

Change Proposal – F40/01 (Page 1 of 4)	CP No: 517 <i>(mandatory by BSCCo)</i>
Title <i>(mandatory by originator)</i> Multiple Occurrences of Disputes Pre and Post-Final Settlement Runs.	
Description of Change <i>(mandatory by originator)</i> <p>In accordance with section W of the BSC, the facility is required to settle disputes through multiple ad-hoc runs, for a particular Settlement Date, both within the fourteen month period (pre-final Settlement) and beyond that up to a cut off point of three years (post-final Settlement).</p> <p>a) <u>Pre-Final Settlement Runs</u> The Funds Administration Agent (FAA) processing allows for ad-hoc runs prior to the Final Reconciliation Run. For example, if the first Reconciliation Run (R1) has already been run for a Settlement Date, but not the second Reconciliation Run (R2), then FAA will treat an ad-hoc run as a replacement R1 Run. The Settlement Administration Agent (SAA) however identifies ad-hoc runs using run type values of "D" (Dispute) and "DF" (Dispute Final). FAA however does not recognise these values, it expects only run types SF (Initial Settlement Run), R1, R2, R3 (Third Reconciliation Run) and RF (Final Reconciliation Run) from the SAA. Currently a manual workaround is in place for FAA to handle run types "D" and "DF".</p> <p>Even if run types "D" and "DF" were recognised by the FAA, this coding is not sufficient to enable FAA to distinguish between ad-hoc runs for the different periods nor to uniquely identify multiple occurrences of such ad-hoc runs. It is proposed therefore that the run type code convention is re-designed.</p> <p>b) <u>Post-Final Settlement Runs</u> In order to be able to process disputes after the Final Reconciliation Run but before the disputes cut-off, it will be necessary to have the facility to re-run all the elements of the Settlement process for a particular Settlement Day. This re-running will involve the FAA billing process and the SAA Settlement calculation run and may also involve additional runs of the Central Volume Allocation (CVA) by the (Central Data Collection Agent (CDCA) and/or the Supplier Volume Allocation (SVA) by the SVAA. Such a process will be authorised by the BSC Panel on the advice of the Trading Disputes Committee (TDC). If there is no change in the data then there will be no requirement for a re-run of the CVA and/or SVA data.</p> <p>Undertaking ad-hoc runs may have impacts not only on the Central Service Providers as indicated above, but may also have an impact on BSC Parties eg. Suppliers, other BSC Agents and Party Agents therefore these parties must be able to support such ad-hoc runs.</p>	

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<p>An assessment is required to:</p> <ul style="list-style-type: none"> (i) evaluate the potential changes to the impacted systems / processes so as to enable ad-hoc runs to be performed; and (ii) evaluate the potential impact on BSC Parties, BSC Agents and Party Agents of supporting ad-hoc runs. <p>In formulating this change to deliver a solution which is consistent with the BSC, the following constraints have been identified:</p> <ul style="list-style-type: none"> • data will need to be retained for at least 3 years after the Settlement Day (in line with Section U, 2.2.3 of the BSC). Although the BSC requires data to be retained up to 3 years, if a dispute is raised at the cut-off point there is the potential for additional data to be required for use in the subsequent ad-hoc run, which will be post the 3 year period. There is therefore a dependency that Suppliers and other BSC Parties have the ability to support the provision of data beyond the 3 year cut-off period up to a maximum of 6 months thereafter to allow for the dispute to be raised, a decision to be reached by the TDC and an ad-hoc run to be scheduled. • it is not anticipated that there will be more than 1 ad-hoc run between timetabled runs. However there should be no restriction on the number of ad-hoc runs which could be performed. • it is not anticipated that an ad-hoc run will be undertaken in the early stages of the Settlement timetable on the basis that the period between timetabled runs is relatively short and therefore revised data can be incorporated in the next timetabled run. However the solution implemented should not prevent an ad-hoc run being carried out at any stage of the Settlement timetable. • The FAA FTS2000 system currently allows for only one ad-hoc run between any of the timetabled runs but the capacity to allow further ad-hoc runs is required. <p>This CP supersedes NCR128.</p>	
<p>Proposed Solution(s) <i>(mandatory by originator)</i></p> <p>An additional set of codes are required to represent the ad-hoc runs. The proposed codes will primarily be used by the SAA and FAA systems, although they could be used by other BSC Parties, BSC Agents and Party Agents:</p> <ul style="list-style-type: none"> □ "0n" for runs between SF and R1 □ "1n" for runs between R) and the second Reconciliation Run (R2) □ "2n" for runs between the second Reconciliation Run (R2) and the third Reconciliation Run (R3) □ "3n" for runs between the third Reconciliation Run (R3) and the Final Reconciliation Run (RF) □ "Fn" for runs after the Final Reconciliation Run. 	

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<p>“n” could run from 1-9 then A-Z, or just A-Z. The use of “n” allows for multiple ad-hoc runs to be performed. The use of these codes will require changes to the Logica systems (SAA and FAA) to enable ad-hoc runs to be processed. Logica (SAA and the FAA) have reviewed these proposals and are supportive of introducing the above coding structure.</p> <p>There will be impacts on BSC Parties, other BSC Agents and Party Agents if they are to use this coding convention.</p> <p>The changed software would be best implemented on a Calendar Day on the basis that there is no impact on days prior to the implementation date.</p>	
Justification for Change <i>(mandatory by originator)</i> Implementing this change will ensure that an ad-hoc run can be initiated where significant errors are identified which need to be corrected pre and post the Final Settlement Runs.	
Other Configurable Items Potentially Affected by Proposed Solution(s) <i>(optional by BSCCo)</i> Potentially BSCP11 “Volume Allocation and Settlement Run Queries”.	
Impact on Core Industry Documents <i>(optional by originator)</i> 	
Related Changes and/or Projects <i>(mandatory by BSCCo)</i> 	

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