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Appendix B: Invoicing Process Improvements – Gowling and DCC interpretation of a manifest invoice error

1. Purpose

The purpose of this paper is to set out what Gowling and DCC consider to be a manifest invoice error.

2. Gowling advice on interpretation of a manifest error?

Gowling has provided guidance that a manifest invoice error will exist where:

- there is an obvious or easily demonstrable error that does not require extensive investigation.
- there is a mistake on the face of the calculations.
- any data that is legally required on an invoice is omitted or incorrect.

For example, in writing $2+2=5$ or a bill for £10 billion instead of £10.

3. How DCC determine a manifest invoice error?

The following table sets out the DCC's view of what does and does not constitute a manifest error in the invoicing process. Unless the DCC deems the issue to be a manifest error, the onus is on the SEC Party to ensure the invoice/s is paid under the standard payment terms (five working days from the date when the invoiced was issued by the DCC).

	Error in	Omission of
Deemed a manifest error	Explicit charges (net or gross) when compared to backing data	Supplier details; company name, registered address, company number & VAT number If details are incorrect this will also be deemed a manifest error
	Invoiced volumes, when compared to backing data	Customer company name If details are incorrect this will also be deemed a manifest error
	Unit price compared to the charging statement	Invoice number

	VAT amount	Invoice date/ tax point If details are incorrect this will also be deemed a manifest error
	Rate of VAT charged	DCC bank details If details are incorrect this will also be deemed a manifest error
Not deemed a manifest error		Payment terms or due date on the invoice
		Customer number/ SEC Party ID
		Purchase order (PO) number If details are incorrect this will not be deemed a manifest error
		Omitted invoice narrative or changes to invoice narrative
		Remittance contact information
		Breakdown of charges

Table 1: What is and is not deemed a manifest error by the DCC

Queries relating to volumes provided by the Data Service Provider (DSP) or explicit charges (where the invoiced value agrees to the backing data issued to DCC) are not deemed manifest errors.

4. How manifest invoice errors are resolved

The DCC must agree that a manifest error has occurred. If the DCC agrees that an Invoice contains a manifest error, under J1.6, it will cancel the Invoice (which will not therefore be payable) and promptly issue a replacement Invoice.

The DCC will also take into consideration the type of manifest error, and will agree the solution with the customer, which may include issuing:-

- A Credit note and revised invoice;
- A partial credit note for the error; or
- A revised invoice

The standard payment terms of five days will re-start from the date the new/revised invoice is issued.

5. Relevant Sections of the SEC under Section J Charges

There are two relevant Sections relating to queries and manifest errors with invoicing, as follows:

- **J1.6** Without prejudice to a Party's right to dispute the Charges in accordance with Section J2 (Payment Default and Disputes), each Party shall pay the amount set out in each Invoice addressed to it by the Due Date for such payment regardless of any such dispute. Nevertheless, where the DCC agrees that an Invoice contains a manifest error, the DCC shall cancel that Invoice (which will not therefore be payable) and promptly issue a replacement Invoice.

- **J1.9** Where: (a) the DCC prepared an Invoice based on its estimate of any information, and the actual information subsequently becomes available to the DCC; (b) there is a change to the information used by the DCC to prepare an Invoice (including following a reconciliation or amendment of Registration Data); or (c) it is agreed (or determined), in accordance with Section J2.4 (Resolution of Payment Default), that there was an error in an Invoice, then the DCC shall include an adjustment in the next Invoice for the relevant Party to be produced thereafter (or, where no Invoice is due to be produced, the DCC shall produce a separate Invoice for such purpose).