SB3435

102ND GENERAL ASSEMBLY
State of Illinois
2021 and 2022
SB3435

Introduced 1/18/2022, by Sen. Laura Ellman

SYNOPSIS AS INTRODUCED:

See Index

Amends the Corporate Fiduciary Act to create the Special Purpose Trust Company Authority and Organization Article. Provides that a corporation that has been or shall be incorporated under the general corporation laws of the State for the special purpose of providing fiduciary custodial services or providing other like or related services as specified by rule may be appointed to act as a fiduciary with respect to such services and shall be designated a special purpose trust company. Provides that it shall not be lawful for any person to engage in the activity of a special purpose trust company without first filing an application for and procuring a certificate of authority from the Secretary of Financial and Professional Regulation. Provides that the Department shall adopt rules for the administration of the Article, and that specified Articles of the Corporate Fiduciary Act shall apply to a special purpose trust company as if the special purpose trust company were a trust company. Amends the Illinois Banking Act. In provisions concerning conversion and merger with trust companies, provides that a special purpose trust company may merge with a State bank or convert to a State bank as if the special purpose trust company were a trust company. Defines "special purpose trust company". Amends the Blockchain Business Development Act to provide that the Department of Financial and Professional Regulation shall have authority to adopt rules, opinions, or interpretive letters regarding the provision of custodial services for digital assets.
AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Banking Act is amended by changing Sections 2 and 30 as follows:

(205 ILCS 5/2) (from Ch. 17, par. 302)

Sec. 2. General definitions. In this Act, unless the context otherwise requires, the following words and phrases shall have the following meanings:

"Accommodation party" shall have the meaning ascribed to that term in Section 3-419 of the Uniform Commercial Code.

"Action" in the sense of a judicial proceeding includes recoupments, counterclaims, set-off, and any other proceeding in which rights are determined.

"Affiliate facility" of a bank means a main banking premises or branch of another commonly owned bank. The main banking premises or any branch of a bank may be an "affiliate facility" with respect to one or more other commonly owned banks.

"Appropriate federal banking agency" means the Federal Deposit Insurance Corporation, the Federal Reserve Bank of Chicago, or the Federal Reserve Bank of St. Louis, as determined by federal law.
"Bank" means any person doing a banking business whether subject to the laws of this or any other jurisdiction.

A "banking house", "branch", "branch bank" or "branch office" shall mean any place of business of a bank at which deposits are received, checks paid, or loans made, but shall not include any place at which only records thereof are made, posted, or kept. A place of business at which deposits are received, checks paid, or loans made shall not be deemed to be a branch, branch bank, or branch office if the place of business is adjacent to and connected with the main banking premises, or if it is separated from the main banking premises by not more than an alley; provided always that (i) if the place of business is separated by an alley from the main banking premises there is a connection between the two by public or private way or by subterranean or overhead passage, and (ii) if the place of business is in a building not wholly occupied by the bank, the place of business shall not be within any office or room in which any other business or service of any kind or nature other than the business of the bank is conducted or carried on. A place of business at which deposits are received, checks paid, or loans made shall not be deemed to be a branch, branch bank, or branch office (i) of any bank if the place is a terminal established and maintained in accordance with paragraph (17) of Section 5 of this Act, or (ii) of a commonly owned bank by virtue of transactions conducted at that place on behalf of the other commonly owned
bank under paragraph (23) of Section 5 of this Act if the place
is an affiliate facility with respect to the other bank.

"Branch of an out-of-state bank" means a branch
established or maintained in Illinois by an out-of-state bank
as a result of a merger between an Illinois bank and the
out-of-state bank that occurs on or after May 31, 1997, or any
branch established by the out-of-state bank following the
merger.

"Bylaws" means the bylaws of a bank that are adopted by the
bank's board of directors or shareholders for the regulation
and management of the bank's affairs. If the bank operates as a
limited liability company, however, "bylaws" means the
operating agreement of the bank.

"Call report fee" means the fee to be paid to the
Commissioner by each State bank pursuant to paragraph (a) of
subsection (3) of Section 48 of this Act.

"Capital" includes the aggregate of outstanding capital
stock and preferred stock.

"Cash flow reserve account" means the account within the
books and records of the Commissioner of Banks and Real Estate
used to record funds designated to maintain a reasonable Bank
and Trust Company Fund operating balance to meet agency
obligations on a timely basis.

"Charter" includes the original charter and all amendments
thereof and articles of merger or consolidation.

"Commissioner" means the Commissioner of Banks and Real
Estate, except that beginning on April 6, 2009 (the effective
date of Public Act 95-1047), all references in this Act to the
Commissioner of Banks and Real Estate are deemed, in
appropriate contexts, to be references to the Secretary of
Financial and Professional Regulation.

"Commonly owned banks" means 2 or more banks that each
qualify as a bank subsidiary of the same bank holding company
pursuant to Section 18 of the Federal Deposit Insurance Act;
"commonly owned bank" refers to one of a group of commonly
owned banks but only with respect to one or more of the other
banks in the same group.

"Community" means a city, village, or incorporated town
and also includes the area served by the banking offices of a
bank, but need not be limited or expanded to conform to the
geographic boundaries of units of local government.

"Company" means a corporation, limited liability company,
partnership, business trust, association, or similar
organization and, unless specifically excluded, includes a
"State bank" and a "bank".

"Consolidating bank" means a party to a consolidation.

"Consolidation" takes place when 2 or more banks, or a
trust company and a bank, are extinguished and by the same
process a new bank is created, taking over the assets and
assuming the liabilities of the banks or trust company passing
out of existence.

"Continuing bank" means a merging bank, the charter of
which becomes the charter of the resulting bank.

"Converting bank" means a State bank converting to become a national bank, or a national bank converting to become a State bank.

"Converting trust company" means a trust company converting to become a State bank.

"Court" means a court of competent jurisdiction.

"Director" means a member of the board of directors of a bank. In the case of a manager-managed limited liability company, however, "director" means a manager of the bank and, in the case of a member-managed limited liability company, "director" means a member of the bank. The term "director" does not include an advisory director, honorary director, director emeritus, or similar person, unless the person is otherwise performing functions similar to those of a member of the board of directors.

"Director of Banking" means the Director of the Division of Banking of the Department of Financial and Professional Regulation.

"Eligible depository institution" means an insured savings association that is in default, an insured savings association that is in danger of default, a State or national bank that is in default or a State or national bank that is in danger of default, as those terms are defined in this Section, or a new bank as that term defined in Section 11(m) of the Federal Deposit Insurance Act or a bridge bank as that term is defined
in Section 11(n) of the Federal Deposit Insurance Act or a new federal savings association authorized under Section 11(d)(2)(f) of the Federal Deposit Insurance Act.

"Fiduciary" means trustee, agent, executor, administrator, committee, guardian for a minor or for a person under legal disability, receiver, trustee in bankruptcy, assignee for creditors, or any holder of similar position of trust.

"Financial institution" means a bank, savings bank, savings and loan association, credit union, or any licensee under the Consumer Installment Loan Act or the Sales Finance Agency Act and, for purposes of Section 48.3, any proprietary network, funds transfer corporation, or other entity providing electronic funds transfer services, or any corporate fiduciary, its subsidiaries, affiliates, parent company, or contractual service provider that is examined by the Commissioner. For purposes of Section 5c and subsection (b) of Section 13 of this Act, "financial institution" includes any proprietary network, funds transfer corporation, or other entity providing electronic funds transfer services, and any corporate fiduciary.

"Foundation" means the Illinois Bank Examiners' Education Foundation.

"General obligation" means a bond, note, debenture, security, or other instrument evidencing an obligation of the government entity that is the issuer that is supported by the full available resources of the issuer, the principal and
interest of which is payable in whole or in part by taxation.

"Guarantee" means an undertaking or promise to answer for payment of another's debt or performance of another's duty, liability, or obligation whether "payment guaranteed" or "collection guaranteed".

"In danger of default" means a State or national bank, a federally chartered insured savings association or an Illinois state chartered insured savings association with respect to which the Commissioner or the appropriate federal banking agency has advised the Federal Deposit Insurance Corporation that:

(1) in the opinion of the Commissioner or the appropriate federal banking agency,

(A) the State or national bank or insured savings association is not likely to be able to meet the demands of the State or national bank's or savings association's obligations in the normal course of business; and

(B) there is no reasonable prospect that the State or national bank or insured savings association will be able to meet those demands or pay those obligations without federal assistance; or

(2) in the opinion of the Commissioner or the appropriate federal banking agency,

(A) the State or national bank or insured savings association has incurred or is likely to incur losses
that will deplete all or substantially all of its
capital; and

(B) there is no reasonable prospect that the
capital of the State or national bank or insured
savings association will be replenished without
federal assistance.

"In default" means, with respect to a State or national
bank or an insured savings association, any adjudication or
other official determination by any court of competent
jurisdiction, the Commissioner, the appropriate federal
banking agency, or other public authority pursuant to which a
conservator, receiver, or other legal custodian is appointed
for a State or national bank or an insured savings
association.

"Insured savings association" means any federal savings
association chartered under Section 5 of the federal Home
Owners' Loan Act and any State savings association chartered
under the Illinois Savings and Loan Act of 1985 or a
predecessor Illinois statute, the deposits of which are
insured by the Federal Deposit Insurance Corporation. The term
also includes a savings bank organized or operating under the
Savings Bank Act.

"Insured savings association in recovery" means an insured
savings association that is not an eligible depository
institution and that does not meet the minimum capital
requirements applicable with respect to the insured savings
association.

"Issuer" means for purposes of Section 33 every person who shall have issued or proposed to issue any security; except that (1) with respect to certificates of deposit, voting trust certificates, collateral-trust certificates, and certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions), "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust, agreement, or instrument under which the securities are issued; (2) with respect to trusts other than those specified in clause (1) above, where the trustee is a corporation authorized to accept and execute trusts, "issuer" means the entrusters, depositors, or creators of the trust and any manager or committee charged with the general direction of the affairs of the trust pursuant to the provisions of the agreement or instrument creating the trust; and (3) with respect to equipment trust certificates or like securities, "issuer" means the person to whom the equipment or property is or is to be leased or conditionally sold.

"Letter of credit" and "customer" shall have the meanings ascribed to those terms in Section 5-102 of the Uniform Commercial Code.

"Main banking premises" means the location that is designated in a bank's charter as its main office.
"Maker or obligor" means for purposes of Section 33 the issuer of a security, the promisor in a debenture or other debt security, or the mortgagor or grantor of a trust deed or similar conveyance of a security interest in real or personal property.

"Merged bank" means a merging bank that is not the continuing, resulting, or surviving bank in a consolidation or merger.

"Merger" includes consolidation.

"Merging bank" means a party to a bank merger.

"Merging trust company" means a trust company party to a merger with a State bank.

"Mid-tier bank holding company" means a corporation that (a) owns 100% of the issued and outstanding shares of each class of stock of a State bank, (b) has no other subsidiaries, and (c) 100% of the issued and outstanding shares of the corporation are owned by a parent bank holding company.

"Municipality" means any municipality, political subdivision, school district, taxing district, or agency.

"National bank" means a national banking association located in this State and after May 31, 1997, means a national banking association without regard to its location.

"Out-of-state bank" means a bank chartered under the laws of a state other than Illinois, a territory of the United States, or the District of Columbia.

"Parent bank holding company" means a corporation that is
a bank holding company as that term is defined in the Illinois Bank Holding Company Act of 1957 and owns 100% of the issued and outstanding shares of a mid-tier bank holding company.

"Person" means an individual, corporation, limited liability company, partnership, joint venture, trust, estate, or unincorporated association.

"Public agency" means the State of Illinois, the various counties, townships, cities, towns, villages, school districts, educational service regions, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, the Illinois Bank Examiners' Education Foundation, the Chicago Park District, and all other political corporations or subdivisions of the State of Illinois, whether now or hereafter created, whether herein specifically mentioned or not, and shall also include any other state or any political corporation or subdivision of another state.

"Public funds" or "public money" means current operating funds, special funds, interest and sinking funds, and funds of any kind or character belonging to, in the custody of, or subject to the control or regulation of the United States or a public agency. "Public funds" or "public money" shall include funds held by any of the officers, agents, or employees of the United States or of a public agency in the course of their official duties and, with respect to public money of the
United States, shall include Postal Savings funds.

"Published" means, unless the context requires otherwise, the publishing of the notice or instrument referred to in some newspaper of general circulation in the community in which the bank is located at least once each week for 3 successive weeks. Publishing shall be accomplished by, and at the expense of, the bank required to publish. Where publishing is required, the bank shall submit to the Commissioner that evidence of the publication as the Commissioner shall deem appropriate.

"Qualified financial contract" means any security contract, commodity contract, forward contract, including spot and forward foreign exchange contracts, repurchase agreement, swap agreement, and any similar agreement, any option to enter into any such agreement, including any combination of the foregoing, and any master agreement for such agreements. A master agreement, together with all supplements thereto, shall be treated as one qualified financial contract. The contract, option, agreement, or combination of contracts, options, or agreements shall be reflected upon the books, accounts, or records of the bank, or a party to the contract shall provide documentary evidence of such agreement.

"Recorded" means the filing or recording of the notice or instrument referred to in the office of the Recorder of the county wherein the bank is located.

"Resulting bank" means the bank resulting from a merger or conversion.
"Secretary" means the Secretary of Financial and Professional Regulation, or a person authorized by the Secretary or by this Act to act in the Secretary's stead.

"Securities" means stocks, bonds, debentures, notes, or other similar obligations.

"Special purpose trust company" means a special purpose trust company under Article IIA of the Corporate Fiduciary Act.

"Stand-by letter of credit" means a letter of credit under which drafts are payable upon the condition the customer has defaulted in performance of a duty, liability, or obligation.

"State bank" means any banking corporation that has a banking charter issued by the Commissioner under this Act.

"State Banking Board" means the State Banking Board of Illinois.

"Subsidiary" with respect to a specified company means a company that is controlled by the specified company. For purposes of paragraphs (8) and (12) of Section 5 of this Act, "control" means the exercise of operational or managerial control of a corporation by the bank, either alone or together with other affiliates of the bank.

"Surplus" means the aggregate of (i) amounts paid in excess of the par value of capital stock and preferred stock; (ii) amounts contributed other than for capital stock and preferred stock and allocated to the surplus account; and (iii) amounts transferred from undivided profits.
"Tier 1 Capital" and "Tier 2 Capital" have the meanings assigned to those terms in regulations promulgated for the appropriate federal banking agency of a state bank, as those regulations are now or hereafter amended.

"Trust company" means a limited liability company or corporation incorporated in this State for the purpose of accepting and executing trusts.

"Undivided profits" means undistributed earnings less discretionary transfers to surplus.

"Unimpaired capital and unimpaired surplus", for the purposes of paragraph (21) of Section 5 and Sections 32, 33, 34, 35.1, 35.2, and 47 of this Act means the sum of the state bank's Tier 1 Capital and Tier 2 Capital plus such other shareholder equity as may be included by regulation of the Commissioner. Unimpaired capital and unimpaired surplus shall be calculated on the basis of the date of the last quarterly call report filed with the Commissioner preceding the date of the transaction for which the calculation is made, provided that: (i) when a material event occurs after the date of the last quarterly call report filed with the Commissioner that reduces or increases the bank's unimpaired capital and unimpaired surplus by 10% or more, then the unimpaired capital and unimpaired surplus shall be calculated from the date of the material event for a transaction conducted after the date of the material event; and (ii) if the Commissioner determines for safety and soundness reasons that a state bank should
calculate unimpaired capital and unimpaired surplus more
frequently than provided by this paragraph, the Commissioner
may by written notice direct the bank to calculate unimpaired
capital and unimpaired surplus at a more frequent interval. In
the case of a state bank newly chartered under Section 13 or a
state bank resulting from a merger, consolidation, or
conversion under Sections 21 through 26 for which no preceding
quarterly call report has been filed with the Commissioner,
unimpaired capital and unimpaired surplus shall be calculated
for the first calendar quarter on the basis of the effective
date of the charter, merger, consolidation, or conversion.
(Source: P.A. 95-924, eff. 8-26-08; 95-1047, eff. 4-6-09;
96-1000, eff. 7-2-10; 96-1163, eff. 1-1-11.)

(205 ILCS 5/30) (from Ch. 17, par. 337)

Sec. 30. Conversion; merger with trust company or special
purpose trust company. Upon approval by the Commissioner a
trust company having power so to do under the law under which
it is organized may convert into a state bank or may merge into
a state bank as prescribed by this Act; except that the action
by a trust company shall be taken in the manner prescribed by
and shall be subject to limitations and requirements imposed
by the law under which it is organized which law shall also
govern the rights of its dissenting stockholders. The rights
of dissenting stockholders of a state bank shall be governed
by Section 29 of this Act. The conversion or merger procedure
shall be:

(1) In the case of a merger, the board of directors of both the merging trust company and the merging bank by a majority of the entire board in each case shall approve a merger agreement which shall contain:

   (a) The name and location of the merging bank and of the merging trust company and a list of the stockholders of each as of the date of the merger agreement;

   (b) With respect to the resulting bank (i) its name and place of business; (ii) the amount of capital, surplus and reserve for operating expenses; (iii) the classes and the number of shares of stock and the par value of each share; (iv) the charter which is to be the charter of the resulting bank, together with the amendments to the continuing charter and to the continuing by-laws; and (v) a detailed financial statement showing the assets and liabilities after the proposed merger;

   (c) Provisions governing the manner of converting the shares of the merging bank and of the merging trust company into shares of the resulting bank;

   (d) A statement that the merger agreement is subject to approval by the Commissioner and by the stockholders of the merging bank and the merging trust company, and that whether approved or disapproved, the parties thereto will pay the Commissioner's expenses of examination;

   (e) Provisions governing the manner of disposing of
the shares of the resulting bank not taken by the
dissenting stockholders of the merging trust company; and

(f) Such other provisions as the Commissioner may
reasonably require to enable him to discharge his duties
with respect to the merger.

(2) After approval by the board of directors of the
merging bank and of the merging trust company, the merger
agreement shall be submitted to the Commissioner for approval
together with the certified copies of the authorizing
resolution of each board of directors showing approval by a
majority of each board.

(3) After receipt by the Commissioner of the papers
specified in subsection (2), he shall approve or disapprove
the merger agreement. The Commissioner shall not approve the
agreement unless he shall be of the opinion and finds:

(a) That the resulting bank meets the requirements of
this Act for the formation of a new bank at the proposed
place of business of the resulting bank;

(b) That the same matters exist in respect of the
resulting bank which would have been required under
Section 10 of this Act for the organization of a new bank;
and

(c) That the merger agreement is fair to all persons
affected. If the Commissioner disapproves the merger
agreement, he shall state his objections in writing and
give an opportunity to the merging bank and the merging
trust company to obviate such objections.

(4) To be effective, if approved by the Commissioner, a merger of a bank and a trust company where there is to be a resulting bank must be approved by the affirmative vote of the holders of at least two-thirds of the outstanding shares of stock of the merging bank entitled to vote at a meeting called to consider such action, unless holders of preferred stock are entitled to vote as a class in respect thereof, in which event the proposed merger shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote at such meeting and must be approved by the stockholders of the merging trust company as provided by the Act under which it is organized. The prescribed vote by the merging bank and the merging trust company shall constitute the adoption of the charter and by-laws of the continuing bank, including the amendments in the merger agreement, as the charter and by-laws of the resulting bank. Written or printed notice of the meeting of the stockholders of the merging bank shall be given to each stockholder of record entitled to vote at such meeting at least thirty days before such meeting and in the manner provided in this Act for the giving of notice of meetings of stockholders. The notice shall state that dissenting stockholders of the merging trust company will be entitled to payment of the value of those shares which are
voted against approval of the merger, if a proper demand is
made on the resulting bank and the requirements of the Act
under which the merging trust company is organized are
satisfied.

(5) Unless a later date is specified in the merger
agreement, the merger shall become effective upon the filing
with the Commissioner of the executed merger agreement,
together with copies of the resolutions of the stockholders of
the merging bank and the merging trust company approving it,
certified by the president or a vice-president or, the cashier
and also by the secretary or other officer charged with
keeping the records. The charter of the merging trust company
shall thereupon automatically terminate. The Commissioner
shall thereupon issue to the continuing bank a certificate of
merger which shall specify the name of the merging trust
company, the name of the continuing bank and the amendments to
the charter of the continuing bank provided for by the merger
agreement. Such certificate shall be conclusive evidence of
the merger and of the correctness of all proceedings therefor
in all courts and places including the office of the Secretary
of State, and said certificate shall be recorded.

(6) In the case of a conversion, a trust company shall
apply for a charter by filing with the Commissioner:

(a) A certificate signed by its president, or a
vice-president, and by a majority of the entire board of
directors setting forth the corporate action taken in
compliance with the provisions of the Act under which it is organized governing the conversion of a trust company to a bank or governing the merger of a trust company into another corporation;

(b) The plan of conversion and the proposed charter approved by the stockholders for the operation of the trust company as a bank. The plan of conversion shall contain (i) the name and location proposed for the converting trust company; (ii) a list of its stockholders as of the date of the stockholders' approval of the plan of conversion; (iii) the amount of its capital, surplus and reserve for operating expenses; (iv) the classes and the number of shares of stock and the par value of each share; (v) the charter which is to be the charter of the resulting bank; and (vi) a detailed financial statement showing the assets and liabilities of the converting trust company;

(c) A statement that the plan of conversion is subject to approval by the Commissioner and that, whether approved or disapproved, the converting trust company will pay the Commissioner's expenses of examination; and

(d) Such other instruments as the Commissioner may reasonably require to enable him to discharge his duties with respect to the conversion.

(7) After receipt by the Commissioner of the papers specified in subsection (6), he shall approve or disapprove the plan of conversion. The Commissioner shall not approve the
plan of conversion unless he shall be of the opinion and finds:

(a) That the resulting bank meets the requirements of this Act for the formation of a new bank at the proposed place of business of the resulting bank;

(b) That the same matters exist in respect of the resulting bank which would have been required under Section 10 of this Act for the organization of a new bank; and

(c) That the plan of conversion is fair to all persons affected.

If the commissioner disapproves the plan of conversion, he shall state his objections in writing and give an opportunity to the converting trust company to obviate such objections.

(8) Unless a later date is specified in the plan of conversion, the conversion shall become effective upon the Commissioner's approval, and the charter proposed in the plan of conversion shall constitute the charter of the resulting bank. The Commissioner shall issue a certificate of conversion which shall specify the name of the converting trust company, the name of the resulting bank and the charter provided for by said plan of conversion. Such certificate shall be conclusive evidence of the conversion and of the correctness of all proceedings therefor in all courts and places including the office of the Secretary of State, and such certificate shall be recorded.

(8.5) A special purpose trust company under Article IIA of
the Corporate Fiduciary Act may merge with a State bank or convert to a State bank as if the special purpose trust company were a trust company under Article II of the Corporate Fiduciary Act, subject to rules adopted by the Department.

(9) In the case of either a merger or a conversion under this Section 30, the resulting bank shall be considered the same business and corporate entity as each merging bank and merging trust company or as the converting trust company with all the property, rights, powers, duties and obligations of each as specified in Section 28 of this Act.

(Source: P.A. 91-357, eff. 7-29-99.)

Section 10. The Corporate Fiduciary Act is amended by adding Article IIA as follows:

(205 ILCS 620/Art. IIA heading new)

ARTICLE IIA. SPECIAL PURPOSE TRUST COMPANY

AUTHORITY AND ORGANIZATION

(205 ILCS 620/2A-1 new)

Sec. 2A-1. Special purpose trust company. Any corporation that has been or shall be incorporated under the general corporation laws of this State for the special purpose of providing fiduciary custodial services or providing other like or related services as specified by rule, consistent with this Article, may be appointed to act as a fiduciary with respect to
such services and shall be designated a special purpose trust company.

(205 ILCS 620/2A-2 new)

Sec. 2A-2. Certificate of authority.

(a) It shall not be lawful for any person to engage in the activity of a special purpose trust company after the effective date of this amendatory Act of the 102nd General Assembly without first filing an application for and procuring from the Secretary a certificate of authority stating that the person has complied with the requirements of this Act and is qualified to engage in the activity of a special purpose trust company.

(b) No natural person or natural persons, firm, or partnership, or corporation not having been authorized under this Act shall transact in the activity of a special purpose trust company. A person who violates this Section is guilty of a Class A misdemeanor and the Attorney General or State's Attorney of the county in which the violation occurs may restrain the violation by a complaint for injunctive relief.

(c) Any entity that holds a certificate of authority under Article II of this Act may engage in the activity of a special purpose trust company without applying for or receiving a certificate of authority under this Article IIA.

(205 ILCS 620/2A-3 new)
Sec. 2A-3. Rulemaking and organization.

(a) The Department shall adopt rules for the administration of this Article, including, but not limited to: rules for defining statutory terms; applying for a certificate of authority; review, investigation, and approval of application for certificate of authority; capital requirements; merger, change of control, conversion, and successor trustee; office location and name; collateralizing fiduciary assets; and general corporate powers.

(b) Articles V, VI, VII, VIII, and IX of this Act shall apply to a special purpose trust company under this Article as if the special purpose trust company were a trust company authorized under Article II of this Act, subject to any rules adopted by the Department.

Section 15. The Blockchain Business Development Act is amended by adding Section 11 as follows:

(205 ILCS 725/11 new)

Sec. 11. Digital asset custody rules.

(a) As used in this Section, "digital asset" means a representation of economic, proprietary, or access rights that is stored in a computer readable format.

(b) The Department of Financial and Professional Regulation, in addition to the authority provided under any other law, shall have authority to adopt rules, opinions, or
interpretive letters regarding the provision of custodial services for digital assets by banks chartered under the Illinois Banking Act, savings banks chartered under the Savings Bank Act, and corporate fiduciaries authorized under Articles II or IIA of the Corporate Fiduciary Act.
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