

Committee on Banking and Insurance

CS/CS/HB 435 — International Financial Institutions

by Commerce Committee; Insurance and Banking Subcommittee; and Rep. Raulerson and others (CS/CS/SB 736 by Appropriations Committee; Banking and Insurance Committee; and Senators Mayfield and Steube)

The bill modernizes the regulatory framework of international financial services subject to regulation by the Office of Financial Regulation (OFR), which will promote the growth of international financial services market in Florida. The bill revises provisions relating to the regulation of international banking corporations and international trust company representative offices (ITCROs) of international trust entities and creates a regulatory framework for qualified limited service affiliates (QLSAs). An ITCRO may conduct any nonfiduciary activities that are ancillary to the fiduciary business of its international trust entity (ITE), such as marketing and soliciting for fiduciary business on behalf of the ITE. The QLSAs are marketing and liaison offices that engage in permissible activities for the benefit of an ITE and are qualified by the OFR. An ITE is an international trust company, an international business, an international business organization, or an affiliated or subsidiary entities that is licensed, chartered, or similarly permitted to conduct trust business in a foreign country or countries under the laws of which it is organized and supervised. The bill provides the following changes:

- Establishes oversight of qualified limited service affiliates and offices of ITEs.
- Provides an abbreviated application process to establish additional locations of an entity that meets certain conditions.
- Authorizes the OFR to implement a risk-based approach for capital requirements, which will allow the OFR to calculate capital requirements that reflect an entity's business model and its particular inherent risk profile.
- Provides the OFR with discretion to allow an after-the-fact licensure process of an entity in the event of an acquisition, merger, or consolidation, which would allow continuity of operations.
- Clarifies permissible activities of entities regulated under chapter 663, Florida Statutes.

If approved by the Governor, these provisions take effect January 1, 2018, except as otherwise provided.

Vote: Senate 36-0; House 117-0