



Business Payment Practices disclosure regime

The Ministry of Business, Innovation and Employment (MBIE) is asking for feedback on regulations to support the new Business Payment Practices disclosure regime. This regime requires large firms to publicly disclose their payment practices, including payment times. The regulations will set out what information large firms will have to disclose.

These regulations are being consulted on at the same time as the Business Payment Practices Bill is being considered by Parliament. MBIE is asking for feedback from business communities on details such as what information should be disclosed, how it should be disclosed, and the process for how exemptions from the regime would work.

WHAT IS THE PROBLEM?

Late and overdue payments cause stress and uncertainty for small businesses, and this can have wider economic impacts too. Small businesses are also less resilient to poor payment practices, and these often lead to financial problems for these businesses. Sometime extended payment terms are caused by uneven bargaining power between businesses, with a supplier having no choice but to accept payment terms on a 'take it or leave it' basis.

THE BUSINESS PAYMENT PRACTICES REGIME

The Business Payment Practices regime will make business payments more transparent and give businesses better information to rely on when trading.

Entities with over \$33 million in revenue will need to disclose information about their payment practices twice a year. This will be stored on a public register administered by MBIE, and on the entity's website.

A Business Payment Practices Registrar will look after the register and ensure compliance with the rules.

WHAT WE WOULD LIKE TO HEAR FROM YOU

Please note this is not consultation on whether or not to have a new Business Payment Practices regime. The Government has already made this decision in December 2021, and a Business Payment Practices Bill has now been introduced to Parliament.

We are seeking your views on some of the detail to be included in the regulations. In particular we would like to know your views on:

- › What payment practices information would be most useful to businesses when deciding who to do business with and how we can make it as easy as possible for reporting entities to disclose their payment information.
- › How disclosure periods for reporting entities should be set by the regime's Registrar.
- › Whether any groups of entities should be exempt from the BPP regime.

Your feedback will help inform the development of draft regulations for this regime.

Please visit the consultation page on MBIE's website to read the discussion document and make a submission. Submissions close on 26 February 2023.

If you have any queries, please contact: BPPregulations@mbie.govt.nz