

**SECTION A: PARTIES AND PARTICIPATION** (*Version 4.0 including all Approved Modifications awaiting Implementation*)

**5. EXIT**

**5.1 Withdrawal**

*Add new paragraph 5.1.6 as follows:*

5.1.6 In respect of a Withdrawing Party who has fulfilled each of the conditions set out in paragraph 5.1.7, paragraphs 5.1.3(b) and (c) shall not apply.

*Add new paragraph 5.1.7 as follows:*

5.1.7 Subject to paragraph 5.1.3, a Non-Supplier Trading Party shall be entitled to withdraw from the Code if (at 1700 hours on the day which is 2 Business Days prior to the Withdrawal Date) the Payment Date has passed for the second Reconciliation Settlement Run in relation to the Non-Supplier Trading Party's last Settlement Day and provided that such Non-Supplier Trading Party has paid each of the following amounts:

- (a) all BSCCo Charges payable up to the Withdrawal Date in accordance with Annex D-4 and D-5;
- (b) (where the Non-Supplier Trading Party proposes to withdraw before the final determination described in paragraph 5.1.3(c)) a BSCCo Charges Deposit as calculated in accordance with Annex D-6;
- (c) the Base Monthly Charge for each calendar month commencing after the Party's Withdrawal Date but prior to the Payment Date for the Final Reconciliation Settlement Run in relation to the Party's last Settlement Day; and
- (d) a Reconciliation Charges Deposit as calculated in accordance with Section N.

**SECTION D: BSC COST RECOVERY AND PARTICIPATION CHARGES** (*Version 8.0 including all Approved Modifications awaiting Implementation*)

*Add new paragraph 3.2.A as follows:*

**3.2A Determination of BSCCo Charges Deposit**

**3.2A.1 The provisions of Annex D-6 shall apply for the purposes of determining any BSCCo Charges Deposit.**

*Add new paragraph 4.4.7 as follows:*

**4.4.7 For the avoidance of doubt the provisions of this paragraph 4.4 shall apply in respect of a Withdrawn Non-Supplier Trading Party.**

*Add new paragraph 4.5.5 as follows:*

**4.5.5 For the avoidance of doubt the provisions of this paragraph 4.5 shall apply in respect of a Withdrawn Non-Supplier Trading Party.**

Add new Annex D-6 as follows:

## ANNEX D-6: BSCCO CHARGES DEPOSIT

### 1. Composition

1.1 For the purposes of this Annex D-6 “Withdrawal Date” shall have the meaning given to that term in Section A5.1.

1.2 The BSCCo Charges Deposit shall be the aggregate of the estimated Annual Net Main Costs that would have accrued to the Withdrawn Non-Supplier Trading Party between its Withdrawal Date and the date of the final determination (pursuant to Section A5.1.3(c)) of BSCCo Charges for the BSC Year in which that Withdrawal Date fell (“the Relevant Final Determination”), consistent with the prevailing Annual Budget for that BSC Year.

1.3 The BSCCo Charges Deposit shall be calculated as follows and for the purposes of this paragraph 1.3, the terms used herein (except where defined herein) shall have the meaning as given to those terms in Annex D-4):

$$\frac{\sum_m'(MNMC_m) * \sum_m'(FSM_{pm})}{12} - \sum_{m-1}(P'_{pm})$$

where:

$\sum_m'$  is the sum over all months of the BSC Year; and

$P'_{pm}$  is the Monthly Net Main Costs paid by that Party in month m.

1.4 Where in relation to a Withdrawn Non-Supplier Trading Party, BSCCo has calculated at any time after the Relevant Final Determination, that the Withdrawn Non-Supplier Trading Party has paid an excess amount in respect of the BSCCo Charges Deposit, then:

(i) the Withdrawn Non-Supplier Trading Party shall be entitled to repayment of such excess amount; and

(ii) BSCCo shall repay to the Withdrawn Non-Supplier Trading Party such excess amount.

1.5 Where BSCCo is unable to make repayment of the amount referred to in paragraph 1.4 to the Withdrawn Non-Supplier Trading Party, then such amount shall be payable to each and every remaining Trading Party and the share due to each remaining Trading Party shall be calculated on the basis of each Trading Party’s General Funding Share on a default basis, as determined in accordance with Annex D-1.

1.6 Where in relation to a Withdrawn Non-Supplier Trading Party, BSCCo has calculated at any time after the Relevant Final Determination, that the Withdrawn Non-Supplier Trading Party’s share of BSCCo Charges attributable to it for that BSC Year exceeds its BSCCo Charges Deposit, then the provisions of Section D6 shall apply to that Withdrawn Non-Supplier Trading Party.

1.7 Where a Withdrawn Non-Supplier Trading Party fails to pay (pursuant to paragraph 1.6) any shortfall in the BSCCo Charges deposit then :

(i) such shortfall shall become due and payable from each and every remaining Trading Party;

(ii) BSCCo shall be entitled to recover such shortfall from each and every remaining Trading Party; and

(iii) the share due from each remaining Trading Party shall be calculated on the basis of its General Funding Share on a default basis as determined in accordance with Annex D-1.

**SECTION N: CLEARING, INVOICING & PAYMENT** (Version 7.0 including all Approved Modifications awaiting Implementation)

Add new paragraph 6.4A

**6.4A Reconciliation Charges Deposit**

6.4A.1 Where a Non-Supplier Trading Party wishes to withdraw from the Code pursuant to Section A5.1.7, it shall pay to the FAA (who shall receive payment on behalf of the BSC Clearer) a Reconciliation Charges Deposit.

6.4A.2 The Reconciliation Charges Deposit shall be calculated as follows:

$$\sum_{x \in (3,F)} NR_{xSP} \frac{\sum_{R_{x(j)}} \max(R_{x}C_j, 0)}{R_{xSP}}$$

For the purposes of this paragraph 6.4A.2 the terms used herein shall have the meaning as given to those terms in Section M2.3A.6.

6.4A.3 Where in relation to a Withdrawn Non-Supplier Trading Party, the FAA has calculated at any time after the Payment Date for the Final Reconciliation Settlement Run in relation to the Party's last Settlement Day (the "Relevant Final Reconciliation Settlement Run") that the Withdrawn Non-Supplier Trading Party has paid an excess amount in respect of the Reconciliation Charges Deposit, then:

(a) the Withdrawn Non-Supplier Trading Party shall be entitled to repayment of such excess amount; and

(b) the FAA on behalf of the BSC Clearer shall make repayment of such excess amount.

6.4A.4 Following the Relevant Final Reconciliation Settlement Run, the FAA shall on behalf of the BSC Clearer pay to the Withdrawn Non-Supplier Trading Party the interest attributable to its Reconciliation Charges Deposit.

6.4A.5 Where the FAA is unable to make repayment of the amounts referred to in paragraphs 6.4A.3 and 6.4A.4 to the Withdrawn Non-Supplier Trading Party, then such amounts shall be payable to each and every remaining Payment Party and the share due to each remaining Payment Party shall be calculated and invoiced in accordance with the provisions of paragraph 9.6.

Add new paragraph 6.4B

**6.4B Reconciliation Deposit Ratchet**

6.4B.1 Where at any time the FAA calculates that in relation to a Withdrawn Non-Supplier Trading Party there is a shortfall in respect of the Reconciliation Charges Deposit attributable to that Withdrawn Non-Supplier Trading Party, then the FAA shall immediately request from that Withdrawn Non-Supplier Trading Party an amount to meet the shortfall ("the Reconciliation Deposit Ratchet").

6.4B.2 The Reconciliation Deposit Ratchet shall be calculated as follows:

shortfall amount \* 11.

## 7. ADVICE NOTES

*Add new paragraph 7.1.5*

7.1.5 Subject to paragraph 7.1.6, the provisions of this paragraph 7 shall not apply:

(a) in respect of a Withdrawn Non-Supplier Trading Party that has withdrawn from the Code pursuant to Section A5.1.7; and

(b) Advice Notes shall not be despatched with effect from the Withdrawal Date (as determined in accordance with Section A5.1).

*Add new paragraph 7.1.6*

7.1.6 Where a Withdrawn Non-Supplier Trading Party has failed:

(a) to comply with a request under paragraph 6.4B.1; and

(b) the FAA has been unable to recover the Reconciliation Deposit Ratchet pursuant to Section N;

then the FAA shall despatch Advice Notes to that Withdrawn Non-Supplier Trading Party in accordance with the provisions of this paragraph 7, and for the avoidance of doubt the provisions of Section N9, 11, 12 and 13 (except paragraphs 9.2.2(a) to (e) and 9.6.2 to 9.6.3 inclusive) shall thereafter apply to a Withdrawn Non-Supplier Trading Party and a BSC Debtor shall be taken to include a Withdrawn Non-Supplier Trading Party.

*Add new paragraph 7.1.7*

7.1.7 The FAA shall after the Payment Date for the Final Reconciliation Settlement Run in relation to the Withdrawn Non-Supplier Trading Party's last Settlement Day, send to that Party a statement setting out the final breakdown of the balance of the Reconciliation Charges Deposit.

*Add new paragraph 10.2.2*

10.2.2 For the avoidance of doubt the provisions of paragraphs 10.1 and 10.2 shall apply to the Reconciliation Charges Deposit paid by a Withdrawn Non-Supplier Trading Party.

*Add the following new definitions into Annex X-1*

**ANNEX X-1: GENERAL GLOSSARY** (*Version 27.0 including all Approved Modifications awaiting Implementation*)

<b><u>“BSCCo Charges Deposit”</u></b> :	<u>has the meaning given to that term in Section D3.2A;</u>
<b><u>“Reconciliation Charges Deposit”</u></b> :	<u>means the amount payable by a Non-Supplier Trading Party pursuant to Section A5.1.7 and shall be used for Reconciliation Charges accruing up until the Payment Date for the Final Reconciliation Settlement Run in relation to the Non-Supplier Trading Party’s last Settlement Day. This is calculated in accordance with Section N6.4A;</u>
<b><u>“Reconciliation Deposit Ratchet”</u></b> :	<u>has the meaning given to that term in Section N6.4B;</u>
<b><u>“Withdrawn Non-Supplier Trading Party”</u></b> :	<u>means a Non-Supplier Trading Party that has withdrawn from the Code in accordance with Section A5.1.7;</u>