



Money Service Business Association
29 Valley View Terrace
Montvale, NJ 07645-1022

Phone: 201-781-2590

Email: info@msbassociation.org

Representative Alan D. Clemens
South Carolina Legislative Services Agency
223 Blatt Bldg.
1105 Pendelton St.
Columbia, South Carolina 29201
Re: House Bill 4554

Dear Representative Clemens:

I am writing on behalf of the Money Services Business Association (the "MSBA") a new trade association focused on the non-bank money services industry, including licensed money transmitters and their agents, payment card issuers and distributors, payment processors, international remittance companies, and other similar money services providers that are engaged in payments. See www.msbassociation.org.

This letter addresses the recent new anti-money laundering legislation that we understand you introduced, House Bill 4554. While we must commend you and the South Carolina House of Representatives for focusing on the need to regulate money transmission, we must express true disappointment and surprise at the language that was used to introduce this important legislation. The introduction states that the proposed act is intended "to provide regulation and oversight of the money transmission services business *most commonly used by organized criminal enterprises to launder the monetary proceeds of illegal activities*". (Emphasis added.)

The money transmission industry is one of the most highly regulated industries in the United States. Our members are licensed in multiple states and comply with Federal anti-money-laundering law as well as state laws, and are also regulated by the Consumer Financial Protection Bureau. We object strongly to this false characterization that licensed and compliant entities are being "commonly used by organized criminal enterprises". The money transmission business provides a wide range of necessary and helpful payment services to millions of law abiding citizens, including many people who are otherwise unserved by traditional banks.

The MSBA leadership would be happy to meet with you to share factual information about this important industry and to assist in your efforts to increase South Carolina's regulatory framework. Thank you for your consideration. We look forward to hearing from you.

Sincerely,

Alberto Laureano , MSBA Chair



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