

SCHEDULES

SCHEDULE 21

PETROLEUM LICENCES: AMENDMENTS TO MODEL CLAUSES

PART 5

PETROLEUM LICENSING (EXPLORATION AND PRODUCTION) (LANDWARD AREAS) REGULATIONS 2014

- 67 In the Petroleum Licensing (Exploration and Production) (Landward Areas) Regulations 2014 ([S.I. 2014/1686](#)), Schedule 2 (model clauses for petroleum exploration and development licences) is amended as follows.
- 68 After clause 40 insert—

Change in control of Licensee

- “40A (1) This clause applies if—
- (a) the Licensee is a company, or
 - (b) where two or more persons are the Licensee, any of those persons is a company,
- and references in this clause to a company are to such a company.
- (2) A change in control of a company is not permitted without the consent of the OGA.
- (3) There is a “change in control” of a company if a person takes control of the company, not having previously been a person who controlled the company.
- (4) If a change in control of a company is contemplated, the company must apply in writing to the OGA for consent at least three months before the date on which it is proposed that the change would occur (if consent were given).
- (5) The OGA may—
- (a) consent to the change in control unconditionally,
 - (b) consent to the change in control subject to conditions, or
 - (c) refuse consent to the change in control.
- (6) If the OGA proposes to grant consent subject to any condition or to refuse consent, the OGA must, before making a final decision—
- (a) give the company an opportunity to make representations, and
 - (b) consider any representations that are made.

Status: This is the original version (as it was originally enacted).

- (7) The general rule is that the OGA must decide an application within three months of receiving it, but the OGA may delay its decision by notifying the interested parties in writing.
- (8) Conditions as mentioned in paragraph (5)(b) may be imposed on the person taking control of the company (as well as on the company), and may include—
- (a) conditions relating to the arrangements for the change in control, including the date by which it must occur,
 - (b) conditions relating to the performance of activities permitted by this licence, and
 - (c) financial conditions.
- (9) The OGA’s decision on the application, and any conditions as mentioned in paragraph (5)(b), must be notified in writing to the interested parties.
- (10) In this clause “the interested parties” means—
- (a) the company,
 - (b) the person who (if consent were granted) would take control of the company, and
 - (c) if the company and another person or persons are the Licensee, that other person or those other persons.
- (11) For the purposes of this clause, “control” of a company is to be construed in accordance with sections 450(2) to (4) and 451(1) to (5) of the Corporation Tax Act 2010, modified as specified in clause 40(4).”
- 69 (1) Clause 41 (power of revocation) is amended as follows.
- (2) In paragraph (2)—
- (a) after sub-paragraph (j) insert—
 - “(k) if the Licensee is a company, any breach of a condition subject to which the OGA gave its consent to a change in control of the Licensee (see clause 40A),
 - (l) if the Licensee is a company, any failure to provide full and accurate information in response to a notice given by the OGA to that company under section 5D of the Act,”;
 - (b) in the closing words, after “(h)” insert “or (k) or (l)”.
- (3) Omit paragraphs (3) to (5).
- 70 (1) Clause 42 (power of partial revocation) is amended as follows.
- (2) For paragraph (1) substitute—
- “(1) This clause applies in a case where two or more persons are the Licensee and—
- (a) an event mentioned in clause 41(2)(c), (d), (e), (f) or (h) occurs in relation to one of those persons;
 - (b) an event mentioned in clause 41(2)(b) occurs which consists of a breach of clause 40A(2) or (4) in relation to a change in control of one of those persons;
 - (c) an event mentioned in clause 41(2)(k) occurs in relation to a change in control of one of those persons (see clause 40A); or

(d) an event mentioned in clause 41(2)(l) occurs which consists of a failure by one of those persons as mentioned in that provision.”

(3) In paragraph (2), for “or (b)” substitute “, (b), (c) or (d)”.