

Russia State Duma Passes Law Restricting Debt Collectors

By [The Moscow Times](#)

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The Russian State Duma has approved in its third reading a bill that restricts the actions of debt collectors, the Interfax news agency reported Tuesday.

The bill protects the rights of individuals in the process of repaying debts and restricts the activities of collectors. The provisions of the law apply only to arrears, or debts missing one or more repayment.

Additionally, the bill does not apply to debts for housing and utility services, including water, heat, and gas supply.

The passage of the law comes as debt collectors have been making headlines in Russian and Western media. With more and more Russians being forced to take out high-interest loans during a harsh recession, collectors have turned to violence to coerce repayment.

A child was injured after a Molotov cocktail was thrown by a collector into a home in

Ulyanovsk in January and collection agencies were banned in the Siberian city of Keremovo after a woman was raped by collectors.

The new bill grants the right to regular interaction with a debtor only to credit institutions and entities whose main function is the collection on overdue payments. Individual collectors must be registered with the state.

A claimant may directly communicate with a debtor through personal meetings no more than once a week, and the bill sets a limit on the amount of phone calls and written messages allowed to a creditor per day, week, and month.

A registered individual or agency can be fined anywhere between 50,000 and 500,000 rubles (\$780-\$7,800) for violation of the law, while an unregistered entity may be fined up to 2 million rubles (\$31,000).

Liberal Democratic Party leader Vladimir Zhirinovskiy said, “Symbolically, we are putting them in handcuffs, to stop them from harming our citizens,” state-run news agency TASS reported.

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