

# CONSUMER CREDIT ACT 2006

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## EXPLANATORY NOTES

### DURATION OF LICENCES

#### *Section 34: Definite and indefinite licences*

65. *Section 34* amends the definitions of ‘standard licence’ and ‘group licence’ in the 1974 Act and enables OFT to issue indefinite standard licences as the norm. It provides for OFT to issue licences either indefinitely or for a specified period, provided definite licences do not exceed a period prescribed by the Secretary of State, and to vary the duration of licences in certain circumstances.
66. Section 37 of the 1974 Act, which deals with the circumstances giving rise to termination of a standard licence, is amended to enable licensees to terminate such licences by notice to OFT. OFT may specify the form and content of the notice required for a licensee to terminate such a licence.

#### *Sections 35 - 37: Charges for indefinite licences*

67. *Sections 35 to 37* insert new sections 28A, 28B and 28C after section 28 of the 1974 Act relating to periodic payments for indefinite licences. Holders of indefinite standard licences and original applicants for indefinite group licences shall pay OFT a periodic charge specified by general notice, which may include different provision for different cases. OFT is given the power to extend the period for a person to make payments in respect of indefinite licences if there is a good reason for doing so. Failure to pay a periodic charge in respect of a standard licence during the payment period (or extended payment period) results in the licence being terminated and details of licences terminated for this reason must be kept on OFT’s public register.