



2 September 2022

Ms Mary Jeffries
Payment Performance Branch
Small and Family Business Division
Treasury
Langton Crescent
PARKES ACT 2600

By email: support@paymenttimes.gov.au

Dear Ms Jeffries,

Payment Times Reporting: Updated Guidance Material

The Corporate Tax Association (CTA) and Business Council of Australia (BCA) (together the **Joint Bodies**) welcome the opportunity to make a submission to Treasury on the draft Payment Times Reporting draft guidance material (**PTR Guidance**) out for consultation.

The CTA is the key representative body of 149 major companies in Australia on corporate tax issues advocating for a simple and efficient corporate tax system. Further information about the CTA can be found on our website at www.corptax.com.au.

The BCA represents over 130 of Australia's largest employers, advocating for good policy on behalf of the business community and the Australians they employ.

Overview

Our members are supportive of the Payment Times Reporting framework (**PTR regime**) to improve transparency of payment times to small business and complement the voluntary commitments to fast payment through the BCA's Australian Supplier Payment Code. Small businesses play a critical role in their communities and across supply chains. That success relies on invoices being paid quickly, in full and on time. We are committed to further engagement to improve payment times, including working with the PTR Regulator and Australian Small Business and Family Enterprise Ombudsman.

The Australian Supplier Payment Code is an industry-led voluntary commitment to improve payment times to small businesses. It commits signatories to pay their small business suppliers within 30 days and on time. There are currently 154 signatories to the Code, with combined revenue of around \$670 billion. The code was independently reviewed and found to be well-designed and working to speed up payment times for small business by Professor Graeme Samuel AC in early 2019. The review made a number of recommendations to address issues raised in the expert panel's consultation process and to promote greater adoption of the code – all of which have been adopted.

Member companies have undertaken significant investments to meet their reporting obligations under this regime. This process has identified many practical issues around the policy and its implementation which may result in unrepresentative payment times data and unnecessarily increase compliance costs. This consultation process provides an opportunity to address many of these issues.

It is important that the guidance accompanying the PTR regime is clear and practical, which will enable the information reported to be as accurate as possible. This in turn means PTR reports will provide a comprehensive view of payment times performance, consequently assisting the scheme to achieve its policy objective of improving payment outcomes for small businesses and creating transparency around the payment practices of large businesses¹.

There is always an adjustment period for a new reporting or compliance systems. With two reporting periods now completed, our members have had the opportunity to bed down their systems to ensure they comply with the PTR reporting requirements. With this experience in hand, we make a number of specific comments below with regards to the PTR Guidance with a view to ensuring the guidance is clear and practical, and covers the breadth of issues necessary to ensure the PTR regime meets its policy objective. This is also an opportunity to enhance the 'frequently asked questions²' section on the website in line with improvements made to PTR Guidance following this consultation to ensure they are practical and helpful. Specific comments on the draft Guidance notes are covered later.

General comments

Choice of Guidance to follow

Our members have raised concerns about the comments made in the Consultation Paper at p3:

While the consultation is open, reporting entities may choose to use the draft guidance to prepare reports or applications. As consultation is during a reporting window for many entities, this is an opportunity to test the guidance notes during report preparation and provide feedback.

Alternatively, reporting entities can continue to use the existing guidance on our website until guidance notes are finalised. The choice of guidance used by reporting entities prior to guidance note finalisation will not affect their compliance with reporting obligations.

The Regulator should be aware that this statement creates unnecessary uncertainty among reporting entities regarding which set of guidance, existing or the draft, upon which to base their next reports due by 30 September 2022 (third reporting period). It will also inevitably create inconsistencies in the set of reports the PTR Regulator is going to receive. We consider that due to this inconsistency, it would be incumbent upon the Regulator to take a more flexible approach when reviewing reports received in this third reporting period given it is permitting reports to be received

¹ Refer to p2 of the Explanatory Memorandum to the *Payment Times Reporting Act 2020* (Cth)

² <https://paymenttimes.gov.au/how-report/frequently-asked-questions>

that meet different sets of guidance. It would also be incumbent upon the Regulator to publicly communicate this inconsistency and the potential impact on reports that will be published on the publicly available Payment Times Reporting Register (Register).

Timeframe for publishing reported data

To further meet the 'transparency' element of the policy objective of this regime, our members consider that the Regulator should commit to a specific timeframe in which reporting entities can expect to see their reported information published on the Register. Reports are currently published sporadically and some companies have noted their reports have been published with extensive delays, with no clear understanding for the delay.

Other

1. Including information in the 'comments' section – as a general observation, the ability to provide comments for many of the reporting fields is welcome. While the guidance material regularly refers to the opportunity to provide comments where issues arise, this is not an alternative to the guidance clearly addressing the underlying issues that give rise to the need to provide comments. For example, the ability to provide comments in response to issues with the Small Business Identification Tool (SBI Tool) is not a substitute for an accurate SBI Tool that reliably identifies small businesses. Furthermore, Guidance Note 2 outlines the process for publication of reports, which includes screening for information that may not be in the public interest to publish. Given the almost 9,000 reporting entities, the increased reliance on comments will increase the administration costs and potentially delay publication of the data. Ultimately, the underlying issues that give rise to the need to provide comments must be addressed.
2. Inconsistent email communications – members have reported receiving multiple emails from the Regulator for numerous of their reporting entities and no communication regarding other reporting entities. There is concern that among a multitude of emails from the Regulator, an important email may be accidentally missed. We recommend the Regulator consider streamlining its communications to reporting entities, particularly where the same contact person is assigned to multiple reporting entities. This will help ensure important email communications are not missed.
3. Audit process – additional guidance should be published to provide companies with certainty around acceptable audit processes that companies may use to ensure they are compliant with the PTR regime. This would also ensure compliance costs are minimised.

Specific Comments on the Draft Guidance Notes

Guidance Note 1 – Key Concepts

1. 'Entities deemed to be reporting entities' and 'Volunteering entities' – the process is difficult for an entity that is deemed to be a reporting entity to cease to be a reporting entity where they were 'deemed' on the basis of carrying on an enterprise in Australia. P4 of Guidance Note 1 includes 'carries on an enterprise in Australia' as one of the three criteria. However, in the PTR Portal, the only three ways to notify whether an entity is a reporting entity is based on level of income, whether the entity is constitutionally covered or is a charity or not-for-profit entity registered with the Australian Charities and Not-for-Profit Commission. Whether the entity carries on an enterprise in Australia is not an option.

Guidance Note 3 at pp8-11 discusses when the Regulator will determine when an entity ceases to be a reporting entity.

There seems to be a disconnect between the guidance and the options included in the PTR Portal.

In addition, some entities initially chose to take a conservative position and volunteered to report, subsequently determining they no longer needed to report and had difficulty removing themselves from the system. Guidance Note 3 indicates at p10, a notification can be provided in writing by way of statutory declaration or letter stating the entity is only a reporting entity as a result of volunteering and it has not become a reporting entity. It would be useful if the provision of this notification could be facilitated by the PTR Portal.

2. Identifying the relevant income threshold – the current guidance relies on tax definitions of income to determine the relevant income threshold (refer to the Appendix). The draft guidance no longer refers to tax definitions and instead refers to the Australian accounting standards. Various entities (such as unincorporated partnerships and trusts) do not need to prepare financial statements in accordance with the Australian accounting standards. It is unnecessarily onerous to require an entity that is not required to prepare accounts according to the Australian accounting standards (or another standard that aligns with the International Financial Reporting Standards) solely for this purpose.

For these affected entities, we recommend preserving the tax definitions used in the current guidance. For consistency, this approach should be preserved for all reporting entities.

3. Head entities – it appears that an entity without an Australian Business Number (i.e. a foreign ultimate parent entity) can now be the 'head entity' per paragraph 46. If this is correct, we welcome this change as this may simplify reporting. It would be useful if this could be clarified in Guidance Note 1.

Further clarity is sought around whether this is solely for the purpose of simplifying reporting of corporate groups. As an example, where a reporting entity (Entity B) is owned by a foreign entity (Entity A) that is not a reporting entity, it appears Entity B will not have a head entity for reporting purposes unless Entity A owns other reporting entities within a group. If so, does that mean the 'Head Entity Name' field should be left blank in this circumstance?

4. Unincorporated entities and unincorporated joint ventures (UJV) – the current guidance on unincorporated entities and unincorporated joint ventures is extensive (refer to the Appendix). However, the guidance in Table 1 at paragraph 30 reduces this substantially. We recommend preserving the extensive guidance for UJVs to guide which entities are required to report payments made by a UJV.

Some business structures involve an unincorporated partnership with a service trust and partnership. Small business suppliers could be engaged either by the service trust or the partnership. Both compliance and reporting could be supported if reporting is streamlined for these entities, for example through a consolidated report produced by the entity with the most economic control.

5. Supply of goods and services – paragraph 73 includes a comment "If GST is payable for a supply, it may indicate the supply was for a good or service." Please clarify when this would not be the circumstance.
6. Trade credit arrangements – the list of payment arrangements in paragraph 74 appears to be a list of exclusions rather than examples of trade credit arrangements. Information in paragraph 81 contradicts paragraph 74. This discrepancy requires clarification.

Paragraph 75 notes that prepayments are not trade credit arrangements. Trade credit arrangements are defined as "where there is agreement for a delay between supply of goods or services and payment."

Please clarify if a 'prepayment' only refers to payments made before the goods or services are supplied. If so, how should an invoice that partially covers prepayment of a service where payment is due before the completion of services be reported? Is this portion of the invoice a prepayment for reporting purposes?

Example:

An invoice dated 1 June covers services for a future period (1 July – 31 August). Payment is due on 30 June. Does this meet the definition of prepayment because it includes prepaid services (1 July to 31 August)? And/or since payment is required before the completion of service, the invoice is therefore not a trade credit arrangement?

Paragraph 78 requires the reporting entity to have agreed to be bound to pay for the supply at a later time under a trade credit arrangement "before or at the time of the small business supplier providing the goods or services."

There are instances where a reporting entity and supplier may agree that payment for the supply can be delayed after the supply is made. Should this circumstance be excluded from paragraph 78 such that paragraph 78 is limited to the circumstances that a trade credit arrangement only arises if the parties have agreed to delay payment before or at the time of the supply only?

It would be helpful if a simple process or set of requirements could be determined to assist a reporting entity to determine if trade credit arrangement requirements have been met. We note that based on the current guideline for "Small Business Procurement"³, a trade credit arrangement must be determined for all invoices including for the payment of goods or services outside Australia. It may be impractical to monitor which agreement took place before or after the supply of goods/services for oral agreements and some agreements may be formalised in a contract after the supply of goods/services but the 'agreement' may have happened before the supply. It would be helpful if the process can be simplified to include all invoices with an agreement to delay payment (whether the 'agreement' was made before, at the time of or after the supply of goods/service).

7. Credit card payments – this guidance continues to be ambiguous, impractical and the cost of compliance is unreasonably high. Current systems do not provide ABN information to whom a credit card payment has been made. Therefore, it is very difficult for reporting entities to pick up invoices paid by credit cards from payments made for pre-paid services or on-the-spot goods and services (e.g. restaurants and entertainment) through existing systems. This exercise must be done manually and requires trawling through thousands of transactions to match payments to invoices – this is a heavy administrative burden. One company notes an audit of its credit card payments revealed most of these payments to be at the point of sale. Attempts have been made by reporting entities to have credit card companies include the ABN of entities to which payment has been made in credit card statements.

It would be useful if the Regulator could provide a practical administrative solution to this problem or provide examples of how a reporting entity could satisfactorily meet its reporting obligations from an audit perspective. For example, a de minimis amount could be set below which credit card payments for invoices do not need to be reported.

8. Invoice date – paragraph 92 permits an entity to elect to use the invoice issue date for all invoices where ascertaining the invoice receipt date is not supported by its record-keeping processes. Many systems track the invoice issue date instead of the invoice receipt date, which usually must be manually tracked. The ability to elect to use the invoice issue date for all invoices is a useful option.

If this election is made, is there any flexibility to use the receipt date for invoices where there has been a significant delay in receiving the invoice

³ <https://paymenttimes.gov.au/reporting-requirements/what-report>

after the issue date or is the election binding for all invoices? It is not uncommon for there to be delays in suppliers providing their invoices.

The current guidance refers to the contract's invoicing arrangements in determining the invoice issue (receipt) date, including referring to the contractual arrangements (see extract in the Appendix). Oftentimes, the contractual arrangements may indicate the payment time for an invoice can begin at the invoice date or alternatively the date on which goods are received.

Reference to the contractual arrangements does not appear to have carried over into Guidance Note 1 (paragraphs 91 to 94). Business systems often pick up contractual terms when setting payment times for invoices received. We consider that the revised guidance should continue to factor in the contractual arrangements in determining the invoice date for the purpose of the PTR report. This is to ensure that payment times accurately reflect the terms on which they were agreed.

Guidance Note 2 – Preparing a payment times report

1. Small Business Identification Tool – the recommendation at paragraphs 14, 15 and 18 for a reporting entity to run the SBI Tool either at the reporting period end date or at regular intervals throughout the year and note which approach they have taken in the comments section of their report is concerning. This is likely to give rise to variations in reporting. Relying on the comments section to explain the variations in reporting is tenuous. (Refer also to 'Report Comments' section on p15 of *Guidance Note 2 – Appendix 1 – Reporting templates instructions*.)

It would be useful if reporting entities could connect into the SBI Tool in real time via their own systems to check whether a new supplier is a small business for PTR purposes (e.g. through an Application Programming Interface Tool). This would also assist when the status of a business in the SBI Tool changes and a large business could be notified of the change in real time and could update their systems accordingly. This may positively contribute to the continual improvement in both payment times as well as the accuracy of reports. Alternatively, the 'small business' status information could be shared with the Australian Business Register against a business' ABN record.

The suggestion in paragraph 20 for a reporting entity to request a small business supplier itself consider if it is a small business is impractical and may cause unnecessary tension between the reporting entity and supplier if such a request is made. These issues should be pursued by the Regulator, or an alternative data source could be considered (e.g. consider ATO data to identify small businesses). It also raises concerns about the integrity of the SBI Tool if a small business is self-determining if it is small or not at the request of a large business customer.

The suggestion in paragraph 20 that a reporting entity provides a copy of invoices and payment records to the Regulator that show the entity has paid

over A\$10 million to the small business supplier in a single income year is unnecessarily onerous to comply with and raises further concerns about the integrity of the SBI Tool. The current guidance on how to notify the register if a reporting entity considers a supplier is not a small business includes the option of providing a statutory declaration to this effect (see the extract in the Appendix). Providing a statutory declaration is a much less onerous and more practical option, that also carries serious consequences. We recommend retaining this option.

2. Other – we suggest considering flexibility around the format of the report to a more user-friendly approach e.g. reporting down instead of across the spreadsheet.

Guidance Note 2 – Appendix 1 – Reporting templates instructions

1. Standard payment periods – the statement on p6 regarding entering '0' when no payment terms are offered to small business suppliers because the reporting entity does not procure from the small business is confusing. It makes sense if the standard payment terms are included and '0' is used in the absence of standard terms. We recommend the following amendment (in red):

'Where no **standard** terms are offered to small business suppliers because the entity does not procure from small business enter the number 0 (zero).'

Guidance Note 3 – Applications and notifications

1. Eligibility for a determination to cease being a reporting entity – Table 2 at paragraph 39 indicates that a member entity with income falling below \$10 million for 2 consecutive income years should not apply for a determination. Please clarify why this statement is necessary.

We note Table 7 in paragraph 78 indicates this is a 'notifiable event' and provides a statement that appears should be included in a PTR report. We have worked through an example where this might arise:

- (a) An entity's FY20 income was > \$10M. It satisfied the criteria for a reporting entity and reported in the reporting window 1 January – 30 June 2021 (lodged September 2021).
- (b) The entity's FY21 income was < \$10M. It still reported for the reporting periods 1 July – 31 December 2021 and 1 January – 30 June 2022.
- (c) The entity's FY22 income is also <\$10M.

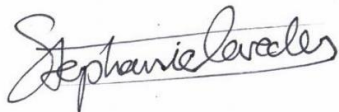
The draft guidance suggests that the reporting entity will still have to submit a PTR report for the reporting period 1 July 2022 – 31 December 2022 with only the commentary field completed with the statement "This entity last had income greater than A\$10 million in its income year ending [date of period]. The entity's income for the 2 most recent income years has been less than A\$10 million." It would appear no numerical information would need to be included in the report. However, the report would have to be signed off by a

responsible member and uploaded into the portal. Is it intended that this notification be provided in this way? This seems unnecessarily onerous. There should be a facility to provide this notification via the portal or provide the notification by way of email similar to the way an entity ceases to be a constitutionally covered entity can notify the Regulator. This would be more efficient both for the reporting entity and the Regulator.

2. Other – it would be useful if the PTR report could be validated in the portal prior to submitting such that any changes required to be made to a report to validate it could be signed off by the responsible member before the final report is submitted. Currently, reports that have already been signed off by the responsible member may need to be amended (not impacting the payment times data) following validation at the time of their submission.

Should you have any questions in relation to the above, please do not hesitate to contact either Stephanie Caredes for the CTA on 0408 028 196 or Pero Stojanovski for the BCA on 0402 833 124.

Yours sincerely,



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Jennifer Westacott
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Appendix

1. Current guidance on income threshold – as at 24 August 2022

(<https://paymenttimes.gov.au/who-must-report/income-threshold>)

Income threshold

Certain entities must report under the Payment Times Reporting Scheme if their annual income is above a certain level.

...

Threshold for reporting

A constitutionally covered entity (CCE) becomes a reporting entity under the Payment Times Reporting Scheme at the start of an income year if it carries on an enterprise in Australia and for its most recent income year:

- its total annual income was more than \$100 million
- for an **entity that's a controlling corporation**, the combined total income of the members of the controlling corporation's group was more than \$100 million
- for an **entity that's a member of a controlling corporation's group** that has a combined income of more than \$100 million, the total income for the member was at least \$10 million.

Most recent income year

The most recent income year for an entity is its previous income year. If relevant, it's also the previous income year of its controlling corporation's group.

Examples

An entity has a total income of over \$100 million in its 2020 to 2021 income year and it meets the other eligibility criteria. It must report in its 2021 to 2022 income year.

An entity has a total income of over \$10 million in its 2020 to 2021 income year and its controlling corporation's group has a combined total income of over \$100 million in the same income year. The entity must report in its 2021 to 2022 income year.

An entity begins operation and meets the eligibility criteria within its first income year. The first year of business will be treated as its most recent income year and it must start reporting in its second income year.

Total income

Total income has the same meaning as in section 3C of the [Taxation Administration Act 1953](#).

The scheme applies this meaning of total income to all individual entities. It's not limited to entities that lodge tax returns. An entity that wouldn't ordinarily calculate its 'total income', needs to notionally determine it. For example, it may be part of a tax consolidated group structure, lodge a non-corporate income tax return or doesn't lodge any income threshold. They would need to determine what they would include in a tax return if they were going to submit one.

Determining total income

Total income is an accounting system amount. It generally corresponds to the total of the relevant amounts in an entity's financial statements or financial records for the income year, as prepared in accordance with Australian accounting standards.

For companies, 'total income' in a given year is explained in the Australian Taxation Office's [Company tax return instructions](#) on the Australian Taxation Office website. Key features for the purposes of the scheme are:

- Total income is a gross figure calculated in Australian dollars. It's not gross assessable income, taxable income or net accounting profit. It may include exempt income, other non-assessable income and foreign source income. Including these amounts increases total income relative to taxable income and accounting profit.
- Total income includes foreign source income and/or intra-group income. This applies where this income is included in the entity's actual or notional total income recorded at label 6S of their company tax return.
- Total income does not include the effect of accounting expenses. The total income figure is not reduced by the costs of earning the income or carrying out the entity's activities.

For individual entities that aren't part of a Tax Consolidated Group (TCG), total income generally corresponds to the income it records at label 6S of the company tax return, as prepared in accordance with the ATO's company tax return instructions.

Entities that don't submit a company or other tax return

For entities that aren't required to submit an individual company or other tax return (for example, an entity that is a member of a TCG, a foreign member entity of a controlling corporation's group, or for any other reason):

- total income generally corresponds to the entity's notional total income that it would record at label 6S of the company tax return if it was required to prepare one
- each entity, including a controlling corporation, needs to determine its notional 'total income'. This means the income it would report as 'total income' if it was required to submit an individual tax return. This includes any intra-group transfers where these are included as income.

Entities that aren't required to or don't submit an individual company or other tax return, may need to go through the motions of completing one to determine their notional total income. Entities should also seek professional advice to determine their notional total income.

For other types of entities that submit non-company income tax returns (such as partnerships and trusts):

- Total income generally corresponds to the total of the relevant amounts in the entity's financial statements or financial records for the income year, as prepared in accordance with Australian accounting standards.

Controlling corporations and their members

Under the scheme, total income is individually determined for each entity. If the entity is a controlling corporation, the combined total income of all members of the group is determined. This is regardless of whether the member is a CCE or a reporting entity. The group's combined total income is the total of each entity's notional total income. Intra-group transfers aren't eliminated.

The combined total income of the controlling corporation's group should include the relevant portion of any new member's total income. This is determined from when it was acquired or became part of the group during the most recent income year.

Where an entity was a member of a group during the most recent income year, but isn't at the start of the next income year, their income isn't included in the group's combined total income. This is because it's not a member of the group at the time of the calculation. Find more information on [treatment of total income for mergers and acquisitions](#).

Assess income annually

Entities should assess their total income on an annual basis to determine if they need to report under the scheme. For an existing reporting entity that falls below the total income threshold, they may apply to stop reporting. They continue to be a reporting entity until the Regulator determines that they can [cease to be a reporting entity](#).

Entities may need to seek professional advice in determining their total income under the scheme.

2. Current guidance on unincorporated joint ventures, trusts and partnerships - as at 24 August 2022

<https://paymenttimes.gov.au/who-must-report/eligibility-criteria#joint-ventures-trusts-partnerships>

Joint ventures

A joint venture that creates an **incorporated joint venture entity** is likely a CCE. It will also have its own ABN. An incorporated joint venture entity will be a reporting entity if it also:

- carries on an enterprise in Australia

- meets the income thresholds.

An incorporated joint venture entity that is a controlling corporation is also a reporting entity if it meets these requirements.

An unincorporated joint venture (UJV) is not an entity within the meaning of [Payment Times Reporting Act 2020](#). It's not a CCE or a reporting entity.

While a UJV isn't a reporting entity, its manager or members may be if they meet the requirements. If they do, they must submit their own payment times reports. They wouldn't report on behalf of the UJV.

The UJV may appoint a manager or operator for its day-to-day operations. In this case, the entity may have to report on transactions in its capacity as manager of the UJV. This depends on the contractual relationship of the UJV.

If 2 or more UJV members have a joint contract with a small business supplier and pay the supplier from a joint bank account, they must report on their agreed proportion of invoice payments to the supplier. That is, the amount that has been attributed to their entity through the agreed UJV arrangements. It is the amount they have a legal obligation to pay. For example, it may be 50% of all invoice payments to the supplier.

An appointed manager may hold the contract for the UJV. They therefore have the contractual obligation to make the payment. In this case, if they are a reporting entity they would report on the payment(s) made under that contract. They would not need to attribute amounts provided by UJV members.

In determining if a UJV operator or manager meets the income threshold for the scheme, they should only include income distributions from other UJV members if these amounts are included in their financial statements. More specifically, if they are in their company tax returns at label 6S. If they are, these amounts could count towards their total income calculation for whether they are a reporting entity.

Read more about [total income](#).

Trusts and trustees

Both a trust and the trustee(s) can be reporting entities if they meet the eligibility requirements by:

- being a CCE
- carrying on an enterprise in Australia
- meeting the [income threshold](#).

Trusts and trustees should be considered as separate entities when determining if they're eligible to report. The total income of a trust shouldn't be assigned to the trustee when determining the trustee's total income.

A trust can be a CCE if it's either:

- a foreign entity, or

- carries on an enterprise in a territory.

While a trust may be required to report, the Act imposes the reporting obligation on the trustee(s). This is because the trust itself does not have a legal personality.

A trustee may also be a CCE where it's incorporated (a corporate trustee).

To meet the reporting requirements, the corporate trustee would report on its own payment information. By contrast, a trustee reporting on behalf of the trust would report on the payment information of the trust.

A corporate trustee can be a member of a controlling corporation's group. It can also be a controlling corporation. This applies where it is a body corporate and is not a subsidiary of any other Australian body corporate.

By contrast, a trust cannot be a controlling corporation. This is because it does not meet the criteria of being a body corporate. It can also not be a member of a controlling corporation's group.

An unincorporated trustee (an individual trustee) is not an entity within the meaning of Act, so isn't a CCE or reporting entity.

Partnerships

A partnership may be a CCE where it's one of the following:

- an incorporated partnership
- a foreign partnership
- a partnership that carries on an enterprise (other than a body politic) in a territory.
-

As a CCE, a partnership may be a reporting entity where it also:

- carries on enterprise in Australia
- meets the income thresholds.

While the partnership may be required to report, the Act imposes the reporting obligation on the individual partners. This is because the partnership itself does not have a legal personality.

3. Current guidance on invoice days – as at 24 August 2022

<https://paymenttimes.gov.au/reporting-requirements/invoices-report#invoice-issue-receipt-day>

Invoice issue (receipt) day

The invoice issue day, also called the receipt date, is when an invoice is received by the reporting entity.

An invoice is 'received' and the payment clock starts when it's received by the entity in accordance with the contract's invoicing requirements (either written or oral).

This could include contractual arrangements for payments to be made. For example, having to provide the invoice to a particular email address or requiring that the invoice includes a purchase order number and ABN.

The contractual arrangements may also deal with matters such as the treatment of backdated or incorrect invoices.

The date of receipt of an invoice is not:

- when the invoice is entered into the entity's accounting or information systems
- when the invoice is authorised.

That is, unless these processes happen on the same day the invoice is received.

If the receipt date is unknown or can't be established (for example, the entity receives paper invoices), then the date of the invoice can be used as the date of receipt.

In accepting an invoice from a small business supplier (as meeting the contractual arrangements), a reporting entity accepts the obligation to pay the supplier the invoiced amount.

4. Current guidance on updating another business's details in the SBI Tool – as at 24 August 2022.

(<https://paymenttimes.gov.au/how-report/small-business-identification-tool>)

Update another business's details in the SBI Tool

If you believe a supplier or entity in your corporate group shouldn't be identified as a small business, you can either:

- ask the business to register and update their details in the [reporting portal](#)
- complete an SBI Tool update form (statutory declaration) [[PDF 190KB](#) | [DOCX 25KB](#)]

Email the completed form to support@paymenttimes.gov.au