

# Contracts (Rights of Third Parties) Act 1999

## **1999 CHAPTER 31**

# 6 Exceptions.

- (1) Section 1 confers no rights on a third party in the case of a contract on a bill of exchange, promissory note or other negotiable instrument.
- (2) Section 1 confers no rights on a third party in the case of any contract binding on a company and its members under [F1 section 33 of the Companies Act 2006 (effect of company's constitution)].
- [F2(2A) Section 1 confers no rights on a third party in the case of any incorporation document of a limited liability partnership [F3 or any agreement (express or implied) between the members of a limited liability partnership, or between a limited liability partnership and its members, that determines the mutual rights and duties of the members and their rights and duties in relation to the limited liability partnership.]]
- [F4(2A) Section 1 confers no rights on a third party in the case of any incorporation document of a limited liability partnership [F3 or any agreement (express or implied) between the members of a limited liability partnership, or between a limited liability partnership and its members, that determines the mutual rights and duties of the members and their rights and duties in relation to the limited liability partnership.]]
  - (3) Section 1 confers no right on a third party to enforce—
    - (a) any term of a contract of employment against an employee,
    - (b) any term of a worker's contract against a worker (including a home worker), or
    - (c) any term of a relevant contract against an agency worker.

## (4) In subsection (3)—

- (a) "contract of employment", "employee", "worker's contract", and "worker" have the meaning given by section 54 of the MINational Minimum Wage Act 1998.
- (b) "home worker" has the meaning given by section 35(2) of that Act,
- (c) "agency worker" has the same meaning as in section 34(1) of that Act, and

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- (d) "relevant contract" means a contract entered into, in a case where section 34 of that Act applies, by the agency worker as respects work falling within subsection (1)(a) of that section.
- (5) Section 1 confers no rights on a third party in the case of—
  - (a) a contract for the carriage of goods by sea, or
  - (b) a contract for the carriage of goods by rail or road, or for the carriage of cargo by air, which is subject to the rules of the appropriate international transport convention,

except that a third party may in reliance on that section avail himself of an exclusion or limitation of liability in such a contract.

- (6) In subsection (5) "contract for the carriage of goods by sea" means a contract of carriage—
  - (a) contained in or evidenced by a bill of lading, sea waybill or a corresponding electronic transaction, or
  - (b) under or for the purposes of which there is given an undertaking which is contained in a ship's delivery order or a corresponding electronic transaction.
- (7) For the purposes of subsection (6)—
  - (a) "bill of lading", "sea waybill" and "ship's delivery order" have the same meaning as in the M2Carriage of Goods by Sea Act 1992, and
  - (b) a corresponding electronic transaction is a transaction within section 1(5) of that Act which corresponds to the issue, indorsement, delivery or transfer of a bill of lading, sea waybill or ship's delivery order.
- (8) In subsection (5) "the appropriate international transport convention" means—
  - (a) in relation to a contract for the carriage of goods by rail, the Convention which has the force of law in the United Kingdom under [F5 regulation 3 of the Railways (Convention on International Carriage by Rail) Regulations 2005],
  - (b) in relation to a contract for the carriage of goods by road, the Convention which has the force of law in the United Kingdom under section 1 of the M3Carriage of Goods by Road Act 1965, and
  - (c) in relation to a contract for the carriage of cargo by air—
    - (i) the Convention which has the force of law in the United Kingdom under section 1 of the M4Carriage by Air Act 1961, or
    - (ii) the Convention which has the force of law under section 1 of the M5Carriage by Air (Supplementary Provisions) Act 1962, or
    - (iii) either of the amended Conventions set out in Part B of Schedule 2 or 3 to the M6 Carriage by Air Acts (Application of Provisions) Order 1967.

### **Extent Information**

E1 In its application to Northern Ireland, this section has effect subject to the modifications set out in s. 9(2)(3)

### **Textual Amendments**

F1 Words in s. 6(2) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), arts. 1(2), 2(1), Sch. 1 para. 179(2) (a) (with art. 10)

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- F2 S. 6(2A) inserted (N.I.) (13.9.2004) by Limited Liability Partnerships Regulations (Northern Ireland) 2004 (S.R. 2004/307), regs. 1, 9, Sch. 4 para. 16
- F3 Words in s. 6(2A) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), arts. 1(2), 2(1), Sch. 1 para. 179(2) (b) (with art. 10)
- F4 S. 6(2A) inserted (E.W.) (6.4.2001) by S.I. 2001/1090, reg. 9, Sch. 5 para. 20
- Words in s. 6(8)(a) substituted (coming into force in accordance with reg. 1 of the amending S.I.) by
  The Railways (Convention on International Carriage by Rail) Regulations 2005 (S.I. 2005/2092), Sch. 3 para. 3

### **Marginal Citations**

- **M1** 1998 c. 39.
- M2 1992 c. 50.
- **M3** 1965 c. 37.
- **M4** 1961 c. 27.
- **M5** 1962 c. 43.
- **M6** S.I. 1967/480.

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