



Late Payment of Commercial Debts (Interest) Act 1998

1998 CHAPTER 20

PART III U.K.

GENERAL AND SUPPLEMENTARY

11 Treatment of advance payments of the contract price. U.K.

- (1) A qualifying debt created by virtue of an obligation to make an advance payment shall be treated for the purposes of this Act as if it was created on the day mentioned in subsection (3), (4) or (5) (as the case may be).
- (2) In this section “advance payment” means a payment falling due before the obligation of the supplier to which the whole contract price relates (“the supplier’s obligation”) is performed, other than a payment of a part of the contract price that is due in respect of any part performance of that obligation and payable on or after the day on which that part performance is completed.
- (3) Where the advance payment is the whole contract price, the debt shall be treated as created on the day on which the supplier’s obligation is performed.
- (4) Where the advance payment is a part of the contract price, but the sum is not due in respect of any part performance of the supplier’s obligation, the debt shall be treated as created on the day on which the supplier’s obligation is performed.
- (5) Where the advance payment is a part of the contract price due in respect of any part performance of the supplier’s obligation, but is payable before that part performance is completed, the debt shall be treated as created on the day on which the relevant part performance is completed.
- (6) Where the debt is created by virtue of an obligation to pay a sum due in respect of a period of hire of goods, this section has effect as if—
 - (a) references to the day on which the supplier’s obligation is performed were references to the last day of that period; and

Changes to legislation: There are currently no known outstanding effects for the Late Payment of Commercial Debts (Interest) Act 1998, Section 11. (See end of Document for details)

- (b) references to part performance of that obligation were references to part of that period.
- (7) For the purposes of this section an obligation to pay the whole outstanding balance of the contract price shall be regarded as an obligation to pay the whole contract price and not as an obligation to pay a part of the contract price.

Commencement Information

- II** [S. 11](#) fully in force; [s. 11](#) not in force at Royal Assent see [s. 17\(2\)](#); [s. 11](#) in force for specified purposes: at 1.11.1998 by [S.I. 1998/2479](#), [art. 3](#); at 1.7.1999 by [S.I. 1999/1816](#), [art. 3](#); at 1.9.2000 by [S.I. 2000/2225](#), [art. 3\(1\)](#), [Sch.](#); at 1.11.2000 by [S.I. 2000/2740](#), [art. 3\(1\)](#); [S. 11](#) in force (E. W. NI.) in so far as not already in force at 7.8.2002 by [S.I. 2002/1673](#), [art. 2](#); [S. 11](#) in force (S.) in so far as not already in force at 7.8.2002 by [S.S.I. 2002/337](#), [art. 2](#)

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