

By: Representative Aguirre

To: Banking and Financial Services

HOUSE BILL NO. 1428
(As Passed the House)

1 AN ACT TO CREATE NEW SECTION 75-15-101, MISSISSIPPI CODE OF
2 1972, TO CREATE THE MONEY TRANSMISSION MODERNIZATION ACT AND TO
3 STATE THE PURPOSES OF THE ACT; TO CREATE NEW SECTION 75-15-103,
4 MISSISSIPPI CODE OF 1972, TO DEFINE CERTAIN TERMS; TO CREATE NEW
5 SECTION 75-15-105, MISSISSIPPI CODE OF 1972, TO EXEMPT CERTAIN
6 PARTIES FROM THE PROVISIONS OF THE ACT; TO CREATE NEW SECTION
7 75-15-107, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER
8 OF BANKING AND CONSUMER FINANCE TO TAKE CERTAIN ACTIONS TO
9 IMPLEMENT THE ACT; TO REQUIRE CERTAIN INFORMATION RELATING TO
10 LICENSEES TO BE KEPT CONFIDENTIAL BY THE COMMISSIONER; TO
11 AUTHORIZE THE COMMISSIONER TO EXAMINE LICENSEES; TO CREATE NEW
12 SECTION 75-15-109, MISSISSIPPI CODE OF 1972, TO REQUIRE PERSONS
13 ENGAGING IN THE BUSINESS OF MONEY TRANSMISSION TO PROCURE A
14 LICENSE TO ENGAGE IN SUCH BUSINESS; TO PRESCRIBE REQUIREMENTS FOR
15 AN APPLICATION FOR A LICENSE; TO ESTABLISH TIMEFRAMES FOR MAKING A
16 DETERMINATION ON AN APPLICATION FOR A LICENSE; TO REQUIRE THE
17 ANNUAL RENEWAL OF LICENSES; TO CREATE NEW SECTION 75-15-111,
18 MISSISSIPPI CODE OF 1972, TO REQUIRE PERSONS SEEKING TO ACQUIRE
19 CONTROL OF A LICENSEE TO OBTAIN APPROVAL FROM THE COMMISSIONER; TO
20 REQUIRE NOTICE TO BE GIVEN TO THE COMMISSIONER OF CHANGES IN THE
21 KEY PERSONNEL OF A LICENSEE; TO CREATE NEW SECTION 75-15-113,
22 MISSISSIPPI CODE OF 1972, TO REQUIRE CERTAIN REPORTS AND AUDITED
23 FINANCIAL STATEMENTS PREPARED BY AN INDEPENDENT CERTIFIED PUBLIC
24 ACCOUNTANT TO BE SUBMITTED TO THE COMMISSIONER; TO CREATE NEW
25 SECTION 75-15-115, MISSISSIPPI CODE OF 1972, TO PRESCRIBE CERTAIN
26 REQUIREMENTS RELATING TO AUTHORIZED DELEGATES; TO CREATE NEW
27 SECTION 75-15-117, MISSISSIPPI CODE OF 1972, TO REQUIRE TIMELY
28 TRANSMISSIONS AND TO ESTABLISH REQUIREMENTS FOR REFUNDS FOR
29 SENDERS; TO CREATE NEW SECTION 75-15-119, MISSISSIPPI CODE OF
30 1972, TO REQUIRE LICENSEES TO MAINTAIN A MINIMUM NET WORTH AND
31 SECURITY BOND IN PRESCRIBED AMOUNTS; TO ESTABLISH REQUIREMENTS FOR
32 PERMISSIBLE INVESTMENTS MAINTAINED BY A LICENSEE; TO CREATE NEW
33 SECTION 75-15-121, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
34 COMMISSIONER TO SUSPEND OR REVOKE A LICENSE FOR CERTAIN PROHIBITED



35 ACTIONS; TO REQUIRE NOTICE AND A HEARING IN CASES OTHER THAN WHEN
36 A LICENSE IS AUTOMATICALLY REVOKED; TO AUTHORIZE THE ISSUANCE OF A
37 CEASE AND DESIST ORDER FOR VIOLATIONS OF CERTAIN RULES AND
38 REGULATIONS; TO AUTHORIZE THE IMPOSITION OF CIVIL PENALTIES; TO
39 CREATE NEW SECTION 75-15-123, MISSISSIPPI CODE OF 1972, TO
40 AUTHORIZE THE COMMISSIONER TO EXAMINE LICENSEES AND PERSONS
41 SUSPECTED OF CONDUCTING BUSINESS WITHOUT A LICENSE; TO CREATE NEW
42 SECTION 75-15-125, MISSISSIPPI CODE OF 1972, TO ENCOURAGE
43 CONSIDERATION AMONG STATES ENACTING THE MONEY TRANSMISSION
44 MODERNIZATION ACT; TO ESTABLISH A TRANSITION PERIOD TO NEW
45 REQUIREMENTS ESTABLISHED UNDER THIS ACT FOR CURRENT LICENSEES; TO
46 REPEAL SECTIONS 75-15-1 THROUGH 75-15-35, MISSISSIPPI CODE OF
47 1972, WHICH ARE THE MISSISSIPPI MONEY TRANSMITTERS ACT; AND FOR
48 RELATED PURPOSES.

49 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

50 **SECTION 1.** The following shall be codified as Section
51 75-15-101, Mississippi Code of 1972:

52 75-15-101. Section 1.01. Short Title. This act may be
53 cited as the Money Transmission Modernization Act.

54 Section 1.02. Purpose. This act is designed to replace
55 state money transmission laws formerly codified as Sections
56 75-15-1 through 75-15-35. It is the intent of the Legislature
57 that the provisions of this act accomplish the following:

58 (1) Ensure states can coordinate in all areas of
59 regulation, licensing and supervision to eliminate unnecessary
60 regulatory burden and more effectively utilize regulator
61 resources;

62 (2) Protect the public from financial crime;

63 (3) Standardize the types of activities that are
64 subject to licensing or otherwise exempt from licensing; and



65 (4) Modernize safety and soundness requirements to
66 ensure customer funds are protected in an environment that
67 supports innovative and competitive business practices.

68 **SECTION 2.** The following shall be codified as Section
69 75-15-103, Mississippi Code of 1972:

70 75-15-103. Section 2.01. Definitions. For purposes of this
71 act, the following definitions shall apply:

72 (a) "Acting in concert" means persons knowingly acting
73 together with a common goal of jointly acquiring control of a
74 licensee whether or not pursuant to an express agreement.

75 (b) "Authorized delegate" means a person a licensee
76 designates to engage in money transmission on behalf of the
77 licensee.

78 (c) "Average daily money transmission liability" means
79 the amount of the licensee's outstanding money transmission
80 obligations in this state at the end of each day in a given period
81 of time, added together, and divided by the total number of days
82 in the given period of time. For purposes of calculating average
83 daily money transmission liability under this act for any licensee
84 required to do so, the given period of time shall be the quarters
85 ending March 31, June 30, September 30, and December 31.

86 (d) "Bank Secrecy Act" means the Bank Secrecy Act, 31
87 USC Section 5311, et seq. and its implementing regulations, as
88 amended and recodified from time to time.



89 (e) "Closed loop stored value" means stored value that
90 is redeemable by the issuer only for goods or services provided by
91 the issuer or its affiliate or franchisees of the issuer or its
92 affiliate, except to the extent required by applicable law to be
93 redeemable in cash for its cash value.

94 (f) "Commissioner" means the Commissioner of Banking
95 and Consumer Finance.

96 (g) "Control" means:

97 (i) 1. The power to vote, directly or indirectly,
98 at least twenty-five percent (25%) of the outstanding voting
99 shares or voting interests of a licensee or person in control of a
100 licensee;

101 2. The power to elect or appoint a majority
102 of key individuals or executive officers, managers, directors,
103 trustees, or other persons exercising managerial authority of a
104 person in control of a licensee; or

105 3. The power to exercise, directly or
106 indirectly, a controlling influence over the management or
107 policies of a licensee or person in control of a licensee.

108 (ii) Rebuttable Presumption of Control.

109 1. A person is presumed to exercise a
110 controlling influence when the person holds the power to vote,
111 directly or indirectly, at least ten percent (10%) of the
112 outstanding voting shares or voting interests of a licensee or
113 person in control of a licensee.



114 2. A person presumed to exercise a
115 controlling influence as defined by this paragraph can rebut the
116 presumption of control if the person is a passive investor.

117 (iii) For purposes of determining the percentage
118 of a person controlled by any other person, the person's interest
119 shall be aggregated with the interest of any other immediate
120 family member, including the person's spouse, parents, children,
121 siblings, mothers- and fathers-in-law, sons- and daughters-in-law,
122 brothers- and sisters-in-law, and any other person who shares such
123 person's home.

124 (h) "Department" means the Department of Banking and
125 Consumer Finance.

126 (i) "Eligible rating" shall mean a credit rating of any
127 of the three (3) highest rating categories provided by an eligible
128 rating service, whereby each category may include rating category
129 modifiers such as "plus" or "minus" for S&P, or the equivalent for
130 any other eligible rating service. Long-term credit ratings are
131 deemed eligible if the rating is equal to A- or higher by S&P, or
132 the equivalent from any other eligible rating service. Short-term
133 credit ratings are deemed eligible if the rating is equal to or
134 higher than A-2 or SP-2 by S&P, or the equivalent from any other
135 eligible rating service. In the event that ratings differ among
136 eligible rating services, the highest rating shall apply when
137 determining whether a security bears an eligible rating.



138 (j) "Eligible rating service" shall mean any Nationally
139 Recognized Statistical Rating Organization (NRSRO) as defined by
140 the U.S. Securities and Exchange Commission, and any other
141 organization designated by the commissioner by rule, regulation or
142 order.

143 (k) "Federally insured depository financial
144 institution" means a bank, credit union, savings and loan
145 association, trust company, savings association, savings bank,
146 industrial bank, or industrial loan company organized under the
147 laws of the United States or any state of the United States, when
148 such bank, credit union, savings and loan association, trust
149 company, savings association, savings bank, industrial bank, or
150 industrial loan company has federally insured deposits.

151 (l) "In this state" means at a physical location within
152 this state for a transaction requested in person. For a
153 transaction requested electronically or by phone, the provider of
154 money transmission may determine if the person requesting the
155 transaction is "in this state" by relying on other information
156 provided by the person regarding the location of the individual's
157 residential address or a business entity's principal place of
158 business or other physical address location, and any records
159 associated with the person that the provider of money transmission
160 may have that indicate such location, including but not limited to
161 an address associated with an account.

162 (m) "Individual" means a natural person.



163 (n) "Key individual" means any individual ultimately
164 responsible for establishing or directing policies and procedures
165 of the licensee, such as an executive officer, manager, director,
166 or trustee.

167 (o) "Licensee" means a person licensed under this act.

168 (p) "Material litigation" means litigation, that
169 according to United States generally accepted accounting
170 principles, is significant to a person's financial health and
171 would be required to be disclosed in the person's annual audited
172 financial statements, report to shareholders, or similar records.

173 (q) "Money" means a medium of exchange that is
174 authorized or adopted by the United States or a foreign
175 government. The term includes a monetary unit of account
176 established by an intergovernmental organization or by agreement
177 between two or more governments.

178 (r) "Monetary value" means a medium of exchange,
179 whether or not redeemable in money.

180 (s) "Money transmission" means any of the following:

181 (i) Selling or issuing payment instruments to a
182 person located in this state.

183 (ii) Selling or issuing stored value to a person
184 located in this state.

185 (iii) Receiving money or monetary value for
186 transmission from a person located in this state.



187 (t) "MSB accredited state" means a state agency that is
188 accredited by the Conference of State Bank Supervisors and Money
189 Transmitter Regulators Association for money transmission
190 licensing and supervision.

191 (u) "Multistate licensing process" means any agreement
192 entered into by and among state regulators relating to coordinated
193 processing of applications for money transmission licenses,
194 applications for the acquisition of control of a licensee, control
195 determinations, or notice and information requirements for a
196 change of key individuals.

197 (v) "NMLS" means the Nationwide Multistate Licensing
198 System and Registry developed by the Conference of State Bank
199 Supervisors and the American Association of Residential Mortgage
200 Regulators and owned and operated by the State Regulatory
201 Registry, LLC, or any successor or affiliated entity, for the
202 licensing and registration of persons in financial services
203 industries.

204 (w) "Outstanding money transmission obligations" shall
205 be established and extinguished in accordance with applicable
206 state law and shall mean:

207 (i) Any payment instrument or stored value issued
208 or sold by the licensee to a person located in the United States
209 or reported as sold by an authorized delegate of the licensee to a
210 person that is located in the United States that has not yet been



211 paid or refunded by or for the licensee, or escheated in
212 accordance with applicable abandoned property laws; or

213 (ii) Any money received for transmission by the
214 licensee or an authorized delegate in the United States from a
215 person located in the United States that has not been received by
216 the payee or refunded to the sender, or escheated in accordance
217 with applicable abandoned property laws.

218 (iii) For purposes of this paragraph, "in the
219 United States" shall include, to the extent applicable, a person
220 in any state, territory, or possession of the United States; the
221 District of Columbia; the Commonwealth of Puerto Rico; or a U.S.
222 military installation that is located in a foreign country.

223 (x) "Passive investor" means a person that:

224 (i) Does not have the power to elect a majority of
225 key individuals or executive officers, managers, directors,
226 trustees, or other persons exercising managerial authority of a
227 person in control of a licensee;

228 (ii) Is not employed by and does not have any
229 managerial duties of the licensee or person in control of a
230 licensee;

231 (iii) Does not have the power to exercise,
232 directly or indirectly, a controlling influence over the
233 management or policies of a licensee or person in control of a
234 licensee; and

235 (iv) Either:



236 1. Attests to (i), (ii), and (iii), in a form
237 and in a medium prescribed by the commissioner; or

238 2. Commits to the passivity characteristics
239 of (i), (ii), and (iii), in a written document.

240 (y) "Payment instrument" means a written or electronic
241 check, draft, money order, traveler's check, or other written or
242 electronic instrument for the transmission or payment of money or
243 monetary value, whether or not negotiable. The term does not
244 include stored value or any instrument that: is redeemable by the
245 issuer only for goods or services provided by the issuer or its
246 affiliate or franchisees of the issuer or its affiliate, except to
247 the extent required by applicable law to be redeemable in cash for
248 its cash value; or is not sold to the public but issued and
249 distributed as part of a loyalty, rewards, or promotional program.

250 (z) "Person" means any individual, general partnership,
251 limited partnership, limited liability company, corporation,
252 trust, association, joint stock corporation, or other corporate
253 entity identified by the commissioner.

254 (aa) "Receiving money for transmission" or "money
255 received for transmission" means receiving money or monetary value
256 in the United States for transmission within or outside the United
257 States by electronic or other means.

258 (bb) "Stored value" means monetary value representing a
259 claim against the issuer evidenced by an electronic or digital
260 record, and that is intended and accepted for use as a means of



261 redemption for money or monetary value, or payment for goods or
262 services. The term includes, but is not limited to, "prepaid
263 access" as defined by 31 CFR Section 1010.100, as amended or
264 recodified from time to time. Notwithstanding the foregoing, the
265 term "stored value" does not include a payment instrument or
266 closed loop stored value, or stored value not sold to the public
267 but issued and distributed as part of a loyalty, rewards, or
268 promotional program.

269 (cc) "Tangible net worth" shall mean the aggregate
270 assets of a licensee excluding all intangible assets, less
271 liabilities, as determined in accordance with United States
272 generally accepted accounting principles.

273 **SECTION 3.** The following shall be codified as Section
274 75-15-105, Mississippi Code of 1972:

275 75-15-105. Section 3.01. Exemptions. This act does not
276 apply to:

277 (a) An operator of a payment system to the extent that
278 it provides processing, clearing, or settlement services, between
279 or among persons exempted by this section or licensees, in
280 connection with wire transfers, credit card transactions, debit
281 card transactions, stored-value transactions, automated clearing
282 house transfers, or similar funds transfers.

283 (b) A person appointed as an agent of a payee to
284 collect and process a payment from a payor to the payee for goods



285 or services, other than money transmission itself, provided to the
286 payor by the payee, provided that:

287 (i) There exists a written agreement between the
288 payee and the agent directing the agent to collect and process
289 payments from payors on the payee's behalf;

290 (ii) The payee holds the agent out to the public
291 as accepting payments for goods or services on the payee's behalf;
292 and

293 (iii) Payment for the goods and services is
294 treated as received by the payee upon receipt by the agent so that
295 the payor's obligation is extinguished and there is no risk of
296 loss to the payor if the agent fails to remit the funds to the
297 payee.

298 (c) A person that acts as an intermediary by processing
299 payments between an entity that has directly incurred an
300 outstanding money transmission obligation to a sender, and the
301 sender's designated recipient, provided that the entity:

302 (i) Is properly licensed or exempt from licensing
303 requirements under this act;

304 (ii) Provides a receipt, electronic record, or
305 other written confirmation to the sender identifying the entity as
306 the provider of money transmission in the transaction; and

307 (iii) Bears sole responsibility to satisfy the
308 outstanding money transmission obligation to the sender, including
309 the obligation to make the sender whole in connection with any



310 failure to transmit the funds to the sender's designated
311 recipient.

312 (d) The United States or a department, agency, or
313 instrumentality thereof, or its agent.

314 (e) Money transmission by the United States Postal
315 Service or by an agent of the United States Postal Service.

316 (f) A state, county, city, or any other governmental
317 agency or governmental subdivision or instrumentality of a state,
318 or its agent.

319 (g) A federally insured depository financial
320 institution, bank holding company, office of an international
321 banking corporation, foreign bank that establishes a federal
322 branch pursuant to the International Bank Act, 12 USC Section
323 3102, as amended or recodified from time to time, corporation
324 organized pursuant to the Bank Service Corporation Act, 12 USC
325 Sections 1861-1867, as amended or recodified from time to time, or
326 corporation organized under the Edge Act, 12 USC Sections 611-633,
327 as amended or recodified from time to time, under the laws of a
328 state or the United States.

329 (h) Electronic funds transfer of governmental benefits
330 for a federal, state, county, or governmental agency by a
331 contractor on behalf of the United States or a department, agency,
332 or instrumentality thereof, or on behalf of a state or
333 governmental subdivision, agency, or instrumentality thereof.



334 (i) A board of trade designated as a contract market
335 under the federal Commodity Exchange Act, 7 USC Sections 1-25, as
336 amended or recodified from time to time, or a person that, in the
337 ordinary course of business, provides clearance and settlement
338 services for a board of trade to the extent of its operation as or
339 for such a board.

340 (j) A registered futures commission merchant under the
341 federal commodities laws to the extent of its operation as such a
342 merchant.

343 (k) A person registered as a securities broker-dealer
344 under federal or state securities laws to the extent of its
345 operation as such a broker-dealer.

346 (l) An individual employed by a licensee, authorized
347 delegate, or any person exempted from the licensing requirements
348 of the act when acting within the scope of employment and under
349 the supervision of the licensee, authorized delegate, or exempted
350 person as an employee and not as an independent contractor.

351 (m) A person expressly appointed as a third party
352 service provider to or agent of an entity exempt under paragraph
353 (g), solely to the extent that:

354 (i) Such service provider or agent is engaging in
355 money transmission on behalf of and pursuant to a written
356 agreement with the exempt entity that sets forth the specific
357 functions that the service provider or agent is to perform; and



358 (ii) The exempt entity assumes all risk of loss
359 and all legal responsibility for satisfying the outstanding money
360 transmission obligations owed to purchasers and holders of the
361 outstanding money transmission obligations upon receipt of the
362 purchaser's or holder's money or monetary value by the service
363 provider or agent.

364 (n) A person exempt by regulation or order if the
365 commissioner finds such exemption to be in the public interest and
366 that the regulation of such person is not necessary for the
367 purposes of this act.

368 (o) A payroll processing service provider, which means
369 a person receiving money for transmission pursuant to a contract
370 with a person to deliver wages or salaries, make payment of
371 payroll taxes to state and federal agencies, make payments
372 relating to employee benefit plans, or make distributions of other
373 authorized deductions from wages or salaries.

374 Section 3.02. Authority to Require Demonstration of
375 Exemption. The commissioner may require that any person claiming
376 to be exempt from licensing pursuant to Section 3.01 provide
377 information and documentation to the commissioner demonstrating
378 that it qualifies for any claimed exemption.

379 **SECTION 4.** The following shall be codified as Section
380 75-15-107, Mississippi Code of 1972:



381 75-15-107. Section 4.01. Implementation. (a) In order to
382 carry out the purposes of this act, the commissioner may, subject
383 to the provisions of Section 4.02(a) and (b):

384 (1) Enter into agreements or relationships with
385 other government officials or federal and state regulatory
386 agencies and regulatory associations in order to improve
387 efficiencies and reduce regulatory burden by standardizing methods
388 or procedures, and sharing resources, records or related
389 information obtained under this act;

390 (2) Use, hire, contract, or employ analytical
391 systems, methods, or software to examine or investigate any person
392 subject to this act.

393 (3) Accept, from other state or federal government
394 agencies or officials, licensing, examination, or investigation
395 reports made by such other state or federal government agencies or
396 officials; and

397 (4) Accept audit reports made by an independent
398 certified public accountant or other qualified third-party auditor
399 for an applicant or licensee and incorporate the audit report in
400 any report of examination or investigation.

401 (b) The commissioner shall have the broad
402 administrative authority to administer, interpret and enforce this
403 act, and promulgate rules or regulations implementing this act and
404 to recover the cost of administering and enforcing this act by
405 imposing and collecting proportionate and equitable fees and costs



406 associated with applications, examinations, investigations, and
407 other actions required to achieve the purpose of this act.

408 Section 4.02. Confidentiality. (a) Except as otherwise
409 provided in Section 4.02(b), all information or reports obtained
410 by the commissioner from an applicant, licensee, or authorized
411 delegate, and all information contained in or related to an
412 examination, investigation, operating report, or condition report
413 prepared by, on behalf of, or for the use of the commissioner, or
414 financial statements, balance sheets, or authorized delegate
415 information, are confidential and are not subject to disclosure
416 under this state's public records law.

417 (b) The commissioner may disclose information not
418 otherwise subject to disclosure under Section 4.02(a) to
419 representatives of state or federal agencies who promise in a
420 record that they will maintain the confidentiality of the
421 information or where the commissioner finds that the release is
422 necessary for the protection and interest of the public in
423 accordance with state public records law.

424 (c) This Section 4.02 does not prohibit the
425 commissioner from disclosing to the public a list of all licensees
426 or the aggregated financial or transactional data concerning those
427 licensees.

428 (d) Information contained in the records of the
429 department that is not confidential and may be made available to



430 the public either on the department's website, upon receipt by the
431 department of a written request, or in NMLS shall include:

432 (1) The name, business address, telephone number,
433 and unique identifier of a licensee;

434 (2) The business address of a licensee's
435 registered agent for service;

436 (3) The name, business address, and telephone
437 number of all authorized delegates;

438 (4) The terms of or a copy of any bond filed by a
439 licensee, provided that confidential information, including, but
440 not limited to, prices and fees for such bond is redacted;

441 (5) Copies of any non-confidential final orders of
442 the department relating to any violation of this act or
443 regulations implementing this act; and

444 (e) Imposition of an administrative fine or penalty
445 under this act.

446 Section 4.03. Supervision. (a) The commissioner may
447 conduct an annual examination or investigation of a licensee or
448 authorized delegate or otherwise take independent action
449 authorized by this act or by a rule or regulation adopted or order
450 issued under this act at any time or times the commissioner deems
451 proper to administer and enforce this act, regulations
452 implementing this act, and other applicable law, including the
453 Bank Secrecy Act and the USA PATRIOT ACT. The commissioner may:



454 (1) Conduct an examination either on-site or
455 off-site as the commissioner may require;

456 (2) Conduct an examination in conjunction with an
457 examination conducted by representatives of other state agencies
458 or agencies of another state or of the federal government;

459 (3) Accept the examination report of another state
460 agency or an agency of another state or of the federal government,
461 or a report prepared by an independent accounting firm, which on
462 being accepted is considered for all purposes as an official
463 report of the commissioner; and

464 (4) Summon and examine under oath a key individual
465 or employee of a licensee or authorized delegate and require the
466 person to produce records regarding any matter related to the
467 condition and business of the licensee or authorized delegate.

468 (b) A licensee or authorized delegate shall provide,
469 and the commissioner shall have full and complete access to, all
470 records the commissioner may require to conduct a complete
471 examination. The records must be provided at the location and in
472 the format specified by the commissioner, provided, the
473 commissioner may utilize multistate record production standards
474 and examination procedures when such standards will reasonably
475 achieve the requirements of this Section 4.03(b). The refusal of
476 access to such records by a licensee shall be cause for revocation
477 of its license.



478 (c) Unless otherwise directed by the commissioner, a
479 licensee shall pay all costs actually incurred in connection with
480 an examination of the licensee or the licensee's authorized
481 delegates.

482 Section 4.04. Networked Supervision. (a) To efficiently
483 and effectively administer and enforce this act and to minimize
484 regulatory burden, the commissioner is authorized and encouraged
485 to participate in multistate supervisory processes established
486 between states and coordinated through the Conference of State
487 Bank Supervisors, Money Transmitter Regulators Association, and
488 affiliates and successors thereof for all licensees that hold
489 licenses in this state and other states. As a participant in
490 multistate supervision, the commissioner will:

491 (1) Cooperate, coordinate, and share information
492 with other state and federal regulators in accordance with Section
493 4.02 of this act;

494 (2) Enter into written cooperation, coordination,
495 or information-sharing contracts or agreements with organizations
496 the membership of which is made up of state or federal
497 governmental agencies; and

498 (3) Cooperate, coordinate, and share information
499 with organizations the membership of which is made up of state or
500 federal governmental agencies, provided that the organizations
501 agree in writing to maintain the confidentiality and security of



502 the shared information in accordance with Section 4.02 of this
503 section.

504 (b) The commissioner may not waive, and nothing in this
505 Section 4.04 constitutes a waiver of, the commissioner's authority
506 to conduct an examination or investigation or otherwise take
507 independent action authorized by this act or a rule or regulation
508 adopted, or order issued under this act to enforce compliance with
509 applicable state or federal law.

510 (c) A joint examination or investigation, or acceptance
511 of an examination or investigation report, does not waive an
512 examination assessment provided for in this act.

513 Section 4.05. Relationship to Federal Law. (a) In the
514 event state money transmission jurisdiction is conditioned on a
515 federal law, any inconsistencies between a provision of this act
516 and the federal law governing money transmission shall be governed
517 by the applicable federal law to the extent of the inconsistency.

518 (b) In the event of any inconsistencies between this
519 act and a federal law that governs pursuant to Section 4.05(a),
520 the commissioner may provide interpretive guidance that:

- 521 (1) Identifies the inconsistency; and
522 (2) Identifies the appropriate means of compliance
523 with federal law.

524 **SECTION 5.** The following shall be codified as Section
525 75-15-109, Mississippi Code of 1972:



526 75-15-109. Section 5.01. License Required. (a) A person
527 may not engage in the business of money transmission or advertise,
528 solicit, or hold itself out as providing money transmission unless
529 the person is licensed under this act;

530 (b) Section 5.01(a) does not apply to:

531 (1) A person that is an authorized delegate of a
532 person licensed under this act acting within the scope of
533 authority conferred by a written contract with the licensee; or

534 (2) A person that is exempt pursuant to Section
535 3.01 of Section 75-15-105 and does not engage in money
536 transmission outside the scope of such exemption.

537 (c) A license issued under Section 5.05 is not
538 transferable or assignable.

539 Section 5.02. Consistent State Licensing. (a) To establish
540 consistent licensing between this state and other states, the
541 commissioner is authorized and encouraged to:

542 (1) Implement all licensing provisions of this act
543 in a manner that is consistent with other states that have adopted
544 this act or multistate licensing processes; and

545 (2) Participate in nationwide protocols for
546 licensing cooperation and coordination among state regulators
547 provided that such protocols are consistent with this act.

548 (b) In order to fulfill the purposes of this act, the
549 commissioner is authorized and encouraged to establish



550 relationships or contracts with NMLS or other entities designated
551 by NMLS to enable the commissioner to:

552 (i) Collect and maintain records;

553 (ii) Coordinate multistate licensing processes and
554 supervision processes;

555 (iii) Process fees; and

556 (iv) Facilitate communication between state and
557 licensees or other persons subject to this act.

558 (c) The commissioner is authorized and encouraged to
559 utilize NMLS for all aspects of licensing in accordance with this
560 act, including but not limited to, license applications,
561 applications for acquisitions of control, surety bonds, reporting,
562 criminal history background checks, credit checks, fee processing,
563 and examinations.

564 (d) The commissioner is authorized and encouraged to
565 utilize NMLS forms, processes, and functionalities in accordance
566 with this act. In the event NMLS does not provide functionality,
567 forms, or processes for a provision of this act, the commissioner
568 is authorized and encouraged to strive to implement the
569 requirements in a manner that facilitates uniformity with respect
570 to licensing, supervision, reporting, and regulation of licensees
571 which are licensed in multiple jurisdictions.

572 (e) Waive or Modify Requirements. For the purpose of
573 participating in the Nationwide Multistate Licensing System and
574 Registry, the commissioner is authorized to waive or modify, in



575 whole or in part, by rule, regulation or order, any or all of the
576 requirements and to establish new requirements as necessary to
577 participate in the Nationwide Multistate Licensing System and
578 Registry.

579 Section 5.03. Application for License. (a) Applicants for
580 a license shall apply in a form and in a medium as prescribed by
581 the commissioner. Each such form shall contain content as set
582 forth by rule, regulation, instruction or procedure of the
583 commissioner and may be changed or updated by the commissioner in
584 accordance with applicable law in order to carry out the purposes
585 of this act and maintain consistency with NMLS licensing standards
586 and practices. The application must state or contain, as
587 applicable:

588 (1) The legal name and residential and business
589 addresses of the applicant and any fictitious or trade name used
590 by the applicant in conducting its business;

591 (2) A list of any criminal convictions of the
592 applicant and any material litigation in which the applicant has
593 been involved in the ten (10) year period next preceding the
594 submission of the application;

595 (3) A description of any money transmission
596 previously provided by the applicant and the money transmission
597 that the applicant seeks to provide in this state;



598 (4) A list of the applicant's proposed authorized
599 delegates and the locations in this state where the applicant and
600 its authorized delegates propose to engage in money transmission;

601 (5) A list of other states in which the applicant
602 is licensed to engage in money transmission and any license
603 revocations, suspensions, or other disciplinary action taken
604 against the applicant in another state;

605 (6) Information concerning any bankruptcy or
606 receivership proceedings affecting the licensee or a person in
607 control of a licensee;

608 (7) A sample form of contract for authorized
609 delegates, if applicable;

610 (8) A sample form of payment instrument or stored
611 value, as applicable;

612 (9) The name and address of any federally insured
613 depository financial institution through which the applicant plans
614 to conduct money transmission; and

615 (10) Any other information the commissioner or
616 NMLS requires with respect to the applicant.

617 (b) If an applicant is a corporation, limited liability
618 company, partnership, or other legal entity, the applicant shall
619 also provide:

620 (1) The date of the applicant's incorporation or
621 formation and state or country of incorporation or formation;



622 (2) If applicable, a certificate of good standing
623 from the state or country in which the applicant is incorporated
624 or formed;

625 (3) A brief description of the structure or
626 organization of the applicant, including any parents or
627 subsidiaries of the applicant, and whether any parents or
628 subsidiaries are publicly traded;

629 (4) The legal name, any fictitious or trade name,
630 all business and residential addresses, and the employment, as
631 applicable, in the ten (10) year period next preceding the
632 submission of the application of each key individual and person in
633 control of the applicant;

634 (5) A list of any criminal convictions and
635 material litigation in which a person in control of the applicant
636 that is not an individual has been involved in the 10-year period
637 preceding the submission of the application;

638 (6) A copy of audited financial statements of the
639 applicant for the most recent fiscal year and for the two-year
640 period next preceding the submission of the application

641 (7) A certified copy of unaudited financial
642 statements of the applicant for the most recent fiscal quarter;

643 (8) If the applicant is a publicly traded
644 corporation, a copy of the most recent report filed with the
645 United States Securities and Exchange Commission under Section 13



646 of the federal Securities Exchange Act of 1934, 15 USC Section
647 78m, as amended or recodified from time to time;

648 (9) If the applicant is a wholly owned subsidiary
649 of:

650 (A) A corporation publicly traded in the
651 United States, a copy of audited financial statements for the
652 parent corporation for the most recent fiscal year or a copy of
653 the parent corporation's most recent report filed under Section 13
654 of the U.S. Securities Exchange Act of 1934, 15 USC Section 78m,
655 as amended or recodified from time to time; or

656 (B) A corporation publicly traded outside the
657 United States, a copy of similar documentation filed with the
658 regulator of the parent corporation's domicile outside the United
659 States;

660 (10) The name and address of the applicant's
661 registered agent in this state; and

662 (11) Any other information the commissioner
663 requires with respect to the applicant.

664 (c) A nonrefundable license fee of One Thousand Five
665 Hundred Dollars (\$1,500.00) must accompany an application for a
666 license under this Section 5.03. However, beginning with calendar
667 year 2025 and for each subsequent calendar year, on or before July
668 1 of the following year, the Mississippi Department of Banking and
669 Consumer Finance will issue a memo authorizing a new license fee
670 under this section. The new amount will be calculated by applying



671 any increase or decrease in the United States Bureau of Labor
672 Statistics Consumer Price Index for All Urban Consumers (CPI-U)
673 for the previous calendar year to the previous fee amount and
674 rounding that amount upward to the nearest One Hundred Dollar
675 (\$100.00) increment.

676 (d) The commissioner may waive one or more requirements
677 of Sections 5.03(a) and (b) or permit an applicant to submit other
678 information in lieu of the required information.

679 Section 5.04. Information Requirements for Certain
680 Individuals. (a) Any individual in control of a licensee or
681 applicant, any individual that seeks to acquire control of a
682 licensee, and each key individual shall furnish to the
683 commissioner through NMLS the following items:

684 (1) The individual's fingerprints for submission
685 to the Federal Bureau of Investigation and the commissioner for
686 purposes of a national criminal history background check unless
687 the person currently resides outside of the United States and has
688 resided outside of the United States for the last ten (10) years.

689 (2) Personal history and experience in a form and
690 in a medium prescribed by the commissioner, to obtain the
691 following:

692 (A) An independent credit report from a
693 consumer reporting agency unless the individual does not have a
694 Social Security number, in which case, this requirement shall be
695 waived;



696 (B) Information related to any criminal
697 convictions or pending charges; provided an applicant shall not
698 have been convicted of a felony in any jurisdiction or a
699 misdemeanor of fraud, theft, forgery, bribery, embezzlement, or
700 making a fraudulent or false statement in any jurisdiction; and

701 (C) Information related to any regulatory or
702 administrative action and any civil litigation involving claims of
703 fraud, misrepresentation, conversion, mismanagement of funds,
704 breach of fiduciary duty, or breach of contract.

705 (b) If the individual has resided outside of the United
706 States at any time in the last ten (10) years, the individual
707 shall also provide an investigative background report prepared by
708 an independent search firm that meets the following requirements:

709 (1) At a minimum, the search firm shall:

710 (A) Demonstrate that it has sufficient
711 knowledge, resources, and employs accepted and reasonable
712 methodologies to conduct the research of the background report;
713 and

714 (B) Not be affiliated with or have an
715 interest with the individual it is researching.

716 (2) At a minimum, the investigative background
717 report shall be written in the English language and shall contain
718 the following:

719 (A) If available in the individual's current
720 jurisdiction of residency, a comprehensive credit report, or any



721 equivalent information obtained or generated by the independent
722 search firm to accomplish such report, including a search of the
723 court data in the countries, provinces, states, cities, towns, and
724 contiguous areas where the individual resided and worked;

725 (B) Criminal records information for the past
726 ten (10) years, including, but not limited to, felonies,
727 misdemeanors, or similar convictions for violations of law in the
728 countries, provinces, states, cities, towns, and contiguous areas
729 where the individual resided and worked;

730 (C) Employment history;

731 (D) Media history, including an electronic
732 search of national and local publications, wire services, and
733 business applications; and

734 (E) Financial services-related regulatory
735 history, including, but not limited to, money transmission,
736 securities, banking, insurance, and mortgage-related industries.

737 Section 5.05. Issuance of License. (a) When an application
738 for an original license under this act appears to include all the
739 items and addresses all of the matters that are required, the
740 application is complete and the commissioner shall promptly notify
741 the applicant in a record of the date on which the application is
742 determined to be complete, and:

743 (1) The commissioner shall approve or deny the
744 application within one hundred twenty (120) days after the
745 completion date; or



746 (2) If the application is not approved or denied
747 within one hundred twenty (120) days after the completion date:

748 (A) The application is approved; and

749 (B) The license takes effect as of the first
750 business day after expiration of the one hundred twenty (120) day
751 period.

752 (C) The commissioner may for good cause
753 extend the application period.

754 (b) A determination by the commissioner that an
755 application is complete and is accepted for processing means only
756 that the application, on its face, appears to include all of the
757 items, including the Criminal Background Check response from the
758 FBI, and address all of the matters that are required, and is not
759 an assessment of the substance of the application or of the
760 sufficiency of the information provided.

761 (c) When an application is filed and considered
762 complete under this Section 5.05, the commissioner shall
763 investigate the applicant's financial condition and
764 responsibility, financial and business experience, character, and
765 general fitness. The commissioner may conduct an on-site
766 investigation of the applicant, the cost of which the applicant
767 must pay. The commissioner shall issue a license to an applicant
768 under this Section 5.05 if the commissioner finds that all of the
769 following conditions have been fulfilled:



770 (1) The applicant has complied with Sections 5.03
771 and 5.04; and

772 (2) The financial condition and responsibility,
773 financial and business experience, competence, character, and
774 general fitness of the applicant; and the competence, experience,
775 character, and general fitness of the key individuals and persons
776 in control of the applicant indicate that it is in the interest of
777 the public to permit the applicant to engage in money
778 transmission.

779 (d) If an applicant avails itself or is otherwise
780 subject to a multistate licensing process:

781 (1) The commissioner is authorized and encouraged
782 to accept the investigation results of a lead investigative state
783 for the purpose of Section 5.05(c) if the lead investigative state
784 has sufficient staffing, expertise, and minimum standards; or

785 (2) If Mississippi is a lead investigative state,
786 the commissioner is authorized and encouraged to investigate the
787 applicant pursuant to Section 5.05(c) and the timeframes
788 established by agreement through the multistate licensing process,
789 provided however, that in no case shall such timeframe be
790 noncompliant with the application period in Section 5.05(a)(1).

791 (e) The commissioner shall issue a formal written
792 notice of the denial of a license application. The commissioner
793 shall set forth in the notice of denial the specific reasons for
794 the denial of the application. An applicant whose application is



795 denied by the commissioner under this Section 5.05(e) may appeal
796 within thirty (30) days after receipt of the written notice of the
797 denial. Such appeal shall be to the Chancery Court of the First
798 Judicial District of Hinds County, Mississippi.

799 (f) The initial license term shall begin on the day the
800 application is approved. The license shall expire on December 31
801 of the year in which the license term began, unless the initial
802 license date is between November 1 and December 31, in which
803 instance the initial license term shall run through December 31 of
804 the following year.

805 Section 5.06. Renewal of License. (a) A license under this
806 act shall be renewed annually.

807 (1) An annual renewal fee of Eight Hundred Dollars
808 (\$800.00) plus One Hundred Dollars (\$100.00) for each location in
809 excess of one (1) in Mississippi through which the licensee plans
810 to conduct money transmission during the license year for which
811 the fee is paid, provided that in no event shall the annual
812 renewal fee exceed Five Thousand Eight Hundred Dollars
813 (\$5,800.00). The renewal fee shall be paid no more than sixty
814 (60) days before the license expiration.

815 (2) The renewal term shall be for a period of one
816 (1) year and shall begin on January 1 of each year after the
817 initial license term and shall expire on December 31 of the year
818 the renewal term begins.



819 (b) A licensee shall submit a renewal report with the
820 renewal fee, in a form and in a medium prescribed by the
821 commissioner. The renewal report must state or contain a
822 description of each material change in information submitted by
823 the licensee in its original license application which has not
824 been reported to the commissioner.

825 (c) The commissioner for good cause may grant an
826 extension of the renewal date.

827 (d) The commissioner is authorized and encouraged to
828 utilize NMLS to process license renewals provided that such
829 functionality is consistent with this Section 5.06.

830 Section 5.07. Maintenance of License. (a) If a licensee
831 does not continue to meet the qualifications or satisfy the
832 requirements that apply to an applicant for a new money
833 transmission license, the commissioner may suspend or revoke the
834 licensee's license in accordance with the procedures established
835 by this act or other applicable state law for such suspension or
836 revocation.

837 (b) An applicant for a money transmission license must
838 demonstrate that it meets or will meet, and a money transmission
839 licensee must at all times meet, the requirements in Sections
840 10.01, 10.02, and 10.03 of Section 75-15-119.

841 **SECTION 6.** The following shall be codified as Section
842 75-15-111, Mississippi Code of 1972:



843 75-15-111. Section 6.01. Acquisition of Control. (a) Any
844 person, or group of persons acting in concert, seeking to acquire
845 control of a licensee shall obtain the written approval of the
846 commissioner prior to acquiring control.

847 (b) A person, or group of persons acting in concert,
848 seeking to acquire control of a licensee shall, in cooperation
849 with the licensee:

850 (1) Submit an application in a form and in a
851 medium prescribed by the commissioner; and

852 (2) Submit a nonrefundable fee as required under
853 Section 5.03(c) of Section 75-15-109 with the request for
854 approval.

855 (c) Upon request, the commissioner may permit a
856 licensee or the person, or group of persons acting in concert, to
857 submit some or all information required by the commissioner
858 pursuant to Section 6.01(b)(1) without using NMLS.

859 (d) The application required by Section 6.01(b)(1)
860 shall include information required by Section 5.04 of Section
861 75-15-109 for any new key individuals that have not previously
862 completed the requirements of Section 5.04 of Section 75-15-109
863 for a licensee.

864 (e) When an application for acquisition of control
865 under this Section 6.01 appears to include all the items and
866 address all of the matters that are required, the application
867 shall be considered complete, and the commissioner shall promptly



868 notify the applicant in a record of the date on which the
869 application was determined to be complete and:

870 (1) The commissioner shall approve or deny the
871 application within sixty (60) days after the completion date; or

872 (2) If the application is not approved or denied
873 within sixty (60) days after the completion date:

874 (A) The application is approved; and

875 (B) The person, or group of persons acting in
876 concert, are not prohibited from acquiring control.

877 (3) The commissioner may for good cause extend the
878 application period.

879 (f) A determination by the commissioner that an
880 application is complete and is accepted for processing means only
881 that the application, on its face, appears to include all of the
882 items and address all of the matters that are required, and is not
883 an assessment of the substance of the application or of the
884 sufficiency of the information provided.

885 (g) When an application is filed and considered
886 complete under Section 6.01(e), the commissioner shall investigate
887 the financial condition and responsibility, financial and business
888 experience, character, and general fitness of the person, or group
889 of persons acting in concert, seeking to acquire control. The
890 commissioner shall approve an acquisition of control pursuant to
891 this Section 6.01 if the commissioner finds that all of the
892 following conditions have been fulfilled:



893 (1) The requirements of subsections (b) and (d)
894 have been met, as applicable; and

895 (2) The financial condition and responsibility,
896 financial and business experience, competence, character, and
897 general fitness of the person, or group of persons acting in
898 concert, seeking to acquire control; and the competence,
899 experience, character, and general fitness of the key individuals
900 and persons that would be in control of the licensee after the
901 acquisition of control indicate that it is in the interest of the
902 public to permit the person, or group of persons acting in
903 concert, to control the licensee.

904 (h) If an applicant avails itself or is otherwise
905 subject to a multistate licensing process:

906 (1) The commissioner is authorized and encouraged
907 to accept the investigation results of a lead investigative state
908 for the purpose of Section 6.01(g) if the lead investigative state
909 has sufficient staffing, expertise, and minimum standards; or

910 (2) If Mississippi is a lead investigative state,
911 the commissioner is authorized and encouraged to investigate the
912 applicant pursuant to Section 6.01(g) and the timeframes
913 established by agreement through the multistate licensing process.

914 (i) The commissioner shall issue a formal written
915 notice of the denial of an application to acquire control. The
916 commissioner shall set forth in the notice of denial the specific
917 reasons for the denial of the application. An applicant whose



918 application is denied by the commissioner under this Section
919 6.01(i) may appeal within thirty (30) days after receipt of the
920 written notice of the denial. Such appeal shall be to the
921 Chancery Court of the First Judicial District of Hinds County,
922 Mississippi.

923 (j) The requirements of Section 6.01(a) and (b) do not
924 apply to any of the following:

925 (1) A person that acts as a proxy for the sole
926 purpose of voting at a designated meeting of the shareholders or
927 holders of voting shares or voting interests of a licensee or a
928 person in control of a licensee;

929 (2) A person that acquires control of a licensee
930 by devise or descent;

931 (3) A person that acquires control of a licensee
932 as a personal representative, custodian, guardian, conservator, or
933 trustee, or as an officer appointed by a court of competent
934 jurisdiction or by operation of law;

935 (4) A person that is exempt under Section 3.01(g)
936 of Section 75-15-105;

937 (5) A person that the commissioner determines is
938 not subject to Section 6.01(a) based on the public interest;

939 (6) A public offering of securities of a licensee
940 or a person in control of a licensee; or



941 (7) An internal reorganization of a person in
942 control of the licensee where the ultimate person in control of
943 the licensee remains the same.

944 (k) Persons in Sections 6.01(j)(2), (3), (4), (6), and
945 (7) in cooperation with the licensee shall notify the commissioner
946 within fifteen (15) days after the acquisition of control.

947 (l) Streamlined Acquisition of Control

948 (1) The requirements of Section 6.01(a) and (b) do
949 not apply to a person that has complied with and received approval
950 to engage in money transmission under this act or was identified
951 as a person in control in a prior application filed with and
952 approved by the commissioner or by an MSB accredited state
953 pursuant to a multistate licensing process, provided that:

954 (A) The person has not had a license revoked
955 or suspended or controlled a licensee that has had a license
956 revoked or suspended while the person was in control of the
957 licensee in the previous five (5) years;

958 (B) If the person is a licensee, the person
959 is well managed and has received at least a satisfactory rating
960 for compliance at its most recent examination by an MSB accredited
961 state if such rating was given;

962 (C) The licensee to be acquired is projected
963 to meet the requirements of Sections 10.01, 10.02, and 10.03 of
964 Section 75-15-119 after the acquisition of control is completed,
965 and if the person acquiring control is a licensee, that licensee



966 is also projected to meet the requirements of Sections 10.01,
967 10.02, and 10.03 of Section 75-15-119 after the acquisition of
968 control is completed;

969 (D) The licensee to be acquired will not
970 implement any material changes to its business plan as a result of
971 the acquisition of control, and if the person acquiring control is
972 a licensee, that licensee also will not implement any material
973 changes to its business plan as a result of the acquisition of
974 control; and

975 (E) The person provides notice of the
976 acquisition in cooperation with the licensee and attests to
977 Section 6.01(k)(1)(A), (B), (C), and (D) in a form and in a medium
978 prescribed by the commissioner.

979 (2) If the notice is not disapproved within thirty
980 (30) days after the date on which the notice was determined to be
981 complete, the notice is deemed approved.

982 (m) Before filing an application for approval to
983 acquire control of a licensee a person may request in writing a
984 determination from the commissioner as to whether the person would
985 be considered a person in control of a licensee upon consummation
986 of a proposed transaction. If the commissioner determines that
987 the person would not be a person in control of a licensee, the
988 proposed person and transaction is not subject to the requirements
989 of Section 6.01(a) and (b).



990 (n) If a multistate licensing process includes a
991 determination pursuant to Section 6.01(m) and an applicant avails
992 itself or is otherwise subject to the multistate licensing
993 process:

994 (1) The commissioner is authorized and encouraged
995 to accept the control determination of a lead investigative state
996 with sufficient staffing, expertise, and minimum standards for the
997 purpose of Section 6.01(m); or

998 (2) If state is a lead investigative state, the
999 commissioner is authorized and encouraged to investigate the
1000 applicant pursuant to Section 6.01(m) and the timeframes
1001 established by agreement through the multistate licensing process,
1002 Section 6.02. Notice and Information Requirements for a
1003 Change of Key Individuals. (a) A licensee adding or replacing
1004 any key individual shall:

1005 (1) Provide notice in a manner prescribed by the
1006 commissioner within fifteen (15) days after the effective date of
1007 the key individual's appointment; and

1008 (2) Provide information as required by Section
1009 5.04 of Section 75-15-109 within forty-five (45) days of the
1010 effective date.

1011 (b) Within ninety (90) days of the date on which the
1012 notice provided pursuant to Section 6.02(a) was determined to be
1013 complete, the commissioner may issue a notice of disapproval of a
1014 key individual if the competence, experience, character, or



1015 integrity of the individual would not be in the best interests of
1016 the public or the customers of the licensee to permit the
1017 individual to be a key individual of such licensee.

1018 (c) A notice of disapproval shall contain a statement
1019 of the basis for disapproval and shall be sent to the licensee and
1020 the disapproved individual. A licensee may appeal a notice of
1021 disapproval within thirty (30) days after receipt of such notice
1022 of disapproval. Such appeal shall be to the Chancery Court of the
1023 First Judicial District of Hinds County, Mississippi.

1024 (d) If the notice provided pursuant to Section 6.02(a)
1025 is not disapproved within ninety (90) days after the date on which
1026 the notice was determined to be complete, the key individual is
1027 deemed approved.

1028 (e) If a multistate licensing process includes a key
1029 individual notice review and disapproval process pursuant to
1030 Section 6.02 and the licensee avails itself or is otherwise
1031 subject to the multistate licensing process:

1032 (1) The commissioner is authorized and encouraged
1033 to accept the determination of another state if the investigating
1034 state has sufficient staffing, expertise, and minimum standards
1035 for the purpose of Section 6.02; or

1036 (2) If Mississippi is a lead investigative state,
1037 the commissioner is authorized and encouraged to investigate the
1038 applicant pursuant to Section 6.02(b) and the timeframes
1039 established by agreement through the multistate licensing process.



1040 **SECTION 7.** The following shall be codified as Section
1041 75-15-113, Mississippi Code of 1972:

1042 75-15-113. Section 7.01. Report of Condition. (a) Each
1043 licensee shall submit a report of condition (i.e. call report)
1044 within forty-five (45) days of the end of the calendar quarter, or
1045 within any extended time as the commissioner may prescribe.

1046 (b) The report of condition shall include:

1047 (1) Financial information at the licensee level;

1048 (2) Nationwide and state-specific money

1049 transmission transaction information in every jurisdiction in the
1050 United States where the licensee is licensed to engage in money
1051 transmission;

1052 (3) Permissible investments report;

1053 (4) Transaction destination country reporting for
1054 money received for transmission, if applicable; and

1055 (5) Any other information the commissioner
1056 requires with respect to the licensee. The commissioner is
1057 authorized and encouraged to utilize NMLS for the submission of
1058 the report required by this Section 7.01(a) and is authorized to
1059 change or update as necessary the requirements of this Section
1060 7.01 to carry out the purposes of this act and maintain
1061 consistency with NMLS reporting.

1062 (c) The information required by Section 7.01(b) (4)
1063 shall only be included in a report of condition submitted within
1064 forty-five (45) days of the end of the fourth calendar quarter.



1065 Section 7.02. Audited Financials. (a) Each licensee shall,
1066 within ninety (90) days after the end of each fiscal year, or
1067 within any extended time as the commissioner may prescribe, file
1068 with the commissioner:

1069 (1) An audited financial statement of the licensee
1070 for the fiscal year prepared in accordance with United States
1071 generally accepted accounting principles; and

1072 (2) Any other information as the commissioner may
1073 require.

1074 (b) The audited financial statements shall be prepared
1075 by an independent certified public accountant or independent
1076 public accountant who is satisfactory to the commissioner;

1077 (c) The audited financial statements shall include or
1078 be accompanied by a certificate of opinion of the independent
1079 certified public accountant or independent public accountant that
1080 is satisfactory in form and content to the commissioner. If the
1081 certificate or opinion is qualified, the commissioner may order
1082 the licensee to take any action as the commissioner may find
1083 necessary to enable the independent or certified public accountant
1084 or independent public accountant to remove the qualification.

1085 Section 7.03. Authorized Delegate Reporting. (a) Each
1086 licensee shall submit a report of authorized delegates within
1087 forty-five (45) days of the end of the calendar quarter. The
1088 commissioner is authorized and encouraged to utilize NMLS for the
1089 submission of the report required by this Section 7.03(a) provided



1090 that such functionality is consistent with the requirements of
1091 this Section 7.03. Such utilization shall include the NMLS
1092 Uniform Authorized Agent Reporting (UAAR) process, or such other
1093 similar process as designated by NMLS.

1094 (b) The authorized delegate report shall include, at a
1095 minimum, each authorized delegate's:

- 1096 (1) Company legal name;
- 1097 (2) Taxpayer employer identification number;
- 1098 (3) Principal provider identifier;
- 1099 (4) Physical address;
- 1100 (5) Mailing address;
- 1101 (6) Any business conducted in other states;
- 1102 (7) Any fictitious or trade name;
- 1103 (8) Contact person name, phone number, and email;
- 1104 (9) Start date as licensee's authorized delegate;
- 1105 (10) End date acting as licensee's authorized
1106 delegate, if applicable; and

1107 (11) Any other information the commissioner
1108 requires with respect to the authorized delegate.

1109 Section 7.04. Reports of Certain Events. (a) A licensee
1110 shall file a report with the commissioner within one (1) business
1111 day after the licensee has reason to know of the occurrence of any
1112 of the following events:

- 1113 (1) The filing of a petition by or against the
1114 licensee under the United States Bankruptcy Code, 11 USC Section



1115 101-110, as amended or recodified from time to time, for
1116 bankruptcy or reorganization;

1117 (2) The filing of a petition by or against the
1118 licensee for receivership, the commencement of any other judicial
1119 or administrative proceeding for its dissolution or
1120 reorganization, or the making of a general assignment for the
1121 benefit of its creditors; or

1122 (3) The commencement of a proceeding to revoke or
1123 suspend its license in a state or country in which the licensee
1124 engages in business or is licensed.

1125 (b) A licensee shall file a report with the
1126 commissioner within three (3) business days after the licensee has
1127 reason to know of the occurrence of any of the following events:

1128 (1) A charge or conviction of the licensee or of a
1129 key individual or person in control of the licensee for a felony;
1130 or

1131 (2) A charge or conviction of an authorized
1132 delegate for a felony.

1133 Section 7.05 Bank Secrecy Act Reports. A licensee and an
1134 authorized delegate shall file all reports required by federal
1135 currency reporting, record keeping, and suspicious activity
1136 reporting requirements as set forth in the Bank Secrecy Act and
1137 other federal and state laws pertaining to money laundering. The
1138 timely filing of a complete and accurate report required under



1139 this Section 7.05 with the appropriate federal agency is deemed
1140 compliant with the requirements of this Section 7.05.

1141 Section 7.06 Records. (a) Licensee shall maintain the
1142 following records, for determining its compliance with this act
1143 for at least five (5) years:

1144 (1) A record of each money transmission obligation
1145 sold;

1146 (2) A general ledger posted at least monthly
1147 containing all asset, liability, capital, income, and expense
1148 accounts;

1149 (3) Bank statements and bank reconciliation
1150 records;

1151 (4) Records of outstanding money transmission;

1152 (5) Records of each outstanding money transmission
1153 obligation paid within the five (5) year period;

1154 (6) A list of the last known names and addresses
1155 of all of the licensee's authorized delegates; and

1156 (7) Any other records the commissioner requires by
1157 rule, regulation, order.

1158 (b) The items specified in Section 7.06(a) may be
1159 maintained in photographic, electronic or other similar form.

1160 (c) Records specified in Section 7.06(a) may be
1161 maintained outside this state if they are made accessible to the
1162 commissioner on seven (7) business-days' notice that is sent in a
1163 record.



1164 (d) All records maintained by the licensee as required
1165 in Section 7.06(a)-(c) are open to inspection by the commissioner
1166 pursuant to Section 4.03(a).

1167 **SECTION 8.** The following shall be codified as Section
1168 75-15-115, Mississippi Code of 1972:

1169 75-15-115. Section 8.01. Relationship Between Licensee and
1170 Authorized Delegate. (a) In this Section 8.01, "remit" means to
1171 make direct payments of money to a licensee or its representative
1172 authorized to receive money or to deposit money in a bank in an
1173 account specified by the licensee.

1174 (b) Before a licensee is authorized to conduct business
1175 through an authorized delegate or allows a person to act as the
1176 licensee's authorized delegate, the licensee must:

1177 (1) Adopt, and update as necessary, written
1178 policies and procedures designed to ensure that the licensee's
1179 authorized delegates comply with applicable state and federal law;

1180 (2) Enter into a written contract that complies
1181 with Section 8.01(d); and

1182 (3) Conduct a risk-based background investigation
1183 sufficient for the licensee to determine whether the authorized
1184 delegate has complied and will likely comply with applicable state
1185 and federal law.

1186 (c) An authorized delegate must operate in full
1187 compliance with this act.



1188 (d) The written contract required by Section 8.01(b)
1189 must be signed by the licensee and the authorized delegate and, at
1190 a minimum, must:

1191 (1) Appoint the person signing the contract as the
1192 licensee's authorized delegate with the authority to conduct money
1193 transmission on behalf of the licensee;

1194 (2) Set forth the nature and scope of the
1195 relationship between the licensee and the authorized delegate and
1196 the respective rights and responsibilities of the parties;

1197 (3) Require the authorized delegate to agree to
1198 fully comply with all applicable state and federal laws, rules,
1199 and regulations pertaining to money transmission, including this
1200 act and regulations implementing this act, relevant provisions of
1201 the Bank Secrecy Act and the USA PATRIOT ACT;

1202 (4) Require the authorized delegate to remit and
1203 handle money and monetary value in accordance with the terms of
1204 the contract between the licensee and the authorized delegate;

1205 (5) Impose a trust on money and monetary value net
1206 of fees received for money transmission for the benefit of the
1207 licensee;

1208 (6) Require the authorized delegate to prepare and
1209 maintain records as required by this act or regulations
1210 implementing this act, or as requested by the commissioner;

1211 (7) Acknowledge that the authorized delegate
1212 consents to examination or investigation by the commissioner;



1213 (8) State that the licensee is subject to
1214 regulation by the commissioner and that, as part of that
1215 regulation, the commissioner may suspend or revoke an authorized
1216 delegate designation or require the licensee to terminate an
1217 authorized delegate designation; and

1218 (9) Acknowledge receipt of the written policies
1219 and procedures required under Section 8.01(b)(1).

1220 (e) If the licensee's license is suspended, revoked,
1221 surrendered, or expired, the licensee must, within five (5)
1222 business days, provide documentation to the commissioner that the
1223 licensee has notified all applicable authorized delegates of the
1224 licensee whose names are in a record filed with the commissioner
1225 of the suspension, revocation, surrender, or expiration of a
1226 license. Upon suspension, revocation, surrender, or expiration of
1227 a license, applicable authorized delegates shall immediately cease
1228 to provide money transmission as an authorized delegate of the
1229 licensee.

1230 (f) An authorized delegate of a licensee holds in trust
1231 for the benefit of the licensee all money net of fees received
1232 from money transmission. If any authorized delegate commingles
1233 any funds received from money transmission with any other funds or
1234 property owned or controlled by the authorized delegate, all
1235 commingled funds and other property shall be considered held in
1236 trust in favor of the licensee in an amount equal to the amount of
1237 money net of fees received from money transmission.



1238 (g) An authorized delegate may not use a subdelegate to
1239 conduct money transmission on behalf of a licensee.

1240 Section 8.02. Unauthorized Activities. A person shall not
1241 engage in the business of money transmission on behalf of a person
1242 not licensed under this act or not exempt pursuant to Section
1243 75-15-105. A person that engages in such activity provides money
1244 transmission to the same extent as if the person were a licensee,
1245 and shall be jointly and severally liable with the unlicensed or
1246 nonexempt person.

1247 **SECTION 9.** The following shall be codified as Section
1248 75-15-117, Mississippi Code of 1972:

1249 75-15-117. Section 9.01. Timely Transmission. (a) Every
1250 licensee shall forward all money received for transmission in
1251 accordance with the terms of the agreement between the licensee
1252 and the sender unless the licensee has a reasonable belief or a
1253 reasonable basis to believe that the sender may be a victim of
1254 fraud or that a crime or violation of law, rule, or regulation has
1255 occurred, is occurring, or may occur.

1256 (b) If a licensee fails to forward money received for
1257 transmission in accordance with this section, the licensee must
1258 respond to inquiries by the sender with the reason for the failure
1259 unless providing a response would violate a state or federal law,
1260 rule, or regulation.

1261 Section 9.02 Refunds. (a) This Section 9.02 does not
1262 apply to:



1263 (1) Money received for transmission subject to the
1264 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended
1265 or recodified from time to time; or

1266 (2) Money received for transmission pursuant to a
1267 written agreement between the licensee and payee to process
1268 payments for goods or services provided by the payee.

1269 (b) Every licensee shall refund to the sender within
1270 ten (10) days of receipt of the sender's written request for a
1271 refund of any and all money received for transmission unless any
1272 of the following occurs:

1273 (1) The money has been forwarded within ten (10)
1274 days of the date on which the money was received for transmission;

1275 (2) Instructions have been given committing an
1276 equivalent amount of money to the person designated by the sender
1277 within ten (10) days of the date on which the money was received
1278 for transmission;

1279 (3) The agreement between the licensee and the
1280 sender instructs the licensee to forward the money at a time that
1281 is beyond ten (10) days of the date on which the money was
1282 received for transmission. If funds have not yet been forwarded
1283 in accordance with the terms of the agreement between the licensee
1284 and the sender, the licensee shall issue a refund in accordance
1285 with the other provisions of this Section 9.02; or

1286 (4) The refund is requested for a transaction that
1287 the licensee has not completed based on a reasonable belief or a



1288 reasonable basis to believe that a crime or violation of law,
1289 rule, or regulation has occurred, is occurring, or may occur.

1290 (5) The refund request does not enable the
1291 licensee to:

1292 (A) Identify the sender's name and address or
1293 telephone number; or

1294 (B) Identify the particular transaction to be
1295 refunded in the event the sender has multiple transactions
1296 outstanding.

1297 Section 9.03 Receipts. (a) This Section 9.03 does not
1298 apply to:

1299 (1) Money received for transmission subject to the
1300 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended
1301 or recodified from time to time;

1302 (2) Money received for transmission that is not
1303 primarily for personal, family or household purposes;

1304 (3) Money received for transmission pursuant to a
1305 written agreement between the licensee and payee to process
1306 payments for goods or services provided by the payee; or

1307 (b) For purposes of this Section 9.03 "receipt" means a
1308 paper receipt, electronic record or other written confirmation.

1309 For a transaction conducted in person, the receipt may be provided
1310 electronically if the sender requests or agrees to receive an
1311 electronic receipt. For a transaction conducted electronically or



1312 by phone, a receipt may be provided electronically. All
1313 electronic receipts shall be provided in a retainable form.

1314 (c) Every licensee or its authorized delegate shall
1315 provide the sender a receipt for money received for transmission.

1316 (1) The receipt shall contain the following
1317 information, as applicable:

1318 (A) The name of the sender;

1319 (B) The name of the designated recipient;

1320 (C) The date of the transaction;

1321 (D) The unique transaction or identification
1322 number;

1323 (E) The name of the licensee, NMLS Unique ID,
1324 the licensee's business address, and the licensee's customer
1325 service telephone number;

1326 (F) The amount of the transaction in United
1327 States dollars;

1328 (G) Any fee charged by the licensee to the
1329 sender for the transaction; and

1330 (H) Any taxes collected by the licensee from
1331 the sender for the transaction.

1332 (2) The receipt required by this Section 9.03
1333 shall be in English and in the language principally used by the
1334 licensee or authorized delegate to advertise, solicit, or
1335 negotiate, either orally or in writing, for a transaction



1336 conducted in person, electronically or by phone, if other than
1337 English.

1338 **SECTION 10.** The following shall be codified as Section
1339 75-15-119, Mississippi Code of 1972:

1340 75-15-119. Section 10.01. Net Worth. (a) A licensee under
1341 this act shall maintain at all times a tangible net worth of the
1342 greater of One Hundred Thousand Dollars (\$100,000.00) or three
1343 percent (3%) of total assets for the first One Hundred Million
1344 Dollars (\$100,000,000.00), two percent (2%) of additional assets
1345 for One Hundred Million Dollars (\$100,000,000.00) to One Billion
1346 Dollars (\$1,000,000,000.00), and one-half percent (0.5%) of
1347 additional assets for over One Billion Dollars
1348 (\$1,000,000,000.00).

1349 (b) Tangible net worth must be demonstrated at initial
1350 application by the applicant's most recent audited statements
1351 pursuant to Section 5.03(b) (6) of Section 75-15-109.

1352 (c) Notwithstanding the foregoing provisions of this
1353 Section 10.01, the commissioner shall have the authority, for good
1354 cause shown, to exempt, in-part or in whole, from the requirements
1355 of this Section 10.01 any applicant or licensee.

1356 Section 10.02. Surety Bond. (a) An applicant for a money
1357 transmission license must provide, and a licensee at all times
1358 must maintain, security consisting of a surety bond issued by a
1359 bonding company or insurance company authorized to do business in
1360 the State of Mississippi and in a form satisfactory to the



1361 commissioner or, with the commissioner's approval, a deposit
1362 instead of a bond in accordance with this Section 10.02.

1363 (b) The amount of the required security shall be:

1364 (1) The greater of One Hundred Thousand Dollars
1365 (\$100,000.00) or an amount equal to one hundred percent (100%) of
1366 the licensee's average daily money transmission liability in this
1367 state calculated for the most recently completed three-month
1368 period, up to a maximum of Five Hundred Thousand Dollars
1369 (\$500,000.00). A licensee that maintains a bond in the maximum
1370 amount provided for in Section 10.02(b) (1) or (2), as applicable
1371 shall not be required to calculate its average daily money
1372 transmission liability in this state for purposes of this Section
1373 10.02.

1374 (c) A licensee may exceed the maximum required bond
1375 amount pursuant to Section 10.04(a) (5).

1376 (d) The bond shall be in a form satisfactory to the
1377 commissioner and shall run to the state for the use and benefit of
1378 the Department of Banking and Consumer Finance and any claimants
1379 against the licensee or his agents to secure the faithful
1380 performance of the obligations of the licensee and his agents with
1381 respect to the receipt, handling, transmission and payment of
1382 money in connection with money transmissions in Mississippi.

1383 (e) Any claimants against the licensee or his agents
1384 may themselves bring suit directly on the bond, or the Attorney



1385 General may bring suit thereon in behalf of those claimants,
1386 either in one (1) action or successive actions.

1387 (f) The commissioner may increase the required amount
1388 of the bond or deposit upon the basis of the impaired financial
1389 condition of a licensee as evidenced by a reduction in net worth,
1390 financial losses or other relevant criteria.

1391 (g) Any provision in this act to the contrary
1392 notwithstanding, the commissioner may at any time, if in the
1393 commissioner's sole opinion the protection of the public so
1394 requires, increase the principal sum of the bond or deposit
1395 required of any applicant or licensee by this act but in no case
1396 shall the principal sum of the bond or deposit required exceed One
1397 Million Dollars (\$1,000,000).

1398 Section 10.03. Maintenance of Permissible Investments. (a)
1399 A licensee shall maintain at all times permissible investments
1400 that have a market value computed in accordance with United States
1401 generally accepted accounting principles of not less than the
1402 aggregate amount of all of its outstanding money transmission
1403 obligations.

1404 (b) Except for permissible investments enumerated in
1405 Section 10.04(a), the commissioner, with respect to any licensee,
1406 may by rule, regulation or order limit the extent to which a
1407 specific investment maintained by a licensee within a class of
1408 permissible investments may be considered a permissible



1409 investment, if the specific investment represents undue risk to
1410 customers, not reflected in the market value of investments.

1411 (c) Permissible investments, even if commingled with
1412 other assets of the licensee, are held in trust for the benefit of
1413 the purchasers and holders of the licensee's outstanding money
1414 transmission obligations in the event of insolvency, the filing of
1415 a petition by or against the licensee under the United States
1416 Bankruptcy Code, 11 USC Section 101-110, as amended or recodified
1417 from time to time, for bankruptcy or reorganization, the filing of
1418 a petition by or against the licensee for receivership, the
1419 commencement of any other judicial or administrative proceeding
1420 for its dissolution or reorganization, or in the event of an
1421 action by a creditor against the licensee who is not a beneficiary
1422 of this statutory trust. No permissible investments impressed
1423 with a trust pursuant to this Section 10.03(c) shall be subject to
1424 attachment, levy of execution, or sequestration by order of any
1425 court, except for a beneficiary of this statutory trust.

1426 (d) Upon the establishment of a statutory trust in
1427 accordance with Section 10.03(c) or when any funds are drawn on a
1428 letter of credit pursuant to Section 10.04(a)(4), the commissioner
1429 shall notify the applicable regulator of each state in which the
1430 licensee is licensed to engage in money transmission, if any, of
1431 the establishment of the trust or the funds drawn on the letter of
1432 credit, as applicable. Notice shall be deemed satisfied if
1433 performed pursuant to a multistate agreement or through NMLS.



1434 Funds drawn on a letter of credit, and any other permissible
1435 investments held in trust for the benefit of the purchasers and
1436 holders of the licensee's outstanding money transmission
1437 obligations, are deemed held in trust for the benefit of such
1438 purchasers and holders on a pro rata and equitable basis in
1439 accordance with statutes pursuant to which permissible investments
1440 are required to be held in this state, and other states, as
1441 applicable. Any statutory trust established hereunder shall be
1442 terminated upon extinguishment of all of the licensee's
1443 outstanding money transmission obligations.

1444 (e) The commissioner, by rule, regulation or by order
1445 may allow other types of investments that the commissioner
1446 determines are of sufficient liquidity and quality to be a
1447 permissible investment. The commissioner is authorized to
1448 participate in efforts with other state regulators to determine
1449 that other types of investments are of sufficient liquidity and
1450 quality to be a permissible investment.

1451 Section 10.04. Types of Permissible Investments. (a) The
1452 following investments are permissible under Section 10.03:

1453 (1) Cash (including demand deposits, savings
1454 deposits, and funds in such accounts held for the benefit of the
1455 licensee's customers in a federally insured depository financial
1456 institution) and cash equivalents including ACH items in transit
1457 to the licensee and ACH items or international wires in transit to
1458 a payee, cash in transit via armored car, cash in smart safes,



1459 cash in licensee-owned locations, debit card or credit card-funded
1460 transmission receivables owed by any bank, or money market mutual
1461 funds rated "AAA" by S&P, or the equivalent from any eligible
1462 rating service;

1463 (2) Certificates of deposit or senior debt
1464 obligations of an insured depository institution, as defined in
1465 Section 3 of the Federal Deposit Insurance Act, 12 USC Section
1466 1813, as amended or recodified from time to time, or as defined
1467 under the federal Credit Union Act, 12 USC Section 1781, as
1468 amended or recodified from time to time;

1469 (3) An obligation of the United States or a
1470 commission, agency, or instrumentality thereof; an obligation that
1471 is guaranteed fully as to principal and interest by the United
1472 States; or an obligation of a state or a governmental subdivision,
1473 agency, or instrumentality thereof;

1474 (4) The full drawable amount of an irrevocable
1475 standby letter of credit for which the stated beneficiary is the
1476 commissioner that stipulates that the beneficiary need only draw a
1477 sight draft under the letter of credit and present it to obtain
1478 funds up to the letter of credit amount within seven (7) days of
1479 presentation of the items required by Section 10.04(a)(4)(C).

1480 (A) The letter of credit must:

1481 (i) Be issued by a federally insured
1482 depository financial institution, a foreign bank that is
1483 authorized under federal law to maintain a federal agency or



1484 federal branch office in a state or states, or a foreign bank that
1485 is authorized under state law to maintain a branch in a state that
1486 (1) bears an eligible rating or whose parent company bears an
1487 eligible rating; and (2) is regulated, supervised, and examined by
1488 United States federal or state authorities having regulatory
1489 authority over banks, credit unions, and trust companies;

1490 (ii) Be irrevocable, unconditional and
1491 indicate that it is not subject to any condition or qualifications
1492 outside of the letter of credit;

1493 (iii) Not contain reference to any other
1494 agreements, documents or entities, or otherwise provide for any
1495 security interest in the licensee; and

1496 (iv) Contain an issue date and
1497 expiration date, and expressly provide for automatic extension,
1498 without a written amendment, for an additional period of one (1)
1499 year from the present or each future expiration date, unless the
1500 issuer of the letter of credit notifies the commissioner in
1501 writing by certified or registered mail or courier mail or other
1502 receipted means, at least sixty (60) days prior to any expiration
1503 date, that the irrevocable letter of credit will not be extended.

1504 (B) In the event of any notice of expiration
1505 or nonextension of a letter of credit issued under Section
1506 10.04(a)(4)(A)(iv), the licensee shall be required to demonstrate
1507 to the satisfaction of the commissioner, fifteen (15) days prior
1508 to expiration, that the licensee maintains and will maintain



1509 permissible investments in accordance with Section 10.03(a) upon
1510 the expiration of the letter of credit. If the licensee is not
1511 able to do so, the commissioner may draw on the letter of credit
1512 in an amount up to the amount necessary to meet the licensee's
1513 requirements to maintain permissible investments in accordance
1514 with Section 10.03(a). Any such draw shall be offset against the
1515 licensee's outstanding money transmission obligations. The drawn
1516 funds shall be held in trust by the commissioner or the
1517 commissioner's designated agent, to the extent authorized by law,
1518 as agent for the benefit of the purchasers and holders of the
1519 licensee's outstanding money transmission obligations.

1520 (C) The letter of credit shall provide that
1521 the issuer of the letter of credit will honor, at sight, a
1522 presentation made by the beneficiary to the issuer of the
1523 following documents on or prior to the expiration date of the
1524 letter of credit:

1525 (i) The original letter of credit
1526 (including any amendments); and

1527 (ii) A written statement from the
1528 beneficiary stating that any of the following events have
1529 occurred:

1530 1. The filing of a petition by or
1531 against the licensee under the United States Bankruptcy Code, 11
1532 USC Section 101-110, as amended or recodified from time to time,
1533 for bankruptcy or reorganization;



1534 2. The filing of a petition by or
1535 against the licensee for receivership, or the commencement of any
1536 other judicial or administrative proceeding for its dissolution or
1537 reorganization;

1538 3. The seizure of assets of a
1539 licensee by a commissioner pursuant to an emergency order issued
1540 in accordance with applicable law, on the basis of an action,
1541 violation, or condition that has caused or is likely to cause the
1542 insolvency of the licensee; or

1543 4. The beneficiary has received
1544 notice of expiration or non-extension of a letter of credit and
1545 the licensee failed to demonstrate to the satisfaction of the
1546 beneficiary that the licensee will maintain permissible
1547 investments in accordance with Section 10.03(a) upon the
1548 expiration or non-extension of the letter of credit.

1549 (D) The commissioner may designate an
1550 agent to serve on the commissioner's behalf as beneficiary to a
1551 letter of credit so long as the agent and letter of credit meet
1552 requirements established by the commissioner. The commissioner's
1553 agent may serve as agent for multiple licensing authorities for a
1554 single irrevocable letter of credit if the proceeds of the
1555 drawable amount for the purposes of this Section 10.04(a)(4) are
1556 assigned to the commissioner.

1557 (E) The commissioner is authorized and
1558 encouraged to participate in multistate processes designed to



1559 facilitate the issuance and administration of letters of credit,
1560 including, but not limited to, services provided by the NMLS and
1561 State Regulatory Registry, LLC.

1562 (5) One hundred percent (100%) of the surety bond
1563 or deposit provided for under Section 10.02 that exceeds the
1564 average daily money transmission liability in this state.

1565 (6) Any other investment approved by the
1566 commissioner.

1567 (b) Unless permitted by the commissioner by rule,
1568 regulation or by order to exceed the limit as set forth herein,
1569 the following investments are permissible under Section 10.03 to
1570 the extent specified:

1571 (1) Receivables that are payable to a licensee
1572 from its authorized delegates in the ordinary course of business
1573 that are less than seven (7) days old, up to fifty percent (50%)
1574 of the aggregate value of the licensee's total permissible
1575 investments;

1576 (2) Of the receivables permissible under Section
1577 10.04(b)(1), receivables that are payable to a licensee from a
1578 single authorized delegate in the ordinary course of business may
1579 not exceed ten percent (10%) of the aggregate value of the
1580 licensee's total permissible investments.

1581 (3) The following investments are permissible up
1582 to twenty percent (20%) per category and combined up to fifty



1583 percent (50%) of the aggregate value of the licensee's total
1584 permissible investments:

1585 (A) A short-term (up to six (6) months)
1586 investment bearing an eligible rating;

1587 (B) Commercial paper bearing an eligible
1588 rating;

1589 (C) A bill, note, bond, or debenture bearing
1590 an eligible rating;

1591 (D) U.S. tri-party repurchase agreements
1592 collateralized at one hundred percent (100%) or more with U.S.
1593 government or agency securities, municipal bonds, or other
1594 securities bearing an eligible rating;

1595 (E) Money market mutual funds rated less than
1596 "AAA" and equal to or higher than "A-" by S&P, or the equivalent
1597 from any other eligible rating service; and

1598 (F) A mutual fund or other investment fund
1599 composed solely and exclusively of one or more permissible
1600 investments listed in Section 10.04(a)(1)-(3).

1601 (4) Cash (including demand deposits, savings
1602 deposits, and funds in such accounts held for the benefit of the
1603 licensee's customers) at foreign depository institutions are
1604 permissible up to ten percent (10%) of the aggregate value of the
1605 licensee's total permissible investments if the licensee has
1606 received a satisfactory rating in its most recent examination and
1607 the foreign depository institution:



1608 (A) Has an eligible rating;
1609 (B) Is registered under the Foreign Account
1610 Tax Compliance Act;
1611 (C) Is not located in any country subject to
1612 sanctions from the Office of Foreign Asset Control; and
1613 (D) Is not located in a high-risk or
1614 non-cooperative jurisdiction as designated by the Financial Action
1615 Task Force.

1616 **SECTION 11.** The following shall be codified as Section
1617 75-15-121, Mississippi Code of 1972:

1618 75-15-121. Section 11.01. Suspension and Revocation. (a)
1619 The commissioner may suspend or revoke a license or order a
1620 licensee to revoke the designation of an authorized delegate if:

1621 (1) The licensee or any authorized delegate,
1622 agent, or representative violates this act or a rule or regulation
1623 adopted or an order issued under this act;

1624 (2) The licensee or any authorized delegate,
1625 agent, or representative does not cooperate with an examination or
1626 investigation by the commissioner;

1627 (3) The licensee or any authorized delegate,
1628 agent, or representative engages in fraud, intentional
1629 misrepresentation, or gross negligence;

1630 (4) An authorized delegate is convicted of a
1631 violation of a state or federal anti-money laundering statute, or
1632 violates a rule or regulation adopted or an order issued under



1633 this act, as a result of the licensee's willful misconduct or
1634 willful blindness;

1635 (5) The competence, experience, character, or
1636 general fitness of the licensee, authorized delegate, person in
1637 control of a licensee, key individual, or responsible person of
1638 the authorized delegate indicates that it is not in the public
1639 interest to permit the person to provide money transmission;

1640 (6) The licensee or any authorized delegate,
1641 agent, or representative engages in an unsafe or unsound practice;

1642 (7) The licensee is insolvent, suspends payment of
1643 its obligations, or makes a general assignment for the benefit of
1644 its creditors; or

1645 (8) The licensee does not remove an authorized
1646 delegate after the commissioner issues and serves upon the
1647 licensee a final order including a finding that the authorized
1648 delegate has violated this act.

1649 (b) In determining whether a licensee is engaging in an
1650 unsafe or unsound practice, the commissioner may consider the size
1651 and condition of the licensee's money transmission, the magnitude
1652 of the loss, the gravity of the violation of this act, and the
1653 previous conduct of the person involved.

1654 Section 11.02. Notice and Hearing. (a) Except where a
1655 license is automatically revoked without any act of the
1656 commissioner as specially provided in this Section, no license
1657 shall be revoked except on ten (10) days' notice (the first day of



1658 the ten-day period to be the date stated on the notice, which
1659 shall be the day it is mailed) to the licensee by the
1660 commissioner, sent by letter by United States registered mail,
1661 return receipt requested, to the licensee's business address set
1662 forth in the application.

1663 (b) Upon receipt of the notice, as stated in the
1664 registered mail receipt, the licensee may, within five (5) days
1665 thereafter (which five-day period may be wholly or partially
1666 outside of the ten-day period) make written demand for a hearing
1667 by the commissioner, which demand must be accompanied by an
1668 additional surety bond or securities deposit, as hereafter
1669 provided, the principal sum or the market value thereof to be
1670 specified by the commissioner in the revocation notice.

1671 (c) The revocation notice shall not become final during
1672 the period of time in which the licensee may demand such hearing
1673 nor if licensee demands a hearing, until the matter has been
1674 finally determined by the commissioner or by the courts, provided
1675 that the licensee posts together with his written demand for
1676 hearing an additional corporate surety bond, written by the same
1677 surety that wrote the bond required under Section 10.02 of Section
1678 75-15-119 or an additional deposit in addition to the deposit
1679 theretofore made by the licensee under Section 10.02 of Section
1680 75-19-119 which additional surety bond or deposit shall be in a
1681 principal amount or of a market value deemed adequate by the
1682 commissioner as specified in the revocation order but not



1683 exceeding One Million Dollars (\$1,000,000.00), provided that if
1684 the licensee originally deposited with his application under
1685 Section 10.02 of Section 75-15-119 a corporate surety bond, the
1686 additional deposit provided in this section must be another
1687 corporate surety bond or an increase of the first one and may not
1688 be a deposit, or if the licensee originally made a deposit, the
1689 additional deposit shall also be of the same manner and not a
1690 corporate surety bond. The bond or deposit shall secure the same
1691 obligations as does the corporate surety bond or deposit required
1692 by Section 10.02 of Section 75-15-119, but shall be in addition to
1693 the bond or deposit required thereby.

1694 (d) Upon receipt of the written demand, the
1695 commissioner shall thereafter, with reasonable promptness, hear
1696 and determine the matter as provided by law or regulation.

1697 (e) If the licensee deems himself aggrieved by the
1698 determination or order of the commissioner, he may within thirty
1699 (30) days after the determination or order, have the determination
1700 or order reviewed by an appeal to the Chancery Court of the First
1701 Judicial District of Hinds County, Mississippi, by filing a
1702 petition setting out the specific order or action or part thereof
1703 by which the person deems himself aggrieved. All those petitions
1704 shall be given preferred settings and shall be heard by the court
1705 as speedily as possible. Such an appeal shall be perfected upon
1706 the posting of a bond for the costs of the appeal accompanied by
1707 the petition. Any party to the appeal may appeal to the Supreme



1708 Court of Mississippi from the decree or order of the chancery
1709 court, within thirty (30) days from the rendition of the decree or
1710 order, in the manner provided by law for appeals to the Supreme
1711 Court of Mississippi from chancery courts.

1712 (f) Final revocation of the license, whether automatic
1713 or by final determination of the commissioner or the courts, shall
1714 cancel as of the date of final revocation all bonds or deposits
1715 theretofore deposited by the licensee under any provision of this
1716 section, provided that the licensee (and his corporate surety, if
1717 any) shall not be relieved of any accrued liabilities, and
1718 provided further, where the licensee made a deposit, that there
1719 shall not be returned to the licensee any of the deposit until the
1720 commissioner determines that all accrued liabilities (including,
1721 but not limited to, the principal sums thereof, accrued interest
1722 thereon, and court costs, if any, assessed to the licensee) of the
1723 licensee under this section have been satisfied in full.

1724 (g) The commissioner may at any time revoke a license,
1725 on any ground on which he might refuse to grant a license, for
1726 failure to pay an annual fee or for violation of any provision of
1727 this section, subject to the provisions of this section.

1728 (h) A license shall be automatically and finally
1729 revoked without any act or further act of the commissioner and
1730 without any right of the licensee to any hearing or further
1731 hearing by the commissioner or the courts and without any right of
1732 the licensee or the commissioner to reinstate or have reinstated



1733 the license, in the following instances: (a) at expiration of the
1734 sixty-day notice period, if the corporate surety gives notice of
1735 cancellation of its bond or any of them; (b) upon failure by
1736 licensee to pay when due the annual license fee required by
1737 Section 5.06 of Section 75-15-109; (c) upon failure by licensee to
1738 file when due any information required by this act; (d) in case of
1739 a revocation notice under the Section 11.02(a), failure by the
1740 licensee to demand hearing as provided therein or failure to
1741 deposit any additional corporate surety bond or deposit as
1742 required by the commissioner; (e) upon a license revocation order
1743 becoming final at any stage; (f) failure by licensee to deposit
1744 when due any additional corporate surety bond or deposit required
1745 by the commissioner under Section 10.02(h) of Section 75-15-119;
1746 or (g) upon final conviction of licensee as to any offense covered
1747 by this act.

1748 (i) If a revocation order becomes final for any reason
1749 or in any manner, the license may not be reinstated, except upon
1750 new application as if the licensee had never been licensed before.
1751 The commissioner may deny the new application on grounds that a
1752 previous application was denied or a previous license to applicant
1753 was revoked or any ground or grounds on which he may deny an
1754 original application.

1755 Section 11.03. Orders to Cease and Desist. (a) If the
1756 commissioner determines that a violation of this act or of a rule
1757 or regulation adopted or an order issued under this act by a



1758 licensee or authorized delegate is likely to cause immediate and
1759 irreparable harm to the licensee, its customers, or the public as
1760 a result of the violation, or cause insolvency or significant
1761 dissipation of assets of the licensee, the commissioner may issue
1762 an order requiring the licensee or authorized delegate to cease
1763 and desist from the violation. The order becomes effective upon
1764 service of it upon the licensee or authorized delegate.

1765 (b) When the commissioner has reasonable cause to
1766 believe that a person is violating any provision of this act, the
1767 commissioner, in addition to and without prejudice to the
1768 authority provided elsewhere in this act, may sue in the Chancery
1769 Court of the First Judicial District of Hinds County, Mississippi
1770 to enjoin the person from engaging in or continuing the violation
1771 or from doing any act in furtherance of the violation. In such an
1772 action, the court may enter any order or judgment awarding a
1773 preliminary or permanent injunction.

1774 (c) An order to cease and desist remains effective
1775 until rescinded or released by the commissioner or appealed as
1776 provided in this section.

1777 (d) A licensee that is served with an order to cease
1778 and desist may petition the Chancery Court of the First Judicial
1779 District of Hinds County, Mississippi, for a judicial order
1780 setting aside, limiting, or suspending the enforcement, operation,
1781 or effectiveness of the order.



1782 Section 11.04. Consent Orders. The commissioner may enter
1783 into a consent order at any time with a person to resolve a matter
1784 arising under this act or a rule or regulation adopted or order
1785 issued under this act. A consent order must be signed by the
1786 person to whom it is issued or by the person's authorized
1787 representative, and must indicate agreement with the terms
1788 contained in the order. A consent order may provide that it does
1789 not constitute an admission by a person that this act or a rule or
1790 regulation adopted or an order issued under this act has been
1791 violated.

1792 Section 11.05. Criminal Penalties. (a) A person that
1793 intentionally makes a false statement, misrepresentation, or false
1794 certification in a record filed or required to be maintained under
1795 this act or that intentionally makes a false entry or omits a
1796 material entry in such a record is guilty of a felony and, upon
1797 conviction thereof, shall be fined no less than Five Hundred
1798 Dollars (\$500.00) nor more than Three Thousand Dollars
1799 (\$3,000.00), and may also be punished by imprisonment in the
1800 custody of the State Department of Corrections for a term not less
1801 than one (1) year and not more than five (5) years.

1802 (b) A person that knowingly engages in an activity for
1803 which a license is required under this act without being licensed
1804 under this act and who receives more than Five Hundred Dollars
1805 (\$500.00) in compensation within a thirty (30) day period from
1806 this activity is guilty of a felony and, upon conviction thereof,



1807 shall be fined no less than Five Hundred Dollars (\$500.00) nor
1808 more than Three Thousand Dollars (\$3,000.00), and may also be
1809 punished by imprisonment in the custody of the State Department of
1810 Corrections for a term not less than one (1) year and not more
1811 than five (5) years.

1812 (c) A person that knowingly engages in an activity for
1813 which a license is required under this act without being licensed
1814 under this act and who receives no more than Five Hundred Dollars
1815 (\$500.00) in compensation within a thirty (30) day period from
1816 this activity is guilty of a misdemeanor and, upon conviction,
1817 shall be fined not less than One Hundred Dollars (\$100.00) nor
1818 more than Five Hundred Dollars (\$500.00), and may also be confined
1819 to the county jail for not more than twelve (12) months.

1820 Section 11.06. Civil Penalties. (a) The commissioner may
1821 assess a civil penalty against a person that violates this act or
1822 a rule or regulation adopted or an order issued under this act in
1823 an amount not to exceed One Thousand Dollars (\$1,000.00) per day
1824 for each day the violation is outstanding, plus this state's costs
1825 and expenses for the investigation and prosecution of the matter,
1826 including reasonable attorney's fees.

1827 (b) If any person engages in business as provided for
1828 in this act without paying the license fee provided for in this
1829 act before beginning business or before the expiration of the
1830 person's current license, as the case may be, then the person
1831 shall be liable for the full amount of the license fee plus a



1832 penalty in an amount not to exceed One Thousand Dollars
1833 (\$1,000.00) for each day that the person has engaged in the
1834 business without a license or after the expiration of a license.

1835 Section 11.07. Unlicensed Persons. (a) If the commissioner
1836 has reason to believe that a person has violated or is violating
1837 Section 5.01 of Section 75-15-109, the commissioner may issue an
1838 order to show cause why an order to cease and desist should not
1839 issue requiring that the person cease and desist from the
1840 violation of Section 5.01.

1841 (b) In an emergency, the commissioner may petition the
1842 Chancery Court of the First Judicial District of Hinds County,
1843 Mississippi for the issuance of a temporary restraining order ex
1844 parte pursuant to the rules of civil procedure.

1845 (c) An order to cease and desist becomes effective upon
1846 service of it upon the person.

1847 (d) An order to cease and desist remains effective and
1848 enforceable until rescinded or released by the commissioner or
1849 appealed as provided in this section.

1850 (e) A person that is served with an order to cease and
1851 desist for violating Section 5.01 of Section 75-15-109 may
1852 petition the Chancery Court of the First Judicial District of
1853 Hinds County, Mississippi for a judicial order setting aside,
1854 limiting, or suspending the enforcement, operation, or
1855 effectiveness of the order.



1856 **SECTION 12.** The following shall be codified as Section
1857 75-15-123, Mississippi Code of 1972:

1858 75-15-123. Investigation of Possible Violations. In
1859 addition to and without prejudice to the authority provided
1860 elsewhere in this act, the commissioner, or his duly authorized
1861 representative, for the purpose of discovering violations of this
1862 act and for the purpose of determining whether persons are subject
1863 to the provisions of this act, may examine persons licensed under
1864 this chapter and persons reasonably suspected by the commissioner
1865 of conducting business that requires a license under this act,
1866 including all relevant books, records and papers employed by those
1867 persons in the transaction of their business, and may summon
1868 witnesses and examine them under oath concerning matters relating
1869 to the business of those persons, or such other matters as may be
1870 relevant to the discovery of violations of this act, including
1871 without limitation the conduct of business without a license as
1872 required under this chapter.

1873 **SECTION 13.** The following shall be codified as Section
1874 75-15-125, Mississippi Code of 1972:

1875 75-15-125. Section 13.01. Uniformity of Application and
1876 Construction. In applying and construing this act, consideration
1877 must be given to the need to promote uniformity of the law with
1878 respect to its subject matter among states that enact it.

1879 Section 13.02. Severability Clause. If any provision of
1880 this act or its application to any person or circumstance is held



1881 invalid, the invalidity does not affect other provisions or
1882 applications of this act which can be given effect without the
1883 invalid provision or application, and to this end the provisions
1884 of this act are severable.

1885 Section 13.03. Transition Period. (a) A person licensed in
1886 this state to engage in the business of money transmission shall
1887 not be subject to the provisions of this act, to the extent that
1888 they conflict with current law or establish new requirements not
1889 imposed under current law, until such time as the licensee renews
1890 its current license or for twelve (12) months after the effective
1891 date of this act, whichever is later.

1892 (b) Notwithstanding Section 13.03(a), a licensee shall
1893 only be required to amend its authorized delegate contracts for
1894 contracts entered into or amended after the effective date or the
1895 completion of any transition period contemplated under Section
1896 13.03(a). Nothing herein shall be construed as limiting an
1897 authorized delegate's obligations to operate in full compliance
1898 with this act as required by Section 8.01(c).

1899 **SECTION 14.** Sections 75-15-1, 75-15-3, 75-15-5, 75-15-7,
1900 75-15-9, 75-15-11, 75-15-12, 75-15-13, 75-15-15, 75-15-17,
1901 75-15-19, 75-15-21, 75-15-23, 75-15-25, 75-15-27, 75-15-29,
1902 75-15-31, 75-15-32, 75-15-33 and 75-15-35, Mississippi Code of
1903 1972, which are the Mississippi Money Transmitters Act, are
1904 repealed.



1905 **SECTION 15.** This act shall take effect and be in force from
1906 and after July 1, 2025.

