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March 13, 2023

Representative Jesse Sumner
Chair, House Labor & Commerce Committee
The Alaska State Legislature
State Capitol Room 421
Juneau AK, 99801

Representative Justin Ruffridge
Vice Chair, House Labor & Commerce Committee
The Alaska State Legislature
State Capitol Room 104
Juneau AK, 99801

Re: HB 86 – 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.¹

TMSRT has reviewed HB 86, which would make substantial changes to the Alaska Uniform Money Services Act. TMSRT believes that, in its current form, the changes that HB 86 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).²

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

¹ 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.

² HB 86 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 HB 86 that would enact Article 1A. Virtual Currency Business Activity.



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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 HB 86 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