

Seychelles

## Hire Purchase and Credit Sale Act, 2013

Act 21 of 2013

Legislation as at 31 December 2015

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# Seychelles

## Hire Purchase and Credit Sale Act, 2013 Act 21 of 2013

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### Part I – Preliminary

#### 1. Short title

This Act may be cited as the Hire Purchase and Credit Sale Act, 2013.

#### 2. Interpretation

In this Act—

"**ancillary agreement**" means an option given by the dealer to the hirer in a hire purchase agreement or to the buyer in a credit sale agreement, to purchase other goods, which are ancillary to the goods specified in the First Schedule and includes a credit protection plan or an extended warranty;

"**annual percentage rate**" means the annual percentage rate prescribed by the Minister under [section 12\(2\)](#);

"**Authority**" means the Financial Services Authority established under the Financial Services Authority Act, 2013;

"**bailment**" means an agreement, other than a leasing contract, under which goods are rented to a bailee on a temporary basis in consideration for a monthly rental and property in the goods remains with the bailor;

"**bailor**" means a person who rents goods to a bailee under a bailment;

"**buyer**" means a purchaser of goods under a credit sale agreement;

"**cash price**" means the price at which goods are sold on a cash sale basis, where such price, after deduction of any discount, is paid at the time of the purchase;

"**chargeable price**" means the amount on which charges are imposed and which is equal to the difference between the cash price and the down payment;

"**charges**" means an amount, not exceeding the annual percentage rate of the monthly flat rate, on the chargeable price as may be prescribed by the Minister under [section 12\(2\)](#);

"**Code**" means the Civil Code of Seychelles Act;

"**contract of suretyship**" in relation to a hire purchase or a credit sale agreement means, a contract made at the request, express or implied of the hirer or buyer, to guarantee the performance of the hirer's or buyer's obligations under the agreement and the expression "surety" shall be construed accordingly;

"**Court**" means the Supreme Court of Seychelles;

**"credit price"** means the total sum, not being in excess of the sum of the cash price and charges accrued, payable by the buyer under a credit sale agreement in order to complete the purchase of goods to which the agreement relates;

**"credit sale agreement"** means an agreement for the sale of goods on credit under which the dealership in the goods passes to the buyer upon sale;

**"dealer"**—

- (a) means a person
  - (i) who lets or has let goods to a hirer under a hire purchase agreement;
  - (ii) who sells or has sold goods to a buyer under a credit sale agreement;
  - (iii) to whom the dealer's rights and liabilities under a hire purchase or credit sale agreement have passed by assignment or by operation of law;
- (b) does not include a bailor;

**"down payment"** means an amount referred to in [section 11\(2\)\(a\)](#) and [\(3\)\(a\)](#);

**"goods"**—

- (a) means, subject to paragraph (b), the goods and services specified in the First Schedule;
- (b) does not include, with respect to hire purchase agreement, an air ticket;

**"hire purchase agreement"** means an agreement—

- (a) for the sale of goods under which the property in the goods shall pass to the hirer upon payment by installments of the whole amount due;
- (b) within the maximum repayment period of 48 months; and
- (c) includes an ancillary agreement;

**"hire purchase price"** means the total sum payable by the hirer under a hire purchase agreement in order to complete the purchase of goods to which the agreement relates exclusive of any sum payable as a penalty or as compensation or damages for a breach of the agreement, and not exceeding the sum of the cash price and charges accrued;

**"hirer"** means the person who takes or has taken goods from a dealer under a hire purchase agreement and includes a person to whom the hirer's right and liabilities under the agreement have passed by assignment or by operation of law;

**"leasing contract"** means a financial leasing contract entered into by a company licenced under the Financial Leasing Act to provide financial leasing business;

**"Minister"** means the Minister responsible for finance;

**"monthly flat rate"** means the monthly flat rate prescribed by the Minister under [section 12\(2\)](#);

**"prescribed"** means prescribed by regulations made under this Act;

**"repayment period"** means a period determined under a hire purchase agreement or credit sale agreement for the payment of the balance remaining due after the down payment has been effected, which shall not exceed the maximum period as may be prescribed by the Minister;

**"surcharge"** means an amount payable for the late payment of an installment and which shall not exceed such rates as may be prescribed by the Minister under [section 12\(2\)](#).

### 3. Application of this Act

- (1) This Act shall apply to all hire purchase agreements and credit sale agreements entered into on or after the coming into operation of this Act.
- (2) For the purpose of this section—
  - (a) any sale of goods or any transaction, other than a leasing contract involving the transfer or an option or agreement for the transfer of property in goods where the term of payment is by installments, shall be deemed to be a hire purchase or credit sale under this Act;
  - (b) where an agreement in respect of a bailment provides for the transfer, an option or agreement to transfer the property in the goods to the bailee, such agreement shall be deemed to be a hire purchase agreement under this Act.

## Part II – Licensing of hire purchase or credit sale business

### 4. Requirement of a licence

- (1) A person shall not carry on hire purchase or credit sale business, except under and in accordance with the terms of a valid licence issued by the Authority.
- (2) Any person who contravenes this section shall commit an offence under this Act and on conviction be liable to a fine of SCR40,000 and where the contravention is continued after conviction with a further fine of SCR20,000 for every day on which the contravention continued.

### 5. Application of a licence

- (1) A person willing to carry on a hire purchase or credit sale business shall make an application for a licence to the Authority in such form as may be approved by the Authority.
- (2) The Authority shall be the licensing and regulatory authority for the purpose of granting a licence for the hire purchase and credit sale business.
- (3) Every person who is carrying on a hire purchase or credit sale business at the time of coming into operation of this Act, shall within three months of the commencement of this Act, apply for and obtain a licence to carry on such business under this Act.

### 6. Grant of licence

- (1) The Authority may—
  - (a) grant a licence accordingly, either with or without conditions as deemed fit; or
  - (b) refuse to grant a licence.
- (2) Where the Authority refuses to grant a licence under this Act or impose conditions, the Authority shall give to the applicant the reasons in writing for such refusal or imposition of conditions, if the applicant so requests.

### 7. Issue of licence

- (1) A licence under this Act shall be issued upon payment of a prescribed annual fee.
- (2) A licence issued under this Act shall—
  - (a) be valid for a period of one year from the date of issue; and
  - (b) be renewed on payment of the prescribed annual fee.

- (3) A licensee, who fails to pay the annual fee on or before the date of expiry of the licence, shall be liable to a penalty equivalent to 10% of the annual fee for each month or part thereof during which the annual fee remains unpaid.
- (4) Where a licence fails to comply with subsections (2) and (3) within three months from the date of expiry of the licence, the licence shall be revoked by the Authority in accordance with the Financial Services Authority Act, 2013.
- (5) Notwithstanding subsections (3) and (4), the Authority may suspend or revoke a licence in accordance with the Financial Services Authority Act, 2013.

## **8. Appeal**

Where any person is dissatisfied with the decision of the Authority, an appeal shall lie in accordance with the provisions of the Financial Services Authority Act, 2013.

## **9. Licence to be displayed**

The holder of a licence shall display in a conspicuous place—

- (a) the original copy of its licence at the principal place of business; and
- (b) a certified copy of the licence obtained from the Authority at every other place at which the licensee carries on its business.

## **Part III – Formation and contents of hire purchase or credit sale agreement**

### **10. Prior arrangement**

- (1) Before any hire purchase or credit sale agreement is entered in respect of any goods the dealer shall serve on the intending hirer or buyer a written statement duly completed and signed by the dealer.
- (2) The written statement referred to in subsection (1) shall be served by delivery in person to the intending hirer or buyer who shall acknowledge receipt of the same by signing under his or her hand at the appropriate place contained in the statement.
- (3) The intending hirer or buyer shall not be under obligation to enter into any agreement.

### **11. Requirement of hire purchase or credit sale agreement**

- (1) The hire purchase or credit sale agreement shall not be entered into unless—
  - (a) the dealer has affixed or displayed, with the goods a label stating the
    - (i) cash price;
    - (ii) hire purchase or credit purchase;
    - (iii) down payment;
    - (iv) chargeable price;
    - (v) charges;
    - (vi) repayment period;
    - (vii) monthly installment;
    - (viii) annual percentage rate; and
    - (ix) monthly flat rate;

- (b) the hirer or buyer has been allowed to inspect the goods or sample the goods;
  - (c) the hirer or buyer has effected the down payment;
  - (d) the hirer has selected the goods by reference to catalogue or advertisement which clearly states the cash price, either of the goods as a whole or of all the different articles or sets of articles comprised therein; and
  - (e) the agreement is in a form, set out in the Second or Third Schedule, as the case may be, or in a form not inconsistent with those form.
- (2) In any hire purchase agreement—
- (a) the down payment shall be an amount as may be determined by the parties subject to the prescribed limit; and
  - (b) the repayment period shall not exceed the period specified under [section 2](#).
- (3) In any credit sale agreement—
- (a) the down payment shall be an amount as may be determined by the parties subject to the prescribed limit; and
  - (b) the repayment period shall not exceed the period specified under [section 2](#).
- (4) Unless the requirements specified in subsections (1), (2) and (3) have been complied with a dealer shall not be entitled to enforce a hire purchase or a credit sale agreement or any contract of suretyship relating to any of those agreements or, in the case of a hire purchase agreement any right to recover the goods from the hirer; and a security given by the hirer or buyer in respect of money payable under the hire purchase or credit sale agreement or given by a surety in respect of money payable under a contract of suretyship shall not be enforceable against the hirer or buyer or surety by any holder.
- (5) A dealer shall not claim from the hirer or buyer any payment other than that of the hire purchase price or credit price.
- (6) For the avoidance of any doubt—
- (a) the hire purchase price or credit price under subsection (5) shall include the down payment, chargeable price and the charges but shall not include any other costs, expenses, and fees by whatsoever name referred to: and
  - (b) nothing in subsection (5) shall preclude the dealer from claiming any surcharge or legal costs.

## 12. Stipulations

- (1) There shall be stipulated in every hire purchase or credit sale agreement the following—
- (a) the cash price of the goods;
  - (b) the down payment;
  - (c) the total charges and monthly charges;
  - (d) the hire purchase price or the credit price, as the case may be;
  - (e) the payment of the balance due by way of monthly installments over a period not exceeding the respective periods specified under [section 2](#);
  - (f) the annual percentage rate;
  - (g) the monthly flat rate;
  - (h) the early settlement fee;

- (i) the cancellation fee;
  - (j) any surcharge; and
  - (k) any ancillary agreement, if applicable.
- (2) The Minister may by regulations, prescribe—
- (a) the charges specified in subsection (1)(c);
  - (b) the annual percentage rate specified in subsection (1)(f);
  - (c) the monthly flat rate specified in subsection (1)(g); and
  - (d) the surcharge specified in subsection (1)(j).

### 13. Advertisement

- (1) A person shall not publish, broadcast or cause to be published or broadcast, an advertisement relating to the hire purchase or credit sale of any goods which is or is likely to be misleading or deceptive to the public.
- (2) Any person who contravenes subsection (1) shall commit an offence under this Act, and shall be liable on conviction to imprisonment for a term of three years or to a fine not exceeding SCR50,000.

## Part IV – Protection of hirer and buyer

### 14. Conditions and warranties implied in an agreement

- (1) The following requirements under a hire purchase or credit sale agreement are implied—
- (a) a warranty that the hirer shall have and enjoy quiet possession of the goods;
  - (b) a condition that the dealer shall have a right to sell the goods at the time when title to the property is to pass;
  - (c) a warranty that the goods shall be free from any charge or encumbrance in favour of a third party at the time when title to the property is to pass; and
  - (d) a condition that the goods shall be of merchantable quality, except where—
    - (i) the hirer or buyer has examined the goods or a sample of them; and
    - (ii) the defects which the dealer could not reasonably have been aware at the time the agreement was made.
- (2) Where the hirer expressly or by implication makes known the particular purpose for which the goods are required, there shall be an implied condition that the goods shall be reasonably fit for such purpose.
- (3) Notwithstanding any hire purchase or credit sale agreement to the contrary, the warranties and conditions set out in subsection (1) shall be implied.
- (4) The dealer shall not be entitled to rely on any provision in the hire purchase agreement or credit sale agreement excluding or modifying the condition set out in subsection (2) unless the dealer proves that before the hire purchase or credit sale agreement was made the provision was brought to the notice of the hirer or buyer and its effect made clear to him.
- (5) The warranties and conditions set out in subsection (1) shall be governed by the same warranties and conditions of similar nature that are set out in the Code and shall also apply to the sale of movables.

- (6) Nothing in this section shall prejudice the operation of any other enactment or rule of law whereby any condition or warranty is to be implied in any hire purchase or credit sale agreement.

## Part V – Rights of hirers

### 15. Duty of dealer to inform

- (1) At any time before the final payment has been made under a hire purchase agreement, any person entitled to enforce the agreement against the hirer shall, within 14 days after he or she has received a request in writing from the hirer and the hirer has tendered to him or her a reasonable sum for expenses, supply to the hirer a copy of the agreement, together with a statement signed by that person or his or her agent showing—
- (a) the amount paid by or on behalf of the hirer;
  - (b) the amount which has become due under the agreement but remains unpaid, and the date upon which each unpaid installment became due, and the amount of each such installment; and
  - (c) the amount which is to become payable under the agreement, and the date or the mode of determining the date upon which each future installment is to become payable, and the amount of each such installment.
- (2) Where there is a failure without reasonable cause to comply with subsection (1), while that default continues—
- (a) no person shall be entitled to enforce the agreement against the hirer or to enforce any contract of suretyship relating to the agreement, and the dealer shall not be entitled to enforce any right to recover the goods from the hirer; and
  - (b) no security given by the hirer in respect of money payable under the agreement or given by a surety in respect of money payable under such a contract of suretyship shall be enforceable against the hirer or the surety by any holder of it,

and where the default continues for a period of one month after the receipt of the request in writing, the defaulter shall commit an offence and shall be liable, on conviction, to a fine of SCR5,000.

### 16. Duty of hirer to inform

- (1) Where by virtue of a hire purchase agreement a hirer is under a duty to keep the goods comprised in the agreement in his possession or control, the hirer shall, on receipt of a request in writing from the dealer, inform the dealer where the goods are at the time when the information is given.
- (2) Where a hirer fails without reasonable cause to give the information requested under subsection (1) within 14 days of the receipt of the notice, the hirer shall commit an offence and shall be liable on conviction, to a fine not exceeding SCR5,000.

### 17. Appropriation of payments

- (1) Notwithstanding any other enactment, a hirer or buyer who is liable to make payments in respect of two or more hire purchase or credit sale agreements to the same dealer shall, on making any payment in respect of the agreements which is not sufficient to discharge the total amount due under all the agreements, be entitled to appropriate the sum so paid by the hirer or buyer—
- (a) in or towards the satisfaction of the sum due under anyone of the agreements; or
  - (b) in or towards the satisfaction of the sums due under any two or more of the agreements, in such proportions as the hirer or buyer deems fit and appropriate.

- (2) Failure by the hirer or buyer to make any such appropriation under subsection (1), the payment shall by virtue of this section be appropriated towards the satisfaction of the sums due under the respective hire purchase or credit sale agreements in the proportions or order in which the agreements were entered into.

## **Part VI – Termination and completion of agreement**

### **18. Right of hirer to determine agreement**

- (1) A hirer shall, at any time before the final payment under a hire purchase agreement falls due, be entitled to determine the agreement by giving notice of termination in writing to the dealer.
- (2) Where a hire purchase agreement has been determined under this section, the hirer shall, where he has failed to take reasonable care of the goods, be liable to pay damages for the failure.
- (3) Where a hirer determines a hire purchase agreement and wrongfully retains possession of the goods, the dealer may bring an action before the Court to recover possession of the goods.
- (4) In an action brought under subsection (3), the Court shall unless it is satisfied that having regard to the circumstances it would not be just to do so, order the goods to be delivered to the dealer, without giving the hirer an option to pay the unpaid balance of the hire purchase price of the goods.
- (5) Where a hirer, having determined a hire purchase agreement under this section, decides to retain possession of the goods, he or she shall pay the unpaid balance of the chargeable price, but shall not be liable to payment of any remaining charges.
- (6) Nothing in this section shall prejudice any right of a hirer to determine a hire purchase agreement otherwise than by virtue of this section.

### **19. Right of buyer to determine agreement**

- (1) A buyer may, where he or she accepts to settle any unpaid balance due determine a credit sale agreement by giving notice of termination, in writing to the dealer.
- (2) Where an agreement is determined as specified in subsection (1), the dealer shall—
  - (a) be entitled to payment of the unpaid balance due; and
  - (b) not be entitled to payment of any charges.
- (3) Nothing in this section shall prejudice any right of a buyer to determine a credit sale agreement otherwise than by virtue of this section.

## **Part VII – Recovery of possession by suit**

### **20. Right to recover possession and claim payment**

- (1) Where goods have been let under a hire purchase agreement and one half of the hire purchase price has been paid, whether in pursuance of a judgment or otherwise, or tendered by or on behalf of the hirer or any surety, the dealer shall not enforce any right to recover possession of the goods or to claim payment of an installment from the hirer otherwise than by action.
- (2) Where a dealer recovers possession of goods in contravention of subsection (1), the hire purchase agreement, if not previously determined, shall be determined and—
  - (a) the hirer shall be released from all liability under the agreement and shall be entitled to recover from the dealer by action all sums paid by the hirer under the agreement or under any security given by him in respect of it; and

- (b) any surety shall be entitled to recover from the dealer by action all sums paid by him under the contract of suretyship or under any security given by him in respect of it.
- (3) This section shall not apply where the hirer has determined the agreement or the bailment by virtue of any right vested in him.
- (4) Notwithstanding section (1), a dealer shall not enter any action in respect of any installment which is overdue unless he first claims payment of the installment by notice in writing to the hirer.

## 21. Payment of installments under credit sales agreement

- (1) Subject to subsection (2), a dealer shall not claim payment of any installment which is overdue under a credit sale agreement otherwise than by action.
- (2) The dealer shall not enter an action under subsection (1) unless he first claims payment of the installment which is overdue by notice to the buyer.

## 22. Provision for suit instituted by dealer

- (1) Where an action is instituted under [section 21](#), the dealer shall not take any steps to enforce payment of any sum due under the hire purchase agreement or under any contract of suretyship relating to it, except by claiming the sum in the action.
- (2) Subject to any other written laws, all parties to the agreement and any surety shall be made parties to the suit.
- (3) Pending the hearing of the action, the Court shall, in addition to any other powers to make upon an application of the dealer, make such orders as the court thinks just for the purpose of protecting the goods from damage or depreciation, including orders restricting or prohibiting the use of the goods or giving directions as to their custody.
- (4) On the hearing of the action the Court may, without prejudice to any other power, make an order for the specific delivery of—
  - (a) all the goods to the dealer;
  - (b) all the goods to the dealer and postpone the operation of the order on condition that the hirer or any surety pays the unpaid balance of the hire purchase price at such times and in such amounts and fulfils such other conditions as the Court thinks fit; or
  - (c) a part of the goods to the dealer and for the transfer to the hirer of the dealer's title to the remainder of the goods.
- (5) An order shall not be made under subsection (4)(b) unless the hirer satisfies the Court that the goods are in his or her possession or control at the time when the order is made.
- (6) An order shall not be made for transferring to the hirer the dealer's title to a part of the goods unless it is satisfied that the amount which the hirer has paid towards the hire purchase price exceeds the price of that part of the goods by at least one half of the remaining balance of the hire purchase price.
- (7) Where damages have been awarded against the dealer in the proceedings, the Court may treat the hirer as having paid in respect of the hire purchase price, in addition to the actual amount paid, the amount of the damages, or such part of them as the Court thinks fit, and the damages shall accordingly be remitted either in the whole or in part.
- (8) Where before hearing of the action to which this section applies the dealer has recovered possession of a part of the goods—
  - (a) the references in subsection (3) to all the goods shall be construed as references to all the goods which the dealer has not recovered; and

- (b) where the parties have not agreed upon an adjustment of the hire purchase price in respect of the goods recovered the Court may for the purposes of subsection (4)(b) and
- (c) make such reduction of the hire purchase price and the remaining balance due as the Court may determine.

### 23. Postponement of order for delivery

- (1) While the operation of an order for the delivery of goods to the dealer is postponed under [section 22\(4\)\(b\)](#), the hirer or buyer shall be deemed to be bailee of the goods under and in terms of the hire purchase or credit sale agreement—
  - (a) no further sum shall be or become payable by the hirer or buyer on account to be the balance due of the hire purchase or credit sale price, except in accordance with the terms of the order; and
  - (b) provided that having regards to the variation of the terms of payment, the Court may make further changes of the tenus of the hire purchase or any contract of surety relating to it or credit sale agreement in relation to payments as the Court deems necessary.
- (2) Where the operation of an order for the specific delivery of the good to the dealer is postponed and the hirer or buyer—
  - (a) fails to comply with any conditions of the postponement order;
  - (b) fails to comply with any terms of the agreement as varied by the Court; or
  - (c) wrongfully disposes of the goods,the dealer shall not take any civil action against the hirer or buyer otherwise than making an application to the Court by which the order was made.
- (3) Where there is a breach of any condition relating to the payment of the balance due of the hire purchase price or credit sale price, it shall not be necessary for the dealer to make application to the Court for leave for execution of the order unless the Court directs to do so.
- (4) The dealer's title to the goods shall be vested in the hirer or buyer, where the balance due of the hire purchase or credit sale price has been paid in accordance with the order.

### 24. Variation of conditions

The Court may at any time during postponement of the operation of such an order—

- (a) vary the conditions of the postponement, and make further amendment to the hire purchase agreement or credit sale agreement or contract of suretyship, as the Court deems fit, having regard to the variation of the conditions of the postponement;
- (b) revoke postponement;
- (c) make an order according to [section 22\(4\)\(c\)](#) for the specific delivery of a part of the goods to the dealer and for the transfer to the hirer of the dealer's title to the remainder of the goods.

### 25. Postponed orders

- (1) Where a postponed order for the specific delivery of goods of the dealer has been made under [section 22\(4\)\(b\)](#), the powers of the Court under [section 24\(a\)](#) and (c) may be exercised, notwithstanding that any condition of the postponement has not been complied with, at any time before the goods are delivered to the dealer in accordance with a warrant issued by the Court and where such a warrant has been issued the Court shall—
  - (a) where the court varies the conditions of the postponement under [section 24\(a\)](#), suspend the warrant on the like conditions; or

- (b) where the court makes an order under [section 24\(c\)](#) for the specific delivery of a part of the goods to the dealer and for the transfer to the hirer of the dealer's title to the remaining part, cancel the warrant so far as it provides for the delivery of the last mentioned part of the goods.
- (2) At any time before the delivery of goods to the dealer in accordance with a warrant issued under subsection (1), the warrant may, so far as it provides for the delivery of the goods, be discharged by the payment to the dealer by the hirer or any surety of the whole of the unpaid balance of the hire purchase price, and in any such case the dealer's title to the goods shall vest in the hirer.
- (3)
  - (a) Subject to paragraph (b), where in an action to which [section 20](#) applies an offer as to conditions for the postponement of the operation of an order under [section 22\(4\)\(b\)](#) is made by the hirer and accepted by the dealer an order under that subsection may be made by the Court in accordance with the offer without hearing evidence as to matters specified in [section 22\(4\)\(b\)](#) or (6).
  - (b) Where a surety is a party to the action, no such order shall be made before the date fixed for the hearing of the action.

## 26. Powers of Court to deal with payment

- (1) Where the hire purchase or credit sale agreement validly provides for the payment by the hirer or buyer on or after determination of the agreement or the bailment of such sum as, when added to the sums paid and the sums due in respect of the hire purchase price before the determination is equal to a fixed amount and a claim is made in respect of any such sum in an action to which [section 20](#) applies, then—
  - (a) where the Court makes an order for the specific delivery of a part of the goods to the dealer and the transfer to the hirer of the dealer's title to the remainder of the goods, the claim shall be disallowed; or
  - (b) where the Court postpones the operation of an order for the specific delivery of the goods to the dealer, it shall not entertain the claim unless and until the postponement is revoked, and shall then deal with the claim as if the agreement had just been determined.
- (2) Where the hirer or a surety has paid or has been ordered to pay any such sum, and the dealer subsequently seeks to recover the goods in an action to which [section 20](#) applies, the Court may treat the sum paid or payable, as the case may be, in respect of the hire purchase price.

## Part VIII – Miscellaneous

### 27. Successive hire purchase agreement

Where under a hire purchase agreement one half of the hire purchase price has been paid, and the dealer makes a further hire purchase agreement with the hirer comprising those goods, that further agreement shall be binding under this Act.

### 28. Hirers refusal to surrender goods

Where a right by the dealer to recover possession of goods from a hirer is subject to any restriction, and the hirer refuses to give up possession of the goods to the dealer, the hirer shall not, upon the refusal, be liable to the dealer for the retention of the goods to the extent that the restriction is in accordance with this Act.

## 29. Regulations

- (1) The Minister may make regulations for the purpose of carrying out and giving effect to the provisions of this Act and may by regulations—
  - (a) amend any schedules;
  - (b) provide for the control on the disposal and possession of goods under the hire purchase agreements and for that purpose regulate, in particular, the prices at which such goods may be disposed of and any charges that the dealer may impose on the hirer or buyer;
  - (c) regulate the trade of goods by installment payment;
  - (d) regulate the trade of goods on cash sale basis;
  - (e) prescribe the fees and charges associated with hire purchase sale and credit sales; and
  - (f) prescribe the limits of down payment and the repayment period under a hire purchase or credit sale agreement.
- (2) A person who contravenes the regulations made under subsection (1) commits an offence under this Act and shall be liable on conviction to imprisonment for a term not exceeding three years or to a fine of SCR5,000.

## 30. Exemptions from registration

Notwithstanding any other enactment, a hire purchase agreement or a credit sales agreement under this Act shall be exempt from registration under the Mortgage and Registration Act.

## 31. False information

- (1) A person shall not knowingly give false information in any written statement or other document completed for the purpose of entering into a hire purchase or credit sales agreement.
- (2) Any person who contravenes subsection (1) shall commit an offence and shall be liable on conviction for a term of imprisonment not exceeding one year or to a fine not exceeding SCR40,000 or to both such imprisonment and fine.

## 32. Consequential amendment

Article 1583(2) of the Code is amended by repealing the words "a credit sale," and the words "or a hire purchase".

### First Schedule (Section 2)

#### Goods and services

1. Air conditioners and parts and accessories thereof.
2. Air tickets.
3. Appliances and apparatus (whether electrical or not) of a kind designed exclusively for domestic use and parts and accessories thereof.
4. Articles and equipment for general physical exercises, gymnastics, athletics and other sports.
5. Audio Cassette/Hi-Fi, Recorder/player, Player.
6. Bicycles and tricycles.
7. Ceramic tiles.

8. Chandelier and other electric ceiling and wall lighting fittings and parts and accessories thereof.
9. Clocks and watches.
10. Compact disc players.
11. Computers and parts and accessories thereof.
12. Building materials.
13. Decoding units providing television services.
14. Electrical tools and parts and accessories thereof.
15. Encyclopedias and dictionaries.
16. Floor coverings.
17. Furniture [including mattresses] and parts and accessories thereof.
18. Generators and parts and accessories thereof.
19. Glasswares and porcelain wares.
20. Jewellery (gold and silver).
21. Kitchen wares (including refrigerator, cookers) and articles of cutlery.
22. Lawn mowers.
23. Louvres.
24. Musical instruments and parts and accessories thereof.
25. Outboard motors and marine engines.
26. Photocopying apparatus and parts and accessories thereof.
27. Photographic cameras and parts and accessories thereof.
28. Pool tables and accessories thereof.
29. Roofing sheets.
30. Radio receiving and transmitting sets.
31. Record players.
32. Sanitary wares and fittings (including sink units and bathroom fittings).
33. Sewing and embroidery machines (whether electrical or not) and parts and accessories thereof.
34. Television receiving sets, Television aerials and parts and accessories thereof.
35. Telephone sets (including cellular phones and cordless telephones), facsimile apparatus and parts and accessories thereof.
36. Timber.
37. Travelling bags, suitcases, executive-cases and briefcases.
38. Typewriters, calculating and accounting machines.
39. Video apparatus.
40. Video camera.
41. Video games of a kind used with a television receiver.

42. Washing machines.
43. Water storage tanks.
44. Wheeled toys (including tricycles, scooters and cars whether propelled by pedals or batteries)

## Second Schedule (Section 11)

### Form of Hire Purchase Agreement

#### Part I – Declaration and agreement

Hire Purchase Agreement made in triplicate this \_\_\_\_\_ day of \_\_\_\_\_

Between: \_\_\_\_\_

whose registered office is situated at \_\_\_\_\_ (*hereinafter known as the "dealer" which expression shall include their successors and assigns*)

and

\_\_\_\_\_

of \_\_\_\_\_

(*hereinafter known as the "hirer"*).

Whereby—

- (a) The dealer agrees to let and grant hire purchase facilities to the hirer in respect of the goods specified in Part II of the present Agreement.
- (b) The hirer shall have and enjoy quiet possession of the goods.
- (c) The dealer shall pass the property of the goods to the hirer upon payment of the last installment or upon payment of any balance of the chargeable price due before the last installment.
- (d) The hirer, having inspected the goods and being satisfied that a label has been displayed with the goods showing the particulars of Part II of the present Agreement, undertakes to effect the down payment and pay the monthly installment as specified in Part II of the present Agreement,
- (e) The Agreement shall have binding effect 48 hours after the Agreement has been signed by the hirer. Until that time has elapsed the hirer is entitled to avoid the Agreement. (*to delete if value of goods is more than SCR10,000*).
- (f) The dealer confirms that:
  - (i) the price of the goods specified in Part II of the Agreement is the cash price of the goods at the time the Agreement is signed by the hirer; and
  - (ii) the figures mentioned in Part II of the Agreement are true and correct and their computation have been carried out in accordance with the provisions of the Hire Purchase and Credit Sale Act, 2013.

Further, the dealer and the hirer declare and agree that any right acquired by both parties under the provisions of the Hire Purchase and Credit Sale Act, 2013 shall be safeguarded.

#### Part II – Computation of charges and hire purchase price

- (a) Particulars of goods.
- (b) Quantity

- (c) Cash price per unit SCR.
- (d) Total cash price SCR.
- (e) Less down payment SCR.
- (f) Chargeable Price SCR.
- (g) Percentage of charges.
  - (i) Annual Percentage Rate
  - (ii) Monthly Flat Rate
- (h) Total Charges.
- (i) Hire purchase price SCR.((d) + (h))
- (j) Less down payment (as at (e))
- (k) Balance due SCR.
- (l) No. of instalments (payable over period not exceeding 48 months)
- (m) Monthly instalment.
- (n) Early settlement fee SCR.
- (o) Cancellation fee SCR.

### Part III – Contract of suretyship

HERETO INTERVENES

Mr/Mrs

(*hereinafter known as the "Surety"*) who, having taken cognisance of the foregoing, hereby guarantee jointly and severally, with the eventual hirer, and waiving the benefit of seizure, as though he/she was personally liable, the execution, performance and observance by the eventual hirer of all the terms and conditions embodied in the present agreement.

Signature of Surety \_\_\_\_\_ I.D. No. \_\_\_\_\_

Home Address \_\_\_\_\_ Tel. No. \_\_\_\_\_

Occupation \_\_\_\_\_ Tel. No. \_\_\_\_\_

Office Address \_\_\_\_\_ Tel No. \_\_\_\_\_

### Part IV – Ratification

I, \_\_\_\_\_ hereby certify that before entering into this Agreement, I have been allowed to inspect the goods and I am satisfied that a label, in accordance with section 11(1) (a) of the Hire Purchase and Credit Sale Act, 2013 was displayed with the goods.

I understand the contents of this Agreement and agree that the dealer has handed over to me an original of same.

Signature of hirer \_\_\_\_\_

Drawn up by consent of parties in 3 originals at \_\_\_\_\_ (*address of dealer*) this \_\_\_\_\_ day of \_\_\_\_\_

Signature of dealer. \_\_\_\_\_

Signature of buyer. \_\_\_\_\_

Signature of surety. \_\_\_\_\_

### **Third Schedule (Section 11)**

#### **Form of Credit Sale Agreement**

#### **Part I – Declaration and Agreement**

Credit Sale Agreement made in triplicate this \_\_\_\_\_ day of \_\_\_\_\_

Between: \_\_\_\_\_

whose registered office is situated at \_\_\_\_\_

*(hereinafter known as the "Dealer" which expression shall include their successors and assigns)*

and \_\_\_\_\_

of \_\_\_\_\_

*(hereinafter known as the "Buyer").*

Whereby—

- (a) the dealer agrees to grant credit facilities to the buyer in respect of the goods specified in Part II of the Agreement;
- (b) the buyer having inspected the goods undertakes to effect the down payment and pay the monthly instalment as specified in Part II of the present Agreement;
- (c) ownership of the goods shall pass to the buyer upon settlement of the down payment;
- (d) The Agreement shall have binding effect 48 hours after the Agreement has been signed by the buyer.

Until that time has elapsed the buyer is entitled to avoid the Agreement. *(to delete if value of goods is more than SCR10,000).*

- (e) the dealer confirms that –
  - (i) the price of the goods quoted in Part II of the Agreement is the cash price of the goods prior to the signing of the present Agreement; and
  - (ii) the figures mentioned in Part II of the Agreement are true and correct and their computation have been carried out in accordance with the provisions of the Hire Purchase and Credit Sale Act, 2013.

Further, the dealer and the buyer declare and agree that any right acquired by both parties under the Hire Purchase and Credit Sale Act, 2013 shall be safeguarded and that the implied conditions specified in that Act shall apply to this Agreement.

#### **Part II – Computation of charges and credit price**

- (a) Particulars of goods
- (b) Quantity
- (c) Cash price per unit SCR
- (d) Total cash price SCR
- (e) Less down payment (Min. [\*]% of cash price)
- (f) Chargeable price SCR

- (g) Percentage of charges SCR
  - (i) Annual percentage rate SCR
  - (ii) Monthly flat rate SCR
- (h) Total Charges SCR
  - (i) Credit price SCR ((d)+(h))
- (j) Less down payment SCR (as at (e))
- (k) Balance due SCR
- (l) No of instalments (payable over period not exceeding 12 months).
- (m) Monthly instalment SCR
- (n) Early settlement fee SCR
- (o) Cancellation fee SCR.

### Part III – Contract of suretyship

HERETO INTERVENES

Mr/Mrs

(*hereinafter known as the "Surety"*) who, having taken cognizance of the foregoing, hereby guarantee jointly and severally with the eventual buyer, and waiving the benefit of seizure, as though he or she was personally liable, the execution, performance and observance by the eventual buyer, of all the terms and conditions embodied in the present agreement.

Signature of Surety \_\_\_\_\_ ID No. \_\_\_\_\_

Home Address \_\_\_\_\_ Tel No. \_\_\_\_\_

Occupation \_\_\_\_\_ Tel No. \_\_\_\_\_

Office Address \_\_\_\_\_ Tel No. \_\_\_\_\_

### Part IV – Ratification

I, \_\_\_\_\_ hereby certify that before entering into this Agreement, I have been allowed to inspect the goods and I am satisfied that a label, in accordance with section 11(1)(a) of the Hire Purchase and Credit Sale Act, 2013 was displayed with the goods.

I understand the contents of this Agreement and agree that the dealer has handed over to me an original of same.

Signature of buyer \_\_\_\_\_

Drawn up by the consent of parties in 3 Originals at \_\_\_\_\_

(*address of dealer*)

This \_\_\_\_\_ day of \_\_\_\_\_

Signature of dealer. \_\_\_\_\_

Signature of buyer. \_\_\_\_\_

Signature of surety. \_\_\_\_\_