

SCHEDULES

[^{F1}SCHEDULE 10

PROHIBITION OF SALE OF MEDICAL PRACTICES

F1 2001 c. 3 (NI)

Sale of medical practices

1.—(1) It is unlawful to sell the goodwill of the medical practice of a person who has at any time—

- (a) provided[^{F2} primary medical services] under arrangements made with a Health and Social Services Board under this Order; or
- (b) provided or performed personal medical services in accordance with Article 15B arrangements made with a Health and Social Services Board.[^{F2} (prior to the coming into operation of Article 3 of the Primary Medical Services (Northern Ireland) Order 2004)] [^{F2} or]
[provided or performed primary medical services in accordance with Article 15B
^{F2}(c) arrangements, arrangements under Article 56B(2)(b) or under a general medical services contract“
 - (i) in prescribed circumstances, or
 - (ii) if regulations so provide, in all circumstances;]

unless that person no longer provides or performs such services ^{F3} ... ^{F4}

(2) In this Schedule—

“goodwill” includes any part of goodwill and, in relation to a person practising in partnership, means his share of the goodwill of the partnership practice;

“medical practice” includes any part of a medical practice.

F2 2004 NI 2

F3 Words in Sch. 10 para. 1(1) omitted (1.4.2022) by virtue of Health and Social Care Act (Northern Ireland) 2022 (c. 3), s. 8(1)(b), Sch. 1 para. 52(2); S.R. 2022/102, art. 2(b)

F4 Words in Sch. 10 para. 1(1) repealed (1.4.2009) by Health and Social Care (Reform) Act (Northern Ireland) 2009 (c. 1), s. 34(3), Sch. 6 para. 3(50)(a), Sch. 7; S.R. 2009/114, art. 2

Prohibition, and certificate of Health and Social Services Board

2.—(1) Any person who sells or buys the goodwill of a medical practice which it is unlawful to sell by virtue of paragraph 1 is guilty of an offence and liable on conviction on indictment to a fine not exceeding—

- (a) such amount as will in the court's opinion secure that he derive no benefit from the offence; and

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(b) the further amount of £500;

or to imprisonment for a term not exceeding three months, or to both such fine and such imprisonment.

(2) Any person proposing to be a party to a transaction or series of transactions which he thinks might amount to a sale of the goodwill of a medical practice in contravention of paragraph 1 may ask [^{F5}the Department] for a certificate under this paragraph.

(3) The [^{F6}Department] shall consider any such application, and, if it is satisfied that the transaction or series of transactions does not involve the giving of valuable consideration in respect of the goodwill of such a medical practice, it shall issue to the applicant a certificate to that effect, which shall be in the prescribed form and shall set out all material circumstances disclosed to the [^{F6}Department] .

(4) Where any person is charged with an offence under this paragraph in respect of any transaction or series of transactions, it shall be a defence to the charge to prove that the transaction or series of transactions was certified by [^{F7}the Department] under sub-paragraph (3).

(5) Any document purporting to be such a certificate shall be admissible in evidence and shall be deemed to be such a certificate unless the contrary is proved.

(6) If it appears to the court that the applicant for any such certificate failed to disclose to [^{F8}the Department] all the material circumstances, or made any misrepresentation with respect thereto, the court may disregard the certificate, and sub-paragraph (4) shall not apply thereto.

(7) A prosecution for an offence under this paragraph shall only be instituted by or with the consent of the Director of Public Prosecutions, and [^{F9}the Department] shall, at the request of the Director, furnish him with a copy of any certificate issued by it under sub-paragraph (3), and with copies of any documents produced to it in connection with the application for that certificate.

F5	Words in Sch. 10 para. 2(2) substituted (1.4.2022) by Health and Social Care Act (Northern Ireland) 2022 (c. 3), s. 8(1)(b), Sch. 1 para. 52(3)(a) ; S.R. 2022/102, art. 2(b)
F6	Word in Sch. 10 para. 2(3) substituted (1.4.2022) by Health and Social Care Act (Northern Ireland) 2022 (c. 3), s. 8(1)(b), Sch. 1 para. 52(3)(b) ; S.R. 2022/102, art. 2(b)
F7	Words in Sch. 10 para. 2(4) substituted (1.4.2022) by Health and Social Care Act (Northern Ireland) 2022 (c. 3), s. 8(1)(b), Sch. 1 para. 52(3)(c) ; S.R. 2022/102, art. 2(b)
F8	Words in Sch. 10 para. 2(6) substituted (1.4.2022) by Health and Social Care Act (Northern Ireland) 2022 (c. 3), s. 8(1)(b), Sch. 1 para. 52(3)(c) ; S.R. 2022/102, art. 2(b)
F9	Words in Sch. 10 para. 2(7) substituted (1.4.2022) by Health and Social Care Act (Northern Ireland) 2022 (c. 3), s. 8(1)(b), Sch. 1 para. 52(3)(c) ; S.R. 2022/102, art. 2(b)

Certain transactions deemed sale of goodwill

3.—(1) For the purposes of paragraphs 1 and 2, a disposal of premises previously used for the purposes of a medical practice shall be deemed to be a sale of the goodwill of a medical practice if—

- (a) the person disposing of the premises did so knowing that another person (“A”) intended to use them for the purposes of A’s medical practice; and
- (b) the consideration for the disposal substantially exceeded the consideration that might reasonably have been expected if the premises had not previously been used for the purposes of a medical practice.

(2) If a person disposes of any premises together with any other property, the court shall, for the purposes of sub-paragraph (1), make such apportionment of the consideration as it thinks just.

(3) For the purposes of sub-paragraphs (1) and (2)—

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- (a) “disposal” means any sale, letting or other form of disposal (whether by a single transaction or a series of transactions); and
 - (b) a person who procures the disposal of any premises is to be treated as having disposed of them.
- (4) Where in pursuance of any partnership agreement—
- (a) any valuable consideration, other than the performance of services in the partnership business, is given by a partner or proposed partner as consideration for his being taken into partnership;
 - (b) any valuable consideration is given to a partner, on or in contemplation of his retirement or of his acceptance of a reduced share of the partnership profits, or to the personal representative of a partner on his death, not being a payment in respect of that partner's share in past earnings of the partnership or in any partnership assets or any other payment required to be made to him as the result of the final settlement of accounts, as between him and the other partners, in respect of past transactions of the partnership; or
 - (c) services are performed by any partner for a consideration substantially less than those services might reasonably have been expected to be worth having regard to the circumstances at the time when the agreement was made,

there shall be deemed for the purposes of paragraphs 1 and 2 to have been a sale of the goodwill of the practice of any partner to whom, or to whose personal representative, the consideration or any part thereof is given or, as the case may be, for whose benefit the services are performed, to the partner or each of the partners by or on whose behalf the consideration or any part thereof was given or, as the case may be, the partner who performed the services, and the said sale shall be deemed for the purposes of sub-paragraphs (1) and (2) to have been effected—

- (i) in a case to which head (a) or head (b) applies, at the time when the consideration was given, or, if the consideration was not all given at the same time, at the time when the first part thereof was given; or
- (ii) in a case to which head (c) applies, at the time when the agreement was made.

- (5) Sub-paragraph (6) applies if a person (“the assistant”)—
- (a) performs services on behalf of a person who carries on a medical practice (or as an employee of a person employing a practitioner who carries on a medical practice);
 - (b) receives substantially less remuneration for performing those services than might reasonably have been expected, having regard to the circumstances at the time when the remuneration was fixed; and
 - (c) subsequently succeeds, whether as a result of a partnership agreement or otherwise, to that practice.

(6) For the purposes of paragraphs 1 and 2, a sale of the goodwill of the practice is to be deemed to have taken place (at the time when the remuneration was fixed), unless it is proved that the remuneration was not fixed in contemplation of the assistant's succeeding to the practice.

(7) For the purposes of paragraphs 1 and 2, the goodwill of a medical practice shall be deemed to have been sold if—

- (a) a person carrying on the practice (or employing a practitioner who carries on a medical practice) agrees, for valuable consideration—
 - (i) to do or refrain from doing any act, for the purpose of facilitating the succession of another person to the practice; or
 - (ii) to allow any act to be done, for that purpose; or
- (b) a person—

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- (i) gives valuable consideration to a person carrying on the practice (or employing a practitioner who carries on a medical practice); and
 - (ii) succeeds, or has previously succeeded, to the practice.
- (8) Sub-paragraph (7) does not apply—
- (a) if it is proved that no part of the consideration was given in respect of the goodwill; or
 - (b) to anything done—
 - (i) in relation to the acquisition of premises for the purposes of a medical practice;
 - (ii) in pursuance of a partnership agreement; or
 - (iii) in the performance of medical services by one person as an assistant to another.
- (9) In determining for the purposes of this Schedule the consideration given in respect of any transaction, the court shall have regard to any other transaction appearing to the court to be associated with the first transaction, and shall estimate the total consideration given in respect of both or all the transactions, and apportion it between those transactions in such manner as it thinks just.
- (10) For the purposes of this Schedule—
- (a) consideration is deemed to be given to a person (“B”) if—
 - (i) it is given to another person but with B's knowledge and consent; and
 - (ii) it appears to the court that B has derived, or will derive, a substantial benefit from the giving of the consideration; and
 - (b) unless the context otherwise requires, references to a person include, in the case of an individual who has died, references to his personal representative.

Carried-over goodwill

4. The fact that a person's medical practice was previously carried on by another person who at any time provided^{F10} or performed services as specified in paragraph 1(1)] does not, by itself, make it unlawful under paragraph 1 for the goodwill of his practice to be sold.]

F10 2004 NI 2

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Changes and effects yet to be applied to :

- Instrument amended by [1995 c. 51 s.4Sch. para.30](#)

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

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

- art. 56(4C)(4D) substituted by [S.I. 2002/3135 Sch. 1 para. 16](#) (This amendment has not been applied as it has been superceded by the substitution of art. 56 by 2004/311 NI 2 art. 3)
- art. 61-61E and art. 61F and cross-heading substituted for art. 61 by [2008 c. 2 \(N.I.\) s. 2\(2\)](#) (This amending provision is itself amended (13.6.2016) before it comes into force by 2016 c. 26 (N.I.), ss. 9, 20(2))
- art. 98(3) added by [2008 c. 2 \(N.I.\) s. 4\(1\)](#)
- art. 107(1A) inserted by [2008 c. 2 \(N.I.\) s. 4\(4\)\(b\)](#)