

**VERMONT DEPARTMENT OF FINANCIAL REGULATION
DIVISION OF BANKING**

Banking Bulletin #47

Money Transmitter Receipts Guidance & Transition Period

Effective July 1, 2017, Act 22 amended the Vermont Money Services Act, 8 V.S.A. Chapter 79, to require every money transmitter licensee and its authorized delegates to provide a receipt to the customer. The receipt must clearly state the name, address, and telephone number of the licensee; the amount of money presented for transmission; and the total of any fees charged by the licensee. 8 V.S.A. § 2511(a).

This bulletin provides guidance regarding what documentation must be provided to consumers to comply with the receipt requirement.

Guidance

- 1) For general money transmission transactions, the receipt must include the licensee's name, physical or mailing address, and phone number in addition to the fee and exchange rate disclosure information. A website address may be used in lieu of a physical or mailing address on the receipt, provided the licensee's physical or mailing address is readily available on the website.
- 2) For stored value transactions, the receipt may include the name, address, and telephone number of the authorized delegate, provided that the licensee's contact information is provided in or on the stored value device packaging or on the stored value device itself.
- 3) For bill payment transactions, the receipt may include the name, address, and telephone number of the authorized delegate, provided the licensee's name accompanies the authorized delegate's information.
- 4) For payroll services performed pursuant to a written contract on behalf of an employer, when the money transmission or currency exchange is an ancillary service in a suite of services that includes one or more of the following:
 - facilitates the payment of payroll taxes to state and federal agencies;
 - makes payments relating to employee benefit plans;
 - makes distributions of other authorized deductions from an employees' wages or salaries; or
 - transmits other funds on behalf of an employer in connection with transactions related to employees,

the contract and periodic settlement reports between the employer and the licensee may be substituted for the employer's receipt.

- 5) For payment processing, clearing, or settlement services in connection with wire transfers, credit card transactions, debit card transactions, prepaid access transactions, automated clearinghouse transfers, or similar funds transfers, performed pursuant to a written contract with a merchant or third party, and for which the licensee has no control over receipts issued by merchants or other parties having interactions with the consumer, the written contract and periodic settlement reports between the merchant or third party and the licensee may be substituted for the merchant's or third party's receipt.
- 6) For agent payee transactions performed pursuant to a written contract with a payee that (i) facilitate payment for goods or services (not including money transmission itself) or payment of bills through a clearance and settlement process, and (ii) provide that payment to the licensee or its authorized delegate satisfies the payor's obligation to the payee, the written contract and periodic settlement reports between the payee and the licensee may be substituted for the payee's receipt provided the payor receives confirmation of payment containing the payee's contact information.

Transition Period

Based on the circumstances and the nature of the money transmission market, providing some additional time for licensees and authorized delegates to comply with the receipt requirement of Act 22, without creating an undue hardship for licensees, authorized delegates, or their clients, is necessary and appropriate to the administration of 8 V.S.A. Chapter 79. *See* 8 V.S.A. § 15. The attached order provides for a limited transition period for licensees and authorized delegates to comply with the receipt requirement of the Act, provided there is written documentation demonstrating that actions have been taken to initiate compliance on or before July 1, 2017, such as:

- 1) Stock inventory, design, cost and lead time required to replace stock, and placement of order for new stock.
- 2) Software specifications, pipeline for software implementation, request for software development and implementation.



Michael S. Pieciak, Commissioner
Vermont Department of Financial Regulation

6/29/17

Date