19/08/2024

Payment Times Reporting (PTR) - Draft Bill of Amendments

Clarification Required on the below

Topic	Entity Payment Types	Item	Rationale for exclusion	Regulator Response
Reporting Entity	When Referring to scoping requirement of consolidated revenues > $100m, the payments of any entities that do not contribute to the consolidated revenues of a reporting entity, will be excluded from the dataset. Specific examples are as follows:	**1**		
	- Associates and joint ventures accounted under equity method	**1a**	These entities are not consolidated and do not contribute to the reporting entity's consolidated revenues. Consequently, the payment dataset will exclude any payments made by these entities .	
	- Other investments recognised under fair value	**1b**	These entities are not consolidated and do not contribute to the reporting entity's consolidated revenues. Consequently, the payment dataset will exclude any payments made by these entities .	
	- Payments on Behalf	**1c**	A controlled entity within the reporting entity is a property manager (PM). In its capacity as a PM and acting on behalf of the property owners under the PM services agreement, this entity regularly makes payments to suppliers, small or otherwise. These payments are excluded since the payments are not related to entities consolidated by the reporting entity. On the other hand, the reporting entity has certain assets managed by third parties. Payments made by these third parties on behalf of the reporting entity, will be included in the dataset since the underlying assets contribute to the reporting entity's consolidated revenues.	
	Where there is a stapled structure of two entities forming a consolidated group for accounting purposes – ie where Corporate A (a CCE) and Trust B (non-CCE) collectively form Group C – correct to say that under Section 10L and 10M Corporate A can nominate itself to be a *reporting nominee* for Trust B and all of the controlled entities in Group C?			
Exposure Draft - Payment Times Rules 2024 Definitions - Payment Term Section 5 (a-d)	Payment term, for a payment, means the number of calendar days as mentioned in any of the following paragraphs as is relevant to the payment: (a) where a fixed period, within which the payment is required to be made, is stated on an invoice—the number of calendar days in the period; (b) where a non-fixed period, within which the payment is required to be made, is stated on an invoice—the largest possible number of calendar days in the period; (c) where a date for payment of an invoice is stated on the invoice and the invoice does not state a period within which the payment is required—the number of calendar days between date of the invoice and the date for payment of the invoice; (d) where a payment is made without an invoice—the number of calendar days between the date the obligation to make the payment arises under an agreement and the date the obligation is to be fully discharged by the payment under the agreement.	**2**	Can you confirm if the parties have an agreed payment term which differs to what is stated on the invoice does the agreed payment term prevail	
	2 An entity creates a ***complete payments dataset*** for a reporting period for the entity, as follows: ' - whether the payment relates to employee remuneration	**3**	Can I clarify are we to include employee payments? As in Step 3 it falls under data to remove from the data set, see below? (d)payments to, or for the benefit of, employees of an entity whose payments are included in the dataset (including amounts withheld from such payments under Subdivision 12-B in Schedule 1 to the Taxation Administration Act 1953);	
Exposure Draft - Explanatory Statement. Entity Information & Payment Times Report Content . Attachment B	Percentage of small business procurement made under a trade credit arrangement — s13(3)(a) — Number of small business payments that were made under a trade credit arrangement compared to all small business payments **Small Business Procurement** — Percentage of total value of small business procurement — s11(1) — The total value of small business procurement compared to total procurement for the entity	**4**	You refer to trade credit arrangement and Procurement. We are clear on a trade credit arrangement but can you provide your definition of Procurement.	A trade credit arrangement is a broad term. It is **where a business and a supplier agree that payment for goods and services will be made after the supply**. The agreement can be a written contract or oral agreement. Procurement involves **every activity involved in obtaining the goods and services a company needs to support its daily operations**, including sourcing, negotiating terms, purchasing items, receiving and inspecting goods as necessary and keeping records of all the steps in the process. 3 Apr 2024
Exposure Draft - Explanatory Statement. Entity Information & Payment Times Report Content . Attachment B	Standard Receivable terms longer than standard payment terms to small business — s13(2)(b) — A comparison of payment terms to receivable terms which would require the selection of one of the following options, "longer", "shorter", or "same". This data will enable analysis of an entity's approach to working capital funding and procurement from small business suppliers.	**5**	Can you clarify the expectation of analysing this data to be able to select one of the options?	