

Florida Office of Financial Regulation
Financial Technology Sandbox Innovator (FTS) Reference Guide
Chapter 559, Part XII, F.S.

GO-LIVE IS JANUARY 19, 2021

REFERENCE GUIDE

1. **Application** - Each company shall apply for a FTS license by submitting Form OFR-559-FTS-001 electronically via the REAL System: <https://www.flofr.com/sitePages/WelcomeToOnlineServices.htm>

First-time users will have to register a REAL online account. This includes creating an account that stays with the user for the life of the license(s). This same account may be used to apply for multiple licenses. The information provided via the REAL account will be used to contact applicants and licensees. Therefore, the REAL account will need to be maintained for the life of the application and license(s) and contact info in the REAL account must be kept current.

Review the “General Instructions” part of Form OFR-559-FTS-001 to see all requirements.

A sample copy of Form OFR-559-FTS-001 can be viewed here:

<https://www.flofr.com/sitePages/FinancialTechnologySandbox.htm>

Please note the applicant must have a physical presence in Florida. See 559.952(3)(a) for more information.

Items 2-5 provide information concerning the most common FAQs:

2. **State/Federal Background Check** – Determine if a background check is required.

A. For Applicants applying for licensure to conduct Money Services Business Product or Service:

Each person listed in question 5D on Form OFR-559-FTS-001, must submit fingerprints through a livescan service provider approved by the FDLE and published on the FDLE’s website (https://www.fdle.state.fl.us/Criminal-History-Records/Documents/InternetDoc_ServiceProviders_June.aspx) for submission to the FDLE.

Provide ORI Number **FL922720Z** to the selected service provider at the time of submission. The cost of fingerprint processing shall be borne by the applicant and paid directly to the livescan service provider.

Resubmission of the prints for the state criminal background check may be required to the service provider if incorrect information (social security number, date of birth, etc.) is given to the livescan service provider.

Resubmission of prints may result in additional costs to the individual being reprinted.

For purposes of this notice, fingerprints are not required to be submitted if the applicant or licensee is a publicly traded corporation or is exempted from this chapter under section 560.141(1)(c)6, FS.

B. For Applicants applying for licensure to conduct Consumer Finance Product or Service:

Fingerprinting is not required.

C. For Applicants applying for licensure to conduct both Money Services Business Product or Service and Consumer Finance Product or Service:

Fingerprinting is required. Refer to 2A above.

3. **Disclosure Questions** - Provide the following documents related to all events or proceedings for any “Yes” answer to any of the disclosure questions on Form OFR-559-FTS-001:

- (a) A copy of the police arrest affidavit, arrest report or similar document.
- (b) A certified copy of the charges.
- (c) A certified copy of the plea, judgment, and sentence where applicable.
- (d) A certified copy of an order of entry into pre-trial intervention, and the order of termination of pre-trial intervention showing dismissal of charges where applicable.
- (e) A certified copy of an order of termination of probation or supervised release, if applicable.

If the requested documentation cannot be obtained, the relevant person shall submit evidence of that fact in order for the application to be deemed complete. Evidence that documentation cannot be obtained shall consist of a written statement on the letterhead of the agency that would be the custodian of the documents, signed by a representative of that agency, stating that they have no record of such matter, or that the record is lost or was damaged or destroyed, or otherwise stating why the document cannot be produced.

4. Financial Requirements

A. For Applicants applying for licensure to conduct Money Services Business Product or Service:

Provide a financial audit report as required in section 560.205(4), F.S. A licensee must maintain a minimum net worth. The minimum amount of net worth is determined based on the number of consumers the Office authorizes the licensee to make the innovative financial product or service available to. See table below to determine the minimum amount of net worth:

<u>Total Number of Consumers</u>	<u>Required Amount of Net Worth</u>
0 – 7,500	\$25,000
7,501 – 15,000	\$50,000
15,001 – 20,000	\$75,000
20,001 – 25,000	\$100,000

NOTE: The Office will authorize the number of Florida consumers a licensee may conduct business with (up to a maximum of 15,000) upon approval of the license. However, the licensee may be authorized to conduct business with a maximum of 25,000 Florida consumers upon submission of the first Biannual Report (see Form-559-FTS-004).

Provide a bond or alternative security device based on the number of Florida consumers the licensee is authorized to conduct business with.

<u>Total Number of Consumers</u>	<u>Required Amount of Collateral</u>
0 – 7,500	\$75,000
7,501 – 15,000	\$150,000
15,001 – 20,000	\$200,000
20,001 – 25,000	\$250,000

B. For Applicants applying for licensure to conduct Consumer Finance Product or Service:

Applicant must provide documentation from an insured financial institution that liquid assets in the amount of \$25,000 are on deposit with the institution and held solely for the purposes of licensure.

C. For Applicants applying for licensure to conduct both Money Services Business Product or Service and Consumer Finance Product or Service:

Refer to 4A and 4B above.

5. Licensing Fees

A. For Applicants applying for licensure to conduct Money Services Business Product or Service:

Application Fee - \$375

Location Filing - \$38 per location

Fingerprinting – Contact provider (this fee paid directly to the livescan service provider)

B. For Applicants applying for licensure to conduct Consumer Finance Product or Service:

Application Fee - \$625

Investigation Fee - \$200

C. For Applicants applying for licensure to conduct both Money Services Business Product or Service and Consumer Finance Product or Service:

Refer to 5A and 5B above. NOTE: Both application fees are required.

6. FTS Helpful Deadline Dates

- The office shall approve or deny in writing a Financial Technology Sandbox application within 60 days after receiving the completed application. The office and the applicant may jointly agree to extend the time beyond 60 days.
- The license issued by the office is for a 24-month period (“Sandbox Period”). A licensee may apply for one extension of the initial 24-month sandbox period for 12 additional months. A complete application for an extension must be filed with the office at least 90 days before the

conclusion of the initial sandbox period. The office shall approve or deny the application for extension in writing at least 35 days before the conclusion of the initial sandbox period.

- The licensee shall file after the first 180 days of licensure and every 180 days thereafter, so long as the license is active, a complete and accurate biannual report to the Office by filing a Form OFR-559-FTS-004, Biannual Report Form.
- Annual financial audit reports must be received by the Office within one hundred twenty (120) days after the licensee's fiscal year end (for licensees conducting a Money Services Business Product or Service).
- At least 30 days before the conclusion of the initial 24-month sandbox period or the extension, whichever is later, a licensee shall provide written notification to consumers regarding the conclusion of the initial sandbox period or the extension and may not make the financial product or service available to any new consumers after the conclusion of the initial sandbox period or the extension, whichever is later, until legal authority outside of the Financial Technology Sandbox exists for the licensee to make the financial product or service available to consumers.

7. Contact Information

- Email questions to OFR@FLOFR.com or
- Call the Division of Consumer Finance, Bureau of Registration 1-850-487-9687

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE REFERENCE GUIDE DOES NOT CONSTITUTE LEGAL ADVICE, AND IS ONLY PROVIDED FOR GUIDANCE TO FACILITATE THE APPLICATION PROCESS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

YOU ARE NOT AUTHORIZED TO ENGAGE IN FLORIDA REGULATED FINANCIAL TECHNOLOGY SANDBOX INNOVATOR ACTIVITIES UNTIL YOU HAVE BEEN GRANTED A LICENSE ISSUED BY THE FLORIDA OFFICE OF FINANCIAL REGULATION.