

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 services 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](#)

Referred to in [§533A.2](#)

Section amended