

CP Progression – CP1352

Meeting Name	Imbalance Settlement Group (ISG)
Meeting Date	25 October 2011
Purpose of paper	For Decision
Summary	This paper explains the background, solution, impacts and industry views for CP1352 'Remove option of postal FAA invoices'. We invite you to approve this CP.

1. Why change?

1.1 Summary

1.1.1 This CP will remove the option for BSC Trading Parties to receive Funds Administration Agent (FAA) Advice Notes, Confirmation Notices and their associated backing sheets by post. It will leave email as the single mandatory method of despatch for these invoices.

1.2 Background – P214 and the current rules

- 1.2.1 Trading Parties currently receive their payment Advice Notes and Confirmation Notices from the FAA by both email and post, unless they complete a form in BSCP301¹ to opt out of post and receive emails only.
- 1.2.2 Approved Modification [P214](#)² introduced the use of email for these FAA invoices in 2008. P214 intended to incentivise Parties to opt out of post and thereby deliver time-savings and efficiencies to the FAA. However, this has only been partly successful.

2. What is the issue?

2.1 How many Parties still receive postal invoices and why?

- 2.1.1 Of the 'active' Parties which the FAA invoices for imbalance charges (i.e. excluding Parties who are in withdrawal and administration) 154 were still receiving postal Advice Notes and Confirmation Notices in January 2011. The cost of this manual processing to the FAA was around 2 hours of effort a day.
- 2.1.2 Between January and the end of March 2011, we contacted all of these Parties to encourage them to opt out of post and use email only. As a result, only 36 Parties at the end of March were receiving postal Advice Notices and Confirmation Notices (with most of these being subsidiaries of one of the Big 6). **Since then, many new Parties have acceded to the BSC without completing the 'post opt out' part of the Funds Accession Form in BSCP301.** This had therefore subsequently increased the total to 56 by the end of August 2011, meaning that the one-off education exercise is not an enduring solution.

¹ BSC Procedure 301 'Clearing, invoicing and payment'.

² P214 'Issues Relating to Funds Administration'.

- 2.1.3 The exercise did, however, help clarify the reasons why Parties had/have not opted out. In most cases this is simply due **to lack of awareness, or the effort involved in completing the BSCP 'opt out' form** (particularly for the larger companies with multiple Party IDs).
- 2.1.4 However, some smaller Parties who would like to opt out of post feel unable to because they cannot read the electronic email versions of the Advice Note backing sheets. These backing sheets contain the **detailed breakdown of Parties' charges. There are three types of backing sheet: those for Trading Charges, those for Default Charges and those for ad-hoc charges.** The email backing sheets for both Default Charges and ad-hoc charges are Portable Document Format (PDF) files, and their postal versions are paper printouts of these files. The email Trading Charges backing sheets are in ASCII pipe-delimited format, **which can be loaded directly into Parties' own systems. ASCII files are not an easily human-readable format** for Parties without such systems. Some smaller Parties therefore continue to receive postal invoices because the posted Trading Charges backing sheets are printouts of a human-readable PDF format.

2.2 Why is using post inefficient?

- 2.2.1 We believe that continuing to post Advice Notes and Confirmation Notices is inefficient, as it involves time and manual effort which the FAA could spend on other activities **such as dealing with Parties' queries.** Since the implementation of P214, email invoicing has become widely accepted and used.
- 2.2.2 However, removing post must not disadvantage smaller Parties without the systems to load/read the ASCII backing sheets.

3. Solution

- 3.1 CP1352 will discontinue the option of postal Advice Notes and Confirmation Notices, so that Parties receive these by email only. Post will remain an available emergency back-up option in the event of email failure.
- 3.2 To resolve the backing sheets issue, the CP will amend FAA systems to include both the PDF and ASCII versions of the Trading Charges backing sheets in the emails sent to Parties. This will not significantly increase the size of the emails. The backing sheets for Default Charges and ad-hoc charges will continue to be provided in PDF format only.
- 3.3 This solution requires changes to the following documents:
- BSCP301 (see Attachment A);
 - FAA Service Description (see Attachment B);
 - Communication Requirements Document (CRD) (see Attachment C);
 - FAA User Requirements Specification (URS) (see Attachment D); and
 - FAA Interface Definition and Design (IDD) Part 1 (see Attachment E).

- 3.4 A change to the BSC is not required, as BSC Section N does not specify the method of invoice despatch and refers to the CRD.
- 3.5 The ISG and Supplier Volume Allocation Group (SVG) jointly own the CRD. We will therefore also ask the SVG to approve the CRD changes at its next meeting on 1 November 2011.

4. Intended benefits

- 4.1 We believe that postal invoicing is unnecessary duplication because:
- All Trading Parties already receive Advice Notes and Confirmation Notices by email;
 - The posted invoices are delivered after their email versions and, in the case of Advice Notes, potentially after the charges concerned have already been paid;
 - The emailed invoices are the official documents (e.g. for VAT purposes), and the postal versions are simply paper copies;
 - Any Party wishing to keep paper records can simply print the emailed versions; and
 - Automated email despatch involves less potential for human error (e.g. invoices being sent to the wrong Party/address) than manual postage.
- 4.2 Removing the need to provide posted copies will free up FAA resource, increasing the overall efficiency of the process. The BSC Auditor has supported this approach during its review of FAA processes under the recent BSC Audit.
- 4.3 There is a cost in amending FAA systems so that they automatically email both PDF and ASCII Trading Charges backing sheets. However, the efficiency savings from removing post will exceed the total implementation cost of this CP (£29.5k) within 9 months of implementation.

5. Industry views

- 5.1 We raised [CP1352](#), and issued it for industry impact assessment in CPC00701, on 2 September 2011. We received nine responses as summarised below. You can find the full responses on our website [here](#).

Respondent role	Respondent view		
	Yes	No	Neutral
Trading Party	3	-	-
Party Agent only	-	-	4
Other (1 Distributor, 1 non-Party)	-	-	2
Total	3	-	6

5.2 Comments on the proposed redlining

- 5.2.1 We received no comments on our proposed redlined changes.

6. Impacts and costs

Market participant	Cost/impact	Implementation time needed
FAA	£22.5k to amend and test FAA systems.	February 2012 Release suitable.
ELEXON (implementation)	30 man days of effort (equating to £7k). This includes managing and testing the systems change, applying the changes to impacted documents and publicising the removal of post to affected Parties.	February 2012 Release suitable.
Trading Parties	From the Implementation Date, those Trading Parties who currently receive Advice Notes, Confirmation Notices and related backing sheets by both email and post will only receive them by email. No Parties have identified any associated costs or lead times for their organisations.	February 2012 Release suitable.

7. Implementation approach

- 7.1 We propose that CP1352 is implemented in the February 2012 Release, as this is the next available systems Release. There is no need to tie implementation to the start of a financial quarter/year.
- 7.2 This CP will be implemented on a calendar day basis. From the Implementation Date all Advice Notes, Confirmation Notices and related backing sheets will be despatched by email only, regardless of the Settlement Day(s) and Payment Date(s) to which they relate.

8. Recommendation

- 8.1 We invite you to **APPROVE** CP1352 for implementation in the February 2012 Release, **SUBJECT TO** the **SVG's approval of the CRD changes** at its meeting on 1 November 2011.

Attachments:

- Attachment A – BSCP301 redlining
- Attachment B – FAA Service Description redlining
- Attachment C – Communication Requirements Document redlining
- Attachment D – FAA URS redlining
- Attachment E – FAA IDD redlining

For more information, please contact:

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CP1352 – Remove option of postal FAA invoices

CP1352 proposes changes to BSCP301 sections 4.2, 4.5.1 and 5.1.4.

We have redlined these changes against version 14.0 of the BSCP.

[Sections 1.1-4.1 are unchanged]

4.2 Calculate and Arrange Payments

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.2.1	To be received by 10:00 on Notification Date.	Send SAA Settlement Results for each relevant Settlement Day (i.e. all Settlement Days with this Notification Date as per the Payment Calendar).	SAA	FAA	Credits and Debits Report for Initial, Reconciliation and Post-Final Settlement Runs (where applicable) For each Settlement Day and for each Trading Party: <ul style="list-style-type: none">• Daily Party BM Unit Cashflow• Daily Party Non-Delivery Charge• Daily Party Energy Imbalance Cashflow• Daily Party Information Imbalance Charges• Daily Party Residual Settlement Cashflow For each Settlement Day: <ul style="list-style-type: none">• Daily System Operator BM Cashflow	Electronic

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.2.2	If SAA Settlement Results not received by 10:00.	Send notification of non-receipt and liaise with SAA to attempt to obtain data in time to run production and despatch processes.	FAA	SAA BSCCo	Notification of non-receipt	Tel/Fax
4.2.3	If final Reconciliation postponed.	Reschedule final Reconciliation.	FAA			Internal Process
4.2.4	If SAA Settlement Results received on time.	Validate results for completeness, against Standing Data and for balance (within £10) between total debits and total credits.	FAA		Credits and Debits Report	Internal Process
4.2.5	If SAA Settlement Results are invalid (£10 difference or more) or data is missing then notify as soon as possible after receipt from SAA	Notify invalidity or missing data as soon as aware of invalidity. (If this is not done by close of business on Notification Date, SAA will assume that the data are valid).	FAA	SAA	Notification of invalidity	Tel/Fax
4.2.6	Using its best endeavours	Resolve problem and send revised SAA Settlement Results.	SAA	FAA	Revised Credits and Debits Report	Electronic
4.2.7	If valid results available in time for production and despatch processes to be run	Run FTS.	FAA			Internal Process

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.2.8	<ul style="list-style-type: none"> No later than the Notification Date, if the Advice Note Threshold Limit has been exceeded; or on a Quarter Date¹; or as requested by BSCCo or by a Payment Party in accordance with Section N7.1.8 of the Code; or as determined by the Panel 	Send Advice Note with combined charges ² .	FAA	Each Payment Party	Advice Note showing the combined amount that is to be paid by the Party to the Code Clearer or to that Payment Party by the Code Clearer on that Payment Date. Sample in Appendix 5.1.1.	Email and optionally by First Class Post
4.2.9	When Trading Charges are incurred and no later than the Notification Date	Send Trading Charges backing sheets.	FAA	Each Payment Party	Backing Documentation for Trading Charges. Sample in Appendix 5.1.5.	Email and optionally by First Class Post.
4.2.10	<ul style="list-style-type: none"> When Default Charges have accrued; and either the monetary or time thresholds have been exceeded; and no later than the Notification Date. 	Send Default Charges backing sheet.	FAA	Each Payment Party	Backing Documentation for Default Charges. Sample in Appendix 5.1.5.	Email and optionally by First Class Post

¹ Where a Quarter Date falls on a non-Working Day, Advice Notes will be sent on the last Working Day prior to the Quarter Date.

² The FAA will include ad-hoc charges into the Advice Note where the Payment Date for the Advice Note matches the ad-hoc charge Payment Date.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.2.11	When an ad-hoc charge occurs, and no later than the Notification Date	Send ad-hoc charges backing sheets.	FAA	Each Payment Party	Backing Documentation for ad-hoc charges. Sample in Appendix 5.1.5.	Email and optionally by First Class Post
4.2.12	If Payment Date postponed	Resume at 4.2.6 above on the next Business Day (so that the postponed Payment Date is the second Business Day after valid Settlement Results received).				
4.2.13	10 WD after the FAA receives notification of ad-hoc payment, or as otherwise agreed by the Panel	Include ad-hoc payment in Advice Note for Payment Date in question. ³	FAA	Payment Party		Email and optionally by First Class Post
<i>Where an undeliverable return receipt is received relating to the electronic delivery of an Advice Note/Confirmation Notice/Advice Note Backing Sheet</i>						
4.2.14	If electronic delivery of an Advice Note / Confirmation Notice / backing sheet fails	Contact affected Party and either: a) request a temporary email address to deliver the file electronically; b) request a fax number to fax to the document to the Party; c) advise the Party of the amount payable or receivable and post the document.	FAA	Payment Party		Telephone
4.2.15	If electronic delivery of an Advice Note / Confirmation Notice / backing sheet fails and telephone contact is not possible	Send document to Party by post until such time as the FAA can contact the Party and confirm the situation or resolve the email non-delivery problem.	FAA	Payment Party		First Class Post

³ An Advice Note will not be issued unless the ad-hoc payment breaches the Monetary Threshold or if the Payment Date is on a Quarter Date.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.2.16	If Payment Party suspects they should have received an Advice Note / Confirmation Notice / backing sheet	Contact FAA and advise of non-receipt of expected document.	Payment Party	FAA		Telephone, Email
4.2.17	Following 4.2.16	Investigate and advise Payment Party as necessary.	FAA	Payment Party		Internal process, telephone, email

[Sections 4.3-4.4 are unchanged]

4.5 Maintain Arrangements with Banks

4.5.1 Obtain new and changed banking details and authorisations

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.5.1.1	As required and no later than 5 WD before a change in VAT status that alters the liability of the Party to UK VAT	Send completed and authorised “Funds Accession” form or “Amendments to Funds Accession Details” form, as necessary.	Party	FAA, BSCCo	Sample forms in Appendix 5.1.4 Signatory must be authorised as per BSCP38 BSCP301/04(a) if new details BSCP301/04(b) if details have been changed	Manual

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.5.1.2	Within 1 WD of 4.5.1.1 where notice of a change in VAT status that alters liability of the Party to UK VAT, has been given	Check “Amendments to Funds Accession Details.” Where VAT declaration is complete, notify consent to change in VAT status. Where VAT declaration is incomplete or believed to be erroneous ⁴ contact Party and resolve.	BSCCo BSCCo	FAA Party	Completed BSCP301/04 (a); or BSCP301/04 (b).	Manual
4.5.1.3	No later than 3 WD before the Payment Date on which the change in VAT status takes effect, and prior to calculation of payments, where BSCCo has consented to change in VAT status	Validate Funds Accession Form or Funds Accession Details Form & update VAT details	FAA		Consent to change in VAT status from BSCCo	Internal Process
4.5.1.4	Within 3 WD of 4.5.1.1, as appropriate	Update record of Payment Parties who have opted to receive posted Advice Notes, Confirmation Notices and backing sheets, on Funds Accession Form or Amendments to Funds Accession Details Form.	FAA		BSCP301/04(a) if new details BSCP301/04(b) if details have been changed.	Internal Process
4.5.1.4 ⁵	Within 4 WD of 4.5.1.1	Check Payment Party’s contact details against those received from CRA.	FAA			Internal Process
4.5.1.5 ⁶	Within 10 WD of 4.5.1.1	Establish / revise transfer details.	FAA	Party Banks	Direct Debit instructions, CHAPS, BACS	Manual

⁴ Examples of incomplete or erroneous VAT declarations may include (but may not be restricted to): where a Party has declared that they are not liable for UK VAT but provided an UK address (or vice versa); or has given an address within the EU but has not declared a VAT number and/or the two-letter country identifier Code for the relevant EU member state.

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
4.5.1. 67	Before the new Party can take part in Trading Arrangements	Set up banking communication links.	FAA	BSC Banker, Collection Account	As required	Internal Process

[Sections 4.5.2-5.1.3 are unchanged]

5.1.4 BSCP301/04(a) Funds Accession Form

To: FAA, BSCCo	Date Sent: _____
From: Participant Details	Participation Capacity: _____
Party ID: _____	Name of Sender: _____
Sender email address: _____	
Our Ref: _____	Contact Tel. No. _____
Name of Authorised Signatory: _____	
Authorised Signature ⁵ : _____	Password: _____

PARTY NAME:			
Party Address:			
Company Registered Number:			
<u>Point of Contact Name⁶:</u>			
<u>Point of Contact Postal Address⁷ Address details for Advice/Confirmation Note:</u>			
Point of Contact Telephone Number:			
Point of Contact Facsimile Number:			
Point of Contact email address (for general queries) ⁸ :			
Payment Notice email address ⁹			
Collection Account:	Barclays Bank	Elect Method of Payment	CHAPS/BACS Direct Debit
Receive copy Advice Notes, Confirmation Notices and Advice Note Backing Sheets in hard copy by First Class pre-paid post?		Yes / No (delete as applicable)	

For the purposes of Council of the European Union Directive 2003/92/EC as regards the rules on the place of supply of gas and electricity, should the place of supply of electricity for this Party ID be considered to be in the UK or not?	UK / Non-UK (delete as applicable)
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⁵ Refer to BSCP38 for authorised signatory category details.

⁶ This must be a department name (e.g. 'Accounts Payable') or, if this is not possible, a job title (e.g. 'Finance Director').

⁷ If the FAA is unable to deliver Advice Notes, Confirmation Notices and/or Advice Notes Backing Sheets to the Payment Notice email address specified below, it may deliver these to this postal address in accordance with section 4.2 of this Procedure.

⁸ This email address will be used as the first point of contact for the FAA.

⁹ This email address will be used for the delivery of all Advice Notes, Confirmation Notices and Advice Note Backing Sheets, except in the event of an email delivery failure as described in section 4.2 of this Procedure. This email address must be an anonymised email address which should be accessible to more than one individual recipient e.g. bscpaymentnotice@nameofparty.co.uk

VAT Number:	
If for the purposes of Council of the European Union Directive 2003/92/EC as regards the rules on the place of supply of gas and electricity, the place of supply of electricity for this Party ID is within the European Union, please supply the two-letter identifier code for the place of supply country.	
Type of Credit Cover:	

Settlement Bank Name:

Settlement Bank Address:

Settlement Bank Sort Code:

Settlement Account Number:

Settlement Name of Account:

Settlement Bank Contact Details

BSCP301/04(b) Amendments to Funds Accession Details¹⁰

To: FAA, BSCCo:	Date Sent: _____
From: Participant Details	Participation Capacity: _____
Party ID: _____	Name of Sender: _____
Sender email address: _____	
Our Ref: _____	Contact Tel. No. _____
Name of Authorised Signatory: _____	
Authorised Signature ¹¹ : _____	Password: _____

	Current Details	New Details	Effective Date
PARTY NAME:			
Party Address:			
Company Registered Number:			
Point of Contact Name⁶:			
Point of Contact Postal Address⁷ Address details for Advice/Confirmation Note:			
Point of Contact Telephone Number:			
Point of Contact Facsimile Number:			
Point of Contact e-mail (for general queries) ⁸ :			
Payment Notice email address ⁹			
Collection Account:	Barclays Bank		
Elect Method of Payment	CHAPS/BACS Direct Debit		
Receive Advice Notes, Confirmation Notices and backing sheets in hard copy by First Class pre-paid post?	Yes / No (delete as applicable)		
For the purposes of Council of the European Union Directive 2003/92/EC as regards the rules on the place of supply of gas and	UK / Non-UK (delete as applicable)		

¹⁰ It is the responsibility of each Party to notify the FAA and BSCCo immediately upon any changes to its Funds Accession Details by submitting this BSCP 301/04(b) form. In the absence of such notification, and any notice or other communication given in connection with the Code or relevant BSC Procedure(s) and sent to the Funds Accession Details provided by a Party shall be treated as valid for the purposes of the Code, except where otherwise expressly provided in the Code or relevant Code Subsidiary Document.

¹¹ Refer to BSCP38 for authorised signatory category details.

	Current Details	New Details	Effective Date
electricity, should the place of supply of electricity for this Party ID be considered to be in the UK or not?			
VAT Number:			
If for the purposes of Council of the European Union Directive 2003/92/EC as regards the rules on the place of supply of gas and electricity, the place of supply of electricity for this Party ID is within the European Union, please supply the two-letter identifier code for the place of supply country.			
Type of Credit Cover:			

	Current Details	New Details	Effective Date
Settlement Bank Name:			
Settlement Bank Address:			
Settlement Bank Sort Code:			
Settlement Account Number:			
Settlement Name of Account:			
Settlement Bank Contact Details			

[Sections 5.1.5-5.3 are unchanged]



CP1352 – Remove option of postal FAA invoices

CP1352 proposes changes to sections 10.1 and 13.1 of the FAA Service Description.

We have redlined these changes against version 13.0 of the Service Description.

Section 17 is unchanged but is shown for reference/completeness.

[Sections 1-9 are unchanged]

10 Advice Notes

10.1 Despatch of Advice Notes

10.1.1 On each Advice Note Date, the FAA shall (in good time for Payment Parties to give all necessary instructions for payments to be effected on the relevant Payment Date) despatch to each Payment Party an Advice Note showing the amounts (inclusive of any VAT where applicable) which, according to its calculations, are to be paid either:

- (a) by each Payment Party to the BSC Clearer, or
- (b) to each Payment Party by the BSC Clearer,

on that Payment Date, in respect of the Advice Note Period.

10.1.2 In each Advice note under paragraph 10.1.1, the FAA shall set out in respect of each Notification Date in the Advice Note Period:

- (a) in relation to Initial Settlement Runs:
 - (i) an amount in respect of each of the items set out in paragraph 8.1.3(a)(ii) or 8.1.3(b) (as the case may be);
 - (ii) the Trading Charges; and
 - (iii) in respect of a Postponed Payment Date, any interest pursuant to paragraph 8.4.2.
- (b) in relation to Reconciliation Settlement Runs:
 - (i) the Reconciliation Charge;
 - (ii) the Reconciliation Charge excluding interest and any withholdings on account of taxation;
 - (iii) the interest included in the Reconciliation Charge pursuant to paragraph 8.3.3;

- (iv) the amount of any withholdings on account of taxation; and
 - (v) the Trading Charges in respect of which the FAA has calculated there to be a Reconciliation Charge due.
- (c) in relation to Ad-Hoc Trading Charges:
- (i) the Extra-Settlement Determination initial payment under paragraph 9.6.1; and
 - (ii) the Extra-Settlement Determination secondary payment (including interest) under paragraph 9.6.2.
- (d) the aggregate amount which is to be paid by that Payment Party to the BSC Clearer or to that Payment Party by the BSC Clearer on the relevant Payment Date over the Advice Note Period.
- (e) the amount of VAT in respect of the total amount payable or the total amount receivable.

10.1.3 The FAA shall despatch each Payment Party an Advice Note:

- (a) on each Notification Date where the aggregate amount payable or receivable by the Payment Party in respect of the Advice Note Period is equal to or exceeds the Advice Note Threshold Limit; and/or
- (b) where the Notification Date is a Quarter Date or, where a Quarter Date falls on non-working day, the last working day prior to that Quarter Date.

10.1.4 A Payment Party may request (by notice to BSCCo) that the FAA despatch an Advice Note (for such Notification Date or other period specified by the Payment Party) where the Payment Party:

- (a) has given a Withdrawal Notice to BSCCo;
- (b) has given notification to BSCCo of a change in VAT status that alters the liability of the Payment Party in respect of UK VAT; or
- (c) is a Defaulting Party.

and following such a request, the FAA will accordingly despatch an Advice Note to the Payment Party.

10.1.5 Without limitation to the foregoing, the FAA shall despatch an Advice Note to a Payment Party at such other times as may be requested by BSCCo.

10.1.6 The FAA shall despatch all Advice Notes by email ~~and optionally by first class post, or by such other means as BSCCo may reasonably direct from time to time.~~

[Sections 10.2-12.10 are unchanged]

13 Confirmation Notices in respect of a Payment Date

13.1 Despatch of Confirmation Notices

13.1.1 Within two Working Days after each Payment Date, the FAA shall issue a Confirmation Notice to each Payment Party in respect of that Payment Date setting out the information required in paragraphs 13.2 and 13.3 and any other information required in invoices for the purposes of VAT.

13.1.2 The FAA shall despatch Confirmation Notices by email ~~and optionally by first class post, or by such other means as the BSCCo may reasonably direct. In order to satisfy Her Majesty's Revenue and Customs (HMRC) requirements for VAT any posted Confirmation Notice shall be clearly marked 'copy'.~~

[Sections 13.2-16.5 are unchanged]

[Section 17 is unchanged but is shown for reference]

17 Email Despatchment

17.1 Content Specific Emails

17.1.1 In despatching Advice Notes, Confirmation Notices, and Backing Sheets the FAA shall ensure that it sends to each Payment Party a separate email for each of the following:

- (a) Advice Notes;
- (b) Confirmation Notices;
- (c) Trading Charges Backing Sheets;
- (d) Default Charges Backing Sheets; and
- (e) Ad-hoc Charges Backing Sheets.

17.1.2 When despatching each of the above by email, the subject of each email shall clearly identify the file which it contains.

17.2 Email Delivery Failure

17.2.1 Should an emailed Advice Note/Confirmation Notice fail to be delivered then the FAA will initially contact the affected Payment Party by telephone and either:

- (a) request a temporary email address to deliver the file electronically;
- (b) request a fax number in order to fax the document to the Payment Party; or
- (c) agree with the Payment Party to deliver the document by post.

17.2.2 In the event that the FAA is unable to contact the affected Payment Party, the FAA shall despatch Advice Notes/Confirmation Notices to the Payment Party by post until such time as the FAA is able to contact the Payment Party and resolve the situation.

17.3 Deemed Receipt

Advice Notes, Confirmation Notices and backing sheets sent by email shall be deemed to have been received one hour after being sent in the absence of any undeliverable return receipt received by the FAA.



CP1352 – Remove option of postal FAA invoices

CP1352 proposes changes to section 6 of the Communication Requirements Document.

We have redlined these changes against version 16.0 of the document.

[Sections 1-5 are unchanged]

6. Communications Relating to the FAA

The FAA shall send Advice Notes, Confirmation Notices and Advice Note Backing Sheets to a Party by e-mail to the Payment Notice e-mail address submitted by that Party from time to time in accordance with BSCP301. All other notices or other communications contemplated by the Code or Code Subsidiary Documents to be given by the FAA to a Party shall be sent to the contact e-mail address submitted by that Party from time to time in accordance with BSCP301.

Notices or other communications sent by e-mail between the FAA and Parties shall, for the purposes of the Code and Code Subsidiary Documents, be deemed to have been received one hour after being sent in the absence of any undeliverable return receipt received by the sender, except that if the time at which the e-mail is deemed to have been received falls after 17.00 hours on a day, the notice or other communication shall be deemed to have been received at 09.00 hours on the following day.

The FAA shall send separate e-mail messages for each Advice Note, Confirmation Notice or Advice Note Backing Sheet.

~~A Party may, from time to time in accordance with BSCP301, request that the FAA send a copy of an Advice Note, Confirmation Note or Advice Note Backing Sheet to that Party by first class pre-paid post and the FAA shall comply with such request.~~

No testing of communications between Participants and the FAA will be required.

Qualification Tests are not required for the FAA under this document.

[Sections 7-8 are unchanged]

CP1352 – Remove option of postal FAA invoices

CP1352 proposes changes to sections 2.1.12, 2.1.13, 2.1.21, 2.1.32, 2.1.35, 2.2.18, 2.2.32, 2.2.33, 2.2.34 and 2.2.35 of the FAA User Requirements Specification (URS).

We have redlined these changes against version 24.0 of the document.

We also show for reference/completeness the other sections of the URS which relate to Advice Notes, Confirmation Notices or Backing Sheets, although these remain unchanged.

[Sections 1.1-2.1.11 are unchanged]

2.1.12 Generate Advice Notes

Requirement ID: FAA-R012 as amended by P214	Status: M	Title: Generate Advice Notes	Source: FAA SD 10 RETA Sch 4
Mechanism: Manual User driven system process	Frequency: Daily (per calendar Payment Date)	FAA Interface Ref: FAA-I001 FAA-I022 FAA-I023	
<p>Requirement:</p> <p><u><i>[Housekeeping]This requirement is retained for the purpose of generating Advice Notes for Payment Dates prior to the P214 implementation date.</i></u></p> <p>Once the Create Payments process has completed successfully, Advice Notes will be generated for the relevant calendar Payment Date. A unique number will be assigned to each Advice Note. Details stored on the system relating to the Advice Notes will include the following as referenced in Section N, part 7.1.2 of the BSC.</p> <p>The BSCCo will be allocated an Advice Note detailing VAT imbalances.</p> <ul style="list-style-type: none"> ● Backing sheet number ● Advice Note type (Daily billing, default or dispute) ● Calendar Payment Date ● Payment Party ID ● Pay flag (credit or debit) ● Amount excluding VAT ● Amount including VAT ● Interest amount ● Default Share Amount (only applicable to BSC Parties) ● Scale down amount (only applicable to BSC Parties) ● Tax amount (only printed if non-zero) 			

2.1.13 Produce Statements

Requirement ID: FAA-R013 as amended by CR 044, MP61 and P214	Status: M	Title: Produce Statements	Source: FAA SD 10 RETA Sch 4
Mechanism: Manual User driven system process	Frequency: Daily (per calendar Payment Date)	FAA Interface Ref: FAA-I002 FAA-I022 FAA-I023	
Requirement: The statements will contain the breakdown of the Trading Charges for Initial Settlement Runs, Reconciliation Settlement Runs and Post-Final Settlement Runs detailed on the Advice Note. A breakdown by charge type will be provided for both the current Reconciliation Settlement Run and the immediately preceding Settlement Run. Detailed interest calculations will be required to support the summary interest lines on the Advice Note. Statements will be available in both Portable Document Format hard copy format and ASCII pipe delimited format. BSCCo costs are not included as a charge on these statements but are invoiced separately.			

[Sections 2.1.14-2.1.19 are unchanged]

[Section 2.1.20 is unchanged, but is shown for reference/completeness]

2.1.20 Generate Confirmation Notices

Requirement ID: FAA-R020 as amended by P214	Status: M	Title: Generate Confirmation Notices	Source: FAA SD 11.7 RETA Sch 4
Mechanism: Manual User driven system process	Frequency: Per calendar Payment Date		FAA Interface Ref: FAA-I003 FAA-I022 FAA-I023
<p>Requirement:</p> <p><i>This requirement is retained for the purpose of generating Confirmation Notices for Payment Dates prior to the P214 implementation date.</i></p> <p>Subsequent to the calendar Payment Date, the FAA will receive bank statements from the Collection Bank and a statement for the Clearing Account and the Borrowing Account. For calendar Payment Dates included on Advice Notes issued before the implementation of Modification Proposal P214, the FAA will reconcile the statement balances against the Expected Cash Report and the Business master reports. Any discrepancies will be detailed and handled outside of the FTS system.</p> <p>Once the bank accounts have been reconciled, Confirmation Notices will be generated for the relevant calendar Payment Date. A unique number will be assigned to each Confirmation Notice.</p> <p>For calendar Payment Dates included on Advice Notes issued before the implementation of Modification Proposal P214, a Confirmation Notice will be produced for the BSCCo and each BSC Party who received an Advice Note for the relevant calendar Payment Date.</p> <p>The produced Confirmation Notice will represent the tax document and will detail amounts paid to or received from the BSC Party, inclusive and exclusive of VAT. The VAT rate applied and the VAT amount paid or received will also be detailed per Settlement Run.</p>			

2.1.21 Maintain BSC Party Standing Data

Requirement ID: FAA-R021 as amended by P214	Status: M	Title: Maintain BSC Party Standing Data	Source: FAA SD 6
Mechanism: Manual User entered parameters	Frequency: On-going as applicable	FAA Interface Ref: FAA-I015 FAA-I025	
<p>Requirement:</p> <p>The system will hold contact details for each BSC Party that is a Payment Party. These details will be provided by the BSC Parties on the form BSCP301/4 (a) the Funds Accession Form, and will be manually entered into the system. The details will be maintained by the FAA and updated on an on-going basis as applicable.</p> <p>Any subsequent amendments to the BSC Parties original details will be accepted upon receipt of form BSCP301/4 (b).(where BSCP301/4(b) is being used to notify a change in VAT status which alters liability of the Party to UK VAT, BSCCo will notify the FAA within one day of receipt of the BSCP301/04(b) to confirm change in VAT status).</p> <p>The FAA to manage a manual solution whereby any amendments to VAT status are post-dated.</p> <p>Details stored will include the following:</p> <ul style="list-style-type: none"> ● Contact Details: <ul style="list-style-type: none"> ● BSC Party Name ● BSC Party ID ● Contact name ● Address ● Telephone number ● Facsimile number ● <u>Contact email address (for general queries)</u> ● <u>Delivery email address (for Advice Notes, Confirmation Notices and related statements)</u> ● Registered company name ● Company number ● Registered address ● VAT code (standard / zero rated) ● VAT country code (if applicable) ● VAT registration number(if applicable) ● Advice Note Recipient Details: <ul style="list-style-type: none"> ● Contact name ● Address ● Telephone number ● Facsimile number ● Delivery email address 			

- Other Details
 - VAT code
 - Dispute pro-rating inclusion/exclusion
 - Scaledown inclusion/exclusion
 - Network details:
 1. Username
 2. Password
 3. Node name
 4. Directory
 - ~~Postal reporting inclusion/exclusion~~
 - ~~Postal reporting inclusion/exclusion date~~
 - Threshold override flag – indicates that the BSC Party is independent of any Advice Note Threshold Limit or time threshold. (For example, the BSC Party may change VAT code, in which case all outstanding funds must be paid to and collected from the BSC Party under the original VAT code.)

The system will also store the Credit Cover formula variables for each BSC Party

[Sections 2.1.22-2.1.30 are unchanged]

[Section 2.1.31 is unchanged, but is shown for reference/completeness]

2.1.31 Generate Combined Advice Notes

Requirement ID: FAA-R079	Status: M	Title: Generate Combined Advice Notes	Source: NA
Mechanism: Manual User driven system process	Frequency: Following threshold breach, or as manually triggered		FAA Interface Ref: FAA-I038
Requirement:			
<p>Advice Note data will remain within the system until an Advice Note Threshold Limit is breached, or the system date is greater than or equal to the most recent working date associated with a Quarter Date.</p> <p>The BSCCo and Payment Parties will receive a combined Advice Note detailing multiple Advice Notes and VAT imbalances. A combined Advice Note is a combination of Trading Charges, Default charges and Ad-Hoc Charges, produced separately prior to the implementation of Modification Proposal P214.</p> <ul style="list-style-type: none"> • Combined Advice Note number • Reason for threshold breach • Advice Note Threshold Limit • Backing sheet number that breached Advice Note Threshold Limit (if applicable) • Advice Note Date • Payment Date • Total amount payable/receivable net of tax liabilities, aggregate of Trading Charges, Default charges and Ad-Hoc Charges <p>For each Trading Charges Advice Note detail item:</p> <ul style="list-style-type: none"> ○ Backing sheet number ○ Calendar Payment Date ○ Settlement Date ○ Description ○ Net amount excluding VAT per Settlement Run ○ Total including VAT per Settlement Run <ul style="list-style-type: none"> • Trading Charge subtotal including VAT <p>For each Default Advice Note detail item:</p> <ul style="list-style-type: none"> ○ Backing sheet number ○ Calendar Payment Date ○ Affected Date ○ Defaulting Party ○ Amount in Default ○ Description ○ Net amount excluding VAT per Default Share Amount ○ Total including VAT per Default Share Amount 			

- Default charge subtotal including VAT

For each Ad-Hoc Charge Advice Note detail item:

- Backing sheet number
 - Calendar Payment Date
 - Dispute Run number
 - Description
 - Net Amount excluding VAT per dispute run
 - Total including VAT per dispute run
- Ad-Hoc Charge charge subtotal including VAT

2.1.32 Produce Default Statements

Requirement ID: FAA-R080	Status: M	Title: Produce Default Statements	Source: NA
Mechanism: Manual User driven system process	Frequency: Following threshold breach, or as manually triggered		FAA Interface Ref: FAA-I039
Requirement: The statements will contain the breakdown of Default charges detailed on the combined Advice Note. A breakdown by Default will be provided. Default statements will be available in hard copy format and Portable Document Format.			

[Section 2.1.33 is unchanged, but is shown for reference/completeness]

2.1.33 Generate Combined Confirmation Notices

Requirement ID: FAA-R081	Status: M	Title: Generate Combined Confirmation Notices	Source: FAA SD 11.7 RETA Sch 4
Mechanism: Manual User driven system process	Frequency: Per Payment Date	FAA Interface Ref: FAA-I040 FAA-I022 FAA-I023	
Requirement:			
<p>Subsequent to the Payment Date, the FAA will receive bank statements from the Collection Account and a statement for the Clearing Account and the Borrowing Account. The FAA will reconcile the statement balances against the 'Expected Cash Report' and the Businessmaster reports. Any discrepancies will be detailed and handled outside of the FTS system.</p> <p>Once the bank accounts have been reconciled, combined Confirmation Notices will be generated for the relevant Payment Date. A combined Confirmation Notice will be produced for the BSCCo, and for each BSC Party who received a combined Advice Note for the relevant Payment Date. Combined Confirmation Notices will be uniquely numbered, and will reference the relevant combined Advice Note.</p> <p>Each produced combined Confirmation Notice will only include Advice Notes from the combined Advice Note that have been reconciled against the 'Expected Cash Report' and the Businessmaster reports. Any Advice Notes not reconciled against the 'Expected Cash Report' and the Businessmaster reports will be treated as non-payments, and handled outside of the FTS system. If non-payments are paid before becoming an Amount in Default, the relevant Advice Note will be included in a new combined Confirmation Notice, referencing the same combined Advice Note, and bearing the same issue date as the original combined Confirmation Notice for that combined Advice Note.</p> <p>The combined Confirmation Notice will represent the tax document and will detail amounts paid to or received from the BSC Party, inclusive and exclusive of VAT. The VAT rate applied and the VAT amount paid or received will also be detailed per Settlement Run.</p>			

[Section 2.1.34 is unchanged]

2.1.35 Produce Ad-Hoc Statements

Requirement ID: FAA-R083	Status: M	Title: Produce Ad-Hoc Statements	Source: NA
Mechanism: Manual User driven system process	Frequency: When an Ad-Hoc Charge occurs, or following threshold breach, or as manually triggered	FAA Interface Ref: N/A	
Requirement: The Ad-Hoc statements will contain the breakdown of Ad-Hoc Charges detailed on the combined Advice Note. A breakdown by Ad-Hoc Charge will be provided. Ad-Hoc statements will be available in hard copy format and Portable Document Format.			

[Sections 2.1.36-2.2.16 are unchanged]

[Section 2.2.17 is unchanged, but is shown for reference/completeness]

2.2.17 Issue Advice Notes

Requirement ID: FAA-R043	Status: M	Title: Issue Advice Notes	Source: FAA SD 10 RETA Sch 4
Mechanism: Manual Dispatch of hard copy in post	Frequency: Daily (per calendar Payment Date)		FAA Interface Ref: FAA-I001
<p>Requirement:</p> <p><i>This requirement is retained for the purpose of issuing Advice Notes for Payment Dates prior to the P214 implementation date.</i></p> <p>For calendar Payment Dates included on Advice Notes issued before the implementation of Modification Proposal P214, Advice Notes are issued to all relevant Payment Parties each Notification Date. The Advice Notes are sent by post.</p> <p>The Advice Note will include the following detail lines:</p> <ul style="list-style-type: none"> • Payment Party name • Payment Party address • Payment Party facsimile number • Advice Note number • Payment Date <ol style="list-style-type: none"> 1. Settlement Date 2. Settlement code 3. Description 4. Net amount per Settlement Run 5. Total including VAT per Settlement Run 6. Total amount payable/receivable net of tax liabilities <p>One Advice Note will be produced per Payment Party per Payment Date.</p> <p>One 'Notice of VAT Imbalance' will also be produced per Payment Date for BSCCo to inform of the expected VAT imbalance payable/receivable, which will be paid/received to/from BSC Clearer.</p>			

2.2.18 Issue Statements

Requirement ID: FAA-R044 As amended by CR 026, MP61 and P214	Status: M	Title: Issue Statements	Source: FAA SD 10 RETA Sch 4
Mechanism: Manual Electronic Network	Frequency: Daily (per calendar Payment Date)		FAA Interface Ref: FAA-I002
<p>Requirement:</p> <p>The statements provide supporting documentation relating to the Advice Note lines, in particular details of previous Settlement code amounts to enable verification of reconciliation calculations and interest calculations for each interest line detailed on the Advice Note.</p> <p>The statements will contain the breakdown of the Initial Settlement Run and Reconciliation Settlement Run amounts detailed on the Advice Note, and where applicable the Post Final Settlement Run amount. A breakdown by charge type will be provided for both the current Reconciliation Settlement Run and the immediately preceding run. Detailed interest calculations will be required to support the summary interest lines on the Advice Note.</p> <p>The statements will be emailed in <u>both Portable Document Format and ASCII pipe delimited format</u> to all Payment Parties, and sent in hard copy by post to Payment Parties who request this service.</p> <p>The details included on the statements will include the following:</p> <ul style="list-style-type: none"> • Backing sheet number • Calendar Payment Date • BSC Party name • Settlement Run details <ol style="list-style-type: none"> 1. Settlement Date 2. Settlement code (SF, R1, R2, R3, RF) 3. Calendar Payment Date 4. Charge type 5. Amount (£) 6. Total 7. VAT 8. Total including VAT 			

[Sections 2.2.19-2.2.22 are unchanged]

[Section 2.2.23 is unchanged, but is shown for reference/completeness]

2.2.23 Issue Confirmation Notices

Requirement ID: FAA-R046	Status: M	Title: Issue Confirmation Notices	Source: FAA SD 11.7 RETA SCH 4
Mechanism: Manual Hard copy dispatched by post	Frequency: Daily (Per calendar Payment Date)		FAA Interface Ref: FAA-I003
<p>Requirement:</p> <p><i>This requirement is retained for the purpose of issuing Confirmation Notices for Payment Dates prior to the P214 implementation date.</i></p> <p>For calendar Payment Dates included on Advice Notes issued before the implementation of Modification Proposal P214, the system will produce tax documents in the form of Confirmation Notices. A Confirmation Notice will be issued to every BSC Party and the BSCCo for each calendar Payment Date. The Confirmation Notice will detail amounts paid to or received from the BSC Party, inclusive and exclusive of VAT. The VAT rate applied and the VAT amount paid or received will also be detailed per Settlement Run.</p> <p>Hard copy Confirmation Notices are dispatched by post within 2 Business Days of the calendar Payment Date subject to the receipt of Collection bank statements.</p> <p>Specific details will include:</p> <ul style="list-style-type: none"> • Date of Issue • BSC Party name • BSC Party address • BSC Party facsimile number • BSC Party VAT country code (if applicable) • VAT registration number (if applicable) • Confirmation Notice number • Backing sheet number • Calendar Payment Date • Tax Point <ol style="list-style-type: none"> 1. Settlement Date 2. Settlement code 3. Description 4. Amount excluding VAT 5. VAT rate 6. VAT amount 7. Total including VAT 8. Total amount net of tax liabilities 9. VAT statement (dependant on whether BSC Party is UK or non UK registered and whether paid or received). 			

[Sections 2.2.24-2.2.31 are unchanged]

2.2.32 Issue Combined Advice Notes

Requirement ID: FAA-R085	Status: M	Title: Issue Combined Advice Notes	Source: NA
Mechanism: Email and optionally by Post	Frequency: Following threshold breach, or as manually triggered	FAA Interface Ref: FAA-I038	
Requirement:			
<p>Combined Advice Notes are issued to relevant Payment Parties following an Advice Note Threshold Limit or time threshold breach. Combined Advice Notes are emailed to the Payment Party in Portable Document Format, and may also be posted, if requested by the Payment Party.</p> <p>The combined Advice Note will include the following detail lines:</p> <ul style="list-style-type: none"> • Payment Party name • Payment Party address • Payment Party facsimile number • Payment Party email address • Combined Advice Note number • Reason for threshold breach • Advice Note Threshold Limit • Backing sheet number that breached Advice Note Threshold Limit (if applicable) • Advice Note Date • Payment Date • Total amount payable/receivable net of tax liabilities, aggregate of Trading Charges, Default charges and Ad-Hoc Charges <p>For each Trading Charges Advice Note detail item:</p> <ol style="list-style-type: none"> 1. Backing sheet number 2. Calendar Payment Date 3. Settlement Date 4. Settlement code 5. Description 6. Net amount excluding VAT per Settlement Run 7. Total including VAT per Settlement Run <ul style="list-style-type: none"> • Trading Charge subtotal including VAT <p>For each Default Advice Note detail item:</p> <ol style="list-style-type: none"> 1. Backing sheet number 2. Calendar Payment Date 3. Affected Date 4. Defaulting Party 5. Amount in Default 6. Description 			

7. Net amount excluding VAT per Default Share Amount
8. Total including VAT per Default Share Amount

- Default Charge Subtotal Including VAT

For each Ad-Hoc Charge Advice Note detail item:

1. Backing sheet number
2. Calendar Payment Date
3. Dispute Run Number
4. Description
5. Net amount Excluding VAT per dispute run
6. Total including VAT per dispute run

- Ad-Hoc Charge Charge subtotal including VAT

The combined Advice Note will also include a separate section, detailing the following VAT information:

- For each Trading Charges Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Trading Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Trading Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- For each Default charges Advice Note detail item
 1. VAT amount payable details:
 - Affected Date
 - Backing sheet number
 - VAT code
 - Description

- Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- 2. VAT amount receivable details:
 - Affected Date
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Default charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Default charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- For each Ad-Hoc Charge Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Ad-Hoc Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Ad-Hoc Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Trading Charge, Default charge and Ad-Hoc Charge grand totals for
 1. VAT amounts payable:
 - Trade value

- VAT amount
- Total including VAT
- 2. VAT amounts receivable:
 - Trade value
 - VAT amount
 - Total including VAT

2.2.33 Issue Default Statements

Requirement ID: FAA-R086	Status: M	Title: Issue Default Statements	Source: NA
Mechanism: Email and optionally by Post	Frequency: Following threshold breach, or as manually triggered	FAA Interface Ref: FAA-I039	
<p>Requirement:</p> <p>The Default Statements provide supporting documentation relating to the combined Advice Note, in particular details of Default charges.</p> <p>The statements are emailed in Portable Document Format, and may also be posted, if requested by the Payment Party.</p> <p>The details included on the statements will include the following:</p> <ul style="list-style-type: none"> • Combined Advice Note number • Payment Date (for Default charges only) • Payment Party name • Default charge details • Details of Default: <ol style="list-style-type: none"> 1. Affected Date 2. Defaulting Party 3. Amount in Default • Details of Default Share Amount: <ol style="list-style-type: none"> 1. Amount excluding VAT 2. VAT 3. Amount including VAT 4. Non-VATable share 5. Interest 6. Total amount payable/receivable net of tax liabilities 			

2.2.34 Issue Combined Confirmation Notices

Requirement ID: FAA-R087	Status: M	Title: Issue Combined Confirmation Notices	Source: NA
Mechanism: Email and optionally by Post	Frequency: Per Payment Date	FAA Interface Ref: FAA-I040	
<p>Requirement:</p> <p>The system will produce tax documents in the form of combined Confirmation Notices. A combined Confirmation Notice will be required for BSC Parties that have breached threshold, and the BSCCo, per Payment Date. The Combined Confirmation Notice will detail amounts paid to or received from the BSC Party, inclusive and exclusive of VAT. The VAT rate applied and the VAT amount paid or received will also be detailed per Settlement Run.</p> <p>Combined Confirmation Notices are emailed in Portable Document Format (and posted, if requested by the BSC Party, marked as a ‘Copy’) to the BSC Party, within 2 Business Days of the Payment Date, subject to the receipt of Collection bank statements.</p> <p>Specific details will include:</p> <ul style="list-style-type: none"> • Date of Issue • BSC Party name • BSC Party address • BSC Party facsimile number • BSC Party email address • BSC Party VAT non-liability statement (if applicable) – “The BSC Party is not liable to VAT and must account for VAT” • BSC Party VAT registration number and two digit country code • Combined Confirmation Notice number • Combined Advice Note number • Payment Date • Total amount payable/receivable net of tax liabilities <ol style="list-style-type: none"> 1. For each Trading Charges Advice Note detail item: <ul style="list-style-type: none"> ○ Backing sheet number ○ Calendar Payment Date ○ Settlement Date ○ Settlement code ○ Description ○ Net amount excluding VAT per Settlement Run ○ VAT amount ○ Total including VAT per Settlement Run 2. Trading Charges subtotal including VAT 3. For each Default charges Advice Note detail item: 			

- Backing sheet number
 - Calendar Payment Date
 - Affected Date
 - Defaulting Party
 - Amount in Default
 - Description
 - Net amount excluding VAT per Default Share Amount
 - VAT Amount
 - Total including VAT per Default Share Amount
4. Default Charges Subtotal Including VAT
5. For each Ad-Hoc Charges Advice Note detail item:
- Backing sheet number
 - Calendar Payment Date
 - Dispute run number
 - Description
 - Net amount excluding VAT per dispute run
 - VAT amount
 - Total including VAT per dispute run
6. Ad-Hoc Charges subtotal including VAT

The combined Confirmation Notice will also include a separate section, detailing the following VAT information:

- For each Trading Charges Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Trading Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Trading Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount

3. Total including VAT

- For each Default charges Advice Note detail item
 1. VAT amount payable details:
 - Affected Date
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Affected Date
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Default charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Default charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT

- For each Ad-Hoc Charge Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Ad-Hoc Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount

3. Total including VAT
- Ad-Hoc Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT

 - Trading Charge, Default charge and Ad-Hoc Charge grand totals for
 1. VAT amounts payable:
 - Trade value
 - VAT amount
 - Total including VAT
 2. VAT amounts receivable:
 - Trade value
 - VAT amount
 - Total including VAT

2.2.35 Issue Ad-Hoc Statements

Requirement ID: FAA-R088	Status: M	Title: Issue Default Statements	Source: NA
Mechanism: Email and optionally by Post	Frequency: When an Ad-Hoc Charge occurs, or following threshold breach, or as manually triggered	FAA Interface Ref: N/A	
<p>Requirement:</p> <p>The Ad-Hoc Statements provide supporting documentation relating to the combined Advice Note, in particular details of Ad-Hoc charges.</p> <p>The statements are emailed in Portable Document Format, and may also be posted, if requested by the Payment Party.</p> <p>The details included on the statements will include the following:</p> <ul style="list-style-type: none"> • Payment Party name • Payment Party address • Dispute reference • Dispute amount • Calendar Payment Date • Payment Party/Charge Type total • Payment Party's percentage take • Interest amount • Settlement Run details: <ol style="list-style-type: none"> 1. Settlement period 2. Run type 			

[Sections 2.2.36-Appendix III are unchanged]



CP1352 – Remove option of postal FAA invoices

CP1352 proposes changes to sections 3.1, 3.3.1, 3.3.2, 3.3.3, 3.3.12, 3.3.13, 3.3.14 and 3.4.5 to Part 1 of the FAA Interface Definition and Design (IDD).

We have redlined these changes against version 20.0 of the document.

[Sections 1.1-2 are unchanged]

3 Interfaces with BSC Parties and Agents

3.1 Outbound Interfaces

Agent-Id	Name	Dirn	User	Type
FAA-I001	Advice Notes	To	Payment Party	Manual and Hardcopy by post [Housekeeping](retained for pre-P214 Payment Dates)
FAA-I002	Statement (Backing documentation)	To	Payment Party	Manual, Electronic transfer by Email and optional hardcopy by Post
FAA-I003	Confirmation Notices	To	BSC Party	Manual, Hardcopy by post [Housekeeping](retained for pre-P214 Payment Dates)
FAA-I004	Credit Cover Requirements	To	Payment Party	Manual, letter
FAA-I005	Credit Call Request	To	Payment Party	Manual, letter
FAA-I006	Payment Calendar (Agreed)	To	Payment Parties	Manual, data file (csv)
FAA-I007	Notice of Default	To	BSCCo	Manual, telephone by authorised personnel & confirmatory letter
FAA-I008	Payment Initiation Instructions	To	Clearing Banks	Manually initiated electronic transfer of files via FAA CHAPS & Business Master software
FAA-I009	Payment Instructions	To	Collection Account	Manual, Fax with password security
FAA-I010	Quarterly Statements	To	H.M. Customs & Excise	Manual, hardcopy by post and data file
FAA-I010	Quarterly Statements	To	Payment Parties	Manual, hardcopy by post and data file
FAA-I035	Reserve Account Interest Advice Notes	To	Payment Parties	Manual, hardcopy by post
FAA-I038	Combined Advice Notes	To	Payment Party	Manual, Electronic transfer by Email and optional hardcopy by Post
FAA-I039	Default Statement (Backing documentation)	To	Payment Party	Manual, Electronic transfer by Email and optional hardcopy by Post
FAA-I040	Combined Confirmation Notices	To	BSC Party	Manual, Electronic transfer by Email and optional hardcopy by Post

[Section 3.2 is unchanged]

3.3 FAA Outbound Interfaces

3.3.1 Advice Notes

Interface ID: FAA-I001	User: BSC Party BSCCo Ltd	Title: Advice Notes	ITT reference: FAA SD 10 FAA SD 9.1.1 RETA SCH 4
Mechanism: Manual Auto-fax batch process and dispatch of Hardcopy by post	Frequency: Daily	Volumes: Low: 100 Advice Notes dispatched per working day Average: 200 Advice Notes dispatched per working day High: 300 Advice Notes dispatched per working day	
Interface Requirement: <u><i>[Housekeeping]This requirement is retained for the purpose of generating and issuing Advice Notes for Payment Dates prior to the P214 implementation date.</i></u> A uniquely identified document containing data relating to a number of charge types which will include the following: <ul style="list-style-type: none"> • Energy Imbalance charges and payments • Information imbalance charges • Non-delivery charges • Balancing Mechanism charges • System Operator charges • Cost re-allocation charges and payments Detail lines will be as follows: <ul style="list-style-type: none"> • BSC Party Name • BSC Party Address • BSC Party Facsimile Number • Advice Note Number • Payment Date • VAT Code <ul style="list-style-type: none"> ➤ Settlement Date ➤ Settlement Code ➤ Description* ➤ Net Amount per Settlement Run ➤ Total Including VAT per Settlement Run ➤ Total Amount Payable/Receivable Net of Tax Liabilities *Description will be amount payable/receivable, reconciliation interest payable/ receivable or income tax payable/receivable. An Advice Note Continuation Sheet will be required.			

3.3.2 Statements (Backing Documentation)

Interface ID: FAA-I002	User: BSC Party BSCCo Ltd	Title: Statements (Backing Documentation)	ITT reference: FAA SD 10 FAA SD 9.1.1 RETA SCH 4
Mechanism: Manual, Electronic transfer by Email and optional hardcopy by Post	Frequency: Daily	Volumes: Low: 100 Statements dispatched per working day Average: 200 Statements dispatched per working day High: 300 Statements dispatched per working day	
Interface Requirement: Supporting information relating to the advice note lines, in particular details of previous settlement code amounts to enable verification of reconciliation calculations and interest calculations for each interest line detailed on the advice note. Backing Sheet also to include support for standard rate VAT and zero rate VAT BSC parties. Details will include: <ul style="list-style-type: none"> • Backing Sheet Number • Calendar Payment Date • BSC Party Name • Initial Settlement Run Details <ul style="list-style-type: none"> ➤ Settlement Date ➤ Settlement Code ➤ Calendar Payment Date ➤ Charge Type ➤ Amount (£) ➤ Total ➤ Interest (on late billing) ➤ VAT ➤ Total Including VAT • Reconciliation Run Details <ul style="list-style-type: none"> ➤ Settlement Date ➤ Previous Settlement Code ➤ Previous Calendar Payment Date ➤ Charge Type ➤ Previous Amount (£) ➤ Previous Total ➤ Current Settlement Code ➤ Current Calendar Payment Date ➤ Charge Type ➤ Current Amount (£) ➤ Current Total ➤ Difference (£) ➤ Interest on Difference ➤ VAT on Difference ➤ Income Tax on Long Interest (only printed if non-zero) Total including VAT net of Income tax			

3.3.3 Confirmation Notices

Interface ID: FAA-I003	User: BSC Party BSCCo	Title: Confirmation Notices	ITT reference: FAA SD 11.7 RETA SCH 4
Mechanism: Manual Hardcopy by post	Frequency: Daily	Volumes: Low: 100 Confirmation Notices dispatched per working day Average: 200 Confirmation Notices dispatched per working day High: 300 Confirmation Notices dispatched per working day	
Interface Requirement:			
<p><u><i>[Housekeeping] This requirement is retained for the purpose of generating and issuing Confirmation Notices for Payment Dates prior to the P214 implementation date.</i></u></p> <p>Tax document detailing amounts paid to or received from BSC Parties on a Payment Date. Support for standard rate VAT and zero rate VAT BSC parties.</p> <p>In addition, the BSCCo receives a confirmation notice detailing the amount of VAT imbalance transferred to/from the BSCCo to/from the BSC Clearer in relation to that Payment Date.</p> <p>Details will include:</p> <ul style="list-style-type: none"> • Date of Issue • BSC Party Name • BSC Party Address • BSC Party facsimile Number • BSC Party VAT country code (if applicable) • VAT registration number (if applicable) • Confirmation Notice Number • Advice Note Number • Payment Date • Tax Point <ul style="list-style-type: none"> ➤ Settlement Date ➤ Settlement Code ➤ Description ➤ Amount excluding VAT ➤ VAT rate ➤ VAT amount ➤ Total including VAT ➤ Total amount net of tax liabilities ➤ VAT statement (dependent on whether BSC party is UK or non UK registered and whether paid or received) <p>Backing Sheet also to include support for standard rate VAT and zero rate VAT BSC parties.</p> <ul style="list-style-type: none"> • Amounts for Scale-Down or Set-Off will be included if applicable <p>A continuation sheet will be required.</p>			

[Sections 3.3.4-3.3.11 are unchanged]

3.3.12 Combined Advice Notes

Interface ID: FAA-I038	User: Payment Party BSCCo	Title: Combined Advice Notes	ITT reference: N/A (Modification Proposal P214)
Mechanism: Manual electronic transfer and optional hardcopy by post	Frequency: Following threshold breach, or as manually triggered	Volumes: Low: 1 combined Advice Note per Payment Party per tax quarter High: 300 combined Advice Notes dispatched per working day	
Interface Requirement: A uniquely identified document containing data relating to a number of Trading Charges, Default charges and Ad-Hoc Charges Advice Notes. Header details will include the following: <ul style="list-style-type: none">• Payment Party name• Payment Party address• Payment Party facsimile number• Payment Party email address• Combined Advice Note number• Reason for threshold breach• Advice Note Threshold Limit• Backing sheet number that breached Advice Note Threshold Limit (if applicable)• Advice Note Date• Payment Date• Total amount payable/receivable net of tax liabilities, aggregate of Trading Charges, Default charges and Ad-Hoc Charges Report body details will include the following: <ul style="list-style-type: none">For each Trading Charges Advice Note detail item:<ol style="list-style-type: none">1. Backing sheet number2. Calendar Payment Date3. Settlement Date4. Settlement code5. Description6. Net amount excluding VAT per Settlement Run7. Total including VAT per Settlement Run• Trading Charge subtotal including VAT For each Default Advice Note detail item: <ol style="list-style-type: none">1. Backing sheet number2. Calendar Payment Date3. Affected Date4. Defaulting Party5. Amount in Default6. Description7. Net amount excluding VAT per Default Share Amount8. Total including VAT per Default Share Amount			

-
-
- Default Charge Subtotal Including VAT

For each Ad-Hoc Charge Advice Note detail item:

1. Backing sheet number
2. Calendar Payment Date
3. Dispute Run Number
4. Description
5. Net amount Excluding VAT per dispute run
6. Total including VAT per dispute run

-
- Ad-Hoc Charge Charge subtotal including VAT

A continuation sheet will be required.

The combined Advice Note will also include a separate section, detailing the following VAT information:

- For each Trading Charges Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Trading Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Trading Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- For each Default charges Advice Note detail item
 1. VAT amount payable details:
 - Affected Date
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Affected Date

- Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Default charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Default charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- For each Ad-Hoc Charge Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Ad-Hoc Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Ad-Hoc Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Trading Charge, Default charge and Ad-Hoc Charge grand totals for
 1. VAT amounts payable:
 - Trade value
 - VAT amount
 - Total including VAT
 2. VAT amounts receivable:
 - Trade value
 - VAT amount
 - Total including VAT

3.3.13 *Default Statement (Backing Documentation)*

Interface ID: FAA-I039	User: Payment Party BSCCo	Title: Threshold Default Statement (Backing Documentation)	ITT reference: N/A (Modification Proposal P214)
Mechanism: Manual electronic transfer and optional hardcopy by post	Frequency: Following threshold breach, or as manually triggered	Volumes: Low: 1 Combined Advice Note per BSC Party per Tax Quarter High: 300 Combined Advice Notes dispatched per working day	
<p>Interface Requirement:</p> <p>Supporting information relating to the Default Advice Notes listed in the Combined Advice Note, in particular details of Default Share Amounts payable or receivable by a Payment Party with respect to multiple Payment Defaults.</p> <p>Default statements will be available in hard copy format and Portable Document Format.</p> <p>Header details will include the following:</p> <ul style="list-style-type: none"> • Payment Party name • Payment Party address • Payment Party telephone number • Payment Party fax number • Payment Party email address • Combined Advice Note number • Payment Date <p>Report body details will include the following:</p> <ul style="list-style-type: none"> • Details of Default: <ol style="list-style-type: none"> 1. Affected Date 2. Defaulting Party 3. Amount in Default • Details of Default Share Amount: <ol style="list-style-type: none"> 1. Amount excluding VAT 2. VAT 3. Amount including VAT 4. Non-VATable share 5. Interest 6. Total amount payable/receivable net of tax liabilities 			

3.3.14 Combined Confirmation Notices

Interface ID: FAA-I040	User: BSC Party BSCCo	Title: Combined Confirmation Notices	ITT reference: N/A (Modification Proposal P214)
Mechanism: Manual electronic transfer and optional hardcopy by post	Frequency: Per Payment Date	Volumes: Low: 1 combined Confirmation Note per BSC Party per Tax Quarter High: 300 combined Confirmation Notes dispatched per working day	
Interface Requirement:			
<p>Tax document detailing amounts paid to or received from BSC Parties on a Payment Date in relation to multiple Trading Charges, Default charges and Ad-Hoc Charges Advice Notes detailed on combined Advice Notes. Support for standard rate VAT and zero rate VAT BSC parties.</p> <p>In addition, the BSCCo receives a Combined Confirmation Notice detailing the amount of VAT imbalance transferred to/from the BSCCo to/from the BSC Clearer in relation to that Payment Date.</p> <p>Header details will include the following:</p> <ul style="list-style-type: none"> • Date of Issue • BSC Party name • BSC Party address • BSC Party facsimile number • BSC Party email address • BSC Party VAT non-liability statement (if applicable) – “The BSC Party is not liable to VAT and must account for VAT” • BSC Party VAT registration number and two digit country code • Combined Confirmation Notice number • Combined Advice Note number • Payment Date • Total amount payable/receivable net of tax liabilities <p>Report body details will include the following:</p> <ol style="list-style-type: none"> 1. For each Trading Charges Advice Note detail item: <ul style="list-style-type: none"> ○ Backing sheet number ○ Calendar Payment Date ○ Settlement Date ○ Settlement code ○ Description ○ Net amount excluding VAT per Settlement Run ○ VAT amount ○ Total including VAT per Settlement Run 2. Trading Charges subtotal including VAT 3. For each Default charges Advice Note detail item: <ul style="list-style-type: none"> ○ Backing sheet number ○ Calendar Payment Date ○ Affected Date ○ Defaulting Party ○ Amount in Default 			

- Description
 - Net amount excluding VAT per Default Share Amount
 - VAT Amount
 - Total including VAT per Default Share Amount
4. Default Charges Subtotal Including VAT
5. For each Ad-Hoc Charges Advice Note detail item:
- Backing sheet number
 - Calendar Payment Date
 - Dispute run number
 - Description
 - Net amount excluding VAT per dispute run
 - VAT amount
 - Total including VAT per dispute run
6. Ad-Hoc Charges subtotal including VAT

A continuation sheet will be required.

The combined Confirmation Notice will also include a separate section, detailing the following VAT information:

- For each Trading Charges Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Trading Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Trading Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- For each Default charges Advice Note detail item
 1. VAT amount payable details:
 - Affected Date
 - Backing sheet number
 - VAT code
 - Description

- Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- 2. VAT amount receivable details:
 - Affected Date
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Default charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Default charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- For each Ad-Hoc Charge Advice Note detail item
 1. VAT amount payable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
 2. VAT amount receivable details:
 - Backing sheet number
 - VAT code
 - Description
 - Trade value
 - VAT rate
 - VAT amount
 - Total including VAT
- Ad-Hoc Charge VAT amount payable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Ad-Hoc Charge VAT amount receivable subtotals of
 1. Trade value
 2. VAT amount
 3. Total including VAT
- Trading Charge, Default charge and Ad-Hoc Charge grand totals for
 1. VAT amounts payable:
 - Trade value
 - VAT amount
 - Total including VAT
 2. VAT amounts receivable:
 - Trade value

- VAT amount
- Total including VAT

Backing Sheet also to include support for standard rate VAT and zero rate VAT BSC parties.

3.4 FAA Inbound Interfaces

[Sections 3.4.1-3.4.4 are unchanged]

3.4.5 Funds Accession Agreement and BSC Party Checklist

Interface ID:	Source:	Title:	ITT reference:
FAA-I015	BSC Party	Funds Accession Agreement	
Mechanism: Manual Hardcopy by post	Frequency: BSC Party Registration & ongoing changes as applicable	Volumes: Low: 100 Funds Accession Agreements to process at market start-up Average: 200 Funds Accession Agreements to process at market start-up High: 300 Funds Accession Agreements to process at market start-up	
<p>Interface Requirements:</p> <p>BSC Party details will include:</p> <ul style="list-style-type: none"> ● Contact Details: <ul style="list-style-type: none"> ➤ BSC Party Name ➤ BSC Party Identifier ➤ Contact Name ➤ Address ➤ Telephone Number ➤ Facsimile Number ➤ <u>Contact Email Address (for general queries)</u> ➤ <u>Delivery Email Address (for Advice Notes, Confirmation Notices and backing documentation)</u> ➤ Registered Company Name ➤ Company Number ➤ Registered Address ➤ VAT Country code (if applicable) ➤ VAT Registration number (if applicable) ➤ Clarification of whether UK VAT is applicable or not ● Advice Note Recipient Details: <ul style="list-style-type: none"> ➤ Contact Name ➤ Address ➤ Telephone Number ➤ Facsimile Number ● Other Details <ul style="list-style-type: none"> ➤ VAT Code ➤ Network details: <ul style="list-style-type: none"> Username Password 			

Node Name Directory

[Sections 3.4.6-3.4.8 are unchanged]