



Petroleum and Submarine Pipe-lines Act 1975

1975 CHAPTER 74

PART I

THE BRITISH NATIONAL OIL CORPORATION

Miscellaneous

11 Provision by Corporation of information for Secretary of State

It shall be the duty of the Corporation to provide the Secretary of State with such information as he may from time to time require with respect to the property, activities or proposed activities of the Corporation or any of its subsidiaries; but a requirement in pursuance of this section shall not impose upon the Corporation the duty of providing the Secretary of State with information which the Corporation does not possess and cannot reasonably be expected to obtain.

12 Co-ordination of activities of Corporation and British Gas Corporation and their subsidiaries

- (1) If the Secretary of State gives to the Corporation and the British Gas Corporation notice requiring them to consider together the relevant activities specified in the notice with a view to determining the extent (if any) to which those activities can, in the national interest, best be carried on by one or both of the corporations or any of their subsidiaries, it shall be the duty of the corporations to comply with the notice and to make to the Secretary of State, before such date as he may specify after consulting the corporations, a report upon their conclusions in consequence of complying with the notice.
- (2) It shall be the duty of the Secretary of State to lay before each House of Parliament a copy of each report made in pursuance of the preceding subsection.

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- (3) The Secretary of State may, after considering any report made in pursuance of subsection (1) of this section and laying a copy of it before each House of Parliament and after consulting the said corporations about it, give to those corporations or either of them such directions as he considers appropriate with a view to securing that the arrangements which he considers are best in the national interest are made with respect to the activities in question ; and, without prejudice to the operation of section 16(2) of this Act, it shall be the duty of the British Gas Corporation to comply with any directions given to it in pursuance of this subsection.
- (4) In subsection (1) of this section " relevant activities" means any activities in which one of the said corporations or any of its subsidiaries and the other of those corporations or any of its subsidiaries are engaged or might in the opinion of the Secretary of State become engaged; and the power to give directions which is conferred by the preceding subsection is without prejudice to the generality of the power to give directions which is conferred by section 7 of the Gas Act 1972.

13 Transfer to Corporation of shares of NCB (Exploration) Ltd

On the day on which this section comes into force there shall by virtue of this section be transferred to and vest in the Corporation the interest of NCB (Coal Products) Limited in shares issued by National Coal Board (Exploration) Limited; and the first-mentioned company shall be entitled to receive from the Corporation a sum equal to the face value of those shares.

14 Control of subsidiaries

- (1) It shall be the duty of the Corporation to ensure, so far as it is able to do so, that no person is appointed as a director of a subsidiary of the Corporation unless his appointment has been approved by the Secretary of State.
- (2) It shall be the duty of the Corporation to ensure that a relevant subsidiary does not, except with the consent of the Secretary of State and in accordance with any conditions specified in the instrument signifying his consent,—
- (a) exercise any power corresponding to a power for the exercise of which the Corporation is required by virtue of subsection (4) of section 2 of this Act to obtain such consent; or
 - (b) issue any of its shares, stock or debentures to a person other than the Corporation ;
- and the Secretary of State shall not give his consent in pursuance of this subsection in relation to a power corresponding to such a power as is mentioned in paragraph (c) or (d) of that subsection except with the approval of the Treasury.
- (3) It shall be the duty of the Corporation to ensure that, where a relevant subsidiary proposes to engage to a substantial extent in an activity in which it is not currently engaged or to increase substantially the extent of any activity in which it is currently engaged, the subsidiary gives notice of the proposal to the Secretary of State before carrying out the proposal.
- (4) It shall be the duty of the Corporation to ensure—
- (a) that no relevant subsidiary borrows money otherwise than from the Corporation or from another relevant subsidiary except with the consent of the Secretary of State given with the approval of the Treasury; and

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- (b) that all sums received by a relevant subsidiary from any source or standing to the credit of a relevant subsidiary in any bank account, except such sums as the Secretary of State specifies from time to time for the purposes of this paragraph with the approval of the Treasury, are paid into the National Oil Account.

15 Annual report

- (1) It shall be the duty of the Corporation to make to the Secretary of State, as soon as possible after the end of each accounting year, a report on the performance of its functions during that year.
- (2) The report for any accounting year shall include—
 - (a) such information as the Secretary of State may specify with respect to the plans and the past and present activities of the Corporation ;
 - (b) particulars of any consents in pursuance of section 2(4), any directions in pursuance of section 4 and any notices in pursuance of section 5 of this Act which the Secretary of State has given during that year, except any particulars as to which he has given notice to the Corporation that in his opinion the publication of them would be contrary to the national interest or to the commercial interests of the Corporation or some other person;
 - (c) the text of any report made to the Secretary of State during that year in pursuance of section 3(4)(b) of this Act and a statement about changes in the management of the activities of the Corporation and its subsidiaries which have been or are to be made in consequence of the review to which the report relates;
 - (d) a statement of the amount by way of petroleum revenue tax and the amount by way of corporation tax which the Corporation estimates would, but for section 9(1) of this Act, have been payable by the Corporation and relevant subsidiaries in respect of their profit for that year;
 - (e) particulars of the remuneration paid by the Corporation to its members during that year.
- (3) The Secretary of State shall lay before each House of Parliament a copy of each report made to him in pursuance of this section.

16 Supplemental

- (1) Except where the context otherwise requires, in this Part of this Act the following expressions have the following meanings—
 - " accounting year " means the period of twelve months ending with the 31st March in any year except that—
 - (a) the first accounting year of the Corporation shall, if the Secretary of State so directs, be such period shorter or longer than twelve months (but not longer than two years) and ending on a 31st day of March as is specified in the direction; and
 - (b) the Secretary of State may by order direct that for a reference in the preceding provisions of this definition to 31st March there shall be substituted a reference to 31st December; and
 - " petroleum " means any of the following (other than coal) namely—
 - (a) mineral oil, natural gas and bituminous shales ;

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- (b) deposits not mentioned in the preceding paragraph from which oil can be extracted by destructive distillation; and
 - (c) hydrocarbons which are related to mineral oil and are not mentioned in the preceding paragraphs.
- (2) It shall be the duty of the Corporation to comply with any directions given to it by the Secretary of State in pursuance of any provision of this Act.
- (3) Section 5 of the Petroleum (Production) Act 1934 (which relates to accounts of receipts and expenditure under that Act) is hereby repealed.