

## Chapter 12

# Handling of payments by intermediaries

## 12.2 Obligations on intermediaries

- 12.2.1** **R** A *firm* engaged in *funeral plan distribution* must not accept payments which are payable to a *funeral plan provider* under a *funeral plan contract* unless:
- (1) the payment is:
    - (a) received as agent for the *funeral plan provider*;
    - (b) made in cash;
    - (c) made at the time the *funeral plan contract* is entered into by the *firm* as agent of the *funeral plan provider*; and
    - (d) deemed received by the *funeral plan provider* on receipt by the agent under the following contracts:
      - (i) the *funeral plan contract*;
      - (ii) the contract between the *funeral plan provider* and the agent; and
      - (iii) (where the *firm* is using an *appointed representative*) the contract between the *firm* and the representative; or
  - (2) [deleted]
  - (3) the payment is made by cheque payable to the *funeral plan provider* and:
    - (a) is paid into the bank account of the *funeral plan provider* promptly and, in any event, no later than three *business days* after receipt; or
    - (b) is forwarded to the *funeral plan provider* promptly and, in any event, no later than 3 *business days* after receipt.
- 12.2.3** **G** The effect of ■ FPCOB 12.2.1R is that a *firm* engaging in *funeral plan distribution* can only accept payment for a *funeral plan contract* if the payment is made by cheque payable to the *funeral plan provider* or in cash and, if cash, the *funeral plan provider* will be bound by that contract from the moment that any cash payment is received by the *firm*.
- 12.2.4** **R** ■ FPCOB 12.2.1R does not apply to:
- (1) a *funeral plan provider* when distributing its own *funeral plan contracts* directly to *customers*; or
  - (2) a payment which is an *FP distribution charge*.