



December 8, 2022

***Re: Industry Support for Full Adoption of Model Money Transmission Modernization Act***

To Whom It May Concern:

On behalf of the undersigned trade associations, whose members include a diverse array of participants in the payments industry, we believe that the Model Money Transmission Modernization Act (“Model Law”) should be adopted uniformly and completely throughout the United States.

The Model Law was developed by the Conference of State Bank Supervisors (“CSBS”) with extensive input from regulators and industry stakeholders. 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 support for the Model Law’s money transmission provisions (Articles 1-12).

While the undersigned support the adoption of the Model Law as a general proposition, support for any particular piece of proposed legislation pertaining to money transmission regulation is subject to each individual association’s review and assessment of the legislation, including with respect to consistency with the Model Law. The Model Law contains interconnected concepts often dependent on one another to function appropriately as a holistic and effective regulatory regime.

Additionally, uniform and comprehensive adoption of the Model Law will ensure that customers are protected in the same fashion, and payments companies are regulated in the same fashion, across all jurisdictions. It would create a robust single, national standard for customer protections, clarify and standardize definitions of regulated activity and related key elements of regulation, and streamline states’ ability to license and examine money transmitters through the Nationwide Multistate Licensing System. Uniform adoption of the Model Law would therefore not only enable a more seamless approach to regulation than the status quo, but also help preserve States’ limited resources with respect to licensing and supervisory efforts.

State regulation of payments must improve from the status quo of conflicting laws and patchwork protections that creates uncertainty, risk, and unnecessary burdens for consumers and businesses. Inconsistencies also act as a barrier to entry and competition from new entrants and slow or deter product innovation, which hinders our ability to keep up with an evolving economy and our internet-connected world.

CSBS recently reported that the boom in fintech payments providers has resulted in the number of money transmitters operating nationwide (licensed in 40 or more states) more than doubling since 2015. In light of the substantial increase in the volume of regulation and oversight required as this industry continues to expand, standardization will be a benefit to regulators in managing workloads more efficiently.

Finally, adoption of the Model Law should be pursued separately from other efforts to address the regulation of digital assets (i.e., Article 13). Questions remain around the appropriate classifications for those assets under money transmission laws and the States must still seek alignment on the approach, especially in light of the recent legislative efforts at the Federal level to address digital asset regulation.

Uniform adoption of the Model Law is critical to protecting users, maintaining U.S. competitiveness, and supporting regulator efficiency. Thank you for your commitment to this goal. We look forward to working with you towards full adoption.

Respectfully,

Electronic Transactions Association  
Money Services Business Association  
Financial Technology Association  
TechNet  
The Money Services Round Table

**Contacts:**

**Electronic Transactions Association**

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March 13, 2023

Senator Jesse Bjorkman  
Chair, Senate Labor & Commerce Committee  
Alaska Senate  
State Capitol Bldg., Room 9  
Juneau AK, 99801

Senator Click Bishop  
Vice Chair, Senate Labor & Commerce Committee  
Alaska Senate  
State Capitol Bldg., Room 504  
Juneau AK, 99801

**Re: SB 84 – Alaska Uniform Money Transmission Modernization Act**

Dear Chair Sumner and Vice Chair Ruffridge:

This letter is submitted on behalf of The Money Services Round Table (“TMSRT”), a consortium of leading national non-bank money transmission companies.<sup>1</sup>

TMSRT has reviewed SB 84, which would make substantial changes to the Alaska Uniform Money Services Act. TMSRT believes that, in its current form, the changes that SB 84 would make with respect to the current money transmission law would largely align the regulation of money transmission in Alaska with the “Model Money Transmission Modernization Act” (the “**Model Law**”). The Model Law was developed by the Conference of State Bank Supervisors (“**CSBS**”) with extensive input from regulators and industry stakeholders. 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 support for the Model Law’s money transmission provisions (Articles 1-12).<sup>2</sup>

The Model Law is intended for create a common regulatory baseline for the regulation of money transmitters across the country, which, as CSBS explains, “is a crucial step in advancing

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<sup>1</sup> Current members are RIA Financial Services, Sigue Corporation, American Express Travel Related Services Company, Inc., Western Union Financial Services, Inc. and Western Union International Services, Inc., and MoneyGram Payment Systems, Inc. These companies offer a variety of non-bank funds transmission services, often in locations not served by banks and other depository institutions. Each company is currently licensed as a money transmitter throughout the United States, including in Alaska.

<sup>2</sup> SB 84 also includes virtual currency provisions based on Article 13 of the Model Act. Consensus was not reach on these provision and therefore TMSRT’s comments herein are therefore exclusive of the provisions of SB 84 that would enact Article 1A. Virtual Currency Business Activity.



Senator Jesse Bjorkman  
Senator Click Bishop  
March 13, 2023  
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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.” Uniform and comprehensive adoption of the Model Law will create a robust national standard for customer protections, clarify and standardize definitions of regulated activity and related key elements of regulation, and streamline states’ ability to license and examine money transmitters through the Nationwide Multistate Licensing System. Uniform adoption of the Model Law would therefore not only enable a more seamless approach to regulation than the status quo, but also help preserve States’ limited resources with respect to licensing and supervisory efforts.

Therefore, TMSRT supports SB 84 in its current form because it would align the regulation of money transmission in Alaska with the Model Act and should further enable more efficient and effective regulation of money transmitters in Alaska and throughout the country.

If you have any additional questions for TMSRT regarding the Model Law or the regulation of money transmitter licensees generally, TMSRT would be happy to respond.

Sincerely,

A handwritten signature in blue ink that reads "Adam Fleisher".

Adam Fleisher  
Counsel to The Money Services Round Table

cc: Robert H. Schmidt, Director, Division of Banking and Securities  
Tracy Reno, Chief of Examinations, Alaska Division of Banking and Securities



March 27, 2023

The Honorable Bill Wielechowski,  
Chair, Senate Rules Committee

By email: [Senator.Bill.Wielechowski@akleg.gov](mailto:Senator.Bill.Wielechowski@akleg.gov)

**Re: Senate Bill 84 Relating to the Business of Money Transmission**

Dear Senator Wielechowski:

This letter is submitted on behalf of Mastercard Transaction Services (US) LLC,<sup>1</sup> an indirect subsidiary of MasterCard Incorporated, a publicly traded Delaware corporation<sup>2</sup> to express support for SB 84, relating to the business of money transmission.

SB 84 would align Alaska law with the “Model Money Transmission Modernization Act” (the “Model Law”), an initiative spearheaded by the Conference of State Bank Supervisors (“CSBS”) to create a single set of nationwide standards and requirements for money transmission companies. The Model Law is intended to create a common regulatory baseline for the regulation of money transmitters across the country, which, as CSBS explains, “*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.*”

If enacted uniformly, the Model Law would create a robust single, national standard for customer protections, clarify and standardize definitions of regulated activity and related key elements of regulation, and streamline states’ ability to license and examine money transmitters through the Nationwide Multistate Licensing System. Uniform adoption of the Model Law would therefore not only enable a more seamless approach to regulation than the status quo, but also help preserve States’ limited resources with respect to licensing and supervisory efforts.

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<sup>1</sup>MTS was founded in 1988 and has been focused on cross-border money transmission since its inception. MTS was acquired by Mastercard on July 8, 2019.

MTS US and its subsidiaries hold money transmitter licenses throughout the United States and issue Mastercard Cross-Border Services, a suite of products offered to banks, other licensed financial institutions (including licensed money transmitters), and other business entities.

<sup>2</sup> MasterCard advances global commerce by providing a critical link among financial institutions and millions of businesses, cardholders, and merchants worldwide. In the company’s roles as a franchisor, processor and advisor, MasterCard develops and markets secure, convenient, and rewarding payment solutions, seamlessly processes more than 34 billion payments each year, and provides analysis and consulting services that drive business growth for its banking customers and merchants. With more than 1.15 billion cards issued through its family of brands, including MasterCard®, Maestro® and Cirrus®, MasterCard serves consumers and businesses in more than 210 countries and territories, and is a partner to more than 20,000 of the world’s leading financial institutions. With more than 35.9 million acceptance locations worldwide, no payment card is more widely accepted than MasterCard.



For these reasons, MasterCard supports SB 84 to amend Alaska statutes to align with the Model Law. I would be happy to provide further information in support of this request and can be contacted on [patrick.dwyer@mastercard.com](mailto:patrick.dwyer@mastercard.com).

Thank you for your attention in this matter.

Your sincerely,

Patrick Dwyer  
VP, Public Policy, Head of U.S. State Affairs  
Mastercard

Copy to:

The Honorable Bert Stedman  
Vice-Chair, Senate Rules Committee  
By Email: [Senator.Bert.Stedman@akleg.gov](mailto:Senator.Bert.Stedman@akleg.gov)

Tracy Reno  
Division of Banking and Securities  
By Email: [tracy.reno@alaska.gov](mailto:tracy.reno@alaska.gov)

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](mailto:Senator.Jesse.Bjorkman@akleg.gov) , [Senator.Click.Bishop@akleg.gov](mailto: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](http://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

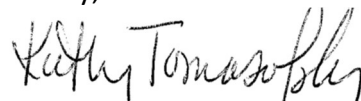
harmonization in the money transmission industry, as states will be better able to work together in the licensing, regulation and supervision of money transmitters operating across state lines.

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 Tomaso, Executive Director  
Money Services Business Association, Inc

CC:

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



# Alaska Bankers Association

ELECTRONIC MAIL

March 23, 2023

Senator Jesse Bjorkman, Chair  
Senate Labor & Commerce Committee  
State Capitol  
Juneau, AK 99801

Representative Jesse Sumner, Chair  
House Labor & Commerce Committee  
State Capitol  
Juneau, AK 99801

Re: Support the Alaska Uniform Money Transmission Modernization Act

Dear Senator Bjorkman and Representative Sumner:

The Alaska Bankers Association (AKBA) appreciates the opportunity to support SB 84 and HB 86, legislation to modernize the Alaska Uniform Money Services Act. AKBA is the voice of the state's banking industry, which is composed of seven state and national banks that together employ more than 2,200 proud professionals, safeguard \$17 billion in deposits, and extend over 85 percent of non-public commercial lending in Alaska.

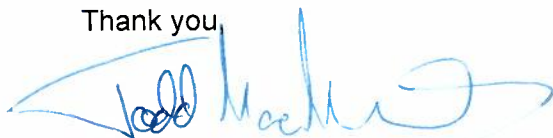
The Act's focus on modernizing the existing framework for money transmission is critical in light of the rapid evolution of financial technology and the increasing use of digital payments. AKBA subscribes to the idea that "same activity, same risk, same regulation"; businesses engaging in similar activities should be subject to the same level of regulation. This principle is critical in ensuring a level playing field for businesses and promoting fair competition, while protecting Alaska consumers.

The Act includes important provisions to protect consumers from fraud and other forms of financial abuse. For example, the requirement for criminal background checks through the Nationwide Multistate Licensing System and Registry will ensure that individuals with a history of financial crimes or other criminal activities are not involved in the money transmission business. The requirement for money transmitters to maintain a surety bond or other form of security will ensure that consumers are protected in the event of insolvency or other financial difficulties. The Act also enables state regulators to coordinate with other states in areas of regulation, licensing, and supervision to reduce regulatory burden on the industry.

AKBA recognizes that as the money transmission industry grows, regulatory costs associated with supervision must keep pace with that growth. The Act addresses this issue by allowing state regulators to adjust supervision fees to reflect changes in the size and complexity of the money transmission industry.

AKBA believes SB 84 and HB 86, as currently drafted, are well-crafted and necessary pieces of legislation that will benefit both businesses and consumers. We urge the Legislature to support passage into law.

Thank you,



Todd MacManus, President  
Alaska Bankers Association