



# Enterprise Act 2016

## 2016 CHAPTER 12

### PART 1

#### THE SMALL BUSINESS COMMISSIONER

#### *"Small businesses"*

### **2 Small businesses in relation to which the Commissioner has functions**

- (1) In this Part "small business" means a relevant undertaking which—
  - (a) has a headcount of staff of less than 50,
  - (b) if the business threshold condition applies to the relevant undertaking, meets that condition, and
  - (c) is not a public authority.
- (2) The Secretary of State may by regulations ("SBC scope regulations") make further provision about the meaning of "small business" in this Part.
- (3) For the purposes of subsection (1)(b), the business threshold condition applies to a relevant undertaking if—
  - (a) SBC scope regulations provide for that condition to apply in relation to all relevant undertakings, or
  - (b) the relevant undertaking falls within a description of undertakings to which SBC scope regulations apply that condition.
- (4) A relevant undertaking meets the business threshold condition if it has a turnover, or balance sheet total, of an amount less than or equal to the small business threshold.
- (5) SBC scope regulations may (amongst other things) make provision about—
  - (a) the date ("the assessment date") on which, or the period ("the assessment period") for which, a relevant undertaking must meet a requirement of subsection (1)(a) or (b) in order to be a small business;
  - (b) the calculation of the headcount of staff, turnover or balance sheet total of a relevant undertaking at the assessment date or for the assessment period;

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*Changes to legislation: There are currently no known outstanding effects for the Enterprise Act 2016, Cross Heading: “Small businesses”. (See end of Document for details)*

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- (c) the circumstances in which a relevant undertaking which has been established for less than a complete assessment period is to be regarded as meeting a requirement for that period.
- (6) SBC scope regulations may provide that a relevant undertaking of a specified description is not a small business even if it falls within the definition.
- (7) SBC scope regulations may—
  - (a) make transitional or transitory provision or savings;
  - (b) make different provision for different purposes.
- (8) SBC scope regulations are to be made by statutory instrument.
- (9) A statutory instrument containing SBC scope regulations may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.
- (10) In this section—
  - “balance sheet total”, “headcount of staff”, “turnover” and “small business threshold” have such meanings as may be specified;
  - “relevant undertaking” means a person who is carrying on one or more businesses and whose registered office or principal place of business is in the United Kingdom;
  - “specified” means specified in SBC scope regulations.

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**Commencement Information**

- I1** S. 2 in force at Royal Assent for specified purposes, see s. 44(1)
- I2** S. 2 in force at 1.10.2017 in so far as not already in force by S.I. 2017/473, reg. 3(a)

**Changes to legislation:**

There are currently no known outstanding effects for the Enterprise Act 2016, Cross Heading: "Small businesses" .