

Change Proposal – F40/01 (Page 1 of 3)	S21774 CP No: 557 <i>(mandatory by BSCCo)</i>
Title <i>(mandatory by originator)</i> Income tax processing within the Funds Transfer System	
Description of Change <i>(mandatory by originator)</i> Prior to the NETA Go-live, ELEXON instructed the FAA to remove income tax processing from the Funds Transfer System (FTS2000) as it was not applicable under NETA. Prior to NETA, income tax applied to Reconciliation interest and interest on payments due if billing was late. The FAA have implemented a manual process that results in: • the tax rate being set to zero; and • references to income tax being removed from the Advice Notes. This approach is consistent with Inland Revenue instructions. This process was intended to be a workaround only and therefore this CP proposes a FTS2000 system change to enable the removal of income tax information from printed matter as well as facilitating any future income tax changes. Implementing this change will ensure that there is no reference to income tax on printed matter which is essential to meet the Inland Revenue requirements in this area.	
Proposed Solution(s) <i>(mandatory by originator)</i> The proposed solution requires changes to the FTS2000 system and may require changes to FAA documentation eg. URS. The changes will result in: a) a facility to maintain income tax rate changes; b) a facility to add / remove references to the income tax from the Advice Notes; and c) a facility to add / remove references to income tax from printed matter eg. Requirement c is absolutely essential so as to ensure that printed matter does not contain the income tax information and is therefore no conflicting with Inland Revenue requirements. However implementing requirements a and b will enable the FAA to handle future changes to income tax.	

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There are two potential options: 1) Hard code the necessary changes into the FTS2000 system. The advantage of this solution is that the changes could be implemented relatively easily. The disadvantage of this solution is that future changes cannot be implemented as quickly as if they were parameter driven. 2) Parameterise the necessary changes into the FTS2000 system. The advantage of this solution is that future changes can be implemented relatively easily. The disadvantage of this solution is that the costs associated with implementing the parameter changes may be higher than those associated with 1.	
Justification for Change <i>(mandatory by originator)</i> Ensures that the FTS2000 systems handles the income tax rules correctly.	
Other Configurable Items Potentially Affected by Proposed Solution(s) <i>(optional by BSCCo)</i> The FAA URS may be impacted by either solution.	
Impact on Core Industry Documents <i>(optional by originator)</i> None.	

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Related Changes and/or Projects (mandatory by BSCCo) None.	
Originator's Details: BCA Name:	
Organisation: ELEXON	
Email Address:	
Date:	
Organisation:	
Attachments: N	