



VELFERÐARRÁÐUNEYTIÐ

Ministry of Welfare

The Ombudsman for Debtors Act, No. 100/2010, as amended by Act No. 135/2010, No. 151/2010, No. 162/2010, No. 126/2011, No. 166/2011, No. 23/2012, No. 9/2014, No. 12/2015, No. 130/2016, No. 47/2018 and No. 90/2018.

Where mention is made in this Act of ‘the minister’ or ‘the ministry’ without further definition, the reference intended is to the Minister of Social Affairs and Equality or to the Ministry of Welfare, which is responsible for the implementation of this Act. Information on the division of responsibilities between ministries according to a presidential decree may be found [here](#).

Article 1

The Office of the Ombudsman for Debtors is a government agency headed by the Ombudsman for Debtors. The Agency, which operates under the auspices of [the Minister]¹⁾, shall guard the interests and rights of debtors as further provided for in law.

The function of the Ombudsman for Debtors is to:

- a. render assistance free of charge to individuals who have serious payment difficulties in order to obtain a comprehensive overview of their finances and to seek solutions;
- b. provide intermediation regarding interactions and negotiations with creditors with the debtor’s interests as a guiding principle;
- c. provide its assistance in attempts to negotiate for debt mitigation;
- d. prepare special income criteria and provide for regular updates;
- e. receive communications and suggestions from debtors regarding flaws in lending industry practices and to forward them to the relevant surveillance authority;
- f. protect the interests of debtors and to render them assistance as appropriate;
- g. offer comprehensive advice and education regarding home finances;
- [h. make a decision on whether financial aid shall be granted for payment of insurance costs due to bankruptcy petition under the Act on Financial Aid for Payment of Insurance Costs due to bankruptcy petition costs.]²⁾

¹⁾ Act No. 126/2011, Article 534. ²⁾ Act No. 9/2014, Article 10.

Article 2

The Minister appoints the Ombudsman for Debtors, who is the head of the Agency and is professionally, financially and administratively responsible for running the Agency, for a term of five years. The Ombudsman shall have a university degree and command extensive knowledge and experience in issues within the Agency’s area of work.

[The salary and other terms of employment of the Ombudsman for Debtors is subject to Article 39 a of the Government Employees Act No. 70/1996.]¹⁾

The Ombudsman for Debtors shall manage the Agency and be responsible for its running and for the recruitment of other personnel. The Ombudsman for Debtors may make a service agreement with outside parties regarding the processing of cases for the Agency. In the case of the processing of personal information, that processing must meet the requirements of Article 8 and, as the case may be, Article 9 of [Act on Data Protection and the Processing of Personal Data].²⁾ The Ombudsman for Debtors and the processing party shall also make a processing agreement in accordance with [the same Act].²⁾

The Minister may issue regulations about service agreements with outside parties for the processing of cases for the Agency containing, amongst other things, provisions about projects and payment amounts.

...³⁾

The Minister can, through regulations, issue further rules regarding the organisation and operations of the Office of the Ombudsman for Debtors.

¹⁾ Act No. 130/2016, Article 8. ²⁾ Act No. 90/2018, Article 54. ³⁾ Act No. 12/2015, Article 1.

Article 3

The Ombudsman for Debtors may demand that the government provides all the information that the Ombudsman finds necessary in order to be able to perform his statutory functions, even though the law prescribes the obligation of professional secrecy for the relevant government authority. By the same token, businesses and associations are required to provide the Ombudsman for Debtors with all the information that the Agency finds necessary in order for the Agency to be able to perform its functions. The Agency does however not have the right to demand information involving state security or foreign affairs that must be treated as confidential according to law except with the permission of the minister concerned.

[Gathering of information by the Ombudsman for Debtors is subject to the condition that it is necessary and if the information concerns specific debtor, his/her approval for the processing shall exist. ...]¹⁾

If the request of the Ombudsman for Debtor is not met on granting information within suitable deadline under the first paragraph, he/she may decide that the party in question shall pay *per diem* fines until the information has been granted.

The party given the decision regarding *per diem* fines according to the third paragraph shall be given 14 day deadline to submit written responses before a decision is made. The Ombudsman Debtors' notice on pending decision on *per diem* fines and decision on *per diem* fines shall be accompanied by a statement of reasons. Otherwise the Administrative Procedure Act shall apply to decision on *per diem* fines. The decision shall be announced to the person to whom it applies by letter in a verifiable manner. *Per diem* fines commence every day from the first weekday thenceforth the decision was announced, until the obligation to provide information has been fulfilled and the fines lapse when the Ombudsman for Debtors considers the obligation to provide information is fulfilled. *Per diem* fines of ISK 10,000 up to ISK 1,000,000 per 24-hour period may be imposed. When the amount of *per diem* fines is decided the number of employees of the party given the decision and how extensive the relevant business is shall, among other things, be taken into account.

Per diem fines are enforceable by execution without a prior court judgement and shall accrue to the State Treasury.]²⁾

¹⁾ Act No. 90/2018, Article 54. ²⁾ Act No. 12/2015, Article 2.

Article 4

The Ombudsman for Debtors and the Agency's staff may not divulge information on issues they become aware of in the course of their work and which is confidential. This obligation of professional secrecy remains in effect even after termination of employment.

Article 5

[[Parties holding operating licences under items 2 and 3 of the first paragraph of Article 3 of the Financial Undertakings Act, No. 161/2002, the Housing Financing Fund, pension funds and insurance companies shall bear the operating expenses of the Ombudsman for Debtors by paying a special fee in accordance with this Act [which goes to the Treasury].¹⁾ The same shall apply to financial undertakings which are directed by a receiving committee, winding-up committee or interim committee under the Financial Undertakings Act, No. 161/2002, irrespective of whether the undertaking in question holds an operating licence or a restricted operating licence, or whether its operating licence has been revoked, providing that it pursues, or has pursued, activities listed in items 2 and 3 of the first paragraph of Article 3 of that Act.]²⁾

Without prejudice to the first paragraph, the Local Authorities' Loan Fund and the Regional Development Agency shall be exempt from payment of the fee.

This Act, regarding the payment of operating expenses of the Ombudsman for Debtors, shall apply regarding the payment of the fee.]³⁾

¹⁾ Act No. 47/2018, Article 40. ²⁾ Act No. 23/2012, Article 1. ³⁾ Act No. 166/2011, Article 11.

[Article 6

Decisions under this Act may be referred to the Minister. The procedure of appeals shall be subject to provisions of the Administrative Procedure Act.

When decision on *per diem* fines under the third paragraph of Article 3 is appealed to the Minister, the Minister shall deliver his/her ruling as soon as possible, and normally within one month of receipt of the case. *Per diem* fines may not be collected until the Minister has delivered his/her ruling in the case. *Per diem* fines shall not commence while appeal is handled by the Minister. If the Minister confirms the Ombudsman for Debtors' decision on *per diem* fines, the *per diem* fines continue levy from the first weekday thenceforth the date of the Ministers' ruling.]¹⁾

¹⁾ Act No. 12/2015, Article 3.

[Article 7]¹⁾

The Ombudsman for Debtors shall give an annual report to the Minister about the Agency's activities. The information presented in the report must be in a summarised form so that individual parties cannot be identified. The report shall be made public.

¹⁾ Act No. 12/2015, Article 3.

[Article 8]¹⁾

This Act enters into force on 1 August 2010. However, temporary provision II shall enter into effect immediately.

¹⁾ Act No. 12/2015, Article 3.

Temporary provisions

I

At the time of the entry into force of this Act, the employees of the Family Finances Advisory Office shall be offered employment with the Office for the Ombudsman for Debtors. The employees' legal protection regarding working for the Ombudsman for Debtors is subject to the provisions of the Government Employees Act No. 70/1996, as amended. Article 7 of Act No. 70/1996 does not apply regarding the allocation of jobs according to this provision.

II

[The Minister]¹⁾ shall immediately appoint a three member working group that shall prepare for the entry into force of this Act, including the offering of new jobs with the Office of the Ombudsman for Debtors to the employees of the Family Finances Advisory Office, from 1 August 2010, *cf.* temporary provision I. The working group shall, following the appointment of the Ombudsman for Debtors, act in an advisory capacity to the Agency regarding the activities of the Agency during its first year of operations.

¹⁾ Act No. 126/2011, Article 534.

III

The calculations of the cost and expenses and the payment of the cost of operating the Office of the Ombudsman for Debtors for the remaining part of 2010 when this Act enters into force, shall be arranged in the same manner as provided for in Article 5, however with the provision that it is based on the draft budget which the working group, pursuant to temporary provision II, prepares as soon as possible after the Act has been passed. The levying of the charge shall be performed as quickly as possible after that. [When the fee is levied for 2010, it shall be based on information on the volume of credit granted by parties subject to the fee at the end of 2009; the due date for payment of the fee shall be 31 December 2010.]¹⁾

The provisions of Article 5 of this Act regarding the payment of costs and expenses for the operation of the Office of the Ombudsman for Debtors shall be reviewed within three years from the entry into force of this Act.

¹⁾ Act No. 135/2010, Article 16.

[IV.

[The Minister responsible for matters relating to the finance market]¹⁾ may commission the Ombudsman for Debtors with monitoring financial undertakings' calculations under Interim Provision XI of the Interest and Indexation Act, No. 38/2001, calling for information on the premises for the calculations and demanding remedial measures if necessary.]²⁾

¹⁾ Act No. 126/2011, Article 534. ²⁾ Act No. 151/2010, Article 5.

*[This translation is published for information only.
The original Icelandic text is published in the Law Gazette.
In case of a possible discrepancy, the original Icelandic text applies.]*