



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash	<b>Portfolio</b>	Small Business
<b>Title of Cabinet paper</b>	Better Business Payment Practices Bill – Amendments to Policy	<b>Date to be published</b>	8 November 2022

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
3 August 2022	Better Business Payment Practices Bill – Amendments to Policy	Office of the Minister for Small Business
7 August 2022	Cabinet Minute CAB-22-MIN-0300.01	Cabinet Office

### Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of constitutional conventions.

Some of the information contained in these documents relates to decisions made about the Business Payment Practices Bill while being drafted, and some of those decisions were subsequently changed. Final decisions are reflected in the Business Payment Practices Bill introduced to Parliament.



# Cabinet

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Better Business Payment Practices Bill: Policy Amendments

**Portfolio**                      **Small Business**

On 8 August 2022, following reference from the Cabinet Economic Development Committee, Cabinet:

#### Background

- 1        **noted** that on 20 December 2021, Cabinet:
  - 1.1      agreed to establish a Better Business Payment Practices disclosure regime, with the primary purpose of bringing transparency to business-to-business payment practices across the economy;
  - 1.2      authorised the Minister for Small Business to make any necessary policy decisions that may arise in drafting, consistent with the agreed policy intentions;

[CAB-21-MIN-0546]

- 2        **noted** the decisions made by the Minister for Small Business to date, as outlined in the Appendix to the paper under DEV-22-SUB-0172;
- 3        **noted** that Cabinet approval is now being sought for three significant policy matters;

#### Application

- 4        **noted** that Cabinet has previously agreed that those entities that are involved in a taxable activity as defined by the Goods and Services Tax Act 1985, that file GST returns on a one-month basis for GST, and whose taxable supplies are greater than \$24 million per annum, would be required to report as part of the disclosure regime [CAB-21-MIN-0546, paragraph 10];
- 5        **rescinded** the decision referred to in paragraph 4 above; and instead
- 6        **agreed** that the disclosure regime apply to those entities, including overseas entities, that are defined as 'large' under section s45(1)(b) of the Financial Reporting Act 2013;

**Sharing of commercial information**

- 7 **agreed** to an amendment to Schedule 7, part C, of the Tax Administration Act 1994 so that the statutory requirements for keeping sensitive revenue information confidential do not prevent Inland Revenue from disclosing specified sensitive revenue information to the Ministry of Business, Innovation and Employment under specified circumstances;

**Reporting**

- 8 **agreed** to remove the requirement for reporting entities to report on the receipt of payment;

**Legislative implications**

- 9 **noted** that the Better Business Payment Practices Bill has a category 4 priority on the 2022 Legislation Programme (to be referred to a select committee in 2022);
- 10 **invited** the Minister for Small Business to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs.

Rachel Hayward  
Acting Secretary of the Cabinet

*Secretary's Note: This minute replaces DEV-22-MIN-0172. Cabinet agreed to the rescinding recommendation in paragraph 5.*

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