



# Late Payment of Commercial Debts (Interest) Act 1998

## 1998 CHAPTER 20

### PART II

#### CONTRACT TERMS RELATING TO LATE PAYMENT OF QUALIFYING DEBTS

#### 10 Interpretation of Part II.

(1) In this Part—

“contract term” means a term of the contract creating the debt or any other contract term binding the parties (or either of them);

“contractual remedy” means a contractual right to interest or any contractual remedy other than interest;

“contractual right to interest” includes a reference to a contractual right to charge interest;

“overall remedy”, in relation to the late payment of the debt, means any combination of a contractual right to interest, a varied right to statutory interest or a contractual remedy other than interest;

“substantial remedy” shall be construed in accordance with section 9.

(2) In this Part a reference (however worded) to contract terms which vary the right to statutory interest is a reference to terms altering in any way the effect of Part I in relation to the debt (for example by postponing the time at which interest starts to run or by imposing conditions on the right to interest).

(3) In this Part a reference to late payment of the debt is a reference to late payment of the sum due when the debt is created (excluding any part of that sum which is prevented from carrying statutory interest by section 3).

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**Changes to legislation:** *There are currently no known outstanding effects for the Late Payment of Commercial Debts (Interest) Act 1998, Section 10. (See end of Document for details)*

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### **Commencement Information**

- II** **S. 10** fully in force; **s. 10** not in force at Royal Assent see **s. 17(2)**; **s. 10** 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. 10** 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. 10** in force (S.) in so far as not already in force at 7.8.2002 by **S.S.I. 2002/337, art. 2**

**Changes to legislation:**

There are currently no known outstanding effects for the Late Payment of Commercial Debts (Interest) Act 1998, Section 10.