



**COLORADO**  
**Department of**  
**Regulatory Agencies**  
Division of Banking

**August 15, 2024**

**STATE BANKING BOARD**  
**3 CCR 701-6 TC21**  
**PERTAINING TO TITLE 11, ARTICLE 109, SECTION 103**  
**COLORADO REVISED STATUTES**

**STATEMENT OF BASIS, PURPOSE AND SPECIFIC STATUTORY AUTHORITY**

Statutory Basis

The statutory basis for Banking Board Rule 3 CCR 701-6 TC21 is found in Section 11-109-103 of the Colorado Revised Statutes.

Purpose of this Rulemaking

The purpose of this rule is to establish that transactions between related parties and interests of a trust company and its fiduciary accounts represent self-dealing and are prohibited except under very limited circumstances. Banking Board Rule 3 CCR 701-6 TC21 outlines those circumstances.

The Colorado Division of Banking (Division) finds that the proposed amendments this rule are necessary as follows:

- Broaden the scope of law applicable to a trust company's investment of funds of fiduciary accounts when the trust company has investment discretion authority over the fiduciary accounts.
- Clarify who should be included as prohibited parties.
- Broaden the scope of law applicable to a trust company's selling of assets between fiduciary accounts.
- Remove the statement the trust company "may borrow money on behalf of the fiduciary account from itself" since trust companies are not allowed to originate loans.

Rulemaking Authority

- 11-101-102. Declaration of policy.
- 11-102-104. Powers and duties of the banking board.
- 11-109-103. Applicability of powers of banking board and bank commissioner to trust companies.

