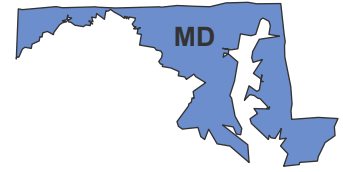




Description



Maryland Money Transmitter License

Who is required to have this license?

The principal executive office of any person engaging in the business of money transmission who is located in the State or with any person in the State is required to be licensed, unless the person engaging in the business of money transmission is an authorized delegate of a Maryland money transmitter licensee that conducts money transmission business under the licensee's name or is exempt from licensing under Maryland Money Transmission [Act. Md. Code Ann., Fin. Inst. Art. § 12-405](#).

Who does not need this license?

The licensing provisions of the Maryland Money Transmission Act do not apply to:

- Any banking institution;
- Any other-state bank;
- Any national banking association or savings bank;
- Any credit union;
- Any savings and loan association;
- The United States government or any of its departments, agencies, or instrumentalities;
- An accredited institution of higher education, as defined under [§ 10-101 of the Education Article](#).
- The sale of payment instruments by any person on behalf of any other person who is exempted by this subsection, if the payment instruments were received from the other person under a trust receipt for the specific purpose of sale;
- The provision of electronic transfer of government benefits for any federal, state, or county governmental agency as defined in Federal Reserve Board Regulation E, by a contractor for and on behalf of the United States or any of its departments, agencies, or instrumentalities, or any state or any political subdivision of any state; or
- Any authorized delegate of a licensee, acting within the scope of authority conferred by a written contract as described in [Fin. Inst. § 12-413](#).

***Note:** At this time, the Commissioner of Financial Regulation for the State of Maryland ("Commissioner"), like other state and federal regulators, is evaluating the regulation of virtual currencies (including Bitcoin), and companies that deal in virtual currencies. In the meanwhile, the Commissioner issued an Advisory Notice to all Maryland Residents concerning the use of virtual currencies (see <http://www.dllr.state.md.us/finance/advisories/advisoryvirtual.shtml>). **There are currently no Maryland licensing or registration requirements for companies that deal with virtual currencies.** However, be advised that to the extent that a company's activities currently include or expand to other activities, including but not limited to money transmission (Md. Code Ann., Fin Art. §12-401 *et seq.*), etc., the company will need to comply with Maryland's laws governing those activities. In the future, if the Commissioner determines to regulate virtual currency, a company that deals in virtual currencies will need to comply.

Pre-requisites for license applications?

- **Qualifying Individual** – The Applicant must have at least three (3) years of experience in the money transmission business, or other related financial services business. That experience must be satisfied by the sole proprietor, coventurer, general partner, principal officer or member.
- **Surety Device** – The applicant shall file a surety device as provided in [Fin. Inst. § 12-412](#).
 - Minimum Amount - \$150,000, Maximum Amount - \$1,000,000
 - Amount set by the Commissioner depending on the financial condition of the applicant, the average outstanding amount of business, experience of the applicant, and the potential loss to buyers and holders if the applicant becomes financially impaired.
 - Starting August 1st, 2017, if you are submitting a surety bond to satisfy this requirement, an Electronic Surety Bond via NMLS will be required to be submitted. See the [ESB Adoption Table](#) and the [ESB for NMLS Licensees page](#) of the NMLS Recourse Center for more information.
- **Criminal Background Check** – A FBI criminal background check is required of each control person, president, officer who owns 10% or more of the business, qualifying individual, individual with access to the trust account, and any other individual requested by the Commissioner.
- **Credit Check** –
 - Individuals in a position of control are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for the company can be filed through NMLS.
 - Corporations should send a business credit report, dated not more than three months before the filing of the license request.
- **Audited Financial Statements** – The Applicant must provide an unconsolidated audited financial statement prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles dated within 90 days of Applicant's most recent fiscal year end and showing a net worth of at least \$150,000, plus an additional net worth of \$10,000 for each additional location or authorized delegate, up to a maximum of \$500,000.
 - If applicant is NOT a start-up entity, in addition to the current financial statement, audited financial statements for the three (3) prior fiscal years are also required.
- **Certificate of Good Standing** – The Applicant must provide a certificate of good standing from the state in which the Applicant is incorporated or organized
- **Maryland Certificate of Authority/Good Standing** – The Applicant must provide a certificate of Authority/Good Standing from the State Department of Assessments and Taxation of Maryland.
- **Trade Name Certificate** – If applicable, the Applicant must provide a trade name certificate from the State Department of Assessments and Taxation of Maryland.

WHOM TO CONTACT – Contact the Commissioner of Financial Regulation licensing staff by phone at 410-230-6155 or 888-784-0136 for further assistance regarding Maryland specific requirements.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE JURISDICTION SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH THE NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.