

Adoptions Section

BANKING

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Money Transmitters

Readoption: N.J.A.C. 3:27

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, and 17:15C-1 et seq.

Authorized By: Richard J. Badolato, Acting Commissioner, Department of Banking and Insurance.

Effective Date: May 16, 2016.

New Expiration Date: May 16, 2023.

Take notice that pursuant to the provisions of Executive Order 66 (1978) and N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:27 will expire on June 19, 2016. The rules implement the New Jersey Money Transmitters Act, N.J.S.A. 17:15C-1 et seq. (the Act), enacted on May 1, 1998, which combined the licensing and regulation of the activities of foreign money transmission and the sale of checks, which previously were separately governed by the Foreign Money Remitter Act and the Check Sellers Act, under one law. The Act also brought under its umbrella the previously unregulated activities of domestic money transmission and third-party payment service providers.

The rules provide definitions of key terms, set forth who must be licensed and when a license must be renewed, and establish the submissions required when applying for licensure as a

money transmitter or foreign money transmitter. The rules also set forth the fees associated with licensing and the reporting requirements of licensees.

The rules specify the surety bond, security device, and net worth requirements for licensees. The rules also set forth the bookkeeping, recordkeeping, and account requirements of licensees, and establish the submissions required from persons seeking to directly or indirectly acquire control of a licensee, or when there is a change of key shareholders, executive officers, owners, partners, or managers responsible for a licensed business. Lastly, the rules state that a violation of the Act or the rules shall be subject to the penalties contained in the Act.

The Department of Banking and Insurance has reviewed these rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.