

**CODE OF CONDUCT
OF THE
ASSOCIATION FOR THE RECEIVABLE COLLECTIONS
MANAGEMENT**

Preamble:

AMCC mission is to represent its members through specific ways at a national and international level, to promote and protect the activity of commercial debts management.

AMCC shall develop its activity in order to co-opt legal and physical entities involved in the activity of debt management or develop activities that are part of the debt management as well as to become a well known manager of this activity. AMCC aims to establish the quality standards in this branch, to council the commercial methods in order to secure and guarantee the debts, as well as the methods of evaluating the solvency of juridical entities. AMCC will also provide counseling concerning the legal methods and their effect in order to collect the commercial debts and the activities specific for the commercial debts' management, part of the management activity.

All the activities of AMCC will be carried out in accordance to the guidelines of the FENCA code of conduct:

"The following guidelines are intended for national FENCA member associations as an indication of procedures to be adopted by the members. The guidelines are not intended as an exhaustive directive to member associations, to state the minimum requirements of national association and its' members should fulfill. In every instance national associations will have their own national code of conduct whose guidelines may exceed the requirements of this FENCA code.

GUIDELINES

I. National associations and their members shall:

1. work in accordance with the laws and rules of their respective countries.
2. comply with all European and national data protection laws.

II. National associations shall ensure:

1. that all enquires to the association are dealt with promptly and truthfully.
2. that only properly licensed agencies are accepted into their association.
3. that there is a code of practice for their members and ensure that the code is complied with by their members.
4. that basic rules exist for contacts between their member agencies and those agencies' clients.
5. that member agencies maintain confidentiality about all information concerning clients and debtors.
6. that a complaint procedure exists within their associations for debtors and clients and that complaints are promptly and properly investigated.

FENCA MEMBERSHIP

Member associations shall provide the board of FENCA, on request, with a sample of their national code of conduct and evidence that this code is properly complied with by their members.

FENCA is a Federation of National Associations. Only the national association may display the symbol of FENCA, not individual agencies."

CHAPTER I

Art.1 General Principles

Fairness and transparency - the Association aims to achieve a fair balance between the needs of protecting consumer and the needs of providing the credit economy with the means to recover its debts.

Driving commerce - there are many misconceptions about the debt collection industry. Debt collection agencies perform a vital function in supporting the national economy by collecting large sums of unpaid credit accounts for their clients in finance, industry and the public sector. These sums would otherwise be lost, with businesses making up the shortfall by increased interest charges.

Compliance - the Association is dedicated to upholding the highest professional ethics and standards in an industry that is so vital for a national economy.

Art.2 Definitions

As used in the Code of Conduct, the terms below shall have the following meaning:

- a) **“debt collection company”** – a professional company dealing in receivables trade, receivables collection, receivables monitoring and other accessory or complementary services performed on its own account or on behalf and in the name of its customers,
- b) **“debt collector”** – an employee, agent or another natural person performing debt collection activities as being authorized by the debt collection company,
- c) **“debt collection activities”** – acts in fact and acts in law undertaken to ensure satisfaction of matured debts by the debtors,
- d) **“debt”** – debtor’s financial or non-financial obligation to provide a benefit,
- e) **“debtor”** – legal or natural person compelled to provide a specified benefit to another legal or natural person
- f) **“claim”** – a right of one party to a legal relationship to demand the performance of a benefit by the other party to the legal relationship,
- g) **“consumer”** – a natural person performing an act in law which is not directly related to such person’s professional or business activity,
- h) **“contracting party”** – an entity instructing a debt collection company to provide debt collection services or a seller of receivables.

CHAPTER II

Art.3 Principles of communicating with the debtor

A debt collection company must conduct all its activities and must communicate with the debtor in a manner serving the interests of the contracting party and at the same time in compliance with the law, rules of decency and respecting the legitimate rights of the debtor.

Art.4 Correspondence

- a) Correspondence for the debtor should be sent to the debtor's home address and to another address where the debtor can be reached, in a sealed envelope, without any notes or signs on the envelope indicating that the correspondence is with respect to the addressee's debt.
- b) The above restriction concerning signs on the envelope does not apply to the logo or graphic signs identifying the debt collection company.
- c) The first dunning letter should describe the debt in detail (source of debt, creditor, issuer of the invoice, principal, due date, accrued interest and other related dues, invoice number, invoice date, period covered by the invoice if the collection efforts are made with respect to recurring receivables); consecutive dunning letters should only include information necessary to identify the case and the stage it is at as well as the updated amount of the debt.
- d) In case the debtor could not be reached at any of the given address or do not react to the dunning letters, other types of mailings can be sent to the debtor as long as these mailings do not have any notes or signs that indicates that the correspondence is with respect to the addressee's debt.

Art.5 Telephone conversations

- a) Telephone calls should be made at a time and place which in a reasonable opinion will not be a nuisance for the debtor, i.e. on business days from 6 a.m.- 10 p.m. If no contact can be made with the debtor during the above hours, telephone calls may be made on the remaining days of the week but only between 8 a.m. – 8 p.m.
- b) If only possible, the debtor's requests for a collection call or visit to be performed at another time than the time indicated in point a. of art.5 should be acted on, unless circumstances indicate that the debtor's intention is to prevent contact and the conversation.

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- c) Conversations should be conducted in a manner that is polite and ensures the protection and nondisclosure to third parties of the information about the debtor's liabilities and his/her personal data. When starting the conversation, the collector should give his/her name, name of the company he/she is representing and should give the name of the creditor and issuer of the invoice.
- d) In the course of the conversation, the collector should try to explain the purpose of the conversation to the debtor, as well as to agree and clarify any doubts or queries.
- e) In the course of the conversation, the collector should try to determine the financial position and personal situation of the debtor and gather all information that may be useful in taking a decision on the purposefulness and procedure of further collection activities.
- f) The frequency of telephone conversations with the debtor should not be disturbing for the debtor and cannot have the attributes of harassment.

Art. 6 Field collections

- a) Field collectors may visit the debtors only at a time and place which, in a reasonable opinion, will not be a nuisance to the debtor, i.e. on business days between 7 a.m. and 9 p.m. If no contact can be made with the debtor in the above-mentioned time, the collectors may visit the debtors on the remaining days of the week but only between 8 a.m. and 8 p.m.
- b) Visits to debtors at places other than their place of residence should be conducted in such a manner as to protect the debtor's right of privacy. Such visits can be undertaken only if the debtor's place of residence is not known or the debtor cannot be reached at his/her home address. Additionally, without the debtor's consent, the collectors should not contact third parties about the amount to be collected.
- c) Field collectors should be dressed neatly and in a manner that does not carry negative connotations.
- d) During the performance of their collection activities and during talking to the debtors, field collectors should always introduce themselves, always produce their ID and authorization to act on the case issued by the debt collection company on the basis of authorizations or power of attorneys issued by the contracting party, including a clear definition of the scope of the authorization; they should also produce acknowledgement of the debt signed by the debtor, the arrangement document, authorization to collect cash and all previous demands for payment sent to the debtor.
- e) If the debt collection activities are witnessed by people other than the debtor and the debtor wishes the collector to be discreet, such request should be acted on, and unless the evaluation of the circumstances indicates that the debtor attempts to mislead the collector or evade the conversation.

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- f) Collection conversations should be conducted in a polite manner.
- g) In the course of the conversation, the collector should try to explain the purpose of the conversation to the debtor, as well as explain and clarify any doubts or queries.
- h) During a collection visit, field collectors can act only within the scope of their authorizations. If cash is collected, the collector must issue a cash receipt document bearing the stamp of the debt collection company.

Art.7 Complaints of debtors

- a) During the first contact with the debtor, the debt collection company informs the debtor about his/her rights and provides such information at each request of the debtor.
- b) The debt collection company ensures the protection of all of the debtors' rights, including their claims against their creditors and sellers of receivables, within the limits provided by the law.
- c) The debt collection company has a duty to clarify with the creditor or with the seller of the amount receivable, in accordance with the receivables transfer agreement signed, all complaints raised by the debtor, taking into account the so-far progress and effects of the complaint procedure, provisions of the agreement with the debtor, the regulations or framework agreements in force.
- d) All complaints lodged by the debtors must be processed by the debt collection company without delay, not later than within 30 days from their receipt.
- e) If the complaint cannot be processed within 30 days, the debt collection company should inform the debtor in writing about the reasons for the delay and give a new date for processing of the complaint which cannot be later than 60 days from the date of receipt of the original complaint.
- f) If the debtor's complaint or charges are rejected, the debt collection company must give the debtor a reply including the reasons for the rejection and the possible next steps.
- g) If the accusations raised by the debtor are found to be clearly well-founded, the transgressions or irregularities should be rectified and in justified cases future collection activities should be abandoned.
- h) The debt collection company is not obligated to continue conversations or correspondence with the debtor if it is evident that they are aimed at stalling the process or evading payment and the debtor does not submit documents or clearly stated charges enabling their proper evaluation.

CHAPTER III

Art.8 Protection of information and personal data

a) Debt collection companies have a duty to protect the confidentiality and ensure full technical and legal security of all information obtained from the contracting parties in connection with the negotiation, execution and performance of agreements. In particular they must not use such information for purposes other than the purpose for which they have been provided or made available, they must not disclose and not make them available to third parties, unless such disclosure is necessary for the performance of collection activities within the limits provided by the law (address registration offices, law firms of attorneys and legal advisors, courts, bailiffs, etc.).

b) Debt collection companies have a duty to protect the confidentiality and ensure full protection of the debtors' personal data, both the data provided to them in connection with the receivables transfer and the data made available for the purposes of providing debt collection services, in accordance with the requirements set forth in the Law no. 677/2001 for the Protection of Persons concerning the Processing of Personal Data and Free Circulation of Such Data, published in the Official Monitor of Romania, Part I, No. 790 / 12 December 2001, and in the Order no.52/2002 for the approval of minimal security requirements regarding all the activities involving personal data processing, published in the Official Monitor of Romania, Part I, No. 383/ 05 June 2002.

c) In particular, they must ensure that the above data are not used for purposes other than the purposes for which they have been originally provided or made available and they must ensure that such data are not made available or provided to third parties, unless it is necessary for the performance of debt collection services (address registration offices, law firms of attorneys and legal advisors, courts, court bailiffs, etc.).

CHAPTER IV

Art.9 Forbidden and unacceptable practices

During their performance of debt collection activities, debt collection companies and persons acting on their behalf must not use any operating methods which infringe the law or are against the rules of decency. In particular, the following is forbidden:

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1. Using force, punishable threats or other acts against the dignity of the debtor,
2. Using vulgar or obscene language or any terms violating the debtor's dignity; using impolite tone of voice.
3. Using any other methods aimed at intimidating the debtor.
4. Disclosing information about the debt and about the progress of debt collection activities to unauthorized third parties, especially to juvenile members of the debtor's family.
5. Sending or using documents, letters, garments or tools suggesting that the activities are performed by a court of law or any state agency or using information characteristic of or intended for such agencies.
6. Giving false information about the debt, concerning in particular its character, amount and legal status.
7. Giving false information about the collector's status, qualifications, experience or professional powers, including in particular unauthorized alleged acting on behalf of another debt collection company or providing untrue information about the qualifications and powers concerning legal professions.
8. Providing untrue information about the consequences of non-payment of the debt including arrest, detention and attachment of property.
9. Suggesting in contacts with the debtor or with third parties that the debtor is a criminal.
10. Accepting by the collectors of money or any other items from the debtors without the relevant receipt.
11. Threatening in any way or taking action aimed at infringing the property or ownership rights of the debtor.

CHAPTER V

Art. 10 Final provisions

- a) All the guidelines of the present code of conduct will be completed with the stipulations of the constitutive documents of AMCC.
- b) The Code is designed to provide a broad and clear understanding of the minimum conduct expected of every debt collection company and of their employees. The Code is not intended to be a summary of all AMCC policies or a list of rules that addresses every situation that AMCC may encounter. There can be no substitute for good judgment and common sense.
- c) Although laws differ from country to country, our values and the requirements of this Code transcend national boundaries. Some debt

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collections companies may find it helpful or necessary to create policies that are stricter than the requirements of this Code. That is allowable.

A debt collections company however, may never allow practices that fall short of the Code.