

**Question by attendees****Response by PLRD**

<p>What are the licensing requirements for debt collection businesses?</p>	<p>Debt collection businesses who are collecting third-party debts are required to obtain a licence under the Debt Collection Act.</p> <p>Debt collection businesses and their employees must comply with existing laws. Persons who are deemed unsuitable for the debt collection industry may be barred from entering or remaining in the debt collection industry. This is to discourage undesirable behaviour by debt collection businesses and their employees.</p>
<p>Would a licence be required to collect debts at a debtor's office?</p>	<p>Debt collection is a legitimate activity, but specific legislation has been implemented to regulate it more effectively. Regardless of whether the collection efforts are conducted at someone's residence or workplace, they are considered as debt collection activities under the governing laws.</p>
<p>Do debt collection businesses need approval from PLRD for each contract they undertake to collect debts?</p>	<p>Once licenced, the debt collection business does not need approval from PLRD for each contract they undertake.</p>
<p>Do debt collection businesses based overseas need to be licensed?</p>	<p>The Debt Collection Act governs debt collection activities in Singapore regardless of where the businesses are based or incorporated.</p>
<p>Who are considered debt collectors?</p>	<p>Debt collectors are persons engaged in debt collection activities, including debt collection via emails and telephone calls. Thus, administrative staff performing debt collection, <i>inter alia</i>, by making calls to recover debts from debtors are also considered debt collectors. However, personnel such as cleaners or administrative staff who are not involved in debt collection within the business are not considered debt collectors.</p>
<p>Do debt collection businesses need to seek approval to deploy debt collectors?</p>	<p>Every debt collection business must submit a joint application with every debt collector to seek approval for the debt collector to work for the business. The approval will be tagged to the specific debt collection business licence, but the debt collector may work for multiple business, but separate approval is required for each debt collection business to deploy the debt collector.</p>
<p>What is the transitional period for debt collection businesses and debt collectors to obtain the necessary licences and approval?</p>	<p>Existing debt collection businesses are allowed to operate for up to three months from the operational date without a debt collection business licence, as long as they submit their application during this period. They can continue operating until their application is either approved or rejected. If they fail to submit the application within the three months or if their application is rejected, they must cease operations.</p> <p>For existing debt collectors employed by these businesses, they can continue working for up to three months from the date their</p>

	<p>employer's debt collection business licence is approved. During this time, the employer must submit their employees' application for approval as collectors. They can continue their debt collection activities until their application is either approved or rejected. If their application is rejected at any point, they must stop their debt collection activities immediately, even if it is within the three months grace period.</p>
<p>What is the licence tenure for third-party debt collection businesses?</p>	<p>The licence tenure for debt collection business licences is three years.</p>
<p>Is it possible for applicants to remove unsuitable members of company before applying for the debt collection business licence?</p>	<p>Applicants may remove persons that they deem unsuitable from the business before they submit a licence application. However, if the licence application has already been rejected because the member of company is found to be unsuitable by PLRD, the applicant will need to submit a fresh application, and the business cannot operate until the licence application is approved. However, if an unsuitable personnel is added to the business after the licence is granted, the licence may be revoked. Similarly, if an existing member of company is subsequently found to be unsuitable, e.g. for committing a relevant offence, the licence may be suspended or revoked.</p>
<p>What is the debarment period for criminal antecedents?</p>	<p>PLRD will provide the reasons for every application that is rejected. In determining the suitability of the licensees, members of company and debt collectors, PLRD will consider the nature and severity of the offences. The fit and proper criteria will also be prescribed in the Debt Collection (General) Regulations.</p>
<p>Can PLRD publish information on persons that are unsuitable to be debt collectors on PLRD's website so that debt collection businesses will not waste time and effort to apply for approval to deploy such persons as debt collectors?</p>	<p>Due to confidentiality reasons, PLRD is unable to publish the list of unsuitable persons online.</p>
<p>What are the debt collection methods that are not allowed under the Debt Collection Act?</p>	<p>PLRD does not prescribe the debt collection methods, but debt collection businesses must comply with all existing laws and regulations. PLRD's primary focus is on ensuring that criminal elements are not engaged in debt collection and will not hesitate to weed out errant debt collection businesses and debt collectors from the industry.</p>
<p>Will PLRD be introducing a tiered licensing regime?</p>	<p>Currently, there are no plans to introduce a tiered licensing regime and the regime is not designed as an accreditation scheme. Unless exempted, debt collection businesses collecting third-party debt will require a licence under this regime. However, as debt collection is recognised as a legitimate business</p>

activity, PLRD is mindful to avoid imposing unnecessary regulatory burden on *bona fide* businesses.