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STATUTORY INSTRUMENTS

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**2014 No. 1751 (C. 75)**

**DEFENCE**

The Defence Reform Act 2014  
(Commencement No. 1) Order 2014

Made - - - - 30th June 2014

The Secretary of State, in exercise of the powers conferred by section 50(1) and (2) of the Defence Reform Act 2014<sup>(1)</sup>, makes the following Order:

**Citation and interpretation**

1. This Order may be cited as the Defence Reform Act 2014 (Commencement No.1) Order 2014.
2. In this Order “the Act” means the Defence Reform Act 2014.

**Commencement**

3. The following provisions of the Act will come into force on 14 July 2014—
  - (a) section 13 (Single Source Regulations Office);
  - (b) subsections 19(1) and 19(4) (rates etc relevant to determining contract profit rate);
  - (c) section 37 (provision of other services to Secretary of State);
  - (d) section 40 (power to repeal Part);
  - (e) section 41 (single source contract regulations: time limits and determinations);
  - (f) section 42 (single source contract regulations: general);
  - (g) schedule 4 (Single Source Regulations Office) with the exception of the following provisions—
    - (i) 10(2)–10(6);
    - (ii) 19(b);
    - (iii) 20(b);
    - (iv) 21(b).
4. So far as is necessary for the purpose of enabling the drafting of the single source contract regulations and statutory guidance, the following provisions will come into force on 14 July 2014—

- (a) section 14 (regulations relating to qualifying defence contracts);
- (b) section 15 (pricing of contracts);
- (c) section 16 (pricing of contracts: supplementary);
- (d) section 17 (contract profit rate);
- (e) section 18 (contract profit rate: supplementary);
- (f) section 20 (allowable costs);
- (g) section 21 (final price adjustment);
- (h) section 23 (records);
- (i) section 24 (reports on qualifying defence contracts);
- (j) section 25 (reports on overheads and forward planning etc);
- (k) section 27 (records and reports: restrictions);
- (l) section 28 (qualifying sub-contracts);
- (m) section 29 (determining whether a contract is a qualifying sub-contract);
- (n) section 30 (application of Part to qualifying sub-contracts);
- (o) section 31 (compliance notice);
- (p) section 32 (penalty notice);
- (q) section 33 (amount of penalty);
- (r) section 35 (opinions and determinations);
- (s) section 38 (disclosure of information);
- (t) section 43 (interpretation etc); and
- (u) paragraph 1(1)(c) of Schedule 5 (restrictions on disclosing information).

30th June 2014

*Philip Dunne*  
Minister for Defence Equipment, Support and  
Technology  
Ministry of Defence

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order brings into force provisions of the Defence Reform Act 2014. The provisions specified in Article 3 are brought fully into force. The provisions listed in Article 4 are brought into force for the limited purpose of enabling the drafting of the single source contract regulations and statutory guidance.