to cease and desist orders.

1830 (6) Section 655.034, relating to injunctions.

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1831 (7) Section 655.037, relating to removal of a financial
1832 institution-affiliated party by the office.

1833 (8) Section 655.041, relating to administrative fines and
1834 enforcement.

1835 (9) Section 655.057, relating to restrictions on access to
1836 public records.

1837 (10) Section 655.059, relating to access to books and
1838 records.

1839 (11) Section 655.0591, relating to trade secret documents.

1840 (12) Section 655.91, relating to records of institutions
1841 and copies thereof; retention and destruction.

1842 (13) Section 655.968, relating to financial institutions;
1843 transactions relating to Iran or terrorism.

1844
1845 This section does not prohibit the office from investigating or
1846 examining an entity to ensure that it is not in violation of
1847 this chapter or applicable provisions of the financial
1848 institutions codes.

1849 Section 43. Section 663.534, Florida Statutes, is created
1850 to read:

1851 663.534 Events that require notice to be provided to the
1852 office.—A registrant must report to the office, within 15 days
1853 of its knowledge of the occurrence, any changes to the
1854 information previously relied upon by the office when
1855 registering or renewing a registration under this part.

1856 Section 44. Section 663.535, Florida Statutes, is created
1857 to read:

1858 663.535 Notice to customers.—All marketing documents and
1859 advertisements and any display at the location of the limited

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1860 service affiliate or at any trade or marketing event must
1861 contain the following statement in a contrasting color in at
1862 least 10-point type: "The Florida Office of Financial Regulation
1863 DOES NOT provide safety and soundness oversight of this company,
1864 does not provide any opinion as to any affiliated companies or
1865 products, and does not provide the oversight of this company's
1866 affiliated international trust entities or the jurisdictions
1867 within which they operate. This company may not act as a
1868 fiduciary and may not accept the fiduciary appointment, execute
1869 or transmit fiduciary documents, take possession of any assets,
1870 create a fiduciary relationship, make discretionary decisions
1871 regarding the investment or distribution of fiduciary accounts,
1872 provide banking services, or promote or sell investments."

1873 Section 45. Section 663.536, Florida Statutes, is created
1874 to read:

1875 663.536 Recordkeeping requirements for trade, industry, or
1876 professional events.—A registrant registered only under this
1877 part who participates in a trade, industry, or professional
1878 event pursuant to s. 663.531 must keep a record of its
1879 participation in the event. The record must be maintained for at
1880 least 2 years following the event and must contain the following
1881 information:

1882 (1) The date, time, and location of the event;

1883 (2) To the extent known or available, a list of
1884 participants in the event, including other vendors, presenters,
1885 attendees, and targeted attendees;

1886 (3) The nature and purpose of the event;

1887 (4) The registrant's purpose for participating in the
1888 event; and

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1889 (5) Samples of materials or, when samples are unavailable,
1890 descriptions of materials provided by the registrant to
1891 attendees and other participants.

1892 Section 46. Section 663.537, Florida Statutes, is created
1893 to read:

1894 663.537 Examination or investigation of a limited service
1895 affiliate.-

1896 (1) The office may conduct an examination or investigation
1897 of a limited service affiliate at any time that it deems
1898 necessary to determine whether the limited service affiliate or
1899 financial institution-affiliated party thereof has violated, or
1900 is about to violate, any provision of this chapter, any
1901 applicable provision of the financial institutions codes, or any
1902 rule adopted by the commission pursuant to this chapter or the
1903 financial institutions codes. The office shall conduct an
1904 examination of each limited service affiliate at least once
1905 every 18 months to assess compliance with this part and the
1906 financial institutions codes. The office may conduct an
1907 examination, before or after registration, of any person or
1908 entity that submits a notice for registration to confirm
1909 information provided in the registration filing and to confirm
1910 the activities of the person or entity seeking registration.

1911 (2) For each examination of a limited service affiliate
1912 authorized under this part, the limited service affiliate shall
1913 pay a fee for the costs of the examination by the office. As
1914 used in this section, the term "costs" means the salary and
1915 travel expenses of field staff which are directly attributable
1916 to the examination of the registrant and the travel expenses of
1917 any supervisory and support staff required as a result of

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1918 examination findings. The costs of examination must be
1919 determined as follows:

1920 (a) The office shall charge each limited service affiliate
1921 in this state an examination fee equal to the actual cost of
1922 each examiner's participation during each examination of such
1923 limited service affiliate. The examination fee must equal the
1924 actual cost of the examination, but such fees, inclusive of
1925 travel expenses and other incidental expenses, may not be less
1926 than \$200 per day for each examiner participating in the
1927 examination.

1928 (b) As used in this section, the term "actual cost" means
1929 the direct salary, excluding employee benefits; travel expenses;
1930 and other incidental expenses required as a result of the
1931 examination staff's onsite and offsite examination of the
1932 limited service affiliate. In addition, the term includes the
1933 travel expenses of any supervisory staff required as a result of
1934 examination findings.

1935 (3) All examination fee payments must be received within 30
1936 days after receipt of an invoice from the office and must be
1937 submitted in a manner prescribed by the commission. The office
1938 may levy a late fee of up to \$100 per day that a payment is
1939 overdue, unless waived by the office for good cause. However, if
1940 the late payment of costs is intentional, the office may levy an
1941 administrative fine of up to \$1,000 per day for each day the
1942 payment is overdue.

1943 (4) All fees collected under this section must be submitted
1944 in the manner prescribed by the commission and must be deposited
1945 into the Financial Institutions' Regulatory Trust Fund pursuant
1946 to s. 655.049 for the purpose of administering this part.

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1947 Section 47. Section 663.538, Florida Statutes, is created
1948 to read:

1949 663.538 Suspension, revocation, or voluntary surrender of
1950 registration.—

1951 (1) A registrant that proposes to terminate operations in
1952 this state shall surrender its registration to the office and
1953 comply with such procedures as required by rule of the
1954 commission.

1955 (2) A registrant that fails to renew its registration may
1956 be subject to a fine and penalty; however, such registrant may
1957 renew its registration within 30 days after expiration or may
1958 surrender the registration in accordance with procedures
1959 prescribed by commission rule.

1960 (3) The registration of a limited service affiliate in this
1961 state may be suspended or revoked by the office, with or without
1962 examination, upon the office's determination that the registrant
1963 does not meet all requirements for original or renewal
1964 registration.

1965 (4) If a registrant surrenders its registration or its
1966 registration is suspended or revoked by the office, all rights
1967 and privileges afforded by this part to the registered limited
1968 service affiliate cease.

1969 (5) At least 60 days before a proposed date of voluntary
1970 termination of a registration, a registrant must provide to the
1971 office written notice by letter of its intention to surrender
1972 its registration and terminate operations. The notice must
1973 include the proposed date of termination and the name of the
1974 officer in charge of the termination procedures.

1975 (6) The office may conduct an examination of the books and

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1976 records of a limited service affiliate at any time after receipt
1977 of the notice of surrender of registration to confirm the
1978 winding down of operations.

1979 (7) Operations of a registrant are deemed terminated
1980 effective upon the later of the expiration of 60 days from the
1981 date of the filing of the notice of voluntary surrender or upon
1982 the date provided in the notice of voluntary surrender, unless
1983 the office provides written notice specifying the grounds for
1984 denial of such proposed termination. The office may not deny a
1985 request to terminate unless it learns of the existence of any
1986 outstanding claim or claims against the registrant, it finds
1987 that the requirements to terminate operations have not been
1988 satisfied, or there is an immediate and serious danger to the
1989 public health, safety, and welfare if the termination occurred.

1990 Section 48. Section 663.539, Florida Statutes, is created
1991 to read:

1992 663.539 Biennial registration renewal.—A registration must
1993 be renewed every 2 years. A registration must be renewed by
1994 furnishing such information as the commission requires, together
1995 with payment of a \$500 nonrefundable renewal fee. All fees
1996 received by the office pursuant to this section must be
1997 submitted in the manner prescribed by the commission and must be
1998 deposited into the Financial Institutions' Regulatory Trust Fund
1999 pursuant to s. 655.049 for the purpose of administering this
2000 part. A complete biennial renewal of registration must include a
2001 declaration under penalty of perjury, signed by the executive
2002 officer or managing member of the registrant, declaring that the
2003 information submitted for the purposes of renewal is true and
2004 correct to the best of his or her knowledge, and confirming or

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2005 providing all of the following:

2006 (1) That the registrant is in compliance with this part.

2007 (2) The physical location of the principal place of
2008 business of the registrant.

2009 (3) The telephone number of the registrant.

2010 (4) A list of current financial institution-affiliated
2011 parties operating under the registration to be renewed.

2012 (5) Any updates or changes in information which were not
2013 previously provided either in the initial registration or in
2014 subsequent registration renewals or which were not previously
2015 disclosed to the office.

2016 Section 49. For the purpose of incorporating the amendment
2017 made by this act to section 663.01, Florida Statutes, in a
2018 reference thereto, subsection (4) of section 663.16, Florida
2019 Statutes, is reenacted to read:

2020 663.16 Definitions; ss. 663.17-663.181.—As used in ss.
2021 663.17-663.181, the term:

2022 (4) Except where the context otherwise requires,
2023 "international banking corporation" or "corporation" has the
2024 same meaning as that provided in s. 663.01 and includes any
2025 licensed office of an international banking corporation
2026 operating in this state.

2027 Section 50. This act shall take effect January 1, 2018.