

1 Purpose

The purpose of this policy is to provide clear and unambiguous guidelines on the circumstances in which a de minimis policy may apply. The de minimis policy, seeks to avoid disproportionate bank charges for all Trading Parties in relation to the total value of CHAPS payments made in respect of wholesale charges.

2 Definition

Once agreed, the de minimis policy allows Scottish water or LP to delay making a CHAPS payment for low value invoices. Payment can be delayed so long as the value of all invoices outstanding for payment is lower than £500. At the point when the value then due for payment exceeds £500, invoices will become due. No penalties for late payment will be levied against either party for qualifying invoices.

3 Qualifying Criteria and Conditions

- A qualifying invoice will have a value, including VAT, of less than £500.
- Payment will be delayed until the cumulative value of all invoices due for payment to Scottish Water/LP exceeds £500.
- At the point where the cumulative value exceeds £500, the payment terms for all delayed invoices will be the payment terms of the invoice issued which has the latest payment date and follow normal default process as set out in the WSA based on that date.
- Normal invoicing procedures and timescales apply and invoicing is not to be delayed until the total value to be invoiced is over £500.
- Disputed invoices will not be included in the cumulative total.
- There will be no Late Payment Interest or penalties payable on delayed amounts while the total outstanding balance is under £500. At the point where the balance exceeds £500, the usual arrangements apply.
- A statement of account showing the total outstanding balance at any given time is available on request from the Scottish Water Wholesale Billing team.

Example:

Invoice	Date	Due Date	Amount	Cumulative Total
PBC0001	03-Aug	17-Aug	£2.50	£2.50
PBC0002	03-Aug	17-Aug	£4.50	£7.00
NBC0003	04-Aug	18-Aug	£10.96	£17.96
NBC0004	07-Aug	21-Aug	£7.63	£25.59
PBC0005	17-Aug	31-Aug	£900.00	£925.59

Payment for PBC0001, PBC0002, NBC0003 and NBC0004 is delayed, as the cumulative balance is less than £500. On receiving invoice PBC0005 the cumulative total exceeds £500 and all outstanding invoices become due for payment on the 31st August.