

Business Payment Practices Act Repeal Bill

Government Bill

Explanatory note

General policy statement

This Bill repeals the Business Payment Practices Act 2023 (the **Act**) and revokes its secondary legislation. The Act was put in place to address long business-to-business payment times by requiring large entities to disclose their payment practices on a public register. However, the Government's view is that most small businesses will not have time to search for payment data on the Ministry of Business, Innovation, and Employment's Internet site and that, even if they can find it and interpret it correctly, it would be unlikely to impact their decisions about who to do business with. Furthermore, information on late payers is already available from credit agencies. The repeal of the Act will remove compliance costs that would have applied to large entities. Comparable overseas disclosure regimes show that even if the reporting process is automated, there are still cases where manual intervention is required. This creates an ongoing obligation to manually collate and enter invoice receipt dates.

Departmental disclosure statement

The Ministry of Business, Innovation, and Employment is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2024&no=28>.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 provides that this Bill comes into force on the day after Royal assent.

Clause 3 repeals the Business Payment Practices Act 2023.

Clause 4 revokes the Business Payment Practices Regulations 2023.

Clauses 5 and 6 provide for a consequential amendment to the Tax Administration Act 1994.

Clause 7 provides that this Bill is repealed 28 days after it comes into force.

Hon Andrew Bayly

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Business Payment Practices Act Repeal Act **2024**.
- 2 Commencement**
This Act comes into force on the day after Royal assent. 5

Part 1

Repeal of Business Payment Practices Act 2023 and related matters

- 3 Repeal of Business Payment Practices Act 2023**
The Business Payment Practices Act 2023 (2023 No 40) is repealed.
- 4 Revocation of Business Payment Practices Regulations 2023** 5
The Business Payment Practices Regulations 2023 (SL 2023/218) are revoked.
- 5 Principal Act**
Section 6 amends the Tax Administration Act 1994.
- 6 Schedule 7 amended** 10
In Schedule 7, Part C, repeal clause 25B.

Part 2

Repeal of this Act

- 7 Repeal of this Act** 15
This Act is repealed on the close of the 28th day after the date on which it comes into force.