
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations transfer certain functions relating to the licensing and taxation of oil and gas from the Secretary of State for Energy and Climate Change to the Oil and Gas Authority (the “OGA”) and make consequential amendments. The functions which are being transferred in relation to licensing are set out in Part 1 of the Petroleum Act 1998 (c. 17) (the “1998 Act”) and include granting licences and dealing with rights under licences which are transferred without consent. The functions being transferred in relation to taxation include determining oil fields and cluster areas, which are required for the purposes of assessing tax liability.

In due course certain functions under Part 1 of the 1998 Act will be transferred to the Scottish Ministers. Provision for this is set out in the Scotland Act 2016 (c. 11).

Part 2 of these Regulations makes amendments to Part 1 of the 1998 Act which have effect from the time when the OGA begins exercising its functions as the new regulator until the transfer of functions to the Scottish Ministers.

Part 3 of these Regulations makes amendments to Part 1 of the 1998 Act which have effect immediately after the transfer of functions to the Scottish Ministers.

Part 4 of these Regulations makes amendments which have effect from the time when the OGA begins exercising its functions as the new regulator. These are not affected by the transfer of functions to the Scottish Ministers.

A full impact assessment has not been produced for this instrument as it has minimal impact on the private sector.