



# Consumer Credit Act 2006

## 2006 CHAPTER 14

### *Duration of licences and charges*

#### **34 Definite and indefinite licences**

- (1) In subsection (1) of section 22 of the 1974 Act (definitions of standard and group licences)—
- (a) in paragraph (a) for “during the prescribed period” substitute “ whilst the licence is in effect ”;
  - (b) in paragraph (b) for the words from “during” to “indefinitely” substitute “ whilst the licence is in effect ”.
- (2) After that subsection insert—
- “(1A) The terms of a licence shall specify—
- (a) whether it has effect indefinitely or only for a limited period; and
  - (b) if it has effect for a limited period, that period.
- (1B) For the purposes of subsection (1A)(b) the period specified shall be such period not exceeding the prescribed period as the OFT thinks fit (subject to subsection (1E)).
- (1C) A standard licence shall have effect indefinitely unless—
- (a) the application for its issue requests that it have effect for a limited period only; or
  - (b) the OFT otherwise thinks there is good reason why it should have effect for such a period only.
- (1D) A group licence shall have effect for a limited period only unless the OFT thinks there is good reason why it should have effect indefinitely.
- (1E) Where a licence which has effect indefinitely is to be varied under section 30 or 31 for the purpose of limiting the licence's duration, the variation shall provide for the licence to expire—

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- (a) in the case of a variation under section 30, at the end of such period from the time of the variation as is set out in the application for the variation; or
  - (b) in the case of a variation under section 31, at the end of such period from the time of the variation as the OFT thinks fit;
- but a period mentioned in paragraph (a) or (b) shall not exceed the prescribed period.”
- (3) In section 29 of that Act (renewal of licences)—
- (a) in subsection (1) after “standard licence” insert “ of limited duration ”;
  - (b) in subsection (4) for “in force” substitute “ to have effect ”.
- (4) In subsection (1) of section 31 of that Act (compulsory variation of licences) after “that time” insert “ (assuming, in the case of a licence which has effect indefinitely, that it were a licence of limited duration) ”.
- (5) Before subsection (2) of that section insert—
- “(1B) The OFT shall also proceed as follows if, having regard to section 22(1B) to (1E), it is of the opinion—
- (a) that a licence which has effect indefinitely should have its duration limited; or
  - (b) in the case of a licence of limited duration, that the period during which it has effect should be shortened.”
- (6) In section 32(1) of that Act (suspension and revocation of licences) after “that time” insert “ (assuming, in the case of a licence which has effect indefinitely, that it were a licence of limited duration) ”.
- (7) In section 35(1)(b) of that Act (particulars to be kept in register maintained by OFT) for “force” substitute “ effect ”.
- (8) In section 37 of that Act (circumstances giving rise to termination of a licence) after subsection (1) insert—
- “(1A) A licence terminates if the licensee gives the OFT a notice under subsection (1B).
- (1B) A notice under this subsection shall—
- (a) be in such form as the OFT may by general notice specify;
  - (b) contain such information as may be so specified;
  - (c) be accompanied by the licence or give reasons as to why it is not accompanied by the licence; and
  - (d) be signed by or on behalf of the licensee.”
- (9) In subsection (3)(a) of that section after “(1)” insert “ or (1A) ”.

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**Commencement Information**

**II** S. 34(2)(8) in force at 16.6.2006 for specified purposes by [S.I. 2006/1508](#), [art. 3\(1\)](#), [Sch. 1](#)

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### 35 Charges for indefinite licences

After section 28 of the 1974 Act insert—

*“Charges for indefinite licences*

#### **28A Charges to be paid by licensees etc. before end of payment periods**

- (1) The licensee under a standard licence which has effect indefinitely shall, before the end of each payment period of his, pay the OFT a charge towards the costs of carrying out its functions under this Act.
- (2) The original applicant for a group licence which has effect indefinitely shall, before the end of each payment period of his, pay the OFT such a charge.
- (3) The amount of the charge payable by a person under subsection (1) or (2) before the end of a payment period shall be determined in accordance with provision which—
  - (a) is made by the OFT by general notice; and
  - (b) is current on such day as may be determined in accordance with provision made by regulations.
- (4) The provision that may be made by the OFT under subsection (3)(a) includes—
  - (a) different provision in relation to persons of different descriptions (including persons whose payment periods end at different times);
  - (b) provision for no charge at all to be payable by persons of specified descriptions.
- (5) The approval of the Secretary of State and the Treasury is required for a general notice under subsection (3)(a).
- (6) For the purposes of this section a person's payment periods are to be determined in accordance with provision made by regulations.”

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#### **Commencement Information**

**I2** S. 35 in force at 16.6.2006 for specified purposes by S.I. 2006/1508, art. 3(1), Sch. 1

### 36 Extension of period to pay charge for indefinite licence

After section 28A of the 1974 Act (inserted by section 35 of this Act) insert—

#### **“28B Extension of period to pay charge under s. 28A**

- (1) A person who is required under section 28A to pay a charge before the end of a period may apply once to the OFT for that period to be extended.
- (2) The application shall be made before such day as may be determined in accordance with provision made by the OFT by general notice.
- (3) If the OFT is satisfied that there is a good reason—
  - (a) why the applicant has not paid that charge prior to his making of the application, and

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- (b) why he cannot pay that charge before the end of that period, it may, if it thinks fit, by notice to him extend that period by such time as it thinks fit having regard to that reason.
- (4) The power of the OFT under this section to extend a period in relation to a charge—
  - (a) includes the power to extend the period in relation to a part of the charge only;
  - (b) may be exercised even though the period has ended.”

#### Commencement Information

**I3** S. 36 in force at 16.6.2006 for specified purposes by S.I. 2006/1508, art. 3(1), Sch. 1

VALID FROM 06/04/2008

### 37 Failure to pay charge for indefinite licence

- (1) After section 28B of the 1974 Act (inserted by section 36 of this Act) insert—

#### “28C Failure to pay charge under s. 28A

- (1) This section applies if a person (the ‘defaulter’) fails to pay a charge—
    - (a) before the end of a period (the ‘payment period’) as required under section 28A; or
    - (b) where the payment period is extended under section 28B, before the end of the payment period as extended (subject to subsection (2)).
  - (2) Where the payment period is extended under section 28B in relation to a part of the charge only, this section applies if the defaulter fails—
    - (a) to pay so much of the charge as is not covered by the extension before the end of the payment period disregarding the extension; or
    - (b) to pay so much of the charge as is covered by the extension before the end of the payment period as extended.
  - (3) Subject to subsection (4), if the charge is a charge under section 28A(1), the defaulter’s licence terminates.
  - (4) If the defaulter has applied to the OFT under section 28B for the payment period to be extended and that application has not been determined—
    - (a) his licence shall not terminate before the application has been determined and the OFT has notified him of the determination; and
    - (b) if the OFT extends the payment period on that application, this section shall have effect accordingly.
  - (5) If the charge is a charge under section 28A(2), the charge shall be recoverable by the OFT.”
- (2) In section 35(1)(b) of that Act (particulars to be kept in register maintained by OFT) after “revoked” insert “ or terminated by section 28C ”.

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