

CHAPTER 533C

UNIFORM MONEY TRANSMISSION MODERNIZATION ACT

Referred to in §524.212, 524.606, 533A.2, 546.3, 669.14

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## ARTICLE 1 GENERAL PROVISIONS

### 533C.101 Short title.

[This chapter](#) may be cited as the “*Uniform Money Transmission Modernization Act*”.  
2003 Acts, ch 96, §1, 42; 2023 Acts, ch 83, §2

### 533C.102 Definitions.

In [this chapter](#):

1. “*Acting in concert*” means persons knowingly acting together with a common goal of jointly acquiring control of a licensee whether or not pursuant to an express agreement.

2. “*Authorized delegate*” means a person a licensee designates to provide money transmission on behalf of the licensee.

3. “*Average daily money transmission liability*” means the amount of the licensee’s outstanding money transmission obligations in this state at the end of each day in a given period of time, added together, and divided by the total number of days in the given period of time. For purposes of calculating average daily money transmission liability under [this chapter](#) for any required licensee, the given period of time shall be the quarters ending March 31, June 30, September 30, and December 31.

4. “*Bank Secrecy Act*” means the federal Bank Secrecy Act, 31 U.S.C. §5311 et seq., and its implementing regulations, as amended.

5. “*Closed loop stored value*” means stored value that is redeemable by the issuer only for goods or services provided by the issuer or its affiliate or franchisees of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value.

6. “*Control*” means any of the following:

a. The power to vote, directly or indirectly, at least twenty-five percent of outstanding voting securities or voting interests of a licensee or person in control of a licensee.

b. The power to elect or appoint a majority of key individuals, executive officers, managers, directors, trustees, or other persons exercising managerial authority of a licensee or person in control of a licensee.

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

7. “*Eligible rating*” means a credit rating of any of the three highest rating categories provided by an eligible rating service, whereby each category may include rating category modifiers such as “plus” or “minus” for Standard and Poor’s 500 stock market index, or the equivalent for any other eligible rating service. A long-term credit rating is deemed eligible if the rating is equal to “A-” or higher by Standard and Poor’s 500 stock market index, or the equivalent from any other eligible rating service. A short-term credit rating is deemed eligible if the rating is equal to or higher than “A-2” or “SP-2” by Standard and Poor’s 500 stock market index, or the equivalent from any other eligible rating service. In the event that the ratings differ among eligible rating services, the highest rating shall apply when determining whether a security bears an eligible rating.

8. “*Eligible rating service*” means any nationally recognized statistical rating organization as defined by the federal securities and exchange commission, and any other organization designated by the superintendent by rule or order.

9. “*Federally insured depository financial institution*” means a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state, when such entity has federally insured deposits.

10. “*In the United States*” means a person in any state, territory, or possession of

the United States, District of Columbia, Commonwealth of Puerto Rico, or U.S. military installation that is located in a foreign country.

11. *“In this state”* means at a physical location within Iowa for an in-person transaction request.

12. *“Individual”* means a natural person.

13. *“Key individual”* means an individual ultimately responsible for establishing or directing policies and procedures of the licensee, including an executive officer, manager, director, or trustee.

14. *“Licensee”* means a person licensed under [this chapter](#).

15. *“Material litigation”* means litigation that, according to generally accepted accounting principles in the United States, is significant to a person’s financial health and would be required to be disclosed in the person’s audited financial statements, report to shareholders, or similar records.

16. *“Monetary value”* means a medium of exchange, whether or not redeemable in money.

17. *“Money”* means a medium of exchange authorized or adopted by the United States or a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.

18. *“Money services businesses accredited state”* or *“MSB accredited state”* means a state agency that is accredited by the conference of state bank supervisors and the money transmitter regulators association for money transmission licensing and supervision.

19. a. *“Money transmission”* means and includes any of the following:

(1) Selling or issuing payment instruments to a person located in this state.

(2) Selling or issuing stored value to a person located in this state.

(3) Receiving money for transmission from a person located in this state.

b. *“Money transmission”* does not include the provision solely of online or telecommunications services or network access.

20. *“Multistate licensing process”* means any agreement entered into by and among state regulators relating to coordinated processing of applications for money transmission licenses, applications for the acquisition of control of a licensee, control determinations, or notice and information requirements for a change of key individuals.

21. *“Nationwide multistate licensing system”* or *“NMLS”* means the nationwide multistate licensing system and registry developed by the conference of state bank supervisors and the American association of residential mortgage regulators and owned and operated by the state regulatory registry, LLC, or any successor or affiliated entity, for the licensing and registration of persons in financial services industries.

22. *“Outstanding money transmission obligations”* means any of the following:

a. Any payment instrument or stored value issued or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for the licensee, or escheated in accordance with applicable abandoned property laws.

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

23. *“Passive investor”* means a person that can attest in a medium prescribed by the superintendent or commits in writing to any of the following:

a. The person does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a person in control of a licensee.

b. The person is not employed by and does not have any managerial duties of the licensee or person in control of a licensee.

c. The person does not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee.

24. *“Payment instrument”* means a written or electronic check, draft, money order, traveler’s check, or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not that instrument is negotiable. *“Payment*

*instrument*” does not include stored value or any instrument that is redeemable by the issuer only for goods or services provided by the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value, or not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

25. “*Payroll processing services*” means receiving money for transmission pursuant to a contract with a person to deliver wages or salaries, make payments of payroll taxes to states and federal agencies, make payments relating to employee benefit plans, or make distributions of other authorized deductions from wages or salaries. The term “*payroll processing services*” does not include an employer performing payroll processing services on its own behalf or on behalf of its affiliate, or a professional employer organization subject to regulation under other applicable state law.

26. “*Person*” means an individual, general partnership, limited partnership, limited liability company, association, joint stock corporation, trust, corporation, or any other corporate entity identified by the superintendent.

27. “*Receipt*” means a paper receipt, electronic record, or other written confirmation.

28. “*Receiving money for transmission*” or “*money received for transmission*” means receiving money or monetary value in the United States for transmission within or outside the United States by electronic or other means.

29. “*Remit*” means to make direct payments of money to a licensee or its representative authorized to receive money or to deposit money in a bank in an account specified by the licensee.

30. “*Stored-value*” means monetary value representing a claim against the issuer evidenced by an electronic or digital record, and that is intended and accepted for use as a means of redemption for money or monetary value, or payment for goods or services. “*Stored-value*” includes but is not limited to prepaid access as defined by 31 C.F.R. §1010.100, as amended. “*Stored-value*” does not include a payment instrument or closed loop stored value, or stored value not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

31. “*Superintendent*” means the superintendent of banking for the state of Iowa.

32. “*Tangible net worth*” means the aggregate assets of a licensee excluding all intangible assets, less liabilities, as determined in accordance with generally accepted accounting principles in the United States.

2003 Acts, ch 96, §2, 42; 2023 Acts, ch 83, §3; 2024 Acts, ch 1030, §1, 14, 15

Referred to in §533A.2

2024 amendment to subsection 2 applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

### 533C.103 Exemptions.

The superintendent may require that any person claiming to be exempt from licensing pursuant to [this section](#) provide information and documentation to the superintendent demonstrating that the person qualifies for any claimed exemption. [This chapter](#) does not apply to:

1. The United States or a department, agency, agent, or instrumentality thereof.
2. Money transmission by the United States postal service or by an agent of the United States postal service.
3. A state, county, city, or governmental agency, governmental subdivision, instrumentality, or agent of a state.
4. A federally insured depository financial institution, bank holding company, office of an international banking corporation, foreign bank that establishes a federal branch pursuant to the federal International Bank Act, 12 U.S.C. §3102, as amended, corporation organized pursuant to the federal Bank Service Company Act, 12 U.S.C. §1861 – 1867, as amended, or corporation organized under the federal Edge Act, 12 U.S.C. §611 – 633, as amended.
5. Electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or instrumentality thereof.
6. A board of trade designated as a contract market under the federal Commodity

Exchange Act, 7 U.S.C. §1 – 25, as amended, or a person that, in the ordinary course of business, provides clearance and settlement services for a board of trade to the extent of its operation as or for such a board.

7. A registered futures commission merchant under the federal commodities laws to the extent of its operation as such a merchant.

8. A person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender, and the sender's designated recipient, provided all of the following apply:

a. The entity is properly licensed or exempt from licensing requirements under [this chapter](#).

b. The entity provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction.

c. The entity bears sole responsibility to satisfy the outstanding money transmission obligations to the sender, including the obligation to make the sender whole in connection with any failure to transmit the funds to the sender's designated recipient.

9. An operator of a payment system to the extent that it provides processing, clearing, or settlement services, between or among persons excluded by [this section](#), or licensees, in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, or similar funds transfers.

10. A person registered as a securities broker-dealer under federal or state securities laws to the extent of its operation as such a broker-dealer.

11. A delayed deposit services business as defined in [chapter 533D](#).

12. A real estate broker or salesperson as defined in [chapter 543B](#).

13. Pari-mutuel wagering, racetracks, excursion gambling boats, and gambling structures as provided in [chapters 99D](#) and [99F](#).

14. A person engaging in the business of debt management that is licensed or exempt from licensing pursuant to [section 533A.2](#).

15. An insurance company organized under [chapter 508](#), [514](#), [514B](#), [515](#), [518](#), [518A](#), or [520](#), or authorized to do the business of insurance in Iowa to the extent of its operation as an insurance company.

16. An insurance producer as defined in [section 522B.1](#) to the extent of its operation as an insurance producer.

17. A person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission itself, provided to the payor by the payee, provided all of the following apply:

a. There exists a written agreement between the payee and the agent directing the agent to collect and process payments from payors on the payee's behalf.

b. The payee holds the agent out to the public as accepting payments for goods or services on the payee's behalf.

c. Payment for the goods and services is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished and there is no risk of loss to the payor if the agent fails to remit the funds to the payee.

18. An individual employed by a licensee, authorized delegate, or any person exempted from the licensing requirements of [this chapter](#) when acting within the scope of employment and under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an independent contractor.

19. A person expressly appointed as a third-party service provider to or agent of an entity exempt under [subsection 4](#), provided all of the following apply:

a. The service provider or agent is engaging in money transmission on behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that the service provider or agent is to perform.

b. The exempt entity assumes all risk of loss and all legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service provider or agent.

20. A person exempt by regulation or order if the superintendent finds such exemption

to be in the public interest and that the regulation of such person is not necessary for the purposes of [this chapter](#).

21. A person appointed as an agent of a payor for purposes of providing payroll processing services for which the agent would otherwise need to be licensed, provided all of the following apply:

a. There is a written agreement between the payor and the agent that directs the agent to provide payroll processing services on the payor's behalf.

b. The payor holds the agent out to employees and other payees as providing payroll processing services on the payor's behalf.

c. The payor's obligation to a payee, including an employee or any other party entitled to receive funds via the payroll processing services provided by the agent, shall not be extinguished if the agent fails to remit the funds to the payee.

[2003 Acts, ch 96, §3, 42](#); [2004 Acts, ch 1101, §76](#); [2007 Acts, ch 188, §20](#); [2023 Acts, ch 83, §4](#); [2024 Acts, ch 1030, §2, 14](#)

Referred to in [§533A.2](#), [533C.301](#), [533C.401](#)

## ARTICLE 2

### IMPLEMENTATION, CONFIDENTIALITY, SUPERVISION, AND RELATIONSHIP TO FEDERAL LAW

#### **533C.201 Implementation.**

1. In order to carry out the purposes of [this chapter](#), the superintendent may, subject to the provisions of [section 533C.202](#):

a. Enter into agreements or relationships with other government officials, federal and state regulatory agencies, and regulatory associations in order to improve efficiencies and reduce regulatory burden by standardizing methods or procedures, and sharing resources, records, or related information obtained under [this chapter](#).

b. Use, hire, contract, or employ analytical systems, methods, or software to examine or investigate any person subject to [this chapter](#).

c. Accept, from other state or federal government agencies or officials, licensing, examination, or investigation reports made by such other state or federal government agencies or officials.

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

2. The superintendent shall have the broad administrative authority to administer, interpret, and enforce [this chapter](#), to promulgate rules or regulations implementing [this chapter](#), and to recover the cost of administering and enforcing [this chapter](#) by imposing and collecting proportionate and equitable fees and costs associated with applications, examinations, investigations, and other actions required to achieve the purpose of [this chapter](#).

3. For a transaction requested electronically or by phone, the provider of money transmission may determine if the person requesting the transmission is located in this state by relying on other information provided by the person regarding the location of the individual's residential address or a business entity's principal place of business or other physical address location, and any records associated with the person that the provider of money transmission may have that indicate such location, including but not limited to an address associated with an account, provided that any transaction requested by an individual whose residential address is in Iowa shall be presumed to occur in Iowa.

4. Outstanding money transmission obligations shall be established and extinguished in accordance with applicable state law.

[2003 Acts, ch 96, §4, 42](#); [2004 Acts, ch 1101, §77](#); [2023 Acts, ch 83, §5](#)

#### **533C.202 Confidentiality.**

1. Except as otherwise provided in [subsection 2](#), financial statements, balance sheets,

authorized delegate information, all information and reports obtained by the superintendent from an applicant, licensee, or authorized delegate, and all information contained in or related to an examination, investigation, operating report, or condition report prepared by, on behalf of, or for the use of the superintendent are confidential and are not subject to disclosure under [chapter 22](#).

2. The superintendent may disclose information not otherwise subject to disclosure under [subsection 1](#) where:

a. Representatives of state or federal agencies certify in a record that they shall maintain the confidentiality of the information.

b. The superintendent finds that the release is reasonably necessary for the protection and interest of the public in accordance with [chapter 22](#).

3. [This section](#) does not prohibit the superintendent from disclosing to the public a list of all licensees or the aggregated financial or transactional data concerning those licensees.

4. The division of banking or superintendent's records containing nonconfidential information may be made available to the public on the division's website, upon receipt by the division of a written request, or via the NMLS. The release of information shall include, where applicable, all of the following:

a. The name, business address, telephone number, and unique identifier of a licensee.

b. The business address of a licensee's registered agent for service.

c. The name, business address, and telephone number of all authorized delegates.

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

e. Copies of any nonconfidential final orders of the superintendent relating to any violation of [this chapter](#) or regulations implementing [this chapter](#).

f. Imposition of an administrative fine or penalty under [this chapter](#).

[2003 Acts, ch 96, §5, 42; 2004 Acts, ch 1086, §88; 2013 Acts, ch 5, §7, 8; 2023 Acts, ch 83, §6](#)  
Referred to in [§533C.201, 533C.204](#)

### **533C.203 Supervision.**

1. The superintendent may conduct an examination or investigation of a licensee or authorized delegate or otherwise take independent action authorized by [this chapter](#) or by a rule adopted or order issued under [this chapter](#) as reasonably necessary or appropriate to administer and enforce [this chapter](#), regulations implementing [this chapter](#), and other applicable law, including the federal Bank Secrecy Act, Pub. L. No. 91-508, and the federal Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56. The superintendent shall provide supervision as follows:

a. Conducting an examination either on site or off site as the supervision may reasonably require.

b. Conducting an examination in conjunction with an examination conducted by representatives of other state agencies or agencies of another state or of the federal government.

c. Accepting the examination report of another state agency or an agency of another state or of the federal government, or a report prepared by an independent accounting firm, which on being accepted is considered for all purposes as an official report of the superintendent.

d. Summoning and examining under oath a key individual or employee of a licensee or authorized delegate and requiring the person to produce records regarding any matter related to the condition and business of the licensee or authorized delegate.

2. A licensee or authorized delegate shall provide, and the superintendent shall have full and complete access to, all records the superintendent may reasonably require to conduct a complete examination. The records shall be provided at the location and in the format specified by the superintendent, provided the superintendent may utilize multistate record production standards and examination procedures when such standards will reasonably achieve the requirements of [this section](#).

3. Unless otherwise directed by the superintendent, a licensee shall pay all costs

reasonably incurred in connection with an examination of the licensee or the licensee's authorized delegates.

2003 Acts, ch 96, §6, 42; 2023 Acts, ch 83, §7

Referred to in §533C.606

#### **533C.204 Networked supervision.**

1. To efficiently and effectively administer and enforce [this chapter](#) and to minimize regulatory burden, the superintendent is authorized and encouraged to participate in multistate supervisory processes established between states and coordinated through the conference of state bank supervisors, the money transmitter regulators association, and affiliates and successors thereof for all licensees that hold licenses in this state and other states. As a participant in multistate supervision, the superintendent shall engage in all of the following:

a. Cooperation, coordination, and information sharing with other state and federal regulators in accordance with [section 533C.202](#).

b. Cooperation, coordination, and information sharing with organizations, the membership of which is made up of state or federal government agencies, provided that the organizations agree in writing to maintain the confidentiality and security of the shared information in accordance with [section 533C.202](#).

c. Entering into written cooperation, coordination, or information-sharing contracts or agreements with organizations the membership of which is made up of state or federal government agencies.

2. The superintendent shall not waive, and nothing in [this section](#) constitutes a waiver of, the superintendent's authority to conduct an examination or investigation or otherwise take independent action authorized by [this chapter](#) or a rule adopted or order issued under [this chapter](#) to enforce compliance with applicable state or federal law.

3. A joint examination or investigation, or acceptance of an examination or investigation report, shall not waive an examination assessment provided for in [this chapter](#).

2003 Acts, ch 96, §7, 42; 2005 Acts, ch 35, §31; 2023 Acts, ch 83, §8

#### **533C.205 Relationship to federal law.**

1. In the event state money transmission jurisdiction is conditioned on a federal law, any inconsistencies between a provision of [this chapter](#) and the federal law governing money transmission shall be governed by the applicable federal law to the extent of the inconsistency.

2. In the event of any inconsistencies between [this chapter](#) and a federal law that governs pursuant to [subsection 1](#), the superintendent may provide interpretive guidance that identifies the inconsistency and the appropriate means of compliance with federal law.

2003 Acts, ch 96, §8, 42; 2013 Acts, ch 5, §9; 2023 Acts, ch 83, §9

#### **533C.206 Net worth.** Repealed by 2023 Acts, ch 83, §36.

### ARTICLE 3

#### MONEY TRANSMISSION LICENSES

#### **533C.301 License required.**

1. A person shall not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless they are licensed under [this article](#).

2. [This section](#) shall not apply to the following:

a. A person that is an authorized delegate of a person licensed under [this chapter](#) acting within the scope of authority conferred by a written contract with the licensee.

b. A person that is exempt pursuant to [section 533C.103](#) and does not engage in money transmission outside the scope of such exemption.

3. A license under [this article](#) is not transferable or assignable.

2003 Acts, ch 96, §10, 42; 2004 Acts, ch 1086, §89; 2023 Acts, ch 83, §10

Referred to in §533C.903, 533C.1004

**533C.302 Consistent state licensing.**

1. To establish consistent licensing between this state and other states, the superintendent is authorized and encouraged to provide all of the following:

a. Implement all licensing provisions of [this chapter](#) in a manner that is consistent with other states that have adopted [this chapter](#) or multistate licensing processes.

b. Participate in nationwide protocols for licensing cooperation and coordination among state regulators provided that such protocols are consistent with [this section](#).

2. The superintendent is authorized and encouraged to establish relationships or contracts with NMLS or other entities designated by NMLS to enable the superintendent to do all of the following:

a. Collect and maintain records.

b. Coordinate multistate licensing processes and supervision processes.

c. Process fees.

d. Facilitate communication between this state, the superintendent, and licensees or other persons subject to [this chapter](#).

3. The superintendent is authorized and encouraged to utilize NMLS for all aspects of licensing in accordance with [this chapter](#), including but not limited to license applications, applications for acquisitions of control, surety bonds, reporting, criminal history background checks, credit checks, fee processing, and examinations.

4. The superintendent is authorized and encouraged to utilize NMLS forms, processes, and functionalities in accordance with [this chapter](#). In the event NMLS does not provide functionality, forms, or processes for a provision of [this chapter](#), the superintendent is authorized and encouraged to strive to implement the requirements in a manner that facilitates uniformity with respect to licensing, supervision, reporting, and regulation of licensees which are licensed in multiple jurisdictions.

5. For the purpose of participating in the NMLS and registry, the superintendent is authorized to waive or modify, in whole or in part, by rule, regulation, or order, any or all of the requirements and to establish new requirements as reasonably necessary to participate in the nationwide multistate licensing system and registry.

[2003 Acts, ch 96, §11, 42; 2013 Acts, ch 5, §10, 11; 2013 Acts, ch 70, §25; 2023 Acts, ch 83, §11](#)

**533C.303 Application for license.**

1. Applicants for a license under [this chapter](#) shall apply on a form prescribed by the superintendent. Each such form shall contain content as set forth by rule, regulation, instruction, or procedure of the superintendent and shall be changed or updated by the superintendent in accordance with applicable law in order to carry out the purposes of [this chapter](#) and maintain consistency with NMLS licensing standards and practices. The application shall state or contain, as applicable, the following:

a. The legal name and residential and business addresses of the applicant and any fictitious or trade name used by the applicant in conducting its business.

b. A list of any criminal convictions of the applicant and any material litigation in which the applicant has been involved in the ten-year period immediately preceding the submission of the application.

c. A description of any money transmission previously provided by the applicant and the money transmission that the applicant seeks to provide in this state.

d. A list of the applicant's proposed authorized delegates and the locations in this state where the applicant and its authorized delegates propose to engage in money transmission.

e. A list of other states in which the applicant is licensed to engage in money transmission and of any license revocations, suspensions, or other disciplinary action taken against the applicant in another state.

f. Information concerning any bankruptcy or receivership proceedings affecting the licensee or a person in control of a licensee.

g. A sample form of contract for authorized delegates.

h. A sample form of payment instrument or stored value.

i. The name and address of any federally insured depository financial institution through which the applicant plans to conduct money transmission.

j. Any other information the superintendent or NMLS reasonably requires with respect to the applicant.

2. If an applicant is a corporation, limited liability company, partnership, or other legal entity, the applicant shall also provide all of the following:

a. The date of the applicant's incorporation or formation and state or country of incorporation or formation.

b. If applicable, a certificate of good standing from the state or country in which the applicant is incorporated or formed.

c. A brief description of the structure or organization of the applicant, including any parents or subsidiaries of the applicant, and whether any parents or subsidiaries are publicly traded.

d. The legal name, any fictitious or trade name, all business and residential addresses, and the employment, in the ten-year period immediately preceding the submission of the application of each key individual and person in control of the applicant.

e. A list of any criminal convictions and material litigation in which a person in control of the applicant that is not an individual has been involved in the ten-year period immediately preceding the submission of the application.

f. A copy of audited financial statements for the most recent fiscal year and for the two-year period immediately preceding the submission of the application or, if determined to be acceptable to the superintendent, certified unaudited financial statements for the most recent fiscal year or other period acceptable to the superintendent.

g. A certified copy of the applicant's unaudited financial statements for the most recent fiscal quarter.

h. If the applicant is a publicly traded corporation, a copy of the most recent report filed with the United States securities and exchange commission under section 13 of the federal Securities Exchange Act of 1934, 15 U.S.C. §78m, as amended.

i. If the applicant is a wholly owned subsidiary of any of the following:

(1) A corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed under section 13 of the federal Securities Exchange Act of 1934, 15 U.S.C. §78m, as amended.

(2) A corporation publicly traded outside the United States, a copy of similar documentation filed with the regulator of the parent corporation's domicile outside the United States.

j. The name and address of the applicant's registered agent in this state.

k. Any other information the superintendent reasonably requires with respect to the applicant.

3. A nonrefundable application fee of one thousand dollars and a license fee shall accompany an application for a license under [this chapter](#). The license fee shall be refunded if the application is denied. The license fee shall be the sum of five hundred dollars plus an additional ten dollars for each location in this state at which business is conducted through authorized delegates or employees of the licensee, but shall not exceed five thousand dollars. Fees for locations added after the initial application shall be submitted with the quarterly reports pursuant to [section 533C.601](#). If the licensee has no locations in this state at which business is conducted through authorized delegates or employees of the licensee, the license fee shall be set by the superintendent, but shall not exceed five thousand dollars. A license under [this chapter](#) expires on the next December 31 after its issuance. The initial license fee is considered an annual fee and the superintendent shall prorate the license fee, refunding any amount due to a partial license year. No refund of a license fee shall be made when a license is suspended, revoked, or surrendered.

4. A person who requests written confirmation from the superintendent that a license is not required shall submit a fee of one hundred dollars along with the written request.

[2003 Acts, ch 96, §12, 42](#); [2004 Acts, ch 1101, §78](#); [2005 Acts, ch 35, §31](#); [2023 Acts, ch 83, §12](#)

Referred to in [§533C.305](#), [533C.801](#)

#### **533C.304 Information requirements for certain individuals.**

1. An individual in control of a licensee or applicant, an individual seeking to acquire control of a licensee, and each key individual shall furnish to the superintendent through NMLS the following items:

a. The individual's fingerprints for submission to the federal bureau of investigation and the superintendent for purposes of a national criminal history background check unless the person currently resides outside of the United States and has resided outside of the United States for the last ten years.

b. Personal history and experience in a form and in a medium prescribed by the superintendent, to obtain all of the following:

(1) An independent credit report from a consumer reporting agency. If the individual does not have a social security number, the requirement shall be waived.

(2) Information related to any criminal convictions or pending charges.

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

2. If the individual has resided outside of the United States at any time in the last ten years, the individual shall also provide an investigative background report prepared by an independent search firm. The search firm shall demonstrate it has sufficient knowledge, resources, and employs accepted and reasonable methodologies to conduct the research of the background report and be unaffiliated with, or have no interest in, the individual it is researching. The investigative background report shall be written in the English language and shall contain all of the following:

a. If available in the individual's current jurisdiction of residency, a comprehensive credit report, or any equivalent information obtained or generated by the independent search firm to accomplish such report, including a search of the court data in the countries, provinces, states, cities, towns, and contiguous areas where the individual resided and worked.

b. Criminal record information for the past ten years, including but not limited to felonies, misdemeanors, or similar convictions for violations of law in the countries, provinces, states, cities, towns, and contiguous areas where the individual resided and worked.

c. Employment history.

d. Media history, including an electronic search of national and local publications, wire services, and business applications.

e. Financial services-related regulatory history, including but not limited to money transmission, securities, banking, insurance, and mortgage-related industries.

[2003 Acts, ch 96, §13, 42](#); [2013 Acts, ch 5, §12](#); [2013 Acts, ch 70, §26](#); [2023 Acts, ch 83, §13](#)

Referred to in [§533C.305](#), [533C.401](#), [533C.402](#)

#### **533C.305 Issuance of license.**

1. When an application for an original license is filed under [this chapter](#) and appears to include all required information, the application is considered complete and the superintendent shall promptly notify the applicant in a record of the date on which the application is determined to be complete. The application is approved one hundred twenty-one days after completion, unless denied or approved earlier by the superintendent. The license takes effect as of the first business day after expiration of the one hundred twenty-day period. The superintendent may for good cause extend the application period.

2. A determination by the superintendent that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items, including the criminal background check response from the federal bureau of investigation, and address all of the matters that are required. A determination by the superintendent that

an application is complete is not an assessment of the substance of the application or of the sufficiency of the information provided.

3. When an application is filed and considered complete under [this section](#), the superintendent shall investigate the applicant's financial condition and responsibility, financial and business experience, character, and general fitness. The superintendent may conduct an on-site investigation of the applicant, the reasonable cost of which the applicant shall pay. The superintendent shall issue a license to an applicant under [this section](#) if the superintendent finds that all of the following conditions have been fulfilled:

a. The applicant has complied with [sections 533C.303](#) and [533C.304](#).

b. The financial condition and responsibility, financial and business experience, competence, character, and general fitness of the applicant or key individuals and person in control of the applicant, indicate that it is in the interest of the public to permit the applicant to engage in money transmission.

4. If an applicant avails itself or is otherwise subject to a multistate licensing process, the superintendent is authorized and encouraged to accept the investigation results of a lead investigative state for the purpose of [subsection 3](#), if the lead investigative state has sufficient staffing, expertise, and minimum standards. Additionally, if this state is a lead investigative state, the superintendent is authorized and encouraged to investigate the applicant pursuant to [subsection 3](#), and the time frames established by agreement through the multistate licensing process, provided, that in no case shall such time frame be noncompliant with the application period in [subsection 1](#).

5. The superintendent shall issue a formal written notice of the denial of a license application within thirty days of the decision to deny the application. The superintendent shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the superintendent under [this section](#) may appeal within thirty days after receipt of the written notice of the denial pursuant to [chapter 17A](#).

6. The initial license term shall begin on the day the application is approved. The license shall expire on December 31 of the year in which the license term began, unless the initial license date is between November 1 and December 31, in which case the initial license term shall run through December 31 of the following year.

[2023 Acts, ch 83, §14](#); [2023 Acts, ch 119, §43](#)

#### **533C.306 Renewal of license.**

1. A license under [this chapter](#) shall be renewed annually. An annual renewal fee of five hundred dollars plus an additional ten dollars for each location in this state at which business is conducted through authorized delegates or employees of the licensee, which shall not exceed five thousand dollars, shall be paid no more than sixty days before the license expiration. The renewal term shall be for a period of one year and shall begin on January 1 of each year after the initial license term and shall expire on December 31 of the year the renewal term begins.

2. A licensee shall submit a renewal report with the renewal fee, in a form prescribed by the superintendent. The renewal report shall state or contain a description of each material change in information submitted by the licensee in its original license application which has not been reported to the superintendent.

3. The superintendent for good cause may grant an extension of the renewal date.

4. The superintendent is authorized and encouraged to utilize NMLS to process renewals provided that such functionality is consistent with [this section](#).

5. If a licensee does not file a renewal report or pay its renewal fee by December 1, or any extension of time granted by the superintendent, the superintendent may assess a late fee of one hundred dollars per day.

[2023 Acts, ch 83, §15](#)

#### **533C.307 Maintenance of license.**

If a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license, the superintendent may suspend

or revoke the licensee's license in accordance with the procedures established by [this chapter](#) or other applicable state law for such suspension or revocation.

1. An applicant for a money transmission license shall demonstrate that the applicant meets or will meet the requirements of [sections 533C.801, 533C.802, and 533C.803](#).

2. A money transmission licensee shall at all times meet the requirements of [sections 533C.801, 533C.802, and 533C.803](#).

[2023 Acts, ch 83, §16](#)

#### ARTICLE 4

#### ACQUISITION OF CONTROL AND CHANGE OF KEY INDIVIDUAL

##### **533C.401 Acquisition of control.**

1. Any person, or group of persons acting in concert, seeking to acquire control of a licensee shall obtain the written approval of the superintendent prior to acquiring control. An individual is not deemed to acquire control of a licensee and is not subject to acquisition of control provisions when that individual becomes a key individual in the ordinary course of business.

2. A person is presumed to exercise a controlling influence when the person holds the power to vote, directly or indirectly, at least ten percent of the outstanding voting shares or voting interests of a licensee or person in control of a licensee. A person presumed to exercise a controlling influence can rebut the presumption of control if the person is a passive investor.

3. For purposes of determining the percentage of a person controlled by any other person, the person's interest shall be aggregated with the interest of any other immediate family member, including the person's spouse, parents, children, siblings, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and any other person who shares such person's home.

4. A person, or group of persons acting in concert, seeking to acquire control of a licensee shall, in cooperation with the licensee, submit an application in a form and in a medium prescribed by the superintendent and a nonrefundable fee of one thousand dollars with the request for approval.

5. Upon request, the superintendent may permit a licensee or the person, or group of persons acting in concert, to submit some or all information required by the superintendent pursuant to [subsection 4](#) without using NMLS.

6. The application required by [subsection 4](#) shall include information required by [section 533C.304](#) for a licensee, including for any new key individuals that have not previously completed the requirements.

7. When an application for acquisition of control under [this section](#) appears to include all the items and address all of the matters that are required, the application shall be considered complete and the superintendent shall promptly notify the applicant in a record of the date on which the application was determined to be complete. The application is approved and the person, or group of persons acting in concert, are permitted to acquire control sixty-one days after application completion, unless denied or approved earlier by the superintendent. The superintendent may for good cause extend the application period.

8. A determination by the superintendent that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items and address all of the matters that are required, and is not an assessment of the substance of the application or of the sufficiency of the information provided.

9. When an application is filed and considered complete under [subsection 7](#), the superintendent shall investigate the financial condition and responsibility, financial and business experience, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control. The superintendent shall approve an acquisition of control pursuant to [this section](#) if the superintendent finds that all of the following conditions have been fulfilled:

a. The requirements of [subsections 4 and 6](#) have been met, as applicable.

b. The financial condition and responsibility, financial and business experience, competence, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control, and of the key individuals and persons that would be in control of the licensee indicate that it is in the interest of the public to permit the applicant to control the licensee.

10. If an applicant avails itself or is otherwise subject to a multistate licensing process, the superintendent is authorized and encouraged to accept the investigation results of a lead investigative state for the purpose of [subsection 9](#) if the lead investigative state has sufficient staffing, expertise, and minimum standards. If this state is a lead investigative state, the superintendent is authorized and encouraged to investigate the applicant pursuant to [subsection 9](#) and the time frames established by agreement through the multistate licensing process.

11. The superintendent shall issue a formal written notice of the denial of an application to acquire control within thirty days of the decision to deny the application. The superintendent shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the superintendent under [this section](#) may appeal within thirty days after receipt of the written notice of the denial.

12. The requirements of [subsections 1 and 4](#) shall not apply to any of the following:

a. A person that acts as a proxy for the sole purpose of voting at a designated meeting of the shareholders or holders of voting shares or voting interests of a licensee or a person in control of a licensee.

b. A person that acquires control of a licensee by devise or descent.

c. A person that acquires control of a licensee as a personal representative, custodian, guardian, conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law.

d. A person that is exempt under [section 533C.103, subsection 4](#).

e. A person that the superintendent determines is not subject to [subsection 1](#) based on the public interest.

f. A public offering of securities of a licensee or a person in control of a licensee.

g. An internal reorganization of a person in control of the licensee where the ultimate person in control of the licensee remains the same.

13. Persons specified in [subsection 12](#), paragraphs “b”, “c”, “d”, “f”, and “g”, in cooperation with the licensee, shall notify the superintendent within fifteen days after the acquisition of control.

14. The requirements of [subsections 1 and 4](#) shall not apply to a person that has complied with and received approval to engage in money transmission under [this chapter](#) or was identified as a person in control in a prior application filed with and approved by the superintendent or by an MSB accredited state pursuant to a multistate licensing process, provided all of the following apply:

a. The person has not had a license revoked or suspended.

b. The person has not controlled a licensee that has had a license revoked or suspended while the person was in control of the licensee in the previous five years.

c. If the person is a licensee, the person is well-managed and has received at least a satisfactory rating for compliance at its most recent examination by an MSB accredited state if such rating was given.

d. The licensee to be acquired is projected to meet the requirements of [sections 533C.801, 533C.802, and 533C.803](#) after the acquisition of control is completed.

e. If the person acquiring control is a licensee, that licensee is projected to meet the requirements of [sections 533C.801, 533C.802, and 533C.803](#) after the acquisition of control is completed.

f. The licensee to be acquired will not implement any material changes to its business plan as a result of the acquisition of control.

g. If the person acquiring control is a licensee, that licensee will not implement any material changes to its business plan as a result of the acquisition of control.

h. The person provides notice of the acquisition in cooperation with the licensee and attests to the provisions in [this subsection](#) in a form and in a medium prescribed by the

superintendent. If the notice is not disapproved within thirty days after the date on which the notice was determined to be complete, the notice is deemed approved.

15. Before filing an application for approval to acquire control of a licensee, a person may request in writing a determination from the superintendent as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the superintendent determines that the person would not be a person in control of a licensee, the proposed person and transaction are not subject to the requirements of [subsections 1 and 4](#).

16. If a multistate licensing process includes a determination pursuant to [subsection 15](#) and an applicant avails itself or is otherwise subject to the multistate licensing process, the superintendent is authorized and encouraged to accept the control determination of a lead investigative state with sufficient staffing, expertise, and minimum standards for the purpose of [subsection 15](#). If this state is a lead investigative state, the superintendent is authorized and encouraged to investigate the applicant pursuant to [subsection 15](#) and the time frames established by agreement through the multistate licensing process.

[2003 Acts, ch 96, §14, 42; 2023 Acts, ch 83, §17](#)

#### **533C.402 Notice and information requirements for a change of key individuals.**

1. A licensee adding or replacing any key individual shall provide notice in a manner prescribed by the superintendent within fifteen days after the effective date of the key individual's appointment and provide information as required by [section 533C.304](#) within forty-five days of the effective date.

2. A key individual is considered approved ninety-one days after notice is provided pursuant to [this section](#), unless denied or approved earlier by the superintendent. The superintendent may issue a notice of disapproval of a key individual if the competence, experience, character, or integrity of the individual would not be in the best interests of the public or the customers of the licensee to permit the individual to be a key individual of such licensee. A notice of disapproval shall contain a statement of the basis for disapproval and shall be sent to the licensee and the disapproved individual. A licensee may appeal a notice of disapproval within thirty days after receipt of the written notice of such disapproval.

3. If a multistate licensing process includes a key individual notice review and disapproval process pursuant to [this section](#) and the licensee avails itself or is otherwise subject to the multistate licensing process, the superintendent is authorized and encouraged to accept the determination of another state if the investigating state has sufficient staffing, expertise, and minimum standards for the purpose of [this section](#). If this state is a lead investigative state, the superintendent is authorized and encouraged to investigate the applicant pursuant to [subsection 2](#) and the time frames established by agreement through the multistate licensing process.

[2003 Acts, ch 96, §15, 42; 2023 Acts, ch 83, §18](#)

## ARTICLE 5

### AUTHORIZED DELEGATES

#### **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](#)

#### **533C.502 Unauthorized activities.**

A person shall not engage in the business of money transmission on behalf of a person not licensed under [this chapter](#). A person who engages in such activity provides money transmission to the same extent as if the person were a licensee, and shall be jointly and severally liable with the unlicensed or nonexempt person.

[2003 Acts, ch 96, §17, 42; 2023 Acts, ch 83, §20](#)

Referred to in [§533C.903](#)

**533C.503 through 533C.507** Repealed by 2023 Acts, ch 83, §36.

ARTICLE 6  
REPORTING AND RECORDS

**533C.601 Report of condition.**

1. A licensee shall submit a report of condition within forty-five days of the end of the calendar quarter, or within any extended time as the superintendent may prescribe.

2. The report of condition shall include all of the following:

a. Financial information at the licensee level.

b. Nationwide and state-specific money transmission transaction information in every jurisdiction in the United States where the licensee is licensed to engage in money transmission.

c. Permissible investments report.

d. Transaction destination country reporting for money received for transmission, if applicable. This information shall only be included in a report of condition submitted within forty-five days of the end of the fourth calendar quarter.

e. Any other information the superintendent reasonably requires with respect to the licensee. The superintendent is authorized and encouraged to utilize NMLS for the submission of the report required by [this section](#) and is authorized to update as necessary the requirements of [this section](#) to carry out the purposes of [this chapter](#) and maintain consistency with NMLS reporting.

[2003 Acts, ch 96, §23, 42; 2023 Acts, ch 83, §21](#)

Referred to in [§533C.303](#)

**533C.602 Audited financials.**

1. A licensee shall, within ninety days after the end of each fiscal year, or within any extended time as the superintendent may prescribe, file with the superintendent an audited financial statement for the fiscal year prepared in accordance with United States generally accepted accounting principles and any other information as the superintendent may reasonably require.

2. The audited financial statements shall be prepared by an independent certified public accountant or independent public accountant who is satisfactory to the superintendent.

3. The audited financial statements shall include or be accompanied by a certificate of opinion of the independent certified public accountant or independent public accountant that is satisfactory in form and content to the superintendent. If the certificate or opinion is qualified, the superintendent may order the licensee to take any action as the superintendent may find necessary to enable the independent or certified public accountant or independent public accountant to remove the qualification.

[2003 Acts, ch 96, §24, 42; 2023 Acts, ch 83, §22](#)

**533C.603 Authorized delegate reporting.**

1. A licensee shall submit a report of authorized delegates within forty-five days of the end of the calendar quarter. The superintendent is authorized and encouraged to utilize NMLS for the submission of the report required by [this section](#) provided that such functionality is consistent with the requirements of [this section](#).

2. The authorized delegate report shall include the following for each authorized delegate:

a. Company legal name.

b. Taxpayer employer identification number.

c. Principal provider identifier.

d. Physical address.

e. Mailing address.

f. Any business conducted in other states.

g. Any fictitious or trade name.

h. Contact person name, phone number, and email.

i. Start date as licensee's authorized delegate.

j. End date acting as licensee's authorized delegate, if applicable.

k. Any other information the superintendent reasonably requires with respect to the authorized delegate.

[2023 Acts, ch 83, §23](#)

#### **533C.604 Report of certain events.**

1. A licensee shall submit a nonrefundable fee of one thousand dollars with the request and file a report with the superintendent within one business day after the licensee knows or has reason to know of the occurrence of any of the following events:

- a. The filing of a petition by or against the licensee under the federal bankruptcy code, 11 U.S.C. §101 – 110, as amended, for bankruptcy or reorganization.
- b. The filing of a petition by or against the licensee for receivership.
- c. The filing of a petition or commencement of any other judicial or administrative proceeding for its dissolution or reorganization.
- d. The filing of a petition or the making of a general assignment for the benefit of its creditors.
- e. The commencement of a proceeding to revoke or suspend its license in a state or country in which the licensee engages in business or is licensed.

2. A licensee shall file a report with the superintendent within three business days after the licensee has reason to know of the occurrence of a felony charge or conviction of the licensee, a key individual or person in control of the licensee, or an authorized delegate.

[2023 Acts, ch 83, §24](#)

#### **533C.605 Bank Secrecy Act reports.**

A licensee and an authorized delegate shall file all reports required by federal currency reporting, record keeping, and suspicious activity reporting requirements pursuant to the federal Bank Secrecy Act and other federal and state laws pertaining to money laundering. The timely filing of a complete and accurate report required under [this section](#) with the appropriate federal agency is deemed compliant with the requirements of [this section](#).

[2023 Acts, ch 83, §25](#)

#### **533C.606 Records.**

1. A licensee shall maintain records in any form, for the purpose of determining compliance with [this chapter](#), for at least three years, including all of the following:

- a. A record of each outstanding money transmission obligation sold.
- b. A general ledger posted at least monthly containing all asset, liability, capital, income, and expense accounts.
- c. Bank statements and bank reconciliation records.
- d. Records or outstanding money transmission obligations.
- e. Records of each outstanding money transmission obligation paid within the three-year period.
- f. A list of the last known names and addresses of all of the licensee's authorized delegates.
- g. Any other records the superintendent reasonably requires by rule.

2. Records specified in [this section](#) may be maintained outside the state if they are made accessible to the superintendent on seven business days' notice that is sent by the superintendent in a record.

3. All records maintained by the licensee as required in [this section](#) are open to inspection by the superintendent pursuant to [section 533C.203](#).

[2023 Acts, ch 83, §26](#)

#### **533C.607 Disclosure.**

1. Except as otherwise provided by [this chapter](#), the records of the superintendent relating to examinations, supervision, and regulation of a person licensed pursuant to [this chapter](#) or authorized delegates of a person licensed pursuant to [this chapter](#) are not public records and are not subject to disclosure under [chapter 22](#). Neither the superintendent nor any member of the superintendent's staff shall disclose any information obtained in the discharge of the superintendent's official duties to any person not connected with the department, except

that the superintendent or the superintendent's designee may disclose information to the following:

- a. Representatives of federal agencies insuring accounts in the financial institution.
  - b. Representatives of state agencies, federal agencies, or foreign countries having regulatory or supervisory authority over the activities of the financial institution or similar financial institutions if those representatives are permitted to and do, upon request of the superintendent, disclose similar information respecting those financial institutions under their regulation or supervision, or to those representatives who state in writing under oath that they will maintain the confidentiality of that information.
  - c. To the attorney general.
  - d. To a federal or state grand jury in response to a lawful subpoena or pursuant to a county attorney subpoena.
  - e. To the auditor of the state for the purpose of conducting audits authorized by law.
2. Notwithstanding [subsection 1](#), the superintendent may disclose the following:
    - a. The fact of filing of applications with the department pursuant to [this chapter](#), give notice of a hearing, if any, regarding those applications, and announce the superintendent's action thereon.
    - b. Final decisions in connection with proceedings for the suspension or revocation of licenses or certificates issued pursuant to [this chapter](#).
    - c. Prepare and circulate reports reflecting the assets and liabilities of licensees on an aggregate basis, including other information considered pertinent to the purpose of each report for general statistical information.
    - d. Prepare and circulate reports provided by law.
  3. Every official report of the department is prima facie evidence of the facts therein stated in any action or proceeding wherein the superintendent is a party.
  4. Nothing in [this section](#) shall be construed to prevent the disclosure of information that is:
    - a. Admissible in evidence in any civil or criminal proceeding brought by or at the request of the superintendent or this state to enforce or prosecute violations of [this chapter](#), [chapter 706B](#), or the rules adopted, or orders issued pursuant to [this chapter](#).
    - b. Requested by or provided to a federal agency, including but not limited to the department of defense, department of energy, department of homeland security, nuclear regulatory commission, and centers for disease control and prevention, to assist state and local government with domestic preparedness for acts of terrorism.
  5. The attorney general or the department of public safety may report any possible violations indicated by analysis of the reports required by [this chapter](#) to any appropriate law enforcement or regulatory agency for use in the proper discharge of its official duties. The attorney general or the department of public safety shall provide copies of the reports required by [this chapter](#) to any appropriate prosecutorial or law enforcement agency upon being provided with a written request for records relating to a specific individual or entity and stating that the agency has an articulable suspicion that such individual or entity has committed a felony offense or a violation of [this chapter](#) to which the reports are relevant. A person who releases information received pursuant to [this subsection](#) except in the proper discharge of the person's official duties is guilty of a serious misdemeanor.
  6. Any report, record, information, analysis, or request obtained by the attorney general or department of public safety pursuant to [this chapter](#) is not a public record as defined in [chapter 22](#) and is not subject to disclosure.
- [2023 Acts, ch 83, §27](#)

## ARTICLE 7

### TIMELY TRANSMISSION, REFUNDS, AND DISCLOSURES

#### **533C.701 Timely transmission.**

1. Every licensee shall forward all money received for transmission in accordance with

the terms of the agreement between the licensee and the sender unless the licensee has a reasonable belief or a reasonable basis to believe that the sender may be a victim of fraud or that a crime or violation of law, rule, or regulation has occurred, is occurring, or may occur.

2. If a licensee fails to forward money received for transmission in accordance with [this section](#), the licensee shall respond to inquiries by the sender with the reason for the failure unless providing a response would violate a state or federal law, rule, or regulation.

[2003 Acts, ch 96, §25, 42; 2023 Acts, ch 83, §28](#)

### **533C.702 Refunds.**

1. Every licensee shall refund to the sender within ten days of receipt of the sender's written request for a refund of any and all money received for transmission unless any of the following occurs:

a. The money has been forwarded within ten days of the date on which the money was received for transmission.

b. Instructions have been given committing an equivalent amount of money to the person designated by the sender within ten days of the date on which the money was received for transmission.

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

d. The refund is requested for a transaction that the licensee has not completed based on a reasonable belief or a reasonable basis to believe that a crime or violation of law, rule, or regulation has occurred, is occurring, or may occur.

e. The refund request does not enable the licensee to identify the sender's name and address, telephone number, or the particular transaction to be refunded in the event the sender has multiple transactions outstanding.

2. [This section](#) does not apply to money received for transmission subject to the remittance transfer rule of the federal Electronic Fund Transfer Act, [12 C.F.R. §1005.30 – 1005.36](#), as amended, or pursuant to a written agreement between the licensee and payee to process payments for goods or services provided by the payee.

[2003 Acts, ch 96, §26, 42; 2023 Acts, ch 83, §29](#)

### **533C.703 Receipts.**

1. For a transaction conducted in person, the receipt may be provided electronically if the sender requests or agrees to receive an electronic receipt. For a transaction conducted electronically or by phone, a receipt may be provided electronically. All electronic receipts shall be provided in a retainable form.

2. Every licensee or its authorized delegate shall provide the sender a receipt for money received for transmission. The receipt required by [this section](#) shall be in English and in the language principally used by the licensee or authorized delegate to advertise, solicit, or negotiate, either orally or in writing, for a transaction conducted in person, electronically, or by phone, if other than English, and shall contain, as applicable, all of the following:

a. The name of the sender.

b. The name of the designated recipient.

c. The date of the transaction.

d. The unique transaction or identification number.

e. The name of the licensee, NMLS unique ID, the licensee's business address, and the licensee's customer service telephone number.

f. The amount of the transaction in United States dollars.

g. Any fee charged by the licensee to the sender for the transaction.

h. Any taxes collected by the licensee from the sender for the transaction.

3. [This section](#) does not apply to any of the following:

a. Money received for transmission subject to the remittance rule of the federal Electronic Fund Transfer Act, [12 C.F.R. §1005.30 – 1005.36](#), as amended.

b. Money received for transmission that is not primarily for personal, family, or household purposes.

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

d. Payroll processing services.

2003 Acts, ch 96, §27, 42; 2004 Acts, ch 1101, §81; 2023 Acts, ch 83, §30

#### **533C.704 Disclosures for payroll processing services.**

1. A licensee that provides payroll processing services shall do all of the following:

a. Issue reports to clients detailing client payroll obligations in advance of the payroll funds being deducted from an account.

b. Make available worker pay stubs or an equivalent statement to workers.

2. [This section](#) does not apply to a licensee providing payroll processing services where the licensee's client designated the intended recipients to the licensee and the licensee is responsible for providing the disclosures required by [subsection 1](#), paragraph "a".

2003 Acts, ch 96, §28, 42; 2023 Acts, ch 83, §31

**533C.705 through 533C.708** Repealed by 2023 Acts, ch 83, §36.

## ARTICLE 8

### PRUDENTIAL STANDARDS

#### **533C.801 Net worth.**

1. A licensee under [this chapter](#) shall maintain at all times a tangible net worth of the greater of one hundred thousand dollars or three percent of total assets for the first one hundred million dollars, two percent of additional assets for one hundred million dollars to one billion dollars, and half of one percent of additional assets for over one billion dollars.

2. Tangible net worth shall be demonstrated at initial application by the applicant's most recent audited or unaudited financial statements pursuant to [section 533C.303, subsection 2](#), paragraph "f".

3. Notwithstanding the foregoing provisions of [this section](#), the superintendent shall have the authority, for good cause shown, to exempt any applicant or licensee, in part or in whole, from the requirements of [this section](#).

2003 Acts, ch 96, §33, 42; 2023 Acts, ch 83, §32

Referred to in [§533C.307](#), [533C.401](#)

#### **533C.802 Surety bond.**

1. An applicant for a money transmission license shall provide, and a licensee at all times shall maintain, security consisting of a surety bond in a form satisfactory to the superintendent.

2. The amount of the required security shall be the greater of one hundred thousand dollars or an amount equal to one hundred percent of the licensee's average daily money transmission liability in this state calculated for the most recently completed three-month period, up to a maximum of five hundred thousand dollars.

3. A licensee that maintains a bond in the maximum amount provided for in [subsection 2](#) shall not be required to calculate its average daily money transmission liability in this state for purposes of [this section](#).

4. A licensee may exceed the maximum required bond amount pursuant to [section 533C.804, subsection 1](#), paragraph "l".

2003 Acts, ch 96, §34, 42; 2023 Acts, ch 83, §33

Referred to in [§533C.307](#), [533C.401](#), [533C.804](#)

#### **533C.803 Maintenance of permissible investments.**

1. A licensee shall maintain at all times permissible investments that have a market value

computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of its outstanding money transmission obligations.

2. Except for permissible investments enumerated in [section 533C.804, subsection 1](#), the superintendent, with respect to any licensee, may by rule or order limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers, not reflected in the market value of investments.

3. Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency, the filing of a petition by or against the licensee under the federal bankruptcy code, 11 U.S.C. §101 – 110, as amended, for bankruptcy or reorganization, the filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to [this section](#) shall be subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of this statutory trust.

4. Upon the establishment of a statutory trust in accordance with [subsection 3](#), or when any funds are drawn on a letter of credit pursuant to [section 533C.804, subsection 1](#), paragraph "m", the superintendent shall notify the applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice shall be deemed satisfied if performed pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of such purchasers and holders on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in this state, and other states, as applicable. Any statutory trust established hereunder shall be terminated upon extinguishment of all of the licensee's outstanding money transmission obligations.

5. The superintendent by rule or by order may allow other types of investments that the superintendent determines are of sufficient liquidity and quality to be a permissible investment. The superintendent is authorized to participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

[2003 Acts, ch 96, §35, 42; 2023 Acts, ch 83, §34](#)

Referred to in [§533C.307](#), [533C.401](#), [533C.804](#)

#### **533C.804 Types of permissible investments.**

1. The following investments are permissible under [section 533C.803](#):
  - a. Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of the licensee's customers in a federally insured depository financial institution.
  - b. Cash equivalents including automated clearinghouse items in transit to the licensee and automated clearinghouse items or international wires in transit to a payee.
  - c. Cash in transit via armored car.
  - d. Cash in smart safes.
  - e. Cash in licensee-owned locations.
  - f. Debit card or credit card-funded transmission receivables owed by any bank.
  - g. Money market mutual funds rated "AAA" by Standard and Poor's 500 stock market index, or the equivalent from any eligible rating service.
  - h. Certificates of deposit or senior debt obligations of an insured depository institution, pursuant to the federal Deposit Insurance Act, 12 U.S.C. §1813, as amended, or as defined under the federal Credit Union Act, 12 U.S.C. §1751, as amended.
  - i. An obligation of the United States or a commission, agency, or instrumentality thereof.
  - j. An obligation that is guaranteed fully as to principal and interest by the United States.

k. An obligation of a state or a governmental subdivision, agency, or instrumentality thereof.

l. One hundred percent of the surety bond provided for under [section 533C.802](#) that exceeds the average daily money transmission liability in this state.

m. The full drawable amount of an irrevocable standby letter of credit for which the stated beneficiary is the superintendent that stipulates that the beneficiary need only draw a sight draft under the letter of credit and present it to obtain funds up to the letter of credit amount within seven days of presentation of the items required by [this section](#).

(1) The letter of credit shall conform to the following:

(a) Be issued by a federally insured depository financial institution, a foreign bank that is authorized under federal law to maintain a federal agency or federal branch office in a state or states, or a foreign bank that is authorized under state law to maintain a branch in a state that bears an eligible rating, or whose parent company bears an eligible rating and such bank is regulated, supervised, and examined by the United States federal or state authorities having regulatory authority over banks, credit unions, and trust companies.

(b) Be irrevocable, unconditional, and indicate that it is not subject to any condition or qualifications outside of the letter of credit.

(c) Not contain reference to any other agreements, documents, or entities, or otherwise provide for any security interest in the licensee.

(d) Contain an issue date and expiration date, and expressly provide for automatic extension, without written amendment, for an additional period of one year from the present or each future expiration date, unless the issuer of the letter of credit notifies the superintendent in writing by certified or registered mail or courier mail or other receipted means, at least sixty days prior to any expiration date, that the irrevocable letter of credit shall not be extended. In the event of any notice of expiration or nonextension of a letter of credit issued under this subparagraph division, the licensee shall be required to demonstrate to the satisfaction of the superintendent, fifteen days prior to expiration, that the licensee maintains and will maintain permissible investments in accordance with [section 533C.803, subsection 1](#), upon the expiration of the letter of credit. If the licensee is not able to do so, the superintendent may draw on the letter of credit in an amount up to the amount necessary to meet the licensee's requirements to maintain permissible investments in accordance with [section 533C.803, subsection 1](#). Any such draw shall be offset against the licensee's outstanding money transmission obligations. The drawn funds shall be held in trust by the superintendent or the superintendent's designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations.

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

(a) The original letter of credit, including any amendments.

(b) A written statement from the beneficiary stating that any of the following events have occurred:

(i) The filing of a petition by or against the licensee under the federal bankruptcy code, 11 U.S.C. §101 – 110, as amended, for bankruptcy or reorganization.

(ii) The filing of a petition by or against the licensee for receivership, or the commencement of any other judicial or administrative proceeding for its dissolution or reorganization.

(iii) The seizure of assets of a licensee by the superintendent or any other state financial regulatory entity pursuant to an emergency order issued in accordance with applicable law, on the basis of an action, violation, or condition that has caused or is likely to cause the insolvency of the licensee.

(iv) The beneficiary has received notice of expiration or nonextension of a letter of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible investments in accordance with [section 533C.803, subsection 1](#), upon the expiration or nonextension of the letter of credit.

(3) The superintendent may designate an agent to serve on the superintendent's behalf

as beneficiary to a letter of credit so long as the agent and letter of credit meet requirements established by the superintendent. The superintendent's agent may serve as agent for multiple licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable amount for the purposes of [this section](#) are assigned to the superintendent.

(4) The superintendent is authorized and encouraged to participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including but not limited to services provided by the NMLS and state regulatory registry, LLC.

2. Unless permitted by the superintendent by rule or by order to exceed the limit as set forth herein, the following investments are permissible under [section 533C.803](#) to the extent specified:

a. Receivables that are payable to a licensee from its authorized delegates in the ordinary course of business that are less than seven days old, up to fifty percent of the aggregate value of the licensee's total permissible investments.

b. Of the receivables permissible under [subsection 1](#), receivables that are payable to a licensee from a single authorized delegate in the ordinary course of business may not exceed ten percent of the aggregate value of the licensee's total permissible investments.

c. The following investments are permissible up to twenty percent per category and combined up to fifty percent of the aggregate value of the licensee's total permissible investments:

(1) An up-to-six-month short-term investment bearing an eligible rating.

(2) Commercial paper bearing an eligible rating.

(3) A bill, note, bond, or debenture bearing an eligible rating.

(4) United States tri-party repurchase agreements collateralized at one hundred percent or more with United States government or agency securities, municipal bonds, or other securities bearing an eligible rating.

(5) Money market mutual funds rated less than "AAA" and equal to or higher than "A-" by Standard and Poor's 500 stock market index, or the equivalent from any other eligible rating service.

(6) A mutual fund or other investment fund composed solely and exclusively of one or more permissible investments listed in [section 533C.804](#), [subsection 1](#), paragraphs "a" through "k".

d. Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of the licensee's customers, at foreign depository institutions are permissible up to ten percent of the aggregate value of the licensee's total permissible investments if the licensee has received a satisfactory rating in its most recent examination and the foreign depository institution fulfills all of the following:

(1) An eligible rating.

(2) Registered under the federal Foreign Account Tax Compliance Act, Pub. L. No. 111-147.

(3) Not located in any country subject to sanctions from the federal office of foreign asset control.

(4) Not located in a high-risk or noncooperative jurisdiction as designated by the international financial action task force.

[2023 Acts, ch 83, §35](#); [2023 Acts, ch 119, §44](#)

Referred to in [§533C.802](#), [533C.803](#)

## ARTICLE 9 ENFORCEMENT

### **533C.901 Suspension and revocation — receivership.**

The superintendent may suspend or revoke a licensee's license, place a licensee in receivership, or order a licensee to revoke the designation of an authorized delegate if any of the following apply:

1. The licensee violates [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#).

2. The licensee does not cooperate with an examination or investigation conducted by the superintendent.

3. The licensee engages in fraud, intentional misrepresentation, or gross negligence.

4. As a result of the licensee's willful misconduct or willful blindness, an authorized delegate is convicted of a violation of a state or federal anti-money laundering statute, or violates [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#).

5. The competence, experience, character, or general fitness of the licensee, authorized delegate, person in control of a licensee, or key individual of the licensee or authorized delegate indicates that it is not in the public interest to permit the person to provide money transmission.

6. The licensee engages in an unsafe or unsound practice. In determining whether a licensee is engaging in an unsafe or unsound practice, the superintendent may consider the size and condition of the licensee's money transmission, the magnitude of any losses, the gravity of any violations of [this chapter](#), and the previous conduct of any persons involved.

7. The licensee is insolvent, suspends payment of the licensee's obligations, or makes a general assignment for the benefit of the licensee's creditors.

8. The licensee does not remove an authorized delegate after the superintendent issues and serves upon the licensee a final order finding that the authorized delegate has violated [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#).

[2024 Acts, ch 1030, §3, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

### **533C.902 Suspension and revocation of authorized delegates.**

1. The superintendent may issue an order suspending or revoking the designation of an authorized delegate if the superintendent finds any of the following apply:

a. The authorized delegate violated [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#).

b. The authorized delegate failed to cooperate with an examination or investigation by the superintendent.

c. The authorized delegate engaged in fraud, intentional misrepresentation, or gross negligence.

d. The authorized delegate was convicted of a violation of a state or federal anti-money laundering statute.

e. The competence, experience, character, or general fitness of the authorized delegate or a person in control of the authorized delegate indicates that it is not in the public interest to permit the authorized delegate to provide money transmission.

f. The authorized delegate is engaging in an unsafe or unsound practice. In determining whether an authorized delegate is engaging in an unsafe or unsound practice, the superintendent may consider the size and condition of the authorized delegate's provision of money transmission; the magnitude of any losses; the gravity of any violations of [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#); and the previous conduct of the authorized delegate.

2. An authorized delegate may apply for relief from a suspension or revocation of designation as an authorized delegate according to procedures prescribed by the superintendent.

[2024 Acts, ch 1030, §4, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

### **533C.903 Orders to cease and desist.**

1. a. If the superintendent determines that a violation of [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#) by a licensee or authorized delegate is likely to cause immediate and irreparable harm to the licensee, the licensee's customers, or the public, or cause insolvency or significant dissipation of assets of the licensee, the superintendent may issue an order requiring the licensee or authorized delegate to cease and desist from the violation.

b. The superintendent may issue an order for a licensee to cease and desist from providing

money transmission through an authorized delegate that is the subject of a separate order by the superintendent.

2. *a.* If the superintendent has reason to believe that a person has violated or is violating [section 533C.301](#), [533C.501](#), or [533C.502](#), the superintendent may issue an order requiring the person to show cause why an order to cease and desist the violation should not be issued.

*b.* In an emergency under [this subsection](#), the superintendent may petition the district court for the issuance of a temporary restraining order ex parte pursuant to the rules of civil procedure.

3. An order to cease and desist becomes effective upon service of the order upon the person, licensee, or authorized delegate.

4. An order to cease and desist remains effective and enforceable pending the completion of an administrative proceeding pursuant to [section 533C.908](#).

5. A person, licensee, or an authorized delegate who is served with an order to cease and desist under [this section](#) may petition the appropriate court for a judicial order setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of an administrative proceeding pursuant to [section 533C.908](#).

6. An order to cease and desist shall expire ten days after the order is issued unless the superintendent commences an administrative proceeding pursuant to [section 533C.908](#).

[2024 Acts, ch 1030, §5, 14, 15](#)

Referred to in [§533C.908](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

#### **533C.904 Consent orders.**

The superintendent may enter into a consent order at any time with a person to resolve a matter arising under [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#). A consent order must be signed by the person to whom the consent order is issued, or by the person's authorized representative, and must indicate agreement with the terms contained in the order. A consent order may provide that the order does not constitute an admission by the person that the person violated [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#).

[2024 Acts, ch 1030, §6, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

#### **533C.905 Investigations.**

1. The attorney general or a county attorney may conduct an investigation within or outside of this state to determine if a licensee, an authorized delegate, or a person engaged in a trade or business has failed to file a report required by [this chapter](#), or has engaged or is engaging in any act, practice, or transaction that constitutes a violation of [this chapter](#).

2. Upon presentation of a subpoena from a prosecuting attorney, a licensee, an authorized delegate, or a financial institution shall make its books and records available to the attorney general or county attorney during normal business hours for inspection and examination in connection with an investigation pursuant to [this section](#).

[2024 Acts, ch 1030, §7, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

#### **533C.906 Civil penalties.**

The superintendent may assess a civil penalty against a person who violates [this chapter](#), a rule adopted under [this chapter](#), or an order issued under [this chapter](#) in an amount not to exceed one thousand dollars per day for each day the violation is outstanding, plus the state's costs and expenses for the investigation and prosecution of the matter, including reasonable attorney fees.

[2024 Acts, ch 1030, §8, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

#### **533C.907 Criminal penalties.**

1. A person who is not licensed under [this chapter](#) and who knowingly engages in an activity for which a license is required under [this chapter](#) commits an aggravated misdemeanor.

2. A person commits a class “C” felony, and is subject to a civil penalty of three times the value of the property involved in the transaction, or, if no transaction is involved, a civil penalty of five thousand dollars, if the person does any of the following:

a. With the intent to disguise the fact that money or a payment instrument is the proceeds of criminal conduct, or with the intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on of any criminal conduct, the person knowingly furnishes or provides any false, inaccurate, or incomplete information to a licensee, authorized delegate, financial institution, person engaged in a trade or business, or any officer, employee, or their agent, or to the attorney general or department of public safety, or knowingly conceals a material fact in connection with a transaction for which a report is required to be filed pursuant to [this chapter](#).

b. With the intent to disguise the fact that money or a payment instrument is the proceeds of criminal conduct, or with the intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on of any criminal conduct, or with the intent to evade the making or filing of a report required under [this chapter](#), or with the intent to cause the making or filing of a report that contains a material omission or misstatement of fact, the person conducts or structures a transaction or series of transactions by or through one or more licensees, authorized delegates, financial institutions, or persons engaged in a trade or business.

3. A person who intentionally makes a false statement, misrepresentation, or false certification in a record filed or required to be maintained under [this chapter](#), or who intentionally makes a false entry or omits a material entry in such a record commits a class “D” felony.

4. Notwithstanding any provision of law to the contrary, each violation of [this section](#) constitutes a separate, punishable offense.

[2024 Acts, ch 1030, §9, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

### **533C.908 Administrative proceedings.**

1. Except as otherwise provided in [section 533C.903](#), the superintendent shall not suspend or revoke a license, place a licensee in receivership, issue an order to cease and desist, suspend or revoke the designation of an authorized delegate, or assess a civil penalty without notice and an opportunity to be heard.

2. The superintendent shall hold a hearing when requested by an applicant whose application for a license is denied.

3. All administrative proceedings under [this chapter](#) shall be conducted in accordance with [chapter 17A](#).

[2024 Acts, ch 1030, §10, 14, 15](#)

Referred to in [§533C.903](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

## ARTICLE 10

### MISCELLANEOUS PROVISIONS

#### **533C.1001 Uniformity of application and construction.**

1. [This chapter](#) shall be liberally construed to effectuate its remedial purposes. Civil remedies under [this chapter](#) shall be supplemental and not mutually exclusive. The civil remedies under [this chapter](#) do not preclude and are not precluded by any other provision of law.

2. [This chapter](#) shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of [this chapter](#) among states enacting the same law, and to make the reporting requirements regarding financial transactions under Iowa law uniform with the reporting requirements regarding financial transactions under federal law.

3. The attorney general may enter into reciprocal agreements with the attorney general or chief prosecuting attorney of any state to effectuate the purposes of [this chapter](#).

[2024 Acts, ch 1030, §11, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

### **533C.1002 Financial services licensing fund.**

1. A financial services licensing fund is created as a separate fund in the state treasury under the authority of the banking division of the department of insurance and financial services. Moneys deposited in the fund shall be used to pay for staffing necessary to perform examinations, audits, and other duties required of the superintendent and the banking division under [this chapter](#).

2. The fund shall receive moneys including but not limited to any fees, costs, expenses, or penalties collected pursuant to [this chapter](#).

3. Notwithstanding [section 8.33](#), moneys appropriated to the fund in [this section](#) that remain unencumbered or unobligated, and other moneys credited to the fund, shall not revert at the close of the fiscal year but shall remain in the financial services licensing fund and shall remain available for expenditure for the purposes designated.

[2024 Acts, ch 1030, §12, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

### **533C.1003 Applicability.**

[This chapter](#) applies to the provision of money transmission on or after October 1, 2003.

[2024 Acts, ch 1030, §13, 14, 15](#)

Section applies retroactively to July 1, 2023; 2024 Acts, ch 1030, §15

### **533C.1004 Digital financial asset transaction kiosks.**

1. *Definitions.* As used in [this section](#), unless the context otherwise requires:

a. “Charges” means any of the following:

(1) A fee or expense paid by a consumer.

(2) The difference between the current market price of a digital financial asset on a licensed digital financial asset exchange and the price of the digital financial asset charged to a consumer.

b. “Consumer” means either a new consumer or an existing consumer.

c. “Digital financial asset” means a virtual representation of value or rights that can be transferred, stored, or traded electronically and used for payment or investment purposes.

d. “Digital financial asset transaction kiosk” means an electronic terminal acting as a mechanical agent of an operator to enable the operator to facilitate the exchange of a digital financial asset for money, bank credit, or other digital financial asset, including but not limited to any of the following:

(1) By connecting directly to a separate licensed digital financial asset exchange that performs the digital financial asset transaction.

(2) By drawing upon a digital financial asset in the possession of the operator.

e. “Existing consumer” means an individual who is not a new consumer.

f. “Licensed digital financial asset exchange” means a digital financial asset exchange that is not an operator and that has a license under [section 533C.301](#) to engage in the business of money transmission in this state.

g. “New consumer” means an individual who has not previously engaged in a digital financial asset transaction with a particular operator. An individual shall continue to be considered a new consumer for a period of thirty calendar days after the individual makes their first digital financial asset transaction with a particular operator.

h. “Operator” means a person who owns, operates, or manages a digital financial asset transaction kiosk in this state.

i. “Transaction hash” means a unique identifier made up of a string of characters that act as a record of, and proof of, a digital financial asset transaction being verified and added to a blockchain.

2. *Daily transactions.*

a. An operator shall not, via a digital financial asset transaction kiosk, accept from a consumer or dispense to a consumer more than one thousand dollars per calendar day.

b. In the thirty calendar days following a new consumer's first financial asset transaction with a particular operator, the operator shall not, via a digital financial asset transaction kiosk, accept from the new consumer or dispense to the new consumer more than ten thousand dollars.

3. *Maximum charges.* An operator shall not directly or indirectly collect charges related to a digital financial asset transaction from a consumer that exceed the greater of the following:

a. Five dollars.

b. Fifteen percent of the United States currency equivalent of the digital financial assets involved in the digital financial asset transaction according to the public quoted market price of the digital financial asset on a licensed digital financial asset exchange at the date and time the consumer initiates the digital financial asset transaction.

4. *Required disclosure.*

a. Prior to a digital financial asset transaction, the operator shall provide a written disclosure to the consumer in English, and in the primary language used by the operator to advertise, solicit, or negotiate with the consumer, containing the terms and conditions of the digital financial asset transaction, including, at a minimum, all of the following:

(1) The dollar amount, in United States currency equivalent, of the digital financial asset involved in the transaction.

(2) Any charges to be collected by the operator.

(3) If an operator fails to provide a process to reverse or refund a digital financial asset transaction, a warning that all digital financial asset transactions are final.

(4) The following written warning against fraud:

WARNING: CONSUMER FRAUD OFTEN STARTS WITH  
CONTACT FROM A STRANGER WHO IS INITIATING A  
DISHONEST SCHEME. CRIMINAL ACTIVITY MAY APPEAR  
IN MANY FORMS, INCLUDING BUT NOT LIMITED TO THE  
FOLLOWING:

1. Claims of a frozen bank account or credit card.
2. Claims of fraudulent financial transactions.
3. Claims of identity theft or job offers in exchange for payment.
4. Requests for payment to government agencies or companies.
5. Requests for disaster relief donations or loans.
6. Offers to purchase tickets for lotteries, sweepstakes, or drawings for vehicles.
7. Prompts to click on desktop pop-ups, such as virus warnings or communication from alleged familiar merchants.
8. Communication from someone impersonating a representative of your bank or a law enforcement officer.

IF YOU BELIEVE YOU ARE BEING SCAMMED, CALL YOUR  
LOCAL LAW ENFORCEMENT.

WARNING: TRANSACTIONS CONDUCTED ON THIS DIGITAL  
FINANCIAL ASSET TRANSACTION KIOSK ARE IRREVERSIBLE.  
PROTECT YOURSELF FROM FRAUD. NEVER SEND MONEY  
TO SOMEONE YOU DO NOT KNOW.

b. A disclosure required under paragraph "a" shall be clear and conspicuous and provided separately from any other disclosures or information provided by the operator.

c. Prior to entering into a digital financial asset transaction with a consumer, an operator shall require the consumer to attest to receiving the disclosure required under paragraph "a".

5. *Required receipt.* For any digital financial asset transaction made at an operator's digital financial asset transaction kiosk, the operator shall provide the consumer with a receipt. When possible, the receipt shall be a physical receipt. The operator may provide the

receipt in multiple communications, if necessary. The receipt shall include, at a minimum, all of the following information:

- a. The name of the consumer.
- b. The date and time of the digital financial asset transaction, the type, value, and transaction hash of the digital financial asset transaction, and each applicable virtual currency address.
- c. The legal name of the operator and the operator's contact information, including a telephone number, that may be used by the consumer to get answers to questions and to register complaints.
- d. The dollar amount of the digital financial asset involved in the transaction and the exchange rate of the virtual currency to dollars.
- e. (1) The dollar amount of all charges collected by the operator in relation to the digital financial asset transaction.  
(2) The legal name of the licensed digital financial asset exchange the operator used to calculate the charges described in [subsection 1](#), paragraph "a", subparagraph (2).
- f. A list of relevant state and local law enforcement and regulatory agencies for reporting fraud.
- g. A statement of the operator's refund policy.
- h. Any additional information the operator deems necessary.
- i. Any additional information required by federal law.
6. *Required report.* An operator shall provide a list to the division of banking of the street address locations of all digital financial asset transaction kiosks that the operator owns, operates, or manages in this state. An operator shall provide the division with updates to the list within thirty calendar days of any change to the list. The division shall make each operator's list available to the public via the division's internet site.

7. *Operator duties.*

a. If an operator does not engage in digital financial asset transactions, but facilitates or permits another person to engage in digital financial asset transactions via the operator's digital financial asset transaction kiosk, the operator shall do all of the following:

- (1) Ensure that the person engaging in digital financial asset transactions has a license to engage in the business of money transmission under [section 533C.301](#).
- (2) Ensure that charges collected from a consumer via the digital financial asset transaction kiosk comply with [this section](#).
- (3) Ensure that the person complies with [this section](#).

b. An operator shall provide live customer service a minimum of Monday through Friday between the hours of 8:00 a.m. and 10:00 p.m. The customer service toll-free telephone number shall be displayed on the digital financial asset transaction kiosk.

c. An operator, or an established third party acting on behalf of the operator and that specializes in performing blockchain analytics, shall use blockchain analytics software to assist in the prevention of sending a purchased digital financial asset from an operator to a virtual currency wallet known to be affiliated with fraudulent activity at the time of a digital financial asset transaction, and to detect transaction patterns indicative of fraud or other illicit activities. The superintendent may request evidence from an operator, or of an established third party acting on behalf of the operator and that specializes in performing blockchain analytics of current use of blockchain analytics software.

d. For the purpose of facilitating law enforcement and regulatory agency communications with the operator in the event of a consumer report of fraud, an operator shall maintain a dedicated telephone number or email address for use by law enforcement and regulatory agencies.

8. *Refunds — new consumers.* Upon the request of a new consumer, an operator shall issue to the consumer a refund for the full amount of all digital financial asset transactions that the consumer made during the thirty-calendar-day period that the consumer was a new consumer if all of the following circumstances exist:

- a. The new consumer was fraudulently induced to engage in the digital financial asset transaction for which the consumer is requesting a refund.
- b. The consumer has contacted the operator and a government or law enforcement agency

to report the fraudulent nature of the digital financial asset transaction within ninety calendar days of the last digital financial asset transaction to occur while the consumer was a new consumer.

c. The consumer has submitted proof of the fraud to the operator, including but not limited to a police report or sworn declaration detailing the fraudulent nature of the digital financial asset transaction.

9. *Refunds — existing consumers.* Upon the request of an existing consumer, an operator shall issue to the existing consumer a refund for the full amount of all digital financial asset transactions that the existing consumer made if all of the following circumstances exist:

a. The existing consumer was fraudulently induced to engage in the digital financial asset transaction for which the consumer is requesting a refund.

b. The existing consumer has contacted the operator and a government or law enforcement agency to report the fraudulent nature of the digital financial asset transaction within ninety calendar days of the digital financial asset transaction for which the consumer is requesting a refund.

c. The existing consumer has submitted proof of the fraud to the operator, including but not limited to a police report or sworn declaration detailing the fraudulent nature of the digital financial asset transaction.

10. *Enforcement — penalties.*

a. If the attorney general has reasonable belief that an operator is in violation of [this section](#), the attorney general has the sole authority to bring civil action to provide for all of the following:

(1) Enjoin further violations by the operator.

(2) Enforce compliance with [this section](#).

(3) Civil penalties in an amount not more than ten thousand dollars for each violation of [this section](#).

(4) Other remedies permitted under law.

b. If the attorney general has reasonable belief that a person is in violation of an injunction issued under [this subsection](#), the attorney general has the sole authority to bring civil action to provide for civil penalties in an amount not more than one hundred thousand dollars.

c. An individual that has knowledge of a violation of [this section](#) may report the violation to the attorney general.

d. The attorney general shall establish an electronic reporting system for the submission of reports pursuant to [this subsection](#).

11. *Compliance policies.* An operator shall implement, maintain, and enforce written policies and procedures for compliance with [this section](#). The policies and procedures shall be reviewed and approved by the operator's board of directors or an equivalent governing body of the operator.

12. *Fraud policy.* An operator shall take reasonable steps to detect and prevent fraud, including establishing and maintaining a written antifraud policy. The antifraud policy shall, at a minimum, include all of the following:

a. The identification and assessment of fraud-related risk areas.

b. Procedures and controls to protect against identified risks.

c. Allocation of responsibility for monitoring risks.

d. Procedures for the periodic evaluation and revision of the antifraud procedures, controls, and monitoring mechanisms.

13. *Compliance officer.* An operator shall designate and employ a compliance officer who meets all of the following requirements:

a. The individual is qualified to coordinate and monitor compliance with [this section](#) and all applicable state and federal laws and rules.

b. The individual is a full-time employee of the operator.

c. The individual does not own more than twenty percent of the operator that employs the individual.

[2025 Acts, ch 85, §1 – 3](#)

Section applies on or after July 1, 2025, to operators; 2025 Acts, ch 85, §3  
NEW section