**Expiry and renewal of fixed-term agreements**

14. (1) This section does not apply to transactions between juristic persons regardless of their annual turnover or asset value.

(2) If a consumer agreement is for a fixed term—

(a) that term must not exceed the maximum period, if any, prescribed in terms of subsection (4) with respect to that category of consumer agreement;

(b) despite any provision of the consumer agreement to the contrary—

(i) the consumer may cancel that agreement—

(aa) upon the expiry of its fixed term, without penalty or charge, but subject to subsection (3)(a); or

(bb) at any other time, by giving the supplier 20 business days’ notice in writing or other recorded manner and form, subject to subsection (3)(a) and (b); or

(ii) the supplier may cancel the agreement 20 business days after giving written notice to the consumer of a material failure by the consumer to comply with the agreement, unless the consumer has rectified the failure within that time;

(c) of not more than 80, nor less than 40, business days before the expiry date of the fixed term of the consumer agreement, the supplier must notify the consumer in writing or any other recordable form, of the impending expiry date, including a notice of—

(i) any material changes that would apply if the agreement is to be renewed or may otherwise continue beyond the expiry date; and

(ii) the options available to the consumer in terms of paragraph (d); and

(d) on the expiry of the fixed term of the consumer agreement, it will be automatically continued on a month-to-month basis, subject to any material changes of which the supplier has given notice, as contemplated in paragraph (c), unless the consumer expressly—

(i) directs the supplier to terminate the agreement on the expiry date; or

(ii) agrees to a renewal of the agreement for a further fixed term.

(3) Upon cancellation of a consumer agreement as contemplated in subsection (1)(b)—

(a) the consumer remains liable to the supplier for any amounts owed to the supplier in terms of that agreement up to the date of cancellation; and

(b) the supplier—

(i) may impose a reasonable cancellation penalty with respect to any goods supplied, services provided, or discounts granted, to the consumer in contemplation of the agreement enduring for its intended fixed term, if any; and

(ii) must credit the consumer with any amount that remains the property of the consumer as of the date of cancellation, as prescribed in terms of subsection (4).

(4) The Minister may, by notice in the Gazette, prescribe—

(a) the maximum duration for fixed-term consumer agreements, generally, or for specified categories of such agreements;

(b) the manner and form of providing notices to the consumer in terms of subsection (2)(c);

(c) the manner, form and basis for determining the reasonableness of credits and charges contemplated in subsection (3); and

(d) other incidental matters as required to provide for the proper administration of this section