

SCHEDULES

SCHEDULE 3

PRODUCTION LICENCES FOR LANDWARD AREAS

PART I

FURTHER AMENDMENTS OF SCHEDULE 3 TO THE PETROLEUM (PRODUCTION) REGULATIONS 1966 AS AMENDED

13 For clause 30 of the relevant clauses there shall be substituted the following clause:
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Restrictions on assignment etc.

- “30 (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 United Kingdom 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 ; and subsections (2) and (4) to (6) of section 302 of the Income and Corporation Taxes Act 1970 shall apply, for the purpose

Status: This is the original version (as it was originally enacted).

of determining whether for the purposes of this paragraph a person has control of another person, with the following modifications, namely—

- (a) for the words "the greater part" wherever they occur in the said subsection (2) there shall be substituted the words " one-third or more "; and
 - (b) in the said subsection (6), for the word " may " there shall be substituted the word " shall " , the words from " and such attributions" onwards shall be omitted and in the other provisions of that subsection any reference to an associate of a person shall be construed as including only a relative of his (as defined by section 303(4) of that Act), a partner of his and a trustee of a settlement (as defined by section 454(3) of that Act) of which he is a beneficiary.
- (4) 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 ; or
 - (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.”