

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 qualified limited
6 service affiliates; amending s. 655.059, F.S.;
7 specifying conditions under which confidential books
8 and records of international trust entities may be
9 disclosed to their home-country supervisors; revising
10 conditions for such disclosure for international
11 banking corporations; redefining the term "home-
12 country supervisor"; requiring books and records
13 pertaining to trust accounts to be kept confidential
14 by financial institutions and their directors,
15 officers, and employees; providing an exception;
16 providing construction; creating s. 663.001, F.S.;
17 providing legislative intent; amending s. 663.01,
18 F.S.; redefining terms; deleting the definition of the
19 term "international trust company representative
20 office"; amending s. 663.02, F.S.; revising
21 applicability of the financial institutions codes as
22 to international banking corporations; amending s.
23 663.021, F.S.; conforming a provision to changes made
24 by the act; amending s. 663.04, F.S.; deleting
25 international trust companies from requirements for

26 carrying on financial institution business; conforming
27 a provision to changes made by the act; authorizing
28 the Office of Financial Regulation to permit certain
29 entities that would otherwise be prohibited from
30 carrying on financial institution business to remain
31 open and in operation under certain circumstances;
32 amending s. 663.05, F.S.; providing for an abbreviated
33 application procedure for certain entities established
34 by an international banking corporation; specifying
35 that the Financial Services Commission, rather than
36 the office, prescribes a certain application form;
37 requiring the commission to adopt rules for a time
38 limitation for an application decision after a
39 specified date; revising conditions for the office to
40 issue an international banking corporation license;
41 conforming a provision to changes made by the act;
42 amending s. 663.055, F.S.; revising capital
43 requirements for international banking corporations;
44 amending s. 663.06, F.S.; making technical changes;
45 conforming a provision to changes made by the act;
46 creating s. 663.0601, F.S.; providing an after-the-
47 fact licensure process in the event of the
48 acquisition, merger, or consolidation of international
49 banking corporations; specifying conditions for such
50 license; amending s. 663.061, F.S.; providing

51 permissible activities for international bank
52 agencies; amending s. 663.062, F.S.; providing
53 permissible activities for certain international
54 representative offices; amending s. 663.063, F.S.;
55 providing permissible activities for international
56 administrative offices; amending s. 663.064, F.S.;
57 requiring the commission to adopt rules relating to
58 permissible deposits of international branches;
59 providing permissible activities for international
60 branches; amending s. 663.09, F.S.; revising
61 requirements for the maintenance of books and records
62 of international banking corporations; authorizing the
63 office to require international banking corporations
64 to 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; authorizing
70 the commission to adopt certain rules; requiring an
71 entity to surrender its license under certain
72 circumstances; making technical and conforming
73 changes; amending s. 663.12, F.S.; conforming a
74 provision to changes made by the act; amending s.
75 663.17, F.S.; making technical changes; providing a

76 directive to the Division of Law Revision and
77 Information to create part III of ch. 663, F.S.,
78 entitled "International Trust Company Representative
79 Offices"; creating s. 663.4001, F.S.; providing
80 legislative intent; creating s. 663.401, F.S.;
81 defining terms; creating s. 663.402, F.S.; providing
82 applicability of the financial institutions codes as
83 to international trust entities; creating s. 663.403,
84 F.S.; providing applicability of the Florida Business
85 Corporation Act as to international trust entities;
86 creating s. 663.404, F.S.; specifying requirements for
87 an international trust entity or certain related
88 entities to conduct financial institution business;
89 authorizing the office to permit an international
90 trust company representative office that would
91 otherwise be prohibited from continuing business to
92 remain open and in operation under certain
93 circumstances; creating s. 663.405, F.S.; providing
94 that an international trust company representative
95 office is not required to produce certain books and
96 records under certain circumstances; providing
97 applicability; creating s. 663.406, F.S.; providing
98 requirements for applications for an international
99 trust entity license; requiring the office to disallow
100 certain financial resources from capitalization

101 requirements; requiring the international trust entity
102 to submit to the office a certain certificate;
103 providing an abbreviated application process for
104 certain international trust entities to establish
105 international trust company representative offices;
106 specifying parameters and requirements for the office
107 in determining whether to approve or disapprove an
108 application; requiring the commission to adopt by rule
109 general principles regarding the adequacy of
110 supervision of an international trust entity's foreign
111 establishments rules; creating s. 663.407, F.S.;
112 providing capital requirements for an international
113 trust entity; requiring the commission to adopt rules;
114 creating s. 663.408, F.S.; providing permissible
115 activities under and requirements and limitations for
116 international trust entity licenses; providing
117 procedures, conditions, and requirements for the
118 suspension, revocation, or surrender of an
119 international trust entity license; creating s.
120 663.4081, F.S.; providing for an after-the-fact
121 licensure process in the event of the acquisition,
122 merger, or consolidation of international trust
123 entities; specifying conditions for such licensure;
124 transferring, renumbering, and amending s. 663.0625,
125 F.S.; adding prohibited activities of representatives

126 and employees of an international trust company
127 representative office; providing permissible
128 activities of such offices; conforming provisions to
129 changes made by the act; creating s. 663.410, F.S.;
130 requiring international trust entities to certify to
131 the office the amount of their capital accounts at
132 specified intervals; providing construction; creating
133 s. 663.411, F.S.; specifying reporting and
134 recordkeeping requirements for international trust
135 entities; providing penalties; authorizing the office
136 to require an international trust entity to translate
137 certain documents into English at the international
138 trust entity's expense; creating s. 663.412, F.S.;
139 prohibiting an international trust entity from
140 continuing to conduct business in this state under
141 certain circumstances; authorizing the office to
142 permit an international trust company representative
143 office to remain open and in operation under certain
144 circumstances; authorizing the commission to adopt
145 certain rules; requiring an entity to surrender its
146 license under certain circumstances; requiring an
147 international trust entity or its surviving officers
148 and directors to deliver specified documents to the
149 office; providing construction; creating s. 663.413,
150 F.S.; specifying application and examination fees for

151 international trust company representative offices;
152 creating s. 663.414, F.S.; authorizing the commission
153 to adopt certain rules; providing an exemption from
154 statement of estimated regulatory costs requirements;
155 creating s. 663.415, F.S.; requiring international
156 trust company representative offices that are under
157 examination to reimburse domestic or foreign travel
158 expenses of the office; providing a directive to the
159 Division of Law Revision and Information to create
160 part IV of ch. 663, F.S., entitled "Qualified Limited
161 Service Affiliates of International Trust Entities";
162 creating s. 663.530, F.S.; defining terms; creating s.
163 663.531, F.S.; specifying permissible and prohibited
164 activities of a qualified limited service affiliate;
165 requiring specified notices to be posted on an
166 international trust entity's or qualified limited
167 service affiliate's website; authorizing enforcement
168 actions by the office; providing construction;
169 creating s. 663.532, F.S.; requiring certain persons
170 or entities to qualify as qualified limited service
171 affiliates by a specified date or cease doing business
172 in this state; permitting certain persons or entities
173 to remain open and in operation under certain
174 circumstances; amending s. 663.532, F.S., as created
175 by this act; specifying qualification notice

176 requirements; providing requirements and procedures
177 for additional information requested by the office;
178 providing summary suspension requirements and
179 procedures; requiring the office to make investigation
180 of specified persons upon the filing of a completed
181 qualification notice; requiring the office to approve
182 a qualification only if certain conditions are met;
183 providing factors for the office to consider when
184 evaluating a previous offense or violation committed
185 by, or a previous fine or penalty imposed on,
186 specified persons; providing that qualifications are
187 not transferable or assignable; requiring certain
188 persons or entities to file notices seeking
189 qualification by a specified date or cease doing
190 business in this state; creating s. 663.5325, F.S.;
191 providing that a qualified limited service affiliate
192 is not required to produce certain books and records
193 under certain circumstances; providing applicability;
194 creating s. 663.533, F.S.; providing applicability of
195 the financial institutions codes as to qualified
196 limited service affiliates; providing construction;
197 creating s. 663.534, F.S.; requiring qualified limited
198 service affiliates to report changes of certain
199 information to the office within a specified
200 timeframe; creating s. 663.535, F.S.; requiring a

201 specified notice to customers in marketing documents,
202 advertisements, and displays at the qualified limited
203 service affiliate's location or at certain events;
204 creating s. 663.536, F.S.; specifying recordkeeping
205 requirements relating to certain events that a
206 qualified limited service affiliate participates in;
207 creating s. 663.537, F.S.; authorizing the office to
208 conduct examinations or investigations of qualified
209 limited service affiliates for certain purposes;
210 specifying a minimum interval of examinations to
211 assess compliance; authorizing the office to examine a
212 person or entity submitting a notice of qualification
213 for certain purposes; creating s. 663.538, F.S.;

214 providing requirements and procedures relating to the
215 suspension, revocation, or voluntary surrender of a
216 qualified limited service affiliate's qualification;
217 providing a penalty; authorizing the office to conduct
218 examinations under certain circumstances; prohibiting
219 the office from denying a request to terminate
220 operations except under certain circumstances;
221 providing construction; creating s. 663.539, F.S.;

222 requiring a qualified limited service affiliate to
223 renew its qualification biennially; specifying
224 requirements for the renewal qualification; reenacting
225 s. 663.16, F.S., relating to definitions, to

226 incorporate the amendment made to s. 663.01, F.S., in
227 a reference thereto; providing effective dates.

228

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

230

231 Section 1. Paragraph (i) of subsection (1) of section
232 655.005, Florida Statutes, is amended to read:

233 655.005 Definitions.—

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

236 (i) "Financial institution" means a state or federal
237 savings or thrift association, bank, savings bank, trust
238 company, international bank agency, international banking
239 corporation, international branch, international representative
240 office, international administrative office, international trust
241 entity, international trust company representative office,
242 qualified limited service affiliate, credit union, or an
243 agreement corporation operating pursuant to s. 25 of the Federal
244 Reserve Act, 12 U.S.C. ss. 601 et seq. or Edge Act corporation
245 organized pursuant to s. 25(a) of the Federal Reserve Act, 12
246 U.S.C. ss. 611 et seq.

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

249 655.059 Access to books and records; confidentiality;
250 penalty for disclosure.—

251 (1) The books and records of a financial institution are
252 confidential and shall be made available for inspection and
253 examination only:

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

255 (b) To any person duly authorized to act for the financial
256 institution;

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

260 (d) With respect to an international banking corporation
261 or international trust entity, to the home-country supervisor of
262 the international banking corporation or international trust
263 entity, provided:

264 1. The home-country supervisor provides advance notice to
265 the office that the home-country supervisor intends to examine
266 the Florida office of the international banking corporation or
267 international trust entity. Such examination may be conducted
268 onsite or offsite and may include ongoing reporting by the
269 Florida office of the international banking corporation or
270 international trust entity to the home-country supervisor.

271 2. The home-country supervisor confirms to the office that
272 the purpose of the examination is to ensure the safety and
273 soundness of the international banking corporation or
274 international trust entity.

275 3. The books and records pertaining to customer deposit,

276 investment, ~~and~~ custodial, and trust accounts are not disclosed
277 to the home-country supervisor.

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

282
283 As used in ~~For purposes of~~ this paragraph, the term "home-
284 country supervisor" means the governmental entity in the
285 international banking corporation's or international trust
286 entity's home country with responsibility for the supervision
287 and regulation of the safety and soundness of the international
288 banking corporation or international trust entity;

289 (e) As compelled by a court of competent jurisdiction,
290 pursuant to a subpoena issued pursuant to the Florida Rules of
291 Civil Procedure, the Florida Rules of Criminal Procedure, or the
292 Federal Rules of Civil Procedure, or pursuant to a subpoena
293 issued in accordance with state or federal law. Before ~~Prior to~~
294 the production of the books and records of a financial
295 institution, the party seeking production must reimburse the
296 financial institution for the reasonable costs and fees incurred
297 in compliance with the production. If the parties disagree
298 regarding the amount of reimbursement, the party seeking the
299 records may request the court or agency having jurisdiction to
300 set the amount of reimbursement;

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

303 (g) Pursuant to a subpoena, to any federal or state law
 304 enforcement or prosecutorial instrumentality authorized to
 305 investigate suspected criminal activity;

306 (h) As authorized by the board of directors of the
 307 financial institution; or

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

309 (2)

310 (b) The books and records pertaining to trust accounts and
 311 the deposit accounts and loans of depositors, borrowers,
 312 members, and stockholders of any financial institution shall be
 313 kept confidential by the financial institution and its
 314 directors, officers, and employees and may ~~shall~~ not be released
 315 except upon express authorization of the account holder as to
 316 her or his own accounts, loans, or voting rights. However,
 317 information relating to any loan made by a financial institution
 318 may be released without the borrower's authorization in a manner
 319 prescribed by the board of directors for the purpose of meeting
 320 the needs of commerce and for fair and accurate credit
 321 information. Information may also be released, without the
 322 authorization of a member or depositor but in a manner
 323 prescribed by the board of directors, to verify or corroborate
 324 the existence or amount of a customer's or member's account when
 325 such information is reasonably provided to meet the needs of

326 commerce and to ensure accurate credit information. In addition,
327 a financial institution, affiliate, and its subsidiaries, and
328 any holding company of the financial institution or subsidiary
329 of such holding company, may furnish to one another information
330 relating to their customers or members, subject to the
331 requirement that each corporation receiving information that is
332 confidential maintain the confidentiality of such information
333 and not provide or disclose such information to any unaffiliated
334 person or entity. Notwithstanding this paragraph, ~~nothing in~~
335 this subsection does not shall prohibit:

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

340 2. The Florida office of the international banking
341 corporation or international trust entity from sharing books and
342 records under this subsection with the home-country supervisor
343 in accordance with subsection (1).

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

346 663.001 Purpose.—The purpose of this part is to establish
347 a legal and regulatory framework for the conduct by
348 international banking corporations of financial services
349 business in this state. This part is intended to:

350 (1) Support the Florida operations of international

351 banking corporations and promote the growth of international
352 financial services to benefit the economy and consumers in this
353 state.

354 (2) Provide for appropriate supervision and regulatory
355 oversight to ensure that financial services activities of
356 international banking corporations in this state are conducted
357 responsibly and in a safe and sound manner.

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

361 663.01 Definitions.—As used in this part, the term:

362 (6) "International banking corporation" means a banking
363 corporation organized and licensed under the laws of a foreign
364 country. The term ~~"international banking corporation"~~ includes,
365 without limitation, a foreign commercial bank, foreign merchant
366 bank, or other foreign institution that engages in banking
367 activities usual in connection with the business of banking in
368 the country where such foreign institution is organized or
369 operating, including a corporation: the sole shareholders of
370 which are one or more international banking corporations or
371 holding companies which own or control one or more international
372 banking corporations which are authorized to carry on a banking
373 business, or a central bank or government agency of a foreign
374 country and any affiliate or division thereof; which has the
375 power to receive deposits from the general public in the country

376 | where it is chartered and organized; and which is under the
377 | supervision of the central bank or other bank regulatory
378 | authority of such country. The term also includes ~~foreign trust~~
379 | ~~companies, or any similar business entities, including, but not~~
380 | ~~limited to,~~ foreign banks with fiduciary powers which, ~~that~~
381 | conduct trust business as defined in the financial institutions
382 | codes.

383 | ~~(9) "International trust company representative office"~~
384 | ~~means an office of an international banking corporation or trust~~
385 | ~~company organized and licensed under the laws of a foreign~~
386 | ~~country which office is established or maintained in this state~~
387 | ~~for the purpose of engaging in nonfiduciary activities described~~
388 | ~~in s. 663.0625, or any affiliate, subsidiary, or other person~~
389 | ~~that engages in such activities on behalf of such international~~
390 | ~~banking corporation or trust company from an office located in~~
391 | ~~this state.~~

392 | ~~(10)(11)~~ "Nonresident" means:

393 | (b) A person, other than an individual, whose principal
394 | place of business or domicile is outside the United States and
395 | includes a person who conducts a majority of its business
396 | activities in a foreign country and any foreign government and
397 | its subdivision, agencies, and instrumentalities. Any person who
398 | conducts business in the United States is considered to have its
399 | principal place of business outside the United States if any one
400 | of the following requirements is satisfied for its most recent

401 fiscal year:

402 1. Its assets located outside the United States exceed its
403 assets located within the United States;

404 2. Its gross revenues generated outside the United States
405 exceed its gross revenues generated within the United States; or

406 3. Its payroll expenses incurred outside the United States
407 exceed its payroll expenses incurred within the United States.

408 Section 5. Section 663.02, Florida Statutes, is amended to
409 read:

410 663.02 Applicability of the financial institutions codes
411 ~~state banking laws.~~

412 (1) International banking corporations having offices in
413 this state are subject to all the provisions of the financial
414 institutions codes ~~and chapter 655~~ as though such corporations
415 were state banks ~~or trust companies~~, except where it may appear,
416 from the context or otherwise, that such provisions are clearly
417 applicable only to banks ~~or trust companies~~ organized under the
418 laws of this state or the United States. Without limiting the
419 foregoing general provisions, it is the intent of the
420 Legislature that the following provisions are applicable to such
421 banks or trust companies: s. 655.031, relating to administrative
422 enforcement guidelines; s. 655.032, relating to investigations,
423 subpoenas, hearings, and witnesses; s. 655.0321, relating to
424 hearings, proceedings, and related documents and restricted
425 access thereto; s. 655.033, relating to cease and desist orders;

426 s. 655.037, relating to removal by the office of an officer,
427 director, committee member, employee, or other person; s.
428 655.041, relating to administrative fines and enforcement; s.
429 655.50, relating to the control of money laundering and
430 terrorist financing; and any law for which the penalty is
431 increased under s. 775.31 for facilitating or furthering
432 terrorism. International banking corporations do not have the
433 powers conferred on domestic banks by s. 658.60, relating to
434 deposits of public funds. Chapter 687, relating to interest and
435 usury, applies to all bank loans.

436 (2) Neither an international bank agency nor an
437 international branch shall have any greater right under, or by
438 virtue of, this section than is granted to banks organized under
439 the laws of this state. Legal and financial terms used herein
440 shall be deemed to refer to equivalent terms used by the country
441 in which the international banking corporation is organized.
442 This chapter and the financial institutions codes may not be
443 construed to authorize any international banking corporation ~~or~~
444 ~~trust company~~ to conduct trust business, as defined in s.
445 658.12, from an office in this state except for those activities
446 specifically authorized by s. 663.061(5) ~~ss. 663.061(5) and~~
447 ~~663.0625~~.

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

450 663.021 Civil action subpoena enforcement.—

451 (1) Notwithstanding s. 655.059, an international
452 representative office, international bank agency, international
453 branch, ~~international trust company representative office,~~ or
454 international administrative office established under this
455 chapter is not required to produce a book or record pertaining
456 to a deposit account, investment account, or loan of a customer
457 of the international banking corporation's offices that are
458 located outside the United States or its territories in response
459 to a subpoena if the book or record is maintained outside the
460 United States or its territories and is not in the possession,
461 custody, or control of the international banking corporation's
462 office, agency, or branch established in this state.

463 Section 7. Section 663.04, Florida Statutes, is amended to
464 read:

465 663.04 Requirements for carrying on financial institution
466 business.—An international banking corporation ~~or trust company,~~
467 or any affiliate, subsidiary, or other person or business entity
468 acting as an agent for, on behalf of, or for the benefit of such
469 international banking corporation ~~or trust company~~ who engages
470 in such activities from an office located in this state, may not
471 transact a banking or trust business, or maintain in this state
472 any office for carrying on such business, or any part thereof,
473 unless such corporation, ~~trust company,~~ affiliate, subsidiary,
474 person, or business entity:

475 (1) Has been authorized by its charter to carry on a

476 banking or trust business and has complied with the laws of the
 477 jurisdiction in which it is chartered.

478 (2) Has furnished to the office such proof as to the
 479 nature and character of its business and as to its financial
 480 condition as the commission or office requires.

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

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

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

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

495 (b) Is not operating under the direct control of the
 496 government, regulatory, or supervisory authority of the
 497 jurisdiction of its incorporation through government
 498 intervention or any other extraordinary actions.

499 (c) Has not been in such status or control at any time
 500 within the 3 ~~7~~ years preceding the date of application for a

501 license.

502

503 Notwithstanding paragraphs (a) and (b), the office may permit an
 504 international branch, international bank agency, international
 505 administrative office, or international representative office to
 506 remain open and in operation pursuant to s. 663.11(1)(b).

507 Section 8. Present subsections (4) through (8) of section
 508 663.05, Florida Statutes, are redesignated as subsections (5)
 509 through (9), respectively, a new subsection (4) is added to that
 510 section, and present subsections (4), (5), and (6), paragraph
 511 (c) of present subsection (7), and present subsection (8) of
 512 that section are amended, to read:

513 663.05 Application for license; approval or disapproval.—

514 (4) Notwithstanding subsection (1), an international
 515 banking corporation that has operated an international branch,
 516 international bank agency, international administrative office,
 517 or international representative office in this state for a
 518 minimum of 3 years in a safe and sound manner, as defined by
 519 commission rule, and that is otherwise eligible to establish an
 520 additional office may establish one or more additional
 521 international branches, international bank agencies,
 522 international administrative offices, or international
 523 representative offices by providing an abbreviated application
 524 and paying the appropriate license fee pursuant to s. 663.12.
 525 This subsection does not permit an international banking

526 corporation to file an abbreviated application for any license
527 type whose permissible activities are broader than those in
528 which the international banking corporation is currently
529 authorized to engage.

530 (5)-(4) An application filed pursuant to this section must
531 ~~shall~~ be made on a form prescribed by the commission ~~office~~ and
532 must ~~shall~~ contain such information as the commission or office
533 requires.

534 (6)-(5) The office may, in its discretion, approve or
535 disapprove the application, but it may ~~shall~~ not approve the
536 application unless, in its opinion, the applicant meets each and
537 every requirement of this part and any other applicable
538 provision of the financial institutions codes. The office shall
539 approve the application only if it has determined that the
540 directors, executive officers, and principal shareholders of the
541 international banking corporation are qualified by reason of
542 their financial ability, reputation, and integrity and have
543 sufficient banking and other business experience to indicate
544 that they will manage and direct the affairs of the
545 international banking corporation in a safe, sound, and lawful
546 manner. In the processing of an application filed pursuant to
547 this section ~~applications~~, the time limitations under the
548 Administrative Procedure Act do ~~shall~~ not apply as to approval
549 or disapproval of the application. For applications filed on or
550 after January 1, 2018, the time limitations for approval or

551 disapproval of an application must be prescribed by rule of the
552 commission.

553 ~~(7)-(6)~~ The office may not issue a license to an
554 international banking corporation unless:

555 (a) It is chartered in a jurisdiction in which any
556 financial institution licensed or chartered by any state or any
557 federal bank regulatory agency in the United States ~~bank or~~
558 ~~trust company having its principal place of business in this~~
559 ~~state~~ may establish similar facilities or exercise similar
560 powers; or

561 (b) Federal law permits the appropriate federal regulatory
562 authority to issue a comparable license to the international
563 banking corporation.

564 ~~(8)-(7)~~ The office may not issue a license to an
565 international banking corporation for the purpose of operating:

566 ~~(c) A trust representative office in this state unless the~~
567 ~~corporation:~~

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

571 ~~2. Has been authorized by the foreign country's trust~~
572 ~~business regulatory authority to establish the proposed~~
573 ~~international trust representative office.~~

574 ~~3. Is adequately supervised by the central bank or trust~~
575 ~~regulatory agency in the foreign country in which it is~~

576 ~~organized and chartered.~~

577 ~~4. Meets all requirements under the financial institutions~~
578 ~~codes for the operation of a trust company or trust department~~
579 ~~as if it were a state chartered trust company or bank authorized~~
580 ~~to exercise fiduciary powers.~~

581 (9)~~(8)~~ The commission shall establish, by rule, the
582 general principles which shall determine the adequacy of
583 supervision of an international banking corporation's foreign
584 establishments. These principles shall be based upon the need
585 for cooperative supervisory efforts and consistent regulatory
586 guidelines and shall address, at a minimum, the capital
587 adequacy, asset quality, management, earnings, liquidity,
588 internal controls, audits, and foreign exchange operations and
589 positions of the international banking corporation. This
590 subsection does ~~shall~~ not require examination by the home-
591 country regulatory authorities of any office of an international
592 banking corporation in this state. The commission may also
593 establish, by rule, other standards for approval of an
594 application for a license as considered necessary to ensure the
595 safe and sound operations of the international banking
596 corporation ~~bank or trust representative office~~ in this state.

597 Section 9. Section 663.055, Florida Statutes, is amended
598 to read:

599 663.055 Capital requirements.—

600 (1) To qualify for a license under ~~the provisions of this~~

601 part, the proposed capitalization of the international banking
602 corporation must be in such amount as the office determines is
603 necessary, taking into consideration the risk profile of the
604 international banking corporation and the ability of the
605 international banking corporation to operate a licensed office
606 in a safe and sound manner. In making this determination, the
607 office must consider the financial resources of the
608 international banking corporation, including an international
609 ~~banking corporation must have net capital accounts, calculated~~
610 ~~according to United States generally accepted accounting~~
611 ~~principles and practices, of at least:~~

612 (a) The international banking corporation's current and
613 projected capital position, profitability, level of
614 indebtedness, and business and strategic plans ~~Forty million~~
615 ~~dollars for the establishment of an international bank agency,~~
616 ~~an international branch, or an international administrative~~
617 ~~office; or~~

618 (b) The financial condition of any of the international
619 banking corporation's existing offices located in the United
620 States; ~~Twenty million dollars for the establishment of an~~
621 ~~international representative office or international trust~~
622 ~~representative office.~~

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

625 (d) The capital ratio standards used in the United States

626 and in the international banking corporation's home-country
627 jurisdiction.

628 (2) The proposed capitalization of the international
629 banking corporation must be in such amount as the office deems
630 adequate, but in no case may the total capital accounts of the
631 international banking corporation be less than the minimum
632 required under s. 658.21(2) to establish a state bank
633 ~~Notwithstanding the provisions of paragraph (1)(a), the office~~
634 ~~may approve an application for a license to establish an~~
635 ~~international bank agency, an international branch, or an~~
636 ~~international administrative office if:~~

637 ~~(a) The international banking corporation is licensed to~~
638 ~~receive deposits from the general public in the country where it~~
639 ~~is organized and licensed and to engage in such other activities~~
640 ~~as are usual in connection with the business of banking in such~~
641 ~~country;~~

642 ~~(b) The office receives a certificate that is issued by~~
643 ~~the banking or supervisory authority of the country in which the~~
644 ~~international banking corporation is organized and licensed and~~
645 ~~states that the international banking corporation is duly~~
646 ~~organized and licensed and lawfully existing in good standing,~~
647 ~~and is empowered to conduct a banking business; and~~

648 ~~(c) The international banking corporation has been in the~~
649 ~~business of banking for at least 10 years and is ranked by the~~
650 ~~banking or supervisory authority of the country in which it is~~

651 ~~organized and licensed as one of the five largest banks in that~~
652 ~~country in terms of domestic deposits, as of the date of its~~
653 ~~most recent statement of financial condition. However, in no~~
654 ~~event shall the office approve an application under this~~
655 ~~subsection for any international banking corporation with~~
656 ~~capital accounts of less than \$20 million.~~

657 (3) The office may specify such other conditions as it
658 determines are appropriate, considering the public interest and
659 the need to maintain a safe, sound, and competitive banking
660 system in this state, ~~and the preservation of an environment~~
661 ~~conducive to the conduct of an international banking business in~~
662 ~~this state. In translating the capital accounts of an~~
663 ~~international banking corporation, the office may consider~~
664 ~~monetary corrections accounts that reflect results consistent~~
665 ~~with the requirements of generally accepted accounting~~
666 ~~principles in the United States.~~

667 (4) For the purpose of this part, the capital accounts of
668 and capital ratio standards for an international banking
669 corporation must ~~shall~~ be determined in accordance with rules
670 adopted by the commission. In adopting such rules, the
671 commission shall consider similar rules adopted by bank
672 regulatory agencies in the United States and the need to provide
673 reasonably consistent regulatory requirements for international
674 banking corporations ~~which will maintain the safe and sound~~
675 ~~condition of international banking corporations doing business~~

676 | in this state, as well as capital adequacy standards of an
677 | international banking corporation's home-country jurisdiction.

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

680 | 663.06 Licenses; permissible activities.—

681 | (1) (a) An international banking corporation licensed to
682 | operate an office in this state may engage in the business
683 | authorized by this part at the office specified in such license
684 | for an indefinite period.

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

688 | (c) A ~~No~~ license is not transferable or assignable.
689 | However, the location of a licensed office may be changed after
690 | notification of the office.

691 | (d) Every such license must ~~shall~~ be, at all times,
692 | conspicuously displayed in the place of business specified
693 | therein.

694 | (3) The license for any international banking corporation
695 | office in this state may be suspended or revoked by the office,
696 | with or without examination, upon its determination that the
697 | international banking corporation or the licensed office does
698 | not meet all requirements for original licensing. Additionally,
699 | the office shall revoke the license of any licensed office that
700 | the office determines has been inactive for 6 months or longer.

701 The commission may by rule prescribe additional conditions or
702 standards under which the license of an international bank
703 agency, international branch, international representative
704 office, ~~international trust company representative office,~~ or
705 international administrative office may be suspended or revoked.

706 Section 11. Section 663.0601, Florida Statutes, is created
707 to read:

708 663.0601 After-the-fact licensure process in the event of
709 the acquisition, merger, or consolidation of international
710 banking corporations.—If an international banking corporation
711 proposes to acquire, merge, or consolidate with an international
712 banking corporation that presently operates an international
713 branch, international bank agency, international administrative
714 office, or international representative office licensed in this
715 state, the office may authorize the currently licensed
716 international branch, international bank agency, international
717 administrative office, or international representative office to
718 remain open and in operation after consummation of the proposed
719 acquisition, merger, or consolidation, if the acquiring
720 international banking corporation files an after-the-fact
721 application and all of the following conditions are met:

722 (1) The international banking corporation or corporations
723 resulting from the acquisition, merger, or consolidation will
724 not directly or indirectly own or control more than 5 percent of
725 any class of the voting securities of, or control, a United

726 States bank.

727 (2) Before consummation of the acquisition, merger, or
728 consolidation, the international banking corporation currently
729 licensed to operate an international branch, international bank
730 agency, international administrative office, or international
731 representative office in this state must provide the office at
732 least 30 days' advance written notice, as prescribed by rules
733 adopted by the commission, of the proposed acquisition, merger,
734 or consolidation.

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

738 (a) Comply with the conditions in subsections (1) and (2)
739 and file an after-the-fact application for a license under s.
740 663.05(1) within 60 days after consummation of the proposed
741 acquisition, merger, or consolidation; and refrain from engaging
742 in new lines of business and from otherwise expanding the
743 activities of such establishment in this state until the
744 disposition of the after-the-fact license application, in
745 accordance with chapter 120; or

746 (b) Promptly wind down and close any international branch,
747 international bank agency, international administrative office,
748 or international representative office in this state if the
749 international banking corporations that are party to the
750 acquisition, merger, or consolidation elect not to file an

751 application for a license in accordance with paragraph (a); and,
752 before such wind-down and closure, refrain from engaging in new
753 lines of business or otherwise expanding the activities of such
754 establishment in this state.

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

757 663.061 International bank agencies; permissible
758 activities.-

759 (1) An international bank agency licensed under this part
760 may make any loan, extension of credit, or investment which it
761 could make if incorporated and operating as a bank organized
762 under the laws of this state. An international bank agency may
763 act as custodian and may furnish investment management, and
764 investment advisory services authorized under rules adopted by
765 the commission, to nonresident entities or persons whose
766 principal places of business or domicile are outside the United
767 States and to resident entities or persons with respect to
768 international, ~~or~~ foreign, or domestic investments. An
769 international banking corporation that ~~which~~ has an
770 international bank agency licensed under the terms of this part
771 is shall be exempt from the registration requirements of s.
772 517.12. An international bank agency licensed by the office may
773 engage in any activity permissible for an international
774 administrative office or international representative office.

775 Section 13. Section 663.062, Florida Statutes, is amended

776 to read:

777 663.062 International representative offices; permissible
778 activities.—An international representative office may promote
779 or assist the deposit-taking, lending, or other financial or
780 banking activities of an international banking corporation. An
781 international representative office may serve as a liaison in
782 Florida between an international banking corporation and its
783 existing and potential customers. Representatives and employees
784 based at such office may solicit business for the international
785 banking corporation and its subsidiaries and affiliates, provide
786 information to customers concerning their accounts, answer
787 questions, receive applications for extensions of credit and
788 other banking services, transmit documents on behalf of
789 customers, and make arrangements for customers to transact
790 business on their accounts, but a representative office may not
791 conduct any banking or trust business in this state. An
792 international representative office of an international banking
793 corporation that has fiduciary powers may engage in the
794 international trust representative office activities enumerated
795 in s. 663.409.

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

798 663.063 International administrative offices.—

799 (2) An office established pursuant to ~~the provisions of~~
800 this section may ~~not~~ engage only in ~~any activity except~~ those

801 activities set forth in subsection (1) and the activities
802 permissible for an international representative office pursuant
803 to s. 663.062.

804 Section 15. Section 663.064, Florida Statutes, is amended
805 to read:

806 663.064 International branches; permissible activities;
807 requirements.—

808 (1) An international banking corporation that meets the
809 requirements of ss. 658.26, 663.04, and 663.05 may, with the
810 approval of the office, establish one or more branches in this
811 state. ~~An international branch shall have the same rights and~~
812 ~~privileges as a federally licensed international branch.~~ The
813 operations of an international branch shall be conducted
814 pursuant to requirements determined by the office as necessary
815 to ensure compliance with the provisions of the financial
816 institutions codes, including requirements for the maintenance
817 of accounts and records separate from those of the international
818 banking corporation of which it is a branch.

819 (2) An international branch has the same rights and
820 privileges as a federally licensed international branch. The
821 permissible deposits of an international branch must be
822 determined in accordance with rules adopted by the commission.
823 In adopting such rules, the commission shall consider the
824 similar deposit-taking authority of a federally licensed
825 international branch and the need to provide reasonably

826 consistent regulatory requirements for international banking
 827 corporations doing business in this state.

828 (3) An international branch licensed by the office may
 829 engage in any activity permissible for an international bank
 830 agency, international administrative office, or international
 831 representative office.

832 Section 16. Subsection (3) of section 663.09, Florida
 833 Statutes, is amended, and subsection (5) is added to that
 834 section, to read:

835 663.09 Reports; records.—

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

839 (a) Correct and complete books and records of account of
 840 the business operations transacted by such office. All policies
 841 and procedures relating specifically to ~~governing~~ the operations
 842 of such office, as well as any existing general ledger or
 843 subsidiary accounts, must ~~shall~~ be maintained in the English
 844 language. Any policies and procedures of the international
 845 banking corporation which are not specific to the operations of
 846 such office may be maintained in a language other than English
 847 ~~The office may require that any other document not written in~~
 848 ~~the English language which the office deems necessary for the~~
 849 ~~purposes of its regulatory and supervisory functions be~~
 850 ~~translated into English at the expense of the international~~

851 ~~banking corporation.~~

852 (b) Current copies of the charter and bylaws of the
853 international banking corporation, relative to the operations of
854 the office, and minutes of the proceedings of its directors,
855 officers, or committees relative to the business of the office.
856 Such records may be maintained in a language other than English
857 and must ~~shall~~ be kept pursuant to s. 655.91 and ~~shall be~~ made
858 available to the office, upon request, at any time during
859 regular business hours of the office. Any failure to keep such
860 records as aforesaid or any refusal to produce such records upon
861 request by the office is ~~shall be~~ grounds for suspension or
862 revocation of any license issued under this part.

863 (5) The office may require at any time that any document
864 not written in the English language which the office deems
865 necessary for the purposes of its regulatory and supervisory
866 functions be translated into English at the expense of the
867 international banking corporation.

868 Section 17. Section 663.11, Florida Statutes, is amended
869 to read:

870 663.11 Termination of international banking corporation's
871 charter or authority.-

872 (1) (a) An international banking corporation that is
873 licensed to maintain an office in this state may not continue to
874 conduct its licensed business in this state if the international
875 banking corporation:

876 1. Is dissolved, or its authority or existence is
 877 otherwise terminated or canceled in the jurisdiction of its
 878 incorporation;~~;~~

879 2. Is in bankruptcy, conservatorship, receivership,
 880 liquidation, or similar status under the laws of any country;~~;~~
 881 or

882 3. Is operating under the direct control of the government
 883 or the regulatory or supervisory authority of the jurisdiction
 884 of its incorporation through government intervention or any
 885 other extraordinary actions.

886 (b)1. Notwithstanding subparagraphs (a)2. and 3., the
 887 office may permit an international branch, international bank
 888 agency, international administrative office, or international
 889 representative office to remain open and in operation under the
 890 following conditions:

891 a. Within 30 days after the occurrence of an event
 892 described in subparagraph (a)2. or subparagraph (a)3., the
 893 international branch, international bank agency, international
 894 administrative office, or international representative office
 895 provides the office with a plan to wind down its affairs and
 896 business within the subsequent 90 days or provides an interim
 897 operational plan outlining parameters for its continued
 898 operation. If the office finds that such interim operational
 899 plan does not allow for the conduct of business in a safe and
 900 sound manner, the office shall revoke the license.

901 b. The international banking corporation is authorized by
902 the foreign country in which it is organized and licensed to
903 address the affairs of any international branch, international
904 bank agency, international administrative office, or
905 international representative office in this state.

906 c. The international branch, international bank agency,
907 international administrative office, or international
908 representative office does not engage in any new lines of
909 business or otherwise expand its activities in this state.

910 d. The office determines that allowing the international
911 branch, international bank agency, international administrative
912 office, or international representative office to remain open
913 further domestic and foreign supervisory cooperation.

914 e. The office determines that allowing the international
915 branch, international bank agency, international administrative
916 office, or international representative office to remain open is
917 in the public's interest and does not present an immediate or
918 serious danger to the public health, safety, or welfare.

919 2. The commission may establish, by rule, additional
920 standards and conditions for approval of an interim operational
921 plan and for ongoing compliance with the plan. Such standards
922 and conditions shall be based upon the need for cooperative
923 supervisory efforts, consistent regulatory oversight, and the
924 orderly administration of the international banking
925 corporation's affairs.

926 3. After the resolution of all applicable events described
927 in subparagraphs (a)2. and 3., if an international banking
928 corporation is no longer authorized by the foreign country in
929 which it is organized and licensed to conduct banking business,
930 the international branch, international bank agency,
931 international administrative office, or international
932 representative office shall surrender its license in accordance
933 with s. 663.06.

934 ~~(2) A certificate of the official who is responsible for~~
935 ~~records of banking corporations of the jurisdiction of~~
936 ~~incorporation of such international banking corporation,~~
937 ~~attesting to the occurrence of any such event, or a certified~~
938 ~~copy of an order or decree of a court of such jurisdiction,~~
939 ~~directing the dissolution of such international banking~~
940 ~~corporation, the termination of its existence, or the~~
941 ~~cancellation of its authority, or declaring its status in~~
942 ~~bankruptcy, conservatorship, receivership, liquidation, or~~
943 ~~similar proceedings, or other reliable documentation that the~~
944 ~~international banking corporation is operating under the direct~~
945 ~~control of its government or a regulatory or supervisory~~
946 ~~authority, shall be delivered by The international banking~~
947 ~~corporation or its surviving officers and directors shall~~
948 deliver to the office:-

949 (a) A certificate of the official who is responsible for
950 records of banking corporations of the jurisdiction of

951 incorporation of such international banking corporation,
952 attesting to the occurrence of any event described in paragraph
953 (1) (a);

954 (b) A certified copy of an order or decree of a court of
955 such jurisdiction, directing the dissolution of such
956 international banking corporation, the termination of its
957 existence, or the cancellation of its authority or declaring its
958 status in bankruptcy, conservatorship, receivership,
959 liquidation, or similar proceedings; or

960 (c) Other reliable documentation evidencing that the
961 international banking corporation is operating under the direct
962 control of its government or a regulatory or supervisory
963 authority.

964 (3) The filing of the certificate, order, documentation,
965 or decree ~~has shall have~~ the same effect as the revocation of
966 the license of such international banking corporation as
967 provided in s. 663.06, unless the office has permitted the
968 international branch, international bank agency, international
969 administrative office, or international representative office to
970 remain open and in operation pursuant to paragraph (1) (b).

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

973 663.12 Fees; assessments; fines.—

974 (1) Each application for a license under ~~the provisions of~~
975 this part must ~~shall~~ be accompanied by a nonrefundable filing

976 fee payable to the office in the following amount:

977 (a) Ten thousand dollars for establishing a state-
978 chartered investment company.

979 (b) Ten thousand dollars for establishing an international
980 bank agency or branch.

981 (c) Five thousand dollars for establishing an
982 international administrative office.

983 (d) Five thousand dollars for establishing an
984 international representative office.

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

987 (e) ~~(f)~~ An amount equal to the initial filing fee for an
988 application to convert from one type of license to another. The
989 commission may increase the filing fee for any type of license
990 to an amount established by rule and calculated in a manner so
991 as to cover the direct and indirect cost of processing such
992 applications.

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

995 663.17 Liquidation; possession of business and property;
996 inventory of assets; wages; depositing collected assets;
997 appointing agents; appointment of judges.—

998 (11) The compensation of agents and any other employees
999 appointed by the office to assist in the liquidation of an
1000 international banking corporation, or any of the corporation's

1001 licensed offices located in this state, the distribution of its
1002 assets, or the expenses of supervision, must ~~shall~~ be paid out
1003 of the assets of the corporation in the possession hands of the
1004 office. Expenses of liquidation and approved claims for fees and
1005 assessments due the office must ~~shall~~ be given first priority
1006 among unsecured creditors.

1007 Section 20. The Division of Law Revision and Information
1008 is directed to create part III of chapter 663, Florida Statutes,
1009 consisting of ss. 663.4001-663.416, Florida Statutes, to be
1010 entitled "International Trust Company Representative Offices."

1011 Section 21. Section 663.4001, Florida Statutes, is created
1012 to read:

1013 663.4001 Purpose.—The purpose of this part is to establish
1014 a legal and regulatory framework for the conduct by
1015 international trust entities of financial services business in
1016 this state. This part is intended to:

1017 (1) Support the Florida operations of international trust
1018 entities and promote the growth of international financial
1019 services to benefit the economy and consumers in this state.

1020 (2) Provide for appropriate supervision and regulatory
1021 oversight to ensure that financial services activities of
1022 international trust entities in this state are conducted
1023 responsibly and in a safe and sound manner.

1024 Section 22. Section 663.401, Florida Statutes, is created
1025 to read:

1026 663.401 Definitions.-

1027 (1) "Affiliate" means a person or business or a group of
 1028 persons or businesses acting in concert which controls, is
 1029 controlled by, or is under common control of an international
 1030 trust entity.

1031 (2) "International trust company representative office"
 1032 means an office of an international trust entity which is
 1033 established or maintained in this state for the purpose of
 1034 engaging in nonfiduciary activities described in s. 663.409, or
 1035 any affiliate, subsidiary, or other person that engages in such
 1036 activities on behalf of such international trust entity from an
 1037 office located in this state.

1038 (3) "International trust entity" means an international
 1039 trust company or organization, or any similar business entity,
 1040 or an affiliated or subsidiary entity that is licensed,
 1041 chartered, or similarly permitted to conduct trust business in a
 1042 foreign country or countries under the laws where such entity is
 1043 organized and supervised.

1044 Section 23. Section 663.402, Florida Statutes, is created
 1045 to read:

1046 663.402 Applicability of the financial institutions
 1047 codes.-

1048 (1) An international trust entity that operates an office
 1049 licensed under this part is subject to all the financial
 1050 institutions codes as though such international trust entity

1051 were a state trust company, except when it appears, from the
1052 context or otherwise, that such provisions are clearly
1053 applicable only to trust companies organized under the laws of
1054 this state or the United States. Without limiting the foregoing
1055 general provisions, it is the intent of the Legislature that the
1056 following provisions are applicable to such international trust
1057 entities having offices in this state: s. 655.031, relating to
1058 administrative enforcement guidelines; s. 655.032, relating to
1059 investigations, subpoenas, hearings, and witnesses; s. 655.0321,
1060 relating to restricted access hearings, proceedings, and related
1061 documents; s. 655.033, relating to cease and desist orders; s.
1062 655.037, relating to removal of a financial institution-related
1063 party by the office; s. 655.041, relating to administrative
1064 finances and enforcement; s. 655.50, the Florida Control of Money
1065 Laundering and Terrorist Financing in Financial Institutions
1066 Act; and any law for which the penalty is increased under s.
1067 775.31 for facilitating or furthering terrorism.

1068 (2) An international trust entity does not have any
1069 greater right under, or by virtue of, this section than is
1070 granted to trust companies organized under the laws of this
1071 state. Legal and financial terms used in this chapter are deemed
1072 to refer to equivalent terms used by the country in which the
1073 international trust entity is organized. This chapter and the
1074 financial institutions codes may not be construed to authorize
1075 any international trust entity to conduct trust business, as

1076 defined in s. 658.12, from an office in this state.

1077 Section 24. Section 663.403, Florida Statutes, is created
1078 to read:

1079 663.403 Applicability of the Florida Business Corporation
1080 Act.—Notwithstanding s. 607.01401(12), the provisions of part I
1081 of chapter 607 which are not in conflict with the financial
1082 institutions codes and which relate to foreign corporations
1083 apply to all international trust entities and their offices
1084 doing business in this state.

1085 Section 25. Section 663.404, Florida Statutes, is created
1086 to read:

1087 663.404 Requirements for conducting financial institution
1088 business.—An international trust entity, or any affiliated,
1089 subsidiary, or other person or business entity acting as an
1090 agent for, on behalf of, or for the benefit of such
1091 international trust entity, who engages in such activities from
1092 an office located in this state, may not transact a trust
1093 business, or maintain in this state any office for carrying on
1094 such business, or any part thereof, unless such international
1095 trust entity, affiliate, subsidiary, person, or business entity:

1096 (1) Has been authorized by charter, license, or similar
1097 authorization by operation of law to carry on trust business and
1098 has complied with the laws of each jurisdiction in which it is
1099 chartered, licensed, or otherwise authorized and created under
1100 operation of law.

1101 (2) Has furnished to the office such proof as to the
1102 nature and character of its business and as to its financial
1103 condition as the commission or office requires.

1104 (3) Has filed with the office a certified copy of that
1105 information required to be supplied to the Department of State
1106 by those provisions of part I of chapter 607 which are
1107 applicable to foreign corporations.

1108 (4) Has received a license duly issued to it by the
1109 office.

1110 (5) Has sufficient capital in accordance with the
1111 requirements of s. 663.407 and the rules adopted thereunder and
1112 is not imminently insolvent or insolvent, as those terms are
1113 defined under s. 655.005(1).

1114 (6) (a) Is not in bankruptcy, conservatorship,
1115 receivership, liquidation, or similar status under the laws of
1116 any country.

1117 (b) Is not operating under the direct control of the
1118 government or the regulatory or supervisory authority of the
1119 home jurisdiction in which it has been chartered, licensed, or
1120 otherwise authorized and created under operation of law, through
1121 government intervention or any other extraordinary actions.

1122 (c) Has not been in such status or control at any time
1123 within the 3 years preceding the date of application for a
1124 license.

1125

1126 Notwithstanding paragraphs (a) and (b), the office may permit an
 1127 international trust company representative office to remain open
 1128 and in operation pursuant to s. 663.412(1)(b).

1129 Section 26. Section 663.405, Florida Statutes, is created
 1130 to read:

1131 663.405 Civil action subpoena enforcement.—

1132 (1) Notwithstanding s. 655.059, an international trust
 1133 company representative office established under this chapter is
 1134 not required to produce a book or record pertaining to a deposit
 1135 account, investment account, trust account, or loan of a
 1136 customer of the international trust entity's offices that are
 1137 located outside the United States or its territories in response
 1138 to a subpoena, if the book or record is maintained outside the
 1139 United States or its territories and is not in the possession,
 1140 custody, or control of the international trust entity's
 1141 representative office established in this state.

1142 (2) This section applies only to a subpoena issued
 1143 pursuant to the Florida Rules of Civil Procedure, the Federal
 1144 Rules of Civil Procedure, or other similar law or rule of civil
 1145 procedure in another state. This section does not apply to a
 1146 subpoena issued by or on behalf of a federal, state, or local
 1147 government law enforcement agency, administrative or regulatory
 1148 agency, legislative body, or grand jury and does not limit the
 1149 power of the office to access all books and records in the
 1150 exercise of the office's regulatory and supervisory powers under

1151 the financial institutions codes.

1152 Section 27. Section 663.406, Florida Statutes, is created
1153 to read:

1154 663.406 Application for license; approval or disapproval.—

1155 (1) An international trust entity, before being licensed
1156 by the office to maintain any office in this state, must
1157 subscribe and acknowledge, and submit to the office, an
1158 application that contains all of the following:

1159 (a) The name of the international trust entity.

1160 (b) The proposed location, by street and post office
1161 address and county, where its business is to be transacted in
1162 this state, and the name of the person who will be in charge of
1163 the business and affairs of the office.

1164 (c) The location where its initial registered office will
1165 be located in this state.

1166 (d) The total amount of the capital accounts of the
1167 international trust entity.

1168 (e) A complete and detailed statement of its financial
1169 condition as of a date within 180 days before the date of such
1170 application, except that the office in its discretion may, when
1171 necessary or expedient, accept such statement of financial
1172 condition as of a date within 240 days before the date of such
1173 application. The office in its discretion may, when necessary or
1174 expedient, require an independent opinion audit or the
1175 equivalent satisfactory to the office.

1176 (f) A listing of any occasion within the 10-year period
1177 before the application on which either the international trust
1178 entity or any of its directors, executive officers, or principal
1179 shareholders have been arrested for, charged with, convicted of,
1180 or pled guilty or nolo contendere to, regardless of
1181 adjudication, any offense with respect to which the penalties
1182 include the possibility of imprisonment for 1 year or more, or
1183 to any offense involving money laundering, currency transaction
1184 reporting, facilitating or furthering terrorism, or fraud, or
1185 otherwise related to the operation of a financial institution.

1186 (2) The office shall disallow any illegally obtained
1187 currency, monetary instruments, funds, or other financial
1188 resources from the capitalization requirements of this section,
1189 and the existence of such illegally obtained resources is
1190 grounds for denial of the application for license.

1191 (3) An international trust entity that submits an
1192 application to the office shall concurrently submit a
1193 certificate issued by the supervisory authority of the country
1194 in which the international trust entity is chartered or
1195 organized which states that the international trust entity is
1196 duly organized and licensed, or otherwise authorized by
1197 operation of law to transact business as a trust entity, and
1198 lawfully existing in good standing.

1199 (4) An international trust entity that has operated an
1200 international trust company representative office in this state

1201 for at least 3 years in a safe and sound manner, as defined by
1202 commission rule, and that is otherwise eligible to establish an
1203 additional office may establish one or more international trust
1204 company representative offices by providing an abbreviated
1205 application, and paying the appropriate license fee pursuant to
1206 s. 663.413.

1207 (5) An application filed pursuant to this section must be
1208 made on a form prescribed by the commission and must contain
1209 such information as the commission or office requires.

1210 (6) The office may, in its discretion, approve or
1211 disapprove the application, but it may not approve the
1212 application unless, in its opinion, the applicant meets each and
1213 every requirement of this part and any other applicable
1214 provision of the financial institutions codes. The office may
1215 approve the application only if it has determined that the
1216 directors, executive officers, and principal shareholders of the
1217 international trust entity are qualified by reason of their
1218 financial ability, reputation, and integrity and have sufficient
1219 trust company and other business experience to indicate that
1220 they will manage and direct the affairs of the international
1221 trust entity in a safe, sound, and lawful manner. In the
1222 processing of any application filed pursuant to this section,
1223 the time limitations under the Administrative Procedure Act do
1224 not apply as to approval or disapproval of the application. For
1225 applications filed on or after January 1, 2018, the time

1226 limitations for approval or disapproval of an application must
1227 be prescribed by rule of the commission.

1228 (7) The office may not issue a license to an international
1229 trust entity unless it is chartered, licensed, or similarly
1230 authorized by operation of law in a jurisdiction in which any
1231 financial institution licensed or chartered by any state or
1232 federal regulatory agency in the United States may establish
1233 similar facilities or exercise similar powers.

1234 (8) The office may not issue a license to an international
1235 trust entity for the purpose of operating an international trust
1236 company representative office in this state unless the trust
1237 entity:

1238 (a) Holds an unrestricted license to conduct trust
1239 business in the foreign country under whose laws it is organized
1240 and chartered;

1241 (b) Has been authorized by the foreign country's
1242 appropriate regulatory authority to establish the proposed
1243 international trust company representative office; and

1244 (c) Is adequately supervised by the appropriate regulatory
1245 agency in the foreign country in which it is organized and
1246 chartered.

1247 (9) The commission shall establish, by rule, the general
1248 principles that determine the adequacy of supervision of an
1249 international trust entity's foreign establishments. These
1250 principles must be based upon the need for cooperative

1251 supervisory efforts and consistent regulatory guidelines and
1252 must address, at a minimum, the capital adequacy, asset quality,
1253 management, earnings, liquidity, internal controls, audits, and
1254 foreign exchange operations and positions of the international
1255 trust entity. This subsection does not require examination by
1256 the home-country regulatory authorities of any office of an
1257 international trust entity in this state. The commission may
1258 also establish, by rule, other standards for approval of an
1259 application for a license as considered necessary to ensure the
1260 safe and sound operations of the international trust entity in
1261 this state.

1262 Section 28. Section 663.407, Florida Statutes, is created
1263 to read:

1264 663.407 Capital requirements.-

1265 (1) For an international trust entity to qualify for a
1266 license under this part, the proposed capitalization of the
1267 international trust entity must be in such amount as the office
1268 determines is necessary, taking into consideration the risk
1269 profile of the international trust entity and the ability of the
1270 international trust entity to operate a licensed office in a
1271 safe and sound manner. In making this determination, the office
1272 shall consider the financial resources of the international
1273 trust entity, including:

1274 (a) The international trust entity's current and projected
1275 capital position, profitability, level of indebtedness, business

1276 and strategic plans, and off-balance sheet asset management and
1277 administration activities;

1278 (b) The financial condition of any of the international
1279 trust entity's existing offices located in the United States;

1280 (c) The minimum capital requirements of the international
1281 trust entity's home-country jurisdiction; and

1282 (d) The capital ratio standards used in the United States
1283 and in the international trust entity's home-country
1284 jurisdiction.

1285 (2) The proposed capitalization of the international trust
1286 entity must be in such amount as the office deems adequate, but
1287 in no case may the total capital accounts of the international
1288 trust entity be less than \$1 million.

1289 (3) The office may specify such other conditions as it
1290 determines are appropriate, considering the public interest and
1291 the need to maintain a safe, sound, and competitive financial
1292 marketplace in this state.

1293 (4) For purposes of this part, the capital accounts of and
1294 capital ratio standards for an international trust entity must
1295 be determined in accordance with rules adopted by the
1296 commission. In adopting such rules, the commission shall
1297 consider similar rules adopted by regulatory agencies in the
1298 United States and the need to provide reasonably consistent
1299 regulatory requirements for international trust entities doing
1300 business in this state, as well as capital adequacy standards of

1301 an international trust entity's home-country jurisdiction.

1302 Section 29. Section 663.408, Florida Statutes, is created
1303 to read:

1304 663.408 Licenses; permissible activities of licensees.—

1305 (1) (a) An international trust entity licensed to operate
1306 an office in this state may engage in the business authorized by
1307 this part at the office specified in such license for an
1308 indefinite period.

1309 (b) An international trust entity may operate more than
1310 one licensed office, each at a different place of business,
1311 provided that each office is separately licensed.

1312 (c) A license is not transferable or assignable. However,
1313 the location of a licensed office may be changed after
1314 notification to the office.

1315 (d) A license must at all times be conspicuously displayed
1316 in the place of business specified therein.

1317 (2) An international trust entity that proposes to
1318 terminate the operations of a licensed office in this state must
1319 surrender its license to the office and comply with such
1320 procedures as the commission may prescribe by rule.

1321 (3) The license for an international trust company
1322 representative office in this state may be suspended or revoked
1323 by the office, with or without examination, upon its
1324 determination that the international trust entity or the
1325 licensed office does not meet all requirements for original

1326 licensing. Additionally, the office shall revoke the license of
1327 any licensed office that the office determines has been inactive
1328 for 6 months or longer. The commission may by rule prescribe
1329 additional conditions or standards under which the license of an
1330 international trust company representative office may be
1331 suspended or revoked.

1332 (4) If any such license is surrendered by the
1333 international trust entity or is suspended or revoked by the
1334 office, all rights and privileges of the international trust
1335 entity to transact the business under the license cease. The
1336 commission shall prescribe by rule procedures for the surrender
1337 of a license and for the orderly cessation of business by an
1338 international trust entity in a manner that is not harmful to
1339 the interests of its customers or of the public.

1340 Section 30. Section 663.4081, Florida Statutes, is created
1341 to read:

1342 663.4081 After-the-fact licensure process in the event of
1343 the acquisition, merger, or consolidation of international trust
1344 entities.—If an international trust entity proposes to acquire,
1345 merge, or consolidate with an international trust entity that
1346 presently operates an international trust company representative
1347 office licensed in this state, the office may allow the
1348 currently licensed international trust company representative
1349 office to remain open and in operation after consummation of the
1350 proposed acquisition, merger, or consolidation, subject to the

1351 filing with the office of an after-the-fact license application
1352 in accordance with all of the following conditions:

1353 (1) The international trust entity or entities resulting
1354 from the acquisition, merger, or consolidation will not directly
1355 or indirectly own or control more than 5 percent of any class of
1356 the voting securities of, or control, a United States bank.

1357 (2) Before consummation of the acquisition, merger, or
1358 consolidation, the international trust entity currently licensed
1359 to operate an international trust company representative office
1360 in this state must provide the office at least 30 days' advance
1361 written notice, as prescribed by rules adopted by the
1362 commission, of the proposed acquisition, merger, or
1363 consolidation.

1364 (3) Before consummation of the acquisition, merger, or
1365 consolidation, each international trust entity commits in
1366 writing that it will:

1367 (a) Comply with the conditions in subsections (1) and (2)
1368 and file an after-the-fact application for a license under s.
1369 663.406(1) within 60 days after consummation of the proposed
1370 acquisition, merger, or consolidation; and refrain from engaging
1371 in new lines of business and from otherwise expanding the
1372 activities of such establishment in this state until the
1373 disposition of the after-the-fact license application, in
1374 accordance with chapter 120; or

1375 (b) Promptly wind down and close any international trust

1376 company representative office in this state if the international
 1377 trust entities that are party to the acquisition, merger, or
 1378 consolidation elect not to file an application for a license in
 1379 accordance with paragraph (a); and, before such wind-down and
 1380 closure, refrain from engaging in new lines of business or
 1381 otherwise expanding the activities of such establishment in this
 1382 state.

1383 Section 31. Section 663.0625, Florida Statutes, is
 1384 transferred, renumbered as section 663.409, Florida Statutes,
 1385 and amended to read:

1386 663.409 ~~663.0625~~ International trust company
 1387 representative offices; permissible activities; requirements.—

1388 (1) An international trust company representative office
 1389 may conduct any nonfiduciary activities that are ancillary to
 1390 the fiduciary business of its international trust entity ~~banking~~
 1391 ~~corporation or trust company~~, but may not act as a fiduciary.
 1392 Permissible activities include advertising, marketing, and
 1393 soliciting for fiduciary business on behalf of an international
 1394 trust entity ~~banking corporation or trust company~~; contacting
 1395 existing or potential customers, answering questions, and
 1396 providing information about matters related to their accounts;
 1397 serving as a liaison in this state between the international
 1398 trust entity ~~banking corporation or trust company~~ and its
 1399 existing or potential customers; and engaging in any other
 1400 activities approved by the office or under rules of the

1401 commission.

1402 (2) Representatives and employees at such office may not
1403 act as a fiduciary, including, but not limited to, accepting the
1404 fiduciary appointment, executing the fiduciary documents that
1405 create the fiduciary relationship, ~~or~~ making discretionary
1406 decisions regarding the investment or distribution of fiduciary
1407 accounts, or accepting custody of any trust property or any
1408 other good, asset, or thing of value on behalf of the affiliated
1409 international trust entity, its subsidiaries or affiliates, or
1410 subsidiaries and affiliates of the international trust company
1411 representative office.

1412 (3) An international trust company representative office
1413 licensed by the office may engage in any activities permissible
1414 for a qualified limited service affiliate under part IV of this
1415 chapter.

1416 Section 32. Section 663.410, Florida Statutes, is created
1417 to read:

1418 663.410 Certification of capital accounts.—Before opening
1419 an office in this state, and annually thereafter so long as an
1420 international trust company representative office is maintained
1421 in this state, an international trust entity licensed pursuant
1422 to this part must certify to the office the amount of its
1423 capital accounts, expressed in the currency of the home
1424 jurisdiction where it has been authorized by charter, license,
1425 or similar authorization by operation of law to carry on trust

1426 business. The dollar equivalent of these amounts, as determined
1427 by the office, is deemed to be the amount of its capital
1428 accounts. The annual certification of capital accounts must be
1429 received by the office on or before June 30 of each year.

1430 Section 33. Section 663.411, Florida Statutes, is created
1431 to read:

1432 663.411 Reports; records.—

1433 (1) An international trust entity that operates an office
1434 licensed under this part shall, at such times and in such form
1435 as the commission prescribes, make written reports in the
1436 English language to the office, under the oath of one of its
1437 officers, managers, or agents transacting business in this
1438 state, showing the amount of its assets and liabilities and
1439 containing such other matters as the commission or office
1440 requires. An international trust entity that maintains two or
1441 more representative offices may consolidate such information in
1442 one report unless the office requires otherwise for purposes of
1443 its supervision of the condition and operations of each such
1444 office. The late filing of such reports is subject to an
1445 administrative fine as prescribed under s. 655.045(2). If the
1446 international trust entity fails to make such report as directed
1447 by the office or if such report contains a false statement
1448 knowingly made, the same are grounds for revocation of the
1449 license of the international trust entity.

1450 (2) An international trust entity that operates an office

1451 licensed under this part shall cause to be kept, at a location
1452 accepted by the office:

1453 (a) Correct and complete books and records of account of
1454 the business operations transacted by such office. All policies
1455 and procedures relating specifically to the operations of such
1456 office, as well as any existing general ledger or subsidiary
1457 accounts, must be maintained in the English language; however,
1458 any policies and procedures of the international trust entity
1459 which are not specific to the operations of such office may be
1460 maintained in a language other than English.

1461 (b) Current copies of the charter or statement of
1462 operation and bylaws of the international trust entity, relative
1463 to the operations of the international trust company
1464 representative office, and minutes of the proceedings of its
1465 directors, officers, or committees relative to the business of
1466 the international trust company representative office. Such
1467 records may be maintained in a language other than English and
1468 must be kept pursuant to s. 655.91 and be made available to the
1469 office, upon request, at any time during regular business hours
1470 of the international trust company representative office.

1471 (3) Any failure to keep such records as required in
1472 subsection (2) or any refusal to produce such records upon
1473 request by the office is grounds for suspension or revocation of
1474 any license issued under this part.

1475 (4) The office may require at any time that any document

1476 not written in the English language which the office deems
1477 necessary for the purposes of its regulatory and supervisory
1478 functions be translated into English at the expense of the
1479 international trust entity.

1480 Section 34. Section 663.412, Florida Statutes, is created
1481 to read:

1482 663.412 Termination of international trust entity's
1483 charter or authority.-

1484 (1) (a) An international trust entity that is licensed to
1485 maintain an office in this state may not continue to conduct its
1486 licensed business in this state if the international trust
1487 entity:

1488 1. Is dissolved, or its authority or existence is
1489 otherwise terminated or canceled in the home jurisdiction where
1490 it has been authorized by charter, license, or similar
1491 authorization by operation of law to carry on trust business;

1492 2. Is in bankruptcy, conservatorship, receivership,
1493 liquidation, or similar status under the laws of any country; or

1494 3. Is operating under the direct control of the government
1495 or the regulatory or supervisory authority of the jurisdiction
1496 where it has been authorized by charter, license, or similar
1497 authorization by operation of law to carry on trust business
1498 through government intervention or any other extraordinary
1499 actions.

1500 (b)1. Notwithstanding subparagraphs (a)2. and 3., the

1501 office may permit an international trust company representative
1502 office to remain open and in operation under the following
1503 conditions:

1504 a. Within 30 days after the occurrence of an event
1505 described in subparagraph (a)2. or subparagraph (a)3., the
1506 international trust company representative office provides the
1507 office with a plan to wind down its affairs and business within
1508 the subsequent 90 days or provides an interim operational plan
1509 outlining parameters for its continued operation. If the office
1510 finds that such interim operational plan does not allow for the
1511 conduct of business in a safe and sound manner, the office shall
1512 revoke the license.

1513 b. The international trust entity is authorized by the
1514 foreign country in which it is organized and licensed to address
1515 the affairs of any international trust company representative
1516 office in this state.

1517 c. The international trust company representative office
1518 does not engage in any new lines of business or otherwise expand
1519 its activities in this state.

1520 d. The office determines that allowing the international
1521 trust company representative office to remain open furthers
1522 domestic and foreign supervisory cooperation.

1523 e. The office determines that allowing the international
1524 trust company representative office to remain open is in the
1525 public's interest and does not present an immediate or serious

1526 danger to the public health, safety, or welfare.

1527 2. The commission may establish, by rule, additional
1528 standards and conditions for approval of an interim operational
1529 plan and for ongoing compliance with the plan. Such standards
1530 and conditions shall be based upon the need for cooperative
1531 supervisory efforts, consistent regulatory oversight, and the
1532 orderly administration of the international trust entity's
1533 affairs.

1534 3. After the resolution of all applicable events described
1535 in subparagraphs (a)2. and 3., if an international trust entity
1536 is no longer authorized by the foreign country in which it is
1537 organized and supervised to conduct trust business, the
1538 international trust company representative office shall
1539 surrender its license in accordance with s. 663.408.

1540 (2) The international trust entity or its surviving
1541 officers and directors shall deliver to the office:

1542 (a) A certificate of the official who is responsible for
1543 records of trust entities in the jurisdiction where the
1544 international trust entity has been authorized by charter,
1545 license, or similar authorization by operation of law to carry
1546 on trust business of the international trust entity, attesting
1547 to the occurrence of any event described in paragraph (1)(a);

1548 (b) A certified copy of an order or decree of a court of
1549 such jurisdiction, directing the dissolution of such
1550 international trust entity, the termination of its existence, or

1551 the cancellation of its authority, or declaring its status in
1552 bankruptcy, conservatorship, receivership, liquidation, or
1553 similar proceedings; or

1554 (c) Other reliable documentation evidencing that the
1555 international trust entity is operating under the direct control
1556 of its government or a regulatory or supervisory authority.

1557 (3) The filing of the certificate, order, documentation,
1558 or decree has the same effect as the revocation of the license
1559 of such international trust entity as provided in s. 663.408,
1560 unless the office has permitted the international trust company
1561 representative office to remain open and in operation pursuant
1562 to paragraph (1) (b).

1563 Section 35. Section 663.413, Florida Statutes, is created
1564 to read:

1565 663.413 Application and examination fees.-

1566 (1) An application for a license to establish an
1567 international trust company representative office under this
1568 part must be accompanied by a nonrefundable \$5,000 filing fee,
1569 payable to the office.

1570 (2) An international trust entity that maintains an office
1571 licensed under this part must pay to the office examination fees
1572 that are determined by the commission by rule and that are
1573 calculated in a manner so as to be equal to the actual cost of
1574 each examiner's participation in the examination, as measured by
1575 the examiner's pay scale, plus any other expenses directly

1576 incurred in the examination. However, the examination fees may
 1577 not be less than \$200 per day for each examiner participating in
 1578 the examination.

1579 Section 36. Section 663.414, Florida Statutes, is created
 1580 to read:

1581 663.414 Rules; exemption from statement of estimated
 1582 regulatory costs requirements.—In addition to any other
 1583 rulemaking authority it has under the financial institutions
 1584 codes, the commission may adopt reasonable rules that it deems
 1585 advisable for the administration of international trust entities
 1586 under this part in the interest of protecting depositors,
 1587 creditors, borrowers, or the public interest and in the interest
 1588 of maintaining a sound banking and trust system in this state.
 1589 Because of the difficulty in obtaining economic data with regard
 1590 to such trusts, ss. 120.54(3)(b) and 120.541 do not apply to the
 1591 adoption of rules pursuant to this section.

1592 Section 37. Section 663.415, Florida Statutes, is created
 1593 to read:

1594 663.415 Travel expenses.—If domestic or foreign travel is
 1595 deemed necessary by the office to effectuate the purposes of
 1596 this part, the office must be reimbursed for actual, reasonable,
 1597 and necessary expenses incurred in such domestic or foreign
 1598 travel by the international trust company representative office
 1599 under examination.

1600 Section 38. The Division of Law Revision and Information

1601 is directed to create part IV of chapter 663, Florida Statutes,
 1602 consisting of ss. 663.530-663.540, Florida Statutes, to be
 1603 entitled "Qualified Limited Service Affiliates of International
 1604 Trust Entities."

1605 Section 39. Section 663.530, Florida Statutes, is created
 1606 to read:

1607 663.530 Definitions.—

1608 (1) As used in ss. 663.531-663.539, the term:

1609 (a) "Foreign country" means a country other than the
 1610 United States and includes any colony, dependency, or possession
 1611 of such country notwithstanding any definitions in chapter 658,
 1612 and any territory of the United States, including Guam, American
 1613 Samoa, the Virgin Islands, and the Commonwealth of Puerto Rico.

1614 (b) "Home-country regulator" means the supervisory
 1615 authority or equivalent or other similarly sanctioned body,
 1616 organization, governmental entity, or recognized authority,
 1617 which has similar responsibilities in a foreign country in which
 1618 and by whom an international trust entity is licensed,
 1619 chartered, or has similar authorization to organize and operate.

1620 (c) "International trust entity" means an international
 1621 trust company or organization, or any similar business entity,
 1622 or an affiliated or subsidiary entity that is licensed,
 1623 chartered, or similarly permitted to conduct trust business in a
 1624 foreign country or countries under the laws where such entity is
 1625 organized and supervised.

1626 (d) "Limited service affiliate" means a marketing and
 1627 liaison office that engages in the permissible activities
 1628 enumerated in s. 663.531 for the benefit of an international
 1629 trust entity.

1630 (e) "Nonresident" has the same meaning as in s. 663.01.

1631 (f) "Professional" means an accountant, attorney, or other
 1632 financial services and wealth planning professional who is
 1633 licensed by a governing body or affiliated with a licensed,
 1634 chartered, or similarly authorized entity.

1635 (g) "Qualified limited service affiliate" means a person
 1636 or entity that is qualified under this part to perform the
 1637 permissible activities outlined in s. 663.531 related to or for
 1638 the benefit of an affiliated international trust entity.

1639 (2) As used in ss. 663.531-663.539, the terms "affiliate,"
 1640 "commission," "executive officer," "financial institution,"
 1641 "financial institution-affiliated party," "financial
 1642 institutions codes," "office," "officer," "state," and
 1643 "subsidiary" have the same meaning as provided in s. 655.005.

1644 Section 40. Section 663.531, Florida Statutes, is created
 1645 to read:

1646 663.531 Permissible activities; prohibited activities.—

1647 (1) Qualification as a qualified limited service affiliate
 1648 under this part does not provide any exemption from licensure,
 1649 registration, application, and requirements to conduct licensed
 1650 business activities in this state. A qualified limited service

1651 affiliate may engage in any of the following permissible
1652 activities, which are not meant to be restrictive unless an
1653 activity is prohibited under subsection (2):

1654 (a) Marketing and liaison services related to or for the
1655 benefit of the affiliated international trust entities, directed
1656 exclusively at professionals and current or prospective
1657 nonresident clients of an affiliated international trust entity;

1658 (b) Advertising and marketing at trade, industry, or
1659 professional events;

1660 (c) Transmission of documents between the international
1661 trust entity and its current or prospective clients or a
1662 designee of such clients; and

1663 (d) Transmission of information about the trust or trust
1664 holdings of current clients between current clients or their
1665 designees and the international trust entity.

1666 (2) A qualified limited service affiliate may not engage
1667 in any of the following activities:

1668 (a) Advertising and marketing related to or for the
1669 benefit of the international trust entity which are directed to
1670 the general public;

1671 (b) Acting as a fiduciary, including, but not limited to,
1672 accepting the fiduciary appointment, executing the fiduciary
1673 documents that create the fiduciary relationship, or making
1674 discretionary decisions regarding the investment or distribution
1675 of fiduciary accounts;

1676 (c) Accepting custody of any trust property or any other
1677 good, asset, or thing of value on behalf of the affiliated
1678 international trust entity, its subsidiaries or affiliates, or
1679 subsidiaries and affiliates of the qualified limited service
1680 affiliate;

1681 (d) Soliciting business within this state from the general
1682 public related to or for the benefit of an affiliated
1683 international trust entity;

1684 (e) Adding a director, an executive officer, a principal
1685 shareholder, a manager, a managing member, or an equivalent
1686 position to the qualified limited service affiliate without
1687 prior written notification to the office;

1688 (f) Commencing services for an international trust entity
1689 without complying with the requirements of s. 663.532;

1690 (g) Providing services for any international trust entity
1691 that is in bankruptcy, conservatorship, receivership,
1692 liquidation, or a similar status under the laws of any country;
1693 or

1694 (h) Otherwise conducting banking or trust business.

1695 (3) The provisions of subsection (2) are not deemed to
1696 prevent the qualified limited service affiliate's use of an
1697 international trust entity's website, or its own website, if the
1698 posted information or communication includes the following:

1699 (a) The following statement: "Certain described services
1700 are not offered to the general public in Florida, but are

1701 marketed by ... (insert name of qualified limited service
1702 affiliate)... exclusively to professionals and current or
1703 prospective non-U.S. resident clients of the affiliated
1704 international trust entity or entities."

1705 (b) The notice required by s. 663.535.

1706 (4) In addition to any other power conferred upon it to
1707 enforce and administer this chapter and the financial
1708 institutions codes, the office may impose any remedy or penalty
1709 pursuant to s. 655.033, relating to cease and desist orders; s.
1710 655.034, relating to injunctions; s. 655.037, relating to
1711 removal of a financial institution-affiliated party by the
1712 office; or s. 655.041, relating to administrative fines and
1713 enforcement, if a qualified limited service affiliate engages in
1714 any of the impermissible activities in subsection (2).

1715 Section 41. Effective upon this act becoming a law,
1716 section 663.532, Florida Statutes, is created to read:

1717 663.532 Qualification.—No later than March 31, 2018, a
1718 person or entity that previously qualified under the moratorium
1719 in s. 663.041 must seek qualification as a qualified limited
1720 service affiliate or cease doing business in this state.
1721 Notwithstanding the expiration of the moratorium under s.
1722 663.041, a person or entity that previously qualified under such
1723 moratorium may remain open and in operation but shall refrain
1724 from engaging in new lines of business in this state until
1725 qualified as a qualified limited service affiliate under this

1726 part.

1727 Section 42. Section 663.532, Florida Statutes, as created
 1728 by this act, is amended to read:

1729 663.532 Qualification.—

1730 (1) To qualify as a qualified limited service affiliate
 1731 under this part, a limited service affiliate must file a written
 1732 notice with the office, in the manner and on a form prescribed
 1733 by the commission. Such written notice must include:

1734 (a) The name under which the proposed qualified limited
 1735 service affiliate will conduct business in this state.

1736 (b) A copy of the articles of incorporation or articles of
 1737 organization, or the equivalent, of the proposed qualified
 1738 limited service affiliate.

1739 (c) The physical address where the proposed qualified
 1740 limited service affiliate will conduct business.

1741 (d) The mailing address of the proposed qualified limited
 1742 service affiliate.

1743 (e) The name and biographical information of each
 1744 director, executive officer, manager, managing member, or
 1745 equivalent position of the proposed qualified limited service
 1746 affiliate, to be submitted on a form prescribed by the
 1747 commission.

1748 (f) The number of officers and employees of the proposed
 1749 qualified limited service affiliate.

1750 (g) A detailed list and description of the activities to

1751 be conducted by the proposed qualified limited service
1752 affiliate. The detailed list and description must include:

1753 1. The services and activities of the proposed qualified
1754 limited service affiliate;

1755 2. An explanation of how the services and activities of
1756 the proposed qualified limited service affiliate serve the
1757 business purpose of each international trust entity; and

1758 3. An explanation of how the services and activities of
1759 the proposed qualified limited service affiliate are
1760 distinguishable from those of the permissible activities of an
1761 international trust company representative office described
1762 under s. 663.409.

1763 (h) Disclosure of any instance occurring within the prior
1764 10 years when the proposed qualified limited service affiliate's
1765 director, executive officer, principal shareholder, manager,
1766 managing member, or equivalent position was:

1767 1. Arrested for, charged with, or convicted of, or who
1768 pled guilty or nolo contendere to, regardless of adjudication,
1769 any offense that is punishable by imprisonment for a term
1770 exceeding 1 year, or to any offense that involves money
1771 laundering, currency transaction reporting, tax evasion,
1772 facilitating or furthering terrorism, fraud, theft, larceny,
1773 embezzlement, fraudulent conversion, misappropriation of
1774 property, dishonesty, breach of trust, breach of fiduciary duty,
1775 or moral turpitude, or that is otherwise related to the

1776 operation of a financial institution;
1777 2. Fined or sanctioned as a result of a complaint to the
1778 office or any other state or federal regulatory agency; or
1779 3. Ordered to pay a fine or penalty in a proceeding
1780 initiated by a federal, state, foreign, or local law enforcement
1781 agency or an international agency related to money laundering,
1782 currency transaction reporting, tax evasion, facilitating or
1783 furthering terrorism, fraud, theft, larceny, embezzlement,
1784 fraudulent conversion, misappropriation of property, dishonesty,
1785 breach of trust, breach of fiduciary duty, or moral turpitude,
1786 or that is otherwise related to the operation of a financial
1787 institution.

1788 (i) A declaration under penalty of perjury signed by the
1789 executive officer, manager, or managing member of the proposed
1790 qualified limited service affiliate that, to the best of his or
1791 her knowledge:

1792 1. No employee, representative, or agent provides, or will
1793 provide, banking services; promotes or sells, or will promote or
1794 sell, investments; or accepts, or will accept, custody of
1795 assets.

1796 2. No employee, representative, or agent acts, or will
1797 act, as a fiduciary in this state, which includes, but is not
1798 limited to, accepting the fiduciary appointment, executing the
1799 fiduciary documents that create the fiduciary relationship, or
1800 making discretionary decisions regarding the investment or

1801 distribution of fiduciary accounts.

1802 3. The jurisdiction of the international trust entity or
1803 its offices, subsidiaries, or any affiliates that are directly
1804 involved in or facilitate the financial services functions,
1805 banking, or fiduciary activities of the international trust
1806 entity is not listed on the Financial Action Task Force Public
1807 Statement or on its list of jurisdictions with deficiencies in
1808 anti-money laundering or counterterrorism.

1809 (j) For each international trust entity that the proposed
1810 qualified limited service affiliate will provide services for in
1811 this state, the following:

1812 1. The name of the international trust entity;

1813 2. A list of the current officers and directors of the
1814 international trust entity;

1815 3. Any country where the international trust entity is
1816 organized or authorized to do business;

1817 4. The name of the home-country regulator;

1818 5. Proof that the international trust entity has been
1819 authorized by charter, license, or similar authorization by its
1820 home-country regulator to engage in trust business;

1821 6. Proof that the international trust entity lawfully
1822 exists and is in good standing under the laws of the
1823 jurisdiction where it is chartered, licensed, or organized;

1824 7. A statement that the international trust entity is not
1825 in bankruptcy, conservatorship, receivership, liquidation, or in

1826 | a similar status under the laws of any country;

1827 | 8. Proof that the international trust entity is not
1828 | operating under the direct control of the government or the
1829 | regulatory or supervisory authority of the jurisdiction of its
1830 | incorporation, through government intervention or any other
1831 | extraordinary actions, and confirmation that it has not been in
1832 | such a status or under such control at any time within the prior
1833 | 3 years;

1834 | 9. Proof and confirmation that the proposed qualified
1835 | limited service affiliate is affiliated with the international
1836 | trust entities provided in the notice; and

1837 | 10. Proof that the jurisdictions where the international
1838 | trust entity or its offices, subsidiaries, or any affiliates
1839 | that are directly involved in or that facilitate the financial
1840 | services functions, banking, or fiduciary activities of the
1841 | international trust entity are not listed on the Financial
1842 | Action Task Force Public Statement or on its list of
1843 | jurisdictions with deficiencies in anti-money laundering or
1844 | counterterrorism.

1845 | (k) A declaration under penalty of perjury, signed by an
1846 | executive officer, manager, or managing member of each
1847 | affiliated international trust entity, declaring that the
1848 | information provided to the office is true and correct to the
1849 | best of his or her knowledge.

1850 |

1851 The proposed qualified limited service affiliate may provide
1852 additional information in the form of exhibits when attempting
1853 to satisfy any of the qualification requirements. All
1854 information that the proposed qualified limited service
1855 affiliate desires to present to support the written notice must
1856 be submitted with the notice.

1857 (2) The office may request additional information as the
1858 office reasonably requires. Any request for additional
1859 information must be made by the office within 30 days after
1860 initial receipt of the written notice. Additional information
1861 must be submitted within 60 days after a request has been made
1862 by the office. Failure to respond to such request within 60 days
1863 after the date of the request is a ground for denial of the
1864 qualification. A notice is not deemed complete until all
1865 requested information has been submitted to the office. Upon
1866 deeming the notice complete, the office has 120 days to qualify
1867 the limited service affiliate or issue a denial. An order
1868 denying a qualification must contain notice of opportunity for a
1869 hearing pursuant to ss. 120.569 and 120.57.

1870 (3) A qualification under this part must be summarily
1871 suspended by the office if the qualified limited service
1872 affiliate made a material false statement in the written notice.
1873 The summary suspension must remain in effect until a final order
1874 is entered by the office. For purposes of s. 120.60(6), a
1875 material false statement made in the qualified limited service

1876 affiliate's written notice constitutes an immediate and serious
1877 danger to the public health, safety, and welfare. If a qualified
1878 limited service affiliate made a material false statement in the
1879 written notice, the office must enter a final order revoking the
1880 qualification and may issue a fine as prescribed by s. 655.041
1881 or issue an order of suspension, removal, or prohibition under
1882 s. 655.037 to a financial institution-affiliated party of the
1883 qualified limited service affiliate.

1884 (4) Upon the filing of a completed qualification notice
1885 under this section, the office shall make an investigation of
1886 the character, reputation, business experience, and business
1887 qualifications of the proposed qualified limited service
1888 affiliate's proposed directors, executive officers, principal
1889 shareholder, managers, managing members, or equivalent
1890 positions. The office shall approve the qualification only if it
1891 has determined that such persons are qualified by reason of
1892 their ability, reputation, and integrity and have sufficient
1893 experience to manage and direct the affairs of the qualified
1894 limited service affiliate in a lawful manner and in accordance
1895 with the requirements for obtaining and maintaining a
1896 qualification under this part. When evaluating a qualification
1897 notice, the office may consider factors reasonably related to an
1898 offense or related to a violation, fine, or penalty, such as
1899 mitigating factors, history of multiple violations, severity of
1900 the offense, and showings of rehabilitation.

1901 (5) A qualification is not transferable or assignable.

1902 (6) A person or entity in operation as of January 1, 2018,
 1903 which meets the definition of a limited service affiliate under
 1904 s. 663.530 must, on or before March 31, 2018, file the written
 1905 notice pursuant to this section seeking qualification as a
 1906 qualified limited service affiliate or cease doing business in
 1907 this state.

1908 (7) No later than March 31, 2018, a person or entity that
 1909 previously qualified under the moratorium in s. 663.041 must
 1910 seek qualification as a qualified limited service affiliate or
 1911 cease doing business in this state. Notwithstanding the
 1912 expiration of the moratorium under s. 663.041, a person or
 1913 entity that previously qualified under such moratorium may
 1914 remain open and in operation but shall refrain from engaging in
 1915 new lines of business in this state until qualified as a
 1916 qualified limited service affiliate under this part.

1917 Section 43. Section 663.5325, Florida Statutes, is created
 1918 to read:

1919 663.5325 Civil action subpoena enforcement.—

1920 (1) Notwithstanding s. 655.059, a qualified limited
 1921 service affiliate established under this chapter is not required
 1922 to produce a book or record pertaining to a customer of an
 1923 affiliated international trust entity that is located outside
 1924 the United States or its territories in response to a subpoena
 1925 if the book or record is maintained outside the United States or

1926 | its territories and is not in the possession, custody, or
 1927 | control of the qualified limited service affiliate.

1928 | (2) This section applies only to a subpoena issued
 1929 | pursuant to the Florida Rules of Civil Procedure, the Federal
 1930 | Rules of Civil Procedure, or other similar law or rule of civil
 1931 | procedure in another state or territory of the United States.
 1932 | This section does not apply to a subpoena issued by or on behalf
 1933 | of a federal, state, or local government law enforcement agency,
 1934 | administrative or regulatory agency, legislative body, or grand
 1935 | jury and does not limit the power of the office to access all
 1936 | books and records in the exercise of the office's regulatory and
 1937 | supervisory powers under the financial institutions codes.

1938 | Section 44. Section 663.533, Florida Statutes, is created
 1939 | to read:

1940 | 663.533 Applicability of the financial institutions
 1941 | codes.—A qualified limited service affiliate is subject to the
 1942 | financial institutions codes. Without limiting the foregoing,
 1943 | the following provisions are applicable to a qualified limited
 1944 | service affiliate:

1945 | (1) Section 655.012, relating to general supervisory
 1946 | powers of the office.

1947 | (2) Section 655.031, relating to administrative
 1948 | enforcement guidelines.

1949 | (3) Section 655.032, relating to investigations,
 1950 | subpoenas, hearings, and witnesses.

- 1951 (4) Section 655.0321, relating to restricted access to
 1952 certain hearings, proceedings, and related documents.
- 1953 (5) Section 655.033, relating to cease and desist orders.
- 1954 (6) Section 655.034, relating to injunctions.
- 1955 (7) Section 655.037, relating to removal of a financial
 1956 institution-affiliated party by the office.
- 1957 (8) Section 655.041, relating to administrative fines and
 1958 enforcement.
- 1959 (9) Section 655.057, relating to restrictions on access to
 1960 public records.
- 1961 (10) Section 655.059, relating to access to books and
 1962 records.
- 1963 (11) Section 655.0591, relating to trade secret documents.
- 1964 (12) Section 655.91, relating to records of institutions
 1965 and copies thereof; retention and destruction.
- 1966 (13) Section 655.968, relating to financial institutions;
 1967 transactions relating to Iran or terrorism.
- 1968
- 1969 This section does not prohibit the office from investigating or
 1970 examining an entity to ensure that it is not in violation of
 1971 this chapter or applicable provisions of the financial
 1972 institutions codes.
- 1973 Section 45. Section 663.534, Florida Statutes, is created
 1974 to read:
- 1975 663.534 Events that require notice to be provided to the

1976 | office.—A qualified limited service affiliate must report to the
 1977 | office, within 15 days of its knowledge of the occurrence, any
 1978 | changes to the information previously relied upon by the office
 1979 | when qualifying or renewing a qualification under this part.

1980 | Section 46. Section 663.535, Florida Statutes, is created
 1981 | to read:

1982 | 663.535 Notice to customers.—All marketing documents and
 1983 | advertisements and any display at the location of the qualified
 1984 | limited service affiliate or at any trade or marketing event
 1985 | must contain the following statement in a contrasting color in
 1986 | at least 10-point type: "The Florida Office of Financial
 1987 | Regulation DOES NOT provide safety and soundness oversight of
 1988 | this company, does not provide any opinion as to any affiliated
 1989 | companies or products, and does not provide the oversight of
 1990 | this company's affiliated international trust entities or the
 1991 | jurisdictions within which they operate. This company may not
 1992 | act as a fiduciary and may not accept the fiduciary appointment,
 1993 | execute or transmit fiduciary documents, take possession of any
 1994 | assets, create a fiduciary relationship, make discretionary
 1995 | decisions regarding the investment or distribution of fiduciary
 1996 | accounts, provide banking services, or promote or sell
 1997 | investments."

1998 | Section 47. Section 663.536, Florida Statutes, is created
 1999 | to read:

2000 | 663.536 Recordkeeping requirements for trade, industry, or

2001 professional events.—A qualified limited service affiliate who
 2002 participates in a trade, industry, or professional event
 2003 pursuant to s. 663.531 must keep a record of its participation
 2004 in the event. The record must be maintained for at least 2 years
 2005 following the event and must contain the following information:
 2006 (1) The date, time, and location of the event;
 2007 (2) To the extent known or available, a list of
 2008 participants in the event, including other vendors, presenters,
 2009 attendees, and targeted attendees;
 2010 (3) The nature and purpose of the event;
 2011 (4) The qualified limited service affiliate's purpose for
 2012 participating in the event; and
 2013 (5) Samples of materials or, when samples are unavailable,
 2014 descriptions of materials provided by the qualified limited
 2015 service affiliate to attendees and other participants.
 2016 Section 48. Section 663.537, Florida Statutes, is created
 2017 to read:
 2018 663.537 Examination or investigation of a qualified
 2019 limited service affiliate.—The office may conduct an examination
 2020 or investigation of a qualified limited service affiliate at any
 2021 time that it deems necessary to determine whether the qualified
 2022 limited service affiliate or financial institution-affiliated
 2023 party thereof has violated, or is about to violate, any
 2024 provision of this chapter, any applicable provision of the
 2025 financial institutions codes, or any rule adopted by the

2026 commission pursuant to this chapter or the financial
2027 institutions codes. The office shall conduct an examination of
2028 each qualified limited service affiliate at least once every 18
2029 months to assess compliance with this part and the financial
2030 institutions codes. The office may conduct an examination,
2031 before or after qualification, of any person or entity that
2032 submits the written notice for qualification pursuant to s.
2033 663.532 to confirm information provided in the written notice
2034 and to confirm the activities of the person or entity seeking
2035 qualification.

2036 Section 49. Section 663.538, Florida Statutes, is created
2037 to read:

2038 663.538 Suspension, revocation, or voluntary surrender of
2039 qualification.—

2040 (1) A qualified limited service affiliate that proposes to
2041 terminate operations in this state shall surrender its
2042 qualification to the office and comply with such procedures as
2043 required by rule of the commission.

2044 (2) A qualified limited service affiliate that fails to
2045 renew its qualification may be subject to a fine and penalty;
2046 however, such qualified limited service affiliate may renew its
2047 qualification within 30 days after expiration or may surrender
2048 the qualification in accordance with procedures prescribed by
2049 commission rule.

2050 (3) The qualification of a qualified limited service

2051 affiliate in this state may be suspended or revoked by the
2052 office, with or without examination, upon the office's
2053 determination that the qualified limited service affiliate does
2054 not meet all requirements for original or renewal qualification.

2055 (4) If a qualified limited service affiliate surrenders
2056 its qualification or its qualification is suspended or revoked
2057 by the office, all rights and privileges afforded by this part
2058 to the qualified limited service affiliate cease.

2059 (5) At least 60 days before a proposed date of voluntary
2060 termination of a qualification, a qualified limited service
2061 affiliate must provide to the office written notice by letter of
2062 its intention to surrender its qualification and terminate
2063 operations. The notice must include the proposed date of
2064 termination and the name of the officer in charge of the
2065 termination procedures.

2066 (6) The office may conduct an examination of the books and
2067 records of a qualified limited service affiliate at any time
2068 after receipt of the notice of surrender of qualification to
2069 confirm the winding down of operations.

2070 (7) Operations of a qualified limited service affiliate
2071 are deemed terminated effective upon the later of the expiration
2072 of 60 days from the date of the filing of the notice of
2073 voluntary surrender or upon the date provided in the notice of
2074 voluntary surrender, unless the office provides written notice
2075 specifying the grounds for denial of such proposed termination.

2076 The office may not deny a request to terminate unless it learns
2077 of the existence of any outstanding claim or claims against the
2078 qualified limited service affiliate, it finds that the
2079 requirements to terminate operations have not been satisfied, or
2080 there is an immediate and serious danger to the public health,
2081 safety, and welfare if the termination occurred.

2082 Section 50. Section 663.539, Florida Statutes, is created
2083 to read:

2084 663.539 Biennial qualification renewal.—A qualification
2085 must be renewed every 2 years. A qualification must be renewed
2086 by furnishing such information as the commission requires. A
2087 complete biennial renewal of qualification must include a
2088 declaration under penalty of perjury, signed by the executive
2089 officer or managing member of the qualified limited service
2090 affiliate seeking renewal, declaring that the information
2091 submitted for the purposes of renewal is true and correct to the
2092 best of his or her knowledge, and confirming or providing all of
2093 the following:

2094 (1) That the qualified limited service affiliate is in
2095 compliance with this part.

2096 (2) The physical location of the principal place of
2097 business of the qualified limited service affiliate.

2098 (3) The telephone number of the qualified limited service
2099 affiliate.

2100 (4) A list of the qualified limited service affiliate's

2101 current directors, executive officers, principal shareholder,
 2102 managers, managing members, or equivalent positions.

2103 (5) Any updates or changes in information which were not
 2104 previously provided either in the initial qualification or in
 2105 subsequent qualification renewals or which were not previously
 2106 disclosed to the office.

2107 Section 51. For the purpose of incorporating the amendment
 2108 made by this act to section 663.01, Florida Statutes, in a
 2109 reference thereto, subsection (4) of section 663.16, Florida
 2110 Statutes, is reenacted to read:

2111 663.16 Definitions; ss. 663.17-663.181.—As used in ss.
 2112 663.17-663.181, the term:

2113 (4) Except where the context otherwise requires,
 2114 "international banking corporation" or "corporation" has the
 2115 same meaning as that provided in s. 663.01 and includes any
 2116 licensed office of an international banking corporation
 2117 operating in this state.

2118 Section 52. Except as otherwise expressly provided in this
 2119 act and except for this section, which shall take effect upon
 2120 this act becoming a law, this act shall take effect January 1,
 2121 2018.