



Department for
Business, Innovation,
Science and Trade

Lord Leong CBE
Minister for Small Business and
Enterprise

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Calum Kerr MSP

Convener of the Delegated Powers and Law Reform
Committee

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21 September 2026

Dear Calum,

HM Government Response to Scottish Commercial Payments Bill LCM

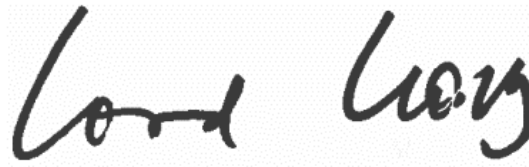
Correspondence

The delegated powers in Clauses 1-3 are being included to ensure that limited exemptions from maximum payment times will be appropriate and effective. In particular, we are keen that UK importers and exporters of goods and services are not adversely affected by maximum payment times when competing in international markets. This was an issue raised by businesses across the UK during our extensive consultation and engagement. Being able to negotiate and win contracts for export without restrictions on payment terms was cited as important for supporting the growth of UK exporters. However, whilst we recognise the need for imports and export contracts to be exempted, we require further consultation with stakeholders and experts to make sure any exemption only goes as far as absolutely necessary whilst preserving the objectives of the Bill. We will therefore not be including this exemption on the face of the Bill and will be defining the exemption in regulations following consultation, utilising the delegated powers in clauses 1 to 3.

We do not currently intend to exempt any other types of contracts outside of imports and exports. However, it may be possible that there are specialist supply chains that were not caught in our consultation, or unforeseen future changes in technology or sectors where a limited and targeted exemption could be required to support those businesses in the future.

We have been mindful of the need to ensure effective scrutiny of any future powers which is why any future exemptions will require the consent of devolved governments alongside consultation and the affirmative procedure. This will provide effective scrutiny of any exemptions proposed by the government in the future.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Lord Leong', is centered on the page. The signature is written in a cursive, flowing style.

Lord Leong CBE
Minister for Small Business and Enterprise
Department for Business, Innovation, Science and Trade