

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

I, Josh Frydenberg, Treasurer, make the following rules.

Dated 6 April 2020

Josh Frydenberg

Treasurer

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1 Name

This instrument is the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Rules 2020*.

2 Commencement

(1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

| Commencement information | | |
| --- | --- | --- |
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. The whole of this instrument | The day after this instrument is registered. | 8 April 2020 |

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

(2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Guarantee of Lending to Small and Medium Enterprises (Coronavirus Economic Response Package) Act 2020*.

4 Definitions

In this instrument:

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

***annual turnover*** has the meaning given by subsection 5(2).

***business*** has the same meaning as in the *Income Tax Assessment Act 1997*.

***entity*** has the same meaning as in the *Income Tax Assessment Act 1997*.

***non‑profit body*** has the same meaning as in section 23‑15 of the *A New Tax System (Goods and Services Tax) Act 1999*.

Note: The term ***non‑profit body*** is not defined in the *A New Tax System (Goods and Services Tax) Act 1999*. However, this definition ensures that the meaning of the term in this instrument does not diverge from the meaning of the term in section 23‑15 of that Act.

5 Meaning of *SME entity*

(1) For the purposes of the definition of ***SME entity*** in section 4 of the Act, an entity is an ***S******ME entity*** at a time in a financial year (the ***current year***) if:

(a) the entity carries on a business in the current year, or is a non‑profit body during the current year; and

(b) one or both of the following applies:

(i) the entity’s annual turnover for the current year is likely to be less than $50 million;

(ii) the entity carried on a business in the financial year (the ***previous year***) before the current year, or was a non‑profit body during the previous year, and its annual turnover for the previous year was less than $50 million.

Meaning of **annual turnover**

(2) The ***annual turnover*** of an entity for a financial year is the total of the following that is earned in the year in the course of the business:

(a) the proceeds of sales of goods and/or services;

(b) commission income;

(c) repair and service income;

(d) rent, leasing and hiring income;

(e) government bounties and subsidies;

(f) interest, royalties and dividends;

(g) other operating income.

(3) In applying subsection (2) to a non‑profit body, treat the operations or activities carried out by that body as the business of the body.