

READING A STATUTE

You are now going to read part of a statute that deals with contract law. The complete statute has ten sections and is six pages long. This is part of Section 1, which forms the first page of the statute. It deals with the rights of people who are not one of the parties to a contract but who may have rights under that contract in certain circumstances.

ELIZABETH II

c. 31



Contracts (Rights of Third Parties) Act 1999

1999 CHAPTER 31

An Act to make provision for the enforcement of contractual terms
by third parties. [11th November 1999]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) Subject to the provisions of this Act, a person who is not a party to a contract (a "third party") may in his own right enforce a term of the contract if—

Right of third party to enforce contractual term.

- (a) the contract expressly provides that he may, or
- (b) subject to subsection (2), the term purports to confer a benefit on him.

(2) Subsection (1)(b) does not apply if on a proper construction of the contract it appears that the parties did not intend the term to be enforceable by the third party.

(3) The third party must be expressly identified in the contract by name, as a member of a class or as answering a particular description but need not be in existence when the contract is entered into.

(4) This section does not confer a right on a third party to enforce a term of a contract otherwise than subject to and in accordance with any other relevant terms of the contract.

(5) For the purpose of exercising his right to enforce a term of the contract, there shall be available to the third party any remedy that would have been available to him in an action for breach of contract if he had been a party to the contract (and the rules relating to damages, injunctions, specific performance and other relief shall apply accordingly).