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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Judiciary
Thursday, February 25, 2021
9:30 a.m.
Via Videoconference**

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

WRITTEN TESTIMONY ONLY

Chair Rhoads 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.

The purposes of this bill are to: (1) amend the Money Transmitters Act and change the chapter and short title to Monetary Transmitters Modernization Act; (2) incorporate definitions of key terms provided in the Model Money Services Business Law published by the Conference of State Bank Supervisors; (3) add supporting documentation to be submitted by a license applicant; (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 a license applicant to submit information concerning any bankruptcy or receivership proceedings; and (6) clarify the authority of

the commissioner of financial institutions relating to examinations and investigations of licensees and participation 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.

Thank you for the opportunity to testify on this bill.