

MONEY TRANSMISSION SERVICES ACT (EXCERPT)
Act 250 of 2006

***** 487.1004.amended THIS AMENDED SECTION IS EFFECTIVE MARCH 28, 2019 *****

487.1004.amended Applicability of act.

Sec. 4. This act does not apply to any of the following:

- (a) The United States or a department, agency, or instrumentality of the United States.
- (b) The United States Postal Service or a contractor to the extent that it provides money transmission services on behalf of the United States Postal Service.
- (c) A state, county, city, or any other governmental subdivision of a state.
- (d) A depository financial institution, office of an international banking corporation, or branch of a foreign bank; a bank holding company or subsidiary, as those terms are defined in section 2(a)(1) and 2(d) of the bank holding company act of 1956, 12 USC 1841; a bank service company organized under the bank service company act, 12 USC 1861 to 1867; a subsidiary or affiliate of a depository financial institution, or a subsidiary or affiliate of a holding company of a depository financial institution, if the depository financial institution maintains its main office or a branch office in this state; a credit union service organization, as that term is defined in section 102 of the credit union act, 2003 PA 215, MCL 490.102; or a corporation organized under the Edge act, 12 USC 611 to 633.
- (e) A person, to the extent that it provides money transmission services as an agent for an entity described in subdivision (d), if both of the following are met:
 - (i) The agency relationship between the person that is providing the money transmission services and the entity described in subdivision (d) is established through written agreement.
 - (ii) The entity described in subdivision (d) remains responsible for providing the money transmission services to its customers.
- (f) A person to the extent that it issues, sells, or distributes a closed-loop prepaid access device or vehicle, if the funds associated with that device or vehicle do not exceed \$2,000.00 maximum value on any day.
- (g) A person to the extent that it is acting as an agent of a payee, if the person demonstrates to the director that all of the following are met:
 - (i) There exists a written agreement between the payee and agent directing the agent to collect and process payments on the payee's behalf.
 - (ii) The payee holds the agent out to the public as accepting payments on the payee's behalf.
 - (iii) Payment is treated as received by the payee at the time it is received by the agent.
- (h) An electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality of the United States or a state or governmental subdivision, agency, or instrumentality of a state.
- (i) A board of trade that is designated as a contract market under the commodity exchange act, 7 USC 1 to 27f, or a person that in the ordinary course of business provides clearance and settlement services for a board of trade, to the extent of its operation as or for that board.
- (j) A registered futures commission merchant under the federal commodities laws, to the extent of its operation as a merchant.
- (k) A person that provides clearance or settlement services under a registration as a clearing agency or an exemption from registration granted under the federal securities laws, to the extent of its operation as a provider under this subdivision.
- (l) An operator of a payment system, to the extent that it provides processing, clearing, settlement, or other similar services between or among persons excluded under this section in connection with wire transfers, credit card transactions, debit card transactions, prepaid access transactions, closed-loop prepaid access transactions, automated clearinghouse transfers, or other similar funds transfers or transactions.
- (m) A person that is registered as a securities broker-dealer under federal or state securities laws, to the extent of its operation as a registered broker-dealer.

History: 2006, Act 250, Imd. Eff. July 3, 2006;—Am. 2018, Act 573, Eff. Mar. 28, 2019.