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STATUTORY INSTRUMENTS

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**2001 No. 1135**

**POSTAL SERVICES**

**The Postal Services Act 2000 (Determination  
of Turnover for Penalties) Order 2001**

*Made* - - - - 22nd March 2001

*Coming into force* - - 26th March 2001

Whereas a draft of this Order has been laid before Parliament in accordance with section 122(12) of the Postal Services Act 2000<sup>(1)</sup>;

And whereas the said draft as so laid has been approved by resolution of each House of Parliament;

Now, therefore, the Secretary of State, in exercise of the powers conferred upon him by section 30(2) of the Postal Services Act 2000 hereby makes the following Order:

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Postal Services Act 2000 (Determination of Turnover for Penalties) Order 2001 and shall come into force on 26th March 2001.

(2) In this Order, “the licence” means the licence a condition of which the Commission is satisfied has been or is being contravened.

**Determination of turnover**

2.—(1) Subject to paragraphs (2) and (3) below, the turnover of a licence holder shall be the licence holder’s annual turnover.

(2) Where the Commission is satisfied that a licence holder has contravened any condition of the licence for a period which is greater than 1 year but less than 2 years, the turnover shall be the annual turnover multiplied by 2.

(3) Where the Commission is satisfied that a licence holder has contravened any provision of the licence for a period greater than 2 years, the turnover shall be the annual turnover multiplied by 3.

(4) For the purposes of this Article, annual turnover shall be calculated in accordance with Article 3.

### Calculation of annual turnover

3.—(1) Subject to paragraph (2) below, a licence holder’s annual turnover is the relevant turnover derived by the licence holder from the provision of relevant services during the financial year (as defined by the licence) preceding the date on which the Commission gives notice of a proposed penalty under section 32(1)(a) of the Act.

(2) Where—

- (a) the period beginning with the day on which the licence was granted and ending on the day on which the Commission gives notice of a proposed penalty under section 32(1)(a) of the Act does not include a financial year, or
- (b) the licence holder’s financial year is not defined by the licence,

a licence holder’s annual turnover is the amount which bears the same proportion to the relevant turnover derived by the licence holder from the provision of relevant services during the licence period as 365 bears to the number of days in the licence period.

(3) In this Article—

“the Act” means the Postal Services Act 2000;

“licence period” means the period beginning with the day on which the licence was granted and ending on the last day of the month preceding that in which the Commission gives notice of a proposed penalty under section 32(1)(a) of the Act;

“relevant services” means the services which the licence holder is authorised by the licence to provide;

“relevant turnover” means turnover after deduction of sales rebates, value added tax and other taxes directly relating to turnover.

*Alan Johnson*  
Parliamentary Under Secretary of State for  
Competitiveness,  
Department of Trade and Industry

22nd March 2001

## **EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order specifies the way to determine the turnover of a licence holder for the purposes of section 30(2) of the Postal Services Act 2000. Where the Postal Services Commission (“the Commission”) is satisfied that a licence holder has contravened or is contravening any condition of his licence, the Commission may impose on the licence holder a penalty of up to 10 per cent. of its turnover determined in accordance with the provisions specified in this Order.