

HIRE-PURCHASE ACT

ARRANGEMENT OF SECTIONS

Preliminary

SECTION

1. Transactions regulated by this Act.

Operation and termination of agreements, etc.

2. Requirements relating to hire-purchase and credit-sale agreements.
3. Avoidance of certain provisions in agreements.
4. Conditions and warranties implied in hire-purchase agreements.
5. Power of Minister to regulate terms of hire-purchase and credit-sale transactions.
6. Duty of parties to furnish information.
7. Appropriation of payments under hire-purchase agreements.
8. Right of hirer to determine hire-purchase agreement.

Recovery of goods, etc.

9. Restriction on recovery of goods otherwise than by action.
10. Powers of court in actions to recover goods.
11. Application of sections 9 and 10 of this Act to successive hire-purchase agreements between same parties.
12. Effect of suspension of order for delivery up of goods.
13. Powers of court as to payments arising on determination of hire-purchase agreements.
14. Adverse possession and conversion.

Control of advertisements

15. Advertisements subject to control.
16. Information to be included in advertisements.
17. Penalties.

Miscellaneous and general

18. Power of Minister to require information about hire-purchase business, etc.
19. Power of Minister to exclude goods, etc., from operation of the Act.
20. Interpretation, etc.
21. Short title and extent.

SCHEDULE

Notice for inclusion in Hire-purchase agreement

HIRE-PURCHASE ACT

An Act to make provision with respect to hire-purchase and credit-sale transactions and advertisements relating thereto; and for purposes connected with the matters aforesaid.

[1965 No.3. 1970 No. 23.]

[1st October, 1968]

[Commencement.]

Preliminary

1. Transactions regulated by this Act

Subject to the provisions of section 19 of this Act, the provisions of this Act (other than the provisions relating to the control of advertisements) shall apply in relation to-

[L.N. 90 of 1968.]

- (a) all hire-purchase agreements and credit-sale agreements (other than agreements in respect of motor vehicles) under which the hire-purchase price or total purchase price, as the case may be, does not exceed two thousand naira; and
- (b) all such agreements in respect of motor vehicles, irrespective of the hire-purchase price or the total purchase price,

being agreements made after the commencement of this Act; and the expressions "hire-purchase agreement" and "credit-sale agreement" in the following provisions of this Act shall be construed accordingly.

Operation and termination of agreements, etc.

2. Requirements relating to hire-purchase and credit-sale agreements

(1) Before any hire-purchase agreement is entered into in respect of any goods, the owner shall state in writing to the prospective hirer, otherwise than in the note or memorandum of the agreement, a price at which the goods may be purchased by him for cash (in this section referred to as the "cash price"):

Provided that this subsection shall be deemed to have been sufficiently complied with-

- (a) if the hirer has inspected the goods or like goods and at the time of his inspection tickets or labels were attached to or displayed with the goods clearly stating the cash price either of the goods as a whole or of all the different articles or sets of articles comprised in the goods; or
- (b) if the hirer has selected the goods by reference to a catalogue, price list or advertisement which clearly stated the cash price either of the goods as a whole or of all the different articles or sets of articles comprised in the goods.

(2) An owner shall not be entitled to enforce a hire-purchase agreement or any contract of guarantee relating to the agreement or any right to recover the goods from the hirer, and no security given by the hirer in respect of money payable under the hire-purchase agreement or given by a guarantor in respect of money payable under a contract of guarantee relating to the agreement shall be enforceable against the hirer or guarantor, unless the requirement specified in subsection (1) of this section has been complied with and-

- (a) a note or memorandum of the agreement is made and signed by the hirer and by or on behalf of all other parties to the agreement; and
 - (b) the note or memorandum contains-
 - (i) a statement of the hire-purchase price and of the cash price of the goods to which the agreement relates and of the amount of each of the instalments by which the hire-purchase price is to be paid and of the date, or the mode of determining the date, upon which each instalment is payable; and
 - (ii) a statement of the deposit paid; and
 - (iii) a statement of the true rate of interest calculated in such manner as the Minister may by regulations published in the Federal Gazette prescribe; and
 - (iv) a list of the goods to which the agreement relates sufficient to identify them; and
 - (c) the note or memorandum contains a notice, which is at least as prominent as the rest of the contents of the note or memorandum, in the terms provided by the Schedule to this Act; and
- [Schedule.]
- (d) a copy of the note or memorandum is delivered or sent to the hirer within fourteen days of the making of the agreement:

Provided that, if the court is satisfied in any action that a failure to comply with the requirement specified in subsection (1) of this section or any requirement specified in paragraph (b), (c) or (d) of this subsection has not prejudiced the hirer, and that it would be just and equitable to dispense with the requirement, the court may, subject to any conditions that it thinks fit to impose, dispense with that requirement for the purposes of the action.

(3) The provisions of this section shall apply to credit-sale agreements as they apply to hire-purchase agreements, but as if-

- (a) for any reference to the owner, hirer or hire-purchase price there were substituted respectively a reference to the seller, buyer and total purchase price; and
- (b) paragraph (c) of subsection (2) of this section, and the reference to that paragraph in the proviso to the subsection, were omitted.

3. A voidance of certain provisions in agreements

The following provisions in an agreement shall be void, that is to say, any provision-

- (a) whereby an owner or a person acting on his behalf is authorised to enter upon any premises for the purpose of taking possession of goods which have been let under a hire-purchase agreement or is relieved from liability for any such entry; or
- (b) whereby the right conferred on a hirer by this Act to determine the hire-purchase agreement is excluded or restricted, or any liability in addition to the liability imposed by this Act is imposed on a hirer by reason of the termination of the hire-purchase agreement by him under this Act; or
- (c) whereby a hirer, after the determination of the hire-purchase agreement or the bailment in any manner whatsoever, is subject to a liability which exceeds the liability to which he would have been subject if the agreement had been determined by him under this Act; or
- (d) whereby any person acting on behalf of an owner or seller in connection with the formation or conclusion of a hire-purchase or credit-sale agreement is treated as or deemed to be the agent of the hirer or buyer; or
- (e) whereby an owner or seller is relieved from liability for the acts or defaults of any person acting on his behalf in connection with the formation or conclusion of a hire-purchase or credit-sale agreement; or
- (f) whereby a hirer or buyer is required to avail himself of the services, as insurer or repairer or in other capacity whatsoever, of a person other than a person selected by the hirer or buyer in the exercise of his unfettered discretion.

4. Conditions and warranties implied in hire-purchase agreements

- (1) In every hire-purchase agreement there shall be-
 - (a) an implied warranty that the hirer shall have and enjoy quiet possession of the goods;
 - (b) an implied condition on the part of the owner that he shall have a right to sell the goods at the time when the property is to pass;
 - (c) an implied warranty that the goods shall be free from any charge or encumbrance in favour of any third party at the time when the property is to pass;
 - (d) except where the goods are let as second-hand goods and the note or memorandum of the agreement made in pursuance of section 2 of this Act contains a statement to that effect, an implied condition that the goods shall be of merchantable quality, so however that no such condition shall be implied by virtue of this paragraph as regards defects of which the owner could not reasonably have been aware at the time when the agreement was made or, if the hirer has examined the goods or a sample of them, as regards defects which the examination ought to have revealed.
- (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 that purpose.
- (3) The warranties and conditions set out in subsection (1) of this section shall be implied notwithstanding any agreement to the contrary, and the owner shall not be entitled to rely on any provision in the agreement excluding or modifying the condition set out in

subsection (2) of this section unless he proves that before the agreement was made the provision was brought to the notice of the hirer and its effect made clear to him.

(4) 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 a hire-purchase agreement.

5. Power of Minister to regulate terms of hire-purchase and credit-sale transactions

The Minister may by regulations published in the Federal *Gazette* make such provision as he considers expedient-

- (a) for restricting the sums (including in particular rates of interest) which may be charged in connection with hire-purchase and credit-sale transactions in addition to the purchase price and prescribing the methods by which those sums and purchase prices are to be determined for the purposes of the regulations;
- (b) for prohibiting hire-purchase and credit-sale transactions unless initial cash payments are made for the purposes of the transactions of such amounts and at such times as may be prescribed by the regulations;
- (c) for securing that the periods during which payments fall to be made in pursuance of hire-purchase or credit-sale agreements shall not exceed the periods prescribed by the regulations; and
- (d) for prescribing penalties for offences against the regulations not exceeding a fine of one thousand naira in respect of any particular offence.

6. Duty of parties to furnish information

(1) At any time before the final payment has been made under a hire-purchase agreement or credit-sale agreement, any person entitled to enforce the agreement against the hirer or buyer shall, within fourteen days from the date on which he receives a request in writing from the hirer or buyer and the hirer or buyer has tendered to him the sum of twenty kobo for expenses, supply to the hirer or buyer a copy of any memorandum or note of the agreement, together with a statement signed by the said person or his agent showing-

- (a) the amount paid by or on behalf of the hirer or buyer;
- (b) the amount due but unpaid under the agreement, and the date on which each unpaid instalment became due, and the amount of each such instalment; 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 instalment is to become payable, and the amount of each such instalment.

(2) In the event of a failure without reasonable cause to comply with subsection (1) of this section, then, while the default continues-

- (a) no person shall be entitled to enforce the agreement against the hirer or buyer or to enforce any contract of guarantee relating to the agreement to enforce any right to recover the goods from the hirer; and
- (b) no security given by the hirer or buyer in respect of money payable under the agreement or given by a guarantor in respect of money payable under a

contract of guarantee relating to the agreement shall be enforceable against the hirer or buyer or the guarantor,

and, if the default continues for a period of one month, the defaulter shall be guilty of an offence and liable on summary conviction to a fine of an amount not exceeding twenty naira.

(3) 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 owner, inform the owner where the goods are at the time when the information is given or, if it is sent by post, at the time of posting.

(4) If a hirer fails without reasonable cause to give the said information within fourteen days from the date of the receipt of a request under subsection (3) of this section, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding twenty naira; and if any information given by or on behalf of a hirer in pursuance of a request under that subsection is to his knowledge false in a material particular, the hirer shall be guilty of an offence and liable on summary conviction to a fine not exceeding one hundred naira.

7. Appropriation of payments under hire-purchase agreements

A hirer who is liable to make payments in respect of two or more hire-purchase agreements to the same owner shall, notwithstanding any agreement to the contrary, be entitled, on making any payment in respect of the agreements which is not sufficient to discharge the total amount then due under all the agreements, to appropriate the sum so paid by him in or towards the satisfaction of the sum due under anyone of the agreements, or in or towards the satisfaction of the sums due under any two or more of the agreements in such proportions as he thinks fit; and if he fails to make any such appropriation as aforesaid the payment shall by virtue of this section be appropriated towards the satisfaction of the sums due under the respective hire-purchase agreements in the proportions which those sums bear to one another.

8. Right of hirer to determine hire-purchase 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 any person entitled or authorised to receive any sums payable under the agreement and shall, on determining the agreement under this section, be liable, without prejudice to any liability which has accrued before the termination, to pay the amount, if any, by which one-half of the hire-purchase price exceeds the total of the sums paid and the sums due in respect of the hire-purchase price immediately before the termination, or such less amount as may be specified in the agreement.

(2) Where a hire-purchase agreement has been determined under this section, the hirer shall, if he has failed to take reasonable care of the goods, be liable to pay damages for the failure.

(3) In any circumstances where-

- (a) a hirer determines or has determined a hire-purchase agreement under this section, he shall, immediately upon the determination, return the goods to the

owner and settle all outstanding liabilities subject as prescribed in the foregoing provisions of this section; and

[1970 No. 23.]

- (b) having determined a hire-purchase agreement, the hirer wrongfully retains possession of the goods, then in any action brought by the owner to recover possession of the goods from the hirer, the court shall, unless it is satisfied that having regard to the circumstances it would not be just and equitable so to do, order the goods to be delivered to the owner without giving the hirer an option to pay the value of the goods.

(4) Nothing in this section shall prejudice any right of a hirer to determine a hire-purchase agreement otherwise than by virtue of this section.

Recovery of goods, etc.

9. Restriction on recovery of goods otherwise than by action

(1) Where goods have been let under a hire-purchase agreement and the relevant proportion 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 guarantor, the owner shall not enforce any right to recover possession of the goods from the hirer otherwise than by action and except as provided by subsection (5) of this section.

[1970 No. 23.]

(2) If an owner recovers possession of goods in contravention of subsection (1) of this section, the hire-purchase agreement, if not previously determined, shall determine and-

- (a) the hirer shall be released from all liability under the agreement and shall be entitled to recover from the owner in an action for money had and received all sums paid by the hirer under the agreement or under any security given by him in respect of the agreement; and
- (b) any guarantor shall be entitled to recover from the owner in an action for money had and received all sums paid by him under the contract of guarantee or under any security given by him in respect of that contract.

(3) The provisions of subsections (1) and (2) of this section shall not apply in any case in which the hirer has determined the agreement or the bailment by virtue of any right vested in him.

(4) In this section and elsewhere in this Act, "the relevant proportion", where the reference is to the relevant proportion of the hire-purchase price of any goods or to the relevant proportion of a part (however described) of that price, means-

- (a) in the case of goods other than motor vehicles, one-half; and
- (b) in the case of motor vehicles, three-fifths.

(5) In the application of the provisions of this section to motor-vehicles, where three or more installments of the hire-purchase price of a motor-vehicle under the agreement are due and unpaid, the owner may remove the motor vehicle to any premises under his control for the purpose of protecting it from damage or depreciation and retain it there

pending the determination of any action, and the owner shall be liable to the hirer for any damage or loss which may be caused by the removal.

[1970 No. 23.]

10. Powers of court in actions to recover goods

(1) Where, in any case to which section 9 of this Act applies, an owner commences an action to enforce a right to recover possession of goods from a hirer after the relevant proportion of the hire-purchase price has been paid or tendered as aforesaid, the owner shall not take any step to enforce payment of any sum due under the hire-purchase agreement or under any contract of guarantee relating to the agreement, except by claiming the sum in the action.

[1970 No. 23.]

(2) Subject to such exceptions as may be provided for by rules of court, all the parties to the agreement and any guarantor shall be made parties to the action.

(3) Pending the hearing of the action the court shall, in addition to any other powers, have power, upon the application of the owner, to 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-

- (a) make an order for the specific delivery of all the goods to the owner; or
- (b) make an order for the specific delivery of all the goods to the owner and postpone the operation of the order-
 - (i) on condition that the hirer or a guarantor pays the unpaid balance of the hire-purchase price at such times and in such amounts as the court thinks just having regard to the means of the hirer or guarantor; and
 - (ii) subject to the fulfillment of such other conditions by the hirer or a guarantor as the court thinks just; or
- (c) make an order for the specific delivery of a part of the goods to the owner and for the transfer to the hirer of the owner's title to the remainder of the goods.

(5) No order shall be made under subsection (4) (b) of this section unless the court is satisfied that the goods are in the hirer's possession or control at the time when the order is made.

(6) The court shall not make an order transferring to the hirer the owner's title to a part of the goods unless it is satisfied that the amount which the hirer has paid in respect of the hire-purchase price exceeds the price of that part of the goods (determined in accordance with subsection (9) of this section) by at least the relevant proportion of the unpaid balance of the hire-purchase price.

(7) Where damages have been awarded against the owner 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 thereof as the court thinks fit, and thereupon the damages shall accordingly be remitted either in whole or in part.

(8) In this section and elsewhere in this Act "order for the specific delivery of" any goods means an order for the delivery of the goods to the owner without giving the hirer an option to pay their value.

(9) In this section "price", in relation to any goods, means such part of the hire-purchase price as is assigned to those goods by the note or memorandum of the hire-purchase agreement or, if no such assignment is made, such part of the hire-purchase price as the court may determine.

(10) If at any time before the hearing of an action to which this section applies the owner has recovered possession of a part of the goods, the references in subsection (4) of this section to all the goods shall be construed as references to all the goods which the owner has not recovered; and if the parties have not agreed upon an adjustment of the hire-purchase price in respect of the goods so recovered, the court may for the purposes of paragraphs (b) and (c) of that subsection, make such reduction of the hire-purchase price and of the unpaid balance of it as the court thinks just.

(11) When an owner has recovered a part of the goods let under a hire-purchase agreement and the recovery was effected in contravention of section 10 of this Act, the provisions of this section shall not apply in relation to any action by the owner to recover the remainder of the goods.

11. Application of sections 9 and 10 of this Act to successive hire-purchase agreements between same parties

Where goods have been let under a hire-purchase agreement and, at any time after the relevant proportion of the hire-purchase price has been paid or tendered, the owner makes a further hire-purchase agreement with the hirer comprising those goods, the provisions of sections 9 and 10 of this Act shall have effect as respects that further agreement from its commencement.

12. Effect of suspension of order for delivery up of goods

(1) While the operation of an order for the specific delivery of goods to the owner is postponed under section 10 of this Act, the hirer shall be deemed to be a bailee of the goods under and on the terms of the hire-purchase agreement:

Provided that-

- (a) no further sum shall be or become payable by the hirer or a guarantor on account of the unpaid balance of the hire-purchase price except in accordance with the terms of the order; and
- (b) the court may make such further modifications of the terms of the hire-purchase agreement, and of any contract of guarantee relating to it, as the court considers necessary having regard to the variation of the terms of payment.

(2) If while the operation of an order for the specific delivery of goods to the owner is postponed as aforesaid the hirer or a guarantor-

- (a) fails to comply with any condition of the postponement, or with any term of the agreement as varied by the court; or
- (b) wrongfully disposes of the goods,

the owner shall not take any civil proceedings in respect of the failure or disposal against the hirer or guarantor otherwise than by making an application to the court by which the order was made:

Provided that, in the case of a breach of any condition relating to the payment of the unpaid balance of the hire-purchase price, it shall not be necessary for the owner to apply to the court for leave to execute the order unless the court has so directed.

(3) When the unpaid balance of the hire-purchase price has been paid in accordance with the terms of the order, the owner's title to the goods shall vest in the hirer.

(4) The court may at any time during the postponement of the operation of such an order as aforesaid-

- (a) vary the conditions of the postponement and make such further modification of the hire-purchase agreement, and of any contract of guarantee relating to it, as the court considers necessary having regard to the variation of the conditions of the postponement;
- (b) revoke the postponement;
- (c) make an order, in accordance with the provisions of section 10 of this Act, for the specific delivery of a part of the goods to the owner and for the transfer to the hirer of the owner's title to the remainder of the goods.

(5) The powers of the court under paragraphs (a) and (c) of subsection (4) of this section may be exercised, notwithstanding that any condition of the postponement of the operation of the order has not been complied with, at any time before the goods are delivered to the owner in accordance with a warrant issued in pursuance of the order; and where such a warrant has been issued, the court shall-

- (a) if the court varies the conditions of the postponement under paragraph (a) of subsection (4) of this section, suspend the warrant on the like conditions;
- (b) if the court makes an order under paragraph (c) of subsection (4) of this section for the delivery of a part of the goods to the owner and for the transfer to the hirer of the owner's title to the remaining part thereof, cancel the warrant so far as it provides for the delivery of the last-mentioned part of the goods.

(6) At any time before the delivery of goods to the owner in accordance with a warrant issued as aforesaid, the warrant may, so far as it provides for the delivery of goods, be discharged by the payment to the owner by the hirer or any guarantor of the whole of the unpaid balance of the hire-purchase price, and in any such case the owner's title to the goods shall vest in the hirer.

(7) If in any action to which section 10 of this Act applies an offer as to conditions for the postponement of the operation of an order under subsection (4) (b) of that section is made by the hirer and accepted by the owner in accordance with rules of court, an order under that paragraph may thereupon be made by the court in accordance with the said offer without hearing evidence as to matters specified in that paragraph or in subsection (5) of that section:

Provided that where a guarantor is a party to the action, no such order shall be made before the date fixed for the hearing of the action.

13. Powers of court as to payments arising on determination of hire-purchase agreements

(1) Where a hire-purchase agreement validly provides for the payment by the hirer on or after the 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 10 of this Act applies, then-

- (a) if the court makes an order for the specific delivery of a part of the goods to the owner and the transfer to the hirer of the owner's title to the remainder of the goods, the claim shall be disallowed;
- (b) if the court postpones the operation of an order for the specific delivery of the goods to the owner, 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 guarantor has paid or has been ordered to pay any such sum as aforesaid and the owner subsequently seeks to recover the goods in an action to which section 10 of this Act applies, the court may treat that sum as paid or payable, as the case may be, in respect of the hire-purchase price.

14. Adverse possession and conversion

(1) Where, in any action by an owner of goods which have been let under a hire-purchase agreement to enforce a right to recover possession of the goods from the hirer, the owner proves that, before the commencement of the action and after the right to recover possession of the goods accrued, the owner made a request in writing to the hirer to surrender the goods, the hirer's possession of the goods shall, for the purposes of the owner's claim to recover possession of them, be deemed to be adverse to the owner.

(2) Nothing in subsection (1) of this section shall affect a claim for damages for conversion.

(3) If at any time while the enforcement by an owner of a right to recover possession of goods from a hirer is subject to any restriction by virtue of this Act, the hirer refuses to give up possession of the goods to the owner, the hirer shall not, by reason only of the refusal, be liable to the owner for conversion of the goods.

Control of advertisements

15. Advertisements subject to control

(1) This section applies to any advertisement of any goods as being available for disposal by way of hire-purchase or credit-sale, if the advertisement includes one or more of the elements mentioned in subsection (2) of this section and is not an advertisement falling within subsection (3) of this section.

(2) The elements required by the provisions of this section are-

- (a) an indication that a deposit is payable, consisting of or including either an indication of the amount of the deposit or an indication that it is a fraction

specified in the advertisement, whether the amount of which it is a fraction is specified in the advertisement or not;

(b) words indicating that no deposit is payable;

(c) an indication of the amount of anyone or more of the instalments payable.

(3) An advertisement of goods as being goods available for disposal by way of credit-sale is not an advertisement to which this section applies, notwithstanding that it include one or more of the elements mentioned in subsection (2) of this section, if-

(a) it does not advertise any goods as being available for disposal by way of hire-purchase; and

(b) the terms of credit-sale set out in the advertisement are such that no single article could be disposed of in accordance with those terms at a total price exceeding ten naira.

16. Information to be included in advertisements

(1) An advertisement to which section 15 of this Act applies shall not be displayed or issued by any means unless it includes all the information required by this section and each part of that information is displayed or stated clearly in the advertisement in such a way as not to give undue prominence or emphasis to any part of it in comparison with any other part.

(2) Where an advertisement contains details of payments in respect of any goods, then, in so far as it relates to those goods, the information required by this section is the following, that is to say-

(a) either-

(i) the amount of the deposit directly expressed; or

(ii) a statement that the amount of the deposit is a fraction specified in the advertisement of a sum the amount of which is directly expressed in the advertisement; or

(iii) a statement that no deposit is payable;

(b) the amount of each instalment directly expressed;

(c)

the total number of instalments payable;

(d)

the length of the period in respect of which each instalment is payable;

(e)

if any instalments are payable before delivery of the goods, the number of instalments so payable; and

(f)

a sum stated as the cash price of the goods.

(3) In so far as an advertisement to which section 15 of this Act applies relates to goods in respect of which the advertisement does not contain details of payments, the information required by this section is that specified in subsection (2) of this section, subject to the following modifications, that is to say-

(a) with regard to the deposit, the information required by this section (instead of that specified in subsection (2) (a) of this section) is either-

- (i) a statement that the amount of the deposit is a fraction specified in the advertisement of a price or sum the nature of which is clearly indicated in the advertisement; or
 - (ii) a statement that no deposit is payable; and
- (b) subsection (2) (b) and (f) of this section shall not apply.

(4) For the purposes of this section an advertisement shall be taken to contain details of payments in respect of any goods if it specifies the amount of the deposit payable in respect of those goods, or of anyone or more of the instalments so payable, and that amount is directly expressed in the advertisement.

(5) Without prejudice to the generality of subsection (1) of this section, in the case of an advertisement of goods-

- (a) as being goods available for disposal alternatively by way of hire-purchase or by way of credit-sale; or
- (b) as being goods available for disposal in accordance with two or more alternative schemes of hire-purchase, or two or more alternative schemes of credit-sale,

the information required by this section shall not be taken to be displayed or stated clearly in the advertisement if it is not displayed or stated so as to distinguish clearly between the information applicable to hire-purchase and the information applicable to credit-sale or, as the case may be, so as to distinguish clearly between the information applicable to each of the schemes of hire-purchase or credit-sale respectively.

(6) In the case of any advertisement contained in a sound broadcast or issued by means of a loudspeaker or other public address system-

- (a) for the purposes of section 15 of this Act, and for the purpose of determining under this section whether the advertisement contains details of payments in respect of any goods, anything included in any visual display by which the advertisement is accompanied shall be taken to form part of the advertisement;
- (b) for the purposes of this section other than the purpose mentioned in paragraph (a) of this subsection, information shall be taken not to be included in the advertisement unless it is contained in it in an audible form;
- (c) in determining for the purposes of subsection (1) of this section whether each part of the information required by this Act is stated clearly in the advertisement in such a way as not to give undue prominence or emphasis to any part of it in comparison with any other part, regard shall be had to the length of time taken by each successive part of the advertisement and to the aggregate length of time taken by them all, as well as to the contents of the advertisement.

(7) In the case of any advertisement contained in a cinematograph film or television broadcast-

- (a) for the purposes of section 15 of this Act, and for the purpose of determining under this section whether the advertisement contains details of payments in respect of any goods, anything included in any spoken words or other sounds by which the advertisement is accompanied shall be taken to form part of the advertisement;

- (b) for the purposes of this section, other than the purpose mentioned in paragraph (a) of this subsection, information shall be taken not to be included in the advertisement unless it is contained in it in a visual form;
- (c) in determining for the purposes of subsection (1) of this section whether each part of the information required by this Act is displayed clearly in the advertisement in such a way as not to give undue prominence or emphasis to any part of it in comparison with any other part, regard shall be had to the length of time for which the advertisement is displayed (or, if different parts of the advertisement are displayed successively, to the length of time taken by each of them and to the aggregate length of time taken by them all) as well as to the contents of the advertisement.

17. Penalties

(1) Subject to the provisions of this section, any person who displays or issues an advertisement in contravention of the provisions of section 16 of this Act, or causes an advertisement to be displayed or issued in contravention of those provisions, shall be guilty of an offence and liable on summary conviction-

- (a) if it is his first conviction of an offence under this section, to a fine not exceeding one hundred naira;
- (b) in any other case, to a fine not exceeding four hundred naira.

(2) Where a person is charged with an offence under this section, it shall be a defence to prove-

- (a) that the matters contained in the advertisement did not relate to anything to be done in the course of a business carried on by him; and
- (b) that the matters so contained were not (wholly or in part) devised or selected by him or by any other person under his direction or control.

(3) Where an offence under this section committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly:

Provided that, for the purposes of the application of subsection (2) of this section to any proceedings, in so far as they are brought against a person by virtue of this subsection in respect of an offence committed by a body corporate, references in paragraphs (a) and (b) of subsection (2) of this section to the person charged shall be construed as references to the body corporate.

Miscellaneous and general

18. Power of Minister to require information about hire-purchase business, etc.

(1) The Minister may by regulations published in the Federal *Gazette* make provision

- (a) for requiring persons who carry on, or have carried on, the business of disposing of goods by means of hire-purchase or credit-sale transactions, or of making funds available for the purposes of such transactions, to furnish to the Minister, at such times and in such form as may be prescribed by the regulations, such information relating to the business as may be so prescribed;
- (b) for prescribing penalties for offences against the regulations not exceeding-
 - (i) in the case of an offence involving the furnishing of false information, imprisonment for a term of two years or a fine of one thousand naira or both;
 - (ii) in any other case, a fine of two hundred naira.

(2) The Minister, or the Permanent Secretary of the Ministry on his behalf, may authorise in writing any officer of the Ministry to act as an inspector under this section; and any person so authorised may, for the purpose of enforcing any regulations made under this section, and on producing his authorisation if so required, enter at all reasonable times any premises used for the purposes of any such business as is mentioned in subsection (1) of this section and-

- (a) inspect any books or documents on those premises which appear to him to relate to any such business; and
- (b) take copies of, or of anything contained in, any such book or document.

(3) A document which purports-

- (a) to authorise a person whose full names are set out therein to act as an inspector under this section; and
- (b) to be signed by the Minister or the Permanent Secretary of the Ministry,

shall, except in so far as the contrary is proved, be deemed to be a valid authorisation under this section of the person named therein.

(4) Any person who wilfully obstructs or delays any person in the exercise of his powers of entry, inspection or taking copies under subsection (2) of this section shall be guilty of an offence and liable on summary conviction to a fine not exceeding one hundred naira.

(5) If any person discloses, otherwise than on the directions of the Minister or for the purposes of legal proceedings taken in pursuance of regulations made under this section, any information obtained by him-

- (a) by virtue of any such regulations; or
- (b) in the exercise of any power conferred by subsection (2) of this section,

he shall be guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding two years.

19. Power of Minister to exclude goods, etc., from operation of the Act

(1) The Minister may by order published in the *Federal Gazette*-

- (a) exclude from the operation of this Act goods of any description or class specified in the order; and

(b) exclude from the operation of this Act any statutory corporation so specified.

(2) In this section, "statutory corporation" means a body corporate established directly by a law in force in Nigeria.

20. Interpretation, etc.

(1) In this Act, unless the context otherwise requires-

"action" includes counterclaim and set off;

"advertisement" means-

- (a) any form of advertising by way of sound broadcasting or by means of a loud-speaker or any other public address system; and
- (b) any visual form of advertising (whether or not accompanied by spoken words or other sounds), whether in a publication, or by the display of notices, or by means of catalogues, price lists, labels or other documents, or by the exhibition of cinematograph films or photographs, or by way of television, or in any other way;

"buyer" means a person who buys or agrees to buy goods;

"contract of guarantee" means, in relation to any hire-purchase agreement or credit-sale agreement, 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 hire-purchase agreement or credit-sale agreement, and the expression "guarantor" shall be construed accordingly;

"credit-sale" means the sale of goods in pursuance of an agreement under which the whole or part of the purchase price is payable by five or more instalments, and "credit-sale agreement" shall be construed accordingly;

"delivery" means voluntary transfer of possession from one person to another;

"deposit" includes any initial payment to be made before or at the time of entering into an agreement;

"directly expressed" means expressed (whether in words or figures or both) otherwise than as a fraction of, or by reference to, some other amount;

"disposal", in relation to goods, includes-

- (a) the disposal of the ownership of the goods, or of any proprietary interest in them, or of the right to possession of the goods; and
- (b) the disposal of the possession of the goods, whether or not accompanied by any disposal of the ownership of the goods, or of any proprietary interest in them, or of the right to possession of them;

"fraction" includes a proportion expressed as a percentage or in any other way;

"goods" means any chattels personal, other than things in action and money;

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

"hire-purchase" means the bailment of goods in pursuance of an agreement under which the bailee may buy the goods or under which the property in the goods will or may pass to the bailee, and **"hire-purchase agreement"** shall be construed accordingly; and where by virtue of two or more agreements, none of which by itself constitutes a hire-purchase agreement, there is a bailment of goods and either the bailee may buy the goods, or the property therein will or may pass to the bailee, the agreements shall be treated for the purposes of this Act as a single agreement made at the time when the last of the agreements was made;

"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 breach of the agreement but including any sum payable by the hirer under the agreement by way of deposit or other initial payment, or credited or to be credited to him under the agreement on account of any such deposit or payment, whether that sum is to be or has been paid to the owner or to any other person or is to be or has been discharged by a payment of money or by the transfer or delivery of goods or by any other means;

"the Minister" means the Minister of the Government of the Federation responsible for commerce, and "the Ministry" shall be construed accordingly;

"motor vehicle" means a mechanically propelled vehicle intended or adapted for use on roads or for use for agricultural purposes;

"owner" means the person who lets or has let goods to a hirer under a hire-purchase agreement and includes a person to whom the owner's property in the goods or any of the owner's rights or liabilities under the agreement has passed by assignment or by operation of law;

"property" means the general property in goods and not merely a special property;

"the relevant proportion", where the reference is to the relevant proportion of the hire-purchase price of any goods or to the relevant proportion of a part (however described) of that price, has the meaning assigned by section 9 (4) of this Act;

"sale" includes a bargain and sale as well as sale and delivery;

"seller" means a person who sells or agrees to sell goods;

"total purchase price" means the total sum payable by the buyer under a credit-sale agreement, exclusive of any sum payable as a penalty or as compensation or damages for breach of the agreement but including any sum payable by the buyer under the agreement by way of deposit or other initial payment, or credited or to be credited to him under the agreement on account of any such deposit or payment, whether that sum is to be or has

been paid to the seller or to any other person or is to be or has been discharged by a payment of money or by the transfer or delivery of goods or by any other means;

"**warranty**" means an agreement with reference to goods which are the subject of a contract but collateral to the main purpose of the contract, the breach of which gives rise to a claim for damages but not to a right to reject the goods and treat the contract as repudiated.

(2) Where an owner has agreed that any part of the hire-purchase price may be discharged otherwise than by the payment of money, any such discharge shall, for the purposes of sections 6 to 13 of this Act, be deemed to be a payment of that part of the hire-purchase price.

(3) Where, under any hire-purchase agreement made after the commencement of this Act, the owner is required to carry out any installation, and the note or memorandum of the agreement specifies as part of the hire-purchase price the amount to be paid in respect of the installation-

- (a) the reference in section 8 of this Act to one-half of the hire-purchase price shall be construed as a reference to the aggregate of the said amount and one-half of the remainder of the hire-purchase price; and
- (b) references in sections 9 to 11 this Act to the relevant proportion of the hire-purchase price shall be construed as references to the aggregate of the said amount and the relevant proportion of the remainder of the hire-purchase price.

(4) For the purposes of subsection (3) of this section, the expression "**installation**" means-

- (a) the installing of any apparatus motivated by or conducting electricity or of any gas or water pipe;
- (b) the fixing of goods to which the agreement relates to the premises where they are to be used and the alteration of premises to enable any of the goods to be used there; and
- (c) where it is reasonably necessary that any such goods should be constructed or erected on the premises where they are to be used, any work carried out for the purpose of the construction or erection.

21. Short title and extent

This Act may be cited as the Hire-purchase Act, and shall apply throughout the Federation.

[1966 No. 42.]

Notice for inclusion in hire-purchase agreements

Right of hirer to terminate agreement

- 1.** The hirer may put an end to this agreement by giving notice of termination in writing to any person who is entitled to collect or receive the hire-rent.
- 2.** He must then pay any instalments which are in arrears at the time when he gives notice. If, when he has paid those instalments, the total amount which he has paid under the agreement is less than (here insert the minimum amount which the hirer is required to pay in accordance with the provisions of sections 8 and 20 (3) of this Act) he must also pay enough to make up that sum.
- 3.** If the goods have been damaged owing to the hirer having failed to take reasonable care of them, the owner may sue him for the amount of the damage unless that amount can be agreed between the hirer and the owner.
- 4.** The hirer should see whether this agreement contains provisions allowing him to put an end to the agreement on terms more favourable to him than those just mentioned. If it does, he may put an end to the agreement on those terms.

Restriction of owner's right to recover goods

- 5.** *[After (here insert an amount calculated in accordance with the provisions of sections 9 and 20 (3) of this Act) has been paid, then,] unless the hirer has himself put an end to the agreement, the owner of the goods cannot take them back from the hirer without the hirer's consent unless the owner obtains an order of the court.

*If the agreement is a further agreement within the meaning of section 11 of this Act, the words in square brackets should be omitted.

- 6.** If the owner applies to the court for such an order, the court may, if the court thinks it just to do so, allow the hirer to keep either-
 - (a) the whole of the goods, on condition that the hirer pays the balance of the price in the manner ordered by the court; or
 - (b) a fair proportion of the goods having regard to what the hirer has already paid.

HIRE-PURCHASE ACT

SUBSIDIARY LEGISLATION

List of Subsidiary Legislation

1. Hire-purchase Regulations

HIRE-PURCHASE REGULATIONS

ARRANGEMENT OF REGULATIONS

REGULATION

1. Short title and application.
2. Interpretation.
3. Requirements relating to hire-purchase and credit-sale agreements.
4. Further requirements relating to hire-purchase and credit-sale agreements.
5. Owner of goods not to permit the possession of his goods in contravention of regulation 4.
6. Regulations 3, 4 and 5 not to apply in certain cases.
7. Conditions under which possession of goods may be transferred in anticipation of hire-purchase or credit-sale agreement.
8. Prohibition of variation of hire-purchase or credit-sale agreement in certain cases.
9. Exceptions to regulation 8, etc.
10. Possession acquired through death of the hirer or by assignment to a body corporate.
11. Penalties.
12. Regulations not to apply to certain credit-sale agreements.
13. Goods affected by these Regulations.
14. Method of calculating true rate of interest.
15. Monthly returns: penalties.

SCHEDULES

FIRST SCHEDULE

Goods to which these Regulations apply

SECOND SCHEDULE

Requirements relating to hire-purchase and credit-sale agreements

THIRD SCHEDULE

Substituted agreements

FOURTH SCHEDULE

Formula for calculating true rate of interest or charge

FIFTH SCHEDULE

Returns

HIRE-PURCHASE REGULATIONS
[L.N. 91 of 1968.]

under sections 2 (2), 5 and 18

[1st October, 1968]

[Commencement.]

1. Short title and application

(1) These Regulations may be cited as the Hire-purchase Regulations.

(2) The Hire-purchase Act having been extended in its application by the Hire-purchase (Application) Act, these Regulations shall have effect throughout the Federation.

[Cap. H4. 1966 No. 42.]

2. Interpretation

(1) In these Regulations, unless the context otherwise requires-

"cash price" means, in relation to any hire-purchase or credit-sale agreement in respect of any goods, the price at which the prospective hirer or buyer may, at the date of the agreement, purchase or agree to purchase the goods for cash;

"Minister" means the Minister of the Government of the Federation responsible for trade and tourism;

"First Schedule", "Second Schedule", "Third Schedule", "Fourth Schedule" and "Fifth Schedule" means respectively First, Second, Third, Fourth and Fifth Schedule of these Regulations.

(2) Expressions used in these Regulations where not inconsistent herewith have the meaning assigned to them by the Hire-purchase Act.

[Cap. H4.]

3. Requirements relating to hire-purchase and credit-sale agreements

(1) A person shall not dispose of any goods to which these Regulations apply in pursuance of a hire-purchase or a credit-sale agreement entered into on or after the specified date unless the requirements specified in Part I of the Second Schedule to these Regulations are or have been complied with in relation to that agreement.

(2) In any proceedings for an alleged contravention of the provisions of these Regulations, in which it is alleged that, by virtue of the provisions of Part , of the Second Schedule to these Regulations, the requirements specified in paragraph 2 of Part , of that Schedule was not complied with, it shall, in respect of that allegation be a defence if the defendant proves that at the time of the alleged offence-

[Second Schedule.]

- (a) he had no reasonable cause to believe that money had been borrowed or otherwise acquired or agreed to be borrowed or otherwise be acquired for the purpose and the circumstances mentioned in Part II of that Schedule; and
- (b) he was not a party to any agreement or arrangement under or as a result of which money could be borrowed or otherwise acquired or agreed or otherwise to be acquired to facilitate the making of payments of the description mentioned in paragraph 2 of this regulation.

4. Further requirements relating to hire-purchase and credit-sale agreements

A person shall not, by virtue of a hire-purchase or credit-sale agreement entered into on or after the specified date, be in possession of any goods to which these Regulations apply unless-

- (a) that agreement complies with the requirements specified in paragraph 1 of Part , of the Second Schedule to these Regulations; and
[Second Schedule.]
- (b) a payment complying at the date when the payment was made with the requirements specified in paragraph 2 of Part , of the Second Schedule to these Regulations, was made by him before he entered into the agreement under which he held those goods; and
- (c) that agreement provides for the payment of the balance due in respect of each description of goods comprised therein either-
 - (i) by approximately equal instalments at equal intervals spread over a period, commencing with the date of the agreement under which he held those goods, not exceeding the period specified in column 3 of Part , of the First Schedule in relation to that description of goods:

Provided that where a hire-purchase or credit-sale agreement has been varied by the lengthening or shortening of the period over which the balance due thereunder is payable, this sub-paragraph shall be deemed to be complied with in respect of the remainder of that period if the balance remaining at the date of the variation is payable by approximately equal instalments at equal intervals spread over the remainder of that period; or

- (ii) in the case of a hire-purchase agreement, by one payment to be made within the period of three months commencing with the date of the agreement.

5. Owner of goods not to permit the possession of his goods in contravention of regulation 4

(1) A person shall not knowingly cause or permit any goods to which these Regulations apply, owned by him, to be in possession of another person by virtue of a hire-purchase agreement if the possession of those goods by that other person contravenes the provisions of regulation 4 of these Regulations.

(2) A person shall not knowingly cause or permit any goods to which these Regulations apply, owned by him immediately before he enters into a credit-sale agreement, to be in possession of another person by virtue of any such agreement if the possession of those goods by that other person contravenes the provisions of regulation 4 of these Regulations.

6. Regulations 3, 4 and 5 not to apply in certain cases

In any proceedings for an alleged contravention, in relation to any agreement, of the provisions of regulations 3, 4 and 5 of these Regulations, it shall be a defence if the defendant proves that-

- (a) the hirer had before the specified date entered into a contract in writing to buy the goods the subject of the agreement;
- (b) the contract to buy was valid and enforceable on the specified date;
- (c) the goods were to be manufactured to the special order of the hirer; and
- (d) work on the goods in fulfilment of the contract to buy had been begun before the specified date.

7. Conditions under which possession of goods may be transferred in anticipation of hire-purchase or credit-sale agreement

(1) A person shall not knowingly cause or permit another person to be in possession of any goods to which these Regulations apply in anticipation of the making of a hire-purchase or credit-sale agreement in respect of those or other goods to which these Regulations apply, unless within fourteen days of those goods being disposed of to that other person, that other person has made actual payment of an amount, calculated in respect of those goods in accordance with the provisions of paragraph 2 of this regulation to the person who had disposed of the goods to him.

(2) The amount to be paid by a person by virtue of paragraph (1) of this regulation in respect of any such goods shall be the percentage, specified in column 2 of Part I of the First Schedule to these Regulations in relation to the description of goods to which those goods belong, of the price at which, at the date when the goods were disposed of to him he could have purchased them for cash.

(3) The provisions of Part , of the Second Schedule to these Regulations shall with the requisite modifications, apply for the purpose of determining whether this regulation has been complied with as they apply for the purpose of determining whether the requirement specified in paragraph 2 of Part , of that Schedule has been complied with.

[Second Schedule.]

(4) Any payment made by virtue of this regulation shall not be repaid in whole or in part unless and until the goods in respect of which the payment was made have been returned to the person to whom it was made.

8. Prohibition of variation of hire-purchase or credit-sale agreement in certain cases

(1) A person shall not enter into any agreement whereby any hire-purchase or credit-sale agreement entered into after the specified date comprising goods to which these Regulations apply is varied in either or both of the following respects, that is to say-

- (a) any payment, made in accordance with the provisions of these Regulations before the agreement was entered into, is affected;
- (b) the period over which the balance due thereunder is payable in respect of goods of any description is lengthened beyond the maximum period provided for in these Regulations for that description of goods.

(2) A person shall not enter into any agreement whereby a hire-purchase or credit-sale agreement entered into on or after the specified date is varied in such manner that that hire-purchase or credit-sale agreement comprises after such variation goods to which these Regulations apply not comprised therein before such variation.

(3) A person shall not enter into any hire-purchase or credit-sale agreement which is in substitution for another such agreement entered into on or after the specified date which-

- (a) comprises all or some of the goods comprised in that other agreement; and
- (b) comprises goods to which these Regulations apply but not comprised in that other agreement.

9. Exceptions to regulation 8, etc.

(1) Nothing in regulations 3 and 4 of these Regulations shall apply to the disposal or possession of any goods under any hire-purchase or credit-sale agreement (hereinafter called "the substituted agreement") if-

- (a) the substituted agreement is in substitution for a hire-purchase or credit-sale agreement comprising solely goods to which these Regulations apply and entered into between the same parties (hereinafter called "the replaced agreement"), and
- (b) the requirements specified in the Third Schedule to these Regulations are or have been complied with in relation to the substituted agreement.

[Third Schedule.]

(2) Nothing in regulation 8 of these Regulations shall prohibit the entering into of a substituted agreement if the conditions contained in sub-paragraphs (a) and (b) of paragraph (1) of this regulation are complied with in relation to that agreement.

10. Possession acquired through death of the hirer or by assignment to a body corporate

In relation to any hire-purchase or credit-sale agreement in pursuance of which any goods to which these Regulations apply are disposed of to, or by virtue of which any such goods are in the possession of-

- (a) the spouse of a deceased person who at the date of his death was in possession of those goods under a hire-purchase or a credit-sale agreement; or
- (b) a body corporate to whom possession of those goods has been transferred in the course of the assignment of a business to that body corporate by any person who was at the date of transfer in possession of those goods under a hire-purchase or credit-sale agreement-

these Regulations shall have effect as if-

- (i) any payment made in accordance with the provisions of these Regulations in respect of those goods by the deceased or by the transferor, as the case may be, had been made by that spouse or that body corporate respectively; and

- (ii) the maximum period prescribed by these Regulations for the payment of the balance due in respect of those goods were the period specified in column 3 of Part , of the First Schedule to these Regulations in relation to the goods of the appropriate description less the period commencing with the date of the making of the first agreement under which the deceased or the transferor, as the case may be, was in possession of those goods, and terminating respectively with the date of death or transfer.

[First Schedule.]

11. Penalties

(1) Any person who contravenes the provisions of regulation 3, 4, 5, 7 or 8 of these Regulations shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred naira.

(2) Where an offence under this regulation or regulation 15 of these Regulations committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary, or other similar officer of the body corporate or any person who was purporting to act in such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

12. Regulations not to apply to certain credit-sale agreements

Nothing in these Regulations shall apply in relation to a credit-sale agreement under which the property in all the goods passes unconditionally to the buyer on or before the delivery of the goods to him and which provides for the whole of the purchase price or, where part of that price is to be paid before the agreement is entered into, 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 that date.

13. Goods affected by these Regulations

(1) The goods to which these Regulations apply are-

- (a) goods (whether new or second hand) of any of the descriptions specified in items 1 to 22 inclusive in Part , of the First Schedule to these Regulations not being goods of a description specified in Part ,, of that Schedule;
[First Schedule.]
- (b) any other goods (including goods of the description specified in Part ,, of the First Schedule to these Regulations) comprised in a hire-purchase or credit-sale agreement with goods to which these Regulations apply by virtue of subparagraph (a) of this paragraph.

(2) The provisions of Part ,, of the Second Schedule to these Regulations shall apply for the purpose of determining whether the requirements specified in paragraph 2 of Part , of that Schedule have been complied with.

[Second Schedule.]

14. Method of calculating true rate of interest

The true rate of interest required to be stated in the note or memorandum in accordance with the provisions of section 2 (2) (b) of the Act shall be calculated in accordance with the formula prescribed in the Fourth Schedule to these Regulations.

[Fourth Schedule.]

15. Monthly returns: penalties

(1) As from the specified date, every person carrying on the business of disposing of goods by means of hire-purchase or credit-sale transactions or of making funds available for the purpose of such transactions (hereinafter called "the specified person") shall half yearly, from the 1st day of April 1970 complete Forms 1, 2 and 3 in the Fifth Schedule to these Regulations in quadruplicate (hereinafter called "the returns") and deliver the returns to the Minister.

[Fifth Schedule. L.N. 46 of 1970.]

(2) Without prejudice to the provisions of section 18 (2) of the Act (which empowers the Minister or the Permanent Secretary of the Ministry of Trade and Tourism to authorise any officer of the Ministry to enter premises where hire-purchase business is being carried on and inspect books or documents relating to such business), on the receipt of the returns by the Minister, the Minister may within a reasonable time send by post a notice to the specified person requesting the specified person to supply such further information as the Minister may think necessary for the proper understanding of the statements contained in the returns delivered to the Minister by the specified person and it shall be the duty of the specified person to supply the information within fourteen days of the receipt of the notice.

(3) Any person to whom this regulation applies who-

- (a) within the time prescribed in paragraph (1) of this regulation fails to deliver the returns duly completed to the Minister shall be guilty of an offence and liable on summary conviction to a fine of two hundred naira;
- (b) knowingly supplies any information in the returns which is false in any material particular shall be guilty of an offence and liable on summary conviction to a fine not exceeding one thousand naira or a term of imprisonment not exceeding two years or to both such fine and imprisonment;
- (c) wilfully fails to supply the further information requested for by the Minister in pursuance of paragraph (2) of this regulation within fourteen days of the receipt of the Minister's request for the further information shall be guilty of an offence and liable on summary conviction to a fine not exceeding two hundred naira.

SCHEDULES

FIRST SCHEDULE [Regulations 7 and 13.]

PART ,

Goods to which these Regulations apply

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Description of goods</i>	<i>Minimum percentage of cash price Per cent</i>	<i>Maximum period for payment of balance Months</i>
1. Radio receiving sets and television receiving sets (including portable sets and sets designed for use in road vehicles), whether or not assembled or whether or not complete, and parts thereof; television aerials, cathode ray tubes, loud speakers and television conversion units	10	36
2. Gramophones, radio-gramophones, record players and juke boxes, tape recorders and parts thereof	10	36
3. Space heating installations and appliances of a kind designed exclusively or mainly for domestic use, and parts thereof	10	36
4. Appliances and apparatus, whether mechanically operated or not, being appliances or apparatus of a kind designed exclusively or mainly for domestic use, and parts thereof, the following-	10	36
Dish washers	10	36
Drying cabinets and drying machines		
Washing machines and washers excluding washing machines and washers which are designed for heating water by electricity or gas but which are not otherwise designed for operation by electricity or gas .	10	36
Ironing machines and irons	10	36
Wringers and mangles	10	36
Pressure cookers	10	36
Floor polishers		
Vacuum cleaners	10	36
Water softeners		
Refrigerators having a storage capacity not exceeding 12 cubic feet		

	<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
	<i>Description of goods</i>	<i>Minimum percentage of cash price Percent</i>	<i>Maximum period for payment of balance Months</i>
	Machines for mixing, extracting and preparation of food and drink	10	36
	Electric kettles and other cooking utensils incorporating heating elements, including electric hotplates	10	36
	Dry shavers, electrically operated	10	36
	Sewing machines	10	36
	Knitting machines	10	36
	Hair drying machines	10	36
	Electric blankets	10	36
	Electric generating plant	10	36
5.	Photographic cameras and photographic enlargers and lenses therefor, projectors and other photographic equipment not designed specifically for industrial, scientific or commercial use	10	36
6.	Binoculars, monoculars and telescopes	10	36
7.	Lawnmowers and garden rollers	10	36
8.	Clocks and watches		
9.	Furniture (including shop and office furniture and fittings, lamp-standards, lamp shades and garden furniture) other than furniture of a specialised type unsuit-able for domestic use; and floor coverings	10	36
10.	Sink units and parts, baths, basins and bathroom fittings	10	36
11.	Mattresses and overlays	10	36
12.	Sectional sheds and garages and other sectional or prefabricated buildings	10	36
13.	Trunks, bags and suitcases	10	36
14.	Jewellery and imitation jewellery	10	36
15.	Bicycles and tricycles not mechanically propelled		
16.	Caravans and trailers		

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Description of goods</i>	<i>Minimum percentage of cash price Percent</i>	<i>Maximum period for payment of balance Months</i>
17. Washing machines and washers which are designed for heating water by electricity or gas but which are not otherwise designed for operation by electricity or gas, including wash boilers and coppers	10	48
18. Cookers, including solid fuel cookers, designed exclusively or mainly for domestic use	10	48
19. Water heating appliances	10	48
20.(a) Mechanically propelled road vehicles constructed or adapted for the carriage of passengers or goods, and parts thereof (including chassis), mechanically propelled bicycles and tricycles (other than those described in head (d) of this item), and side-cars	20	36
(b) Auxiliary units whereof the cylinder capacity does not exceed 50 cubic centimetres, designed or adapted for the propulsion of bicycles and tricycles	10	36
(c) Auxiliary units whereof the cylinder capacity exceeds 50 cubic centimetres, designed or adapted for the propulsion of bicycles and tricycles	20	36
(d) Mechanically propelled bicycles and tricycles whereof the cylinder capacity of the engine does not exceed 50 cubic centimetres, being bicycles and tricycles equipped with pedals by means whereof they are capable of being propelled	10	36
21. Aircraft, including gliders	10	36
22. Ships and boats	10	36
23. Goods of any description not specified in any other item in this Part of this Schedule comprised in a hire-purchase or credit-sale agreement with goods of a description so specified.	The lowest percentage set out in this column in relation to goods, described in any other item, comprised in the agreement	The longest period set out in this column in relation to goods, described in any other item, comprised in the agreement

PART ,

Goods (being goods included in a description of goods in Part I of this Schedule) to which these Regulations do not apply unless within item 23 of that part

1. Ambulances.
2. Invalid carriages.
3. Vehicles specially constructed or adapted for disabled people.
4. Medical, surgical, dental and veterinary appliances, equipment and apparatus.
5. Seagoing ships constructed or adapted for the commercial transportation of goods or passengers, tugs and fishing vessels; and goods disposed of to any person as equipment for such a ship, tug or vessel owned or chartered by him.

SECOND SCHEDULE
[Regulations 3 and 4.]

Requirements relating to hire-purchase and credit-sale agreements

PART ,

1. The agreement contains in respect of each description of goods a statement of the cash price of the goods of that description comprised in the agreement and of any amount payable by instalments under the agreement for the installation or maintenance of those goods.

2. (1) Before the agreement was entered into actual payment was made in respect of each description of goods comprised in the agreement of not less than an amount equal to the percentage specified in column 2 of Part , of the First Schedule in relation to that description of goods of the aggregate of-

- (a) the cash price of the goods of that description comprised in the agreement; and
- (b) any amount payable by instalments under the agreement for the installation or maintenance of the goods of that description comprised in the agreement.

(2) In computing for the purposes of sub-paragraph (1) of this paragraph the total amount to be paid before any agreement is entered into, account may be taken of any allowance for any goods taken in part exchange for goods comprised in that agreement, being an allowance which is reasonable in relation to the value of the goods so taken in part exchange:

Provided that this sub-paragraph shall not apply in respect of a hire-purchase or credit-sale agreement, entered into after the specified date, which comprises wholly or partly any of the goods described in item 1 in Part , of the First Schedule or a radio-gramophone.

3. The agreement provides for the payment of the balance due in respect of each description of goods comprised therein either-

- (a) by approximately equal instalments at equal intervals spread over a period commencing with the date of the agreement not exceeding that specified in column 3 of Part , of the First Schedule in relation to that description of goods; or
- (b) in the case of a hire-purchase agreement, by one payment to be made within three months.

PART ,

1. The requirement specified in paragraph 2 of Part , of this Schedule shall be deemed not to be complied with in relation to a hire-purchase or credit-sale agreement if, for the purpose of facilitating the making of the payment mentioned in that paragraph or any part of that payment, money has been borrowed or otherwise acquired or agreed or arranged to be borrowed or otherwise to be acquired (whether by the person making the payment or by some other person) under or as a result of an agreement or arrangement to which one or more of the following persons are parties, that is to say-

- (a) the person disposing of the goods under the hire-purchase or credit-sale agreement;
- (b) a person who has supplied or is to supply those goods to another person with a view to their being disposed of thereunder;
- (c) the manufacturer of the goods to be disposed of thereunder.

THIRD SCHEDULE
[Regulation 9.]

Substituted agreements

1. The substituted agreement is in writing and was entered into before the date specified in the replaced agreement for payment of the final instalment under the replaced agreement and before all payments due thereunder were made in full.

2. The substituted agreement comprises some or all of the goods comprised in the replaced agreement.

3. The substituted agreement comprises goods which were not comprised in the replaced agreement and those goods are solely of any of the descriptions (other than floor coverings) specified in items 9 and 11 in Part , of the First Schedule.

4. The substituted agreement contains a statement of the cash price of those goods comprised in the substituted agreement which were not comprised in the replaced agreement and of the total amount payable in respect of those goods.

5. The substituted agreement (not being a second or later substituted agreement in a series of such agreements entered into between the same parties) was entered into after payment had been made in respect of the goods comprised in the replaced agreement of an amount equal to not less than 25 per cent of the total amount payable in respect thereof.

6. (1) Where the total amount payable in respect of all goods comprised in the substituted agreement is in excess of the total amount payable in respect of all the goods comprised in the replaced agreement actual payment was made before the substituted agreement was entered into of the amount calculated by reference to the excess in accordance with sub-paragraph (2) of this paragraph in respect of the goods comprised in the substituted agreement.

(2) Where the substituted agreement is one of a series of such agreements entered into between the same parties and the total amount payable in respect of all the goods comprised in any agreement in the series earlier than the replaced agreement is higher than the total amount payable in respect of all the goods comprised in the replaced agreement a payment shall only be required to be made under this sub-paragraph if the total amount payable in respect of all the goods comprised in the substituted agreement is in excess of such higher amount and in such case the payment required to be made hereunder shall be calculated accordingly.

(3) The amount required to be paid by virtue of sub-paragraph (1) of this paragraph shall be an amount equal to not less than 10 per cent of that part of the cash price of all the goods comprised in the substituted agreement which were not comprised in the replaced agreement which bears the same proportion to the whole of that cash price of those goods as the amount of the relevant excess mentioned in sub-paragraph (1) of this paragraph bears to the total amount payable in respect of those goods.

(4) The provisions of Part , of the Second Schedule to these Regulations shall, with requisite modifications, apply for the purpose of determining whether this paragraph has been complied with as they apply for the purpose of determining whether the requirements specified in paragraph 2 of Part of that Schedule has been complied with.

7. The substituted agreement provides for the payment of the total amount payable, or where a payment is required to be made by virtue of paragraph 6 of this Schedule, the balance due, in respect of all the goods comprised therein by approximately equal instalments at equal intervals spread over a period not exceeding 36 months commencing with the date of the substituted agreement.

8. The amount of each instalment is not less than the amount of the instalment last due under the replaced agreement before the substituted agreement was entered into or, where the substituted agreement is in substitution for more than one agreement, not less than the aggregate of the instalments last due under each of the replaced agreements before the substituted agreement was entered into.

9. The intervals at which instalments are payable are not longer than the intervals at which the instalments were payable under the replaced agreement immediately before the substituted agreement was entered into or, where the substituted agreement is in substitution for more than one agreement, not longer than the shortest intervals at which the instalments were payable under any replaced agreement immediately before the substituted agreement was entered into.

FOURTH SCHEDULE [Regulation 14.]

Formula for calculating true rate of interest or charge

The true rate of interest is represented by the following formula-

$$\frac{200md}{p(n + 1) + d/3(n - 1)}$$

where,-

- (i) "m" is the number by which the period in respect of which each instalment is payable must be multiplied in order to be equal to a period of 12 months;
- (ii) "d" is the difference between the hire-purchase price and the cash price of the goods;
- (iii) "p" is the difference between the cash price and the deposit paid; and
- (iv) "n" is the total number of instalments payable.

FIFTH SCHEDULE [Regulation 15.]

Returns

FORM 1

Name of Company
Address

RETURN OF HIRE-PURCHASE AND CREDIT-SALES TRANSACTIONS FOR THE PERIOD FROM 20.....

TO (*To be submitted in accordance with regulation 15 of the Hire-purchase Regulations*)

FIFTH SCHEDULE-continued

FORM 1-continued

Column 1 <i>Category of goods</i>	Column 2 <i>Transactions during month</i>	Column 3 <i>Cash deposit expressed as percentage of cash price</i>			Column 4 <i>Period for payment of balance</i>			Column 5 <i>True rate of interest charged calculated i.a. w. regulation 14 of the Regulations</i>			Column 6 <i>Amount of outstanding hires/sales at end of month</i>		
		% Months			Min. Max. Predominant range			Min. Max. Predominant range			%		
	No.	Amount £	Min.	Max.	Predominant range	Min.	Max.	Predominant range	Min.	Max.	Predominant range	£	Percentage of total
Ambulances, lorries and vans designed for industrial and commercial use. Taxis and road passenger vehicles. Private motor cars and motorcycles. Domestic equipment. Others to be specified.													

.....
Signature of Authorised Officer

Title
Date

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n
STATEMENT OF ASSETS AND LIABILITIES AS AT DAY OF 20

NName of Company
Address

RETURN OF REPOSSESSION AND SURRENDERS OF GOODS COVERED BY HIRE-PURCHASE AND CREDIT SALES AGREEMENTS
FOR THE PERIOD FROM e. 20 TO 20.....

(To be submitted in accordance with regulation 15 of the Hire-purchase Regulations)

<i>Column 1 Name of hirer/buyer</i>	<i>Column 2 Description of goods</i>	<i>Column 3 Cash price of goods R M</i>	<i>Column 4 Hire-purchase price of goods</i>	<i>Column 5 Total amount paid by hirer/buyer before repossession/ surrender</i>	<i>Column 6 Reason for reposses- sion/surrender</i>	<i>Column 7 Remarks</i>
		3				

.....
Signature of Authorised

Title

Date

FIFTH SCHEDULE-continued

FORM 3

MONTHLY STATEMENT OF ASSETS AND LIABILITIES AS ATDAY OF20.....

Name of Company

Address

(To be submitted in accordance with regulation 15 of the Hire-purchase Regulations)

LIABILITIES	₦	ASSETS	₦
1. Capital		1. Fixed assets	
Authorised	(a) Land and buildings including leaseholds
Issued	(b) Other
Paid-up		
2. Capital Reserves		2. Hire purchase and credit-sales repayable as from the date of this return	
(a) share premium	(a) within 3 months
(b) Other (submit details)	(b) within 6 months
		(c) within 12 months
		(d) later than 12 months
3. Revenue reserve		3. Block Discount Agreements maturing as from the date of this return	
(a) General reserve	(a) within 3 months
(b) profit and loss account	(b) within 6 months
4. Debentures	(c) later than months
		4. Other current assets	
		(a) Dealers current accounts
		(b) Sundry debtors

FIFTH SCHEDULE-continued

FORM 3--continued

LIABILITIES	₦	ASSETS	₦
		(c) Cash in hand (d) Balances held with banks (i) In Nigeria (ii) Outside Nigeria	
5. Deposits		5. Investments	
(a) Repayable on demand	(a) In Nigeria	
(b) Other deposits repayable as from the date of this return		(i) Federal Government Securities	
(i) within 3 months		(ii) Subsidiaries of this company	
(ii) between 3 and 6 months		(iii) Other (submit details)	
(iii) between 6 and 12 months		(b) Outside Nigeria	
(iv) later than 12 months			
6. Loans and advances from			
(a) (i) Banks in Nigeria (submit details)		
(ii) Other institutions in Nigeria (submit details)		
(b) (i) Banks outside Nigeria (submit details)		
(ii) Other institutions outside Nigeria (submit details)		

FIFTH SCHEDULE-continued

FORM 3-continued

LIABILITIES	₦	ASSETS	₦
7. Other current liabilities		6. Other assets (state details)	
(a) Dealers current accounts		
(b) Sundry creditors		
(C) Current taxation		
8. Provisions			
(a) Bad debt		
(b) For future taxation		
(C) Other (submit details)		
9. Other liabilities (submit details)		
TOTAL	₦ _____ -	TOTAL	₦ _____ -

I declare that this statement is made up from the books of the company and that, to the best of my knowledge and belief, it is correct.

Authorised Officer

Title

Date

