



Ministerial Statement

By

The Hon. Walter H. Roban, JP, MP

Minister of Home Affairs

June, 2020

“Licensing Deadline for Debt Collectors”

Mr. Speaker, I rise to inform this Honourable House of the status of the implementation of licensing of debt collection Businesses. I would remind Honourable Members that a debt collection business pursues and collects a debt on behalf of another person or business. Those who are engaging in this type of business must obtain a license from the Licensing Authority by submitting the required documentation and fee outlined under Section 8 the Debt Collection Act 2018 (the Act).

Application forms can be obtained from the Consumer Affairs office by sending a request to consumers@gov.bm.

Mr. Speaker, the Act received assent on the 31st January 2020; at which time the provision of a 90 day grace period to obtain a debt collectors

license was activated. However, due to the challenges presented by the COVID-19 pandemic, the April 30th deadline was extended to June 30th, 2020.

Mr. Speaker, I want to remind businesses that the impending deadline of 30th June is only a few weeks away. I wish to make it crystal clear that persons or business that engages in a debt collection business without a license after June 30th will be committing an offence under Section 7 of the Act. The offence makes an offending principals of a business liable on summary conviction to a fine of \$60,000 or imprisonment for up to one year or both. Conviction on indictment carries a fine of \$100,000 or imprisonment up to five years or both. As a result, I am encouraging debt collection businesses to get their applications in to the Authority as soon as possible. There will be no further extensions and the Authority will need enough time to review and verify documents submitted before issuing a license.

Mr. Speaker, upon assent, businesses should also be aware that Part 4 of the Act, “Unfair Debt Collection Practices” immediately became operational. Part 4 extends to businesses that, although they are not required to be licensed, provide credit to a debtor in form of a sale on credit, a loan of money or the provision of goods and services and collect their own debt. Since the assent the Authority have received complaints concerning debt collection practices by creditors. As a result, we will be publishing guidelines to assist creditors.

Thank you, **Mr. Speaker**