

# Debt Collection and Repayment Regulation

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## Purpose

To assist interest-holders with understanding amendments to the *Business Practices and Consumer Protection Act* and associated regulations.

## Disclaimer

The red text below indicates amendments replacing text with ~~strikethroughs~~, effective August 1, 2026.

## Debt Collection and Repayment Regulation

### Definitions

1 In this regulation:

"Act" means the *Business Practices and Consumer Protection Act*;

"bailiff" has the same meaning as in section 125 [definitions] of the Act;

"collection agent" has the same meaning as in section 125 [definitions] of the Act, but does not include a bailiff;

"debt repayment agent" has the same meaning as in section 125 [definitions] of the Act;

"licence" means a licence, as defined in section 1 [definitions] of the Act, to engage in a designated activity designated under section 1.1 of this regulation.

### Designated activities

1.1 For the purposes of the definition of "designated activity" in section 142 [licences] of the Act, the following are designated:

(a) the business and occupation described in the definition of "bailiff" in section 125 of the Act;

(b) the business and occupation described in the definition of "collection agent" in section 125 of the Act;

(c) the business and occupation described in the definition of "debt repayment agent" in section 125 of the Act.

### Exemptions from Part 7 of the Act

- 2(1) Part 7 [*Debt Collection*] of the Act does not apply to a sheriff.
- (2) Section 115 [*disclosure to debtor*] of the Act does not apply to a creditor collecting or attempting to collect a debt owed to the creditor.
- (3) Section 116 [*communication with debtor*] of the Act does not apply to a collector exercising a self-help remedy authorized under an enactment of British Columbia, another province or Canada.
- (4) Section 116 (4) (c) of the Act does not apply in respect of a debt due to the government.

### Exemptions from licensing requirement

3 The following persons or classes of persons are exempt from the requirement to have a licence:

- (a) lawyers in the regular practice of their profession;
- (b) persons acting as officers of or under the process or authority of any court;
- (c) trust companies and trustees acting under the terms of any will, marriage settlement or deed of trust;
- (d) chartered banks;
- (e) credit unions, in respect of services provided by the credit union to its members;
- (f) insurance agents licensed under the [Financial Institutions Act](#), in respect of the collection of insurance premiums;
- (g) brokerages licensed under the [Real Estate Services Act](#), their related licensees within the meaning of that Act and their employees, in respect of collections incidental to the business of the applicable brokerage;
- (h) persons collecting debts in the course of their employment with the government;
- (i) sheriffs;
- (j) discounters, as defined in section 2 of the *Tax Rebate Discounting Act* (Canada), exercising rights to refunds of tax acquired from taxpayers;
- (k) trustees licensed or appointed under the *Bankruptcy and Insolvency Act* (Canada);
- (l) corporations, in respect of the collection of debts for other corporations that are their affiliate, as defined in section 1 of the [Business Corporations Act](#).

### Application of regulation to employees

4 Sections 5, 8 to 10 and 11 (1) to (4) do not apply to an applicant or licensee who is employed by another licensee.

### Application for licence

5 An applicant for a licence must submit to the director

- (a) a copy of every form that the applicant uses or intends to use to evidence any agreement or arrangement between the applicant and a person for whom the applicant acts, and
- (b) a copy of every document or other form of written communication that the applicant uses or intends to use in collecting, negotiating, demanding or arranging payment of a debt.

### **Repealed**

**6** Repealed.

### **Term of licence**

**7** The director may issue a licence for a term not exceeding 3 years.

### **Licence for each location**

- 8(1)** A bailiff, collection agent and debt repayment agent must have a licence for each location from which the bailiff, collection agent or debt repayment agent conducts business in British Columbia.
- (2) A licensee must immediately notify the director of any change of address for the location from which the licensee conducts business in British Columbia.

### **Trust accounts**

**9(1)** A licensee must do all of the following:

- (a) maintain a trust account in a savings institution in British Columbia;
- (b) if receiving money from a debtor for distribution to the debtor's creditors or on behalf of a creditor from a source other than a debtor, deposit the money, within 5 days of its receipt, in the trust account;
- (c) maintain, in a form and manner satisfactory to the director, proper records of account;
- (d) maintain the licensee's records and trust account at the place specified in the application for the licence, unless notice of a new location has been delivered to and approved by the director.

(1.1) A licensee must not deposit money into the trust account referred to in subsection (1) (a) other than money referred to in subsection (1) (b).

(2) A licensee must not disburse money from a trust account except for the following purposes:

- (a) to pay the licensee's fees and disbursements charged under an agreement or arrangement referred to in section 5 (a);
- (b) to correct an error caused by money deposited in the trust account by mistake;
- (c) to make a payment under section 126 (2) or (3) of the Act.

### **Annual financial statement**

**10(1)** A licensee must submit a financial statement to the director

- (a) for the licensee's previous calendar year or other period approved by the director, within 90 days of the end of the calendar year or other period, and
  - (b) when requested by the director and for the period requested by the director.
- (2) The financial statement must contain the information required by the director.
- (3) The director may require the financial statement to be an audited statement.
- (4) A person who holds more than one licence may submit one financial statement that contains the information in respect of all licences held by the person.

### **Other conditions on licence**

**11(1)** In this section, "**employee**" means an employee who is a licensee.

(2) A licensee must immediately report to the director all of the following:

- (a) any change of address for the licensee's trust account or of any employee;
  - (b) the name and address of every new employee hired by the licensee;
  - (c) the name of any employee who ceases to be employed by the licensee and the reason the employment ceased;
  - (d) if the licensee is a corporation,
    - (i) a change in the senior officers, as defined in the *Business Corporations Act*, of the licensee, or
    - (ii) a material change in the beneficial ownership of the shares of the licensee.
- (3) If an employee ceases to be employed by the licensee, the licensee must immediately give the employee's licence to the director.

(4) A licensee must do all of the following:

- (a) display the licensee's licence in a conspicuous location in the place of business;
- (b) not use any agreement, document or communication referred to in section 5 unless it has first been approved by the director;
- (c) if the licensee holds a bailiff licence, maintain proper records of property repossessed, seized or distrained on, or disposed of, by the licensee.

(5) If the licensee holds a bailiff licence, the licensee must not move the repossessed, seized or distrained property more than 100 km while the debtor may redeem the property or reinstate the security agreement unless

- (a) the debtor has consented in writing to the removal of the property, or
- (b) the director authorizes in writing the removal of the property.

### **Security**

**12(1)** A licensee must provide security to the director that is of the type and in the form acceptable to the director

- (a) when the licensee applies for an initial licence, and
- (b) if the licensee has held a licence for at least one year, in the amount required under subsection (2) within 90 days of the end of the calendar year or other period approved under section 10.

(2) The amount of the security referred to in subsection (1) must be the greater of

- (a) \$10 000, and
- (b) the lesser of
  - (i) 10% of the gross amount received or collected by the licensee for the preceding calendar year or other period approved under section 10, less the fees or commissions applicable to the amount received or collected, rounded up to the nearest \$1 000, and
  - (ii) \$50 000.

(2.1) Despite subsection (2), the director may require a licensee to provide security in an amount that is greater than the amount required under subsection (2).

(3) The director must return the security to the person who provided the security 2 years after the person's licence is cancelled if there are no outstanding claims against the security.

(4) The director may realize on the security to indemnify the person bringing an action on the security against

(a) any failure or default of the licensee in accounting for or in the payment over of money collected by the licensee or the licensee's employees, and

(b) all costs of any action brought against the licensee to obtain an account for moneys collected by the licensee.

(5) A person may not make a claim or bring an action against security more than 2 years after the failure or default.

(6) A person who holds more than one licence may provide security to the director in a form and in an amount that covers all licences held by the person.

#### **Transitional — security**

**13** (1) A bond in accordance with the [Bonding Act](#) provided to the Director of Debt Collection as required under section 3 (1) of the [Debt Collection Act](#) is deemed to be security provided in accordance with section 12 of this regulation.

(2) Without limiting any other necessary changes to a bond referred to in subsection (1), a reference to the Director of Debt Collection of British Columbia in the bond is deemed to be a reference to the director.

#### **Debt repayment contract**

**14** In addition to the contents of a debt repayment contract required by ~~sections 19~~ **section 18.2** and 23 of the Act, a contract between a debt repayment agent and a debtor must include the following:

(a) the name, address and telephone number of the debtor;

(b) the email address, if any, of the debt repayment agent;

(c) an itemized statement of the fees that are to be paid by the debtor and the dates on which each fee must be paid;

(d) the names of the debtor's creditors to whom payments will be made under the contract;

(e) the total amount owed to each of the debtor's creditors referred to in paragraph (d);

(f) the method that the debt repayment agent proposes to use in arranging or negotiating settlement of the debtor's debt, whether by a proposed schedule of payments or a proposed one-time payment;

(g) the dates by which the debt repayment agent will forward the proposal to each of the debtor's creditors;

(h) when payments to each of the debtor's creditors are to be made, the amount of each payment and the total number of payments;

(i) the requirement that when the debt repayment agent makes a payment to a creditor of the debtor or the debtor's debt has been fully paid or settled, the debt repayment agent must account in writing to the debtor with the following information:

(i) the amount paid;

(ii) the name of the creditor to whom the amount was paid;

(j) the following statement:

"Debt repayment agents operating in British Columbia are required to be licensed under the [Business Practices and Consumer Protection Act](#) and are regulated under that Act. The services of a debt repayment agent are not provided on behalf of, or in affiliation with, the Province of British Columbia or the Business Practices and Consumer Protection Authority, commonly known and doing business as Consumer Protection BC. Using the service of a debt repayment agent will not necessarily improve your credit rating, deter the efforts of a creditor to collect a debt or prevent legal action to recover the debt, including garnishment of your wages. For more information on the regulation of debt repayment agents, please contact Consumer Protection BC."

### **Maximum fees and disbursements**

**15** A debt repayment agent must not charge a debtor fees or disbursements in excess of the following amounts:

(a) if, under a debt repayment proposal accepted by a creditor of the debtor, the debtor is to pay the creditor, 10% of the gross amount to be paid;

(b) if, under a debt repayment proposal accepted by a creditor of the debtor, the debt repayment agent is to distribute money received from the debtor to the creditor as a one-time payment or in accordance with a schedule of payments over a term lasting less than 90 days, 10% of the gross amount to be received;

(c) if, under a debt repayment proposal accepted by a creditor of the debtor, the debt repayment agent is to distribute money received from the debtor to the creditor in accordance with a schedule of payments over a term lasting 90 days or more,

(i) 15% of the gross amount to be received, and

(ii) a one-time charge of no more than the average monthly distribution to be made to the creditor.

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