

STAND. COM. REP. NO.

1681

Honolulu, Hawaii

April 6

, 2017

RE: S.B. No. 949

S.D. 1

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 949, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS,"

begs leave to report as follows:

The purpose of this measure is to update Hawaii's Money Transmitters Act to be more responsive to current market conditions and to enable effective oversight of the money transmitter industry by the Division of Financial Institutions.

Specifically, this measure:

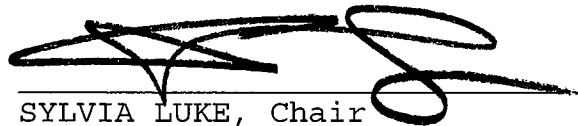
- (1) Clarifies that transactions related to decentralized virtual currency are not currently subject to the Money Transmitters Act and establishes a working group to make recommendations for regulation of these transactions; and
- (2) Clarifies requirements for permissible investments by licensees, licensure and change in control applications, reporting of extraordinary events, and criminal background checks of individuals who exercise control of licensees.



Your Committee received testimony in support of this measure from an individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 949, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



