

Senator Jesse Bjorkman, Chair
Labor and Commerce Committee

March 21, 2023

Senator Click Bishop, Vice Chair
Labor and Commerce Committee

Via: Electronic Submission

Senator.Jesse.Bjorkman@akleg.gov , Senator.Click.Bishop@akleg.gov

Re: SB 84, Uniform Money Transmission Modernization Act

Dear Chair Bjorkman, Vice Chair Bishop and the Honorable Members of the Senate Labor and Commerce Committee,

The Money Services Business Association (“**MSBA**”) is grateful to have the opportunity to comment on SB 84, Money Transmission Modernization Act, which will revise provisions for persons engaged in Money Transmission and set forth provisions that will codify the Money Transmission Modernization Act (Model Act).

MSBA is one of the nation’s largest trade associations focused on the non-bank money services industry. Our membership includes licensed money transmitters and their agents and/or authorized delegates, payment processors, international remittance companies, bill payment companies, mobile payment application providers, payment aggregators, virtual currency exchanges and administrators, money orders, and other similar money services providers that are engaged in payments. For additional information about our membership, please see: www.msbassociation.org. Many of our companies that do business in Alaska support your constituents with their businesses.

The MSBA has worked closely with the Conference of State Bank Supervisors to support the adoption of the Money Transmission Modernization Act. The Model Act is a single set of nationwide standards and requirements created by industry and state regulatory experts that will provide a common regulatory baseline across the country. The transparent effort involved hundreds of hours of collaborative meetings among state regulators from across the country, licensed money transmitters, and industry trade groups, as well as input from a variety of consumer and financial services stakeholders. The result was strong consensus and support for the Model Act’s money transmission provisions. This is a crucial step in advancing multistate

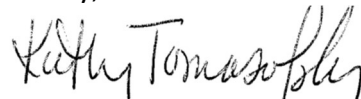
harmonization in the money transmission industry, as states will be better able to work together in the licensing, regulation and supervision of money transmitters operating across state lines.

The Model Act provides significant benefits to customers, states, and industry alike. Customers would benefit from a consistent framework of robust protections, as opposed to the current patchwork of state money transmitter laws. States such as Alaska would experience greater regulatory efficiencies under the Model Act, as it empowers states to use technology, apply data analytics, and share resources under a networked system of state supervision. The uniform and comprehensive adoption of the Model Act would also benefit industry by providing greater clarity in operations and supervision, reducing the complexity of complying with state-specific laws and the need to respond to duplicative oversight efforts on the part state regulators.

The services provided by the Industry benefit those without direct access to banking, and harmonization would encourage increased business in your state.

Please let us know if we can answer any questions for you on the important benefits of the uniform and comprehensive adoption of the Model Act, as you move forward with your Bill.

Sincerely,



Kathy Tomasofofsky, Executive Director
Money Services Business Association, Inc

CC:

Members of the Senate Labor and Commerce Committee
Alaska Division of Banking and Securities