

4.3 CP Form

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| Change Proposal – BSCP40/02 | CP No: <i>Version No:</i> <i>(mandatory by BSCCo)</i> |
| Title (mandatory by originator) CP1520: Clarification to ‘Change of Ownership’ process in BSCP537 | |
| Description of Problem/Issue (mandatory by originator) <p>BSCP537 ‘Qualification Process for SVA Parties, SVA Party Agents and CVA Meter Operators’ section 2.6.1 requires ‘Applicants’ to provide a signed Qualification Letter following a Change of Ownership. The Qualification letter states that ‘they are applying to undergo the Qualification Requirements and Qualification Processes in accordance with Section J’.</p> <p>However, for all instances of a Change of Ownership, the ‘Applicant’ must already be a Qualified Person at the point of signing the letter, so the use of the Qualification Letter for this purpose is not appropriate.</p> <p>The purpose of the Change of Ownership process is to determine whether or not a Qualified Person is making any Material Changes as a result of the Change of Ownership, and therefore needs to re-Qualify.</p> <p>Where a company has not been operational at the point of purchase, the subsequent transition to being operational could be considered a Material Change, e.g. due to significant change in staff and processes.</p> <p>This means that a Change of Ownership process needs to be created within BSCP537 to monitor Party Agents following a change of ownership.</p> <p>Also, as SVA BSC Parties are not required by BSCP537 to re-Qualify under any circumstances, BSCP537 Section 2.6 should be amended to specify that it only applies to Party Agents, and that SVA BSC Parties are not required to comply with the Change of Ownership process.</p> | |
| Proposed Solution (mandatory by originator) <p>Introduce a new Change of Ownership letter template into BSCP537 that the Party Agent will be required to complete and submit to BSCCo to confirm that they will be able to continue to take on the obligations of a Qualified Person, despite the Change of Ownership of the company. In addition to the Change of Ownership letter, the Party Agent will be required to provide a separate letter signed by an authorised signatory explaining the Change of Ownership and service(s) impacted, as well as, a statement confirming whether a Material Change has been made as per BSCP537 section 2.6.1.</p> <p>Amend section 2.6 of BSCP537 to reflect the revised process.</p> <p>Minimal change to the ‘Material Change and Triggers to re-Qualification’ guidance notes, to ensure Party Agents are aware of what constitutes as a Material Change to their staff, systems or</p> | |

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| processes. |
| Justification for Change (mandatory by originator) The requirement to use the Qualification letter for the Change of Ownership process in BSCP537 is causing confusion. This change will provide clarity to Party Agents by introducing a revised process with a dedicated Change of Ownership Letter. |
| To which section of the Code does the CP relate, and does the CP facilitate the current provisions of the Code? (mandatory by originator) BSC Section J 'Party Agents and Qualification under the Code' |
| Estimated Implementation Costs (mandatory by BSCCo) £840 of effort to implement the necessary document changes. |
| Configurable Items Affected by Proposed Solution(s) (mandatory by originator) BSCP537 'Qualification Process for SVA Parties, SVA Party Agents and CVA Meter Operators' |
| Impact on Core Industry Documents or System Operator-Transmission Owner Code (mandatory by originator) None |
| Related Changes and/or Projects (mandatory by BSCCo) None |
| Requested Implementation Date (mandatory by originator) 18 December 2019 Reason: To avoid any further confusion in the Change of Ownership process. |
| Version History (mandatory by BSCCo) 1.0 |

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