(2) the minimum deposit is increased in the case of all goods previously controlled;

(3) where goods described in items 22, 23 and 24 of the First Schedule are disposed of in pursuance of a credit sale agreement to which Article 5 of the Order applies the deposit may be paid before the delivery of the goods instead of before the signing of the agreement and the balance may be paid by equal instalments from the date of delivery instead of from the date of the agreement;

(4) the exclusion from the scope of the Order of short term credit sale agreements has been modified and is now contained in Article 6 (1) (*a*) (ii) of the Order; the previous exclusion continues to apply to agreements entered into before the 18th February, 1956; and

(5) Article 6 (4) makes provision in respect of goods for export.

1956 No. 1270

The Hire-Purchase and Credit Sale Agreements (Control) (Amendment) Order, 1956

Made - - - -	15*th August*, 1956
Laid before Parliament	20*th August*, 1956
Coming into Operation	21*st August*, 1956

The Board of Trade in pursuance of the powers conferred upon them by Regulation 55 of the Defence (General) Regulations, 1939, as having effect by virtue of the Supplies and Services (Transitional Powers) Act, 1945(**a**), as extended by the Supplies and Services (Extended Purposes) Act, 1947(**b**), and the Supplies and Services (Defence Purposes) Act, 1951(**c**), and continued in force by the Supplies and Services (Continuance) Order, 1955(**d**), hereby order as follows:—

1. The Hire-Purchase and Credit Sale Agreements (Control) Order, 1956(**e**), shall have effect subject to the following amendments:—

(*a*) for Article 5 there shall be substituted the following:—

"5.—(1) In relation to a credit sale agreement (other than one to which paragraph (2) of this Article applies) which, insofar as it comprises goods, comprises only goods described in item 19, 20, 22, 23 or 24 of the First Schedule hereto and which provides for payments on account to be made by the purchaser during or before the manufacture of the goods—

(*a*) Article 2 (1) (*b*) and paragraph 3 of the Second Schedule shall be deemed to be complied with if before the delivery of any of the goods comprised in the agreement actual payment has been made of the amount which would, but for the provisions of this paragraph, have had to be made before the signing of the agreement; and Article 4 (1) (*a*) shall be construed accordingly;

(*b*) references in Article 2 (1) (*c*) and paragraph 4 of the Second Schedule to the period commencing with the date of the agree-

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(**a**) 9 & 10 Geo. 6. c. 10; and S.R. & O. 1945/1618 (1945 II, p. 48).
(**b**) 10 & 11 Geo. 6. c. 55. (**c**) 14 & 15 Geo. 6. c. 25.
(**d**) S.I. 1955/1810 (1955 II, p. 2491). (**e**) S.I. 1956/180 (p. 2284 above).

ment shall be construed as references to the period commencing with the date of delivery of the goods first delivered under the agreement:

Provided that where the agreement, insofar as it comprises goods, comprises only a complete plant, machinery, equipment, appliance or apparatus which is to be delivered in parts, references herein to the delivery of any of the goods and of the goods first delivered shall be construed as references to the completion of delivery of all the goods necessary for the operation of the said plant, machinery, equipment, appliance or apparatus.

(2) Nothing in this Order shall apply to the disposal and possession of any goods described in item 24 of the First Schedule hereto under a credit sale agreement which provides for the installation of those goods and the terms of which are such that—

(*a*) payments on account are to be made by the purchaser during or before installation of those goods; and

(*b*) payment of not less than 70 per cent. of the total amount payable thereunder is to be made before the expiry of six weeks from the date of the substantial completion of the installation of those goods, and of not less than 95 per cent. of that amount before the expiry of two years from that date.";

(*b*) for paragraph (1) of Article 6 there shall be substituted the following:—

"(1) Nothing in this Order shall—

(*a*) apply in relation to a credit sale agreement—

(i) entered into before the 18th day of February, 1956, which provides for the instalments to be spread over a period of less than nine months;

(ii) entered into on or after the 18th day of February, 1956, but before the 21st day of August, 1956, which provides for the purchase price to be paid by approximately equal instalments at equal intervals spread over a period of less than nine months commencing with the date of the agreement;

(*b*) apply in relation to a credit sale agreement under which the property in all the goods passes to the buyer on or before delivery of the goods to him, entered into on or after the 21st day of August, 1956, which provides for the whole of the purchase price, or where part of that price is to be paid before the signing of the agreement, the balance, to be paid either by approximately equal instalments at equal intervals spread over a period of less than nine months commencing with the date of the agreement or by one payment to be made within the period of three months commencing with the date of the agreement;

(*c*) prohibit the doing of anything under the authority of a licence granted by the Board of Trade under this Article and in accordance with any condition attached thereto."; and

(*c*) for paragraph (4) of Article 6 there shall be substituted the following:—

"(4) In any proceedings for an alleged contravention—

(*a*) of the provisions of Article 1 or 3 of this Order, in relation to any agreement, it shall be a defence if the defendant shall prove that

at the date of the disposal by him of the goods the subject of the agreement he had made all reasonable enquiries and was satisfied that the goods—

(i) were to be exported ; and

(ii) would be situated outside the United Kingdom for a period of not less than twenty-four months ;

(*b*) of the provisions of any Article other than Article 1 or 3 of this Order, in relation to any agreement, it shall be a defence if the defendant shall prove that the goods the subject of the agreement—

(i) were, at the time of the alleged contravention, to be exported ; or

(ii) had, before the time of the alleged contravention, been situated outside the United Kingdom for a period of not less than twenty-four months since the date of the agreement.".

2. This Order may be cited as the Hire-Purchase and Credit Sale Agreements (Control) (Amendment) Order, 1956, and shall come into operation on the 21st day of August, 1956.

Dated this 15th day of August, 1956.

Derek Walker-Smith,
Parliamentary Secretary to the
Board of Trade.

EXPLANATORY NOTE

(*This Note is not part of the Order, but is intended to indicate its general purport.*)

This Order amends the Hire-Purchase and Credit Sale Agreements (Control) Order, 1956.

The principal changes are as follows :—

(1) the provisions for credit sale agreements, in respect of goods for which payments on account are made during manufacture, are slightly modified and are extended to cover goods described in items 19 and 20 of the First Schedule. Where such contracts, for goods described in item 24 only, provide for installation, the Order will not apply to the agreements, provided that they comply with certain conditions ;

(2) the exemption of certain short-term credit sale agreements will now apply only to those in which the property in the goods passes to the buyer before delivery of the goods to him ; and

(3) the provisions in respect of goods for export are modified.