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## EXPLANATORY NOTE

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

This Order is made under section 1 of the Regulatory Reform Act 2001. It reforms the law in section 3 of the Unsolicited Goods and Services Act 1971 (“the Act”) which imposes requirements as to how agreements may be made for entries in directories. The Order adds one further method by which a person may agree to an entry where that entry is a repeat or renewed entry in a directory. Failure to comply with a method in the Act makes the charge unenforceable or recoverable and the person claiming the charge will commit an offence if he demands payment unless he believes that the requirements in the Act had been complied with.

The Order also sets out the requirements that invoices and similar documents must comply with if they are not to be regarded under the Act as asserting a right to payment.

Article 2(5) amends section 3(3) of the Act so that a note required by section 3 of a person’s agreement to a charge must set out the particulars in Part 1 of the Schedule to the Order and also give reasonable particulars of the entry in respect of which the charge is payable.

Article 2(6) repeals section 3A of the Act under which regulations as to the contents and form of notes of agreement, invoices and similar documents could be made. Provisions are now made about these matters in the Schedule to the Order. Article 3 provides that the provisions in the Schedule are subordinate provisions for the purposes of section 4 of the Regulatory Reform Act 2001 and may be amended by order subject to annulment by resolution of either House of Parliament.

Article 2(7) inserts a new section 3B which allows a contract to advertise in a directory to be renewed or extended without the formalities that would otherwise apply under the Act. Various conditions apply which include that the form content and distribution of the directory must be materially the same as the previous directory, as must be the entry itself.

The new section 3B provides that where it was a term of an earlier contract for a directory entry that the purchaser renew or extend, then the purchaser must be given written notice of the renewal or extension and 21 days to withdraw his agreement.

A full regulatory impact assessment of the effect that this instrument will have on the costs of business is available from the DTI Publications Orderline, Admail 528, London SW1W 8YT, telephone 0870 1502 500, fax 0870 1502 333, minicom 0870 1502 100. It may also be accessed online at <http://www.cabinetoffice.gov.uk/regulation/rra/rro/proposals.asp#unsolgoods>.