SLAUGHTER AND MAY

30 July 2026

Vets MIR

IVC response to formal consultation on draft funding Order materials

1. Introduction

1.1 The tables below set out IVC's comments on the (i) draft funding Order; (ii) draft funding Undertaking; (iii) draft Explanatory Note to the funding Order; (iv) draft funding Order Notice; and (v) draft funding Undertaking Notice (the "**Materials**").

1.2 IVC appreciates the opportunity to comment on the Materials again following the informal consultation on earlier drafts. IVC notes that the Materials have been updated since the informal consultation. For clarity and to assist the CMA's review, IVC's comments below are intended to be read as a standalone, complete submission on the Materials as published for formal consultation. IVC notes, however, that a number of the comments below are substantively the same as those submitted during the informal consultation, and these have been reproduced below for completeness.

1.3 IVC has proposed in-line drafting amendments in red font (where applicable) and also included an explanation of why the changes proposed by IVC are necessary and appropriate. IVC hopes that such explanations will better enable the CMA to understand and give due consideration to the thinking underpinning IVC's various comments on the Materials.

2. IVC comments on draft funding Order

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
2.1	Part 1, Article 2	**'FOP Services'** means primary care ~~and related services~~ provided in a FOP during normal working hours.	We have removed the reference to "related services" on the basis that "primary care" should encompass all relevant services.
2.2	Part 1, Article 2	**'RCVS Activities'** means: (j) providing independently assured estimates by a~~n~~ registered auditor (in accordance with the requirements for registration as an auditor in the UK), or another suitably skilled, qualified and experienced third party approved by the CMA of the costs that it expects to incur in carrying out the RCVS Activities and operating and administering the system for collecting the Levy; and	IVC has proposed additional wording to provide further assurances and to align this definition more closely with the position in paragraph 3.1(b) of the draft funding Undertaking. IVC considers it appropriate that any such independent assurance of the RCVS estimates be provided either by a registered auditor (in accordance with the requirements for registration as an auditor in the UK), or another suitably skilled, qualified and experienced third party who has been approved by the CMA to verify such estimates. This would ensure that the checks and balances put in place are suitably robust given the importance of verifying that the estimates would represent the reasonably necessary and reasonably efficiently incurred costs of the RCVS Activities.
2.3	Part 1, Article 2	**'OOH Centre'** means the site, premises or location at which a Veterinary Business provides OOH Provider Services, which, for the avoidance of doubt, shall include where OOH Provider Services are provided within a host FOP.	IVC has proposed additional clarificatory wording to cover the scenario where OOH Services are provided by an outsourced provider at a host FOP outside of its normal working hours.
2.4	Part 1, Article 2	**'OOH Services'** means primary care services that are provided at a Practice ~~outside normal working hours~~ and at times when the veterinary practice where the animal is registered or has commenced treatment is closed.	IVC has proposed the addition of "at a Practice" to align the definition of OOH Services with the approach applied in relation to the definition of FOP, OOH Centre and Referral Centre whereby the location is also incorporated into the respective definitions. In addition, IVC has proposed an edit to more accurately reflect the status of an animal when it is brought for care during out-of-hours periods.
2.5	Part 1, Article 2	**'Practice'** means a physical premises, site or location at which Veterinary Services are provided.	IVC has proposed the addition of a defined term "Practice", for consistency with the draft substantive Order materials.
2.6	Part 1, Article 2	**'Pro-rated Proportion of the Initial Levy Payment'** and **'Pro-rated Proportion of the Subsequent Levy Payment'** as the case may be, mean one-twelfth of the Levy for each complete calendar month between (i) the date a Qualifying	IVC proposes that additional language is included in this definition to refer to where a Qualifying Veterinary Business "*acquires*" an

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
		Veterinary Business begins operating, acquires or opens additional FOPs or OOH Centres, as the case may be; and (ii) the following 31 March.	operating FOP, to capture scenarios where a FOP is added to a Qualifying Veterinary Business following M&A activity.
2.7	Part 2, Article 4(2)(b)	(b) Each Qualifying Veterinary Business which begins operating, acquires or ~~which~~ opens additional FOPs or any OOH Centres, after the Levy Commencement Date shall pay a Pro-rated Proportion of the Initial Levy Payment for each FOP, additional FOP, or OOH Centre, as the case may be, that it operates.	Please refer to row 2.6 above.
2.8	Part 2, Article 4(3)(b)	Each Qualifying Veterinary Business which begins operating, acquires or ~~which~~ opens additional FOPs or any OOH Centres, after the day that period starts shall pay to the RCVS a Pro-rated Proportion of the Subsequent Levy Payment for each FOP, additional FOP, or OOH Centre, as the case may be, that it operates.	Please refer to row 2.6 above.
2.9	Part 2, new Article 4(7)	(7) For the purposes of this Article 4, no Levy shall be payable in respect of an OOH Centre where the site, premises or location at which the OOH Provider Services are provided is the same site, premises or location as a FOP in respect of which a Levy is payable under this Order.	IVC notes that the CMA's original drafting of Article 4 appeared to separately count the provision of OOH Provider Services at any location (regardless of whether that location was a dedicated OOH centre or within a FOP). As the CMA is aware, OOH service businesses, including that of IVC-owned Vets Now (**VN**) sometimes operate from the premises of a (daytime) FOP under common ownership by IVC or a third-party host practice. In either case, that OOH provider may be providing outsourced services to multiple daytime FOP practices. The CMA's current drafting would involve prejudicial double counting i.e. separately counting the OOH services provided by VN where it is operating in the same location as the daytime FOP. IVC encourages the CMA to make clear that in circumstances where an OOH provider (e.g. VN) operates from the premises of a (daytime) FOP **this does not require two separate Levy payments.** [REDACTED]. For the avoidance of doubt, under IVC's proposed amendments, if OOH services are provided by a Veterinary Business at a standalone

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
			(dedicated) OOH centre, these count as an OOH Centre for the purposes of this Article 4.

3. IVC comments on draft funding Undertaking

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
3.1	Paragraph 2.1	'**FOP Services'** means primary care ~~and related services~~ provided in a FOP during normal working hours.	Please refer to IVC's comments on the definition of FOP Services in the draft funding Order (row 2.1 above).
3.2	Paragraph 2.1	'**OOH Centre'** means the site, premises or location at which a Veterinary Business provides OOH Provider Services, which, for the avoidance of doubt, shall include where OOH Provider Services are provided within a host FOP.	Please refer to IVC's comments on the definition of OOH Centre in the draft funding Order (row 2.3 above).
3.3	Paragraph 2.1	'**OOH Services'** means primary care services that are provided at a Practice ~~outside normal working hours~~ and at times when the veterinary practice where the animal is registered or has commenced treatment is closed.	Please refer to IVC's comments on the definition of OOH Services in the draft funding Order (row 2.4 above).
3.4	Paragraph 2.1	**'Practice'** means a physical premises, site or location at which Veterinary Services are provided.	IVC has proposed the addition of a defined term "Practice", for consistency with the draft substantive Order materials.
3.5	Paragraph 2.1	'**RCVS Activities'** means: (j) providing independently assured estimates by a~~n~~ registered auditor (in accordance with the requirements for registration as an auditor in the UK), or another suitably skilled, qualified and experienced third party approved by the CMA of the costs that it expects to incur in carrying out the RCVS Activities and operating and administering the system for collecting the Levy; and	Please refer to IVC's comments on the definition of RCVS Activities in the draft funding Order (row 2.2 above).
3.6	Paragraph 3.1(b)	(b) obtain written assurance from a registered auditor (in accordance with the requirements for registration as an auditor in the UK), or another suitably skilled, qualified and experienced independent third party approved by the CMA that the estimated costs included in the RCVS Funding Estimate are reasonably necessary for, and would represent	Please refer to IVC's comments on the definition of RCVS Activities in the draft funding Order (row 2.2 above).

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
		the reasonably efficiently incurred costs of, the RCVS's performance of the RCVS Activities;	
3.7	Paragraph 4.5	4.5 Where in any Initial Relevant Period or Subsequent Relevant Period a Qualifying Veterinary Business notifies the RCVS, in accordance with the Veterinary Services Market Investigation (Funding) Order 2026, of a reduction in the number of FOPs or OOH Centres the business is operating and for which the business has paid the Levy due, the RCVS shall make a refund payment to the business, or issue it with a credit against future Levy liabilities, at the option of the business, in accordance with paragraph 4.6.	IVC notes that the draft Undertaking, as currently drafted, does not provide any detail on when a refund would be made by way of refund payment versus by way of credit against the business's future Levy liabilities. **In IVC's view, whether the payment is made by refund or credit should be at the option of the paying business**. This would enable businesses (including smaller businesses and independent, non-IVC, practices) to manage their own cash flow. For example, a practice may prefer to receive a refund to help manage short-term cash flow requirements, rather than a credit against future (longer-term) payments.
3.8	Paragraph 4.6	4.6 ~~Provided that the Qualifying Veterinary Business gives the RCVS the required notification before 30 September in any year,~~ the RCVS shall refund to the business the Pro-rated Refund of the Initial Levy Payment or Pro-rated Refund of the Subsequent Levy Payment as applicable ~~50% of the Levy~~ that the business has paid in that year for each FOP or OOH Centre that it no longer operates or issue it with a credit for the same amount against the business's future Levy liabilities, at the option of the business.	The Materials provide for a Pro-rated Proportion of the Initial Levy Payment and Pro-rated Proportion of the Subsequent Levy Payment to be paid when a Qualifying Veterinary Business begins operating, or opens additional FOPs. However, in the case where a Qualifying Veterinary Business ceases operating, or closes FOPs, the Materials only provide for a refund of the Levy that the business has paid of 50%, provided the business notifies the RCVS before 30 September in any year. Such an approach to the refund payment is inconsistent with the approach taken to newly operational FOPs (explained above) and would result in an unfair outcome for businesses where the relevant FOP has ceased to operate part-way through the year. The business would receive either an insufficient refund to reflect the amount of time that the FOP has operated (and likewise the amount of time that the FOP has not operated) in that year, or no refund at all. The result of the position as currently drafted can be illustrated with two examples: (i) A Qualifying Veterinary Business closes a FOP on 1 June, having operated for 2 months of the Initial Relevant Period or Subsequent Relevant Period. Notice is provided to the RCVS before 30 September. The business receives a 50% refund or credit of the Initial Levy Payment or Subsequent Levy Payment (as the case may be). In effect,

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
			the business has therefore paid the Levy for 4 months in which the relevant FOP was not operational. (ii) A Qualifying Veterinary Business closes a FOP on 1 October, having operated for 6 months of the Initial Relevant Period or Subsequent Relevant Period. Notice is provided to the RCVS after 30 September. The business receives no refund or credit from the RCVS. In effect, the business has therefore paid the Levy for 6 months in which the relevant FOP was not operational. This would also result in an unequal position with respect to FOPs undergoing temporary closure (and which are therefore not deemed operating, as clarified by footnote 4 of the draft Explanatory Note): (i) If a FOP is temporarily closed for a period of two months beginning on (and including) the day that a Subsequent Relevant Period starts, the Qualifying Veterinary Business would be required to pay a Pro-rated Proportion of the Subsequent Levy Payment in respect of that FOP to cover the 10 calendar months in which it operates. (ii) If a FOP is temporarily closed for a period of two months which begins on any date following 30 September, the Qualifying Veterinary Business would have paid the Levy for the full 12 calendar months and would be entitled to no refund. **IVC proposes that any refund for FOP closures (including temporary closures) should be pro-rated using the same mechanism as the Levy payments for FOP openings. That is, any refund should be calculated as one-twelfth of the Levy for each complete calendar month in which the FOP did not operate.** IVC has therefore suggested the addition of definitions of ‘Pro-rated Refund of the Initial Levy Payment’ and ‘Pro-rated Refund of the Subsequent Levy Payment’, to be calculated in the same way as the ‘Pro-rated Proportion of the Initial Levy Payment’ and ‘Pro-rated Proportion of the Subsequent Levy Payment’.
3.9	Addition to Section 2	**‘Pro-rated Refund of the Initial Levy Payment’** and **‘Pro-rated Refund of the Subsequent Levy Payment’** as the case may be, mean one-twelfth of the Levy for each complete calendar month between (i) the date a Qualifying	Please refer to row 3.8 above.

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
		Veterinary Business ceases operating, divests of or closes, a FOP or OOH Centre; and (ii) the following 31 March.	
3.10	Paragraph 5.3	Within four months of the end of the Initial Relevant Period or any Subsequent Relevant Period, as the case may be, the RCVS shall publish (and take reasonable steps to notify Qualifying Veterinary Businesses and professional representative bodies of the publication thereof): (a) a breakdown of the actual costs it incurred in that period, with the same level of detail and format as the RCVS Funding Estimate it produced for the period in accordance with section 3 above; and (b) an independent audit by a registered auditor (in accordance with the requirements for registration as an auditor in the UK), or another suitab~~i~~l~~it~~y skilled, qualified and experienced person approved by the CMA of its actual costs incurred and including the auditor's opinion as to whether, based on the procedures it has carried out, anything came to its attention to indicate that such costs attributable to each RCVS Activity were not reasonably necessary or reasonably efficiently incurred.	Please refer to IVC's comments on the definition of RCVS Activities in the draft funding Order (row 2.2 above). In addition, IVC has suggested an amendment to clarify that the auditor should be able to report where costs attributable to each RCVS Activity are either (i) not reasonably necessary or (ii) not reasonably efficiently incurred (or both).
3.11	Addition of Paragraph 5.4	Where the auditor has indicated in its opinion, as set out in Paragraph 5.3(b), that actual costs attributable to each RCVS Activity were not reasonably necessary or reasonably efficiently incurred, the following provisions shall apply: (a) any Qualifying Veterinary Business shall be entitled to refer the matter to the CMA for determination within 30 days of publication of the audit opinion; (b) the CMA may give such directions as it considers appropriate, which may include a direction that the RCVS pay a refund to Qualifying Veterinary Businesses proportionate to the amount by which such costs exceeded those that were reasonably necessary and reasonably efficiently incurred; and	IVC notes that, whilst the CMA has introduced the additional safeguard that the independent audit of the RCVS' actual costs shall include the auditor's opinion as to whether anything indicated that such costs were not reasonably necessary and reasonably efficiently incurred, there is currently no clarity on how Veterinary Businesses will be protected or compensated should the auditor identify such an issue. IVC therefore proposes that, in such a situation, Qualifying Veterinary Businesses should have the ability to refer the matter to the CMA for determination, including on whether a proportionate refund is warranted. If the CMA finds that a refund is warranted, it should be able to give a direction that the RCVS pay a refund to all Qualifying Veterinary Business who paid the Levy in relation to which the costs were incurred, in proportion to the amount by which such costs were deemed unreasonable.

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
		(c) any refund directed by the CMA pursuant to sub-paragraph (b) shall be paid by the RCVS within 90 days of such direction or shall be applied as a credit against future Levy payments by the relevant Qualifying Veterinary Business (at the option of the Qualifying Veterinary Business).	IVC suggests that Qualifying Veterinary Businesses should then be able to choose either receiving the refund from the RCVS or having the amount applied as a credit against future Levy payments. This would ensure sufficient protection / compensation for Qualifying Veterinary Businesses in such a situation.

4. IVC comments on draft Explanatory Note to the funding Order

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
4.1	Addition of Paragraphs 22-24	The defined terms include 'Veterinary Business'. For the purposes of the Funding Order, a Veterinary Businesses is a person - any entity whether it is a legal person like a company, a joint venture or partnership, or an individual - carrying on a business that comprises the retail provision of one or more Veterinary Services to Pet Owners for their Household Pets. A person would be carrying on such a business where all or part of the services they offer to Pet Owners are Veterinary Services for their Household Pets. The obligations in the Funding Order therefore do not apply to businesses which do not offer Veterinary Services for Household Pets (even if they may incidentally and occasionally provide such services for such pets) or to the sites, premises or locations in which such businesses operate. These examples illustrate the points in the preceding two paragraphs: a business all or most of whose services offered to Pet Owners by which are Veterinary Services for Household Pets will be a Veterinary Business subject to the Funding Order; (a) a business all or most of whose services offered to Pet Owners by which are Veterinary Services for Household Pets will be a Veterinary Business subject to the Funding Order; (b) a business which offers mixed services for farm and equine animals and for Household Pets will be a Veterinary Business subject to the Funding Order, even if the proportion of those services that are for Household Pets is limited or very small; and (c) a business which offers only mixed services for farm and equine animals, but where a vet may incidentally and occasionally treat a Household Pet (for example, a farmer's	IVC proposes the addition of Paragraphs 22-24 to align with the corresponding provisions set out in the draft Explanatory Note to the draft Veterinary Services Market Investigation Order 2026 published by the CMA for formal consultation on 21 July 2026. IVC considers that such additions are necessary to avoid the obligations set out in the Funding Order inadvertently capturing practices whose predominant focus is farm animals or horses, but whose caseload may technically include a *de minimis* proportion of work in relation to Household Pets. A failure to provide clarity on this point would otherwise give rise to uncertainty for market participants across the industry and also is likely to be inconsistent with the expectations of many farm or horse-oriented practices – including independently run practices – who had likely operated on the assumption that they were outside the scope of the Vets MIR process. Further, there is a risk that some market participants, who would be brought into scope if a *de minimis* threshold is not applied, would cease providing these incidental services altogether as the costs of compliance with the remedies would be disproportionate to the services being provided. This potential unintended outcome could have negative consequences, such as reduced provision of routine preventative care (e.g. vaccinations and worming treatments), which could adversely affect animal welfare and, in some cases, public health outcomes – particularly in areas where alternative providers are less accessible.

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
		dog), will not be a Veterinary Business subject to the Funding Order.	
4.2	Paragraph 22, Footnote 4 (Following the addition of new Paragraphs 22-24 as detailed in row 4.1 above, this would become Paragraph 25, Footnote 4)	For the purposes of Article 4, a Veterinary Business will not be operating a FOP or OOH Centre if that FOP or OOH Centre has stopped trading (temporarily or permanently). Whether that is the case will depend on the specific circumstances. Factors which may determine whether a business is operating a FOP or OOH Centre at any particular time include whether it ~~is seeking to win customers, is active in providing Veterinary Services~~ is generating revenue from the provision of FOP Services, OOH Services or OOH Provider Services to Pet Owners and/or has control over the equipment at the FOP or OOH Centre. A locum providing Veterinary Services as a sole trader at a FOP or OOH Centre would not typically be operating one or more FOPs or OOH Centres and would not, therefore, typically be operating themselves as a Qualifying Veterinary Business.	IVC has proposed amendments to the list of factors that may determine whether a business is operating a FOP or OOH Centre at any particular time in order to more accurately reflect when a business should be deemed as so operating. IVC has suggested that whether a business is "seeking to win customers" should be removed as an indicator of whether the business is operating or not, as there may be situations where a FOP or OOH Centre is temporarily closed (and not generating any revenue from the provision of services) but continues customer communications and marketing activity in anticipation of re-opening at a later date. Or, it might be the case that an individual FOP or OOH Centre is closed, but, where it is owned by a business that owns other FOPs or OOH Centres, that business might engage in centralised marketing activity to customers of that now-closed site. IVC has also suggested that the reference to "Veterinary Services" be amended to "FOP Services, OOH Services or OOH Provider Services" in order to more closely align this footnote with the requirements of Article 4 of the draft Funding Order, which references FOPs and OOH Centres rather than the provision of Veterinary Services. IVC has also suggested that the wording be refined to apply so that a FOP or OOH Centre must be "generating revenue" from the provision of these services, rather than simply being active in such services – to reflect, for example, that Article 4 excludes charitable organisations.
4.3	Paragraph 24 (Following the addition of new Paragraphs 22-24 as detailed in row 4.1 above, this would become Paragraph 27)	An OOH Centre, as defined in the same Article, is the site, premises or location at which a Veterinary Business provides OOH Provider Services, which, for the avoidance of doubt, shall include where OOH Provider Services are provided within a host FOP. That is, services provided by a Veterinary Business outside normal working hours to a Pet Owner directly or through a subcontracting or outsourcing arrangement with another Veterinary Business, where the provider only provides primary care for Household Pets outside normal working hours. In other words, it is the place	Please refer to IVC's comments on the definition of OOH Centre in the draft funding Order (row 2.3 above).

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
		at which a business provides exclusively dedicated out of hours services (albeit the same premises may be used by another provider to provide services in normal business hours).	
4.4	Paragraph 25 (Following the addition of new Paragraphs 22-24 as detailed in row 4.1 above, this would become Paragraph 28)	The Levy is a set amount each Qualifying Veterinary Businesses must pay for each FOP and each OOH Centre, as defined in Article 2(1), that it operates in a particular period of time. A business will be required to pay only one Levy per FOP (whether it provides services only in normal working hours at that site or also provides OOH FOP Services there), and one Levy per OOH Centre (on the basis the services provided by the latter are separate from those provided by the former~~, even if they are provided from the same site or premises~~). For the purposes of Article 4, where OOH Provider Services are provided at the same site as a FOP, this will result in only one Levy payment obligation in respect of that site.	Please refer to IVC's comments at Article 4(7) of the draft funding Order (row 2.9 above).

5. IVC Comments on draft funding Order Notice

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
5.1	Paragraph 18	Requiring Veterinary Businesses operating OOH Centres to pay the Levy would, accordingly, be consistent with the decision in the Final Report that those subject to regulation in respect of the primary care they provide to pets should bear the costs of that regulation. Since those businesses fall into a single category, requiring them to pay the Levy would continue to be consistent with the decision not to create a system of Levies that involves a substantial administrative burden. For the purposes of Article 4, where OOH Provider Services are provided at the same site as a FOP, this will result in only one Levy payment obligation in respect of that site.	Please refer to IVC's comments at Article 4(7) of the draft funding Order (row 2.9 above).
5.2	Paragraph 69	Under the Funding Undertakings, within four months of the end of each Relevant Period the RCVS would be required to publish an independent audit of its actual costs incurred in carrying out the RCVS Activities. That report would need to include the auditor's opinion as to whether, based on the procedures it has carried out, anything came to its attention to indicate that such costs attributable to each RCVS Activity were not reasonably necessary or reasonably efficiently incurred. Should the auditor's opinion identify that such costs were not reasonably necessary or reasonably efficiently incurred, any Qualifying Veterinary Business would be entitled to refer the matter to the CMA, with the CMA being able to give such directions as it considers appropriate, which may include a direction that the RCVS pay a refund to Qualifying Veterinary Businesses proportionate to the amount by which such costs were unreasonable, or apply a credit against future Levy payments (at the option of the Qualifying Veterinary Business). This reporting mechanism and dispute resolution procedure would act as further assurances that the costs meet those requirements and as ~~a~~ further checks and balances on the RCVS's expenditure.	Please refer to IVC's comments at paragraphs 5.3 and 5.4 of the draft funding Undertaking (rows 3.10 and 3.11 above).

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
5.3	Paragraph 88-89	88. The CMA would expect that additional Levy Payments, which Qualifying Veterinary Businesses were not liable to make at the Levy Commencement Date or on the first day of a Subsequent Relevant Period, would become payable by such businesses during the course of the Initial Relevant Period or a Subsequent Relevant Period (as the case may be). That would be because they begin operating, acquire or open additional FOPs or OOH Centres after those periods start. The Order would make provision for this. 89. The Order would provide that where either: (a) a new Qualifying Veterinary Business commences operations; ~~or~~ (b) an existing Qualifying Veterinary Business opens an additional FOP or OOH Centre~~,~~; or (c) an existing Qualifying Veterinary Business acquires an additional FOP or OOH Centre, during the Initial Relevant Period or a Subsequent Relevant Period, it would become liable for an additional amount of Levy in respect of that FOP or OOH Centre on a pro-rated basis.	Please refer to IVC's comments on the definition of Pro-rated Proportion of the Initial Levy Payment in the draft funding Order (row 2.6 above).
5.4	Paragraph 91(c)	where any of the information they would be required to notify changes (eg because they acquire or open additional FOPs or OOH Centres, close a FOP or OOH Centre or cease operating), no later than 14 days after the change occurs.	Please refer to IVC's comments on the definition of Pro-rated Proportion of the Initial Levy Payment in the draft funding Order (row 2.6 above).

6. IVC Comments on draft funding Undertakings Notice

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
6.1	Paragraph 20(d)	The RCVS would be required to publish a post-hoc breakdown of its actual costs incurred and an independent audit of those costs by a registered auditor (in accordance with the requirements for registration as an auditor in the UK), or another suitably skilled, qualified and experienced person approved by the CMA, and including the auditor's opinion as to whether, based on the procedures they have carried out, anything came to their attention to indicate that such costs attributable to each RCVS Activity were not reasonably necessary and reasonably efficiently incurred.	Please refer to IVC's comment at paragraph 5.3 of the draft funding Undertaking (row 3.10 above). Please also refer to IVC's comment at the definition of RCVS Activities in the draft Funding Order (row 2.2 above).
6.2	Addition of Paragraph 20 (e)	If the auditor did indicate in its opinion that such costs attributable to each RCVS Activity were not reasonably necessary and reasonably efficiently incurred, any Qualifying Veterinary Business would be entitled to refer the matter to the CMA for determination within 30 days of publication of the audit opinion. The CMA would then be able to give such directions as it considers appropriate, which may include a direction that the RCVS pay a refund to Qualifying Veterinary Businesses proportionate to the amount by which such costs exceeded those that were reasonably necessary and reasonably efficiently incurred. A Qualifying Veterinary Business would then be able to choose whether to receive the refund from the RCVS or have the amount applied as a credit against future Levy payments.	Please refer to IVC's comment at paragraph 5.4 of the draft funding Undertaking (row 3.11 above).
6.3	Paragraph 30(c)	(c) Providing independently assured estimates by a~~n~~ registered auditor (in accordance with the requirements for registration as an auditor in the UK) or another suitably skilled, qualified and experienced third party approved by the CMA of the costs that the RCVS expects to incur in carrying out the RCVS Activities and operating and administering the system for collecting the Levy (estimated	Please refer to IVC's comment at the definition of RCVS Activities in the draft Funding Order (row 2.2 above).

	Clause / paragraph reference	IVC proposal	Explanation for IVC proposed amendment
		to be around £257,000, including a 10 percent contingency); and	
6.4	Paragraph 68	Under the Funding Undertakings, within four months of the end of each Relevant Period the RCVS would be required to publish an independent audit of its actual costs incurred in carrying out the RCVS Activities. That report would need to include the auditor's opinion as to whether, based on the procedures it has carried out, anything came to its attention to indicate that such costs attributable to each RCVS Activity were not reasonably necessary and reasonably efficiently incurred. Should the auditor's opinion identify that such costs were not reasonably necessary and reasonably efficiently incurred, any Qualifying Veterinary Business would be entitled to refer the matter to the CMA, with the CMA being able to give such directions as it considers appropriate, which may include a direction that the RCVS pay a refund to Qualifying Veterinary Businesses proportionate to the amount by which such costs were unreasonable, or apply a credit against future Levy payments (at the option of the Qualifying Veterinary Business). This reporting mechanism and dispute resolution procedure would act as further assurances that the costs meet those requirements and as a further checks and balances on the RCVS's expenditure.	Please refer to IVC's comment at paragraph 5.4 of the draft funding Undertaking (row 3.11 above).
6.5	Paragraph 83	The RCVS's arrangements and processes would need to provide for circumstances where a Qualifying Veterinary Business's liability to pay the Levy changes during an Initial or Subsequent Relevant Period. That includes provision for collecting pro-rated payments where such a business begins operating, acquires or opens additional FOPs or OOH Centres. They would also need to include a mechanism through which businesses can recover a portion of a Levy they have already paid for any FOP or OOH Centre they cease operating. The RCVS would be required either to make a refund or issue a credit against the business's future liability for the Levy, at the option of the business.	Please refer to IVC's comments at paragraph 4.5 and 4.6 of the draft funding Undertaking (rows 3.7 and 3.8 above).