

533C.501 Relationship between licensee and authorized delegate.

1. Before a licensee is authorized to conduct business through an authorized delegate or allows a person to act as the licensee's authorized delegate, the licensee shall do all of the following:

a. Adopt, and update as necessary, written policies and procedures reasonably designed to ensure that the licensee's authorized delegates comply with applicable state and federal law.

b. Enter into a written contract that complies with [this subsection](#).

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

2. An authorized delegate shall operate in full compliance with [this chapter](#).

3. The written contract required by [subsection 1](#) shall be signed by the licensee and the authorized delegate and shall:

a. Appoint the person signing the contract as the licensee's authorized delegate with the authority to conduct money transmission on behalf of the licensee.

b. Set forth the nature and scope of the relationship between the licensee and the authorized delegate and the respective rights and responsibilities of the parties.

c. Require the authorized delegate to agree to fully comply with all applicable state and federal laws, rules, and regulations pertaining to money transmission, including [this chapter](#) and regulations implementing [this chapter](#), relevant provisions of the federal Bank Secrecy Act and federal Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56.

d. Require the authorized delegate to remit and handle money and monetary value in accordance with the terms of the contract between the licensee and the authorized delegate.

e. Impose a trust on money and monetary value net of fees received for money transmission for the benefit of the licensee.

f. Require the authorized delegate to prepare and maintain records as required by [this chapter](#) or regulations implementing [this chapter](#), or as reasonably requested by the superintendent.

g. Acknowledge that the authorized delegate consents to examination or investigation by the superintendent.

h. State that the licensee is subject to regulation by the superintendent who may suspend or revoke an authorized delegate designation or require the licensee to terminate an authorized delegate designation as a part of regulation.

i. Acknowledge receipt of the written policies and procedures required under [subsection 1](#).

4. If the licensee's license is suspended, revoked, surrendered, or expired, the licensee shall, within five business days, provide documentation to the superintendent that the licensee has notified all applicable authorized delegates of the licensee whose names are in a record filed with the superintendent of the suspension, revocation, surrender, or expiration of a license. Upon suspension, revocation, surrender, or expiration of a license, applicable authorized delegates shall immediately cease to provide money transmission as an authorized delegate of the licensee.

5. An authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of fees received from money transmission. If any authorized delegate commingles any funds received from money transmission with any other funds or property owned or controlled by the authorized delegate, all commingled funds and other property shall be considered held in trust in favor of the licensee in an amount equal to the amount of money net of fees received from money transmission.

6. An authorized delegate may not use a subdelegate to conduct money transmission on behalf of a licensee.

[2003 Acts, ch 96, §16, 42; 2023 Acts, ch 83, §19](#)

Referred to in [§533C.903](#)