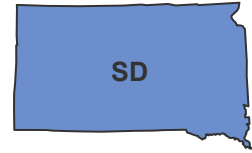




Company Description Agency-Specific Requirements



SOUTH DAKOTA MONEY TRANSMITTER LICENSE

Who is required to have this license?

Any person engaged in the business of money transmission must obtain a license from the Division of Banking. Money transmission is defined as the sale or issuance of payment instruments or stored value or of receiving money or monetary value for transmission to a location within or outside the United States by any means, including wire, facsimile or electronic transfer.

A licensee may conduct business in South Dakota at one or more locations, or through one or more authorized delegates, or both, under a single license.

Who does not need this license?

[South Dakota Codified Law \(SDCL\) Chapter 51A-17-3](#) Entities exempt from chapter. This chapter does not apply to:

- 1) The United States or any department, agency, or instrumentality thereof;
- 2) The United States Post Office;
- 3) The state or any political subdivisions thereof;
- 4) Banks, bank holding companies, credit unions, building and loan associations, savings and loan associations, savings banks, or mutual banks organized under the laws of any state or the United States, and any subcontractor, agent, or independent contractor that sells payment instruments issued by any such entity or sells such entity's money transmission services on behalf of such entity; and
- 5) 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 department, agency, or instrumentality thereof, or any state or any political subdivisions thereof.

Pre-Requisites for License Applications

- Net Worth Qualifications — Each licensee shall have at all times a net worth of not less than \$100,000. Net worth shall be calculated in accordance with generally accepted accounting principles.
- Good Standing — Every corporate applicant must be in good standing in the state of its incorporation. All non-corporate applicants shall be registered or qualified to do business in South Dakota.
- Surety Bond — Each licensee must provide a surety bond or other similar security device acceptable to the director in the amount of \$100,000.
- Statutory Trust — Each licensee must at all times possess permissible investments having an aggregate market value of not less than the aggregate face amount of all outstanding payment instruments sold by the licensee or reported as sold by an authorized delegate, to the extent the dollar volume exceeds the surety bond.
- Background Investigation — Each applicant for licensure as a money transmitter, except publicly traded corporations and their subsidiaries, shall submit to a state and federal criminal background investigation through means of finger print checks by the Division of Criminal Investigation and

the Federal Bureau of Investigation. The applicant shall pay for any fees charged for the cost of fingerprinting or the criminal background investigation.

WHO TO CONTACT – Contact *the South Dakota Division of Banking* licensing staff by phone at 605-773-3421 or send your questions via e-mail to banking@state.sd.us for additional assistance.

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.