§ 640. Definitions. In this article, unless the context or subject matter otherwise requires:

1. "Person" means an individual, partnership, corporation, association, joint stock association, trust or other group, however organized.

2. "Licensee" means any person duly licensed by the superintendent pursuant to this article.

3. "Check" means any check, draft, travelers check, money order or other instrument for the transmission or payment of money.

4. "purchaser", "holder", "New York instrument" and "New York traveler's check" shall have the respective meanings ascribed to such terms by section six hundred fifty-three of this chapter.

5. "Payment instrument" means any check, draft, money order, or other instrument or order for the transmission or payment of money, whether or not such instrument or order is negotiable, and sold to one or more persons. "Payment instrument" does not include a traveler's check, any instrument which is redeemable by the issuer in merchandise or services, a letter of credit or a permissible investment as defined in this section.

6. "Outstanding payment instruments" means unpaid payment instruments sold anywhere in the United States and whose sale has been reported to a licensee.

7. "Traveler's check" means an instrument, regardless of its form, specifically identified on the instrument as a traveler's check and issued in either written form, with a provision for a specimen signature of the purchaser to be completed at the time of purchase and a counter-signature of the purchaser to be completed at the time of its negotiation, or in electronic form with a provision for the electronic equivalent of the specimen signature and counter signature. An instrument shall not be identified as a traveler's check if it fails to

comply, as the case may be, with either the written or electronic signature requirements of this subdivision.

8. "Outstanding traveler's checks" means unpaid traveler's checks sold anywhere in the United States and whose sale has been reported to a licensee.

9. "Permissible investments" means:

(i) cash;

(ii) certificates of deposit or other debt instruments of a commercial bank;

(iii) bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by member banks of the federal reserve system;

(iv) commercial paper of prime quality as defined by a nationally recognized organization which rates such securities;

* (v) interest-bearing bills, notes, bonds, debentures or other obligations issued or guaranteed by the United States or any state or other local governmental entity or any agent or instrumentality thereof, bearing a rating of one of the three highest grades by a nationally recognized investment service organization that has been engaged regularly in rating state and municipal issues for a period of not less than five years;

* NB Effective until notification of the superintendent of financial services

* (v) interest-bearing bills, notes, bonds, debentures or other obligations issued or guaranteed by the United States or any state or other local governmental entity or any agent or instrumentality thereof, which meet the standards of creditworthiness established by regulation by the superintendent;

* NB Effective upon notification of the superintendent of financial services

* (vi) interest-bearing bills, notes, bonds, debentures or preferred stock traded on any national securities exchange or on a national over-the-counter market or bearing a rating of one of the three highest grades by a nationally recognized investment service organization that has been engaged regularly in rating corporate debt or equity issues for

a period of not less than five years; and

* NB Effective until notification of the superintendent of financial services

* (vi) interest-bearing bills, notes, bonds, debentures or preferred stock traded on any national securities exchange or on a national over-the-counter market or which meet the standards of creditworthiness established by regulation by the superintendent; and

* NB Effective upon notification of the superintendent of financial services

(vii) such other investments or assets if and as approved by the superintendent.

Except for cash and certificates of deposit of a commercial bank, any particular investment within the classes of investments authorized by this section is subject to disqualification for one or more licensees for the purpose of this article, if unsatisfactory for any reason in the opinion of the superintendent. Notwithstanding the foregoing provisions of this section, the superintendent shall have the power to limit, with respect to any particular licensee or all licensees, the extent to which any class of investments authorized by this section, except for cash and certificates of deposit of a commercial bank, may be considered a permissible investment.

10. "Agent" means any person designated or appointed by the licensee pursuant to a written agency contract to engage in money transmission activities at locations other than a duly authorized office of the licensee as provided in section six hundred forty-eight of this article. Except for a licensee, any person acting as agent engaging in money transmission activities absent such a written agency contract shall be deemed to be in violation of section six hundred forty-one of this article and may be subject to criminal prosecution pursuant to section six hundred fifty of this article. Such term shall not be deemed to include any banking corporation incorporated or licensed under this chapter or under the laws of the United States or any other state or any casher of checks licensed under this chapter.