



Institute of Credit Management

Our ref. GB/PJK/NH

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Dear Sir/Madam

**RESPONSE OF THE INSTITUTE OF CREDIT MANAGEMENT TO: THE CABINET OFFICE – UK
TRANSPOSITION OF NEW EU PROCUREMENT DIRECTIVES – PUBLIC CONTRACTS REGULATIONS
2015**

The Institute of Credit Management is the largest professional credit management organisation in Europe. Its members hold important, credit-related appointments throughout industry and commerce, and we feel it appropriate to comment on this consultation.

We only wish to comment on question 19 which relates to the requirement that payment of undisputed invoices is made within 30 days.

We believe that the issuing of guidance by the Minister for the Cabinet Office (112(4)) is vital to ensure that spurious disputes are prevented from delaying payment. The suggestion in regulation 112(5) that such guidance might include provisions deeming invoices to have become valid after a period of time etc is very necessary and should be issued as a matter of urgency.

Regulation 112(7)(b) refers to a requirement that authorities publish the total amount of any liability (whether statutory or otherwise) to pay interest. Are these regulations reflecting the guidance issued by BIS in March 2013 'A Users Guide to the Recast Late Payment Directive' (BIS/13/705) which stated that:

"If you are a public authority:

*You must pay for the goods and services that you procure within 30 days. If you do not pay within the deadline, you are obliged to **automatically** pay the outstanding amount that includes, daily interest for every day payment is late based on 8 percentage points above the Bank of England's reference rate (see section above) plus the fixed amount, depending on the size of the unpaid debt (see section above). The onus is on you to pay your supplier on time and the supplier is not obliged to remind you that payment is outstanding."*

We note however that the wording of the Users Guide has very recently been amended and that the revised version is more in line with the Procurement Directive.

If we can help in any further way please do not hesitate to contact us.

Yours faithfully

Glen Bullivant FICM
Chair of Technical Committee

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