

Frequently Asked Questions (FAQs) regarding Debt Collection Licensing Regime

<u>S/N</u>	<u>FAQ</u>	<u>Answer</u>
1	When will the Police start licensing the debt collection agencies and debt collectors?	As announced during the Second Reading of the Debt Collection Bill in Parliament on 13 September 2022, the debt collection laws will take effect after the first half of 2023. Please be assured that the Police will give sufficient time for existing debt collection agencies to transit to the new licensing regime.
2	Currently I operate a debt collection agency. When must I apply for a licence?	Currently, you do not need a licence from the Police. You may apply for a licence when the debt collection laws take effect. When the laws take effect, the Police will also publish details such as the licensing criteria, licensing conditions, licence fees, licence tenure and supporting documents.
3	I run a family business and I collect debts owed by my clients. When the debt collection laws take effect, will I require a licence from the Police?	You may require a class licence. Class licensees do not need to apply for a physical licence from the Police but class licensees and their employees must still comply with rules and regulations under the debt collection laws.
4	I intend to employ debt collectors for my debt collection agency. Must I obtain Police approval before I hire the debt collectors?	Currently, there is no need for debt collection agencies to obtain Police's approval before hiring debt collectors. However, when the debt collection laws take effect, agencies will require Police's approval before they may hire debt collectors.
5	Under the debt collection laws, if I terminate the employment of my debt collector, must I notify the Police?	When the debt collection laws take effect, you will be required to notify the Police within a prescribed timeframe, after you terminate a debt collector.
6	If I operate one debt collection agency but I wish to open a second branch company, must I apply for a licence for the second agency?	If it is registered with the Accounting Corporate Regulatory Authority (ACRA) as a branch office of the main company, you will not need to apply for another licence.
7	If I open two debt collection agencies, may I apply for one licence for both companies or must I apply for separate licences for each?	If the two agencies are registered as separate companies with ACRA, you will need to apply for two separate licences.
8	Is there a minimum paid-up capital for my debt collection agency, to be eligible for a licence?	There is no minimum paid-up capital required.
9	Will the police conduct checks on my debt collection agency?	The Police will be empowered under the debt collection laws to enter any premises used for the conduct of debt collection business to check for compliance with licensing conditions and adherence to relevant laws.