
D R A F T S T A T U T O R Y I N S T R U M E N T S

2015 No.

BUSINESS CONTRACTS

The Business Contract Terms (Restrictions on Assignment of Receivables) Regulations 2015

Made - - - - *******

Coming into force in accordance with regulation 1

The Secretary of State, in exercise of the powers conferred by sections 1 and 154(2) of the Small Business, Enterprise and Employment Act 2015(a), makes the following Regulations:

In accordance with section 154(4) of the Small Business, Enterprise and Employment Act 2015, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Business Contract Terms (Restrictions on Assignment of Receivables) Regulations 2015 and shall come into force on the day after the day on which they are made.

(2) In these Regulations—

“intangible assets” includes electricity and data which are produced and supplied in digital form;

“prescribed financial services” means a regulated agreement within the meaning of the Consumer Credit Act 1974(b) or any financial service within the meaning of section 2 of the Small Business, Enterprise and Employment Act 2015;

“receivable” is a right to be paid any amount under a contract or under any other contract between the same parties;

“receivable debtor” means the party to a contract liable to pay the amount represented by a receivable; and

(a) 2015. c. []

(b) 1974 c. 39. “Regulated agreement” is defined in section 189(1).

“supply chain finance provider” means a person (P) who provides financial services and who arranges with a receivable debtor that receivables arising under one or more contracts to which the receivable debtor is a party may be assigned to P.

Contracts to which these Regulations apply

2.—(1) These Regulations apply to any contract for the supply of goods, services or intangible assets other than an excluded contract.

(2) A contract is an excluded contract if—

- (a) it is for prescribed financial services;
- (b) it creates any interest in land or is an agreement for a tenancy; or
- (c) one or more parties to the contract is acting for purposes which are outside his trade, business or profession.

Effect of a non-assignment of receivables term

3.—(1) In a contract to which these Regulations apply, a term (other than an excepted term) has no effect to the extent that it prohibits or imposes a condition or other restriction on the assignment of a receivable by a party to the contract.

(2) The following terms are excepted terms for the purposes of paragraph (1)—

- (a) a term which provides that a receivable may only be assigned to a supply chain finance provider in accordance with an arrangement between the receivable debtor and the supply chain finance provider;
- (b) a term giving rise to a duty of confidence.

Date

Name
Parliamentary Under Secretary of State
Department for Business, Innovation and Skills