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## **DIVISION OF BANKING**

1601 N. Harrison Avenue, Suite 1, Pierre, SD 57501  
605-773-3421

## **MEMORANDUM**

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NUMBER: 10-007

DATE: March 23, 2020

TO: SOUTH DAKOTA STATE CHARTERED TRUST COMPANIES

FROM: BRET AFDAHL, Director

RE: PANDEMIC PLANNING

It is important for your institution to be prepared for disruptions in operations due to potential pandemic events. The South Dakota Division of Banking (Division) encourages each trust company to perform a thorough review of existing business continuity planning and update to address pandemic planning specific to each institution's business model. Pandemic planning should be integrated into business continuity planning to address the threat of a pandemic outbreak and its potential impact on the delivery of critical financial services. A comprehensive plan should identify and assess the impact of any loss of services provided by third parties, and consider ways to maintain essential services for customers while limiting any impact to employees.

Trust business is generally limited to the location identified on each trust company's Certificates of Authority for both main offices and trust service offices. Due to risks associated with the spread of the Coronavirus, South Dakota-chartered trust company personnel are retroactively allowed to work remotely until further notice. In the event management allows staff to work remotely, please provide the Division with notice.

In addition, please refer to the notice the Division provided via email dated March 12, 2020, addressing the requirements of South Dakota Codified Laws 51A-6A-11.1(2), which requires all South Dakota-chartered public trust companies to hold no less than two quarterly governing board meetings with a majority of members physically present in South Dakota each calendar year. The Division suspended compliance with this requirement until further notice. Any trust company directorate's decision to waive the in-person attendance requirements should be adequately documented in meeting minutes.

As you consider the need to deviate from normal operating hours, please disseminate any office closing information to your clients and customers as soon as possible via your normal mediums. Any office closures or decisions to allow staff to work remotely should be communicated to the Division via email ([banking@state.sd.gov](mailto:banking@state.sd.gov)) or telephone (605-773-3421). Our staff will be actively monitoring these channels during normal working hours.

While the magnitude of the impact to South Dakota and the rest of the United States from the current Coronavirus outbreak is unknown and evolving, it is important nonetheless for your institution to be prepared. Division staff will continue to monitor the impact and alter onsite examination activities as needed, and engage in discussions with trust company management during examination planning and off-site portions of examinations.

If you would like additional information, or if you have any questions, please do not hesitate to contact the Division at 605-773-3421.