

Future Performance Contracts

If you are a business engaging in the supply of goods or services where your customer does not receive the goods or services immediately or doesn't pay in full upfront, your contracts may qualify as a future performance contract. By law, these contracts must be in writing, must include certain content, and you have certain obligations as the supplier. The official definition of a future performance contract can be found in this [section of BC's consumer protection laws](#) and does not apply to contracts for under \$50.

A future performance contract is NOT a:

- Time share contract
- Prepaid purchase card
- A contract for the supply of goods or services under a credit agreement, if the goods or services have been supplied.

Contract requirements:

Future performance contracts are regulated by part 4 of the [Business Practices & Consumer Protection Act](#) and part 1 of the [consumer contracts regulation](#). These laws are enforced by Consumer Protection BC.

By law, your contract must include certain information, including:

- the supplier's name and, if different, the name under which the supplier carries on business
- the supplier's business address and, if different, the supplier's mailing address
- the supplier's telephone number and, if available, facsimile number
- the date on which the contract is entered into
- a detailed description of the goods or services to be supplied under the contract
- an itemized purchase price for the goods or services to be supplied under the contract
- other costs payable by the consumer, including taxes and shipping charges
- if any customs duties, brokerage fees or other additional charges that may apply to the contract cannot reasonably be determined by the supplier, a description of those charges
- a detailed statement of the terms of payment
- the total price under the contract, including the total cost of credit
- if applicable, a description and dollar value of any trade-in
- if credit is extended or arranged by the supplier, a description of the subject matter of any security interest in accordance with Part 5 [[Disclosure of the Cost of Consumer Credit](#)]
- a notice of the consumer's rights of cancellation, in the prescribed form and manner, if any
- any other restrictions, limitations or other terms or conditions that may apply to the supply of the goods or services

In addition to the required contents above, a future performance contract must also contain the following information:

- the supply date
- the date on which the supply of the goods or services will be complete

- if there are periodic payments under the contract, the amount of each of the periodic payments

Other important information

- Any business entering into a future performance contract must give a copy of the future performance contract to the consumer within 15 days after the contract is entered into.
- A consumer may cancel a future performance contract by giving notice of cancellation to the supplier not later than one year after the date that the consumer receives a copy of the contract if the contract does not contain the required information.
- In general, for a consumer complaint focused on cancellation rights to be suitable for investigation, the services in the contract must **not have been substantially performed** by the supplier. For these type of situations, where the consumer has largely benefited from supplier's provision of services, the assessment of partial refunds is better suited for negotiation / mediation / civil trial.

For more information

There's a lot to know about these contracts. This material is intended for informational purposes only and is not intended as a substitute for legal advice. Any business using this type of contract should contact a lawyer and refer to the [Business Practices & Consumer Protection Act](#) and the [consumer contracts regulation](#).

Consumer Protection BC is the regulator of specific industries and certain consumer contracts in the province. To find out more about Consumer Protection BC, including the inspection and complaint handling process, please visit www.consumerprotectionbc.ca.