

By Senator Brandes

24-01390-21

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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.

14
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

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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~~

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

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

73 560.103 Definitions.—As used in this chapter, the term:

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

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

84 (23) "Money transmitter" means a corporation, limited
85 liability company, limited liability partnership, or foreign
86 entity qualified to do business in this state which receives
87 currency, monetary value, a ~~or~~ payment instrument, or virtual

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88 currency instruments for the purpose of acting as an
89 intermediary to transmit currency, monetary value, a payment
90 instrument, or virtual currency from one person to another
91 location or person transmitting the same by any means, including
92 transmission by wire, facsimile, electronic transfer, courier,
93 the Internet, or through bill payment services or other
94 businesses that facilitate such transfer within this country, or
95 to or from this country.

96 (29) "Payment instrument" means a check, draft, warrant,
97 money order, travelers check, electronic instrument, or other
98 instrument utilized for the transmission, exchange, or payment
99 of currency money, or monetary value, regardless of whether it
100 is or not negotiable. The term does not include an instrument
101 that is redeemable by the issuer in merchandise or service, a
102 credit card voucher, or a letter of credit.

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

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

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

114 (b) Exclusively as part of a consumer affinity or rewards
115 program and can be applied solely as payment for purchases with
116 the issuer or other designated merchants, but cannot be

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117 converted into or redeemed for currency, monetary value, or
118 virtual currency.

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

121 560.204 License required.—

122 (1) Unless exempted, a person may not engage in, or in any
123 manner advertise that they engage in, ~~the selling or issuing of~~
124 ~~payment instruments or in the activity of a~~ payment instrument
125 seller or money transmitter, for compensation, without first
126 obtaining a license under this part. For purposes of this
127 subsection ~~section,~~ the term "compensation" includes profit or
128 loss on the exchange of currency, monetary value, or virtual
129 currency.

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

134 560.210 Permissible investments.—

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

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