

SCHEDULE 6

MODEL CLAUSES FOR PETROLEUM EXPLORATION AND DEVELOPMENT LICENCES

Restrictions on assignment, etc.

35.—(1) The Licensee shall not, except with the consent in writing of the Minister and in accordance with the conditions (if any) of the consent do anything whatsoever whereby, under the law (including the rules of equity) of any part of the European Union or of any other place, any right granted by this licence or derived from a right so granted becomes exercisable by or for the benefit of or in accordance with the directions of another person.

(2) The Licensee shall not enter into any agreement providing for a person other than the Licensee to become entitled to, or to any proceeds of sale of, any Petroleum which, at the time when the agreement is made, has not been but may be won and saved from the Licensed Area unless the terms of the agreement have been approved in writing by the Minister either unconditionally or subject to conditions, but the preceding provisions of this paragraph do not apply to—

- (a) an agreement for the sale of such Petroleum under which the price is payable after the Petroleum is won and saved; and
- (b) an agreement in so far as it provides that, after any Petroleum has been won and saved from the Licensed Area, it shall be exchanged for other Petroleum.

(3) The Licensee shall not, without the consent of the Minister, dispose of any Petroleum won and saved in the Licensed Area or any proceeds of sale of such Petroleum in such a manner that the disposal does, to the knowledge of the Licensee or without his knowing it, fulfil or enable another person to fulfil obligations which a person who controls the Licensee, or a person who is controlled by a person who controls the Licensee, is required to fulfil by an agreement which, if the person required to fulfil the obligations were the Licensee, would be an agreement of which the terms require approval by virtue of paragraph (2) of this clause.

(4) Whether for the purposes of paragraph (3) of this clause a person has control of another person shall be determined as if subsections (2) and (4) to (6) of section 416 of the Income and Corporation Taxes Act 1988 applied subject to the following modifications, namely—

- (a) for the words “the greater part” wherever they occur in the said subsection (2) there were substituted the words “one-third or more”; and
- (b) in the said subsection (6), for the word “may” there were substituted the word “shall”, the words from “and such attributions” onwards were omitted and in the other provisions of that subsection any reference to an associate of a person fell to be construed as including only a relative of his (as defined by section 417(4) of that Act), a partner of his and a trustee of a settlement (as defined by section 681(4) of that Act) of which he is a beneficiary.

(5) Where the Licensee is two or more persons, then, without prejudice to the preceding provisions of this clause, none of those persons shall enter into an agreement with respect to the entitlement of any of them to—

- (a) the benefit of any right granted by this licence;
- (b) any Petroleum won and saved from the Licensed Area; or
- (c) any proceeds of sale of such Petroleum,

unless the terms of the agreement have been approved in writing by the Minister, but the preceding provisions of this paragraph do not apply to an agreement for the sale of such Petroleum under which the price is payable after the Petroleum is won and saved and an agreement in so far as it provides that, after any Petroleum has been won and saved from the Licensed Area, it shall be exchanged for other Petroleum.

Changes to legislation: *There are currently no known outstanding effects for the The Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004, Paragraph 35. (See end of Document for details)*

Commencement Information

II Sch. 6 clause 35 in force at 5.3.2004, see [reg. 1](#)

Changes to legislation:

There are currently no known outstanding effects for the The Petroleum Licensing (Exploration and Production) (Seaward and Landward Areas) Regulations 2004, Paragraph 35.