

# **SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015**

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## **EXPLANATORY NOTES**

### **BACKGROUND AND SUMMARY**

#### **Part 1: Access to Finance**

##### **Power of the Secretary of State under section 1 of the Export and Investment Guarantees Act 1991 (EIGA) and Commitment limits**

23. In February 2011, the Government published the Trade and Investment for Growth White Paper, noting that *‘trade and investment will be crucial to achieving strong, sustainable and balanced growth’*. This White Paper set out the Government’s goal of improving growth and productivity by overcoming the barriers to doing business overseas. A number of commitments were set out in the White Paper with a view to increasing access to trade finance for businesses. The Government has also set targets to improve the UK’s export performance, specifically, to achieve by 2020 £1 trillion of exports per annum, increase by 100,000 the number of companies that export and for UK companies to win a greater number of overseas High Value Opportunity projects.
24. The Government’s policy is to widen the ability of the Export Credits Guarantee Department to support UK exports and exporters, to assist them in contributing towards these goals. This is in the context of the role of the Export Credits Guarantee Department to complement private sector provision of relevant products and services.
25. This Act contains provisions the effect of which is to give the Export Credits Guarantee Department:
  - i. a broad ability to assist and support businesses in the UK that are, or wish to become, involved in exporting or exporting supply chains;
  - ii. the ability to support exports of intellectual property rights and other intangibles; and
  - iii. the ability to support exports in circumstances where there are complex contracting chains and financing arrangements or where exports are made via overseas subsidiaries or joint venture companies.
26. Other technical changes are also being made through measures contained within the Act, including to:
  - i. consolidate the foreign currency and sterling limits on the liabilities that can be incurred by the Export Credits Guarantee Department in supporting UK exports and investments overseas and in managing its portfolio of risks; and
  - ii. remove the requirement that the Secretary of State must consult the Export Guarantees Advisory Council on matters relating to the provision of reinsurance to other export credit insurers.