



Department of Commerce and Consumer Affairs
Financial Institutions

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GENERAL MONEY TRANSMITTER FAQs UPDATED 07.2021

These questions and answers constitute informal guidelines only and do not constitute legal advice or rules by DFI. Any interpretations of Chapter 489D, Hawaii Revised Statutes, are specific to the facts and circumstances in each particular situation. Questions and answers will be updated and supplemented as DFI develops additional guidance.

Note, the applicability of this guidance is determined on a case-by-case basis and is subject to the concurrence/review of the Commissioner. You may request an opinion or interpretation pursuant to Section 16-24-49, Hawaii Administrative Rules. (Updated 07.21)

If additional guidance is required on a unique situation in your company or for yourself, you may send your inquiry via letter or email to:

Division of Financial Institutions
Department of Commerce and Consumer Affairs
P.O. Box 2054
Honolulu, HI 96805
or

dfi@dcca.hawaii.gov

Does Hawaii define payment processing?

No. Chapter 489D, Hawaii Revised Statutes and Chapter 16-24, Hawaii Administrative Rules do not define payment processing.

Is payment processing considered money transmission in the State of Hawaii?

Money transmission is defined in Section 489D-4, Hawaii Revised Statutes, which states:

“Money transmission” means to engage in the business of:

- (1) Selling or issuing payment instruments; or*
- (2) Receiving money or monetary value for transmission to a location within or outside the United States by any and all means, including wire, facsimile, or electronic transfer.*

Money transmission does not apply to courier services.

Payment processing, although undefined in Chapter 489D, HRS, is an activity that generally falls within the definition of money transmission, as money or monetary value is received for transmission.

Do I need a Hawaii Money Transmitter license if I am an agent of the payee?

You may need a money transmitter license depending on the type of activities you are conducting. While Chapter 489D, HRS does not specifically address matters regarding agents of the payee, the Division of Financial Institutions has determined that certain activities may not require a Hawaii money transmitter license.

A money transmitter license will not be required if both of the following criteria are met:

1. The person (as defined by Chapter 489D, HRS) operates pursuant to a written agreement with the payee to act on the payee's behalf; and
2. Any payment processed by a person acting as an agent of the payee is deemed to have been made to the payee when that payment transaction is successfully processed. A receipt provided to the payer by the person for such payment is in all legal respects provided on behalf of, and binding upon, the entity for which the person acted as agent.