



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; creating s. 663.5325,
188 F.S.; providing that a qualified limited service
189 affiliate is not required to produce certain books and
190 records under certain circumstances; providing
191 applicability; creating s. 663.533, F.S.; providing
192 applicability of the financial institutions codes as
193 to qualified limited service affiliates; providing
194 construction; creating s. 663.534, F.S.; requiring
195 qualified limited service affiliates to report changes
196 of certain information to the office within a
197 specified timeframe; creating s. 663.535, F.S.;
198 requiring a specified notice to customers in marketing
199 documents, advertisements, and displays at the
200 qualified limited service affiliate's location or at



201 certain events; creating s. 663.536, F.S.; specifying
202 recordkeeping requirements relating to certain events
203 that a qualified limited service affiliate
204 participates in; creating s. 663.537, F.S.;
205 authorizing the office to conduct examinations or
206 investigations of qualified limited service affiliates
207 for certain purposes; specifying a minimum interval of
208 examinations to assess compliance; authorizing the
209 office to examine a person or entity submitting a
210 notice of qualification for certain purposes; creating
211 s. 663.538, F.S.; providing requirements and
212 procedures relating to the suspension, revocation, or
213 voluntary surrender of a qualified limited service
214 affiliate's qualification; providing a penalty;
215 authorizing the office to conduct examinations under
216 certain circumstances; prohibiting the office from
217 denying a request to terminate operations except under
218 certain circumstances; providing construction;
219 creating s. 663.539, F.S.; requiring a qualified
220 limited service affiliate to renew its qualification
221 biennially; specifying requirements for the renewal
222 qualification; reenacting s. 663.16, F.S., relating to
223 definitions, to incorporate the amendment made to s.
224 663.01, F.S., in a reference thereto; providing
225 effective dates.



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

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

655.005 Definitions.—

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

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

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

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

(1) The books and records of a financial institution are confidential and shall be made available for inspection and



251 examination only:

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

253 (b) To any person duly authorized to act for the financial
254 institution;

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

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

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

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

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



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

280
281 As used in ~~For purposes of~~ this paragraph, the term "home-
282 country supervisor" means the governmental entity in the
283 international banking corporation's or international trust
284 entity's home country with responsibility for the supervision
285 and regulation of the safety and soundness of the international
286 banking corporation or international trust entity;

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

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



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

304 (h) As authorized by the board of directors of the
305 financial institution; or

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

307 (2)

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



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

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

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

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

344 663.001 Purpose.—The purpose of this part is to establish
345 a legal and regulatory framework for the conduct by
346 international banking corporations of financial services
347 business in this state. This part is intended to:

348 (1) Support the Florida operations of international
349 banking corporations and promote the growth of international
350 financial services to benefit the economy and consumers in this



351 state.

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

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

359 663.01 Definitions.—As used in this part, the term:

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



376 authority of such country. The term also includes ~~foreign trust~~
377 ~~companies, or any similar business entities, including, but not~~
378 ~~limited to,~~ foreign banks with fiduciary powers which, ~~that~~
379 conduct trust business as defined in the financial institutions
380 codes.

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

390 ~~(10)(11)~~ "Nonresident" means:

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

400 1. Its assets located outside the United States exceed its



401 assets located within the United States;

402 2. Its gross revenues generated outside the United States
403 exceed its gross revenues generated within the United States; or

404 3. Its payroll expenses incurred outside the United States
405 exceed its payroll expenses incurred within the United States.

406 Section 5. Section 663.02, Florida Statutes, is amended to
407 read:

408 663.02 Applicability of the financial institutions codes
409 ~~state banking laws.~~—

410 (1) International banking corporations having offices in
411 this state are subject to all the provisions of the financial
412 institutions codes ~~and chapter 655~~ as though such corporations
413 were state banks ~~or trust companies~~, except where it may appear,
414 from the context or otherwise, that such provisions are clearly
415 applicable only to banks ~~or trust companies~~ organized under the
416 laws of this state or the United States. Without limiting the
417 foregoing general provisions, it is the intent of the
418 Legislature that the following provisions are applicable to such
419 banks or trust companies: s. 655.031, relating to administrative
420 enforcement guidelines; s. 655.032, relating to investigations,
421 subpoenas, hearings, and witnesses; s. 655.0321, relating to
422 hearings, proceedings, and related documents and restricted
423 access thereto; s. 655.033, relating to cease and desist orders;
424 s. 655.037, relating to removal by the office of an officer,
425 director, committee member, employee, or other person; s.



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

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

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

448 663.021 Civil action subpoena enforcement.—

449 (1) Notwithstanding s. 655.059, an international
450 representative office, international bank agency, international



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

461 Section 7. Section 663.04, Florida Statutes, is amended to
462 read:

463 663.04 Requirements for carrying on financial institution
464 business.—An international banking corporation ~~or trust company,~~
465 or any affiliate, subsidiary, or other person or business entity
466 acting as an agent for, on behalf of, or for the benefit of such
467 international banking corporation ~~or trust company~~ who engages
468 in such activities from an office located in this state, may not
469 transact a banking or trust business, or maintain in this state
470 any office for carrying on such business, or any part thereof,
471 unless such corporation, ~~trust company,~~ affiliate, subsidiary,
472 person, or business entity:

473 (1) Has been authorized by its charter to carry on a
474 banking or trust business and has complied with the laws of the
475 jurisdiction in which it is chartered.



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

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

483 (4) Has received a license duly issued to it by the
484 office.

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

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

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

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

500



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

505 Section 8. Present subsections (4) through (8) of section
506 663.05, Florida Statutes, are redesignated as subsections (5)
507 through (9), respectively, a new subsection (4) is added to that
508 section, and present subsections (4), (5), and (6), paragraph
509 (c) of present subsection (7), and present subsection (8) of
510 that section are amended, to read:

511 663.05 Application for license; approval or disapproval.-

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



526 which the international banking corporation is currently
527 authorized to engage.

528 (5)-(4) An application filed pursuant to this section must
529 ~~shall~~ be made on a form prescribed by the commission ~~office~~ and
530 must ~~shall~~ contain such information as the commission or office
531 requires.

532 (6)-(5) The office may, in its discretion, approve or
533 disapprove the application, but it may ~~shall~~ not approve the
534 application unless, in its opinion, the applicant meets each and
535 every requirement of this part and any other applicable
536 provision of the financial institutions codes. The office shall
537 approve the application only if it has determined that the
538 directors, executive officers, and principal shareholders of the
539 international banking corporation are qualified by reason of
540 their financial ability, reputation, and integrity and have
541 sufficient banking and other business experience to indicate
542 that they will manage and direct the affairs of the
543 international banking corporation in a safe, sound, and lawful
544 manner. In the processing of an application filed pursuant to
545 this section ~~applications~~, the time limitations under the
546 Administrative Procedure Act do ~~shall~~ not apply as to approval
547 or disapproval of the application. For applications filed on or
548 after January 1, 2018, the time limitations for approval or
549 disapproval of an application must be prescribed by rule of the
550 commission.



551 (7)~~(6)~~ The office may not issue a license to an
552 international banking corporation unless:

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

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

562 (8)~~(7)~~ The office may not issue a license to an
563 international banking corporation for the purpose of operating:

564 ~~(c) A trust representative office in this state unless the~~
565 ~~corporation:~~

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

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

572 3. ~~Is adequately supervised by the central bank or trust~~
573 ~~regulatory agency in the foreign country in which it is~~
574 ~~organized and chartered.~~

575 4. ~~Meets all requirements under the financial institutions~~



576 ~~codes for the operation of a trust company or trust department~~
577 ~~as if it were a state chartered trust company or bank authorized~~
578 ~~to exercise fiduciary powers.~~

579 (9)~~(8)~~ The commission shall establish, by rule, the
580 general principles which shall determine the adequacy of
581 supervision of an international banking corporation's foreign
582 establishments. These principles shall be based upon the need
583 for cooperative supervisory efforts and consistent regulatory
584 guidelines and shall address, at a minimum, the capital
585 adequacy, asset quality, management, earnings, liquidity,
586 internal controls, audits, and foreign exchange operations and
587 positions of the international banking corporation. This
588 subsection does ~~shall~~ not require examination by the home-
589 country regulatory authorities of any office of an international
590 banking corporation in this state. The commission may also
591 establish, by rule, other standards for approval of an
592 application for a license as considered necessary to ensure the
593 safe and sound operations of the international banking
594 corporation ~~bank or trust representative office~~ in this state.

595 Section 9. Section 663.055, Florida Statutes, is amended
596 to read:

597 663.055 Capital requirements.—

598 (1) To qualify for a license under ~~the provisions of this~~
599 part, the proposed capitalization of the international banking
600 corporation must be in such amount as the office determines is



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

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

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

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

623 (d) The capital ratio standards used in the United States
624 and in the international banking corporation's home-country
625 jurisdiction.



626 (2) The proposed capitalization of the international
627 banking corporation must be in such amount as the office deems
628 adequate, but in no case may the total capital accounts of the
629 international banking corporation be less than the minimum
630 required under s. 658.21(2) to establish a state bank

631 ~~Notwithstanding the provisions of paragraph (1) (a), the office~~
632 ~~may approve an application for a license to establish an~~
633 ~~international bank agency, an international branch, or an~~
634 ~~international administrative office if:~~

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

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

646 ~~(c) The international banking corporation has been in the~~
647 ~~business of banking for at least 10 years and is ranked by the~~
648 ~~banking or supervisory authority of the country in which it is~~
649 ~~organized and licensed as one of the five largest banks in that~~
650 ~~country in terms of domestic deposits, as of the date of its~~



651 ~~most recent statement of financial condition. However, in no~~
652 ~~event shall the office approve an application under this~~
653 ~~subsection for any international banking corporation with~~
654 ~~capital accounts of less than \$20 million.~~

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

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



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

678 663.06 Licenses; permissible activities.—

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

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

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

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

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



701 agency, international branch, international representative
702 office, ~~international trust company representative office,~~ or
703 international administrative office may be suspended or revoked.

704 Section 11. Section 663.0601, Florida Statutes, is created
705 to read:

706 663.0601 After-the-fact licensure process in the event of
707 the acquisition, merger, or consolidation of international
708 banking corporations.-If an international banking corporation
709 proposes to acquire, merge, or consolidate with an international
710 banking corporation that presently operates an international
711 branch, international bank agency, international administrative
712 office, or international representative office licensed in this
713 state, the office may authorize the currently licensed
714 international branch, international bank agency, international
715 administrative office, or international representative office to
716 remain open and in operation after consummation of the proposed
717 acquisition, merger, or consolidation, if the acquiring
718 international banking corporation files an after-the-fact
719 application and all of the following conditions are met:

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

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



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

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

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

744 (b) Promptly wind down and close any international branch,
745 international bank agency, international administrative office,
746 or international representative office in this state if the
747 international banking corporations that are party to the
748 acquisition, merger, or consolidation elect not to file an
749 application for a license in accordance with paragraph (a); and,
750 before such wind-down and closure, refrain from engaging in new



751 lines of business or otherwise expanding the activities of such
752 establishment in this state.

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

755 663.061 International bank agencies; permissible
756 activities.—

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

773 Section 13. Section 663.062, Florida Statutes, is amended
774 to read:

775 663.062 International representative offices; permissible



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

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

796 663.063 International administrative offices.—

797 (2) An office established pursuant to ~~the provisions of~~
798 this section may ~~not~~ engage only in ~~any activity except~~ those
799 activities set forth in subsection (1) and the activities
800 permissible for an international representative office pursuant



801 to s. 663.062.

802 Section 15. Section 663.064, Florida Statutes, is amended
803 to read:

804 663.064 International branches; permissible activities;
805 requirements.—

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

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



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

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

833 663.09 Reports; records.—

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

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

850 (b) Current copies of the charter and bylaws of the



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

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

866 Section 17. Section 663.11, Florida Statutes, is amended
867 to read:

868 663.11 Termination of international banking corporation's
869 charter or authority.—

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

874 1. Is dissolved, or its authority or existence is
875 otherwise terminated or canceled in the jurisdiction of its



876 incorporation;~~;~~

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

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

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

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

899 b. The international banking corporation is authorized by
900 the foreign country in which it is organized and licensed to



901 address the affairs of any international branch, international
902 bank agency, international administrative office, or
903 international representative office in this state.

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

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

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

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

924 3. After the resolution of all applicable events described
925 in subparagraphs (a)2. and 3., if an international banking



926 corporation is no longer authorized by the foreign country in
927 which it is organized and licensed to conduct banking business,
928 the international branch, international bank agency,
929 international administrative office, or international
930 representative office shall surrender its license in accordance
931 with s. 663.06.

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

947 (a) A certificate of the official who is responsible for
948 records of banking corporations of the jurisdiction of
949 incorporation of such international banking corporation,
950 attesting to the occurrence of any event described in paragraph



951 (1) (a) ;
 952 (b) A certified copy of an order or decree of a court of
 953 such jurisdiction, directing the dissolution of such
 954 international banking corporation, the termination of its
 955 existence, or the cancellation of its authority or declaring its
 956 status in bankruptcy, conservatorship, receivership,
 957 liquidation, or similar proceedings; or
 958 (c) Other reliable documentation evidencing that the
 959 international banking corporation is operating under the direct
 960 control of its government or a regulatory or supervisory
 961 authority.
 962 (3) The filing of the certificate, order, documentation,
 963 or decree ~~has shall have~~ the same effect as the revocation of
 964 the license of such international banking corporation as
 965 provided in s. 663.06, unless the office has permitted the
 966 international branch, international bank agency, international
 967 administrative office, or international representative office to
 968 remain open and in operation pursuant to paragraph (1) (b).
 969 Section 18. Subsection (1) of section 663.12, Florida
 970 Statutes, is amended to read:
 971 663.12 Fees; assessments; fines.—
 972 (1) Each application for a license under ~~the provisions of~~
 973 this part must ~~shall~~ be accompanied by a nonrefundable filing
 974 fee payable to the office in the following amount:
 975 (a) Ten thousand dollars for establishing a state-



976 chartered investment company.

977 (b) Ten thousand dollars for establishing an international
978 bank agency or branch.

979 (c) Five thousand dollars for establishing an
980 international administrative office.

981 (d) Five thousand dollars for establishing an
982 international representative office.

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

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

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

993 663.17 Liquidation; possession of business and property;
994 inventory of assets; wages; depositing collected assets;
995 appointing agents; appointment of judges.—

996 (11) The compensation of agents and any other employees
997 appointed by the office to assist in the liquidation of an
998 international banking corporation, or any of the corporation's
999 licensed offices located in this state, the distribution of its
1000 assets, or the expenses of supervision, must ~~shall~~ be paid out



1001 of the assets of the corporation in the possession ~~hands~~ of the
1002 office. Expenses of liquidation and approved claims for fees and
1003 assessments due the office must ~~shall~~ be given first priority
1004 among unsecured creditors.

1005 Section 20. The Division of Law Revision and Information
1006 is directed to create part III of chapter 663, Florida Statutes,
1007 consisting of ss. 663.4001-663.416, Florida Statutes, to be
1008 entitled "International Trust Company Representative Offices."

1009 Section 21. Section 663.4001, Florida Statutes, is created
1010 to read:

1011 663.4001 Purpose.—The purpose of this part is to establish
1012 a legal and regulatory framework for the conduct by
1013 international trust entities of financial services business in
1014 this state. This part is intended to:

1015 (1) Support the Florida operations of international trust
1016 entities and promote the growth of international financial
1017 services to benefit the economy and consumers in this state.

1018 (2) Provide for appropriate supervision and regulatory
1019 oversight to ensure that financial services activities of
1020 international trust entities in this state are conducted
1021 responsibly and in a safe and sound manner.

1022 Section 22. Section 663.401, Florida Statutes, is created
1023 to read:

1024 663.401 Definitions.—

1025 (1) "Affiliate" means a person or business or a group of



1026 persons or businesses acting in concert which controls, is
1027 controlled by, or is under common control of an international
1028 trust entity.

1029 (2) "International trust company representative office"
1030 means an office of an international trust entity which is
1031 established or maintained in this state for the purpose of
1032 engaging in nonfiduciary activities described in s. 663.409, or
1033 any affiliate, subsidiary, or other person that engages in such
1034 activities on behalf of such international trust entity from an
1035 office located in this state.

1036 (3) "International trust entity" means an international
1037 trust company or organization, or any similar business entity,
1038 or an affiliated or subsidiary entity that is licensed,
1039 chartered, or similarly permitted to conduct trust business in a
1040 foreign country or countries under the laws where such entity is
1041 organized and supervised.

1042 Section 23. Section 663.402, Florida Statutes, is created
1043 to read:

1044 663.402 Applicability of the financial institutions
1045 codes.—

1046 (1) An international trust entity that operates an office
1047 licensed under this part is subject to all the financial
1048 institutions codes as though such international trust entity
1049 were a state trust company, except when it appears, from the
1050 context or otherwise, that such provisions are clearly



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

1066 (2) An international trust entity does not have any
1067 greater right under, or by virtue of, this section than is
1068 granted to trust companies organized under the laws of this
1069 state. Legal and financial terms used in this chapter are deemed
1070 to refer to equivalent terms used by the country in which the
1071 international trust entity is organized. This chapter and the
1072 financial institutions codes may not be construed to authorize
1073 any international trust entity to conduct trust business, as
1074 defined in s. 658.12, from an office in this state.

1075 Section 24. Section 663.403, Florida Statutes, is created



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1076 to read:

1077 663.403 Applicability of the Florida Business Corporation
1078 Act.—Notwithstanding s. 607.01401(12), the provisions of part I
1079 of chapter 607 which are not in conflict with the financial
1080 institutions codes and which relate to foreign corporations
1081 apply to all international trust entities and their offices
1082 doing business in this state.

1083 Section 25. Section 663.404, Florida Statutes, is created
1084 to read:

1085 663.404 Requirements for conducting financial institution
1086 business.—An international trust entity, or any affiliated,
1087 subsidiary, or other person or business entity acting as an
1088 agent for, on behalf of, or for the benefit of such
1089 international trust entity, who engages in such activities from
1090 an office located in this state, may not transact a trust
1091 business, or maintain in this state any office for carrying on
1092 such business, or any part thereof, unless such international
1093 trust entity, affiliate, subsidiary, person, or business entity:

1094 (1) Has been authorized by charter, license, or similar
1095 authorization by operation of law to carry on trust business and
1096 has complied with the laws of each jurisdiction in which it is
1097 chartered, licensed, or otherwise authorized and created under
1098 operation of law.

1099 (2) Has furnished to the office such proof as to the
1100 nature and character of its business and as to its financial



1101 condition as the commission or office requires.

1102 (3) Has filed with the office a certified copy of that
1103 information required to be supplied to the Department of State
1104 by those provisions of part I of chapter 607 which are
1105 applicable to foreign corporations.

1106 (4) Has received a license duly issued to it by the
1107 office.

1108 (5) Has sufficient capital in accordance with the
1109 requirements of s. 663.407 and the rules adopted thereunder and
1110 is not imminently insolvent or insolvent, as those terms are
1111 defined under s. 655.005(1).

1112 (6) (a) Is not in bankruptcy, conservatorship,
1113 receivership, liquidation, or similar status under the laws of
1114 any country.

1115 (b) Is not operating under the direct control of the
1116 government or the regulatory or supervisory authority of the
1117 home jurisdiction in which it has been chartered, licensed, or
1118 otherwise authorized and created under operation of law, through
1119 government intervention or any other extraordinary actions.

1120 (c) Has not been in such status or control at any time
1121 within the 3 years preceding the date of application for a
1122 license.

1123
1124 Notwithstanding paragraphs (a) and (b), the office may permit an
1125 international trust company representative office to remain open



1126 and in operation pursuant to s. 663.412(1)(b).

1127 Section 26. Section 663.405, Florida Statutes, is created
1128 to read:

1129 663.405 Civil action subpoena enforcement.—

1130 (1) Notwithstanding s. 655.059, an international trust
1131 company representative office established under this chapter is
1132 not required to produce a book or record pertaining to a deposit
1133 account, investment account, trust account, or loan of a
1134 customer of the international trust entity's offices that are
1135 located outside the United States or its territories in response
1136 to a subpoena, if the book or record is maintained outside the
1137 United States or its territories and is not in the possession,
1138 custody, or control of the international trust entity's
1139 representative office established in this state.

1140 (2) This section applies only to a subpoena issued
1141 pursuant to the Florida Rules of Civil Procedure, the Federal
1142 Rules of Civil Procedure, or other similar law or rule of civil
1143 procedure in another state. This section does not apply to a
1144 subpoena issued by or on behalf of a federal, state, or local
1145 government law enforcement agency, administrative or regulatory
1146 agency, legislative body, or grand jury and does not limit the
1147 power of the office to access all books and records in the
1148 exercise of the office's regulatory and supervisory powers under
1149 the financial institutions codes.

1150 Section 27. Section 663.406, Florida Statutes, is created



1151 to read:

1152 663.406 Application for license; approval or disapproval.—

1153 (1) An international trust entity, before being licensed

1154 by the office to maintain any office in this state, must

1155 subscribe and acknowledge, and submit to the office, an

1156 application that contains all of the following:

1157 (a) The name of the international trust entity.

1158 (b) The proposed location, by street and post office

1159 address and county, where its business is to be transacted in

1160 this state, and the name of the person who will be in charge of

1161 the business and affairs of the office.

1162 (c) The location where its initial registered office will

1163 be located in this state.

1164 (d) The total amount of the capital accounts of the

1165 international trust entity.

1166 (e) A complete and detailed statement of its financial

1167 condition as of a date within 180 days before the date of such

1168 application, except that the office in its discretion may, when

1169 necessary or expedient, accept such statement of financial

1170 condition as of a date within 240 days before the date of such

1171 application. The office in its discretion may, when necessary or

1172 expedient, require an independent opinion audit or the

1173 equivalent satisfactory to the office.

1174 (f) A listing of any occasion within the 10-year period

1175 before the application on which either the international trust



1176 entity or any of its directors, executive officers, or principal
1177 shareholders have been arrested for, charged with, convicted of,
1178 or pled guilty or nolo contendere to, regardless of
1179 adjudication, any offense with respect to which the penalties
1180 include the possibility of imprisonment for 1 year or more, or
1181 to any offense involving money laundering, currency transaction
1182 reporting, facilitating or furthering terrorism, or fraud, or
1183 otherwise related to the operation of a financial institution.

1184 (2) The office shall disallow any illegally obtained
1185 currency, monetary instruments, funds, or other financial
1186 resources from the capitalization requirements of this section,
1187 and the existence of such illegally obtained resources is
1188 grounds for denial of the application for license.

1189 (3) An international trust entity that submits an
1190 application to the office shall concurrently submit a
1191 certificate issued by the supervisory authority of the country
1192 in which the international trust entity is chartered or
1193 organized which states that the international trust entity is
1194 duly organized and licensed, or otherwise authorized by
1195 operation of law to transact business as a trust entity, and
1196 lawfully existing in good standing.

1197 (4) An international trust entity that has operated an
1198 international trust company representative office in this state
1199 for at least 3 years in a safe and sound manner, as defined by
1200 commission rule, and that is otherwise eligible to establish an



1201 additional office may establish one or more international trust
1202 company representative offices by providing an abbreviated
1203 application, and paying the appropriate license fee pursuant to
1204 s. 663.413.

1205 (5) An application filed pursuant to this section must be
1206 made on a form prescribed by the commission and must contain
1207 such information as the commission or office requires.

1208 (6) The office may, in its discretion, approve or
1209 disapprove the application, but it may not approve the
1210 application unless, in its opinion, the applicant meets each and
1211 every requirement of this part and any other applicable
1212 provision of the financial institutions codes. The office may
1213 approve the application only if it has determined that the
1214 directors, executive officers, and principal shareholders of the
1215 international trust entity are qualified by reason of their
1216 financial ability, reputation, and integrity and have sufficient
1217 trust company and other business experience to indicate that
1218 they will manage and direct the affairs of the international
1219 trust entity in a safe, sound, and lawful manner. In the
1220 processing of any application filed pursuant to this section,
1221 the time limitations under the Administrative Procedure Act do
1222 not apply as to approval or disapproval of the application. For
1223 applications filed on or after January 1, 2018, the time
1224 limitations for approval or disapproval of an application must
1225 be prescribed by rule of the commission.



1226 (7) The office may not issue a license to an international
1227 trust entity unless it is chartered, licensed, or similarly
1228 authorized by operation of law in a jurisdiction in which any
1229 financial institution licensed or chartered by any state or
1230 federal regulatory agency in the United States may establish
1231 similar facilities or exercise similar powers.

1232 (8) The office may not issue a license to an international
1233 trust entity for the purpose of operating an international trust
1234 company representative office in this state unless the trust
1235 entity:

1236 (a) Holds an unrestricted license to conduct trust
1237 business in the foreign country under whose laws it is organized
1238 and chartered;

1239 (b) Has been authorized by the foreign country's
1240 appropriate regulatory authority to establish the proposed
1241 international trust company representative office; and

1242 (c) Is adequately supervised by the appropriate regulatory
1243 agency in the foreign country in which it is organized and
1244 chartered.

1245 (9) The commission shall establish, by rule, the general
1246 principles that determine the adequacy of supervision of an
1247 international trust entity's foreign establishments. These
1248 principles must be based upon the need for cooperative
1249 supervisory efforts and consistent regulatory guidelines and
1250 must address, at a minimum, the capital adequacy, asset quality,



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

1260 Section 28. Section 663.407, Florida Statutes, is created
1261 to read:

1262 663.407 Capital requirements.—

1263 (1) For an international trust entity to qualify for a
1264 license under this part, the proposed capitalization of the
1265 international trust entity must be in such amount as the office
1266 determines is necessary, taking into consideration the risk
1267 profile of the international trust entity and the ability of the
1268 international trust entity to operate a licensed office in a
1269 safe and sound manner. In making this determination, the office
1270 shall consider the financial resources of the international
1271 trust entity, including:

1272 (a) The international trust entity's current and projected
1273 capital position, profitability, level of indebtedness, business
1274 and strategic plans, and off-balance sheet asset management and
1275 administration activities;



1276 (b) The financial condition of any of the international
1277 trust entity's existing offices located in the United States;

1278 (c) The minimum capital requirements of the international
1279 trust entity's home-country jurisdiction; and

1280 (d) The capital ratio standards used in the United States
1281 and in the international trust entity's home-country
1282 jurisdiction.

1283 (2) The proposed capitalization of the international trust
1284 entity must be in such amount as the office deems adequate, but
1285 in no case may the total capital accounts of the international
1286 trust entity be less than \$1 million.

1287 (3) The office may specify such other conditions as it
1288 determines are appropriate, considering the public interest and
1289 the need to maintain a safe, sound, and competitive financial
1290 marketplace in this state.

1291 (4) For purposes of this part, the capital accounts of and
1292 capital ratio standards for an international trust entity must
1293 be determined in accordance with rules adopted by the
1294 commission. In adopting such rules, the commission shall
1295 consider similar rules adopted by regulatory agencies in the
1296 United States and the need to provide reasonably consistent
1297 regulatory requirements for international trust entities doing
1298 business in this state, as well as capital adequacy standards of
1299 an international trust entity's home-country jurisdiction.

1300 Section 29. Section 663.408, Florida Statutes, is created



1301 to read:

1302 663.408 Licenses; permissible activities of licensees.—

1303 (1) (a) An international trust entity licensed to operate
1304 an office in this state may engage in the business authorized by
1305 this part at the office specified in such license for an
1306 indefinite period.

1307 (b) An international trust entity may operate more than
1308 one licensed office, each at a different place of business,
1309 provided that each office is separately licensed.

1310 (c) A license is not transferable or assignable. However,
1311 the location of a licensed office may be changed after
1312 notification to the office.

1313 (d) A license must at all times be conspicuously displayed
1314 in the place of business specified therein.

1315 (2) An international trust entity that proposes to
1316 terminate the operations of a licensed office in this state must
1317 surrender its license to the office and comply with such
1318 procedures as the commission may prescribe by rule.

1319 (3) The license for an international trust company
1320 representative office in this state may be suspended or revoked
1321 by the office, with or without examination, upon its
1322 determination that the international trust entity or the
1323 licensed office does not meet all requirements for original
1324 licensing. Additionally, the office shall revoke the license of
1325 any licensed office that the office determines has been inactive



1326 for 6 months or longer. The commission may by rule prescribe
1327 additional conditions or standards under which the license of an
1328 international trust company representative office may be
1329 suspended or revoked.

1330 (4) If any such license is surrendered by the
1331 international trust entity or is suspended or revoked by the
1332 office, all rights and privileges of the international trust
1333 entity to transact the business under the license cease. The
1334 commission shall prescribe by rule procedures for the surrender
1335 of a license and for the orderly cessation of business by an
1336 international trust entity in a manner that is not harmful to
1337 the interests of its customers or of the public.

1338 Section 30. Section 663.4081, Florida Statutes, is created
1339 to read:

1340 663.4081 After-the-fact licensure process in the event of
1341 the acquisition, merger, or consolidation of international trust
1342 entities.—If an international trust entity proposes to acquire,
1343 merge, or consolidate with an international trust entity that
1344 presently operates an international trust company representative
1345 office licensed in this state, the office may allow the
1346 currently licensed international trust company representative
1347 office to remain open and in operation after consummation of the
1348 proposed acquisition, merger, or consolidation, subject to the
1349 filing with the office of an after-the-fact license application
1350 in accordance with all of the following conditions:



1351 (1) The international trust entity or entities resulting
1352 from the acquisition, merger, or consolidation will not directly
1353 or indirectly own or control more than 5 percent of any class of
1354 the voting securities of, or control, a United States bank.

1355 (2) Before consummation of the acquisition, merger, or
1356 consolidation, the international trust entity currently licensed
1357 to operate an international trust company representative office
1358 in this state must provide the office at least 30 days' advance
1359 written notice, as prescribed by rules adopted by the
1360 commission, of the proposed acquisition, merger, or
1361 consolidation.

1362 (3) Before consummation of the acquisition, merger, or
1363 consolidation, each international trust entity commits in
1364 writing that it will:

1365 (a) Comply with the conditions in subsections (1) and (2)
1366 and file an after-the-fact application for a license under s.
1367 663.406(1) within 60 days after consummation of the proposed
1368 acquisition, merger, or consolidation; and refrain from engaging
1369 in new lines of business and from otherwise expanding the
1370 activities of such establishment in this state until the
1371 disposition of the after-the-fact license application, in
1372 accordance with chapter 120; or

1373 (b) Promptly wind down and close any international trust
1374 company representative office in this state if the international
1375 trust entities that are party to the acquisition, merger, or



1376 consolidation elect not to file an application for a license in
1377 accordance with paragraph (a); and, before such wind-down and
1378 closure, refrain from engaging in new lines of business or
1379 otherwise expanding the activities of such establishment in this
1380 state.

1381 Section 31. Section 663.0625, Florida Statutes, is
1382 transferred, renumbered as section 663.409, Florida Statutes,
1383 and amended to read:

1384 663.409 ~~663.0625~~ International trust company
1385 representative offices; permissible activities; requirements.—

1386 (1) An international trust company representative office
1387 may conduct any nonfiduciary activities that are ancillary to
1388 the fiduciary business of its international trust entity ~~banking~~
1389 ~~corporation or trust company~~, but may not act as a fiduciary.
1390 Permissible activities include advertising, marketing, and
1391 soliciting for fiduciary business on behalf of an international
1392 trust entity ~~banking corporation or trust company~~; contacting
1393 existing or potential customers, answering questions, and
1394 providing information about matters related to their accounts;
1395 serving as a liaison in this state between the international
1396 trust entity ~~banking corporation or trust company~~ and its
1397 existing or potential customers; and engaging in any other
1398 activities approved by the office or under rules of the
1399 commission.

1400 (2) Representatives and employees at such office may not



1401 act as a fiduciary, including, but not limited to, accepting the
1402 fiduciary appointment, executing the fiduciary documents that
1403 create the fiduciary relationship, ~~or~~ making discretionary
1404 decisions regarding the investment or distribution of fiduciary
1405 accounts, or accepting custody of any trust property or any
1406 other good, asset, or thing of value on behalf of the affiliated
1407 international trust entity, its subsidiaries or affiliates, or
1408 subsidiaries and affiliates of the international trust company
1409 representative office.

1410 (3) An international trust company representative office
1411 licensed by the office may engage in any activities permissible
1412 for a qualified limited service affiliate under part IV of this
1413 chapter.

1414 Section 32. Section 663.410, Florida Statutes, is created
1415 to read:

1416 663.410 Certification of capital accounts.—Before opening
1417 an office in this state, and annually thereafter so long as an
1418 international trust company representative office is maintained
1419 in this state, an international trust entity licensed pursuant
1420 to this part must certify to the office the amount of its
1421 capital accounts, expressed in the currency of the home
1422 jurisdiction where it has been authorized by charter, license,
1423 or similar authorization by operation of law to carry on trust
1424 business. The dollar equivalent of these amounts, as determined
1425 by the office, is deemed to be the amount of its capital



1426 accounts. The annual certification of capital accounts must be
1427 received by the office on or before June 30 of each year.

1428 Section 33. Section 663.411, Florida Statutes, is created
1429 to read:

1430 663.411 Reports; records.—

1431 (1) An international trust entity that operates an office
1432 licensed under this part shall, at such times and in such form
1433 as the commission prescribes, make written reports in the
1434 English language to the office, under the oath of one of its
1435 officers, managers, or agents transacting business in this
1436 state, showing the amount of its assets and liabilities and
1437 containing such other matters as the commission or office
1438 requires. An international trust entity that maintains two or
1439 more representative offices may consolidate such information in
1440 one report unless the office requires otherwise for purposes of
1441 its supervision of the condition and operations of each such
1442 office. The late filing of such reports is subject to an
1443 administrative fine as prescribed under s. 655.045(2). If the
1444 international trust entity fails to make such report as directed
1445 by the office or if such report contains a false statement
1446 knowingly made, the same are grounds for revocation of the
1447 license of the international trust entity.

1448 (2) An international trust entity that operates an office
1449 licensed under this part shall cause to be kept, at a location
1450 accepted by the office:



1451 (a) Correct and complete books and records of account of
1452 the business operations transacted by such office. All policies
1453 and procedures relating specifically to the operations of such
1454 office, as well as any existing general ledger or subsidiary
1455 accounts, must be maintained in the English language; however,
1456 any policies and procedures of the international trust entity
1457 which are not specific to the operations of such office may be
1458 maintained in a language other than English.

1459 (b) Current copies of the charter or statement of
1460 operation and bylaws of the international trust entity, relative
1461 to the operations of the international trust company
1462 representative office, and minutes of the proceedings of its
1463 directors, officers, or committees relative to the business of
1464 the international trust company representative office. Such
1465 records may be maintained in a language other than English and
1466 must be kept pursuant to s. 655.91 and be made available to the
1467 office, upon request, at any time during regular business hours
1468 of the international trust company representative office.

1469 (3) Any failure to keep such records as required in
1470 subsection (2) or any refusal to produce such records upon
1471 request by the office is grounds for suspension or revocation of
1472 any license issued under this part.

1473 (4) The office may require at any time that any document
1474 not written in the English language which the office deems
1475 necessary for the purposes of its regulatory and supervisory



1476 functions be translated into English at the expense of the
1477 international trust entity.

1478 Section 34. Section 663.412, Florida Statutes, is created
1479 to read:

1480 663.412 Termination of international trust entity's
1481 charter or authority.-

1482 (1)(a) An international trust entity that is licensed to
1483 maintain an office in this state may not continue to conduct its
1484 licensed business in this state if the international trust
1485 entity:

1486 1. Is dissolved, or its authority or existence is
1487 otherwise terminated or canceled in the home jurisdiction where
1488 it has been authorized by charter, license, or similar
1489 authorization by operation of law to carry on trust business;

1490 2. Is in bankruptcy, conservatorship, receivership,
1491 liquidation, or similar status under the laws of any country; or

1492 3. Is operating under the direct control of the government
1493 or the regulatory or supervisory authority of the jurisdiction
1494 where it has been authorized by charter, license, or similar
1495 authorization by operation of law to carry on trust business
1496 through government intervention or any other extraordinary
1497 actions.

1498 (b)1. Notwithstanding subparagraphs (a)2. and 3., the
1499 office may permit an international trust company representative
1500 office to remain open and in operation under the following



1501 conditions:

1502 a. Within 30 days after the occurrence of an event
1503 described in subparagraph (a)2. or subparagraph (a)3., the
1504 international trust company representative office provides the
1505 office with a plan to wind down its affairs and business within
1506 the subsequent 90 days or provides an interim operational plan
1507 outlining parameters for its continued operation. If the office
1508 finds that such interim operational plan does not allow for the
1509 conduct of business in a safe and sound manner, the office shall
1510 revoke the license.

1511 b. The international trust entity is authorized by the
1512 foreign country in which it is organized and licensed to address
1513 the affairs of any international trust company representative
1514 office in this state.

1515 c. The international trust company representative office
1516 does not engage in any new lines of business or otherwise expand
1517 its activities in this state.

1518 d. The office determines that allowing the international
1519 trust company representative office to remain open furthers
1520 domestic and foreign supervisory cooperation.

1521 e. The office determines that allowing the international
1522 trust company representative office to remain open is in the
1523 public's interest and does not present an immediate or serious
1524 danger to the public health, safety, or welfare.

1525 2. The commission may establish, by rule, additional



1526 standards and conditions for approval of an interim operational
1527 plan and for ongoing compliance with the plan. Such standards
1528 and conditions shall be based upon the need for cooperative
1529 supervisory efforts, consistent regulatory oversight, and the
1530 orderly administration of the international trust entity's
1531 affairs.

1532 3. After the resolution of all applicable events described
1533 in subparagraphs (a)2. and 3., if an international trust entity
1534 is no longer authorized by the foreign country in which it is
1535 organized and supervised to conduct trust business, the
1536 international trust company representative office shall
1537 surrender its license in accordance with s. 663.408.

1538 (2) The international trust entity or its surviving
1539 officers and directors shall deliver to the office:

1540 (a) A certificate of the official who is responsible for
1541 records of trust entities in the jurisdiction where the
1542 international trust entity has been authorized by charter,
1543 license, or similar authorization by operation of law to carry
1544 on trust business of the international trust entity, attesting
1545 to the occurrence of any event described in paragraph (1) (a);

1546 (b) A certified copy of an order or decree of a court of
1547 such jurisdiction, directing the dissolution of such
1548 international trust entity, the termination of its existence, or
1549 the cancellation of its authority, or declaring its status in
1550 bankruptcy, conservatorship, receivership, liquidation, or



1551 similar proceedings; or
1552 (c) Other reliable documentation evidencing that the
1553 international trust entity is operating under the direct control
1554 of its government or a regulatory or supervisory authority.

1555 (3) The filing of the certificate, order, documentation,
1556 or decree has the same effect as the revocation of the license
1557 of such international trust entity as provided in s. 663.408,
1558 unless the office has permitted the international trust company
1559 representative office to remain open and in operation pursuant
1560 to paragraph (1) (b).

1561 Section 35. Section 663.413, Florida Statutes, is created
1562 to read:

1563 663.413 Application and examination fees.—

1564 (1) An application for a license to establish an
1565 international trust company representative office under this
1566 part must be accompanied by a nonrefundable \$5,000 filing fee,
1567 payable to the office.

1568 (2) An international trust entity that maintains an office
1569 licensed under this part must pay to the office examination fees
1570 that are determined by the commission by rule and that are
1571 calculated in a manner so as to be equal to the actual cost of
1572 each examiner's participation in the examination, as measured by
1573 the examiner's pay scale, plus any other expenses directly
1574 incurred in the examination. However, the examination fees may
1575 not be less than \$200 per day for each examiner participating in



1576 the examination.

1577 Section 36. Section 663.414, Florida Statutes, is created
1578 to read:

1579 663.414 Rules; exemption from statement of estimated
1580 regulatory costs requirements.—In addition to any other
1581 rulemaking authority it has under the financial institutions
1582 codes, the commission may adopt reasonable rules that it deems
1583 advisable for the administration of international trust entities
1584 under this part in the interest of protecting depositors,
1585 creditors, borrowers, or the public interest and in the interest
1586 of maintaining a sound banking and trust system in this state.
1587 Because of the difficulty in obtaining economic data with regard
1588 to such trusts, ss. 120.54(3)(b) and 120.541 do not apply to the
1589 adoption of rules pursuant to this section.

1590 Section 37. Section 663.415, Florida Statutes, is created
1591 to read:

1592 663.415 Travel expenses.—If domestic or foreign travel is
1593 deemed necessary by the office to effectuate the purposes of
1594 this part, the office must be reimbursed for actual, reasonable,
1595 and necessary expenses incurred in such domestic or foreign
1596 travel by the international trust company representative office
1597 under examination.

1598 Section 38. The Division of Law Revision and Information
1599 is directed to create part IV of chapter 663, Florida Statutes,
1600 consisting of ss. 663.530-663.540, Florida Statutes, to be



1601 entitled "Qualified Limited Service Affiliates of International
1602 Trust Entities."

1603 Section 39. Section 663.530, Florida Statutes, is created
1604 to read:

1605 663.530 Definitions.—

1606 (1) As used in ss. 663.531-663.539, the term:

1607 (a) "Foreign country" means a country other than the
1608 United States and includes any colony, dependency, or possession
1609 of such country notwithstanding any definitions in chapter 658,
1610 and any territory of the United States, including Guam, American
1611 Samoa, the Virgin Islands, and the Commonwealth of Puerto Rico.

1612 (b) "Home-country regulator" means the supervisory
1613 authority or equivalent or other similarly sanctioned body,
1614 organization, governmental entity, or recognized authority,
1615 which has similar responsibilities in a foreign country in which
1616 and by whom an international trust entity is licensed,
1617 chartered, or has similar authorization to organize and operate.

1618 (c) "International trust entity" means an international
1619 trust company or organization, or any similar business entity,
1620 or an affiliated or subsidiary entity that is licensed,
1621 chartered, or similarly permitted to conduct trust business in a
1622 foreign country or countries under the laws where such entity is
1623 organized and supervised.

1624 (d) "Nonresident" has the same meaning as in s. 663.01.

1625 (e) "Professional" means an accountant, attorney, or other



1626 financial services and wealth planning professional who is
1627 licensed by a governing body or affiliated with a licensed,
1628 chartered, or similarly authorized entity.

1629 (f) "Qualified limited service affiliate" means a person
1630 or entity that is qualified under this part to perform the
1631 permissible activities outlined in s. 663.531 related to or for
1632 the benefit of an affiliated international trust entity.

1633 (2) As used in ss. 663.531-663.539, the terms "affiliate,"
1634 "commission," "executive officer," "financial institution,"
1635 "financial institution-affiliated party," "financial
1636 institutions codes," "office," "officer," "state," and
1637 "subsidiary" have the same meaning as provided in s. 655.005.

1638 Section 40. Section 663.531, Florida Statutes, is created
1639 to read:

1640 663.531 Permissible activities; prohibited activities.—

1641 (1) Qualification as a qualified limited service affiliate
1642 under this part does not provide any exemption from licensure,
1643 registration, application, and requirements to conduct licensed
1644 business activities in this state. A qualified limited service
1645 affiliate may engage in any of the following permissible
1646 activities, which are not meant to be restrictive unless an
1647 activity is prohibited under subsection (2):

1648 (a) Marketing and liaison services related to or for the
1649 benefit of the affiliated international trust entities, directed
1650 exclusively at professionals and current or prospective



1651 nonresident clients of an affiliated international trust entity;
1652 (b) Advertising and marketing at trade, industry, or
1653 professional events;
1654 (c) Transmission of documents between the international
1655 trust entity and its current or prospective clients or a
1656 designee of such clients; and
1657 (d) Transmission of information about the trust or trust
1658 holdings of current clients between current clients or their
1659 designees and the international trust entity.
1660 (2) A qualified limited service affiliate may not engage
1661 in any of the following activities:
1662 (a) Advertising and marketing related to or for the
1663 benefit of the international trust entity which are directed to
1664 the general public;
1665 (b) Acting as a fiduciary, including, but not limited to,
1666 accepting the fiduciary appointment, executing the fiduciary
1667 documents that create the fiduciary relationship, or making
1668 discretionary decisions regarding the investment or distribution
1669 of fiduciary accounts;
1670 (c) Accepting custody of any trust property or any other
1671 good, asset, or thing of value on behalf of the affiliated
1672 international trust entity, its subsidiaries or affiliates, or
1673 subsidiaries and affiliates of the qualified limited service
1674 affiliate;
1675 (d) Soliciting business within this state from the general



1676 public related to or for the benefit of an affiliated
1677 international trust entity;

1678 (e) Adding a director, an executive officer, a principal
1679 shareholder, a manager, a managing member, or an equivalent
1680 position to the qualified limited service affiliate without
1681 prior written notification to the office;

1682 (f) Commencing services for an international trust entity
1683 without complying with the requirements of s. 663.532;

1684 (g) Providing services for any international trust entity
1685 that is in bankruptcy, conservatorship, receivership,
1686 liquidation, or a similar status under the laws of any country;
1687 or

1688 (h) Otherwise conducting banking or trust business.

1689 (3) The provisions of subsection (2) are not deemed to
1690 prevent the qualified limited service affiliate's use of an
1691 international trust entity's website, or its own website, if the
1692 posted information or communication includes the following:

1693 (a) The following statement: "Certain described services
1694 are not offered to the general public in Florida, but are
1695 marketed by ... (insert name of qualified limited service
1696 affiliate)... exclusively to professionals and current or
1697 prospective non-U.S. resident clients of the affiliated
1698 international trust entity or entities."

1699 (b) The notice required by s. 663.535.

1700 (4) In addition to any other power conferred upon it to



1701 enforce and administer this chapter and the financial
1702 institutions codes, the office may impose any remedy or penalty
1703 pursuant to s. 655.033, relating to cease and desist orders; s.
1704 655.034, relating to injunctions; s. 655.037, relating to
1705 removal of a financial institution-affiliated party by the
1706 office; or s. 655.041, relating to administrative fines and
1707 enforcement, if a qualified limited service affiliate engages in
1708 any of the impermissible activities in subsection (2).

1709 Section 41. Effective upon this act becoming a law,
1710 section 663.532, Florida Statutes, is created to read:

1711 663.532 Qualification.—No later than March 31, 2018, a
1712 person or entity that previously qualified under the moratorium
1713 in s. 663.041 must seek qualification as a qualified limited
1714 service affiliate or cease doing business in this state.
1715 Notwithstanding the expiration of the moratorium under s.
1716 663.041, a person or entity that previously qualified under such
1717 moratorium may remain open and in operation but shall refrain
1718 from engaging in new lines of business in this state until
1719 qualified as a qualified limited service affiliate under this
1720 part.

1721 Section 42. Section 663.532, Florida Statutes, as created
1722 by this act, is amended to read:

1723 663.532 Qualification.—

1724 (1) To qualify as a qualified limited service affiliate
1725 under this part, a proposed qualified limited service affiliate



1726 must file a written notice with the office, in the manner and on
1727 a form prescribed by the commission. Such written notice must
1728 include:

1729 (a) The name under which the proposed qualified limited
1730 service affiliate will conduct business in this state.

1731 (b) A copy of the articles of incorporation or articles of
1732 organization, or the equivalent, of the proposed qualified
1733 limited service affiliate.

1734 (c) The physical address where the proposed qualified
1735 limited service affiliate will conduct business.

1736 (d) The mailing address of the proposed qualified limited
1737 service affiliate.

1738 (e) The name and biographical information of each
1739 director, executive officer, manager, managing member, or
1740 equivalent position of the proposed qualified limited service
1741 affiliate, to be submitted on a form prescribed by the
1742 commission.

1743 (f) The number of officers and employees of the proposed
1744 qualified limited service affiliate.

1745 (g) A detailed list and description of the activities to
1746 be conducted by the proposed qualified limited service
1747 affiliate. The detailed list and description must include:

1748 1. The services and activities of the proposed qualified
1749 limited service affiliate;

1750 2. An explanation of how the services and activities of



1751 the proposed qualified limited service affiliate serve the
1752 business purpose of each international trust entity; and

1753 3. An explanation of how the services and activities of
1754 the proposed qualified limited service affiliate are
1755 distinguishable from those of the permissible activities of an
1756 international trust company representative office described
1757 under s. 663.409.

1758 (h) Disclosure of any instance occurring within the prior
1759 10 years when the proposed qualified limited service affiliate's
1760 director, executive officer, principal shareholder, manager,
1761 managing member, or equivalent position was:

1762 1. Arrested for, charged with, or convicted of, or who
1763 pled guilty or nolo contendere to, regardless of adjudication,
1764 any offense that is punishable by imprisonment for a term
1765 exceeding 1 year, or to any offense that involves money
1766 laundering, currency transaction reporting, tax evasion,
1767 facilitating or furthering terrorism, fraud, theft, larceny,
1768 embezzlement, fraudulent conversion, misappropriation of
1769 property, dishonesty, breach of trust, breach of fiduciary duty,
1770 or moral turpitude, or that is otherwise related to the
1771 operation of a financial institution;

1772 2. Fined or sanctioned as a result of a complaint to the
1773 office or any other state or federal regulatory agency; or

1774 3. Ordered to pay a fine or penalty in a proceeding
1775 initiated by a federal, state, foreign, or local law enforcement



1776 agency or an international agency related to money laundering,
1777 currency transaction reporting, tax evasion, facilitating or
1778 furthering terrorism, fraud, theft, larceny, embezzlement,
1779 fraudulent conversion, misappropriation of property, dishonesty,
1780 breach of trust, breach of fiduciary duty, or moral turpitude,
1781 or that is otherwise related to the operation of a financial
1782 institution.

1783 (i) A declaration under penalty of perjury signed by the
1784 executive officer, manager, or managing member of the proposed
1785 qualified limited service affiliate that, to the best of his or
1786 her knowledge:

1787 1. No employee, representative, or agent provides, or will
1788 provide, banking services; promotes or sells, or will promote or
1789 sell, investments; or accepts, or will accept, custody of
1790 assets.

1791 2. No employee, representative, or agent acts, or will
1792 act, as a fiduciary in this state, which includes, but is not
1793 limited to, accepting the fiduciary appointment, executing the
1794 fiduciary documents that create the fiduciary relationship, or
1795 making discretionary decisions regarding the investment or
1796 distribution of fiduciary accounts.

1797 3. The jurisdiction of the international trust entity or
1798 its offices, subsidiaries, or any affiliates that are directly
1799 involved in or facilitate the financial services functions,
1800 banking, or fiduciary activities of the international trust



1801 entity is not listed on the Financial Action Task Force Public
1802 Statement or on its list of jurisdictions with deficiencies in
1803 anti-money laundering or counterterrorism.

1804 (j) For each international trust entity that the proposed
1805 qualified limited service affiliate will provide services for in
1806 this state, the following:

1807 1. The name of the international trust entity;

1808 2. A list of the current officers and directors of the
1809 international trust entity;

1810 3. Any country where the international trust entity is
1811 organized or authorized to do business;

1812 4. The name of the home-country regulator;

1813 5. Proof that the international trust entity has been
1814 authorized by charter, license, or similar authorization by its
1815 home-country regulator to engage in trust business;

1816 6. Proof that the international trust entity lawfully
1817 exists and is in good standing under the laws of the
1818 jurisdiction where it is chartered, licensed, or organized;

1819 7. A statement that the international trust entity is not
1820 in bankruptcy, conservatorship, receivership, liquidation, or in
1821 a similar status under the laws of any country;

1822 8. Proof that the international trust entity is not
1823 operating under the direct control of the government or the
1824 regulatory or supervisory authority of the jurisdiction of its
1825 incorporation, through government intervention or any other



1826 extraordinary actions, and confirmation that it has not been in
1827 such a status or under such control at any time within the prior
1828 3 years;

1829 9. Proof and confirmation that the proposed qualified
1830 limited service affiliate is affiliated with the international
1831 trust entities provided in the notice; and

1832 10. Proof that the jurisdictions where the international
1833 trust entity or its offices, subsidiaries, or any affiliates
1834 that are directly involved in or that facilitate the financial
1835 services functions, banking, or fiduciary activities of the
1836 international trust entity are not listed on the Financial
1837 Action Task Force Public Statement or on its list of
1838 jurisdictions with deficiencies in anti-money laundering or
1839 counterterrorism.

1840 (k) A declaration under penalty of perjury, signed by an
1841 executive officer, manager, or managing member of each
1842 affiliated international trust entity, declaring that the
1843 information provided to the office is true and correct to the
1844 best of his or her knowledge.

1845
1846 The proposed qualified limited service affiliate may provide
1847 additional information in the form of exhibits when attempting
1848 to satisfy any of the qualification requirements. All
1849 information that the proposed qualified limited service
1850 affiliate desires to present to support the written notice must



1851 be submitted with the notice.

1852 (2) The office may request additional information as the
1853 office reasonably requires. Any request for additional
1854 information must be made by the office within 30 days after
1855 initial receipt of the written notice. Additional information
1856 must be submitted within 60 days after a request has been made
1857 by the office. Failure to respond to such request within 60 days
1858 after the date of the request is a ground for denial of the
1859 qualification. A notice is not deemed complete until all
1860 requested information has been submitted to the office. Upon
1861 deeming the notice complete, the office has 120 days to qualify
1862 the proposed qualified limited service affiliate or issue a
1863 denial. An order denying a qualification must contain notice of
1864 opportunity for a hearing pursuant to ss. 120.569 and 120.57.

1865 (3) A qualification under this part must be summarily
1866 suspended by the office if the qualified limited service
1867 affiliate made a material false statement in the written notice.
1868 The summary suspension must remain in effect until a final order
1869 is entered by the office. For purposes of s. 120.60(6), a
1870 material false statement made in the qualified limited service
1871 affiliate's written notice constitutes an immediate and serious
1872 danger to the public health, safety, and welfare. If a qualified
1873 limited service affiliate made a material false statement in the
1874 written notice, the office must enter a final order revoking the
1875 qualification and may issue a fine as prescribed by s. 655.041



1876 | or issue an order of suspension, removal, or prohibition under
1877 | s. 655.037 to a financial institution-affiliated party of the
1878 | qualified limited service affiliate.

1879 | (4) Upon the filing of a completed qualification notice
1880 | under this section, the office shall make an investigation of
1881 | the character, reputation, business experience, and business
1882 | qualifications of the proposed qualified limited service
1883 | affiliate's proposed directors, executive officers, principal
1884 | shareholder, managers, managing members, or equivalent
1885 | positions. The office shall approve the qualification only if it
1886 | has determined that such persons are qualified by reason of
1887 | their ability, reputation, and integrity and have sufficient
1888 | experience to manage and direct the affairs of the qualified
1889 | limited service affiliate in a lawful manner and in accordance
1890 | with the requirements for obtaining and maintaining a
1891 | qualification under this part. When evaluating a qualification
1892 | notice, the office may consider factors reasonably related to an
1893 | offense or related to a violation, fine, or penalty, such as
1894 | mitigating factors, history of multiple violations, severity of
1895 | the offense, and showings of rehabilitation.

1896 | (5) A qualification is not transferable or assignable.

1897 | (6) No later than March 31, 2018, a person or entity that
1898 | previously qualified under the moratorium in s. 663.041 must
1899 | seek qualification as a qualified limited service affiliate or
1900 | cease doing business in this state. Notwithstanding the



1901 expiration of the moratorium under s. 663.041, a person or
1902 entity that previously qualified under such moratorium may
1903 remain open and in operation but shall refrain from engaging in
1904 new lines of business in this state until qualified as a
1905 qualified limited service affiliate under this part.

1906 Section 43. Section 663.5325, Florida Statutes, is created
1907 to read:

1908 663.5325 Civil action subpoena enforcement.—

1909 (1) Notwithstanding s. 655.059, a qualified limited
1910 service affiliate established under this chapter is not required
1911 to produce a book or record pertaining to a customer of an
1912 affiliated international trust entity that is located outside
1913 the United States or its territories in response to a subpoena
1914 if the book or record is maintained outside the United States or
1915 its territories and is not in the possession, custody, or
1916 control of the qualified limited service affiliate.

1917 (2) This section applies only to a subpoena issued
1918 pursuant to the Florida Rules of Civil Procedure, the Federal
1919 Rules of Civil Procedure, or other similar law or rule of civil
1920 procedure in another state or territory of the United States.
1921 This section does not apply to a subpoena issued by or on behalf
1922 of a federal, state, or local government law enforcement agency,
1923 administrative or regulatory agency, legislative body, or grand
1924 jury and does not limit the power of the office to access all
1925 books and records in the exercise of the office's regulatory and



1926 supervisory powers under the financial institutions codes.

1927 Section 44. Section 663.533, Florida Statutes, is created
1928 to read:

1929 663.533 Applicability of the financial institutions
1930 codes.—A qualified limited service affiliate is subject to the
1931 financial institutions codes. Without limiting the foregoing,
1932 the following provisions are applicable to a qualified limited
1933 service affiliate:

1934 (1) Section 655.012, relating to general supervisory
1935 powers of the office.

1936 (2) Section 655.031, relating to administrative
1937 enforcement guidelines.

1938 (3) Section 655.032, relating to investigations,
1939 subpoenas, hearings, and witnesses.

1940 (4) Section 655.0321, relating to restricted access to
1941 certain hearings, proceedings, and related documents.

1942 (5) Section 655.033, relating to cease and desist orders.

1943 (6) Section 655.034, relating to injunctions.

1944 (7) Section 655.037, relating to removal of a financial
1945 institution-affiliated party by the office.

1946 (8) Section 655.041, relating to administrative fines and
1947 enforcement.

1948 (9) Section 655.057, relating to restrictions on access to
1949 public records.

1950 (10) Section 655.059, relating to access to books and



1951 | records.

1952 | (11) Section 655.0591, relating to trade secret documents.

1953 | (12) Section 655.91, relating to records of institutions

1954 | and copies thereof; retention and destruction.

1955 | (13) Section 655.968, relating to financial institutions;

1956 | transactions relating to Iran or terrorism.

1957 |

1958 | This section does not prohibit the office from investigating or

1959 | examining an entity to ensure that it is not in violation of

1960 | this chapter or applicable provisions of the financial

1961 | institutions codes.

1962 | Section 45. Section 663.534, Florida Statutes, is created

1963 | to read:

1964 | 663.534 Events that require notice to be provided to the

1965 | office.—A qualified limited service affiliate must report to the

1966 | office, within 15 days of its knowledge of the occurrence, any

1967 | changes to the information previously relied upon by the office

1968 | when qualifying or renewing a qualification under this part.

1969 | Section 46. Section 663.535, Florida Statutes, is created

1970 | to read:

1971 | 663.535 Notice to customers.—All marketing documents and

1972 | advertisements and any display at the location of the qualified

1973 | limited service affiliate or at any trade or marketing event

1974 | must contain the following statement in a contrasting color in

1975 | at least 10-point type: "The Florida Office of Financial



1976 | Regulation DOES NOT provide safety and soundness oversight of
1977 | this company, does not provide any opinion as to any affiliated
1978 | companies or products, and does not provide the oversight of
1979 | this company's affiliated international trust entities or the
1980 | jurisdictions within which they operate. This company may not
1981 | act as a fiduciary and may not accept the fiduciary appointment,
1982 | execute or transmit fiduciary documents, take possession of any
1983 | assets, create a fiduciary relationship, make discretionary
1984 | decisions regarding the investment or distribution of fiduciary
1985 | accounts, provide banking services, or promote or sell
1986 | investments."

1987 | Section 47. Section 663.536, Florida Statutes, is created
1988 | to read:

1989 | 663.536 Recordkeeping requirements for trade, industry, or
1990 | professional events.—A qualified limited service affiliate who
1991 | participates in a trade, industry, or professional event
1992 | pursuant to s. 663.531 must keep a record of its participation
1993 | in the event. The record must be maintained for at least 2 years
1994 | following the event and must contain the following information:

1995 | (1) The date, time, and location of the event;

1996 | (2) To the extent known or available, a list of
1997 | participants in the event, including other vendors, presenters,
1998 | attendees, and targeted attendees;

1999 | (3) The nature and purpose of the event;

2000 | (4) The qualified limited service affiliate's purpose for



2001 participating in the event; and

2002 (5) Samples of materials or, when samples are unavailable,
2003 descriptions of materials provided by the qualified limited
2004 service affiliate to attendees and other participants.

2005 Section 48. Section 663.537, Florida Statutes, is created
2006 to read:

2007 663.537 Examination or investigation of a qualified
2008 limited service affiliate.—The office may conduct an examination
2009 or investigation of a qualified limited service affiliate at any
2010 time that it deems necessary to determine whether the qualified
2011 limited service affiliate or financial institution-affiliated
2012 party thereof has violated, or is about to violate, any
2013 provision of this chapter, any applicable provision of the
2014 financial institutions codes, or any rule adopted by the
2015 commission pursuant to this chapter or the financial
2016 institutions codes. The office shall conduct an examination of
2017 each qualified limited service affiliate at least once every 18
2018 months to assess compliance with this part and the financial
2019 institutions codes. The office may conduct an examination,
2020 before or after qualification, of any person or entity that
2021 submits the written notice for qualification pursuant to s.
2022 663.532 to confirm information provided in the written notice
2023 and to confirm the activities of the person or entity seeking
2024 qualification.

2025 Section 49. Section 663.538, Florida Statutes, is created



2026 to read:

2027 663.538 Suspension, revocation, or voluntary surrender of
2028 qualification.—

2029 (1) A qualified limited service affiliate that proposes to
2030 terminate operations in this state shall surrender its
2031 qualification to the office and comply with such procedures as
2032 required by rule of the commission.

2033 (2) A qualified limited service affiliate that fails to
2034 renew its qualification may be subject to a fine and penalty;
2035 however, such qualified limited service affiliate may renew its
2036 qualification within 30 days after expiration or may surrender
2037 the qualification in accordance with procedures prescribed by
2038 commission rule.

2039 (3) The qualification of a qualified limited service
2040 affiliate in this state may be suspended or revoked by the
2041 office, with or without examination, upon the office's
2042 determination that the qualified limited service affiliate does
2043 not meet all requirements for original or renewal qualification.

2044 (4) If a qualified limited service affiliate surrenders
2045 its qualification or its qualification is suspended or revoked
2046 by the office, all rights and privileges afforded by this part
2047 to the qualified limited service affiliate cease.

2048 (5) At least 60 days before a proposed date of voluntary
2049 termination of a qualification, a qualified limited service
2050 affiliate must provide to the office written notice by letter of



2051 its intention to surrender its qualification and terminate
2052 operations. The notice must include the proposed date of
2053 termination and the name of the officer in charge of the
2054 termination procedures.

2055 (6) The office may conduct an examination of the books and
2056 records of a qualified limited service affiliate at any time
2057 after receipt of the notice of surrender of qualification to
2058 confirm the winding down of operations.

2059 (7) Operations of a qualified limited service affiliate
2060 are deemed terminated effective upon the later of the expiration
2061 of 60 days from the date of the filing of the notice of
2062 voluntary surrender or upon the date provided in the notice of
2063 voluntary surrender, unless the office provides written notice
2064 specifying the grounds for denial of such proposed termination.
2065 The office may not deny a request to terminate unless it learns
2066 of the existence of any outstanding claim or claims against the
2067 qualified limited service affiliate, it finds that the
2068 requirements to terminate operations have not been satisfied, or
2069 there is an immediate and serious danger to the public health,
2070 safety, and welfare if the termination occurred.

2071 Section 50. Section 663.539, Florida Statutes, is created
2072 to read:

2073 663.539 Biennial qualification renewal.—A qualification
2074 must be renewed every 2 years. A qualification must be renewed
2075 by furnishing such information as the commission requires. A



2076 complete biennial renewal of qualification must include a
2077 declaration under penalty of perjury, signed by the executive
2078 officer or managing member of the qualified limited service
2079 affiliate seeking renewal, declaring that the information
2080 submitted for the purposes of renewal is true and correct to the
2081 best of his or her knowledge, and confirming or providing all of
2082 the following:

2083 (1) That the qualified limited service affiliate is in
2084 compliance with this part.

2085 (2) The physical location of the principal place of
2086 business of the qualified limited service affiliate.

2087 (3) The telephone number of the qualified limited service
2088 affiliate.

2089 (4) A list of the qualified limited service affiliate's
2090 current directors, executive officers, principal shareholder,
2091 managers, managing members, or equivalent positions.

2092 (5) Any updates or changes in information which were not
2093 previously provided either in the initial qualification or in
2094 subsequent qualification renewals or which were not previously
2095 disclosed to the office.

2096 Section 51. For the purpose of incorporating the amendment
2097 made by this act to section 663.01, Florida Statutes, in a
2098 reference thereto, subsection (4) of section 663.16, Florida
2099 Statutes, is reenacted to read:

2100 663.16 Definitions; ss. 663.17-663.181.—As used in ss.



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2017

2101 663.17-663.181, the term:

2102 (4) Except where the context otherwise requires,
2103 "international banking corporation" or "corporation" has the
2104 same meaning as that provided in s. 663.01 and includes any
2105 licensed office of an international banking corporation
2106 operating in this state.

2107 Section 52. Except as otherwise expressly provided in this
2108 act and except for this section, which shall take effect upon
2109 this act becoming a law, this act shall take effect January 1,
2110 2018.