

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

**IN RE:**

**TRANSFERWISE LTD.**

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**DOCKET NO. 17-032-B**

**STIPULATION AND CONSENT ORDER**

The Banking Division of the Vermont Department of Financial Regulation (the “Department” and TransferWise Ltd. (“Respondent”) hereby stipulate and agree as follows:

1. Pursuant to 8 V.S.A. Chapters 1 and 79, the Commissioner of the Vermont Department of Financial Regulation is charged with administering and enforcing Vermont law as it pertains to money transmitters in the State of Vermont.

2. TransferWise Ltd. is a United Kingdom Limited Company formed in 2010, with a principal place of business at 6<sup>th</sup> Floor, The Tea Building, 56 Shoreditch High Street, London, E1 6JJ, United Kingdom.

3. TransferWise Inc., a wholly owned subsidiary of TransferWise Ltd., is a Delaware corporation with a principal place of business at 19 West 24<sup>th</sup> Street, New York, NY 10010 operating in the United States.

4. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order set forth herein.

5. Both TransferWise Inc. and Respondent operate a platform to provide international money transfer and currency exchange services.

6. On January 8, 2016, TransferWise Inc. submitted an application through the Nationwide Multistate Licensing System (“NMLS”) to obtain a Vermont money transmitter license. Prior to that time, neither Respondent nor TransferWise Inc. applied for a money transmitter license in Vermont.

7. In 2014, Respondent was contractually-appointed as an agent by PreCash, Inc., (now known as “Noventis”) a Vermont licensed money transmitter. Respondent conducted money transmitter activity from 2014 to 2015 pursuant to the agreement with PreCash, Inc.

8. Since September 2015, Respondent has contracted with a bank to perform transactions in the United States in the jurisdictions where TransferWise Inc. is not licensed. In the meantime, TransferWise Inc. has sought appropriate licenses in 47 states and has received such licenses in 44 states, and once it obtains such licenses, it replaces the bank that provides TransferWise branded products in connection with the Respondent in any given state.

9. Vermont’s Money Services Act, 8 V.S.A. Chapter 79 defines “money transmission” to include “receiving money or monetary value for transmission to a location within or outside the United States.” 8 V.S.A. § 2500(11).

10. The Department asserts that, prior to receiving a Vermont money transmitter license, Respondent engaged in the business of money transmission in Vermont without the license or authorization required by 8 V.S.A. Chapter 79.

11. The Department asserts that Respondent violated Vermont’s money transmitter laws in that Respondent did not qualify as an authorized delegate because it was not “located in Vermont” per 8 V.S.A. § 2500(2) and was operating without a physical location within the state. Respondent asserts that, at the time, it believed it was acting as an authorized delegate of a Vermont transmitter licensee. However, given that neither the Respondent nor PreCash, Inc. had a physical presence in Vermont, which is a requirement to be an authorized delegate, Respondent could not have qualified as an authorized delegate under Vermont law. As part of this Stipulation and Consent Order, Respondent neither admits nor denies the Department’s allegation that Respondent violated Vermont’s money transmitter laws.

12. Respondent certifies that prior to obtaining a license in Vermont, in aggregate, Respondent effected 13 transactions totaling \$72,355.58, receiving \$462.82 in fees. Respondent certifies that since September of 2015, service to Vermonters has been provided by a bank via the agreement with the Respondent described in paragraph 8.

13. The Department has not received any complaints stemming from Respondent's Vermont activity.

14. The parties wish to resolve this matter without administrative or judicial proceedings.

15. Respondent and the Department expressly agree to enter into this Stipulation and Consent Order in full and complete resolution of the alleged violations described herein.

16. Respondent agrees to pay an administrative penalty of \$2,200, representing licensing fees and assessments during the period of unlicensed activity, to the Department of Financial Regulation. This shall be paid within ten (10) days of the execution of this Stipulation and Consent Order.

17. Respondent shall not, either directly or through its affiliates, engage in the business of money transmission in Vermont without a Vermont money transmitter license.

18. This Stipulation and Consent Order shall not prevent any person from pursuing any claim he or she may have against Respondent, nor shall it be understood as determining whether any such claim may or may not exist in law or equity. Nothing contained herein shall be deemed an admission by Respondent.

19. Nothing contained in this Stipulation and Consent Order shall restrain or limit the Department in responding to and addressing any actual complaint filed with the Department involving Respondent and the Department reserves the right to pursue restitution in connection

with any complaint filed with the Department.

20. The Department and Respondent are entering into this Stipulation and Consent Order to settle a dispute between them and all agree that this Stipulation and Consent Order does not constitute an adjudication of a violation of statute or regulation.

21. Respondent hereby waives its statutory right to notice and a hearing before the Commissioner of the Department, or his designated appointee.

22. Respondent acknowledges and agrees that this stipulation is entered into freely and voluntarily and that except as set forth herein, no promise was made to induce the Respondent to enter into it. Respondent acknowledges its understanding of and agrees to all terms, conditions, and obligations contained in this Stipulation and Consent Order.

23. The terms set forth in this Stipulation and Consent Order represent the complete agreement between the parties as to its subject matter.

24. The undersigned representative of Respondent affirms that he or she has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and has the authority to bind Respondent to the obligations stated herein.

**TransferWise Ltd.**

By:  Date: 5/2/18

Print name & title:

Kristo Kaarmann, CEO

**ACCEPTED BY:**

 Feb 21, 2018

Molly Dillon, Deputy Commissioner  
Banking Division, Vermont Department of Financial Regulation

## CONSENT ORDER

1. The stipulated facts, terms, and provisions of the Stipulation are incorporated by reference herein.
2. Jurisdiction in this matter is established pursuant to Chapters 1 and 79 of Title 8.
3. Pursuant to the Stipulation, Respondent consents to the entry of this Consent Order.
4. Respondent shall comply with all agreements, stipulations, and undertakings as recited above.

Dated at Montpelier, Vermont this 21<sup>st</sup> day of February 2018.



Michael S. Pieciak, Commissioner  
Vermont Department of Financial Regulation