

By the Committee on Rules; and Senator Gruters

595-02962-22

20221680c1

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 participate through video conference in  
5       certain hearings is grounds for denial of certain  
6       applications; amending s. 475.01, F.S.; conforming a  
7       cross-reference; amending s. 518.117, F.S.; conforming  
8       a cross-reference; amending s. 655.045, F.S.; revising  
9       the circumstances under which the Office of Financial  
10      Regulation is required to conduct certain  
11      examinations; authorizing the office to delay  
12      examinations of state financial institutions under  
13      certain circumstances; specifying that examination  
14      requirements are deemed met under certain  
15      circumstances; requiring copies of certain examination  
16      reports to be furnished to state financial  
17      institutions; requiring certain directors to review  
18      such reports and acknowledge receipt of such reports  
19      and reviews; amending s. 655.414, F.S.; revising the  
20      entities that may acquire liabilities and assets, and  
21      the liabilities and assets that may be acquired,  
22      according to certain procedures, conditions, and  
23      limitations; specifying the basis for calculating  
24      percentages of assets or liabilities; revising the  
25      quantity of assets a mutual financial institution may  
26      not sell to a stock financial institution, subject to  
27      certain conditions; amending s. 655.50, F.S.; revising  
28      the definition of the term "financial institution";  
29      amending s. 657.021, F.S.; requiring credit unions to

595-02962-22

20221680c1

30 submit specified information to the office within a  
31 specified timeframe after certain meetings; amending  
32 s. 657.028, F.S.; deleting a provision relating to  
33 filing specified credit union information with the  
34 office; amending s. 658.12, F.S.; defining the term  
35 "target market"; amending s. 658.20, F.S.; requiring  
36 the office, upon receiving applications for authority  
37 to organize a bank or trust company, to investigate  
38 the need for a target market and the ability of the  
39 primary service area or target market to support  
40 proposed and existing bank or trust facilities;  
41 amending s. 658.21, F.S.; revising financial  
42 institution application approval requirements to  
43 include consideration of target market conditions;  
44 authorizing the office to waive a requirement that  
45 certain proposed financial institution presidents or  
46 chief executive officers have certain experience  
47 within a specified timeframe under certain  
48 circumstances; amending s. 658.28, F.S.; requiring a  
49 person or group to notify the office within a  
50 specified timeframe upon acquiring a controlling  
51 interest in a state bank or state trust company;  
52 amending s. 658.2953, F.S.; defining the term "de novo  
53 branch"; amending s. 662.1225, F.S.; revising the type  
54 of institution with which certain family trust  
55 companies are required to maintain a deposit account;  
56 amending s. 662.128, F.S.; revising the timeframe for  
57 filing renewal applications for certain family trust  
58 companies; amending s. 663.07, F.S.; revising the

595-02962-22

20221680c1

59 banks with which international bank agencies and  
60 international branches are required to maintain  
61 certain deposits or investment securities; amending s.  
62 663.532, F.S.; revising references to lists of  
63 jurisdictions used for qualifying qualified limited  
64 service affiliates; requiring qualified limited  
65 service affiliates to suspend certain permissible  
66 activities under certain circumstances; specifying  
67 that such suspensions remain in effect until certain  
68 conditions are met; amending s. 736.0802, F.S.;  
69 conforming a cross-reference; reenacting s.  
70 658.165(1), F.S., relating to banker's banks, for the  
71 purpose of incorporating amendments made to s. 658.20,  
72 F.S., in a reference thereto; providing an effective  
73 date.

74

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

76

77 Section 1. Paragraph (a) of subsection (3) of section  
78 120.80, Florida Statutes, is amended to read:

79 120.80 Exceptions and special requirements; agencies.—

80 (3) OFFICE OF FINANCIAL REGULATION.—

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

84 1.a. The Office of Financial Regulation of the Financial  
85 Services Commission shall have published in the Florida  
86 Administrative Register notice of the application within 21 days  
87 after receipt.

595-02962-22

20221680c1

88           b. Within 21 days after publication of notice, any person  
89 may request a hearing. Failure to request a hearing within 21  
90 days after notice constitutes a waiver of any right to a  
91 hearing. The Office of Financial Regulation or an applicant may  
92 request a hearing at any time prior to the issuance of a final  
93 order. Hearings shall be conducted pursuant to ss. 120.569 and  
94 120.57, except that the Financial Services Commission shall by  
95 rule provide for participation by the general public.

96           2. Should a hearing be requested as provided by sub-  
97 subparagraph 1.b., the applicant or licensee shall publish at  
98 its own cost a notice of the hearing in a newspaper of general  
99 circulation in the area affected by the application. The  
100 Financial Services Commission may by rule specify the format and  
101 size of the notice.

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

595-02962-22

20221680c1

117 insurer.

118 4. In the case of an application for license to establish a  
119 new bank, trust company, or capital stock savings association in  
120 which a foreign national proposes to own or control 10 percent  
121 or more of any class of voting securities, and in the case of an  
122 application by a foreign national for approval to acquire  
123 control of a bank, trust company, or capital stock savings  
124 association, the Office of Financial Regulation shall request  
125 that a public hearing be conducted pursuant to ss. 120.569 and  
126 120.57. Notice of such hearing shall be published by the  
127 applicant as provided in subparagraph 2. The failure of such  
128 foreign national to appear personally at or to participate  
129 through video conference in the hearing shall be grounds for  
130 denial of the application. Notwithstanding s. 120.60(1) and  
131 subparagraph 3., every application involving a foreign national  
132 shall be approved or denied within 1 year after receipt of the  
133 original application or any timely requested additional  
134 information or the correction of any errors or omissions, or  
135 within 30 days after the conclusion of the public hearing on the  
136 application, whichever is later.

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

139 475.01 Definitions.—

140 (4) A broker acting as a trustee of a trust created under  
141 chapter 689 is subject to the provisions of this chapter unless  
142 the trustee is a bank, state or federal association, or trust  
143 company possessing trust powers as defined in s. 658.12 ~~s.~~  
144 ~~658.12(23)~~.

145 Section 3. Section 518.117, Florida Statutes, is amended to

595-02962-22

20221680c1

146 read:

147 518.117 Permissible investments of fiduciary funds.—A  
148 fiduciary that is authorized by lawful authority to engage in  
149 trust business as defined in s. 658.12 ~~s. 658.12(20)~~ may invest  
150 fiduciary funds in accordance with s. 660.417 so long as the  
151 investment otherwise complies with this chapter.

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

156 655.045 Examinations, reports, and internal audits;  
157 penalty.—

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

170 (a) The office may accept an examination of a state  
171 financial institution made by an appropriate federal regulatory  
172 agency or may conduct a joint or concurrent examination of the  
173 institution with the federal agency. However, if the office  
174 accepts an examination in accordance with this paragraph, the

595-02962-22

20221680c1

175 office shall conduct at least once during each 36-month period  
176 beginning July 1, 2023 ~~2014~~, a subsequent ~~the office shall~~  
177 ~~conduct an~~ examination of each state financial institution in a  
178 manner that allows the preparation of a complete examination  
179 report not subject to the right of a federal or other non-  
180 Florida entity to limit access to the information contained  
181 therein. The office may furnish a copy of all examinations or  
182 reviews made of financial institutions or their affiliates to  
183 the state or federal agencies participating in the examination,  
184 investigation, or review, or as otherwise authorized under s.  
185 655.057.

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

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

200 Section 5. Section 655.414, Florida Statutes, is amended to  
201 read:

202 655.414 Acquisition of assets; assumption of liabilities.-  
203 With prior approval of the office, and upon such conditions as

595-02962-22

20221680c1

204 the commission prescribes by rule, a financial institution  
205 ~~entity~~ may acquire 50 percent or more ~~all or substantially all~~  
206 of the assets of, liabilities of, or a combination of assets and  
207 ~~or assume all or any part of the~~ liabilities of, any other  
208 financial institution in accordance with the procedures and  
209 subject to the following conditions and limitations:

210 (1) CALCULATION OF ASSET OR LIABILITY PERCENTAGES.—  
211 Percentages of assets or liabilities must be calculated based on  
212 the most recent quarterly reporting date.

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

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

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

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

229 (d) A statement that the entire transaction is subject to  
230 written approval of the office and approval of the members or  
231 stockholders of the transferring financial institution.

232 (e) If a stock financial institution is the transferring



595-02962-22

20221680c1

233 financial institution and the proposed sale is not for cash, a  
234 clear and concise statement that dissenting stockholders of the  
235 institution are entitled to the rights set forth in s. 658.44(4)  
236 and (5).

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

241 (3)~~(2)~~ APPROVAL OF OFFICE.—Following approval by the board  
242 of directors of each participating financial institution, the  
243 plan, together with certified copies of the authorizing  
244 resolutions adopted by the boards and a completed application  
245 with a nonrefundable filing fee, must be forwarded to the office  
246 for approval or disapproval. The office shall approve the plan  
247 of acquisition, assumption, or sale if it appears that:

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

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

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

253  
254 If the office disapproves the plan, it shall state its  
255 objections and give the parties an opportunity to amend the plan  
256 to overcome such objections.

257 (4)~~(3)~~ VOTE OF MEMBERS OR STOCKHOLDERS.—If the office  
258 approves the plan, it may be submitted to the members or  
259 stockholders of the transferring financial institution at an  
260 annual meeting or at a special meeting called to consider such  
261 action. Upon a majority vote of the total number of votes

595-02962-22

20221680c1

262 eligible to be cast or, in the case of a credit union, a  
263 majority vote of the members present at the meeting, the plan is  
264 adopted.

265 (5)~~(4)~~ ADOPTED PLAN; CERTIFICATE; ABANDONMENT.—

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

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

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

283 (6)~~(5)~~ FEDERALLY CHARTERED OR OUT-OF-STATE INSTITUTION AS A  
284 PARTICIPANT.—If one of the participants in a transaction under  
285 this section is a federally chartered financial institution or  
286 an out-of-state financial institution, all participants must  
287 also comply with requirements imposed by federal and other state  
288 law for the acquisition, assumption, or sale and provide  
289 evidence of such compliance to the office as a condition  
290 precedent to the issuance of a certificate authorizing the

595-02962-22

20221680c1

291 transaction; however, if the purchasing or assuming financial  
292 institution is a federal or out-of-state state-chartered  
293 financial institution and the transferring state financial  
294 entity will be liquidated, approval of the office is not  
295 required.

296 (7)~~(6)~~ STOCK INSTITUTION ACQUIRING MUTUAL INSTITUTION.—A  
297 mutual financial institution may not sell 50 percent or more ~~all~~  
298 ~~or substantially all~~ of its assets to a stock financial  
299 institution until it has first converted into a capital stock  
300 financial institution in accordance with s. 665.033(1) and (2).  
301 For this purpose, references in s. 665.033(1) and (2) to  
302 associations also refer to credit unions but, in the case of a  
303 credit union, the provision concerning proxy statements does not  
304 apply.

305 Section 6. Paragraph (c) of subsection (3) of section  
306 655.50, Florida Statutes, is amended to read:

307 655.50 Florida Control of Money Laundering and Terrorist  
308 Financing in Financial Institutions Act.—

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

310 (c) "Financial institution" has the same meaning as in s.  
311 655.005(1)(i), excluding an international representative office,  
312 an international administrative office, or a qualified limited  
313 service affiliate ~~means a financial institution, as defined in~~  
314 ~~31 U.S.C. s. 5312, as amended, including a credit card bank,~~  
315 ~~located in this state.~~

316 Section 7. Present subsections (2) through (8) of section  
317 657.021, Florida Statutes, are redesignated as subsections (3)  
318 through (9), respectively, and a new subsection (2) is added to  
319 that section, to read:

595-02962-22

20221680c1

320           657.021 Board of directors; executive committee  
321 responsibilities; oaths; reports to the office.-

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

329           Section 8. Subsection (6) of section 657.028, Florida  
330 Statutes, is amended to read:

331           657.028 Activities of directors, officers, committee  
332 members, employees, and agents.-

333           ~~(6) Within 30 days after election or appointment, a record~~  
334 ~~of the names and addresses of the members of the board, members~~  
335 ~~of committees, all officers of the credit union, and the credit~~  
336 ~~manager shall be filed with the office on forms prescribed by~~  
337 ~~the commission.~~

338           Section 9. Present subsections (20) through (24) of section  
339 658.12, Florida Statutes, are redesignated as subsections (21)  
340 through (25), respectively, and a new subsection (20) is added  
341 to that section, to read:

342           658.12 Definitions.-Subject to other definitions contained  
343 in the financial institutions codes and unless the context  
344 otherwise requires:

345           (20) "Target market" means the group of clients or  
346 potential clients from whom:

347           (a) A bank or proposed bank expects to draw deposits and to  
348 whom the bank or proposed bank focuses or intends to focus its

595-02962-22

20221680c1

349 marketing efforts; or

350 (b) A trust company, a trust department of a bank or  
351 association, a proposed trust company, or a proposed trust  
352 department of a bank or association expects to draw its  
353 fiduciary accounts and to whom the trust company, the trust  
354 department of a bank or association, the proposed trust company,  
355 or the proposed trust department of a bank or association  
356 focuses or intends to focus its marketing efforts.

357 Section 10. Paragraphs (b) and (c) of subsection (1) of  
358 section 658.20, Florida Statutes, are amended to read:

359 658.20 Investigation by office.—

360 (1) Upon the filing of an application, the office shall  
361 make an investigation of:

362 (b) The need for bank or trust facilities or additional  
363 bank or trust facilities, as the case may be, in the primary  
364 service area where the proposed bank or trust company is to be  
365 located or the need for the target market that the bank or trust  
366 company intends to engage with in business.

367 (c) The ability of the primary service area or target  
368 market to support the proposed bank or trust company and all  
369 other existing bank or trust facilities that serve the same  
370 primary service area or target market ~~in the primary service~~  
371 ~~area.~~

372 Section 11. Subsections (1) and (4) of section 658.21,  
373 Florida Statutes, are amended to read:

374 658.21 Approval of application; findings required.—The  
375 office shall approve the application if it finds that:

376 (1) Local and target market conditions indicate reasonable  
377 promise of successful operation for the proposed state bank or

595-02962-22

20221680c1

378 trust company. In determining whether an applicant meets the  
379 requirements of this subsection, the office shall consider all  
380 materially relevant factors, including:

381 (a) The purpose, objectives, and business philosophy of the  
382 proposed state bank or trust company.

383 (b) The projected financial performance of the proposed  
384 bank or trust company.

385 (c) The feasibility of the proposed bank or trust company,  
386 as stated in the business plan, particularly with respect to  
387 asset and liability growth and management.

388 (4) (a) The proposed officers have sufficient financial  
389 institution experience, ability, standing, and reputation and  
390 the proposed directors have sufficient business experience,  
391 ability, standing, and reputation to indicate reasonable promise  
392 of successful operation, and none of the proposed officers or  
393 directors has been convicted of, or pled guilty or nolo  
394 contendere to, any violation of s. 655.50, relating to the  
395 control of money laundering and terrorist financing; chapter  
396 896, relating to offenses related to financial institutions; or  
397 similar state or federal law.

398 (b) At least two of the proposed directors who are not also  
399 proposed officers must have had at least 1 year of direct  
400 experience as an executive officer, regulator, or director of a  
401 financial institution within the 5 years before the date of the  
402 application. However, if the applicant demonstrates that at  
403 least one of the proposed directors has very substantial  
404 experience as an executive officer, director, or regulator of a  
405 financial institution more than 5 years before the date of the  
406 application, the office may modify the requirement and allow the

595-02962-22

20221680c1

407 applicant to have only one director who has direct financial  
408 institution experience within the last 5 years.

409 (c) The proposed president or chief executive officer must  
410 have had at least 1 year of direct experience as an executive  
411 officer, director, or regulator of a financial institution  
412 within the last 5 years. The office may waive this requirement  
413 after considering:

414 1. The adequacy of the overall experience and expertise of  
415 the proposed president or chief executive officer;

416 2. The likelihood of successful operation of the proposed  
417 state bank or trust company pursuant to subsection (1);

418 3. The adequacy of the proposed capitalization under  
419 subsection (2);

420 4. The proposed capital structure under subsection (3);

421 5. The experience of the other proposed officers and  
422 directors; and

423 6. Any other relevant data or information.

424 Section 12. Present subsections (2), (3), and (4) of  
425 section 658.28, Florida Statutes, are redesignated as  
426 subsections (3), (4), and (5), respectively, and a new  
427 subsection (2) is added to that section, to read:

428 658.28 Acquisition of control of a bank or trust company.-

429 (2) If a person or a group of persons, directly or  
430 indirectly, acquires a controlling interest in a state bank or  
431 state trust company, as contemplated by this section, through  
432 probate or trust, the person or group of persons shall notify  
433 the office within 90 days after acquiring such an interest. Such  
434 an interest does not give rise to a presumption of control until  
435 the person or group of persons votes the shares or the office

595-02962-22

20221680c1

436 has issued a certificate of approval in response to an  
437 application pursuant to subsection (1).

438 Section 13. Present paragraphs (a), (b), and (c) of  
439 subsection (11) of section 658.2953, Florida Statutes, are  
440 redesignated as paragraphs (b), (c), and (d), respectively, and  
441 a new paragraph (a) is added to that subsection, to read:

442 658.2953 Interstate branching.—

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

444 (a) As used in this subsection, the term "de novo branch"  
445 means a branch of a bank which is originally established by the  
446 bank as a branch and does not become a branch of such bank as a  
447 result of:

448 1. The bank's acquisition of another bank or of a branch of  
449 another bank; or

450 2. The conversion, merger, or consolidation of any bank or  
451 branch.

452 Section 14. Paragraph (d) of subsection (1) and paragraph  
453 (d) of subsection (2) of section 662.1225, Florida Statutes, are  
454 amended to read:

455 662.1225 Requirements for a family trust company, licensed  
456 family trust company, or foreign licensed family trust company.—

457 (1) A family trust company or a licensed family trust  
458 company shall maintain:

459 (d) A deposit account with:

460 1. A bank located in the United States and insured by the  
461 Federal Deposit Insurance Corporation; or

462 2. A credit union located in the United States and insured  
463 by the National Credit Union Administration ~~a state-chartered or~~  
464 ~~national financial institution that has a principal or branch~~



595-02962-22

20221680c1

465 ~~office in this state.~~

466 (2) In order to operate in this state, a foreign licensed  
467 family trust company must be in good standing in its principal  
468 jurisdiction, must be in compliance with the family trust  
469 company laws and regulations of its principal jurisdiction, and  
470 must maintain:

471 (d) A deposit account with:

472 1. A bank located in the United States and insured by the  
473 Federal Deposit Insurance Corporation; or

474 2. A credit union located in the United States and insured  
475 by the National Credit Union Administration ~~a state-chartered or~~  
476 ~~national financial institution that has a principal or branch~~  
477 ~~office in this state.~~

478 Section 15. 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 an its annual renewal  
484 application with the office on an annual basis no later than 45  
485 days after the anniversary of the filing of either the initial  
486 application or the prior year's renewal application.

487 Section 16. Subsection (1) of section 663.07, Florida  
488 Statutes, is amended to read:

489 663.07 Asset maintenance or capital equivalency.—

490 (1) Each international bank agency and international branch  
491 shall:

492 (a) Maintain with one or more banks insured by the Federal  
493 Deposit Insurance Corporation and located within the United

595-02962-22

20221680c1

494 ~~States in this state~~, in such amounts as the office specifies,  
495 evidence of dollar deposits or investment securities of the type  
496 that may be held by a state bank for its own account pursuant to  
497 s. 658.67. The aggregate amount of dollar deposits and  
498 investment securities for an international bank agency or  
499 international branch shall, at a minimum, equal the greater of:

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

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

508

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

516 Section 17. Present subsections (4), (5), and (6) of  
517 section 663.532, Florida Statutes, are redesignated as  
518 subsections (5), (6), and (7), respectively, a new subsection  
519 (4) is added to that section, and paragraphs (i) and (j) of  
520 subsection (1) of that section are amended, to read:

521 663.532 Qualification.—

522 (1) To qualify as a qualified limited service affiliate

595-02962-22

20221680c1

523 under this part, a proposed qualified limited service affiliate  
524 must file a written notice with the office, in the manner and on  
525 a form prescribed by the commission. Such written notice must  
526 include:

527 (i) A declaration under penalty of perjury signed by the  
528 executive officer, manager, or managing member of the proposed  
529 qualified limited service affiliate that, to the best of his or  
530 her knowledge:

531 1. No employee, representative, or agent provides, or will  
532 provide, banking services; promotes or sells, or will promote or  
533 sell, investments; or accepts, or will accept, custody of  
534 assets.

535 2. No employee, representative, or agent acts, or will act,  
536 as a fiduciary in this state, which includes, but is not limited  
537 to, accepting the fiduciary appointment, executing the fiduciary  
538 documents that create the fiduciary relationship, or making  
539 discretionary decisions regarding the investment or distribution  
540 of fiduciary accounts.

541 3. The jurisdiction of the international trust entity or  
542 its offices, subsidiaries, or any affiliates that are directly  
543 involved in or facilitate the financial services functions,  
544 banking, or fiduciary activities of the international trust  
545 entity is not listed on the Financial Action Task Force's list  
546 of High-Risk Jurisdictions subject to a Call for Action or list  
547 of Jurisdictions under Increased Monitoring ~~Force Public~~  
548 ~~Statement or on its list of jurisdictions with deficiencies in~~  
549 ~~anti-money laundering or counterterrorism.~~

550 (j) For each international trust entity that the proposed  
551 qualified limited service affiliate will provide services for in

595-02962-22

20221680c1

552 this state, the following:

553 1. The name of the international trust entity;

554 2. A list of the current officers and directors of the  
555 international trust entity;

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

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

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

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

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

568 8. Proof that the international trust entity is not  
569 operating under the direct control of the government or the  
570 regulatory or supervisory authority of the jurisdiction of its  
571 incorporation, through government intervention or any other  
572 extraordinary actions, and confirmation that it has not been in  
573 such a status or under such control at any time within the prior  
574 3 years;

575 9. Proof and confirmation that the proposed qualified  
576 limited service affiliate is affiliated with the international  
577 trust entities provided in the notice; and

578 10. Proof that the jurisdictions where the international  
579 trust entity or its offices, subsidiaries, or any affiliates  
580 that are directly involved in or that facilitate the financial

595-02962-22

20221680c1

581 services functions, banking, or fiduciary activities of the  
582 international trust entity are not listed on the Financial  
583 Action Task Force's list of High-Risk Jurisdictions subject to a  
584 Call for Action or list of Jurisdictions under Increased  
585 Monitoring Force Public Statement or on its list of  
586 ~~jurisdictions with deficiencies in anti-money laundering or~~  
587 ~~counterterrorism.~~

588

589 The proposed qualified limited service affiliate may provide  
590 additional information in the form of exhibits when attempting  
591 to satisfy any of the qualification requirements. All  
592 information that the proposed qualified limited service  
593 affiliate desires to present to support the written notice must  
594 be submitted with the notice.

595 (4) The qualified limited service affiliate shall suspend  
596 the permissible activities provided in s. 663.531 relating to a  
597 specific jurisdiction if the qualified limited service affiliate  
598 becomes aware that the jurisdiction of an international trust  
599 entity served by the qualified limited service affiliate is  
600 included on the Financial Action Task Force's list of High-Risk  
601 Jurisdictions subject to a Call for Action or list of  
602 Jurisdictions under Increased Monitoring. Suspensions under this  
603 subsection must remain in effect until the jurisdiction is  
604 removed from the Financial Action Task Force's list of High-Risk  
605 Jurisdictions subject to a Call for Action or list of  
606 Jurisdictions under Increased Monitoring.

607 Section 18. Paragraph (a) of subsection (5) of section  
608 736.0802, Florida Statutes, is amended to read:

609 736.0802 Duty of loyalty.—

595-02962-22

20221680c1

610 (5) (a) An investment by a trustee authorized by lawful  
611 authority to engage in trust business, as defined in s. 658.12  
612 ~~s. 658.12(20)~~, in investment instruments, as defined in s.  
613 660.25(6), that are owned or controlled by the trustee or its  
614 affiliate, or from which the trustee or its affiliate receives  
615 compensation for providing services in a capacity other than as  
616 trustee, is not presumed to be affected by a conflict between  
617 personal and fiduciary interests provided the investment  
618 otherwise complies with chapters 518 and 660 and the trustee  
619 complies with the requirements of this subsection.

620 Section 19. For the purpose of incorporating the amendment  
621 made by this act to section 658.20, Florida Statutes, in  
622 references thereto, subsection (1) of section 658.165, Florida  
623 Statutes, is reenacted to read:

624 658.165 Banker's banks; formation; applicability of  
625 financial institutions codes; exceptions.—

626 (1) If authorized by the office, a corporation may be  
627 formed under the laws of this state for the purpose of becoming  
628 a banker's bank. An application for authority to organize a  
629 banker's bank is subject to ss. 658.19, 658.20, and 658.21,  
630 except that s. 658.20(1)(b) and (c) and the minimum stock  
631 ownership requirements for the organizing directors provided in  
632 s. 658.21(2) do not apply.

633 Section 20. This act shall take effect July 1, 2022.