



**Office of the Lieutenant Governor
Division of Banking, Insurance and
Financial Regulation**

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BULLETIN 2019-07

**TO: U.S. VIRGIN ISLANDS STORE OWNERS CONDUCTING CHECK CASHING
BUSINESS**

RE: LICENSING OF CHECK CASHERS IN THE TERRITORY

This Bulletin serves to remind the general public of the regulatory requirements to conduct “check cashing” business in the Virgin Islands pursuant to Title 9, Chapter 22, V.I. Code (Uniform Money Services Act). “A person may not engage in check cashing or advertise, solicit, or hold itself out as providing check cashing for which the person receives at least \$500 within a 30-day period” unless the person is licensed as a check casher, currency exchanger or money transmitter in accordance with 9 V.I.C § 521(a).

9 V.I.C. § 502(4) defines “Check Cashing” as “receiving compensation for taking payment instruments or stored value... in exchange for money, payment instruments or stored value delivered to the person delivering the payment instrument or stored value at the time and place of delivery without an agreement specifying when the person taking the payment instrument will present it for collection.”

It has come to the attention of the Office of the Lieutenant Governor, Division of Banking Insurance and Financial Regulation (“Division”) that it is common practice for persons in the community to go into a grocery store or other establishments with a check written to them as payee, purchase goods that do not equal to the amount of the check and grocery stores and other establishments would cash the check for a fee of 10% of the amount of the check. It should be noted any check written by one person for another (the payee) and that is then given to a third person to cash or deposit in its account is called third-party check.

Owners of stores should be aware, cashing third-party checks is in direct violation of the Uniform Money Services Act, if a check cashing license is not maintained by the store owner pursuant to Title 9, Subchapter III, Section 521 of the Virgin Islands Code. It is imperative that

store owners and consumers recognize it does not matter that goods were purchased from the establishment only that a fee was charged in exchange for the cashing of a check.

In accordance with 9 V.I.C. §§ 575 and 576, violation of Chapter 22 by any person or establishment not licensed to conduct check cashing may result in:

- (1) a civil penalty not to exceed \$1,000 per day for each day the violation is outstanding, plus the State's costs and expenses for the investigation and prosecution of the matter, including reasonable attorney's fees; or
- (2) criminal penalties if a person knowingly engages in an activity for which a license is required under this chapter without being licensed under this chapter.

Accordingly, any persons seeking to conduct check cashing business must maintain a license. Applications for licensure to conduct check cashing business can be obtained from the Division's office on St. Thomas at Suite 200 Nisky Center, St. Thomas.

If there are questions regarding this Bulletin, please contact the Division by calling (340) 774-7166 on St. Thomas or (340) 773-6459 on St. Croix.

Dated this 16th day of August 2019 on St. Thomas, U.S. Virgin Islands.




Tregenza A. Roach, Esq.
Lieutenant Governor/Chairman of the Virgin Islands
Banking Board

