



Newsletter FENCA °41 October 2008

Federation of European National Collection Associations FENCA
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Canadian agency for sale
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I Paid Publicity

Canada West Coast Collection Agency

Diversified client base, turn key operation \$65,000.00 monthly fees.16 by 32 dialer with call blending and 20 interactive agents.

We also own the 3600 sq ft building and presently occupy 75 % which has 29 operational stations and an area wired for an additional 17 elbow to elbow stations.

The remaining 25% is a month to month retail rental.

Most of our equipment including the phone system is new within the last 2 years.

We have no leased equipment and except for 24 months remaining on 2 pri lines have no leases or commitments.

We are only interested in a share sale for tax purposes. We are looking for 6 months fees for the business or **\$ 390,000.00** and if there is an interest in the building we are looking for **\$ 825,000.00** for the building.

Email:

[Canada West Coast
Collection Agency](mailto:office@fenca.com)

the building we are looking for \$ 825,000.00 for the building.

All prices in Canadian dollars

Email: lcf_and_rj@shaw.ca

I FENCA News



... and the 4th World Congress is **over**. It was the greatest congress in the whole history of FENCA, we hit an absolute record of participants, declassifying all former World Congresses FENCA, as well as the record of presentations and guest speakers.

We received many congratulations in the following weeks, for the excellent organisation and really good networking for the participants. Many of you told us, that it was the best congress you participated till now. What we can promise you is that we will try to do the congress in Prague even better!

To summarize, we hosted:

- Over 230 participants,
- from 38 countries,
- 15 excellent guest speakers
- 7 exhibitors
- 9 sponsors
- 1 main sponsor

The Congress started with the private reception of Debt Buyers and Sellers Group on Thursday, 25.09. In the parallel was held the congress of ANCR.

The FENCA Congress lasted over 2 days, Friday 26th and Saturday 27th. The first day was consecrated to the debt collection around the world, the second one, to interactive sessions and workshops.

Thank you all for the really good working atmosphere and we hope to see you in Prague next year!

On our web page you can find presentations of our guest speakers and the photo gallery, to see, how we were working and how we had fun!

Link to presentations:

[Presentations](#)

Link to photos:





AGM

We are proud that the new Code of Conduct (which was mentioned by the European Commission in the document «Enhancing the quality of services in the Internal Market: the role of European codes of conduct ») was accepted by unanimity. The new Code of Conduct is available on our web page.

Other important points of the AGM were:

- Membership fees: remain unchanged
- The report of auditor was accepted without objections
- We received several suggestions, the main two are:
 - adaptation of the statute with the goal to accept affiliate members
 - change in the statute to define a limit of years in the Board of FENCA

The AGM was successful, Delegates were proactive and issued many interesting proposals, which will be discussed during next Board Meetings and applied.

Elections:

The Delegates voted for the re-election of the current FENCA Board and separately for the new Board Member. The Board was re-elected in the same team:

President: Mr Kornel Tinguely
Vice President: dr Carsten D. Ohle
General Secretary: Mr Marco Recchi

The new Board Member of FENCA became Mr **Ivo Klimeš** from Czech Republic.



Mr Ivo Klimeš is a Managing Director of Intrum Justitia in Prague, Czech Republic for the last 8 years as well as a Vice-President of AIA, Czech debt collection association. He graduated from the Karlova University in Prague in the faculties of Sociology and Economy and from the University of Economics, Prague in the faculty of Foreign Trade. Married, has 2 children.

Code of Conduct


[Code of Conduct](#)



University of Economics, Prague in the faculty of Foreign Trade.
Married, has 2 children.

★ The next FENCA Congress will take place in **Prague, Czech Republic, 24–27.09.2009**. You will be continuously informed on the web page and in the newsletters about the programme, registration process and price.

★ **We have a new member!** The Board of Directors of the Federation of European National Collection Associations has the great pleasure and privilege to welcome the National Association of Professional Collection Agencies **NAPCA** from Russia. NAPCA became the **17th** member of FENCA on October 31st.

★  **FENCA** congratulates **UNIREC** of its **10th** birthday!

The **UNIREC** Congress will take place on November 21st in Rome, Italy, at the *Sala del Refettorio* (San Macuto Palace - Deputy Chambers) in *Via del Seminario n° 76*, from 09.30 a.m. to 6.45 p.m. The Congress will be open by a debate on the evolutions and changes in the Italian debt collection market. In the afternoon, the Major of Rome, Gianni Alemanno, will open the works and there will be two round tables: the first one, on the debt collection market in Europe and on the role of european national associations and the second one on the collection staff. The Congress will be follow by a gala dinner at *Palazzo Massimo alle Colonne* in Rome. For further information, you can contact eventi@unirec.it.

Prague 2009

[Info](#)

New member



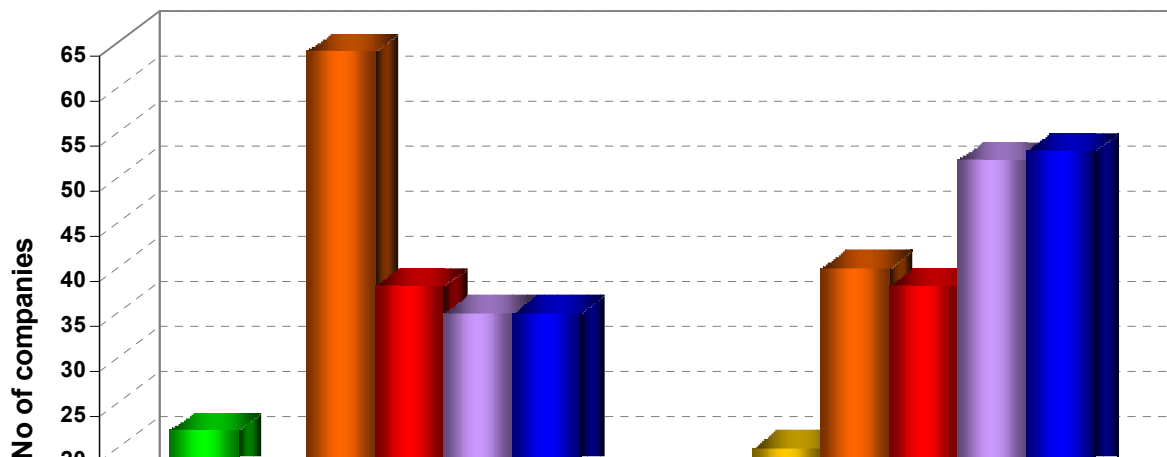
[NAPCA](#)

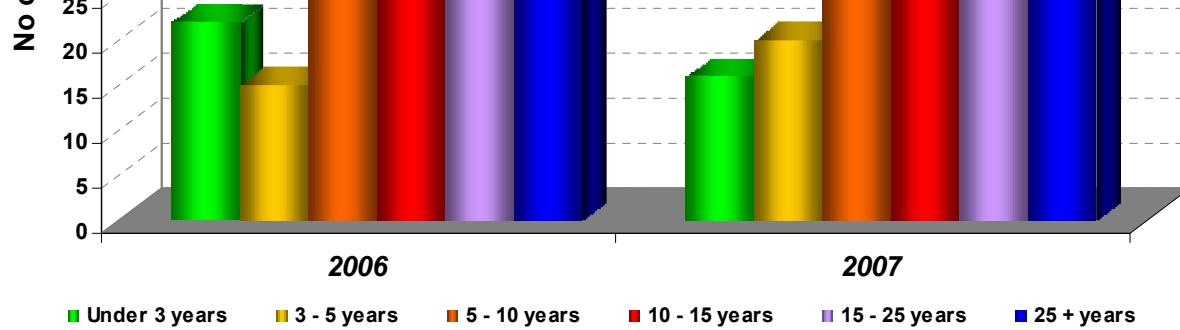
II FENCA Article

FENCA for the second time conducted its European Survey. The results are interesting, and here we are presenting the global picture of the survey; in the comparison to the results from the previous year (2006). We encourage all countries to participate in the next survey (January 2009), to give the EU Commission the answer, what the debt collection business in Europe is.

1. Life time on the market

Number of companies trading vs. Number of years on the market

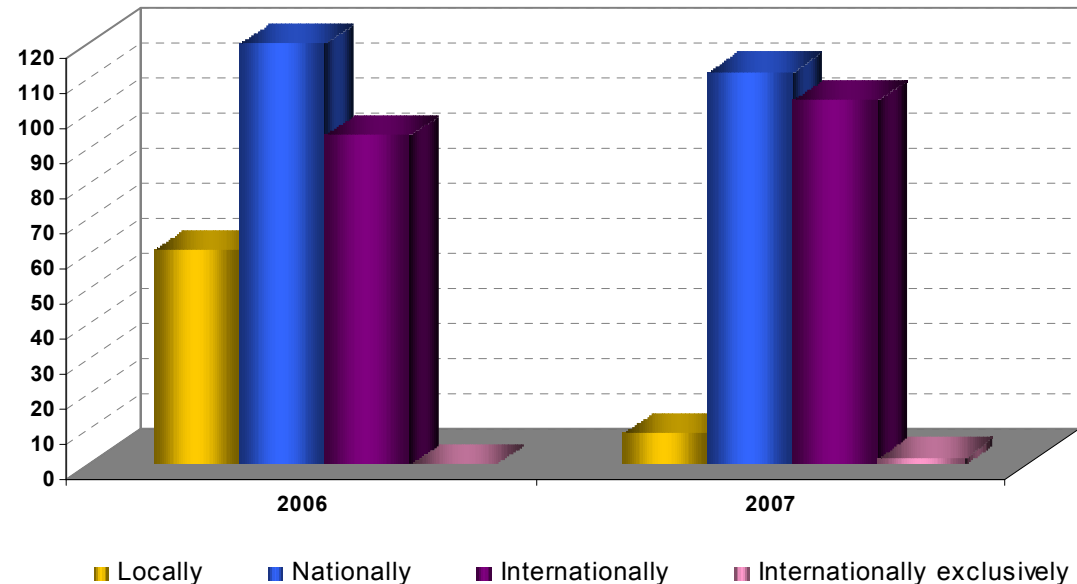




In 2006 the percentage of companies aged between 5 and 10 years constituted majority of answers. In 2007 we received more answers from Eastern Europe, less from Central Europe, so the proportion moved in the direction of companies with a longer experience on the market.

2. Area of trading

Number of companies trading locally, nationally and internationally

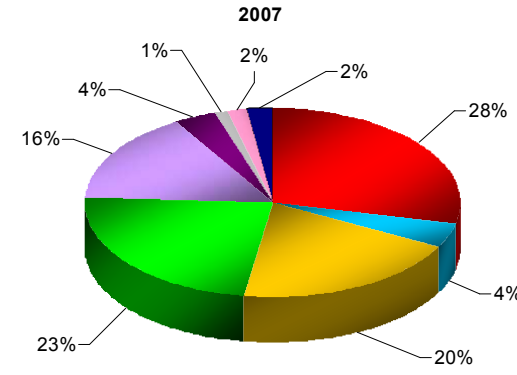
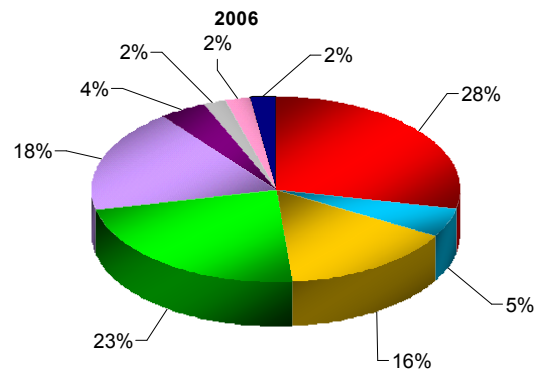


In the comparison to 2006, more companies are moving towards national and international trading, passing boundaries of the local market.

3. Factors affecting the business

2006

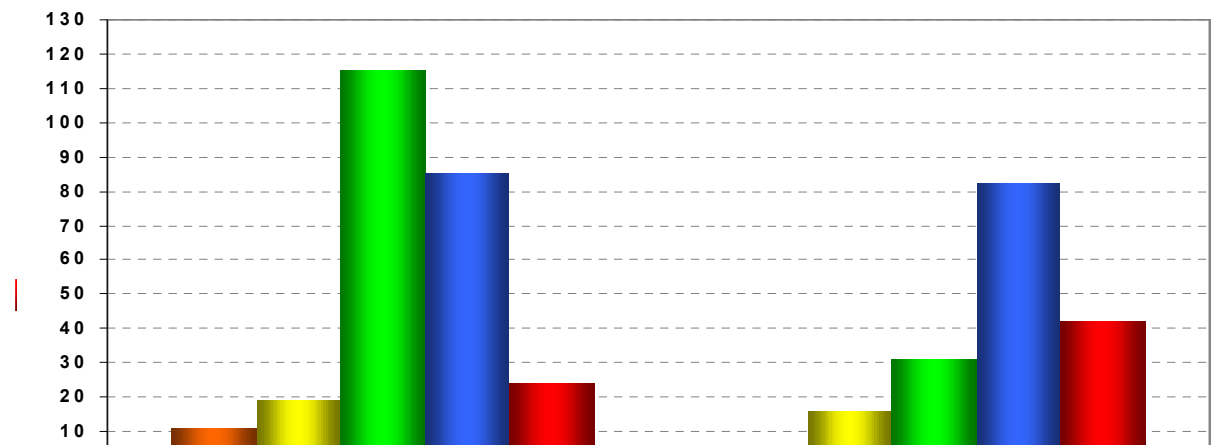
2007

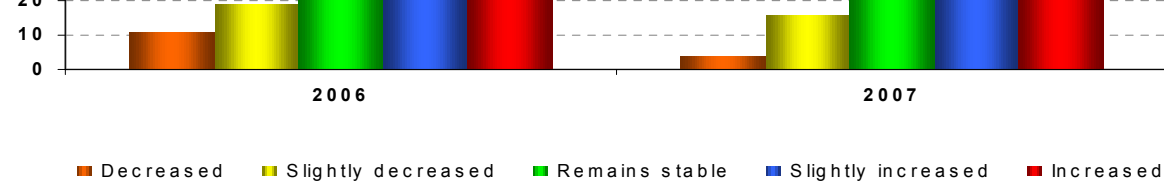


- Legislation / Red tape
- Difficulty in obtaining funding for growth
- Difficulty in sourcing suitable staff
- Strong competition
- Reluctance by potential clients to use collection agencies
- Cost of sufficient technical / IT equipment
- Lack of sufficient technical / IT equipment
- International trading barriers
- Other

Similarly to 2006, in 2007 the same factors are affecting collection business. Constantly 28% of respondents complain on the existing legislation. The percentage of companies complaining on the difficulties to find the suitable staff grew from 16 to 20%. Reluctance by potential clients to use collection agencies diminished slightly, what may indicate growing trust towards debt collectors.

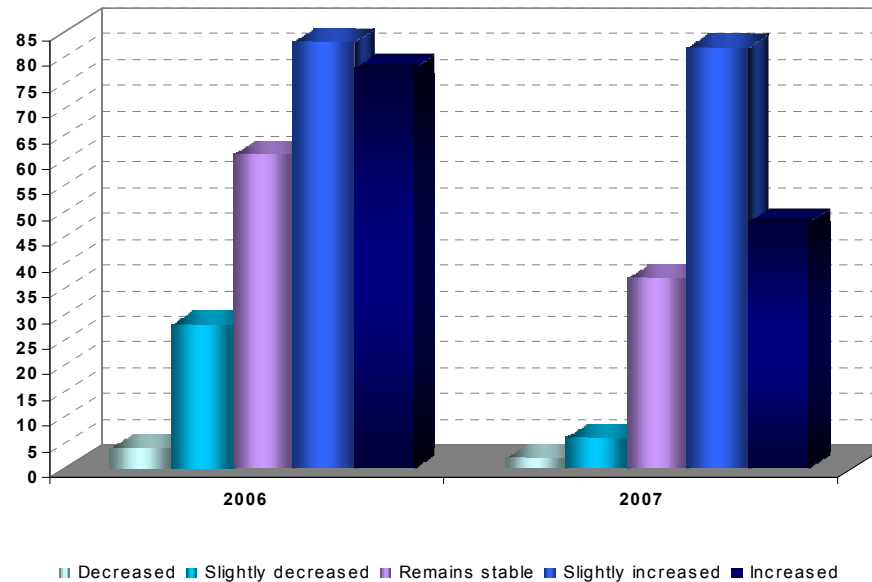
4. Demand in debt servicing industry





Despite of the dominating number of answers in 2006 that the demand on the services of debt collection industry remains stable, the overall trend is the slow and steady growth of demand. From the responding group in 2006 42.9% of responders stated that the demand on the debt servicing industry slightly increased or increased, meanwhile in 2007 this group constituted 70.8%.

5. Competition on the market



In 2006 as well as in 2007 the competition on the market is estimated as continuously increasing. Growing competition means competitive commissions for customers and higher quality of services. In 2006 63% of respondents estimated that the competition is growing, contra 74% in 2007.

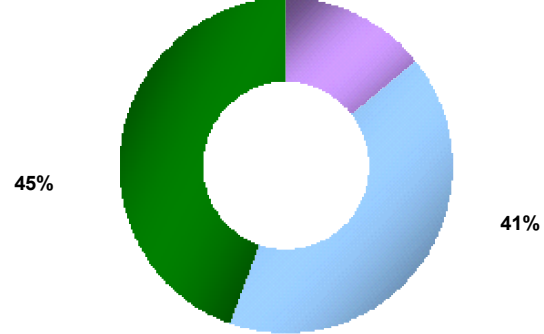
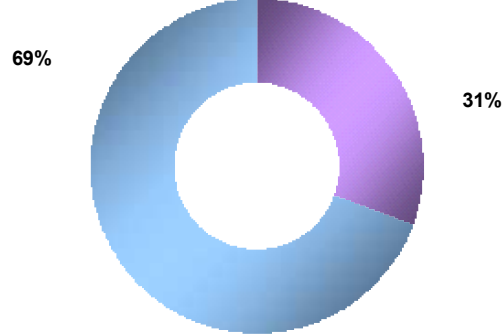
6. Average commission

2006

2007

14%



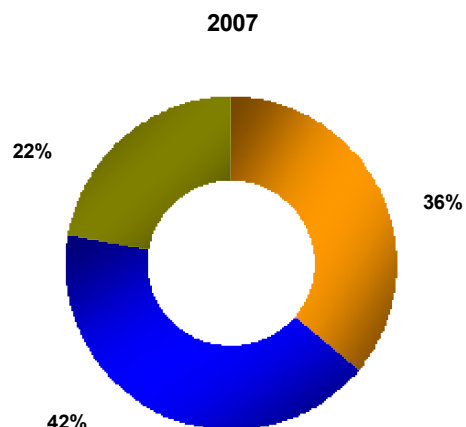
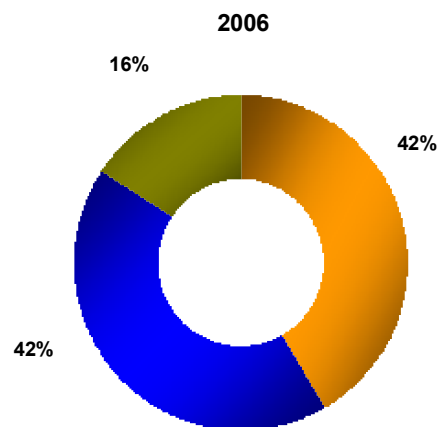


■ Increased
 ■ decreased
 ■ remains unchanged

*in 2006 option "remains unchanged" was not applied

Decreasing commission is directly linked with growing competition.

7. Client pressure



■ not affected
 ■ same
 ■ heavy

Growing client pressure is directly linked with growing competition and requiring high quality services for a competitive price.

III News from Brussels



With regard to the Green Book on the Review of the Consumer Acquis in Consumer Protection, the European Commission proposed a directive concerning consumer rights

[Link](#)

DIRECTIVE OF THE

★ with regard to the Green Book on the Review of the Consumer Acquis in Consumer Protection, the European Commission proposed a directive concerning consumer rights (link on the right or web page www.fenca.com, section "Documents, position 45"). Those are the main grounds for this proposal:

« The proposal aims at revising Directive 85/577/EEC on contracts negotiated away from business premises, Directive 93/13/EEC on unfair terms in consumer contracts, Directive 97/7/EC on distance contracts, Directive 1999/44/EC on consumer sales and guarantees. These four Directives provide for consumer contractual rights. The proposal merges these four Directives into a single horizontal instrument regulating the common aspects in a systematic fashion, simplifying and updating the existing rules, removing inconsistencies and closing gaps. The proposal moves away from the minimum harmonisation approach followed in the four existing Directives (i.e. Member States may maintain or adopt stricter national rules than those laid down in the Directive) to embrace a full harmonisation approach (i.e. Member States cannot maintain or adopt provisions diverging from those laid down in the Directive). »

The evaluation of these proposals does not entail any direct relevant effects on the collection business. It concerns the original conclusion of consumer contracts and, according to the understanding of Dr. Ohle and Mr Zickgraf, it does not contain any regulations or impairment of performance of such contracts. Only Art. 5, paragraph 1 d concerning the obligation of information of the tradesmen (sellers/service renders) towards consumers raises the question if the consumer is also informed about costs in the case of delay (costs for legal proceedings, such as collection compensation, lawyer costs, court costs etc.) when concluding the contract. To clarify this question Mr Zickgraf addressed a question directly to the Commission.

However, after its implementation the expected directive will certainly affect customers of collection companies with regard to consequences of missing information and in cases of revocation by the customer. This appeal can be significant for the debt collection routine, so that debt collection companies will be forced to get familiar and mind changes of the the referring national legislation in the case of corresponding objections of customers, as this was the case up to now on the basis of current regulations.

★ Concerning the directive on combating late payment, the announced study has been presented to the Commission as an internal paper. This study is expected to be published at the earliest in January 2009. According to information given by Mr. Antonio Salazar, 5 different models of calculating late payment interest have been discussed within the EU Commission. According to the present state of play, a completely new draft of the directive is expected, aiming at substantially simplified and stricter regulations regarding payment delays for all payment processes within the European Union.

★ E-Justice remains a subject of the highest importance. According to the information given by Joao D'Almeida, EU Commissioner for Justice, an action plan has been drafted in the meantime, which will be discussed for the second time at the end of October, and the publication of the results are to be expected by mid November. Inter alia, the discussion will concern measures to establish a "single port of access", an exclusive portal of information. Through this tool forms will be made available for the European

discussion will concern measures to establish a "single port of access", an exclusive portal of information. Through this tool forms will be made available for the European collection and small claims collection, but also real-time applications, i.e. hearing of evidence (video conferences). For the European collection procedures the offer of online services will be of particular importance for the fully automatic procedure, such as for example in Germany, Austria, and Portugal. Such offers should develop step by step and be taken over by other Member States, once they will be ready for it.

★ The EU Regulation on payment procedure (link on the right or www.fenca.com, section "Documents", position 46) will come into effect on December 12th 2008 and will govern the cross border transactions in the Member States with immediate effect.

★ The EU Regulation establishing a European Small Claims Procedure (link on the right or www.fenca.com, section "Documents", position 47) will come into effect on 01.01.2009 and will govern the cross border transactions in the Member States with immediate effect.

★ The representatives in Brussels, Mr Stefan Zickgraf and the Vice President of FENCA, Dr Carsten. D. Ohle kindly ask all FENCA members for suggestions, expectations and questions concerning European legislation. Only your active involvement will allow us to offer targeted information to particular members.

[Link](#)

[European order for payment procedure](#)

[Link](#)

[Small Claims Procedure](#)

IV News from our members: France



Debt collection companies, "barometers" of the economic crisis

October 17th 2008

Paris (AFP) - Confronted currently with the problems of the liquidity of enterprises and difficulties of particular companies to pay back their debts, debt collection companies became a "barometer" of the crisis and its consequences on the real economy.

"What concerns our activity, which is principally to convince debtors to pay their debts; we are the barometer of the crisis", estimated Alexandre Gonzva, president of the ANCR.

In particular, 300 to 500 of companies from the sector confirm "the growing number of debtors who have problems to pay their invoices", says Jean-Charles Ortega, commercial director of Actorec.

It is not important, if this are invoices of the phone or contributions to the insurance, "more and more companies ask for longer and longer payment delays" adds Philippe Brocca, director of Coface, number two of the sector.

"They simply are not able to make ends meet. But in the 90% of cases the amicable collection with the renewal letters (and without entering the court—note of the redaction) is sufficient" adds Pascal Labru, general director of Intrum Justitia, market leader in France.

With the financial crisis debt collection companies are also witnesses of a "psychosis" which started to govern among enterprises, according to the expression of Gerard Gorrias, a former president of ANCR.

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Weakened by drying out sources of credit, enterprises are searching for liquidity and look for repayment of their credits "far much quicker than before" explains Mr Brocca.

While the bankruptcies of businesses take shape on the horizon, "enterprises accelerate procedures being afraid that their debtors will switch out the lights", pushing the collection on a judicial way, which is a solution more uncertain and significantly longer, adds Mr Brocca.

Other sign of the cold ambient intolerance is the fact that debt collection companies are more and more asked by their customers for the state of financial health of the companies the customers trade with.

"Before signing a contract with a sub-contractor, companies want to know if their partner is reliable and solvable and those companies ask us to conduct our check" explains Bertrand Lacampagne, president of Pouey, company established in 1884.

Investigation includes the balance sheet of the company, shareholding, but also the "field work", what will allow grading its financial solidity "actual and not from the past", precises Mr Lacampagne.

"These are especially companies in charge for the car parts, construction companies and temporary work companies who make our customers anxious" adds Mr Lacampagne, precising that this research activity grew from 15% to 20%.

The crisis neither creates happiness in the sector of collection. Except Intrum which notes an increasing number of 50% of debts treated since January, a big part of debt collection companies pull a long face.

"Decrease in "general business" provokes automatically a decrease in our activity" underlines Mr Gonzva.

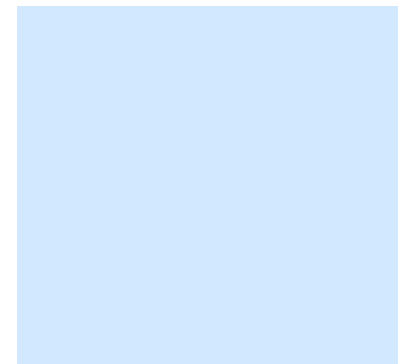
In consequence debt collection players turned their eyes towards 2009." Our activity will be doped by the bankruptcies which we witness presently", forecasts Mr Lacampagne."There is nothing to be happy of" details however Mr Gonzva. "Dossiers will be more stricken and, finally, it will be more and more difficult to receive payments of those debts.

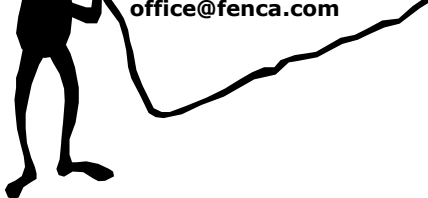
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IV Publicity space





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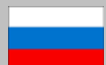
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