

## **Explanation of the measures coming into force on August 1, 2018**

**Act mainly to modernize rules relating to consumer credit and to regulate debt settlement service contracts, high-cost credit contracts and loyalty programs, and its regulations**

### **Receivables Management Association of Canada**

#### **Debt collection: punitive damages**

A person now has the right to seek punitive damages in the case of a violation of the Act respecting the collection of certain debts or the Regulation respecting the application of the Act respecting the collection of certain debts (for example, by a collection agent or creditor). It is a sum of money granted by the court to punish the offender, deter others from committing such offences and expose the situation.



# List of the main measures coming into force on August 1, 2019

Act mainly to modernize rules relating to consumer credit and to regulate debt settlement service contracts, high-cost credit contracts and loyalty programs, and its regulations

## Receivables Management Association of Canada

### Certification of collection agent representatives

Sections	Details
<p>Act respecting the collection of certain debts:</p> <p>34.1</p> <p>44.1</p> <p>44.2</p>	<p>It is prohibited for a collection agent to authorize a representative to act on his behalf if the representative does not hold a certificate.</p> <p>Certificates are valid for two years. The duties are \$180 for first-time applications and \$160 for renewals.</p> <p><b>Conditions for obtaining a certificate</b></p> <p>In order to obtain a collection agent representative certificate, the applicant must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• be affiliated with at least one collection agency;</li> <li>• have passed an examination approved by the Office on the knowledge of the legislative and regulatory provisions that apply to the debt collection sector (a manual will be produced to help representatives prepare for this exam);</li> <li>• have paid the required duties.</li> <li>• have submitted the required information:             <ul style="list-style-type: none"> <li>○ his name, personal and professional addresses, date of birth, personal and professional phone numbers and, if applicable, his personal and professional technological addresses (emails) and fax number;</li> <li>○ the name, address and permit number of each of the collection agents with whom he is affiliated by a work or service contract;</li> <li>○ a statement wherein he attests that:                 <ul style="list-style-type: none"> <li>▪ he has not committed an offence under the Act or the current regulation within the past three years;</li> <li>▪ he has not been convicted of a criminal offence related to collection agent activities within the past three years, unless he was granted a pardon for it;</li> <li>▪ the information provided in his application is true.</li> </ul> </li> </ul> </li> </ul>

Sections	Details
	<p>Representatives can renew their certificate under the same conditions as those stipulated for the issuance of a certificate, with the exception of the first two conditions.</p> <p>The President of the Office may refuse to issue a certificate if he has reasonable grounds to believe that the refusal is necessary, in the public interest, to ensure the honest and competent exercise of collection agent activities.</p> <p><b>Obtaining a temporary certificate</b></p> <p>Representatives already employed by an agency on August 1, 2019 must hold a temporary certificate as of that date to continue to carry out their activities. The temporary certificate allows the holder to continue to act on behalf of an agency while waiting to be able to register for the exam. The certificate can be obtained free of charge.</p> <p>In the coming months, the Office will provide additional details to collection agents on how to get a temporary certificate as well as on the entire process for certifying their representatives.</p> <p><b>When collecting a debt is prohibited</b></p> <p>A collection agent certificate holder or his representative cannot collect a debt for a merchant who enters into a high-cost money-lending or credit contract if the merchant does not hold the required permit.</p>