

Law on Collection Costs

Based on the Law on Regulation of Extrajudicial Collection Costs (WIK) and the associated Decree, the extrajudicial collection costs are being calculated as of 1 July 2012 according to a graduated scale and these costs have been limited. The objective of the Law is to protect consumers and sole proprietors against unreasonably high collection costs.

- 15% of the amount of the principal sum of the claim on the first € 2,500 of the claim with a minimum of € 40;
- 10% of the amount of the principal sum of the claim on the next € 2,500 of the claim;
- 5% of the amount of the principal sum of the claim on the next € 5,000 of the claim;
- 1% of the amount of the principal sum of the claim on the next € 190,000 of the claim;
- 0.5% on the excess amount of the principal sum with a maximum of € 6,775.

As of when do these rates apply?

The Law on Collection Costs and the associated Decree (WIK) entered into force as of 1 July 2012. The regulation applies to claims that should have been paid after 1 July 2012. The date of the invoice is therefore not decisive: it concerns the date on which the payment default has occurred. If default was already of application prior to 1 July 2012, the compensation for the collection costs will be calculated according to the law applicable prior to that date (1 July).

Do you immediately have to pay collection costs the moment the expiration date has lapsed?

Not when it involves a consumer claim. One first has to send you a reminder without costs (the so-called 14-days letter) in which you will be given the opportunity to still pay the amount due within 14 days. This reminder must include the consequences of the failure to pay, including the compensation for the collection costs.

Can other costs be charged in addition to collection costs?

No, that is not allowed. Charging costs under another name (administrative costs, file expenses) is not allowed.

Does the Law on Regulation of Extrajudicial Collection Costs (WIK) also apply to corporate claims?

This statutory regulation falls under directory law for corporate claims. That means it is allowed to deviate from the statutory regulation. The legal maximum compensation for the collection costs is of application, unless parties agree to deviate thereof.