

**AUSTRALIAN CAPITAL TERRITORY**  
**CREDIT (AMENDMENT) ORDINANCE (NO.4) 1986**

**ORDINANCE NO. 72 1986**

**EXPLANATORY STATEMENT**

The Credit Ordinance 1985 (the Principal Ordinance) regulates the provision of credit in the Australian Capital Territory. In particular it regulates credit sale contracts and loan contracts.

Section 250 of the Principal Ordinance enables documents to be signed on behalf of a person by another person with the first mentioned person's authority.

The Senate Standing Committee on Regulations and Ordinances, in its consideration of the Principal Ordinance, expressed concern that this provision could be open to abuse. Accordingly the Credit (Amendment) Ordinance (No.4) 1986 amends section 250 to provide for the signature of a debtor, whether made personally or by another person under authority, to be witnessed by a third party and also for signatures made on behalf of others to be acknowledged as such.

The effect of each of the provisions in the amending Ordinance is outlined in the attachment.

Ord 44/86

ATTACHMENT

**CREDIT (AMENDMENT) ORDINANCE (No.4) 1986**

Section 1 provides for the short title.

Section 2 provides for the Ordinance to come into effect on a date to be fixed by the Minister by notice in the Gazette.

Section 3 adds new sub-sections (2) to (7) to section 250 of the Principal Ordinance to provide for the witnessing of signatures as follows:

- . new sub-section (2) provides for the witnessing of a debtor's signature where the debtor applies for or accepts a credit sale contract or a loan contract. The credit provider is not to witness the debtor's signature;
- . new sub-section (3) provides that where a person other than the debtor writes the signature of the debtor on a document applying for or accepting a credit sale contract or a loan contract, the person shall sign the document in the presence of a witness (who is a third party) and indicate, on the document, that the signature of the debtor was placed on the document with the authority of the debtor;
- . new sub-section (4) provides that a witness referred to in sub-section (3) is required to sign the document and indicate on the document that he or she is witnessing the signature of the person who wrote the signature of the debtor on the document;
- . new sub-section (5) provides that where the signature of a debtor or a person acting on behalf of a debtor is witnessed by the credit provider or a person acting on behalf of the credit provider or associated with the credit provider the contract is void;
- . new sub-section (6) provides that it is an offence for a credit provider, or his or her representative or associate, to witness the signature of a debtor or a person signing on behalf of a debtor;
- . new sub-section (7) provides that where a signature is not witnessed in accordance with sub-sections (2) and (3) the contract is void.