

FAQs

Minimum Financial Requirements (MFR) for Accountants

General information

Am I expected to submit financial information for annual reporting on behalf of all my clients?

It is not a requirement for accountants to complete the annual reporting form. The myQBCC portal has been developed to assist licensees (and authorised representatives) with providing the financial information required.

What are the annual reporting requirements?

SC1 and SC2 licensees

Licensees need to declare their revenue and Net Tangible Assets (NTA) via the online [myQBCC](#) portal. You do not have to engage an accountant to do this

Category 1-3 licensees

Licensees need to provide the following reports:

- profit and loss statement
- balance sheet
- an aged debtors and creditors report
- statement of cash flows

These reports don't have to be prepared by an accountant and can be submitted via the online portal [myQBCC](#).

Category 4-7 licensees

If the company is an ASIC reporting entity, simply provide a copy of the report or documents lodged with ASIC within 30 days of ASIC lodgement. If the business or company is not an ASIC reporting entity, signed financial documents need to be provided, specifically:

- profit and loss statement
- balance sheet
- an aged debtors and creditors report
- statement of cash flows

- notes to the financial statements
- a written declaration
- a description of the measurement (basis and accounting policies relevant to those statements).

There is no requirement for these annual reporting documents to be prepared or reviewed by a qualified independent accountant.

These reports can be submitted via the online portal [myQBCC](#).

When can reports be submitted without an accountant?

Are registered tax agents still able to provide reports to the QBCC?

If you are currently considered a qualified accountant, you will continue to be considered a qualified accountant unless advised otherwise.

How are SC1 and SC2 licensees to calculate current ratio without an accountant?

The Annual Reporting Form requires key financial information which can be used by QBCC to calculate the current ratio. Licensees are not required to calculate the ratio themselves.

If financial information submitted has been incorrect in the past, why is the QBCC allowing licensees to submit their financial information for annual reporting without an accountant?

The QBCC can only do what the law allows us to do at the time. The *Queensland Building and Construction Commission (Minimum Financial Requirements) Regulation 2018* allows financial information for annual reporting to be submitted by the licensee.

Reporting requirements for accountants

What information is required to be shown on the debtors and creditors report?

You will need to provide an aged listing of debtors and creditors which would include information on amounts owed currently as well as in 30 days, 60 days and 90+ days.

For annual reporting, do related party debtors and creditors need to be separated and classified as due from related parties in the balance sheet?

Yes.

Do category 4 licensees need the financial statements to be audited?

No.

For many of our clients who are category 1 – 3 licensees, a statement of cash flows is not readily available and would require additional information to the usual financial statements prepared. Is a statement of cash flow compulsory?

There is a transitional provision within the new MFR Regulation that allows exemption from providing this document if licensees don't already have one prepared. However, that exemption will only be applicable for the first year reporting (as a transition) for a reporting year prior to 1 January 2019. The statement of cash flows will be mandatory in the future to satisfy the annual reporting requirements.

If a licensee is not required to report to ASIC or the ATO but they have a maximum revenue over \$12M, are they required to provide audited financial statements?

No. They are only required to provide the financial information relevant for their licence category. If the licensee is required to report to ASIC or the ATO then they will need to provide a copy of these reports to the QBCC.

What about a loan with an individual (for example Div. 7A) that doesn't prepare

financial statements. Would these need to be prepared to support the loan?

For an individual loan owed to a company entity, the QBCC would require a statement of financial position for the individual (not Div. 7A documents) to evidence collectability of the loan.

Will balance sheets be required for all QBCC licensees who act as trustee to a trust or only those with turnover of more than \$30M?

For annual reporting requirements, the reporting would be on the trust, as it is the trading entity.

Is the statement of cash flows for the same period as the profit and loss statement?

Yes. All financial information is required to be for the same reporting period.

Are SC1 and SC2 licensees required to upload a profit and loss statement and balance sheet with their annual reporting form?

No. SC1 and SC2 licensees are only required to complete the Annual Reporting form via the myQBCC portal. Supporting documentation may be uploaded at the licensee's discretion.

Does the statement of cashflow need to report on the same period as the other financial statements?

Yes. All financial information needs to be for the same reporting period.

Are category 4 – 7 licensees exempt from providing a statement of cashflow if not currently prepared by the licensee?

No. It is a requirement that a statement of cashflow is included as part of the signed financial statements.

Meeting accounting standards

If financial information for annual reporting does not need to be prepared by an accountant, how will a QBCC licensee apply accounting standards?

For a SC1 or SC2 Licensees the annual reporting requirement does not need to have accounting standards applied.

For category 1-7 licensees the annual reporting documentation must be prepared to the prescribed accounting standards.

Are category 1-3 licensees required to apply any accounting standards to the financial information that they lodge?

Yes, the internal management accounts must be prepared under the prescribed accounting standards.

If a category 1 – 3 licensee is applying to increase their maximum revenue, are they required to apply the accounting standards when preparing the MFR report?

Accounting standards must always be applied when preparing an MFR Report.

For a category 4 - 7 licensee that is a non-reporting entity, is it sufficient to only apply accounting standards as required by ASIC?

Yes. When lodging financial information on the annual reporting form via the myQBCC portal, you will be required to indicate what accounting standards have been applied.

Does a report need to be submitted?

If the director of a category 4 – 7 licenced company also holds an individual contractor's licence with a maximum revenue of \$200,000, is the director still required to submit a Declaration for the individual licence if he is not trading under that licence?

Yes. As a contractor grade licensee, the director is still required to satisfy the annual reporting requirements and hold NTA of at least \$12,000. If the director is not trading under the individual licence, they may wish to change the licence type to nominee supervisor.

Does a holder of a nominee supervisor grade licence need to submit annual reports?

No.

When to submit your report

If a company with a turnover of less than \$30M receives a notice to give financial information before 31 March 2019, do they have to satisfy this requirement?

If the licensee received a request under an approved audit program, then they are required to comply with this requirement. However, category 1 – 3 licensees with a maximum revenue between \$800,000 and \$30M are not required to provide financial information until 31 December 2019. If you are unsure about the licensee's financial category or whether the licensee is required to comply with an approved audit program, please contact the QBCC.

How does a category 2 licensee apply to increase their maximum revenue?

To increase or decrease the Maximum Revenue between \$800,001 - \$30,000,000 the licensee must complete and submit financial information in the MFR Report together with a copy of the signed financial statements relied upon to complete the MFR report.

More information is available on the [financial reporting page](#).

Can annual reports lodged after 1 July 2019 be based on financial information prepared for the reporting year ending AFTER 30 June 2019 (e.g. year ending 30 September 2019)?

Yes, if your client is an SC1, SC2 or category 1-3 licensee, they have up until 31 December 2019 to lodge financial information. At the time of lodging, you need to give the Commission financial information for the most recent reporting year ending before 31 December 2019.

If my client had a turnover of \$750,000 in this financial year and I lodge their financial information after 1 April 2019, will they be a category 2 licensee?

No. Your client will be a Self-Certifying 2 (SC2) licensee not a category 2. On 2 April 2019, the upper limit for Self-Certifying 2 (SC2) licensees

was increased from \$600,000 to \$800,000. Licensees impacted by the change were notified by QBCC.

For the 2020 reporting year, will MFRs be re-introduced as part of the annual reporting requirements and does the financial information provided need to be no more than 4 months old?

No. There is no requirement to provide an MFR Report as part of the annual reporting requirements. However, licensees will be allocated an annual reporting day for future reporting years and that will be within 4 months of the financial reporting date of annual reports already received.

Is the reporting date for SC1, SC2 and category 1 – 3 licensees 31 December 2019 and for future reporting years licensees will be given a reporting date within 4 months of their reporting year?

The QBCC will try to allocate a reporting date within 4 months of a licensee's reporting year, however, a licensee may also apply to change their reporting date.

If a licensee has already lodged financial information with ASIC on 30 June 2018, do they need to lodge financial information with the QBCC on 31 March 2019? What if they already gave QBCC a copy of the same reports?

Yes. It is a requirement that ASIC reporting entities supply a copy of the same reports to the QBCC.

If the financial information is for the reporting year ending 30 June 2019, will the licensee need to submit their annual reports by 30 October 2019?

No. SC1, SC2 and Cat 1 – 3 licensees have until 31 December 2019 to submit their financial information for annual reporting. The QBCC will then try to allocate an annual reporting day within 4 months of the licensee's reporting year for 2020 onwards.

What if the financial information is not received from an external accountant until more than 4 months after 30 June 2019?

SC1, SC2 and category 1 – 3 licensees have to provide financial information for the most recent reporting year on or before 31 December 2019. From 2020 onwards, licensees will be allocated a reporting date and may apply to change their reporting date if it doesn't meet their current business requirements.

If a licensee has financial information for year ending 30 June 2019, can they be allocated a reporting date up to 4 months after the end of year date for future annual reporting?

The QBCC will try and allocate an annual reporting day within 4 months of the licensee's reporting year, however a licensee will be able to apply to change their reporting day if it isn't appropriate.

Revenue

Does revenue refer only to construction revenue generated in Queensland or is it construction revenue as a total for that entity?

Revenue means from all sources and that could include revenue generated from interstate or overseas.

If a category 4 licensee wants to decrease their maximum revenue to a category 3 (actual revenue is less than \$30M), is the licensee currently required to provide an MFR report? And what year does the financial information need to be based on?

To decrease maximum revenue, a licensee will need to complete an MFR Report and provide financial statements that are no older than 4 months in age at the time the report is signed.

If a licensee applied to increase their maximum revenue and was approved in November 2018, what do they need to lodge to satisfy the annual reporting requirements?

You will need to submit the financial information required for the licensee's financial category. You can use the same financial information relied upon when applying to increase maximum revenue as long as it is the client's most recent financial information.

Is there still an allowance for licensees to exceed their maximum revenue by up to 10 per cent?

Yes. If a licensee's actual revenue is likely to exceed their maximum revenue by more than 10 per cent, the licensee must report to the QBCC prior to exceeding their maximum revenue.

Net tangible Assets (NTA)

Will the client need to calculate NTA when lodging financial information?

No. NTA will be automatically calculated in the myQBCC portal once all financial information is entered.

Is there a formula available on the website for determining NTA/ Maximum Revenue other than the calculator?

Schedule 1 of [The Queensland Building and Construction Commission \(Minimum Financial Requirements\) Regulation 2018](#) provides the formula for calculating Maximum Revenue and Net Tangible Assets

Internal management reports/accounts

Are internal management reports sufficient to satisfy the annual reporting requirements for a category 1 – 3 licensee?

To satisfy the annual reporting requirements, these documents do not need to be prepared or certified by a qualified independent accountant.

Can a category 4 – 7 licensee provide internal management accounts if they are a non-reporting entity?

For annual reporting, category 4 – 7 licensees are required to submit signed financial statements which include the following –

- All financial statements:
 - Profit and loss statement
 - Balance sheet
 - An aged debtors and creditors report
 - Statement of cashflows

- Notes to the financial statements containing notes required by Australian Accounting Standards
- Completed Annual Reporting Form
- A description of the measurements on which the financial statements are based and the relevant accounting policies or reports.

Trusts

Do you include the assets of a trust when calculating the NTA and current ratio if the licensee is a company or person acting as trustee for a trust?

The QBCC requires financial statements for both the trustee and the trust for the same reporting year. While all trading is usually completed under the Trust, the trustee company is still required to provide signed financial statements to confirm its net asset position. As trustee for a trust, assets held by a trustee under trust arrangements are excluded when calculating the NTA position. However, any liabilities incurred by the licensee as a trustee for a trust must be included in the liabilities. If, however, the trustee has a recognised right of indemnity to the assets of the trust relevant to the trust liabilities incurred, then the value of the indemnity may be set off against the trust liabilities.

If the licensee is a company or person acting as trustee for a trust, is the financial information for the annual reporting to be based on the trust or the trustee?

To satisfy the annual reporting requirements, the financial information would be based on the trust as the trading entity.

Can a company who is trustee for a trust provide a Deed of Covenant and Assurance to increase the NTA for the trust?

The QBCC do not licence trusts. If a licenced company is a trustee for a trust, they may rely on a Deed of Covenant and Assurance from beneficiaries of a trust administered by the licensee as trustee, directors of the company or a related body corporate.

When calculating the NTA of a licensed company that is trustee for a trust, do you include the trustee company assets?

Yes. NTA for a company that is a trustee for a trust can include –

- Assets and liabilities of the trustee company, exclusive of the trust; or
- In combination with assets assured by way of Deed from one or more of the following:
 - beneficiary of the trust
 - director of the licensee; or
 - a related body corporate to the licensee

Assets and liabilities held in the trust cannot be taken into consideration in determining NTA and cannot be assured to the applicant through a Deed. Assets held on trust for another person or corporation do not fall within the QBCC's definition of an 'asset'.

Audits and breaches

When is an audit of the financial information required?

The QBCC may audit financial information if there is reasonable suspicion that the information provided is false or misleading.

If a licensee submits financial information for annual reporting themselves and inadvertently breaches the NTA or Current Ratio, what action will the QBCC take?

The QBCC will notify the licensee in the first instance and give the licensee the opportunity to provide correct financial information. Failure to comply with our request may lead to a review and possible suspension and/or cancellation of the licence.

Submitting a report on myQBCC

Is it mandatory to use the myQBCC portal to lodge financial information?

The QBCC encourage you to use the myQBCC portal as it has been developed to assist you with submitting financial information for annual reporting. If you are unable to access the myQBCC

portal, forms are available on the [forms, fact sheets and publications page](#).

How can an accountant access the myQBCC portal?

An accountant can register for myQBCC here: <https://my.qbcc.qld.gov.au/s/>

Please note, a licensee is required to grant permission for the accountant to submit financial information on their behalf. More information is available here:

https://www.qbcc.qld.gov.au/sites/default/files/Minimum_Financial_Requirements_-_myQBCC_user_guide.pdf

If I used the myQBCC portal to complete the annual reporting form, can my client login and certify/ submit the information?

No, the annual reporting form cannot be started by one user and completed by another. Only the person who started completing the form can certify that the information is true and correct and submit.

Is an accountant able to use their own log-in for the myQBCC portal for all clients or do they need to be authorised by each client?

Each licensee will have to grant permission in myQBCC to allow their accountant to lodge financial information on their behalf. Once this is done, you will be able to log in using your own myQBCC account and lodge annual reports on behalf of all clients.

Can the previous annual reporting information be seen in the myQBCC portal?

No. Once you have submitted your annual reporting form, you will not be able to view the completed form. You may like to print screen to keep a copy for your records.

Can I submit my financial information for annual reporting as a CSV file?

You are required to complete the Annual Reporting form but you may upload required/supporting documentation in whatever format you wish including a CSV file.

Resources

Will we get copies of slides from the MFR Roadshow?

A copy of the presentation and handout is available here:

<http://www.qbcc.qld.gov.au/education-engagement/education-engagement-industry-events>

Was the webinar recorded?

The webinar recordings are available on the [education and engagement page](#).

Will there be further MFR Roadshows for accountants?

At this stage no further MFR roadshows for accountants have been planned, however any further roadshows will be advertised on the [education and engagement page](#).

Defintions

What is meant by “year end date” for the 2019 catch-up annual reporting period?

A licensee is required to provide financial information for the most recent reporting yearending before the annual reporting day. If a licensee’s catch-up annual reporting day is 31 December 2019 and their most recent financial information is for the 30 June 2019 reporting year, this would be the date you would use when completing the “year end date” on the Annual Reporting form.

Is there a definition of construction revenue we can refer to when completing the annual reporting form?

Construction revenue is the licensee’s turnover under the QBCC licence. All other revenue would be from other sources outside of the QBCC licence our website.