

RVL Group Payment Compliance Plan

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1. Compliance Objectives

The objectives of this Payment Compliance Plan are to:

- Ensure compliance with UK financial regulations (e.g., the UK Money Laundering Regulations 2017 & FCA guidelines), and with Government's commitment to ensure prompt payment to and by businesses
- Improve our payments to suppliers so that 95% or more of supply chain invoices are paid within 60 days of the invoice date
- Implement systems that increase transparency, accuracy, and efficiency in the payment process.

2. Designated Payment Compliance Officer

2.1 Appointment of a Payment Compliance Officer

The company will appoint a **Payment Compliance Officer** who will be responsible for:

- Monitoring the company's adherence to all relevant payment laws, regulations, and internal policies.
- Addressing any issues or non-compliance incidents.
- Providing regular compliance reports to senior management.

The Payment Compliance Officer will have the authority to investigate, recommend corrective actions, and oversee implementation to ensure the company's compliance.

3. Staff Training on Compliance Requirements

3.1 Mandatory Training

All employees involved in payment processing will receive mandatory training on:

- **UK-specific regulations:** Training on legal requirements (e.g., Payment Services Regulations 2017, anti-money laundering laws).
- **Fraud detection and prevention:** Training on spotting potential fraud and understanding anti-fraud procedures.

3.2 Role-Based Training

Employees in different roles (e.g., accounting, procurement) will receive targeted training based on their specific duties in the payment process, ensuring they understand how compliance impacts their work.

3.3 Ongoing Training

Annual refresher training and updates will be provided to ensure staff are informed about regulatory changes, emerging risks, and improvements to internal processes.

4. Root Cause Analysis and Targeted Solutions

When non-compliance issues arise, the company will conduct a **root cause analysis** to identify underlying causes and implement targeted solutions.

4.1 Internal Process Issues

- **Analysis:** Assess inefficiencies in internal processes such as invoice handling, payment approvals, or mismanagement of timelines.
- **Solution:** Streamline workflows, automate repetitive tasks, and standardize procedures to reduce delays and human error.

4.2 Supplier Issues

- **Analysis:** Identify challenges with suppliers, such as performance problems, disputes, or financial instability.
- **Solution:** Improve contract management, escalate disputes early, and vet suppliers for financial health and reliability.

4.3 External Factors

- **Analysis:** Examine how external factors (economic downturns, regulatory changes, supply chain disruptions) impact payments and compliance.
- **Solution:** Develop contingency plans, stay updated on regulatory changes, and diversify suppliers to mitigate risks.

5. Improve Communication with Suppliers

Efficient and transparent communication with suppliers helps resolve payment issues and strengthens relationships.

5.1 Open Lines of Communication

- Maintain transparent, ongoing communication with suppliers to discuss payment status, potential delays, or changes in payment terms.

5.2 Regular Updates

- Provide suppliers with consistent updates on the status of invoices, payments, or any delays.
- Look at the feasibility of an automated notification system for payment updates.

5.3 Prompt Resolution of Disputes

- Establish a clear process for resolving disputes quickly, such as having a dedicated team or a conflict escalation procedure.
 - Ensure payment disputes are addressed within a specified timeline.
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6. Monitor and Review Compliance

6.1 Regular Compliance Assessments

The company will conduct periodic internal assessments to:

- Monitor adherence to payment compliance policies and current payment profiles
- Identify areas for improvement.
- Review the effectiveness of internal controls and risk management strategies.

6.2 Continuous Improvement

- Implement a culture of continuous improvement by regularly updating compliance policies and procedures.
- Stay informed of changes in UK payment regulations and industry best practices.
- Conduct audits, both internal and external, to ensure full compliance with legal and industry standards.

6.3 Feedback Loop

- Gather feedback from employees and suppliers on compliance procedures to address gaps or inefficiencies.
- Review incidents of non-compliance to prevent recurrence and improve processes.

Approval and Review

This Payment Compliance Plan will be reviewed annually or as necessary to ensure alignment with any updates to UK regulations or internal business changes.

Approved by:

Mark Adamson

(Finance Director)

20/9/2024