Commercial Payments Bill [HL]

MARSHALLED

LIST OF AMENDMENTS

TO BE MOVED

IN COMMITTEE OF THE WHOLE HOUSE

The amendments have been marshalled in accordance with the Instruction of 9th June 2026, as follows—

[*Amendments marked ★ are new or have been altered*]

Amendment No.

Clause 1

LORD HOLMES OF RICHMOND

1 Clause 1, page 2, line 5, at end insert—

“(1A) The purchaser must advise the supplier how the supplier should submit notice as set out in subsection (1).

(1B) Where the purchaser fails to advise the supplier on how to submit notice, the supplier may rely on the notice commencing by submitting a written document (for example, a delivery notice or invoice) to the person requesting the goods or services within the purchaser’s business.

(1C) The purchaser must adopt internal systems that recognise that the serving of notice commences at the point the supplier complies with subsections (1A) and (1B).”

Member's explanatory statement

This amendment seeks to require the purchaser to give instructions as to how notice should be given. Where the purchaser gives no advice on notice, the supplier may rely on notice having been given by providing a delivery notice or invoice to the person within the purchaser’s business who is requesting the goods or services.

LORD HOLMES OF RICHMOND

2 Clause 1, page 2, leave out lines 8 and 9 and insert “30 days”

Member's explanatory statement
This amendment seeks to make the maximum payment period 30 days, instead of 60 days, where the purchaser is not a public authority.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM

3 Clause 1, page 2, line 8, leave out “30” and insert “35”

Member's explanatory statement
This amendment seeks to make the maximum payment period 35 days, instead of 30 days, where the purchaser is a public authority.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD LEIGH OF HURLEY

4★ Clause 1, page 2, line 8, at end insert—

“(aa) where the purchaser is a nationalised body, 30 days;”

Member's explanatory statement
This amendment, and another in the name of Lord Hunt, seeks to probe the status of nationalised bodies in this Bill.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM

5 Clause 1, page 2, line 9, leave out “60” and insert “65”

Member's explanatory statement
This amendment seeks to make the maximum payment period 65 days, instead of 60 days, where the purchaser is not a public authority.

LORD LEONG

6 Clause 1, page 3, line 2, leave out “(implied payment terms in certain public contracts)”

Member's explanatory statement
This minor amendment omits a description of sections of the Procurement Act 2023 which was not wholly accurate.

LORD HOLMES OF RICHMOND

7 Clause 1, page 3, line 4, leave out from "means" to end of line 8 and insert "the point at which the supplier has unequivocal and unencumbered use of cleared funds remitted by the buyer."

Member's explanatory statement
The amendment seeks to define payment as the point at which the supplier has unequivocal and unencumbered use of cleared funds remitted by the buyer.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD LEIGH OF HURLEY

8★ Clause 1, page 3, line 8, at end insert—

"(11) In this Act—

"nationalised body" means—

(a) a body corporate established by or under any enactment for the carrying on of any industry or part of an industry, or of any undertaking, under national ownership or control, or

(b) a subsidiary of such a body corporate;

"subsidiary" has the meaning given by section 1159 of the Companies Act 2006."

Member's explanatory statement
This amendment, and another in the name of Lord Hunt, seeks to probe the status of nationalised bodies in this Bill.

LORD HOLMES OF RICHMOND

9 Clause 1, page 3, line 38, at end insert—

"(8) Where a pre-existing trading relationship exists between the parties, and a new contract is issued after the day on which the Commercial Payments Act 2026 is passed to update or replace the contract in force prior to the day on which the Commercial Payments Act 2026 is passed, any new clause or variance to the old contract that has the effect of increasing the required verification period is to be deemed null and void.

(9) In relation to subsection (8), the verification period of the new contract issued after the day on which the Commercial Payments Act 2026 is passed must be replaced with the same or lower period to that included in the contracts in force between the parties prior to the day on which the Commercial Payments Act 2026 is passed."

LORD FOX
LORD SHARPE OF EPSOM
LORD HUNT OF WIRRAL
LORD LEIGH OF HURLEY

10 Clause 1, page 3, line 38, at end insert—

"2CA Payments collected by intermediaries

(1) This section applies where, under or in connection with a contract to which section 2B applies ("the supply contract"), a person other than the supplier ("the intermediary") receives all or part of a relevant payment from the purchaser for onward transmission to the supplier.

(2) This section applies regardless of—

(a) whether the intermediary acts as agent for the supplier or the purchaser or otherwise, and

(b) the legal characterisation of any contract between the intermediary and the supplier or the purchaser.

(3) For the purposes of this section, a relevant payment is not to be treated as made to the supplier until the amount received by the intermediary is received by the supplier.

(4) It is an implied term of any contract between the intermediary and the supplier that the intermediary must pay to the supplier any amount received from the purchaser in respect of a relevant payment under the supply contract before the end of the period of 7 days beginning with the day on which the intermediary receives that amount.

(5) A term of any contract is void so far as it purports to—

(a) provide for payment to the supplier later than is required by subsection (4), or

(b) treat a relevant payment as made to the supplier earlier than is provided by subsection (3).

(6) Where the intermediary fails to comply with the implied term in subsection (4), the unpaid amount is to be treated as a qualifying debt owed by the intermediary to the supplier for the purposes of this Act (and statutory interest runs accordingly).

(7) Subsection (4) does not require the intermediary to pay an amount to the supplier so far as the intermediary is entitled to deduct or withhold that amount under a term of a contract with the supplier that is fair and reasonable having regard to the matters specified in Schedule 2 to the Unfair Contract Terms Act 1977, and it is for the intermediary to show that any such term satisfies that test."

Member's explanatory statement
This amendment closes the online marketplace loophole by providing that payment is not treated as made to a supplier until the supplier actually receives the money, and by requiring any

intermediary that collects payment on a supplier's behalf to remit it within 7 days regardless of how the intermediary is legally characterised.

After Clause 1

LORD FOX

11 After Clause 1, insert the following new Clause—

"Review of maximum payment period for non-public authority purchasers

(1) Within the period of five years beginning with the day on which section 1 comes into force, the Secretary of State must lay before Parliament—

(a) draft legislation to substitute "45 days" for "60 days" in section 2B(2)(b) of CPILPA 1998, or

(b) a statement explaining why the Secretary of State has not done so.

(2) Draft legislation under subsection (1)(a) may make consequential, transitional or saving provision, including provision amending any reference to a period of 60 days elsewhere in that Act that is consequential on the substitution.

(3) Before laying anything under subsection (1), the Secretary of State must consult such persons as the Secretary of State considers appropriate, including persons appearing to represent the interests of small businesses and of larger businesses."

Member's explanatory statement
This amendment requires the Secretary of State, within five years, either to lay draft legislation reducing the maximum payment period for private purchasers from 60 to 45 days, or to explain to Parliament why not.

Clause 2

LORD LEONG

12 Clause 2, page 5, line 12, leave out "68 or 88" and insert "68A or 88A"

Member's explanatory statement
This amendment is consequential on my amendment inserting sections 68A and 88A into the Procurement Act 2023. It excludes payments under public construction contracts from inserted section 2D of the Commercial Payments and Interest on Late Payment Act 1998.

LORD LEONG

13 Clause 2, page 5, line 13, leave out "(implied payment terms in certain public contracts)"

Member's explanatory statement
This minor amendment omits a description of sections of the Procurement Act 2023 which was not wholly accurate.

LORD LEONG

14 Clause 2, page 5, line 20, at end insert "; and see sections 68A and 88A of the Procurement Act 2023 regarding the final date for payment in certain contracts to which that Act applies"

Member's explanatory statement
This amendment expands a signpost in the Housing Grants, Construction and Regeneration Act 1996 to point to new relevant sections of the Procurement Act 2023.

LORD LEONG

15 Clause 2, page 5, leave out lines 23 to 33 and insert—

"(3A) Subsection (3AA) applies if—

(a) section 2D of the Commercial Payments and Interest on Late Payment Act 1998 applies in relation to the payment, and in the case of the contract in question the permitted period referred to in subsection (1) of that section is the period of 30 days beginning with the day after the payment due date, or

(b) section 68A or 88A of the Procurement Act 2023 applies to the contract.

(3AA) If the operation of subsection (3) of this section would (absent this subsection) result in the final date for payment being postponed to a day after the last day of the period of 30 days beginning with the day after the payment due date, subsection (3) operates so as to postpone the final date for payment to the last day of that 30-day period.

(3AB) In subsection (3A)(b), the reference to a contract to which section 68A or 88A of the Procurement Act 2023 applies includes a public construction sub-contract within the meaning of section 73 of that Act and a regulated below-threshold construction sub-contract within the meaning of section 88C of that Act."

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023. This provision in the Housing Grants, Construction and Regeneration Act 1996 should now refer to the sections of the Procurement Act 2023 that achieve 30-day payment terms.

LORD LEONG

16 Clause 2, page 6, line 9, at end insert "; and see sections 68A and 88A of the Procurement Act 2023 regarding the final date for payment in certain contracts to which that Act applies"

Member's explanatory statement
This amendment expands a signpost in the Construction Contracts (Northern Ireland) Order 1997 to point to new relevant sections of the Procurement Act 2023.

LORD LEONG

17 Clause 2, page 6, leave out lines 12 to 22 and insert—

"(3A) Paragraph (3AA) applies if—

(a) section 2D of the Commercial Payments and Interest on Late Payment Act 1998 applies in relation to the payment, and in the case of the contract in question the permitted period referred to in subsection (1) of that section is the period of 30 days beginning with the day after the payment due date, or

(b) section 68A or 88A of the Procurement Act 2023 applies to the contract.

(3AA) If the operation of paragraph (3) would (absent this paragraph) result in the final date for payment being postponed to a day after the last day of the period of 30 days beginning with the day after the payment due date, paragraph (3) operates so as to postpone the final date for payment to the last day of that 30-day period.

(3AB) In paragraph (3A)(b), the reference to a contract to which section 68A or 88A of the Procurement Act 2023 applies includes a public construction sub-contract within the meaning of section 73 of that Act and a regulated below-threshold construction sub-contract within the meaning of section 88C of that Act."

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023. This provision in the Construction Contracts (Northern Ireland) Order 1997 should now refer to the sections of the Procurement Act 2023 that achieve 30-day payment terms.

Clause 3

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

18 Clause 3, page 7, leave out lines 3 to 16

Member's explanatory statement
This amendment seeks to probe the scope and impact of exempting upwards payments from the restriction on payment terms, given the fact that many of the suppliers will still be small or medium businesses.

LORD THOMAS OF CWMGIEDD
LORD HOLMES OF RICHMOND

19 Clause 3, page 7, line 23, at end insert "save that the Secretary of State must not specify in regulations which have or will continue to have effect after 1 April 2029 any contract of a description which relates to—

(a) the supply of any goods or services by a person in the United Kingdom to any person for use outside of the United Kingdom, or

(b) the supply of any goods or services by a person outside the United Kingdom for use in the United Kingdom.”

Member's explanatory statement
This amendment would end the power under the regulations to exclude import and export trade contracts from the provisions of the Act, but do so only at a time which provides for ample familiarisation to make use of the Electronic Trade Documents Act 2023 and which coincides with the imposition of e-invoicing by HM Revenue and Customs.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

20 Clause 3, page 8, leave out lines 1 to 8 and insert—

“(7) In subsections (2) and (3)—

“a micro undertaking” means an undertaking which has no more than 10 full-time equivalent employees, and has—

(a) a turnover of no more than £1 million, or

(b) a balance sheet total of no more than £500,000;

“a small undertaking” means an undertaking other than a micro undertaking which has no more than 50 full-time equivalent employees, and has—

(a) a turnover of no more than £15 million, or

(b) a balance sheet total of no more than £7.5 million;

“a medium-sized undertaking” means an undertaking other than a small undertaking or micro undertaking which has no more than 250 full-time equivalent employees, and has—

(a) a turnover of no more than £54 million, or

(b) a balance sheet total of no more than £27 million;

“a large undertaking” means any undertaking other than a medium-sized undertaking, small undertaking or micro undertaking.”

Member's explanatory statement
This amendment, and others in the name of Lord Hunt of Wirral, seek to create a standardised definition of different sized businesses on the face of the CPILPA 1998.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

21 Clause 3, page 8, leave out lines 17 to 28

Member's explanatory statement
This amendment, and others in the name of Lord Hunt of Wirral, seek to create a standardised definition of different sized businesses on the face of the CPILPA 1998.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

22 Clause 3, page 8, line 28, at end insert—

"(9A) Regulations under subsection (7) must not specify criteria of undertakings that differ from—

(a) the Procurement Act 2023 (see section 123 of that Act),

(b) the Companies Act 2006 (see sections 382, 383, 384, 384A, 465 and 466 of that Act),

(c) the Enterprise Act 2016 (see section 2 of that Act), or

(d) the Small Business, Enterprise and Employment Act 2015 (see sections 33 and 34 of that Act),

without amending all of those Acts in accordance with the Secretary of State's criteria."

Member's explanatory statement
This amendment seeks to prevent the Secretary of State from creating a new definition for different-sized businesses without standardising all existing definitions.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

23 Clause 3, page 8, line 29, leave out from "means" to end of line 30 and insert "—

(a) a person carrying on one or more businesses;

(b) a voluntary or community body, as defined in section 29 (section 28(1)(b): interpretation) of the Small Business, Enterprise and Employment Act 2015;

(c) a body which is formed or recognised under the law of a country or territory outside of the United Kingdom and which is equivalent in nature to a body falling within the definition of voluntary or community body."

Member's explanatory statement
This amendment, and another in the name of Lord Hunt of Wirral, seeks to create a standardised definition of different sized businesses on the face of the CPILPA 1998.

Clause 4

LORD HOLMES OF RICHMOND

24 Clause 4, page 9, line 2, at end insert—

"(3) Statutory interest is to be remitted to the supplier within five working days of payment of the invoices.

(4) "Remitted" in subsection (3) means the point at which the supplier has unequivocal and unencumbered use of cleared funds remitted by the buyer.

(5) Where statutory interest is not paid in accordance with subsection (3) the non-payment of statutory interest incurred in accordance with the period for which statutory interest runs in CPILPA 1998 will constitute a qualifying debt in the sum of the statutory interest, and will thus incur statutory interest on the unpaid original statutory interest.

(6) Where statutory interest is not paid in accordance with subsection (3) it will be deemed late and be subject to the provisions relating to compensation arising out of late payment.

(7) Where statutory interest is to be paid in accordance with subsection (3) and it has not been paid, the directors must write to the Small Business Commissioner stating the reasons for non-payment."

Member's explanatory statement
The amendment seeks to require the buyer to calculate and pay interest so as not to disrupt the buyer-supplier relationship.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM

25 Clause 4, page 9, line 2, at end insert—

"(3) Qualifying debt created by this contract does not carry simple interest should it result from a delayed payment caused by a public holiday."

Member's explanatory statement
This amendment seeks to create an exemption from debt interest should the payment be made within the payment period and be delayed due to a public holiday.

Clause 5

LORD LEONG

26 Clause 5, page 9, line 37, leave out from second "to" to end of line 5 on page 10 and insert "—

(a) the day that has effect under provision agreed by the parties to the contract as the last day for payment to be made, or

(b) the day that has effect, in accordance with the implied term described in (as the case may be) section 68(2) or 88(2) of the Procurement Act 2023, as the last day for payment to be made."

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023. The changes result from the implied terms in sections 68 and 88 of that Act being brought into closer alignment with the payment terms that will be implied into other commercial contracts by the Bill.

LORD LEONG

27 Clause 5, page 10, line 6, leave out "(9) or"

Member's explanatory statement
This amendment is consequential on my amendment of clause 5 leaving out lines 15 to 26 on page 10.

LORD LEONG

28 Clause 5, page 10, line 9, leave out "day" and insert "date"

Member's explanatory statement
This is a minor drafting amendment.

LORD LEONG

29 Clause 5, page 10, line 12, leave out "day" and insert "date"

Member's explanatory statement
This is a minor drafting amendment.

LORD LEONG

30 Clause 5, page 10, line 13, leave out "the relevant Construction Scheme provision (see section 15A)" and insert "the implied term described in (as the case may be)—

(i) the relevant Construction Scheme provision (see sections 2D(6) and 15A);
(ii) section 68A(3) of the Procurement Act 2023;
(iii) section 88A(3) of the Procurement Act 2023."

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023. The amendment refers to provisions of that Act specifying 30-day implied terms for construction contracts covered by that Act.

LORD LEONG

31 Clause 5, page 10, leave out lines 15 to 26

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023. The amendment leaves out a subsection of section 4 of the Commercial Payments and Interest on Late Payment Act 1998 which is no longer needed because of my amendment of the previous subsection.

LORD LEONG

32 Clause 5, page 10, line 40, leave out “that Act” and insert “the Procurement Act 2023”

Member's explanatory statement
This amendment corrects some unclear drafting.

LORD LEONG

33 Clause 5, page 11, leave out lines 4 to 7

Member's explanatory statement
This amendment is consequential on my amendment to clause 5, page 9, line 37, replacing inserted section 4(7) of the Commercial Payments and Interest on Late Payment Act 1998.

LORD LEONG

34 Clause 5, page 11, leave out lines 20 and 21

Member's explanatory statement
This amendment is consequential on my amendment to clause 5 leaving out lines 15 to 26 on page 10.

Clause 8

LORD LEONG

35 Clause 8, page 14, line 19, leave out “110(3)” and insert “110(4)”

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 2, which means that the reference to section 110(3) of the Housing Grants, Construction and Regeneration Act 1996 should be a reference to section 110(4).

LORD LEONG

36 Clause 8, page 14, line 23, leave out “9(3)” and insert “9(4)”

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 2, which means that the reference to Article 9(3) of the Construction Contracts (Northern Ireland) Order 1997 should be a reference to Article 9(4).

After Clause 8

LORD FOX

37 After Clause 8, insert the following new Clause—

"Agreements relating to copyright and other intellectual property

After section 15A of the CPILPA 1998 insert—

"15B Agreements relating to copyright etc.

(1) The provisions in Part 1A, Part 1B, section 4, section 6A, section 11A and section 15A do not apply to a contract that is, or is principally, for—

(a) the licence or assignment of, or

(b) the grant of any other right in or in relation to,

copyright or rights in performances.

(2) Subsection (1) applies whether or not the work or other subject-matter to which the rights relate is in existence when the contract is entered into, and accordingly applies to a contract under which the supplier is to create, write or otherwise produce that work or subject-matter.

(3) A contract is not prevented from falling within subsection (1) by reason only that it also requires the supplier to do one or more things in connection with the work or other subject-matter, including to deliver, check, edit or revise it, to review proofs, to engage in relation to its design or packaging, or to undertake promotional or similar activities.

(4) Accordingly, no royalty, advance on royalties, residual or other payment under a contract within subsection (1) is a relevant payment or a qualifying debt for the purposes of this Act.

(5) In this section "rights in performances" has the same meaning as in Part 2 of the Copyright, Designs and Patents Act 1988.""

Member's explanatory statement
This amendment would confirm on the face of the Act that the Act does not apply to contracts principally for the licence or assignment of copyright or rights in performances, so that royalties, advances and residuals under publishing, music, screen and similar agreements fall outside the late payment regime.

Clause 9

LORD LEONG

38 Clause 9, page 14, line 35, leave out "in connection with provision" and insert "in consequence of the amendments of the CPILPA 1998"

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023.

LORD LEONG

39 Clause 9, page 14, line 36, at end insert—

“(c) Part 3 amends the Procurement Act 2023 in connection with provision made by this Chapter.”

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023.

Schedule 1

LORD LEONG

40 Schedule 1, page 46, leave out lines 25 to 36 and insert—

“(a) a reference to a contract to which section 68 or 88 of the Procurement Act 2023 applies includes a contract into which the terms in section 68(2) to (5) or section 88(2) to (5) of that Act are (to any extent) implied as a result of section 68A, 73, 88A or 88C of that Act (sub-contracts etc);

(b) a reference to a term in subsection (2) or (3) of section 68 or 88 of that Act includes a reference to the term—

(i) as implied into a contract by any of the sections mentioned in paragraph (a);

(ii) as modified by section 73 or 88C of that Act;

(c) a reference to a contract to which section 68A or 88A of that Act applies includes a public construction sub-contract within the meaning of section 73 of that Act and a regulated below-threshold construction sub-contract within the meaning of section 88C of that Act;

(d) a reference to the term in section 68A(3) or 88A(3) of that Act includes a reference to the term as implied into a contract by section 73 or 88C of that Act.”

Member's explanatory statement
This amendment is consequential on my amendment to Schedule 1 amending the Procurement Act 2023. It ensures that references in the Commercial Payments and Interest on Late Payment Act 1998 to relevant sections of the Procurement Act 2023 cover related sub-contracts etc where appropriate.

LORD LEONG

41 Schedule 1, page 47, line 32, at end insert—

“PART 3

PROCUREMENT ACT 2023

16 The Procurement Act 2023 is amended in accordance with this Part of this Schedule.

17 (1) Section 68 (implied payment terms in public contracts) is amended as follows.

(2) In subsection (1)—

(a) omit the “or” at the end of paragraph (b);

(b) at the end of paragraph (c) insert “, or

(d) a relevant construction contract within the meaning of section 68A (but this paragraph is subject to subsection (7)(b) of that section, which provides for this section to apply if and to the extent that any sums due under a relevant construction contract are not construction payments).”

(3) For subsection (2) substitute—

“(2) Any sum due to be paid under the public contract by the contracting authority must be paid before the end of the period of 30 days beginning with the day on which an invoice is received by the contracting authority in respect of the sum.”

(4) Omit subsection (10).

18 After section 68 insert—

“68A Implied payment terms in public construction contracts

(1) This section applies to a public contract that is a relevant construction contract and is entered into by a contracting authority, except a public contract that is—

(a) a concession contract,

(b) a utilities contract awarded by a private utility, or

(c) a contract awarded by a school.

(2) The term in subsection (3) is implied into a contract to which this section applies if—

(a) the contract does not provide for a final date for payment in relation to a sum that is due under the contract (in breach of the requirement imposed by section 110(1)(b) of the HGCRA 1996 or Article 9(1)(b) of the Northern Ireland Order 1997), or

(b) the contract provides for a final date for payment in relation to a sum that is due under the contract but that date does not fall within the permitted period.

(3) The final date for payment in relation to a sum that is due under the contract is the last day of the permitted period.

(4) Any term of a contract to which this section applies purporting to provide for a final date for payment that does not fall within the permitted period is without effect.

(5) It is an implied term of every contract to which this section applies that a contracting authority may not arrange for a third party to pay a sum to the payee which, under the contract, is due to be paid by the contracting authority to the payee, unless the payee has consented to the arrangement.

(6) Any term purporting to restrict or override the term implied by subsection (5) is without effect.

(7) But if any sum due under a contract to which this section applies is not a construction payment, then, in relation to such a sum—

(a) the terms in subsections (3) and (5) are not implied into the contract (and subsections (4) and (6) do not apply);

(b) instead, the terms in subsections (2) to (5) of section 68 are implied into the contract (and the rest of that section applies).

(8) In this section—

(a) references to the permitted period are to the period of 30 days beginning with the day after the payment due date;

(b) the reference to the payment due date is to (as the case may be)—

(i) the date provided for by the contract as the date on which the payment is due (as required by section 110(1)(a) of the HGCRA 1996 or Article 9(1)(a) of the Northern Ireland Order 1997), or

(ii) the date that has effect as the date on which payment is due as a result of an implied term of the contract (see, in particular, section 114(4) of the HGCRA 1996 and Article 13(3) of the Northern Ireland Order 1997).

(9) In this section "relevant construction contract" means—

(a) a construction contract, within the meaning of Part 2 of the HGCRA 1996, to which that Part (or any provision of that Part) applies, or

(b) a construction contract, within the meaning of the Northern Ireland Order 1997, to which that Order (or any provision of that Order) applies.

(10) In this section—

"construction payment" has the same meaning as in the Commercial Payments and Interest on Late Payment Act 1998 (see section 15A of that Act);

"final date for payment" has the same meaning as in Part 2 of the HGCRA 1996 or the Northern Ireland Order 1997;

"the HGCRA 1996" means the Housing Grants, Construction and Regeneration Act 1996;

"the Northern Ireland Order 1997" means the Construction Contracts (Northern Ireland) Order 1997 (S.I. 1997/274 (N.I. 1)).

68B Power to shorten implied payment terms

(1) An appropriate authority may by regulations substitute the number of days for the time being specified in sections 68(2) and 68A(8)(a).

(2) Any such regulations—

(a) may not specify a number of days higher than 30;

(b) must specify the same number of days in sections 68(2) and 68A(8)(a)."

19 In section 69 (payments compliance notices), in subsection (2)(a), for "compliance with the term set out in section 68(2) (payment within 30 days)" substitute "payment performance".

20 (1) Section 73 (implied payment terms in sub-contracts) is amended as follows.

(2) After subsection (1) insert—

"(1A) But those terms are not implied into a public construction sub-contract, except as provided for by subsection (4E)(b) (sums due under a public construction sub-contract that are not construction payments)."

(3) Omit subsection (2).

(4) In subsection (3), for "this section" substitute "subsection (1)".

(5) In subsection (4)—

(a) for "this section" substitute "subsections (1) and (3)";

(b) after "public sub-contract" insert "into which the term in section 68(2) is implied";

(c) for "the term in section 68(2)" substitute "that term".

(6) After subsection (4) insert—

"(4A) The term in subsection (3) of section 68A (implied final date for payment in public construction contracts) is implied into a public construction sub-contract if—

(a) the contract does not provide for a final date for payment in relation to a sum that is due under the contract (in breach of the requirement imposed by section 110(1)(b) of the HGCRA 1996 or Article 9(1)(b) of the Northern Ireland Order 1997), or

(b) the contract provides for a final date for payment in relation to a sum that is due under the contract but that date does not fall within the permitted period.

(4B) Any term of a public construction sub-contract purporting to provide for a final date for payment that does not fall within the permitted period is without effect.

(4C) The term in subsection (5) of section 68A is implied into every public construction sub-contract.

(4D) Any term purporting to restrict or override the term implied by subsection (4C) is without effect.

(4E) But if any sum due under a public construction sub-contract is not a construction payment, then, in relation to such a sum—

(a) the terms in subsections (3) and (5) of section 68A are not implied into the contract (and subsections (4B) and (4D) of this section do not apply);

(b) instead, the terms in section 68(2) to (5) are implied into the contract (and subsections (3) and (4) of this section apply).

(4F) For the purposes of this section—

(a) references to the contracting authority in any term in section 68 or 68A implied into a public sub-contract by this section are to be read as references to the person to whom goods, services or works are supplied under the contract, and

(b) section 68(8)(a) (electronic invoices) does not apply."

(7) After subsection (5) insert—

"(5A) In this section, "public construction sub-contract" means a contract which is both—

(a) a public sub-contract, and

(b) a relevant construction contract.

(5B) In this section—

"construction payment",

"final date for payment",

"permitted period", and

"relevant construction contract",

have the same meaning as in section 68A."

21 (1) Section 88 (implied payment terms in regulated below-threshold contracts) is amended as follows.

(2) After subsection (1) insert—

"(1A) But those terms are not implied into a regulated below-threshold contract that is a relevant construction contract within the meaning of section 88A, except as provided for by subsection (7)(b) of that section (sums due under a relevant construction contract that are not construction payments)."

(3) For subsection (2) substitute—

"(2) Any sum due to be paid under the contract by the contracting authority must be paid before the end of the period of 30 days beginning with the day on which an invoice is received by the contracting authority in respect of the sum."

(4) Omit subsections (8) and (9).

(5) Omit subsection (12).

22 After section 88 insert—

“88A Implied payment terms in regulated below-threshold construction contracts

(1) This section applies to a regulated below-threshold contract that is a relevant construction contract and is entered into by a contracting authority.

(2) The term in subsection (3) is implied into a contract to which this section applies if—

(a) the contract does not provide for a final date for payment in relation to a sum that is due under the contract (in breach of the requirement imposed by section 110(1)(b) of the HGCRA 1996 or Article 9(1)(b) of the Northern Ireland Order 1997), or

(b) the contract provides for a final date for payment in relation to a sum that is due under the contract but that date does not fall within the permitted period.

(3) The final date for payment in relation to a sum that is due under the contract is the last day of the permitted period.

(4) Any term of a contract to which this section applies purporting to provide for a final date for payment that does not fall within the permitted period is without effect.

(5) It is an implied term of every contract to which this section applies that a contracting authority may not arrange for a third party to pay a sum to the payee which, under the contract, is due to be paid by the contracting authority to the payee, unless the payee has consented to the arrangement.

(6) Any term purporting to restrict or override the term implied by subsection (5) is without effect.

(7) But if any sum due under a contract to which this section applies is not a construction payment, then, in relation to such a sum—

(a) the terms in subsections (3) and (5) are not implied into the contract (and subsections (4) and (6) do not apply);

(b) instead, the terms in subsections (2) to (5) of section 88 are implied into the contract (and the rest of that section applies).

(8) In this section—

(a) references to the permitted period are to the period of 30 days beginning with the day after the payment due date;

(b) the reference to the payment due date is to (as the case may be)—

(i) the date provided for by the contract as the date on which the payment is due (as required by section 110(1)(a) of the HGCRA 1996 or Article 9(1)(a) of the Northern Ireland Order 1997), or

(ii) the date that has effect as the date on which payment is due as a result of an implied term of the contract (see, in particular, section 114(4) of the HGCRA 1996 and Article 13(3) of the Northern Ireland Order 1997).

(9) In this section "relevant construction contract" means—

(a) a construction contract, within the meaning of Part 2 of the HGCRA 1996, to which that Part (or any provision of that Part) applies, or

(b) a construction contract, within the meaning of the Northern Ireland Order 1997, to which that Order (or any provision of that Order) applies.

(10) In this section—

"construction payment" has the same meaning as in the Commercial Payments and Interest on Late Payment Act 1998 (see section 15A of that Act);

"final date for payment" has the same meaning as in Part 2 of the HGCRA 1996 or the Northern Ireland Order 1997;

"the HGCRA 1996" means the Housing Grants, Construction and Regeneration Act 1996;

"the Northern Ireland Order 1997" means the Construction Contracts (Northern Ireland) Order 1997 (S.I. 1997/274 (N.I. 1)).

88B Power to shorten implied payment terms

(1) A Minister of the Crown or the Welsh Ministers may by regulations substitute the number of days for the time being specified in sections 88(2) and 88A(8)(a).

(2) Any such regulations—

(a) may not specify a number of days higher than 30;

(b) must specify the same number of days in sections 88(2) and 88A(8)(a).

88C Implied payment terms in regulated below-threshold sub-contracts

(1) The terms in subsections (2) to (5) of section 88 (implied payment terms in regulated below-threshold contracts) are implied into every regulated below-threshold sub-contract.

(2) But those terms are not implied into a regulated below-threshold construction sub-contract, except as provided for by subsection (9)(b) (sums due under a regulated below-threshold construction sub-contract that are not construction payments).

(3) Any term purporting to restrict or override the terms implied by subsection (1) is without effect.

(4) But nothing in subsections (1) and (3) prohibits the parties to a regulated below-threshold sub-contract into which the term in section 88(2) is implied from agreeing that a sum due under the contract must be paid earlier than would be required by that term.

(5) The term in subsection (3) of section 88A (implied final date for payment in regulated below-threshold construction contracts) is implied into a regulated below-threshold construction sub-contract if—

(a) the contract does not provide for a final date for payment in relation to a sum that is due under the contract (in breach of the requirement imposed by section 110(1)(b) of the HGCRA 1996 or Article 9(1)(b) of the Northern Ireland Order 1997), or

(b) the contract provides for a final date for payment in relation to a sum that is due under the contract but that date does not fall within the permitted period.

(6) Any term of a regulated below-threshold construction sub-contract purporting to provide for a final date for payment that does not fall within the permitted period is without effect.

(7) The term in subsection (5) of section 88A is implied into every regulated below-threshold construction sub-contract.

(8) Any term purporting to restrict or override the term implied by subsection (7) is without effect.

(9) But if any sum due under a regulated below-threshold construction sub-contract is not a construction payment, then, in relation to such a sum—

(a) the terms in subsections (3) and (5) of section 88A are not implied into the contract (and subsections (6) and (8) of this section do not apply);

(b) instead, the terms in section 88(2) to (5) are implied into the contract (and subsections (3) and (4) of this section apply).

(10) For the purposes of this section, references to the contracting authority in any term in section 88 or 88A implied into a regulated below-threshold sub-contract by this section are to be read as references to the person to whom goods, services or works are supplied under the contract.

(11) In this section, "regulated below-threshold sub-contract" means a contract that is wholly or substantially for the purpose of performing (or contributing to the performance of) all or any part of a regulated below-threshold contract.

(12) In this section, "regulated below-threshold construction sub-contract" means a contract which is both—

(a) a regulated below-threshold sub-contract, and

(b) a relevant construction contract.

(13) In this section—

"construction payment",

"final date for payment",
"permitted period", and
"relevant construction contract",
have the same meaning as in section 88A.""

Member's explanatory statement
This amendment: (1) brings the payment terms implied into contracts by the Procurement Act 2023 into closer alignment with the payment terms that will be implied into other commercial contracts by Part 1 of the Bill; (2) clarifies how the Procurement Act 2023 implied terms work for construction contracts.

After Clause 10

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD LEIGH OF HURLEY

42 After Clause 10, insert the following new Clause—

"Special administration: continuity of payment obligations

(1) This section applies where a purchaser under a contract to which the CPILPA 1998 applies is subject to a special administration regime.

(2) The provisions of the CPILPA 1998 relating to payment terms and statutory interest (including sections 2B, 2C and 2D and Part 1B of that Act) continue to apply in relation to a relevant supply notwithstanding the special administration or any moratorium having effect in connection with it.

(3) Nothing in this section affects the operation of any such moratorium specified in subsection (2) in relation to the enforcement of a debt.

(4) In this section "relevant supply" means a supply of goods or services made after the appointment of the special administrator—
   (a) at the request of, or with the agreement of, the special administrator, or
   (b) in circumstances in which section 233, 233A or 233B of the Insolvency Act 1986 (as applied in relation to the special administration regime concerned) restricts the supplier from terminating the contract or the supply, or from making continued supply conditional on payment of outstanding charges.

(5) In determining for the purposes of the CPILPA 1998 the maximum period within which a relevant payment or relevant construction payment in respect of a relevant supply must be paid, the purchaser is to be treated as if it were a public authority.

(6) Sums payable in respect of a relevant supply, including statutory interest, are payable as expenses of the special administration.

(7) Nothing in this section—
   (a) applies in relation to sums payable for goods or services supplied before the appointment of the special administrator takes effect (see section (*Special administration: sums owed to suppliers required to continue supply*));

(b) except as provided by subsection (5), affects the order of priority in which debts, liabilities or expenses are payable under or in connection with the special administration regime.

(8) In this section—

"special administration regime" means a procedure under any enactment which provides for the administration of a company by a person appointed by the court and applies provisions of the Insolvency Act 1986, with or without modifications, for purposes that include securing the continued provision of a supply or service (including special administration under sections 23 to 26 of the Water Industry Act 1991, sections 59 to 65 of the Railways Act 1993 and sections 154 to 171 of the Energy Act 2004);

"special administrator" means the person appointed to manage the affairs of the company under such a procedure."

Member's explanatory statement
This amendment seeks to provide that the maximum payment periods and statutory interest under the Bill continue to apply to supplies made to a company in special administration at the administrator's request or in circumstances where insolvency legislation restricts the supplier from ceasing supply, and would apply the 30-day period the Bill sets for public authorities to such supplies.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD LEIGH OF HURLEY

43 After Clause 10, insert the following new Clause—

"Special administration: sums owed to suppliers required to continue supply

(1) This section applies where—

(a) a purchaser under a contract to which the CPILPA 1998 applies is subject to a special administration regime, and

(b) after the appointment of the special administrator, the supplier continues to supply goods or services to the purchaser—

(i) in circumstances in which section 233, 233A or 233B of the Insolvency Act 1986 (as applied in relation to the special administration regime concerned) restricts the supplier from terminating the contract or the supply, or from making continued supply conditional on payment of outstanding charges, or

(ii) at the request of the special administrator.

(2) The supplier may give notice in writing to the special administrator requiring the certification of qualifying pre-appointment sums.

(3) Before the end of the period of 14 days beginning with the day on which a notice under subsection (2) is received, the special administrator must certify the qualifying pre-appointment sums owed to the supplier.

(4) Certified sums must, subject to any cap specified in regulations under subsection (6), be discharged as expenses of the special administration before the end of the period of 60 days beginning with the day of certification.

(5) In this section "qualifying pre-appointment sums" means sums which—
 (a) relate to goods or services supplied to the purchaser before the appointment of the special administrator, and
 (b) are not the subject of a genuine dispute.

(6) The Secretary of State may by regulations made by statutory instrument—
 (a) specify a cap on the sums payable to a supplier under this section, whether by amount or by proportion of the sums certified;
 (b) provide for this section to apply only to suppliers of a specified description, including a description framed by reference to the size of the supplier's undertaking;
 (c) make provision about notices, certification and the resolution of disputes under this section.

(7) A statutory instrument containing regulations under subsection (6) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.

(8) Except as provided by subsection (4), nothing in this section affects the priority of any claim in the special administration.

(9) In this section "special administration regime" and "special administrator" have the same meanings as in section (*Special administration: continuity of payment obligations*)."

Member's explanatory statement
This amendment would enable a supplier required by insolvency legislation to continue supplying a company in special administration to have undisputed sums owed for supply made before the administrator's appointment certified and discharged within defined periods, subject to caps and eligibility limits set in regulations.

Clause 11

LORD LANSLEY

44 Clause 11, page 15, line 19, at end insert—

"(1A) Sections 113B to 113E apply only where B is not a micro, small or medium-sized undertaking according to the regulations made under section 2E(7)(a) (exempted contracts: no restriction on payment terms) of the Commercial Payments and Interest on Late Payment Act 1998."

LORD LANSLEY

45 Clause 11, page 15, leave out lines 27 and 28

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

46 Clause 11, page 15, line 34, at end insert—

"(3) A party to a construction contract is not precluded from engaging with a third party in the transference of money to another party to the construction contract under subsection (1)."

Member's explanatory statement
This amendment seeks to probe whether escrow arrangements would still be permitted under the terms of the Bill.

Clause 12

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

47 Clause 12, page 17, line 30, leave out from "means" to end of line 32 and insert "—

(a) the last day of the period of two years beginning with the day on which this section comes into force, where the payer is a public authority, or

(b) the last day of the period of three years beginning with the day on which this section comes into force, where the payer is not a public authority;"

Member's explanatory statement
This amendment seeks to reduce the transition period for existing retention payments held by public authorities from three to two years.

Clause 13

LORD LANSLEY

48 Clause 13, page 18, line 15, at end insert—

"(2A) This section does not apply in respect of a retention clause of less than 2 per cent of the value of the contract, which is retained during an agreed period during which any defects are to be made good."

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM

49 Clause 13, page 18, line 22, at end insert—

"(4A) A party to a construction contract is not precluded from staging payments to another party to the construction contract under this section."

Member's explanatory statement
This amendment seeks to probe whether staging payments would still be permitted under the terms of the Bill.

After Clause 17

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM

50 After Clause 17, insert the following new Clause—

"Exempted contracts: resident-run or resident-owned properties

(1) The provisions in this Chapter do not apply where the contracting party described in 113A(1) of the HGCRA 1996 as "A" (the construction client) is—
(a) a resident management company, or
(b) a right to manage company within the meaning of Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (right to manage).

(2) "Resident management company" means a body corporate which is party to a lease of a building where—
(a) the body corporate is limited by guarantee, and the members of that body are tenants under leases of dwellings in the building ("leaseholders"), or
(b) the majority of the shares of the body corporate are held by leaseholders."

Member's explanatory statement
This amendment seeks to exempt from the ban on retention payments resident-run or resident-owned blocks of flats engaged in building or safety defect remediation work.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD LEIGH OF HURLEY

51★ After Clause 17, insert the following new Clause—

"Prohibition of forced payment methods

A party to a contract must not, in receiving the transference of money from another party to the contract, force the supplier to use a different payment method other than that specified in the contract."

Member's explanatory statement
This amendment seeks to prevent the forced use of payment methods other than that specified in the terms of the contract.

BARONESS BOWLES OF BERKHAMSTED

52★ After Clause 17, insert the following new Clause—

“Right to periodic or stage payments for small undertakings

(1) A small undertaking is entitled to payment by instalments, stage payments or other periodic payments for any contract for the supply of goods or services where the duration of the contract performance is specified, or reasonably expected, to exceed 45 days.

(2) For the purposes of this section, a “small undertaking” means a qualifying entity which meets the criteria for a small company as defined in section 382 of the Companies Act 2006.

(3) The parties may agree the amounts of the payments and the intervals or stages at which they become due, provided that no individual stage, interval, or periodic payment cycle exceeds 45 days.

(4) Any contractual provision which purports to set an interval or stage payment cycle exceeding 45 days shall be void, and the contract shall instead be deemed to contain a right for the small undertaking to invoice at default intervals of 30 days.

(5) In the absence of an agreement as mentioned in subsection (3), the contract shall be deemed to contain the relevant implied statutory provisions for periodic payment cycles as prescribed by the Secretary of State by regulations made by statutory instrument.

(6) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(7) Any contractual term between a larger undertaking and a small undertaking which attempts to exclude, restrict, or condition the right to invoice via instalments or stage payments under subsection (1) shall be void.”

Schedule 2

LORD LEONG

53 Schedule 2, page 48, line 6, at end insert—

“1A In section 110 (dates for payment)—

(a) in subsection (3), for “subsection (1)” substitute “subsection (1)(a)”;

(b) after subsection (3) insert—

“(4) If or to the extent that a contract does not contain such provision as is mentioned in subsection (1)(b), the relevant provisions of the Scheme for Construction Contracts apply.

(5) But subsection (4) does not apply to a contract into which the term in section 68A(3) or 88A(3) of the Procurement Act 2023 is implied (implied final date for payment).””

Member's explanatory statement
This amendment concerns what the rule is where a construction contract does not specify a final date for payment in relation to a sum that is due – clarifying that in the case of public construction contracts covered by the Procurement Act 2023, the implied term in that Act applies.

LORD LEONG

54 Schedule 2, page 49, line 4, at end insert—

“6A In Article 9 (dates for payment)—

(a) in paragraph (3), for “paragraph (1)” substitute “paragraph (1)(a)”;

(b) after paragraph (3) insert—

“(4) If or to the extent that a contract does not contain such provision as is mentioned in paragraph (1)(b), the relevant provisions of the Scheme apply.

(5) But paragraph (4) does not apply to a contract into which the term in section 68A(3) or 88A(3) of the Procurement Act 2023 is implied (implied final date for payment).””

Member's explanatory statement
This amendment mirrors my other amendment to Schedule 2, by making provision for Northern Ireland corresponding to that for Great Britain.

Clause 18

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

55 Clause 18, page 21, line 23, leave out “(but no other type of person)” and insert “or consumer”

Member's explanatory statement
This amendment, and another in the name of Lord Hunt, is intended to probe the Government’s reasoning for restricting the adjudication scheme solely to disputes involving small businesses as claimants.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

56 Clause 18, page 21, line 29, leave out “larger”

Member's explanatory statement
This amendment is intended to probe the Government’s reasoning for limiting the Small Business Commissioner’s adjudication scheme to disputes between small businesses and larger businesses.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

57 Clause 18, page 21, line 31, after “applies” insert “or by a small business to a consumer under an express or implied term of a contract”

Member's explanatory statement
This amendment, and another in the name of Lord Hunt, is intended to probe the Government's reasoning for restricting the adjudication scheme solely to disputes involving small businesses as claimants.

LORD LEIGH OF HURLEY
LORD HUNT OF WIRRAL
LORD HOLMES OF RICHMOND
LORD SHARPE OF EPSOM

58 Clause 18, page 22, line 26, at end insert—

“(1A) It is not a defence for the larger business to claim that payment was withheld due to the small business not complying with non-statutory environmental, social and governance requirements that are not included in the terms of the contract.”

Member's explanatory statement
This amendment seeks to remove the non-compliance of non-statutory ESG requirements as a defence for larger businesses not paying small businesses.

LORD FOX

59 Clause 18, page 22, line 35, insert—

“(5A) The adjudicator must reach a decision determining a relevant payment dispute before the end of the period of 60 days beginning with the day on which the dispute is referred to adjudication under the scheme.

(5B) The adjudicator may compel parties to share relevant information with itself, if the sharing of such information is necessary for the fulfilment of the duty under section (5A).

(5C) The Commissioner may extend the period in subsection (5A), in relation to a particular dispute, by such further period as the Commissioner considers reasonable, having regard in particular to the complexity of the dispute and the conduct of the parties.

(5D) Where the Commissioner extends the period under subsection (5C), the Commissioner must notify the parties of the extension and of the reasons for it."

Member's explanatory statement
This amendment requires payment disputes referred to the adjudication scheme to be resolved within 60 days, unless the Small Business Commissioner considers a longer period reasonable.

LORD LEONG

60 Clause 18, page 23, line 6, leave out from "Wales," to end of line 7 and insert "as if it were payable under an order of the county court;"

Member's explanatory statement
This amendment, along with my other amendment to clause 18, ensures consistency in how an adjudication decision can be enforced across the three jurisdictions.

LORD LEONG

61 Clause 18, page 23, line 11, leave out from "Northern Ireland," to end of line 12 and insert "as if it were payable under an order of a county court."

Member's explanatory statement
This amendment, along with my other amendment to clause 18, ensures consistency in how an adjudication decision can be enforced across the three jurisdictions.

LORD LEIGH OF HURLEY
LORD HUNT OF WIRRAL
LORD HOLMES OF RICHMOND

62 Clause 18, page 24, line 5, at end insert—

"(3A) The Commissioner must give written reasons for the decision to decline to adjudicate a relevant payment dispute under subsection (3)."

Member's explanatory statement
This amendment would require the Small Business Commissioner to alert both parties in a payment dispute of the reasons for declining to adjudicate a dispute, should they so choose to.

LORD FOX

63 Clause 18, page 25, line 4, at end insert—

"2FA Protection of small businesses from detriment

(1) A larger business must not subject a small business to a detriment on the ground that the small business has—

(a) referred, or proposes to refer, a relevant payment dispute to adjudication under the SBC adjudication scheme,

(b) provided information to the Commissioner for the purposes of, or in connection with, an investigation under section 2H, or

(c) done any other thing for the purposes of, or in connection with, the exercise of any of the Commissioner's functions under this Part.

(2) A "detriment" includes (but is not limited to)—

(a) terminating, or threatening to terminate, a contract;

(b) refusing to enter into a contract or to continue to supply or purchase goods or services;

(c) varying the terms on which the larger business deals with the small business to the disadvantage of the small business;

(d) including the small business on, or referring it to, any list, register or database maintained for the purpose of discouraging others from contracting with it.

(3) A term of any contract or other agreement is void so far as it purports to authorise, or to provide for the consequences of, conduct prohibited by subsection (1).

(4) A small business which is subjected to a detriment in contravention of subsection (1) may bring civil proceedings; and the court may grant such remedy or relief (including damages, an injunction or, in Scotland, an order for specific performance or interdict) as it considers appropriate.

(5) Where a small business shows facts from which the court could conclude, in the absence of any other explanation, that a detriment was imposed on a ground mentioned in subsection (1), the court must find that the contravention occurred unless the larger business shows that the detriment was imposed for another reason."

Member's explanatory statement

This amendment protects small businesses from blacklisting, contract termination and other retaliation for using the adjudication scheme or assisting an investigation, voids contract terms enabling such retaliation, and places the burden on the larger business to show any detriment had a legitimate cause.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

64 Clause 18, page 25, leave out lines 12 and 13

Member's explanatory statement
This amendment probes what additional grounds may be included in section 2D (power to decline to adjudicate disputes) by regulations to decline to adjudicate and why they are not included in primary legislation.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

65 Clause 18, page 25, leave out lines 14 and 15

Member's explanatory statement
This amendment probes what additional disputes may be included in section 2E (excluded disputes) by regulations and why they are not included in primary legislation.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

66 Clause 18, page 25, line 19, after "adjudication" insert "(but see subsection (2A))"

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

67 Clause 18, page 25, line 21, after "circumstances" insert "subject to the agreement of both parties"

Member's explanatory statement
This amendment seeks to ensure that any extensions to time limits are subject to the consent of both parties participating in adjudication.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

68 Clause 18, page 25, leave out lines 33 to 35

Member's explanatory statement
This amendment ensures that the Small Business Commissioner is not conferred unspecified adjudicatory powers without the appropriate safeguards in place.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

69 Clause 18, page 25, leave out lines 37 and 38

Member's explanatory statement
This amendment probes at how the Small Business Adjudication scheme will be funded.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

70 Clause 18, page 25, line 38, at end insert—

"(2A) In paragraph (2)(a), "steps" include but are not limited to—
(a) mandatory negotiation, and
(b) a specified complaints procedure."

Member's explanatory statement
This amendment probes what steps are envisaged small businesses must make before referring a dispute to adjudication.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

71 Clause 18, page 25, line 38, at end insert—

"(2A) Regulations under this section must provide for an adjudicator to determine a dispute within 28 days of referral, subject to such extensions as may be agreed by the parties."

Member's explanatory statement
This amendment sets a defined timeline for the Small Business Commissioner to adjudicate disputes.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

72 Clause 18, page 26, line 3, at end insert—

"(5) A statutory instrument containing regulations under this section must not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament."

Member's explanatory statement
This amendment ensures that any regulations about the Small Business Commissioner adjudication scheme are subject to the affirmative procedure.

After Clause 18

LORD HOLMES OF RICHMOND

73 After Clause 18, insert the following new Clause—

"Digital access to SBC adjudication scheme

After section 2G of the Enterprise Act 2016 (inserted by section 18), insert—

"2H Digital access to SBC adjudication scheme

(1) The Commissioner must, within 12 months of the day on which this section comes into force, provide a digital service to assist small businesses in accessing the SBC adjudication scheme.

(2) The digital service provided under subsection (1) must include—

(a) a plain-language eligibility checker enabling a small business to determine whether a relevant payment dispute may be referred to the scheme,

(b) a statutory interest calculator enabling a small business to calculate the interest owed under the Commercial Payments and Interest on Late Payment Act 1998, and

(c) guided assistance in completing a referral to the scheme, using natural language processing or equivalent technology where appropriate.

(3 The Commissioner must ensure that the digital service—

(a) meets the accessibility requirements set out in the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 (S.I. 2018/952), and

(b) is available in accessible formats including voice interface.

(4) The Commissioner must maintain non-digital alternatives to each element of the service provided under subsection (1), to ensure that small businesses that are unable to use digital services are not disadvantaged in accessing the scheme.""

Member's explanatory statement
This amendment requires the Commissioner to provide a plain-language digital pathway into the SBC adjudication scheme, including an eligibility checker, interest calculator, and guided referral process.

Clause 19

LORD LEIGH OF HURLEY
LORD HUNT OF WIRRAL

74 Clause 19, page 26, leave out lines 36 and 37

Member's explanatory statement
This amendment seeks to remove the lack of resources as a reason for why the Small Business Commissioner can decide not to carry out an investigation into payment practices.

LORD LEIGH OF HURLEY
LORD HUNT OF WIRRAL

75 Clause 19, page 27, line 7, at end insert—

"(6A) In subsection (4) "a sufficient number of occasions" must be defined by the Commissioner within six months of the day on which the Commercial Payments Act 2026 is passed."

Member's explanatory statement
This amendment seeks to require the Small Business Commissioner to define "a sufficient number of occasions".

LORD LEONG

76 Clause 19, page 32, line 20, leave out from "business" to "where" in line 21

Member's explanatory statement
The words omitted by this amendment appear instead in words inserted by my other amendment to clause 19 so this amendment makes no substantive change.

LORD LEONG

77 Clause 19, page 32, line 23, at end insert—

"(2A) In subsection (2), the reference to the costs of an investigation includes the costs of—
(a) any steps taken following the investigation under section 2J,
(b) monitoring a direction given under that section,
(c) imposing a financial penalty for breach of an enforcement direction, and
(d) publishing a report on the outcome of the investigation under section 2M,
and includes administration costs and the costs of obtaining legal advice in connection with the investigation (including in connection with any of the matters mentioned in paragraphs (a) to (d))."

Member's explanatory statement
This amendment clarifies the costs that the Small Business Commissioner may be permitted to recover in connection with investigations that the Commissioner may carry out under new powers in the Bill.

After Clause 19

LORD HOLMES OF RICHMOND

78 After Clause 19, insert the following new Clause—

"Algorithmic accountability

After section 2P of the Enterprises Act 2016 (inserted by section 19), insert—

"2Q Algorithmic accountability

(1) This section applies to any AI system or automated decision-making tool used by the Commissioner in connection with—

(a) the selection of investigations under section 2H, or

(b) the adjudication of relevant payment disputes under section 2A.

(2) The Commissioner must—

(a) publish a description of any tool to which this section applies, including its purpose, the data on which it is trained, and the criteria it applies,

(b) commission an independent bias audit of any such tool before it is deployed and at intervals of not more than 12 months thereafter,

(c) publish the results of each bias audit, and

(d) ensure that no decision made with the assistance of a tool to which this section applies is taken without human review and authorisation.

(3) A larger business that is the subject of an investigation initiated in whole or in part on the basis of a tool to which this section applies has the right, on request, to receive a written explanation of the factors that led to the decision to investigate.

(4) In this section, "AI system" means a machine-based system that, for a given set of objectives, generates outputs such as predictions, recommendations, decisions or content that influence real or virtual environments.""

Member's explanatory statement

This amendment establishes an algorithmic accountability framework for any AI or automated tool used by the Commissioner. It requires transparency, regular bias audits, human oversight, and a right of explanation for businesses selected for investigation.

LORD HOLMES OF RICHMOND

79 After Clause 19, insert the following new Clause—

“Time limits for investigations

After section 2P of the Enterprise Act 2016 (inserted by section 19), insert—

“2Q Time limits for investigations

(1) An investigation under section 2H must be completed, and a report published under section 2M, within the period of 12 months beginning with the day on which the Commissioner publishes a notice under section 2I(1) identifying the larger business under investigation.

(2) Where the Commissioner considers that an investigation cannot reasonably be completed within the period specified in subsection (1), the Commissioner may extend that period by not more than 6 months by publishing a written notice—

(a) stating the reasons for the extension, and

(b) specifying the revised date by which the investigation will be completed.

(3) The Commissioner must notify any small business that referred information relevant to an investigation of—

(a) the commencement of the investigation,

(b) any extension of the investigation period under subsection (2), and

(c) the publication of the report under section 2M.

(4) Failure to comply with subsection (1) or (2) does not affect the validity of an investigation or any steps taken by the Commissioner under section 2J.””

Member's explanatory statement
This amendment imposes a statutory time limit of 12 months on SBC investigations, with a single permitted extension of 6 months.

LORD HOLMES OF RICHMOND

80 After Clause 19, insert the following new Clause—

“Equalities monitoring of payment disputes and investigations

After section 2P of the Enterprise Act 2016 (inserted by section 19), insert—

“2Q Equalities monitoring of payment disputes and investigations

(1) The Commissioner must, from the date on which the SBC adjudication scheme comes into force, collect and record data on—

(a) relevant payment disputes referred to the scheme, and

(b) investigations carried out under section 2H, disaggregated by the protected characteristics of the owners or senior leaders of the small business concerned, where that information is voluntarily provided.

(2) The Commissioner must publish a report annually setting out—

(a) the data collected under subsection (1),

(b) any patterns identified in that data relating to the protected characteristics of business owners, and

(c) any steps the Commissioner proposes to take to address disparities identified.

(3) The Commissioner must take steps to encourage voluntary disclosure of protected characteristics information for the purposes of subsection (1), and must ensure that any such disclosure—

(a) is entirely voluntary,

(b) does not affect the handling of a dispute or investigation, and

(c) is held and processed in accordance with the data protection legislation within the meaning given in section 3 of the Data Protection Act 2018 (terms relating to the processing of personal data).

(4) In this section, "protected characteristics" has the meaning given by section 4 of the Equality Act 2010.""

Member's explanatory statement
This amendment requires the Commissioner to collect and publish annual data on payment disputes and investigations disaggregated by the protected characteristics of small business owners.

BARONESS KRAMER

81 After Clause 19, insert the following new Clause—

"Small Business Commissioner Office of the Whistleblower

After section 2P of the Enterprise Act 2016 (inserted by section 19), insert—

"2Q Small Business Commissioner Office of the Whistleblower

(1) Within six months of the day on which the Commercial Payments Act 2026 is passed the Commissioner must create an Office of the Whistleblower in support of its activities under sections 2H to 2P.

(2) The powers of the Small Business Commissioner Office of the Whistleblower are—

(a) to act as a point of contact for individuals who wish to make a disclosure relevant to the Commissioner's duties;

(b) to provide confidentiality to any individual making such a disclosure unless that individual gives specific permission for a waiver of confidentiality;

(c) to provide redress to any individual whose disclosure is deemed by the Commissioner to have harmed their business, employment, reputation or career;

(d) to publish and lay before Parliament annually a report of any action taken under these powers.

(3) The Commissioner will have the status of a "prescribed person" under section 43F of the Employment Rights Act 1996 (disclosure to prescribed person).""

Schedule 3

LORD LEONG

82 Schedule 3, page 52, line 12, at end insert—

"(3) Before making regulations under sub-paragraph (1), the Secretary of State must consult the Commissioner and such other persons as the Secretary of State considers appropriate."

Member's explanatory statement
This amendment requires the Secretary of State to consult the Small Business Commissioner and such other persons as the Secretary of State considers appropriate before making regulations about financial penalties which the Commissioner may impose in connection with investigations that the Commissioner may carry out under new powers in the Bill.

After Clause 21

LORD HOLMES OF RICHMOND

83 After Clause 21, insert the following new Clause—

"Small Business Payments Charter

After section 3A of the Enterprise Act 2016 (inserted by section 21), insert—

"3B Small Business Payments Charter

(1) The Commissioner must, before the end of the period of 6 months beginning with the day on which this section comes into force, publish a Small Business Payments Charter.

(2) The Small Business Payments Charter must set out, in plain language—

(a) the rights of small businesses under the Commercial Payments Act 2026 and the Commercial Payments and Interest on Late Payment Act 1998,

(b) how a small business may calculate interest owed on late payments,

(c) how a small business may refer a relevant payment dispute to the SBC adjudication scheme, and

(d) how a small business may report suspected poor payment practices to the Commissioner.

(3) The Commissioner must take steps to promote awareness of the Small Business Payments Charter among small businesses, having particular regard to—

(a) businesses owned or led by persons sharing one or more protected characteristics within the meaning of the Equality Act 2010,

(b) businesses in rural and remote areas, and

(c) businesses with limited access to professional legal or financial advice.

(4) The Small Business Payments Charter must be made available in accessible and alternative formats, including audio format.

(5) The Commissioner must review and update the Small Business Payments Charter at intervals of not more than two years.””

Member's explanatory statement
This amendment requires the Commissioner to publish a plain language Small Business Payments Charter, setting out the rights of small businesses under the Act and how to access them.

LORD HOLMES OF RICHMOND

84 After Clause 21, insert the following new Clause—

“Targeted support for under-served small businesses

After section 3A of the Enterprise Act 2016 (inserted by section 21), insert—

“3B Targeted support for under-served small businesses

(1) The Commissioner must, within 12 months of the day on which this section comes into force, publish a strategy for improving access to the Commissioner's functions for small businesses that are—

(a) owned or led by persons sharing one or more protected characteristics within the meaning of the Equality Act 2010,

(b) located in rural or geographically isolated areas, or

(c) operating without access to professional legal or financial advice.

(2) The strategy published under subsection (1) must include—

(a) an assessment of the barriers facing the businesses described in subsection (1) in accessing the SBC adjudication scheme and other functions of the Commissioner,

(b) specific measures the Commissioner proposes to take to reduce those barriers, and

(c) measurable targets for improving access by those businesses within three years of the strategy’s publication.

(3) The Commissioner must review and update the strategy at intervals of not more than three years.””

Member's explanatory statement
This amendment requires the Commissioner to publish and maintain a strategy for improving access to its functions for the small businesses most likely to face late payment but least able to access enforcement mechanisms. It seeks to ensure that the protections created in the Bill reach those who most need them by requiring targeted action with measurable outcomes.

LORD HOLMES OF RICHMOND

85 After Clause 21, insert the following new Clause—

"Digital accessibility requirements

After section 3A of the Enterprise Act 2016 (inserted by section 21), insert—

"3B Digital accessibility requirements

(1) Any digital service provided by the Commissioner in connection with the functions conferred by this Act must—

(a) meet the Web Content Accessibility Guidelines (WCAG) 2.2 Level AA standard, or any standard that replaces it,

(b) be available in accessible formats including, where appropriate, audio format, large print, and British Sign Language, and

(c) be capable of use on mobile devices and via low-bandwidth connections.

(2) The Commissioner must maintain a non-digital alternative for each element of any digital service to which subsection (1) applies, ensuring that small businesses that are unable to use digital services are not disadvantaged in accessing the Commissioner's functions.

(3) The Commissioner must publish an annual accessibility statement in respect of each digital service to which this section applies, setting out—

(a) the extent to which the service meets the requirements of subsection (1), and

(b) the steps the Commissioner proposes to take to address any shortfall.""

Member's explanatory statement
This amendment imposes binding digital accessibility standards on all Commissioner-facing digital services introduced under the Act, and mandates non-digital alternatives.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

86 After Clause 21, insert the following new Clause—

"Employment Rights Act 2025: review of impact on payment practices

After section 10 of the Enterprise Act 2016 insert—

"10A Employment Rights Act 2025: review

(1) Within six months of the day on which the Commercial Payments Act 2026 is passed, the Commissioner must undertake a review of the impact on small businesses, in relation to payment practices, of the Employment Rights Act 2025, including considering whether the ability of small businesses to fulfil the payment terms required under the Commercial Payments Act 2026 has been affected by the changes in the Employment Rights Act 2025 to—

(a) low-hour contracts, and

(b) eligibility for statutory sick pay.

(2) The review must include the impact of the changes on payment practices where—

(a) the purchaser is a small business, or

(b) the supplier is a small business.

(3) The review established under subsection (1) must complete its work within 12 months of its establishment.

(4) Within three months of receiving the review, the Secretary of State must lay a statement before Parliament containing the Government's response and proposals to take forward any recommendations in the review.""

Member's explanatory statement

This amendment requires the Small Business Commissioner to establish and publish a review into the impact on small businesses, in relation to payment practices, of the Employment Rights Act 2025, and requires the Secretary of State to publish a response.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

87 After Clause 21, insert the following new Clause—

"Changes in employment law: duty to review

After section 10 of the Enterprise Act 2016 insert—

"10A Changes in employment law: duty to review

(1) Before the Secretary of State makes any significant change to employment law, the Commissioner must prepare and publish a report which—

(a) describes the expected impact of the change on payment practices where—

(i) the purchaser is a small business, or

(ii) the supplier is a small business,

(b) contains a summary of the matters relating to the proposed law which the Commissioner considers to be the most significant matters in relation to the ability to fulfil payment terms raised by small businesses with the Commissioner, and

(c) states the Commissioner's recommendations, if any, as to how any of those matters might be addressed.

(2) As well as publishing the report, the Commissioner must send a copy to the Secretary of State.

(3) The Secretary of State must—

(a) lay a copy of the report before Parliament, and

(b) lay a statement before Parliament containing their response and proposals to take forward any recommendations in the report.""

Member's explanatory statement
This amendment would require the Secretary of State to publish a response to a report by the Small Business Commissioner into potential impacts of employment law reforms on the ability of small businesses to fulfil payment terms.

Clause 24

LORD FOX

88★ Clause 24, page 37, line 34, leave out "in the United Kingdom"

Member's explanatory statement
This amendment, and others in the name of Lord Fox, would make further provision for determining the turnover of a company, including that the turnover should be calculated as turnover both

within and outside of the UK. It mimics wording from the Digital Markets, Competition and Consumers Act 2024.

LORD FOX

89★ Clause 24, page 37, line 37, leave out "in the United Kingdom"

Member's explanatory statement
This amendment, and others in the name of Lord Fox, would make further provision for determining the turnover of a company, including that the turnover should be calculated as turnover both within and outside of the UK. It mimics wording from the Digital Markets, Competition and Consumers Act 2024.

LORD FOX

90★ Clause 24, page 37, line 40, leave out "in the United Kingdom"

Member's explanatory statement
This amendment, and others in the name of Lord Fox, would make further provision for determining the turnover of a company, including that the turnover should be calculated as turnover both within and outside of the UK. It mimics wording from the Digital Markets, Competition and Consumers Act 2024.

LORD FOX

91★ Clause 24, page 38, line 13, at end insert—

"(2A) In this section, references to the "turnover" of a company include—
(a) turnover both within the United Kingdom and outside of the United Kingdom;
(b) where the company controls another person, the turnover of that other person;
(c) where the company is controlled by another person, the turnover of that person.

(2B) Regulations under section 3 may make provision for determining when a person is to be treated as controlled by another person for the purposes of subsection (2A)(b) and (c).

(2C) Regulations as described in section 3A(2) which make provision for determining the turnover of a company for the purposes of this section may, in particular, make provision as to—
(a) the amounts which are, or which are not, to be treated as comprising a company's turnover;
(b) the date or dates by reference to which a company's turnover is to be determined.

(2D) Regulations making provision as described in subsection (2B) or (2C) may include provision enabling the court or the Commissioner to determine matters of a description specified in the regulations (including any of the matters mentioned in paragraphs (a) and (b) of subsection (2C)).”

Member's explanatory statement
This amendment, and others in the name of Lord Fox, would make further provision for determining the turnover of a company, including that the turnover should be calculated as turnover both within and outside of the UK. It mimics wording from the Digital Markets, Competition and Consumers Act 2024.

After Clause 24

LORD HOLMES OF RICHMOND

92 After Clause 24, insert the following new Clause—

“AI-assisted payment monitoring

(1) The Secretary of State must, within 18 months of the day on which this section comes into force, commission an AI-assisted payment monitoring tool for use by the Small Business Commissioner.

(2) The tool commissioned under subsection (1) must be capable of—

(a) analysing data published under regulations made under section 3 of the Small Business, Enterprise and Employment Act 2015 (duty to publish report on payment practices and performance),

(b) cross-referencing that data with relevant information held by His Majesty's Revenue and Customs, Companies House, and His Majesty's Courts and Tribunals Service, and

(c) identifying larger businesses whose reported payment performance is inconsistent with other available financial or legal data, for the purposes of prioritising investigations under section 2H of the Enterprise Act 2016 (inserted by section 19).

(3) The Secretary of State must ensure that any tool commissioned under subsection (1) is subject to the algorithmic accountability requirements set out in section 2Q of the Enterprise Act 2016 (inserted by section 19).

(4) The Small Business Commissioner must have regard to the outputs of the tool commissioned under subsection (1) when deciding whether to carry out an investigation under section 2H of the Enterprise Act 2016 (inserted by section 19).”

Member's explanatory statement
This amendment requires the Secretary of State to commission an AI-assisted payment monitoring tool for the Small Business Commissioner.

After Clause 25

LORD FOX
LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

93 After Clause 25, insert the following new Clause—

"Funding of the Small Business Commissioner: statement to Parliament

(1) The Secretary of State may not appoint a day under section 31(1) for the coming into force of any provision of Part 2, or of Schedule 4, until the Secretary of State has laid before each House of Parliament a statement setting out the Government's plan for funding the exercise by the Small Business Commissioner of the functions conferred or modified by this Act.

(2) The statement must in particular set out—

(a) the resources the Secretary of State considers the Commissioner will require to operate the SBC adjudication scheme and to carry out investigations under section 2H of the Enterprise Act 2016,

(b) the funding the Secretary of State intends to make available for each of the first three financial years following commencement, and

(c) the basis on which the adequacy of that funding will be kept under review."

Member's explanatory statement
This amendment prevents the Commissioner's new adjudication and investigation functions from being commenced until the Government has laid before Parliament a plan for funding them.

LORD HOLMES OF RICHMOND

94 After Clause 25, insert the following new Clause—

"Open payment data register

(1) The Secretary of State must, within 12 months of the day on which this section comes into force, establish and maintain an open payment data register.

(2) The register must—

(a) contain all reports published under regulations made under section 3 of the Small Business, Enterprise and Employment Act 2015 (companies: duty to publish report on payment practices and performance),

(b) be publicly accessible and machine-readable in a standardised open data format,

(c) be updated at intervals of not more than 30 days, and

(d) enable analysis by sector, business size, and payment performance over time.

(3) The Secretary of State must publish guidance on the use of the register for the purposes of—

(a) research into payment practices, and
(c) the exercise of enforcement functions by the Small Business Commissioner.”

Member's explanatory statement
This amendment requires the Secretary of State to establish an open, machine-readable register of payment practice reports.

LORD HOLMES OF RICHMOND

95 After Clause 25, insert the following new Clause—

“Blockchain pilot for construction retention records

(1) The Secretary of State must, within 24 months of the day on which section 113B of the HGCRA 1996 (ineffective retention clauses) comes into force, commission a pilot scheme using distributed ledger technology for the recording and automated release of transitional retained sums within the meaning of that section.

(2) A pilot scheme under subsection (1) must be designed to—
(a) create an immutable, auditable record of sums deducted or retained under retention clauses during the transition period,
(b) automate the release of transitional retained sums upon the occurrence of defined contractual conditions, including practical completion and the expiry of any defects liability period, and
(c) provide the Commissioner with access to audit trail data for the purposes of enforcement under section 113E of the HGCRA 1996 and section 2H of the Enterprise Act 1996.

(3) The Secretary of State must lay a report before both Houses of Parliament on the outcome of the pilot scheme within 36 months of the day on which section 113B of the HGCRA 1996 comes into force.”

Member's explanatory statement
This amendment requires a pilot of distributed ledger technology for construction retention records during the transition period.

LORD HOLMES OF RICHMOND

96 After Clause 25, insert the following new Clause—

“Cyber security and post-quantum cryptographic standards

(1) The Secretary of State must, within 12 months of the day on which this section comes into force, publish minimum cyber security standards applicable to—
(a) all digital systems operated by the Small Business Commissioner in connection with the functions conferred by this Act, and
(b) all digital systems used by larger businesses to comply with requirements imposed by regulations under section 3 of the Small Business, Enterprise and Employment Act 2015 (companies: duty to publish report on payment practices and performance).

(2) The standards published under subsection (1) must include requirements for—
(a) post-quantum cryptographic algorithms for the encryption of data held in connection with investigations, adjudications, and financial penalties, and
(b) regular security audits of systems to which this section applies, at intervals of not more than 12 months.

(3) In this section, "post-quantum cryptographic algorithms" means cryptographic algorithms assessed by the National Cyber Security Centre as providing adequate security against attacks using quantum computing.

(4) The Commissioner must comply with the standards published under subsection (1) within 18 months of their publication."

Member's explanatory statement
This amendment requires post-quantum cryptographic standards for all digital infrastructure supporting the Commissioner's functions.

LORD HOLMES OF RICHMOND

97 After Clause 25, insert the following new Clause—

"Supply chain payment sustainability reporting

(1) Regulations under section 3 of the Small Business, Enterprise and Employment Act 2015 (companies: duty to publish report on payment practices and performance) must make provision requiring a company to which that section applies to publish, alongside its report on payment practices and performance, a supply chain payment sustainability statement.

(2) A supply chain payment sustainability statement must include—
(a) the company's payment performance disaggregated by supply chain tier, showing separately the payment performance in relation to—
(i) direct suppliers (first tier),
(ii) second tier suppliers, where this information is available to the company, and
(iii) micro and small suppliers within each tier,
(b) the steps the company has taken during the reporting period to improve payment performance in its supply chain, and
(c) the company's objectives for payment performance in the following reporting period.

(3) Regulations under subsection (1) must—
(a) specify the size threshold above which this section applies, and
(b) make provision for the verification of supply chain payment sustainability statements by an independent third party."

Member's explanatory statement
This amendment requires large companies to publish a supply chain payment sustainability statement alongside their existing payment practice reports, disaggregated by supply chain tier.

LORD HOLMES OF RICHMOND

98 After Clause 25, insert the following new Clause—

"ESG framework for payment practices

(1) The Secretary of State must, within 18 months of the day on which this section comes into force, publish a framework (the "Payment Practices ESG Framework") setting minimum standards for the treatment of payment practices in the environmental, social and governance reporting of larger businesses.

(2) The Payment Practices ESG Framework must—

(a) specify the metrics by which the payment performance of a larger business is to be assessed for ESG purposes, including metrics relating to—

(i) the proportion of invoices paid within the agreed payment terms,

(ii) the proportion of invoices paid within 30 days, and

(iii) payment performance disaggregated by the size of the supplier,

(b) set out how payment performance metrics are to be integrated into ESG reporting frameworks applicable in the United Kingdom, and

(c) specify the steps a larger business is expected to take to improve payment performance in its supply chain.

(3) The Secretary of State must consult the Commissioner, representatives of small businesses, and representatives of larger businesses before publishing the Payment Practices ESG Framework.

(4) The Secretary of State must review the Payment Practices ESG Framework at intervals of not more than three years."

Member's explanatory statement
This amendment requires the Secretary of State to publish a Payment Practices ESG Framework, integrating payment performance into the ESG reporting obligations of larger businesses.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM

99 After Clause 25, insert the following new Clause—

"Database of different-sized businesses

(1) Within 12 months of the day on which this Act is passed, the Secretary of State must establish a database containing a register of businesses affected by the provisions of this Act.

(2) The database must—

(a) include the size of the businesses as defined in CPILPA 1998,

(b) include the provisions of this Act which affect each of those businesses, and

(c) be updated each day that there are changes to the information in paragraphs (a) or (b)."

Member's explanatory statement
This amendment probes the means by which businesses will be able to identify in real time which businesses fall under late payment terms and sanctions, changes to retention payments, and other provisions of this Bill, so as to enable them to comply with them effectively.

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD LEIGH OF HURLEY

100 After Clause 25, insert the following new Clause—

"Review: payment terms and statutory insolvency moratoria

(1) The Secretary of State must, before the end of the period of six months beginning with the day on which this Act is passed, prepare and lay before Parliament a report on the operation of maximum payment periods and statutory interest under the CPILPA 1998 in relation to companies subject to statutory insolvency moratoria, including companies in special administration.

(2) The report must in particular consider—
(a) whether the maximum payment periods and statutory interest provided for by the CPILPA 1998 apply, and should apply, to supplies made to a company after the appointment of a special administrator;
(b) the treatment of sums owed, at the date of such an appointment, to suppliers whom section 233, 233A or 233B of the Insolvency Act 1986 (as applied in relation to the special administration regime concerned) restricts from ceasing supply or from making continued supply conditional on payment of outstanding charges;
(c) the effect of any moratorium on the accrual, recovery and enforcement of sums due under a contract to which the CPILPA 1998 applies and is of statutory interest;
(d) the interaction between any moratorium and the SBC adjudication scheme;
(e) whether suppliers making supplies within paragraph (a) should, for payment-timing purposes, be treated in the same way as suppliers to public authorities;
(f) the effect of the matters mentioned in paragraphs (a) to (e) on small and medium-sized suppliers and on the resilience of the supply chains on which providers of essential services depend;
(g) whether further provision should be made, by or under this Act or any other enactment, in connection with the matters in paragraphs (a) to (f).

(3) Before preparing the report the Secretary of State must consult such persons as the Secretary of State considers appropriate, including persons appearing to the Secretary of State to represent suppliers to providers of essential services.

(4) The report must state whether the Secretary of State proposes to make further provision in connection with any matter within subsection (2) and, if so, describe the provision proposed.

(5) If, before the report is laid before Parliament, a person becomes subject to a special administration regime, the Secretary of State must, before the end of the period of 28 days beginning with the day on which the appointment of the special administrator takes effect, lay before Parliament an interim statement addressing the matters in subsection (2)(a) to (c) in relation to that special administration regime.

(6) In this section—

"moratorium" means any restriction, imposed by or under an enactment in connection with an insolvency procedure, on the enforcement of a debt owed by the person subject to the procedure, on the institution or continuation of legal process against that person or that person's property, or on the exercise of contractual rights (including rights of termination) against that person;

"the SBC adjudication scheme" has the meaning given by section 2A of the Enterprise Act 2016 (inserted by section 18 of this Act);

"special administration regime" means a procedure under any enactment which provides for the administration of a company by a person appointed by the court and applies provisions of the Insolvency Act 1986, with or without modifications, for purposes that include securing the continued provision of a supply or service (including, in particular, special administration under sections 23 to 26 of the Water Industry Act 1991, sections 59 to 65 of the Railways Act 1993 and sections 154 to 171 of the Energy Act 2004 and "special administrator" is to be read accordingly)."

Member's explanatory statement
This amendment would require the Secretary of State to report to Parliament within six months on how the Bill's payment periods and statutory interest operate where a purchaser is subject to an insolvency moratorium, including special administration, and on the treatment of suppliers required by insolvency legislation to continue supply, with an interim statement to Parliament if a special administration begins before the report is laid.

Schedule 4

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

101 Schedule 4, page 52, line 34, after "functions)," insert—

"(a) in subsection (1), for paragraphs (a) to (c) substitute—

"(a) has no more than 50 full-time equivalent employees, and

(b) has a turnover of no more than £15 million or a balance sheet total of not more than £7.5 million.";

(b)"

Member's explanatory statement
This amendment seeks to amend the definition of small business in the Enterprise Act 2016.

Clause 28

LORD LEONG

102 Clause 28, page 40, line 11, after "State" insert "or the Chancellor of the Duchy of Lancaster"

Member's explanatory statement
This amendment enables the Chancellor of the Duchy of Lancaster to make regulations consequential on the Bill (as well as the Secretary of State).

Clause 31

LORD HUNT OF WIRRAL
LORD SHARPE OF EPSOM
LORD HOLMES OF RICHMOND

103 Clause 31, page 41, line 34, at end insert—

"(2A) Section 4 comes into force on the day after the last day of the period of 12 months beginning with the day on which this Act is passed."

Member's explanatory statement
This amendment seeks to provide a one year transitional period before statutory interest payments come into force, so as to allow businesses to implement the underpinning technology and deal with the incoming regulation.

Commercial Payments Bill [HL]

MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN COMMITTEE OF THE WHOLE HOUSE

17 July 2026

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