



Australian Banking Association small business relief package

20 March 2020

The ACCC has provided urgent interim authorisation to allow the Australian Banking Association (ABA) and banks to work together to implement a small business relief package.

The package will allow for the deferral of principal and interest repayments for loans to small businesses, in all sectors, impacted by the COVID-19 pandemic.

The ACCC granted the interim authorisation this afternoon after the ABA's application was lodged last night.

“The ACCC recognises the significant financial hardship many Australian small businesses and their staff are experiencing as a result of this unprecedented crisis,” ACCC Chair Rod Sims said.

“We recognise the urgency of this issue. We consider that this relief package will enable banks to quickly provide relief to impacted businesses, and allow them to keep employing their staff.”

“Importantly, interim authorisation does not mean that individual banks can't decide to offer more favourable and tailored terms to their small business customers experiencing financial hardship during these times.”

The interim authorisation applies to all ABA member banks who agree to participate, which at this stage includes AMP Bank, ANZ, Bank Australia, Bank of Queensland Limited, Bendigo and Adelaide Bank Limited, Commonwealth Bank of Australia, HSBC, Macquarie Bank, National Australia Bank, Suncorp Bank and Westpac.

The package includes a deferral of principal and interest repayments for all term loans and retail loans for 6 months, for small business customers with less than \$3 million in total debt owed to credit providers.

At the end of the deferral period businesses will not be required to pay the deferred interest in a lump sum. Either the term of the loan will be extended or the level of loan repayments will be increased.

The ABA sought ACCC interim authorisation on behalf of its members because the relief package involves coordination by competing banks, actions that would otherwise raise concerns under Australian competition laws.

Having granted interim authorisation for the package, the ACCC will seek feedback on the ABA's application for authorisation. More information, including the ACCC's statement of reasons, is available at [Australian Banking Association](#).

Background

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010. Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

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