



# Consumer Credit Act 2006

## 2006 CHAPTER 14

*Agreements regulated under the 1974 Act etc.*

### **3 Exemption relating to high net worth debtors and hirers**

After section 16 of the 1974 Act insert—

#### **“16A Exemption relating to high net worth debtors and hirers**

- (1) The Secretary of State may by order provide that this Act shall not regulate a consumer credit agreement or a consumer hire agreement where—
  - (a) the debtor or hirer is a natural person;
  - (b) the agreement includes a declaration made by him to the effect that he agrees to forgo the protection and remedies that would be available to him under this Act if the agreement were a regulated agreement;
  - (c) a statement of high net worth has been made in relation to him; and
  - (d) that statement is current in relation to the agreement and a copy of it was provided to the creditor or owner before the agreement was made.
- (2) For the purposes of this section a statement of high net worth is a statement to the effect that, in the opinion of the person making it, the natural person in relation to whom it is made—
  - (a) received during the previous financial year income of a specified description totalling an amount of not less than the specified amount; or
  - (b) had throughout that year net assets of a specified description with a total value of not less than the specified value.
- (3) Such a statement—
  - (a) may not be made by the person in relation to whom it is made;
  - (b) must be made by a person of a specified description; and
  - (c) is current in relation to an agreement if it was made during the period of one year ending with the day on which the agreement is made.
- (4) An order under this section may make provision about—

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*Status: This is the original version (as it was originally enacted).*

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- (a) how amounts of income and values of net assets are to be determined for the purposes of subsection (2)(a) and (b);
  - (b) the form, content and signing of—
    - (i) statements of high net worth;
    - (ii) declarations for the purposes of subsection (1)(b).
- (5) Where an agreement has two or more debtors or hirers, for the purposes of paragraph (c) of subsection (1) a separate statement of high net worth must have been made in relation to each of them; and paragraph (d) of that subsection shall have effect accordingly.
- (6) In this section—  
‘previous financial year’ means, in relation to a statement of high net worth, the financial year immediately preceding the financial year during which the statement is made;  
‘specified’ means specified in an order under this section.
- (7) In subsection (6) ‘financial year’ means a period of one year ending with 31st March.
- (8) Nothing in this section affects the application of sections 140A to 140C.”