



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

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Memorandum

Date: November 13, 2023
To: Money Transmission License Holders
From: Non-Depository Supervision
Subject: Money Transmission Permissible Investment Reports

On August 22, 2023, the Texas Department of Banking (Department) communicated via Industry Notice 2023-03 (*Texas Legislature Passes Legislation Impacting Money Services Businesses*) that new legislation including Senate Bill (SB) 895, referred to as the Money Services Modernization Act (MSMA), was passed by the 88th Texas Legislature and became effective September 1, 2023.

As previously discussed, the MSMA will impact your reporting of the Permissible Investment Reports (PIRs) starting with the 3rd quarter of 2023 (Section 151.603(b)(2); and Section 152.355 of the Finance Code). As is the current process, you must continue to complete both the Nationwide Multistate Licensing System & Registry (NMLS) MSB Call Report (Call Report), and the Texas PIR form.

Under the MSMA, Chapter 151 of the Texas Finance Code (Finance Code) was repealed and replaced by Chapter 152 of the Finance Code. However, a money transmission (MT) license issued under Chapter 151 of the Finance Code (prior to September 1, 2023) has until September 1, 2024 to demonstrate compliance with the MSMA permissible investment requirements. The Department provides two versions of the PIR forms for your completion: *Chapter 151 PIR Form*; and *Chapter 152 PIR Form*. The form to be completed is dependent of when your MT license was issued.

- ❖ If you were licensed under Chapter 151, you may continue to utilize the Chapter 151 PIR Form during the transition period (until September 1, 2024). Alternatively, you may utilize the Chapter 152 PIR Form.
- ❖ If you were licensed under Chapter 152, you must utilize the new Chapter 152 PIR Form.

You must continue to prepare the PIRs within 45 days after the end of each calendar quarter and maintain the PIRs, quarterly financial statements, and associated documentation for each quarter in your files. You **are not** required to send the PIRs to our office each quarter, unless specifically directed to do so by the Department. The completed PIRs will be reviewed at each examination of the license holder to determine compliance with the applicable rules and regulations.

If you have any questions pertaining to the contents of this memorandum, please contact Mary Ann Gonzales at (512) 475-1291 or Jay Kim at (512) 475-1377.