

# **Business Payment Practices Bill**

Government Bill

As reported from the Economic Development, Science and Innovation  
Committee

## **Commentary**

### **Recommendation**

The Committee was unable to agree whether the bill should pass, but recommends amendments to the bill, set out in this report, should it be determined by the House that the bill be passed.

### **Introduction**

The Business Payment Practices Bill seeks to improve transparency about business-to-business payment terms and practices, such as the amount of time it takes for entities to pay their suppliers. It would require large firms, government departments, and other large trading entities to publicly disclose information about their payment practices.

The bill would require entities to report on their payment practices twice a year if they had revenue over \$33 million (including the revenue of any subsidiaries) for two or more consecutive accounting periods. This information would be submitted to, and stored on, a publicly available and searchable register administered by the Ministry of Business, Innovation and Employment.

The bill provides for the appointment of a Registrar. They would establish and maintain the register, and would have the authority to monitor and investigate compliance with the Act. The bill provides for infringement fees, penalties, and criminal offences for contraventions of its obligations.

The bill provides for the Governor-General to make various regulations. These regulations would specify the information to be disclosed by reporting entities, and the size of infringement fees and maximum fines to be imposed by a court for infringement offences.

## **Legislative scrutiny**

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We wish to bring the House's attention to an issue related to clause 30, which we discuss in more detail later in this commentary.

## **Proposed amendments**

This commentary covers the main amendments we recommend to the bill as introduced. We do not discuss minor or technical amendments.

## **The reporting entity revenue threshold should not include goods and services tax**

The general policy statement at the start of the bill says that the revenue threshold for reporting entities would include goods and services tax. We understand this to be an error. Where the term "revenue" is used in the bill to refer to revenue thresholds above which entities would be considered reporting entities, this amount would not include goods and services tax.

## **Reporting entities need time to prepare**

A number of submitters raised the concern that the bill would not give reporting entities enough time to prepare for new reporting requirements.

As introduced, the bill would come into force the day after it received Royal assent. The disclosure period (the period covered by an entity's report) could be no longer than 6 months, but could be shorter than that. The disclosure deadline (the date by which a report must be received by the Registrar) could be as short as 1 month after the disclosure period came to an end. Therefore, the first disclosure period of 6 months or less could begin on the day the bill received Royal assent, with a disclosure deadline 1 month after that.

We consider that that this would not allow reporting entities enough time to prepare to report. We note that the Government's intention is that reporting commence as soon as practicable, so that small businesses can benefit from the availability of information about large businesses' payment practices. However, we also note that the External Reporting Board's conventions for the introduction of new accounting measures typically provide a transition period of between 12 and 24 months.

Therefore, we recommend amending clause 2(1) to change the date of main commencement of the Act to 6 months after the date on which it received Royal assent. At the same time, we recommend inserting clause 2(2) to provide for some parts of the Act, such as the appointment of the Registrar, to come into force on the day after assent.

We also think that the bill should apply to entities according to their revenue in stages, so that only very large entities, with revenue of \$100 million or more, would be required to report during the first disclosure period. Other reporting entities with more than \$33 million in revenue should be required to report in the period after that.

Accordingly, we recommend inserting clause 2 in the bill's Schedule to provide that only entities with revenue of \$100 million or more would be required to report on the first disclosure period. This would allow reporting entities with less revenue and fewer means more time to prepare to comply with new legislation.

### **Timing, deadlines, and frequency of reporting**

Clause 48 would empower the Registrar to specify, by notice, disclosure periods and disclosure deadlines. Disclosure periods would have a maximum length of 6 months, and deadlines could not be earlier than a month after the end of the corresponding disclosure period.

We note that some potential suppliers of large entities see value in more frequent reporting, because payment behaviour and cashflows may change over the course of a year. However, we are mindful of the potential costs of frequent reporting and short reporting deadlines, and the effort required to make amendments to accounting systems to accommodate new reporting requirements. We therefore recommend amending clause 48(2) to set the length of a disclosure period at exactly 6 months.

### **Definitions of terms**

In the bill as introduced, the terms “partnership”, “partner”, “limited partnership”, and “general partner” are used to define the term “director”, but are not themselves defined. We consider that these terms should be precisely defined, because the bill would place obligations on directors, and potentially subject them to penalties or fines. In addition, the term “entity” is expressed using the non-exhaustive term “includes” rather than the more precise term “means”. We see a risk that unspecified entities could fall outside this definition.

We note that other legislation, such as the Partnership Law Act 2019, defines “partnership” and provides in section 14(1) when a person is presumed to be a “partner”. The Limited Partnerships Act 2008 also defines “partner” and provides guidance as to who is a “general partner” (section 19) and a “limited partner” (section 20). That Act is also referenced when defining a “limited partnership” in other legislation. We further note that the term “entity” is also used in the Financial Reporting Act 2013.

We recommend amending clause 5 to provide that “limited partnership” would mean a partnership registered as such under section 51 of the Limited Partnerships Act, and “partnership” would have the meaning given in section 8 of the Partnership Law Act. Reference to these two Acts would also help to define the terms “partner” and “general partner”. We also recommend replacing the term “includes” with “means” in the definition of “entity”.

### **Defining “payment practices information”**

The bill as introduced defines “payment practices information” in broad terms in clause 10, leaving the exact details of the information to be defined by regulations. It does not further define payment practices, or the term “invoice”. We consider that

“payment practices information” could be defined in more detail in the bill by making more explicit what would and would not need to be included.

We are mindful that providing an overly detailed definition may not allow sufficient flexibility to respond to future changes in reporting conventions or software. However, we are concerned that leaving the definition of payment practices information entirely to regulations risks businesses being required to provide an unreasonable level of detail in their reporting.

The purpose of the bill is to make more transparent the third-party payment practices of large entities—that is, payments involving suppliers outside the reporting entity’s commonly owned group. With that in mind, we consider that several categories of expenditure could be excluded from the information that reporting entities would be required to provide, since this information is not useful to third-party suppliers. These categories include: transactions between entities belonging to the same commonly owned group; payments of salary or wages of an entity’s employees or office holders; income tax, goods and services tax, or any other form of tax; rent or a lease; charges related to electricity, gas, telecommunications services, or other utilities; and local body rates and charges.

We therefore recommend inserting clause 10(1B) to provide that payment practices information would not be required for invoices that relate to the payments set out in clause 10(1B)(a) through (f).

We consider that invoices paid by mutual agreement in parts should not be counted as late payments in a disclosure. We therefore recommend amending clause 10(1)(a) to insert the words “in full or in part”, and inserting clause 10(1A) to provide that, if an invoice provides for payment by instalments on specified dates, for the purposes of payment practices information each instalment is to be treated as a separate invoice.

Similarly, we consider that any information about disputed invoices should be reported separately from invoices paid late. We therefore recommend inserting clause 10(2) to require the Minister to ensure the regulations enable an entity to disclose disputed invoices separately from those on which payment was late.

### **The number of reporting entities could be reduced, including by way of a payment threshold test**

The purpose of the bill is to make available to third-party suppliers useful information on the payment practices of large entities. To be useful, the information should come from a representative share of large entities, in terms of the number of entities, the share of business carried on in New Zealand, and the share of payments to third-party suppliers. It should also make clear on whose behalf an entity is reporting.

On the other hand, we are mindful that any new reporting requirements would add to the regulatory burden on reporting entities. Therefore, the number and market share of reporting entities, and the scope of reporting requirements, should be no greater than needed to achieve the bill’s intended purpose. On this basis, we recommend several amendments.

We recommend amending clause 5 to state that “carrying on business in New Zealand” means carrying on business in New Zealand within the meaning of section 332 of the Companies Act 1993, and “overseas company” means a body corporate carrying on business in New Zealand that is incorporated outside New Zealand. This amendment is intended to ensure that only overseas entities actually trading in New Zealand would be required to report.

We note that, where a reporting entity forms part of a group, it can make good business sense to increase the group’s collective purchasing power by coordinating payments through a single entity within the group. Because of this, a subsidiary within a group that collectively counts as a reporting entity may not have any third-party payments information to disclose.

We consider that it would not make sense to require such entities to make disclosures. We therefore recommend amending clause 8 to state that only certain large entities would need to make disclosures.

We recommend inserting clause 8(1)(b) and clause 8(2)(b)(ii) to provide that clause 8 would apply if the entity met a payment threshold test. This test is set out in recommended new clause 9A, which would provide that an entity meets the test if, in each of the 2 preceding accounting periods, its total expenditure was at least \$10 million (excluding wages and salaries and goods and services supplied by related parties). These amendments would ensure that only entities that carry out significant business with third-party suppliers would be required to report.

We recommend inserting clause 9B to specify the contents of disclosure for entities that do not have any subsidiaries. These contents would include payment practices information, the entity’s identifying information, and confirmation that an authorised person has signed off on the disclosure.

We recommend inserting clause 9C to specify the contents of disclosure for entities with one or more subsidiaries. The purpose of this clause would be to make clear which entity or entities the disclosed information applied to, whilst allowing the Registrar discretion in cases where information was not reasonably available.

- Clause 9C(1)(a) would provide that a disclosure by a reporting entity with one or more subsidiaries must contain the payment practices information for the disclosure period either for the entity and each subsidiary or for the group as a whole; or for the entity alone if it is independently large and the information is not otherwise provided.
- Clause 9C(1)(b) would provide that such disclosures must identify, for each set of payment practices information provided, the group or entity to which the disclosure relates.
- Clause 9C(1)(c) would provide that such disclosures must specify the trading name or names and New Zealand Business Number of each subsidiary.
- Clause 9C(1)(d) would provide that, if the entity’s identifying information was not already recorded on the register, the disclosures must contain the entity’s

identifying information, or as much of this information as the Registrar was satisfied that the entity was able to provide.

Not all subsidiaries of a reporting entity would be required by the bill to report on their payment practices. However, we note that some subsidiaries may wish to do so, to distinguish themselves from related entities or their group as a whole. We therefore recommend inserting clause 9D to allow certain subsidiaries to make disclosures.

### **Regulations conferring further power on the Registrar**

Clause 23(d) would enable regulations to confer further powers and functions on the Registrar. We are concerned that this framing is overly broad and could enable substantive changes to the scope of the Registrar's role over time, including the addition of significant powers. It would conflict with Chapter 14 of the Legislation Design and Advisory Committee guidelines, which advises that secondary legislation should generally deal with minor or technical matters of implementation rather than matters of significant policy. Secondary legislation should also not enable the creation of significant public powers.

We therefore recommend removing clause 23(d).

### **The Registrar would not need the power to set further conditions on a compliance notice**

As introduced, clause 26(2)(e) would enable the Registrar to issue a compliance notice if they were satisfied that a person had failed to comply with their obligations under the bill. It provides that the notice must contain "the conditions, if any, imposed by the Registrar".

Given that other provisions in the bill specify all the information typically expected on a compliance notice for a business register, we consider that further conditions are unlikely to be needed. We therefore recommend removing clause 26(2)(e).

### **Authority to sign off disclosures**

As introduced, clause 8 would require a reporting entity's director, or their equivalent, to confirm that they are satisfied that the information disclosed is complete and accurate. We share submitters' concerns that requiring directors to sign off disclosures could delay their publication. We agree that reporting entities' disclosure obligations should not have the same requirements as financial information submitted to the Companies Office, which is required to be submitted by directors. This task could be delegated to another individual in the entity, such as the chief financial officer.

Therefore, we recommend inserting clauses 8A(c) and 8B(c) so that, apart from the director of an entity, any other person authorised for that purpose would be able to confirm that they are satisfied that a reporting entity's payment practices information was complete and accurate.

### **Publication on reporting entities' websites**

Clause 13 would require a reporting entity to publish payment practices information on its website, and to keep it available for 7 years afterwards. Clauses 18, 19, and 20 would require the Registrar to store this information and make it available in a register.

We consider that requiring reporting entities to also store this information on their websites would be unnecessarily duplicative and would introduce additional compliance costs. Suppliers would be able to check a reporting entity's disclosures in the register. We therefore recommend removing clause 13.

### **Procedures for reviewing compliance notices**

Clause 29 would enable the review of a compliance notice if the infringement that the notice referred to was disputed by the reporting entity. The reviewer of a compliance notice would be able to cancel, confirm, or vary the notice. However, the bill is unclear on several aspects, namely: who could act as a reviewer; the reviewer's operational independence from the Registrar; the mechanism for appealing a review decision; and the possibility of a limitation on the review period. We believe these points should be clarified.

We recommend inserting clause 29(2A) to provide that the application for review must be received by the Registrar no later than 10 days after the date on which the notice was served. We recommend replacing clause 30(1) to provide that the chief executive of the Ministry of Business, Innovation and Employment must appoint a person other than the Registrar or their delegate to conduct a review applied for under clause 29.

We recommend amending clause 30(4) to provide that the reviewer must give both the applicant and the Registrar written notice of the reviewer's decision. We recommend inserting clause 30(5) to provide that the reviewer's decision would be final, except as provided in clause 30A (see below).

Finally, we recommend inserting clause 30A to set out the process by which an applicant or the Registrar could appeal to the District Court against a decision of the reviewer. This appeal would have to be lodged within 14 days after the date on which the notice referred to in clause 30(4) was served.

### **Only substantial departures from the requirements of the bill or regulations should be notified to the Registrar**

Clause 15 would require a reporting entity to notify the Registrar of any error or omission in a disclosure of which the entity became aware. We think that entities should only have to notify the Registrar of non-trivial errors or omissions. We therefore recommend amending clause 15(1) to provide that such errors or omissions should involve a substantial departure from the requirements of the bill or the regulations relating to the disclosure. We also recommend inserting clauses 15(3) and 15(4) to provide a definition of "substantial departure".

## **Amendments to the Financial Reporting Act**

We consider that the monetary amounts specified in the bill should be adjusted for inflation over time. We recommend that the Minister be made responsible for recommending adjustments, in line with provisions governing other legislation in section 48 of the Financial Reporting Act 2013.

We therefore recommend inserting clauses 53 through 55 to provide for the amendment of the Financial Reporting Act to incorporate a reference to this legislation.

## **National Party view**

Whilst National Party members believe it is important to see small businesses getting paid on time, we do not believe this bill would achieve its objective. We oppose the bill for the following reasons:

1. The Australian and the United Kingdom governments implemented similar schemes in 2017 and 2020 and there has been no discernible improvement in payment terms—in fact in certain sectors in Australia they have slightly worsened.
2. Ministry of Business, Innovation and Employment (MBIE) officials admitted that they do not know the scale or prevalence of the issue of delayed payment and whether practices are intentionally exploitative.
3. The bill's revenue threshold is currently at \$33 million. National believes it is too low when the Australian version of the bill, the Payment Times Report Act 2020, has a threshold of \$100 million AUD.
4. Government departments are often slower payers, and this could be speedily addressed by a government instruction.
5. The bill would require MBIE to collect payment information from large companies every 6 months. This is in comparison to data collected and available on a real time basis by the four private credit assessment firms already operating in the market. The cost of obtaining these up-to-date credit assessments costs as little as \$33
6. MBIE has indicated that it is considering developing bespoke architecture to collate the payments data. Industry suggests that the development costs for this will be of the order of \$5–\$10 million and the on-going employment and data costs will be significant. National would rather spend this money directly assisting small businesses in areas such as the greater use of e-invoicing.



## Appendix

### Committee process

The Business Payment Practices Bill was referred to the committee on 8 November 2022. We invited officials from the Ministry of Business, Innovation and Employment to provide an initial briefing on the bill. They did so on 8 December 2022.

We called for submissions on the bill with a closing date of 8 January 2023. We received and considered submissions from 22 interested groups and individuals. We heard oral evidence from four submitters.

We received advice on the bill from the Ministry of Business, Innovation and Employment. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

### Committee membership

Naisi Chen (Chairperson)

Jamie Strange (Chairperson and member until 8 February 2023)

Glen Bennett

Barbara Kuriger (until 8 February 2023)

Ingrid Leary (from 8 February 2023)

Melissa Lee

Stuart Smith (from 8 February 2023)

Hon Michael Woodhouse (from 14 February 2023)

Andrew Bayly participated in our consideration of this bill.



**Business Payment Practices Bill**

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**Key to symbols used in reprinted bill**

**As reported from a select committee**

text inserted unanimously

~~text deleted unanimously~~



*Hon Ginny Andersen*

## **Business Payment Practices Bill**

Government Bill

### **Contents**

|                                                                           | Page |
|---------------------------------------------------------------------------|------|
| 1 Title                                                                   | 3    |
| 2 Commencement                                                            | 3    |
| <b>Part 1</b>                                                             |      |
| <b>Preliminary provisions</b>                                             |      |
| 3 Purpose                                                                 | 4    |
| 4 Overview                                                                | 4    |
| 5 Interpretation                                                          | 5    |
| 6 Transitional, savings, and related provisions                           | 6    |
| 7 Act binds the Crown                                                     | 6    |
| <b>Part 2</b>                                                             |      |
| <b>Obligations, register, and Registrar</b>                               |      |
| <i>Obligation to make disclosures</i>                                     |      |
| 8 <u>Certain large entities must make disclosures</u>                     | 6    |
| 9 <u>Meaning of large</u>                                                 | 7    |
| 9A <u>Payment threshold test</u>                                          | 7    |
| 9B <u>Contents of disclosure if entity does not have any subsidiaries</u> | 8    |
| 9C <u>Contents of disclosure if entity has 1 or more subsidiaries</u>     | 8    |
| 9D <u>Certain subsidiaries may make disclosures</u>                       | 9    |
| 10 <u>Meaning of payment practices information</u>                        | 9    |
| 11 <u>Meaning of identifying information</u>                              | 10   |
| <i>Other obligations</i>                                                  |      |
| 12 <u>Application of sections 13 to 17</u>                                | 10   |
| 13 <u>Entities must publish payment practices information</u>             | 10   |
| 14 <u>Entities must keep certain records for 7 years</u>                  | 10   |

## Business Payment Practices Bill

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|    |                                                                                           |    |
|----|-------------------------------------------------------------------------------------------|----|
| 15 | Entities must notify Registrar of error or omission                                       | 11 |
| 16 | Entities must notify Registrar of changes in identifying information                      | 11 |
| 17 | Entities must notify Registrar when <del>no longer large</del> <u>Act ceases to apply</u> | 11 |

### *Business Payment Practices Register*

|    |                                                 |    |
|----|-------------------------------------------------|----|
| 18 | Business Payment Practices Register established | 11 |
| 19 | Purpose of register                             | 12 |
| 20 | Contents of register                            | 12 |
| 21 | Removing information from register              | 12 |

### *Registrar*

|    |                                         |    |
|----|-----------------------------------------|----|
| 22 | Registrar of Business Payment Practices | 13 |
| 23 | Registrar's functions                   | 13 |
| 24 | Registrar's power to delegate           | 13 |

## **Part 3**

### **Compliance, enforcement, and offences**

#### *Registrar's compliance and enforcement powers*

|            |                                                           |           |
|------------|-----------------------------------------------------------|-----------|
| 25         | Registrar may monitor and investigate compliance with Act | 14        |
| 26         | Registrar may issue compliance notice                     | 15        |
| 27         | Service of compliance notice                              | 15        |
| 28         | Person must comply with compliance notice                 | 16        |
| 29         | Review of compliance notice                               | 16        |
| 30         | How review must be conducted                              | 16        |
| <u>30A</u> | <u>Appeal against review decision</u>                     | <u>16</u> |

#### *Infringement offences*

|    |                                                        |    |
|----|--------------------------------------------------------|----|
| 31 | Infringement offences                                  | 17 |
| 32 | Proceedings for infringement offences                  | 17 |
| 33 | When infringement notice may be issued                 | 17 |
| 34 | Infringement notice may be revoked before payment made | 18 |
| 35 | What infringement notice must contain                  | 18 |
| 36 | How infringement notice may be served                  | 18 |
| 37 | Payment of infringement fees                           | 19 |
| 38 | Reminder notices                                       | 19 |

#### *Pecuniary penalties*

|    |                                                                                          |    |
|----|------------------------------------------------------------------------------------------|----|
| 39 | Pecuniary penalty for contravention of compliance notice or involvement in contravention | 19 |
| 40 | Considerations for court                                                                 | 19 |
| 41 | Rules of civil procedure and civil standard of proof apply                               | 20 |
| 42 | Limitation period for proceedings                                                        | 20 |
| 43 | Relationship between pecuniary penalties and criminal liability                          | 20 |

|           |                                                                                                   |           |
|-----------|---------------------------------------------------------------------------------------------------|-----------|
|           | <i>Offences</i>                                                                                   |           |
| 44        | Offence relating to failure to comply with inspection requirements                                | 20        |
| 45        | Offence relating to filing false or misleading information                                        | 21        |
|           | <b>Part 4</b>                                                                                     |           |
|           | <b>Miscellaneous</b>                                                                              |           |
| 46        | Exemptions                                                                                        | 21        |
| 47        | Regulations                                                                                       | 22        |
| 48        | Registrar may specify disclosure periods and disclosure deadlines                                 | 22        |
|           | <b>Part 5</b>                                                                                     |           |
|           | <b>Amendments to other Acts</b>                                                                   |           |
|           | <i>Amendment to Summary Proceedings Act 1957</i>                                                  |           |
| 49        | Principal Act                                                                                     | 22        |
| 50        | Section 2 amended (Interpretation)                                                                | 22        |
|           | <i>Amendment to Tax Administration Act 1994</i>                                                   |           |
| 51        | Principal Act                                                                                     | 23        |
| 52        | Schedule 7 amended                                                                                | 23        |
|           | <i>Amendments to Financial Reporting Act 2013</i>                                                 |           |
| <u>53</u> | <u>Principal Act</u>                                                                              | <u>23</u> |
| <u>54</u> | <u>Section 48 amended (Minister must regularly review amounts to take into account inflation)</u> | <u>23</u> |
| <u>55</u> | <u>Section 49 amended (Order may amend amounts)</u>                                               | <u>23</u> |
|           | <b>Schedule</b>                                                                                   | 24        |
|           | <b>Transitional, savings, and related provisions</b>                                              |           |

**The Parliament of New Zealand enacts as follows:**

**1 Title**

This Act is the Business Payment Practices Act **2022**.

**2 Commencement**

*Main commencement*

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- (1) This Act comes into force ~~on the day~~ 6 months after the date on which this Act receives Royal assent.

*Exception for specified provisions*

- (2) However, the following provisions come into force on the day after the date on which this Act receives the Royal assent:

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(a) **section 6** (transitional, savings, and related provisions):

(b) **sections 22 to 24** (appointment of Registrar, Registrar's functions, and Registrar's power to delegate):

- (c) **section 46** (exemptions):
- (d) **section 47** (regulations):
- (e) **section 48** (disclosure periods and disclosure deadlines).

## Part 1

### Preliminary provisions

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#### 3 Purpose

The purpose of this Act is to—

- (a) improve transparency in certain business-to-business payment practices; and
- (b) enable members of the public and entities to access information about those business-to-business payment practices so that they can make informed choices about whether to engage with certain large entities. 10

#### 4 Overview

*Obligations, register, and Registrar*

- (1) **Part 2** requires certain large entities to disclose certain information about their payment practices. 15
- (2) **Part 2** also establishes a register for that information and a Registrar.

*Compliance, enforcement, and offences*

- (3) **Part 3** provides for monitoring, investigative, and enforcement powers of the Registrar. 20
- (4) **Part 3** also establishes infringement offences, pecuniary penalties, and offences for breaches of this Act.
- (5) If a person breaches an obligation under this Act, the Registrar may issue them with an infringement notice, a compliance notice, or both.
- (6) If a person contravenes a compliance notice, they may be subject to a pecuniary penalty. 25
- (7) A person may be subject to an offence if they knowingly—
  - (a) fail to comply with certain requirements to confirm or correct information or provide or retain relevant documents; or
  - (b) obstruct or hinder the Registrar while the Registrar is exercising certain investigative powers; or 30
  - (c) provide false or misleading information to the Registrar.
- (8) In addition to liability for infringement offences, pecuniary penalties, and offences, **section 20** provides that certain information about a pecuniary penalty or a fine for a criminal offence imposed on an entity must be published on the register for a period of 7 years after it is imposed. 35



- (9) This section is only a guide to the general scheme and effect of this Act.

## 5 Interpretation

In this Act, unless the context otherwise requires,—

**accounting period** has the same meaning as in section 5(1) of the Financial Reporting Act 2013 5

**carrying on business in New Zealand** means carrying on business in New Zealand within the meaning of section 332 of the Companies Act 1993

**director** means,—

- (a) in relation to a company or an overseas company, a person occupying the position of a director of the company or overseas company by whatever name they are called: 10
- (b) in relation to a partnership (other than a limited partnership), a partner:
- (c) in relation to a limited partnership, any general partner:
- (d) in relation to a charitable entity (within the meaning of the Charities Act 2005), an officer (within the meaning of that Act): 15
- (e) in relation to any other body corporate or unincorporate, a person occupying a position in the body that is comparable with that of a director of a company:
- (f) in relation to any other person, that person

**disclosure** means a disclosure under **section 8** 20

**disclosure deadline** has the meaning given in **section 48**

**disclosure period** has the meaning given in **section 48**

**entity** ~~includes~~ means—

- (a) a company, an overseas company, or any other body corporate: 25
- (b) a corporation sole: 25
- (c) a trust, a partnership, or an association of persons, whether incorporated or not:
- (d) a society or a branch of a society registered or deemed to be registered under the Friendly Societies and Credit Unions Act 1982:
- (e) a department or an office of Parliament (within the meaning of those terms in section 2(1) of the Public Finance Act 1989) or an organisation named or described in Schedule 4 of the Public Finance Act 1989: 30
- (f) a Crown entity (within the meaning of section 7 of the Crown Entities Act 2004):
- (g) a local authority (within the meaning of section 5(1) of the Local Government Act 2002) 35

**group** means a group comprising an entity and its subsidiaries

- identifying information** has the meaning given in **section 11**
- infringement fee**, in relation to an infringement offence, means the infringement fee for the offence specified in the regulations
- infringement offence** means an offence against **section 31**
- large** has the meaning given in **section 9** 5
- limited partnership** means a partnership registered as a limited partnership under section 51 of the Limited Partnerships Act 2008
- overseas company** ~~has the same meaning as in section 5(1) of the Financial Reporting Act 2013~~ means a body corporate carrying on business in New Zealand that is incorporated outside New Zealand 10
- partnership** has the meaning given in section 8 of the Partnership Law Act 2019
- payment practices information** has the meaning given in **section 10**
- payment threshold test** has the meaning given in **section 9A**
- register** means the business payment practices register established under **section 18** 15
- Registrar** means the Registrar of Business Payment Practices appointed under **section 22**
- regulations** means regulations made under **section 47**
- subsidiary** has the same meaning as in section 5(1) of the Financial Reporting Act 2013. 20
- 6 Transitional, savings, and related provisions**
- The transitional, savings, and related provisions set out in the **Schedule** have effect according to their terms.
- 7 Act binds the Crown** 25
- This Act binds the Crown.

## Part 2

### Obligations, register, and Registrar

#### *Obligation to make disclosures*

- 8 Certain large entities must make disclosures** 30
- (1) This section applies if an entity ~~is large in respect of an accounting period, in respect of an accounting period,—~~
- (a) is large; and
- (b) meets the payment threshold test.
- (2) The entity must make a disclosure for each disclosure period that— 35

- 
- (a) falls within that accounting period; or
- (b) spans that accounting period and another accounting period, but only if the entity ~~is also large in respect of that other accounting period, in respect of that other accounting period,—~~
- (i) is also large; and 5
- (ii) meets the payment threshold test.
- (3) The disclosure must be made to the Registrar by the applicable disclosure deadline and in the way required by the Registrar.
- (4) ~~The disclosure must—~~
- (a) ~~contain payment practices information for the disclosure period; and~~ 10
- (b) ~~contain the entity's identifying information if that information is not already recorded on the register; and~~
- (c) ~~confirm that a director of the entity is satisfied that the information disclosed is complete and accurate.~~
- (5) ~~If the entity has 1 or more subsidiaries, payment practices information is required—~~ 15
- (a) ~~for the group as a whole; and~~
- (b) ~~for the entity alone, if the entity is independently large.~~
- (6) ~~In this section, **independently large**, in relation to an entity that has 1 or more subsidiaries, means that the entity would be large in respect of the accounting period referred to in **subsection (2)(a)** or both of the accounting periods referred to in **subsection (2)(b)** (whichever is applicable) on the basis of its revenue alone (that is, without counting the revenue of its subsidiaries).~~ 20
- 9 Meaning of large**
- For the purpose of this Act, an entity is **large** in respect of an accounting period if it would be large in respect of that accounting period under section 45 of the Financial Reporting Act 2013, which applies— 25
- (a) as if section 45(1) did not exclude overseas companies or their subsidiaries; and
- (b) as if section 45(1)(a) and (2) did not apply. 30
- 9A Payment threshold test**
- An entity meets the **payment threshold test** in respect of an accounting period if, in each of the 2 preceding accounting periods, its total expenditure (excluding wages and salaries and goods and services supplied by related parties) is equal to or greater than \$10 million. 35

**9B Contents of disclosure if entity does not have any subsidiaries**

If an entity to which **section 8** applies does not have any subsidiaries, a disclosure must—

- (a) contain the entity's payment practices information for the disclosure period; and 5
- (b) contain, if the entity's identifying information is not already recorded on the register,—
  - (i) the entity's identifying information; or
  - (ii) as much of the entity's identifying information as the Registrar is satisfied the entity is able to provide; and 10
- (c) confirm that a director of the entity, or any other person authorised for that purpose, is satisfied that the information disclosed is complete and accurate.

**9C Contents of disclosure if entity has 1 or more subsidiaries**

- (1) If an entity to which **section 8** applies has 1 or more subsidiaries, a disclosure must— 15

- (a) contain the payment practices information for the disclosure period—
    - (i) for—
      - (A) the entity and each subsidiary; or
      - (B) the group as a whole; and 20
    - (ii) for the entity alone, if it is independently large and the entity's information is not provided under **subparagraph (i)(A)**; and
  - (b) identify, for each set of payment practices information provided, the group or entity to which the information relates; and
  - (c) specify the trading name or names and New Zealand Business Number of each subsidiary; and 25
  - (d) contain, if the entity's identifying information is not already recorded on the register,—
    - (i) the entity's identifying information; or
    - (ii) as much of the entity's identifying information as the Registrar is satisfied the entity is able to provide; and 30
  - (e) confirm that a director of the entity, or any other person authorised for that purpose, is satisfied that the information disclosed is complete and accurate.
- (2) In this Part, **independently large**, in relation to an entity that has 1 or more subsidiaries, means that the entity would be large in respect of the accounting period referred to in **section 8(2)(a)** or both of the accounting periods 35

referred to in **section 8(2)(b)** (whichever is applicable) on the basis of its revenue alone (that is, without counting the revenue of its subsidiaries).

#### **9D Certain subsidiaries may make disclosures**

- (1) This section applies to an entity (**entity S**) if—
  - (a) it is a subsidiary of an entity (**entity A**) to which **section 8** applies; and 5
  - (b) **section 8** does not apply to it; and
  - (c) entity A discloses payment practices information for the group as a whole in accordance with **section 9C(1)(a)(i)(B)**.
- (2) Entity S may make a disclosure for each disclosure period that applies to entity A. 10
- (3) The disclosure must be made to the Registrar by the applicable disclosure deadline and in the way required by the Registrar.
- (4) The disclosure must contain the particulars set out in **section 9B(a) to (c)**.

#### **10 Meaning of payment practices information**

- (1) In this Act, **payment practices information**, for an entity and a disclosure period, means— 15
  - (a) the information specified by the regulations about particular invoices received or paid in full or in part by the entity or a subsidiary of the entity during that period (for example, information about the time taken to pay invoices and information about the proportion of invoices paid in full during that period); and 20
  - (b) the information specified by the regulations about invoices issued by the entity or a subsidiary of the entity during that period; and
  - (c) any other information specified by the regulations about the entity's payment practices during that period. 25
- (1A) If an invoice provides for payment by instalments on specified dates, for the purposes of payment practices information, each instalment is to be treated as a separate invoice that—
  - (a) is received, for the second and any subsequent instalment, on the day after the date on which the previous instalment is due; and 30
  - (b) is due on the date specified in the invoice as the due date for that instalment.
- (1B) Payment practices information is not required for invoices that relate to all or any of the following:
  - (a) salary or wages to employees or office holders: 35
  - (b) income tax, goods and services tax, or any other form of tax:
  - (c) rent or a lease:

- (d) charges related to electricity, gas, telecommunications services, or other utilities:
- (e) local body rates and charges:
- (f) any goods or services specified by the regulations.
- (2) ~~In this section, **paid** means paid in full or in part.~~ 5
- (2) Before recommending that regulations be made for the purpose of this section, the Minister must be satisfied that the regulations enable an entity to disclose information about disputed invoices separately from information about invoices in respect of which payment is late.
- 11 Meaning of identifying information** 10
- In this Act, **identifying information**, for an entity, means the following information about the entity:
- (a) its legal name:
- (b) its trading name or names:
- (c) its registered address: 15
- (d) its email address:
- (e) its New Zealand Business Number:
- (f) its industry classification (within the meaning of section 170 of the Accident Compensation Act 2001):
- (g) any other information specified by the regulations. 20
- Other obligations*
- 12 Application of sections 13 to 17**
- Sections 13 to 17** apply to entities that are required to make disclosures under **section 8**.
- 13 ~~Entities must publish payment practices information~~** 25
- (1) ~~As soon as practicable after making a disclosure, an entity must publish the payment practices information contained in the disclosure on an Internet site maintained by, or on behalf of, the entity.~~
- (2) ~~The entity must ensure that the information remains available on an Internet site maintained by, or on behalf of, the entity for 7 years after the end of the relevant disclosure period.~~ 30
- 14 Entities must keep certain records for 7 years**
- (1) An entity must keep records of any information it uses to prepare for, and make, a disclosure.
- (2) The entity must keep the records for 7 years after the end of the relevant disclosure period. 35

**15 Entities must notify Registrar of error or omission**

- (1) This section applies if an entity becomes aware of an error or omission in a disclosure that involves a substantial departure from the requirements of this Act or the regulations relating to that disclosure.
- (2) The entity must notify the Registrar of the error or omission— 5
  - (a) in the way required by the Registrar; and
  - (b) as soon as practicable after the entity becomes aware of the error or omission.
- (3) In this section, **substantial departure from the requirements** includes,— 10
  - (a) if regulations specify permitted departures, any departure that is greater than an amount or a percentage specified in the regulations (if the requirement is to disclose a figure or percentage):
  - (b) any non-compliance with a requirement (if the requirement is to disclose something other than a figure or percentage).
- (4) Regulations for the purpose of **subsection (3)(a)** may specify a different amount or percentage as a permitted departure for each class of things required to be disclosed. 15

**16 Entities must notify Registrar of changes in identifying information**

- (1) This section applies if an entity's identifying information as recorded on the register changes. 20
- (2) The entity must notify the Registrar of the information that has changed—
  - (a) in the way required by the Registrar; and
  - (b) as soon as practicable after that information changes.

**17 Entities must notify Registrar when ~~no longer large~~ Act ceases to apply**

- (1) ~~This section applies if—~~ 25
  - (a) ~~an entity is large in respect of an accounting period; and~~
  - (b) ~~the entity is not large in respect of its next accounting period.~~
- (2) ~~As soon as practicable after the accounting period referred to in **subsection (1)(b)** begins, the entity must notify the Registrar that it is not large in respect of that accounting period.~~ 30  
An entity must notify the Registrar as soon as practicable after this Act ceases to apply to it.

*Business Payment Practices Register***18 Business Payment Practices Register established**

- (1) The Registrar must establish and maintain a register called the Business Payment Practices Register. 35

- (2) The register may be kept as an electronic register or in any other form that the Registrar thinks fit.
- (3) The register must be operated at all times unless—
- (a) the Registrar suspends the operation of the register, in whole or in part, under **subsection (4)**; or 5
  - (b) otherwise specified by the regulations.
- (4) The Registrar may refuse access to the register or otherwise suspend the operation of the register, in whole or in part, if the Registrar considers that it is not practical to provide access to the register.
- 19 Purpose of register** 10
- The purpose of the register is to enable members of the public and entities—
- (a) to access information about certain business-to-business payment practices of large entities; and
  - (b) to help them make informed choices about whether to engage with those entities. 15
- 20 Contents of register**
- The register must, to the extent that the Registrar has received the information, contain the following information for each entity:
- (a) its legal name:
  - (b) its trading name or names: 20
  - (c) its registered address:
  - (d) its New Zealand Business Number:
  - (e) its industry classification (within the meaning of section 170 of the Accident Compensation Act 2001):
  - (f) payment practices information disclosed by the entity: 25
  - (g) if a pecuniary penalty under **section 39** or fine under **section 44** or **45** has been imposed on the entity during the last 7 years, a statement about the number of penalties and fines that have been imposed on the entity during that period:
  - (h) ~~if the this Act no longer applies to the entity is no longer large and it~~ has notified the Registrar of that fact under **section 17**, a statement that the entity is not required to make disclosures: 30
  - (i) any other information specified by the regulations.
- 21 Removing information from register**
- (1) The Registrar must remove payment practices information from the register after the expiry of 7 years after the end of the disclosure period to which the information relates. 35



- (2) If no payment practices information for an entity remains on the register after a removal under **subsection (1)**, the Registrar must remove all information about the entity from the register.
- (3) The Registrar may, despite **section 20**, omit or remove any information that relates to an individual from the register if the Registrar considers that public access to that information would be likely to prejudice the privacy or personal safety of any person. 5

### *Registrar*

## **22 Registrar of Business Payment Practices**

- (1) The chief executive of the Ministry must appoint a Registrar of Business Payment Practices under the Public Service Act 2020. 10
- (2) The Registrar is an employee of the Ministry, and the appointment may be held separately or in conjunction with any other office in the Ministry.
- (3) In this section, **Ministry** means the Ministry of Business, Innovation, and Employment. 15

## **23 Registrar's functions**

The functions of the Registrar are, in accordance with this Act and the regulations, to—

- (a) establish and maintain the register; and
- (b) receive information that entities are required to disclose under this Act; and 20
- (c) perform or exercise functions and powers conferred on the Registrar relating to matters of compliance and enforcement; ~~and,~~
- (d) ~~perform or exercise other functions and powers conferred on the Registrar by this Act or the regulations.~~ 25

## **24 Registrar's power to delegate**

- (1) The Registrar may, either generally or particularly, delegate functions and powers under this Act to any employee of the public service (within the meaning of the Public Service Act 2020) (except this power of delegation).
- (2) A delegation under this section must be in writing. 30
- (3) Subject to any general or special directions given or conditions imposed by the Registrar, the person to whom any functions or powers are delegated may perform those functions or exercise those powers in the same manner, subject to the same restrictions, and with the same effect as if it had been conferred on them directly by this Act. 35
- (4) A person acting under a delegation must, in the absence of proof to the contrary, be presumed to be acting within the terms of the delegation.

- (5) A delegation does not affect or prevent the performance of a function or the exercise of a power by the Registrar or affect their responsibility for the actions of the person acting under the delegation.
- (6) A delegation may be revoked in writing at will.
- (7) A delegation continues in force until it is revoked. 5

### Part 3

#### Compliance, enforcement, and offences

##### *Registrar's compliance and enforcement powers*

#### **25 Registrar may monitor and investigate compliance with Act**

- (1) The Registrar may exercise a power described in **subsection (3)** for any of the following purposes: 10
  - (a) to ascertain whether information provided to the Registrar is correct:
  - (b) to ascertain whether a person is complying, or has complied, with this Act:
  - (c) to ascertain whether the Registrar should exercise any of the Registrar's powers under this Act: 15
  - (d) to detect offences against this Act.
- (2) However, the Registrar may exercise the power only if they are satisfied that it would be in the public interest to do so.
- (3) The powers are the following: 20
  - (a) to require a person, in relation to information provided to the Registrar, to confirm that the information is correct or to correct the information:
  - (b) to require a person to produce for inspection relevant documents within that person's possession or control:
  - (c) to inspect and take copies of relevant documents: 25
  - (d) to take possession of relevant documents and retain them for a reasonable period for the purpose of taking copies:
  - (e) to retain relevant documents for a longer period if—
    - (i) the Registrar reasonably believes that the documents are evidence of the commission of an offence; and 30
    - (ii) the period is reasonable in all of the circumstances:
  - (f) if the Registrar reasonably believes that a person is not complying, or has not complied, with this Act, to require the person to—
    - (i) engage a qualified auditor (within the meaning of section 35 of the Financial Reporting Act 2013) to review the person's payment practices information for 1 or more disclosure periods; and 35

- (ii) provide the results of that review to the Registrar.
- (4) When exercising the power described in **subsection (3)(a)**, the Registrar may specify, in relation to the confirmation or correction,—
  - (a) a particular form in which it must be provided; and
  - (b) a date by which it must be provided; and 5
  - (c) whether it must be verified by the production of original documents or certified copies of original documents or by a statutory declaration.
- (5) A person must not obstruct or hinder the Registrar while the Registrar is exercising a power conferred by this section.
- (6) In this section, **relevant documents** means documents that contain information relating to an entity or its disclosures. 10

## 26 Registrar may issue compliance notice

- (1) If the Registrar is satisfied that a person has failed to comply with any of the provisions listed in **section 31(2)**, the Registrar may issue a written notice to the person (a **compliance notice**). 15
- (2) A compliance notice must state—
  - (a) the name of the person to whom it is issued; and
  - (b) the reasons why the Registrar issued it; and
  - (c) the steps the person must take—
    - (i) to avoid, remedy, or mitigate any actual or likely adverse effects arising from the non-compliance; or 20
    - (ii) to ensure that the non-compliance is not continued or repeated; and
  - (d) a reasonable period within which the person must take the required steps; and 25
  - (e) ~~the conditions, if any, imposed by the Registrar; and~~
  - (f) the consequences of not complying with the notice; and
  - (g) the right of review in **section 29**; and
  - (h) the Registrar's name and address.

## 27 Service of compliance notice 30

- (1) The Registrar must ensure that a compliance notice is served on the person to whom it is issued.
- (2) **Section 36** applies to the service of a compliance notice as if it were an infringement notice.

**28 Person must comply with compliance notice**

A person to whom a compliance notice is issued must comply with it within the period specified in the notice.

**29 Review of compliance notice**

- (1) A person to whom a compliance notice is issued may apply to the Registrar for a review of the notice. 5
- (2) The application must state—
  - (a) the reasons why the applicant thinks the notice should be reviewed; and
  - (b) the outcome the applicant is seeking.
- (2A) The application for review must be received by the Registrar no later than 10 days after the date on which the notice was served. 10
- (3) The notice remains in force until the decision on the review is notified to the applicant under **section 30**.

**30 How review must be conducted**

- ~~(1) The Registrar must ensure that a review applied for under **section 29** is conducted by a person (the reviewer) who was not involved in issuing the compliance notice concerned.~~ 15
- (1) The chief executive of the Ministry must appoint a person, other than the Registrar or a delegate of the Registrar, to conduct a review applied for under **section 29** (the reviewer). 20
- (2) The reviewer must review the compliance notice on the papers within 20 working days after the date on which the application for review was made.
- (3) The reviewer may—
  - (a) confirm or vary the compliance notice; or
  - (b) cancel the compliance notice; or 25
  - (c) cancel the compliance notice and substitute another compliance notice that the reviewer considers appropriate.
- (4) The reviewer must give the applicant and the Registrar written notice of the reviewer's decision.
- (5) The reviewer's decision is final, except as provided in **section 30A**. 30

**30A Appeal against review decision**

- (1) An applicant or the Registrar may appeal to the District Court against a decision of the reviewer under **section 30(3)**.
- (2) The appeal must be lodged within 14 days after the date on which the notice referred to in **section 30(4)** was served. 35
- (3) On an appeal under **subsection (1)**, the court must inquire into the decision and may—

- (a) confirm or vary the decision; or
- (b) set aside the decision; or
- (c) set aside the decision and substitute another decision that the court considers appropriate.

### *Infringement offences*

5

## **31 Infringement offences**

- (1) A person that fails to comply with any of the provisions listed in **subsection (2)** commits an infringement offence and is liable to—
  - (a) an infringement fee of an amount prescribed by the regulations; or
  - (b) a fine imposed by a court that must not exceed an amount prescribed by the regulations. 10
- (2) The provisions are the following:
  - (a) **section 8** (large entities must make disclosures):
  - (aa) **sections 9B and 9C** (contents of disclosure):
  - (ab) **section 9D(3) and (4)** (certain subsidiaries may make disclosures): 15
  - (b) ~~**section 13** (entities must publish payment practices information):~~
  - (c) **section 14** (entities must keep certain records for 7 years):
  - (d) **section 15** (entities must notify Registrar of error or omission):
  - (e) **section 16** (entities must notify Registrar of changes in identifying information): 20
  - (f) **section 17** (entities must notify Registrar when ~~no longer large~~ Act ceases to apply).

## **32 Proceedings for infringement offences**

- (1) A person who is alleged to have committed an infringement offence may—
  - (a) be proceeded against by the filing of a charging document under section 14 of the Criminal Procedure Act 2011; or 25
  - (b) be issued with an infringement notice under **section 33**.
- (2) Proceedings commenced in the way described in **subsection (1)(a)** do not require the leave of a District Court Judge or Registrar under section 21(1)(a) of the Summary Proceedings Act 1957. 30
- (3) *See* section 21 of the Summary Proceedings Act 1957 for the procedure that applies if an infringement notice is issued.

## **33 When infringement notice may be issued**

The Registrar may issue an infringement notice to a person if the Registrar believes on reasonable grounds that the person is committing, or has committed, an infringement offence. 35

**34 Infringement notice may be revoked before payment made**

- (1) The Registrar may revoke an infringement notice before—
- (a) the infringement fee is paid; or
  - (b) an order for payment of a fine is made or deemed to be made by a court under section 21 of the Summary Proceedings Act 1957. 5
- (2) The Registrar must take reasonable steps to ensure that the person to whom the notice was issued is made aware of the revocation of the notice.
- (3) The revocation of an infringement notice before the infringement fee is paid is not a bar to any other enforcement action against the person to whom the notice was issued in respect of the same matter. 10

**35 What infringement notice must contain**

An infringement notice must be in the form prescribed by the regulations and must contain the following particulars:

- (a) details of the alleged infringement offence that fairly inform a person of the time, place (if any), and nature of the alleged offence: 15
- (b) the amount of the infringement fee:
- (c) the address of the Registrar:
- (d) how the infringement fee may be paid:
- (e) the time within which the infringement fee must be paid:
- (f) a summary of the provisions of section 21(10) of the Summary Proceedings Act 1957: 20
- (g) a statement that the person served with the notice has a right to request a hearing:
- (h) a statement of what will happen if the person served with the notice neither pays the infringement fee nor requests a hearing: 25
- (i) any other matters prescribed in the regulations.

**36 How infringement notice may be served**

- (1) An infringement notice may be served on a person that the Registrar believes is committing or has committed the infringement offence by—
- (a) delivering it to an officer or employee of the person at the person's head office, principal place of business or work, or registered office, or by bringing it to the officer's or employee's notice if that person refuses to accept it; or 30
  - (b) sending it to the person by prepaid post addressed to the person's last known place of business or work; or 35
  - (c) sending it to an electronic address of the person in any case where the person does not have a known place of residence or business in New Zealand.

- (2) Unless the contrary is shown,—
- (a) an infringement notice (or a copy of it) sent by prepaid post to a person under **subsection (1)** is to be treated as having been served on that person on the fifth working day after the date on which it was posted; and
  - (b) an infringement notice sent to a valid electronic address is to be treated as having been served at the time the electronic communication first enters an information system that is outside the control of the Registrar. 5
- 37 Payment of infringement fees**
- All infringement fees paid for infringement offences must be paid into a Crown Bank Account. 10
- 38 Reminder notices**
- A reminder notice must be in the form prescribed in the regulations, and must include the same particulars, or substantially the same particulars, as the infringement notice.
- Pecuniary penalties* 15
- 39 Pecuniary penalty for contravention of compliance notice or involvement in contravention**
- (1) The High Court may, on the application of the Registrar, order a person to pay to the Crown a pecuniary penalty if the court is satisfied that the person has contravened the requirement in **section 28** or has been involved in the contravention. 20
  - (2) For the purposes of this Part, a person is **involved** in a contravention if the person has—
    - (a) aided, abetted, counselled, or procured any other person to contravene the requirement; or 25
    - (b) induced any other person, whether by threats or promises or otherwise, to contravene the requirement; or
    - (c) been in any way, directly or indirectly, knowingly concerned in, or party to, the contravention by any other person; or
    - (d) conspired with any other person to contravene the requirement. 30
  - (3) The amount of any pecuniary penalty under **subsection (1)** must not exceed,—
    - (a) in the case of an individual, \$50,000 for each act or omission; and
    - (b) in any other case, \$500,000 for each act or omission.
- 40 Considerations for court** 35
- In determining an appropriate penalty under **section 39**, the court must have regard to—

|           |                                                                                                                                                                                                                                                                                                                                        |    |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
|           | (a) the nature and extent of the contravention or involvement in the contravention; and                                                                                                                                                                                                                                                |    |
|           | (b) the circumstances in which the contravention or involvement in the contravention took place; and                                                                                                                                                                                                                                   |    |
|           | (c) any previous contraventions or involvement in contraventions of a similar nature; and                                                                                                                                                                                                                                              | 5  |
|           | (d) any other relevant matter.                                                                                                                                                                                                                                                                                                         |    |
| <b>41</b> | <b>Rules of civil procedure and civil standard of proof apply</b>                                                                                                                                                                                                                                                                      |    |
|           | A proceeding under <b>section 39</b> is a civil proceeding and the rules of court and rules of evidence and procedure for civil proceedings apply (including the standard of proof).                                                                                                                                                   | 10 |
| <b>42</b> | <b>Limitation period for proceedings</b>                                                                                                                                                                                                                                                                                               |    |
|           | A proceeding under <b>section 39</b> must be commenced within 3 years after the person's contravention or involvement in a contravention was discovered or ought reasonably to have been discovered.                                                                                                                                   | 15 |
| <b>43</b> | <b>Relationship between pecuniary penalties and criminal liability</b>                                                                                                                                                                                                                                                                 |    |
| (1)       | Once criminal proceedings against a person for an offence under <b>section 44</b> or <b>45</b> are determined, the High Court may not order the person to pay a pecuniary penalty in respect of the conduct, events, transactions, or other matters that were the subject of the criminal proceedings.                                 | 20 |
| (2)       | Once civil proceedings against a person for a pecuniary penalty under <b>section 39</b> are determined, the person may not be convicted of an offence under <b>section 44</b> or <b>45</b> in respect of the conduct, events, transactions, or other matters that were the subject of the civil proceedings.                           |    |
| (3)       | Any uncompleted proceedings for an order under this Act that a person pay a pecuniary penalty must be stayed if criminal proceedings are started, or have already been started, against the person for the same act or omission, or substantially the same act or omission, in respect of which the pecuniary penalty order is sought. | 25 |
|           | <i>Offences</i>                                                                                                                                                                                                                                                                                                                        | 30 |
| <b>44</b> | <b>Offence relating to failure to comply with inspection requirements</b>                                                                                                                                                                                                                                                              |    |
| (1)       | A person commits an offence if they knowingly fail to comply with—                                                                                                                                                                                                                                                                     |    |
|           | (a) a requirement under <b>section 25(3)(a), (b), or (f)</b> (which empowers the Registrar to require a person to confirm information is correct, produce relevant documents, or undergo an audit);                                                                                                                                    | 35 |
|           | (b) <b>section 25(5)</b> (which provides that a person must not obstruct or hinder the Registrar while the Registrar is exercising any of their powers under <b>section 25</b> ).                                                                                                                                                      |    |



- (2) A person that commits an offence under this section is liable on conviction to a fine of,—
- (a) in the case of an individual, \$50,000; or
  - (b) in any other case, \$500,000.
- 45 Offence relating to filing false or misleading information** 5
- (1) A person commits an offence if they—
- (a) provide, or authorise the provision of, information in a disclosure to the Registrar that the person knows is false or misleading in a material particular; or
  - (b) omit, or authorise the omission of, any matter from a disclosure knowing that the omission makes the disclosure false or misleading in a material particular. 10
- (2) A person that commits an offence under this section is liable on conviction to a fine of,—
- (a) in the case of an individual, \$50,000; or 15
  - (b) in any other case, \$500,000.

## Part 4

### Miscellaneous

#### 46 Exemptions

- (1) The Minister may exempt by notice a class of entities from all or any of its obligations under this Act. 20
- (2) The Minister may grant the exemption only if—
- (a) they have had regard to—
    - (i) the purpose of this Act and regulations; and
    - (ii) the overall impact that the exemption would have on the effectiveness of, and compliance with, this Act; and 25
  - (b) they are satisfied that—
    - (i) there is good reason for granting the exemption that outweighs the interests of the public in having the obligation met; and
    - (ii) the extent of the exemption is not broader than is reasonably necessary to address the matters that gave rise to the exemption. 30
- (3) The Minister may grant the exemption unconditionally or subject to any conditions that the Minister may prescribe in the notice.
- (4) A notice made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 35

**47 Regulations**

- (1) The Governor-General may, by Order in Council on the recommendation of the Minister, make regulations for all or any of the following purposes:
- (a) providing for anything this Act says may or must be provided for by regulations: 5
  - (b) prescribing fees for infringement offences under this Act, which must not exceed \$3,000:
  - (c) prescribing maximum fines for infringement offences under this Act, which must not exceed \$9,000:
  - (d) providing for anything incidental that is necessary for carrying out, or giving full effect to, this Act. 10
- (2) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

**48 Registrar may specify disclosure periods and disclosure deadlines**

- (1) The Registrar may specify by notice— 15
- (a) the timing of the periods for which an entity or a class of entity must make a disclosures (**disclosure periods**); and
  - (b) the deadlines by which those disclosures must be made (**disclosure deadlines**).
- (2) ~~A The length of a disclosure period must not be longer than~~ 6 months. 20
- (3) A disclosure deadline must not be earlier than 1 month after the expiry of the relevant disclosure period.
- (4) A notice made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements), unless it applies only to 1 or more named entity. 25

**Part 5****Amendments to other Acts***Amendment to Summary Proceedings Act 1957***49 Principal Act**

**Section 50** amends the Summary Proceedings Act 1957. 30

**50 Section 2 amended (Interpretation)**

In section 2(1), definition of **infringement notice**, after paragraph (ji), insert:

(jj) **section 33** of the Business Payment Practices Act **2022**; or

*Amendment to Tax Administration Act 1994***51 Principal Act****Section 52** amends the Tax Administration Act 1994.**52 Schedule 7 amended**

In Schedule 7, Part C, after clause 25, insert:

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**25B Business, Innovation, and Employment: Registrar of Business Payment Practices**

Section 18 does not prevent the Commissioner disclosing to the Registrar of Business Payment Practices information for the purpose of monitoring compliance with the requirements of the Business Payment Practices Act **2022** under which certain entities must disclose and publish their payment practices information.

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*Amendments to Financial Reporting Act 2013***53 Principal Act****Sections 54 and 55** amend the Financial Reporting Act 2013.

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**54 Section 48 amended (Minister must regularly review amounts to take into account inflation)**

In section 48(1)(a), after “sections 45 and 46 of this Act,”, insert “**section 9A** of the Business Payment Practices Act **2022**,”.

**55 Section 49 amended (Order may amend amounts)**

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After section 49(1)(c), insert:

(caaa) amending the amount specified in **section 9A** of the Business Payment Practices Act **2022**:

## Schedule Transitional, savings, and related provisions

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### Part 1 Provisions relating to Act as enacted

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- 1** **Disclosures not required for disclosure periods that start before ~~Act commences commencement~~**
- Section 8(2)** does not apply in respect of a disclosure period that starts before this ~~Act clause commences~~ comes into force.
- 2** **Only entities with revenue of \$100 million required to disclose for first disclosure period** 10
- Despite **section 8(2)**, an entity to which **section 8** applies is not required to make a disclosure for its first disclosure period after the date on which this clause comes into force unless the total revenue of the entity and its subsidiaries (if any) in each of the 2 preceding accounting periods exceeds \$100 million. 15
- 3** **Provisions relating to commencement**
- (1) If a power conferred by one of the provisions referred to in **section 2(2)(a) to (e)** is exercised during the period that starts when those provisions come into force and ends when the rest of this Act comes into force, the power may be exercised only with effect on or after the end of that period. 20
- (2) **Subclause (1) applies as if—**
- (a) all other legislation that is relevant to the power's exercise, and that has not yet commenced, has commenced; and
- (b) a legal position that would be conferred or imposed by legislation that is relevant to the power's exercise, and that has not yet commenced, has been conferred or imposed. 25
- (3) This clause does not affect the application of Part 2 of the Legislation Act 2019 to this Act.

### Legislative history

26 October 2022  
8 November 2022

Introduction (Bill 179–1)  
First reading and referral to Economic Development, Science  
and Innovation Committee