

COMMISSIONER OF BANKING  
HONG KONG



香 港  
銀 行 業 監 理 處

Our Ref: CB/POL/4/9/1

(By fax & by post)

17 March 1993

Mr P E Selway-Swift  
Chairman  
Hong Kong Association of Banks  
Room 525, Prince's Building  
Central  
Hong Kong

Dear Mr Selway-Swift

Debt Collection

Concern has been expressed in some quarters about the approach and methods used by some debt collection agencies in the recovery of amounts owing on over-due and non-performing loans. It has been suggested that some of these agencies may have been employed by authorised institutions.

No specific complaints have been received by my Office about the use of debt collection agencies by authorised institutions. Nevertheless, in view of the concerns noted above, authorised institutions should take adequate steps to monitor and control the manner of operation of the debt collection agencies employed by them.

It would be damaging to the status and standing of the individual institutions concerned, and the financial industry in general, if authorised institutions were seen to be employing debt collection agencies which use intimidatory, violent or illegal means to recover debts.

Authorised institutions should therefore use their best endeavours to ensure that debt collection agencies employed by them are not behaving in this manner.

The close co-operation of your members on this matter would be kindly appreciated.

Yours sincerely

Albert Cheok  
Acting Commissioner of Banking