

## Administrative process for market entry

The following note sets out the three Stages, and six Steps, that a party must go through in order to be able to provide non-household customers with services as a 'Licensed Provider'.

The Steps in this process are sequential. Unless agreed otherwise with the body responsible for the next Step, the party must complete each preceding Step before it can proceed to the next Step.

### Stage 1: Gaining 'Licensed Provider' status

#### *Step 1: Receipt of a licence*

The applicant must obtain a licence from the Water Industry Commission for Scotland (WICS). WICS is responsible for assessing the commercial capabilities of an applicant including their suitability to be granted a licence. A retailer that has obtained such a licence is referred to as a 'Licensed Provider'. Information on applying for a licence can be found on the Commission's website at [www.watercommission.co.uk](http://www.watercommission.co.uk).

### Stage 2: Gaining 'Code Party' status and CMA Membership

#### *Step 2: Signing a Wholesale Services Agreement*

The Licensed Provider must enter into a Wholesale Services Agreement (WSA) with Scottish Water. The Licensed Provider should contact Scottish Water to arrange discussions on a WSA.

#### *Step 3: Acceding to the Operational Code*

The Licensed Provider must accede to the Operational Code. Information on acceding to the Operational Code can be found on Scottish Water's website at [www.scottishwater.co.uk](http://www.scottishwater.co.uk).

#### *Step 4: Admittance to CMA*

The Licensed Provider must become a member of the CMA and a party to the Market Code. The CMA is responsible for assessing the Licensed Provider's technical capability to operate in accordance with the Market Code. The Licensed Provider must start the process to become a member of the CMA and a party to the Market Code by completing the joint CMA and Market Code application form and lodging that form duly completed with CMA. The CMA will require confirmation that that applicant has completed Steps 1, 2 and 3. The joint CMA and Market Code application form (and information on this process) is available on the CMA's website at [www.cmascotland.com](http://www.cmascotland.com).

## *Step 5: Acceding to the Market Code*

Following notification from the CMA that the Licensed Provider's application to become a member of the CMA and a party to the Market Code has been successful, the Licensed Provider must accede to the Market Code. The CMA will invite the Licensed Provider to sign the Market Code Accession Agreement.

## **Stage 3: Gaining 'Trading Party' status**

### *Step 6: Completing Market Entry Assurance*

The Licensed Provider must successfully complete a process of assurance run by the CMA, which checks that they have the appropriate technical systems to enable them to operate in the market. Details of the assurance process are set out in the CSDs (which are available on the CMA's website).