

- (g) a petroleum licence;
- (h) a contract where one or more parties to the contract is the licensee in respect of a petroleum licence whose terms would prohibit or restrict the assignment of receivables under that contract;

“intangible assets” includes electricity and data which are produced and supplied in digital form;

“licensee”, in respect of a petroleum licence, means the person to whom a petroleum licence is granted, their personal representatives and any person to whom the rights conferred by that licence may lawfully have been assigned;

“petroleum licence” means a licence granted under section 2 of the Petroleum (Production) Act 1934(a) or under section 3 of the Petroleum Act 1998(b);

“prescribed financial services” means a regulated agreement within the meaning of the Consumer Credit Act 1974(c) or any financial service within the meaning of section 2 of the Small Business, Enterprise and Employment Act 2015; and

“receivable” is a right (whether or not earned by performance) to be paid any amount under a contract (other than an excluded contract) for the supply of goods, services or intangible assets.

(3) These Regulations have effect notwithstanding any contract term which applies or purports to apply the law of Scotland or some country outside the United Kingdom, where the term appears to the court, or arbitrator or arbiter to have been imposed wholly or mainly for the purpose of enabling the party imposing it to evade the operation of these Regulations.

Effect of a non-assignment of receivables term

- 2. A term in a contract has no effect to the extent that it—
 - (a) prohibits the assignment of a receivable arising under that contract or any other contract,
 - (b) prevents a person to whom a receivable is assigned (“the assignee”) from determining its validity or value (including determining their ability to enforce the receivable), or
 - (c) hinders the assignee’s ability to enforce the receivable.

Date _____
Name _____
Parliamentary Under Secretary of State
Department for Business, Energy and Industrial Strategy

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations deal with contractual terms which prohibit or restrict the assignment of receivables. A receivable is a right to be paid under a contract, but various types of contract are excluded from the scope of the Regulations. The Regulations provide that terms prohibiting the assignment of a receivable or preventing the assignee from determining the validity or value of a receivable or hindering their ability to enforce a receivable have no effect.

A full regulatory impact assessment of the effect of these Regulations on the costs of business and the voluntary sector is available from the Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET or from www.gov.uk/beis.

(a) 1934 c. 36.
(b) 1998 c. 17.
(c) 1974 c. 39. “Regulated agreement” is defined in section 189(1).

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£4.25

UK201709141003 09/2017 19585

<http://www.legislation.gov.uk/id/ukdsi/2017/9780111160305>

ISBN 978-0-11-116030-5



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