



SD Money Transmitter License New Application Checklist (Company)

CHECKLIST SECTIONS

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GENERAL INFORMATION

Who Is Required to Have This License?

Any person engaged in the business of money transmission must obtain a license from the Division of Banking. Money transmission is defined as the sale or issuance of payment instruments or stored value or of receiving money or monetary value for transmission to a location within or outside the United States by any means, including wire, facsimile or electronic transfer.

A licensee may conduct business in South Dakota at one or more locations, or through one or more authorized delegates, or both, under a single license.

[South Dakota Codified Law \(SDCL\) 51A-17-4](#)

[SDCL 51A-17-5](#)

Activities Authorized Under This License

This license authorizes the following activities...

- Bill Paying
- Electronic Money Transmitting
- Issuing and or Selling Drafts
- Issuing Money Orders
- Issuing Prepaid Access/ Stored Value
- Issuing Traveler's Checks
- Selling Money Orders
- Selling Prepaid Access/ Stored Value
- Selling Traveler's Checks
- Transporting Currency
- Virtual Currency exchanging and trading service

South Dakota does not issue paper licenses for this license type.

Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

Agency Contact Information

Contact South Dakota Division of Banking licensing staff by phone at 605.773.3421 or send your questions via email to DLR.BankingLicensing@state.sd.us for additional assistance.

NOTICE:

Failure to provide **ALL** items on the checklist will result in the application being **Withdrawn- Application Abandoned** for submitting an incomplete application.

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	SD Money Transmitter License	Submitted via...
<input type="checkbox"/>	SD License/Registration Fee: \$1,000 SD Application Fee: \$500 NMLS Initial Processing Fee: \$100	NMLS (Filing submission)
<input type="checkbox"/>	Credit Report for Control Persons: \$15 per control person.	NMLS (Filing submission)
<input type="checkbox"/>	FBI Criminal Background Check for MU2 Individual: \$36.25 per person.	NMLS (Filing submission)
<input type="checkbox"/>	<p>Uniform Authorized Agent Reporting Annual Processing Fee: An annual fee of twenty-five cents (\$0.25) for each active authorized agent/delegate location reported through NMLS is invoiced on November 1st.</p> <p>There is no fee for the first 100 active agents reported (Companies with 100 agents or less are not subject to the UAAR Processing Fee).</p> <p>The fee is capped at \$25,000 per licensee in any one year.</p> <p>The invoiced amount is based on the number of active agents in the system as of August 16th, (day after third quarter reporting deadline).</p> <p>See the Uniform Authorized Agent Reporting Processing Fee Fact Sheet for more information.</p>	NMLS (Agency Fee Invoice)

REQUIREMENTS COMPLETED IN NMLS										
Complete	SD Money Transmitter License	Submitted via...								
<input type="checkbox"/>	Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.	NMLS								
<input type="checkbox"/>	<p>Financial Statements: Upload a audited financial statement prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles dated within 90 days of your fiscal year end. Financial statements should include a balance sheet, income statement, and statement of cash flows and all relevant notes thereto. If applicant is a start-up company, only an initial statement of condition is required.</p> <p><u>SDCL 51A-17-13 (8):</u> A copy of the applicant's audited financial statements, including balance sheet, statement of income or loss, and statement of changes in financial position, for the current year and, if available, for the preceding two-year period.</p> <p><u>SDCL 51A-17-14 (5):</u> A copy of the applicant's audited financial statements, including balance sheet, statement of income or loss, and statement of changes in financial position, for the current year and, if available, for the preceding two-year period.</p> <p><u>SDCL 51A-17-6:</u> The financial statement must illustrate a company minimum tangible net worth of \$100,000.</p> <table><tr><th>Total Assets</th><th>Minimum tangible Net Worth</th></tr><tr><td>Up to \$100 Million</td><td>The greater of \$100,000 or 3% of assets up to \$100 Million</td></tr><tr><td>Between \$100 Million and \$1 Billion</td><td>\$3,000,000 + 2% of assets from \$100 Million to \$1 Billion</td></tr><tr><td>Above \$1 Billion</td><td>\$21,000,000 + 0.5% of assets greater than \$1 Billion</td></tr></table> <p>Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.</p>	Total Assets	Minimum tangible Net Worth	Up to \$100 Million	The greater of \$100,000 or 3% of assets up to \$100 Million	Between \$100 Million and \$1 Billion	\$3,000,000 + 2% of assets from \$100 Million to \$1 Billion	Above \$1 Billion	\$21,000,000 + 0.5% of assets greater than \$1 Billion	NMLS
Total Assets	Minimum tangible Net Worth									
Up to \$100 Million	The greater of \$100,000 or 3% of assets up to \$100 Million									
Between \$100 Million and \$1 Billion	\$3,000,000 + 2% of assets from \$100 Million to \$1 Billion									
Above \$1 Billion	\$21,000,000 + 0.5% of assets greater than \$1 Billion									
<input type="checkbox"/>	<p>Authorized Agents (Delegates) Locations: Licensees must use the NMLS Uniform Authorized Agent Reporting (UAAR) functionality to report Authorized Agents. Upon license approval, applicants are required to utilize the UAAR to upload a list of agents who are authorized to conduct money transmission business in the state of <i>South Dakota</i> on the Applicant’s behalf. Agent adjustments (additions, deletions, and modifications) must be submitted through the UAAR on a <i>quarterly</i> basis, even if there are no changes to report. For more information, consult the NMLS Resource Center.</p>	NMLS								

<input type="checkbox"/>	<p>Other Trade Name: If operating under a name that is different from the applicant's legal name, that name ("Trade Name", "Assumed Name" or "DBA") must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1). South Dakota does not limit the number of other trade names.</p> <p>If operating under an "Other Trade Name", upload STATE OF SOUTH DAKOTA Doing Business As (DBA) Fictitious Business Name Registration from the South Dakota Secretary of State regarding ability to do business under that trade name.</p> <p>This document should be named <i>SD Money Transmitter Trade Name – Assumed Name</i>.</p>	<p>NMLS</p> <p>Upload in NMLS: under the Document Type <u>Trade Name/Assumed Name Registration Certificates</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Resident/Registered Agent: The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1) and must match the information currently on record with South Dakota Secretary of State.</p>	NMLS
<input type="checkbox"/>	<p>Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> 1. Primary Company Contact. 2. Primary Consumer Complaint Contact. 	NMLS
Note	<p>Non-Primary Contact Employees: SD does not require any non-primary contacts to be listed in the <i>Contact Employees</i> section of the Company Form (MU1).</p>	N/A
<input type="checkbox"/>	<p>Approvals and Designation: Enter the company's FinCEN Registration <i>Confirmation Number</i> and <i>Filing Date</i> in the <i>Approvals and Designation</i> section of the Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>Bank Account: Bank account information must be completed for the company's Letter/Line of Credit, Operating, and/or Trust Primary accounts in the <i>Bank Account</i> section of the Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>Disclosure Questions: Provide a complete and detailed explanation and document upload for each "Yes" response to Disclosure Questions made by the company or related control persons (MU2).</p> <p>See the Company Disclosure Explanations Quick Guide for instructions.</p>	<p>Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).</p>
<input type="checkbox"/>	<p>Qualifying Individual: This individual must be listed in the <i>Qualifying Individual</i> section of Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).</p>	NMLS

<input type="checkbox"/>	<p>Credit Report: Individuals in a position of control are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for your company can be filed through NMLS. This authorization is made when the Individual Form (MU2) is submitted as part of the Company Form (MU1).</p>	<p>NMLS</p>
<input type="checkbox"/>	<p>MU2 Individual FBI Criminal Background Check Requirements: The following Individuals, as specified below, on the Company Form (MU1) are required to authorize a FBI criminal background check (CBC) through NMLS.</p> <p>SDCL 51A-17-11</p> <p><i>Direct Owners</i></p> <p>SDCL 51A-17-12 (3)</p> <ul style="list-style-type: none"> Any person who has ownership of, or the power to vote, twenty five percent or more of the outstanding voting securities of a licensee or controlling person. Key shareholder, any person, or group of persons acting in concert, who is the owner of twenty-five percent or more of any voting class of an applicant's stock. <p><i>Executive Officers</i></p> <p>SDCL 51A-17-13 (7)</p> <p>SDCL 541A-17-14 (4)</p> <ul style="list-style-type: none"> Executive officer, the licensee's president, chair of the executive committee, senior officer responsible for the licensee. <p><i>Indirect Owners</i></p> <p>SDCL 51A-17-12 (3)</p> <ul style="list-style-type: none"> Ownership of, or the power to vote, twenty-five percent or more of the outstanding voting securities of a licensee or controlling person. For purposes of determining the percentage of a licensee controlled by any person, there shall be aggregated with the person's interest the interest of any other person controlled by such person or by any spouse, parent, or child of such person; <p>After authorizing a FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.</p> <p>See the Criminal Background Check section of the NMLS Resource Center for more information.</p> <p>Note: If you are able to 'Use Existing Prints' to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p>	<p>NMLS</p>

<input type="checkbox"/>	<p>Electronic Surety Bond: Electronic Surety Bond via NMLS in the amount of \$100,000 furnished and submitted by a surety company authorized to conduct business in South Dakota.</p> <p>See the ESB Adoption Table and the ESB for NMLS Licensees page of the NMLS Recourse Center for more information.</p> <p>Note: Surety bonds submitted via the <i>Document Uploads</i> section will not satisfy this requirement.</p> <p>Other Security Devices: In lieu of a security device the licensee may deposit with the director, or with such banks in this state as the licensee may designate and the director may approve, cash, interest-bearing stocks and bonds, notes, debentures, or other obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States, or of this state, or of a city, county, school district, or instrumentality of this state, or guaranteed by this state, to an aggregate amount, based upon principal amount or market value, whichever is lower, of not less than the amount of the security device or portion thereof. The securities or cash shall be deposited as provided in this section and held to secure the same obligations as would the security device, but the depositor is entitled to receive all interest and dividends thereon, has the right, with the approval of the director, to substitute other securities for those deposited, and shall be required so to do on written order of the director made for good cause shown. Please upload proof of \$100,000 in coverage.</p> <p>Security Device Form (in lieu of a surety bond)</p>	<p>Electronic Surety Bond in NMLS</p>
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REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	SD Money Transmitter	Submitted via...
<input type="checkbox"/>	<p>AML/BSA Policy: Upload the most recent version of Anti-Money Laundering (AML) / Bank Secrecy Act (BSA) Policy and the most recent Independent Review of the AML/BSA Program.</p> <p><u>AML/BSA Policy</u></p> <p>This document should be named <i>AML/BSA Policy [approval date mm-dd-yyyy]</i>.</p> <p><u>Independent Review of AML/BSA Program</u></p> <p>This document should be named <i>AML/BSA Policy Independent Review [review date mm-dd-yyyy]</i>.</p>	<p>Upload in NMLS: under the Document Type <u>AML/BSA Policy</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Business Plan: Upload a business plan outlining the following information:</p> <ul style="list-style-type: none"> • Marketing strategies • Products • Target markets • Fee schedule • Operating structure the applicant intends to employ. • History of Operations – <i>state specific</i> SDCL 51A-17-12 (4) <p>This document should be named <i>[Company Legal Name] Business Plan</i>.</p> <p>Note: If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan.</p>	<p>Upload in NMLS: under the Document Type <u>Business Plan</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Certificate of Authority/Good Standing Certificate: Upload a South Dakota State-issued and approved document from the South Dakota Secretary of State's office, dated not more than 60 days prior to the filing of the application through NMLS that demonstrates authorization to do business in SD.</p> <p>This document should be named <i>SD Certificate of Authority OR SD Certificate of Good Standing</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Certificate of Authority/Good Standing Certificate</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p>Company Staffing and Internal Policies: Upload document(s) including information on staffing and internal organizational policies and procedures. If submitting multiple policies, upload and name each policy separately. The document must include the following information:</p> <ul style="list-style-type: none"> • Privacy of Consumer Financial Information Policy- Federal Regulation P • Policy on the operations of Virtual Currency Kiosk (<i>If applicable</i>) <p>This document should be named <i>[Name of Policy]</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Company Staffing and Internal Policies</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Document Samples: Upload copies of the following sample documents used in the regular course of business in connection with this license:</p> <ul style="list-style-type: none"> • Sample authorized agent contract - <i>state specific</i> SDCL 51A-17-12 (7) • Sample form of payment instrument - <i>state specific</i> SDCL 51A-17-12 (8) • Virtual Currency Kiosk Agreement- <i>If applicable</i> <p>This document should be named <i>[Name of Document Sample]</i>.</p>	<p>Upload in NMLS: under <u>Document Samples</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Flow of Funds Structure: Submit a description of each type of transaction or service to be conducted. For each type, describe each step starting with the first encounter with the consumer and ending at the completion of the transaction when money is received by the beneficiary.</p> <p>This document should be named <i>Flow of Funds Structure</i>.</p> <p>Note: If submitting multiple types of transactions or services to be conducted, combine in single document for upload.</p>	<p>Upload in NMLS: under <u>Flow of Funds Structure</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<div data-bbox="142 898 181 940" data-label="Image"></div>	<p>Formation Documents: Determine classification of applicant’s legal status and submit a State certified copy of the requested applicable documentation detailed below. Original formation documents and all subsequent amendments, thereto including a list of any name changes.</p> <p>Limited Liability Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Liability Partnership; and • Partnership Agreement (including all amendments). <p>Limited Partnership:</p> <ul style="list-style-type: none"> • Certificate of Limited Partnership; and • Partnership Agreement (including all amendments). <p>Limited Liability Company (“LLC”):</p> <ul style="list-style-type: none"> • Articles of Organization (including all amendments); • Operating Agreement (including all amendments); • IRS Form 2553 or IRS Form 8832 if S-corp treatment elected; and • LLC resolution if authority not in operating agreement. <p>Corporation:</p> <ul style="list-style-type: none"> • Articles of Incorporation (including all amendments); • By-laws (including all amendments), if applicable; • Shareholder Agreement (including all amendments), if applicable; • IRS Form 2553 if S-corp treatment elected; and • Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable. <p>Not for Profit Corporation</p> <ul style="list-style-type: none"> • Documents requested of a Corporation; and • Proof of nonprofit status <ul style="list-style-type: none"> ○ Internal Revenue Service (“IRS”) 501(c)(3) designation letter; or ○ statement from a State taxing body or the State attorney general certifying that: (i) the entity is a nonprofit organization operating within the State; and (ii) no part of the entity’s net earnings may lawfully benefit any private shareholder or individual; or ○ entity's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or ○ Any of the three preceding items described, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate. <p>Trust (Statutory), <i>excludes SD Chartered Trust Companies</i></p> <ul style="list-style-type: none"> • Certificate of Trust; and • Governing instrument (all amendments). 	<p>Upload in NMLS: under <u>Formation Document</u>” in the <i>Document Uploads</i> section of the Company Form (MU1).</p> <p>This document should be named <i>Formation Documentation [Date of Creation (MM-DD-YYYY)]</i>.</p>
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<input type="checkbox"/>	<p>Management Chart: Submit a Management chart displaying the applicant's directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure.</p> <p>This document should be named <i>[Company Legal Name] Management Chart</i>.</p> <p>Note: If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Organizational Chart/Description: Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the applicant/licensee <p>This document should be named <i>[Company Legal Name] Organizational Chart – Description</i>.</p> <p>Note: If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Permissible Investments: Submit a list of the company's permissible investments, and the book or market value of such investments as of the date of the most recent audited financial statement and as of the date of the unaudited interim financial statement.</p> <p>SDCL 51A-17-2</p> <p>This document should be named <i>[Company Legal Name] Permissible Investments</i>.</p>	<p>Upload in NMLS: under <u>Permissible Investments</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Trust Account Authorization: Submit authorization allowing examination of trust accounts used for the purpose of holding funds belonging to others. May require multiple documents when more than one account exists. Upload each account authorization separately.</p> <p>This document should be named <i>Money Transmitter; SD; [last 5 digits of account number]</i>. (eg. <i>Debt Management, MD, xxxxx</i>).</p>	<p>Upload in NMLS: under <u>Trust Account Authorization</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS

<input type="checkbox"/>	<p>Credit Report Explanations: Submit a line by line, detailed letter of explanation of all derogatory credit accounts along with proof of payoffs, payment arrangements and evidence of payments made, or evidence of any formal dispute filed (documents must be dated). Accounts to address include, but are not limited to: collections items, charge offs, accounts currently past due, accounts with serious delinquencies in the last 3 years, repossessions, loan modifications, etc.</p> <p>Note: Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the <i>Disclosure Explanations</i> section of your Individual Form (MU2).</p> <p>This document should be named <i>Credit Report Explanations – Sub Name – Document Creation Date</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Credit Report Explanations</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>
<input type="checkbox"/>	<p>Personal Financial Statement: The following individuals, as specified below, on the Company Form (MU1) are required to upload a personal financial statement.</p> <p>SDCL 51A-17-14</p> <p>South Dakota requires the personal financial statement for the preceding five years, of each principal of a non-corporate applicant.</p> <p><i>Direct Owner</i></p> <ul style="list-style-type: none"> Any person who has ownership of, or the power to vote, twenty five percent or more of the outstanding voting securities of a licensee or controlling person. Key shareholder, any person, or group of persons acting in concert, who is the owner of twenty-five percent or more of any voting class of an applicant's stock. <p><i>Indirect Owners</i></p> <ul style="list-style-type: none"> Ownership of, or the power to vote, twenty-five percent or more of the outstanding voting securities of a licensee or controlling person. For purposes of determining the percentage of a licensee controlled by any person, there shall be aggregated with the person's interest the interest of any other person controlled by such person or by any spouse, parent, or child of such person; <p>This document should be named <i>SD– Personal Financial Statement</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Personal Financial Statement</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>

<input data-bbox="149 260 190 300" type="checkbox"/>	<p>Verification of Experience: Provide a license specific resume with detailed job descriptions and/or duties performed evidencing experience in the industry the company is applying for a license. Detailed job descriptions and duties with all employers need to be incorporated into a resume to demonstrate experience related to the specific state license being applied for.</p> <p>This document should be named <i>Resume – SD Money Transmitter</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Verification of Experience</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>
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