

CHAPTER 11  
South Carolina Anti-Money Laundering Act

ARTICLE 1  
General Provisions

**SECTION 35-11-100.** Short title.

This chapter may be cited as the "South Carolina Anti-Money Laundering Act".

HISTORY: 2016 Act No. 266 (H.4554), Section 1, eff May 25, 2018.

**SECTION 35-11-105.** Definitions.

As used in this chapter:

(1) "Applicant" means a person that files an application for a license pursuant to this act.

(2) "Authorized delegate" means a person a licensee designates to provide money services on behalf of the licensee.

(3) "Bank" means an institution organized under federal or state law which:

(a) accepts demand deposits or deposits that the depositor may use for payment to third parties and which engages in the business of making commercial loans; or

(b) engages in credit card operations and maintains only one office that accepts deposits, does not accept demand deposits or deposits that the depositor may use for payments to third parties, does not accept a savings or time deposit less than one hundred thousand dollars, and does not engage in the business of making commercial loans.

(4) "Commissioner" means the South Carolina Attorney General.

(5) "Control" means:

(a) ownership of, or the power to vote, directly or indirectly, at least twenty-five percent of a class of voting securities or voting interests of a licensee or person in control of a licensee;

(b) power to elect a majority of executive officers of a licensee or person in control of a licensee;

the exchange of money of one government for

the executive committee, chief financial officer,

similar functions.

act.

whether or not redeemable in money.

authorized or adopted by the United States or a foreign

account established by an intergovernmental

agreements.

currency exchange.

payment instruments, stored value, or receiving

services not include the provision solely of delivery,

which means issued or sold by or for the licensee and

order, traveler's check, or other instrument for

whether or not negotiable. The term does not

include that is redeemable by the issuer in goods or

(15) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited-liability company, association, joint venture, government, governmental subdivision, agency or instrumentality, public corporation, or another legal or commercial entity.

(16) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(17) "Responsible individual" means an individual who is employed by a licensee and has principal managerial authority over the provision of money services by the licensee in this State.

(18) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or a territory or insular possession subject to the jurisdiction of the United States.

(19) "Stored value" means monetary value that is evidenced by an electronic record.

(20) "Unsafe or unsound practice" means a practice or conduct by a person licensed to engage in money







## HISTORY

(2) licensed for money transmission pursuant to Article 2, or approved to engage in money transmission pursuant to Section 35-11-210;

(3) an authorized delegate of a person licensed pursuant to Article 2; or

(4) an authorized delegate of a person approved to engage in money transmission pursuant to Section 35-11-210.

(B) A license issued pursuant to this chapter is not transferable or assignable.

HISTORY: 2016 Act No. 266 (H.4554), Section 1, eff May 25, 2018.

**SECTION 35-11-305.** Application for license.

(A) A person applying for a license pursuant to this article shall do so in a form and in a medium prescribed by the commissioner. The application shall state or contain:

(1) the legal name and residential and business addresses of the applicant, if the applicant is an individual or, if the applicant is not an individual, the name of each partner, executive officer, manager, and director;

(2) the location of the principal office of the applicant;

(3) complete addresses of other locations in this State where the applicant proposes to engage in currency exchange, including all limited stations and mobile locations;

(4) a description of the source of money and credit to be used by the applicant to engage in currency exchange; and

(5) other information the commissioner reasonably requires with respect to the applicant, but not more than the commissioner may require pursuant to Article 2.

(B) A nonrefundable application fee of one thousand five hundred dollars and a license fee of seven hundred fifty dollars must accompany an application for a license pursuant to this article. The license fee must be refunded if the application is denied.

HISTORY: 2016 Act No. 266 (H.4554), Section 1, eff May 25, 2018.

**SECTION 35-11-310.** Issuance of license.

(A) When a person applies for a license pursuant to this article, the commissioner shall investigate the applicant's financial condition and responsibility, financial and business experience, character, and general fitness. The commissioner may conduct an on-site investigation of the applicant, the reasonable cost of which the applicant must pay. The commissioner shall issue a license to an applicant pursuant to this article if the commissioner finds that all of the following conditions have been fulfilled:

(1) the applicant has complied with Section 35-11-305; and

(2) the financial condition and responsibility, financial and business experience, competence, character, and general fitness of the applicant; and the competence, experience, character, and general fitness of the executive officers, managers, directors, and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in currency exchange.

(B) When an application for an original license pursuant to this article is complete, the commissioner promptly shall notify the applicant in a record of the date on which the application was determined to be complete and:

(1) the commissioner shall approve or deny the application within one hundred twenty days after that date; or

(2) if the application is not approved or denied within one hundred twenty days after that date the:

(a) application is considered approved; and

(b) commissioner shall issue the license pursuant to this article, to take effect as of the first business day after expiration of the period.

(C) The commissioner may for good cause extend the application period.

(D) An applicant whose application is denied a license by the commissioner pursuant to this article may appeal, within thirty days after receipt of the notice of the denial, from the denial and request a hearing.

HISTORY: 2016 Act No. 266 (H.4554), Section 1, eff May 25, 2018.

**SECTION 35-11-315.** Renewal of license.

(A) A person licensed pursuant to this article shall pay a biennial renewal fee of seven hundred fifty dollars no later than thirty days before each biennial anniversary of the issuance of the license or, if the last day is not a business day, on the next business day.

(B) A person licensed pursuant to this article shall submit a renewal report with the renewal fee, in a form and in a medium prescribed by the commissioner. The renewal report must state or contain a:

(1) description of each material change in information submitted by the licensee in its original license application which has not been reported to the commissioner on a required report; and

(2) list of the locations in this State where the licensee or an authorized delegate of the licensee engages in currency exchange, including limited stations and mobile locations.

(C) If a licensee does not file a renewal report and pay its renewal fee by the renewal date or an extension of time granted by the commissioner, the commissioner shall send the licensee a notice of suspension. Unless the licensee files the report and pays the renewal fee before expiration of ten days after the notice is sent, the licensee's license is suspended ten days after the commissioner sends the notice of suspension.

(D) The commissioner for good cause may grant an extension of the renewal date.



ARTICLE 5  
Examinations, Reports, and Records

**SECTION 35-11-500.** Authority to conduct examinations.

(A) The commissioner may conduct an annual examination of a licensee or of any of the licensee's authorized delegates on a forty-five day notice in a record to the licensee.

(B) The commissioner may examine a licensee or its authorized delegate, at any time, without notice, if the commissioner has reason to believe that the licensee or authorized delegate is engaging in an unsafe or unsound practice or has violated or is violating this chapter or a rule adopted or an order issued pursuant to this chapter.

(C) If the commissioner concludes that an on-site examination is necessary pursuant to subsection (A), the licensee shall pay the reasonable cost of the examination.

(D) Information obtained during an examination pursuant to this chapter may be disclosed only as provided in va a-.9 (l)- .141 Td(t)-4.6 (i)-4.6 (na)9.2(m)6.2 (i)e c(h)2 (uo)10..6 (i)-46 ( u)2 ( u8.215.6 (i)-5e )11.3 (c(h)2 (

(1) give the commissioner notice in a record of a proposed change of control within fifteen days after learning of the proposed change of control;

(2) request approval of the acquisition; and

(3) submit a nonrefundable fee of one thousand dollars with the notice.

(B) After review of a request for approval pursuant to subsection (A), the commissioner may require the licensee to provide additional information concerning the proposed persons in control of the licensee. The additional information must be limited to the same types required of the licensee or persons in control of the licensee as part of its original license or renewal application.

(C) The commissioner shall approve a request for change of control pursuant to subsection (A) if, after investigation, the commissioner determines that the person or group of persons requesting approval has the competence, experience, character, and general fitness to operate the licensee or person in control of the licensee in a lawful and proper manner and that the public interest will not be jeopardized by the change of control.

(D) When an application for a change of control pursuant to this article is complete, the commissioner shall notify the licensee in a record of the date on which the request was determined to be complete and:

(1) the commissioner shall approve or deny the request within one hundred twenty days after that date;

or

(2) if the request is not approved or denied within one hundred twenty days after that date:

(a) the request is considered approved; and

(b) the commissioner shall permit the change of control under this section to take effect as of the first business day after expiration of the period.

(E) The commissioner, by rule of order, may exempt a person from any of the requirements of subsection (A)(2) and (3) if it is in the public interest to do so.

(F) Subsection (A) does not apply to a public offering of securities.

(G) Before filing a request for approval to acquire control of a licensee or person in control of a licensee, a person may request in a record a determination from the commissioner as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the commissioner determines that the person would not be a person in control of a licensee, the commissioner shall enter an order to that effect and the proposed person and transaction is not subject to the requirements of subsections (A) through (C).

HISTORY: 2016 Act No. 266 (H.4554), Section 1, eff May 25, 2018.

**SECTION 35-11-520.** Records.

**SECTION 35-11-525. Money laundering reports.**

(A) A licensee and an authorized delegate shall file with the commissioner all reports required by federal currency reporting, record keeping, and suspicious transaction reporting requirements as set forth in 31 U.S.C. Section 5311 (1994), 31 C.F.R. Section 103 (2000) and other federal and state laws pertaining to money laundering.

(B) The timely filing of a complete and accurate report required pursuant to subsection (A) with the appropriate federal agency is in compliance with the requirements of subsection (A), unless the commissioner notifies the licensee that reports of this type are not being regularly and comprehensively

or may disclose the possible violation by a person of a provision of the statutes or rules administered by the

HISTORY: 2016 Act No. 266 (H.4554), Section 1, eff May 25, 2018.

**SECTION 35-11-605.** Types of permissible investments.

(A) Except to the extent otherwise limited by the commissioner pursuant to Section 35-11-600, the following investments are permissible pursuant to Section 35-11-600:

(1) cash, a certificate of deposit, or senior debt obligation of an insured depository institution, as defined in Section 3 of the Federal Deposit Insurance Act, 12 U.S.C. Section 1813 (1994 & Supp. V 1999);

(2) banker's acceptance or bill of exchange that is eligible for purchase upon endorsement by a member bank of the Federal Reserve System and is eligible for purchase by a Federal Reserve Bank;

(3) an investment bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates securities;

(4) an investment security that is an obligation of the United States or a department, agency, or instrumentality of the United States; an investment in an obligation that is guaranteed fully as to principal and interest by the United States; or an investment in an obligation of a State or a governmental subdivision, agency, or instrumentality of a state;

(5) receivables that are payable to a licensee from its authorized delegates, in the ordinary course of business, pursuant to contracts that are not past due or doubtful of collection if the aggregate amount of receivables under this item does not exceed twenty percent of the total permissible investments of a licensee and the licensee does not hold at one time receivables under this item in any one person aggregating more than ten percent of the licensee's total permissible investments; and

(6) a share or a certificate issued by an open-end management investment company that is registered with the United States Securities and Exchange Commission under the Investment Companies Act of 1940, 15 U.S.C. Section 80a-1-64 (1994 & Supp. V 1999), and whose portfolio is restricted by the management company's investment policy to investments specified in items (1) through (4).

(B) The following investments are permissible pursuant to Section 35-11-600, but only to the extent specified:

(1) an interest-bearing bill, note, bond, or debenture of a person whose equity shares are traded on a national.5 (a)9.2 (d0.044 Tw 0.326 09m)6.3 (a)h2(.6 (i)-2.6 y)-2.6 y



harm to the licensee, its customers, or the public as a result of the violation, or cause insolvency or significant dissipation of assets of the licensee, the commissioner may issue an order requiring the licensee or authorized delegate to cease and desist from the violation. The order becomes effective upon service of it upon the licensee or authorized delegate.

(B) The commissioner may issue an order against a licensee to cease and desist from providing money services through an authorized delegate that is the subject of a separate order by the commissioner.

(C) An order to cease and desist remains effective and enforceable pending the completion of an administrative proceeding pursuant to Section 35

(D) An order to cease and desist remains effective and enforceable pending the completion of an



(i) for a Class F felony if the transactions exceed three hundred dollars but are less than twenty thousand dollars in a twelve-month period;

(ii) for a Class E felony for transactions that total or exceed twenty thousand dollars but are less than one hundred thousand dollars in a twelve-month period; or

(iii) for a Class C felony for transactions that total or exceed one hundred thousand dollars in a twelve-month period.

In addition to penalties, a person who is found guilty of or who pleads guilty or nolo contendere to having violated this section may be sentenced to pay a fine not to exceed two hundred fifty thousand dollars or twice the value of the financial transactions, whichever is greater; however, for a second or subsequent violation of this section, the fine may be up to five hundred thousand dollars, or quintuple the value of the financial transactions, whichever is greater.

(3) A person with the intent:

