

SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: ACCESS TO FINANCE

Financial information about businesses

Section 5: Small and medium sized businesses: information to finance platforms

121. **Section 5** gives HMT the power to make regulations imposing a duty on designated banks to provide information about small and medium sized business customers that they reject for finance to designated finance platforms. Subsection (2) requires that this duty may only apply where the business has agreed to its information being shared with designated platforms, and enables the regulations to require designated banks to seek such agreement or further information from businesses, and to provide the information to the designated platforms within a specified period. Subsection (3) allows the regulations to make further provision about the duty on designated banks, including specifying the types of applications that will be in scope of the duty, what constitutes a rejection, and which platforms must be provided with the information.
122. Subsection (4)(a) allows the regulations to impose a duty on designated platforms to provide the information they receive to finance providers who request access to it. Subsection (5) requires that such information must be anonymised. Subsection (4)(b) allows the regulations to require platforms to provide information about a particular business where a finance provider has requested it and the business has agreed to its provision. Subsection (6) allows the regulations to provide that the duty on platforms to share information with finance providers does not apply to finance providers that have not agreed to platforms' terms and conditions or do not comply with specified requirements about use and disclosure of the information.
123. Subsection (7) allows the regulations to make further provision about the duty on finance platforms to provide information to finance providers; including the timeframe in which platforms must provide information to finance providers; how requests for information must be made to finance platforms, how businesses may agree to their information being provided to finance providers; how long platforms must retain information on businesses; and the removal of information from the finance platform.
124. Subsection (8) allows the regulations to prohibit or permit the charging of fees by platforms to small and medium sized businesses for their service.
125. Subsection (9) requires the regulations to provide for the designation of banks and finance platforms by the Treasury, which may include matters such as conditions that banks or platforms must meet to be designated, considerations or advice that the Treasury may take into account, how the list of designated banks and platforms is to be published, and the revocation of designations.