
STATUTORY INSTRUMENTS

2017 No. 395

The Reporting on Payment Practices and Performance Regulations 2017

Companies to which the duty applies

5.—(1) These Regulations apply to a company in relation to every financial year in which it is a qualifying company.

- (2) A company is not a qualifying company in—
- (a) its first financial year;
 - (b) a financial year which began before 6th April 2017.
- (3) A company other than a parent company is a qualifying company—
- (a) in its second financial year if on its last balance sheet date before that financial year it exceeded two or all three of the general thresholds;
 - (b) in a subsequent financial year if on both of the relevant balance sheet dates it exceeded two or all three of the general thresholds.
- (4) A parent company is a qualifying company—
- (a) in its second financial year if on its last balance sheet date before that financial year—
 - (i) it exceeded two or all three of the general thresholds, and
 - (ii) the group headed by it exceeded two or all three of the group thresholds;
 - (b) in a subsequent financial year if on both of the relevant balance sheet dates—
 - (i) it exceeded two or all three of the general thresholds, and
 - (ii) the group headed by it exceeded two or all three of the group thresholds.
- (5) In this regulation—
- (a) “balance sheet date” means the date as at which the company’s balance sheet was made up;
 - (b) the “general thresholds” are the maximum figures for a company’s turnover, balance sheet total and number of employees set out in subsection (3) of section 465 of the 2006 Act (companies qualifying as medium-sized: general)(1), determined in accordance with subsections (4) to (6) of that section;
 - (c) “group” means a parent company and its subsidiary undertakings;
 - (d) the “group thresholds” are the maximum figures for a group’s turnover, balance sheet total and number of employees set out in subsection (4) of section 466 of the 2006 Act (companies qualifying as medium-sized: parent companies)(2), determined in accordance with subsections (5) to (7) of that section;
 - (e) “parent company” has the meaning given in section 1173 of the 2006 Act(3);
 - (f) the “relevant balance sheet dates” are—

(1) Section 465(3) was amended by [S.I. 2015/980](#).

(2) Section 466(4) was amended by [S.I. 2015/980](#).

(3) There are amendments to section 1173 but none is relevant to these Regulations.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Reporting on Payment Practices and Performance Regulations 2017. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (i) the company's last balance sheet date before the relevant financial year, and
 - (ii) the balance sheet date preceding that;
 - (g) "subsidiary undertaking" has the meaning given in section 1162 of, and Schedule 7 to, the 2006 Act.
- (6) Paragraph (7) applies if the 2006 Act is amended so that the general thresholds or group thresholds which apply to a financial year ("X") differ from those which applied to either of the preceding two financial years.
- (7) For the purpose of determining whether a company is a qualifying company in financial year X, the company is to be treated as if the general thresholds or group thresholds which apply to financial year X had also applied to the two preceding financial years.

Commencement Information

II Reg. 5 in force at 6.4.2017, see [reg. 1\(2\)](#)

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Changes and effects yet to be applied to :

- reg. 5 modified by [S.I. 2017/425 reg. 7](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- Sch. para. 9(c) inserted by [S.I. 2024/444 reg. 2\(4\)\(a\)](#)
- Sch. para. 10A10B inserted by [S.I. 2024/444 reg. 2\(4\)\(b\)](#)