



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

GOVERNOR **Gavin Newsom** • COMMISSIONER **Manuel P. Alvarez**

**NOTICE OF SECOND MODIFICATIONS TO PROPOSED REGULATIONS UNDER  
THE MONEY TRANSMISSION ACT**

**PRO 07-17  
Agent of Payee Exemption**

To Interested Persons:

On March 6, 2020, the Commissioner of Financial Protection and Innovation published a Notice of Rulemaking Action to adopt Sections 80.126.10, 80.126.20, 80.126.30, 80.128, 80.128.10, and 80.130 of Title 10 of the California Code of Regulations (see California Regulatory Notice Register 2020, No. 10-Z). The proposed sections relate to the implementation of the agent of payee exemption in the California Money Transmission Act (“MTA”).

After consideration of public comments, the Commissioner proposed additional changes to the regulations on June 30, 2020. The Commissioner is now proposing additional modifications to the text of the regulations.

A copy of the proposed revisions is being made available to the public in accordance with the requirements of Government Code section 11346.8, subdivision (c). The text showing modifications is attached. The originally proposed additions from the initial text and modifications are shown in single underline and the originally proposed deletions from the initial text and modifications are shown in single strike-out. The second modifications to the original text proposed by this notice are shown in double underlining of additions and double strike-out of deletions. The public may submit comments on the proposed changes, as described more fully below.

**DESCRIPTION OF CHANGES**

**Section 80.126.10**

The proposed amendments add the word “other” in front of the term “monetary value” for consistency in the language of the regulation. The proposed amendments also add authority and reference citations.

**Section 80.126.20**

The proposed amendments add authority and reference citations.

### **Section 80.126.30**

The proposed amendments clarify that the term “money transmission” is defined in Financial Code section 2003, subdivision (q). The proposed amendments also add authority and reference citations.

### **Section 80.128**

The proposed regulation defines the term “payee” in Financial Code section 2010, subdivision (l) to mean the direct or indirect provider of goods or services, who is owed payment of money or other monetary value. The proposed amendments add the phrase “from the payor for the goods or services” to align with the language of Financial Code section 2010, subdivision (l). The proposed amendments also serve to clarify that a direct provider of a good or service has actual or constructive possession of, or title to, a good or service while an indirect provider enables the provision of goods or services even if it does not have title to, or take actual or constructive possession of, the goods or services provided. Lastly, the proposed amendments add authority and reference citations.

### **Section 80.128.10**

The proposed regulation defines the term “payor” in Financial Code section 2010, subdivision (l) to mean the direct or indirect recipient of goods or services. The proposed amendments add the phrase “who owes payment of money or monetary value to the payee for the goods or services” to align with the language of Financial Code section 2010, subdivision (l). The proposed amendments also add authority and reference citations.

### **Section 80.130**

The proposed amendments add authority and reference citations.

## **THE RULEMAKING FILE**

The initial statement of reasons for the proposed action containing all the information upon which the proposal is based is available on the Department of Financial Protection and Innovation’s website at [www.dfpi.ca.gov](http://www.dfpi.ca.gov), and from the Legal Division of the Department of Financial Protection and Innovation. As required by the Administrative Procedure Act, the Legal Division maintains a rulemaking file containing all the information upon which the proposal is based. The rulemaking file is available for public inspection during regular business hours. Comments or inquiries concerning these proposed regulation changes may be directed to the Commissioner’s Regulations Coordinator, Sandra Sandoval, at (213) 897-3432.

### **15-DAY COMMENT PERIOD**

Any interested person may submit written comments regarding the second modifications by written communication addressed as follows:

Commissioner of Financial Protection and Innovation  
Attn: Sandra Sandoval, Regulations Coordinator  
2101 Arena Boulevard  
Sacramento, CA 95834

Comments must be received by May 3, 2021. Comments may only address changes proposed in this second modification. Written comments may also be sent to the Commissioner via electronic mail at [regulations@dfpi.ca.gov](mailto:regulations@dfpi.ca.gov) with a copy to [pamela.hernandez@dfpi.ca.gov](mailto:pamela.hernandez@dfpi.ca.gov).

The proposed changes to the Commissioner's rules in the text accompanying this notice are not yet effective and will not be effective until approved by the Office of Administrative Law and filed with the Secretary of State in accordance with Government Code section 11349.3.

Dated: April 15, 2021  
Sacramento, California