

**State of Minnesota
Department of Commerce**

**Enforcement Guidance regarding Minnesota Statutes § 53B.27, subdivision 3
Money Transmitters “No Transmit” List**

Effective January 1, 2016

Under the Money Transmitters Act, section 53B.27 of the Minnesota Statutes establishes a potential mechanism to help prevent and combat fraud, including allowing an individual or an authorized representative to voluntarily disqualify the individual from sending or receiving money transfers. Failure to comply with Minnesota Statutes § 53B.27 is a prohibited practice under Minnesota Statutes § 53B.18.

Beginning January 1, 2016, section 53B.27, subdivision 3 authorizes the Minnesota Department of Commerce (“Commerce Department”) to establish a centralized list of individuals for whom money transmitters may not make money transfers (“No Transmit List”). The law requires that the electronic list include sufficient identifying information about individuals on the list to allow for money transmitters to match names on the No Transmit List with the names of individuals seeking to use the money transmitter's services to make money transmissions to ensure compliance with the no transmit requests.

During the Commerce Department's evaluation of information to design a No Transmit List, the Department identified certain privacy concerns, conflicts in the statute and systems challenges for implementation of No Transmit List procedures. Further, safe and secure methods for collecting and using an individual's private data to implement a No Transmit List are not yet available. Moreover, it is in the best interest of Minnesota citizens to issue a Temporary Stay of Enforcement Action.

Accordingly, the Commerce Department provides this Temporary Stay of Enforcement Action for the period of one year to allow the Minnesota Legislature an opportunity to act to address the No Transmit List.

Temporary Stay of Enforcement Action

This Temporary Stay of Enforcement Action is valid for a period of one year commencing on January 1, 2016. This Temporary Stay of Enforcement Action is specifically limited to a stay in enforcement of Minnesota Statutes § 53B.18, clause (4) with respect to the following requirements under Minnesota Statutes § 53B.27, subdivision 3 in the following limited situations:

- The commissioner shall create and maintain an electronic list of individuals for whom money transmitters may not make money transmissions. The commissioner may contract with a third-party vendor to create and maintain the list. The electronic list must include sufficient

identifying information about individuals on the list to allow for money transmitters to match names on the "No Transmit List" with the names of individuals seeking to utilize the money transmitter's services to make money transmissions.

- Money transmitters shall request that the commissioner put the names of individuals on the "No Transmit List" that the money transmitter, their employees, their authorized delegates, or their authorized delegates' employees have detected are victims of a scheme to defraud and the names of individuals they have detected are participants in a scheme to defraud individuals residing in Minnesota.
- Money transmitters shall request that the commissioner put the names of individuals on the "No Transmit List" who have made a request directly to the money transmitter to be prohibited from making or receiving money transmissions.

Nothing in this Stay of Enforcement Action may be interpreted to relieve any entity conducting money transmission services in Minnesota from compliance with all other provisions of Minnesota Statutes chapter 53B, including Minnesota Statutes § 53B.27, or any other applicable state or federal law. Money transmitters must honor the requests of individuals with whom they do business who have indicated they want to be disqualified from sending or receiving money transfers or any other individual who have made such decisions known to the money transmitter.

Mike Rothman
Commissioner of Commerce

By: Anne O'Connor
Anne O'Connor
Deputy Commissioner & Chief of Staff