



14 June 2024

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 11 June 2024. You requested the following (in response to 24OIA2273):

1. *I would like to know the number of small business loans that were defaulted by the IRD under section 8.1 of the Terms and Conditions of the Loan Contract.*
2. *Additionally I am interested in how many of these loans were subsequently repaid with a penalty.*

I have interpreted your request to be for the number of defaults identified in my response to your earlier request (24OIA2273), being the 192 defaults in the period 12 May 2020 to 31 December 2020.

Question one

For your reference, I have attached a copy of the Small Business Cashflow (Loan) Scheme (SBCS) Terms and Conditions (T&Cs).

The table below provides the clauses under 8.1 of the SBCS T&Cs and the respective number of loans defaulted for the period 12 May 2020 to 31 December 2020. Please note the total number of loan defaults in this period is 192, however each loan may have more than one reason for default.

Clauses	Number of loans defaulted
8.1 Undertaking Outstanding Amount	138
8.1(a) New Zealand Based (Non-Individual)	27
8.1(b) New Zealand Based (Individual)	36
8.1(c) Maintain Authorisations	3
8.1(d) Provide Information	55
8.1(e) Promptly Notify	33
8.1(e)(i) Notify of Default	15
8.1(e)(ii) Notify of Ceased Activity	27

Clauses	Number of loans defaulted
8.1(f) Meet Wage Subsidy Scheme Obligations	7
8.1(g)(i) Loan Use	25
8.1(g)(ii) Keep Records	16

Question two

No penalties are applied to SBCS loans, whether defaulted or not. Only Interest is applied at the rate as per the SBCS T&Cs. Clause 4 of the attached T&Cs provide information on default interest.

Please note Inland Revenue would not be able to provide a breakdown of interest payments vs loan payments.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (www.ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you for your request.

Yours sincerely



Raelene Stewart

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