



PLEASE NOTE

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For more information concerning the history of this Act, please see the [Table of Public Acts](#).

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CHAPTER C-11
COLLECTION AGENCIES ACT

1. In this Act

Definitions

(a) “collection agency” means a person other than a collector who carries on the business

collection agency

- (i) of collecting debts for other persons, or
- (ii) of receiving moneys periodically from persons for distribution to creditors of those persons in consideration of the payment of the commission or other remuneration and includes a person who takes an assignment of debts in consideration of such payment;

(b) “Minister” means the Attorney General or such other member of the Executive Council as may be designated by the Lieutenant Governor in Council. R.S.P.E.I. 1974, Cap. C-12, s.1; 1980, c.2, s.3; 1983, c.1, s.6; 1985, c.3, s.1; 1993, c.29, s.4; 1997, c.20, s.3; 2000,c.5,s.3.

Minister

2. The Minister is charged with the administration of this Act. R.S.P.E.I. 1974, Cap. C-12, s.2.

Administration of Act

3. (1) No person shall within the province engage in or advertise himself as engaged in the business of a collector of debts due or alleged to be due to any other person, or in any way hold himself out as so engaged, unless he has obtained a license therefor under this Act and the license is in force.

License to collect debts

(2) No person shall within the province act as a member or employee of or on behalf of a partnership, or as an official or employee of or on behalf of a corporation, which partnership or corporation engages in or advertises itself as engaged in the business of a collector of debts due or alleged to be due to any other person or in any way holds itself out as so engaged, or act as an employee of or on behalf of a person who so engages, advertises, or holds himself out, unless the partnership, corporation, or person so engaging, advertising, or holding out is the holder of a license under this Act.

Prohibition, employment with unlicensed collector

(3) It is no defence to a prosecution for a violation of this section that the partnership, corporation or person on whose behalf the accused acted was not, at the time of the violation, resident or carrying on business within the province.

Defence to prosecution, none where

(4) The burden of proving a license is on the person accused.

Burden of proving a license

Acting as agent	(5) Nothing in this section prevents the holder of a license under this Act who carries on the business within the province of a collector of debts due or alleged to be due to any other person, from acting in the collection of debts within the province as the correspondent of and on behalf of a person who carries on the business of a collection agent outside the province.
Collection of debts, deemed to include	(6) The business of a collector of debts shall be deemed to include the business of purchasing or taking of assignments by any person, partnership or corporation of debts due or alleged to be due to others for the purpose of collecting the debts for the profit of that person, partnership or corporation. R.S.P.E.I. 1974, Cap. C-12, s.3.
Regulations	<p>4. The Lieutenant Governor in Council may make regulations for and in relation to or incidental to</p> <ul style="list-style-type: none"> (a) licensing under this Act; (b) prescribing the terms and conditions under which the purposes of this Act shall be carried out; (c) prescribing the term or period during which any license shall be in force; (d) prescribing and regulating the fees, including methods of ascertaining, calculating or determining the fees to be paid for licenses; (e) prescribing by whom licenses shall be issued; (f) the making of such returns or reports by such persons and in respect to such matters as may be considered expedient for the purpose of giving effect to this Act or regulations; (g) methods of collecting debts including the regulation or prohibition of the use of any particular method. R.S.P.E.I. 1974, Cap. C-12, s.4; 1980, c.14, s.1.
Application of Act	5. This Act does not apply to any barrister or firm of barristers of the Supreme Court of Prince Edward Island or to a sheriff for a county of the province or his deputy or to banks, trust companies, and credit unions. R.S.P.E.I. 1974, Cap. C-12, s.5.
Registrar of Collection Agencies	6. The Minister may designate a public officer as the Registrar of Collection Agencies and the Registrar is responsible to the Minister for the administration of this Act. R.S.P.E.I. 1974, Cap. C-12, s.6; 1980, c.14, s.2.
Suspend or cancel license, power to	7. (1) The Minister may, at any time, in his absolute discretion, suspend or cancel any license for any reason which he may consider sufficient, and during the continuance of such cancellation or suspension, such person, partnership or corporation shall cease to transact further business.

(2) The Minister or such other person as may be directed in writing by the Minister, has full power at any time to enter into the premises of any licensee and examine the books and records of the licensee. R.S.P.E.I. 1974, Cap. C-12, s.7.

Inspection of books and records

8. No person, partnership or corporation whose license is or has been so revoked shall carry on the business of purchasing or taking of assignments of debts due or alleged to be due another person, partnership or corporation without being licensed under this Act; but this section does not apply to an isolated transaction by or on behalf of a creditor where the purchase or assignment is not done in the course of continued and successive transactions of a like character. R.S.P.E.I. 1974, Cap. C-12, s.8.

License revoked, effect of

9. (1) All moneys collected by a collection agency shall be deposited in a trust account in a savings institution.

Trust account, moneys collected paid into

(2) The manner of making the deposits referred to in subsection (1), and the control and disposition of the same shall be subject and conform to the regulations. R.S.P.E.I. 1974, Cap. C-12, s.9; 1994, c.48, s.5.

Manner of making deposits

10. (1) Proper records and books of account shall be kept by a collection agency showing moneys received and moneys paid out.

Proper records and books of account

(2) The manner of keeping the books of account and records referred to in subsection (1) shall be subject and conform to the regulations. R.S.P.E.I. 1974, Cap. C-12, s.10.

Manner of keeping

11. A collection agency shall, without any notice or demand, within seven days after the end of the month in which it has collected any money, account for all the money collected to the person entitled to the accounting; and in addition to that obligation, every collection agency shall, upon demand made by any person entitled to an accounting or by the Minister, duly account for all moneys received and collected. R.S.P.E.I. 1974, Cap. C-12, s.11.

Accounting for moneys collected

12. Copies of all forms of notices, agreements and other forms used or proposed to be used by a collection agency for the purpose of its business in Prince Edward Island, shall be filed with the Minister. R.S.P.E.I. 1974, Cap. C-12, s.12; 1994, c.48, s.5.

Forms to be filed

13. (1) Every application for an original license shall be accompanied by a bond to Her Majesty in such amount and form as may be prescribed by or under this Act.

Bond, accompanies application for license

(2) Every application for a renewal of a license shall be accompanied by

Application for a renewal of license, bond and certificate

- (a) a bond to Her Majesty in such form and amount as may be prescribed by or under this Act or the regulations; or
- (b) a certificate of a surety company that a surety bond previously filed on behalf of the applicant is in full force and effect. R.S.P.E.I. 1974, Cap. C-12, s.13.

Forfeiture of bond **14.** Any bond given under this Act shall be forfeited and the amount thereof shall be recoverable from the person bound thereby as a debt due Her Majesty, where

- (a) a conviction of an offence under this Act, or of an offence involving fraud, theft, or conspiracy to commit an offence involving fraud or theft under the *Criminal Code* (Canada) R.S.C. 1985, Chap. C-46 has been made by any court;
- (b) a judgment based on a finding of fraud has been given; or
- (c) a winding up or receiving order has been made under the *Bankruptcy Act* (Canada) R.S.C. 1985, Chap. B-3, or the *Winding-up Act* (Canada) R.S.C. 1985, Chap. W-11, or the *Winding-up Act* R.S.P.E.I. 1988, Cap. W-5 of Prince Edward Island

against the person in respect of whose conduct the bond was conditioned, or if that person is a partnership, any partner of that partnership, and such conviction, judgment or order has become final. R.S.P.E.I. 1974, Cap. C-12, s.14.

Continuation of bond **15.** In respect of every act and omission occurring during the term of a license, every bond shall continue in force for a period of two years after the license or renewal thereof to which it relates expires or is cancelled. R.S.P.E.I. 1974, Cap. C-12, s.15.

Assignment of bond **16.** The Minister may, with the prior approval of the Lieutenant Governor in Council and upon such terms and conditions as he may prescribe, assign any bond forfeited under this Act or may pay over any moneys recovered under any such bond to

- (a) any person who may become, in respect of a claim arising out of a collection of debt, a judgment creditor of the person so bonded;
- (b) the Registrar of the Supreme Court in trust for a person referred to in clause (a); or
- (c) any trustee, custodian, interim receiver, receiver or liquidator of a person referred to in clause (a),

and every such assignment of a bond or payment over of moneys made by the Minister pursuant to this section shall be done in accordance with any order of the Lieutenant Governor in Council relating thereto. R.S.P.E.I. 1974, Cap. C-12, s.16; 1992, c.65, s.2.

Recovery of debt owing to Crown

17. (1) Whenever Her Majesty becomes a creditor of any person under this Act, the debt may be recovered by action or other proceeding in any court of competent jurisdiction as a debt due Her Majesty.

(2) When a bond has been forfeited under section 14 by reason of a conviction or judgment referred to in clauses (a) or (b) of that section and two years have elapsed since

Disposition of
proceeds of bond

(a) such conviction or judgment; or

(b) the agent or salesman in respect of whom the bond was furnished ceased to carry on business,

and the Minister has not received notice in writing of any claim against the proceeds of the bond or of such portion thereof as remains in the possession of the Minister, the Lieutenant Governor in Council may direct the Minister to pay to any person who upon forfeiture of the bond made any payments thereunder, such proceeds, or portion thereof, less the amount of any expenses which have been incurred in connection with any investigation or otherwise relating to such agent or salesman. R.S.P.E.I. 1974, Cap. C-12, s.17.

18. Any person who violates any provision of this Act or the regulations is guilty of an offence and is liable on summary conviction to a fine of not more than \$1,000. R.S.P.E.I. 1974, Cap. C-12, s.18; 1994, c.48, s.5; 1994, c.58, s.6.

Offences