

DEPARTMENT OF FINANCIAL INSTITUTIONS

TEVEIA R. BARNES, Commissioner of Financial Institutions
www.dfi.ca.gov



Opinion – “Foreign Currency Exchange Services – Not Subject to Money Transmission Act”

December 6, 2011

Dear ____:

This responds to your letter of October 26, 2011, and our telephone conversation of December 1, 2011 in which you request a determination as to whether the activities described in your letter would require licensing in California. You describe the facts as follows:

____ (____) is a Money Services Business licensed by the State of _____. _____ proposes to perform foreign currency exchange services in California wherein customers will exchange dollars for pesos and/or pesos for dollars. The service will be conducted in person, at _____’s exchange window. _____ will not hold customer funds for future transmission nor be financially liable to the customer. Conceptually, the customer will physically walk into an _____ business location and purchase a commodity (pesos) at which time the transaction will be complete.

Under these facts, _____ is not engaged in money transmission and is not subject to licensing under the Money Transmission Act. Please be advised that our position is based solely on the representations contained in your letter and phone conversation. Any change in the facts or circumstances, as we understand them, could lead to a different conclusion.

Sincerely,

/s/ Paul T. Crayton

PAUL T. CRAYTON
Senior Counsel

PTC:lca

cc: Robert Venchiarutti, Department of Financial Institutions, San Francisco