



# Small Business, Enterprise and Employment Act 2015

## 2015 CHAPTER 26

### PART 1

#### ACCESS TO FINANCE

##### *Business payment practices*

### **3 Companies: duty to publish report on payment practices and performance**

- (1) The Secretary of State may by regulations impose a requirement, on such descriptions of companies as may be prescribed, to publish, at such intervals and in such manner as may be prescribed, prescribed information about—
  - (a) the company's payment practices and policies relating to relevant contracts of a prescribed description, and
  - (b) the company's performance by reference to those practices and policies.
- (2) For the purposes of this section—

“company” has the meaning given by section 1(1) of the Companies Act 2006 (but see subsection (3));

a contract is a “relevant contract” if—

  - (a) it is a contract for goods, services or intangible assets (including intellectual property), and
  - (b) the parties to the contract have entered into it in connection with the carrying on of a business;

“prescribed” means prescribed by the regulations.
- (3) The regulations may not impose a requirement on a company in relation to any time during which—
  - (a) it qualifies as a micro-entity for the purposes of section 384A of the Companies Act 2006,

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*Changes to legislation: There are currently no known outstanding effects for the Small Business, Enterprise and Employment Act 2015, Section 3. (See end of Document for details)*

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- (b) the small companies regime under that Act applies to it (see section 381 of that Act), or
  - (c) it qualifies as medium-sized for the purposes of section 465 or 466 of that Act.
- (4) “The company's payment practices and policies” has such meaning as may be prescribed and the information which may be prescribed may, in particular, include information—
  - (a) about the standard payment terms of the company and whether these are part of any code of conduct or code of ethics of the company,
  - (b) about payment terms of the company which are not standard,
  - (c) about the processing and payment of invoices,
  - (d) by reference to such codes of conduct or standards as may be prescribed and as are applicable to companies generally or to companies of a prescribed description,
  - (e) about disputes relating to the payment of invoices, including any dispute resolution mechanism that the company uses,
  - (f) about payments owed or paid by the company due to late payment of invoices, whether in respect of interest or otherwise.
- (5) The regulations may require that information published in accordance with the regulations must be approved or signed by such description of person as may be prescribed.
- (6) The regulations may require such of the information required to be published as may be prescribed to be given, in such form as may be prescribed, to prescribed persons.
- (7) The regulations may make provision for a prescribed breach by a prescribed description of person of a requirement imposed by the regulations to be an offence punishable on summary conviction—
  - (a) in England and Wales, by a fine;
  - (b) in Scotland or Northern Ireland, by a fine not exceeding level 5 on the standard scale.
- (8) Before making regulations under this section the Secretary of State must consult such persons as the Secretary of State considers appropriate.
- (9) Regulations under this section are subject to affirmative resolution procedure.

**Changes to legislation:**

There are currently no known outstanding effects for the Small Business, Enterprise and Employment Act 2015, Section 3.