



Late Payment of Commercial Debts (Interest) Act 1998

1998 CHAPTER 20

PART I

STATUTORY INTEREST ON QUALIFYING DEBTS

3 Qualifying debts.

- (1) A debt created by virtue of an obligation under a contract to which this Act applies to pay the whole or any part of the contract price is a “qualifying debt” for the purposes of this Act, unless (when created) the whole of the debt is prevented from carrying statutory interest by this section.
- (2) A debt does not carry statutory interest if or to the extent that it consists of a sum to which a right to interest or to charge interest applies by virtue of any enactment (other than section 1 of this Act).

This subsection does not prevent a sum from carrying statutory interest by reason of the fact that a court, arbitrator or arbiter would, apart from this Act, have power to award interest on it.

- (3) A debt does not carry (and shall be treated as never having carried) statutory interest if or to the extent that a right to demand interest on it, which exists by virtue of any rule of law, is exercised.

^{F1}(4)

^{F1}(5)

Textual Amendments

- F1** S. 3(4)(5) repealed (E. W. NI.) (7.8.2002) by [S.I. 2002/1674, reg. 2\(3\)](#)
S. 3(4)(5) repealed (S.) (7.8.2002) by [S.S.I. 2002/335, reg. 2\(4\)](#) (with [reg. 4](#))

Changes to legislation: There are currently no known outstanding effects for the Late Payment of Commercial Debts (Interest) Act 1998, Section 3. (See end of Document for details)

Commencement Information

- II** S. 3 fully in force; s. 3 not in force at Royal Assent see s. 17(2); s. 3 in force for specified purposes: at 1.11.1998 by S.I. 1998/2479, **art. 3**; at 1.7.1999 by S.I. 1999/1816, **art. 3**; at 1.9.2000 by S.I. 2000/2225, **art. 3(1)**, **Sch.**; at 1.11.2000 by S.I. 2000/2740, **art. 3(1)**; S. 3 in force (E. W. NI.) in so far as not already in force at 7.8.2002 by S.I. 2002/1673, **art. 2**; S. 3 in force (S.) in so far as not already in force at 7.8.2002 by S.I. 2002/337, **art. 2**

Changes to legislation:

There are currently no known outstanding effects for the Late Payment of Commercial Debts (Interest) Act 1998, Section 3.