
STATUTORY INSTRUMENTS

1989 No. 1339

The Limitation (Northern Ireland) Order 1989

PART II

ACTIONS OF CONTRACT AND TORT AND CERTAIN OTHER ACTIONS

Time limit: actions on certain loans

5.—(1) Subject to paragraph (3), Article 4(a) does not bar the right of action on a contract of loan to which this Article applies.

(2) This Article applies to any contract of loan which—

- (a) does not provide for repayment of the debt on or before a fixed or determinable date; and
- (b) does not effectively (whether or not it purports to do so) make the obligation to repay the debt conditional on a demand for repayment made by or on behalf of the creditor or on any other matter,

except where in connection with taking the loan the debtor enters into any collateral obligation to pay the amount of the debt or any part of it (as, for example, by delivering a promissory note as security for the debt) on terms which would exclude the application of this Article to the contract of loan if they applied directly to repayment of the debt.

(3) Where a demand in writing for repayment of the debt under a contract of loan to which this Article applies is made by or on behalf of the creditor (or, where there are joint creditors, by or on behalf of any one of them) Article 4(a) thereupon applies as if the cause of action to recover the debt had accrued on the date on which the demand was made.

(4) In this Article “promissory note” has the same meaning as in the Bills of Exchange Act 1882^{F1}.

F1 1882 c. 61

Changes to legislation:

There are currently no known outstanding effects for the The Limitation (Northern Ireland) Order 1989, Section 5.