

## Senate Amendments to House Bill No. 1428

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

21        **SECTION 1.**   **Short title.**   This act may be cited as the "Money  
22   Transmission Modernization Act."

23        **SECTION 2.**   **Purpose.**    This act is designed to replace  
24   existing state money transmission laws currently codified at  
25   Section 75-15-1 et seq.  It is the intent of the Legislature that  
26   the provisions of this act accomplish the following:

27               (a)   Ensure states can coordinate in all areas of  
28   regulation, licensing and supervision to eliminate unnecessary  
29   regulatory burden and more effectively utilize regulator  
30   resources;

31               (b)   Protect the public from financial crime;

32               (c)   Standardize the types of activities that are  
33   subject to licensing or otherwise exempt from licensing; and

34               (d)   Modernize safety and soundness requirements to  
35   ensure customer funds are protected in an environment that  
36   supports innovative and competitive business practices.

37           **SECTION 3. Definitions.** For purposes of this act, the  
38 following definitions shall apply:

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

42           (b) "Authorized delegate" means a person a licensee  
43 designates to engage in money transmission on behalf of the  
44 licensee.

45           (c) "Average daily money transmission liability" means  
46 the amount of the licensee's outstanding money transmission  
47 obligations in this state at the end of each day in a given period  
48 of time, added together and divided by the total number of days in  
49 the given period of time. For purposes of calculating average  
50 daily money transmission liability under this act for any licensee  
51 required to do so, the given period of time shall be the quarters  
52 ending March 31, June 30, September 30 and December 31.

53           (d) "Bank Secrecy Act" means the Bank Secrecy Act, 31  
54 USC § 5311 et seq. and its implementing regulations, as amended  
55 and recodified from time to time.

56           (e) "Closed loop stored value" means stored value that  
57 is redeemable by the issuer only for goods or services provided by  
58 the issuer or its affiliate or franchisees of the issuer or its  
59 affiliate, except to the extent required by applicable law to be  
60 redeemable in cash for its cash value.

61           (f) "Control" means:

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

66 2. The power to elect or appoint a majority  
67 of key individuals or executive officers, managers, directors,  
68 trustees or other persons exercising managerial authority of a  
69 person in control of a licensee; or

70 3. The power to exercise, directly or  
71 indirectly, a controlling influence over the management or  
72 policies of a licensee or person in control of a licensee;

73 (ii) Rebuttable Presumption of Control;

74 1. A person is presumed to exercise a  
75 controlling influence when the person holds the power to vote,  
76 directly or indirectly, at least ten percent (10%) of the  
77 outstanding voting shares or voting interests of a licensee or  
78 person in control of a licensee;

79 2. A person presumed to exercise a  
80 controlling influence as defined by this paragraph (f) can rebut  
81 the presumption of control if the person is a passive investor;

82 (iii) For purposes of determining the percentage  
83 of a person controlled by any other person, the person's interest  
84 shall be aggregated with the interest of any other immediate  
85 family member, including the person's spouse, parents, children,  
86 siblings, mothers- and fathers-in-law, sons- and daughters-in-law,

87 brothers- and sisters-in-law, and any other person who shares such  
88 person's home.

89 (g) "Eligible rating" means a credit rating of any of  
90 the three (3) highest rating categories provided by an eligible  
91 rating service, whereby each category may include rating category  
92 modifiers such as "plus" or "minus" for S&P, or the equivalent for  
93 any other eligible rating service. Long-term credit ratings are  
94 deemed eligible if the rating is equal to A- or higher by S&P, or  
95 the equivalent from any other eligible rating service. Short-term  
96 credit ratings are deemed eligible if the rating is equal to or  
97 higher than A-2 or SP-2 by S&P, or the equivalent from any other  
98 eligible rating service. In the event that ratings differ among  
99 eligible rating services, the highest rating shall apply when  
100 determining whether a security bears an eligible rating.

101 (h) "Eligible rating service" means any Nationally  
102 Recognized Statistical Rating Organization (NRSRO) as defined by  
103 the U.S. Securities and Exchange Commission, and any other  
104 organization designated by the commissioner by rule, regulation or  
105 order.

106 (i) "Federally insured depository financial  
107 institution" means a bank, credit union, savings and loan  
108 association, trust company, savings association, savings bank,  
109 industrial bank or industrial loan company organized under the  
110 laws of the United States or any state of the United States, when  
111 such bank, credit union, savings and loan association, trust

112 company, savings association, savings bank, industrial bank or  
113 industrial loan company has federally insured deposits.

114 (j) "In this state" means at a physical location within  
115 this state for a transaction requested in person. For a  
116 transaction requested electronically or by phone, the provider of  
117 money transmission may determine if the person requesting the  
118 transaction is "in this state" by relying on other information  
119 provided by the person regarding the location of the individual's  
120 residential address or a business entity's principal place of  
121 business or other physical address location, and any records  
122 associated with the person that the provider of money transmission  
123 may have that indicate such location, including, but not limited  
124 to, an address associated with an account.

125 (k) "Individual" means a natural person.

126 (l) "Key individual" means any individual ultimately  
127 responsible for establishing or directing policies and procedures  
128 of the licensee, such as an executive officer, manager, director  
129 or trustee.

130 (m) "Licensee" means a person licensed under this act.

131 (n) "Material litigation" means litigation, that  
132 according to United States generally accepted accounting  
133 principles, is significant to a person's financial health and  
134 would be required to be disclosed in the person's annual audited  
135 financial statements, report to shareholders, or similar records.

136 (o) "Money" means a medium of exchange that is  
137 authorized or adopted by the United States or a foreign

138 government. The term includes a monetary unit of account  
139 established by an intergovernmental organization or by agreement  
140 between two (2) or more governments.

141 (p) "Monetary value" means a medium of exchange,  
142 whether or not redeemable in money.

143 (q) "Money transmission" means any of the following:

144 (i) Selling or issuing payment instruments to a  
145 person located in this state;

146 (ii) Selling or issuing stored value to a person  
147 located in this state; and

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

150 (r) "MSB accredited state" means a state agency that is  
151 accredited by the Conference of State Bank Supervisors and Money  
152 Transmitter Regulators Association for money transmission  
153 licensing and supervision.

154 (s) "Multistate licensing process" means any agreement  
155 entered into by and among state regulators relating to coordinated  
156 processing of applications for money transmission licenses,  
157 applications for the acquisition of control of a licensee, control  
158 determinations, or notice and information requirements for a  
159 change of key individuals.

160 (t) "NMLS" means the Nationwide Multistate Licensing  
161 System and Registry developed by the Conference of State Bank  
162 Supervisors and the American Association of Residential Mortgage  
163 Regulators and owned and operated by the State Regulatory

164 Registry, LLC, or any successor or affiliated entity, for the  
165 licensing and registration of persons in financial services  
166 industries.

167 (u) "Outstanding money transmission obligations" shall  
168 be established and extinguished in accordance with applicable  
169 state law and shall mean:

170 (i) Any payment instrument or stored value issued  
171 or sold by the licensee to a person located in the United States  
172 or reported as sold by an authorized delegate of the licensee to a  
173 person who is located in the United States that has not yet been  
174 paid or refunded by or for the licensee, or escheated in  
175 accordance with applicable abandoned property laws;

176 (ii) Any money received for transmission by the  
177 licensee or an authorized delegate in the United States from a  
178 person located in the United States that has not been received by  
179 the payee or refunded to the sender, or escheated in accordance  
180 with applicable abandoned property laws; or

181 (iii) For purposes of this paragraph (u), "in the  
182 United States" shall include, to the extent applicable, a person  
183 in any state, territory, or possession of the United States; the  
184 District of Columbia; the Commonwealth of Puerto Rico; or a U.S.  
185 military installation that is located in a foreign country.

186 (v) "Passive investor" means a person that:

187 (i) Does not have the power to elect a majority of  
188 key individuals or executive officers, managers, directors,

189 trustees or other persons exercising managerial authority of a  
190 person in control of a licensee;

191 (ii) Is not employed by and does not have any  
192 managerial duties of the licensee or person in control of a  
193 licensee;

194 (iii) Does not have the power to exercise,  
195 directly or indirectly, a controlling influence over the  
196 management or policies of a licensee or person in control of a  
197 licensee; and

198 (iv) Either:

199 1. Attests to subparagraphs (i), (ii) and  
200 (iii) in this paragraph, in a form and in a medium prescribed by  
201 the commissioner; or

202 2. Commits to the passivity characteristics  
203 of subparagraphs (i), (ii) and (iii) of this paragraph, in a  
204 written document.

205 (w) "Payment instrument" means a written or electronic  
206 check, draft, money order, traveler's check or other written or  
207 electronic instrument for the transmission or payment of money or  
208 monetary value, whether or not negotiable. The term does not  
209 include stored value or any instrument that (i) is redeemable by  
210 the issuer only for goods or services provided by the issuer or  
211 its affiliate or franchisees of the issuer or its affiliate,  
212 except to the extent required by applicable law to be redeemable  
213 in cash for its cash value; or (ii) is not sold to the public but



214 issued and distributed as part of a loyalty, rewards, or  
215 promotional program.

216 (x) "Person" means any individual, general partnership,  
217 limited partnership, limited liability company, corporation,  
218 trust, association, joint-stock corporation or other corporate  
219 entity identified by the commissioner.

220 (y) "Receiving money for transmission" or "money  
221 received for transmission" means receiving money or monetary value  
222 in the United States for transmission within or outside the United  
223 States by electronic or other means.

224 (z) "Stored value" means monetary value representing a  
225 claim against the issuer evidenced by an electronic or digital  
226 record, and that is intended and accepted for use as a means of  
227 redemption for money or monetary value, or payment for goods or  
228 services. The term includes, but is not limited to, "prepaid  
229 access" as defined by 31 CFR § 1010.100, as amended or recodified  
230 from time to time. Notwithstanding the foregoing, the term  
231 "stored value" does not include a payment instrument or closed  
232 loop stored value, or stored value not sold to the public but  
233 issued and distributed as part of a loyalty, rewards or  
234 promotional program.

235 (aa) "Tangible net worth" means the aggregate assets of  
236 a licensee excluding all intangible assets, less liabilities, as  
237 determined in accordance with United States generally accepted  
238 accounting principles.

239 **SECTION 4. Exemptions.** This act does not apply to:

240           (a) An operator of a payment system to the extent that  
241 it provides processing, clearing or settlement services, between  
242 or among persons exempted by this section or licensees, in  
243 connection with wire transfers, credit card transactions, debit  
244 card transactions, stored value transactions, automated clearing  
245 house transfers or similar funds transfers;

246           (b) A person appointed as an agent of a payee to  
247 collect and process a payment from a payor to the payee for goods  
248 or services, other than money transmission itself, provided to the  
249 payor by the payee, provided that:

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

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

256                   (iii) Payment for the goods and services is  
257 treated as received by the payee upon receipt by the agent so that  
258 the payor's obligation is extinguished and there is no risk of  
259 loss to the payor if the agent fails to remit the funds to the  
260 payee;

261           (c) A person who acts as an intermediary by processing  
262 payments between an entity that has directly incurred an  
263 outstanding money transmission obligation to a sender, and the  
264 sender's designated recipient, provided that the entity:

265 (i) Is properly licensed or exempt from licensing  
266 requirements under this act;

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

270 (iii) Bears sole responsibility to satisfy the  
271 outstanding money transmission obligation to the sender, including  
272 the obligation to make the sender whole in connection with any  
273 failure to transmit the funds to the sender's designated  
274 recipient;

275 (d) The United States or a department, agency, or  
276 instrumentality thereof, or its agent;

277 (e) Money transmission by the United States Postal  
278 Service or by an agent of the United States Postal Service;

279 (f) A state, county, city, or any other governmental  
280 agency or governmental subdivision or instrumentality of a state,  
281 or its agent;

282 (g) A federally insured depository financial  
283 institution, bank holding company, office of an international  
284 banking corporation, foreign bank that establishes a federal  
285 branch pursuant to the International Bank Act, 12 USC § 3102, as  
286 amended or recodified from time to time, corporation organized  
287 pursuant to the Bank Service Corporation Act, 12 USC §§ 1861-1867,  
288 as amended or recodified from time to time, or corporation  
289 organized under the Edge Act, 12 USC §§ 611-633, as amended or

290 recodified from time to time, under the laws of a state or the  
291 United States;

292 (h) Electronic funds transfer of governmental benefits  
293 for a federal, state, county or governmental agency by a  
294 contractor on behalf of the United States or a department, agency  
295 or instrumentality thereof, or on behalf of a state or  
296 governmental subdivision, agency or instrumentality thereof;

297 (i) A board of trade designated as a contract market  
298 under the federal Commodity Exchange Act, 7 USC §§ 1-25, as  
299 amended or recodified from time to time, or a person that, in the  
300 ordinary course of business, provides clearance and settlement  
301 services for a board of trade to the extent of its operation as or  
302 for such a board;

303 (j) A registered futures commission merchant under the  
304 federal commodities laws to the extent of its operation as such a  
305 merchant;

306 (k) A person registered as a securities broker-dealer  
307 under federal or state securities laws to the extent of its  
308 operation as such a broker-dealer;

309 (l) An individual employed by a licensee, authorized  
310 delegate or any person exempted from the licensing requirements of  
311 the act when acting within the scope of employment and under the  
312 supervision of the licensee, authorized delegate or exempted  
313 person as an employee and not as an independent contractor;

314 (m) A person expressly appointed as a third-party  
315 service provider to or agent of an entity exempted under paragraph  
316 (g) of this section, solely to the extent that:

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

321 (ii) The exempt entity assumes all risk of loss  
322 and all legal responsibility for satisfying the outstanding money  
323 transmission obligations owed to purchasers and holders of the  
324 outstanding money transmission obligations upon receipt of the  
325 purchaser's or holder's money or monetary value by the service  
326 provider or agent;

327 (n) A person exempt by regulation or order if the  
328 commissioner finds such exemption to be in the public interest and  
329 that the regulation of such person is not necessary for the  
330 purposes of this act; or

331 (o) A payroll processing service provider, which means  
332 a person receiving money for transmission pursuant to a contract  
333 with a person to deliver wages or salaries, make payment of  
334 payroll taxes to state and federal agencies, make payments  
335 relating to employee benefit plans, or make distributions of other  
336 authorized deductions from wages or salaries.

337 **SECTION 5. Authority to require demonstration of exemption.**

338 The commissioner may require that any person claiming to be exempt  
339 from licensing pursuant to Section 4 of this act provide

340 information and documentation to the commissioner demonstrating  
341 that it qualifies for any claimed exemption.

342 **SECTION 6. Implementation.** (1) In order to carry out the  
343 purposes of this act, the commissioner may, subject to the  
344 provisions of Section 7(1) and (2) of this act:

345 (a) Enter into agreements or relationships with other  
346 government officials or federal and state regulatory agencies and  
347 regulatory associations in order to improve efficiencies and  
348 reduce regulatory burden by standardizing methods or procedures,  
349 and sharing resources, records or related information obtained  
350 under this act;

351 (b) Use, hire, contract or employ analytical systems,  
352 methods or software to examine or investigate any person subject  
353 to this act;

354 (c) Accept, from other state or federal government  
355 agencies or officials, licensing, examination or investigation  
356 reports made by such other state or federal government agencies or  
357 officials; and

358 (d) Accept audit reports made by an independent  
359 certified public accountant or other qualified third-party auditor  
360 for an applicant or licensee and incorporate the audit report in  
361 any report of examination or investigation.

362 (2) The commissioner shall have the broad administrative  
363 authority to administer, interpret and enforce this act, and to  
364 promulgate rules or regulations implementing this act and to  
365 recover the cost of administering and enforcing this act by

366 imposing and collecting proportionate and equitable fees and costs  
367 associated with applications, examinations, investigations, and  
368 other actions required to achieve the purpose of this act.

369 **SECTION 7. Confidentiality.** (1) Except as otherwise  
370 provided in subsection (2) of this section, all information or  
371 reports obtained by the commissioner from an applicant, licensee  
372 or authorized delegate, and all information contained in or  
373 related to an examination, investigation, operating report or  
374 condition report prepared by, on behalf of, or for the use of the  
375 commissioner, or financial statements, balance sheets or  
376 authorized delegate information, are confidential and are not  
377 subject to disclosure under this state's public records law.

378 (2) The commissioner may disclose information not otherwise  
379 subject to disclosure under subsection (1) of this section to  
380 representatives of state or federal agencies who promise in a  
381 record that they will maintain the confidentiality of the  
382 information or where the commissioner finds that the release is  
383 necessary for the protection and interest of the public in  
384 accordance with state public records law.

385 (3) This section does not prohibit the commissioner from  
386 disclosing to the public a list of all licensees or the aggregated  
387 financial or transactional data concerning those licensees.

388 (4) Information contained in the records of department that  
389 is not confidential and may be made available to the public either  
390 on the department's website, upon receipt by the department of a  
391 written request, or in NMLS shall include:

392 (a) The name, business address, telephone number and  
393 unique identifier of a licensee;

394 (b) The business address of a licensee's registered  
395 agent for service;

396 (c) The name, business address and telephone number of  
397 all authorized delegates;

398 (d) The terms of or a copy of any bond filed by a  
399 licensee, provided that confidential information, including, but  
400 not limited to, prices and fees for such bond is redacted;

401 (e) Copies of any nonconfidential final orders of the  
402 department relating to any violation of this act or regulations  
403 implementing this act.

404 (5) Imposition of an administrative fine or penalty under  
405 this act.

406 **SECTION 8. Supervision.** (1) The commissioner may conduct  
407 an annual examination or investigation of a licensee or authorized  
408 delegate or otherwise take independent action authorized by this  
409 act or by a rule or regulation adopted or order issued under this  
410 act at any time or times the commissioner deems proper to  
411 administer and enforce this act, regulations implementing this  
412 act, and other applicable law, including the Bank Secrecy Act and  
413 the USA PATRIOT ACT. The commissioner may:

414 (a) Conduct an examination either on-site or off-site  
415 as the commissioner may require;



416 (b) Conduct an examination in conjunction with an  
417 examination conducted by representatives of other state agencies  
418 or agencies of another state or of the federal government;

419 (c) Accept the examination report of another state  
420 agency or an agency of another state or of the federal government,  
421 or a report prepared by an independent accounting firm, which on  
422 being accepted is considered for all purposes as an official  
423 report of the commissioner; and

424 (d) Summon and examine under oath a key individual or  
425 employee of a licensee or authorized delegate and require the  
426 person to produce records regarding any matter related to the  
427 condition and business of the licensee or authorized delegate.

428 (2) A licensee or authorized delegate shall provide, and the  
429 commissioner shall have full and complete access to, all records  
430 the commissioner may require to conduct a complete examination.  
431 The records must be provided at the location and in the format  
432 specified by the commissioner, provided, the commissioner may  
433 utilize multistate record production standards and examination  
434 procedures when such standards will reasonably achieve the  
435 requirements of this subsection. The refusal of access to such  
436 records by a licensee shall be cause for revocation of its  
437 license.

438 (3) Unless otherwise directed by the commissioner, a  
439 licensee shall pay all costs actually incurred in connection with  
440 an examination of the licensee or the licensee's authorized  
441 delegates.

442           **SECTION 9. Networked supervision.** (1) To efficiently and  
443 effectively administer and enforce this act and to minimize  
444 regulatory burden, the commissioner is authorized and encouraged  
445 to participate in multistate supervisory processes established  
446 between states and coordinated through the Conference of State  
447 Bank Supervisors, Money Transmitter Regulators Association and  
448 affiliates and successors thereof for all licensees that hold  
449 licenses in this state and other states. As a participant in  
450 multistate supervision, the commissioner will:

451           (a) Cooperate, coordinate and share information with  
452 other state and federal regulators in accordance with Section 7 of  
453 this act;

454           (b) Enter into written cooperation, coordination or  
455 information-sharing contracts or agreements with organizations the  
456 membership of which is made up of state or federal governmental  
457 agencies; and

458           (c) Cooperate, coordinate and share information with  
459 organizations the membership of which is made up of state or  
460 federal governmental agencies, provided that the organizations  
461 agree in writing to maintain the confidentiality and security of  
462 the shared information in accordance with Section 7 of this act.

463           (2) The commissioner may not waive, and nothing in this  
464 section constitutes a waiver of, the commissioner's authority to  
465 conduct an examination or investigation or otherwise take  
466 independent action authorized by this act or a rule or regulation

467 adopted, or order issued under this act to enforce compliance with  
468 applicable state or federal law.

469 (3) A joint examination or investigation, or acceptance of  
470 an examination or investigation report, does not waive an  
471 examination assessment provided for in this act.

472 **SECTION 10. Relationship to federal law.** (1) In the event  
473 state money transmission jurisdiction is conditioned on a federal  
474 law, any inconsistencies between a provision of this act and the  
475 federal law governing money transmission shall be governed by the  
476 applicable federal law to the extent of the inconsistency.

477 (2) In the event of any inconsistencies between this act and  
478 a federal law that governs pursuant to subsection (1) of this  
479 section, the commissioner may provide interpretive guidance that:

480 (a) Identifies the inconsistency; and

481 (b) Identifies the appropriate means of compliance with  
482 federal law.

483 **SECTION 11. License required.** (1) A person may not engage  
484 in the business of money transmission or advertise, solicit or  
485 hold itself out as providing money transmission unless the person  
486 is licensed under this act;

487 (2) Subsection (1) of this section does not apply to:

488 (a) A person who is an authorized delegate of a person  
489 licensed under this act acting within the scope of authority  
490 conferred by a written contract with the licensee; or

491 (b) A person who is exempt pursuant to Section 4 of  
492 this act and does not engage in money transmission outside the  
493 scope of such exemption.

494 (3) A license issued under Section 15 of this act is not  
495 transferable or assignable.

496 **SECTION 12. Consistent state licensing.** (1) To establish  
497 consistent licensing between this state and other states, the  
498 commissioner is authorized and encouraged to:

499 (a) Implement all licensing provisions of this act in a  
500 manner that is consistent with other states that have adopted this  
501 act or multistate licensing processes; and

502 (b) Participate in nationwide protocols for licensing  
503 cooperation and coordination among state regulators provided that  
504 such protocols are consistent with this act.

505 (2) In order to fulfill the purposes of this act, the  
506 commissioner is authorized and encouraged to establish  
507 relationships or contracts with NMLS or other entities designated  
508 by NMLS to enable the commissioner to:

509 (a) Collect and maintain records;

510 (b) Coordinate multistate licensing processes and  
511 supervision processes;

512 (c) Process fees; and

513 (d) Facilitate communication between state and  
514 licensees or other persons subject to this act.

515 (3) The commissioner is authorized and encouraged to utilize  
516 NMLS for all aspects of licensing in accordance with this act,

517 including, but not limited to, license applications, applications  
518 for acquisitions of control, surety bonds, reporting, criminal  
519 history background checks, credit checks, fee processing and  
520 examinations.

521 (4) The commissioner is authorized and encouraged to utilize  
522 NMLS forms, processes and functionalities in accordance with this  
523 act. In the event NMLS does not provide functionality, forms, or  
524 processes for a provision of this act, the commissioner is  
525 authorized and encouraged to strive to implement the requirements  
526 in a manner that facilitates uniformity with respect to licensing,  
527 supervision, reporting and regulation of licensees which are  
528 licensed in multiple jurisdictions.

529 (5) For the purpose of participating in the Nationwide  
530 Multistate Licensing System & Registry, the commissioner is  
531 authorized to waive or modify, in whole or in part, by rule,  
532 regulation or order, any or all of the requirements and to  
533 establish new requirements as necessary to participate in the  
534 Nationwide Multistate Licensing System & Registry.

535 **SECTION 13. Application for license.** (1) Applicants for a  
536 license shall apply in a form and in a medium as prescribed by the  
537 commissioner. Each such form shall contain content as set forth  
538 by rule, regulation, instruction or procedure of the commissioner  
539 and may be changed or updated by the commissioner in accordance  
540 with applicable law in order to carry out the purposes of this act  
541 and maintain consistency with NMLS licensing standards and  
542 practices. The application must state or contain, as applicable:

543           (a) The legal name and residential and business  
544 addresses of the applicant and any fictitious or trade name used  
545 by the applicant in conducting its business;

546           (b) A list of any criminal convictions of the applicant  
547 and any material litigation in which the applicant has been  
548 involved in the ten-year period next preceding the submission of  
549 the application;

550           (c) A description of any money transmission previously  
551 provided by the applicant and the money transmission that the  
552 applicant seeks to provide in this state;

553           (d) A list of the applicant's proposed authorized  
554 delegates and the locations in this state where the applicant and  
555 its authorized delegates propose to engage in money transmission;

556           (e) A list of other states in which the applicant is  
557 licensed to engage in money transmission and any license  
558 revocations, suspensions or other disciplinary action taken  
559 against the applicant in another state;

560           (f) Information concerning any bankruptcy or  
561 receivership proceedings affecting the licensee or a person in  
562 control of a licensee;

563           (g) A sample form of contract for authorized delegates,  
564 if applicable;

565           (h) A sample form of payment instrument or stored  
566 value, as applicable;

567 (i) The name and address of any federally insured  
568 depository financial institution through which the applicant plans  
569 to conduct money transmission; and

570 (j) Any other information the commissioner or NMLS  
571 requires with respect to the applicant.

572 (2) If an applicant is a corporation, limited liability  
573 company, partnership or other legal entity, the applicant shall  
574 also provide:

575 (a) The date of the applicant's incorporation or  
576 formation and state or country of incorporation or formation;

577 (b) If applicable, a certificate of good standing from  
578 the state or country in which the applicant is incorporated or  
579 formed;

580 (c) A brief description of the structure or  
581 organization of the applicant, including any parents or  
582 subsidiaries of the applicant, and whether any parents or  
583 subsidiaries are publicly traded;

584 (d) The legal name, any fictitious or trade name, all  
585 business and residential addresses and the employment, as  
586 applicable, in the ten-year period next preceding the submission  
587 of the application of each key individual and person in control of  
588 the applicant;

589 (e) A list of any criminal convictions and material  
590 litigation in which a person in control of the applicant that is  
591 not an individual has been involved in the ten-year period next  
592 preceding the submission of the application;

593 (f) A copy of audited financial statements of the  
594 applicant for the most recent fiscal year and for the two-year  
595 period next preceding the submission of the application;

596 (g) A certified copy of unaudited financial statements  
597 of the applicant for the most recent fiscal quarter;

598 (h) If the applicant is a publicly traded corporation,  
599 a copy of the most recent report filed with the United States  
600 Securities and Exchange Commission under Section 13 of the U.S.  
601 Securities Exchange Act of 1934, 15 USC § 78m, as amended or  
602 recodified from time to time;

603 (i) If the applicant is a wholly owned subsidiary of:

604 (i) A corporation publicly traded in the United  
605 States, a copy of audited financial statements for the parent  
606 corporation for the most recent fiscal year or a copy of the  
607 parent corporation's most recent report filed under Section 13 of  
608 the U.S. Securities Exchange Act of 1934, 15 USC § 78m, as amended  
609 or recodified from time to time; or

610 (ii) A corporation publicly traded outside the  
611 United States, a copy of similar documentation filed with the  
612 regulator of the parent corporation's domicile outside the United  
613 States;

614 (j) The name and address of the applicant's registered  
615 agent in this state; and

616 (k) Any other information the commissioner requires  
617 with respect to the applicant.



618 (3) A nonrefundable license fee of One Thousand Five Hundred  
619 Dollars (\$1,500.00) must accompany an application for a license  
620 under this section. However, beginning with calendar year 2025  
621 and for each subsequent calendar year, on or before July 1 of the  
622 following year, the Mississippi Department of Banking and Consumer  
623 Finance will issue a memo authorizing a new license fee under this  
624 section. The new amount will be calculated by applying any  
625 increase or decrease in the United States Bureau of Labor  
626 Statistics Consumer Price Index for All Urban Consumers (CPI-U)  
627 for the previous calendar year to the previous fee amount and  
628 rounding that amount upward to the nearest One-Hundred-Dollar  
629 increment.

630 (4) The commissioner may waive one or more requirements of  
631 subsections (1) and (2) of this section or permit an applicant to  
632 submit other information in lieu of the required information.

633 **SECTION 14. Information requirements for certain**

634 **individuals.** (1) Any individual in control of a licensee or  
635 applicant, any individual who seeks to acquire control of a  
636 licensee and each key individual shall furnish to the commissioner  
637 through NMLS the following items:

638 (a) The individual's fingerprints for submission to the  
639 Federal Bureau of Investigation and the commissioner for purposes  
640 of a national criminal history background check unless the person  
641 currently resides outside of the United States and has resided  
642 outside of the United States for the last ten (10) years;

643 (b) Personal history and experience in a form and in a  
644 medium prescribed by the commissioner, to obtain the following:

645 (i) An independent credit report from a consumer  
646 reporting agency unless the individual does not have a social  
647 security number, in which case, this requirement shall be waived;

648 (ii) Information related to any criminal  
649 convictions or pending charges; provided an applicant shall not  
650 have been convicted of a felony in any jurisdiction or a  
651 misdemeanor of fraud, theft, forgery, bribery, embezzlement, or  
652 making a fraudulent or false statement in any jurisdiction; and

653 (iii) Information related to any regulatory or  
654 administrative action and any civil litigation involving claims of  
655 fraud, misrepresentation, conversion, mismanagement of funds,  
656 breach of fiduciary duty or breach of contract.

657 (2) If the individual has resided outside of the United  
658 States at any time in the last ten (10) years, the individual  
659 shall also provide an investigative background report prepared by  
660 an independent search firm that meets the following requirements:

661 (a) At a minimum, the search firm shall:

662 (i) Demonstrate that it has sufficient knowledge,  
663 resources, and employs accepted and reasonable methodologies to  
664 conduct the research of the background report; and

665 (ii) Not be affiliated with or have an interest  
666 with the individual it is researching.

667 (b) At a minimum, the investigative background report  
668 shall be written in the English language and shall contain the  
669 following:

670 (i) If available in the individual's current  
671 jurisdiction of residency, a comprehensive credit report, or any  
672 equivalent information obtained or generated by the independent  
673 search firm to accomplish such report, including a search of the  
674 court data in the countries, provinces, states, cities, towns, and  
675 contiguous areas where the individual resided and worked;

676 (ii) Criminal records information for the past ten  
677 years, including, but not limited to, felonies, misdemeanors, or  
678 similar convictions for violations of law in the countries,  
679 provinces, states, cities, towns, and contiguous areas where the  
680 individual resided and worked;

681 (iii) Employment history;

682 (iv) Media history, including an electronic search  
683 of national and local publications, wire services, and business  
684 applications; and

685 (v) Financial services-related regulatory history,  
686 including, but not limited to, money transmission, securities,  
687 banking, insurance, and mortgage-related industries.

688 **SECTION 15. Issuance of license.** (1) When an application  
689 for an original license under this act appears to include all the  
690 items and addresses all of the matters that are required, the  
691 application is complete and the commissioner shall promptly notify

692 the applicant in a record of the date on which the application is  
693 determined to be complete, and:

694 (a) The commissioner shall approve or deny the  
695 application within one hundred twenty (120) days after the  
696 completion date; or

697 (b) If the application is not approved or denied within  
698 one hundred twenty (120) days after the completion date:

699 (i) The application is approved; and

700 (ii) The license takes effect as of the first  
701 business day after expiration of the one-hundred-twenty-day  
702 period.

703 (iii) The commissioner may for good cause extend  
704 the application period.

705 (2) A determination by the commissioner that an application  
706 is complete and is accepted for processing means only that the  
707 application, on its face, appears to include all of the items,  
708 including the Criminal Background Check response from the FBI, and  
709 address all of the matters that are required, and is not an  
710 assessment of the substance of the application or of the  
711 sufficiency of the information provided.

712 (3) When an application is filed and considered complete  
713 under this section, the commissioner shall investigate the  
714 applicant's financial condition and responsibility, financial and  
715 business experience, character and general fitness. The  
716 commissioner may conduct an on-site investigation of the  
717 applicant, the cost of which the applicant must pay. The

718 commissioner shall issue a license to an applicant under this  
719 section if the commissioner finds that all of the following  
720 conditions have been fulfilled:

721 (a) The applicant has complied with Sections 13 and 14  
722 of this act; and

723 (b) The financial condition and responsibility,  
724 financial and business experience, competence, character and  
725 general fitness of the applicant; and the competence, experience,  
726 character and general fitness of the key individuals and persons  
727 in control of the applicant indicate that it is in the interest of  
728 the public to permit the applicant to engage in money  
729 transmission.

730 (4) If an applicant avails itself or is otherwise subject to  
731 a multistate licensing process:

732 (a) The commissioner is authorized and encouraged to  
733 accept the investigation results of a lead investigative state for  
734 the purpose of subsection (3) of this section if the lead  
735 investigative state has sufficient staffing, expertise, and  
736 minimum standards; or

737 (b) If Mississippi is a lead investigative state, the  
738 commissioner is authorized and encouraged to investigate the  
739 applicant pursuant to subsection (3) of this section and the  
740 timeframes established by agreement through the multistate  
741 licensing process, provided however, that in no case shall such  
742 timeframe be noncompliant with the application period in  
743 subsection (1) (a) of this section.

744 (5) The commissioner shall issue a formal written notice of  
745 the denial of a license application. The commissioner shall set  
746 forth in the notice of denial the specific reasons for the denial  
747 of the application. An applicant whose application is denied by  
748 the commissioner under this subsection (5) may appeal within  
749 thirty (30) days after receipt of the written notice of the  
750 denial. Such appeal shall be to the Chancery Court of the First  
751 Judicial District of Hinds County, Mississippi.

752 (6) The initial license term shall begin on the day the  
753 application is approved. The license shall expire on December 31  
754 of the year in which the license term began, unless the initial  
755 license date is between November 1 and December 31, in which  
756 instance the initial license term shall run through December 31 of  
757 the following year.

758 **SECTION 16. Renewal of license.** (1) A license under this  
759 act shall be renewed annually.

760 (a) An annual renewal fee of Eight Hundred Dollars  
761 (\$800.00) plus One Hundred Dollars (\$100.00) for each location in  
762 excess of one (1) in Mississippi through which the licensee plans  
763 to conduct money transmission during the license year for which  
764 the fee is paid, provided that in no event shall the annual  
765 renewal fee exceed Five Thousand Eight Hundred Dollars  
766 (\$5,800.00). Such renewal fee shall be paid no more than sixty  
767 (60) days before the license expiration.

768 (b) The renewal term shall be for a period of one (1)  
769 year and shall begin on January 1 of each year after the initial

770 license term and shall expire on December 31 of the year the  
771 renewal term begins.

772 (2) A licensee shall submit a renewal report with the  
773 renewal fee, in a form and in a medium prescribed by the  
774 commissioner. The renewal report must state or contain a  
775 description of each material change in information submitted by  
776 the licensee in its original license application which has not  
777 been reported to the commissioner.

778 (3) The commissioner, for good cause, may grant an extension  
779 of the renewal date.

780 (4) The commissioner is authorized and encouraged to utilize  
781 NMLS to process license renewals provided that such functionality  
782 is consistent with this section.

783 **SECTION 17. Maintenance of license.** (1) If a licensee does  
784 not continue to meet the qualifications or satisfy the  
785 requirements that apply to an applicant for a new money  
786 transmission license, the commissioner may suspend or revoke the  
787 licensee's license in accordance with the procedures established  
788 by this act or other applicable state law for such suspension or  
789 revocation.

790 (2) An applicant for a money transmission license must  
791 demonstrate that it meets or will meet, and a money transmission  
792 licensee must at all times meet, the requirements in Sections 31,  
793 32 and 33 of this act.

794 **SECTION 18. Acquisition of control.** (1) Any person, or  
795 group of persons acting in concert, seeking to acquire control of

796 a licensee shall obtain the written approval of the commissioner  
797 prior to acquiring control.

798 (2) A person, or group of persons acting in concert, seeking  
799 to acquire control of a licensee shall, in cooperation with the  
800 licensee:

801 (a) Submit an application in a form and in a medium  
802 prescribed by the commissioner; and

803 (b) Submit a nonrefundable fee as required under  
804 Section 13 of this act with the request for approval.

805 (3) Upon request, the commissioner may permit a licensee or  
806 the person, or group of persons acting in concert, to submit some  
807 or all information required by the commissioner pursuant to  
808 subsection (2) (a) of this section without using NMLS.

809 (4) The application required by subsection (2) (a) of this  
810 section shall include information required by Section 14 of this  
811 act for any new key individuals who have not previously completed  
812 the requirements of Section 14 of this act for a licensee.

813 (5) When an application for acquisition of control under  
814 this section appears to include all the items and address all of  
815 the matters that are required, the application shall be considered  
816 complete, and the commissioner shall promptly notify the applicant  
817 in a record of the date on which the application was determined to  
818 be complete and:

819 (a) The commissioner shall approve or deny the  
820 application within sixty (60) days after the completion date; or



821 (b) If the application is not approved or denied within  
822 sixty (60) days after the completion date:

823 (i) The application is approved; and

824 (ii) The person, or group of persons acting in  
825 concert, are not prohibited from acquiring control.

826 (c) The commissioner may for good cause extend the  
827 application period.

828 (6) A determination by the commissioner that an application  
829 is complete and is accepted for processing means only that the  
830 application, on its face, appears to include all of the items and  
831 address all of the matters that are required, and is not an  
832 assessment of the substance of the application or of the  
833 sufficiency of the information provided.

834 (7) When an application is filed and considered complete  
835 under subsection (5) of this section, the commissioner shall  
836 investigate the financial condition and responsibility, financial  
837 and business experience, character and general fitness of the  
838 person, or group of persons acting in concert, seeking to acquire  
839 control. The commissioner shall approve an acquisition of control  
840 pursuant to this section if the commissioner finds that all of the  
841 following conditions have been fulfilled:

842 (a) The requirements of subsections (2) and (4) of this  
843 section have been met, as applicable; and

844 (b) The financial condition and responsibility,  
845 financial and business experience, competence, character and  
846 general fitness of the person, or group of persons acting in

847 concert, seeking to acquire control; and the competence,  
848 experience, character and general fitness of the key individuals  
849 and persons that would be in control of the licensee after the  
850 acquisition of control indicate that it is in the interest of the  
851 public to permit the person, or group of persons acting in  
852 concert, to control the licensee.

853 (8) If an applicant avails itself or is otherwise subject to  
854 a multistate licensing process:

855 (a) The commissioner is authorized and encouraged to  
856 accept the investigation results of a lead investigative state for  
857 the purpose of subsection (7) of this section if the lead  
858 investigative state has sufficient staffing, expertise and minimum  
859 standards; or

860 (b) If Mississippi is a lead investigative state, the  
861 commissioner is authorized and encouraged to investigate the  
862 applicant pursuant to subsection (7) of this section and the  
863 timeframes established by agreement through the multistate  
864 licensing process.

865 (9) The commissioner shall issue a formal written notice of  
866 the denial of an application to acquire control. The commissioner  
867 shall set forth in the notice of denial the specific reasons for  
868 the denial of the application. An applicant whose application is  
869 denied by the commissioner under this section may appeal within  
870 thirty (30) days after receipt of the written notice of the  
871 denial. Such appeal shall be to the Chancery Court of the First  
872 Judicial District of Hinds County, Mississippi.

873           (10) The requirements of subsections (1) and (2) of this  
874 section do not apply to any of the following:

875           (a) A person who acts as a proxy for the sole purpose  
876 of voting at a designated meeting of the shareholders or holders  
877 of voting shares or voting interests of a licensee or a person in  
878 control of a licensee;

879           (b) A person who acquires control of a licensee by  
880 devise or descent;

881           (c) A person who acquires control of a licensee as a  
882 personal representative, custodian, guardian, conservator or  
883 trustee, or as an officer appointed by a court of competent  
884 jurisdiction or by operation of law;

885           (d) A person who is exempt under Section 4(7) of this  
886 act;

887           (e) A person who the commissioner determines is not  
888 subject to subsection (1) of this section based on the public  
889 interest;

890           (f) A public offering of securities of a licensee or a  
891 person in control of a licensee; or

892           (g) An internal reorganization of a person in control  
893 of the licensee where the ultimate person in control of the  
894 licensee remains the same.

895           (11) Persons in subsection (10) (b), (c), (d), (f) and (g) of  
896 this section in cooperation with the licensee shall notify the  
897 commissioner within fifteen (15) days after the acquisition of  
898 control.

899 (12) Streamlined Acquisition of Control.

900 (a) The requirements of subsections (1) and (2) of this  
901 section do not apply to a person who has complied with and  
902 received approval to engage in money transmission under this act  
903 or was identified as a person in control in a prior application  
904 filed with and approved by the commissioner or by an MSB  
905 accredited state pursuant to a multistate licensing process,  
906 provided that:

907 (i) The person has not had a license revoked or  
908 suspended or controlled a licensee that has had a license revoked  
909 or suspended while the person was in control of the licensee in  
910 the previous five (5) years;

911 (ii) If the person is a licensee, the person is  
912 well managed and has received at least a satisfactory rating for  
913 compliance at its most recent examination by an MSB accredited  
914 state if such rating was given;

915 (iii) The licensee to be acquired is projected to  
916 meet the requirements of Sections 31, 32 and 33 of this act after  
917 the acquisition of control is completed, and if the person  
918 acquiring control is a licensee, that licensee is also projected  
919 to meet the requirements of Sections 31, 32 and 33 of this act of  
920 this act after the acquisition of control is completed;

921 (iv) The licensee to be acquired will not  
922 implement any material changes to its business plan as a result of  
923 the acquisition of control, and if the person acquiring control is  
924 a licensee, that licensee also will not implement any material

925 changes to its business plan as a result of the acquisition of  
926 control; and

927                   (v) The person provides notice of the acquisition  
928 in cooperation with the licensee and attests to this paragraph  
929 (a) (i), (ii), (iii) and (iv) in a form and in a medium prescribed  
930 by the commissioner.

931                   (b) If the notice is not disapproved within thirty (30)  
932 days after the date on which the notice was determined to be  
933 complete, the notice is deemed approved.

934                   (13) Before filing an application for approval to acquire  
935 control of a licensee a person may request in writing a  
936 determination from the commissioner as to whether the person would  
937 be considered a person in control of a licensee upon consummation  
938 of a proposed transaction. If the commissioner determines that  
939 the person would not be a person in control of a licensee, the  
940 proposed person and transaction is not subject to the requirements  
941 of subsections (1) and (2) of this section.

942                   (14) If a multistate licensing process includes a  
943 determination pursuant to subsection (13) of this section and an  
944 applicant avails itself or is otherwise subject to the multistate  
945 licensing process:

946                   (a) The commissioner is authorized and encouraged to  
947 accept the control determination of a lead investigative state  
948 with sufficient staffing, expertise, and minimum standards for the  
949 purpose of subsection (13) of this section; or

950 (b) If a state is a lead investigative state, the  
951 commissioner is authorized and encouraged to investigate the  
952 applicant pursuant to subsection (13) of this section and the  
953 timeframes established by agreement through the multistate  
954 licensing process.

955 **SECTION 19. Notice and information requirements for a change**  
956 **of key individuals.** (1) A licensee adding or replacing any key  
957 individual shall:

958 (a) Provide notice in a manner prescribed by the  
959 commissioner within fifteen (15) days after the effective date of  
960 the key individual's appointment; and

961 (b) Provide information as required by Section 14 of  
962 this act within forty-five (45) days of the effective date.

963 (2) Within ninety (90) days of the date on which the notice  
964 provided pursuant to subsection (1) of this section was determined  
965 to be complete, the commissioner may issue a notice of disapproval  
966 of a key individual if the competence, experience, character or  
967 integrity of the individual would not be in the best interests of  
968 the public or the customers of the licensee to permit the  
969 individual to be a key individual of such licensee.

970 (3) A notice of disapproval shall contain a statement of the  
971 basis for disapproval and shall be sent to the licensee and the  
972 disapproved individual. A licensee may appeal a notice of  
973 disapproval within thirty (30) days after receipt of such notice  
974 of disapproval. Such appeal shall be to the Chancery Court of the  
975 First Judicial District of Hinds County, Mississippi.

976 (4) If the notice provided pursuant to subsection (1) of  
977 this section is not disapproved within ninety (90) days after the  
978 date on which the notice was determined to be complete, the key  
979 individual is deemed approved.

980 (5) If a multistate licensing process includes a key  
981 individual notice review and disapproval process pursuant to this  
982 section and the licensee avails itself or is otherwise subject to  
983 the multistate licensing process:

984 (a) The commissioner is authorized and encouraged to  
985 accept the determination of another state if the investigating  
986 state has sufficient staffing, expertise, and minimum standards  
987 for the purpose of this section; or

988 (b) If Mississippi is a lead investigative state, the  
989 commissioner is authorized and encouraged to investigate the  
990 applicant pursuant to subsection (2) of this section and the  
991 timeframes established by agreement through the multistate  
992 licensing process.

993 **SECTION 20. Report of condition.** (1) Each licensee shall  
994 submit a report of condition (i.e. call report) within forty-five  
995 (45) days of the end of the calendar quarter, or within any  
996 extended time as the commissioner may prescribe.

997 (2) The report of condition shall include:

998 (a) Financial information at the licensee level;

999 (b) Nationwide and state-specific money transmission  
1000 transaction information in every jurisdiction in the United States  
1001 where the licensee is licensed to engage in money transmission;

1002 (c) Permissible investments report;  
1003 (d) Transaction destination country reporting for money  
1004 received for transmission, if applicable; and  
1005 (e) Any other information the commissioner requires  
1006 with respect to the licensee. The commissioner is authorized and  
1007 encouraged to utilize NMLS for the submission of the report  
1008 required by this subsection (1) of this section and is authorized  
1009 to change or update as necessary the requirements of this section  
1010 to carry out the purposes of this act and maintain consistency  
1011 with NMLS reporting.

1012 (3) The information required by subsection (2)(d) of this  
1013 section shall only be included in a report of condition submitted  
1014 within forty-five (45) days of the end of the fourth calendar  
1015 quarter.

1016 **SECTION 21. Audited financials.** (1) Each licensee shall,  
1017 within ninety (90) days after the end of each fiscal year, or  
1018 within any extended time as the commissioner may prescribe, file  
1019 with the commissioner:

1020 (a) An audited financial statement of the licensee for  
1021 the fiscal year prepared in accordance with United States  
1022 Generally Accepted Accounting Principles; and

1023 (b) Any other information as the commissioner may  
1024 require.

1025 (2) The audited financial statements shall be prepared by an  
1026 independent certified public accountant or independent public  
1027 accountant who is satisfactory to the commissioner.



1028           (3) The audited financial statements shall include or be  
1029 accompanied by a certificate of opinion of the independent  
1030 certified public accountant or independent public accountant that  
1031 is satisfactory in form and content to the commissioner. If the  
1032 certificate or opinion is qualified, the commissioner may order  
1033 the licensee to take any action as the commissioner may find  
1034 necessary to enable the independent or certified public accountant  
1035 or independent public accountant to remove the qualification.

1036           **SECTION 22. Authorized delegate reporting.** (1) Each  
1037 licensee shall submit a report of authorized delegates within  
1038 forty-five (45) days of the end of the calendar quarter. The  
1039 commissioner is authorized and encouraged to utilize NMLS for the  
1040 submission of the report required by this subsection provided that  
1041 such functionality is consistent with the requirements of this  
1042 section. Such utilization shall include the NMLS Uniform  
1043 Authorized Agent Reporting (UAAR) process, or such other similar  
1044 process as designated by NMLS.

1045           (2) The authorized delegate report shall include, at a  
1046 minimum, each authorized delegate's:

- 1047           (a) Company legal name;
- 1048           (b) Taxpayer employer identification number;
- 1049           (c) Principal provider identifier;
- 1050           (d) Physical address;
- 1051           (e) Mailing address;
- 1052           (f) Any business conducted in other states;
- 1053           (g) Any fictitious or trade name;

- 1054 (h) Contact person name, phone number, and email;  
1055 (i) Start date as licensee's authorized delegate;  
1056 (j) End date acting as licensee's authorized delegate,  
1057 if applicable; and  
1058 (k) Any other information the commissioner requires  
1059 with respect to the authorized delegate.

1060 **SECTION 23. Reports of certain events.** (1) A licensee  
1061 shall file a report with the commissioner within one (1) business  
1062 day after the licensee has reason to know of the occurrence of any  
1063 of the following events:

1064 (a) The filing of a petition by or against the licensee  
1065 under the United States Bankruptcy Code, 11 USC § 101-110, as  
1066 amended or recodified from time to time, for bankruptcy or  
1067 reorganization;

1068 (b) The filing of a petition by or against the licensee  
1069 for receivership, the commencement of any other judicial or  
1070 administrative proceeding for its dissolution or reorganization,  
1071 or the making of a general assignment for the benefit of its  
1072 creditors; or

1073 (c) The commencement of a proceeding to revoke or  
1074 suspend its license in a state or country in which the licensee  
1075 engages in business or is licensed.

1076 (2) A licensee shall file a report with the commissioner  
1077 within three (3) business day after the licensee has reason to  
1078 know of the occurrence of any of the following events:

1079 (a) A charge or conviction of the licensee or of a key  
1080 individual or person in control of the licensee for a felony; or  
1081 (b) A charge or conviction of an authorized delegate  
1082 for a felony.

1083 **SECTION 24. Bank Secrecy Act reports.** A licensee and an  
1084 authorized delegate shall file all reports required by federal  
1085 currency reporting, record keeping, and suspicious activity  
1086 reporting requirements as set forth in the Bank Secrecy Act and  
1087 other federal and state laws pertaining to money laundering. The  
1088 timely filing of a complete and accurate report required under  
1089 this section with the appropriate federal agency is deemed  
1090 compliant with the requirements of this section.

1091 **SECTION 25. Records.** (1) A licensee shall maintain the  
1092 following records, for determining its compliance with this act  
1093 for at least five (5) years:

1094 (a) A record of each money transmission obligation  
1095 sold;

1096 (b) A general ledger posted at least monthly containing  
1097 all asset, liability, capital, income and expense accounts;

1098 (c) Bank statements and bank reconciliation records;

1099 (d) Records of outstanding money transmission;

1100 (e) Records of each outstanding money transmission  
1101 obligation paid within the five-year period;

1102 (f) A list of the last-known names and addresses of all  
1103 of the licensee's authorized delegates; and

1104 (g) Any other records the commissioner requires by  
1105 rule, regulation or order.

1106 (2) The items specified in subsection (1) of this section  
1107 may be maintained in photographic, electronic or other similar  
1108 form.

1109 (3) Records specified in subsection (1) of this section may  
1110 be maintained outside this state if they are made accessible to  
1111 the commissioner on seven (7) business days' notice that is sent  
1112 in a record.

1113 (4) All records maintained by the licensee as required in  
1114 subsections (1) through (3) of this section are open to inspection  
1115 by the commissioner pursuant to Section 8(1) of this act.

1116 **SECTION 26. Relationship between licensee and authorized**

1117 **delegate.** (1) In this section, "remit" means to make direct  
1118 payments of money to a licensee or its representative authorized  
1119 to receive money or to deposit money in a bank in an account  
1120 specified by the licensee.

1121 (2) Before a licensee is authorized to conduct business  
1122 through an authorized delegate or allows a person to act as the  
1123 licensee's authorized delegate, the licensee must:

1124 (a) Adopt, and update as necessary, written policies  
1125 and procedures designed to ensure that the licensee's authorized  
1126 delegates comply with applicable state and federal law;

1127 (b) Enter into a written contract that complies with  
1128 subsection (4) of this section; and

1129           (c) Conduct a risk-based background investigation  
1130 sufficient for the licensee to determine whether the authorized  
1131 delegate has complied and will likely comply with applicable state  
1132 and federal law.

1133           (3) An authorized delegate must operate in full compliance  
1134 with this act.

1135           (4) The written contract required by subsection (2) of this  
1136 section must be signed by the licensee and the authorized delegate  
1137 and, at a minimum, must:

1138           (a) Appoint the person signing the contract as the  
1139 licensee's authorized delegate with the authority to conduct money  
1140 transmission on behalf of the licensee;

1141           (b) Set forth the nature and scope of the relationship  
1142 between the licensee and the authorized delegate and the  
1143 respective rights and responsibilities of the parties;

1144           (c) Require the authorized delegate to agree to fully  
1145 comply with all applicable state and federal laws, rules, and  
1146 regulations pertaining to money transmission, including this act  
1147 and regulations implementing this act, relevant provisions of the  
1148 Bank Secrecy Act and the USA PATRIOT ACT;

1149           (d) Require the authorized delegate to remit and handle  
1150 money and monetary value in accordance with the terms of the  
1151 contract between the licensee and the authorized delegate;

1152           (e) Impose a trust on money and monetary value net of  
1153 fees received for money transmission for the benefit of the  
1154 licensee;

1155           (f) Require the authorized delegate to prepare and  
1156 maintain records as required by this act or regulations  
1157 implementing this act, or as requested by the commissioner;

1158           (g) Acknowledge that the authorized delegate consents  
1159 to examination or investigation by the commissioner;

1160           (h) State that the licensee is subject to regulation by  
1161 the commissioner and that, as part of that regulation, the  
1162 commissioner may suspend or revoke an authorized delegate  
1163 designation or require the licensee to terminate an authorized  
1164 delegate designation; and

1165           (i) Acknowledge receipt of the written policies and  
1166 procedures required under subsection (2) (a) of this section.

1167           (5) If the licensee's license is suspended, revoked,  
1168 surrendered or expired, the licensee must, within five (5)  
1169 business days, provide documentation to the commissioner that the  
1170 licensee has notified all applicable authorized delegates of the  
1171 licensee whose names are in a record filed with the commissioner  
1172 of the suspension, revocation, surrender or expiration of a  
1173 license. Upon suspension, revocation, surrender or expiration of  
1174 a license, applicable authorized delegates shall immediately cease  
1175 to provide money transmission as an authorized delegate of the  
1176 licensee.

1177           (6) An authorized delegate of a licensee holds in trust for  
1178 the benefit of the licensee all money net of fees received from  
1179 money transmission. If any authorized delegate commingles any  
1180 funds received from money transmission with any other funds or

1181 property owned or controlled by the authorized delegate, all  
1182 commingled funds and other property shall be considered held in  
1183 trust in favor of the licensee in an amount equal to the amount of  
1184 money net of fees received from money transmission.

1185 (7) An authorized delegate may not use a subdelegate to  
1186 conduct money transmission on behalf of a licensee.

1187 **SECTION 27. Unauthorized activities.** A person shall not  
1188 engage in the business of money transmission on behalf of a person  
1189 not licensed under this act or not exempt pursuant to Sections 4  
1190 and 5 of this act. A person who engages in such activity provides  
1191 money transmission to the same extent as if the person were a  
1192 licensee, and shall be jointly and severally liable with the  
1193 unlicensed or nonexempt person.

1194 **SECTION 28. Timely transmission.** (1) Every licensee shall  
1195 forward all money received for transmission in accordance with the  
1196 terms of the agreement between the licensee and the sender unless  
1197 the licensee has a reasonable belief or a reasonable basis to  
1198 believe that the sender may be a victim of fraud or that a crime  
1199 or violation of law, rule or regulation has occurred, is  
1200 occurring, or may occur.

1201 (2) If a licensee fails to forward money received for  
1202 transmission in accordance with this section, the licensee must  
1203 respond to inquiries by the sender with the reason for the failure  
1204 unless providing a response would violate a state or federal law,  
1205 rule, or regulation.

1206 **SECTION 29. Refunds.** (1) This section does not apply to:

1207           (a) Money received for transmission subject to the  
1208 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended  
1209 or recodified from time to time; or

1210           (b) Money received for transmission pursuant to a  
1211 written agreement between the licensee and payee to process  
1212 payments for goods or services provided by the payee.

1213           (2) Every licensee shall refund to the sender within ten  
1214 (10) days of receipt of the sender's written request for a refund  
1215 of any and all money received for transmission unless any of the  
1216 following occurs:

1217           (a) The money has been forwarded within ten (10) days  
1218 of the date on which the money was received for transmission;

1219           (b) Instructions have been given committing an  
1220 equivalent amount of money to the person designated by the sender  
1221 within ten (10) days of the date on which the money was received  
1222 for transmission;

1223           (c) The agreement between the licensee and the sender  
1224 instructs the licensee to forward the money at a time that is  
1225 beyond ten (10) days of the date on which the money was received  
1226 for transmission. If funds have not yet been forwarded in  
1227 accordance with the terms of the agreement between the licensee  
1228 and the sender, the licensee shall issue a refund in accordance  
1229 with the other provisions of this section;

1230           (d) The refund is requested for a transaction that the  
1231 licensee has not completed based on a reasonable belief or a



1232 reasonable basis to believe that a crime or violation of law, rule  
1233 or regulation has occurred, is occurring, or may occur; or

1234 (e) The refund request does not enable the licensee to:

1235 (i) Identify the sender's name and address or  
1236 telephone number; or

1237 (ii) Identify the particular transaction to be  
1238 refunded in the event the sender has multiple transactions  
1239 outstanding.

1240 **SECTION 30. Receipts.** (1) This section does not apply to:

1241 (a) Money received for transmission subject to the  
1242 federal Remittance Rule (12 CFR Part 1005, Subpart B), as amended  
1243 or recodified from time to time;

1244 (b) Money received for transmission that is not  
1245 primarily for personal, family or household purposes; or

1246 (c) Money received for transmission pursuant to a  
1247 written agreement between the licensee and payee to process  
1248 payments for goods or services provided by the payee.

1249 (2) For purposes of this section, "receipt" means a paper  
1250 receipt, electronic record or other written confirmation. For a  
1251 transaction conducted in person, the receipt may be provided  
1252 electronically if the sender requests or agrees to receive an  
1253 electronic receipt. For a transaction conducted electronically or  
1254 by phone, a receipt may be provided electronically. All  
1255 electronic receipts shall be provided in a retainable form.

1256 (3) Every licensee or its authorized delegate shall provide  
1257 the sender a receipt for money received for transmission.

1258 (a) The receipt shall contain the following  
1259 information, as applicable:  
1260 (i) The name of the sender;  
1261 (ii) The name of the designated recipient;  
1262 (iii) The date of the transaction;  
1263 (iv) The unique transaction or identification  
1264 number;  
1265 (v) The name of the licensee, NMLS Unique ID, the  
1266 licensee's business address and the licensee's customer service  
1267 telephone number;  
1268 (vi) The amount of the transaction in United  
1269 States dollars;  
1270 (vii) Any fee charged by the licensee to the  
1271 sender for the transaction; and  
1272 (viii) Any taxes collected by the licensee from  
1273 the sender for the transaction.  
1274 (b) The receipt required by this section shall be in  
1275 English and in the language principally used by the licensee or  
1276 authorized delegate to advertise, solicit or negotiate, either  
1277 orally or in writing, for a transaction conducted in person,  
1278 electronically or by phone, if other than English.

1279 **SECTION 31. Net worth.** (1) A licensee under this act shall  
1280 maintain at all times a tangible net worth of the greater of One  
1281 Hundred Thousand Dollars (\$100,000.00) or three percent (3%) of  
1282 total assets for the first One Hundred Million Dollars  
1283 (\$100,000,000.00), two percent (2%) of additional assets for One

1284 Hundred Million Dollars (\$100,000,000.00) to One Billion Dollars  
1285 (\$1,000,000,000.00), and one-half percent (0.5%) of additional  
1286 assets for over One Billion Dollars (\$1,000,000,000.00).

1287 (2) Tangible net worth must be demonstrated at initial  
1288 application by the applicant's most recent audited statements  
1289 pursuant to Section 13(2)(f) of this act.

1290 (3) Notwithstanding the foregoing provisions of this  
1291 section, the commissioner shall have the authority, for good cause  
1292 shown, to exempt, in part or in whole, from the requirements of  
1293 this section for any applicant or licensee.

1294 **SECTION 32. Surety bond.** (1) An applicant for a money  
1295 transmission license must provide, and a licensee at all times  
1296 must maintain, security consisting of a surety bond issued by a  
1297 bonding company or insurance company authorized to do business in  
1298 the State of Mississippi and in a form satisfactory to the  
1299 commissioner or, with the commissioner's approval, a deposit  
1300 instead of a bond in accordance with this section.

1301 (2) The amount of the required security shall be  
1302 the greater of One Hundred Thousand Dollars (\$100,000.00) or an  
1303 amount equal to one hundred percent (100%) of the licensee's  
1304 average daily money transmission liability in this state  
1305 calculated for the most recently completed three-month period, up  
1306 to a maximum of Five Hundred Thousand Dollars (\$500,000.00). A  
1307 licensee that maintains a bond in the maximum amount provided for  
1308 in subsection (1) of this section or in this subsection, as  
1309 applicable, shall not be required to calculate its average daily

1310 money transmission liability in this state for purposes of this  
1311 section.

1312 (3) A licensee may exceed the maximum required bond amount  
1313 pursuant to Section 34(1)(e) of this act.

1314 (4) The bond shall be in a form satisfactory to the  
1315 commissioner and shall run to the state for the use and benefit of  
1316 the Department of Banking and Consumer Finance and any claimants  
1317 against the licensee or his agents to secure the faithful  
1318 performance of the obligations of the licensee and his agents with  
1319 respect to the receipt, handling, transmission and payment of  
1320 money in connection with money transmissions in Mississippi.

1321 (5) Any claimants against the licensee or his agents may  
1322 themselves bring suit directly on the bond, or the Attorney  
1323 General may bring suit thereon in behalf of those claimants,  
1324 either in one (1) action or successive actions.

1325 (6) The commissioner may increase the required amount of the  
1326 bond or deposit upon the basis of the impaired financial condition  
1327 of a licensee as evidenced by a reduction in net worth, financial  
1328 losses or other relevant criteria.

1329 (7) Any provision in this act to the contrary  
1330 notwithstanding, the commissioner may at any time, if in the  
1331 commissioner's sole opinion the protection of the public so  
1332 requires, increase the principal sum of the bond or deposit  
1333 required of any applicant or licensee by this act but in no case  
1334 shall the principal sum of the bond or deposit required exceed One  
1335 Million Dollars (\$1,000,000.00).

1336           **SECTION 33. Maintenance of permissible.** (1) A licensee  
1337 shall maintain at all times permissible investments that have a  
1338 market value computed in accordance with United States Generally  
1339 Accepted Accounting Principles of not less than the aggregate  
1340 amount of all of its outstanding money transmission obligations.

1341           (2) Except for permissible investments enumerated in Section  
1342 34(1) of this act, the commissioner, with respect to any licensee,  
1343 may by rule, regulation or order limit the extent to which a  
1344 specific investment maintained by a licensee within a class of  
1345 permissible investments may be considered a permissible  
1346 investment, if the specific investment represents undue risk to  
1347 customers, not reflected in the market value of investments.

1348           (3) Permissible investments, even if commingled with other  
1349 assets of the licensee, are held in trust for the benefit of the  
1350 purchasers and holders of the licensee's outstanding money  
1351 transmission obligations in the event of insolvency, the filing of  
1352 a petition by or against the licensee under the United States  
1353 Bankruptcy Code, 11 USC § 101-110, as amended or recodified from  
1354 time to time, for bankruptcy or reorganization, the filing of a  
1355 petition by or against the licensee for receivership, the  
1356 commencement of any other judicial or administrative proceeding  
1357 for its dissolution or reorganization, or in the event of an  
1358 action by a creditor against the licensee who is not a beneficiary  
1359 of this statutory trust. No permissible investments impressed  
1360 with a trust pursuant to this subsection (3) shall be subject to

1361 attachment, levy of execution or sequestration by order of any  
1362 court, except for a beneficiary of this statutory trust.

1363 (4) Upon the establishment of a statutory trust in  
1364 accordance with subsection (3) of this section or when any funds  
1365 are drawn on a letter of credit pursuant to Section 34(1)(d) of  
1366 this act, the commissioner shall notify the applicable regulator  
1367 of each state in which the licensee is licensed to engage in money  
1368 transmission, if any, of the establishment of the trust or the  
1369 funds drawn on the letter of credit, as applicable. Notice shall  
1370 be deemed satisfied if performed pursuant to a multistate  
1371 agreement or through NMLS. Funds drawn on a letter of credit, and  
1372 any other permissible investments held in trust for the benefit of  
1373 the purchasers and holders of the licensee's outstanding money  
1374 transmission obligations, are deemed held in trust for the benefit  
1375 of such purchasers and holders on a pro rata and equitable basis  
1376 in accordance with statutes pursuant to which permissible  
1377 investments are required to be held in this state, and other  
1378 states, as applicable. Any statutory trust established hereunder  
1379 shall be terminated upon extinguishment of all of the licensee's  
1380 outstanding money transmission obligations.

1381 (5) The commissioner, by rule, regulation or by order may  
1382 allow other types of investments that the commissioner determines  
1383 are of sufficient liquidity and quality to be a permissible  
1384 investment. The commissioner is authorized to participate in  
1385 efforts with other state regulators to determine that other types

1386 of investments are of sufficient liquidity and quality to be a  
1387 permissible investment.

1388 **SECTION 34. Types of permissible investments.** (1) The  
1389 following investments are permissible under Section 33 of this  
1390 act:

1391 (a) Cash (including demand deposits, savings deposits,  
1392 and funds in such accounts held for the benefit of the licensee's  
1393 customers in a federally insured depository financial institution)  
1394 and cash equivalents including ACH items in transit to the  
1395 licensee and ACH items or international wires in transit to a  
1396 payee, cash in transit via armored car, cash in smart safes, cash  
1397 in licensee-owned locations, debit card or credit card-funded  
1398 transmission receivables owed by any bank, or money market mutual  
1399 funds rated "AAA" by S&P, or the equivalent from any eligible  
1400 rating service;

1401 (b) Certificates of deposit or senior debt obligations  
1402 of an insured depository institution, as defined in Section 3 of  
1403 the Federal Deposit Insurance Act, 12 USC § 1813, as amended or  
1404 recodified from time to time, or as defined under the federal  
1405 Credit Union Act, 12 USC § 1781, as amended or recodified from  
1406 time to time;

1407 (c) An obligation of the United States or a commission,  
1408 agency, or instrumentality thereof; an obligation that is  
1409 guaranteed fully as to principal and interest by the United  
1410 States; or an obligation of a state or a governmental subdivision,  
1411 agency, or instrumentality thereof;

1412 (d) The full drawable amount of an irrevocable standby  
1413 letter of credit for which the stated beneficiary is the  
1414 commissioner that stipulates that the beneficiary need only draw a  
1415 sight draft under the letter of credit and present it to obtain  
1416 funds up to the letter of credit amount within seven (7) days of  
1417 presentation of the items required by subparagraph (iii) of this  
1418 paragraph (d).

1419 (i) The letter of credit must:

1420 1. Be issued by a federally insured  
1421 depository financial institution, a foreign bank that is  
1422 authorized under federal law to maintain a federal agency or  
1423 federal branch office in a state or states, or a foreign bank that  
1424 is authorized under state law to maintain a branch in a state that  
1425 a. bears an eligible rating or whose parent company bears an  
1426 eligible rating; and b. is regulated, supervised, and examined by  
1427 United States federal or state authorities having regulatory  
1428 authority over banks, credit unions, and trust companies;

1429 2. Be irrevocable, unconditional and indicate  
1430 that it is not subject to any condition or qualifications outside  
1431 of the letter of credit;

1432 3. Not contain reference to any other  
1433 agreements, documents or entities, or otherwise provide for any  
1434 security interest in the licensee; and

1435 4. Contain an issue date and expiration date,  
1436 and expressly provide for automatic extension, without a written  
1437 amendment, for an additional period of one (1) year from the



1438 present or each future expiration date, unless the issuer of the  
1439 letter of credit notifies the commissioner in writing by certified  
1440 or registered mail or courier mail or other receipted means, at  
1441 least sixty (60) days prior to any expiration date, that the  
1442 irrevocable letter of credit will not be extended.

1443           (ii) In the event of any notice of expiration or  
1444 nonextension of a letter of credit issued under subparagraph (i)4  
1445 of this paragraph (d), the licensee shall be required to  
1446 demonstrate to the satisfaction of the commissioner, fifteen (15)  
1447 days prior to expiration, that the licensee maintains and will  
1448 maintain permissible investments in accordance with Section 33(1)  
1449 of this act upon the expiration of the letter of credit. If the  
1450 licensee is not able to do so, the commissioner may draw on the  
1451 letter of credit in an amount up to the amount necessary to meet  
1452 the licensee's requirements to maintain permissible investments in  
1453 accordance with Section 33(1) of this act. Any such draw shall be  
1454 offset against the licensee's outstanding money transmission  
1455 obligations. The drawn funds shall be held in trust by the  
1456 commissioner or the commissioner's designated agent, to the extent  
1457 authorized by law, as agent for the benefit of the purchasers and  
1458 holders of the licensee's outstanding money transmission  
1459 obligations.

1460           (iii) The letter of credit shall provide that the  
1461 issuer of the letter of credit will honor, at sight, a  
1462 presentation made by the beneficiary to the issuer of the

1463 following documents on or prior to the expiration date of the  
1464 letter of credit:

1465                   1. The original letter of credit (including  
1466 any amendments); and

1467                   2. A written statement from the beneficiary  
1468 stating that any of the following events have occurred:

1469                   a. The filing of a petition by or  
1470 against the licensee under the United States Bankruptcy Code, 11  
1471 USC §§ 101-110, as amended or recodified from time to time, for  
1472 bankruptcy or reorganization;

1473                   b. The filing of a petition by or  
1474 against the licensee for receivership, or the commencement of any  
1475 other judicial or administrative proceeding for its dissolution or  
1476 reorganization;

1477                   c. The seizure of assets of a licensee  
1478 by a commissioner pursuant to an emergency order issued in  
1479 accordance with applicable law, on the basis of an action,  
1480 violation, or condition that has caused or is likely to cause the  
1481 insolvency of the licensee; or

1482                   d. The beneficiary has received notice  
1483 of expiration or nonextension of a letter of credit and the  
1484 licensee failed to demonstrate to the satisfaction of the  
1485 beneficiary that the licensee will maintain permissible  
1486 investments in accordance with Section 33(1) of this act upon the  
1487 expiration or nonextension of the letter of credit.

1488                   (iv) The commissioner may designate an agent to  
1489 serve on the commissioner's behalf as beneficiary to a letter of  
1490 credit so long as the agent and letter of credit meet requirements  
1491 established by the commissioner. The commissioner's agent may  
1492 serve as agent for multiple licensing authorities for a single  
1493 irrevocable letter of credit if the proceeds of the drawable  
1494 amount for the purposes of this paragraph (d) are assigned to the  
1495 commissioner.

1496                   (v) The commissioner is authorized and encouraged  
1497 to participate in multistate processes designed to facilitate the  
1498 issuance and administration of letters of credit, including, but  
1499 not limited to, services provided by the NMLS and State Regulatory  
1500 Registry, LLC;

1501                   (e) One hundred percent (100%) of the surety bond or  
1502 deposit provided for under Section 32 of this act that exceeds the  
1503 average daily money transmission liability in this state;

1504                   (f) Any other investment approved by the commissioner.

1505                   (2) Unless permitted by the commissioner by rule, regulation  
1506 or by order to exceed the limit as set forth herein, the following  
1507 investments are permissible under Section 33 of this act to the  
1508 extent specified:

1509                   (a) Receivables that are payable to a licensee from its  
1510 authorized delegates in the ordinary course of business that are  
1511 less than seven (7) days old, up to fifty percent (50%) of the  
1512 aggregate value of the licensee's total permissible investments;

1513                   (b) Of the receivables permissible under paragraph (a)  
1514 of this subsection, receivables that are payable to a licensee  
1515 from a single authorized delegate in the ordinary course of  
1516 business may not exceed ten percent (10%) of the aggregate value  
1517 of the licensee's total permissible investments;

1518                   (c) The following investments are permissible up to  
1519 twenty percent (20%) per category and combined up to fifty percent  
1520 (50%) of the aggregate value of the licensee's total permissible  
1521 investments:

1522                   (i) A short-term (up to six (6) months) investment  
1523 bearing an eligible rating;

1524                   (ii) Commercial paper bearing an eligible rating;

1525                   (iii) A bill, note, bond, or debenture bearing an  
1526 eligible rating;

1527                   (iv) United States tri-party repurchase agreements  
1528 collateralized at one hundred percent (100%) or more with U.S.  
1529 government or agency securities, municipal bonds, or other  
1530 securities bearing an eligible rating;

1531                   (v) Money market mutual funds rated less than  
1532 "AAA" and equal to or higher than "A-" by S&P, or the equivalent  
1533 from any other eligible rating service; and

1534                   (vi) A mutual fund or other investment fund  
1535 composed solely and exclusively of one or more permissible  
1536 investments listed in subsection (1)(a) through (c) of this  
1537 section;

1538 (d) Cash (including demand deposits, savings deposits,  
1539 and funds in such accounts held for the benefit of the licensee's  
1540 customers) at foreign depository institutions are permissible up  
1541 to ten percent (10%) of the aggregate value of the licensee's  
1542 total permissible investments if the licensee has received a  
1543 satisfactory rating in its most recent examination and the foreign  
1544 depository institution:

1545 (i) Has an eligible rating;

1546 (ii) Is registered under the Foreign Account Tax  
1547 Compliance Act;

1548 (iii) Is not located in any country subject to  
1549 sanctions from the Office of Foreign Asset Control; and

1550 (iv) Is not located in a high-risk or  
1551 noncooperative jurisdiction as designated by the Financial Action  
1552 Task Force.

1553 **SECTION 35. Suspension and revocation.** (1) The  
1554 commissioner may suspend or revoke a license or order a licensee  
1555 to revoke the designation of an authorized delegate if:

1556 (a) The licensee or any authorized delegate, agent, or  
1557 representative violates this act or a rule or regulation adopted  
1558 or an order issued under this act;

1559 (b) The licensee or any authorized delegate, agent, or  
1560 representative does not cooperate with an examination or  
1561 investigation by the commissioner;

1562 (c) The licensee or any authorized delegate, agent, or  
1563 representative engages in fraud, intentional misrepresentation, or  
1564 gross negligence;

1565 (d) An authorized delegate is convicted of a violation  
1566 of a state or federal anti-money laundering statute, or violates a  
1567 rule or regulation adopted or an order issued under this act, as a  
1568 result of the licensee's willful misconduct or willful blindness;

1569 (e) The competence, experience, character, or general  
1570 fitness of the licensee, authorized delegate, person in control of  
1571 a licensee, key individual, or responsible person of the  
1572 authorized delegate indicates that it is not in the public  
1573 interest to permit the person to provide money transmission;

1574 (f) The licensee or any authorized delegate, agent, or  
1575 representative engages in an unsafe or unsound practice;

1576 (g) The licensee is insolvent, suspends payment of its  
1577 obligations, or makes a general assignment for the benefit of its  
1578 creditors; or

1579 (h) The licensee does not remove an authorized delegate  
1580 after the commissioner issues and serves upon the licensee a final  
1581 order including a finding that the authorized delegate has  
1582 violated this act.

1583 (2) In determining whether a licensee is engaging in an  
1584 unsafe or unsound practice, the commissioner may consider the size  
1585 and condition of the licensee's money transmission, the magnitude  
1586 of the loss, the gravity of the violation of this act, and the  
1587 previous conduct of the person involved.

1588           **SECTION 36. Notice and hearing.** (1) Except where a license  
1589 is automatically revoked without any act of the commissioner as  
1590 specially provided in this section, no license shall be revoked  
1591 except on ten (10) days' notice (the first day of the ten-day  
1592 period to be the date stated on the notice, which shall be the day  
1593 it is mailed) to the licensee by the commissioner, sent by letter  
1594 by United States registered mail, return receipt requested, to the  
1595 licensee's business address set forth in the application.

1596           (2) Upon receipt of the notice, as stated in the registered  
1597 mail receipt, the licensee may, within five (5) days thereafter  
1598 (which five-day period may be wholly or partially outside of the  
1599 ten-day period) make written demand for a hearing by the  
1600 commissioner, which demand must be accompanied by an additional  
1601 surety bond or securities deposit, as hereafter provided, the  
1602 principal sum or the market value thereof to be specified by the  
1603 commissioner in the revocation notice.

1604           (3) The revocation notice shall not become final during the  
1605 period of time in which the licensee may demand such hearing nor  
1606 if licensee demands a hearing, until the matter has been finally  
1607 determined by the commissioner or by the courts, provided that the  
1608 licensee posts together with his written demand for hearing an  
1609 additional corporate surety bond, written by the same surety that  
1610 wrote the bond required under Section 32 of this act or an  
1611 additional deposit in addition to the deposit theretofore made by  
1612 the licensee under Section 32 of this act which additional surety  
1613 bond or deposit shall be in a principal amount or of a market

1614 value deemed adequate by the commissioner as specified in the  
1615 revocation order but not exceeding One Million Dollars  
1616 (\$1,000,000.00), provided that if the licensee originally  
1617 deposited with his application under Section 32 of this act a  
1618 corporate surety bond, the additional deposit provided in this  
1619 section must be another corporate surety bond or an increase of  
1620 the first one and may not be a deposit, or if the licensee  
1621 originally made a deposit, the additional deposit shall also be of  
1622 the same manner and not a corporate surety bond. The bond or  
1623 deposit shall secure the same obligations as does the corporate  
1624 surety bond or deposit required by Section 32 of this act, but  
1625 shall be in addition to the bond or deposit required thereby.

1626 (4) Upon receipt of the written demand, the commissioner  
1627 shall thereafter, with reasonable promptness, hear and determine  
1628 the matter as provided by law or regulation.

1629 (5) If the licensee deems himself aggrieved by the  
1630 determination or order of the commissioner, he may within thirty  
1631 (30) days after the determination or order, have the determination  
1632 or order reviewed by an appeal to the Chancery Court of the First  
1633 Judicial District of Hinds County, Mississippi, by filing a  
1634 petition setting out the specific order or action or part thereof  
1635 by which the person deems himself aggrieved. All those petitions  
1636 shall be given preferred settings and shall be heard by the court  
1637 as speedily as possible. Such an appeal shall be perfected upon  
1638 the posting of a bond for the costs of the appeal accompanied by  
1639 the petition. Any party to the appeal may appeal to the Supreme



1640 Court of Mississippi from the decree or order of the chancery  
1641 court, within thirty (30) days from the rendition of the decree or  
1642 order, in the manner provided by law for appeals to the Supreme  
1643 Court of Mississippi from chancery courts.

1644 (6) Final revocation of the license, whether automatic or by  
1645 final determination of the commissioner or the courts, shall  
1646 cancel as of the date of final revocation all bonds or deposits  
1647 theretofore deposited by the licensee under any provision of this  
1648 section, provided that the licensee (and his corporate surety, if  
1649 any) shall not be relieved of any accrued liabilities, and  
1650 provided further, where the licensee made a deposit, that there  
1651 shall not be returned to the licensee any of the deposit until the  
1652 commissioner determines that all accrued liabilities (including,  
1653 but not limited to, the principal sums thereof, accrued interest  
1654 thereon, and court costs, if any, assessed to the licensee) of the  
1655 licensee under this section have been satisfied in full.

1656 (7) The commissioner may at any time revoke a license, on  
1657 any ground on which he might refuse to grant a license, for  
1658 failure to pay an annual fee or for violation of any provision of  
1659 this section, subject to the provisions of this section.

1660 (8) A license shall be automatically and finally revoked  
1661 without any act or further act of the commissioner and without any  
1662 right of the licensee to any hearing or further hearing by the  
1663 commissioner or the courts and without any right of the licensee  
1664 or the commissioner to reinstate or have reinstated the license,  
1665 in the following instances: (a) at expiration of the sixty-day

1666 notice period, if the corporate surety gives notice of  
1667 cancellation of its bond or any of them; (b) upon failure by  
1668 licensee to pay when due the annual license fee required by  
1669 Section 16 of this act; (c) upon failure by licensee to file when  
1670 due any information required by this act; (d) in case of a  
1671 revocation notice under the Section 36(1) of this act, failure by  
1672 the licensee to demand hearing as provided therein or failure to  
1673 deposit any additional corporate surety bond or deposit as  
1674 required by the commissioner; (e) upon a license revocation order  
1675 becoming final at any stage; (f) failure by licensee to deposit  
1676 when due any additional corporate surety bond or deposit required  
1677 by the commissioner under Section 32(8) of this act; or (g) upon  
1678 final conviction of licensee as to any offense covered by this  
1679 act.

1680 (9) If a revocation order becomes final for any reason or in  
1681 any manner, the license may not be reinstated, except upon new  
1682 application as if the licensee had never been licensed before.  
1683 The commissioner may deny the new application on grounds that a  
1684 previous application was denied or a previous license to applicant  
1685 was revoked or any ground or grounds on which he may deny an  
1686 original application.

1687 **SECTION 37. Orders to cease and desist.** (1) If the  
1688 commissioner determines that a violation of this act or of a rule  
1689 or regulation adopted or an order issued under this act by a  
1690 licensee or authorized delegate is likely to cause immediate and  
1691 irreparable harm to the licensee, its customers, or the public as

1692 a result of the violation, or cause insolvency or significant  
1693 dissipation of assets of the licensee, the commissioner may issue  
1694 an order requiring the licensee or authorized delegate to cease  
1695 and desist from the violation. The order becomes effective upon  
1696 service of it upon the licensee or authorized delegate.

1697 (2) When the commissioner has reasonable cause to believe  
1698 that a person is violating any provision of this act, the  
1699 commissioner, in addition to and without prejudice to the  
1700 authority provided elsewhere in this act, may sue in the Chancery  
1701 Court of the First Judicial District of Hinds County, Mississippi,  
1702 to enjoin the person from engaging in or continuing the violation  
1703 or from doing any act in furtherance of the violation. In such an  
1704 action, the court may enter any order or judgment awarding a  
1705 preliminary or permanent injunction.

1706 (3) An order to cease and desist remains effective until  
1707 rescinded or released by the commissioner or appealed as provided  
1708 in this section.

1709 (4) A licensee that is served with an order to cease and  
1710 desist may petition the Chancery Court of the First Judicial  
1711 District of Hinds County, Mississippi, for a judicial order  
1712 setting aside, limiting, or suspending the enforcement, operation,  
1713 or effectiveness of the order.

1714 **SECTION 38. Consent orders.** The commissioner may enter into  
1715 a consent order at any time with a person to resolve a matter  
1716 arising under this act or a rule or regulation adopted or order  
1717 issued under this act. A consent order must be signed by the

1718 person to whom it is issued or by the person's authorized  
1719 representative, and must indicate agreement with the terms  
1720 contained in the order. A consent order may provide that it does  
1721 not constitute an admission by a person that this act or a rule or  
1722 regulation adopted or an order issued under this act has been  
1723 violated.

1724         **SECTION 39. Criminal penalties.** (1) A person who  
1725 intentionally makes a false statement, misrepresentation, or false  
1726 certification in a record filed or required to be maintained under  
1727 this act or that intentionally makes a false entry or omits a  
1728 material entry in such a record is guilty of a felony and, upon  
1729 conviction thereof, shall be fined no less than Five Hundred  
1730 Dollars (\$500.00) nor more than Three Thousand Dollars  
1731 (\$3,000.00), and may also be punished by imprisonment in the  
1732 custody of the Department of Corrections for a term not less than  
1733 one (1) year and not more than five (5) years.

1734         (2) A person that knowingly engages in an activity for which  
1735 a license is required under this act without being licensed under  
1736 this act and who receives more than Five Hundred Dollars (\$500.00)  
1737 in compensation within a thirty-day period from this activity is  
1738 guilty of a felony and, upon conviction thereof, shall be fined no  
1739 less than Five Hundred Dollars (\$500.00) nor more than Three  
1740 Thousand Dollars (\$3,000.00), and may also be punished by  
1741 imprisonment in the custody of the Department of Corrections for a  
1742 term not less than one (1) year and not more than five (5) years.

1743           (3) A person that knowingly engages in an activity for which  
1744 a license is required under this act without being licensed under  
1745 this act and who receives no more than Five Hundred Dollars  
1746 (\$500.00) in compensation within a thirty-day period from this  
1747 activity is guilty of a misdemeanor and, upon conviction, shall be  
1748 fined not less than One Hundred Dollars (\$100.00) nor more than  
1749 Five Hundred Dollars (\$500.00), and may also be confined to the  
1750 county jail for not more than twelve (12) months.

1751           **SECTION 40. Civil penalties.** (1) The commissioner may  
1752 assess a civil penalty against a person that violates this act or  
1753 a rule or regulation adopted or an order issued under this act in  
1754 an amount not to exceed One Thousand Dollars (\$1,000.00) per day  
1755 for each day the violation is outstanding, plus this state's costs  
1756 and expenses for the investigation and prosecution of the matter,  
1757 including reasonable attorney's fees.

1758           (2) If any person engages in business as provided for in  
1759 this act without paying the license fee provided for in this act  
1760 before beginning business or before the expiration of the person's  
1761 current license, as the case may be, then the person shall be  
1762 liable for the full amount of the license fee plus a penalty in an  
1763 amount not to exceed One Thousand Dollars (\$1,000.00) for each day  
1764 that the person has engaged in the business without a license or  
1765 after the expiration of a license.

1766           **SECTION 41. Unlicensed persons.** (1) If the commissioner  
1767 has reason to believe that a person has violated or is violating  
1768 Section 11 of this act, the commissioner may issue an order to

1769 show cause why an order to cease and desist should not issue  
1770 requiring that the person cease and desist from the violation of  
1771 Section 11 of this act.

1772 (2) In an emergency, the commissioner may petition the  
1773 Chancery Court of the First Judicial District of Hinds County,  
1774 Mississippi, for the issuance of a temporary restraining order ex  
1775 parte pursuant to the Mississippi Rules of Civil Procedure.

1776 (3) An order to cease and desist becomes effective upon  
1777 service of it upon the person.

1778 (4) An order to cease and desist remains effective and  
1779 enforceable until rescinded or released by the commissioner or  
1780 appealed as provided in this section.

1781 (5) A person that is served with an order to cease and  
1782 desist for violating Section 11 of this act may petition the  
1783 Chancery Court of the First Judicial District of Hinds County,  
1784 Mississippi, for a judicial order setting aside, limiting, or  
1785 suspending the enforcement, operation, or effectiveness of the  
1786 order.

1787 **SECTION 42. Investigation of possible violations.** In  
1788 addition to and without prejudice to the authority provided  
1789 elsewhere in this act, the commissioner, or his duly authorized  
1790 representative, for the purpose of discovering violations of this  
1791 act and for the purpose of determining whether persons are subject  
1792 to the provisions of this act, may examine persons licensed under  
1793 this chapter and persons reasonably suspected by the commissioner  
1794 of conducting business that requires a license under this act,

1795 including all relevant books, records and papers employed by those  
1796 persons in the transaction of their business, and may summon  
1797 witnesses and examine them under oath concerning matters relating  
1798 to the business of those persons, or such other matters as may be  
1799 relevant to the discovery of violations of this act, including,  
1800 without limitation, the conduct of business without a license as  
1801 required under this act.

1802       **SECTION 43. Uniformity of application and construction.** In  
1803 applying and construing this act, consideration must be given to  
1804 the need to promote uniformity of the law with respect to its  
1805 subject matter among states that enact it.

1806       **SECTION 44. Severability clause.** If any provision of this  
1807 act or its application to any person or circumstance is held  
1808 invalid, the invalidity does not affect other provisions or  
1809 applications of this act which can be given effect without the  
1810 invalid provision or application, and to this end the provisions  
1811 of this act are severable.

1812       **SECTION 45. Transition period.** (1) A person licensed in  
1813 this state to engage in the business of money transmission shall  
1814 not be subject to the provisions of this act, to the extent that  
1815 they conflict with current law or establish new requirements not  
1816 imposed under current law, until such time as the licensee renews  
1817 its current license or for twelve (12) months after the effective  
1818 date of this act, whichever is later.

1819       (2) Notwithstanding subsection (1) of this section, a  
1820 licensee shall only be required to amend its authorized delegate

1821 contracts for contracts entered into or amended after the  
1822 effective date or the completion of any transition period  
1823 contemplated under subsection (1) of this section. Nothing herein  
1824 shall be construed as limiting an authorized delegate's  
1825 obligations to operate in full compliance with this act as  
1826 required by Section 26(3) of this act.

1827 **SECTION 46.** Sections 75-15-1 through 75-15-35, Mississippi  
1828 Code of 1972, which is the chapter of law that creates the  
1829 "Mississippi Money Transmitters Act," is hereby repealed.

1830 **SECTION 47.** This act shall take effect and be in force from  
1831 and after July 1, 2025.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO ENACT THE MISSISSIPPI MONEY TRANSMISSION  
2 MODERNIZATION ACT; TO STATE THE PURPOSE AND INTENT OF THE ACT; TO  
3 DEFINE TERMS; TO PROVIDE CERTAIN EXEMPTIONS TO THE ACT; TO PROVIDE  
4 PROVISIONS ON THE IMPLEMENTATION OF THE ACT, CONFIDENTIALITY UNDER  
5 THE ACT, THE COMMISSIONER'S SUPERVISION OF THE ACT, AND THE  
6 RELATIONSHIP OF THE ACT TO FEDERAL LAW; TO PROVIDE FOR MONEY  
7 TRANSMISSION LICENSES; TO PROVIDE FOR ACQUISITION OF CONTROL AND  
8 NOTICE AND INFORMATION REQUIREMENTS FOR A CHANGE OF KEY  
9 INDIVIDUALS; TO PROVIDE REPORTING AND RECORD REQUIREMENTS UNDER  
10 THE ACT; TO PERMIT AUTHORIZED DELEGATES; TO REQUIRE CERTAIN  
11 DISCLOSURES BY LICENSEES; TO SET FORTH CERTAIN PRUDENTIAL  
12 STANDARDS; TO PROVIDE ENFORCEMENT PROVISIONS; TO AUTHORIZE THE  
13 COMMISSIONER TO INVESTIGATE POSSIBLE VIOLATIONS OF THE ACT; TO  
14 PROVIDE THAT THIS ACT SHOULD BE CONSTRUED AND APPLIED TO PROMOTE  
15 UNIFORMITY OF LAW; TO PROVIDE THAT THE PROVISIONS OR APPLICATIONS  
16 OF THIS ACT SHALL BE SEVERABLE; TO PROVIDE FOR A TRANSITION  
17 PERIOD; TO REPEAL SECTION 75-15-1, MISSISSIPPI CODE OF 1972, WHICH  
18 IS THE CHAPTER OF LAW THAT CREATES THE MISSISSIPPI MONEY  
19 TRANSMITTERS ACT; AND FOR RELATED PURPOSES.

SS26\HB1428A.2J



Amanda White  
Secretary of the Senate