

CHAPTER 2017-83

Committee Substitute for Committee Substitute for House Bill No. 435

An act relating to international financial institutions; amending s. 655.005, F.S.; redefining the term “financial institution” to include international trust entities and qualified limited service affiliates; amending s. 655.059, F.S.; specifying conditions under which confidential books and records of international trust entities may be disclosed to their home-country supervisors; revising conditions for such disclosure for international banking corporations; redefining the term “home-country supervisor”; requiring books and records pertaining to trust accounts to be kept confidential by financial institutions and their directors, officers, and employees; providing an exception; providing construction; creating s. 663.001, F.S.; providing legislative intent; amending s. 663.01, F.S.; redefining terms; deleting the definition of the term “international trust company representative office”; amending s. 663.02, F.S.; revising applicability of the financial institutions codes as to international banking corporations; amending s. 663.021, F.S.; conforming a provision to changes made by the act; amending s. 663.04, F.S.; deleting international trust companies from requirements for carrying on financial institution business; conforming a provision to changes made by the act; authorizing the Office of Financial Regulation to permit certain entities that would otherwise be prohibited from carrying on financial institution business to remain open and in operation under certain circumstances; amending s. 663.05, F.S.; providing for an abbreviated application procedure for certain entities established by an international banking corporation; specifying that the Financial Services Commission, rather than the office, prescribes a certain application form; requiring the commission to adopt rules for a time limitation for an application decision after a specified date; revising conditions for the office to issue an international banking corporation license; conforming a provision to changes made by the act; amending s. 663.055, F.S.; revising capital requirements for international banking corporations; amending s. 663.06, F.S.; making technical changes; conforming a provision to changes made by the act; creating s. 663.0601, F.S.; providing an after-the-fact licensure process in the event of the acquisition, merger, or consolidation of international banking corporations; specifying conditions for such license; amending s. 663.061, F.S.; providing permissible activities for international bank agencies; amending s. 663.062, F.S.; providing permissible activities for certain international representative offices; amending s. 663.063, F.S.; providing permissible activities for international administrative offices; amending s. 663.064, F.S.; requiring the commission to adopt rules relating to permissible deposits of international branches; providing permissible activities for international branches; amending s. 663.09, F.S.; revising requirements for the maintenance of books and records of international banking corporations; authorizing the office to require international

banking corporations to translate certain documents into English at the expense of the international banking corporations; amending s. 663.11, F.S.; authorizing the office to permit certain entities that would otherwise be prohibited from continuing business to remain open and in operation under certain circumstances; authorizing the commission to adopt certain rules; requiring an entity to surrender its license under certain circumstances; making technical and conforming changes; amending s. 663.12, F.S.; conforming a provision to changes made by the act; amending s. 663.17, F.S.; making technical changes; providing a directive to the Division of Law Revision and Information to create part III of ch. 663, F.S., entitled "International Trust Company Representative Offices"; creating s. 663.4001, F.S.; providing legislative intent; creating s. 663.401, F.S.; defining terms; creating s. 663.402, F.S.; providing applicability of the financial institutions codes as to international trust entities; creating s. 663.403, F.S.; providing applicability of the Florida Business Corporation Act as to international trust entities; creating s. 663.404, F.S.; specifying requirements for an international trust entity or certain related entities to conduct financial institution business; authorizing the office to permit an international trust company representative office that would otherwise be prohibited from continuing business to remain open and in operation under certain circumstances; creating s. 663.405, F.S.; providing that an international trust company representative office is not required to produce certain books and records under certain circumstances; providing applicability; creating s. 663.406, F.S.; providing requirements for applications for an international trust entity license; requiring the office to disallow certain financial resources from capitalization requirements; requiring the international trust entity to submit to the office a certain certificate; providing an abbreviated application process for certain international trust entities to establish international trust company representative offices; specifying parameters and requirements for the office in determining whether to approve or disapprove an application; requiring the commission to adopt by rule general principles regarding the adequacy of supervision of an international trust entity's foreign establishments rules; creating s. 663.407, F.S.; providing capital requirements for an international trust entity; requiring the commission to adopt rules; creating s. 663.408, F.S.; providing permissible activities under and requirements and limitations for international trust entity licenses; providing procedures, conditions, and requirements for the suspension, revocation, or surrender of an international trust entity license; creating s. 663.4081, F.S.; providing for an after-the-fact licensure process in the event of the acquisition, merger, or consolidation of international trust entities; specifying conditions for such licensure; transferring, renumbering, and amending s. 663.0625, F.S.; adding prohibited activities of representatives and employees of an international trust company representative office; providing permissible activities of such offices; conforming provisions to changes made by the act; creating s. 663.410, F.S.; requiring international trust entities to certify to the office the amount of their capital accounts at specified intervals; providing construction; creating s. 663.411, F.S.; specifying reporting and recordkeeping

requirements for international trust entities; providing penalties; authorizing the office to require an international trust entity to translate certain documents into English at the international trust entity's expense; creating s. 663.412, F.S.; prohibiting an international trust entity from continuing to conduct business in this state under certain circumstances; authorizing the office to permit an international trust company representative office to remain open and in operation under certain circumstances; authorizing the commission to adopt certain rules; requiring an entity to surrender its license under certain circumstances; requiring an international trust entity or its surviving officers and directors to deliver specified documents to the office; providing construction; creating s. 663.413, F.S.; specifying application and examination fees for international trust company representative offices; creating s. 663.414, F.S.; authorizing the commission to adopt certain rules; providing an exemption from statement of estimated regulatory costs requirements; creating s. 663.415, F.S.; requiring international trust company representative offices that are under examination to reimburse domestic or foreign travel expenses of the office; providing a directive to the Division of Law Revision and Information to create part IV of ch. 663, F.S., entitled "Qualified Limited Service Affiliates of International Trust Entities"; creating s. 663.530, F.S.; defining terms; creating s. 663.531, F.S.; specifying permissible and prohibited activities of a qualified limited service affiliate; requiring specified notices to be posted on an international trust entity's or qualified limited service affiliate's website; authorizing enforcement actions by the office; providing construction; creating s. 663.532, F.S.; requiring certain persons or entities to qualify as qualified limited service affiliates by a specified date or cease doing business in this state; permitting certain persons or entities to remain open and in operation under certain circumstances; amending s. 663.532, F.S., as created by this act; specifying qualification notice requirements; providing requirements and procedures for additional information requested by the office; providing summary suspension requirements and procedures; requiring the office to make investigation of specified persons upon the filing of a completed qualification notice; requiring the office to approve a qualification only if certain conditions are met; providing factors for the office to consider when evaluating a previous offense or violation committed by, or a previous fine or penalty imposed on, specified persons; providing that qualifications are not transferable or assignable; creating s. 663.5325, F.S.; providing that a qualified limited service affiliate is not required to produce certain books and records under certain circumstances; providing applicability; creating s. 663.533, F.S.; providing applicability of the financial institutions codes as to qualified limited service affiliates; providing construction; creating s. 663.534, F.S.; requiring qualified limited service affiliates to report changes of certain information to the office within a specified timeframe; creating s. 663.535, F.S.; requiring a specified notice to customers in marketing documents, advertisements, and displays at the qualified limited service affiliate's location or at certain events; creating s. 663.536, F.S.; specifying recordkeeping requirements relating to certain events that a qualified limited service affiliate

participates in; creating s. 663.537, F.S.; authorizing the office to conduct examinations or investigations of qualified limited service affiliates for certain purposes; specifying a minimum interval of examinations to assess compliance; authorizing the office to examine a person or entity submitting a notice of qualification for certain purposes; creating s. 663.538, F.S.; providing requirements and procedures relating to the suspension, revocation, or voluntary surrender of a qualified limited service affiliate's qualification; providing a penalty; authorizing the office to conduct examinations under certain circumstances; prohibiting the office from denying a request to terminate operations except under certain circumstances; providing construction; creating s. 663.539, F.S.; requiring a qualified limited service affiliate to renew its qualification biennially; specifying requirements for the renewal qualification; reenacting s. 663.16, F.S., relating to definitions, to incorporate the amendment made to s. 663.01, F.S., in a reference thereto; providing effective dates.

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 examination only:

- (a) To the office or its duly authorized representative;
- (b) To any person duly authorized to act for the financial institution;
- (c) To any federal or state instrumentality or agency authorized to inspect or examine the books and records of an insured financial institution;

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

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

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

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

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

As used in For purposes of this paragraph, the term “home-country supervisor” means the governmental entity in the international banking corporation’s or international trust entity’s home country with responsibility for the supervision and regulation of the safety and soundness of the international banking corporation or international trust entity;

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

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

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

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

(i) As provided in subsection (2).

(2)

(b) The books and records pertaining to trust accounts and the deposit accounts and loans of depositors, borrowers, members, and stockholders of any financial institution shall be kept confidential by the financial institution and its directors, officers, and employees and ~~may shall~~ not be released except upon express authorization of the account holder as to her or his own accounts, loans, or voting rights. However, information relating to any loan made by a financial institution may be released without the borrower's authorization in a manner prescribed by the board of directors for the purpose of meeting the needs of commerce and for fair and accurate credit information. Information may also be released, without the authorization of a member or depositor but in a manner prescribed by the board of directors, to verify or corroborate the existence or amount of a customer's or member's account when such information is reasonably provided to meet the needs of commerce and to ensure accurate credit information. In addition, a financial institution, affiliate, and its subsidiaries, and any holding company of the financial institution or subsidiary of such holding company, may furnish to one another information relating to their customers or members, subject to the requirement that each corporation receiving information that is confidential maintain the confidentiality of such information and not provide or disclose such information to any unaffiliated person or entity. Notwithstanding this paragraph, ~~nothing in~~ this subsection does not shall prohibit:

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

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

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

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

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

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

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

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

(6) “International banking corporation” means a banking corporation organized and licensed under the laws of a foreign country. The term ~~“international banking corporation”~~ includes, without limitation, a foreign commercial bank, foreign merchant bank, or other foreign institution that engages in banking activities usual in connection with the business of banking in the country where such foreign institution is organized or operating, including a corporation: the sole shareholders of which are one or more international banking corporations or holding companies which own or control one or more international banking corporations which are authorized to carry on a banking business, or a central bank or government agency of a foreign country and any affiliate or division thereof; which has the power to receive deposits from the general public in the country where it is chartered and organized; and which is under the supervision of the central bank or other bank regulatory authority of such country. The term also includes ~~foreign trust companies, or any similar business entities, including, but not limited to,~~ foreign banks with fiduciary powers which, ~~that~~ conduct trust business as defined in the financial institutions codes.

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

~~(10)~~(11) “Nonresident” means:

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

1. Its assets located outside the United States exceed its assets located within the United States;
2. Its gross revenues generated outside the United States exceed its gross revenues generated within the United States; or
3. Its payroll expenses incurred outside the United States exceed its payroll expenses incurred within the United States.

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

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

(1) International banking corporations having offices in this state are subject to all the provisions of the financial institutions codes ~~and chapter 655~~ as though such corporations were state banks ~~or trust companies~~, except where it may appear, from the context or otherwise, that such provisions are clearly applicable only to banks ~~or trust companies~~ organized under the laws of this state or the United States. Without limiting the foregoing general provisions, it is the intent of the Legislature that the following provisions are applicable to such banks or trust companies: s. 655.031, relating to administrative enforcement guidelines; s. 655.032, relating to investigations, subpoenas, hearings, and witnesses; s. 655.0321, relating to hearings, proceedings, and related documents and restricted access thereto; s. 655.033, relating to cease and desist orders; s. 655.037, relating to removal by the office of an officer, director, committee member, employee, or other person; s. 655.041, relating to administrative fines and enforcement; s. 655.50, relating to the control of money laundering and terrorist financing; and any law for which the penalty is increased under s. 775.31 for facilitating or furthering terrorism. International banking corporations do not have the powers conferred on domestic banks by s. 658.60, relating to deposits of public funds. Chapter 687, relating to interest and usury, applies to all bank loans.

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

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

663.021 Civil action subpoena enforcement.—

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

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

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

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

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

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

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

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

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

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

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

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

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

663.05 Application for license; approval or disapproval.—

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

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

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

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

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

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

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

(e) ~~A trust representative office in this state unless the corporation:~~

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

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

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

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

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

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

663.055 Capital requirements.—

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

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

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

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

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

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

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

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

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

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

(4) For the purpose of this part, the capital accounts of and capital ratio standards for an international banking corporation must shall be

determined in accordance with rules adopted by the commission. In adopting such rules, the commission shall consider similar rules adopted by bank regulatory agencies in the United States and the need to provide reasonably consistent regulatory requirements for international banking corporations which will maintain the safe and sound condition of international banking corporations doing business in this state, as well as capital adequacy standards of an international banking corporation's home-country jurisdiction.

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

663.06 Licenses; permissible activities.—

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

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

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

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

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

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

663.0601 After-the-fact licensure process in the event of the acquisition, merger, or consolidation of international banking corporations.—If an international banking corporation proposes to acquire, merge, or consolidate with an international banking corporation that presently operates an international branch, international bank agency, international administrative office, or international representative office licensed in this state, the office may authorize the currently licensed international branch, international bank agency, international administrative office, or international representative office to remain open and in operation after consummation of

the proposed acquisition, merger, or consolidation, if the acquiring international banking corporation files an after-the-fact application and all of the following conditions are met:

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

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

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

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

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

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

663.061 International bank agencies; permissible activities.—

(1) An international bank agency licensed under this part may make any loan, extension of credit, or investment which it could make if incorporated and operating as a bank organized under the laws of this state. An international bank agency may act as custodian and may furnish investment management, and investment advisory services authorized under rules adopted by the commission, to nonresident entities or persons whose principal places of business or domicile are outside the United States and to resident entities or persons with respect to international, ~~or foreign,~~ or domestic investments. An international banking corporation ~~that~~ which has

an international bank agency licensed under the terms of this part ~~is shall be~~ exempt from the registration requirements of s. 517.12. An international bank agency licensed by the office may engage in any activity permissible for an international administrative office or international representative office.

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

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

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

663.063 International administrative offices.—

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

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

663.064 International branches; permissible activities; requirements.

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

(2) An international branch has the same rights and privileges as a federally licensed international branch. The permissible deposits of an international branch must be determined in accordance with rules adopted

by the commission. In adopting such rules, the commission shall consider the similar deposit-taking authority of a federally licensed international branch and the need to provide reasonably consistent regulatory requirements for international banking corporations doing business in this state.

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

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

663.09 Reports; records.—

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

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

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

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

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

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

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

1. Is dissolved, or its authority or existence is otherwise terminated or canceled in the jurisdiction of its incorporation;
2. Is in bankruptcy, conservatorship, receivership, liquidation, or similar status under the laws of any country; or
3. Is operating under the direct control of the government or the regulatory or supervisory authority of the jurisdiction of its incorporation through government intervention or any other extraordinary actions.

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

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

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

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

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

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

2. The commission may establish, by rule, additional standards and conditions for approval of an interim operational plan and for ongoing compliance with the plan. Such standards and conditions shall be based

upon the need for cooperative supervisory efforts, consistent regulatory oversight, and the orderly administration of the international banking corporation's affairs.

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

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

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

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

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

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

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

663.12 Fees; assessments; fines.—

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

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

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

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

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

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

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

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

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

(11) The compensation of agents and any other employees appointed by the office to assist in the liquidation of an international banking corporation, or any of the corporation’s licensed offices located in this state, the distribution of its assets, or the expenses of supervision, must shall be paid out of the assets of the corporation in the possession hands of the office. Expenses of liquidation and approved claims for fees and assessments due the office must shall be given first priority among unsecured creditors.

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

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

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

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

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

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

663.401 Definitions.—

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

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

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

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

663.402 Applicability of the financial institutions codes.—

(1) An international trust entity that operates an office licensed under this part is subject to all the financial institutions codes as though such international trust entity were a state trust company, except when it appears, from the context or otherwise, that such provisions are clearly applicable only to trust companies organized under the laws of this state or the United States. Without limiting the foregoing general provisions, it is the intent of the Legislature that the following provisions are applicable to such international trust entities having offices in this state: s. 655.031, relating to administrative enforcement guidelines; s. 655.032, relating to investigations, subpoenas, hearings, and witnesses; s. 655.0321, relating to restricted access hearings, proceedings, and related documents; s. 655.033, relating to cease and desist orders; s. 655.037, relating to removal of a financial institution-related party by the office; s. 655.041, relating to administrative fines and enforcement; s. 655.50, the Florida Control of Money Laundering and Terrorist Financing in Financial Institutions Act; and any law for which the penalty is increased under s. 775.31 for facilitating or furthering terrorism.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

663.405 Civil action subpoena enforcement.—

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

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

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

663.406 Application for license; approval or disapproval.—

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

(a) The name of the international trust entity.

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

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

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

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

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

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

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

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

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

(6) The office may, in its discretion, approve or disapprove the application, but it may not approve the application unless, in its opinion, the applicant meets each and every requirement of this part and any other applicable provision of the financial institutions codes. The office may approve the application only if it has determined that the directors, executive officers, and principal shareholders of the international trust

entity are qualified by reason of their financial ability, reputation, and integrity and have sufficient trust company and other business experience to indicate that they will manage and direct the affairs of the international trust entity in a safe, sound, and lawful manner. In the processing of any application filed pursuant to this section, the time limitations under the Administrative Procedure Act do not apply as to approval or disapproval of the application. For applications filed on or after January 1, 2018, the time limitations for approval or disapproval of an application must be prescribed by rule of the commission.

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

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

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

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

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

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

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

663.407 Capital requirements.—

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

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

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

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

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

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

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

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

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

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

663.408 Licenses; permissible activities of licensees.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

663.410 Certification of capital accounts.—Before opening an office in this state, and annually thereafter so long as an international trust company representative office is maintained in this state, an international trust entity licensed pursuant to this part must certify to the office the amount of

its capital accounts, expressed in the currency of the home jurisdiction where it has been authorized by charter, license, or similar authorization by operation of law to carry on trust business. The dollar equivalent of these amounts, as determined by the office, is deemed to be the amount of its capital accounts. The annual certification of capital accounts must be received by the office on or before June 30 of each year.

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

663.411 Reports; records.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

663.413 Application and examination fees.—

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

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

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

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

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

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

Section 38. The Division of Law Revision and Information is directed to create part IV of chapter 663, Florida Statutes, consisting of ss. 663.530-663.540, Florida Statutes, to be entitled "Qualified Limited Service Affiliates of International Trust Entities."

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

663.530 Definitions.—

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

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

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

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

(d) “Nonresident” has the same meaning as in s. 663.01.

(e) “Professional” means an accountant, attorney, or other financial services and wealth planning professional who is licensed by a governing body or affiliated with a licensed, chartered, or similarly authorized entity.

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

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

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

663.531 Permissible activities; prohibited activities.—

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) Otherwise conducting banking or trust business.

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

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

(b) The notice required by s. 663.535.

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

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

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

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

663.532 Qualification.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Ordered to pay a fine or penalty in a proceeding initiated by a federal, state, foreign, or local law enforcement agency or an international agency related to money laundering, currency transaction reporting, tax evasion, facilitating or furthering terrorism, fraud, theft, larceny, embezzlement, fraudulent conversion, misappropriation of property, dishonesty, breach of trust, breach of fiduciary duty, or moral turpitude, or that is otherwise related to the operation of a financial institution.

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

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

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

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

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

1. The name of the international trust entity;
2. A list of the current officers and directors of the international trust entity;
3. Any country where the international trust entity is organized or authorized to do business;
4. The name of the home-country regulator;
5. Proof that the international trust entity has been authorized by charter, license, or similar authorization by its home-country regulator to engage in trust business;
6. Proof that the international trust entity lawfully exists and is in good standing under the laws of the jurisdiction where it is chartered, licensed, or organized;
7. A statement that the international trust entity is not in bankruptcy, conservatorship, receivership, liquidation, or in a similar status under the laws of any country;
8. Proof that the international trust entity is not operating under the direct control of the government or the regulatory or supervisory authority of the jurisdiction of its incorporation, through government intervention or any other extraordinary actions, and confirmation that it has not been in such a status or under such control at any time within the prior 3 years;
9. Proof and confirmation that the proposed qualified limited service affiliate is affiliated with the international trust entities provided in the notice; and
10. Proof that the jurisdictions where the international trust entity or its offices, subsidiaries, or any affiliates that are directly involved in or that facilitate the financial services functions, banking, or fiduciary activities of the international trust entity are not listed on the Financial Action Task Force Public Statement or on its list of jurisdictions with deficiencies in anti-money laundering or counterterrorism.

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

The proposed qualified limited service affiliate may provide additional information in the form of exhibits when attempting to satisfy any of the qualification requirements. All information that the proposed qualified

limited service affiliate desires to present to support the written notice must be submitted with the notice.

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

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

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

(5) A qualification is not transferable or assignable.

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

remain open and in operation but shall refrain from engaging in new lines of business in this state until qualified as a qualified limited service affiliate under this part.

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

663.5325 Civil action subpoena enforcement.—

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

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

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

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

- (1) Section 655.012, relating to general supervisory powers of the office.
- (2) Section 655.031, relating to administrative enforcement guidelines.
- (3) Section 655.032, relating to investigations, subpoenas, hearings, and witnesses.
- (4) Section 655.0321, relating to restricted access to certain hearings, proceedings, and related documents.
- (5) Section 655.033, relating to cease and desist orders.
- (6) Section 655.034, relating to injunctions.
- (7) Section 655.037, relating to removal of a financial institution-affiliated party by the office.
- (8) Section 655.041, relating to administrative fines and enforcement.

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

(10) Section 655.059, relating to access to books and records.

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

(12) Section 655.91, relating to records of institutions and copies thereof; retention and destruction.

(13) Section 655.968, relating to financial institutions; transactions relating to Iran or terrorism.

This section does not prohibit the office from investigating or examining an entity to ensure that it is not in violation of this chapter or applicable provisions of the financial institutions codes.

Section 45. Section 663.534, Florida Statutes, is created to read:

663.534 Events that require notice to be provided to the office.—A qualified limited service affiliate must report to the office, within 15 days of its knowledge of the occurrence, any changes to the information previously relied upon by the office when qualifying or renewing a qualification under this part.

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

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

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

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

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

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

(3) The nature and purpose of the event;

(4) The qualified limited service affiliate's purpose for participating in the event; and

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

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

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

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

663.538 Suspension, revocation, or voluntary surrender of qualification.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved by the Governor June 9, 2017.

Filed in Office Secretary of State June 9, 2017.