STATUTORY INSTRUMENTS

1996 No. 347

DEREGULATION

The Deregulation (Restrictive Trade Practices Act 1976) (Amendment) (Time Limits) Order 1996

Made	-	-	-	-		19th February 1996
Coming	into	force	2	-	-	19th March 1996

Whereas:

- (a) the Secretary of State is of the opinion that certain provisions of the Restrictive Trade Practices Act 1976(1) impose burdens affecting persons in the carrying on of a trade, business, profession or otherwise and that by amending or repealing the provisions concerned and by making certain other provision it is possible to remove or reduce the burdens without removing any necessary protection;
- (b) he has consulted such organisations as appear to him to be representative of interests substantially affected by his proposals and such other persons as he considers appropriate;
- (c) it appears to the Secretary of State that it is appropriate, following that consultation, to proceed with the making of this Order;
- (d) a document setting out the Secretary of State's proposals has been laid before Parliament in accordance with section 3 of the Deregulation and Contracting Out Act 1994(2) and the period for Parliamentary consideration under section 4 of that Act has expired;
- (e) the Secretary of State has had regard to the representations made during that period;
- (f) a draft of this Order has been laid before Parliament with a statement giving details of such representations and the changes (if any) to the Secretary of State's proposals in the light of those representations; and
- (g) a draft of this Order has been approved by resolution of each House of Parliament:

Now, therefore, the Secretary of State, in exercise of the powers conferred on him by section 1 of the Deregulation and Contracting Out Act 1994, hereby makes the following Order:

1. This Order may be cited as the Deregulation (Restrictive Trade Practices Act 1976) (Amendment) (Time Limits) Order 1996 and shall come into force one month after the day on which it is made.

2. In this Order "the Act" means the Restrictive Trade Practices Act 1976.

⁽**1**) 1976 c. 34.

⁽**2**) 1994 c. 40.

3. The entries in the second column of the Table in paragraph 5(1) of Schedule 2 to the Act (time for furnishing particulars of agreements) shall be amended as follows:—

- (i) in entry (a) by the omission of the words "Before the date on which any restriction accepted or information provision made under the agreement takes effect, and in any case"
- (ii) in entry (f) by the substitution for the existing entry of "within 3 months from the day on which the agreement becomes so subject"(3)
- (iii) in entry (i) by the substitution for the existing entry of "within 3 months from the day of the variation".

4. After section 27 of the Act there shall be inserted—

"Certain provisions not to be acted upon before registration.

27ZA.—(1) This section has effect where—

- (a) the time for furnishing particulars of an agreement or variation to the Director is determined by entry (a), (f) or (i) in the Table in paragraph 5(1) of Schedule 2 to this Act, and
- (b) that time has not expired.

(2) Where the time is determined by entry (a) or (f), it shall be unlawful, before particulars of the agreement concerned have been duly furnished to the Director, for any person who—

- (a) carries on business within the United Kingdom, and
- (b) is a party to the agreement,

to give effect to, or enforce or purport to enforce, the agreement in respect of the restrictions accepted or information provisions made under the agreement.

(3) Where the time is determined by entry (i), it shall be unlawful, before particulars of the variation concerned have been duly furnished to the Director, for any person who—

- (a) carries on business within the United Kingdom, and
- (b) is a party to the agreement concerned,

to give effect to, or enforce or purport to enforce, the extensions or additions to the restrictions accepted or information provisions made under the agreement.

(4) Subsections (2) to (7) of section 35 below shall apply in relation to the enforcement of the obligation imposed by subsection (2) above as they apply in relation to the enforcement of the obligation imposed by subsection (1)(b) of that section.

(5) Subsections (2) to (7) of section 35 below, as applied by subsection (8) of that section, shall apply in relation to the enforcement of the obligation imposed by subsection (3) above as they apply in relation to the enforcement of the obligation imposed by subsection (1)(b) of that section, as so applied."

5. In Schedule 2 to the Act (furnishing of particulars of agreements) in paragraph 2 (which discharges or modifies the obligation to furnish particulars where an agreement which becomes subject to registration after it is made is determined or varied before particulars are furnished) at the end there shall be inserted—

"(4) Where the time for furnishing particulars of an agreement is determined by entry (f) of the Table in paragraph 5(1) below—

⁽³⁾ Entry (f) in the Table was amended by section 27(4) of the Competition Act 1980 (c. 21).

- (a) sub-paragraph (2) above shall not apply where the restrictions made or information provisions accepted under the agreement take effect before the agreement is determined, and
- (b) sub-paragraph (3) above shall only apply to variation of the agreement before the restrictions made or information provisions accepted under it take effect."

John Taylor, Parliamentary Under Secretary of State Department of Trade and Industry

19th February 1996

EXPLANATORY NOTE

(This note is not part of the Order)

This Order is made under the Deregulation and Contracting Out Act 1994 which allows statutory provisions to be amended, without removing any necessary protection, in order to reduce burdens affecting persons carrying on business.

This Order amends the Restrictive Trade Practices Act 1976 which requires that restrictive agreements between two or more persons carrying on business in the United Kingdom in the production or supply of goods or supply of services be furnished to the Director General of Fair Trading (the DGFT). At present the Act requires that particulars of certain categories of agreements be furnished to the DGFT before the restrictions in them take effect or within three months from the date of the agreement whichever first occurs. If particulars are not furnished as required, the restrictions in the agreement are void and it is unlawful to give effect to them (section 35).

This Order removes the requirement to furnish particulars of agreements before the restrictions take effect. The time limit for furnishing particulars of agreements in the categories concerned becomes three months from the date of the agreement. The Order makes it unlawful for the parties to operate the restrictions in the categories of agreement concerned in the period before particulars are furnished. The new provision applies in respect of the period before the time for furnishing has expired. If the time for furnishing expires without the agreement having been furnished, the existing provision in section 35 will apply as at present. The Order also makes a consequential amendment to the Act.