

---

*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

---

## SCHEDULE 1

### PERMITTED PAYMENTS

#### *Payment in the event of default*

- 6 (1) A payment that is required, under a standard occupation contract, to be made in the event of a default by the contract-holder is a permitted payment, but this is subject to sub-paragraph (3).
- (2) In this paragraph, “default” means—
  - (a) a failure by the contract-holder to make a payment by the due date to the landlord, or
  - (b) a breach by the contract-holder of a term of the contract.
- (3) In the case of a default to which sub-paragraph (4) applies, if the amount of a payment required in the event of the default exceeds the prescribed limit, the amount of the excess is a prohibited payment.
- (4) This sub-paragraph applies to—
  - (a) a failure by the contract-holder to make a payment of rent by the due date to the landlord;
  - (b) any additional description of default which is specified by regulations.
- (5) In sub-paragraph (3), the “prescribed limit” means a limit specified by, or determined in accordance with, regulations.