

1                                   A bill to be entitled  
 2           An act relating to money services businesses; amending  
 3           s. 559.952, F.S.; revising exceptions for a licensee  
 4           during the Financial Technology Sandbox period;  
 5           amending s. 560.103, F.S.; revising and providing  
 6           definitions; amending s. 560.204, F.S.; prohibiting  
 7           certain activities by a person without obtaining a  
 8           license; revising the definition of the term  
 9           "compensation"; amending s. 560.210, F.S.; providing  
 10          requirements for a money transmitter that receives  
 11          virtual currency; excluding virtual currency in the  
 12          calculation of permissible investments; providing an  
 13          effective date.

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 15   Be It Enacted by the Legislature of the State of Florida:

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 17           Section 1. Paragraph (a) of subsection (4) of section  
 18   559.952, Florida Statutes, is amended to read:

19           559.952 Financial Technology Sandbox.—

20           (4) EXCEPTIONS TO GENERAL LAW AND WAIVERS OF RULE  
 21   REQUIREMENTS.—

22           (a) Notwithstanding any other law, upon approval of a  
 23   Financial Technology Sandbox application, the following  
 24   provisions and corresponding rule requirements are not  
 25   applicable to the licensee during the sandbox period:

26 | 1. Section 516.03(1), except for the application fee, the  
27 | investigation fee, the requirement to provide the social  
28 | security numbers of control persons, evidence of liquid assets  
29 | of at least \$25,000, and the office's authority to investigate  
30 | the applicant's background. The office may prorate the license  
31 | renewal fee for an extension granted under subsection (7).

32 | 2. Section 516.05(1) and (2), except that the office shall  
33 | investigate the applicant's background.

34 | 3. Section 560.109, only to the extent that the section  
35 | requires the office to examine a licensee at least once every 5  
36 | years.

37 | 4. Section 560.118(2).

38 | 5. Section 560.125(1), only to the extent that the  
39 | subsection would prohibit a licensee from engaging in the  
40 | business of a money transmitter or payment instrument seller  
41 | during the sandbox period.

42 | 6. Section 560.125(2), only to the extent that the  
43 | subsection would prohibit a licensee from appointing an  
44 | authorized vendor during the sandbox period. Any authorized  
45 | vendor of such a licensee during the sandbox period remains  
46 | liable to the holder or remitter.

47 | 7. Section 560.128.

48 | 8. Section 560.141, except for s. 560.141(1)(a)1., 3., 7.-  
49 | 10. and (b), (c), and (d).

50 | 9. Section 560.142(1) and (2), except that the office may

51 prorate, but may not entirely eliminate, the license renewal  
52 fees in s. 560.143 for an extension granted under subsection  
53 (7).

54 10. Section 560.143(2), only to the extent necessary for  
55 proration of the renewal fee under subparagraph 9.

56 11. Section 560.204(1), only to the extent that the  
57 subsection would prohibit a licensee from engaging in, or  
58 advertising that it engages in, ~~the selling or issuing of~~  
59 ~~payment instruments or in~~ the activity of a payment instrument  
60 seller or money transmitter during the sandbox period.

61 12. Section 560.205(2).

62 13. Section 560.208(2).

63 14. Section 560.209, only to the extent that the office  
64 may modify, but may not entirely eliminate, the net worth,  
65 corporate surety bond, and collateral deposit amounts required  
66 under that section. The modified amounts must be in such lower  
67 amounts that the office determines to be commensurate with the  
68 factors under paragraph (5)(c) and the maximum number of  
69 consumers authorized to receive the financial product or service  
70 under this section.

71 Section 2. Subsections (14), (21), (23), (29), and (35) of  
72 section 560.103, Florida Statutes, are amended, and subsection  
73 (36) is added to that section, to read:

74 560.103 Definitions.—As used in this chapter, the term:

75 (14) "Electronic instrument" means a card, tangible

76 | object, or other form of electronic payment used for the  
 77 | transmission, ~~or~~ payment, ~~of money~~ or the exchange of currency  
 78 | or monetary value, including a stored value card or device that  
 79 | contains a microprocessor chip, magnetic stripe, or other means  
 80 | for storing information; that is prefunded; and for which the  
 81 | value is decremented upon each use.

82 |         (21) "Monetary value" means a medium of exchange, other  
 83 | than virtual currency, regardless of whether it is ~~or not~~  
 84 | redeemable in currency.

85 |         (23) "Money transmitter" means a corporation, limited  
 86 | liability company, limited liability partnership, or foreign  
 87 | entity qualified to do business in this state which receives  
 88 | currency, monetary value, a ~~or~~ payment instrument, or virtual  
 89 | currency instruments for the purpose of acting as an  
 90 | intermediary to transmit currency, monetary value, a payment  
 91 | instrument, or virtual currency from one person to another  
 92 | location or person transmitting the same by any means, including  
 93 | transmission by wire, facsimile, electronic transfer, courier,  
 94 | the Internet, or through bill payment services or other  
 95 | businesses that facilitate such transfer within this country, or  
 96 | to or from this country.

97 |         (29) "Payment instrument" means a check, draft, warrant,  
 98 | money order, travelers check, electronic instrument, or other  
 99 | instrument utilized for the transmission, exchange, or payment  
 100 | of currency ~~money,~~ or monetary value, regardless of whether it

101 is ~~or not~~ negotiable. The term does not include an instrument  
102 that is redeemable by the issuer in merchandise or service, a  
103 credit card voucher, or a letter of credit.

104 (35) "Stored value" means currency funds or monetary value  
105 represented in digital electronic format, regardless of whether  
106 it is ~~or not~~ specially encrypted, and stored or capable of  
107 storage on electronic media in such a way as to be retrievable  
108 and transferred electronically.

109 (36) "Virtual currency" means a medium of exchange in  
110 electronic or digital format that is not currency as defined in  
111 subsection (11). The term does not include a medium of exchange  
112 in electronic or digital format that is used:

113 (a) Solely within online gaming platforms with no market  
114 or application outside such gaming platforms; or

115 (b) Exclusively as part of a consumer affinity or rewards  
116 program and can be applied solely as payment for purchases with  
117 the issuer or other designated merchants, but cannot be  
118 converted into or redeemed for currency, monetary value, or  
119 virtual currency.

120 Section 3. Subsection (1) of section 560.204, Florida  
121 Statutes, is amended to read:

122 560.204 License required.—

123 (1) Unless exempted, a person may not engage in, or in any  
124 manner advertise that they engage in, ~~the selling or issuing of~~  
125 ~~payment instruments or in~~ the activity of a payment instrument

126 seller or money transmitter, for compensation, without first  
127 obtaining a license under this part. For purposes of this  
128 subsection section, the term "compensation" includes profit or  
129 loss on the exchange of currency, monetary value, or virtual  
130 currency.

131 Section 4. Subsections (2) and (3) of section 560.210,  
132 Florida Statutes, are renumbered as subsections (3) and (4),  
133 respectively, and a new subsection (2) is added to that section  
134 to read:

135 560.210 Permissible investments.—

136 (2) Each money transmitter that receives virtual currency,  
137 either directly or through an authorized vendor, for the purpose  
138 of transmitting such virtual currency from one person to another  
139 location or person must at all times hold virtual currency of  
140 the same type and amount owed or obligated to the other location  
141 or person. Virtual currency received and held under this  
142 subsection is not included in the amount of outstanding money  
143 transmissions for purposes of calculating the permissible  
144 investments required by subsection (1).

145 Section 5. This act shall take effect January 1, 2022.