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THE 30-DAY PAYMENT RULE

If you deliver to a government department or a municipality, the law says you must be paid within 30 days of them receiving your invoice. In the 2025/26 financial year national and provincial departments paid 475,421 invoices late, worth R45.3 billion, and on 31 March 2026 they still held 88,403 unpaid invoices older than 30 days, worth R16.8 billion. Treasury's complaints address received 402 supplier queries in that same year, so most suppliers never use the route the law gives them. This brief covers the rule, which invoices it applies to, the documents that get you paid, how to escalate and which institutions are bound. Pass it to your finance, sales and project teams.

WHAT THE LAW AND TREASURY SAY

Instrument	What it requires
PFMA section 38(1)(f)	The accounting officer of a department, trading entity or constitutional institution must settle all contractual obligations and pay all money owing, including intergovernmental claims, within the prescribed or agreed period.
Treasury Regulation 8.2.3	"Unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, the date of settlement or court judgment."
MFMA section 65(2)(e)	A municipal accounting officer must take all reasonable steps to ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement. Section 99(2)(b) applies the same duty to municipal entities.
Treasury Instruction No. 34 (November 2011)	Each department reports to its treasury by the 7th of every month: invoices paid after 30 days, invoices older than 30 days and still unpaid, and the reasons. Provincial treasuries consolidate and report to National Treasury by the 15th. The instruction is still in force.
Treasury Instruction 09 of 2017/18, paragraph 4.4	Where goods or services were delivered satisfactorily and without dispute, accounting officers must not delay payment because of the supplier's outstanding tax matters. Tax compliance is tested at the award stage.
PFMA section 83	Treasury's 2025/26 annual report states that wilful or negligent late payment by accounting officers is financial misconduct, to be investigated and disciplined.

Two points matter most in practice. The clock runs from the date the institution **receives** the invoice, and a contract may set a different period. If you signed a contract that says 60 days, the contract governs.

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WHICH OF YOUR INVOICES THE RULE COVERS

An invoice falls under the 30-day rule when all of the following are true:

- It is owed by an institution bound by the rule (see the last section).
- The goods or services were ordered through a valid official order, purchase order or signed contract.
- The goods were delivered or the service was rendered, and the institution has accepted it.
- It is a valid SARS tax invoice that quotes the order number and names the institution exactly as the order does.
- Your business is registered on the Central Supplier Database with a verified bank account.
- The amount is not in genuine dispute.

The rule also covers **civil claims**, where the 30 days run from the date of settlement or court judgment, and **intergovernmental claims** between departments.

Situation	Effect on the 30 days
Contract sets its own payment period	The contract period applies instead of 30 days.
Invoice in genuine dispute (quantity, price, quality)	Payment can lawfully wait until the dispute is resolved. A 2026 CoGTA parliamentary reply confirms this for municipalities. Disputes are on Treasury's list of reasons for late payment every year.
Missing delivery note, goods received note or acceptance record	The institution treats the invoice as incomplete. Treasury names missing or incorrect supplier documents as a root cause of late payment.
No valid order, or work done before the order was issued	The expenditure may be irregular, and payment can stall indefinitely. Get the order number before you start.
Your tax status is red	A PFMA institution may not hold back payment for accepted, undisputed work on that ground (Instruction 09 of 2017/18). A red status can cost you the next award, so keep it green.
Invoice to a state-owned company or other public entity	Treasury has said the 30-day rule is best practice for public entities, without the force of law. Your contract terms govern.
Invoice to a private company	No statute sets a payment period. The contract governs.

THE DOCUMENTS THAT GET YOU PAID

Assemble one pack per invoice. Treasury, the CFO and a court will all ask for the same documents, and a complete pack is what turns a slow invoice into a paid one.

1. The official order, purchase order or signed contract, with the order number.
2. Proof of delivery: signed delivery note, attendance registers, deliverable reports or minutes.

3. The acceptance record: goods received note, approved service entry sheet, completion certificate or signed timesheets.
4. The tax invoice. SARS requires it within 21 days of supply, and above R5,000 it must carry the words "Tax Invoice", your name, address and VAT number, the buyer's name and address (and VAT number where it has one), a serial number and date, a description, the quantity, and the value, VAT and total.
5. Your Central Supplier Database summary report, showing verified bank details and tax status.
6. **Proof of the date the institution received the invoice**: a portal receipt, acknowledgement email or date stamp. The 30 days count from this date, so this is the document that matters most.
7. A statement of account, and a log of every follow-up with dates, names and reference numbers.

HOW TO ESCALATE AN UNPAID INVOICE

Step	When	To whom	What to do
1	Day 0	Accounts payable at the institution	Submit the complete pack. Get written acknowledgement and confirm the invoice is captured on their system.
2	Day 31	Accounts payable and the project manager or end user	Written reminder citing Treasury Regulation 8.2.3 (or MFMA section 65(2)(e) for a municipality), the invoice number, receipt date and amount. Ask for the payment date.
3	About day 40	Chief Financial Officer, then the accounting officer (Director-General, Head of Department or Municipal Manager)	Formal letter with the pack attached. Ask for the reason for non-payment and a committed payment date in writing.
4	After the CFO step, or sooner if there is no response	**National Treasury: 30daysqueries@treasury.gov.za**	Email the pack, the follow-up log and the institution's name. Treasury follows up with the institution and replies to you with the reason for non-payment and a possible payment date or other resolution.
5	If still unresolved	Oversight bodies	The Public Service Commission takes complaints from suppliers about departments that have not paid within 30 days. The Public Protector investigates maladministration in state affairs.
6	When the relationship no longer matters more than the money	Attorney	Letter of demand, then summons. See the legal notes below.

What Treasury does with your query. In 2025/26 Treasury received 402 queries worth R318 million: 160 about national institutions, 178 provincial and 64 municipal. It sends each one to a different place:

- **National** departments and entities: escalated to the institution's CFO for investigation and resolution.
- **Provincial** departments and entities: escalated to the relevant provincial treasury, in the office of the Provincial Accountant-General.
- **Municipalities**: referred to Treasury's MFMA Chief Directorate, which escalates to the municipality.

Legal notes for step 6. Take advice from an attorney before you issue summons; these are the points to raise with them.

- **Interest.** Where the contract sets no rate, mora interest runs at the prescribed rate: repo plus 3.5 percentage points. It is 10.50% in October 2026 and, on that formula, 10.75% from 1 November 2026.
- **Notice under Act 40 of 2002.** The Institution of Legal Proceedings against Certain Organs of State Act requires written notice within six months for claims for damages. On 16 October 2025 the Supreme Court of Appeal held that the Act's "debt" is limited to claims for damages, so a claim for the contract price does not need the notice unless you claim contractual damages (*Goldfields Logistics*, [2025] ZASCA 152). Many attorneys serve the notice anyway, because it costs little.
- **Judgment.** Under section 3 of the State Liability Act, a final court order against a department must be paid within 30 days. If it is not, you serve it on the executive authority, the accounting officer, the State Attorney and the relevant treasury. The treasury then has 14 days to ensure payment or an acceptable arrangement, after which the sheriff may attach movable state property used by the department.
- **Prescription.** An unpaid invoice prescribes after three years. A written acknowledgement of the debt or a part payment interrupts that period.

INSTITUTIONS BOUND BY THE RULE

BOUND BY LAW TO PAY WITHIN 30 DAYS

Category	Legal basis	Who
National departments	PFMA s38(1)(f), TR 8.2.3	The 43 national departments and trading accounts that report to Treasury under Instruction 34 (list below).
Provincial departments	PFMA s38(1)(f), TR 8.2.3	Every provincial department in all nine provinces: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, North West, Northern Cape and Western Cape.
Constitutional institutions (PFMA Schedule 1)	PFMA s38(1)(f)	Commission for Gender Equality; Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities; Financial and Fiscal Commission; South African Human Rights Commission; Independent Communications Authority of South Africa; Electoral Commission; Municipal Demarcation Board; Pan South African Language Board; Public Protector.
Municipalities	MFMA s65(2)(e)	All 257 municipalities: 8 metropolitan, 44 district and 205 local municipalities.
Municipal entities	MFMA s99(2)(b)	Every entity owned by a municipality, such as municipal water, transport and development agencies.

NATIONAL DEPARTMENTS REPORTING TO TREASURY IN 2025/26

Agriculture · Basic Education · Civilian Secretariat for the Police Service · Communications and Digital Technologies · Cooperative Governance · Correctional Services · Defence · Electricity and Energy ·

Employment and Labour · Forestry, Fisheries and Environment · Government Communication and Information System · Health · Higher Education and Training · Home Affairs · Human Settlements · Independent Police Investigative Directorate · International Relations and Cooperation · Justice and Constitutional Development · Land Reform and Rural Development · Military Veterans · Mineral and Petroleum Resources · National School of Government · National Treasury · Office of the Chief Justice · Planning, Monitoring and Evaluation · Police · Presidency · Public Service and Administration · Public Service Commission · Public Works and Infrastructure (Main Account) · Public Works and Infrastructure (Property Management Trading Entity) · Science, Technology and Innovation · Small Business Development · Social Development · Sports, Arts and Culture · Statistics South Africa · Tourism · Trade, Industry and Competition · Traditional Affairs · Transport · Water and Sanitation (Main Account) · Water and Sanitation (Trading Account) · Women, Youth and Persons with Disabilities.

BEST PRACTICE ONLY (YOUR CONTRACT GOVERNS)

- Schedule 2 major public entities, the state-owned companies such as Eskom, Transnet and Denel.
- Schedule 3 national and provincial public entities, such as the SETAs and provincial development agencies. Treasury's query address still takes complaints about both groups.

Where the arrears sit. At 31 March 2026 provincial departments held 98% of unpaid invoices older than 30 days. The Eastern Cape held the most by number (35,002 invoices) and Gauteng the most by value (R4.7 billion). Among national departments, Justice and Constitutional Development held the most unpaid invoices (684), and Defence paid the most invoices late during the year (61,241).

SOURCES

1. National Treasury, Annual Report on Non-Compliance with Payments of Supplier's Invoices within 30 Days, 2025/26 (2026).
2. National Treasury, Non-compliance with payments of invoices within 30 days, Q3 2025/26.
3. Public Finance Management Act 1 of 1999, s38(1)(f) and s83; Treasury Regulation 8.2.3; Instruction No. 34 (November 2011).
4. Municipal Finance Management Act 56 of 2003, s65(2)(e) and s99(2)(b).
5. National Treasury Instruction No. 09 of 2017/18, Tax compliance status verification.
6. National Treasury, Public institutions listed in PFMA Schedules 1 to 3D, as at 21 November 2025.
7. State Liability Act 20 of 1957, s3 as amended by Act 14 of 2011; Institution of Legal Proceedings against Certain Organs of State Act 40 of 2002; Prescription Act 68 of 1969; Prescribed Rate of Interest Act 55 of 1975.
8. Supreme Court of Appeal, MEC, Free State Department of Police, Roads and Transport v Goldfields Logistics (Pty) Ltd (540/2023) [2025] ZASCA 152, 16 October 2025.
9. SARS, Tax Invoices (VAT Act s20).

This brief summarises public law and Treasury reports as at 22 October 2026. You are welcome to share it in full. It is guidance for suppliers and does not replace advice from an attorney on a specific claim.

GET PAID ON TIME WITH KHOLEKTA

Kholekta is DBiLL's service for businesses that supply government and state-owned companies. We find where your money is stuck, clear it, and change the way you invoice so it stops getting stuck. Bring one stuck invoice to a 30-minute call: book at **dbill.co.za/book/kholekta**, email **thando@dbill.co.za** or call Thandwefika Tshabalala on **079 063 8221**.