



IDAHO
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

August 14, 2013

Re: Money Transfer Opinion Request

Dear M

Thank you for your recent communications and your inquiry regarding whether the needs to obtain a money transmitters license. We have reviewed the July 29, 2013 letter provided to you by the Texas Department of Banking and other materials presented in connection with your exemption request. In connection with your request, we provide the following.

Is It Money Transmission? - Consistent with your concerns and as enumerated by the State of Texas, the system does involve the transmission of funds from license applicants to various state licensing authorities. As a money transmitter activity is being conducted, the remaining question is whether a license will be required¹.

Are There Any Applicable Exemptions? - As you are aware, the Idaho Money Transmitters Act provides various exemptions from compliance with this statute. More directly, Idaho Code § 26-2904 generally exempts the federal government, as well as the states and their political subdivisions from compliance with the statute. Additionally and with some conditions, federal or state chartered financial institutions are also exempt. Properly appointed agents of licensed money transmitters are also exempt, but subject to examination and review by the Idaho Department of Finance. It is our formative view that does not qualify for any of the exemptions enumerated under the Idaho Money Transmitters Act.

Licensing & Prospective "No Action" Position - It is my understanding that is a limited purpose entity that only accepts and forwards licensing fees to participating regulatory agencies from individuals or entities that seek to become licensed in various capacities with these regulatory agencies.

In Idaho, I have confirmed that the Department of Finance would honor an application fee paid through the even in an instance where failed to forward such a payment. In this respect, a payment to has the equivalent outcome of a payment made directly to the Department of Finance. Such a circumstance obviates any monetary risk to the user of ². Since risk to the system user has been eliminated (at least in Idaho) there would appear to be little benefit to requiring to become licensed as a money transmitter in Idaho.

¹ Under the Idaho Money Transmitters Act, money transmission is a regulated activity, whether or not the provider (e.g., is compensated in connection with the transaction.

² I am not aware of any current plans to expand to other Idaho agencies, and our review of this matter presumes that the Idaho Department of Finance will remain the only Idaho user of the for the foreseeable future.

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Based on the facts as presented herein, the Department will take a no-action position as it pertains to the licensing provisions of the Idaho Money Transmitters Act. Please be advised that any alteration in the fact set presented or the clientele served by _____ may result in a different conclusion than the one expressed herein.

We hope that this communication resolves the issue that you have brought to our attention. Should you have any questions or wish to discuss this matter directly, please feel free to contact the undersigned directly at (208) 332-8080.

Sincerely,

James A. Burns