

STATE OF CALIFORNIA  
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TEXT OF PROPOSED REGULATIONS  
UNDER THE MONEY TRANSMISSION ACT

CALIFORNIA CODE OF REGULATIONS  
TITLE 10, CHAPTER 1, SUBCHAPTER 80

1. Section 80.126.10 is adopted to read:

§ 80.126.10. Agent of Payee.

(a) For purposes of Financial Code section 2010, subdivision (l), the receipt of money or other monetary value by an agent of the payee from a payor is the equivalent of receipt of money or other monetary value directly by the payee. The agent of a payee has not received money for transmission.

(b) Exclusion. The exemption in Financial Code section 2010, subdivision (l), does not apply to an agent of a payor or sender.

Note: Authority cited: Section 321 and 334, Financial Code. Reference: Section 2010, Financial Code.

2. Section 80.126.20 is adopted to read:

§ 80.126.20. Agent of Payee Exemption is Unavailable for Stored Value.

The exemption in Financial Code section 2010, subdivision (l), does not apply to the sale or issuance of stored value, as defined in Financial Code section 2003, subdivision (x).

Note: Authority cited: Section 321 and 334, Financial Code. Reference: Section 2010, Financial Code.

3. Section 80.126.30 is adopted to read:

§ 80.126.30. Goods or Services.

For purposes of Financial Code section 2010, subdivision (l), “goods or services” means any good or service, other than money transmission services as defined in Financial Code section 2003, subdivision (q), for which the payor has a payment obligation to the payee, as defined in Financial Code section 2003, subdivision (q). “Services” include charitable purposes activities engaged in by organizations that have received recognition of tax exemption under Section 501(c)(3) of the Internal Revenue Code.

Note: Authority cited: Section 321 and 334, Financial Code. Reference: Section 2010, Financial Code.

4. Section 80.128 is adopted to read:

§ 80.128. Payee.

For purposes of Financial Code section 2010, subdivision (l)(2), “payee” means the direct or indirect provider of goods or services, who is owed payment of money or other monetary value from the payor for the goods or services. A direct provider of a good or service has actual or constructive possession of, or title to, a good or service. An indirect provider enables the provision of goods or services even if it does not have title to, or take ~~inventory~~ actual or constructive possession of, the goods or services provided.

Note: Authority cited: Section 321 and 334, Financial Code. Reference: Section 2010, Financial Code.

5. Section 80.128.10. is adopted to read:

§ 80.128.10. Payor.

For purposes of Financial Code section 2010, subdivision (l), “payor” means the direct or indirect recipient of goods or services, who owes payment of money or monetary value to the payee for goods or services. A direct recipient receives the good or service and owes payment

for it. An indirect recipient does not receive the good or service but owes payment for it.

“Payor” includes a recipient, located in a foreign country, of a good or service from a payee located in the United States.

Note: Authority cited: Section 321 and 334, Financial Code. Reference: Section 2010, Financial Code.

6. Section 80.130 is adopted to read:

§ 80.130. Transaction.

(a) For purposes of Financial Code section 2010, subdivision (1), “transaction” means an instance in which there is a payment obligation between a payor and a payee.

(b) Series of Transactions. Where there is a series of transactions involving multiple pairs of payors and payees in order to complete settlement of funds, the exemption in Financial Code section 2010, subdivision (1) applies to each transaction if an agency relationship is established by written contract between each respective agent and payee, and the other statutory requirements of Financial Code section 2010, subdivision (1), are met.

Note: Authority cited: Section 321 and 334, Financial Code. Reference: Section 2010, Financial Code.