

MISCELLANEOUS STATUTORY PROVISIONS UNDER THE HIRE PURCHASE ACT

Posted on [June 17, 2016](#) Written By [Olanrewaju Olamide](#) Posted in [Law Of Hire Purchase](#)

Apart from the provisions of the hire purchase act which have been provided for in the preceding sections, there are numerous other sections with important provisions. Due to constraints of space and time, not all sections of the hire purchase act can be examined. Notwithstanding this, the following miscellaneous provisions relating to the following would be examined:

1. The powers of the Minister
2. Duty of parties to furnish information
3. Appropriation of payments.

Â

The Powers of the Minister

According to the provision of S. 20 of the Hire Purchase Act, the minister referred to is the Minister responsible for commerce. This minister is given three broad categories of powers in relation to hire purchase transactions. They include:

- Power to regulate terms
- Power to regulate hire purchase business
- Power of exclusion.

Â

Power to Regulate Terms

According to the provisions of S. 5 of the Hire Purchase Act, the minister is given the power to make subsidiary legislations to be published in the federal gazette in relation to the following:

- The maximum interest rate or other charges payable
- The maximum amount of deposit to be paid by the hirer.
- The maximum period of time for the repayment of the purchase price by the hirer.
- The methods by which these sums are to be determined
- Penalties for non-compliance with the statutory regulations not exceeding a fine of 1,000 naira.

Power to Regulate Hire Purchase Business

According to the provisions of S. 18 (1) of the Hire Purchase Act, the minister is entitled to make subsidiary legislation to be published in the Federal Gazette for the control of hire purchase agreement in the country. He is also entitled to get information regarding the operation of hire purchase business from those participating in such businesses.

According to the provisions of S. 18 (2), the Minister is empowered to appoint inspectors to investigate persons engaged in hire purchase businesses. Such inspectors are authorised to enter any premises where hire purchase business is presumed to be carried out and to inspect the books of such businesses. Preventing such agent from carrying out his duty is punishable by conviction of a fine not exceeding one thousand naira.

Power of exclusion

The Minister is given the power in S. 19 (1) to make an order which excludes from the operation of the act:

1. Goods of any description or class specified in the order.
2. Any statutory corporation so specified.

Statutory Corporation is further defined by S. 19 (2) as a body corporate established directly by law in force in Nigeria.

Â

Â Duty on Parties to Furnish Information

The Hire Purchase Act in the provisions of S. 6 fixes a duty on the parties to furnish genuinely furnish information when they are requested by the other party.

According to the provision of S. 6 (1) when the person entitled to receive the sums payable under the hire purchase agreement receives a request from the hire, he shall within fourteen days supply to the hirer the memorandum of agreement. The memorandum is to be accompanied by a written statement stating:

1. The amount paid by the hirer.
2. The amount due but unpaid by the hirer and the date in which the instalment became due.
3. The amount which is to become due and date or the mode of ascertaining the date on which the instalment would

be due.

According to the provision of S. 6 (2) if the above provisions are not complied with, during the period of non-compliance, the agreement cannot be enforced against the hirer. Also, security given by the hirer or guarantor in respect of the agreement cannot be enforced against them.

If the non-compliance continues for a period which is more than one month, the defaulter shall be guilty of an offence and shall be summarily convicted of a fine not exceeding twenty naira.

Also, according to the provision of S. 6 (3) of the Act, a hirer is obligated to inform the owner of the goods of the whereabouts of the goods.

If the hirer doesn't furnish such information " due to a reasonable cause " within a period of fourteen days, he shall be convicted to a fine of not more than twenty naira. If the hirer intentionally furnishes false information, he shall be convicted to a fine not exceeding one hundred naira.

Â

Appropriation of Payment

Appropriation of payment occurs in a situation in which a hirer hires more than one set of goods from the same hirer. Each product has its own separate date for the payment of instalments. Determining when to pay each instalment for the same owner could end up being cumbersome for the hirer. As a result, the payments can be harmonised into one. This harmonisation is known as appropriation.

Â Appropriation is governed by S 7 of the Hire Purchase Act. It provides that in situation such as the one above, the owner of the goods shall, notwithstanding any contrary agreement:

- Decide to appropriate the payment under one agreement.
- Appropriate the sum payable under two or more agreements in proportions as he thinks fit.
- If he fails to do any of the preceding, the payment shall be according to the different hire purchase agreements in their proportion to each other.