



# Unfair Contract Terms Act 1977

## 1977 CHAPTER 50

### PART III

#### PROVISIONS APPLYING TO WHOLE OF UNITED KINGDOM

##### *Miscellaneous*

#### **26 International supply contracts.**

- (1) The limits imposed by this Act on the extent to which a person may exclude or restrict liability by reference to a contract term do not apply to liability arising under such a contract as is described in subsection (3) below.
- <sup>F1</sup>(2) The terms of such a contract are not subject to any requirement of reasonableness under section 3 <sup>F1</sup>...: and nothing in Part 11 of this Act shall require the incorporation of the terms of such a contract to be fair and reasonable for them to have effect.
- (3) Subject to subsection (4), that description of contract is one whose characteristics are the following—
  - (a) either it is a contract of sale of goods or it is one under or in pursuance of which the possession or ownership of goods passes; and
  - (b) it is made by parties whose places of business (or, if they have none, habitual residences) are in the territories of different States (the Channel Islands and the Isle of Man being treated for this purpose as different States from the United Kingdom).
- (4) A contract falls within subsection (3) above only if either—
  - (a) the goods in question are, at the time of the conclusion of the contract, in the course of carriage, or will be carried, from the territory of one State to the territory of another; or
  - (b) the acts constituting the offer and acceptance have been done in the territories of different States; or
  - (c) the contract provides for the goods to be delivered to the territory of a State other than that within whose territory those acts were done.

Status: Point in time view as at 01/10/2016.

Changes to legislation: There are currently no known outstanding effects for the Unfair Contract Terms Act 1977, PART III. (See end of Document for details)

**Textual Amendments**

- F1 Words in s. 26(2) omitted (1.10.2015 for specified purposes, 1.10.2016 in so far as not already in force) by virtue of Consumer Rights Act 2015 (c. 15), s. 100(5), Sch. 4 para. 23; S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))

**27 Choice of law clauses.**

(1) Where the [F2law applicable to] a contract is the law of any part of the United Kingdom only by choice of the parties (and apart from that choice would be the law of some country outside the United Kingdom) sections 2 to 7 and 16 to 21 of this Act do not operate as part [F2of the law applicable to the contract].

F3(2) F3This Act has effect notwithstanding any contract term which applies or purports to apply the law of some country outside the United Kingdom, where ...—

(a) the term appears to the court, or arbitrator or arbiter to have been imposed wholly or mainly for the purpose of enabling the party imposing it to evade the operation of this Act; F4 ...

F4(b) .....

F5(3) .....

**Textual Amendments**

- F2 Words in s. 27(1) substituted (1.4.1991) by Contracts (Applicable Law) Act 1990 (c. 36, SIF 30), s. 5, Sch. 4 para. 4; S.I. 1991/707, art. 2
- F3 Words in s. 27(2) omitted (1.10.2015 for specified purposes, 1.10.2016 in so far as not already in force) by virtue of Consumer Rights Act 2015 (c. 15), s. 100(5), Sch. 4 para. 24(2)(a); S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))
- F4 S. 27(2)(b) omitted (1.10.2015 for specified purposes, 1.10.2016 in so far as not already in force) by virtue of Consumer Rights Act 2015 (c. 15), s. 100(5), Sch. 4 para. 24(2)(b); S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))
- F5 S. 27(3) omitted (1.10.2015 for specified purposes, 1.10.2016 in so far as not already in force) by virtue of Consumer Rights Act 2015 (c. 15), s. 100(5), Sch. 4 para. 24(3); S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))

**F628 Temporary provision for sea carriage passengers.**

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**Textual Amendments**

- F6 S. 28 omitted (1.10.2015 for specified purposes, 1.10.2016 in so far as not already in force) by virtue of Consumer Rights Act 2015 (c. 15), s. 100(5), Sch. 4 para. 25; S.I. 2015/1630, arts. 3(g), 4(c) (with art. 6(1)(2))

**29 Saving for other relevant legislation.**

(1) Nothing in this Act removes or restricts the effect of, or prevents reliance upon, any contractual provision which—

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- (a) is authorised or required by the express terms or necessary implication of an enactment; or
  - (b) being made with a view to compliance with an international agreement to which the United Kingdom is a party, does not operate more restrictively than is contemplated by the agreement.
- (2) A contract term is to be taken—
- (a) for the purposes of Part I of this Act, as satisfying the requirement of reasonableness; and
  - (b) for those of Part 11, to have been fair and reasonable to incorporate, if it is incorporated or approved by, or incorporated pursuant to a decision or ruling of, a competent authority acting in the exercise of any statutory jurisdiction or function and is not a term in a contract to which the competent authority is itself a party.
- (3) In this section—
- “competent authority” means any court, arbitrator or arbiter, government department or public authority;
  - “enactment” means any legislation (including subordinate legislation) of the United Kingdom or Northern Ireland and any instrument having effect by virtue of such legislation; and
  - “statutory” means conferred by an enactment.

**Modifications etc. (not altering text)**

C1 S. 29(1) modified by [Telecommunications Act 1984 \(c. 12, SIF 96\)](#), s. 109, [Sch. 5 para. 12\(7\)](#)

30 ..... F7

**Textual Amendments**

F7 S. 30 repealed by [Consumer Safety Act 1978 \(c. 38\)](#), s. 10(1), [Sch. 3](#)

*General*

**31 Commencement; amendments; repeals.**

- (1) This Act comes into force on 1st February 1978.
- (2) Nothing in this Act applies to contracts made before the date on which it comes into force; but subject to this, it applies to liability for any loss or damage which is suffered on or after that date.
- <sup>XI</sup>(3) The enactments specified in Schedule 3 to this Act are amended as there shown.
- <sup>XI</sup>(4) The enactments specified in Schedule 4 to this Act are repealed to the extent specified in column 3 of that Schedule.

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**Editorial Information**

- X1** The text of s. 31(3)(4) is in the form in which it was originally enacted: it was not reproduced in Statutes in Force and does not reflect any amendments or repeals which may have been made prior to 1.2.1991.

**32 Citation and extent.**

- (1) This Act may be cited as the Unfair Contract Terms Act 1977.
- (2) Part I of this Act extends to England and Wales and to Northern Ireland; but it does not extend to Scotland.
- (3) Part II of this Act extends to Scotland only.
- (4) This Part of this Act extends to the whole of the United Kingdom.

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**Changes to legislation:**

There are currently no known outstanding effects for the Unfair Contract Terms Act 1977, PART III .