

**AGENDA
FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION**

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September 24, 2013

MEMBERS

Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Commissioner Adam Putnam

**Contact: Jo Morris (OFR)
(850) 410-9544**

9:00 AM
LL-03, The Capitol
Tallahassee, Florida

ITEM	SUBJECT	RECOMMENDATION
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1. The Office requests approval of the minutes of the August 20, 2013, meeting.

(ATTACHMENT 1)

FOR APPROVAL

2. The Office requests approval for final adoption of the following 14 rule amendments regulating Securities. The amendments are proposed to implement and conform the rules with statutory changes as a result of Chapters 2013-201 and 2013-202, Laws of Florida, relating to fingerprinting requirements for applicants and notice filing of branch offices conducting securities transactions, respectively.

- Definitions: 69W-200.001, F.A.C.
- Procedural Rules for Processing: 69W-301.002, F.A.C.
- Registration of Dealers, Investment Advisers, Associated Persons: 69W-600.001, .002, .004, .006, .007, .008, .009, .0091, .0092, .0093, .014, F.A.C.
- Disciplinary Guidelines: 69W-1000.001, F.A.C.

(ATTACHMENT 2)

APPROVAL FOR FINAL ADOPTION

3. The Office requests approval to publish Notices of Proposed Rule for the following 4 rules:

Financial Institutions

- International Banking Semiannual Assessment: 69U-140.020, F.A.C.

Consumer Finance

- Adoption of Forms: 69V-560.1012, F.A.C.
- Application or Appointment Procedures and Requirements: 69V-560.102, F.A.C.
- Renewal Fees, Deadlines, and Requirements: 69V-560.302, F.A.C.

(ATTACHMENT 3)

APPROVAL FOR PUBLICATION

ATTACHMENT 1

FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION
MEETING MINUTES
AUGUST 6, 2013

1 GOVERNOR SCOTT: All right. Now I would like
2 to recognize Drew Breakspear, commissioner of the
3 Office of Financial Regulation, to present his
4 agenda.

5 Good morning, Drew.

6 MR. BREAKSPEAR: Good morning, Governor Scott,
7 CFO Atwater, Attorney General Bondi, and
8 Commissioner Putnam. I have two items.

9 The Office respectfully requests approval of
10 the minutes of the April 2, 2012 meeting.

11 GOVERNOR SCOTT: Is there a motion to approve?

12 ATTORNEY GENERAL BONDI: So moved.

13 CFO ATWATER: Second.

14 GOVERNOR SCOTT: Any comments or objections?

15 Hearing none, the motion carries.

16 MR. BREAKSPEAR: The second item is, the
17 Office respectfully requests approval to publish
18 notices of proposed rules in the Florida
19 Administrative Register to amend 14 rules
20 regulating securities.

21 The amendments are proposed to implement and
22 conform the rules with the statutory changes as a
23 result of Chapters 2013-201 and 2013-202, Laws of
24 Florida, relating to fingerprinting requirements
25 for applicants and notice filing of branch offices

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conducting securities transactions, respectively.

GOVERNOR SCOTT: Is there a motion to approve?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections?

Hearing none, the motion carries. Thank you,
Drew.

MR. BREAKSPEAR: Thank you very much.

1 GOVERNOR SCOTT: Now I would like to recognize
2 Kevin McCarty, commissioner of the Office of
3 Insurance Regulation.

4 Good morning, Kevin.

5 MR. McCARTY: Good morning, Governor and
6 members of the Commission.

7 Agenda item number 1 is the adoption of the
8 minutes for the Financial Services Commission of
9 June 25, 2013.

10 GOVERNOR SCOTT: Is there a motion to approve?

11 ATTORNEY GENERAL BONDI: So moved.

12 GOVERNOR SCOTT: Is there a second?

13 COMMISSIONER PUTNAM: Second.

14 GOVERNOR SCOTT: Any comments or objections?

15 Hearing none, the motion carries.

16 MR. McCARTY: Agenda item number 2 is request
17 for final adoption of proposed Rule 690-137.001.
18 The Office is proposing to amend the rule to adopt
19 the current versions of the NAIC instructions and
20 manuals for quarterly and annual reports.

21 GOVERNOR SCOTT: All right. Is there a motion
22 to approve?

23 ATTORNEY GENERAL BONDI: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 CFO ATWATER: Second.

1 GOVERNOR SCOTT: Any comments or questions?

2 COMMISSIONER PUTNAM: I have a question and
3 comment, Governor.

4 GOVERNOR SCOTT: Sure.

5 COMMISSIONER PUTNAM: Kevin, you've announced
6 the rates are expected to rise in Florida by
7 30 percent, is that correct, on the -- as a result
8 of the Affordable Care Act?

9 MR. McCARTY: Yes, sir. We recently concluded
10 our review of the rates that are being proposed
11 both on the exchange and off the exchange. For
12 those policies that are in the individual market,
13 the average is between 30 and 40 percent, and for
14 the small group market, the average is between 50
15 and 20 percent.

16 COMMISSIONER PUTNAM: And as high as
17 58 percent, 59 percent?

18 MR. McCARTY: That is correct. Individual
19 rated sales could be as high as 100 percent.
20 Individual policies could be as high as 100 percent
21 or more.

22 COMMISSIONER PUTNAM: In Georgia, two
23 significant insurers withdrew their bids to
24 participate in the Georgia exchange, including some
25 who have indicated they will participate in

1 Florida's exchange. Have you heard any word of
2 people changing their minds or insurers withdrawing
3 from Florida, withdrawing their bids from Florida?

4 MR. McCARTY: All of the insurers who
5 indicated their initial interest in being involved
6 in the exchange are going to be on the exchange.
7 We've had no insurers evidence any interest in
8 withdrawing.

9 COMMISSIONER PUTNAM: Thank you. Thank you,
10 Governor.

11 GOVERNOR SCOTT: Is Georgia doing their own
12 exchange? Do you know?

13 COMMISSIONER PUTNAM: No.

14 MR. McCARTY: Georgia is a federally --

15 GOVERNOR SCOTT: They're just a federal
16 exchange. Okay.

17 All right. Any other comments or objections?
18 Okay. All in favor say aye; all opposed say
19 nay.

20 (Affirmative responses.)

21 GOVERNOR SCOTT: Okay. The motion carries.

22 MR. McCARTY: Agenda item number 3 is a
23 request for approval for final adoption of proposed
24 Rule 690-138.001. The Office is proposing to amend
25 the rule to adopt the 2013 NAIC Financial Condition

1 Examiners Handbook. By adopting this version of
2 the handbook, the rule ensures that the procedures
3 used by the Office to examine companies are
4 consistent with accepted accounting principles and
5 uniform across the states.

6 GOVERNOR SCOTT: All right. Is there a motion
7 to approve?

8 ATTORNEY GENERAL BONDI: So moved.

9 GOVERNOR SCOTT: Is there a second?

10 CFO ATWATER: Second.

11 GOVERNOR SCOTT: Any comments or objections?
12 Hearing none, the motion carries.

13 MR. McCARTY: Agenda item number 4 is a
14 request for final adoption of proposed amendments
15 to Rule 690-149.022.

16 During the 2013 legislative session, Senate
17 Bill 1842 was enacted by the Legislature that
18 requires consumer notification be developed to
19 outline the implications of the Affordable Care Act
20 on policyholders. The proposed one-time notice is
21 required for one life groups -- I mean for both
22 individual market and group market, by both
23 insurers as well as health maintenance
24 organizations.

25 GOVERNOR SCOTT: Okay. Is there a motion to

1 approve?

2 ATTORNEY GENERAL BONDI: So moved.

3 GOVERNOR SCOTT: Is there a second?

4 CFO ATWATER: Second.

5 GOVERNOR SCOTT: Any comments or objections?

6 Hearing none, the motion carries.

7 MR. McCARTY: Agenda item number 5 is a
8 request for approval for final adoption of proposed
9 Rule 690-149.003.

10 The current version of the rule includes
11 tables which display the maximum annual medical
12 trend for major medical as well as Medicare supp.
13 policies. Companies with 1,000 or fewer policies
14 in Florida are allowed to submit a streamlined
15 annual filing by utilizing medical trend.

16 This proposed amendment deletes the medical
17 trend tables from the text of the rule and allows
18 them to be published on the website so they can be
19 updated on an annual basis.

20 GOVERNOR SCOTT: Is there a motion to approve?

21 ATTORNEY GENERAL BONDI: So moved.

22 GOVERNOR SCOTT: Is there a second?

23 CFO ATWATER: Second.

24 GOVERNOR SCOTT: Any comments or objections?

25 Hearing none, the motion carries.

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MR. McCARTY: Thank you, Governor and members
of the Commission.

GOVERNOR SCOTT: Thank you, Kevin.

ATTACHMENT 2

**FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION**

AGENDA ITEM #2

Action Requested

The Office requests approval to file for final adoption with the Department of State the following 14 rule amendments regulating Securities. The amendments are proposed to implement and conform the rules with statutory changes as a result of Chapters 2013-201 and 2013-202, Laws of Florida, relating to fingerprinting requirements for applicants and notice filing of branch offices conducting securities transactions, respectively.

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<u>Disciplinary Guidelines:</u> 69W-1000.001	33

Proposed Rule Amendment

Rule 69W-200.001

Chapter Name: Definitions

Title: Definitions

A. Summary and Justification

The proposed rule amendment updates a definition to reflect statutory changes in the requirements of certain branch offices conducting securities transactions to notice file with the Office of Financial Regulation rather than apply for registration, as a result of Ch. 2013-202, Laws of Florida. The proposed amendment replaces a reference in subparagraph (9)(a)9. from "registered" to "notice-filed."

B. Procedural History

On July 16, 2013, a Notice of Rule Development was published in the Florida Administrative Weekly (FAW) for Rule Chapter 69W-200.001, F.A.C., relating to definitions, to advise the public of the development of changes to the rule chapter, and to provide that, if requested in writing, a rule development workshop would be held. No written requests for a workshop were received by the Office.

On August 6, 2013, the Financial Services Commission approved proposed rule amendments to Rule Chapter 69W-200.001 for publication in the FAW. On August 14, 2013, the Notice of Proposed Rulemaking was published in the FAW. In response to the notice, the Office received written comments from Financial Services Institute.

The Office filed a Notice of Final Hearing for Rule Chapter 69W-200.001 which was published in the Volume 39, Number 117 edition of the FAW. The final hearing for the rules is noticed for the Financial Services Commission meeting to be held on September 24, 2013, at the regularly scheduled cabinet meeting in Tallahassee.

C. Full Text of Proposed Rule

69W-200.001 Definitions

As used in the Rules and Regulations of the Financial Services Commission and Office of Financial Regulation, pursuant to Chapter 517, F.S., unless the context otherwise specifically

requires:

(1) through (8) No change.

(9)(a) Except as otherwise provided in this subsection, the term “Branch Office” shall mean any location in this state of a dealer or investment adviser at which one or more associated persons regularly conduct the business of rendering investment advice or effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security or any location that is held out as such. Pursuant to Section 517.021(4), F.S., the Financial Services Commission may adopt exceptions to this definition. The following locations shall not be deemed branch offices for purposes of Section 517.12(5), F.S., and are considered exceptions to the definition of a branch office under Section 517.021(4), F.S.:

1. through 8. No change.

9. Any location of an investment adviser that is notice-filed ~~registered~~ as a branch office of a dealer, provided the dealer and investment adviser use the same CRD number.

(b) through (34) No change.

Rulemaking Authority 517.03(1) FS. Law Implemented 517.07, 517.12, 517.021, 517.061, 517.051, 517.081, 517.161 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-200.01, Amended 12-8-87, 10-14-90, 7-31-91, 6-16-92, 1-10-93, 5-5-94, 10-20-97, 8-9-98, 8-19-99, 10-30-03, Formerly 3E-200.001, Amended 5-15-07, 9-30-10,_____.

Proposed Rule Amendment

Rule 69W-301.002

Chapter Name: Procedural Rules for Processing

Title: Processing of Applications

A. Summary and Justification

The proposed rule amendment updates procedures in the processing of applications to reflect statutory changes as a result of Chapters 2013-201 and 2013-202, Laws of Florida. The proposed amendment: 1) strikes a fingerprint card form that is no longer required as a result of fingerprint processing changes in Ch. 2013-201, Laws of Florida, 2) updates procedures for certain branch offices conducting securities transactions to reflect that such offices shall notice file rather than

register with the Office of Financial Regulation, as set forth in Ch. 2013-202, Laws of Florida, 3) adopts and incorporates by reference an updated Form ADV-W (11/2010); 4) updates the title of the rule to add "and Notice-Filing", and 5) updates abbreviations and acronyms and other minor formatting changes in the rule for consistency with other rules.

B. Procedural History

On July 16, 2013, a Notice of Rule Development was published in the Florida Administrative Weekly (FAW) for Rule Chapter 69W-301.002, F.A.C., relating to processing of applications, to advise the public of the development of changes to the rule chapter, and to provide that, if requested in writing, a rule development workshop would be held. No written requests for a workshop were received by the Office.

On August 6, 2013, the Financial Services Commission approved proposed rule amendments to Rule Chapter 69W-301.002 for publication in the FAW. On August 14, 2013, the Notice of Proposed Rulemaking was published in the FAW. In response to the notice, the Office received written comments from Financial Services Institute.

The Office filed a Notice of Final Hearing for Rule Chapter 69W-301.002 which was published in the Volume 39, Number 117 edition of the FAW. The final hearing for the rules is noticed for the Financial Services Commission meeting to be held on September 24, 2013, at the regularly scheduled cabinet meeting in Tallahassee.

C. Full Text of Proposed Rule

69W-301.002 Processing of Applications and Notice-Filings.

(1) Forms. Application forms for all license actions covered by these rules may be obtained from the Office of Financial Regulation (Office) at no cost. All applications must be in the format required by the Office of ~~Financial Regulation~~. Requests for forms should be sent directly to: The Office of Financial Regulation, Division of Securities, 200 East Gaines Street, Tallahassee, Florida 32399-0375.

(2) Electronic Filing of Application and Fee. Applications in the format required by the Office of ~~Financial Regulation~~, accompanied by the prescribed fee for the requested license

action, shall be filed electronically with the Office of ~~Financial Regulation~~. Forms and fees deemed received are subject to the Office's Request for Additional Information requirements found in subsection 69W-301.002(3), F.A.C. Application forms and fees shall be filed as follows:

(a) All dealers who are members of the Financial Industry Regulatory Authority (formerly known as the National Association of Securities Dealers) (FINRA) shall file such items through the Central Registration Depository of FINRA (CRD) ~~of the FINRA~~ in accordance with the provisions of Rules 69W-600.001 and 69W-600.0091, F.A.C., as prescribed therein.

(b) All Federal Covered Advisers shall file such items through the Investment Adviser Registration Depository of FINRA (IARD) ~~of the FINRA~~ in accordance with the provisions of Section 517.1201, F.S., and Rule 69W-600.0092, F.A.C.

(c) Investment advisers shall file the required forms and fees with the IARD Investment Adviser Registration Depository (IARD) in accordance with the provisions of Rules 69W-600.001 and 69W-600.0093, F.A.C.

(d) Issuer/dealers shall file the required forms and fees electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System ~~of the OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. The Such filings shall be made in accordance with Rules 69W-400.002, 69W-600.001 and 69W-600.004, F.A.C.

(e) Dealers that are not members of FINRA shall file the required forms and fees electronically on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System ~~of the OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. The Such filings shall be made in accordance with Rule 69W-600.001, F.A.C.

(f) Canadian dealers shall file the required forms and fees electronically on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System ~~of the OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the notice-filer applicant via the Office's website. A confirmation of

submission is issued by the Office upon successful filing of the required form an application and payment of all fees. The Such filings shall be made in accordance with Rule 69W-600.0015, F.A.C.

(g) All dealers who are members of FINRA the Financial Industry Regulatory Authority (FINRA) shall file the required form and fee requests for branch office notification registration through the CRD Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.004 and 69W-600.0091, F.A.C.

(h) Investment Advisers shall file the required form and fee requests for branch office notification registration through the CRD Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.004 and 69W-600.0093, F.A.C.

(i) Issuer/dealers shall file the required form and fee requests for branch office notification registration on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the notice-filer applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of the required form an application and payment of all fees. The Such filings shall be made in accordance with Rule 69W-600.004, F.A.C.

(j) Dealers that are not members of FINRA shall file the required form and fee requests for branch office notification registration electronically on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System of the OFR and shall be deemed received on the date the Office issues a confirmation of submission and payment to the notice-filer applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of the required form an application and payment of all fees. The Such filings shall be made in accordance with Rule 69W-600.004, F.A.C.

(k) All dealers who are members of FINRA the Financial Industry Regulatory Authority (FINRA) shall file the required form and fee requests for associated person registration through the CRD Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.002 and 69W-600.0091, F.A.C.

(l) Federal covered advisers shall file the required form and fee requests for associated person registration through the CRD Central Registration Depository (CRD) of the FINRA in accordance with the provisions of Rules 69W-600.002 and 69W-600.0092, F.A.C.

(m) Investment advisers shall file the required form and fee requests for associated person registration through the CRD Central Registration Depository (CRD) of the ~~FINRA~~ in accordance with the provisions of Rules 69W-600.002 and 69W-600.0093, F.A.C.

(n) Issuer/dealers shall file the required form and fee requests for associated person registration on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System of the ~~OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. The Such filings shall be made in accordance with Rules 69W-600.002 and 69W-600.004, F.A.C.

(o) Dealers that are not members of FINRA shall file the required form and fee requests for associated person registration electronically on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System of the ~~OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. The Such filings shall be made in accordance with Rule 69W-600.002, F.A.C.

(p) An applicant for registration of securities pursuant to Section 517.081, F.S., shall file the required forms and fee electronically on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System of the ~~OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. The Such filings shall be made in accordance with Rule ~~Chapter~~ 69W-700, F.A.C.

(q) An applicant for notification registration pursuant to Section 517.082, F.S., shall file the required forms and fee electronically on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System of the ~~OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of an application and payment of all fees. The Such filings shall be made in accordance with Rule ~~Chapter~~ 69W-800, F.A.C.

(3) Request for Additional Information. All information the applicant desires to present in order to support the application should be submitted with the original filing. The required exhibits in the application forms are not intended to limit the applicant's presentation of any of the requirements, but merely represent the minimum information to be filed. Additional information shall be submitted within sixty (60) days after a request has been made by the Office of ~~Financial Regulation~~. Any such request for additional information will be made by the Office of ~~Financial Regulation~~ within thirty (30) days after receipt of the application and the full amount of the prescribed fee for the registration sought. Failure to respond to such request within sixty (60) days after the date of the request may be construed by the Office of ~~Financial Regulation~~ as grounds for denial of an application in accordance with the provisions of Section 120.60(1), F.S.

(4) No change.

(5) Amendment of Application. An applicant may amend the application as to those factors generally within the control or selection of the applicant once, as a matter of course, at any time within thirty (30) days from its receipt for filing. Otherwise, the application may be amended only with prior permission from the Office of ~~Financial Regulation~~. Requests to make changes which are material to the application or to the Office's of ~~Financial Regulation~~'s evaluation of the application filed at any time after the application has been received may be deemed by the Office of ~~Financial Regulation~~ to be grounds for denial, and a new application, accompanied by the appropriate filing fee, may be required.

(6) No change.

(7)(a) The forms referred to in this section below are incorporated by reference and readopted by this rule for the purposes of Rules ~~Rule Chapters~~ 69W-100 through 69W-900, F.A.C.:

1. through 9. No change.

10. Form ADV-W, Notice of Withdrawal from Registration as Investment Adviser (11/2010, effective _____) (~~3/2008~~), effective ~~11-22-10~~;

11. No change.

12. Form BR, Uniform Branch Office Registration Form (10/2005), effective 3-16-06 ~~3/16/2006~~;

13. OFR Form DA-5-91, Issuer/Dealer Compliance Form, effective 11-22-10; and

14. ~~Form FL921250Z, Florida Fingerprint Card (5/11/99), effective 11-22-10; and~~

14. ~~15.~~ OFR Form CAN, Canadian Dealer Notification, effective 6-10-07.

(b) through (d) No change.

Rulemaking Authority 517.03(1), 517.12, 517.1201, 517.081(2), 517.082(4) FS. Law Implemented 120.60(1), 517.051, 517.075, 517.081, 517.082, 517.12, 517.1202, 517.161(5) FS. History—Revised and Transferred from 3E-300.01, 9-20-82, Formerly 3E-301.02, Amended 10-15-86, 2-1-87, 12-8-87, 7-29-90, 7-31-91, 6-16-92, 1-10-93, 3-13-94, 10-1-96, 10-23-97, 6-22-98, 6-10-99, 5-7-00, 7-10-02, Formerly 3E-301.002, Amended 3-16-06, 6-10-07, 11-22-10, 4-26-12,_____.

Proposed Rule Amendment

Rule 69W-600.001, .002, .004, .006, .007, .008, .0091, .0092, .0093, .014

Chapter Name: Registration of Dealers, Investment Advisers, Associated Persons

Title: Application for Registration as a Dealer, Issuer/Dealer, or Investment Adviser

Application for Registration as Associated Person

Registration of Issuer/Dealers, Principals and Branch Offices

Fingerprint Requirements

Changes in Name and Successor Registration Requirements

Termination of Registration as Dealer, Investment Adviser, Branch Office, Principal or Agent

Registration Renewals

Central Registration Depository System

Investment Adviser Registration Depository for Federal Covered Advisers

Investment Adviser Registration Depository for Investment Advisers

Books and Records Requirements

A. Summary and Justification

The proposed rule amendments amend 11 rules regarding the registration of dealers, investment advisers, and associated persons generally to reflect statutory changes as a result of Chapters 2013-201 and 2013-202, Laws of Florida. Chapter 2013-201, Laws of Florida, changes requirements for applicant fingerprinting from the current paper card-based system to an electronic live-scan system, and Chapter 2013-202, Laws of Florida, changes requirements for

certain branch offices conducting securities transactions to notice-file with the Office of Financial Regulation (Office) rather than apply for registration. 69W-600.001 and 600.002 are proposed for amendment to update fingerprinting requirements to conform with Ch. 2013-201 and update abbreviations and acronyms in the rule. 69W-600.004 is proposed for amendment to 1) update with branch office notice filing changes to conform with Ch. 2013-202, 2) clarify that a dealer or investment adviser must be registered with the Office of Financial Regulation before its branch offices may notice file, 3) clarify that a branch office's principal must have the required qualifications to supervise such an office, 4) rename "resident agent" as "resident person-in-charge," and 5) update abbreviations and acronyms in the rule. 69W-600.006 is proposed for amendment to 1) update fingerprinting requirements to conform with Ch. 2013-201, 2) waive the requirement to submit fingerprints to the Office for owners and principals of dealers or investment advisers whose fingerprints have been processed by the Financial Industry Regulatory Authority (FINRA), and 3) update abbreviations and acronyms in the rule. 69W-600.007, 600.008, 600.009, and 600.0091 are proposed for amendment to update with branch office notice filing changes and update abbreviations and acronyms in the rule. 69W-600.0092 is proposed for amendment to update abbreviations and acronyms in the rule. 69W-600.0093 is proposed for amendment to update with branch office notice filing changes to conform with Ch. 2013-202, 2) clarify that an investment adviser must be registered with the Office of Financial Regulation before its branch offices may notice file, and 3) update abbreviations and acronyms in the rule. 69W-600.014 is proposed for amendment to update with branch office notice filing changes to conform with Ch. 2013-202.

B. Procedural History

On July 16, 2013, a Notice of Rule Development was published in the Florida Administrative Weekly (FAW) for Rule Chapter 69W-600.001, .002, .004, .006, .007, .008, .0091, .0092, .0093, .014, relating to regulating securities, to advise the public of the development of changes to the rule chapter, and to provide that, if requested in writing, a rule development workshop would be held. No written requests for a workshop were received by the Office.

On August 6, 2013, the Financial Services Commission approved proposed rule amendments to Rule Chapter 69W-600.001, .002, .004, .006, .007, .008, .0091, .0092, .0093, .014, for publication in the FAW. On August 14, 2013, the Notice of Proposed Rulemaking was published in the FAW. In response to the notice, the Office received written comments from Financial Services Institute.

The Office filed a Notice of Final Hearing for Rule Chapter 69W-600.001, .002, .004, .006, .007, .008, .0091, .0092, .0093, .014, which was published in the Volume 39, Number 117 edition of the FAW. The final hearing for the rules is noticed for the Financial Services Commission meeting to be held on September 24, 2013, at the regularly scheduled cabinet meeting in Tallahassee.

C. Full Text of Proposed Rule

69W-600.001 Application for Registration as a Dealer, Issuer/Dealer, or Investment Adviser.

(1)(a) Applications for initial and renewal registration of dealers, issuer/dealers, and investment advisers shall be filed as prescribed by the Financial Services Commission (Commission) in Rule 69W-301.002, F.A.C., and shall include all information required by such forms, any other information the ~~Financial Services~~ Commission or Office of Financial Regulation (Office) may require, and payment of the statutory fees required by Sections 517.12(10) and 517.131, F.S.

(b) A complete application must include the following exhibits or forms that are appropriate for the type of registration requested:

1. For registration as a dealer or issuer/dealer, a Uniform Application for Broker-Dealer Registration (Form BD) ~~Uniform Application for Broker-Dealer Registration, Form BD~~, which is incorporated by reference in subsection 69W-301.002(7), F.A.C. For registration as an investment adviser, a Uniform Application for Investment Adviser Registration (Form ADV) ~~Uniform Application for Investment Adviser Registration, Form ADV~~, which is incorporated by reference in subsection 69W-301.002(7), F.A.C.;

2. No change.

3. A Uniform Application for Securities Industry Registration or Transfer (Form U-4) ~~Uniform Application for Securities Industry Registration or Transfer, Form U-4~~, which is

incorporated by reference in subsection 69W-301.002(7), F.A.C., to register at least one principal as set forth in Rule 69W-600.002, F.A.C. In conjunction with filing its Form BD or Form ADV with the Office of ~~Financial Regulation~~, the dealer, issuer/dealer, or investment adviser shall provide the Office of ~~Financial Regulation~~ written notification of the principal's name, Central Registration Depository (CRD) ~~CRD~~ number, and social security number;

4. No change;

5. Proof of effective registration for dealers with the Securities and Exchange Commission (SEC). Where required by Section 517.12(16), F.S., applicants for registration as a dealer shall also provide the Office of ~~Financial Regulation~~ with proof of insurance coverage by the Securities Investor Protection Corporation. Evidence of current membership as a dealer with the Financial Industry Regulatory Authority (FINRA) ~~FINRA~~ shall satisfy this requirement;

6. Any direct or indirect owner or control person required to be reported on Form BD, ~~Uniform Application for Broker-Dealer Registration~~, or Form ADV, ~~Uniform Application for Investment Adviser Registration~~, pursuant to Section 517.12(7), F.S., who is not currently registered in Florida with the firm they are seeking to join or act as a direct or indirect owner or control person shall comply with the fingerprinting requirements ~~submit to the Office fingerprint cards~~ in accordance with subsection 69W-600.006(3), F.A.C.

7. No change;

8. When specifically requested by the Office of ~~Financial Regulation~~, affirmative responses to questions regarding disciplinary action must be accompanied by full documentation. The Office of ~~Financial Regulation~~ may require such documentation to be certified by its issuer based upon the Office's ~~Office of Financial Regulation's~~ review of the nature and substance of the disciplinary history and experience of the applicant and any officer, director, or ultimate owner in the case of a corporation or association, and any partner, co-partner, or member of the partnership in the case of a partnership. For purposes of this rule, "certified" means that there must be an original a certification or attestation by the issuer of the record that the document is ~~was~~ a true copy of a record contained in its ~~his~~ office and its ~~his~~ seal, if any; and

9. When specifically requested by the Office of ~~Financial Regulation~~, a copy of the articles of incorporation and amendments thereto, if a partnership, a copy of the partnership agreement, or if a limited liability company, a copy of the articles of organization.

(2) If the information contained in any application for registration as a dealer or investment adviser or in any amendment thereto, becomes inaccurate for any reason, the dealer or investment adviser shall file an amendment on the Form BD or the Form ADV, respectively, correcting such information within 30 days. For applicants and registrants that are members of the FINRA, each such amendment, including those required by Rule 69W-600.007, F.A.C., shall be filed with the Office of Financial Regulation through the CRD system. For investment adviser applicants and registrants who file via the Investment Adviser Registration Depository (IARD) ~~IARD~~, each such amendment, including those required by Rule 69W-600.007, F.A.C., shall ~~may~~ be filed with the Office of Financial Regulation through the IARD ~~system~~ in accordance with Rule 69W-600.0093, F.A.C. All other applicants and registrants shall file such amendments, including those required by Rule 69W-600.007, F.A.C., directly with the Office of ~~Financial Regulation~~ ~~Regulation~~ electronically through the Regulatory Enforcement and Licensing System.

(3) No change.

Rulemaking Authority 517.03(1), 517.12(6) FS. Law Implemented 517.12(6), (7), 517.1205 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.01, Amended 7-29-90, 8-1-91, 6-16-92, 1-11-93, 11-14-93, 4-30-96, 6-22-98, 5-10-00, 9-19-00, 7-31-02, Formerly 3E-600.001, Amended 3-16-06, 5-15-07, 11-22-10, 10-29-12,_____.

69W-600.002 Application for Registration as Associated Person.

(1)(a) Applications for initial, reaffiliation, and renewal registrations of a principal or associated person shall be filed on the Uniform Application for Securities Industry Registration or Transfer (Form U-4) ~~Form U-4, Uniform Application for Securities Industry Registration or Transfer~~, which is incorporated by reference in subsection 69W-301.002(7), F.A.C., and shall include all information required by such form, any other information the Office of Financial Regulation (Office) may require, and payment of the statutory fees required by Section 517.12(10), F.S. ~~The Such~~ forms and fees shall be filed electronically in accordance with Rule 69W-301.002, F.A.C.

(b) A complete initial application must include the following exhibits or forms that are appropriate for the type of registration requested:

1. Form U-4. As used on the Form U-4, the term “Office of Employment Address” shall mean the location where the person seeking registration will regularly conduct business on

behalf of the dealer or investment adviser. Form U-4, ~~Uniform Application for Securities Industry Registration or Transfer~~, is incorporated by reference in subsection 69W-301.002(7), F.A.C.

2. No change.

3. When specifically requested by the Office of ~~Financial Regulation~~, full documentation and details pertaining to affirmative responses. The Office of ~~Financial Regulation~~ may require such documentation to be certified by its issuer based upon the Office's ~~of Financial Regulation's~~ review of the nature and substance of this disciplinary history and experience of the applicant. For purposes of this rule, "certified" means that there must be an original certification or attestation by the issuer of the record that the document is ~~was~~ a true copy of a record contained in ~~its~~ ~~his~~ office and ~~its~~ ~~his~~ seal, if any.

4. No change.

5. Fingerprints shall be submitted in accordance with A complete Florida Fingerprint Card (FL921250Z) when required under Section 517.12(7), F.S., and Rule 69W-600.006, F.A.C., provided by the Office of Financial Regulation and taken by an authorized law enforcement agency and accompanied by a non-refundable \$40.50 processing fee. Form FL921250Z, Florida Fingerprint Card, is incorporated by reference in subsection 69W-301.002(7), F.A.C.

(c) If the information contained in any Form U-4 becomes inaccurate for any reason before or after the associated person becomes registered, the associated person through the dealer or investment adviser, as applicable, shall be responsible for correcting the inaccurate information within thirty (30) days. If the information being updated relates to the applicant's or registrant's disciplinary history, in addition to updating the Form U-4, the associated person through the dealer or investment adviser shall also provide the Office of ~~Financial Regulation~~ with notice and copies of each civil, criminal or administrative action initiated against the associated person as provided in Rule 69W-600.010, F.A.C. For associated persons who have filed by using the Central Registration Depository (CRD) CRD of the Financial Industry Regulatory Authority FINRA, such amendments shall be made through the CRD system. All other applicants and registrants shall file such amendments electronically with the Office of ~~Financial Regulation~~ through the Regulatory Enforcement and Licensing System. Form U-4, ~~Uniform Application for Securities Industry Registration or Transfer~~, is incorporated by reference in subsection 69W-301.002(7), F.A.C.

(2) No change.

Rulemaking Authority 215.405, 517.03(1), 517.12(6) FS. Law Implemented 517.12(6), (7), (10), 517.1205, 943.053 FS. History—New 9-20-82, Formerly 3E-301.02, Amended 10-15-86, 10-4-88, 6-24-90, 7-29-90, 10-14-90, 8-1-91, 6-16-92, 6-28-93, 11-14-93, 3-13-94, 4-30-96, 12-29-96, 6-22-98, 5-10-00, 9-19-00, 7-31-02, 12-11-03, Formerly 3E-600.002, Amended 3-16-06, 5-15-07, 12-24-07, 12-25-08, 11-22-10, 5-29-12,_____.

69W-600.004 Registration of Issuer/Dealers, and Principals and Notice-Filing of Branch Offices.

(1) An issuer required to be registered or who elects to be registered pursuant to Section 517.12(1), 517.051(9), or 517.061(11), F.S., selling its own securities exclusively through its principals or agents (as those terms are defined in Section 517.021, F.S., and Rule 69W-200.001, F.A.C., respectively) may obtain registration as an issuer/dealer by filing as required under subsection 69W-600.001(1), Rule 69W-400.002 or 69W-500.011, F.A.C., as appropriate, provided that:

(a) No change.

(b) Said issuer/dealer may register up to five (5) associated persons, which persons will be exempted from the examination requirements of subsection 69W-600.005(2), F.A.C., provided such issuer/dealer shall register no more than five (5) associated persons, and at the time of application for registration advises the Office of Financial Regulation (Office) of its ~~his~~ intention to register no more than five (5) associated persons. Failure to so advise the Office of ~~Financial Regulation~~ will require all associated person applicants to fulfill the examination requirements of subsection 69W-600.005(2), F.A.C. Registration of more than five (5) such associated persons, at any one time, will void this exemption, and all such associated persons will be required to meet the examination requirements of subsection 69W-600.005(2), F.A.C.

(2) Every applicant for registration and registrant under Section 517.12, F.S., as a dealer or investment adviser (as those terms are defined under Section 517.021, F.S.), unless effectively registered with the Office of ~~Financial Regulation~~ as an issuer/dealer prior to December 4, 1977, shall have and maintain at least one associated person qualified and registered as principal pursuant to Section 517.12, F.S., and the rules thereunder.

(a) No change.

(b) Any applicant or registrant as dealer or investment adviser may elect to register more than one person as principal; there is no limitation as to the number of associated persons that may be registered as principal as long as such persons meet the qualification standards as prescribed in Rule 69W-600.005, F.A.C., and the appropriate fees as specified in Section 517.12(10), F.S. Florida Statutes, have been paid.

(3)(a) Every Florida branch office of a ~~registered Florida~~ dealer or investment adviser registered in Florida shall be notice-filed ~~registered~~ with the Office of Financial Regulation prior to engaging in business therefrom. A broker dealer or investment adviser must be registered with the Office before its branch offices may notice-file. The notice-filing ~~Such registration~~ shall consist of a form ~~an application filed with the Office of Financial Regulation on the forms~~ prescribed by the Office of Financial Regulation and payment of the statutory fees required by Section 517.1202(2) ~~517.12(10)~~, F.S. Such forms and fees shall be filed electronically in accordance with Rule 69W-301.002, F.A.C. Such office may or may not be designated as an Office of Supervisory Jurisdiction (OSJ) at the discretion of the registrant. For ~~A manager for~~ each branch office designated as an OSJ, a branch office manager shall be designated as a principal and registered with the Office of Financial Regulation as a principal. The designated principal shall have passed the appropriate examination(s), administered by a national securities association or a national securities exchange registered with the Securities and Exchange Commission, to supervise the activities of the branch office and its associated persons. For ~~such~~ offices not designated as an OSJ, the branch office manager need not be located at the office(s) for which he is delegated supervisory responsibility; however, in such cases, the registrant must specify in writing to the Office of Financial Regulation, the names of the associated persons designated as resident person(s)-in-charge ~~agent in charge~~ as well as the branch office manager.

(b) A complete notice-filing ~~application~~ must include the following exhibits or forms ~~that are appropriate for the type of registration requested:~~

1. Uniform Branch Office Registration Form (Form BR) ~~Form BR~~, which is incorporated by reference under subsection 69W-301.002(7), F.A.C.

2. Statutory fee in the amount required by Section 517.1202(2) ~~517.12(10)~~, F.S.

3. Manager(s) ~~Manager~~ and resident person(s)-in-charge, ~~agent~~ as appropriate, ~~in this rule~~ must be registered as set forth in Rule 69W-600.002, F.A.C.

(c) If the information contained in the Form BR ~~any branch office registration form~~ becomes inaccurate or incomplete for any reason ~~before or~~ after the branch office notice-files ~~becomes registered~~, including changing the location of the branch office or the supervisory personnel thereof, the dealer or investment adviser shall amend the information by filing a complete and originally executed Form BR, with the Office of ~~Financial Regulation~~ within thirty (30) days of the change and denoting thereon that the information reported is an amendment to a previous filing. For any dealer that is a member of the Financial Industry Regulatory Authority (FINRA) ~~FINRA~~, or any investment adviser, the Form BR shall be filed with the Office of ~~Financial Regulation~~ through the Central Registration Depository of FINRA CRD, as set forth in Rules 69W-301.002, 69W-600.0091 and 69W-600.0093, F.A.C. Issuer/dealers and dealers that are not members of FINRA shall ~~may~~ amend the branch office ~~registration~~ information by filing the ~~submitting a~~ Form BR electronically ~~directly~~ with the Office of ~~Financial Regulation~~ ~~electronically~~ through the Regulatory Enforcement and Licensing System, in accordance with Rule 69W-301.002, F.A.C. Form BR, ~~Uniform Branch Office Registration Form~~, is incorporated by reference in subsection 69W-301.002(7), F.A.C. Failure to file amendments ~~any amendment or written notification~~, as provided herein, shall be considered a violation of Section 517.1202(6) ~~517.12(13)~~, F.S.

(d) It is prohibited for any branch office or associated person to conduct a securities or investment advisory business in this state under any name other than that of the dealer or investment adviser with which the branch office is notice-filed or associated person is registered unless each of the following conditions is met:

1. and 2. No change.

3. The dealer or investment adviser with which the branch office is notice-filed or associated person is registered has received written notice of the name under which business will be conducted.

Rulemaking Authority 517.03(1), 517.12(6), 517.1202 FS. Law Implemented 517.12(5), (6), (10), 517.1202 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.04, Amended 10-14-90, 6-16-92, 1-11-93, 11-7-93, 11-14-93, 12-29-96, 10-20-97, 6-10-99, 8-19-99, 5-27-01, 7-31-02, Formerly 3E-600.004, Amended 3-16-06, 5-15-07, 11-22-10, 10-29-12,_____.

69W-600.006 Fingerprint Requirements.

(1) Fingerprints filed in accordance with Section 517.12(7), F.S., shall be submitted to the Office of Financial Regulation (Office) through a live scan vendor approved by the Florida Department of Law Enforcement (FDLE) and published on FDLE's website for submission to FDLE and the Federal Bureau of Investigation (FBI) for a state criminal background check and a federal criminal background check. The cost of fingerprint processing shall be borne by the applicant and paid directly to the live scan vendor. ~~on fingerprint cards supplied by the Office of Financial Regulation taken by an authorized law enforcement agency, and accompanied by a non-refundable \$40.50 processing fee. Form FL921250Z, Florida Fingerprint Card, is incorporated by reference in subsection 69W 301.002(7), F.A.C.~~

(2) The requirement to submit fingerprints file a fingerprint card and fee with the Office of Financial Regulation is waived for those associated persons pending registration in Florida with a Financial Industry Regulatory Authority (FINRA) member firm and such fingerprints have fingerprint card has been submitted and processed by FINRA on behalf of the member firm with which said associated person is pending registration, pursuant to the provisions of SEC Rule 17f-2 (17 C.F.R. § 240.17f-2 (2010)).

(3) Notwithstanding any exemptions found in SEC Rule 17f-2 (17 C.F.R. § 240.17f-2 (2010)), any direct owner, principal, or indirect owner that is required to be reported on Form BD, Uniform Application for Broker-Dealer Registration, or Form ADV, Uniform Application for Investment Adviser Registration, pursuant to Section 517.12(7), F.S., who is not currently registered in Florida with the firm they are seeking to join or act as a direct owner, principal, or indirect owner shall submit fingerprints to the Office through a live scan vendor approved by FDLE and published on FDLE's website for submission to FDLE and the FBI for a state criminal background check and a federal criminal background check ~~fingerprint cards supplied by the Office of Financial Regulation taken by an authorized law enforcement agency, and accompanied by a non-refundable \$40.50 processing fee. The cost of fingerprint processing shall be borne by the applicant and paid directly to the live scan vendor. Such fingerprint card and fee shall be filed directly with the Office until such time as FINRA has the capability to electronically display the fingerprint card results to Florida via the CRD system. Form FL921250Z (Florida Fingerprint Card), Form BD, and Form ADV are incorporated by reference in subsection 69W 301.002(7), F.A.C.~~

(4) The requirement to submit fingerprints is waived for any direct owner, principal, or indirect owner that is required to be reported on Form BD, Uniform Application for Broker-Dealer Registration, or Form ADV, Uniform Application for Investment Adviser Registration, pursuant to Section 517.12(7), F.S., if fingerprints have been submitted and processed by FINRA on behalf of the member firm with which the owner or principal is affiliated, pursuant to the provisions of SEC Rule 17f-2 (17 C.F.R. § 240.17f-2 (2010)).

~~(5)~~(4) The federal regulations referenced in this rule are hereby incorporated by reference and may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399. Copies of the Code of Federal Regulation are also available online through the U.S. Government Printing Office via GPO Access: <http://www.gpoaccess.gov/cfr/index.html>.

Rulemaking Authority 215.405, 517.03 FS. Law Implemented 517.12(7), 943.053 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.06, Amended 8-1-91, Formerly 3E-600.006, Amended 5-15-07, 12-24-07, 12-25-08, 11-22-10, 5-29-12,_____.

69W-600.007 Changes in Name and Successor Registration Requirements.

(1) Where only a change in the name of an applicant or registrant as dealer, investment adviser or associated person occurs, notices of such fact shall be filed as an amendment on the forms prescribed by the Office of Financial Regulation (Office) within thirty (30) calendar days of the date of such change. For registrants who are a members of the Financial Industry Regulatory Authority (FINRA), such amendment shall be filed with the Office of Financial Regulation through the Central Registration Depository of FINRA (CRD) CRD System pursuant to subsection 69W-600.001(2), F.A.C. Any amendments to organizational documents or accompanying letters of explanation shall be promptly submitted ~~directly~~ to the Office of ~~Financial Regulation~~ when specifically requested by the Office of ~~Financial Regulation~~.

(2) Where there is a change in legal entity of a proprietary, partnership, or corporate registrant, the successor entity shall file with the Office of ~~Financial Regulation~~ an amendment to the Form BD, Uniform Application for Broker-Dealer Registration (Form BD), which is incorporated by reference in subsection 69W-301.002(7), F.A.C. or the Form ADV, Uniform Application for Investment Adviser Registration (Form ADV), which is incorporated by reference in subsection 69W-301.002(7), F.A.C., within thirty (30) calendar days of the date of

such change. For registrants who are ~~a members of the~~ FINRA, such amendment shall be filed with the Office of ~~Financial Regulation~~ through the CRD ~~System~~ pursuant to subsection 69W-600.001(2), F.A.C. Any amendments to organizational documents, accompanying letters of explanation, or current financial statements of the successor shall be promptly submitted directly to the Office of ~~Financial Regulation~~ when specifically requested by the Office of ~~Financial Regulation~~.

(3) Merger Situations: Where there is a merger of dealer or investment adviser registrants involving (a) the assumption by the successor of substantially all assets and liabilities of the merged entities, and (b) the continuation of the activities of the merged entities' successor entity, the merging entities shall file notification with the Office of ~~Financial Regulation~~ denoting such changes as are applicable within thirty (30) calendar days prior to the date of such change. The successor entity shall file an amendment to Form BD, which is incorporated by reference in subsection 69W-301.002(7), F.A.C., or Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C., denoting such changes as are applicable within thirty (30) calendar days of date of such change. For registrants who are members ~~a member of the~~ FINRA, each ~~such~~ amendment shall be filed with the Office of ~~Financial Regulation~~ through the CRD ~~System~~ pursuant to subsection 69W-600.001(2), F.A.C. A copy of the plan of merger/merger agreement, amended organizational documents, accompanying letters of explanation, or current financial statements of the successor (merged) entity shall be promptly provided directly to the Office of ~~Financial Regulation~~ when specifically requested by the Office of ~~Financial Regulation~~.

(4) Change of Control:

(a) Where a person or a group of persons directly or indirectly or acting by or through one or more persons, proposes to acquire a controlling interest in a dealer or investment adviser registrant, and where the acquirer is currently registered with the Office of ~~Financial Regulation~~, or where the acquirer has not within the preceding 10 years committed any reportable act as defined in Rule 69W-200.001, F.A.C., the resulting entity shall file with the Office of ~~Financial Regulation~~ an amendment to Form BD, which is incorporated by reference in subsection 69W-301.002(7), F.A.C., or Form ADV, which is incorporated by reference in subsection 69W-301.002(7), F.A.C., denoting such changes as are applicable thirty (30) calendar days prior to the date of such acquisition. Any amended organizational documents, accompanying letters of

explanation, or financial statements of the resulting entity shall be promptly filed ~~directly~~ with the Office of ~~Financial Regulation~~ when specifically requested by the Office of ~~Financial Regulation~~.

(b) Where a person or a group of persons directly or indirectly or acting by or through one or more persons, proposes to acquire a controlling interest in a dealer or investment adviser registrant, and where the acquirer has within the preceding 10 years committed any reportable act as defined in Rule 69W-200.001, F.A.C., and is not currently registered with the Office of ~~Financial Regulation~~, the resulting entity shall, prior to such acquisition, file with the Office of ~~Financial Regulation~~ a new application for registration on the forms prescribed by the Office of ~~Financial Regulation~~, together with all required exhibits and fees. Additionally, there shall be filed with the Office of ~~Financial Regulation~~, at the time the new application is filed, a notice of withdrawal, termination or cancellation of registration of the acquired entity on the forms prescribed by the Office of ~~Financial Regulation~~, effective upon disposition of the new application by the Office of ~~Financial Regulation~~. The Office of ~~Financial Regulation~~ may waive the requirements of this subsection where the Office of ~~Financial Regulation~~ determines it is not necessary, based upon the nature and substance of the proposed acquirer's disciplinary history and experience, to require the filing of a new application for registration. Any person who receives a waiver of this subsection shall effect such change of control in compliance with the provisions of paragraph (a).

(c) No change.

(5) No change.

(6) For the purposes of subsections (1), (2), and (3), and paragraph (4)(a) of this rule, the effective registration of all associated persons and branch office notice-filings ~~offices~~ affiliated with the affected dealer or investment adviser registrant will be transferred to the successor entity by the Office of ~~Financial Regulation~~ without necessitating the filing of new applications on behalf of such associated persons and notice-filings of such branch offices, unless notice of termination is filed for such persons and branch offices by the successor pursuant to Rule 69W-600.008, F.A.C.

Rulemaking Authority 517.03(1), 517.12(13) FS. Law Implemented 517.12(13) FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.07(4), Amended 10-15-86, 12-8-87, 8-1-91, 6-16-

92, 1-11-93, 6-22-98, 8-9-98, 6-10-99, 5-10-00, 7-31-02, Formerly 3E-600.007, Amended 3-16-06, 11-22-10,_____.

C.f. See Rule 69W-301.002(7) for forms referenced herein which have been previously adopted by the Office of Financial Regulation.

69W-600.008 Termination of Registration as Dealer, Investment Adviser, ~~Branch Office,~~ Principal or Agent, or Notification of Branch Office.

(1) Where a registrant withdraws, cancels, or otherwise terminates registration or notification, or is terminated for any reason, notice of such fact shall be filed with the Office of Financial Regulation (Office) on the forms prescribed by the Financial Services Commission, in accordance with subsection 69W-301.002(7), F.A.C., within thirty (30) calendar days of the date of termination. Such forms shall be filed electronically in accordance with Rules 69W-301.002, 69W-600.0091, 69W-600.0092 and 69W-600.0093, F.A.C.

(2) Any dealer which is a member of the Financial Industry Regulatory Authority (FINRA) or any associated person or branch office of a member firm shall file any withdrawals, cancellations, or terminations of registrations or notifications with the Office of Financial Regulation through the Central Registration Depository (CRD) of FINRA (~~“CRD”~~) of the ~~FINRA~~.

(3) Any investment adviser shall file any withdrawals, cancellations, or terminations of registration with the Office of Financial Regulation through the Investment Adviser Registration Depository (IARD) of FINRA (~~“IARD”~~) of the ~~FINRA~~. Any associated person or branch office of an investment adviser shall file any withdrawals, cancellations, or terminations of registrations or notifications with the Office of Financial Regulation through the CRD ~~Central Registration Depository of the FINRA~~.

(4) The Office of ~~Financial Regulation~~ may deny any request to terminate or withdraw any application or registration as provided under Section 517.161(5), F.S.

(5) No change.

(6) The forms to be utilized for providing notice to the Office of ~~Financial Regulation~~ under subsections (1), (2) and (3) above, and which are incorporated by reference in subsection 69W-301.002(7), F.A.C., are:

(a) through (d) No change.

*Rulemaking Authority 517.03(1) FS. Law Implemented 517.12(12)(b), 517.161(5) FS. History—
New 12-5-79, Amended 9-20-82, Formerly 3E-600.08, Amended 7-29-90, 8-1-91, 6-16-92, 1-11-
93, 6-22-98, 6-10-99, 5-10-00, 5-27-01, Formerly 3E-600.008, Amended 3-16-06, 11-22-10, 10-
29-12,_____.*

69W-600.009 Registration and Notice-Filing Renewals.

(1) Every dealer, investment adviser, and federal covered adviser, registered or notice-filed with the Office of Financial Regulation (Office) shall annually verify all registrations of associated persons and branch office notice-filings prior to December 31. ~~Every dealer and investment adviser, including issuer/dealers registered pursuant to Section 517.12, F.S., desiring to renew their registration shall annually verify with the Office of Financial Regulation prior to the date of expiration of registration, registration with the Office of Financial Regulation of the dealer or investment adviser, all associated persons of the dealer or investment adviser and all branch offices of the dealer or investment adviser in Florida, which the Office of Financial Regulation shows as being currently registered with such dealer or investment adviser subject to renewal, and which the dealer or investment adviser seeks to renew.~~

(2) In addition to verifying registration or notice-filings ~~with the Office of Financial Regulation~~ as provided in subsection (1), to renew its registration and the registrations ~~and that~~ of its ~~branch offices and~~ associated persons and branch office notice-filings, each dealer or investment adviser shall pay all renewal fees as required by Section 517.12(11) and 517.1202(3), F.S.

(a) Renewal fees for Financial Industry Regulatory Authority (FINRA) ~~FINRA~~ member firms, associated persons of FINRA member firms, and branch offices of FINRA member firms, shall be submitted through the Central Registration Depository of FINRA (CRD) ~~CRD~~ by December 31 of the year the registration or notice-filing expires.

(b) Renewal fees for investment advisers and federal covered advisers shall be submitted through the Investment Adviser Registration Depository of FINRA (IARD) ~~IARD~~ by December 31 of the year the registration or notice-filing expires. Renewal fees for associated persons of investment advisers and federal covered advisers, and branch offices of investment advisers, shall be submitted through the CRD by December 31 of the year the registration or notice-filing expires.

(c) Renewal fees for non-FINRA member firms, associated persons of non-FINRA member firms and all branch offices of non-FINRA member firms shall be filed electronically on the Office's website at www.flofr.com through the Regulatory Enforcement and Licensing (REAL) System ~~of the OFR~~ and shall be deemed received on the date the Office issues a confirmation of submission and payment to the applicant via the Office's website. A confirmation of submission is issued by the Office upon successful filing of a renewal and payment of all fees. All renewal fees must be received by the Office ~~of Financial Regulation~~ by December 31 of the year the registration or notice-filing expires.

(3) For FINRA members, federal covered advisers and investment advisers, failure to submit the requisite amount of fees as provided for in subsection (2) of this rule by December 31 of the year of expiration of the registration ~~or notice-filing~~ shall result in such registration or notice-filing not being renewed. If December 31 falls on a Saturday, Sunday or legal holiday pursuant to Section 110.117, F.S., the renewals received on the next business day will be considered timely received. However, an expired registration or notice-filing may be reinstated in accordance with the provisions of Section 517.12(11) or 517.1202(3), F.S., provided that all requisite information and fees are date stamped by the cashier's office of the Department of Financial Services on or before January 31 of the year following the year of expiration. Failure to submit the requisite amount of fees necessary to reinstate registration or notice-filing by January 31 of the year following the year of expiration shall result in such registration or notice-filing not being reinstated. If January 31 falls on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., the reinstatement received on the next business day will be considered timely received. In the event that the renewal or reinstatement is withdrawn or not granted, any fees filed to renew or reinstate registration or notice-filing shall become the revenue of the state pursuant to Section 517.12(10), F.S., and shall not be returnable.

(4) For issuer/dealers, Canadian dealers, and dealers that are not members of FINRA, failure to submit the requisite amount of fees as provided for in subsection (2) of this rule by December 31 of the year of expiration of the registration or notice-filing shall result in such registration or notice-filing not being renewed. If December 31 falls on a Saturday, Sunday or legal holiday pursuant to Section 110.117, F.S., the renewals received on the next business day will be considered timely received. However, an expired registration or notice-filing may be reinstated in accordance with Section 517.12(11) or 517.1202(3), F.S., provided that all requisite

information and fees are filed electronically on the Office's website at www.flofr.com through the REAL Regulatory Enforcement and Licensing (REAL) System of the ~~OFR~~ on or before January 31 of the year following the year of expiration. Failure to submit the requisite amount of fees necessary to reinstate registration ~~or notice-filing~~ by January 31 of the year following the year of expiration shall result in such registration or notice-filing not being reinstated. If January 31 falls on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., the reinstatement received on the next business day will be considered timely received. If the renewal or reinstatement is withdrawn or not granted, any fees filed to renew or reinstate registration or notice-filing shall become the revenue of the state pursuant to Section 517.12(10), F.S., and shall not be returnable.

Rulemaking Authority 517.03(1), 517.12(6), (15), 517.1202 FS. Law Implemented 517.12(6), (10), (11), (15), 517.1202 FS. History—New 12-5-79, Amended 9-20-82, 8-29-83, Formerly 3E-600.09, Amended 1-7-88, 6-16-92, 11-14-93, 2-5-01, 5-27-01, Formerly 3E-600.009, Amended 5-15-07, 11-22-10, _____.

69W-600.0091 Central Registration Depository System.

(1) All Financial Industry Regulatory Authority (FINRA) ~~FINRA~~ member dealers requesting initial registration, amendment or termination of registration in this state shall file the Uniform Application for Broker-Dealer Registration, ~~appropriate~~ Form BD, or Uniform Request for Broker-Dealer Withdrawal, Form BDW, which are incorporated by reference in subsection 69W-301.002(7), F.A.C., and the assessment fee required by Section 517.12(10) or (11), F.S., with the Central Registration Depository System of FINRA (CRD) (“CRD”) ~~of the FINRA~~. However, responses to requests by the Office of Financial Regulation (Office) for additional information shall be filed directly with the Office ~~of Financial Regulation~~. Any application for registration as a dealer filed with the Office ~~of Financial Regulation~~ through the CRD shall be deemed received by the Office ~~of Financial Regulation~~ upon receipt of the Form BD and the application fee. The application fee shall be deemed received by the Office ~~of Financial Regulation~~ on the “payment date” reflected on the CRD “disbursement detail” report.

(2) All FINRA member dealers registered in this state requesting initial notice-filing ~~registration~~, amendment, or termination of a branch office of such member dealer shall file the Uniform Branch Office Registration Form, ~~appropriate~~ Form BR, and the filing application ~~fee~~

required by Section ~~517.1202(2)~~ ~~517.12(10)~~ or (11), F.S., ~~through~~ with the CRD. However, responses to requests by the Office of ~~Financial Regulation~~ for additional information shall be filed directly with the Office of ~~Financial Regulation~~. Any notice-filing application for ~~registration~~ as a branch office of a Florida registered dealer filed with the Office of ~~Financial Regulation~~ through the CRD shall be deemed received by the Office of ~~Financial Regulation~~ upon receipt of the Form BR and the filing application fee. The filing application fee shall be deemed received by the Office of ~~Financial Regulation~~ on the "payment date" reflected on the CRD "disbursement detail" report.

(3) All FINRA member dealers registered in this state requesting initial registration, amendment, reaffiliation or termination of an associated person of such member dealer shall file the Uniform Application for Securities Industry Registration or Transfer, Form U-4, or Uniform Termination Notice for Securities Industry Registration, Form U-5, which are incorporated by reference in subsection 69W-301.002(7), F.A.C., and the assessment fee required by Section 517.12(10) or (11), F.S., with the CRD ~~of the FINRA~~. However, responses to requests by the Office of ~~Financial Regulation~~ for additional information shall be filed directly with the Office of ~~Financial Regulation~~. Any application for registration as an associated person of an FINRA member dealer filed with the Office of ~~Financial Regulation~~ through the CRD shall be deemed received by the Office of ~~Financial Regulation~~ on the date designated in the "Status Date" field on the line notated "FL" with a "Registration Status" of "pending" as indicated on the CRD "Registrations with Current Employers" screen.

Rulemaking Authority 517.03, 517.12(15), 517.1202 FS. Law Implemented 517.12(10), (11), (15), 517.1202 FS. History—New 8-29-83, Formerly 3E-600.091, Amended 8-1-91, 6-16-92, 4-30-96, 9-19-00, Formerly 3E-600.0091, Amended 5-15-07, 11-22-10, _____.

69W-600.0092 Investment Adviser Registration Depository for Federal Covered Advisers.

(1) All federal covered advisers making, amending, or terminating a notice filing in this state shall file the Uniform Application for Investment Adviser Registration (Form ADV) Form ADV, Part 1 I, or Notice of Withdrawal from Registration as Investment Adviser (Form ADV-W) Form ADV-W and the assessment fee required by Section 517.1201(1) or (2), F.S., with the Investment Adviser Registration Depository (IARD) of the Financial Industry Regulatory Authority (FINRA) ~~FINRA~~ in accordance with subsection 69W-301.002(2), F.A.C. When

requested by the Office of Financial Regulation (Office), Form ADV, Part 2, and all responses to requests by the Office of ~~Financial Regulation~~ for additional information shall be filed directly with the Office of ~~Financial Regulation~~. Any notice filing made by a federal covered adviser with the Office of ~~Financial Regulation~~ through the IARD shall be deemed received by the Office of ~~Financial Regulation~~ upon receipt of the Form ADV and the filing fee. The filing fee shall be deemed received by the Office of ~~Financial Regulation~~ on the "payment date" reflected on the Central Registration Depository of FINRA(CRD) ~~CRD~~ "disbursement detail" report. Forms ADV and ADV-W are incorporated by reference in subsection 69W-301.002(7), F.A.C.

(2) All federal covered advisers who notice file in this state and who request initial registration, amendment, reaffiliation or termination of an associated person of ~~the such~~ federal covered adviser shall file the Uniform Application for Securities Industry Registration or Transfer (Form U-4) ~~Form U-4~~ or Uniform Termination Notice for Securities Industry Registration (Form U-5) ~~Form U-5~~, and the assessment fee required by Section 517.12(10) or (11), F.S., with the CRD of ~~the FINRA~~ in accordance with subsection 69W-301.002(2), F.A.C. However, responses to requests by the Office of ~~Financial Regulation~~ for additional information shall be filed directly with the Office of ~~Financial Regulation~~. Forms U-4 and U-5 are incorporated by reference in subsection 69W-301.002(7), F.A.C.

Rulemaking Authority 517.03, 517.12(6), (15), 517.1201 FS. Law Implemented 517.1201 FS. History—New 7-31-02, Formerly 3E-600.0092, Amended 3-16-06, 5-15-07, 11-22-10,_____.

69W-600.0093 Investment Adviser Registration Depository for Investment Advisers.

(1) All investment advisers requesting initial registration, amendment, or termination of registration in this state shall file the Uniform Application for Investment Adviser Registration (Form ADV) ~~Form ADV~~, Part 1 and 2, or Notice of Withdrawal from Registration as Investment Adviser (Form ADV-W) ~~ADV-W~~ and the assessment fee required by Section 517.12(10) or (11), F.S., with the Investment Adviser Registration Depository (IARD) of the Financial Industry Regulatory Authority (FINRA) ~~FINRA~~ in accordance with subsection 69W-301.002(2), F.A.C. All responses to requests by the Office of Financial Regulation (Office) for additional information shall be filed directly with the Office of ~~Financial Regulation~~. Applications for registration as an investment adviser filed with the Office of ~~Financial Regulation~~ through the IARD shall be deemed received by the Office of ~~Financial Regulation~~ upon receipt of the Form

ADV and the filing fee. The filing fee shall be deemed received by the Office of ~~Financial Regulation~~ on the “payment date” reflected on the CRD “disbursement detail” report. Forms ADV and ADV-W are incorporated by reference in subsection 69W-301.002(7), F.A.C.

(2) All investment advisers registered in this state through the IARD requesting initial notice-filing registration, amendment, or termination of a branch of such investment adviser shall file the Uniform Branch Office Registration Form (Form BR) ~~Form BR~~ and the assessment fee required by Section 517.1202(2) ~~517.12(10) or (11)~~, F.S., with the Central Registration Depository System of FINRA (CRD) ~~CRD of the FINRA~~ in accordance with subsection 69W-301.002(2), F.A.C. However, all responses to requests by the Office of ~~Financial Regulation~~ for additional information shall be filed directly with the Office of ~~Financial Regulation~~. Any notice-filing for Applications for registration as a branch office of a Florida registered investment adviser filed with the Office of ~~Financial Regulation~~ through the CRD shall be deemed received by the Office of ~~Financial Regulation~~ upon receipt of the Form BR and the application fee. The application fee shall be deemed received by the Office of ~~Financial Regulation~~ on the “payment date” reflected on the CRD “disbursement detail” report. An investment adviser must be registered with the Office before its branch office may notice-file. Form BR is incorporated by reference in subsection 69W-301.002(7), F.A.C.

(3) All investment advisers registered in this state through the IARD requesting initial registration, amendment, reaffiliation or termination of an associated person of such investment adviser may file the Uniform Application for Securities Industry Registration or Transfer (Form U-4) ~~Form U-4~~ or Uniform Termination Notice for Securities Industry Registration (Form U-5) ~~Form U-5~~ and the assessment fee required by Section 517.12(10) or (11), F.S., with the CRD of ~~the FINRA~~ in accordance with subsection 69W-301.002(2), F.A.C. However, all responses to requests by the Office of ~~Financial Regulation~~ for additional information shall be filed directly with the Office of ~~Financial Regulation~~. Forms U-4 and U-5 are incorporated by reference in subsection 69W-301.002(7), F.A.C.

Rulemaking Authority 517.03, 517.12(6), (15), 517.1202 FS. Law Implemented 517.12(10), (11), (15), 517.1202 FS. History—New 7-31-02, Formerly 3E-600.0093, Amended 3-16-06, 5-15-07, 11-22-10, _____.

69W-600.014 Books and Records Requirements.

Except as otherwise provided herein, every dealer, investment adviser, branch office, and associated person conducting business in this state shall prepare and maintain on a current basis, and preserve for the periods of time specified, such records, prescribed herein, as are appropriate for said dealer's, investment adviser's, branch office's, or associated person's course of business, and are sufficient to provide an audit trail of all business transactions by said dealer, investment adviser, associated person, or branch office. Associated persons who conduct business from a ~~registered~~ branch office notice-filed in this state shall be exempt from the provisions of this rule.

(1) through (8) No change.

Rulemaking Authority 517.03(1), 517.121(1), 517.1215 FS. Law Implemented 517.121(1), 517.1215 FS. History—New 12-5-79, Amended 9-20-82, Formerly 3E-600.14, Amended 10-14-90, 8-1-91, 6-16-92, 1-11-93, 9-9-96, 6-22-98, 1-25-00, 10-30-03, Formerly 3E-600.014, Amended 10-23-06, 5-15-07, 11-22-10,_____.

Proposed Rule Amendment

Rule 69W-1000.001

Chapter Name: Disciplinary Guidelines

Title: Disciplinary Guidelines

A. Summary and Justification

The proposed rule amendment updates the Office of Financial Regulation's (Office) disciplinary guidelines for Chapter 517, F.S., to specify sanctions for certain branch offices conducting securities transactions who fail to notice file with the Office as required under Section 517.1202, F.S., created under Chapter 2013-202, Laws of Florida. The sanctions for a first or subsequent occurrence provide for a fine up to \$10,000, summary suspension of the branch office, and/or revocation. The rule is also amended to incorporate the disciplinary guidelines by reference in accordance with Section 120.54(1)(i), F.S. A copy of the proposed incorporated disciplinary guidelines can be accessed at <http://www.flofr.com/StaticPages/documents/69W-1000.001.pdf>.

SUMMARY: The proposed rule amendment updates the Office of Financial Regulation's (Office) disciplinary guidelines for Chapter 517, F.S., to specify sanctions for certain branch offices conducting securities transactions who fail to notice file with the Office as required under

Section 517.1202, F.S., created under Chapter 2013-202, Laws of Florida. The sanctions for a first or subsequent occurrence provide for a fine up to \$10,000, summary suspension of the branch office, and/or revocation. The rule is also amended to incorporate the disciplinary guidelines by reference in accordance with Section 120.54(1)(i), F.S. A copy of the proposed incorporated disciplinary guidelines can be accessed at <http://www.flofr.com/StaticPages/documents/69W-1000.001.pdf>.

B. Procedural History

On July 16, 2013, a Notice of Rule Development was published in the Florida Administrative Weekly (FAW) for Rule Chapter 69W-1000.001, F.A.C., relating to disciplinary guidelines, to advise the public of the development of changes to the rule chapter, and to provide that, if requested in writing, a rule development workshop would be held. No written requests for a workshop were received by the Office.

On August 6, 2013, the Financial Services Commission approved proposed rule amendments to Rule Chapter 69W-1000.001 for publication in the FAW. On August 14, 2013, the Notice of Proposed Rulemaking was published in the FAW. In response to the notice, the Office received written comments from Financial Services Institute.

The Office filed a Notice of Final Hearing for Rule Chapter 69W-1000.001, which was published in the Volume 39, Number 117 edition of the FAW. The final hearing for the rules is noticed for the Financial Services Commission meeting to be held on September 24, 2013, at the regularly scheduled cabinet meeting in Tallahassee.

C. Full Text of Proposed Rule

69W-1000.001 Disciplinary Guidelines.

(1) Pursuant to Section 517.1611, F.S., disciplinary guidelines applicable to each ground for which disciplinary action may be imposed by the Office against an individual or a firm under Chapter 517, F.S., are hereby adopted. The disciplinary guidelines are contained in "Office of Financial Regulation, Division of Securities, Disciplinary Guidelines for Dealers, Investment

Advisers and Associated Persons”, which is hereby incorporated by reference. A copy of the disciplinary guidelines may be obtained by mail from the Florida Office of Financial Regulation, Division of Securities, 200 E. Gaines Street, Tallahassee, Florida 32399, or may be obtained electronically through the following website: <http://www.flrules.org/>
~~<http://www.flofr.com/Securities/index.htm>~~

(2) through (9) No change.

*Rulemaking Authority 517.1611(1) FS. Law Implemented 517.1611(1), 517.191(4), 517.221(3)
FS. History—New 11-22-10, Amended _____.*

ATTACHMENT 3

**FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION**

AGENDA ITEM #3

Action Requested

The Office requests approval to file Notices of Proposed Rules to amend four rules, relating to International Banking Semiannual Assessment (69U-140.020) and Consumer Finance (69V-560.1012, 69V-560.102, and 69V-560.302).

Proposed Rule Amendment

Rule 69U-140.020

Chapter Name: International Banks

Title: Semiannual Assessment

A. Summary and Justification

The proposed amendment to Rule 69U-140.020, F.A.C., creates additional monetary assessment tiers to extend declining assessments rates for agencies with assets from \$2.5B up to and exceeding \$10B. This will generally reduce the assessments due for international agencies with assets exceeding \$2.5B. Currently, the rule provides for declining assessments until reaching a flat assessment rate for agencies with total assets over \$1B. The proposed rule amendment also includes the statutory minimum assessment and late payment penalty amounts.

B. Full Text of Proposed Rule

69U-140.020 Semiannual Assessment.

(1) Each state licensed international banking agency shall pay to OFR a semiannual assessment fee for the six-month period beginning thirty days before each payment date. Each assessment shall be postmarked on or before January 31 and July 31 of each year. The amount of the semiannual assessment to be paid by each agency is computed as follows:

If the agencies' total assets are:

	But Not	This Amount	Plus	Of Excess
Over	Over	(Base Assessment)	(Assessment Rate)	Over
Million	Million			Million
\$0	\$35	\$0	0.000065	0
35	100	2,275	0.000052	35
100	500	5,655	0.000040	100
500	1,000	21,495	0.000028	500
1,000	<u>2,500</u>	35,335	0.000016	1,000
<u>2,500</u>	<u>5,000</u>	<u>59,655</u>	<u>0.000004</u>	<u>2,500</u>
<u>5,000</u>	<u>7,500</u>	<u>69,655</u>	<u>0.000002</u>	<u>5,000</u>
<u>7,500</u>	<u>10,000</u>	<u>74,655</u>	<u>0.0000008</u>	<u>7,500</u>
<u>10,000</u>	<u>.....</u>	<u>76,655</u>	<u>0.0000004</u>	<u>10,000</u>

(2) Each semiannual assessment is based on the total assets (including amounts due the agency from other offices or branches of the international banking corporation of which the agency is a part of or from entities related to that international banking corporation) as shown in the agency's "Report of Assets and Liabilities of U.S. Agencies of Foreign Banks" most recently preceding the payment date. ~~The assessment shall be computed on Form OFR U 7, Semiannual Assessment Return International Bank Agencies, revised 3/2003, provided by OFR. Form OFR U 7 is incorporated by reference and can be obtained by contacting OFR.~~ Each agency subject to the jurisdiction of OFR on January 1 or June 30 of each year is subject to the full assessment for the next six-month period without proration for any reason.

(3) Regardless of the rates above, the semiannual assessment must equal at least \$1,000.

(4) The agency officer who is responsible for the calculation of the semiannual assessment must sign, date, and indicate his/her title when submitting to OFR.

(5) OFR shall levy a late payment penalty of \$100.00 per day for each day that a semiannual assessment is past due, unless the late payment penalty is excused for good cause. For intentional late filing of a semiannual assessment, OFR shall levy a late payment penalty of \$1,000.00 per day for each day that a semiannual assessment is past due.

Specific Authority 655.012(2)(3), ~~663.12658.73(6)(b)~~, 663.13 FS. Law Implemented ~~663.12658.73(6)~~ FS. History—New 8-21-83, Amended 11-15-85, Formerly 3C-15.13, Amended 10-1-87, 5-17-90, Formerly 3C-15.013, 3C-140.020, Amended _____.

Proposed Rule Amendment

Rule 69V-560.1012

Chapter Name: Money Transmitters

Title: Adoption of Forms

A. Summary and Justification

The proposed amendment to Rule 69V-560.1012, F.A.C., deletes an obsolete reference to the Florida Fingerprint Card (FL922720Z) which was a requirement for application for licensure as a money service business. This amendment is a result of HB 665 (2013) which was signed into law by the Governor, Chapter No. 2013-201. This bill required money service business licensure applicants to submit live-scan fingerprints to the Florida Department of Law Enforcement and the Federal Bureau of Investigation, which, in turn, caused the Florida Fingerprint Card to become obsolete.

B. Full Text of Proposed Rule

69V-560.1012 Adoption of Forms.

(1) The following forms are incorporated by reference and readopted by this rule for the purposes of Rules 69V-560.102-.913, F.A.C.:

(a) Application for Licensure as a Money Services Business, Form OFR-560-01, effective 10-18-09 amended ~~5-29-12~~ new date <http://www.flrules.org/Gateway/reference.asp?No=Ref-01231>.

(b) Location Notification Form, Form OFR-560-02, effective 1-13-09.

(c) Declaration of Intent to Engage in Deferred Presentment Transactions, Form OFR-560-03, effective 1-13-09.

(d) Money Services Business Quarterly Report Form, Form OFR-560-04, effective 1-13-09.

(e) Pledge Agreement, Form OFR-560-05, effective 1-13-09.

(f) Money Services Business Surety Bond Form, Form OFR-560-06, effective 1-13-09.

(g) Security Device Calculation Form, Form OFR-560-07, effective 10-18-09.

(h) Request for Exemption from Electronic Filing Requirements, Form OFR-560-08, effective 3/16/2011, <http://www.flrules.org/Gateway/reference.asp?No=Ref-00145>.

(i) ~~Florida Fingerprint Card (FL922720Z), effective 1-13-09.~~

(i) ~~(h)~~ Currency Transaction Report, FinCEN Form 104, effective 1-13-09.

~~(k)~~ (j) Suspicious Activity Report by Money Services Business, FinCEN Form 109, effective 1-13-09.

~~(h)~~ (k) Report of International Transportation of Currency or Monetary Instruments, FinCEN Form 105, effective 1-13-09.

(2) All forms adopted by this rule are available on the Office's website at www.flofr.com and by mail from the Office of Financial Regulation, 200 East Gaines Street, Tallahassee, Florida 32399-0376.

Proposed Rule Amendment

Rule 69V-560.102

Chapter Name: Money Transmitters

Title: Application Forms, Procedures and Requirements

A. Summary and Justification

The proposed amendment to Rule 69V-560.102, F.A.C., requires applicants for licensure as a money service business to submit fingerprints through a live-scan vendor approved by the Florida Department of Law Enforcement (FDLE), as required by HB 665 (2013), Chapter No. 2013-201. These fingerprints will be submitted to the FDLE for a state criminal background check and the Federal Bureau of Investigation for a Federal criminal background check. The proposed amendment also removes the requirement for applicants to submit a written request for withdrawal of application and instead must submit the request through the Office of Financial Regulation REAL system.

B. Full Text of Proposed Rule

69V-560.102 Application or Appointment Procedures and Requirements.

(1) Applications for money service business licenses must be made in accordance with the provisions of Sections 560.140, 560.141, and 560.143, F.S. Further, application for a money services business license involving payment instrument sales or money transmission must also comply with Section 560.205, F.S. The application form for applying hereunder is Application for

Licensure as a Money Services Business, OFR-560-01, which is incorporated by reference in Rule 69V-560.1012, F.A.C.

(2) Each person listed in question 5G of the Application for Licensure as a Money Services Business, OFR-560-01, must submit fingerprints through a live-scan vendor approved by the Florida Department of Law Enforcement. A list of approved vendors is published on the Florida Department of Law Enforcement's website (<http://www.fdle.state.fl.us/Content/getdoc/941d4e90-131a-45ef-8af3-3c9d4efefd8e/Livescan-Service-Providers-and-Device-Vendors.aspx>). Such fingerprints will be submitted to the Florida Department of Law Enforcement for a state criminal background check and the Federal Bureau of Investigation for a Federal criminal background check. The cost of the fingerprinting process shall be borne by the applicant and paid directly to the live-scan vendor.

(3)(2) Request for Additional Information. Any request for additional information will be made by the Office within thirty (30) days after receipt of the application. The additional information must be received by the Office within forty-five (45) days from the date of the request. Failure to provide all information within forty-five (45) days from the date of the request will result in the Office denying the application.

(4)(3) Withdrawal of Application. An application may be withdrawn if the applicant submits a ~~written~~ request through the REAL system for same before the application is approved or denied.

(5)(4) Amendments to Pending Applications. If the information contained in any application form for licensure as a money services business, or in any amendment thereto, becomes inaccurate for any reason, the applicant shall file an amendment correcting such information within thirty (30) days of the change on Form OFR-560-01, which is incorporated by reference in Rule 69V-560.1012, F.A.C. An applicant may amend the application as to those factors generally within the control or selection of the applicant once, as a matter of course, at any time within thirty (30) days from receipt of the application by the Office. Otherwise, the application may be amended only with prior written permission from the Office. The Office will grant permission to amend the application, unless the amendment constitutes a material change to the application. Requests to make changes which are material to the application will be deemed by the Office to be grounds for denial, and a new application, accompanied by the appropriate filing fee, will be required. Material changes include:

- (a) Changes in net worth;

(b) The substitution or addition of a director, chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief compliance officer, partner, member, joint venturer, responsible person, or controlling shareholder;

(c) Any change relating to the bond or collateral security item;

(d) A change to a response to the disclosure questions listed in section 6 on Form OFR-560-01; and

(e) A change to disclosure questions listed in section 3 on the biographical summary on Form OFR-560-01.

Proposed Rule Amendment

Rule 69V-560.302

Chapter Name: Money Transmitters

Title: Renewal Fees, Deadlines, and Requirements

A. Summary and Justification

The proposed amendment to Rule 69V-560.302, F.A.C., requires applicants for renewal of Money Service Business (MSB) licensure to submit a nonrefundable fee, on or after October 1, 2013, of \$12.00 for each person currently listed in the records of the Office in question 5G of the application for licensure as a MSB, OFR-560-01, to cover the cost of fingerprint retention. Failure to remit the \$12.00 fingerprint retention fee and the renewal fee prescribed in Section 560.141(2), F.S., by the license expiration date will automatically result in the license becoming expired. The proposed amendment also requires licensees to submit live-scan processing fingerprints to a live-scan vendor approved by the Florida Department of Law Enforcement for each person currently listed in the records of the Office in question 5G of the Application for Licensure as a Money Service Business, OFR-560-01, as required by Section 560.141(7), F.S.. The proposed amendment allows the Office of Financial Regulation to request additional information and documentation regarding the criminal background results and such information must be received by the Office within 45 days from the date of request.

B. Full Text of Proposed Rule

69V-560.302 Renewal Fees, Deadlines, and Requirements.

(1) Chapter 560, F.S., licenses must be renewed in accordance with the provisions of Section 560.142, F.S.

(2) Licensees initially approved on or after October 1, 2013, shall submit a nonrefundable fee of \$12.00 for each person currently listed in the records of the Office in question 5G of the Application for Licensure as a Money Services Business, OFR-560-01, to cover the costs of fingerprint retention. Failure to remit renewal fees as prescribed in Section 560.141(2), F.S., and fingerprint retention fees as required in this paragraph by the license expiration date will automatically result in the license becoming expired. An expired license may be reinstated within 60 days following expiration pursuant to Section 560.142, F.S.

(3)(a) Licensees initially approved before October 1, 2013, shall submit fingerprints for each person currently listed in the records of the Office in question 5G of the Application for Licensure as a Money Services Business, OFR-560-01, for live-scan processing pursuant to 560.141(7), F.S. Such fingerprints must be submitted before renewing a license that is scheduled to expire between April 30, 2014, and December 31, 2015. The Office shall screen the background results to determine if the licensee meets licensure requirements. The Office may request additional information and documentation regarding the criminal background results. Any request for additional information must be received by the Office within forty-five (45) days from the date of the request. For purposes of this paragraph, each of the applicant's control persons required to submit fingerprints shall submit such fingerprints to a live-scan vendor approved by the Florida Department of Law Enforcement and published on the Florida Department of Law Enforcement's website (<http://www.fdle.state.fl.us/Content/getdoc/941d4e90-131a-45ef-8af3-3c9d4efefd8e/Livescan-Service-Providers-and-Device-Vendors.aspx>) for submission to the Florida Department of Law Enforcement and the Federal Bureau of Investigation for a state criminal background check and a Federal criminal background check. The cost of the fingerprinting process shall be borne by the applicant and paid directly to the live scan vendor.

(b) Licenses renewed pursuant to paragraph (a) shall submit a nonrefundable fee of \$12.00 for each person currently listed in the records of the Office in question 5G of the Application for Licensure as a Money Services Business, OFR-560-01, to cover the costs of fingerprint retention. This requirement applies to licensees renewing licenses that expire on or after April 1, 2016 that

were approved before October 1, 2013. Failure to remit renewal fees as prescribed in Section 560.141(2), F.S., and fingerprint retention fees as required in this paragraph by the license expiration date will automatically result in the license becoming expired. An expired license may be reinstated within 60 days following expiration pursuant to Section 560.142, F.S.

(4)(2) If any date established in accordance with Section 560.142, F.S., falls on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., the required renewal fees and any applicable late fees must be received by the Office by the close of business on the next business day.