Docket

DOCKET / RESEARCH & PRACTICAL GUIDANCE

Money Services Business Principal vs Agent: Perimeter Guide

> Build a more reviewable acquisition pipeline with Docket. Our deal-origination software and managed research help private equity teams screen companies against a mandate and understand the evidence behind each finding.

Published by Docket · 2026-11-18 · money services business principal vs agent · msb agent definition fincen · fincen msb registration · msb agent vs branch · authorized delegate · agent of the payee exemption · payment processor exemption · payment services regulatory perimeter · fintech regulatory due diligence · private equity due diligence

Original article: https://docket.capital/articles/msb-principal-vs-agent-payment-services-perimeter



In this article

1. Executive Summary
2. Introduction and Background
3. Definitions and Taxonomy: Principal, Agent, Branch, Employee and Authorized Delegate
4. The Federal Registrant Search as a Frame with Defined Omissions
5. The Payment Services Perimeter: Exemptions, Processors and Agents of the Payee
6. State Authorised Delegates, the Remittance Rule and Change of Control
7. Building the Perimeter Worksheet
8. Case Studies and Real-World Examples
9. Data Analysis and Evidence
10. Decision Outcomes and Diligence Checklist
11. Implications and Future Directions
12. Frequently Asked Questions (FAQs)
13. Conclusion

Executive Summary

A storefront that shows a remittance logo is not, by that fact alone, an independent **money services business (MSB) principal**. Under the Financial Crimes Enforcement Network (FinCEN) definitions, an agent is a separate business entity from the issuer, which is the principal, whereas a branch is a place of operation owned by the issuer (www.fincen.gov). An agent relationship is therefore a service-authorisation edge, not a corporate-ownership edge, and a single agent business can serve several principals (www.ecfr.gov).

The federal registrant frame deliberately omits many agent businesses. A person that is an MSB solely because it serves as an agent of another MSB is not required to register (www.govinfo.gov), and the registrant search says that not every current registrant is listed (msb.fincen.gov). The principal, not the agent, maintains the agent list, and it is not filed with the registration form (www.ecfr.gov). A no-hit on the register therefore signals an unresolved role question, not a finding about legitimacy.

The counts need to be kept apart. FinCEN's April 30, 2026 paperwork-burden notice estimates about **24,856** unique, currently active principals and about **307,212** agents (www.govinfo.gov), built partly from proprietary third-party data (www.govinfo.gov). Treasury's 2026 risk assessment cites **29,514** principal MSBs registered as of December 15, 2025 (home.treasury.gov), and the live registrant search showed **29,526** at its November 10, 2026 update (msb.fincen.gov). These figures use different units and dates and should not be averaged, divided into a ratio, or read as an acquirable-target denominator.

The recommended unit of analysis is a perimeter worksheet with five outcomes: retain as principal, retain as agent business if in mandate, merge owned branch, hold mixed-role, and unresolved. Mixed-role entities must be retained by service because a business that is an MSB both on its own behalf and as an agent must register (www.fincen.gov). State licences are a separate evidence object: FinCEN states it does not license MSBs to operate in the United States (www.fincen.gov). This guide is a research method, not a licensing conclusion, legal advice or an investment recommendation.

Introduction and Background

Private equity (PE) origination teams that map nonbank payments operators (remittance, foreign exchange, money orders, bill payment) hit the same obstacle early. Public-facing evidence arrives in three shapes: brands on storefronts, federal registration rows, and state licence rows. Each answers a different question. A brand shows distribution. A registration row shows that an entity filed a federal form. A state licence shows state-level authority for a jurisdiction and activity. None of them, alone, shows who owns a location or which entity bears the principal role for a given service.

This guide addresses one specific question left open by identifier-focused guides such as the companion Nationwide Multistate Licensing System (NMLS) walkthrough: how a federal registrant frame omits separately owned, agent-only businesses, and how brand distribution differs from corporate ownership. It is written as an explainer for research reviewers and origination analysts. It does not repeat NMLS object instructions, and it does not identify any real operator. All worked examples are invented and labelled as such.

Three scoping notes apply. First, this is a research-universe decision: which business or relationship unit to keep in a target universe. It is not a statement that any entity is or is not properly registered or licensed. Second, the regulatory text is dated; the electronic Code of Federal Regulations (eCFR) page used here states it is current as of 11/16/2026, and the public register is refreshed weekly. Third, readers who need a legal determination should consult qualified counsel, since agent status is fact-dependent (www.ecfr.gov).

Docket, the publisher of this guide, builds evidence-backed target research for private equity teams. The claims below rest on regulator and statutory sources, not on the publisher.

Definitions and Taxonomy: Principal, Agent, Branch, Employee and Authorized Delegate

The federal vocabulary

FinCEN's agent frequently-asked-questions (FAQ) document, which carries no publication date on the page, says an agent is a separate business entity from the issuer (www.fincen.gov), authorised by the issuer through a written agreement or otherwise (www.fincen.gov). It states that a person who is solely an employee of the MSB is not an agent (www.fincen.gov). It defines a branch as a place of operation owned by the issuer of the MSB product or service (www.fincen.gov). Because the document is undated, the current regulation is the better anchor: 31 CFR 1022.380 says the determination whether a person is an agent depends on all the facts and circumstances.

The regulatory definition of an MSB itself reaches distribution structures. The federal text says doing business as an MSB includes maintaining any agent, agency, branch, or office within the United States (www.ecfr.gov). For research purposes this means a regulated activity can be present at a location without that location being an independent legal operator.

Why "agent" is not "subsidiary"

The FAQ's two definitions yield a rule that matters for universe construction: ownership and authorisation are different edges. A branch is an owned place of operation, so it should be merged into its owner. An agent is a separate entity, so it should be resolved on its own and linked to each principal for each service. FinCEN's registration page illustrates this with a supermarket corporation acting as agent for a money order issuer, and the regulation adds that the answer is the same if the supermarket served as agent of both a money order issuer and a money transmitter (www.ecfr.gov). A multi-brand agent can remain one legal entity with several principal links.

Authorised delegate is the state-law counterpart. The Conference of State Bank Supervisors (CSBS) model law defines an authorized delegate as a person a licensee designates to engage in money transmission on its behalf (www.csbs.org). One state regulator notes that its delegate report was formerly known as the report of authorized agents (dfi.wi.gov), so researchers should treat "agent" and "authorized delegate" as often overlapping terms whose exact scope is set by the relevant statute, not by label.

Quick distinctions for reviewers

- **Principal:** the issuer or provider of the service, which keeps the agent list and, where required, registers.
- **Agent:** a separate legal entity authorised for a named service; not a subsidiary and not necessarily registered.
- **Branch:** an owned place of operation; adds a location node, not an entity node.
- **Employee:** not an agent business; excluded from the agent graph.
- **Authorized delegate:** the state-law label that often, but not always, overlaps with agent.
- **Mixed-role entity:** an operator that is an agent for one service and a principal for another.

Role and evidence matrix

Table 1 below maps each type of public evidence to the claim it can safely support and the questions it leaves open.

Evidence object	Safe claim	Unresolved question
Brand or logo on a storefront	A service brand is distributed at that location.	Who owns the location, which entity is the principal, and whether the location is an agent, a branch or something else. An agent is a separate business entity from the issuer.
Federal registration row	The named registrant filed a registration and was listed as of the update date. Registrant-provided data (msb.fincen.gov).	Whether other entities at the location are agent-only businesses, which need not register (www.ecfr.gov).
No federal row	The search string returned no hit on that date.	Role, spelling or alias, renewal status, or listing rules. Spelling variations can return negative results (msb.fincen.gov).
State licence row	A state record exists for a stated jurisdiction, type and status (see the NMLS guide).	Federal registration status and service-level relationships. FinCEN does not itself license MSBs (www.fincen.gov).

Evidence object	Safe claim	Unresolved question
Service-authorisation agreement	A named principal authorised a named agent for a named service and period.	Usually private. The agent list is maintained by the principal and not filed (www.ecfr.gov).
Ownership record	Control or ownership of an entity or location.	Which services the owned location offers and for which principal.

The matrix shows why no single row can settle the unit decision. The two most informative objects, the authorisation agreement and the agent list, are the least public. A public-only worksheet should record claims at the strength the source supports and leave the rest blank.

The Federal Registrant Search as a Frame with Defined Omissions

What the registrant search contains and says about itself

FinCEN's registrant search is embedded at the MSB site and displayed a last-updated date of 11/10/2026 and a registered count of 29,526 (msb.fincen.gov). It states that FinCEN does not license or vet the information provided by registrants (msb.fincen.gov), and that registrants that fail to renew are not considered current (msb.fincen.gov). Its recommended query is a registration number (msb.fincen.gov). The downloadable file is expressly not a substitute for the web page, so any extract should be re-checked against the live search.

The registered count changes between updates, so any count must carry its retrieval date and its originator.

Who must register and who does not

Registration rules are principal-centred. The regulation requires each MSB, whether or not state-licensed, to register (www.ecfr.gov), but a person that is an MSB solely because it serves as an agent of another MSB is not required to register. The Internal Revenue Service (IRS) independently repeats the exception (www.irs.gov). A branch office is not required to file its own registration form (www.ecfr.gov), and one form covers all agents and all branches (www.fincen.gov). These are explainers of the same rules from two agencies, not two empirical studies.

The omission is structural. An agent-only business has no registration row because the rule does not ask it to have one. A research frame built only from registrant rows would therefore miss agent-only firms by design, while a frame that treats every storefront as a registrant would overcount transmitters. The mixed-role case works the other way: a person that is an MSB both on its own behalf and as an agent of another MSB must register (www.fincen.gov). That registrant row can therefore appear without describing the agency activity at all.

The agent list is private

The principal must prepare and maintain a list of its agents, and on request make it available to FinCEN (www.ecfr.gov). Contents include the agent's name, including trade names and doing-business-as names (www.ecfr.gov), and the number of branches or subagents the agent has. One entry is required per agent regardless of how the agent business is structured. FinCEN's April 2026 notice adds that the agent list

information is not prescribed in any particular format (www.govinfo.gov), and revisions must be current within 45 days (www.govinfo.gov). This guide did not verify any public enumeration of an agent network, and none should be assumed.

Renewal and removal change what is visible

Registration renewal runs on a two-calendar-year cycle (www.irs.gov). Under FinCEN's rule, a registered MSB must re-register in three situations: a change in ownership or control that requires re-registration under state law, a transfer of more than 10 percent of its voting power or equity interests (other than an MSB that must report such a transfer to the SEC), and a more than 50-percent increase in its number of agents during a registration period (eCFR, 31 CFR 1022.380(b)(4)). The filing is due within 180 days of the event. A target's visible record can therefore change for administrative reasons; record the date, query and status for every observation.

The Payment Services Perimeter: Exemptions, Processors and Agents of the Payee

Money transmission and its exclusions

The federal money transmitter definition is activity-based and fact-dependent. It covers a person engaged in the transfer of funds (www.ecfr.gov) and states that whether a person is a money transmitter is a matter of facts and circumstances (www.ecfr.gov). The IRS adds that a money transmitter is an MSB regardless of the amount of activity (www.irs.gov), whereas other categories have dollar thresholds: dealers in foreign exchange are caught above $1,000 per person per day (www.ecfr.gov), and issuers or sellers of money orders above $1,000 (www.ecfr.gov). Check cashers are a separate category. These thresholds are why a single storefront can fall inside the perimeter for one service and outside it for another.

Payment processors and the "agent of the payee" concept

Two terms are often conflated in diligence notes. The federal rule excludes a person who acts as a payment processor to facilitate the purchase of a good or service through a clearance and settlement system by agreement with the creditor or seller (www.ecfr.gov), and separately a person who accepts and transmits funds only integral to the sale of goods or provision of services other than money transmission (www.ecfr.gov). FinCEN's 2014 processor ruling stipulates four conditions (www.fincen.gov), including that the entity provide the service pursuant to a formal agreement. The 2019 virtual-currency guidance lists the same family of conditions and requires a formal agreement with, at a minimum, the seller or creditor (www.fincen.gov).

The phrase "agent of the payee" has an older federal root and a newer state-model expression. In a 2008 ruling FinCEN concluded that a merchant payment processor, processing payments from consumers as an agent of the merchant to whom the consumers owe money (www.fincen.gov), is not a money transmitter by virtue of those activities. That ruling predates the 2011 rule text, so the current federal basis is the processor and integral exclusions quoted above. In the CSBS model law the exemption is explicit: a person appointed as an agent of a payee to collect and process a payment (www.csbs.org) is exempt where there is a written agreement between the payee and the agent (www.csbs.org), the payee holds the agent out to the public as

accepting payments (www.csbs.org), and payment leaves no risk of loss to the payor if the agent fails to remit the funds to the payee (www.csbs.org). Treasury's 2026 risk assessment likewise notes that payment processors may be exempt from the MSB definition if they meet certain criteria (home.treasury.gov).

Why this matters for a target universe

Two different "agent" ideas sit in this perimeter. A **money transmitter's agent** distributes the principal's transfer service to senders. An **agent of the payee** collects bills or purchases on behalf of the receiving merchant. The first sits in the principal-agent graph this guide builds. The second may sit outside the MSB perimeter altogether, depending on its agreements and flow of funds. Assign the role from the documented flow (who the customer is, who authorised the collector, where funds settle), not from the logo. Prepaid access adds its own roles, such as a provider that has principal oversight and control over the prepaid program (www.ecfr.gov), and is outside the scope of the worked examples.

State Authorised Delegates, the Remittance Rule and Change of Control

State records are a separate object graph

FinCEN's December 18, 2024 alert (FIN-2024-Alert005) points readers to the NMLS Consumer Access search page for state licence information (www.fincen.gov), and states that registration or a listing is not an endorsement by any US government agency. The Federal Bureau of Investigation (FBI) public service announcement points to FinCEN's lookup and says the same (www.ic3.gov). The NMLS State Resource Center maintains a Branch Licensing Guide, a reminder that branch is its own licensing object (mortgage.nationwidelicensingsystem.org). Instructions for reading company, branch and individual identifiers belong in the NMLS guide and are not repeated here. The point for this guide is that state jurisdiction, licence type and status must be recorded in separate fields from federal registration and from the service-role evidence.

The model law's delegate mechanics

CSBS describes its Money Transmission Modernization Act (MTMA) as a single set of nationwide standards (www.csbs.org) and reports that thirty-one states have enacted it in full or in part (www.csbs.org), while acknowledging that uneven adoption and interpretation have resulted in variations (www.csbs.org). Several model-law mechanics bear on the graph. An authorized delegate is excepted from licensing only while acting within the scope of authority conferred by a written contract with the licensee (www.csbs.org). A licensee must conduct a reasonable risk-based background investigation before appointing a delegate (www.csbs.org). A delegate holds funds in trust for the benefit of the licensee (www.csbs.org), may not use a subdelegate (www.csbs.org), and is reported by the licensee in a periodic report of authorized delegates (www.csbs.org). Each of these facts is a reason to expect that the principal-agent relationship leaves a state-side paper trail in some jurisdictions, but model-law text is not the enacted law of any particular state, so the state statute governs.

The Remittance Rule's agent treatment

The Consumer Financial Protection Bureau's remittance rule defines a remittance transfer provider as a person that provides remittance transfers for a consumer in the normal course of its business (www.law.cornell.edu), treats an agent, authorized delegate or affiliate as acting for that provider when it acts for the provider (www.law.cornell.edu), and makes the provider liable for an agent's acts in that capacity (www.law.cornell.edu). For researchers, this reinforces the service-specific nature of the edge: the principal is determined per remittance transfer, not per storefront.

Change of control on state licences

A transaction that changes control of a state-licensed transmitter can require regulator approval in advance. The model law requires written approval of the regulator before control is acquired (www.csbs.org), and defines control by reference to the power to vote at least 25 percent of voting shares (www.csbs.org). Wisconsin, an MTMA state, requires the division's written approval prior to acquiring control (dfi.wi.gov) and sets a 60-day advance notice for a change of control (dfi.wi.gov); its statute mirrors the approval language (docs.legis.wisconsin.gov). These are examples from one state, not a national rule. At the federal level, FinCEN's registration rule separately requires re-registration after a transfer of more than 10 percent of an MSB's voting power or equity interests (with an exception for MSBs that report such transfers to the SEC), so a minority equity purchase can trigger a federal filing even where no state change-of-control threshold is met. Note that an owned branch changes hands with its owner, whereas an agency contract is a separate asset that may or may not be assignable under its own terms.

Building the Perimeter Worksheet

Entities, locations, brands and edges

The worksheet separates four node types and two edge types. **Entity nodes** are resolved legal entities. **Location nodes** are physical or digital points of service. **Brand nodes** are service marks displayed. **Service nodes** are the specific activities (for example, money transmission, money order sale, check cashing). Edges are **ownership edges** (entity to entity, or entity to location) and **service-authorisation edges** (principal entity to agent entity, per service). Each edge carries a source, a scope, an effective period and a confidence rating. FinCEN's notice adds that principals and agents may contractually allocate responsibility for policies and controls, but both the principal and its agents remain liable under the rules for their existence (www.govinfo.gov), which is one more reason to keep each edge's scope explicit. The research principle is that a brand node attaches to a service-authorisation edge, never directly to an ownership edge.

Recommended worksheet columns:

- **Raw source row or name:** exactly as seen, with the query string.
- **Canonical legal entity:** the resolved name, plus aliases and doing-business-as names, which the agent-list rule itself treats as part of agent identity.
- **Location:** address or digital point, with duplicate flag.
- **Federal identifier and date:** registration number where present, with retrieval date and update date.
- **Stated service or activity:** by service, not by entity.

- **Candidate role:** principal, agent, owned branch, technology provider, mixed or unknown.
- **Principal link and relationship evidence:** per service and period.
- **Separate ownership evidence:** kept apart from the authorisation evidence.
- **State record:** jurisdiction, type, status (from the NMLS worksheet).
- **Source and retrieval dates, and disposition.**

Mixed-role entities by service

Because a person can be an MSB both on its own behalf and as an agent, a global "principal or agent" flag can hide mandate-relevant activity. The worksheet therefore records the role per service: the same entity may be an agent for money order sales and a principal for its own check cashing. If the mandate covers only one of those services, the entity's disposition depends on which service is in scope.

Counts shown separately

Four counts must never be collapsed into one: **source rows** (what the public frame returned), **unique resolved legal entities**, **owned locations**, and **observed agent relationships**. A branch is not a new owner, and an agent is not a new parent, so each count answers a different question. For a real permitted sample, two ratios are useful and honest if their denominators are stated: **unresolved-role share** (rows with unresolved role divided by total rows) and **duplicate-location share** (duplicate location rows divided by total rows). Neither ratio estimates market coverage, market share, transaction volume or revenue.

Case Studies and Real-World Examples

No real operators are named in this guide. The following scenarios are wholly synthetic and label invented data.

Synthetic Worksheet of 12 Listings (Hypothetical Example)

Imagine a research pull returns 12 source rows for payments storefronts in one metro area. All names are invented. *Table 2* below resolves them.

Rows	Observed (invented)	Resolution	Disposition
5	Five storefronts under one independent owner, "AgentCo X", displaying two remit brands, Alpha and Beta	1 legal entity, 5 location nodes, 2 service-authorisation edges (X to the Alpha principal "P1", X to the Beta principal "P2")	**Retain as agent business if in mandate**
3	Three storefronts displaying only the Alpha brand, with ownership evidence tying them to P1, which also has its own federal registration row and offers Alpha on its own account	1 legal entity (P1), 3 owned location nodes, no agent edge	**Retain P1 as principal**; **merge owned branch** rows into P1
1	A convenience store "Y" selling P2's money orders and cashing checks on its own behalf	Agent for one service, own-account for another	**Hold mixed-role**

Rows	Observed (invented)	Resolution	Disposition
2	"Meridian Pay LLC" and "Meridian Payments Inc" at one address	Similar names: two candidate entities or one with an alias, not resolvable from the rows	**Unresolved**
1	A storefront with a remit brand and no federal row	No-hit under the exact search string only	**Unresolved**

The rows sum to 5 + 3 + 1 + 2 + 1 = 12 source rows.

In *Table 2*, the 12 source rows collapse to **3 resolved legal entities** appearing in rows (X, P1, Y), plus 3 unresolved candidates (two Meridian names and the no-hit), plus P2, which is known only through the Beta brand and a relationship edge and does not appear as a row. There are 11 distinct location nodes (the two Meridian rows share one address), 3 owned locations (P1), and 3 observed agent relationships (X to P1, X to P2, Y to P2). Unresolved-role share is 3 of 12 rows, or 25 percent; duplicate-location share is 1 of 12 rows, or about 8.3 percent. The invented 12 listings therefore reduce to six entity units plus one referenced principal. The relationship count (3) is neither a count of acquirable firms nor a count of transmitters, and the table is followed by two further cases.

Two Brands, One Agent (Hypothetical Example)

AgentCo X shows both Alpha and Beta signage. A brand-count method would record ten brand-location pairs; the graph records one legal entity, five locations and two service edges, each with its own term. A mandate for independent transmitters would exclude X; a mandate for owner-operated storefront businesses with distribution income would retain it.

Similarly Named Registrants (Hypothetical Example)

Two registrants named "Meridian" differ by suffix. Without a registration number, address, owner or agent-list evidence, a name match cannot decide whether they are one business with a trade name or two. The registrant search recommends searching by registration number for best results and warns that spelling variations can produce negative results. The worksheet keeps both as unresolved and records the search strings used.

Data Analysis and Evidence

Regulator figures and what they measure

Table 3 below lists the official counts observed in this research and states what each one measures. The values are not additive and not comparable as a time series without the notes.

Figure	Originator and date	What it measures	What it does not show
24,856 principals	FinCEN notice, April 30, 2026 (www.govinfo.gov)	Unique, currently active principals, built from filings and third-party data for a paperwork-burden estimate (www.govinfo.gov)	An acquirable-target count or independent owners.

Figure	Originator and date	What it measures	What it does not show
307,212 agents	Same notice (www.govinfo.gov)	An estimate of agents in the United States, a different unit from registrants	A named list; agents are generally excluded from the respondent population (www.govinfo.gov).
29,514 principal MSBs	Treasury 2026 risk assessment, count as of December 15, 2025 (home.treasury.gov)	Principal MSBs registered with FinCEN	The same population as the notice's 24,856.
Over 200,000 agents	Same assessment (home.treasury.gov)	A rounded agent figure, noting agents may not be required to register (home.treasury.gov)	Reconciliation with 307,212.
29,526 registrants	FinCEN registrant search, update 11/10/2026	Entries in the public search at that date	Every current registrant.
26,472 registered MSBs	Treasury 2024 assessment, count as of December 15, 2023 (home.treasury.gov)	An earlier registered count	A like-for-like trend against 2026 without checking definitions.

The table shows two principal counts that differ by about 4,700 (24,856 against 29,514), and two agent figures (over 200,000 against 307,212) that differ widely. The simplest explanation is that the units differ: the notice describes potential respondents with indicia of operating as principals, including at least one registration filing in the last three calendar years (www.govinfo.gov), while the assessment reports principal MSBs registered with FinCEN. This is an interpretation of the published definitions, not a reconciliation by the sources themselves. Do not average the two, and do not average the April 2026 burden estimate with the November 10, 2026 register snapshot.

Agent distribution is skewed

FinCEN's own burden arithmetic reports an average of 12 agents per registered MSB but says that figure is highly skewed (www.govinfo.gov). A footnote reports that slightly less than 75 percent of unique principals had zero agents (www.govinfo.gov) and approximately 19 percent had one agent (www.govinfo.gov). These are regulator estimates for paperwork-burden purposes and describe skew, not a market ratio. This guide does not compute a principal-to-agent market ratio, because the populations are built with different inputs, and does not use the distribution to estimate coverage, volume or revenue. The reading is qualitative: most principals in the notice's frame report no agents, while a few large networks carry most agents.

Notice status

The notice is a proposed renewal without change of an information collection (www.govinfo.gov), and FinCEN's index lists it as a renewal without change of the registration regulation and Form 107 (www.fincen.gov). It is not a new agent-registration rule. Its expected-respondent figure of 17,997 MSBs annually (www.govinfo.gov) is yet another unit (annual filers), not a population count.

Decision Outcomes and Diligence Checklist

Five outcomes

Each relationship unit ends in exactly one of five research outcomes. These are universe decisions, not legal conclusions.

- **Retain as principal:** evidence that the entity itself offers the service on its own account (own registration row, or own contract position as issuer or provider), with ownership and state records recorded separately.
- **Retain as agent business if in mandate:** a separate legal entity with one or more service-authorisation edges and no ownership by the principal. Keep it only if the mandate covers distribution-income businesses; do not count it as an independent transmitter. It need not appear in the federal register.
- **Merge owned branch:** a location owned by a resolved entity. A branch is a place of operation owned by the issuer, and need not register separately, so it adds a location node, not an entity.
- **Hold mixed-role:** an entity that is an agent for one service and a principal for another. Retain it by service and decide against the mandate.
- **Unresolved:** identity, role or relationship cannot be established from public evidence. A register no-hit belongs here until alias, spelling, renewal status and role are checked.

Fintech regulatory diligence checklist for PE origination

The checklist below is research hygiene for later, authorised diligence. It does not request private files and does not contact anyone.

- **Identity:** resolve legal name, aliases and trade names; record federal registration number and the update date.
- **Role by service:** list each service, and for each, the entity that offers it on its own account versus on another's.
- **Relationship evidence:** for each agent edge, identify the principal, the service and the period; note that agent status depends on all the facts and circumstances.
- **Ownership evidence:** record separately; a brand is not a control relationship.
- **State authorisation:** jurisdiction, licence type and status in a separate field; state laws vary and adoption of the model law is uneven.
- **Perimeter exclusions:** if the operator describes itself as a processor or payee agent, record the contractual basis, since the federal processor exclusion turns on an agreement with the creditor or seller.
- **Change-of-control exposure:** state approval and notice timing for licensed entities; the effect on agency contracts is a question for the contract.
- **Agent network completeness:** mark unknown when the list is private.
- **Currency:** record date, query string and source for every count.

Implications and Future Directions

The central implication for origination teams is that "registration row" and "business unit" are different grains. A registrant frame is a list of entities that filed, with registrant-provided information. A storefront frame is a list of locations. A relationship frame, the one this guide recommends, is a list of service-specific edges. Teams that skip the third will either overcount transmitters by treating agent outlets as independent operators, or undercount eligible businesses by reading the sole-agent exception as a missing firm.

Three developments are worth monitoring. First, the notice is a renewal without change, so any change in the agent-list or registration rule would arrive through a separate rulemaking; no such change was verified here. Second, FinCEN's registration page uses older terminology in places, so reviewers should re-check the current regulation, whose eCFR text was current as of 11/16/2026, before citing activity-specific thresholds or prepaid-access exceptions. Third, the state model law continues to spread, with thirty-one states reported by CSBS and licensees in at least one such state accounting for 99% of reported money transmission activity (www.csbs.org), which may make delegate reporting a more common source of state-side relationship records over time.

Limitations are material. No complete agent network was obtained, no row-level query results or downloadable files were extracted, no real targets were evaluated, and the service mix of any operator is unknown. Treasury describes the large number of principal and agent MSBs as part of the sector's structure (home.treasury.gov), which is why a relationship graph is more informative than a flat list.

Frequently Asked Questions (FAQs)

What is the difference between an MSB agent and a principal?

A principal is the issuer or provider of the MSB service; an agent is a separate business entity authorised by the issuer to sell or distribute it. A principal files the registration and keeps the agent list. An agent-only business is not required to register.

Can a business be both a principal and an agent?

Yes, by service. A person that is an MSB both on its own behalf and as an agent of another MSB must register. The worksheet records role per service for that reason.

What is the difference between an agent and an authorized delegate?

"Authorized delegate" is state-law language: the CSBS model law defines it as a person a licensee designates to engage in money transmission on its behalf. One state regulator treats "authorized agents" as the former name of the report. Check the statute of the state concerned.

What is the agent of the payee exemption?

In the CSBS model law, an agent of a payee that collects and processes payments is exempt if there is a written agreement, the payee holds the agent out to the public, and the payor bears no risk of loss. Federal rules express related ideas through the payment processor and integral-services exclusions.

Does a payment processor need MSB registration?

Not automatically. A processor that meets the exclusion conditions, including an agreement with the creditor or seller, may fall outside the MSB definition. Whether a given operator qualifies is a legal, fact-specific question for counsel.

How do I look up an MSB, and what does a hit or miss mean?

Use the FinCEN registrant search, ideally by registration number. A listing is not a recommendation, certification of legitimacy or endorsement (msb.fincen.gov), and a no-hit can reflect role, spelling variations or listing rules. For state authority, FinCEN points to NMLS Consumer Access.

Is there a public list of an MSB's agents?

This guide verified none. The principal maintains the list and provides it on request to FinCEN (www.ecfr.gov).

What does a PE team need to check in MSB diligence?

Entity, role by service, relationship and ownership evidence, state authorisation, perimeter exclusions, change-of-control timing and agent network completeness, as listed above. Seek legal advice for any licensing or registration conclusion.

Conclusion

A remit logo, a federal registration row and a state licence answer three different questions, and none of them settles whether a storefront is an independent principal, a separately owned agent business, an owned branch or a mixed-role operator. FinCEN's definitions make the distinction operational: an agent is a separate business entity, a branch is an owned place of operation, and the agent-only business is outside the registration requirement. The research consequence is a graph with separate ownership and service-authorisation edges, recorded by service and period, with counts of rows, entities, locations and relationships kept apart.

The honest limits are the private agent list, the unverified service mix and the different units behind the official counts. A register hit or miss cannot settle ownership, authorisation or legitimacy, and this guide offers no licensing conclusion or investment recommendation. Teams that need a legal determination should consult qualified counsel. For research workflows that preserve these distinctions, see the Docket research library.

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. https://www.fincen.gov/system/files/shared/FAQ.pdf
2. https://www.ecfr.gov/current/title-31/section-1022.380
3. https://www.govinfo.gov/content/pkg/FR-2026-04-30/pdf/2026-08363.pdf
4. https://msb.fincen.gov
5. https://home.treasury.gov/system/files/246/2026-NMLRA.pdf

6. https://www.fincen.gov/resources/money-services-business-msb-registration
7. https://www.fincen.gov/system/files/2024-12/Alert-FinCEN-Scams-FINAL508.pdf
8. https://www.ecfr.gov/api/renderer/v1/content/enhanced/current/title-31?part=1010&section=1010.100
9. https://www.csbs.org/sites/default/files/2023-08/CSBS%20Money%20Transmission%20Modernization%20Act.pdf
10. https://dfi.wi.gov/Pages/FinancialServices/LicensedFinancial/MoneyTransmitterModernizationAct.aspx
11. https://www.ecfr.gov/current/title-31/subtitle-B/chapter-X/part-1022/subpart-C/section-1022.380
12. https://www.irs.gov/businesses/small-businesses-self-employed/money-services-business-msb-information-center
13. https://www.fincen.gov/system/files/administrative_ruling/FIN-2014-R009.pdf
14. https://www.fincen.gov/system/files/2019-05/FinCEN%20CVC%20Guidance%20FINAL.pdf
15. https://www.fincen.gov/resources/statutes-regulations/administrative-rulings/whether-authorized-agent-receipt-utility
16. https://www.ic3.gov/PSA/2024/PSA240425
17. https://mortgage.nationwidelicensingsystem.org/slr/common/Pages/default.aspx
18. https://www.csbs.org/csbs-money-transmission-modernization-act-mtma
19. https://www.law.cornell.edu/cfr/text/12/1005.30
20. https://www.law.cornell.edu/cfr/text/12/1005.35
21. https://docs.legis.wisconsin.gov/document/statutes/217.06
22. https://home.treasury.gov/system/files/136/2024-National-Money-Laundering-Risk-Assessment.pdf
23. https://www.fincen.gov/resources/statutes-regulations/federal-register-notices/registration-of-money-services-businesses-regulation-and-fincen-form-107

THE PUBLISHER

About Docket

Docket provides deal-origination research software and managed research for private equity firms. We help investment teams investigate acquisition targets using structured screening criteria, retained sources and reviewable company evidence. Teams can work through a self-serve platform or use managed research, depending on how they want research delivered.

Research against a defined mandate

A useful target list needs more than company names. Docket focuses on the questions that determine whether a company fits an investment mandate, including the evidence needed to support or qualify each answer. Our research approach makes the connection between screening criteria, source material and conclusions visible to the team reviewing the work.

Triage, Scout and Audit

Docket's three named research agents perform complementary tasks. Triage resolves company identity and screens fit. Scout collects sourced answers against the mandate. Audit checks retained evidence, addresses contradictions and leaves unsupported answers visibly unresolved. This structure helps reviewers distinguish established findings from missing information and questions requiring further investigation.

Evidence that supports investment-team judgment

Our research library covers market mapping, screening criteria, private-company data, succession and ownership, source evaluation and evidence standards. These resources explain the methods and limitations behind origination research. Findings support a team's judgment; they do not establish that a company is for sale or guarantee a transaction or investment outcome.

Work with Docket

Visit Docket to explore the platform, managed research and the current contact path. Read about screening criteria, evidence standards, AI research agents and market mapping.

Public examples are illustrative unless explicitly identified otherwise. Research preparation and authorized outreach are separate activities; confidential target lists and customer outcomes should never be inferred from an educational example.

Website: https://docket.capital

This article is educational. Verify consequential medical, legal, financial, regulatory and technical decisions with appropriate professionals and the cited primary sources. Company services are described separately from the article's research findings.