

By the Committee on Banking and Insurance; and Senator Gruters

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1                   A bill to be entitled  
2       An act relating to financial institutions; amending s.  
3       120.80, F.S.; providing that the failure of foreign  
4       nationals to appear through video conference at  
5       certain hearings is grounds for denial of certain  
6       applications; amending s. 475.01, F.S.; conforming a  
7       cross-reference; creating s. 501.2076, F.S.; providing  
8       that the imposition of fees or charges upon consumers  
9       for online audit verifications of financial  
10      institution accounts is a violation of the Florida  
11      Deceptive and Unfair Trade Practices Act; amending s.  
12      518.117, F.S.; conforming a cross-reference; amending  
13      s. 655.045, F.S.; revising the interval for the Office  
14      of Financial Regulation to conduct certain  
15      examinations; authorizing the Office of Financial  
16      Regulation to delay examinations of financial  
17      institutions under certain circumstances; specifying  
18      that examination requirements are deemed met under  
19      certain circumstances; requiring copies of certain  
20      examination reports to be furnished to financial  
21      institutions; requiring certain directors to review  
22      and acknowledge receipt of such reports; amending s.  
23      655.414, F.S.; revising the entities that may assume  
24      liabilities, and the liabilities that may be assumed,  
25      according to certain procedures, conditions, and  
26      limitations; specifying the basis for calculating  
27      percentages of assets or liabilities; amending s.  
28      655.50, F.S.; revising the definition of the term  
29      "financial institution"; amending s. 657.021, F.S.;

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30 requiring credit unions to submit specified  
31 information to the office after certain meetings;  
32 amending s. 657.042, F.S.; revising certain  
33 limitations on credit union investments; amending s.  
34 658.12, F.S.; defining the term "target market";  
35 amending s. 658.20, F.S.; requiring the office, upon  
36 receiving applications for authority to organize a  
37 bank or trust company, to investigate the need for new  
38 bank facilities in a primary service area or target  
39 market and the ability of such service area or target  
40 market to support new and existing bank facilities;  
41 amending s. 658.21, F.S.; deleting a requirement that  
42 certain proposed financial institution presidents or  
43 chief executive officers have certain experience  
44 within a specified timeframe; creating s. 658.265,  
45 F.S.; defining the term "trust representative office";  
46 authorizing a trust representative office to engage in  
47 certain activities; prohibiting a trust representative  
48 office from engaging in fiduciary activities; amending  
49 s. 658.28, F.S.; requiring a person or group to notify  
50 the office upon acquiring a controlling interest in a  
51 bank or trust company in this state; amending s.  
52 658.2953, F.S.; defining the term "de novo branch";  
53 amending s. 662.1225, F.S.; revising the type of  
54 institution with which certain family trust companies  
55 are required to maintain a deposit account; amending  
56 s. 662.128, F.S.; revising the timeframe for filing  
57 renewal applications for certain family trust  
58 companies; amending s. 663.07, F.S.; revising the

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59 banks with which international bank agencies or  
60 branches shall maintain certain deposits; amending s.  
61 663.532, F.S.; requiring limited service affiliates to  
62 suspend certain permissible activities under certain  
63 circumstances; specifying that such suspensions remain  
64 in effect until certain conditions are met; amending  
65 s. 736.0802, F.S.; conforming a cross-reference;  
66 providing an effective date.

67

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

69

70 Section 1. Paragraph (a) of subsection (3) of section  
71 120.80, Florida Statutes, is amended to read:

72 120.80 Exceptions and special requirements; agencies.-

73 (3) OFFICE OF FINANCIAL REGULATION.-

74 (a) Notwithstanding s. 120.60(1), in proceedings for the  
75 issuance, denial, renewal, or amendment of a license or approval  
76 of a merger pursuant to title XXXVIII:

77 1.a. The Office of Financial Regulation of the Financial  
78 Services Commission shall have published in the Florida  
79 Administrative Register notice of the application within 21 days  
80 after receipt.

81 b. Within 21 days after publication of notice, any person  
82 may request a hearing. Failure to request a hearing within 21  
83 days after notice constitutes a waiver of any right to a  
84 hearing. The Office of Financial Regulation or an applicant may  
85 request a hearing at any time prior to the issuance of a final  
86 order. Hearings shall be conducted pursuant to ss. 120.569 and  
87 120.57, except that the Financial Services Commission shall by

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88 rule provide for participation by the general public.

89 2. Should a hearing be requested as provided by sub-  
90 subparagraph 1.b., the applicant or licensee shall publish at  
91 its own cost a notice of the hearing in a newspaper of general  
92 circulation in the area affected by the application. The  
93 Financial Services Commission may by rule specify the format and  
94 size of the notice.

95 3. Notwithstanding s. 120.60(1), and except as provided in  
96 subparagraph 4., an application for license for a new bank, new  
97 trust company, new credit union, new savings and loan  
98 association, or new licensed family trust company must be  
99 approved or denied within 180 days after receipt of the original  
100 application or receipt of the timely requested additional  
101 information or correction of errors or omissions. An application  
102 for such a license or for acquisition of such control which is  
103 not approved or denied within the 180-day period or within 30  
104 days after conclusion of a public hearing on the application,  
105 whichever is later, shall be deemed approved subject to the  
106 satisfactory completion of conditions required by statute as a  
107 prerequisite to license and approval of insurance of accounts  
108 for a new bank, a new savings and loan association, a new credit  
109 union, or a new licensed family trust company by the appropriate  
110 insurer.

111 4. In the case of an application for license to establish a  
112 new bank, trust company, or capital stock savings association in  
113 which a foreign national proposes to own or control 10 percent  
114 or more of any class of voting securities, and in the case of an  
115 application by a foreign national for approval to acquire  
116 control of a bank, trust company, or capital stock savings

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117 association, the Office of Financial Regulation shall request  
118 that a public hearing be conducted pursuant to ss. 120.569 and  
119 120.57. Notice of such hearing shall be published by the  
120 applicant as provided in subparagraph 2. The failure of such  
121 foreign national to appear personally at or participate through  
122 video conference in the hearing shall be grounds for denial of  
123 the application. Notwithstanding s. 120.60(1) and subparagraph  
124 3., every application involving a foreign national shall be  
125 approved or denied within 1 year after receipt of the original  
126 application or any timely requested additional information or  
127 the correction of any errors or omissions, or within 30 days  
128 after the conclusion of the public hearing on the application,  
129 whichever is later.

130 Section 2. Subsection (4) of section 475.01, Florida  
131 Statutes, is amended to read:

132 475.01 Definitions.—

133 (4) A broker acting as a trustee of a trust created under  
134 chapter 689 is subject to the provisions of this chapter unless  
135 the trustee is a bank, state or federal association, or trust  
136 company possessing trust powers as defined in s. 658.12(24) ~~s.~~  
137 ~~658.12(23)~~.

138 Section 3. Section 501.2076, Florida Statutes, is created  
139 to read:

140 501.2076 Violations involving consumer financial  
141 institution account fees.—The imposition of a fee or other  
142 charge by a third party agent or entity directly or indirectly  
143 upon a consumer for an online audit verification of an account  
144 maintained by a financial institution as defined in s. 655.005  
145 or of the associated balance of such account is a violation of

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146 this part.

147 Section 4. Section 518.117, Florida Statutes, is amended to  
148 read:

149 518.117 Permissible investments of fiduciary funds.—A  
150 fiduciary that is authorized by lawful authority to engage in  
151 trust business as defined in s. 658.12(21) ~~s. 658.12(20)~~ may  
152 invest fiduciary funds in accordance with s. 660.417 so long as  
153 the investment otherwise complies with this chapter.

154 Section 5. Paragraph (a) of subsection (1) and subsection  
155 (4) of section 655.045, Florida Statutes, are amended, and  
156 paragraph (f) is added to subsection (1) of that section, to  
157 read:

158 655.045 Examinations, reports, and internal audits;  
159 penalty.—

160 (1) The office shall conduct an examination of the  
161 condition of each state financial institution at least every 18  
162 months. The office may conduct more frequent examinations based  
163 upon the risk profile of the financial institution, prior  
164 examination results, or significant changes in the institution  
165 or its operations. The office may use continuous, phase, or  
166 other flexible scheduling examination methods for very large or  
167 complex state financial institutions and financial institutions  
168 owned or controlled by a multi-financial institution holding  
169 company. The office shall consider examination guidelines from  
170 federal regulatory agencies in order to facilitate, coordinate,  
171 and standardize examination processes.

172 (a) The office may accept an examination of a state  
173 financial institution made by an appropriate federal regulatory  
174 agency or may conduct a joint or concurrent examination of the

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175 institution with the federal agency. If the office accepts an  
176 examination report in accordance with this paragraph, ~~However,~~  
177 ~~at least once during each 36-month period beginning July 1,~~  
178 ~~2014,~~ the office shall conduct the subsequent an examination of  
179 each state financial institution in a manner that allows the  
180 preparation of a complete examination report not subject to the  
181 right of a federal or other non-Florida entity to limit access  
182 to the information contained therein. The office may furnish a  
183 copy of all examinations or reviews made of financial  
184 institutions or their affiliates to the state or federal  
185 agencies participating in the examination, investigation, or  
186 review, or as otherwise authorized under s. 655.057.

187 (f) In coordinating an examination required under this  
188 section, if a federal agency suspends or cancels a previously  
189 scheduled examination of a financial institution, the office has  
190 an additional 90 days to meet the examination requirement of  
191 this section. In such case, the requirement is deemed met by the  
192 federal agency conducting the examination upon the lifting of  
193 the suspension or upon the office conducting the examination  
194 instead.

195 (4) A copy of the report of each examination must be  
196 furnished to the financial institution ~~entity~~ examined and  
197 presented to the board of directors at its next regular or  
198 special meeting. Each director shall review the report and  
199 acknowledge receipt of the report and such review by signing and  
200 dating the prescribed signature page of the report and returning  
201 a copy of the signed page to the office.

202 Section 6. Section 655.414, Florida Statutes, is amended to  
203 read:

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204           655.414 Acquisition of assets; assumption of liabilities.-  
205 With prior approval of the office and upon such conditions as  
206 the commission prescribes by rule, a financial institution  
207 ~~entity~~ may acquire 50 percent or more ~~all or substantially all~~  
208 of the assets or liabilities of, or a combination of assets and  
209 liabilities of, or assume all or any part of the liabilities of,  
210 any other financial institution in accordance with the  
211 procedures and subject to the following conditions and  
212 limitations:

213           (1) CALCULATION OF ASSET OR LIABILITY PERCENTAGES.-  
214 Percentages of assets or liabilities must be calculated based on  
215 the most recent quarterly reporting date.

216           (2) ADOPTION OF A PLAN.-The board of directors of the  
217 acquiring or assuming financial entity and the board of  
218 directors of the transferring financial institution must adopt,  
219 by a majority vote, a plan for such acquisition, assumption, or  
220 sale on terms that are mutually agreed upon. The plan must  
221 include:

222           (a) The names and types of financial institutions involved.

223           (b) A statement setting forth the material terms of the  
224 proposed acquisition, assumption, or sale, including the plan  
225 for disposition of all assets and liabilities not subject to the  
226 plan.

227           (c) A provision for liquidation, if applicable, of the  
228 transferring financial institution upon execution of the plan,  
229 or a provision setting forth the business plan for the continued  
230 operation of each financial institution after the execution of  
231 the plan.

232           (d) A statement that the entire transaction is subject to



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233 written approval of the office and approval of the members or  
234 stockholders of the transferring financial institution.

235 (e) If a stock financial institution is the transferring  
236 financial institution and the proposed sale is not for cash, a  
237 clear and concise statement that dissenting stockholders of the  
238 institution are entitled to the rights set forth in s. 658.44(4)  
239 and (5).

240 (f) The proposed effective date of the acquisition,  
241 assumption, or sale and such other information and provisions as  
242 necessary to execute the transaction or as required by the  
243 office.

244 (3)~~(2)~~ APPROVAL OF OFFICE.—Following approval by the board  
245 of directors of each participating financial institution, the  
246 plan, together with certified copies of the authorizing  
247 resolutions adopted by the boards and a completed application  
248 with a nonrefundable filing fee, must be forwarded to the office  
249 for approval or disapproval. The office shall approve the plan  
250 of acquisition, assumption, or sale if it appears that:

251 (a) The resulting financial entity or entities would have  
252 an adequate capital structure in relation to their activities  
253 and their deposit liabilities;

254 (b) The plan is fair to all parties; and

255 (c) The plan is not contrary to the public interest.

256

257 If the office disapproves the plan, it shall state its  
258 objections and give the parties an opportunity to amend the plan  
259 to overcome such objections.

260 (4)~~(3)~~ VOTE OF MEMBERS OR STOCKHOLDERS.—If the office  
261 approves the plan, it may be submitted to the members or

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262 stockholders of the transferring financial institution at an  
263 annual meeting or at a special meeting called to consider such  
264 action. Upon a majority vote of the total number of votes  
265 eligible to be cast or, in the case of a credit union, a  
266 majority vote of the members present at the meeting, the plan is  
267 adopted.

268 (5)~~(4)~~ ADOPTED PLAN; CERTIFICATE; ABANDONMENT.-

269 (a) If the plan is adopted by the members or stockholders  
270 of the transferring financial institution, the president or vice  
271 president and the cashier, manager, or corporate secretary of  
272 such institution shall submit the adopted plan to the office,  
273 together with a certified copy of the resolution of the members  
274 or stockholders approving it.

275 (b) Upon receipt of the certified copies and evidence that  
276 the participating financial institutions have complied with all  
277 applicable state and federal law and rules, the office shall  
278 certify, in writing, to the participants that the plan has been  
279 approved.

280 (c) Notwithstanding approval of the members or stockholders  
281 or certification by the office, the board of directors of the  
282 transferring financial institution may abandon such a  
283 transaction without further action or approval by the members or  
284 stockholders, subject to the rights of third parties under any  
285 contracts relating thereto.

286 (6)~~(5)~~ FEDERALLY CHARTERED OR OUT-OF-STATE INSTITUTION AS A  
287 PARTICIPANT.-If one of the participants in a transaction under  
288 this section is a federally chartered financial institution or  
289 an out-of-state financial institution, all participants must  
290 also comply with requirements imposed by federal and other state

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291 law for the acquisition, assumption, or sale and provide  
 292 evidence of such compliance to the office as a condition  
 293 precedent to the issuance of a certificate authorizing the  
 294 transaction; however, if the purchasing or assuming financial  
 295 institution is a federal or out-of-state state-chartered  
 296 financial institution and the transferring state financial  
 297 entity will be liquidated, approval of the office is not  
 298 required.

299 (7)~~(6)~~ STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.—A  
 300 mutual financial institution may not sell 50 percent or more ~~all~~  
 301 ~~or substantially all~~ of its assets to a stock financial  
 302 institution until it has first converted into a capital stock  
 303 financial institution in accordance with s. 665.033(1) and (2).  
 304 For this purpose, references in s. 665.033(1) and (2) to  
 305 associations also refer to credit unions but, in the case of a  
 306 credit union, the provision concerning proxy statements does not  
 307 apply.

308 Section 7. Paragraph (c) of subsection (3) of section  
 309 655.50, Florida Statutes, is amended to read:

310 655.50 Florida Control of Money Laundering and Terrorist  
 311 Financing in Financial Institutions Act.—

312 (3) As used in this section, the term:

313 (c) "Financial institution" means a state association, a  
 314 bank, a trust company, a credit union, a credit card bank, an  
 315 international bank agency, or an international branch ~~financial~~  
 316 ~~institution, as defined in 31 U.S.C. s. 5312, as amended,~~  
 317 ~~including a credit card bank, located in this state.~~

318 Section 8. Present subsections (2) through (8) of section  
 319 657.021, Florida Statutes, are redesignated as subsections (3)

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320 through (9), respectively, and a new subsection (2) is added to  
321 that section, to read:

322 657.021 Board of directors; executive committee.—

323 (2) Within the 30 days following the annual meeting or any  
324 other meeting at which any director, officer, member of the  
325 supervisory or audit committee, member of the credit committee,  
326 or credit manager is elected or appointed, the credit union  
327 shall submit to the office the names and residence addresses of  
328 the elected person or persons on a form adopted by the  
329 commission and provided by the office.

330 Section 9. Paragraph (a) of subsection (5) of section  
331 657.042, Florida Statutes, is amended to read:

332 657.042 Investment powers and limitations.—A credit union  
333 may invest its funds subject to the following definitions,  
334 restrictions, and limitations:

335 (5) INVESTMENTS IN REAL ESTATE AND EQUIPMENT FOR THE CREDIT  
336 UNION.—

337 (a) Up to 60 ~~5~~ percent of the equity capital of the credit  
338 union may be invested in the direct ownership of, or leasehold  
339 interests in, land, buildings, furniture, fixtures, and  
340 equipment, and improvements thereon, used or to be used by the  
341 credit union in the transaction of its business. This limitation  
342 applies to assets subject to a lease agreement which are  
343 required to be capitalized under criteria issued by the  
344 Financial Accounting Standards Board ~~real estate and~~  
345 ~~improvements thereon, furniture, fixtures, and equipment~~  
346 ~~utilized or to be utilized by the credit union for the~~  
347 ~~transaction of business.~~

348 Section 10. Present subsections (20) through (24) of

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349 section 658.12, Florida Statutes, are redesignated as  
350 subsections (21) through (25), respectively, and a new  
351 subsection (20) is added to that section, to read:

352 658.12 Definitions.—Subject to other definitions contained  
353 in the financial institutions codes and unless the context  
354 otherwise requires:

355 (20) "Target market" means the group of clients or  
356 potential clients from whom a bank or proposed bank expects to  
357 draw deposits and to whom a bank focuses or intends to focus its  
358 marketing efforts. The term also means the group of clients or  
359 potential clients from whom a trust company, a trust department  
360 of a bank or association, a proposed trust company, or a  
361 proposed trust department of a bank or an association expects to  
362 draw its fiduciary accounts and to whom it focuses or intends to  
363 focus its marketing efforts.

364 Section 11. Paragraphs (b) and (c) of subsection (1) of  
365 section 658.20, Florida Statutes, are amended to read:

366 658.20 Investigation by office.—

367 (1) Upon the filing of an application, the office shall  
368 make an investigation of:

369 (b) The need for bank or trust facilities or additional  
370 bank or trust facilities, as the case may be, in the primary  
371 service area where the proposed bank or trust company is to be  
372 located or in the target market that the bank or trust company  
373 intends to engage in business.

374 (c) The ability of the primary service area or target  
375 market to support the proposed bank or trust company and all  
376 other existing bank or trust facilities that serve the same  
377 primary service area or target market ~~in the primary service~~

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378 area.

379 Section 12. Subsection (4) of section 658.21, Florida  
380 Statutes, is amended to read:

381 658.21 Approval of application; findings required.—The  
382 office shall approve the application if it finds that:

383 (4) The proposed officers have sufficient financial  
384 institution experience, ability, standing, and reputation and  
385 the proposed directors have sufficient business experience,  
386 ability, standing, and reputation to indicate reasonable promise  
387 of successful operation, and none of the proposed officers or  
388 directors has been convicted of, or pled guilty or nolo  
389 contendere to, any violation of s. 655.50, relating to the  
390 control of money laundering and terrorist financing; chapter  
391 896, relating to offenses related to financial institutions; or  
392 similar state or federal law. At least two of the proposed  
393 directors who are not also proposed officers must have had at  
394 least 1 year of direct experience as an executive officer,  
395 regulator, or director of a financial institution within the 5  
396 years before the date of the application. However, if the  
397 applicant demonstrates that at least one of the proposed  
398 directors has very substantial experience as an executive  
399 officer, director, or regulator of a financial institution more  
400 than 5 years before the date of the application, the office may  
401 modify the requirement and allow the applicant to have only one  
402 director who has direct financial institution experience within  
403 the last 5 years. The proposed president or chief executive  
404 officer must have had at least 1 year of direct experience as an  
405 executive officer, director, or regulator of a financial  
406 institution ~~within the last 5 years.~~

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407 Section 13. Section 658.265, Florida Statutes, is created  
408 to read:

409 658.265 Trust representative offices.-

410 (1) For purposes of this section, the term "trust  
411 representative office" means an office of a bank or trust  
412 company other than a main office or branch of a bank or trust  
413 company at which activities ancillary to fiduciary business are  
414 conducted.

415 (2) A trust representative office may engage in the  
416 following ancillary activities:

417 (a) Advertising, marketing, and soliciting for fiduciary  
418 business.

419 (b) Contacting existing or potential customers, answering  
420 questions, and providing information about matters related to  
421 customer accounts.

422 (c) Acting as a liaison between the bank or trust company  
423 and the customer, including, but not limited to, forwarding  
424 requests for distribution or changes in investment objectives or  
425 forwarding forms and funds received from the customer.

426 (d) Inspecting or maintaining custody of fiduciary assets  
427 or holding title to real property.

428 (3) A trust representative office may not engage in any  
429 activities considered to be fiduciary in nature, including, but  
430 not limited to:

431 (a) Acting as a trustee, an executor, an administrator, a  
432 registrar of stocks and bonds, a transfer agent, a guardian, an  
433 assignee, a receiver, or a custodian under a uniform gifts to  
434 minors act;

435 (b) Acting as an investment adviser, if the bank or trust

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436 company receives a fee for its investment advice; or

437 (c) Acting in any capacity in which the bank or trust  
438 company possesses investment discretion on behalf of another.

439 Section 14. Present subsections (2), (3), and (4) of  
440 section 658.28, Florida Statutes, are redesignated as  
441 subsections (3), (4), and (5), respectively, and a new  
442 subsection (2) is added to that section, to read:

443 658.28 Acquisition of control of a bank or trust company.—

444 (2) A person or a group of persons that acquires a  
445 controlling interest as contemplated by this section, either  
446 directly or indirectly, in a state bank or state trust company  
447 through probate or trust shall notify the office within 90 days  
448 after acquiring such interest. Such an interest does not give  
449 rise to a presumption of control until the person or group of  
450 persons votes the shares or the office has issued a certificate  
451 of approval in response to an application pursuant to subsection  
452 (1).

453 Section 15. Present paragraphs (b) and (c) of subsection  
454 (11) of section 658.2953, Florida Statutes, are redesignated as  
455 paragraphs (c) and (d), respectively, and a new paragraph (b) is  
456 added to that subsection, to read:

457 658.2953 Interstate branching.—

458 (11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

459 (b) "De novo branch" means a branch of a financial  
460 institution which is originally established by the financial  
461 institution as a branch and does not become a branch of such  
462 financial institution as a result of:

463 1. The acquisition by the financial institution of a  
464 depository institution or a branch of a depository institution;



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465 or466 2. The conversion, merger, or consolidation of any such  
467 institution or branch.468 Section 16. Paragraph (d) of subsection (1) of section  
469 662.1225, Florida Statutes, is amended to read:470 662.1225 Requirements for a family trust company, licensed  
471 family trust company, or foreign licensed family trust company.-472 (1) A family trust company or a licensed family trust  
473 company shall maintain:474 (d) A deposit account at a bank insured by the Federal  
475 Deposit Insurance Corporation located in the United States ~~with~~  
476 ~~a state-chartered or national financial institution that has a~~  
477 ~~principal or branch office in this state.~~478 Section 17. Subsection (1) of section 662.128, Florida  
479 Statutes, is amended to read:

480 662.128 Annual renewal.-

481 (1) Within 45 days after the end of each calendar year, a  
482 family trust company, licensed family trust company, or foreign  
483 licensed family trust company shall file its annual renewal  
484 application with the office. The annual renewal application  
485 shall be filed annually no later than 45 days after the  
486 anniversary of the filing of either the initial application or  
487 the prior year's renewal application of the family trust  
488 company, licensed family trust company, or foreign licensed  
489 family trust company.490 Section 18. Subsection (1) of section 663.07, Florida  
491 Statutes, is amended to read:

492 663.07 Asset maintenance or capital equivalency.-

493 (1) Each international bank agency and international branch

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494 shall:

495 (a) Maintain with one or more banks insured by the Federal  
496 Deposit Insurance Corporation and located within the United  
497 States ~~in this state~~, in such amounts as the office specifies,  
498 evidence of dollar deposits or investment securities of the type  
499 that may be held by a state bank for its own account pursuant to  
500 s. 658.67. The aggregate amount of dollar deposits and  
501 investment securities for an international bank agency or  
502 international branch shall, at a minimum, equal the greater of:

- 503 1. Four million dollars; or  
504 2. Seven percent of the total liabilities of the  
505 international bank agency or international branch excluding  
506 accrued expenses and amounts due and other liabilities to  
507 affiliated branches, offices, agencies, or entities; or

508 (b) Maintain other appropriate reserves, taking into  
509 consideration the nature of the business being conducted by the  
510 international bank agency or international branch.

511  
512 The commission shall prescribe, by rule, the deposit,  
513 safekeeping, pledge, withdrawal, recordkeeping, and other  
514 arrangements for funds and securities maintained under this  
515 subsection. The deposits and securities used to satisfy the  
516 capital equivalency requirements of this subsection shall be  
517 held, to the extent feasible, in one or more state or national  
518 banks located in this state or in a federal reserve bank.

519 Section 19. Present subsections (4), (5), and (6) of  
520 section 663.532, Florida Statutes, are redesignated as  
521 subsections (5), (6), and (7) respectively, and a new subsection  
522 (4) is added to that section, to read:

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523 663.532 Qualification.—

524 (4) The permissible activities provided in s. 663.408  
525 relating to a specific jurisdiction must be suspended by the  
526 qualified limited service affiliate if either the qualified  
527 limited service affiliate or the office becomes aware that the  
528 jurisdiction of an international trust entity served by the  
529 qualified limited service affiliate is included on the Financial  
530 Action Task Force list of High-Risk Jurisdictions subject to a  
531 Call for Action or list of Jurisdictions Under Increased  
532 Monitoring. Suspensions pursuant to this subsection must remain  
533 in effect until the jurisdiction is removed from the Financial  
534 Action Task Force list of High Risk Jurisdictions subject to a  
535 Call for Action or list of Jurisdictions Under Increased  
536 Monitoring.

537 Section 20. Paragraph (a) of subsection (5) of section  
538 736.0802, Florida Statutes, is amended to read:

539 736.0802 Duty of loyalty.—

540 (5) (a) An investment by a trustee authorized by lawful  
541 authority to engage in trust business, as defined in s.  
542 658.12(21) ~~s. 658.12(20)~~, in investment instruments, as defined  
543 in s. 660.25(6), that are owned or controlled by the trustee or  
544 its affiliate, or from which the trustee or its affiliate  
545 receives compensation for providing services in a capacity other  
546 than as trustee, is not presumed to be affected by a conflict  
547 between personal and fiduciary interests provided the investment  
548 otherwise complies with chapters 518 and 660 and the trustee  
549 complies with the requirements of this subsection.

550 Section 21. This act shall take effect July 1, 2021.