

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

212

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

214

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

217 655.005 Definitions.—

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

220 (i) "Financial institution" means a state or federal
221 savings or thrift association, bank, savings bank, trust
222 company, international bank agency, international banking
223 corporation, international branch, international representative
224 office, international administrative office, international trust
225 entity, international trust company representative office,

226 | limited service affiliate, credit union, or an agreement
 227 | corporation operating pursuant to s. 25 of the Federal Reserve
 228 | Act, 12 U.S.C. ss. 601 et seq. or Edge Act corporation organized
 229 | pursuant to s. 25(a) of the Federal Reserve Act, 12 U.S.C. ss.
 230 | 611 et seq.

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

233 | 655.059 Access to books and records; confidentiality;
 234 | penalty for disclosure.—

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

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

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

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

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

248 | 1. The home-country supervisor provides advance notice to
 249 | the office that the home-country supervisor intends to examine
 250 | the Florida office of the international banking corporation or

251 international trust entity. Such examination may be conducted
252 onsite or offsite and may include ongoing reporting by the
253 Florida office of the international banking corporation or
254 international trust entity to the home-country supervisor.

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

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

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

266
267 As used in ~~For purposes of~~ this paragraph, the term "home-
268 country supervisor" means the governmental entity in the
269 international banking corporation's or international trust
270 entity's home country with responsibility for the supervision
271 and regulation of the safety and soundness of the international
272 banking corporation or international trust entity;

273 (e) As compelled by a court of competent jurisdiction,
274 pursuant to a subpoena issued pursuant to the Florida Rules of
275 Civil Procedure, the Florida Rules of Criminal Procedure, or the

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

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

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

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

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

293 (2)

294 (b) The books and records pertaining to trust accounts and
295 the deposit accounts and loans of depositors, borrowers,
296 members, and stockholders of any financial institution shall be
297 kept confidential by the financial institution and its
298 directors, officers, and employees and may ~~shall~~ not be released
299 except upon express authorization of the account holder as to
300 her or his own accounts, loans, or voting rights. However,

301 information relating to any loan made by a financial institution
302 may be released without the borrower's authorization in a manner
303 prescribed by the board of directors for the purpose of meeting
304 the needs of commerce and for fair and accurate credit
305 information. Information may also be released, without the
306 authorization of a member or depositor but in a manner
307 prescribed by the board of directors, to verify or corroborate
308 the existence or amount of a customer's or member's account when
309 such information is reasonably provided to meet the needs of
310 commerce and to ensure accurate credit information. In addition,
311 a financial institution, affiliate, and its subsidiaries, and
312 any holding company of the financial institution or subsidiary
313 of such holding company, may furnish to one another information
314 relating to their customers or members, subject to the
315 requirement that each corporation receiving information that is
316 confidential maintain the confidentiality of such information
317 and not provide or disclose such information to any unaffiliated
318 person or entity. Notwithstanding this paragraph, ~~nothing in~~
319 this subsection does not prohibit: ~~shall prohibit~~

320 1. A financial institution from disclosing financial
321 information as referenced in this subsection as authorized
322 ~~permitted~~ by Pub. L. No. 106-102 (1999), as set forth in 15
323 U.S.C.A. s. 6802, as amended.

324 2. The Florida office of the international banking
325 corporation or international trust entity from sharing books and

326 records under this subsection with the home-country supervisor
327 in accordance with subsection (1).

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

330 663.001 Purpose.—The purpose of this part is to establish
331 a legal and regulatory framework for the conduct by
332 international banking corporations of financial services
333 business in this state. This part is intended to:

334 (1) Support the Florida operations of international
335 banking corporations and promote the growth of international
336 financial services to benefit the economy and consumers in this
337 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
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
 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;
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
 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
463 nature and character of its business and as to its financial
464 condition 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
468 applicable to foreign corporations.

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

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

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

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

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

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

497 Section 8. Present subsections (4) through (8) of section
498 663.05, Florida Statutes, are redesignated as subsections (5)
499 through (9), respectively, a new subsection (4) is added to that
500 section, and present subsections (4), (5), (6), paragraph (c) of

501 present subsection (7), and present subsection (8) are amended,
502 to read:

503 663.05 Application for license; approval or disapproval.-

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

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

524 (6)(5) The office may, in its discretion, approve or
525 disapprove the application, but it may ~~shall~~ not approve the

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

543 (7)~~(6)~~ The office may not issue a license to an
 544 international banking corporation unless:

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

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

554 (8)~~(7)~~ The office may not issue a license to an
555 international banking corporation for the purpose of operating:

556 ~~(c) A trust representative office in this state unless the~~
557 ~~corporation:~~

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

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

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

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

571 (9)~~(8)~~ The commission shall establish, by rule, the
572 general principles which shall determine the adequacy of
573 supervision of an international banking corporation's foreign
574 establishments. These principles shall be based upon the need
575 for cooperative supervisory efforts and consistent regulatory

576 guidelines and shall address, at a minimum, the capital
 577 adequacy, asset quality, management, earnings, liquidity,
 578 internal controls, audits, and foreign exchange operations and
 579 positions of the international banking corporation. This
 580 subsection does ~~shall~~ not require examination by the home-
 581 country regulatory authorities of any office of an international
 582 banking corporation in this state. The commission may also
 583 establish, by rule, other standards for approval of an
 584 application for a license as considered necessary to ensure the
 585 safe and sound operations of the international banking
 586 corporation ~~bank or trust representative office~~ in this state.

587 Section 9. Section 663.055, Florida Statutes, is amended
 588 to read:

589 663.055 Capital requirements.—

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

601 ~~principles and practices, of at least:~~

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

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

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

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

618 (2) The proposed capitalization of the international
619 banking corporation must be in such amount as the office deems
620 adequate, but in no case may the total capital accounts of the
621 international banking corporation be less than the minimum
622 required under s. 658.21(2) to establish a state bank
623 ~~Notwithstanding the provisions of paragraph (1)(a), the office~~
624 ~~may approve an application for a license to establish an~~
625 ~~international bank agency, an international branch, or an~~

626 ~~international administrative office if:~~

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

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

638 ~~(c) The international banking corporation has been in the~~
639 ~~business of banking for at least 10 years and is ranked by the~~
640 ~~banking or supervisory authority of the country in which it is~~
641 ~~organized and licensed as one of the five largest banks in that~~
642 ~~country in terms of domestic deposits, as of the date of its~~
643 ~~most recent statement of financial condition. However, in no~~
644 ~~event shall the office approve an application under this~~
645 ~~subsection for any international banking corporation with~~
646 ~~capital accounts of less than \$20 million.~~

647 (3) The office may specify such other conditions as it
648 determines are appropriate, considering the public interest and
649 the need to maintain a safe, sound, and competitive banking
650 system in this state, and the preservation of an environment

651 ~~conducive to the conduct of an international banking business in~~
652 ~~this state. In translating the capital accounts of an~~
653 ~~international banking corporation, the office may consider~~
654 ~~monetary corrections accounts that reflect results consistent~~
655 ~~with the requirements of generally accepted accounting~~
656 ~~principles in the United States.~~

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

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

670 663.06 Licenses; permissible activities.—

671 (1) (a) An international banking corporation licensed to
672 operate an office in this state may engage in the business
673 authorized by this part at the office specified in such license
674 for an indefinite period.

675 (b) An international banking corporation may operate more

676 than one licensed office, each at a different place of business,
677 provided that each office is ~~shall be~~ separately licensed.

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

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

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

696 Section 11. Section 663.0601, Florida Statutes, is created
697 to read:

698 663.0601 After-the-fact licensure process in the event of
699 the acquisition, merger, or consolidation of international
700 banking corporations.-If an international banking corporation

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

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

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

725 (3) Before consummation of the acquisition, merger, or

726 consolidation, each international banking corporation commits in
727 writing that it will either:

728 (a) Comply with the conditions in subsections (1) and (2)
729 and file an after-the-fact application for a license under s.
730 663.05(1) within 60 days after consummation of the proposed
731 acquisition, merger, or consolidation; and refrain from engaging
732 in new lines of business and from otherwise expanding the
733 activities of such establishment in this state until the
734 disposition of the after-the-fact license application, in
735 accordance with chapter 120; or

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

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

747 663.061 International bank agencies; permissible
748 activities.—

749 (1) An international bank agency licensed under this part
750 may make any loan, extension of credit, or investment which it

751 could make if incorporated and operating as a bank organized
752 under the laws of this state. An international bank agency may
753 act as custodian and may furnish investment management, and
754 investment advisory services authorized under rules adopted by
755 the commission, to nonresident entities or persons whose
756 principal places of business or domicile are outside the United
757 States and to resident entities or persons with respect to
758 international, ~~or~~ foreign, or domestic investments. An
759 international banking corporation that ~~which~~ has an
760 international bank agency licensed under the terms of this part
761 is shall be exempt from the registration requirements of s.
762 517.12. An international bank agency licensed by the office may
763 engage in any activity permissible for an international
764 administrative office or international representative office.

765 Section 13. Section 663.062, Florida Statutes, is amended
766 to read:

767 663.062 International representative offices; permissible
768 activities.—An international representative office may promote
769 or assist the deposit-taking, lending, or other financial or
770 banking activities of an international banking corporation. An
771 international representative office may serve as a liaison in
772 Florida between an international banking corporation and its
773 existing and potential customers. Representatives and employees
774 based at such office may solicit business for the international
775 banking corporation and its subsidiaries and affiliates, provide

776 information to customers concerning their accounts, answer
777 questions, receive applications for extensions of credit and
778 other banking services, transmit documents on behalf of
779 customers, and make arrangements for customers to transact
780 business on their accounts, but a representative office may not
781 conduct any banking or trust business in this state. An
782 international representative office of an international banking
783 corporation that has fiduciary powers may engage in the
784 international trust representative office activities enumerated
785 in s. 663.409.

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

788 663.063 International administrative offices.—

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

794 Section 15. Section 663.064, Florida Statutes, is amended
795 to read:

796 663.064 International branches; permissible activities;
797 requirements.—

798 (1) An international banking corporation that meets the
799 requirements of ss. 658.26, 663.04, and 663.05 may, with the
800 approval of the office, establish one or more branches in this

801 | ~~state. An international branch shall have the same rights and~~
802 | ~~privileges as a federally licensed international branch.~~ The
803 | operations of an international branch shall be conducted
804 | pursuant to requirements determined by the office as necessary
805 | to ensure compliance with the provisions of the financial
806 | institutions codes, including requirements for the maintenance
807 | of accounts and records separate from those of the international
808 | banking corporation of which it is a branch.

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

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

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

825 | 663.09 Reports; records.—

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

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

842 (b) Current copies of the charter and bylaws of the
843 international banking corporation, relative to the operations of
844 the office, and minutes of the proceedings of its directors,
845 officers, or committees relative to the business of the office.
846 Such records may be maintained in a language other than English
847 and must ~~shall~~ be kept pursuant to s. 655.91 and ~~shall be~~ made
848 available to the office, upon request, at any time during
849 regular business hours of the office. Any failure to keep such
850 records as aforesaid or any refusal to produce such records upon

851 request by the office is ~~shall be~~ grounds for suspension or
852 revocation of any license issued under this part.

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

858 Section 17. Section 663.11, Florida Statutes, is amended
859 to read:

860 663.11 Termination of international banking corporation's
861 charter or authority.-

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

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

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

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

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

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

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

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

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

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

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

925 663.12 Fees; assessments; fines.—

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

929 (a) Ten thousand dollars for establishing a state-
 930 chartered investment company.

931 (b) Ten thousand dollars for establishing an international
 932 bank agency or branch.

933 (c) Five thousand dollars for establishing an
 934 international administrative office.

935 (d) Five thousand dollars for establishing an
 936 international representative office.

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

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

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

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

950 (11) The compensation of agents and any other employees

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

959 Section 20. The Division of Law Revision and Information
960 is directed to create part III of chapter 663, Florida Statutes,
961 consisting of ss. 663.4001-663.427, Florida Statutes, to be
962 entitled "International Trust Company Representative Offices."

963 Section 21. Section 663.4001, Florida Statutes, is created
964 to read:

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

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

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

976 Section 22. Section 663.401, Florida Statutes, is created
 977 to read:

978 663.401 Definitions.-

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

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

990 (3) "International trust entity" means an international
 991 trust company or organization, or any similar business entity;
 992 or an affiliated or subsidiary entity that is licensed,
 993 chartered, or similarly permitted to conduct trust business in a
 994 foreign country or countries under the laws where such entity is
 995 organized and supervised.

996 Section 23. Section 663.402, Florida Statutes, is created
 997 to read:

998 663.402 Applicability of the financial institutions
 999 codes.-

1000 (1) An international trust entity that operates an office

1001 licensed under this part is subject to all the financial
1002 institutions codes as though such international trust entity
1003 were a state trust company, except when it appears, from the
1004 context or otherwise, that such provisions are clearly
1005 applicable only to trust companies organized under the laws of
1006 this state or the United States. Without limiting the foregoing
1007 general provisions, it is the intent of the Legislature that the
1008 following provisions are applicable to such international trust
1009 entities having offices in this state: s. 655.031, relating to
1010 administrative enforcement guidelines; s. 655.032, relating to
1011 investigations, subpoenas, hearings, and witnesses; s. 655.0321,
1012 relating to restricted access hearings, proceedings, and related
1013 documents; s. 655.033, relating to cease and desist orders; s.
1014 655.037, relating to removal of a financial institution-related
1015 party by the office; s. 655.041, relating to administrative
1016 finances and enforcement; s. 655.50, the Florida Control of Money
1017 Laundering and Terrorist Financing in Financial Institutions
1018 Act; and any law for which the penalty is increased under s.
1019 775.31 for facilitating or furthering terrorism.

1020 (2) An international trust entity does not have any
1021 greater right under, or by virtue of, this section than is
1022 granted to trust companies organized under the laws of this
1023 state. Legal and financial terms used in this chapter are deemed
1024 to refer to equivalent terms used by the country in which the
1025 international trust entity is organized. This chapter and the

1026 financial institutions codes may not be construed to authorize
 1027 any international trust entity to conduct trust business, as
 1028 defined in s. 658.12, from an office in this state.

1029 Section 24. Section 663.403, Florida Statutes, is created
 1030 to read:

1031 663.403 Applicability of the Florida Business Corporation
 1032 Act.—Notwithstanding s. 607.01401(12), the provisions of part I
 1033 of chapter 607 which are not in conflict with the financial
 1034 institutions codes and which relate to foreign corporations
 1035 apply to all international trust entities and their offices
 1036 doing business in this state.

1037 Section 25. Section 663.404, Florida Statutes, is created
 1038 to read:

1039 663.404 Requirements for conducting financial institution
 1040 business.—An international trust entity, or any affiliated,
 1041 subsidiary, or other person or business entity acting as an
 1042 agent for, on behalf of, or for the benefit of such
 1043 international trust entity, who engages in such activities from
 1044 an office located in this state, may not transact a trust
 1045 business, or maintain in this state any office for carrying on
 1046 such business, or any part thereof, unless such international
 1047 trust entity, affiliate, subsidiary, person, or business entity:

1048 (1) Has been authorized by charter, license, or similar
 1049 authorization by operation of law to carry on trust business and
 1050 has complied with the laws of each jurisdiction in which it is

1051 chartered, licensed, or otherwise authorized and created under
1052 operation of law.

1053 (2) Has furnished to the office such proof as to the
1054 nature and character of its business and as to its financial
1055 condition as the commission or office requires.

1056 (3) Has filed with the office a certified copy of that
1057 information required to be supplied to the Department of State
1058 by those provisions of part I of chapter 607 which are
1059 applicable to foreign corporations.

1060 (4) Has received a license duly issued to it by the
1061 office.

1062 (5) Has sufficient capital in accordance with the
1063 requirements of s. 663.407 and the rules adopted thereunder and
1064 is not imminently insolvent or insolvent, as those terms are
1065 defined under s. 655.005(1).

1066 (6) (a) Is not in bankruptcy, conservatorship,
1067 receivership, liquidation, or similar status under the laws of
1068 any country.

1069 (b) Is not operating under the direct control of the
1070 government or the regulatory or supervisory authority of the
1071 home jurisdiction in which it has been chartered, licensed, or
1072 otherwise authorized and created under operation of law, through
1073 government intervention or any other extraordinary actions.

1074 (c) Has not been in such status or control at any time
1075 within the 3 years preceding the date of application for a

1076 | license.

1077 |

1078 | Notwithstanding subsection (6), the office may, in its
 1079 | discretion, permit an international trust company representative
 1080 | office to remain open and in operation under such conditions as
 1081 | the office deems appropriate if the office determines that it is
 1082 | in the public's interest and that it furthers international
 1083 | supervisory cooperation to allow the international trust company
 1084 | representative office to remain open and in operation.

1085 | Section 26. Section 663.405, Florida Statutes, is created
 1086 | to read:

1087 | 663.405 Civil action subpoena enforcement.—

1088 | (1) Notwithstanding s. 655.059, an international trust
 1089 | company representative office established under this chapter is
 1090 | not required to produce a book or record pertaining to a deposit
 1091 | account, investment account, trust account, or loan of a
 1092 | customer of the international trust entity's offices that are
 1093 | located outside the United States or its territories in response
 1094 | to a subpoena, if the book or record is maintained outside the
 1095 | United States or its territories and is not in the possession,
 1096 | custody, or control of the international trust entity's
 1097 | representative office established in this state.

1098 | (2) This section applies only to a subpoena issued
 1099 | pursuant to the Florida Rules of Civil Procedure, the Federal
 1100 | Rules of Civil Procedure, or other similar law or rule of civil

1101 procedure in another state. This section does not apply to a
1102 subpoena issued by or on behalf of a federal, state, or local
1103 government law enforcement agency, administrative or regulatory
1104 agency, legislative body, or grand jury and does not limit the
1105 power of the office to access all books and records in the
1106 exercise of the office's regulatory and supervisory powers under
1107 the financial institutions codes.

1108 Section 27. Section 663.406, Florida Statutes, is created
1109 to read:

1110 663.406 Application for license; approval or disapproval.-

1111 (1) An international trust entity, before being licensed
1112 by the office to maintain any office in this state, must
1113 subscribe and acknowledge, and submit to the office, an
1114 application that contains all of the following:

1115 (a) The name of the international trust entity.

1116 (b) The proposed location, by street and post office
1117 address and county, where its business is to be transacted in
1118 this state, and the name of the person who will be in charge of
1119 the business and affairs of the office.

1120 (c) The location where its initial registered office will
1121 be located in this state.

1122 (d) The total amount of the capital accounts of the
1123 international trust entity.

1124 (e) A complete and detailed statement of its financial
1125 condition as of a date within 180 days before the date of such

1126 application, except that the office in its discretion may, when
1127 necessary or expedient, accept such statement of financial
1128 condition as of a date within 240 days before the date of such
1129 application. The office in its discretion may, when necessary or
1130 expedient, require an independent opinion audit or the
1131 equivalent satisfactory to the office.

1132 (f) A listing of any occasion within the 10 year period
1133 before the application on which either the international trust
1134 entity or any of its directors, executive officers, or principal
1135 shareholders have been arrested for, charged with, convicted of,
1136 or pled guilty or nolo contendere to, regardless of
1137 adjudication, any offense with respect to which the penalties
1138 include the possibility of imprisonment for 1 year or more, or
1139 to any offense involving money laundering, currency transaction
1140 reporting, facilitating or furthering terrorism, or fraud, or
1141 otherwise related to the operation of a financial institution.

1142 (2) The office shall disallow any illegally obtained
1143 currency, monetary instruments, funds, or other financial
1144 resources from the capitalization requirements of this section,
1145 and the existence of such illegally obtained resources is
1146 grounds for denial of the application for license.

1147 (3) An international trust entity that submits an
1148 application to the office shall concurrently submit a
1149 certificate issued by the supervisory authority of the country
1150 in which the international trust entity is chartered or

1151 organized which states that the international trust entity is
1152 duly organized and licensed, or otherwise authorized by
1153 operation of law to transact business as a trust entity, and
1154 lawfully existing in good standing.

1155 (4) An international trust entity that has operated an
1156 international trust company representative office in this state
1157 for at least 3 years in a safe and sound manner, as defined by
1158 commission rule, and that is otherwise eligible to establish an
1159 additional office may establish one or more international trust
1160 company representative offices by providing an abbreviated
1161 application, and paying the appropriate license fee pursuant to
1162 s. 663.413.

1163 (5) An application filed pursuant to this section must be
1164 made on a form prescribed by the commission and must contain
1165 such information as the commission or office requires.

1166 (6) The office may, in its discretion, approve or
1167 disapprove the application, but it may not approve the
1168 application unless, in its opinion, the applicant meets each and
1169 every requirement of this part and any other applicable
1170 provision of the financial institutions codes. The office may
1171 approve the application only if it has determined that the
1172 directors, executive officers, and principal shareholders of the
1173 international trust entity are qualified by reason of their
1174 financial ability, reputation, and integrity and have sufficient
1175 trust company and other business experience to indicate that

1176 they will manage and direct the affairs of the international
1177 trust entity in a safe, sound, and lawful manner. In the
1178 processing of any application filed pursuant to this section,
1179 the time limitations under the Administrative Procedure Act do
1180 not apply as to approval or disapproval of the application. For
1181 applications filed on or after January 1, 2018, the time
1182 limitations for approval or disapproval of an application must
1183 be prescribed by rule of the commission.

1184 (7) The office may not issue a license to an international
1185 trust entity unless it is chartered, licensed, or similarly
1186 authorized by operation of law in a jurisdiction in which any
1187 financial institution licensed or chartered by any state or
1188 federal regulatory agency in the United States may establish
1189 similar facilities or exercise similar powers.

1190 (8) The office may not issue a license to an international
1191 trust entity for the purpose of operating an international trust
1192 company representative office in this state unless the trust
1193 entity:

1194 (a) Holds an unrestricted license to conduct trust
1195 business in the foreign country under whose laws it is organized
1196 and chartered;

1197 (b) Has been authorized by the foreign country's
1198 appropriate regulatory authority to establish the proposed
1199 international trust company representative office; and

1200 (c) Is adequately supervised by the appropriate regulatory

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1201 agency in the foreign country in which it is organized and
1202 chartered.

1203 (9) The commission shall establish, by rule, the general
1204 principles that determine the adequacy of supervision of an
1205 international trust entity's foreign establishments. These
1206 principles must be based upon the need for cooperative
1207 supervisory efforts and consistent regulatory guidelines and
1208 must address, at a minimum, the capital adequacy, asset quality,
1209 management, earnings, liquidity, internal controls, audits, and
1210 foreign exchange operations and positions of the international
1211 trust entity. This subsection does not require examination by
1212 the home-country regulatory authorities of any office of an
1213 international trust entity in this state. The commission may
1214 also establish, by rule, other standards for approval of an
1215 application for a license as considered necessary to ensure the
1216 safe and sound operations of the international trust entity in
1217 this state.

1218 Section 28. Section 663.407, Florida Statutes, is created
1219 to read:

1220 663.407 Capital requirements.—

1221 (1) For an international trust entity to qualify for a
1222 license under this part, the proposed capitalization of the
1223 international trust entity must be in such amount as the office
1224 determines is necessary, taking into consideration the risk
1225 profile of the international trust entity and the ability of the

1226 international trust entity to operate a licensed office in a
1227 safe and sound manner. In making this determination, the office
1228 shall consider the financial resources of the international
1229 trust entity, including:

1230 (a) The international trust entity's current and projected
1231 capital position, profitability, level of indebtedness, business
1232 and strategic plans, and off-balance sheet asset management and
1233 administration activities;

1234 (b) The financial condition of any of the international
1235 trust entity's existing offices located in the United States;

1236 (c) The minimum capital requirements of the international
1237 trust entity's home-country jurisdiction; and

1238 (d) The capital ratio standards used in the United States
1239 and in the international trust entity's home-country
1240 jurisdiction.

1241 (2) The proposed capitalization of the international trust
1242 entity must be in such amount as the office deems adequate, but
1243 in no case may the total capital accounts of the international
1244 trust entity be less than \$1 million.

1245 (3) The office may specify such other conditions as it
1246 determines are appropriate, considering the public interest and
1247 the need to maintain a safe, sound, and competitive financial
1248 marketplace in this state.

1249 (4) For purposes of this part, the capital accounts of and
1250 capital ratio standards for an international trust entity must

1251 be determined in accordance with rules adopted by the
1252 commission. In adopting such rules, the commission shall
1253 consider similar rules adopted by regulatory agencies in the
1254 United States and the need to provide reasonably consistent
1255 regulatory requirements for international trust entities doing
1256 business in this state, as well as capital adequacy standards of
1257 an international trust entity's home-country jurisdiction.

1258 Section 29. Section 663.408, Florida Statutes, is created
1259 to read:

1260 663.408 Licenses; permissible activities of licensees.—

1261 (1) (a) An international trust entity licensed to operate
1262 an office in this state may engage in the business authorized by
1263 this part at the office specified in such license for an
1264 indefinite period.

1265 (b) An international trust entity may operate more than
1266 one licensed office, each at a different place of business,
1267 provided that each office is separately licensed.

1268 (c) A license is not transferable or assignable. However,
1269 the location of a licensed office may be changed after
1270 notification to the office.

1271 (d) A license must at all times be conspicuously displayed
1272 in the place of business specified therein.

1273 (2) An international trust entity that proposes to
1274 terminate the operations of a licensed office in this state must
1275 surrender its license to the office and comply with such

1276 procedures as the commission may prescribe by rule.

1277 (3) The license for an international trust company
1278 representative office in this state may be suspended or revoked
1279 by the office, with or without examination, upon its
1280 determination that the international trust entity or the
1281 licensed office does not meet all requirements for original
1282 licensing. Additionally, the office shall revoke the license of
1283 any licensed office that the office determines has been inactive
1284 for 6 months or longer. The commission may by rule prescribe
1285 additional conditions or standards under which the license of an
1286 international trust company representative office may be
1287 suspended or revoked.

1288 (4) If any such license is surrendered by the
1289 international trust entity or is suspended or revoked by the
1290 office, all rights and privileges of the international trust
1291 entity to transact the business under the license cease. The
1292 commission shall prescribe by rule procedures for the surrender
1293 of a license and for the orderly cessation of business by an
1294 international trust entity in a manner that is not harmful to
1295 the interests of its customers or of the public.

1296 Section 30. Section 663.4081, Florida Statutes, is created
1297 to read:

1298 663.4081 After-the-fact licensure process in the event of
1299 the acquisition, merger, or consolidation of international trust
1300 entities.—If an international trust entity proposes to acquire,

1301 merge, or consolidate with an international trust entity that
1302 presently operates an international trust company representative
1303 office licensed in this state, the office may allow the
1304 currently licensed international trust company representative
1305 office to remain open and in operation after consummation of the
1306 proposed acquisition, merger, or consolidation, subject to the
1307 filing with the office of an after-the-fact license application
1308 in accordance with all of the following conditions:

1309 (1) The international trust entity or entities resulting
1310 from the acquisition, merger, or consolidation will not directly
1311 or indirectly own or control more than 5 percent of any class of
1312 the voting securities of, or control, a United States bank.

1313 (2) Before consummation of the acquisition, merger, or
1314 consolidation, the international trust entity currently licensed
1315 to operate an international trust company representative office
1316 in this state must provide the office at least 30 days' advance
1317 written notice, as prescribed by rules adopted by the
1318 commission, of the proposed acquisition, merger, or
1319 consolidation.

1320 (3) Before consummation of the acquisition, merger, or
1321 consolidation, each international trust entity commits in
1322 writing that it will:

1323 (a) Comply with the conditions in subsections (1) and (2)
1324 and file an after-the-fact application for a license under s.
1325 663.406(1) within 60 days after consummation of the proposed

1326 acquisition, merger, or consolidation; and refrain from engaging
 1327 in new lines of business and from otherwise expanding the
 1328 activities of such establishment in this state until the
 1329 disposition of the after-the-fact license application, in
 1330 accordance with chapter 120; or

1331 (b) Promptly wind down and close any international trust
 1332 company representative office in this state if the international
 1333 trust entities that are party to the acquisition, merger, or
 1334 consolidation elect not to file an application for a license in
 1335 accordance with paragraph (a); and, before such wind-down and
 1336 closure, refrain from engaging in new lines of business or
 1337 otherwise expanding the activities of such establishment in this
 1338 state.

1339 Section 31. Section 663.0625, Florida Statutes, is
 1340 transferred, renumbered as section 663.409, Florida Statutes,
 1341 and amended, to read:

1342 663.409 ~~663.0625~~ International trust company
 1343 representative offices; permissible activities; requirements.—

1344 (1) An international trust company representative office
 1345 may conduct any nonfiduciary activities that are ancillary to
 1346 the fiduciary business of its international trust entity ~~banking~~
 1347 ~~corporation or trust company~~, but may not act as a fiduciary.
 1348 Permissible activities include advertising, marketing, and
 1349 soliciting for fiduciary business on behalf of an international
 1350 trust entity ~~banking corporation or trust company~~; contacting

1351 existing or potential customers, answering questions, and
1352 providing information about matters related to their accounts;
1353 serving as a liaison in this state between the international
1354 trust entity ~~banking corporation or trust company~~ and its
1355 existing or potential customers; and engaging in any other
1356 activities approved by the office or under rules of the
1357 commission.

1358 (2) Representatives and employees at such office may not
1359 act as a fiduciary, including, but not limited to, accepting the
1360 fiduciary appointment, executing the fiduciary documents that
1361 create the fiduciary relationship, ~~or~~ making discretionary
1362 decisions regarding the investment or distribution of fiduciary
1363 accounts, or accepting custody of any trust property or any
1364 other good, asset, or thing of value on behalf of the affiliated
1365 international trust entity, its subsidiaries or affiliates, or
1366 subsidiaries and affiliates of the international trust company
1367 representative office.

1368 (3) An international trust company representative office
1369 licensed by the office may engage in any activities permissible
1370 for a limited service affiliate under part IV of this chapter.

1371 Section 32. Section 663.410, Florida Statutes, is created
1372 to read:

1373 663.410 Certification of capital accounts.—Before opening
1374 an office in this state, and annually thereafter so long as an
1375 international trust company representative office is maintained

1376 in this state, an international trust entity licensed pursuant
1377 to this part must certify to the office the amount of its
1378 capital accounts, expressed in the currency of the home
1379 jurisdiction where it has been authorized by charter, license,
1380 or similar authorization by operation of law to carry on trust
1381 business. The dollar equivalent of these amounts, as determined
1382 by the office, is deemed to be the amount of its capital
1383 accounts. The annual certification of capital accounts must be
1384 received by the office on or before June 30 of each year.

1385 Section 33. Section 663.411, Florida Statutes, is created
1386 to read:

1387 663.411 Reports; records.—

1388 (1) An international trust entity that operates an office
1389 licensed under this part shall, at such times and in such form
1390 as the commission prescribes, make written reports in the
1391 English language to the office, under the oath of one of its
1392 officers, managers, or agents transacting business in this
1393 state, showing the amount of its assets and liabilities and
1394 containing such other matters as the commission or office
1395 requires. An international trust entity that maintains two or
1396 more representative offices may consolidate such information in
1397 one report unless the office requires otherwise for purposes of
1398 its supervision of the condition and operations of each such
1399 office. The late filing of such reports is subject to an
1400 administrative fine as prescribed under s. 655.045(2). If the

1401 international trust entity fails to make such report as directed
1402 by the office or if such report contains a false statement
1403 knowingly made, the same are grounds for revocation of the
1404 license of the international trust entity.

1405 (2) An international trust entity that operates an office
1406 licensed under this part shall cause to be kept, at a location
1407 accepted by the office:

1408 (a) Correct and complete books and records of account of
1409 the business operations transacted by such office. All policies
1410 and procedures relating specifically to the operations of such
1411 office, as well as any existing general ledger or subsidiary
1412 accounts, must be maintained in the English language; however,
1413 any policies and procedures of the international trust entity
1414 which are not specific to the operations of such office may be
1415 maintained in a language other than English.

1416 (b) Current copies of the charter or statement of
1417 operation and bylaws of the international trust entity, relative
1418 to the operations of the international trust company
1419 representative office, and minutes of the proceedings of its
1420 directors, officers, or committees relative to the business of
1421 the international trust company representative office. Such
1422 records may be maintained in a language other than English and
1423 must be kept pursuant to s. 655.91 and be made available to the
1424 office, upon request, at any time during regular business hours
1425 of the international trust company representative office.

1426 (3) Any failure to keep such records as required in
 1427 subsection (2) or any refusal to produce such records upon
 1428 request by the office is grounds for suspension or revocation of
 1429 any license issued under this part.

1430 (4) The office may require at any time that any document
 1431 not written in the English language which the office deems
 1432 necessary for the purposes of its regulatory and supervisory
 1433 functions be translated into English at the expense of the
 1434 international trust entity.

1435 Section 34. Section 663.412, Florida Statutes, is created
 1436 to read:

1437 663.412 Termination of international trust entity's
 1438 charter or authority.-

1439 (1) (a) An international trust entity that is licensed to
 1440 maintain an office in this state may not continue to conduct its
 1441 licensed business in this state if the international trust
 1442 entity:

1443 1. Is dissolved, or its authority or existence is
 1444 otherwise terminated or canceled in the home jurisdiction where
 1445 it has been authorized by charter, license, or similar
 1446 authorization by operation of law to carry on trust business;

1447 2. Is in bankruptcy, conservatorship, receivership,
 1448 liquidation, or similar status under the laws of any country; or

1449 3. Is operating under the direct control of the government
 1450 or the regulatory or supervisory authority of the jurisdiction

1451 where it has been authorized by charter, license, or similar
1452 authorization by operation of law to carry on trust business
1453 through government intervention or any other extraordinary
1454 actions.

1455 (b) Notwithstanding subparagraphs 2. and 3., the office
1456 may, in its discretion, permit an international trust company
1457 representative office to remain open and in operation under such
1458 conditions as the office deems appropriate, if the office
1459 determines that it is in the public's interest and that it
1460 furtheres international supervisory cooperation to allow the
1461 international trust company representative office to remain open
1462 and in operation.

1463 (2) The international trust entity or its surviving
1464 officers and directors shall deliver to the office:

1465 (a) A certificate of the official who is responsible for
1466 records of trust companies in the jurisdiction where the
1467 international trust entity has been authorized by charter,
1468 license, or similar authorization by operation of law to carry
1469 on trust business of the international trust entity, attesting
1470 to the occurrence of any event described in paragraph (1) (a);

1471 (b) A certified copy of an order or decree of a court of
1472 such jurisdiction, directing the dissolution of such
1473 international trust entity, the termination of its existence, or
1474 the cancellation of its authority, or declaring its status in
1475 bankruptcy, conservatorship, receivership, liquidation, or

1476 similar proceedings; or

1477 (c) Other reliable documentation evidencing that the
1478 international trust entity is operating under the direct control
1479 of its government or a regulatory or supervisory authority.

1480 (3) The filing of the certificate, order, documentation,
1481 or decree has the same effect as the revocation of the license
1482 of such international trust entity as provided in s. 663.408,
1483 unless the office has permitted the international trust company
1484 representative office to remain open and in operation pursuant
1485 to paragraph (1) (b).

1486 Section 35. Section 663.413, Florida Statutes, is created
1487 to read:

1488 663.413 Application and examination fees.-

1489 (1) An application for a license to establish an
1490 international trust company representative office under this
1491 part must be accompanied by a nonrefundable \$5,000 filing fee,
1492 payable to the office.

1493 (2) An international trust entity that maintains an office
1494 licensed under this part must pay to the office examination fees
1495 that are determined by the commission by rule and that are
1496 calculated in a manner so as to be equal to the actual cost of
1497 each examiner's participation in the examination, as measured by
1498 the examiner's pay scale, plus any other expenses directly
1499 incurred in the examination. However, the examination fees may
1500 not be less than \$200 per day for each examiner participating in

1501 the examination.

1502 Section 36. Section 663.414, Florida Statutes, is created
1503 to read:

1504 663.414 Rules; exemption from statement of estimated
1505 regulatory costs requirements.—In addition to any other
1506 rulemaking authority it has under the financial institutions
1507 codes, the commission may adopt reasonable rules that it deems
1508 advisable for the administration of international trust
1509 companies under this part in the interest of protecting
1510 depositors, creditors, borrowers, or the public interest and in
1511 the interest of maintaining a sound banking and trust system in
1512 this state. Because of the difficulty in obtaining economic data
1513 with regard to such trusts, ss. 120.54(3)(b) and 120.541 do not
1514 apply to the adoption of rules pursuant to this section.

1515 Section 37. Section 663.415, Florida Statutes, is created
1516 to read:

1517 663.415 Travel expenses.—If domestic or foreign travel is
1518 deemed necessary by the office to effectuate the purposes of
1519 this part, the office must be reimbursed for actual, reasonable,
1520 and necessary expenses incurred in such domestic or foreign
1521 travel by the international trust company representative office
1522 under examination.

1523 Section 38. The Division of Law Revision and Information
1524 is directed to create part IV of chapter 663, Florida Statutes,
1525 consisting of ss. 663.530-663.540, Florida Statutes, to be

1526 entitled "Limited Service Affiliates of International Trust
 1527 Entities."

1528 Section 39. Section 663.530, Florida Statutes, is created
 1529 to read:

1530 663.530 Definitions.—

1531 (1) As used in ss. 663.531-663.539, the term:

1532 (a) "Foreign country" means a country other than the
 1533 United States and includes any colony, dependency, or possession
 1534 of such country notwithstanding any definitions in chapter 658,
 1535 and any territory of the United States, including Guam, American
 1536 Samoa, the Virgin Islands, and the Commonwealth of Puerto Rico.

1537 (b) "Home-country regulator" means the supervisory
 1538 authority or equivalent or other similarly sanctioned body,
 1539 organization, governmental entity, or recognized authority,
 1540 which has similar responsibilities in a foreign country in which
 1541 and by whom an international trust entity is licensed,
 1542 chartered, or has similar authorization to organize and operate.

1543 (c) "International trust entity" means an international
 1544 trust company or any international business, international
 1545 business organization, or an affiliated or subsidiary entity
 1546 that is licensed, chartered, or similarly permitted to conduct
 1547 trust business in a foreign country or countries under the laws
 1548 of which it is organized and supervised.

1549 (d) "Limited service affiliate" means a marketing and
 1550 liaison office that engages in the permissible activities

1551 enumerated in s. 663.531 for the benefit of an international
1552 trust entity.

1553 (e) "Nonresident" has the same meaning as in s. 663.01.

1554 (f) "Registrant" means a person or entity that is
1555 registered to perform the permissible activities outlined in s.
1556 663.531 related to or for the benefit of an affiliated
1557 international trust entity.

1558 (g) "Professional" means an accountant, attorney, or other
1559 financial services and wealth planning professional who is
1560 licensed by a governing body or affiliated with a licensed,
1561 chartered, or similarly authorized entity.

1562 (2) As used in ss. 663.531-663.539, the terms "affiliate,"
1563 "commission," "executive officer," "financial institution,"
1564 "financial institution-affiliated party," "financial
1565 institutions codes," "office," "officer," "state," and
1566 "subsidiary" have the same meaning as provided in s. 655.005.

1567 Section 40. Section 663.531, Florida Statutes, is created
1568 to read:

1569 663.531 Permissible activities; prohibited activities.—

1570 (1) Registration as a limited service affiliate under this
1571 part does not provide any exemption from licensure,
1572 registration, application, and requirements to conduct licensed
1573 business activities in this state. A limited service affiliate
1574 may engage in any of the following permissible activities, which
1575 are not meant to be restrictive unless an activity is prohibited

1576 under subsection (2):

1577 (a) Marketing and liaison services related to or for the
1578 benefit of the affiliated international trust entities, directed
1579 exclusively at professionals and current or prospective
1580 nonresident clients of an affiliated international trust entity;

1581 (b) Advertising and marketing at trade, industry, or
1582 professional events;

1583 (c) Transmission of documents between the international
1584 trust entity and its current or prospective clients or a
1585 designee of such clients; and

1586 (d) Transmission of information about the trust or trust
1587 holdings of current clients between current clients or their
1588 designees and the international trust entity.

1589 (2) A limited service affiliate may not engage in any of
1590 the following activities:

1591 (a) Advertising and marketing related to or for the
1592 benefit of the international trust entity which are directed to
1593 the general public;

1594 (b) Acting as a fiduciary, including, but not limited to,
1595 accepting the fiduciary appointment, executing the fiduciary
1596 documents that create the fiduciary relationship, or making
1597 discretionary decisions regarding the investment or distribution
1598 of fiduciary accounts;

1599 (c) Accepting custody of any trust property or any other
1600 good, asset, or thing of value on behalf of the affiliated

1601 international trust entity, its subsidiaries or affiliates, or
1602 subsidiaries and affiliates of the international trust company
1603 representative office;

1604 (d) Soliciting business within this state from the general
1605 public related to or for the benefit of an affiliated
1606 international trust entity;

1607 (e) Adding a financial institution-affiliated party to the
1608 limited service affiliate without prior written notification to
1609 the office;

1610 (f) Commencing services for an international trust entity
1611 without complying with the requirements of s. 663.532;

1612 (g) Providing services for any international trust entity
1613 that is in bankruptcy, conservatorship, receivership,
1614 liquidation, or a similar status under the laws of any country;
1615 or

1616 (h) Otherwise conducting banking or trust business.

1617 (3) The provisions of subsection (2) are not deemed to
1618 prevent the limited service affiliate's use of an international
1619 trust entity's website, or its own website, if the posted
1620 information or communication includes the following:

1621 (a) The following statement: "Certain described services
1622 are not offered to the general public in Florida, but are
1623 marketed by ... (insert name of limited service affiliate) ...
1624 exclusively to professionals and current or prospective non-U.S.
1625 resident clients of the affiliated international trust entity or

1626 entities."

1627 (b) The notice required by s. 663.535.

1628 (4) In addition to any other power conferred upon it to
 1629 enforce and administer this chapter and the financial
 1630 institutions codes, the office may impose any remedy or penalty
 1631 pursuant to s. 655.033, relating to cease and desist orders; s.
 1632 655.034, relating to injunctions; s. 655.037, relating to
 1633 removal of a financial institution-affiliated party by the
 1634 office; or s. 655.041, relating to administrative fines and
 1635 enforcement, if a limited service affiliate engages in any of
 1636 the impermissible activities in subsection (2).

1637 Section 41. Section 663.532, Florida Statutes, is created
 1638 to read:

1639 663.532 Registration.—

1640 (1) To register as a limited service affiliate, a proposed
 1641 registrant must file a written notice with the office, in the
 1642 manner and on a form prescribed by the commission, together with
 1643 a nonrefundable \$2,500 registration fee. Such written notice
 1644 must include:

1645 (a) The name under which the proposed registrant will
 1646 conduct business in this state;

1647 (b) A copy of the articles of incorporation or articles of
 1648 organization, or the equivalent, of the proposed registrant;

1649 (c) The physical address where the proposed registrant
 1650 will conduct business;

- 1651 (d) The mailing address of the proposed registrant;
- 1652 (e) The name and biographical information of the executive
1653 officer or managing member of the proposed registrant, to be
1654 submitted on a form prescribed by the commission;
- 1655 (f) The number of officers and employees of the proposed
1656 registrant;
- 1657 (g) A detailed list and description of the activities to
1658 be conducted by the proposed registrant. The detailed list and
1659 description must include:
- 1660 1. The services and activities of the proposed registrant;
- 1661 2. An explanation of how the services and activities of
1662 the proposed registrant serve the business purpose of each
1663 international trust entity; and
- 1664 3. An explanation of how the services and activities of
1665 the proposed registrant are distinguishable from those of the
1666 permissible activities of an international trust company
1667 representative office described under s. 663.409.
- 1668 (h) Disclosure of any instance occurring within the prior
1669 10 years of a director, executive officer, principal
1670 shareholder, manager, or the equivalent who was arrested for,
1671 charged with, convicted of, or who pled guilty or nolo
1672 contendere to, regardless of adjudication, any offense that is
1673 punishable by imprisonment for a term exceeding 1 year, or to
1674 any offense that involves money laundering, currency transaction
1675 reporting, tax evasion, facilitating or furthering terrorism,

1676 fraud, theft, larceny, embezzlement, fraudulent conversion,
1677 misappropriation of property, dishonesty, breach of trust,
1678 breach of fiduciary duty, or moral turpitude, or that is
1679 otherwise related to the operation of a financial institution;
1680 (i) A declaration under penalty of perjury, signed by the
1681 executive officer or managing member of the proposed registrant,
1682 that, to the best of his or her knowledge:
1683 1. No financial institution-affiliated party of the
1684 proposed registrant or financial institution-affiliated party of
1685 any affiliated international trust entity:
1686 a. Has been fined or sanctioned as a result of a complaint
1687 to the office or any other state or federal regulatory agency;
1688 b. Has been convicted of a felony; or
1689 c. Has been ordered to pay a fine or penalty within the
1690 prior 10 years in a proceeding initiated by a federal, state,
1691 foreign, or local law enforcement agency or an international
1692 agency related to money laundering, currency transaction
1693 reporting, tax evasion, facilitating or furthering terrorism,
1694 fraud, theft, larceny, embezzlement, fraudulent conversion,
1695 misappropriation of property, dishonesty, breach of trust,
1696 breach of fiduciary duty, moral turpitude, or that is otherwise
1697 related to the operation of a financial institution.
1698 2. No financial institution-affiliated party of the
1699 proposed registrant:
1700 a. Provides, or will provide, banking services; promotes

1701 or sells, or will promote or sell, investments; or accepts, or
1702 will accept, custody of assets; and

1703 b. Acts, or will act, as a fiduciary in this state, which
1704 includes, but is not limited to, accepting the fiduciary
1705 appointment, executing the fiduciary documents that create the
1706 fiduciary relationship, or making discretionary decisions
1707 regarding the investment or distribution of fiduciary accounts.

1708 3. The jurisdiction of the international trust entity or
1709 its offices, subsidiaries, or any affiliates that are directly
1710 involved in or facilitate the financial services functions,
1711 banking, or fiduciary activities of the international trust
1712 entity is not listed on the Financial Action Task Force Public
1713 Statement or on its list of jurisdictions with deficiencies in
1714 anti-money laundering or counterterrorism.

1715 (j) For each international trust entity that the proposed
1716 registrant will provide services for in this state, the
1717 following:

1718 1. The name of the international trust entity;

1719 2. A list of the current officers and directors of the
1720 international trust entity;

1721 3. Any country where the international trust entity is
1722 organized or authorized to do business;

1723 4. The name of the home-country regulator;

1724 5. Proof that the international trust entity has been
1725 authorized by charter, license, or similar authorization by its

1726 | home-country regulator to engage in trust business;
1727 | 6. Proof that the international trust entity lawfully
1728 | exists and is in good standing under the laws of the
1729 | jurisdiction where it is chartered, licensed, or organized;
1730 | 7. A statement that the international trust entity is not
1731 | in bankruptcy, conservatorship, receivership, liquidation, or in
1732 | a similar status under the laws of any country;
1733 | 8. Proof that the international trust entity is not
1734 | operating under the direct control of the government or the
1735 | regulatory or supervisory authority of the jurisdiction of its
1736 | incorporation, through government intervention or any other
1737 | extraordinary actions, and confirmation that it has not been in
1738 | such a status or under such control at any time within the prior
1739 | 3 years;
1740 | 9. Proof and confirmation that the proposed registrant is
1741 | affiliated with the international trust entities provided in the
1742 | notice; and
1743 | 10. Proof that the jurisdictions where the international
1744 | trust entity or its offices, subsidiaries, or any affiliates
1745 | that are directly involved in or that facilitate the financial
1746 | services functions, banking, or fiduciary activities of the
1747 | international trust entity are not listed on the Financial
1748 | Action Task Force Public Statement or on its list of
1749 | jurisdictions with deficiencies in anti-money laundering or
1750 | counterterrorism.

1751 (k) A declaration under penalty of perjury, signed by an
1752 executive officer or managing member of each affiliated
1753 international trust entity, declaring that the information
1754 provided to the office is true and correct to the best of his or
1755 her knowledge.

1756
1757 The proposed registrant may provide additional information in
1758 the form of exhibits when attempting to satisfy any of the
1759 registration requirements. All information that the proposed
1760 registrant desires to present to support the written notice must
1761 be submitted with the notice.

1762 (2) The office may request additional information as the
1763 office reasonably requires. Any request for additional
1764 information must be made by the office within 30 days after
1765 initial receipt of the written notice and the full amount of the
1766 fee specified in subsection (1). Additional information must be
1767 submitted within 60 days after a request has been made by the
1768 office. Failure to respond to such request within 60 days after
1769 the date of the request is a ground for denial of the
1770 registration. A notice is not deemed complete until all
1771 requested information has been submitted to the office. Upon
1772 deeming the notice complete, the office has 120 days to register
1773 the limited service affiliate or issue a denial. An order
1774 denying a registration must contain notice of opportunity for a
1775 hearing pursuant to ss. 120.569 and 120.57.

1776 (3) A registration under this part must be summarily
1777 suspended by the office if the limited service affiliate made a
1778 material false statement in the written notice. The summary
1779 suspension must remain in effect until a final order is entered
1780 by the office. For purposes of s. 120.60(6), a material false
1781 statement made in the limited service affiliate's written notice
1782 constitutes an immediate and serious danger to the public
1783 health, safety, and welfare. If a limited service affiliate made
1784 a material false statement in the written notice, the office
1785 must enter a final order revoking the registration and may issue
1786 a fine as prescribed by s. 655.041 or issue an order of
1787 suspension, removal, or prohibition under s. 655.037 to a
1788 financial institution-affiliated party of the limited service
1789 affiliate.

1790 (4) Any instance in which a director, executive officer,
1791 principal shareholder, manager, or the equivalent has ever been
1792 arrested for, charged with, convicted of, or pled guilty or nolo
1793 contendere to, regardless of adjudication, any offense that
1794 involves money laundering, currency transaction reporting, tax
1795 evasion, facilitating or furthering terrorism, fraud, theft,
1796 larceny, embezzlement, fraudulent conversion, misappropriation
1797 of property, dishonesty, breach of trust, breach of fiduciary
1798 duty, or moral turpitude, or that is otherwise related to the
1799 operation of a financial institution, is a ground for denial of
1800 the registration.

1801 (5) A registration is not transferable or assignable.

1802 (6) Fees collected under this section must be submitted in
1803 the manner prescribed by the commission and must be deposited
1804 into the Financial Institutions' Regulatory Trust Fund pursuant
1805 to s. 655.049 for the purpose of administering this part.

1806 (7) A person or entity in operation as of January 1, 2018,
1807 which meets the definition of a limited service affiliate under
1808 s. 663.530, must, on or before March 31, 2018, apply for
1809 registration as a limited service affiliate or cease doing
1810 business in this state.

1811 (8) No later than March 31, 2018, a person or entity that
1812 previously qualified under the moratorium in s. 663.041 must
1813 register under this part or cease doing business in this state.
1814 A person or entity that previously qualified under the
1815 moratorium in s. 663.041 may remain open and in operation until
1816 March 31, 2018, without registering under this part, but shall
1817 refrain from engaging in new lines of business in this state
1818 until the disposition of registration under this part.

1819 Section 42. Section 663.533, Florida Statutes, is created
1820 to read:

1821 663.533 Applicability of the financial institutions
1822 codes.—A limited service affiliate is subject to the financial
1823 institutions codes. Without limiting the foregoing, the
1824 following provisions are applicable to a limited service
1825 affiliate:

- 1826 (1) Section 655.012, relating to general supervisory
1827 powers of the office.
- 1828 (2) Section 655.031, relating to administrative
1829 enforcement guidelines.
- 1830 (3) Section 655.032, relating to investigations,
1831 subpoenas, hearings, and witnesses.
- 1832 (4) Section 655.0321, relating to restricted access to
1833 certain hearings, proceedings, and related documents.
- 1834 (5) Section 655.033, relating to cease and desist orders.
- 1835 (6) Section 655.034, relating to injunctions.
- 1836 (7) Section 655.037, relating to removal of a financial
1837 institution-affiliated party by the office.
- 1838 (8) Section 655.041, relating to administrative fines and
1839 enforcement.
- 1840 (9) Section 655.057, relating to restrictions on access to
1841 public records.
- 1842 (10) Section 655.059, relating to access to books and
1843 records.
- 1844 (11) Section 655.0591, relating to trade secret documents.
- 1845 (12) Section 655.91, relating to records of institutions
1846 and copies thereof; retention and destruction.
- 1847 (13) Section 655.968, relating to financial institutions;
1848 transactions relating to Iran or terrorism.
- 1849
- 1850 This section does not prohibit the office from investigating or

1851 examining an entity to ensure that it is not in violation of
1852 this chapter or applicable provisions of the financial
1853 institutions codes.

1854 Section 43. Section 663.534, Florida Statutes, is created
1855 to read:

1856 663.534 Events that require notice to be provided to the
1857 office.—A registrant must report to the office, within 15 days
1858 of its knowledge of the occurrence, any changes to the
1859 information previously relied upon by the office when
1860 registering or renewing a registration under this part.

1861 Section 44. Section 663.535, Florida Statutes, is created
1862 to read:

1863 663.535 Notice to customers.—All marketing documents and
1864 advertisements and any display at the location of the limited
1865 service affiliate or at any trade or marketing event must
1866 contain the following statement in a contrasting color in at
1867 least 10-point type: "The Florida Office of Financial Regulation
1868 DOES NOT provide safety and soundness oversight of this company,
1869 does not provide any opinion as to any affiliated companies or
1870 products, and does not provide the oversight of this company's
1871 affiliated international trust entities or the jurisdictions
1872 within which they operate. This company may not act as a
1873 fiduciary and may not accept the fiduciary appointment, execute
1874 or transmit fiduciary documents, take possession of any assets,
1875 create a fiduciary relationship, make discretionary decisions

1876 regarding the investment or distribution of fiduciary accounts,
 1877 provide banking services, or promote or sell investments."

1878 Section 45. Section 663.536, Florida Statutes, is created
 1879 to read:

1880 663.536 Recordkeeping requirements for trade, industry, or
 1881 professional events.—A registrant registered only under this
 1882 part who participates in a trade, industry, or professional
 1883 event pursuant to s. 663.531 must keep a record of its
 1884 participation in the event. The record must be maintained for at
 1885 least 2 years following the event and must contain the following
 1886 information:

1887 (1) The date, time, and location of the event;

1888 (2) To the extent known or available, a list of
 1889 participants in the event, including other vendors, presenters,
 1890 attendees, and targeted attendees;

1891 (3) The nature and purpose of the event;

1892 (4) The registrant's purpose for participating in the
 1893 event; and

1894 (5) Samples of materials or, when samples are unavailable,
 1895 descriptions of materials provided by the registrant to
 1896 attendees and other participants.

1897 Section 46. Section 663.537, Florida Statutes, is created
 1898 to read:

1899 663.537 Examination or investigation of a limited service
 1900 affiliate.—

1901 (1) The office may conduct an examination or investigation
1902 of a limited service affiliate at any time that it deems
1903 necessary to determine whether the limited service affiliate or
1904 financial institution-affiliated party thereof has violated, or
1905 is about to violate, any provision of this chapter, any
1906 applicable provision of the financial institutions codes, or any
1907 rule adopted by the commission pursuant to this chapter or the
1908 financial institutions codes. The office shall conduct an
1909 examination of each limited service affiliate at least once
1910 every 18 months to assess compliance with this part and the
1911 financial institutions codes. The office may conduct an
1912 examination, before or after registration, of any person or
1913 entity that submits a notice for registration to confirm
1914 information provided in the registration filing and to confirm
1915 the activities of the person or entity seeking registration.

1916 (2) For each examination of a limited service affiliate
1917 authorized under this part, the limited service affiliate shall
1918 pay a fee for the costs of the examination by the office. As
1919 used in this section, the term "costs" means the salary and
1920 travel expenses of field staff which are directly attributable
1921 to the examination of the registrant and the travel expenses of
1922 any supervisory and support staff required as a result of
1923 examination findings. The costs of examination must be
1924 determined as follows:

1925 (a) The office shall charge each limited service affiliate

1926 in this state an examination fee equal to the actual cost of
1927 each examiner's participation during each examination of such
1928 limited service affiliate. The examination fee must equal the
1929 actual cost of the examination, but such fees, inclusive of
1930 travel expenses and other incidental expenses, may not be less
1931 than \$200 per day for each examiner participating in the
1932 examination.

1933 (b) As used in this section, the term "actual cost" means
1934 the direct salary, excluding employee benefits; travel expenses;
1935 and other incidental expenses required as a result of the
1936 examination staff's onsite and offsite examination of the
1937 limited service affiliate. In addition, the term includes the
1938 travel expenses of any supervisory staff required as a result of
1939 examination findings.

1940 (3) All examination fee payments must be received within
1941 30 days after receipt of an invoice from the office and must be
1942 submitted in a manner prescribed by the commission. The office
1943 may levy a late fee of up to \$100 per day that a payment is
1944 overdue, unless waived by the office for good cause. However, if
1945 the late payment of costs is intentional, the office may levy an
1946 administrative fine of up to \$1,000 per day for each day the
1947 payment is overdue.

1948 (4) All fees collected under this section must be
1949 submitted in the manner prescribed by the commission and must be
1950 deposited into the Financial Institutions' Regulatory Trust Fund

1951 pursuant to s. 655.049 for the purpose of administering this
1952 part.

1953 Section 47. Section 663.538, Florida Statutes, is created
1954 to read:

1955 663.538 Suspension, revocation, or voluntary surrender of
1956 registration.—

1957 (1) A registrant that proposes to terminate operations in
1958 this state shall surrender its registration to the office and
1959 comply with such procedures as required by rule of the
1960 commission.

1961 (2) A registrant that fails to renew its registration may
1962 be subject to a fine and penalty; however, such registrant may
1963 renew its registration within 30 days after expiration or may
1964 surrender the registration in accordance with procedures
1965 prescribed by commission rule.

1966 (3) The registration of a limited service affiliate in
1967 this state may be suspended or revoked by the office, with or
1968 without examination, upon the office's determination that the
1969 registrant does not meet all requirements for original or
1970 renewal registration.

1971 (4) If a registrant surrenders its registration or its
1972 registration is suspended or revoked by the office, all rights
1973 and privileges afforded by this part to the registered limited
1974 service affiliate cease.

1975 (5) At least 60 days before a proposed date of voluntary

1976 termination of a registration, a registrant must provide to the
1977 office written notice by letter of its intention to surrender
1978 its registration and terminate operations. The notice must
1979 include the proposed date of termination and the name of the
1980 officer in charge of the termination procedures.

1981 (6) The office may conduct an examination of the books and
1982 records of a limited service affiliate at any time after receipt
1983 of the notice of surrender of registration to confirm the
1984 winding down of operations.

1985 (7) Operations of a registrant are deemed terminated
1986 effective upon the later of the expiration of 60 days from the
1987 date of the filing of the notice of voluntary surrender or upon
1988 the date provided in the notice of voluntary surrender, unless
1989 the office provides written notice specifying the grounds for
1990 denial of such proposed termination. The office may not deny a
1991 request to terminate unless it learns of the existence of any
1992 outstanding claim or claims against the registrant, it finds
1993 that the requirements to terminate operations have not been
1994 satisfied, or there is an immediate and serious danger to the
1995 public health, safety, and welfare if the termination occurred.

1996 Section 48. Section 663.539, Florida Statutes, is created
1997 to read:

1998 663.539 Biennial registration renewal.—A registration must
1999 be renewed every 2 years. A registration must be renewed by
2000 furnishing such information as the commission requires, together

2001 with payment of a \$500 nonrefundable renewal fee. All fees
2002 received by the office pursuant to this section must be
2003 submitted in the manner prescribed by the commission and must be
2004 deposited into the Financial Institutions' Regulatory Trust Fund
2005 pursuant to s. 655.049 for the purpose of administering this
2006 part. A complete biennial renewal of registration must include a
2007 declaration under penalty of perjury, signed by the executive
2008 officer or managing member of the registrant, declaring that the
2009 information submitted for the purposes of renewal is true and
2010 correct to the best of his or her knowledge, and confirming or
2011 providing all of the following:

2012 (1) That the registrant is in compliance with this part.

2013 (2) The physical location of the principal place of
2014 business of the registrant.

2015 (3) The telephone number of the registrant.

2016 (4) A list of current financial institution-affiliated
2017 parties operating under the registration to be renewed.

2018 (5) Any updates or changes in information which were not
2019 previously provided either in the initial registration or in
2020 subsequent registration renewals or which were not previously
2021 disclosed to the office.

2022 Section 49. For the purpose of incorporating the amendment
2023 made by this act to section 663.01, Florida Statutes, in a
2024 reference thereto, subsection (4) of section 663.16, Florida
2025 Statutes, is reenacted to read:

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2017

2026 663.16 Definitions; ss. 663.17-663.181.—As used in ss.
2027 663.17-663.181, the term:

2028 (4) Except where the context otherwise requires,
2029 "international banking corporation" or "corporation" has the
2030 same meaning as that provided in s. 663.01 and includes any
2031 licensed office of an international banking corporation
2032 operating in this state.

2033 Section 50. This act shall take effect January 1, 2018.

2034