

AMCC



Debt collection practices and impact on consumer credit image and reputation



Membru



Debt collection practices and impact on consumer credit image and reputation

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1. About AMCC

- Who is AMCC?
- AMCC Members
- Who is FENCA?

Who is AMCC?

- AMCC (Trade Receivables Management Association in Romania) was founded in 2007 by Coface, Creditreform and EOS KSI and it has been a FENCA (Federation of European National Collection Association) member starting from its beginning.
- AMCC mission is to represent its members on national and international level and protect the activity of commercial receivables management through specific activities.
- AMCC promotes and protects the interests and the rights of its members and represents them on a national level, in front of the authorities.
- AMCC is a regulation and arbitration institution for the debt collection market.
- AMCC offers support and assistance for debtors on its website www.amcc.ro.

AMCC Members

- At this moment AMCC has 14 members which represent approximately 80% of the debt collection industry in Romania.
- AMCC members are national and international companies having over 50 years experience in debt collection worldwide.

The logo for coface, featuring the word "coface" in a lowercase, sans-serif font. The "c" is blue and the "o" is green, while the rest of the letters are blue.The logo for EOS, consisting of a red rectangle above a grey rectangle containing the letters "EOS" in white, uppercase, sans-serif font.The logo for Creditreform, featuring a blue globe icon with the word "CREDITREFORM" in a small, blue, uppercase font above it, and the word "Creditreform" in a larger, blue, lowercase font below.The logo for KRUK, featuring a stylized blue and green bird-like shape above the word "KRUK" in a bold, blue, uppercase font.The logo for Cycle, featuring a stylized blue and green circular shape to the left of the word "Cycle" in a blue, lowercase font.The logo for CREDITEXPRESS România, featuring a red circular icon with a white swirl to the left of the text "CREDITEXPRESS" in red and "România" in red below it.The logo for MELLON ROMANIA S.A., featuring a blue triangle icon to the left of the text "MELLON" in blue and "ROMANIA S.A." in blue below it.The logo for K&I KOLCZE, ILIUTA & ASOCIATII, featuring the letters "K&I" in a large, stylized font with a small figure above the ampersand, and the full name below in a smaller font.The logo for topfactoring, featuring three red gears to the left of the text "topfactoring" in a grey font, with the tagline "Solutia completa pentru recuperarea debitorilor" below it.The logo for RECOLLECTION, featuring a black and red diamond shape to the left of the text "RECOLLECTION" in black and "we speak facts" in red below it.The logo for DCA, featuring a blue shield with a yellow bird-like shape and the letters "DCA" in a yellow banner across the middle.The logo for DBR Factor IFN SA, featuring a stylized "b" icon to the left of the text "DBR Factor IFN SA" in a red font.The logo for Next Capital, featuring a blue and orange square icon to the left of the text "Next Capital" in blue and "Access to the next level" in a smaller font below it.The logo for firecredit, featuring a stylized "f" icon to the left of the text "firecredit" in red and "consulting & debt management" in a smaller font below it.The logo for AMCC, featuring the text "AMCC" in a large, bold font above five stars and the full name "ASOCIATIA DE MANAGEMENT AL CREAMTELOR COMERCIALE" below.

Who is FENCA?

- FENCA - the Federation of European National Collection Associations – was founded on 15th January 1993 and has 21 members.
- FENCA is the non profit-making umbrella of National associations and aims to:
 - Protect and take care of the interests of the national member associations;
 - Promote the development of European legislation within the debt collection industry;
 - Promote the development within national member associations of the following:
 - Keep the collected means for clients separated from the company means.
 - Have special insurance for the protection of the clients.
 - Establish a committee for complaints.
 - Establish training facilities.
 - Introduce basic rules and guidelines for contracts and agreements between the agencies and their clients.

2. The role of the debt collection industry

To act as a intermediate between the creditor and the debtor

Creditor



Debtor

Ensure a **positive, amicable solution** at minimal costs to all stakeholders

Respecting the rights and obligations for all stakeholders

2. Economical impact of the debt collection industry

Employees in debt collection industry

Total value of receivables processed

Total value of receivables collected

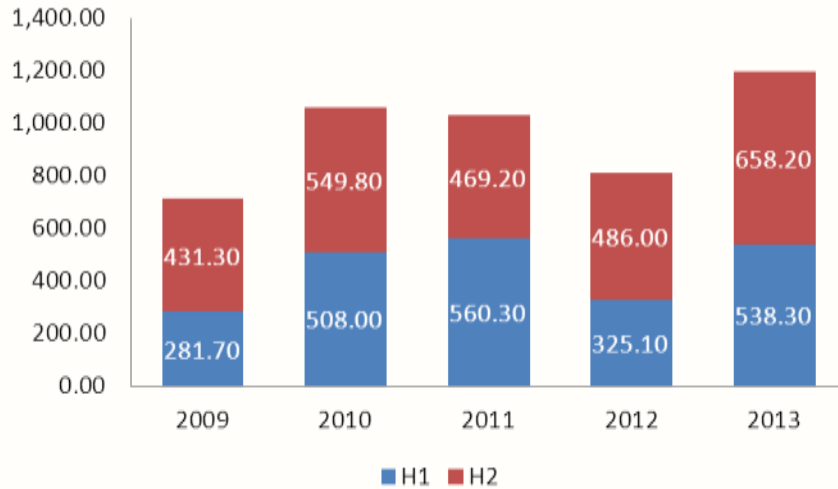
Number of employees involved in the debt collection industry*



*Source: AMCC Survey – Debt Collection Market 2013

Value of receivables processed (Mil Euro)*

B2C outsourced



B2C purchased



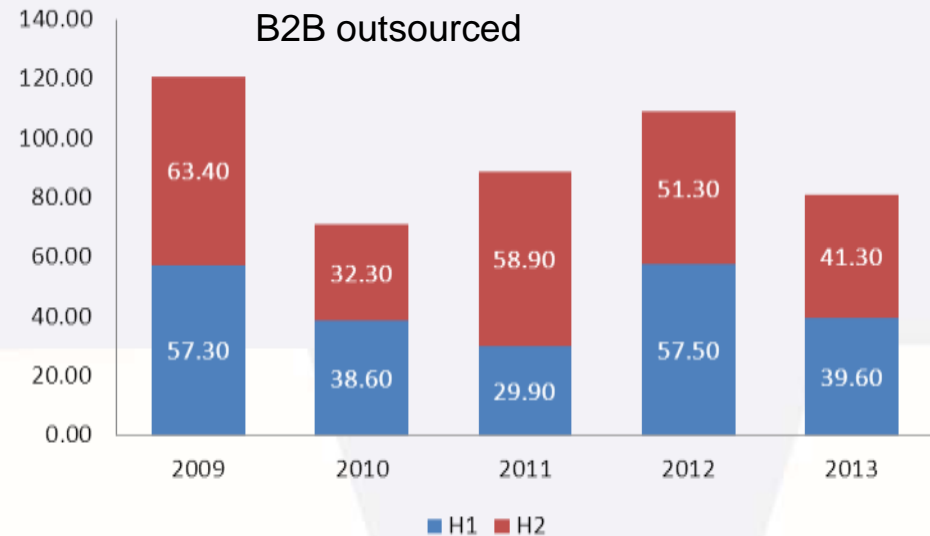
4.8B Euro outsourced

2.4B Euro sold

23.4M accounts processed

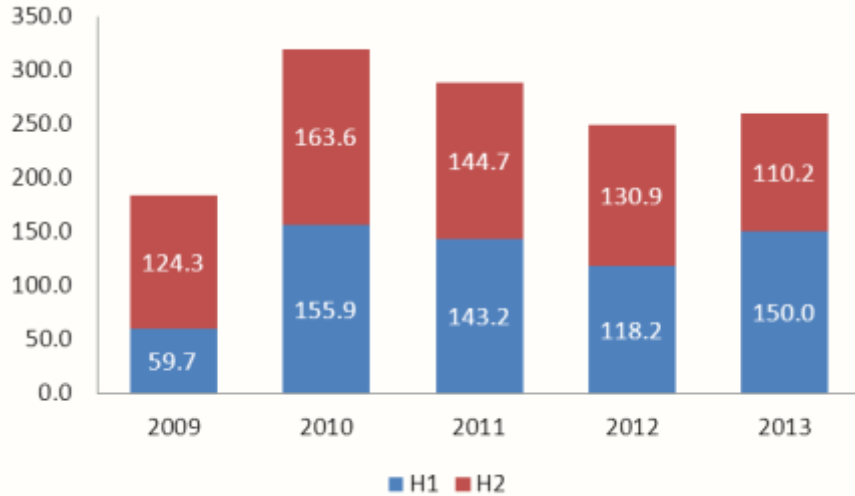
2.9M accounts sold

B2B outsourced

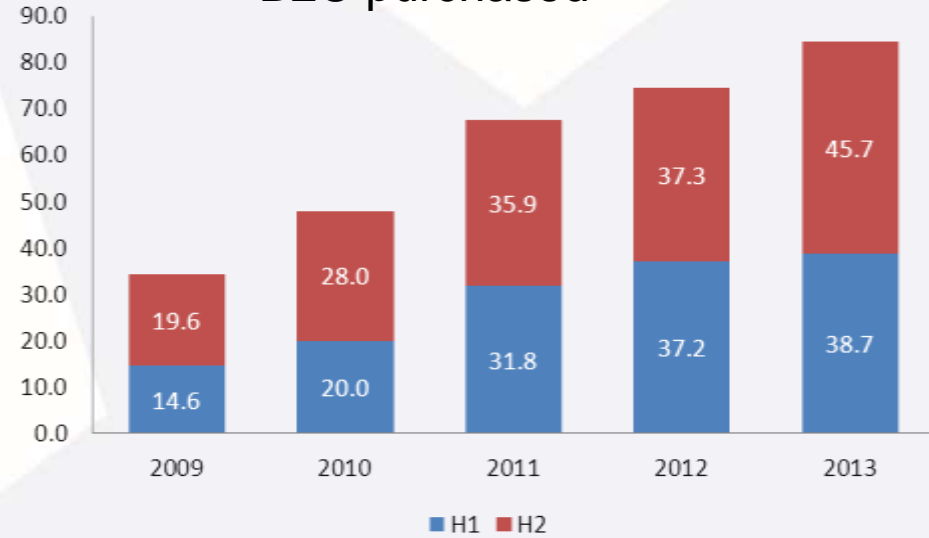


Total value of receivables collected (Mil Euro)*

B2C outsourced



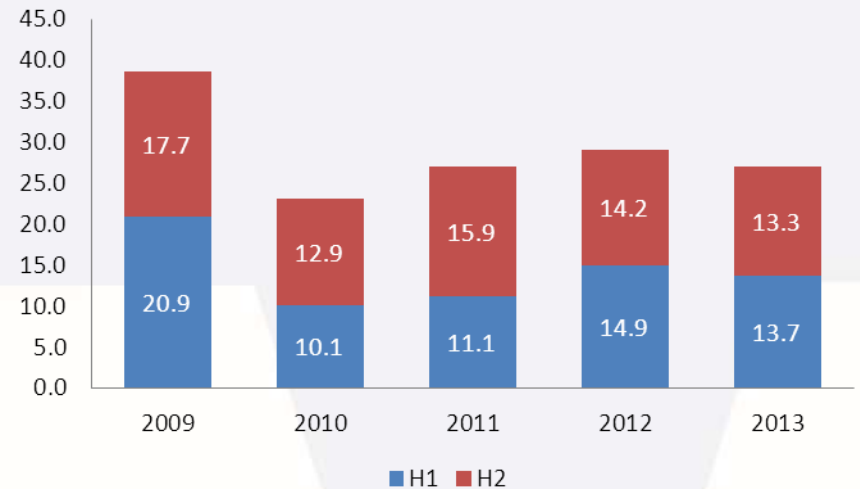
B2C purchased



2.9B Euro collected

17.8M Payments

B2B outsourced



3. Social impact of the debt collection industry

Creditor



Debtor

- Debtor communication – **Solution** Focused
- Respect for debtors
- Day without Debts
- CSR Activities

Debtor Communication – Solutions Focused

- Focus on finding an amicable solution
 - Flexibility
 - Payment plans, discounts, interest freeze
 - Social cases

“Neighbour”



“A Good Plan”



“Green envelope - Good news”



Debtor Communication – Respect for debtor

- AMCC Code of conduct
- Focus on being friendly and not invasive
- Respect the debtors

POSTA ROMANA
IPOST
Oficiul de prezentare: C.F. 32
Data prezentării: 03.04.2014

Destinatar: [REDACTED]

coface

Mihai se bucură în prezent de avantajele unei bune alegeri.

Sunați-ne ACUM și beneficiați de reduceri personalizate.

T. + 40/750 255 042



Alegerea lui Mihai

Am fost învințit

Am sunat în Colcoș

Am rezolvat

ACUM mă bucur de avantajele

Alegerea lui Răzvan

Am fost învințit

Am ignorat

ACUM suport consecințele

De ce nu am sunat în Colcoș??



“Day without Debts”



- 17 Noiembrie is a special date, between October, the month of savings and December, the month when home expenses increase due to the Christmas season.
- Social and educational campaign implemented by KRUK Group in Poland since 2009 and in Romania since 2011 (www.datoriamea.ro)
- Starting 2012, the *Day without Debts* was also celebrated in the Czech Republic



The main role of the Day without Debts is to remind each of us not to postpone the payment of our debts. The first step towards solving the financial problems is to get in touch with the creditor and to conclude an amicable payments agreement, in order to settle the debts.

CSR activities of AMCC members

EOS KSI and **Debt Collection Agency** help with regular financial contributions non-profit organizations which supports and strengthens families and communities to help prevent child abandonment, such as PRO Vita Association (Valea Plopului complex) and SOS Satele Copiilor.



Valea Plopului



SOS Satele Copiilor

4. Legal and Regulatory Environment

- Currently the industry is not regulated by a specific law / act but follows the general legal and regulatory environment
 - Civil code
 - Penal code
 - ANCP
- AMCC Code of Conduct

4. Legal and Regulatory Environment

Local Initiatives

- Law promoted by senator Urban
- Infringement process in regards to debt purchase transactions

EU Initiatives

- Support of FENCA
- Data protection regulation

Data protection regulation

- If the Council of the European Union and the European Parliament enact the current Draft of a new EU General Data Protection Regulation, Credit Reporting Agencies and Debt Collection Agencies will not be able to continue their businesses. This will seriously affect Europe's economy for which Credit Reporting Agencies and Debt Collection Agencies play an important role.

How European Union Law acknowledges Credit Reporting Agencies

- The current Draft of the General Data Protection Regulation prohibits data processing operations in certain situations which are as indispensable for Credit Reporting Agencies and Debt Collection Agencies, as they are for other industries.

EU General Data Protection Regulation

- After the lobbying activities of the Risk-Management Industries (credit reports and debt collection) with both the European Commission and the European Parliament have been without effect, our last hope rests with the European Council. It is now crucial that at least the Council rules in favor of alternative provisions which would enable the continued existence of our current business model with regard to the processing of personal data.
- The Council has formed a Working Group ("DAPIX"), in which the position of the council is to be defined. It is now of utmost importance that as many representatives as possible of the EU-Member Countries within the DAPIX are informed about our key concerns and issues. Up till now unfortunately there are very few European representatives within the EU-Member Countries that have adequately understood the pending threats to the Credit Reporting Agencies.

Further action

- European Credit Reporting Agencies and Debt Collection Agencies should further take concerted action in their country in order to influence the representatives of their national government in Brussels on this issue.

5. AMCC Plans

Creditor



Debtor

AMCC Survey of the debt collection market

Debt Collection Law

AMCC Conference

Thank you!