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STATUTORY INSTRUMENTS

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**2000 No. 2225 (C. 60)**

**CONTRACTS**

**The Late Payment of Commercial Debts (Interest)  
Act 1998 (Commencement No. 3) Order 2000**

*Made - - - - 12th August 2000*

The Secretary of State, in exercise of the power conferred on him by section 17(2) of the Late Payment of Commercial Debts (Interest) Act 1998<sup>(1)</sup> and of all other powers enabling him in that behalf, hereby makes the following Order:—

**Citation**

1. This Order may be cited as the Late Payment of Commercial Debts (Interest) Act 1998 (Commencement No. 3) Order 2000.

**Interpretation**

2.—(1) In this Order—

- (a) “small business supplier” means a supplier, not being a United Kingdom public authority, whose business is a small business;
- (b) “a United Kingdom public authority” means an authority falling within Schedule 1 to the first commencement order, the Schedule to the second commencement order or the Schedule to this Order;
- (c) “the first commencement order” means the Late Payment of Commercial Debts (Interest) Act 1998 (Commencement No. 1) Order 1998<sup>(2)</sup>;
- (d) “the second commencement order” means the Late Payment of Commercial Debts (Interest) Act 1998 (Commencement No. 2) Order 1999<sup>(3)</sup>.

(2) For the purposes of this Order, a business is a small business if the number of full-time employees employed in the business is 50 or fewer when calculated in accordance with Schedule 2 to the first commencement order.

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(1) 1998 c. 20.  
(2) S.I.1998/2479.  
(3) S.I. 1999/1816.

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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**Contracts in relation to which the Late Payment of Commercial Debts (Interest) Act 1998 comes into force on 1st September 2000**

3.—(1) The Late Payment of Commercial Debts (Interest) Act 1998 shall come into force on 1st September 2000 in relation to contracts for the supply of goods or services made on or after that date between a small business supplier and any purchaser falling within the Schedule to this Order.

(2) The question whether a contract falls within this description is to be determined by reference to the circumstances when the contract is made and, accordingly, is not affected by any subsequent change in those circumstances.

12th August 2000

*Patricia Hewitt,*  
Minister for Small Business and E-Commerce,  
Department of Trade and Industry

## THE SCHEDULE

Article 3(1)

The Comptroller and Auditor General for Northern Ireland<sup>(4)</sup>;  
The Metropolitan Police Authority<sup>(5)</sup>;  
The London Fire and Emergency Planning Authority<sup>(6)</sup>.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order brings into force the Late Payment of Commercial Debts (Interest) Act 1998, in relation to commercial contracts for the supply of goods or services where the supplier is a small business and the purchaser is the Comptroller and Auditor General for Northern Ireland, the Metropolitan Police Authority or the London Fire and Emergency Planning Authority (Article 3). This is the third commencement order.

Article 2 provides for the definitions of “small business supplier”, and “United Kingdom public authority”. By Article 2(2), a small business is one which has 50 or fewer full-time employees when calculated in accordance with Schedule 2 to the Late Payment of Commercial Debts (Interest) Act 1998 (Commencement No. 1) Order 1998 (“the first commencement order”).

An employee is defined (paragraph 2 of Schedule 2 to the first commencement order) to include persons who work in the business both under a contract of employment and other than under such a contract, e.g. partners and a sole owner. Provision is made for the counting of part-time employees as fractions of full-timers (paragraph 3 of Schedule 2 to the first commencement order) and employees in associated businesses are counted (paragraph 6 of Schedule 2 to the first commencement order). Taking the period of 1st April to 31st March (or a shorter period for new businesses) preceding making the contract (paragraph 4 of Schedule 2 to the first commencement order), the average is taken of the numbers of employees over that period (paragraph 5).

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(4) The Comptroller and Auditor General for Northern Ireland was constituted under the Northern Ireland Act 1998 c. 47.

(5) The Metropolitan Police Authority was created by section 310 of the Greater London Authority Act 1999 (c. 29).

(6) The London Fire and Emergency Planning Authority was reconstituted by section 328 of the Greater London Authority Act 1999 (c. 29).