

ORDER NO. 2021-008

IN THE MATTER OF:	§	BEFORE:
	§	
FLUTTERWAVE, INC.	§	THE BANKING COMMISSIONER
	§	OF TEXAS
	§	
SAN FRANCISCO, CALIFORNIA	§	AUSTIN, TRAVIS COUNTY, TEXAS

CONSENT ORDER

On this day, the matter of Flutterwave, Inc., (Respondent), San Francisco, California, was submitted to me, Charles G. Cooper, Banking Commissioner of Texas (Commissioner), for consideration and action.

1. Respondent is incorporated in Delaware and headquartered in San Francisco, California. Respondent holds itself, and various subsidiaries, out to the public as a payments solutions technology firm. The solutions include business and consumer payment products advertised under the brand names Rave and Barter.
2. The Texas Department of Banking (Department) has jurisdiction over Respondent and the subject matter of this proceeding pursuant to *Texas Finance Code* (Finance Code) Chapter 151 (Chapter 151). The Commissioner has the authority to issue this Consent Order (Order) and to assess administrative penalties pursuant to Finance Code §§ 151.706 and 151.707.
3. The Department has conducted an extensive investigation into the activities conducted by Respondent and various subsidiaries to determine whether the entity has engaged in the business of money transmission in this state without a license to do so.
4. Respondent has been properly notified of its right to an administrative hearing under Chapter 151.
5. The undersigned representative of Respondent has full authority to enter into and bind Respondent to the terms and conditions of this Order.

6. The statutory provisions at issue in this matter include, but are not limited to, Finance Code §§ 151.301, 151.302, 151.702, 151.706, and 151.707.
7. Any violation of this Order could subject Respondent to additional regulatory or enforcement actions authorized by Chapter 151 and other provisions of Texas law. Nothing in this Order diminishes the regulatory or enforcement powers of the Department, the Commissioner, or the Finance Commission of Texas under Chapter 151 or other applicable law.
8. For purposes of this proceeding, Respondent knowingly and voluntarily waives:
 - a. Service upon Respondent of this Order;
 - b. The right to present defenses to the allegations in this proceeding;
 - c. Notice and hearing prior to imposition of this Order;
 - d. The filing of proposed findings of fact and conclusions of law;
 - e. The issuance of a proposal for decision by an administrative law judge;
 - f. The filing of exceptions and briefs with respect to such proposal for decision;
 - g. Any review of this Order by the Texas Finance Commission; and
 - h. Judicial review of this Order as provided by Finance Code § 151.801, Texas Government Code § 2001.171 et seq., and any other challenge to the validity of this Order.
9. Respondent and the Commissioner agree to this Order solely for the purpose of this proceeding, and without Respondent admitting or denying any violations of law or regulations. This Order does not constitute an admission by Respondent that Chapter 151 or a rule adopted, or order issued under Chapter 151 has been violated.
10. The Commissioner has considered this matter and finds as follows:

- a. Respondent itself, and acting through various subsidiaries, offers customers a variety of payments solutions including facilitating cross-border remittances, the ability to send money to third parties, and the issuance of prepaid cards.
- b. Under Finance Code § 151.301(b)(4), money transmission means “the receipt of money or monetary value by any means in exchange for a promise to make the money or monetary value available at a later time or different location.” The Finance Code defines engaging in the business of money transmission as receiving compensation or expecting to receive compensation, directly or indirectly, for conducting money transmission. Finance Code § 151.302(b).
- c. Finance Code § 151.302(a) provides that “a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as a person that engages in the business of money transmission” without a license unless it is an authorized delegate of a license holder, is excluded from licensure under Chapter 151, or has been granted an exemption under Chapter 151.
- d. As described above, the Department has concluded that: (i) Respondent has engaged in the business of money transmission in Texas; (ii) Respondent was neither licensed by the Department nor determined by the Department to be excluded from licensure under Chapter 151; and (iii) Respondent is not an authorized delegate of a license holder. Consequently, the Commissioner finds that Respondent has violated Finance Code § 151.302.
- e. As required by Finance Code § 151.707(d), the Commissioner has considered the seriousness of the violations, Respondent’s compliance history, and Respondent’s good faith in attempting to comply with Chapter 151.

- f. Based on these findings, and the representations made by Respondent as to its business and reported volume of unlicensed money transmission activity in Texas, the Commissioner finds that a penalty of \$47,043.80 is appropriate.
11. Respondent has agreed to comply with the terms that are set out in the Order below.
 12. Nothing in this Order shall prohibit Respondent from obtaining a money transmission license from the Department in the future.
 13. This Order does not restrict the Department with respect to any enforcement action or other recourse regarding any other violations by Respondent not now known to the Department that come to the attention of the Department following the issuance of this Order. Nothing herein shall be construed to limit Respondent's right to contest any future finding or determination of non-compliance.

Order

It is hereby ORDERED, ADJUDGED, and DECREED that:

1. Within fourteen (14) days of the effective date of this Order, Respondent will pay \$47,043.80 to the Department as an administrative penalty under Finance Code § 151.707.
2. Respondent shall immediately cease and desist conducting, directly or indirectly through the activities of others, any money transmission, as defined by Chapter 151 of the Finance Code, for any persons in Texas, nor will it advertise or solicit persons in Texas for such services.
3. Prior to providing, and/or advertising or soliciting, any money transmission products or services to persons in Texas, Respondent and/or any subsidiary or affiliate thereof, will request and receive from the Department, a money transmission license determination and if necessary, a license to engage in the business of money transmission in this state pursuant to Chapter 151 of the Finance Code.

Effective Date

This Order against Respondent is effective on the date signed by the Commissioner and is final and non-appealable as of that date.

Signed on this 22nd day of November, 2021.

/s/ Charles G. Cooper
Charles G. Cooper
Commissioner, Department of Banking

AGREED AS TO FORM AND SUBSTANCE

Flutterwave, Inc.

By: /s/ Olugbenga Agboola

Date: November 18, 2021

APPROVED AS TO FORM:

/s/ Alexander G. Acree
Alexander G. Acree
Attorney for Flutterwave, Inc.
Partner
Mitchell Sandler LLC

Date: November 18, 2021

APPROVED AS TO FORM:

/s/ Marcus Adams
Marcus Adams
Deputy General Counsel
Texas Department of Banking

Date: November 22, 2021