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STATUTORY INSTRUMENTS

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**1980 No. 51**

**The Consumer Credit (Total Charge  
for Credit) Regulations 1980**

**PART III**

**RATE OF TOTAL CHARGE FOR CREDIT**

**Rate of total charge for credit**

6. The rate of the total charge for credit in the case of an actual or prospective agreement shall be the annual percentage rate of charge determined in accordance with the following provisions of this Part of these Regulations and such determination shall be to one decimal place, further decimal places being disregarded.

**Calculation where a period rate is charged**

7.—(1) In the case of—

- (a) an agreement under which the only charge for credit is a constant period rate of charge in respect of periods of equal length being either—
  - (i) an agreement for running-account credit, or
  - (ii) an agreement for fixed-sum credit where the credit is not repayable at specified intervals or in specified amounts; and
- (b) an agreement for fixed-sum credit under which—
  - (i) the only charge for credit is a constant period rate of charge in respect of periods of equal length,
  - (ii) credit is outstanding throughout one or more such periods, and
  - (iii) every repayment of credit and of the total charge for credit is made at the end of such a period,

the annual percentage rate of charge is given by the following formula—

$$100\#[(1+x100)y-1]$$

x is the period rate of charge expressed as a percentage; and

y is the number of periods in a year in relation to which the period rate of charge is charged.

(2) For the purpose of these Regulations, “period rate of charge” means a percentage rate of charge for a period, comprising all charges included in the total charge for credit determined in accordance with Part II of these Regulations.

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### Calculation where fixed-sum credit is provided and repayable in single lump sum

8. In the case of an agreement for fixed-sum credit provided in a single lump sum repayable at the end of a specified period in a single lump sum being repayment of the credit and of the total charge for credit, the annual percentage rate of charge is given by the following formula—

$$100\#[(1+CP)t-1]$$

C is the total charge for credit;

P is the amount of the credit; and

t is the period beginning with the relevant date and ending with the date of repayment expressed in years.

### Calculation applicable to any agreement

9.—(1) In relation to any agreement, the annual percentage rate of charge is a rate per annum compounding annually expressed as a percentage such that—

(a) the sum of the present values as at the relevant date of all repayments of credit and of the total charge for credit; and

(b) the sum of the present values as at the relevant date of all credit under the agreement, would, when calculated at that rate, be equal.

(2) For the purposes of this regulation, the present value as at the relevant date—

(a) of a sum to be paid on or before that date, is that sum; and

(b) of a sum to be paid at a later date, is such a value as is given by the following formula—

$$A(1+r100)t$$

A is the sum to be paid;

r is the rate per annum expressed as a percentage; and

t is the period beginning with the relevant date and ending with the date of payment of the sum expressed in years.

(3) In a case where more than one rate per annum is given under the foregoing provisions of this regulation, the annual percentage rate of charge determined under this regulation is the positive rate per annum nearest to zero or, if no positive rate is so given, the negative rate nearest to zero.

### Consumer credit tables

10. In the case of an agreement to which an entry in a table contained in “Consumer credit tables” (Parts 1 to 15) published in 1977 by Her Majesty's Stationery Office as modified by Correction Slips so published in December 1978 (being tables calculated in accordance with the principles set out in the foregoing regulations) exactly applies, the applicable rate set out in that table shall be taken to be the rate determined in accordance with these Regulations.

### Computation of time

11.—(1) This regulation has effect for determining the length of any period for the purposes of calculations under this Part of these Regulations.

(2) A period which is not a whole number of calendar months or a whole number of weeks shall be counted in years and days.

(3) Subject to paragraph (4) below, a period which is a whole number of calendar months or a whole number of weeks shall be counted in calendar months or in weeks, as the case may be.

- (4) Where a period is both a whole number of calendar months and a whole number of weeks and—
- (a) one repayment only is to be made, the period shall be counted in calendar months, or
  - (b) more than one repayment is to be made,—
    - (i) if all such repayments are to be made at intervals from the relevant date of one or more weeks, the period shall be counted in weeks, and
    - (ii) in any other case, the period shall be counted in calendar months.
- (5) A period which is to be counted—
- (a) in calendar months shall be taken to be of a length equal to the relevant number of twelfth parts of a year, and
  - (b) in weeks, shall be taken to be of a length equal to the relevant number of fifty-second parts of a year.
- (6) A day shall be taken to be one three hundred and sixty-fifth part of a year.
- (7) Every day shall be taken to be a working day.