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1                   A bill to be entitled  
2           An act relating to financial institutions; providing  
3           definitions; requiring a financial institution that is  
4           chartered in this state and that maintains certain  
5           accounts with a foreign financial institution to  
6           establish due diligence policies, procedures, and  
7           controls reasonably designed to detect whether the  
8           foreign financial institution engages in certain  
9           activities facilitating the development of weapons of  
10          mass destruction by the Government of Iran, provides  
11          support for certain foreign terrorist organizations,  
12          or participates in other related activities; requiring  
13          the Financial Services Commission to adopt rules  
14          establishing minimum standards for the due diligence  
15          policies, procedures, and controls; requiring a  
16          financial institution chartered in this state to  
17          annually file a compliance certificate with the Office  
18          of Financial Regulation; requiring that the Office of  
19          Financial Regulation submit an annual report relating  
20          to the Financial Services Commission rules and  
21          certifications from financial institutions to the  
22          Governor, the President of the Senate, and the Speaker  
23          of the House of Representatives; requiring that the  
24          Office of Financial Regulation make the annual report  
25          available to the public on its website; authorizing  
26          the Office of Financial Regulation to impose an  
27          administrative fine against a financial institution  
28          that fails to make the annual certification required  
29          by the act; providing an effective date.

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31 WHEREAS, the United States Congress passed, and President  
32 Obama signed into law, the Comprehensive Iran Sanctions,  
33 Accountability, and Divestment Act of 2010, and

34 WHEREAS, the Comprehensive Iran Sanctions, Accountability,  
35 and Divestment Act of 2010 prohibits or strictly limits any  
36 foreign financial institution's ability to open or maintain a  
37 correspondent account or a payable-through account with American  
38 financial institutions if the United States Secretary of the  
39 Treasury determines that the foreign financial institution  
40 knowingly engages in certain activities facilitating the  
41 development of weapons of mass destruction by the Government of  
42 Iran, provides support for certain foreign terrorist  
43 organizations, or participates in other related activities, and

44 WHEREAS, the Comprehensive Iran Sanctions, Accountability,  
45 and Divestment Act of 2010 imposes civil and criminal penalties  
46 against financial institutions based in the United States which  
47 know or should know that they are maintaining a correspondent  
48 account or a payable-through account with a foreign financial  
49 institution that engages in prohibited activities, and

50 WHEREAS, it is a sensible fiduciary responsibility of  
51 financial institutions chartered in the State of Florida to know  
52 the activities of foreign financial institutions with which they  
53 maintain correspondent or payable-through accounts, NOW,  
54 THEREFORE,

55  
56 Be It Enacted by the Legislature of the State of Florida:

57  
58 Section 1. Financial institutions; transactions relating to

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59 Iran or terrorism.—

60 (1) As used in this section, the term:

61 (a) "Correspondent account" has the same meaning as defined  
62 in 31 U.S.C. s. 5318A.

63 (b) "Financial institution" has the same meaning as defined  
64 in s. 655.005(1)(i), Florida Statutes.

65 (c) "Payable-through account" has the same meaning as  
66 defined in 31 U.S.C. s. 5318A.

67 (2) A financial institution chartered in this state which  
68 maintains a correspondent account or a payable-through account  
69 with a foreign financial institution must establish due  
70 diligence policies, procedures, and controls reasonably designed  
71 to detect whether the United States Secretary of the Treasury  
72 has found that the foreign financial institution knowingly:

73 (a) Facilitates the efforts of the Government of Iran,  
74 including efforts of Iran's Revolutionary Guard Corps, to  
75 acquire or develop weapons of mass destruction or their delivery  
76 systems;

77 (b) Provides support for an organization designated by the  
78 United States as a foreign terrorist organization;

79 (c) Facilitates the activities of a person who is subject  
80 to financial sanctions pursuant to a resolution of the United  
81 Nations Security Council imposing sanctions on Iran;

82 (d) Engages in money laundering to carry out any activity  
83 listed in this subsection;

84 (e) Facilitates efforts by the Central Bank of Iran or any  
85 other Iranian financial institution to carry out an activity  
86 listed in this subsection; or

87 (f) Facilitates a significant transaction or provides

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88 significant financial services for Iran's Revolutionary Guard  
89 Corps or its agents or affiliates, or any financial institution,  
90 whose property or interests in property are blocked pursuant to  
91 federal law in connection with Iran's proliferation of weapons  
92 of mass destruction, or delivery systems for those weapons, or  
93 Iran's support for international terrorism.

94 (3) By July 1, 2012, the Financial Services Commission  
95 shall adopt rules establishing minimum standards for due  
96 diligence policies, procedures, and controls required by this  
97 section.

98 (4) By January 1, 2013, and each January 1 thereafter, each  
99 financial institution chartered in this state must certify to  
100 the Office of Financial Regulation that the financial  
101 institution has adopted and substantially complies with the due  
102 diligence policies, procedures, and controls required by this  
103 section and the rules adopted under this section, and that to  
104 the best knowledge of the financial institution, the financial  
105 institution does not maintain a correspondent account or a  
106 payable-through account with a foreign financial institution  
107 that knowingly engages in any act described in subsection (2).

108 (5) By January 31, 2013, and each January 31 thereafter,  
109 the Office of Financial Regulation must submit a report to the  
110 Governor, the President of the Senate, and the Speaker of the  
111 House of Representatives which contains a copy of the rules  
112 required under subsection (3) and the status of the  
113 certifications of compliance received from the financial  
114 institutions chartered in this state.

115 (6) The Office of Financial Regulation shall make its  
116 annual compliance report under this section available on its

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117 website.

118 (7) The Office of Financial Regulation may impose an  
119 administrative fine, not to exceed \$100,000 per occurrence,  
120 against a financial institution that fails to make the annual  
121 certification required under subsection (4).

122 Section 2. This act shall take effect upon becoming a law.