



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Prompt Payment of Interest Policy

The HSE is committed to making every effort to pay its suppliers promptly. In this regard suppliers can assist by ensuring that:

- Correct Invoices are sent directly to the HSE Accounts invoicing location as specified on the Purchase Order
- Invoices quote a valid HSE Purchase Order Number
- Accurate Vendor master data details are provided
- Their Tax Clearance status with the Irish Revenue is up to date

In the case of all public sector contracts of a value of €10,000 (inclusive of VAT) or more within any 12 month period, the contractor (and agent or sub-contractor as appropriate) will be required to produce either a valid tax clearance certificate or the relevant e-Tax Certificate verification details. This is a mandatory requirement. Full details on tax clearance procedures may be found on the Revenue website.

Legislation

Payment of invoices by the HSE is governed by the Prompt Payment of Accounts Act 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2012 - S.I. 580 of 2012.

If the date or period is not fixed in the contract, the creditor is entitled to interest for late payment upon the expiry of any of the following time-limits:

- 30 calendar days following the date of receipt of goods or services, or date of receipt of the invoice or an equivalent request for payment, whichever is the later
- The standard deadline for public authorities to business payments is 30 days. Payment can be extended up to 60 days only if it is “expressly agreed” and justified in light of the nature or feature of the contract.

The regulations provide that unless otherwise specified in an agreed contract, the interest rate will be the European Central Bank main refinancing rate (as at 1 January and 1 July in each year) plus 8 % (with effect from 16 March 2013). The ECB rates in force on 1 January and 1 July apply for the following six months in each year. Only one rate will apply to a late payment-this is the *rate in force on the payment date*. This rate cannot be negotiated with the supplier.

With effect from the 1st July 2020, the late payment interest rate is 8% per annum (that is based on the current ECB rate of 0% plus the margin of 8%). That rate equates to a daily rate of 0.022%. Penalty interest due for late payments should be calculated on a daily basis. The ECB rate can be checked on the Central Bank and Financial Services Authority of Ireland website www.centralbank.ie