



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS

DIVISION OF CONSUMER SERVICES

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November 14, 2013

Concise Explanatory Statement

Pursuant to RCW 34.05.325(6)

RE: Rule Amendments to the Uniform Money Services Act (chapter 19.230 RCW), chapter 208-690 WAC

Agency reasons for adopting the rules. (RCW 34.05.325(6)(a)(i))

The rules must be amended to implement changes to the law, to protect consumers from financial harm, to aid the regulated industries by having consistent rules, and to make technical changes for clarity and consistency.

Describe differences between the text of the proposed rules as published in the Washington State Register and the text of the rules as adopted, other than editing changes, stating the reasons for differences. (RCW 34.05.325(6)(a) (ii))

See Attachment 1.

Summary of comments received by DFI during the rulemaking process, and DFI's responses to the comments. (RCW 34.05.325(6)(a) (iii))

The comment period was open from the filing of the CR-101 on July 23, 2013, until October 25, 2013.

I. Summary of written comments received: See Attachment 2. The written comments in their entirety are available on our website.

II. Summary of oral comments received during the public hearing held October 23, 2013, at the DFI office in Olympia, Washington: There were attendees with questions for the department, but no testimony was presented.

CONCLUSION

DFI made the proposed rules available to all interested parties and published the proposed amendments on the department website along with all rulemaking notices and audio of public meetings. The final proposed rules are the product of an open, deliberative process.

Attachment 1 to Concise Explanatory Statement
Pursuant to RCW 34.05.325(6)(a)(i)

Describe differences between the text of the proposed rules as published in the Washington State Register and the text of the rules as adopted, other than editing changes, stating the reasons for differences. (RCW 34.05.325(6)(a) (ii))

1. WAC 208-690-010. Proposed language amended to add a new definition of executive officer. The definition clarifies application and reporting standards, among other things. The additional definition clarifies which people within the company are responsible for what activities and compliance with the act.
2. WAC 208-690-014. Proposed language amended to clarify the department's interpretation of the definition of the responsible individual.
3. WAC 208-690-030(1)(l). Proposed language amended to require the applicant to identify the bank account procured for the money services business activity. For applicants who have not procured a bank account prior to receiving a licensee, the department has developed a process whereby the license is issued and the applicant has a time period in which to procure a bank account.
4. WAC 208-690-035(4). Proposed language amended to clarify that a licensee may designate an authorized delegate that is located outside of the state of Washington if the department has granted prior approval of the designation.
5. WAC 208-690-035(5). Proposed language amended to add clarifying language on the advertising requirements of authorized delegates.
6. WAC 208-690-050(5). Proposed language amended to add language notifying licensees that a proceeding against a licensee by a federal agency may result in the department requiring an increase in security.
7. WAC 208-690-080 (2). Proposed language amended to add language allowing new business applicants with no prior money services business activity to submit financials that are not audited. Audited financials will be required in subsequent years the company holds the license.
8. WAC 208-690-110 (7). Proposed language amended to require licensees to report any changes to their money services business bank account.
9. WAC 208-690-110 (8). Proposed language amended to clarify that matters affecting the licensee or specific individuals employed by the licensee must be reported to the department.

Attachment 2 to Concise Explanatory Statement
Pursuant to RCW 34.05.325(6)

Summary of written comments received by DFI during the rulemaking process, and DFI's responses to the comments. (RCW 34.05.325(6)(a) (iii))

Date of Comment	Commenter	General Topic of Comment/Applicable WAC	DFI Response
10/18/2013	Robert Collier, Corporate Counsel, PreCash	Authorized delegates/WAC 208-690-035	The comment was considered; the proposed rule was amended based on this and similar comments
10/22/2013	Brant Rockney, Attorney at Law	Authorized delegates/WAC 208-690-035	The comment was considered; the proposed rule was amended based on this and similar comments
10/24/2013	Judith Rinearson, Attorney at Law, on behalf of Network Branded Prepaid Card Association	Authorized delegates/WAC 208-690-035	The comment was considered; the proposed rule was amended based on this and similar comments
10/25/2013	David Durant, Secretary and General Counsel, Blackhawk Network	Authorized delegates/WAC 208-690-035	The comment was considered; the proposed rule was amended based on this and similar comments
10/25/2013	Wendy Lewis, CCO, VP, Corporate Legal, InteliSpend Prepaid Solutions	Authorized delegates/WAC 208-690-035	The comment was considered; the proposed rule was amended based on this and similar comments

