

FINANCIAL SERVICES COMMISSION, OFFICE OF FINANCIAL REGULATION

Compliance Economic Review, Group 2 Rules

2011 Enhanced Biennial Review, Section 120.745, Florida Statutes

RULE

Rule 69U-140.020, F.A.C. - Semiannual Assessment

TEXT OF 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:

<u>Over Million</u>	<u>But Not Over Million</u>	<u>This Amount (Base Assessment)</u>	<u>Plus (Assessment Rate)</u>	<u>Of Excess Over Million</u>
\$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	35,335	0.000016	1,000

(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.

Specific Authority 655.012(3), 658.73(6)(b), 663.13 FS. Law Implemented 658.73(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.

STATEMENT OF JUSTIFICATION

Section 663.12(2), Florida Statutes, provides that each international bank agency, international branch, and state-chartered investment company shall pay to the Office of Financial Regulation ("Office") a semiannual assessment in an amount determined by rule by the commission and calculated in a manner so as to recover the costs of the Office incurred in connection with the supervision of international banking activities licensed under Chapter 663. The rules must provide for uniform rates of assessment for all licenses of the same type, with declining rates of assessment in relation to the total

assets of the licensee held in the state, and cannot provide for an assessment rate which exceeds the rate applicable to state banks pursuant to Section 658.73, unless the rate of assessment would result in a semiannual assessment of less than \$1,000. In addition, Section 663.12(2), Florida Statutes, provides that each international representative office, international administrative office, or international trust company representative office shall pay to the office an annual assessment in the amount of \$2,000. Therefore, Rule 69U-140.020, Florida Administrative Code, as specifically authorized in Section 663.12, Florida Statutes, sets the the semiannual assessment each state licensed international banking agency must pay to the Office.

The purpose of the rule is to establish equitable and precise assessment rates based upon total asset size, in order to provide the Office with the necessary revenue to meet the costs of regulating international bank agencies. Regulation of international bank agencies is necessary in the interest of protecting depositors, creditors, borrowers, or the public interest and in the interest of maintaining a sound banking system in this state as provided in Section 663.13, Florida Statutes, and to achieve and further the purposes of the financial institutions codes as set forth in Section 655.001(2), Florida Statutes.

The public benefits from the rule because the assessments that international bank agencies pay fund the Office's operations, instead of general tax revenue, and allow the Office to ensure that international bank agencies operate in a safe and sound manner. Safe and sound international bank agencies lead to increased public confidence in the financial institution system in Florida which leads to deposit and fiduciary account growth in international bank agencies. These increases help to attract international business and commerce for the State which in turn promotes economic growth and creates jobs for Florida businesses.

STATEMENT OF REGULATORY COSTS

Section 663.13, Florida Statutes, provides “[b]ecause of the difficulty in obtaining economic data with regard to such banks, no statement of estimated regulatory costs shall be required in connection with these rules.” Therefore, Rule 69U-140.020, F.A.C., is exempt from the requirements of Section 120.541, Florida Statutes.