

SCHEDULES

SCHEDULE 6

COMPROMISE CONTRACTS

Race Relations Act 1976 (c. 74)

- 2 In section 72 of the Race Relations Act 1976 (validity, etc. of contracts)—
- (a) in subsection (4), after paragraph (a) there shall be inserted—
- “(aa) to a contract settling a complaint to which section 54(1) applies if the conditions regulating compromise contracts under this Act are satisfied in relation to the contract;”;
- (b) after subsection (4) there shall be inserted—
- “(4A) The conditions regulating compromise contracts under this Act are that—
- (a) the contract must be in writing;
- (b) the contract must relate to the particular complaint;
- (c) the complainant must have received independent legal advice from a qualified lawyer as to the terms and effect of the proposed contract and in particular its effect on his ability to pursue his complaint before an industrial tribunal;
- (d) there must be in force, when the adviser gives the advice, a policy of insurance covering the risk of a claim by the complainant in respect of loss arising in consequence of the advice;
- (e) the contract must identify the adviser; and
- (f) the contract must state that the conditions regulating compromise contracts under this Act are satisfied.
- (4B) In subsection (4A)—
- “independent”, in relation to legal advice to the complainant, means that it is given by a lawyer who is not acting for the other party or for a person who is connected with that other party; and
- “qualified lawyer” means—
- (a) as respects proceedings in England and Wales—
- (i) a barrister, whether in practice as such or employed to give legal advice, or
- (ii) a solicitor of the Supreme Court who holds a practising certificate.
- (b) as respects proceedings in Scotland—
- (i) an advocate, whether in practice as such or employed to give legal advice, or

Status: This is the original version (as it was originally enacted).

(ii) a solicitor who holds a practising certificate.

(4C) For the purposes of subsection (4B) any two persons are to be treated as “connected” if one is a company of which the other (directly or indirectly) has control, or if both are companies of which a third person (directly or indirectly) has control.”.