
EXPLANATORY NOTE

This Order appoints 1st July 1978 for the purposes of paragraphs 44 to 46 of Schedule 3 to the Consumer Credit Act 1974 (which contains transitional and commencement provisions) in relation to certain credit brokerage businesses. Those paragraphs provide that certain provisions of the Act are not to have effect before the appointed day. The provisions in question are as follows:—

Paragraph of <i>Schedule 3</i> to the Act	Subject matter
44	Section 21 (which requires businesses to be licensed) not to apply by virtue of section 147(1) to any description of ancillary credit business before the day appointed in relation to that description of business.
45	Section 148(1) (which renders unenforceable an agreement for the services of a person carrying on an ancillary credit business while unlicensed) not to apply to agreements made before the day appointed for the purposes of paragraph 44 in relation to such businesses.
46	Section 149 (which renders unenforceable regulated agreements made on introductions by unlicensed credit-brokers) not to apply to agreements made on introductions effected before the day appointed for the purposes of paragraph 44 in relation to credit brokerage businesses.

The credit brokerage businesses in relation to which 1st July 1978 is the day appointed by article 2 are credit brokerage businesses except those which are carried on by individuals and which only do business resulting in the making of certain regulated consumer credit agreements for credit not exceeding £30. Accordingly, with the exception mentioned, all credit brokerage businesses will require to be licensed by the Director General of Fair Trading on and after that date. Article 3 introduces consequential amendments to Schedule 3.