



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*Status: This is the original version (as it was originally enacted).*

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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)”.