

Attachment 2 to Concise Explanatory Statement
Pursuant to RCW 34.05.325(6)

Summary of written comments received by DFI during the rulemaking process, and DFI's responses to the comments. (RCW 34.05.325(6)(a) (iii))

Date of Comment	Commenter	General Topic of Comment/Applicable WAC	DFI Response
3/29/2016	Google	208-690-010 – definition of “AML compliance officer.” Please change to allow an employee of an affiliate or parent company of the licensee to be the compliance officer.	The proposed language was amended based on this comment.
		208-690-125 – Please clarify “record retention period.” Please do not require a licensee to dispose of records at a certain time set by DFI as licensees are already subject to inconsistent record retention regulations.	The proposed language was amended to clarify that proper disposal is required.
		208-690-200 – Please define electronic funds transfer and electronic terminal. Please consider that a licensee would not have the ability to change content on merchant receipts.	The amended language was meant to create consistency with federal law but upon further consideration the department has elected to remove the language.
		208-690-230 – proposed amendment would require equal prominence of licensee’s license name in addition to the trade name on any advertisements. This would be extremely burdensome.	The proposed language was amended based on this comment.
		208-690-240 – Please	The proposed language was

		allow certain policies and procedures to be maintained at the parent level as long as they are adopted by the licensee.	amended to accommodate this request.
3/28/2016	PayPal	208-690-230 - proposed amendment would require equal prominence of licensee's license name in addition to the trade name on any advertisements. This would be extremely burdensome. We also believe this would create confusion, not help avoid confusion.	The proposed language was amended based on this comment.
3/29/2016	Amazon Payments	208-690-010 – definition of “corporate foreign exchange.” This broad definition seems to indicate that money transmitters that transmit money pursuant to a contract with a business as opposed to a contract with a consumer would be conducting corporate foreign exchange services. Please clarify the definition and the applicability of those services under the statute.	The Act does not exclude regulation of business to business money transmissions. Upon further consideration, the department believes that the definition is not necessary at this time.
		208-690-110(8) – requiring licensees to report material changes to DFI. The use of the word “any” could be read to imply that all changes to a licensee's business plan must be disclosed to DFI. A number of changes are minor but would require notice to DFI. Please revise to clarify.	The proposed rule was changed to clarify that “a” change in the business plan rather than “any” change must be reported. As the header indicates only material changes need to be reported we think this is adequate.
		208-690-120(a) – Please	Upon further consideration, the

		confirm what is meant by a change in the address of a mobile location. Please reconsider as this would be extremely burdensome particularly when a website could have hundreds of derivative URLs. This provides no consumer protection or regulatory benefit.	department has removed the language and reworked in section 208-690-110.
		208-690-240 – Cyber security program. Please reconsider use of the word “effective” as it is unclear how this would be measured.	The proposed language was amended to strike the word “effective.”
		208-690-250 – Please clarify whether the department is attempting to create a separate requirement based on GLBA.	The proposed language was amended to clarify that it is not a separate requirement apart from the federal law.
		208-690-260- Please clarify that licensees only need to comply with Regulation P to the extent that Regulation P applies to them.	The proposed language was amended to clarify that it is not a separate requirement apart from the federal law.
4/6/2016	Money Services Roundtable	209-690-010 – Please change the definition of “AML compliance officer” to include an employee of a parent or affiliate of the licensee.	The proposed language was amended based on this comment.
		208-690-035(6) – The proposed language creates liability for licensees for any actions of the authorized delegates in violation of the Act or Rules. Please revise to apply to actions of authorized delegates when they committed willful misconduct or	The proposed language was amended to clarify that the department may take action against a licensee and/or the AD for violations of the Act or Rules. The action would include the licensee if the AD’s violations were under the activities provided for the licensee. The action would be against only the AD for violations outside of those services provided to the

		when the licensee willfully avoided knowledge of the authorized delegates activities.	licensee.
		208-690-035(10) – It is not clear what DFI means by “disclosures or receipts for business services.” Please clarify.	The proposed language was amended to clarify.
		208-690-035(11) – Please clarify that the surety bond only applies to a licensee’s authorized delegates violation of the Act or the Rules and not actions outside the scope of the authorized delegate relationship.	The proposed language was amended to clarify that the bond must cover actions of the AD taken on behalf of the licensee.
		208-690-090(3) – Please clarify this section by adding the word “transmission.” This would also be consistent with 208-690-085(3).	The proposed language was amended as requested.
		208-690-200(4) – Please make these proposed changes not effective until 6 months after the effective date of the rules to enable licensees to make the necessary changes to these receipt requirements.	The proposed language was removed.
		208-690-230 – As to using the NMLS license number on all advertisements. Please delay the effective date of this requirements for an additional 12 months beyond the effective date of the rules.	The proposed language was amended based on this comment.
		208-690-240 – Please consider harmonizing this requirement with existing data security	No changes were made based on this comment. This is a separate state requirement.

		standards as proposed in 208-690-250	
		208-690-250 – It is not clear if these rules are meant as guidance or as formal obligations. See also 208-690-260. Consider deleting this section.	The proposed language was amended to clarify that it is not a separate requirement apart from the federal law.
		208-690-260 – This language should be deleted and should otherwise be provided through informal guidance.	The proposed language was amended to clarify that it is not a separate requirement apart from the federal law.
		208-690-270 - Please consolidate this section with 208-690-110(10).	The proposed language was not changed based on this comment. These are two potentially separate requirements to notify DFI of data breaches.
4/7/2016	CheckFreePay Corporation	208-690-230 - proposed amendment would require equal prominence of licensee's license name in addition to the trade name on any advertisements. This would be extremely burdensome. Please consider whether it is necessary and appropriate to impose this new requirement that will require the industry to modify marketing materials, websites, mobile applications, and other materials.	The proposed language was amended based on this comment.