



Defence Reform Act 2014

2014 CHAPTER 20

PART 2

SINGLE SOURCE CONTRACTS

Compliance

31 Compliance notice

- (1) The Secretary of State may give a person a compliance notice if the Secretary of State thinks—
 - (a) that the person has contravened this section, and
 - (b) that there are steps that can be taken by the person to remedy the contravention.
- (2) A compliance notice is a notice which—
 - (a) specifies those steps, and
 - (b) directs the person to take them.
- (3) A person (“P”) contravenes this section if—
 - (a) P fails to comply with one or more specified requirements imposed by virtue of—
 - (i) section 23 (duty to keep accounting and other records), or
 - (ii) section 24 or 25 (reports),
 - (b) P provides a specified report under section 24 that is misleading in a material respect and P—
 - (i) knows that the report is misleading, or
 - (ii) is reckless as to whether the report is misleading,
 - (c) P fails to comply with the duty under section 26 (duty to notify Secretary of State of occurrence etc of a relevant event),
 - (d) in circumstances where P is required to make an assessment under section 29(1) or (3) in respect of a proposed contract, P fails to make such an assessment,

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- (e) P makes a negative assessment under section 29(1) or (3) in respect of a proposed contract and the Secretary of State believes that that assessment is incorrect ^{F1}...
 - (f) in circumstances where P is required to give the notice mentioned in section 29(2)(b) or (4)(b) in respect of a proposed contract, P fails to give such a notice ^{F2}, or
 - (g) in circumstances where P is required to give the notice mentioned in section 29(2)(c) or (4)(c) in respect of a proposed contract, P fails to give such a notice.]
- (4) In subsection (3)—
- (a) “specified” means specified in single source contract regulations;
 - (b) “negative assessment” means an assessment that the proposed contract would not be a qualifying sub-contract if it (and, in a case within section 29(3), the proposed qualifying defence contract) were entered into.
- (5) A compliance notice must be given before the end of the period specified in single source contract regulations.
- (6) A compliance notice must—
- (a) give details of the contravention,
 - (b) specify the period within which the steps specified in the notice must be taken, and
 - (c) state that, if P fails to take those steps, the Secretary of State may give P a penalty notice under section 32.

Textual Amendments

- F1** Word in s. 31(3)(e) omitted (19.1.2024) by virtue of [Procurement Act 2023 \(c. 54\)](#), s. 127(2), [Sch. 10 para. 17\(a\)](#); S.I. 2024/61, reg. 2(1)(b)(vii) (with reg. 3)
- F2** S. 31(3)(g) and word inserted (19.1.2024) by [Procurement Act 2023 \(c. 54\)](#), s. 127(2), [Sch. 10 para. 17\(b\)](#); S.I. 2024/61, reg. 2(1)(b)(vii) (with reg. 3)
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Commencement Information

- I1** S. 31 in force at 14.7.2014 for specified purposes by S.I. 2014/1751, [art. 4\(o\)](#)
- I2** S. 31 in force at 5.12.2014 in so far as not already in force by S.I. 2014/3162, [art. 3\(c\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 25(8A) inserted by [2023 c. 54 Sch. 10 para. 13\(3\)](#)
- s. 35A inserted by [2023 c. 54 Sch. 10 para. 19](#)