

- (a) any agreement of confidentiality or Memorandum of Understanding between the Authority and the Central Bank or foreign authority; and
- (b) any law on the protection of confidential information.

PART 4

SEGREGATED ACCOUNTS, BANKRUPTCY OR INSOLVENCY OF LICENSEE

Segregated Accounts

24. (1) A licensee on receipt of funds from a payor customer shall immediately and irrevocably segregate the amount intended for transmission or delivery to the payee customer exclusively for the purpose of the proper payment of the funds in due course to the payee customer.

(2) Any funds which are not delivered or transmitted to the payee customer by or on behalf of the licensee shall be a first charge on the assets of a bankrupt or otherwise insolvent licensee and shall be—

- (a) repaid to the payor customer; or
- (b) paid to the payee customer;

by the licensee, receiver, liquidator or administrator out of the segregated account to which the funds were placed or were deemed to have been placed.

Bankruptcy or insolvency of licensee

25. (1) Where bankruptcy or insolvency proceedings are instituted against a licensee, the licensee must notify the Authority, as soon as practicable, after the bankruptcy or insolvency proceedings are instituted against it.

(2) A person does not contravene subsection (1) if the person took reasonable steps to comply with that subsection.

(3) A person who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of \$50,000.

Utilisation of deposits, etc.

26. (1) Notwithstanding anything to the contrary in the Bankruptcy Act or the Companies Act, any funds delivered to a licensee by or on behalf of a customer, prior to the issue of any bankruptcy, winding-up or receivership order against that licensee, shall be utilised by the licensee, receiver or liquidator solely to discharge the licensee's contractual obligations to the customer.

(2) Notwithstanding anything to the contrary in the Bankruptcy Act or the Companies Act, if a licensee goes into bankruptcy, receivership or is wound up, any provision contained in a written agreement between that licensee and a customer is binding upon the liquidator, receiver or administrator in respect of any payment or settlement obligation.