

**FINAL STATEMENT OF REASONS
FOR THE AMENDMENT OF RULES UNDER THE
MONEY TRANSMISSION ACT
PRO 05-24**

In accordance with Government Code section 11346.9, the Department of Financial Protection and Innovation (Department) sets forth below the reasons for the amendment of regulations contained in California Code of Regulations, Title 10, Sections 80.4119 and 80.5200.1.

UPDATE OF INITIAL STATEMENT OF REASONS [Government Code section 11346.9, subdivision (a)(1)]

The initial statement of reasons has not been updated and no additional materials were relied upon.

LOCAL MANDATE DETERMINATION [Government Code section 11346.9, subdivision (a)(2)]

The proposed regulatory amendment does not impose a mandate on local agencies or school districts.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE 45-DAY COMMENT PERIOD OF MAY 30, 2025 THROUGH JULY 15, 2025 [Government Code section 11346.9, subdivision (a)(3)]

The Department received zero comments during the 45-day comment period.

ALTERNATIVES THAT WOULD LESSEN THE ADVERSE ECONOMIC IMPACT ON SMALL BUSINESS [Government Code section 11346.9, subdivision (a)(5)]

Pursuant to Government Code section 11345.610, subdivision (b), a money transmitter is not a small business. Therefore, the proposed regulation does not impact small businesses and no alternatives would less then impact of the proposed regulation on small businesses.

ALTERNATIVE DETERMINATION [Government Code section 11346.9, subdivision (a)(4)]

The Department has determined that no alternative would be more effective in carrying out the purpose for which the regulatory amendment is proposed, would be as effective and less burdensome to affected private persons than the adopted regulation, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

No alternatives have been proposed or otherwise brought to the Department's attention. The regulatory amendments by the Department are the only regulatory provisions identified by the Department that accomplish the goal of providing greater flexibility to money transmitter licensees as it relates to who may execute the officer's certification when applying for money transmission receipt approval.