

2005 No. 219

ARBITRATION

**Unfair Arbitration Agreements (Specified Amount) Order
(Northern Ireland) 2005**

Made - - - - - *4th April 2005*

Coming into operation *1st June 2005*

The Department of Enterprise, Trade and Investment^(a), in exercise of the powers conferred on it by section 91(1) and (3)(c) of the Arbitration Act 1996^(b) and of every other power enabling it in that behalf, with the concurrence of the Lord Chancellor, hereby makes the following Order:

1. This Order may be cited as the Unfair Arbitration Agreements (Specified Amount) Order (Northern Ireland) 2005 and shall come into operation on 1st June 2005.

2.—(1) Subject to paragraph (2) the Unfair Arbitration Agreements (Specified Amount) Order (Northern Ireland) 1996^(c) is hereby revoked.

(2) The Order referred to in paragraph (1) shall continue to have effect in relation to any arbitration agreement entered into before this Order came into operation as if this Order had not been made.

3. In relation to any arbitration agreement entered into after the coming into operation of this Order the amount of £5,000 is hereby specified for the purposes of section 91 of the Arbitration Act 1996 (arbitration agreement unfair where modest amount sought).

Sealed with the Official Seal of the Department of Enterprise, Trade and Investment on 4th April 2005.

(L.S.) *M. Bohill*
A senior officer of the Department of Enterprise, Trade and Investment

Signed by authority of the Lord Chancellor

I concur, *Catherine M. Ashton*
Parliamentary Under-Secretary of State
Department for Constitutional Affairs

11th April 2005

(a) Formerly the Department of Economic Development; see S.I. 1999/283 (N.I. 1) Art. 3(5)
(b) 1996 c. 23
(c) S.R. 1996 No. 598

EXPLANATORY NOTE

(This note is not part of the Order.)

This Order specifies the amount of £5,000 (“the new amount”) for the purposes of section 91 of the Arbitration Act 1996 (“the 1996 Act”) for Northern Ireland. This Order also revokes and replaces the Unfair Arbitration Agreements (Specified Amount) Order (Northern Ireland) 1996 which specified the amount of £3,000 (“the old amount”). However the new amount will only apply in relation to any arbitration agreement entered into after this Order comes into operation. The old amount will continue to apply in relation to any arbitration agreement entered into before that date.

Section 91(1) of the 1996 Act provides that a term which constitutes an arbitration agreement is unfair for the purposes of the Unfair Terms in Consumer Contracts Regulations 1999 (S.I. 1999/2083) (“the 1999 Regulations”) so far as it relates to a claim for a pecuniary remedy which does not exceed the amount specified by order for the purposes of that section. With effect from 1st October 1999 the 1999 Regulations revoked and replaced the Unfair Terms in Consumer Contracts Regulations 1994 (S.I. 1994/3159) which originally implemented Council Directive 93/13/EEC on unfair terms in consumer contracts (O.J. No. L95, 21.4.93, p. 29).

Section 89(1) of the 1996 Act defines “arbitration agreement” as an agreement to submit to arbitration present or future disputes or differences (whether or not contractual).

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Published and printed in the UK by The
Stationery Office Limited
under the authority and
superintendence of Carol
Tullo, Controller of
Her Majesty's Stationery
Office being the Government
Printer for Northern Ireland and
the Officer appointed to print the
Acts of the Northern Ireland Assembly
Dd. N1811. C2. 4/05. Gp. 130. 14567.
£3.00

ISBN 0-337-95986-2

