

These notes refer to the Small Business, Enterprise and Employment Act 2015 (c.26) which received Royal Assent on 26 March 2015

SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: ACCESS TO FINANCE

Exports

Section 12: EIGA 1991: further amendments

144. **Section 12** amends section 6 of the Export and Investment Guarantees Act 1991 (the “EIGA”).
145. The amendment to section 6(1) consolidates the present sterling and foreign currency limits on the liabilities which the Secretary of State, acting through the Export Credits Guarantee Department, may incur under sections 1 & 2 of the EIGA, in supporting UK exports and UK investments overseas, into a single limit expressed in special drawing rights and equivalent to the aggregate value of the existing limits.
146. The amendment to section 6(3) consolidates the corresponding limits in section 6(3) for liabilities arising under portfolio management arrangements entered into under section 3.
147. The consolidations will allow the Secretary of State to access the spare capacity under the relatively unutilised sterling limits.
148. The amendment to section 6(4) allows the Secretary of State, by order, to increase either of the new limits up to three times following the commencement of the Small Business, Enterprise and Employment Act 2015.
149. The amendment to section 13 of the EIGA repeals section 13(4) of that Act.
150. Section 13(4) of the EIGA requires the Secretary of State to consult the Export Guarantees Advisory Council (EGAC) when exercising his duty under section 11(2) of the EIGA to determine, from time to time, whether it is in the national interest for him to reinsure persons providing insurance for classes of risk that he might himself have insured under section 1 of the EIGA.
151. The repeal of s13(4) removes that requirement because the remit of EGAC is now to advise the Secretary of State on the application of ECGD’s ethical policies and there is no longer any need for the Secretary of State to consult the EGAC on matters relating to the provision of reinsurance.