



Federation of Business Information Services

LATE PAYMENTS PRACTICES

FEBIS WORKING GROUP ON LATE PAYMENTS

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PRESENTATION OF FEBIS

FEBIS (Federation of Business Information Services) represents the Business Information Providers (BIP). For many years, members of the Federation of Business Information Services have been developing solutions and tools enabling businesses to manage their cash (also called credit management) easily and take informed decisions about future or existing business collaborations. Their mission is to help businesses to assess their trade credit risk and to contribute to reduce late payments consequences, avoiding later stages as insolvency or bankruptcy. Data is collected from public sources, business registers, national public institutes, commercial courts.

FEBIS Members products and services

Raw data, such as balance sheets and registry information, is usually available at public business registers and public credit registers. They have been originally created to provide information on credit exposure of an individual or a firm for financial regulators and central banks.

Business information providers, i.e., collecting and verifying financial data, legal and regulatory information, are aggregating and framing the gathered information in standardized credit reports.

Forecasting information providers offer scores, providing assessment of a company's creditworthiness is a natural evolution of providing simple business information, as reliable scoring

requires large amounts of information, which business information providers usually have available. Therefore, many of the scoring service providers in this category are the same as in the business information sector.

Credit management solutions and decision-making tools and software that enable a company to interactively monitor credit risk (including the likelihood of default) of single counterparties, analyse risks inherent in a portfolio of customers and/or suppliers and early warning systems. In addition, some BI & Scoring firms provide tools to optimize credit risk management systems of companies and to facilitate their decision making in business. The price of the products proposed by Business Information providers depends of the availability and quality of the raw data as FEBIS Members offer value-added information.

HOW CAN FEBIS MEMBERS HELP FIGHTING LATE PAYMENTS?

- Giving information to give good decision that need an easy access to information.
- Help in the financial education of entrepreneurs: Not all entrepreneurs have enough financial education to understand how credit management is important and the usefulness of business information products and services. FEBIS members can help bridging this gap by providing training on credit information as having a reliable trade credit information means better cash management for the business.
- Helping in the organization of national late payments initiatives. For example, in France, FIGEC which is the national federation of business information and debt collection takes part in the Observatoire of late payments and is organising the "Assises et Prix des Délais de Paiement" who award best payers. In Spain INFORMA participate with CEPYME (Spanish SME federation) to the Price for SME best payments practice.
- Publishing studies on late payments: The BIP is a source of information to monitor —they can produce statistics — about the evolution of payments.
- Helping entrepreneurs with early -warning systems. Those scores are based on financial and non-financial information. Also, we can use trade information. We help anticipate non or late payments that are a major cause of insolvency.

LATE PAYMENTS AT EU LEVEL

LEGISLATION:

Since its entry into force, Directive 2011/7/EU on combating late payment has been the subject of several studies to assess its implementation and effectiveness.

In 2015, the European Commission published a first report¹ concluding that late payments were a widespread problem across all Member States, although there were large disparities between countries and sectors.

In 2016, the Commission published another study² highlighting the lack of systems for monitoring payment delays, the importance of creating codes of conduct and that electronic invoicing, exchange of best practices should be encouraged.

In 2018 a new report, Business-to-business transactions: a comparative analysis of legal measures vs. soft-law

instruments for improving payment behavior³ was published and a workshop was organized to discuss these results.

In 2019, it was the European Parliament that commissioned a new evaluation of the directive through the Comi report⁴. On this occasion, preventive measures - publication of deadlines, training in credit management, among others - and reactive measures - increased penalties, mediation systems, etc. - were proposed. In January 2019, the European Parliament published a resolution⁵.

Therefore, in October 2019, the European Commission convened a day of reflection on the functioning of the directive, convening sectoral associations and administrations. FEBIS, participated to this day by making a presentation on how the use of commercial information allowed to fight against late payments.

The main conclusion is that there is a fundamental difference in views on late payments depending on the size of the companies. Small companies are calling for more tools to fight late payments effectively, while large companies believe that limiting payment periods without considering the sectors could have negative effects. However, consensus was found on the lack of education of entrepreneurs in credit management, the need for homogeneous data on payment terms and the promotion of electronic invoicing.

In November 2020, the commission organized a webinar on the creation of an observatory, with FEBIS participation.

The webinar thematic were:

- Scope of the observatory
- Validation data
- Data supply

(1) <https://op.europa.eu/en/publication-detail/-/publication/400ecc74-9a54-11e5-b3b7-01aa75ed71a1>

(2) <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52016DC0534&from=EN>

(3) <https://op.europa.eu/en/publication-detail/-/publication/c8b7391b-9b80-11e8-a408-01aa75ed71a1>

(4) https://www.europarl.europa.eu/doceo/document/A-8-2018-0456_EN.html

(5) https://www.europarl.europa.eu/doceo/document/TA-8-2019-0042_EN.html

The Commission organize a new study “Building a responsible payment culture in the EU: Improving the effectiveness of the Late Payment Directive (2011/7/EU)”

of an EU observatory on payment delays intended to provide a comprehensive picture of developments and to support the achievement of LPD.

An Observatory on Late payments will be built in order to closely monitor payment performance.

The Study is intended to generate evidence on six thematic areas: two of them specific to our sector: the role of credit information services in avoiding or mitigating the emergence of late payments and the possible setting up

In 2022, the Commission announced that the Late Payment Directive will be revised in 2023 to provide SMEs with a modern and strong legal framework.

22/07/2022: Publication of the *Study on building a responsible payment culture in the EU*, in which FEBIS participated.

<https://op.europa.eu/en/publication-detail/-/publication/cb4bc1bd-1467-11ed-8fa0-01aa75ed71a1/language-en/format-PDF/source-search>

12/01/2023 review of the late *Payment Directive*

https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13665-Morosidad-Actualizacion-de-la-normativa-de-la-UE_en

16/03/2023 FEBIS answer to the consultation on the Directive on Late Payments.

In March 2023, FEBIS is invited to become part of the Stakeholder Forum to support the EU Payment Observatory.

INFORMATION ON LATE PAYMENTS:

The Late Payment Directive expert group:

The Late Payment Directive expert group is composed by representative of the administration, Ministries of finances, economy, or justice.

The minutes of their meetings can be found on the following link:

<https://ec.europa.eu/transparency/expert-groups-register/screen/meetings/consult?lang=en&meetingId=43861&fromExpertGroups=true>

European Commission:

Web dedicated to late payment:

https://single-market-economy.ec.europa.eu/smes/sme-strategy/late-payment-directive_en

European association:

FECMA FEDERATION OF EUROPEAN CREDIT MANAGEMENT ASSOCIATIONS

<https://www.fecma.eu/>

Members:

Austria (BvCM), Belgium (IvKM), Denmark (DK-R), Switzerland (ACMS), France (AFDCC), Germany (BvCM), Hungary (HCMA), Sweden (Svenska-Kreditforeningen), Italy (ACMI), Malta (MACM), Netherlands (VvCM), Poland (PICM), United Kingdom (CICM), Greece (HARIMA), Spain (AGC).

PRESENTATION OF THIS DOCUMENT

The objective of this document is to share knowledge about late payments across different countries/regions in the globe. The knowledge and materials are produced by the FEBIS Working Group on Late Payments. The group is working to update the situation in each country, not only on legal aspects and metrics, but also on the best practices and the impact of late payments in the economy.

KNOWLEDGE ON LATE PAYMENT BY COUNTRY OR REGION

EU COUNTRIES

BELGIUM

SOURCE INFORMA T2 2023

1. Legislation. Late Payments regulation

Act amending the Act of August 2, 2002 on combating late payment in commercial transactions

https://etaamb.openjustice.be/fr/loi-du-14-aout-2021_n2021032597

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

N/A.

2.2 Best practices (code of conduct, etc.)

N/A.

2.3 Associations – stakeholders

Instituut voor Kredietmanagement (IvKM)

Website: www.ivkm.be

3. Indicators - cost of Late Payments

3.1. Average payment delay

Average payment delay 11 days (Q2 2023)

3.2. Sectors

N/A.

3.3. Cost of late payments

N/A.

3.4. Link between late payment and insolvency

4. Comments

N/A.

BULGARIA

SOURCE CRIF GROUP. Q42021

1. Legislation. Late Payments regulation

Commercial act

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

N/A.

2.2 Best practices (code of conduct, etc.)

Data. Prisma.

2.3 Associations – stakeholders

N/A

3. Indicators - cost of Late Payments

3.1. Average payment delay

- **On time payment** and overdue receivables (up to 90 days only) from customers - incl. commercial loans and advances granted and operating leases (including accrued interest). 99,83 % on time payments.
- **Late Payments (more than 30 days)** Overdue receivables (over 90 days only) from customers - incl. commercial loans and advances granted and operating leases (including accrued interest). 0.17%.

3.2. Sectors

- **Virtuous sectors:**

NACE2: D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY

On time payment and overdue receivables (up to 90 days only) from customers - incl. commercial loans and advances granted and operating leases (including accrued interest). ~100%

- **Non-Virtuous sectors:**

NACE2: K - FINANCIAL AND INSURANCE ACTIVITIES

On time payment and overdue receivables (up to 90 days only) from customers - incl. commercial loans and advances granted and operating leases (including accrued interest). ~98%

3.3. Cost of late payments

Overdue receivables (over 90 days only) from customers - incl. commercial loans and advances granted and operating leases (including accrued interest).

277 millions of euros.

3.4. Link between late payment and insolvency

4. Comments

The result is the extract of the Overdue receivables (over 90 days only) from customers - incl. commercial loans and advances granted and operating leases (including accrued interest) [Available through Receivables Financial Template] vs. Total Sales Revenue [Available through PLA Template] - 313k companies. ICAP CRIF Data.Prisma application was used for the data extraction.

CYPRUS

SOURCE: CRIF GROUP (Q3 2022). CEDAR ROSE (NOV.2022).

1. Legislation. Late Payments regulation

Law 123(I) of 2012.

2. Status of Late Payments in 2022 – Latest news

2.1. Protection in case of bad payments

Insolvency act.

2.2. Best practices (code of conduct, etc.)

2.3. Associations – stakeholders

No common subject on national level.

3. Indicators - cost of Late Payments

3.1. Average payment delay

Cedar Rose Database: 2.14% late payment (more than 30 days).

3.2 Sectors

N/A.

3.3. Cost of late payments

N/A.

3.1. Link between late payment and insolvency

4. Comments

No such data has been identified for Cyprus as yet there has not been designated a supervisory authority for monitoring the implementation of the provisions of said Law and to introduce the obligation of the above authority to prepare a relevant annual report, which will be submitted to the House of Representatives for information. Furthermore, we do not have a local Trade Exchange program, neither a critical volume of financial statements, that could use to extrapolate at a national level.

CZECH REPUBLIC

SOURCE CRIF GROUP (Q4 2022)

1. Legislation. Late Payments regulation

Insolvency act 182/2006.

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

Commercial services or insolvency act.

2.2 Best practices (code of conduct, etc.)

Trade program.

2.3 Associations – stakeholders

No common subject on national level

3. Indicators - cost of Late Payments

3.1. Average payment delay

On time 62,58 %

Late payments: 3,21

3.2. Sectors

Virtuous sectors: Public administration (94,6 % on time).

Non-Virtuous sectors: Construction (50,56% on time).

3.3. Cost of late payments

N/A.

3.3. Link between late payment and insolvency

4. Comments

FRANCE

SOURCE INFORMA (Q2 2023)

1. Legislation. Late Payments regulation

<https://www.economie.gouv.fr/dgccrf/Publications/Vie-pratique/fiches-pratiques/Delais-de-paiement>

2. Status of Late Payments in 2022 – Latest news

In 2022, The Banque de France's company ratings now take greater account of payment behaviour with the introduction of its new rating scale. It will include in the qualitative approach the existence of excessive payment times, attributable to companies in good financial health, which themselves paid on time.

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

Observatory of late payments. Observatoire des délais de paiement.

<https://publications.banque-france.fr/liste-chronologique/rapport-de-lobservatoire-des-delais-de-paiement>

2.3 Associations – stakeholders

Association Française des crédits managers.

<https://www.afdcc.fr/>

Assise des délais de paiement. <https://www.delais-paiement.fr/> events organized by FIGEC and the AFDCC two associations linked to the problem of payment times.

3. Indicators - cost of Late Payments

3.1. Average payment delay

13,12 days

3.2. Sectors

N/A,

3.3. Cost of late payments

N/A.

3.3. Link between late payment and insolvency

4. Comments

GERMANY

SOURCE CRIF GROUP (Q1 2023)

1. Legislation. Late Payments regulation

Law on combating late payment in commercial transactions and amending the Renewable Energy Act.

Gesetz zur Bekämpfung von Zahlungsverzug im Geschäftsverkehr und zur Änderung des Erneuerbare-Energien-Gesetzes

Official publication: Bundesgesetzblatt Teil 1 (BGB 1); Number: 35; Publication date: 28/07/2014; Page number: 01218-01221

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

2.3 Associations – stakeholders

Bundesverband Credit Management e.V <https://credit-manager.de/>
CRIF B2B Payment Monitor

3. Indicators - cost of Late Payments

N/A.

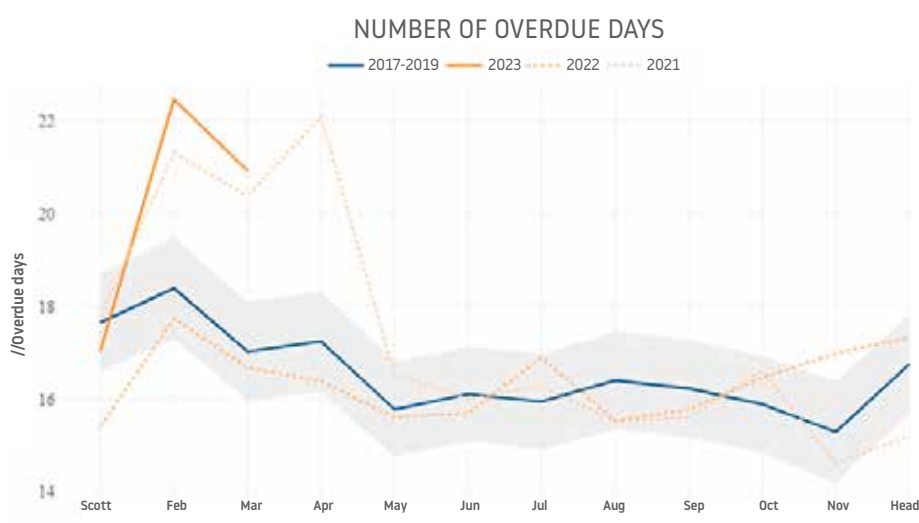
3.1. Average payment delay

- On time payments: 71,18 %
- Late payments 4,90 %

<https://b2bpayment-monitor.crif.de/dashboard/>

3.2. Sectors

<https://b2bpayment-monitor.crif.de/dashboard/>



This chart shows the monthly development of overdue days from the German Accounts Receivable Monitor (DDMonitor)

- The orange lines describe the course of recent years.

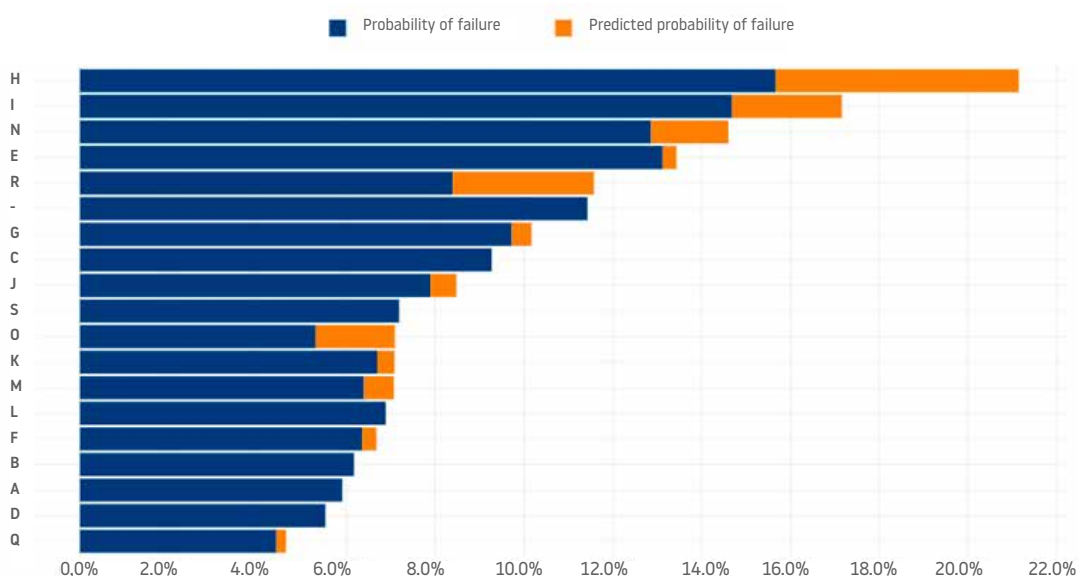
- The blue lines shows the averaged course of the reference period.

- The grey area gives an idea the fluctuation range in previous years.

An increasing trend means that German companies are Pay bills later. This can be used as an indicator of an increased Default probability.

3.3. Cost of late payments

3.4. Link between late payment and insolvency



This graph shows the average Probability of default per industry and an estimate of the Probability of default.

To determine the risk factor, the average number on overdue days in 2022 per month by the comparative value of the reference

period (2017 - 2019) and divided over the year Averaged.

The risk factor gives an estimate of how the Probability of failure, for example due to the Corona pandemic per industry.

Values around 100% therefore mean that the The probability of failure remains roughly the same, whereas a Risk factor of 200% would mean that the would double the probability of failure.

INDUSTRY

- A - AGRICULTURE, FORESTRY AND FISHERIES
- B - MINING AND QUARRYING
- C - MANUFACTURING
- D - ENERGY SUPPLY
- E - WATER SUPPLY SEWAGE AND WASTE DISPOSAL AND POLLUTION CONTROL
- F - CONSTRUCTION
- G - TRADE MAINTENANCE AND REPAIR OF MOTOR VEHICLES
- H - TRANSPORT AND STORAGE
- I - HOTELS AND RESTAURANTS
- J - INFORMATION AND COMMUNICATION
- K - FINANCIAL AND INSURANCE ACTIVITIES
- L - REAL ESTATE ACTIVITIES
- M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
- N - OTHER ECONOMIC SERVICE ACTIVITIES
- O - PUBLIC ADMINISTRATION, DEFENCE SOCIAL SECURITY
- P - EDUCATION
- Q - HEALTH AND SOCIAL WORK
- R - ART, ENTERTAINMENT AND RECREATION
- S - OTHER SERVICE ACTIVITIES

4. Other comments

GREECE.

SOURCE CRIF GROUP (Q3 2022). CEDAR ROSE NOV. 2022.

1. Legislation. Late Payments regulation

4152/2013

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

Insolvency act 4837/2020

2.2 Best practices (code of conduct, etc.)

Trade program

2.3 Associations – stakeholders

Hellenic Association of Risk Managers (H.A.RI.MA) <https://www.harima.gr/en/> (creation in 2019)

3. Indicators - cost of Late Payments

3.1. Average payment delay

Cedar Rose: 49.01% late payments

3.2. Sectors

3.3. Cost of late payments

N/A.

3.5. Link between late payment and insolvency

4. Other comments

No such data has been identified for Greece Furthermore, our local Trade Exchange program is in place, with few data though, that could use to extrapolate at a national level.

IRELAND

SOURCE CRIF GROUP Q3 2022.

1. Legislation. Late Payments regulation

European Communities (Late Payment in Commercial Transactions) Regulations 2012

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

Staged credit payments 1/3: on order, 1/3 on delivery and 1/3 30 days credit. Review credit reports, look for guarantees.

2.3 Associations – stakeholders

3. Indicators - cost of Late Payments

3.1. Average payment delay

On time From Government agencies 99%, from private N/A.

3.2. Sectors

Virtuous sector: Government agencies (99% on time)

3.3. Cost of late payments

€1.8bn in bad debts from corporate and consumer insolvency and liquidation.

3.5. Link between late payment and insolvency

4. Other comments

ITALY

SOURCE CRIF GROUP Q1 2023 AND CERVED Q2 2023

1. Legislation. Late Payments regulation

Decreto Legislativo 192/2012.

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

Retail trade (30,3% on time)

2.3 Associations – stakeholders

Confindustria

Confindustria is the main association representing manufacturing and services companies in Italy and it is more influent regarding the payment between public administration and businesses

[About Us \(confindustria.it\)](https://www.confindustria.it)

Associazione Credit Manager Italia (ACMI) <https://www.acmi.it/>

600 members. Creation in 1974

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: 40,80 % (CRIBIS)
- Late payments 9,50% (CRIBIS)

CERVED Q2 2023:

- On time: 52,1 %
- Up to 60 days: 42,6 %
- More than 60 days: 5,3 %
- Average payments delay: accorded and delay : 66,8 days

3.2. Sectors

- Virtuous: paper industry (3,8 % more than 30 days.)
- Non-Virtuous sectors: Bar and restaurants (19,7 % more than 30 days)

3.3. By size

Late payments (more than 30 days)

- Micro: 10,3 %
- Small: 6,5 %
- Medium: 4,7 %
- Large: 4,1 %

3.4. Cost of late payments

4. Other comments

POLAND

SOURCE CRIF GROUP Q1 2023

1. Legislation. Late Payments regulation

Banking Law

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

Act of 9 October 2015 amending the Act on payment deadlines in commercial transactions, Civil Code Act and some other acts, Journal of Laws of 2015, item 1830.

The Act amending certain regulations in order to limit payment backlogs entered into force on 1 January 2020 (Polish Journal of Laws of 2019, item 1649, hereinafter: «the Act»).

2.2 Best practices (code of conduct, etc.)

Trade program, BIGs

2.3 Associations – stakeholders

The Polish Bank Association (ZBP)

Polish Institute of Credit Management (PICM) creation 2015. <https://picm.pl/en/>

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: 40,80 %
- Late payments 69,40 %

3.2. Sectors

- Virtuous: The most restrictive sectors (short credit periods of up to 30 days) are textile-clothing (60%), retail (53%) and paper-wood (50%).
- Non-Virtuous sectors: CChemicals (27% with credit periods of more than 90 days), transport (18%), construction and automotive (each 15%).

3.3. Cost of late payments

7,69 billion € (Credit Information Bureau).

3.4. 3.7 Link between late payment and insolvency

4. Other comments

PORTUGAL

SOURCE INFORMA PORTUGAL T2 2023

1. Legislation. Late Payments regulation

D. L., n.º 62/2013, de 10 de Maio

This law transposes into national law Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011, which establishes measures against late payment in commercial transactions.

https://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?artigo_id=1920A0008&nid=1920&tabela=leis&pagina=1&ficha=1&so_mio=&nversao=

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

N/A.

2.2 Best practices (code of conduct, etc.)

Trade program

2.3 Associations – stakeholders

This ACEGE association that has an initiative to get companies to pay on time.

<https://pagamentospontuais.org>

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: 19,5 %
- Late payments 13,9 %

3.2. Sectors

- Virtuous sectors: Information and communications technology, Real estate,
- Non-Virtuous sectors: Bar and restaurants, Accommodation, Transport

3.3. Cost of late payments

N/A,

3.4. 3.7 Link between late payment and insolvency

At June 2023, analyzing companies with payment experiences, companies in insolvency proceedings are have a bad payment experience : 81% of companies in a state of insolvency pay more than 90 days late. While 67 per cent of active companies pay up to 30 days late.

June 2023	STATUS OF THE COMPANIES	
% payments practice	Active	In bankruptcy
On time	20%	1%
up to 30 days	67%	9%
30-90 days	8%	9%
More than 90 days	5%	81%

4. Other comments

ROMANIA

SOURCE CRIF GROUP (Q4 2022)

1. Legislation. Late Payments regulation

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

Trade program

2.3 Associations – stakeholders

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: 90,49 %
- Late payments: 9,51 %

3.2. Sectors

- Virtuous: Activities of Households as Employers; Undifferentiated Goods and Services producing Activities of Households for own use (94.74% on time)
- Non-Virtuous sectors: Electricity, Gas, Steam and Air Conditioning supply (85.72% on time)

3.3. Cost of late payments

2,2 billion € (total late amount).

3.4. Link between late payment and insolvency

4. Other comments

The result is the extract of the total late payments (more than 30 days) from all the financial statements of the companies in Romania (ICAPCRIF db source for 771k companies). Raw data are expressed in RON (sheet "Compiled data" & "Raw data NACE", conversion to eur is at 1 EUR= 4.9474 - as in 31.12.2022. We are not aware of any other official source having such statistics. The good result may be the consequence of company practice of not declaring late payments (so they do not need to pay taxes).

SLOVAK REPUBLIC

SOURCE CRIF GROUP (Q4 2022)

1. Legislation. Late Payments regulation

Bankruptcy and Restructuring act 7/2005

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

Commercial services or insolvency act

2.2 Best practices (code of conduct, etc.)

Trade program

2.3 Associations – stakeholders

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: 64,21 %.
- Late payments 4,78 %.

3.2. Sectors

- Virtuous: Education (72,84% on time).
- Non-Virtuous sectors: Other services (26,09% on time).

3.3. Cost of late payments

3.4. Link between late payment and insolvency

4. Other comments

SPAIN

SOURCE INFORMA (Q2 2023)

1. Legislation. Late Payments regulation

Member States had up to 16 March 2013 to transform Directive 2011/7/EU into national law. The directive established measures to combat late payment in commercial transactions. Directive 2011/7/EU establishes, as a rule, a 30-day limit to pay invoices.

The adaptation of the Directive in Spain has been done through the Royal Decree-Law 4/2013 dated 22 February, which included measures to support entrepreneurship and stimulate growth and job creation. The standard terms are 30 days for administrations and 60 days for companies. The law also established delay types (8 points above the reference value of the Official State Gazette) and the possibility of a 40-euro fine.

Other regulations adopted after the Royal Decree-Law 4/2013 dated 22 February:

Royal Decree 635/2014 dated 25 July developed the methodology to calculate the average payment terms to suppliers of the public administrations. Public administrations were required to publish their payment terms.

October 2014: final first and third provisions of the draft bill to stimulate business funding were removed. They allowed longer payment terms if credit was transferred to a third party.

19 June 2015: the European Commission sent a formal notice to Spain for not complying with the transposition of the directive to combat late payment.

11 September 2015: Legislative Royal Decree 10/2015 on measures for public employees, extra credits and other economic stimulus plans. The Administration decided to use a company's payment terms as a solvency indicator for public contracts.

22 June 2017: the Congress of Deputies gave the green light to the non-government bill to reinforce the combat against late payment in business operations, which was first presented by the parliamentary group Ciudadanos. The goal is to modify Law 15/2010 on measures to combat late payment and to introduce a sanctions regime.

8 November 2017: approval of Law 9/2017 on public procurement. It established new payment terms for the Administration, it intensified electronic payment and allowed direct payment to subcontractors. It entered into force on 9 March 2018.

22 September 2020: the plenary of the Congress of Deputies approved to initiate the modification of the Law 3/2004 dated 29 December, establishing measures to combat late payment. With this vote, the non-government bill dated 18 May 2020 will continue to be processed.

2. Status of Late Payments in 2022 – Latest news

The Law 18/2022, (Crea y Crece) published in September 2022 introduce some measures in order to fight late payments:

- large companies will now have to prove - through certification - that they pay their suppliers on time to have a public subvention
- the creation of an observatory of late payments.
- deadline for SMEs and the self-employed to adapt their systems to electronic invoicing.

2.1 Protection in case of bad payments

In the case of Spain, this section needs to be update.

2.2 Best practices (code of conduct, etc.)

N/A in Spain.

2.3 Associations – stakeholders

- PMCM Plataforma Multisectorial Contra la Morosidad

Multisectoral Platform Against Late Payment <https://pmcm.es/>

The PMcM brings together a group of sectoral and territorial institutions from all over Spain, representing nearly one million companies. Mission: combat late payment in commercial transactions to achieve a reduction in payment periods in Spain.

Principal proposals: sanction procedure for bad payers

- CEPYME Confederación Española de la Pequeña y Mediana Empresa

Spanish Confederation of Small and Medium-Sized Enterprises

<https://cepyme.es/>

They publish a trimestral study on late payments

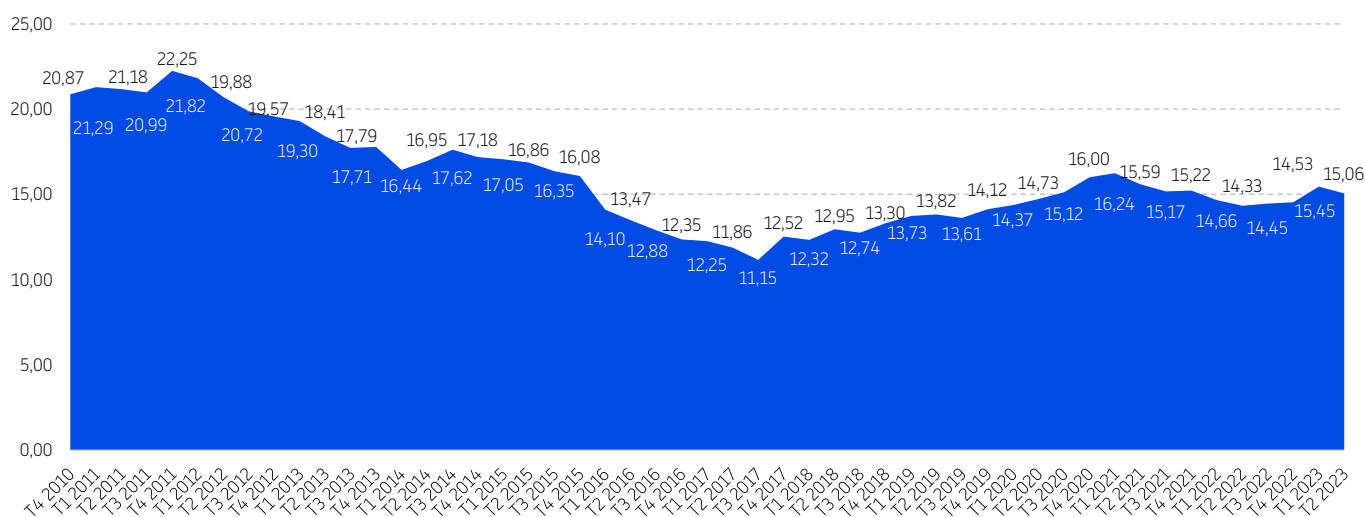
https://cepyme.es/wp-content/uploads/2022/05/Boletin-CEPYME-Observatorio-de-morosidad_4to-trimestre_V2.pdf

- AGC Association de Gerente de credito

Spanish association of credit managers - <https://gerentescredito.es/>

3. Indicators - cost of Late Payments

3.1. Average payment delay



- On time payments: 44,34 % T2 2023.
- Late payments: 9,14 % T2 2023.

3.2. Sectors

- Virtuous: Industry, Retail
- Non-Virtuous sectors: Administration, Tourism

3.3. Cost of late payments

To estimate the direct cost of late payments for the business we have extrapolated the average delay of payment to all the economy. We estimate cost of from late payment of 3.153 million euros in the Q2 2023.

It is obtained from the amount represented by trade credit in Spain (Evolución Reciente del Crédito Comercial de las Empresas No Financieras en España, Banco de España. Boletín Económico January 2015).

Thanks to the statistics of the DunTrade® Programme, it is possible to find out the percentage distribution of payment delays: if these percentages are extrapolated to trade credit, the amounts in each tranche can be known and their cost calculated, applying an interest rate of 12 % annual cost, according to the BOE of 29 of June 2022..

3.4. Link between late payment and insolvency

4. Other comments

THE NETHERLAND

SOURCE INFORMA T2 2023

1. Legislation. Late Payments regulation

Wet van 30 maart 2022 tot wijziging van Boek 6 van het Burgerlijk Wetboek in verband met het verkorten van de wettelijke betaaltermijn tot 30 dagen (Act of 30 March 2022 amending Book 6 of the Civil Code in connection with shortening the statutory payment term to 30 days).

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

N/A.

2.2 Best practices (code of conduct, etc.)

N/A.

2.3 Associations – stakeholders

Nederlandse Vereniging voor Credit Management (VVCM)
Website: www.vvcm.nl

3. Indicators - cost of Late Payments

3.1. Average payment delay

N/A.

3.2. Sectors

N/A.

3.3. Cost of late payments

N/A.

3.4. Link between late payment and insolvency

N/A.

4. Other comments

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KNOWLEDGE ON LATE PAYMENT BY COUNTRY OR REGION

NON EU COUNTRIES

TURKEY

SOURCE CRIF GROUP (Q4 2022)

1. Legislation. Late Payments regulation

Banking Law

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

Trade program

2.3 Associations – stakeholders

The Bank Association of Turkey

3. Indicators - cost of Late Payments

3.1. Average payment delay

Cedar Rose: 3.78% late payments

Cribis : 4,9 % more than 90 days

3.2. Sectors

- Virtuous: Retail trade (48,4% on time) 90+ 4,7%.

3.3. Cost of late payments

133 million € (published by The Bank Association of Turkey).

3.4. Link between late payment and insolvency

4. Other comments

SAUDI ARABIA

SOURCE CEDAR ROSE NOV. 2022

1. Legislation. Late Payments regulation

No regulations

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

In new protection law 2020:

Article 55: Company's creditors have the right to get back to the company as well as the company shareholders and partners to collect payments. Additionally, any partner is not allowed to pay any late payment or debt from its own funds before payment notice or even before 15 days of late payments. It is worth noting that if one of the shareholders paid the requested amount, he shall get back to company's partners to recover the payment based on each partners' contribution.

2.2 Best practices (code of conduct, etc.)

The SADAD payment system: was established by the Saudi Arabian Monetary Agency (SAMA) to be the national electronic bill presentment and payment (EBPP) service provider for the Kingdom of Saudi Arabia (KSA). It started with serving the national Electronic Bill Presentment and Payment and today it facilitates a wide range of payment transactions for individuals, banks, businesses, and the government sector.

2.3 Associations – stakeholders

No association

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: N/A
- Late payments: N/A

3.2. Sectors

- Virtuous: N/A..

3.3. Cost of late payments

3.4. Link between late payment and insolvency

4. Other comments

CANADA

SOURCE CEDAR ROSE NOV 2022

1. Legislation. Late Payments regulation

Excise Tax Act as amended by Bill C-62

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

A supplier of tangible personal property (e.g., goods) or services may offer his/her customers a discount for early payment of an invoiced amount. Conversely, a supplier may impose a penalty if payment of an invoiced amount is made late.

2.3 Associations – stakeholders

3. Indicators - cost of Late Payments

3.1. Average payment delay

- Late payments: 53.62% (Cedar Rose)

3.2. Sectors

3.3. Cost of late payments

3.4. Link between late payment and insolvency

4. Other comments

A penalty for late payment occurs where a supplier of tangible personal property or services charges the recipient of the supply an additional amount if payment for the supply is not made within a reasonable period specified on the invoice.

For low invoice balances, it is recommended fixed late payment fee of approximately CAD \$20 to 50 per invoice. With high invoice balances for like more than CAD \$1,000, interest-based fees are usually applicable.

UAE

SOURCE CRIF GROUP Q1 2023

1. Legislation. Late Payments regulation

No regulatory framework in place.

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

Can file a case which used to be criminal offence but not anymore.

2.2 Best practices (code of conduct, etc.)

Trade program

2.3 Associations – stakeholders

No association

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: 90,59 %.
- Late payments: 9,41 %

3.2. Sectors

Virtuous: Manufacturing

Non virtuous: Trade

3.3. Cost of late payments

n/a

3.4. Link between late payment and insolvency

4. Other comments

UNITED KINGDOM

SOURCE D&B. Q1 2023.

1. Legislation. Late Payments regulation

Everything concerning late payments is under the 1998 Act of the Late Payment of Commercial Debts, enforced in November of 1998. Over the years, it has gone through several amendments to fall into the European Directive, but essentially it remains the same. The law applies only to commercial debt although it is not exclusive to limited companies – freelancers, sole traders, and other types of entrepreneurs can also use the law. It has two main purposes – to compensate creditors for any late payment of debts and to deter late payments.

Invoices that are paid late attract interest charges. An amendment to the law in March 2013 gave the business owner the right to claim any other reasonable costs related to collecting the debt. In this case the interest to be claimed is at 8% above the base lending rate of the Bank of England. Any additional compensation should be between £40 and £100 for each invoice.

The law is not compulsory and the supplier decides whether to use them or not. But any unpaid supplier of goods or services has the right to claim interest on any overdue debts and be compensated under the 1998 Act.

<https://www.legislation.gov.uk/ukpga/1998/20/contents>

2. Status of Late Payments in 2022 – Latest news

2.1 Protection in case of bad payments

2.2 Best practices (code of conduct, etc.)

The Prompt Payment Code which was originally launched and administered by CICM (Chartered Institute of Credit Management) but was passed to the Small Business Commissioner's Office to administer in March 2020.

[CICM-originated Prompt Payment Code moves to Small Business Commissioner's office | CICM Chartered Institute of Credit Management](#)

2.3 Associations – stakeholders

Chartered Institute Of Credit Management,

<https://www.cicm.com/>

The Chartered Institute of Credit Management (CICM) is the largest recognised professional body in the world for the credit management community.

Formed over 80 years ago, the Institute was granted its Royal Charter in 2015. Representing all areas of the credit and collections lifecycle, it is the trusted leader and expert in its field, providing its members with support, resources, advice and career development as well as a networking and interactive community.

3. Indicators - cost of Late Payments

3.1. Average payment delay

- On time payments: 42,8%
- Late payments: (more than 90 days) 4,1 %

3.2. Sectors

Virtuous: Agriculture, Construction

3.3. Cost of late payments

3.4. Link between late payment and insolvency

4. Other comments

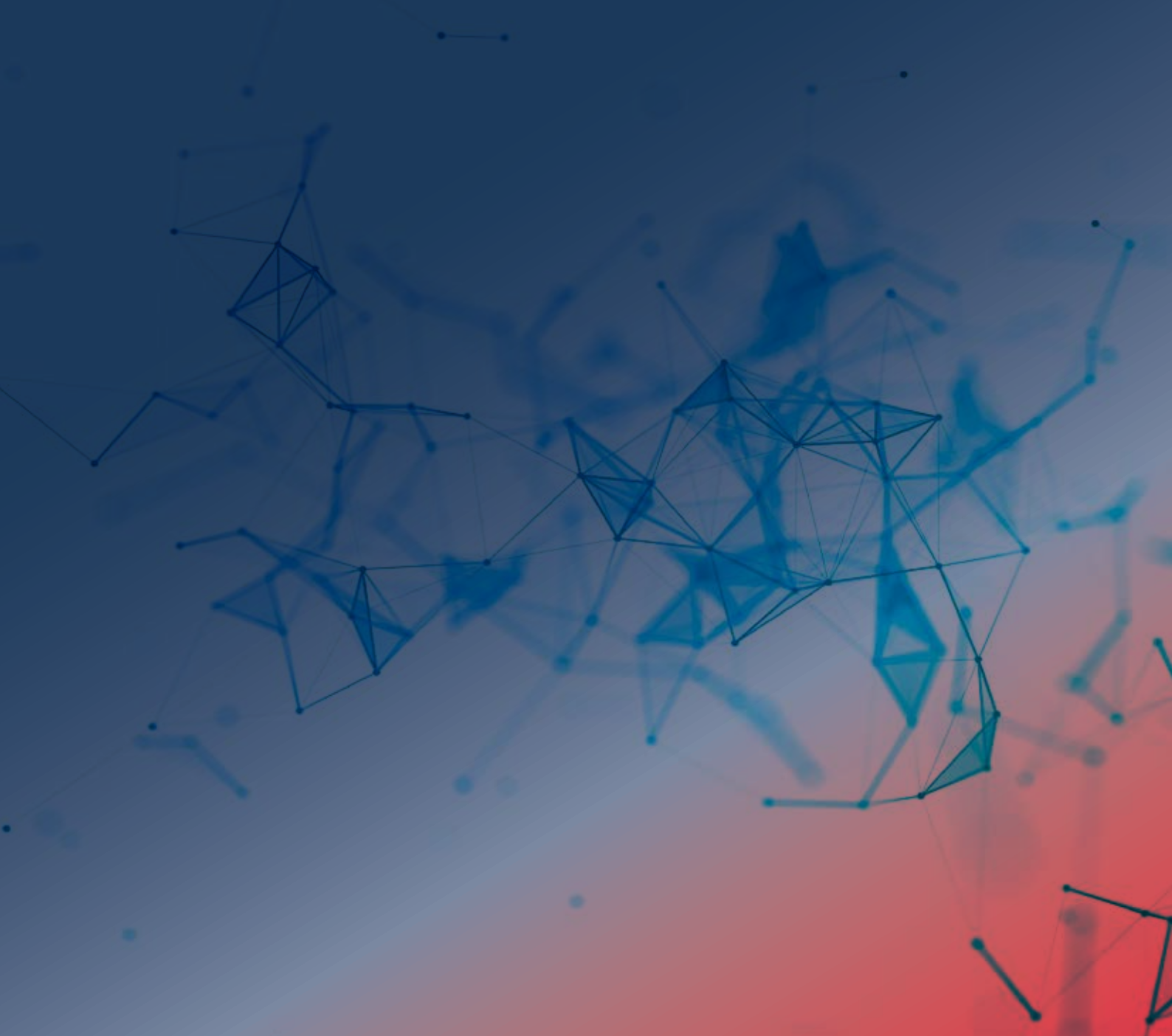
ADDITIONAL LATE PAYMENT FIGURES:

THE BELOW TABLE WILL DEMONSTRATE LATE PAYMENT STATISTICS PER COUNTRY.

SOURCE CEDAR ROSE NOV.2022

Please note that the below statistics are based on Cedar Rose's collected data from fresh investigations and surveys done throughout the years.

Country	Late Payments (more than 30 days) (in %)
Angola	4.34
Argentina	62.5
Armenia	5.55
Australia	60.86
Brazil	17.39
China	32
Ivory Coast	10.81
Ecuador	76.47
Hong Kong	48.46
Indonesia	53.48
Israel	7.4
Japan	16.6
Kenya	15.42
Nigeria	11.19
Philippines	12.9
Russia	62.71
Senegal	19.46
Singapore	5.42
USA	33.68
Vietnam	24.47



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