



AUSTRALIAN COLLECTORS &
DEBT BUYERS ASSOCIATION

18 August 2014

ACDBA Minimum Compliance Standards

There are many compliance obligations which businesses operating in contingent collections and debt buying in Australia must potentially and regularly meet. Such obligations may arise from a variety of sources, including but not limited to:

- ACCC/ASIC Debt Collection Guideline
- Anti-Money Laundering and Counter-Terrorism Financing Act 2006
- Competition and Consumer Act 2010 including the Australian Consumer Law together with the State Fair Trading Acts
- National Consumer Credit Protection Act including the National Credit Code
- Australian Privacy laws including the Privacy Act 1988
- Corporations Act 2001
- Australian Securities and Investments Act 2001
- National and State licensing laws including obligations pursuant to holding an Australian Credit Licence or a licence under state or territory laws as a collector
- Service Level Agreements entered into with Clients

This document details minimum standards which members of Australian Collectors & Debt Buyers Association should consider meeting to prove compliance to legislative and regulatory obligations. This material is provided to assist members to self-audit its compliance so as to be ready to respond to requests by others to demonstrate it meets compliance obligations.

Compliance obligations cumulatively impose a very heavy administrative burden upon businesses operating in the Australian collections and debt buying industry.

It is recommended that members develop and maintain records to allow it to be in a prepared position to quickly demonstrate evidence and/or details of the arrangements in place to meet the requirements of parties such as regulators, external dispute resolution schemes, clients and other stakeholders.

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Matters which members might consider documenting include:

Governance:

In relation to each of the member's holding company, operating company, debt buying company and other related companies within its corporate structure maintaining current details of:

- A. The company's correct legal name
- B. The company's ACN (copy of incorporation certificate)
- C. The company's registered office
- D. The Executive Management team including: the Chief Executive Officer, the Company Secretary, the Chief Financial Officer, Senior Compliance Executive Officers
- E. The location of all Operations sites both Onshore and Offshore
- F. The name and contact details for the company's Legal Advisors
- G. The name and contact details for the company's Accountant/Auditors

Licensing:

In relation to each of the member's operating company, debt buying company and other relevant companies within its corporate structure maintaining details of:

- A. The Australian Credit Licence (ACL) if held (copy of ACL and date of expiry)
- B. The Responsible Managers for the ACL
- C. Any licences for operation as a collection business or commercial agency held pursuant to specific legislation within States & Territories (copy of licences held and dates of expiry)

Insurances:

In relation to each of the member's operating company, debt buying company and other relevant companies within its corporate structure maintaining details of:

- A. Professional Indemnity Policy (copy of a certificate of currency evidencing the name of insurer, policy number, date of expiry and cover extensions such as Fidelity Guarantee)
- B. Workers Compensation Policy (copy of a certificate of currency evidencing the name of insurer, policy number and date of expiry)

Memberships:

In relation to each of the member's operating company, debt buying company and other relevant companies within its corporate structure maintaining current details of memberships where applicable of:

- A. Australian Collectors & Debt Buyers Association (copy of membership certificate showing date of expiry)
- B. Other industry associations such as the Institute of Mercantile Agents, Australian Finance Conference (copy of membership certificates showing dates of expiry)

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C. An ASIC approved External Dispute Scheme – either Financial Ombudsman Service Limited or the Credit Ombudsman Service Limited ((copy of membership certificate showing date of expiry)

Compliance programs:

In relation to each of the member's operating company, debt buying company and other relevant companies within its corporate structure maintaining full details of:

- A. AML/CTF program if applicable including the reporting of Suspicious Matters (together with details of the industry exemption)
- B. Induction and periodic training of employees (including the use of online training such as provided by Safetrac/CESA etc) with respect to:
 - i. ACCC/ASIC Debt Collection Guideline
 - ii. Code of conduct
 - iii. Company operational systems
 - iv. Dispute resolution including arrangements for Internal Dispute Resolution and External Dispute Resolution
 - v. Market practices
 - vi. NCCP licensing obligations if applicable
 - vii. NCCP operational obligations
 - viii. Privacy obligations
 - ix. Workplace Health and Safety

Optional:

In relation to each of the member's operating company, debt buying company and other relevant companies within its corporate structure might consider maintaining full current details of:

- A. Details of the company's ISO Accreditation (copy of certificate and date certification expires)
- B. Collection and/or other software applications (including any call recording software technology) principally utilised in the course of operations (including details of the version and any statements as to the encryption and security standards attaching to those applications)
- C. Payment Card Industry Data Security Standard (PCI DSS) compliance (details of annual validation of compliance to relevant level and the date of last validation)