

# STATE OF NEW YORK

7819

## IN SENATE

February 28, 2018

Introduced by Sen. HAMILTON -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the financial services law, in relation to instituting a twelve month limitation on compliance audits and examinations by the department of financial services

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The financial services law is amended by adding a new  
2 section 307 to read as follows:

3 § 307. Limitations on audits and examinations. (a) Any compliance  
4 audit or examination by the department of a financial product or  
5 service, or any regulated person shall be completed no later than twelve  
6 months after commencement of such compliance audit or examination.

7 (b) The department shall provide to the subject of a compliance audit  
8 or examination:

9 (1) a preliminary analysis of the findings of the department six  
10 months after commencement of such compliance audit or examination; and

11 (2) a final report of the findings of the department twelve months  
12 after commencement of such compliance audit or examination.

13 (c) Any compliance audit or examination not completed by the depart-  
14 ment within twelve months of commencement shall be resolved by finding  
15 the financial product or service, or regulated person in compliance. No  
16 information discovered by the department during such compliance audit or  
17 examination shall be used by the department in any subsequent compliance  
18 audit or examination.

19 § 2. This act shall take effect on the thirtieth day after it shall  
20 have become a law.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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