

185—16.43(123) Extension of credit and prepaid accounts.

16.43(1) *Extension of credit.* An industry member is prohibited from extending credit on the sale of alcoholic liquor or beer to a retailer. An industry member may extend credit to a retailer on the sale of wine for not more than 30 days from the date of the sale.

16.43(2) *Prepaid accounts.*

- a.* An industry member may establish prepaid accounts in which retailers deposit a sum of money to pay for future purchases of alcoholic beverages products.
- b.* An industry member may not hold the money deposited in a prepaid account for future payment of a debt.
- c.* An industry member shall transfer the amount of the invoice from the retailer's prepaid account each time that the industry member makes a sale and a delivery to the retail establishment.
- d.* An industry member is not required to establish separate escrow accounts for prepaid accounts.
- e.* An industry member is responsible for accurately and honestly accounting for the funds held in a prepaid account.
- f.* A retailer may withdraw the money placed in a prepaid account at any time.
- g.* An industry member is prohibited from utilizing prepaid accounts to require a retailer to purchase any quota of alcoholic liquor, wine, or beer.

This rule is intended to implement Iowa Code sections 123.45 and 123.181(2).

[ARC 1992C, IAB 5/13/15, effective 6/17/15; ARC 7028C, IAB 5/31/23, effective 7/5/23]