

Act 351 of the 1989 Regular Session.

Act 351

HB1590

By: Representative Ramsey

"AN ACT TO AMEND SUBCHAPTER 2 OF CHAPTER 69 OF TITLE 28 OF THE ARKANSAS CODE TO AUTHORIZE BANKS TO UTILIZE AFFILIATES TO PERFORM CERTAIN SERVICES FOR A TRUST FOR WHICH IT SERVES AS TRUSTEE; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Subchapter 2 of Chapter 69 of Title 28 of the Arkansas Code is hereby amended by adding at the end thereof an additional section to read as follows:

"28-69-207. Any state bank, national bank or trust company qualified to act as a fiduciary in this State, is hereby specifically authorized to utilize its respective affiliates to provide services for any trust or estate for which the financial institution or trust company acts as a trustee or other fiduciary, provided the financial institution believes, in the exercise of the standard of care described in Section 28-71-105, that the services are reasonably necessary and that its affiliate can render such services, including but not limited to securities brokerage services, computer services and banking services to the trust or estate as competently as similar services rendered by non-affiliates and for compensation equal to or less than that charged by non-affiliates. Provided the foregoing requirements are met, an affiliate may be utilized by the financial institution or trust company without the approval or consent of any person or specific authorization in the trust instrument, unless such power is expressly withheld in the trust instrument."

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. Emergency. It is hereby found and determined by the General Assembly that banks located in this State should be authorized to utilize their affiliates to perform services for a trust administered by the banks; that such authorization will be more efficient and economical for all parties; that this Act grants such authority and therefore should be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 6, 1989

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