



## Description



# TENNESSEE MONEY TRANSMITTER LICENSE

### Who is required to have this license?

Any entity that engages in the business of money transmission and provides such services to Tennessee residents, unless certain exemptions apply, must be licensed pursuant to the Tennessee Money Transmitter Act (“TMTA”). The TMTA defines “money transmission” in Tennessee Code Annotated (“TCA”) Section 45-7-203(10) as follows:

The sale or issuance of payment instruments or engaging in the business of receiving money for transmission or transmitting money within the United States or to locations abroad by any and all means, including, but not limited to, payment instrument, wire, facsimile or electronic transfer.

### Who does not need this license?

TCA Section 45-7-202(b) states that, “a licensee may conduct its business in Tennessee at one (1) or more locations, directly or indirectly owned, or through one (1) or more authorized agents, or both, pursuant to the single license granted to the licensee. Therefore, authorized agents of Tennessee money transmitter licensees are not required to obtain a license themselves provided that the money transmission they conduct is conducted based on authority granted through an applicable authorized agent contract with a Tennessee money transmitter licensee.

TCA Section 45-7-204 provides an exemption to Tennessee money transmitter licensing requirements for the following entities:

- The United States or any department or agency of the United States
- The state of Tennessee or any political subdivision of the state
- Banks, trust companies, credit unions, building and loan associations, savings banks or mutual banks organized under the laws of any state or the United States
- Transactions governed by title 56 of the Tennessee Code Annotated, or the rules and regulations promulgated solely under title 56

### Pre-requisites for ALL license applications?

- Each applicant for a license must demonstrate, and each licensee must maintain a net worth of not less than one hundred thousand dollars (\$100,000) computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of twenty-five thousand dollars (\$25,000) per additional location or agent located in Tennessee, as applicable, to a maximum of five hundred thousand dollars (\$500,000).
- Subject to the Commissioner’s discretion, no person shall be licensed if the person has been adjudged guilty of any felony within the last ten (10) years or if an executive officer, key shareholder or director of the person has been so adjudged. Please refer to TCA Sections 45-7-203(6) and (7) for definitions of “executive officer” and “key shareholder”, respectively.

- The applicant must demonstrate experience, character, and general fitness to command the confidence of the public and warrant the belief that the business to be operated lawfully and fairly.
- Each application must be accompanied by a security device acceptable to the Commissioner in amount of fifty thousand dollars (\$50,000). Such security device must be a surety bond or an irrevocable letter of credit. If the applicant proposes to engage in business under this part at more than one (1) location, through authorized agents or otherwise, then the amount of the security device must be increased by ten thousand dollars (\$10,000) per additional location, up to a maximum of eight hundred thousand dollars (\$800,000).
- Each application must be accompanied by a non-refundable application fee in the amount of two hundred fifty dollars (\$250) for those applicants proposing four or fewer agents or locations in Tennessee and five hundred dollars (\$500) for those applicants proposing five (5) or more agents or locations in Tennessee.
- Every corporate applicant, at the time of filing of an application for a license and at all times after a license is issued, shall be in good standing in the state of its incorporation. All non-corporate applicants shall, at the time of the filing of an application for a license under this part and at all times after a license is issued, be qualified to do business in Tennessee.

**WHO TO CONTACT** – Contact David Axford by phone at 615-253-2862 or send your questions via e-mail to [david.axford@tn.gov](mailto:david.axford@tn.gov) 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.