

**PROVISIONS AND PROCESS GOVERNING RULE CHANGES – FOR BANKS, SMEs, AND
PUBLICATION ON THE BBRS WEBSITE**

MAY 2022

INTRODUCTION

1. The rules the BBRS has used since its launch in February 2021 were negotiated with the parties involved or were pre-determined by the terms of reference of the Implementation Steering Group (ISG). However, subject to certain conditions those rules *can* be changed.
2. Now that the BBRS is live, its contractual arrangements provide for the BBRS to be able to *implement* Rule changes. Any party – whether the SME Liaison Panel, Banks, or anyone else – can be an initiator of a proposed change and recommend or suggest to the BBRS what Rule changes might be made.
3. To mitigate against the risk of the BBRS being perceived as partial and bearing in mind that no changes to the Rules can be made without prior consultation with both the Banks and SME Liaison Panel, we consider that these parties should first decide what aspects of the Rules (if any) should be changed and reach agreement on this. The BBRS cannot take sides on questions of whether, e.g., the eligibility criteria should be narrower or broader – this is for discussion and agreement between the Banks and SMEs. Once (if) both parties have come to a conclusion, they can recommend any changes to the Board (or BBRS Executive). The BBRS can then take this forward via the contractual and practical procedures as outlined below.

PRACTICAL PROCEDURES

4. The BBRS' internal processes require:
 - The BBRS to gather evidence and feedback on an ongoing basis to identify where Rule changes may be required.
 - The BBRS Leadership Team to consider the consequences at a policy level of any Rule changes.
 - The BBRS Leadership Team to consult with the Board on any change recommendations.
 - The BBRS to consult formally with the Banks and SME Liaison Panel.
5. Implementing the process, including the required consultation with the SME Liaison Panel and the Bank Appointed Member (BAM) – taking account of the minimum time periods – is estimated to take around 4 months. This could be expedited if the Banks and SME Liaison Panel reach swift agreement, although the technical aspects and legal review of the impact of any changes might still take a considerable amount of time.

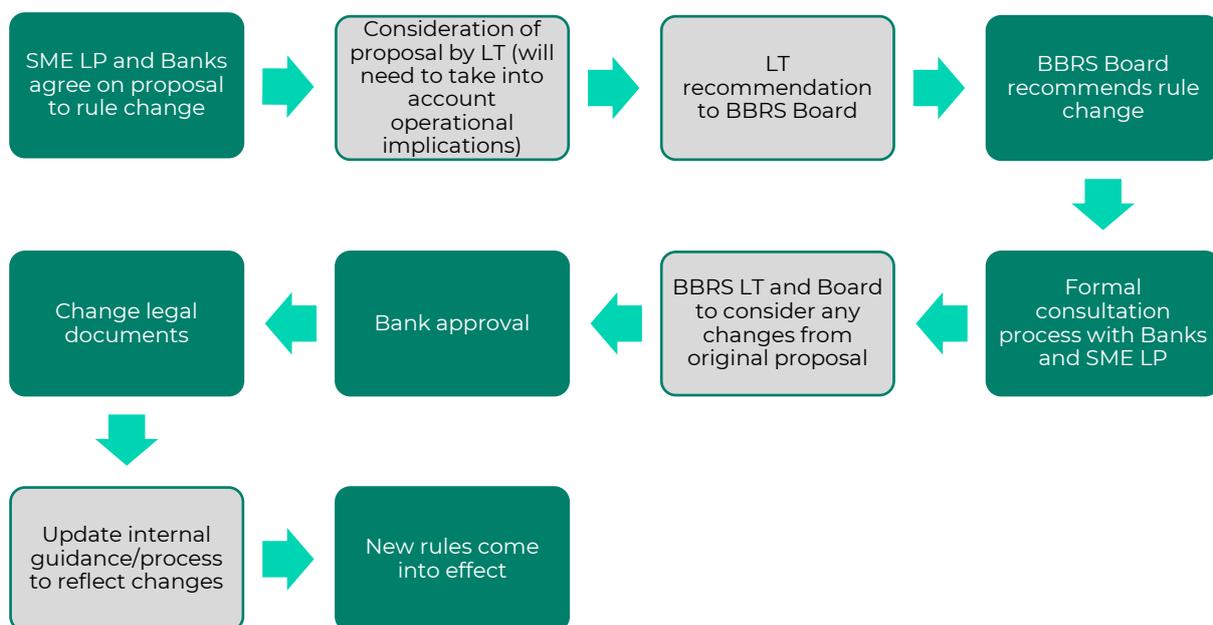
CONTRACTUAL PROVISIONS

6. The BBRS' Articles of Association specifically include power for the BBRS Board to amend the Scheme Documents (which include the Scheme Rules) in accordance with the agreed recommendations of the Board - see Article 7.2(k) of the Articles of Association.
7. Such power is, however, subject to the requirements to consult with the SME Liaison Panel and consult with and obtain approval from the Banks.
8. The SME Liaison Panel must be consulted on any changes to the Scheme Rules (as set out in the SME Liaison Panel Terms of Reference and referenced in BBRS' Articles of Association (Art. 7.2(k)).

FLOWCHART OF PROPOSED PROCESS

There are nine steps to be followed in chronological order to implement any changes to the Scheme Rules.

The flowchart, below, sets out these steps. Each step needs to be completed in full in the set order to move to the next stage, starting with the parties as shown agreeing on any proposed changes to the Scheme Rules.



KEY	
SME LP	SME Liaison Panel
Banks	Banks
LT	BBRS Leadership team

***Green boxes are contractual steps. Grey boxes are steps the BBRS will take internally**