



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Thursday, April 1, 2021
1:30 p.m.
Via Videoconference**

**On the following measure:
S.B. 973, S.D. 1, H.D. 2, RELATING TO HAWAII MONEY TRANSMITTER ACT**

Chair Luke and Members of the Committee:

My name is Iris Ikeda, and I am the Commissioner of the Department of Commerce and Consumer Affairs' (Department) Division of Financial Institutions (DFI). The Department supports this bill and requests an amendment.

The purposes of this bill are to: (1) amend the Money Transmitters Act; (2) incorporate definitions of key terms provided in the Model Money Services Business Law; (3) add supporting documentation required to be submitted by an applicant for licensure; (4) extend the period of a license applicant's litigation and criminal conviction history review from five years to ten years from the date of the application; (5) require an applicant to submit information concerning any bankruptcy or receivership proceedings; and (6) clarify the authority of the commissioner of financial institutions to examine and investigate licensees and participate in nationwide protocols for licensing cooperation.

The Department supports this bill to allow the DFI to license, regulate, and supervise nationally and globally operating money transmission companies without

impacting money transmission businesses that operate regionally or in a single state. This bill will give the DFI sufficient flexibility to share supervisory information with other states to swiftly protect consumers who use money transmission companies. In addition, this bill will allow Hawaii to retain its state sovereignty while working with a network of states to enable timely, coordinated, and efficient regulation of trans-global, regional, and single state money transmission companies to provide financial stability and economic growth, while providing consumer protection.

The Department requests amending the effective date from January 1, 2050, to July 1, 2021, to allow the DFI to timely participate in an established multi-state system for the licensing and supervision of money transmission companies.

Thank you for the opportunity to testify on this bill.

SB-973-HD-2

Submitted on: 3/30/2021 1:14:25 PM

Testimony for FIN on 4/1/2021 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John D. Smith	Individual	Support	No

Comments:

I support this to be passed through legislature.