



Late Payment of Commercial Debts (Interest) Act 1998

1998 CHAPTER 20

PART I

STATUTORY INTEREST ON QUALIFYING DEBTS

2 Contracts to which Act applies.

- (1) This Act applies to a contract for the supply of goods or services where the purchaser and the supplier are each acting in the course of a business, other than an excepted contract.
- (2) In this Act “contract for the supply of goods or services” means—
 - (a) a contract of sale of goods; or
 - (b) a contract (other than a contract of sale of goods) by which a person does any, or any combination, of the things mentioned in subsection (3) for a consideration that is (or includes) a money consideration.
- (3) Those things are—
 - (a) transferring or agreeing to transfer to another the property in goods;
 - (b) bailing or agreeing to bail goods to another by way of hire or, in Scotland, hiring or agreeing to hire goods to another; and
 - (c) agreeing to carry out a service.
- (4) For the avoidance of doubt a contract of service or apprenticeship is not a contract for the supply of goods or services.
- (5) The following are excepted contracts—
 - (a) a consumer credit agreement;
 - (b) a contract intended to operate by way of mortgage, pledge, charge or other security; and
 - (c) a contract of a description specified in an order made by the Secretary of State.

Status: Point in time view as at 01/07/1999. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Late Payment of Commercial Debts (Interest) Act 1998, Section 2. (See end of Document for details)

(6) An order under subsection (5)(c) may specify a description of contract by reference to any feature of the contract (including the parties).

(7) In this section—

“business” includes a profession and the activities of any government department or local or public authority;

“consumer credit agreement” has the same meaning as in the ^{M1}Consumer Credit Act 1974;

“contract of sale of goods” and “goods” have the same meaning as in the ^{M2}Sale of Goods Act 1979;

[^{F1}“government department” includes any part of the Scottish Administration;]

“property in goods” means the general property in them and not merely a special property.

Textual Amendments

F1 Definition in s. 2(7) inserted (1.7.1999) by S.I. 1999/1820, art. 4, **Sch. 2 Pt. I para.132**

Commencement Information

I1 S. 2 partly in force; s. 2 not in force at Royal Assent see s. 17(2); s. 2 in force for specified purposes: at 1.11.1998 by S.I. 1998/2479, **art. 3**; at 1.7.1999 by S.I. 1999/1816, **art. 3**; at 1.9.2000 by S.I. 2000/2225, **art. 3(1), Sch.**; at 1.11.2000 by S.I. 2000/2740, **art. 3(1)**

Marginal Citations

M1 1974 c. 39.

M2 1979 c. 54.

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