

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

27 | the safety and soundness of operations; providing
28 | applicability; creating s. 663.046, F.S.; providing
29 | procedures for registration renewal; providing
30 | applicability; amending s. 663.055, F.S.; specifying
31 | capital requirements for a limited purpose
32 | international trust company representative office;
33 | creating s. 663.057, F.S.; providing requirements for
34 | a limited purpose international trust company
35 | representative office; creating s. 663.058, F.S.;
36 | requiring a limited purpose international trust
37 | company representative office to procure and maintain
38 | a specified fidelity bond and liability insurance
39 | policy; providing fidelity bond requirements;
40 | providing certain requirements for a corporate surety;
41 | authorizing a limited purpose international trust
42 | company representative office to procure and maintain
43 | certain other insurance policies; amending s.
44 | 663.0625, F.S.; specifying permissible and prohibited
45 | activities by a limited purpose international trust
46 | company representative office and certain employees;
47 | requiring a certain written disclosure to clients;
48 | amending s. 663.09, F.S.; requiring a limited purpose
49 | international trust company representative office to
50 | file specified reports with the Office of Financial
51 | Regulation; requiring a limited purpose international
52 | trust company representative office to notify the

53 Office of Financial Regulation within a specified time
54 of certain events; authorizing the office to conduct
55 an investigation of a limited purpose international
56 trust company representative office; creating s.
57 663.095, F.S.; providing grounds for which the Office
58 of Financial Regulation may revoke the registration of
59 a limited purpose international trust company
60 representative office; specifying revocation
61 procedures; authorizing the Office of Financial
62 Regulation to seek a court order to annul or dissolve
63 a limited purpose international trust company under
64 certain circumstances; creating s. 663.096, F.S.;
65 authorizing the Office of Financial Regulation to
66 serve a complaint and enter a cease and desist order
67 based on certain violations; specifying procedures for
68 the cease and desist order and for contesting the
69 office's action; specifying procedures for an
70 emergency cease and desist order; providing
71 requirements for a limited purpose international trust
72 company representative office to wind up its affairs
73 after entry of an order; authorizing the Office of
74 Financial Regulation to seek a court order to annul or
75 dissolve a limited purpose international trust company
76 representative office under certain circumstances;
77 creating s. 663.115, F.S.; providing requirements for
78 a limited purpose international trust company

79 representative office discontinuing its business;
 80 amending s. 663.12, F.S.; specifying fees for
 81 registration and conversion to a license; amending s.
 82 120.80, F.S.; specifying that the Office of Financial
 83 Regulation must approve or deny an application for a
 84 new limited purpose international trust company
 85 representative office within a specified time period;
 86 providing an effective date.

87

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

89

90 Section 1. Paragraph (a) of subsection (2) of section
 91 655.966, Florida Statutes, is amended to read:

92 655.966 Automated teller machine; surcharge disclosure.—

93 (2) (a) Subject to the requirements of subsection (1), an
 94 agreement to operate or share an automated teller machine may
 95 not prohibit, limit, or restrict the right of the operator or
 96 owner of an automated teller machine, as defined in s.
 97 655.960(3), to charge an access fee or surcharge, not otherwise
 98 prohibited under state or federal law, to a customer conducting
 99 a transaction using an account from an international banking
 100 corporation as defined in s. 663.01(7) ~~663.01(6)~~.

101 Section 2. Paragraph (e) of subsection (15) of section
 102 662.111, Florida Statutes, is amended to read:

103 662.111 Definitions.—As used in this chapter, the term:

104 (15) "Foreign licensed family trust company" means a

105 family trust company that:

106 (e) Is not owned by, or a subsidiary of, a corporation,
107 limited liability company, or other business entity that is
108 organized in or licensed by any foreign country as defined in s.
109 663.01(4) ~~663.01(3)~~.

110 Section 3. Subsections (1) through (9) of section 663.01,
111 Florida Statutes, are renumbered as subsections (2) through
112 (10), respectively, present subsections (10) and (11) are
113 renumbered as subsections (12) and (13), respectively, and new
114 subsections (1) and (11) are added to that section to read:

115 663.01 Definitions.—As used in this part, the term:

116 (1) "Affiliated international trust company" means an
117 international trust company that is a member of the same
118 business organization as a limited purpose international trust
119 company representative office but does not provide depository,
120 investment management, or brokerage services in conjunction with
121 such trust business. An affiliated international trust company
122 is not an international banking corporation as defined in
123 subsection (7).

124 (13) "Limited purpose international trust company
125 representative office" means an office organized under the laws
126 of and registered and maintained in this state to engage in
127 nonfiduciary activities described in s. 663.0625(2) which is not
128 licensed as an international trust company representative
129 office.

130 Section 4. Subsection (3) is added to section 663.02,

131 Florida Statutes, to read:

132 663.02 Applicability of state banking laws.—

133 (3) (a) Unless otherwise expressly provided in this
134 chapter, the provisions of other sections of the financial
135 institutions codes do not apply to a limited purpose
136 international trust company representative office that limits
137 its activities to those activities authorized under s.
138 663.0625(2).

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

147 (c) This section does not limit the authority of the
148 Office of Financial Regulation to investigate an entity to
149 ensure that it does not violate this chapter or applicable
150 provisions of the financial institutions code.

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

153 663.03 Applicability of the Florida Business Corporation
154 Act and the Florida Revised Limited Liability Company Act.—
155 Notwithstanding ss. ~~s.~~ 607.01401(12) and 605.0102(25) and (26),
156 the provisions of chapter 605 and part I of chapter 607 not in

157 conflict with the financial institutions codes which relate to
158 foreign corporations or foreign limited liability companies
159 apply to all international banking corporations and their
160 offices doing business in this state and to limited purpose
161 international trust company representative offices.

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

164 663.045 Limited purpose international trust company
165 representative office registration; application; approval or
166 disapproval.—A limited purpose international trust company
167 representative office is not required to obtain a license under
168 this chapter. However, a new limited purpose international trust
169 company representative office must obtain a certificate of
170 registration from the Office of Financial Regulation before it
171 transacts limited purpose international trust company
172 representative office business in this state or maintains in
173 this state any office for carrying on such business. An
174 affiliate, subsidiary, or other person or business entity acting
175 as an agent for, on behalf of, or for the benefit of such
176 limited purpose international trust company representative
177 office that engages in such activities in this state or
178 maintains an office in this state to conduct such business is
179 also required to register with the Office of Financial
180 Regulation.

181 (1) The Office of Financial Regulation shall develop a
182 registration form in English that requires each proposed limited

183 purpose international trust company representative office to
184 provide the following information:

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

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

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

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

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

202 (f) The name of the business organization to which the
203 proposed limited purpose international trust company
204 representative office belongs, together with such biographical
205 information as the commission or the Official of Financial
206 Regulation may reasonably require for each person who, together
207 with the person's related interests, as defined in s.
208 655.005(1), owns or controls, directly or indirectly, 25 percent

209 or more of the voting stock, or nonvoting stock convertible into
210 voting stock, of the proposed limited purpose international
211 trust company representative office.

212 (g) The name of each regulatory authority to which any
213 affiliated international trust company is subject and proof of
214 good standing with such regulatory authority. The document
215 showing proof of good standing must be translated into English
216 if written in another language.

217 (h) Written verification by a public accountant licensed
218 in this state certifying the amount of the initial capital
219 account of the proposed limited purpose international trust
220 company representative office and the form in which the capital
221 was paid and will be maintained.

222 (i) The type and amount of bonds or insurance that will be
223 procured and maintained by the proposed limited purpose
224 international trust company representative office pursuant to s.
225 663.058.

226 (j) A sworn statement signed by an executive officer of
227 the proposed limited purpose international trust company
228 representative office, or by the person signing on behalf of the
229 proposed limited purpose international trust company
230 representative office, under penalty of perjury, affirming that
231 the following statements are true:

232 1. The proposed limited purpose international trust
233 company representative office is not providing depository,
234 investment management, or fiduciary services and is only

235 providing permissible activities as authorized in s.
236 663.0625(2).

237 2. No director, officer, manager, or member of the
238 proposed limited purpose international trust company
239 representative office or any affiliated international trust
240 company served as a director, officer, or manager, or member
241 acting in a managerial capacity, for an international trust
242 company representative office, an affiliated international trust
243 company, or a financial institution that had a license issued
244 under the financial institutions codes or by the Federal
245 Government or any other state, the District of Columbia, a
246 territory of the United States, or a foreign country that was
247 suspended or revoked within the 10 years preceding the date of
248 the application.

249 3. No director, officer, manager, or member acting in a
250 managerial capacity of the proposed limited purpose
251 international trust company representative office or affiliated
252 international trust company has been convicted of, or pled
253 guilty or nolo contendere to, regardless of whether adjudication
254 of guilt is entered by the court, a violation of the financial
255 institutions codes, including s. 655.50, chapter 896, or a
256 similar state or federal law or related rule or to a crime
257 involving fraud, misrepresentation, or moral turpitude.

258 4. No director, officer, manager, or member acting in a
259 managerial capacity of the proposed limited purpose
260 international trust company representative office or affiliated

261 international trust company has had a professional license
262 suspended or revoked within the 10 years preceding the date of
263 the application.

264 5. All information contained in the application is true
265 and correct to the best knowledge of the executive officer or
266 the person signing the application on behalf of the proposed
267 limited purpose international trust company representative
268 office.

269 (k) Any other information, consistent with the
270 requirements of this section, that is reasonably required by the
271 Office of Financial Regulation as set forth in commission rule.

272 (2) Upon the filing of the registration application by the
273 proposed limited purpose international trust company
274 representative office, the Office of Financial Regulation shall
275 conduct an investigation to confirm:

276 (a) That the persons who will serve as directors or
277 officers of the limited purpose international trust company
278 representative office or, if the applicant is a limited
279 liability company, managers or members acting in a managerial
280 capacity, have not:

281 1. Been convicted of, or entered a plea of nolo contendere
282 to, a crime involving fraud, misrepresentation, or moral
283 turpitude;

284 2. Been convicted of, entered a plea of nolo contendere
285 to, or been the subject of a civil penalty imposed for a
286 violation of the financial institutions codes, including s.

287 655.50, chapter 896, or similar state or federal law;

288 3. Been directors, officers, managers, or members of a
289 trust company or financial institution licensed or chartered
290 under the financial institutions codes or by the Federal
291 Government or any other state, the District of Columbia, a
292 territory of the United States, or a foreign country and the
293 license or charter of which was suspended or revoked within the
294 10 years preceding the date of the application;

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

297 5. Made a false statement of material fact on the
298 application.

299 (b) That the proposed limited purpose international trust
300 company representative office will establish a capital account
301 that conforms to s. 663.055(5) and will issue fidelity bonds and
302 general liability insurance coverage required under s. 663.058
303 to become effective on the date the proposed limited purpose
304 international trust company representative office commences
305 operations.

306 (c) That each affiliated international trust company with
307 which the proposed limited purpose international trust company
308 representative office intends to engage in activities authorized
309 under s. 663.0625(2) is in good standing with the relevant
310 regulatory body that supervises the activity of such
311 international trust company.

312 (d) That the jurisdiction in which each affiliated

313 international trust company is organized and chartered is not
314 currently listed on the Financial Action Task Force Public
315 Statement or on its list of jurisdictions with deficiencies in
316 anti-money laundering or counter-terrorist financing.

317 (3) If the investigation required under this section
318 confirms that the applicant has met the requirements of ss.
319 663.055(5), 663.057, and 663.058 and that the criteria in
320 subsection (2) have been satisfied, the Office of Financial
321 Regulation shall issue a certificate of registration to the
322 applicant to operate as a limited purpose international trust
323 company representative office.

324 (4) If the registration application is incomplete or the
325 Office of Financial Regulation is unable to verify the
326 information provided with the application, the Office of
327 Financial Regulation shall notify the proposed limited purpose
328 international trust company representative office in writing,
329 and the proposed limited purpose international trust company
330 representative office shall have 30 days from receipt of such
331 notification to provide the required information. The Office of
332 Financial Regulation shall deny the application if the proposed
333 limited purpose international trust company representative
334 office fails to timely provide such information.

335 (5) (a) Notwithstanding chapter 120, the Office of
336 Financial Regulation may return an application to the proposed
337 limited purpose international trust company representative
338 office on a one-time basis to correct substantial deficiencies.

339 The proposed limited purpose international trust company
340 representative office may resubmit the application without
341 payment of an additional fee if the proposed limited purpose
342 international trust company representative office resubmits the
343 application within 60 days after the date the Office of
344 Financial Regulation returns the application.

345 (b) With respect to an affiliated international trust
346 company, if some but not all of the criteria in paragraphs
347 (2)(c) and (2)(d) are met, the proposed limited purpose
348 international trust company representative office may resubmit
349 the application without listing any affiliated international
350 trust company that does not meet the criteria, and the Office of
351 Financial Regulation shall issue a certification of registration
352 conditioned on the limited purpose international trust company
353 representative office's not conducting activities authorized in
354 this state under s. 663.0625(2) with respect to any affiliated
355 international trust company that has been removed from the
356 application.

357 (6) Notwithstanding s. 120.60(1), the Office of Financial
358 Regulation has 180 days after receipt of an original
359 application, receipt of the timely required additional
360 information, or correction of errors or omissions to deny an
361 application for a limited purpose international trust company
362 representative office. An application is deemed approved if the
363 Office of Financial Regulation fails to issue a certificate of
364 registration or deny an application within the 180-day period,

365 subject to the satisfactory completion of conditions required by
366 statute as a prerequisite to registration and approval of
367 insurance coverage by the appropriate insurer.

368 (7) If the Office of Financial Regulation determines that
369 the criteria in subsection (2) have not been met, the Office of
370 Financial Regulation must provide the proposed limited purpose
371 international trust company representative office with a notice
372 of its intent to deny registration and of the proposed limited
373 purpose international trust company representative office's
374 right to request a hearing pursuant to ss. 120.569 and 120.57.

375 (8) Before the Office of Financial Regulation may issue a
376 certificate of registration, the proposed limited purpose
377 international trust company representative office must provide
378 to the Office of Financial Regulation a fidelity bond that meets
379 the requirements of s. 663.058.

380 (9) A certificate of registration under this chapter is
381 valid for 1 year from its effective date.

382 (10) The Office of Financial Regulation is not responsible
383 for examining a limited purpose international trust company
384 representative office or an affiliated international trust
385 company regarding the safety and soundness of its operations.

386 (11) (a) A company in operation as of October 1, 2016,
387 which meets the definition of a limited purpose international
388 trust company representative office and is not otherwise
389 licensed under this chapter must apply for registration as a
390 limited purpose international trust company representative

391 office on or before December 30, 2016, or cease doing business
392 in this state.

393 (b) Notwithstanding any other provision of law, a company
394 that meets the definition of a limited purpose international
395 trust company representative office, that is not otherwise
396 licensed under this chapter, and that applies for registration
397 on or before December 30, 2016, may continue conducting business
398 as a limited purpose international trust company representative
399 office, as authorized in this part, until the Office of
400 Financial Regulation issues a certificate of registration or
401 denies the application after conducting its investigation as set
402 forth in this section.

403 Section 7. Section 663.046, Florida Statutes, is created
404 to read:

405 663.046 Renewal of registration of a limited purpose
406 international trust company representative office.—

407 (1) Within 45 days before expiration of a certificate of
408 registration, a limited purpose international trust company
409 representative office shall file its annual renewal application
410 with the Office of Financial Regulation in the format prescribed
411 by the commission. The renewal application must include a sworn
412 declaration by an executive officer of the limited purpose
413 international trust company representative office, which:

414 (a) Attests that the limited purpose international trust
415 company representative office has operated in full compliance
416 with this chapter, chapter 896, or similar state or federal law,

417 or any related rule or regulation, and with all federal laws and
418 regulations that apply to any client of the affiliated
419 international trust company for whom it has conducted activities
420 authorized under s. 663.0625(2).

421 (b) Describes any material changes to the information
422 provided under s. 663.045 regarding its operations, principal
423 place of business, directors, officers, managers, members acting
424 in a managerial capacity, or any international trust company
425 with which it has become affiliated since the date of
426 registration.

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

431 (2) The limited purpose international trust company
432 representative office must submit a \$1,500 fee with its annual
433 renewal application. The Office of Financial Regulation shall
434 deposit all fees received pursuant to this section into the
435 Financial Institutions' Regulatory Trust Fund pursuant to s.
436 655.049 for the purpose of administering the provisions of this
437 chapter relating to registration of limited purpose
438 international trust company representative offices.

439 (3) The provisions of s. 663.045 relating to conduct of an
440 investigation and issuance or denial of registration apply to a
441 registration renewal under this section.

442 Section 8. Subsection (4) of section 663.055, Florida

443 Statutes, is amended, and subsection (5) is added to that
 444 section, to read:

445 663.055 Capital requirements.-

446 (4) For the purpose of this part, the capital accounts of
 447 an international banking corporation and a limited purpose
 448 international trust company representative office shall be
 449 determined in accordance with rules adopted by the commission.
 450 In adopting such rules, the commission shall consider similar
 451 rules adopted by bank regulatory agencies in the United States
 452 and the need to provide reasonably consistent regulatory
 453 requirements for international banking corporations which will
 454 maintain the safe and sound condition of international banking
 455 corporations doing business in this state.

456 (5) A limited purpose international trust company
 457 representative office may not be organized or operated with a
 458 capital account of less than \$100,000. Such capital must be in
 459 the form of cash or cash equivalents.

460 Section 9. Section 663.057, Florida Statutes, is created
 461 to read:

462 663.057 Requirements for conduct of business.-A limited
 463 purpose international trust company representative office shall
 464 maintain:

465 (1) A principal office physically located in the state
 466 where the Office of Financial Regulation may access and readily
 467 examine original or true copies of all records and accounts of
 468 the limited purpose international trust company representative

469 office. A limited purpose international trust company
470 representative office may also maintain one or more branch
471 offices within the state and shall notify the Office of
472 Financial Regulation in writing at least 30 days before the
473 establishment of a branch office.

474 (2) A registered agent who has a physical office with a
475 street address in the state.

476 (3) All applicable state and local business registrations,
477 licenses, charters, and permits.

478 (4) A deposit account with a state-chartered or national
479 financial institution that has a principal or branch office in
480 the state.

481 (5) At least one director or manager who is a resident of
482 this state.

483 Section 10. Section 663.058, Florida Statutes, is created
484 to read:

485 663.058 Fidelity bonds; insurance.—

486 (1) A limited purpose international trust company
487 representative office shall procure and maintain a fidelity bond
488 on all active officers, directors, managers, members acting in a
489 managerial capacity, and employees of the company, regardless of
490 whether they receive a salary or other compensation from the
491 company, in order to indemnify the company against loss because
492 of a dishonest, fraudulent, or criminal act or omission on the
493 part of such a person, whether acting alone or in combination
494 with other persons.

- 495 (2) The fidelity bond required by this section:
- 496 (a) Must be issued by an insurer authorized to do business
497 in this state.
- 498 (b) May not be less than \$500,000.
- 499 (c) Must be in a format satisfactory to the Office of
500 Financial Regulation and must run to the state for the benefit
501 of any claimants in this state against the applicant to secure
502 the faithful performance of the obligations of the applicant
503 regarding the receipt, handling, and transmission of information
504 and documents provided to the applicant. The aggregate liability
505 of the fidelity bond may not exceed the principal sum of the
506 bond. Claimants against the applicant may bring suit directly on
507 the fidelity bond, or the Department of Legal Affairs may bring
508 suit on behalf of the claimants.
- 509 (d) May not be canceled by the limited purpose
510 international trust company representative office or the
511 corporate surety except upon written notice to the Office of
512 Financial Regulation by registered mail. A cancellation may not
513 take effect until 30 days after receipt by the Office of
514 Financial Regulation of the written notice.
- 515 (3) The corporate surety must, within 10 days after it
516 pays any claim, give written notice to the Office of Financial
517 Regulation by registered mail of such payment with details
518 sufficient to identify the claimant and the claim or judgment
519 paid.
- 520 (4) If the principal sum of the bond is reduced by one or

521 more recoveries or payments, the limited purpose international
522 trust company representative office must furnish a new or
523 additional bond so that the total or aggregate principal sum of
524 the bond equals the sum required in paragraph (2) (b).
525 Alternatively, the limited purpose international trust company
526 representative office may furnish an endorsement executed by the
527 corporate surety reinstating the bond to the required principal
528 sum.

529 (5) The limited purpose international trust company
530 representative office shall also procure and maintain general
531 liability insurance coverage with a minimum of \$1 million per
532 occurrence with a policy period aggregate limit of \$3 million in
533 which it is listed as an insured on the policy, or under a
534 corporate or group policy, to cover the acts and omissions of
535 officers, directors, managers, members acting in a managerial
536 capacity, and employees, regardless of whether such a person
537 receives a salary or other compensation from the company.

538 (6) A limited purpose international trust company
539 representative office may also procure and maintain other
540 insurance policies necessary or desirable in connection with the
541 business of the company, including one or more casualty
542 insurance policies.

543 Section 11. Section 663.0625, Florida Statutes, is amended
544 to read:

545 663.0625 International trust company representative
546 offices and limited purpose international trust company

547 representative offices; permissible activities; requirements.—

548 (1) An international trust company representative office
549 may not act as a fiduciary but may conduct any nonfiduciary
550 activities that are ancillary to the fiduciary business of its
551 international banking corporation or trust company, but may not
552 act as a fiduciary. However, permissible activities include:

553 (a) Advertising, marketing, and soliciting for fiduciary
554 business on behalf of an international banking corporation or
555 trust company;

556 (b) Contacting existing or potential customers, answering
557 questions, and providing information about matters related to
558 their accounts;

559 (d) Serving as a liaison in this state between the
560 international banking corporation or trust company and its
561 existing or potential customers; and

562 (e) Engaging in any other activities approved by the
563 Office of Financial Regulation or under rules of the commission.

564 (2) A limited purpose international trust company
565 representative office that has received a certificate of
566 registration under s. 663.045 or s. 663.046 may conduct any of
567 the following activities in this state:

568 (a) Participate in or attend conferences, seminars, or
569 events that are intended for industry or professional
570 participants, and are not advertised to the general public, for
571 the purpose of marketing the services of an affiliated
572 international trust company.

573 (b) Market the services of an affiliated international
574 trust company to attorneys, accountants, banks, licensed
575 financial advisors, and other wealth-planning professionals who
576 are licensed by a state, federal, or territorial government or
577 certified by a recognized professional accreditation entity.

578 (c) In connection with the authorized activities described
579 in paragraphs (a) and (b), engage in name recognition or
580 branding activities, including use of signage or promotional
581 materials that use the name of the affiliated international
582 trust company or the name of the business organization of which
583 the affiliated international trust company is a member in
584 connection with the permissible activities described in
585 paragraphs (a) and (b).

586 (d) Assist clients or referred prospective clients of the
587 affiliated international trust company in communicating with the
588 affiliated international trust company, completing documentation
589 relating to the trust relationship, and obtaining information
590 about matters related to trusts with which they are or may
591 become associated. However, a limited purpose international
592 trust company representative office may not accept such clients
593 on behalf of the affiliated international trust company or
594 otherwise bind the affiliated international trust company.

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

599 (f) Engage in any other activities consistent with this
600 section as prescribed by commission rule.

601 (3) (a) An employee, officer, or director of an
602 international trust company representative office or a limited
603 purpose international trust company representative
604 ~~Representatives and employees at such office may not act as a~~
605 ~~fiduciary, accept a including, but not limited to, accepting the~~
606 ~~fiduciary appointment, execute ~~executing~~ the fiduciary documents~~
607 ~~that create the fiduciary relationship, or make ~~making~~~~
608 ~~discretionary decisions regarding the investment or distribution~~
609 ~~of fiduciary accounts.~~

610 (b) A limited purpose international trust company
611 representative office may not accept custody of any property of
612 the client of the affiliated international trust company on
613 behalf of the affiliated international trust company and may not
614 deliver such property to the affiliated international trust
615 company.

616 (c) A limited purpose international trust company
617 representative office may not solicit business from the general
618 public on behalf of its affiliated international trust company
619 in this state or advertise its services to the general public in
620 this state. This paragraph does not limit the activities of a
621 limited purpose international trust company representative
622 office as set forth in subsection (2).

623 (d) A limited purpose international trust company
624 representative office may not use the term "bank," the term

625 "trust," or the name of an affiliated international trust
 626 company as part of its company or fictitious name.

627 (e) A limited purpose international trust company
 628 representative office may not market to or discuss the services
 629 of an affiliated international trust company with any person who
 630 has not previously been referred to it by a professional
 631 described in paragraph (2) (b) or who is an existing client of an
 632 affiliated international trust company.

633 (f) A limited purpose international trust company
 634 representative office shall provide the following written
 635 disclosure to a prospective or existing client of its affiliated
 636 international trust company: "... (Name of the limited purpose
 637 international trust company representative office)... and any
 638 affiliated international trust companies are not licensed or
 639 authorized to conduct trust or fiduciary business in Florida."
 640 The commission may establish by rule criteria for the size and
 641 font of the required disclosure.

642 Section 12. Subsections (5) through (8) are added to
 643 section 663.09, Florida Statutes, to read:

644 663.09 Reports; records; significant events;
 645 investigations.—

646 (5) A limited purpose international trust company
 647 representative office shall file such reports with the Office of
 648 Financial Regulation as the commission may prescribe by rule.
 649 The rules may require such reports to be subject to examination
 650 by the Office of Financial Regulation as a condition of granting

651 or maintaining the registration.

652 (6) A limited purpose international trust company
653 representative office shall notify the Office of Financial
654 Regulation within 30 days after learning of the occurrence of
655 any of the following significant events by filing with the
656 Office of Financial Regulation a written disclosure:

657 (a) Any civil, criminal, or administrative investigation
658 or proceeding initiated by any regulatory or law enforcement
659 authority;

660 (b) The addition, resignation, or termination of a
661 director or manager, executive officer, or member acting in a
662 managerial capacity;

663 (c) Any change in use of independent certified public
664 accountants who are used to review capital accounts;

665 (d) Any interruption of fidelity bonding or insurance
666 coverage;

667 (e) Any suspected criminal act perpetrated against the
668 limited purpose international trust company representative
669 office. However, liability is not incurred as a result of making
670 a good faith effort to fulfill the requirement of this
671 paragraph;

672 (f) The loss of the charter of any affiliated
673 international trust company;

674 (g) The loss of good standing by the affiliated
675 international trust company with the applicable regulatory
676 authorities;

677 (h) A change in the company name or fictitious name of the
678 limited purpose international trust company representative
679 office; or

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

682 (7) The disclosure form shall be specified by commission
683 rule. The forms shall be sworn to as to authenticity and
684 accuracy by an executive officer of the limited purpose
685 international trust company representative office.

686 (8) The Office of Financial Regulation may conduct an
687 investigation of a limited purpose international trust company
688 representative office at any time it deems necessary to
689 determine whether a limited purpose international trust company
690 representative office has engaged in any act prohibited under s.
691 663.0625.

692 Section 13. Section 663.095, Florida Statutes, is created
693 to read:

694 663.095 Revocation of registration of a limited purpose
695 international trust company representative office.—

696 (1) The Office of Financial Regulation may revoke the
697 certificate of registration of a limited purpose international
698 trust company representative office if it finds that:

699 (a) The limited purpose international trust company
700 representative office does not meet the definition as such as
701 provided in s. 663.01(13);

702 (b) The limited purpose international trust company

703 representative office has violated s. 663.055(5), s. 663.057, s.
704 663.058, or s. 663.0625;

705 (c) The limited purpose international trust company
706 representative office has violated chapter 896, relating to
707 financial transactions offenses, or any similar state or federal
708 law or any related rule or regulation;

709 (d) The limited purpose international trust company
710 representative office has continued to violate any rule of the
711 commission for 30 days after written notice from the Office of
712 Financial Regulation;

713 (e) The limited purpose international trust company
714 representative office has continued to violate any order of the
715 Office of Financial Regulation for 30 days after written notice
716 from the office;

717 (f) The limited purpose international trust company
718 representative office has breached any written agreement with
719 the Office of Financial Regulation;

720 (g) The limited purpose international trust company
721 representative office has engaged in an act or practice
722 prohibited under s. 663.0625;

723 (h) The limited purpose international trust company
724 representative office has failed to file annual reports or
725 provide information or documents to the Office of Financial
726 Regulation upon written request; or

727 (i) Any officer, director, manager, or person acting in a
728 managerial capacity of the limited purpose international trust

729 company representative office, or the affiliated international
730 trust company, has been convicted of a felony or entered a plea
731 of guilty or nolo contendere, regardless of adjudication of
732 guilt, in a state or federal court or in a court of a foreign
733 country with which the United States maintains diplomatic
734 relations which involves a violation of law relating to fraud,
735 currency transaction reporting, money laundering, theft, or
736 moral turpitude and the charge is equivalent to a felony charge
737 under state or federal law.

738 (2) (a) If the Office of Financial Regulation determines
739 that any of the acts set forth in paragraphs (1) (a)-(i) has
740 occurred, the Office of Financial Regulation may enter an order
741 suspending the company's certificate of registration and provide
742 notice of its intent to revoke the registration and of the
743 company's right to a hearing pursuant to ss. 120.569 and 120.57.

744 (b) If there has been a violation or failure to disclose a
745 violation as set forth in paragraph (1) (i), the Office of
746 Financial Regulation may immediately enter an order revoking the
747 certificate of registration.

748 (c) The limited purpose international trust company
749 representative office has 90 days to wind up its affairs after
750 registration revocation. During such time, it may not engage in
751 any of the activities authorized under s. 663.0625(2), except to
752 the extent required to provide notice that it is winding down
753 its affairs in this state and the name or names and contact
754 information of the persons who may be contacted for additional

755 information. If the limited purpose international trust company
756 representative office has not provided satisfactory proof to the
757 Office of Financial Regulation that it is no longer in
758 operation, after 90 days, the Office of Financial Regulation may
759 seek an order from the circuit court for the annulment or
760 dissolution of the limited purpose international trust company
761 representative office. Satisfactory proof shall consist of a
762 corporate resolution authorizing dissolution, a certified copy
763 of the articles of dissolution filed with the Division of
764 Corporations of the Department of State, or documentation
765 confirming the closing of the limited purpose international
766 trust company representative office.

767 Section 14. Section 663.096, Florida Statutes, is created
768 to read:

769 663.096 Cease and desist authority.-

770 (1) The Office of Financial Regulation may serve a
771 complaint upon a limited purpose international trust company
772 representative office or any person if the Office of Financial
773 Regulation has reason to believe that the limited purpose
774 international trust company representative office or person
775 named in the complaint is engaging in or has engaged in conduct
776 that:

777 (a) Indicates that the company is not a limited purpose
778 international trust company representative office as defined in
779 this chapter;

780 (b) Is a violation of s. 663.055(5), s. 663.057, s.

781 663.058, or s. 663.0625;

782 (c) Is a violation of a commission rule that continues 30
783 days after written notice from the Office of Financial
784 Regulation or such longer time as specified in the notice;

785 (d) Is a violation of any order of the Office of Financial
786 Regulation that continues 30 days after written notice from the
787 office;

788 (e) Is a breach of any written agreement with the Office
789 of Financial Regulation;

790 (f) Is an act or practice prohibited under s. 663.0625;

791 (g) Is a failure to provide information or documents to
792 the Office of Financial Regulation upon written request within
793 30 days after such request or such longer time as specified in
794 the request; or

795
796 (h) Is a violation of chapter 896 or similar state or
797 federal law or any related rule or regulation that continues 30
798 days after written notice from the Office of Financial
799 Regulation or such longer time as specified in the notice.

800 (2) The complaint must contain the statement of facts and
801 a notice of right to a hearing pursuant to ss. 120.569 and
802 120.57.

803 (3) If a hearing is not requested within the time allowed
804 under ss. 120.569 and 120.57, or if a hearing is held and the
805 Office of Financial Regulation finds that any of the charges is
806 true, the Office of Financial Regulation may enter an order

807 directing the limited purpose international trust company
808 representative office or person named in the complaint to cease
809 and desist from engaging in the conduct complained of and to
810 take corrective action.

811 (4) If the limited purpose international trust company
812 representative office or person named in the complaint fails to
813 respond to the complaint within the time allowed under ss.
814 120.569 and 120.57, such failure constitutes a default and
815 justifies the entry of a cease and desist order.

816 (5) A contested or default cease and desist order is
817 effective when reduced to writing and served upon the registered
818 limited purpose international trust company representative
819 office or person named in the order. An uncontested cease and
820 desist order takes effect as agreed.

821 (6) If the Office of Financial Regulation finds that
822 conduct described in subsection (1) has occurred which presents
823 an imminent danger to the public, it may issue an emergency
824 cease and desist order requiring the limited purpose
825 international trust company representative office or person
826 named in the order to immediately cease and desist from engaging
827 in the conduct complained of and to take corrective action. The
828 emergency order takes effect immediately upon service of a copy
829 of the order upon the limited purpose international trust
830 company representative office or person named in the order and
831 remains effective for 90 days. If the Office of Financial
832 Regulation initiates nonemergency cease and desist proceedings

833 under subsection (1), the emergency order remains effective
834 until the conclusion of the proceedings under ss. 120.569 and
835 120.57.

836 (7) Subject to its rights under chapter 120, a limited
837 purpose international trust company representative office has 90
838 days to wind up its affairs after entry of any order to cease
839 and desist from operating as a limited purpose international
840 trust company representative office. During such time, it may
841 not engage in any of the activities otherwise authorized under
842 s. 663.0625(2), except to the extent required to provide notice
843 that it is winding down its affairs in this state and the name
844 or names and contact information of the persons who may be
845 contacted for additional information. If the limited purpose
846 international trust company representative office has not
847 provided proof satisfactory to the Office of Financial
848 Regulation that it is no longer in operation, after 90 days, the
849 Office of Financial Regulation may seek an order from the
850 circuit court for the annulment or dissolution of the limited
851 purpose international trust company representative office.
852 Satisfactory proof shall consist of a corporate resolution
853 authorizing dissolution, a certified copy of articles of
854 dissolution filed with the Division of Corporations of the
855 Department of State, or documentation confirming the closing of
856 the limited purpose international trust company representative
857 office.

858 Section 15. Section 663.115, Florida Statutes, is created

HB 1383

2016

859 to read:

860 663.115 Discontinuing business.—If a limited purpose
861 international trust company representative office wishes to
862 discontinue business, it must file with the Office of Financial
863 Regulation a certified copy of the resolution of the board of
864 directors, or members or managers of a limited liability
865 company, authorizing such discontinuation. The limited purpose
866 international trust company representative office shall
867 voluntarily terminate its registration as a limited purpose
868 international trust company representative office, whereupon it
869 shall be released from any fidelity bonds maintained pursuant to
870 s. 663.058.

871 Section 16. Subsection (1) of section 663.12, Florida
872 Statutes, is amended to read:

873 663.12 Fees; assessments; fines.—

874 (1) Each application for a license or registration under
875 ~~the provisions of~~ this part shall be accompanied by a
876 nonrefundable filing fee payable to the Office of Financial
877 Regulation in the following amount:

878 (a) Ten thousand dollars for establishing a state-
879 chartered investment company.

880 (b) Ten thousand dollars for establishing an international
881 bank agency or branch.

882 (c) Five thousand dollars for establishing an
883 international administrative office.

884 (d) Five thousand dollars for establishing an

885 international representative office.

886 (e) Five thousand dollars for establishing an
 887 international trust company representative office or a limited
 888 purpose international trust company representative office.

889 (f) An amount equal to the initial filing fee for an
 890 application to convert from one type of license to another or
 891 from a registration to a license. The commission may increase
 892 the filing fee for any type of license or registration to an
 893 amount established by rule and calculated in a manner so as to
 894 cover the direct and indirect cost of processing such
 895 applications.

896 Section 17. Paragraph (a) of subsection (3) of section
 897 120.80, Florida Statutes, is amended to read:

898 (3) OFFICE OF FINANCIAL REGULATION.—

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

902 1.a. The Office of Financial Regulation of the Financial
 903 Services Commission shall have published in the Florida
 904 Administrative Register notice of the application within 21 days
 905 after receipt.

906 b. Within 21 days after publication of notice, any person
 907 may request a hearing. Failure to request a hearing within 21
 908 days after notice constitutes a waiver of any right to a
 909 hearing. The Office of Financial Regulation or an applicant may
 910 request a hearing at any time before ~~prior to~~ the issuance of a

911 final order. Hearings shall be conducted pursuant to ss. 120.569
 912 and 120.57, except that the Financial Services Commission shall
 913 by rule provide for participation by the general public.

914 2. Should a hearing be requested as provided by sub-
 915 subparagraph 1.b., the applicant or licensee shall publish at
 916 its own cost a notice of the hearing in a newspaper of general
 917 circulation in the area affected by the application. The
 918 Financial Services Commission may by rule specify the format and
 919 size of the notice.

920 3. Notwithstanding s. 120.60(1), and except as provided in
 921 subparagraph 4., an application for license for a new bank, new
 922 trust company, new credit union, new savings and loan
 923 association, or new licensed family trust company or an
 924 application for registration of a new limited purpose
 925 international trust company representative office must be
 926 approved or denied within 180 days after receipt of the original
 927 application or receipt of the timely requested additional
 928 information or correction of errors or omissions. An application
 929 for such a license or registration or for acquisition of such
 930 control which is not approved or denied within the 180-day
 931 period or within 30 days after conclusion of a public hearing on
 932 the application, whichever is later, shall be deemed approved
 933 subject to the satisfactory completion of conditions required by
 934 statute as a prerequisite to license or registration and
 935 approval of insurance of accounts for a new bank, a new savings
 936 and loan association, a new credit union, ~~or~~ a new licensed

937 family trust company, or a new international trust company
938 representative office by the appropriate insurer.

939 4. In the case of an application for license to establish
940 a new bank, trust company, or capital stock savings association
941 in which a foreign national proposes to own or control 10
942 percent or more of any class of voting securities, and in the
943 case of an application by a foreign national for approval to
944 acquire control of a bank, trust company, or capital stock
945 savings association, the Office of Financial Regulation shall
946 request that a public hearing be conducted pursuant to ss.
947 120.569 and 120.57. Notice of such hearing shall be published by
948 the applicant as provided in subparagraph 2. The failure of such
949 foreign national to appear personally at the hearing shall be
950 grounds for denial of the application. Notwithstanding s.
951 120.60(1) and subparagraph 3., every application involving a
952 foreign national shall be approved or denied within 1 year after
953 receipt of the original application or any timely requested
954 additional information or the correction of any errors or
955 omissions, or within 30 days after the conclusion of the public
956 hearing on the application, whichever is later.

957 (b) In any application for a license, registration, or
958 merger pursuant to title XXXVIII which is referred by the agency
959 to the division for hearing, the administrative law judge shall
960 complete and submit to the agency and to all parties a written
961 report consisting of findings of fact and rulings on evidentiary
962 matters. The agency shall allow each party at least 10 days in

HB 1383

2016

963 | which to submit written exceptions to the report.

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