

EXPLANATORY STATEMENT

Issued by authority of the Treasurer

Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Act 2020

Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Amendment Rules 2020

Section 8 of the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Act 2020* (the Act) provides that the Minister may by legislative instrument make rules prescribing matters required or permitted by the Act to be prescribed by the legislative rules.

The purpose of the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Amendment Rules 2020* (the Amending Rules) is to amend the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Rules 2020* to increase the monetary threshold for annual turnover from \$50 million to \$120 million.

The higher threshold means that an entity is defined for the purposes of the Act to be an *SME entity* if the entity carries on a business or is a non-profit body and their annual turnover is likely to be less than \$120 million in the current financial year, or the entity carried on a business or was a non-profit body in the previous financial year and had an annual turnover less than \$120 million.

The Act specifies no conditions that need to be met before the power to make the Amending Rules is exercised.

Targeted consultation was undertaken with stakeholders.

The Amending Rules are a legislative instrument for the purposes of the *Legislation Act 2003*.

The Amending Rules commenced on the day after the instrument was registered.

A statement of Compatibility with Human Rights is at [Attachment A](#).

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Amendment Rules 2020

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The purpose of the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Amendment Rules 2020* is to amend the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Rules 2020* is to increase the monetary threshold for annual turnover from \$50 million to \$120 million.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.