

Structure of the proposed Act for Regulation of the Non-Depository Providers of Financial Services (NDPs):

Scope

- Licensing and Regulation of NDPs
- Requirement of Compliance with federal currency reporting requirements /
Criminal penalties for failure to Comply with Federal Requirements
[To the extent necessary, state SAR requirements]
- A. [Criminal Penalties for specific NDP-related money laundering activities]

II. Exemptions

- Act not applicable to depository institutions / federal or state government institutions

III. Definitions

- Specific attention to be paid to definition of NDPs and also the type of transactions in which they engage

Licensing Requirements

- Scope / Format of Application
- A. Capital Adequacy
- B. Criminal investigation of directors / owners and other principals of NDP
- C. Information to be supplied about authorized agents or representatives

Issuance of License

- Standards for Issuing / Refusing a License
- A. Procedures for Appeal of Decision

Examination, Investigation and Supervision

- Provisions for on-site-examinations

Maintenance of Records

- Type of Records to be maintained
- A. Duration of Records to be maintained

Compliance with Federal Bank Secrecy Act

- General requirements stating that currency reporting requirements of BSA must be adhered to by NDP
- Oversight authority to ensure compliance

[IX. State Reporting Requirements]

State Currency Reporting Requirements

- Standards
- 1. Format

State Suspicious Activity Reporting Requirements

- Standards
- 1. Format

Provision for Information Sharing with Federal Government]

X. Enforcement Provisions

Penalties for failure to obtain a license, violation of other requirements of act, etc.

Penalties for failure to comply with federal BSA

[C. Penalties for failure to comply with state reporting requirements]

Administrative Procedures / Hearings for failure to comply

License Revocation

Standards

A. Administrative Procedures / Hearings

Miscellaneous

Short Title for Act

A. Effective Date

B. Repeal of Current State Legislation that Conflicts with Model Act