



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.

LRB102 24440 BMS 33674 b

1 AN ACT concerning regulation.

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

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

6 (205 ILCS 5/2) (from Ch. 17, par. 302)

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

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

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

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

20 "Appropriate federal banking agency" means the Federal
21 Deposit Insurance Corporation, the Federal Reserve Bank of
22 Chicago, or the Federal Reserve Bank of St. Louis, as
23 determined by federal law.

1 "Bank" means any person doing a banking business whether
2 subject to the laws of this or any other jurisdiction.

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

1 bank under paragraph (23) of Section 5 of this Act if the place
2 is an affiliate facility with respect to the other bank.

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

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

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

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

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

24 "Charter" includes the original charter and all amendments
25 thereto and articles of merger or consolidation.

26 "Commissioner" means the Commissioner of Banks and Real

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

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

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

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

20 "Consolidating bank" means a party to a consolidation.

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

26 "Continuing bank" means a merging bank, the charter of

1 which becomes the charter of the resulting bank.

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

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

7 "Court" means a court of competent jurisdiction.

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

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

20 "Eligible depository institution" means an insured savings
21 association that is in default, an insured savings association
22 that is in danger of default, a State or national bank that is
23 in default or a State or national bank that is in danger of
24 default, as those terms are defined in this Section, or a new
25 bank as that term defined in Section 11(m) of the Federal
26 Deposit Insurance Act or a bridge bank as that term is defined

1 in Section 11(n) of the Federal Deposit Insurance Act or a new
2 federal savings association authorized under Section
3 11(d)(2)(f) of the Federal Deposit Insurance Act.

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

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

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

23 "General obligation" means a bond, note, debenture,
24 security, or other instrument evidencing an obligation of the
25 government entity that is the issuer that is supported by the
26 full available resources of the issuer, the principal and

1 interest of which is payable in whole or in part by taxation.

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

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

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

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

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

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

25 (A) the State or national bank or insured savings
26 association has incurred or is likely to incur losses

1 that will deplete all or substantially all of its
2 capital; and

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

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

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

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

1 association.

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

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

25 "Main banking premises" means the location that is
26 designated in a bank's charter as its main office.

1 "Maker or obligor" means for purposes of Section 33 the
2 issuer of a security, the promisor in a debenture or other debt
3 security, or the mortgagor or grantor of a trust deed or
4 similar conveyance of a security interest in real or personal
5 property.

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

9 "Merger" includes consolidation.

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

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

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

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

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

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

26 "Parent bank holding company" means a corporation that is

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

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

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

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

1 United States, shall include Postal Savings funds.

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

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

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

25 "Resulting bank" means the bank resulting from a merger or
26 conversion.

1 "Secretary" means the Secretary of Financial and
2 Professional Regulation, or a person authorized by the
3 Secretary or by this Act to act in the Secretary's stead.

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

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

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

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

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

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

22 "Surplus" means the aggregate of (i) amounts paid in
23 excess of the par value of capital stock and preferred stock;
24 (ii) amounts contributed other than for capital stock and
25 preferred stock and allocated to the surplus account; and
26 (iii) amounts transferred from undivided profits.

1 "Tier 1 Capital" and "Tier 2 Capital" have the meanings
2 assigned to those terms in regulations promulgated for the
3 appropriate federal banking agency of a state bank, as those
4 regulations are now or hereafter amended.

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

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

10 "Unimpaired capital and unimpaired surplus", for the
11 purposes of paragraph (21) of Section 5 and Sections 32, 33,
12 34, 35.1, 35.2, and 47 of this Act means the sum of the state
13 bank's Tier 1 Capital and Tier 2 Capital plus such other
14 shareholder equity as may be included by regulation of the
15 Commissioner. Unimpaired capital and unimpaired surplus shall
16 be calculated on the basis of the date of the last quarterly
17 call report filed with the Commissioner preceding the date of
18 the transaction for which the calculation is made, provided
19 that: (i) when a material event occurs after the date of the
20 last quarterly call report filed with the Commissioner that
21 reduces or increases the bank's unimpaired capital and
22 unimpaired surplus by 10% or more, then the unimpaired capital
23 and unimpaired surplus shall be calculated from the date of
24 the material event for a transaction conducted after the date
25 of the material event; and (ii) if the Commissioner determines
26 for safety and soundness reasons that a state bank should

1 calculate unimpaired capital and unimpaired surplus more
2 frequently than provided by this paragraph, the Commissioner
3 may by written notice direct the bank to calculate unimpaired
4 capital and unimpaired surplus at a more frequent interval. In
5 the case of a state bank newly chartered under Section 13 or a
6 state bank resulting from a merger, consolidation, or
7 conversion under Sections 21 through 26 for which no preceding
8 quarterly call report has been filed with the Commissioner,
9 unimpaired capital and unimpaired surplus shall be calculated
10 for the first calendar quarter on the basis of the effective
11 date of the charter, merger, consolidation, or conversion.

12 (Source: P.A. 95-924, eff. 8-26-08; 95-1047, eff. 4-6-09;
13 96-1000, eff. 7-2-10; 96-1163, eff. 1-1-11.)

14 (205 ILCS 5/30) (from Ch. 17, par. 337)

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

1 shall be:

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

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

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

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

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

26 (e) Provisions governing the manner of disposing of

1 the shares of the resulting bank not taken by the
2 dissenting stockholders of the merging trust company; and

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

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

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

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

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

23 (c) That the merger agreement is fair to all persons
24 affected. If the Commissioner disapproves the merger
25 agreement, he shall state his objections in writing and
26 give an opportunity to the merging bank and the merging

1 trust company to obviate such objections.

2 (4) To be effective, if approved by the Commissioner, a
3 merger of a bank and a trust company where there is to be a
4 resulting bank must be approved by the affirmative vote of the
5 holders of at least two-thirds of the outstanding shares of
6 stock of the merging bank entitled to vote at a meeting called
7 to consider such action, unless holders of preferred stock are
8 entitled to vote as a class in respect thereof, in which event
9 the proposed merger shall be adopted upon receiving the
10 affirmative vote of the holders of at least two-thirds of the
11 outstanding shares of each class of shares entitled to vote as
12 a class in respect thereof and of the total outstanding shares
13 entitled to vote at such meeting and must be approved by the
14 stockholders of the merging trust company as provided by the
15 Act under which it is organized. The prescribed vote by the
16 merging bank and the merging trust company shall constitute
17 the adoption of the charter and by-laws of the continuing
18 bank, including the amendments in the merger agreement, as the
19 charter and by-laws of the resulting bank. Written or printed
20 notice of the meeting of the stockholders of the merging bank
21 shall be given to each stockholder of record entitled to vote
22 at such meeting at least thirty days before such meeting and in
23 the manner provided in this Act for the giving of notice of
24 meetings of stockholders. The notice shall state that
25 dissenting stockholders of the merging trust company will be
26 entitled to payment of the value of those shares which are

1 voted against approval of the merger, if a proper demand is
2 made on the resulting bank and the requirements of the Act
3 under which the merging trust company is organized are
4 satisfied.

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

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

24 (a) A certificate signed by its president, or a
25 vice-president, and by a majority of the entire board of
26 directors setting forth the corporate action taken in

1 compliance with the provisions of the Act under which it
2 is organized governing the conversion of a trust company
3 to a bank or governing the merger of a trust company into
4 another corporation;

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

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

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

24 (7) After receipt by the Commissioner of the papers
25 specified in subsection (6), he shall approve or disapprove
26 the plan of conversion. The Commissioner shall not approve the

1 plan of conversion unless he shall be of the opinion and finds:

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

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

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

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

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

26 (8.5) A special purpose trust company under Article IIA of

1 the Corporate Fiduciary Act may merge with a State bank or
2 convert to a State bank as if the special purpose trust company
3 were a trust company under Article II of the Corporate
4 Fiduciary Act, subject to rules adopted by the Department.

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

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

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

14 (205 ILCS 620/Art. IIA heading new)

15 ARTICLE IIA. SPECIAL PURPOSE TRUST COMPANY

16 AUTHORITY AND ORGANIZATION

17 (205 ILCS 620/2A-1 new)

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

1 such services and shall be designated a special purpose trust
2 company.

3 (205 ILCS 620/2A-2 new)

4 Sec. 2A-2. Certificate of authority.

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

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

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

24 (205 ILCS 620/2A-3 new)

1 Sec. 2A-3. Rulemaking and organization.

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

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

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

17 (205 ILCS 725/11 new)

18 Sec. 11. Digital asset custody rules.

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

22 (b) The Department of Financial and Professional
23 Regulation, in addition to the authority provided under any
24 other law, shall have authority to adopt rules, opinions, or

1 interpretive letters regarding the provision of custodial
2 services for digital assets by banks chartered under the
3 Illinois Banking Act, savings banks chartered under the
4 Savings Bank Act, and corporate fiduciaries authorized under
5 Articles II or IIA of the Corporate Fiduciary Act.

1 INDEX

2 Statutes amended in order of appearance

3 205 ILCS 5/2 from Ch. 17, par. 302

4 205 ILCS 5/30 from Ch. 17, par. 337

5 205 ILCS 620/Art. IIA

6 heading new

7 205 ILCS 620/2A-1 new

8 205 ILCS 620/2A-2 new

9 205 ILCS 620/2A-3 new

10 205 ILCS 725/11 new