**BSC Procedure 301 relating to Clearing, Invoicing and Payment**

1. Reference is made to the Balancing and Settlement Code and, in particular, to the definition of “BSC Procedure” in Section X, Annex X-1 thereof.

2. This is BSC Procedure 301, relating to Clearing, Invoicing and Payment.

3. This BSC Procedure is effective from.

4. This BSC Procedure has been approved by the Panel.

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# 1 Introduction

## 1.1 Purpose and Scope of the Procedure

This BSCP defines the processes that the Funds Administration Agent (FAA) shall use to carry out the transfer of funds in respect of Settlement between Parties and the Code Clearer for Trading Charges, Ad Hoc Trading Charges and Reconciliation Charges under the Code, and some ancillary activities. It also defines the processes by which Parties may reduce or increase the amount of Credit Cover held by the FAA in relation to that Party.

This is achieved by detailing the FAA activities which are driven by the Settlement process and also those enabling processes which are either ad-hoc or have timescales which are independent of the Settlement process.

This BSCP focuses on the interfaces between the FAA and other agencies seen from the perspective of the FAA.

This BSCP also covers the preparation of the Payment Calendar by the FAA and of the Settlement Calendar by the Settlement Administration Agent (SAA).

## [CPXXX]1.2 Main Users of the Procedure and their Responsibilities

The main users of this Procedure include the:

a) Funds Administration Agent (FAA).

b) Settlement Administration Agent (SAA).

c) Parties.

d) Panel.

e) Code Auditor.

f) ECVAA.

g) CRA.

h) BSCCo.

By each Notification Date, the FAA has to receive from the SAA, Settlement results for the relevant Settlement Day(s), as set out in the Payment Calendar.

With information for each Settlement Day the FAA uses the Funds Transfer System (FTS) to calculate the necessary exchange of funds between each Payment Party and the Code Clearer on the Payment Date. Advice Notes[[1]](#footnote-1) are sent to Payment Parties and the BSCCo prior to the Payment Date. Confirmation Notices1 to Payment Parties and BSCCo are sent after the Payment Date.

Where a Party has provided data using the Self-Service Gateway, BSCCo may use the service to validate and confirm the input data or to request additional data. Where this is the case, these online transactions will represent a valid equivalent to the transactions defined in this BSCP.

.

All references to the provision of information using BSCP forms in this Procedure, should be construed as provision either by a paper form (including an electronic version of the form provided via email) or via the Self-Service Gateway. References to the CRA, including checks performed by the CRA, may include the Self-Service Gateway as applicable.

## 1.3 Key Milestones

There are the following key milestones:

 Production of the Payment Calendar in accordance with section N and of the Settlement Calendar in accordance with Code section U.

 Funds transfer in accordance with Code [section N](https://bscdocs.elexon.co.uk/bsc/bsc-section-n-clearing-invoicing-payment#section-n).

 Management and monitoring of Credit Cover in accordance with Code section M.

## 1.4 Balancing and Settlement Code Provision

This Procedure should be read in conjunction with the Code and in particular sections M, N and U thereof.

In the event of an inconsistency between the provisions of this BSCP and the Code, the provisions of the Code shall prevail.

## 1.5 Associated BSC Procedures

BSCP01 Overview of Trading Arrangements.

BSCP11 Trading Disputes

BSCP38 Authorisations

BSCP65 Registration of Parties and Exit Procedures

# 2 Acronyms and Definitions

A full list of defined terms and acronyms, and their definitions, can be found in [Annex X-1](https://bscdocs.elexon.co.uk/bsc/bsc-section-x-1-general-glossary) and [X-2](https://bscdocs.elexon.co.uk/bsc/bsc-section-x-2-technical-glossary) of the Code. The acronyms and terms used locally in this procedure are defined as follows:

|  |  |
| --- | --- |
| BACS | Banks’ Automated Clearing Systems |
| CHAPS | Clearing House Automated Payment Systems |
| FTS | Funds Transfer System |
| LC | Letter of Credit |
| SD | Settlement Day |
| Self-Service Gateway | An online portal, accessible through the BSC Website, that allows authorised users to provide and maintain registration data, including (but not limited to) the data defined in this BSCP. |
| WD | Working Day |

# 3 This section is no longer in use

# 4 Interface and Timetable Information

## 4.1 Payment Calendar and Settlement Calendar

| REF | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.1.1 | By 15th January in each year | Produce draft Payment Calendar for each banking day detailing Initial Notification Dates and Initial Payment Dates corresponding to Settlement Days falling during the next Code Year (1st April to 31st March inclusive), and calendar Payment Dates and Notification Dates for Timetabled Reconciliation Settlement Runs where the calendar Payment Date is between the earliest and the latest Initial Payment Dates. | FAA |  | Draft Payment Calendar detailing the following dates: Initial Payment Date and Initial Notification Date, for each Settlement Day of the next following Code Year, and calendar Payment Dates and Notification Dates for Timetabled Reconciliation Settlement Runs where the calendar Payment Date is between the earliest and latest Initial Payment Dates | Internal process |
| 4.1.2 | By 15th January in each year | Issue draft Payment Calendar for review. | FAA | BSCCo | Draft Payment Calendar | Manual / Electronic |
| 4.1.3 | At same time as 4.1.2 | Send confirmation of the date on which Advice Notes will be sent in relation to each Quarter Date in the following BSC Year.[[2]](#footnote-2) | FAA | BSCCo | Confirmation of date of Advice Note despatch | Manual/ Electronic |
| 4.1.4 | At same time as 4.1.2 | Publish notification of the date on which Advice Notes will be sent in relation to each Quarter Date in the following BSC Year on BSC Website. | BSCCo |  | Date of Advice Note despatch | Internal process |
| 4.1.5 | Within 5 WD of 4.1.2 | Send comments on draft Payment Calendar. | SAA | BSCCo | As above | Manual / Electronic |
| 4.1.6 | Within 10 WD of 4.1.2 | Resolve any issues with SAA and FAA. | BSCCo | SAA  FAA |  | Any |
| 4.1.7 | Within 10 WD of 4.1.2 | Authorise and send authorised Payment Calendar. | BSCCo | FAA | Authorised Payment Calendar | Manual / Electronic |
| 4.1.8 | By 31st January in each year | Distribute authorised Payment Calendar. | FAA | BSCCo  SAA  Payment Parties | Authorised Payment Calendar | Manual / Electronic |
| 4.1.9 | Within 10 WD of 4.1.7 | Produce draft SAA Settlement Calendar that is consistent with the Payment Calendar. | SAA |  |  | Internal process |
| 4.1.10 | Within 10 WD of 4.1.7 | Issue draft SAA Settlement Calendar for review. | SAA | BSCCo  SVAA | Draft SAA Settlement Calendar | Manual / Electronic |
| 4.1.11 | Within 5 WD of 4.1.9 | Send comments on draft SAA Settlement Calendar. | SVAA | BSCCo | As above | Manual / Electronic |
| 4.1.12 | Within 10 WD of 4.1.9 | Resolve any issues with SVAA and SAA. | BSCCo | SVAA  SAA | As above | Manual / Electronic |
| 4.1.13 | Within 10 WD of 4.1.9 | Approve SAA Settlement Calendar. | BSCCo | SAA | Approved SAA Settlement Calendar | Manual / Electronic |
| 4.1.14 | Within 2 WD of 4.1.12 | Publish approved SAA Settlement Calendar.  Note: each respective Party will create their own calendar from the Settlement Calendar and each Party’s calendar will be consistent with the Settlement Calendar and Payment Calendar. | SAA | SVAA  CDCA  Payment Parties | Approved SAA Settlement Calendar | Manual / Electronic |

## 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:   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:   Daily System Operator BM Cashflow | Electronic |
| 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/Email |
| 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/Email |
| 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 |
| 4.2.8 |  No later than the Notification Date, if the Advice Note Threshold Limit has been exceeded; or   on a Quarter Date2; 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[[3]](#footnote-3). | 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 |
| 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 |
| 4.2.10 |  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 |
| 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 |
| 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.[[4]](#footnote-4) | FAA | Payment Party |  | Email |
| ***Where an undeliverable return receipt is received relating to the electronic delivery of an Advice Note/Confirmation Notice/Advice Note Backing Sheet*** | | | | | | |
| 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 |
| 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 |

## 4.3 Payment Procedure

| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.3.1 | Not later than the end of the Business Day on Payment Date | Send funds | Party | Collection Account | Payment initiation instructions | Manual or electronic via CHAPS / BACS / DD |
| ***In the case of expected non-payment or shortfall in payment*** | | | | | | |
| 4.3.2 | As soon as BSC Debtor becomes aware that payment will not be credited to Collection Account by the end of the Business Day on Payment Date | Advise that a payment will not be credited to the Collection Account and reasons or, that there will be a shortfall in payment. | BSC Debtor | FAA | Collection Account name, Payment Date, BSC Party, shortfall in funds, deadline for resolution | Telephone, Email |
| 4.3.3 | As soon as it becomes aware that a payment has not or will not be credited to the Collection Account by the end of the Business Day on the Payment Date | Notify and liaise with BSCCo. | FAA | BSCCo |  | Email |
| 4.3.4 | By 11:00 on the Business Day following Payment Date | Liaise to establish the reason and agree a resolution. | FAA  BSCCo |  |  | Telephone, Email |
| 4.3.5 | By 11:00 on the Business Day following Payment Date | Advise BSC Debtor of the amount of non-payment or the Shortfall Amount[[5]](#footnote-5) | BSCCo | BSC Debtor | Amount of non-payment/Shortfall Amount. | Telephone, Email |
| ***In the case of excess payment*** | | | | | | |
| 4.3.6 | By 11:00 on the Business Day following the Payment Date | Use reasonable endeavours to ascertain the nature of the excess payment, calculate the entitlement and instruct the BSC Banker, by 16:00 that day, to:   credit the relevant BSC Debtor’s account; or   (if so requested by the BSC Debtor) the Reserve Account; or  such other account as authorised by BSCCo. | FAA | BSC Debtor |  | Manual or electronic via CHAPS / BACS / DD |
| 4.3.7 | By the end of the Business Day on Payment Date | Advise amounts credited to the Clearing Account. | BSC Banker | FAA |  |  |
| 4.3.8 | By the end of on the Business Day following Payment Date | If there is an excess payment, ascertain the nature of the excess payment, calculate the entitlement and instruct the BSC Banker to credit the Reserve Account with the excess amount. | FAA | BSC Banker |  |  |
| ***In the case of normal payments by BSC Debtors*** | | | | | | |
| 4.3.9 | By 11:00 on the Business Day following Payment Date | Confirm that all amounts have been credited to the Collection Account. | FAA | Party, if required | FAA to contact Parties in the event of non-payment and find out reason for non-payment. | Internal Process |
| 4.3.10 | Not later than the end of the Business Day following Payment Date | Ensure the Collection Account balance is swept into the Clearing Account and, if necessary, sweep an appropriate amount from the Borrowing Account into the Clearing Account. | BSC Banker |  |  | Internal Process |
| 4.3.11 | By 11:00 on the Business Day following Payment Date | Reconcile the actual amounts credited and remitted to the Clearing Account. | FAA |  |  |  |
| 4.3.12 | Within 2 WD of Payment Date | Send Confirmation Notice. | FAA | Party | Confirmation Notice for each Party who received an Advice Note for the relevant Payment Date; will detail amounts received from the Party inclusive and exclusive of VAT. See sample form in Appendix. | Email and optionally First Class Post |
| ***In the case of payments to BSC Creditors*** | | | | | | |
| 4.3.13 | At about 15:00 on Payment Date | Calculate the amounts available for payment by the BSC Clearer to BSC Creditors. | FAA |  |  | Internal Process |
| 4.3.14 | Not later than 16:00 on Payment Date | Arrange for remittance from the Clearing Account to the relevant Settlement Accounts and if required arrange for transfers from the Reserve Account or Borrowing Account to the Clearing Account or vice versa. | FAA | BSC Banker |  |  |
| 4.3.15 | Within 2 WD of Payment Date | Send Confirmation Notice with combined charges. | FAA | Party | Confirmation Notice for each Party who received an Advice Note for the relevant Payment Date; will detail amounts paid to the Party inclusive and exclusive of VAT. See sample form in Appendix 5.1.3. | Email and optionally First Class Post |

## 4.4 Payment Default

This section has been removed; please reference Code [Section N Paragraph 9](https://bscdocs.elexon.co.uk/bsc/bsc-section-n-clearing-invoicing-payment#section-n-9).

## [CPXXX]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 | Submit completed on-line form for Trading Charges Account’ details for new or amended details, as necessary.[[6]](#footnote-6) | Party | FAA, BSCCo | The data items required in accordance with the on-line form for ‘Trading Charges Account details’ found in Elexon Kinnect.  These must be submitted by an authorised signatory.  as per [BSCP38](https://bscdocs.elexon.co.uk/bsc-procedures/bscp-38-authorisations) | Self-Service Gateway |
| 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 ‘Trading Charges Account Details.’  Where VAT declaration is complete, notify consent to change in VAT status.  Where VAT declaration is incomplete or believed to be erroneous[[7]](#footnote-7) contact Party and resolve. | BSCCo  BSCCo | FAA  Party | Completed on-line ‘Trading Charges Account Details’form | Self-Service Gateway |
| 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 ’Trading Charges Account’ Details & update VAT details | FAA |  | Consent to change in VAT status from BSCCo | Internal Process |
| 4.5.1.4 | 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 | Within 10 WD of 4.5.1.1 | Establish / revise transfer details. | FAA | Party Banks | Direct Debit instructions, CHAPS, BACS | Manual |
| 4.5.1.6 | Before the new Party can take part in Trading Arrangements | Set up banking communication links. | FAA | BSC Banker, Collection Account | As required | Internal Process |

### 4.5.2 Quarterly / Ad hoc Statements (provided to Parties and Customs and Excise for VAT purposes)

| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.5.2.1 | At the end of each Quarter or ad-hoc as requested | Produce & Send Quarterly / Ad-hoc Statements. | FAA | Parties  Customs & Excise (Quarterly Statements only) | Settlement Run data, dispute payments/ receipts, interest from Reserve Account | Post / Email |
| 4.5.2.2 | Promptly | Review Quarterly / Ad-hoc Statements. | Parties |  |  | Internal Process |
| 4.5.2.3 | If discrepancy | Raise query. | Parties | FAA |  | Phone / Fax / Email |
| 4.5.2.4 |  | Resolve discrepancy. | FAA  Parties |  |  | Phone / Fax |
| 4.5.2.5 | If practicable within 10 WD of receipt of Quarterly Statement | Send Confirmation that statement acceptable. | Parties | FAA |  | Fax/ Post / Email |
| 4.5.2.6 | After 4.5.2.5 | Send copy of Quarterly / Ad-hoc Statement & Confirmation. | FAA | BSCCo  BSC Auditor | Settlement Run data, dispute payments/ receipts, interest on security cover. | Post / Email |

## 4.6 Manage Credit Cover

### 4.6.1 Reduction of Credit Cover by Parties not in Default

| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.6.1.1 | At any time | Request minimum eligible amount calculation. | Trading Party | ECVAA | ECVAA-I024: Credit Cover Minimum Eligible Amount Request (Form BSCP301/06) | Email/Fax |
| 4.6.1.2 | On same WD as 4.6.1.1 | Check if Party is in Default of the Code.  If Party is not in Default go to 4.6.1.4.  If Party is in Default go to 4.6.1.3. | ECVAA |  |  | Internal process |
| 4.6.1.3 | On same WD as 4.6.1.1 | Inform BSCCo and go to 4.6.2.3. | ECVAA | BSCCo |  | Email/Fax |
| 4.6.1.4 | On first WD after the expiry of the Waiting Period[[8]](#footnote-8) | Calculate minimum eligible amount. | ECVAA |  |  | Internal Process |
| 4.6.1.5 | On same WD as 4.6.1.4 | Notify minimum eligible amount. | ECVAA | FAA  Trading Party  BSCCo | ECVAA-I025: Credit Cover Minimum Eligible Amount Report (Form BSCP301/07) | Email |
| 4.6.1.6 | Not later than second WD after 4.6.1.5 | Request reduction of Credit Cover. | Trading Party | FAA | Details of LC reduction/cash withdrawal | Letter/Fax/Email |
| 4.6.1.7 | In response to 4.6.1.6 | Consent to reduction/withdrawal of Credit Cover. | FAA | Trading Party or BSC Banker | Notification of consent or instruction to transfer money or return or exchange LC | Letter/Fax/Email |

### 4.6.2 Reduction of Credit Cover by Withdrawing Parties in Default solely by virtue of Section H3.1.1(g)

Withdrawing Parties in Default solely by virtue of Section H3.1.1(g) of the Code are entitled to request a reduction of Credit Cover, providing they have satisfied the criteria for withdrawal stipulated in Section A5.1 of the Code.

| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.6.2.1 | To meet the timescales for withdrawal and the requirements in Sections M2.3 and A5.1.3 of the Code[[9]](#footnote-9) | Request minimum eligible amount calculation. | Trading Party | ECVAA | ECVAA-I024: Credit Cover Minimum Eligible Amount Request (Form BSCP301/06) | Email/Fax |
| 4.6.2.2 | On same WD as 4.6.2.1, where 4.6.2.1 occurred on a WD, or on the first WD after 4.6.2.1, where 4.2.6.1 occurred on a non-WD | Request minimum eligible amount calculation rule. | ECVAA | BSCCo | ECVAA-I026: Minimum Eligible Amount Rule Request | Email/Fax |
| 4.6.2.3 | On same WD as 4.6.2.2 | Check that the Party has submitted a Withdrawal Notice Form and is in Default of the Code solely by virtue of Section H3.1.1(g).  If not, go to 4.6.2.4.  If so, continue at 4.6.2.5. | BSCCo |  |  | Internal process |
| 4.6.2.4 | Following 4.6.2.3 and on same WD as 4.6.2.3 | Inform Party the minimum eligible amount calculation request has been refused and provide reasons for refusal. END PROCESS. | BSCCo | ECVAA  Trading Party |  | Internal process |
| 4.6.2.5 | Following 4.6.2.3 and on the same WD as 4.6.2.3 | Notify ECVAA of minimum eligible amount calculation rule. | BSCCo | ECVAA  Trading Party |  | Email/Fax |
| 4.6.2.6 | On the first WD following the expiry of the Waiting Period | Perform minimum eligible amount calculation and notify Party of minimum eligible amount arrived at. | ECVAA | FAA  Trading Party | ECVAA-I025: Credit Cover Minimum Eligible Amount Report (Form BSCP301/07) | Fax/Email |
| 4.6.2.7 | 2 WD prior to the Withdrawal Date | Check that Withdrawal Date has been confirmed.  If so, inform Party and FAA and continue to 4.6.2.8  If not, inform Party and the FAA that the reduction in Credit Cover has been refused and why. END PROCESS. | BSCCo | FAA  Trading Party |  | Internal process |
| 4.6.2.8 | Following 4.6.2.7, to meet withdrawal timescales and Code requirements in Section M2.3 | Request reduction of Credit Cover. | Trading Party | FAA | Details of LC reduction/cash withdrawal | Email/Fax |
| 4.6.2.9 | On same WD as 4.6.2.8 | Consent to reduction of Credit Cover and END PROCESS. | FAA | Trading Party or BSC Banker | Notification of consent or instruction to transfer money or return or exchange LC | Letter/Fax/Email |

### 4.6.3 Reduction of Credit Cover by Non-Supplier Trading Parties in Default solely by virtue of Section H3.1.1(g).

A Non-Supplier Trading Party in Default solely by virtue of Section H3.1.1(g) is entitled to request a reduction of Credit Cover, providing they have satisfied the criteria for withdrawing from the Code stipulated in Section A5.1.3 of the Code. Conditions for the reduction of Credit Cover under this circumstance are outlined in Section M.2.3A of the Code.

| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.6.3.1 | At any time | Apply in writing for reduction of Credit Cover. | Trading Party | BSCCo | Application for reduction of Credit Cover as a Non-Supplier Trading Party | Letter/ Email/Fax |
| 4.6.3.2 | On receiving application | Request Withdrawals Checklist[[10]](#footnote-10)  Request details of outstanding liabilities and Credit Cover. | BSCCo | CRA  FAA | Withdrawal Checklist Request (CRA-I044)  Request for outstanding liabilities and Credit Cover | Email  Email/Fax / Self-Service Gateway |
| 4.6.3.3 | Within 2 WD of 4.6.3.2 | Send Withdrawals Checklist.  Send details of outstanding liabilities and Credit Cover. | CRA  FAA | BSCCo | Withdrawals Checklist (CRA-I047)  Statement of Outstanding Liabilities | Email/Fax / Self-Service Gateway |
| 4.6.3.4 | Within 10 WD of 4.6.3.3 | Check that Party has:  a) no Supplier BM Units registered after the date of the latest RF run  b) no ECVNs or MVRNs in force after the date of the request  c) terminated all ECVNA Authorisations and MVRNA Authorisations  d) paid all Trading Charges  e) paid all BSCCo Section D charges  f) de-registered all BM Units  g) an Energy Indebtedness of zero or negative over a period of 30 days prior to the date of the notice given  If the Party fails any of the checks go to 4.6.3.5.  If the Party completes the checks continue to 4.6.3.6. | BSCCo |  | Withdrawals Checklist (CRA-I047) | Internal Process |
| 4.6.3.5 | Within 1 WD of completion of 4.6.3.4 | Inform Party that their request for reduction in Credit Cover has been refused and why. END PROCESS | BSCCo | Trading Party | Results from 4.6.3.4 | Letter/ Email/Fax |
| 4.6.3.6 | Within 1 WD of completion of 4.6.3.4 | Calculate reduction in Credit Cover. | BSCCo |  | Withdrawals Checklist | Internal Process |
| 4.6.3.7 | At next Panel meeting | BSCCo to confirm Party has met all requirements and recommend a reduction in Credit Cover to the amount calculated in 4.6.3.6. | BSCCo | Panel | Confirmation that the Party has satisfied all criteria in 4.6.3.4 and the calculated minimum Credit Cover required | Panel Paper |
| 4.6.3.8 | At Panel meeting | Panel decide:  a) Party has satisfied the required criteria and be allowed to reduce its Credit Cover. Go to 4.6.3.11.  b) insufficient information has been provided. Go to 4.6.3.10.  c) Party should not be allowed to reduce its Credit Cover. Go to 4.6.3.9. | Panel | BSCCo | Details of checks performed and calculated minimum Credit Cover required | Meeting Minutes |
| 4.6.3.9 | Within 10 WD of 4.6.3.8 | Inform Party that their request for reduction in Credit Cover has been refused and why. END PROCESS | BSCCo | Trading Party | Panel minutes | Letter/ Email/Fax |
| 4.6.3.10 | Within 10 WDs of 4.6.3.8 | Party informed of prescribed steps needed to be taken by next Panel meeting to enable a decision to be made. | BSCCo | Trading Party | Prescribed steps needed to be taken to enable a decision to be made by the Panel | Letter/ Email/Fax |
| 4.6.3.11 | Within 10 WDs of 4.6.3.8 | Notify minimum level of Credit Cover required. | BSCCo | Trading Party,  FAA | Minimum level of Credit Cover required  FAA-I031- Credit Policy | Email/Fax |
| 4.6.3.12 | Same WD as 4.6.3.11 | Reduce Credit Cover as notified and END PROCESS. | FAA | Trading Party or BSC Banker | Notification of instruction to transfer money | Letter/ Email/Fax |

### 4.6.4 Creation or Increase of Credit Cover

| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.6.4.1 | By 15:00 on any WD (if later, this will be treated as done on the next WD) | Provide cash and/or Letters of Credit. | Trading Party | FAA | Details of cash/Letter of Credit | Electronic Funds Transfer/  Letter / Email |
| 4.6.4.2 | On the same WD as 4.6.4.1 | Assess whether Credit Cover is substantially in the form set out in Annex M-1 of the BSC (or another form approved by the BSC Panel).  If it does not continue to 4.6.4.3.  If it does continue to 4.6.4.4. | FAA |  |  | Internal process |
| 4.6.4.3 | On the same WD as 4.6.4.1 and following 4.6.4.2 | Reject the Letter of Credit and inform Party. END PROCESS. | FAA | Trading Party | Notice of rejection of Letter of Credit | Letter/Email |
| 4.6.4.4 | On the WD specified in 4.6.4.2 | Update Credit Cover[[11]](#footnote-11) and Energy Credit Cover. | FAA |  |  | Internal process |
| 4.6.4.5 | On the WD specified in 4.6.4.4 | Notify Energy Credit Cover to ECVAA.  END PROCESS. | FAA | ECVAA | FAA-I019: Credit Limit Data | Electronic |

## 4.7 Ad Hoc Inputs

| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| --- | --- | --- | --- | --- | --- | --- |
| 4.7.1 | On-going as applicable | Determine changes of Credit Ratings for issuers of Letters of Credit, using Credit Agency data. | FAA |  | Credit rating information | Internal Process |
| 4.7.2 | On-going as applicable | Send notification of Bank Base Rate changes. | BSC Banker | FAA | Details of current and historic Base Rates | Manual |
| 4.7.3 | On-going as applicable | Send notification of VAT Rate changes. | BSCCo | FAA | Details of current and historical VAT Rates | Manual |
| 4.7.4 | On-going as applicable | Send notification of Income tax Rates. | BSCCo | FAA | Details of current and historic Income Tax Rates | Manual |
| 4.7.5 | On-going as applicable | Send Information Exception Report. | ECVAA | FAA | Data exceptions | Electronic |
| 4.7.6 | On-going as applicable | Send new value of Credit Assessment Price. | BSCCo | FAA  ECVAA  Trading Parties | Credit Assessment Price and effective date | Manual/Email |
| 4.7.7 | On-going as applicable | Send notification of change of monetary Advice Note Threshold Limit, and effective date. | BSCCo | FAA | New Advice Note Threshold Limit and effective date | Email |

## 4.8 Threshold Governance

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **REF** | **WHEN** | **ACTION** | **FROM** | **TO** | **INFORMATION REQUIRED** | **METHOD** |
| 4.8.1 | As requested by BSCCo | Provide data for analysis of Advice Note Threshold Limit. | FAA | BSCCo | Advice Note Threshold Limit | Email |
| 4.8.2 | As appropriate | Conduct analysis of the fitness for purpose of the monetary Advice Note Threshold Limit, and present to the Panel for consideration. | BSCCo | BSC Panel | Proposed threshold | Internal Process |
| 4.8.3 | Upon receipt of proposed threshold | Review BSCCo internal analysis and issue a recommendation of proposed monetary threshold for consultation. | BSC Panel | Industry | Proposed threshold and BSCCo analysis | Email |
| 4.8.4 | Following Panel review of analysis | Return consultation responses. | Industry | BSC Panel | Proposed threshold, BSCCo analysis and Panel recommendation | Email |
| 4.8.5 | Panel meeting following receipt of industry responses | Determine a monetary Advice Note Threshold Limit. | BSC Panel |  | Consultation responses |  |
| 4.8.6 | Upon receipt of Panel decision to change the Advice Note Threshold Limit | Notify the FAA and BSC Parties of the amended value and the effective date. | BSCCo | BSC Parties  FAA | Amended threshold and effective date | Email |

# [CPXXX]5. Appendices

## 5.1 Summary of Forms

### 5.1.1 Not in use. BSCP301/01a

Not in use. BSCP301/01b

### 5.1.2 Not in use. BSCP301/02

### 5.1.3 Not in use. BSCP301/03a

Not in use. BSCP301/03b

[CPXXX]5.1.4 Not in use. BSCP301/04(a) Funds Accession Form

Not in use. BSCP301/04(b) Amendments to Funds Accession Details

5.1.5 Not in use. BSCP301/05a

Not in use. BSCP301/05b

5.1.6 Not in use. BSCP301/05b

5.1.7 BSCP301/06 Minimum Eligible Amount Request Form

### 



























### 5.1.6 BSCP301/06 Minimum Eligible Amount Request Form

|  |  |  |  |
| --- | --- | --- | --- |
| From: | | **To:** | |
| Party ID\* |  | Party ID\* |  |
| Party Role\* |  | Party Role\* |  |
| Name of sender\* |  | Date Sent\* |  |
| Signature\* |  |  |  |
| Password\* |  |  |  |

\* Denote a mandatory field

### 5.1.7 BSCP301/07 Minimum Eligible Amount Report Form

|  |  |  |  |
| --- | --- | --- | --- |
| From: | | **To:** | |
| Party ID\* |  | Party ID\* |  |
| Party Role\* |  | Party Role\* |  |
| Name of sender\* |  | Date Sent\* |  |
| Signature\* |  |  |  |
| Password |  |  |  |

|  |  |
| --- | --- |
| **Minimum Eligible Amount Details** | |
| BSC Party ID\* |  |
| Minimum Eligible Amount Rule (75 or 80%)\* |  |
| Waiting Period Start Date\* |  |
| Waiting Period End Date\* |  |
| Maximum Indebtedness Settlement Day\* |  |
| Maximum Indebtedness Settlement Period\* |  |
| Minimum Eligible Amount (MWh)\* |  |

\* Denote a mandatory field

## 5.2 Bank Accounts Context Diagram



# AMENDMENT RECORD – BSCP301

| **Version** | **Date** | **Description of Change** | **Changes Included** | **Mods/Panel/ Committee Refs** |
| --- | --- | --- | --- | --- |
| 1.0 | 14/08/2000 | Go active version | n/a | n/a |
| 2.0 | 30/11/2000 | Work outstanding at Go Active, resolution of inconsistencies, inclusion of consultation comments | 213,186, 244 | 08/009 |
| 3.0 | 21/08/2001 | Credit Cover procedure amended for the ECVAA Interim Release | CP519 (Part 1) |  |
| 4.0 | 12/08/2002 | Modification and Change Proposals for BSC Systems Release 2 | CP519 (Part 2), CP554, P39 | ISG 16/166,  ISG 19/197 |
| 5.0 | 10/12/2002 | Modification Changes for BSC System Release 2A | P61, P76 |  |
| 6.0 | 24/06/2003 | Changes for CVA Programme June 03 Release | CP 750 |  |
| 7.0 | 10/3/2004 | Change to CVA Programme P127 interim release | P127 | ISG 37/419 |
| 8.0 | 30/06/2004 | Change proposal for the CVA Programme June 04 release | CP986 | ISG/40/003 |
| 9.0 | 03/11/04 | Modifications and Change Proposals for the CVA Programme November 04 Release | P152, P142, CP974, CP1032 | ISG/39/001 TDC/58/03 |
| 10.0 | 20/12/04 | CVA Programme February 05 Release | CP1078, BETTA | ISG/44/001 |
| 11.0 | 02/11/05 | CVA Programme November 05 Release | CP1128 | ISG/54/002 |
| 12.0 | 26/06/08 | June 2008 Release | CP1223  CP1176 (part) | SVG84/02, ISG84/01, TDC109/01, PAB84/11  ISG/68/02  SVG/67/02 |
| 13.0 | 06/11/08 | November 2008 Release | P214 | Panel 134/05 |
| 14.0 | 25/02/10 | February 2010 Release | CP1313 | ISG105/02 |
|  |  |  | CP1321 | ISG107/01 |
| 15.0 | 23/02/12 | February 2012 Release | CP1352 | ISG129/02 |
| 16.0 | 25/06/15 | June 2015 Release | P307 | ISG169/05 |
| 17.0 | 28/06/17 | June 2017 Release | CP1486 | ISG194/05 |
| 18.0 | 28/02/19 | February 2019 Release | CP1510 | ISG211/06  SVG214/02 |
| 19.0 | 16/06/20 | June 2020 Release | P405 Self-Governance | P302/08 |
| 19.1 |  |  | CPXXXX |  |

|  |
| --- |
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1. Whilst the BSC definition of Advice Note & Confirmation Notice does not specify BSCCo as a recipient, it is expedient to include BSCCo rather than create a duplicate interface. [↑](#footnote-ref-1)
2. 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. [↑](#footnote-ref-2)
3. 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. [↑](#footnote-ref-3)
4. 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. [↑](#footnote-ref-4)
5. The non-payment amount is the total amount due on the Advice Note. The Shortfall Amount is the difference between what the BSC Debtor has paid and the total amount due on the Advice Note. [↑](#footnote-ref-5)
6. It is the responsibility of each Party to notify the FAA and BSCCo immediately upon any changes to its Trading Charges Account details by submitting an on-line form via the Self-Service Gateway. 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 Trading Charges Account 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 [↑](#footnote-ref-6)
7. 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);. [↑](#footnote-ref-7)
8. The definition of the Waiting Period is dependent on the minimum eligible amount calculation rule specified by ECVAA as per Section M 2.3 of the Code. [↑](#footnote-ref-8)
9. In order to meet the Code requirements and work out the appropriate date to submit a minimum eligible amount calculation request, Withdrawing Parties would typically need to count 2-4 WD back from their Withdrawal Date followed by a further 10SDs. Withdrawing Parties are advised to contact BSCCo for more detailed guidance at least three weeks prior to the Withdrawal Date. [↑](#footnote-ref-9)
10. The Withdrawal Checklist contains all information required to carry out the checks outlined in section M of the Code. Parties should note that they are not required to withdraw from the Code for this process. [↑](#footnote-ref-10)
11. Note that if the Credit Cover as calculated is negative it shall be treated as zero. [↑](#footnote-ref-11)