

**LICENCING PROCEDURE
COLLECTION AGENCY LICENCE
COLLECTIONS ACT**

A **COLLECTION AGENCY** is a person who: (i) collects debts for others; (ii) offers or undertakes to collect debts for others; (iii) solicits accounts for collection; (iv) collects debts owed to him or her under a name which is different from the name of the creditor; (v) mails to debtors or offers or undertakes to mail to debtors, on behalf of a creditor, collection letters; (vi) for consideration or hope or promise of consideration, enters into an agreement under the terms of which the person agrees to pay to a vendor an amount in respect of goods or services sold or supplied by the vendor to a person other than the collection agency; (vii) offers or undertakes to act for a debtor in arrangements or negotiations with the debtor's creditors; (viii) receives money periodically from a debtor for distribution to his or her creditors; (ix) sells or offers for sale a collection system, device or scheme intended to be used to collect debts, or (x) acts as an independent court agent and includes a person who takes an assignment of a debt due at the date of assignment from a specified debtor.

CORPORATE APPLICANT

If the applicant is a corporation, a copy of the Certificate of Incorporation issued under the *Corporations Act* is required. Contact the Registry of Companies at (709)729-3317 for information.

LOCAL OFFICE REQUIREMENT

An applicant for a licence shall state in the application a permanent place of business in the Province which is open to the public during normal business hours that is satisfactory to the registrar. The minimum requirements are:

- The office shall be maintained in the province;
- It shall be opened during normal business hours;
- Debtors should be able to make payments, file complaints, and conduct inquiries on their accounts from this office;
- There must be an individual in the office capable of handling debtor enquiries;
- Toll free telephone service shall be available.

ADDRESS FOR SERVICE

The applicant shall indicate on the application a current **Address for Service** in the Province. A document sent or served to the applicant under the *Collections Act* or *Regulations* shall be considered to be sufficiently sent or served if delivered personally or mailed by registered mail to the licensee at the address for service stated in the application for licence.

BOND REQUIREMENT

A bond in the amount of **\$20,000** is required.

TRUST ACCOUNT

The collection agency shall maintain a separate trust account in a financial institution in which the agency shall deposit all monies paid to it in trust for others in connection with its business.

COLLECTION FORMS/LETTERS

The applicant shall submit all forms of agreement, letters, instruments and documents which will be used in the collection of debts. These forms must be approved by the Registrar.

FINANCIAL STATEMENTS

The applicant shall file a certified copy of the most recent balance sheet and auditor's report of the collection agency.

LICENCE FEES

The licence fee for a Collection Agency licence is \$300.00. Cheques are made payable to the Newfoundland Exchequer Account.

LICENCE TERM

Licences issued under the *Collections Act* remain in effect subject to the filing of annual reports and payment of an annual fee as prescribed by the Minister, until it is withdrawn by the registered person or is suspended or cancelled under the Act. The annual filing due date is the last day of the month twelve (12) months from the effective date of the original licence.