

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Reporting on Payment Practices and Performance Regulations 2017 (“the Principal Regulations”) (S.I. 2017/395) and the Limited Liability Partnerships (Reporting on Payment Practices and Performance) Regulations 2017 (“the LLP Regulations”) (S.I. 2017/425) to introduce requirements on a qualifying company or a qualifying Limited Liability Partnership to publish certain information about their payment practices and policies with respect to retention clauses in any construction contract they have with their suppliers.

Regulation 3 amends regulation 2 of the Principal Regulations to introduce the definition of “construction contract” and “qualifying construction contract”.

Regulation 4 amends regulation 3 of the Principal Regulations to impose a duty on a qualifying company to publish for each reporting period information on payment practices and policies in relation to qualifying construction contracts.

Regulation 5 inserts regulation 6A to the Principal Regulations to define qualifying construction contracts.

Regulation 6 amends the existing Schedule to the Principal Regulations to rename it Schedule 1 and makes a minor amendment to that Schedule to take other changes made by these Regulations into account.

Regulation 7 introduces a new Schedule (Schedule 2) to the Principal Regulations. This Schedule 2 sets out the information that a qualifying company is required to provide in respect of qualifying construction contracts.

Regulation 8 amends the LLP Regulations to apply equivalent provisions to certain limited liability partnerships.

An full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.