



Service Description

Market Charges, Payments and Invoicing

1 Service overview

MOSL is a membership company funded by its members, where all parties seeking to trade in the market must become a member of MOSL. The ability of MOSL to provide its services to the market is heavily reliant on Trading Parties paying the market charges promptly each month, as defined within the Market Arrangements Code (MAC).

There are a number of charges, outlined in the MAC, which MOSL may levy on Trading Parties:

Payable in advance

- Wholesaler Market Operator Charges (Schedule 6)
- Retailer Market Operator Charges (Schedule 6)

Payable in arrears

- Market Performance Standard Charges (Section 9)
- Additional Services Charges (Section 4.6)
- Interest charges for late payment of invoices (Section 10.7)
- Default Market Operator Charges (Section 10.8)

MOSL will simplify the payment process for Trading Parties by consolidating invoices to reduce the administrative burden. Trading Parties will be able to view their invoices and manage payments online, providing easy and effective management of costs. Each invoice will clearly state the breakdown of costs payable by each Trading Party.

Market Operator Charges will be recovered in advance by MOSL to enable it to maintain positive cashflow and avoid the risk of resorting to credit arrangements. As appropriate, MOSL will undertake reconciliations of actual cost against the invoiced value, and reimburse Trading Parties as required where costs have been lower than projected.

Following the publication of its audited annual accounts, MOSL will reconcile all wholesaler and retailer charges for the year and issues invoices or make payments as required.

Please refer to the 'Budgeting' service description for details on MOSL's evaluation and challenge of its internal costs.

2 Service objectives

The key objectives of the market charges, payment and invoicing service are to:

1. Enable Trading Parties to understand and effectively manage their market charges by providing an online payment and invoicing system which provides a clear breakdown of outstanding and historic charges.
2. Enable MOSL to maintain a positive cash-flow position which removes the need for access to credit by invoicing accurate market operator charges in advance and providing an efficient payments process for Trading Parties.

3 Service deliverables & SLAs

MOSL will seek wherever possible to consolidate its invoices whilst still meeting its obligations under the Market Arrangements Codes.

Deliverable	Description	SLA	Code Reference
Market Operator Charges invoices	Invoice including the relevant Trading Party's share of monthly Market Operator Charges	MOSL will issue invoices on the fourth (4 th) Business Day of the month prior to the invoice period.	Consistent with Market Arrangements Code – Section 10.4
Other Market Charges invoices	Market Performance Standard Charges, Additional Services Charges, Interest charges for late payment of invoices and/or Default Market Operator Charges payable by a Trading Party	Invoices issued on the tenth (10 th) Business Day of the Month after the invoice period.	Consistent with Market Arrangements Code – Section 10.4
Annual Reconciliation	Audited annual accounts will be used to make a final determination and following which adjustments may be made to any charges for each wholesaler and retailer	No later than twenty-five (25) Business Days after publication of MOSL's Audited Annual Accounts	Market Arrangements Code – Section 10.10.1
Annual reconciliation payments	MOSL will make payments to wholesalers and retailers as required following annual reconciliation	Within five (5) Business Days of MOSL's final determination	Market Arrangements Code – Section 10.10.2

4 MOSL's expectations of Trading Parties

Timely payment mitigates MOSL's risk of being forced to access credit and therefore helps reduce overall market costs. Trading Parties are expected to pay their Market Operator Charges not later than ten (10) Business Days prior to the start of the relevant month (MAC, Section 10.5).

For the other charges, which are payable in arrears, Trading Parties should make any payment not later than ten (10) Business Days after the date of any invoice.

All payments should be made in full by electronic transfer to MOSL's bank account using the online payments system.

If Trading Parties do not pay their charges by the invoice due date (as set out above) then the Trading Party will be required to pay interest on the amount at a rate of 4% over the base lending rate of the Bank of England (MAC, Section 10.7).

MOSL will pursue and seek to recover any outstanding amounts from Trading Parties. If MOSL cannot recover the outstanding amount, all Trading Parties will be required to pay additional Market Operator Charges.



Market Operator Services Limited

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