

Summary of Provisions Kansas Money Transmission Act

<u>Topic</u>	<u>Sections</u>	<u>Key Provisions</u>
Definitions	§1	Provides the entire definitions section of the act.
Exemptions	§2	Provides the exhaustive list of entities to whom the act does not apply; however, 2(b) states that the commissioner may require any entity claiming exemption from the act demonstrate that the entity does actually qualify.
Implementation, confidentiality, supervisions, relationship to federal law	§§ 3 - 7	Sec. 3: authorizes the commissioner to enter into agreements or relationships with other government officials (state and federal) to improve efficiency and reduce regulatory burden; Sec 4 provides for confidentiality of information or reports obtained by the commissioner from investigations and examinations; Sec.5 grants the commissioner authority to conduct an examination or investigation, access to records; licensees pay costs of examination; Sec. 6 authorizes the commissioner to participate in multi-state supervisory processes, share information, etc. Sec. 7 federal law controls in the event of inconsistencies between state and federal law.
Licenses and licensing	§§ 8 - 16, except 12	Sec.8 - requires license to engage in money transmission; Sec. 9: authorizes the commissioner to engage in certain activities to establish consistent licensing practices; Sec. 10: provides for application requirements; Sec. 11: describes the information required of any licensee, applicant in control of a license and each key individuals; Sec. 13: describes the issuance of a license; Sec. 14: describes the process of renewal of a license; Sec. 15: provides for the suspension or revocation of a license when the licensee does not continue to meet or satisfy licensure requirements; Sec. 16: grants the commissioner the authority to determine when an application is complete and establish when it is considered abandoned.
Acquisition of control	§§ 12, 17, 18	Sec.12: describes when a person is presumed to exercise a controlling interest; Sec. 17: describes the process for a person or group thereof to apply to gain control of a licensee; Sec. 18: Describes the process for a licensee to add or replace a key individual.
Reporting and records	§§ 19 - 24	Sec. 19: requires every licensee to submit a report of ondition within 45 days of the end of each calendar quarter; Sec. 20: requires every licensee to file an audited financial report within 90 days of the end of the fiscal year; Sec. 21: requires each licensee to submit a report of authorized delegates within 45 days of each calendar quarter; Sec. 22: requires a licenss to file a report with the commissioner within one business day after the licensee has reason to know of the filing of a bankruptcy or reorganization against the licensee, filing of a petition by or against the licensee for receivership; commencement of proceeding to revoke or suspend the licensee's license. Sec. 23: requires a licensee and an authorized delegate to file reports required by federal currency reporting, recordkeeping and suspicious activity reporting requirements; Sec.24: Describes record retention requirements for licensees.

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Authorized delegates	§§ 25-26	Sec. 25: describes the requirements that must be fulfilled before a licensee is authorized to conduct business through an authorized delegate; Sec. 26: prohibits a person from engaging in the business of money transmission on behalf of a person who is not licensed or exempt from licensing under the act.
Disclosures	§§ 27-31	Sec. 27: requires that a licensee forward all moneys received for transmission in accordance with the terms of the agreement btw the licensee and the sender. Sec. 28: requires that a licensee refund moneys within 10 days of the sender's written request for refund. Sec. 29: requires that the licensee provide the sender with a receipt for money received for transmission. Sec. 30: provides contact information for the state bank commissioner so that a KS licensee's customers may contact the commissioner with questions or complaints. Sec. 31: requires that a licensee that provides payroll processing services issue reports to clients detailing client payroll obligations before payroll funds are deducted from an account and make worker paystubs available.
Prudential standards	§§ 32-35	Sec. 32: requires a licensee to maintain a tangible net worth based on the licensee's total assets; Sec. 33: requires that a licensee maintain a surety bond of the greater amount between \$200,000 or 100% of the licensee's average daily money transmission liability calculated for the most recent 3 month period; Sec. 34: describes the permissible investments that must be maintained by a licensee and the guidelines for holding such investments in trust; Sec. 35: lists the types of permissible investments that a licensee may hold.
Enforcement	§§ 36 - 41	Sec. 36: pertains to the process by which the commissioner may suspend or revoke a licensee's license; Sec. 37: describes the reasons why the commissioner may revoke the designation of a licensee's authorized delegate; Sec. 38: describes how and why the commissioner may issue a cease and desist order; Sec. 39 authorizes the commissioner to enter into consent orders; Sec. 40: Lists criminal penalties; Sec. 41: Lists civil penalties