



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
 - ^{F1}(c)

Status: Point in time view as at 07/08/2002.

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)

^{F2}(6)

(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;

[^{F3}“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F1 S. 2(5)(c) repealed (7.8.2002) by S.S.I. 2002/335, **reg. 2(2)** (with reg. 4)

S. 2(5)(c),(6) repealed (7.8.2002) by S.I. 2002/1674, **reg. 2(2)**

F2 S. 6 repealed (7.8.2002) by S.S.I. 2002/335, **reg. 2(2)** (with reg. 4)

F3 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 fully 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)**; S. 2 in force (E. W. NI.) in so far as not already in force at 7.8.2002 by S.I. 2002/1673, **art. 2**; S. 2 in force (S.) in so far as not already in force at 7.8.2002 by S.S.I. 2002/337, **art. 2**

Marginal Citations

M1 1974 c. 39.

M2 1979 c. 54.

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Changes to legislation:

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