
STATUTORY INSTRUMENTS

2010 No. 1010

The Consumer Credit (EU Directive) Regulations 2010

PART 2

Amendments to primary legislation

Overdrafts etc

19.—(1) Section 189 (definitions)(**1**), is amended as follows.

(2) In subsection (1) after the definition of “associate” insert—

““authorised business overdraft agreement” means a debtor-creditor agreement which provides authorisation in advance for the debtor to overdraw on a current account, where the agreement is entered into by the debtor wholly or predominantly for the purposes of the debtor’s business (see subsection (2A));

“authorised non-business overdraft agreement” means a debtor-creditor agreement which provides authorisation in advance for the debtor to overdraw on a current account where—

- (a) the credit must be repaid on demand or within three months, and
- (b) the agreement is not entered into by the debtor wholly or predominantly for the purposes of the debtor’s business (see subsection (2A));”.

(3) After subsection (2) insert—

“(2A) For the purpose of the definitions of “authorised business overdraft agreement” and “authorised non-business overdraft agreement” subsections (2) to (5) of section 16B (declaration by the debtor as to the purposes of the agreement) apply.”.

(1) Section 189(1) was amended by the Banking Act 1987 (c.22), section 88, and the relevant definition inserted by that Act was revoked by S.I. 2001/3649, article 176(a). It was also amended by the Enterprise Act 2002 (c.40), Schedule 25, paragraph 6(38) and by the Consumer Credit Act 2006 (c.14), sections 25(5) and 51(6).