
DRAFT STATUTORY INSTRUMENTS

2018 No.

**The Business Contract Terms (Assignment
of Receivables) Regulations 2018**

Effect of a non-assignment of receivables term

2.—(1) Subject to regulations 3 and 4, a term in a contract has no effect to the extent that it prohibits or imposes a condition, or other restriction, on the assignment of a receivable arising under that contract or any other contract between the same parties.

(2) A term in a contract which imposes a condition or other restriction on the assignment of a receivable includes a term which prevents a person to whom a receivable is assigned from determining the validity or value of the receivable or their ability to enforce the receivable.

(3) For the purposes of paragraph (2), a term prevents a person to whom a receivable is assigned from determining the validity or value of the receivable or their ability to enforce the receivable if the condition or other restriction prevents that person from obtaining—

- (a) the names and addresses of the parties to the contract;
- (b) the name and address of the person who on behalf of the debtor can confirm the validity and amount of the receivable;
- (c) the VAT registration number of the debtor and of the supplier;
- (d) the date on which the goods, services or intangible assets that give rise to the receivable are supplied;
- (e) a description sufficient to identify the goods, services or intangible assets that give rise to the receivable (including the quantity of goods or intangible assets, or the extent of services, the unit price, the rate of VAT and the amount payable, excluding VAT);
- (f) the date and number of the invoice for the goods, services or intangible assets that give rise to the receivable and any credit note related to the invoice (and the reason for issuing the credit note);
- (g) the amount, basis or rate of any applicable discount;
- (h) the total amount of VAT chargeable;
- (i) the reason for any VAT zero-rating or VAT exemption;
- (j) details of any term in the contract to which regulation 2(1) applies;
- (k) the credit period for paying the receivable;
- (l) evidence of the performance of that part of the contract (or other contract between the parties) which gives rise to the receivable; or
- (m) particulars and evidence of any potential defence or set-off by a party to the contract.