

## Debt Collection Licensing Regime Frequently Asked Questions (FAQs)

S/N	FAQ	Answer
1	When did the debt collection licensing laws take effect?	<p>The Debt Collection Act 2022 (DCA) took effect from 1 December 2023.</p> <p>From 1 December 2023 onwards, debt collection businesses must obtain a licence from the Police unless they are exempted, or class licensed under the Debt Collection (Class Licence) Order 2023.</p> <p>Persons who are employed or deployed by debt collection companies to collect debts must also obtain an approval from the Police.</p> <p>For more details on the licensing regime, please visit <a href="https://www.police.gov.sg/e-Services/Police-Licences/Debt-Collection-Business-Licence">https://www.police.gov.sg/e-Services/Police-Licences/Debt-Collection-Business-Licence</a></p>
2	I like to operate a debt collection business. When can I get more details on the licensing requirements for a licence?	<p>Police has published details such as the licensing criteria, licence fees, licence tenure and supporting documents on <a href="https://www.police.gov.sg/e-Services/Police-Licences/Debt-Collection-Business-Licence">https://www.police.gov.sg/e-Services/Police-Licences/Debt-Collection-Business-Licence</a></p>
3	What is the meaning of “debt collection activity”?	<p>Under the DCA, a “debt collection activity” refers to any activity that involves finding the debtor of a debt or requesting, demanding or collecting from the debtor money due under the debt.</p>
4	I run a family business and I collect debts owed by my clients. Will I require a licence from the Police?	<p>You may not require a licence if you are collecting debts that are owed to your company <b>and</b> you are collecting the debts directly from your clients, <u>unless you are a regulated business as defined under the DCA</u>. For example, a car rental company which collects the debts directly from its customers do not require to be licensed under the DCA.</p> <p>The list of regulated businesses are defined in Part 2 of the first Schedule to the DCA. For example, it includes businesses such as banks, financial institutions, moneylenders, etc.</p> <p>If you require more clarification, you may send your query to the Police at <a href="mailto:SPF_PLRD_GLD@spf.gov.sg">SPF_PLRD_GLD@spf.gov.sg</a>.</p>
5	I am collecting rental arrears and payments for goods or services for my clients. Do I require a licence?	<p>Yes. Under the DCA, a “debt” means a monetary obligation owed by a debtor and it includes arrears and payments. If you are collecting these for or behalf of your clients, you will require a licence.</p>

6	I intend to employ debt collectors for my debt collection business. Must I obtain Police approval <b><u>before</u></b> I hire the debt collectors?	Yes. Please apply for Police's approval <b><u>before</u></b> you deploy the debt collectors for debt collection activities.
7	My company employees collect debts for clients using emails, phone calls and remote means. They do not make physical visits to collect debts. Do I require a licence from the Police?	If your company and employees are involved in any third party debt collection activity, that involves finding the debtor of a debt or requesting, demanding or collecting from the debtor money due under the debt (not owed to your company), your company and employees are regulated under the DCA, regardless of whether it is physical or by remote means. Your company and employees will require a business licence and employee approval from the Police respectively.
8	Under the debt collection laws, if I terminate the employment of my debt collector, must I notify the Police?	Yes. Please notify the Police <u>within 14 days</u> of terminating the employment of a debt collector. This is required by the law. You may submit the termination notification online via the Go-Business application portal.
9	If I own one debt collection agency but I wish to open a second branch office, must I apply for a licence for the branch office?	If the second or subsequent branch is the same legal entity as your registered company, i.e. registered with the Accounting Corporate Regulatory Authority (ACRA), you do <u>not</u> need to apply for another licence.
10	If I open two debt collection businesses, do I apply for one licence for both companies or do I apply for individual licences for each of them?	If the two businesses are two separate legal entities, i.e. registered as separate companies with ACRA, you will need to apply for <u>two</u> separate licences.
11	Is there a minimum paid-up capital for my debt collection business to be eligible for a licence?	There is no minimum paid-up capital required.
12	Will the police conduct checks on my debt collection business?	Yes. The Police would conduct checks for licence-compliance.
13	Buy-Now-Pay-Later (BNPL) platform operators collect payments from the customers upfront. Are BNPLs required to obtain a debt collection business licence?	A company offering BNPL arrangements to customers and deploys company personnel to engage in activities to collect unpaid payments from customers, is regulated under the DCA. Such a company will require a debt collection licence. Company employees who are assigned to collect debts will also need Police's approval before they are deployed for debt collection activities.
14	I run a facilities management company for private properties. My clients engage my services to collect rental payments from the tenants who reside or work in their properties. Do I need a debt collection licence from the Police?	If as a facilities manager, you are required to collect rentals on behalf of your clients, e.g. property owners, regardless whether your primary business is as a property or facility management, you will be deemed to be collecting debt. You will require a debt collection licence, and your employees who are collecting debt will need Police's approval before they may be deployed for debt collection activities.

15	Is the list of licensed debt collection companies and employees available for public viewing?	<p>For debt collection companies, you may do so at the following GoBusiness weblink: <a href="https://dashboard.gobusiness.gov.sg/verify-licence?src=home_quicklinks">https://dashboard.gobusiness.gov.sg/verify-licence?src=home_quicklinks</a> to see whether it has a valid licence issued by the Police.</p> <p>Please note that you will require the debt collection company's Unique Entity Number (UEN) or Debt Collection Business Licence Number to perform the check.</p> <p>For employees who are approved as debt collectors, this information is not available to the public. However, if a person claims to be a debt collector, please ask him to show you documentary proof of his employer. You may then use the GoBusiness weblink to check if the employer and/or company is licensed. If you have reason to believe that the person and/or the company is not licensed and/or approved, please make a police report so that the Police may investigate the matter.</p>
16	If a legal moneylender collects debts from debtors, must the moneylender apply for a Debt Collection licence?	Legal moneylenders are regulated by the Moneylender Act and are class licensed under the DCA. However, if the legal moneylender hires a third-party debt collection agency and/or debt collectors to collect debt on its behalf (and not its own employees), the third party debt collection agency and collectors are licensed and approved by the Police, respectively.
17	My company is licensed to conduct debt collections. I like to apply for approval for my employees who are foreigners. What supporting documents are required to be submitted for them?	<p>For application of approval to be deployed as debtor collector, if the applicant is a foreigner, other than providing a copy of his/her work passe, the applicant will need to obtain the criminal record clearance certificate or its equivalent to be submitted as supporting documents for Police's assessment. Typically, such documents are known as "Certificate of Free from Criminal Conviction", "Certificate of Good Conduct", "Police Clearance Certificate", etc. and likely issued by the Police, Home or Justice Ministry. However, as the issuing authority may differ from country to country, the applicant must approach the relevant authority in their respective <u>country of citizenship</u> to obtain the required document. Police will recognise the document issued by the relevant authority, which is empowered under their laws or procedures to issue such documents.</p>

18	I have paid a processing fee of \$55 when submitting application for approval for my debt collector/employee. If the application is rejected, will I get refunded the amount paid?	<p>For Police to process any application for approval for employee to be deployed as debt collector, a processing fee of \$55 need to be paid by the applicant at the point of submission of application.</p> <p>As the payment is for processing fee, there will be <b><u>no</u></b> refund if the application is unsuccessful or withdrawn or if the approval is subsequently terminated, etc.</p>
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