

RCW 30B.38.020 Trust business of out-of-state trust institution

—Prerequisite of reciprocity—Authority of director. (1) Except as authorized by federal law, by another law of Washington state, or by a written finding of the director waiving some or all of the requirements of this section in the interest of facilitating financial interstate commerce, an out-of-state trust institution shall not be permitted to engage in a trust business in Washington state unless the director has approved an out-of-state trust institution's written application to do business in Washington state in accordance with this section.

(2) In order for the director to approve an out-of-state trust institution's written application to do business in Washington state, the director must determine in writing that all of the following conditions have been met, or otherwise in his or her discretion waive or modify one or more of such conditions in writing:

(a) That the out-of-state trust institution is authorized to do business in its home state, is in good standing with its home state regulator, is not subject to a supervisory directive, corrective action order, conservatorship, or the equivalent, from its home state regulator, and has not had its authority to do business in its home state, any other state, or a foreign jurisdiction suspended or revoked;

(b) That a state trust company with the same activities as the out-of-state trust institution would be able to do business in the home state of the out-of-state trust institution on the same or more favorable terms as in Washington state, when considering such home state's laws and its supervision, examination, or other safety and soundness oversight of a state trust company seeking to do business in such home state;

(c) That the out-of-state trust institution has secured or will secure as of the effective date of the department's certificate of authority a fidelity bond or equivalent insurance coverage for directors, officers, managers, or employees satisfactory to the director; and

(d) That as long as the out-of-state trust institution maintains a trust office or otherwise conducts trust business in Washington state, it will comply with all laws of Washington state that are applicable to an out-of-state trust institution doing business in Washington state.

(3) The director shall deny an application filed under this section or suspend or revoke the approval of an application, if the director finds that the standards of organization, supervision, examination, or other safety and soundness oversight of the out-of-state trust institution do not conform to the standards for a state trust company under this title. In considering the standards of organization, supervision, examination, or other safety and soundness oversight of the out-of-state trust institution, the director may also consider the laws of the state in which the applicant is organized.

(4) In implementing this section, the director may cooperate with trust institution regulators in other states and may share with such regulators the information received in the administration of this chapter.

(5) The director may enter into supervisory agreements with out-of-state trust institutions or their regulators to prescribe the applicable laws and rules governing the powers and authorities of out-of-state trust institutions seeking to or doing business in Washington

state. Such agreements may address, but are not limited to, corporate governance and operational matters. Such agreements may resolve any conflict of laws and further specify the manner in which examination, supervision, and application processes must be coordinated between the home state regulator and host state regulator.

(6) The out-of-state trust institution may exercise additional powers and authorities that are authorized under the laws of its home state if the director determines in writing that the exercise of the additional powers and authorities in Washington state will not threaten the safety and soundness of trust institutions in Washington state and serves the convenience and needs of Washington state consumers. [2019 c 389 § 48; 2014 c 37 § 368.]