

Douglas A. Ducey, Governor
Evan G. Daniels, Director

PRESS RELEASE

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Arizona Among the First States to Adopt Model Legislation for Money Transmission Services

Phoenix, AZ - The Department of Insurance and Financial Institutions (DIFI) applauds Governor Doug Ducey's signing of SB1580 into law. Sponsored by Senator David Livingston (LD22), SB1580 adopts the Conference of State Bank Supervisors (CSBS) Model Money Transmission Modernization Act, which strengthens the quality and effectiveness of state regulation of money transmission services.

The lack of uniform and consistent money transmission laws from state to state has led to unnecessary regulatory burden for the industry and inefficiencies in supervision for regulators. In response, regulators, industry, and consumer stakeholders worked together over several years in conjunction with CSBS to develop the money transmission model law.

SB1580 addresses the needs of a rapidly growing payments industry, modernizes the licensing and supervision standards across the states, and increases transparency and consistency for the industry. More specifically, the model legislation seeks to:

- Ensure states can coordinate in all areas of regulation, licensing, and supervision to eliminate unnecessary regulatory burden and more effectively use DIFI's resources.
- Protect the public from financial crime.
- Standardize the types of activities subject to licensing.
- Modernize safety and soundness requirements to ensure customer funds are protected in an environment that supports innovative and competitive business practices.

"Arizona is very pleased to be one of the first states to enact these necessary reforms to money transmission laws and standards," said Director Evan Daniels. "As DIFI seeks to advocate for tailored, effective regulation that facilitates innovation, SB1580 is a significant step in that regard by relieving unnecessary regulatory burdens, promoting safe markets, and enabling efficient supervision."

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