



Energy Act 2016

2016 CHAPTER 20

PART 2

FURTHER FUNCTIONS OF THE OGA RELATING TO OFFSHORE PETROLEUM

CHAPTER 5

SANCTIONS

Sanction notices

43 Enforcement notices

- (1) This section contains provision about enforcement notices which may be given under section 42 (failure to comply with a petroleum-related requirement).
- (2) An enforcement notice is a notice which—
 - (a) specifies the petroleum-related requirement in question,
 - (b) gives details of the failure to comply with the requirement,
 - (c) informs the person or persons to whom the notice is given that the person or persons must comply with—
 - (i) the petroleum-related requirement, and
 - (ii) any directions included in the notice as mentioned in subsection (3), before the end of the period specified in the notice.
- (3) The notice may include directions as to the measures to be taken for the purposes of compliance with the petroleum-related requirement.
- (4) Requirements imposed by directions included in an enforcement notice as mentioned in subsection (3) are sanctionable in accordance with this Chapter.

Status: This is the original version (as it was originally enacted).

44 Financial penalty notices

- (1) This section and sections 45 and 46 contain provision about financial penalty notices which may be given under section 42 (failure to comply with a petroleum-related requirement).
- (2) A financial penalty notice is notice which—
 - (a) specifies the petroleum-related requirement in question,
 - (b) gives details of the failure to comply with the requirement,
 - (c) informs the person or persons to whom the notice is given that the person or persons must—
 - (i) comply with the petroleum-related requirement before the end of a period specified in the notice, in a case where it is appropriate to require such compliance and the failure to comply with the requirement has not already been remedied at the time the notice is given, and
 - (ii) pay the OGA a financial penalty of the amount specified in the notice before the end of a period specified in the notice.
- (3) The period specified under subsection (2)(c)(ii) must not end earlier than the end of the period of 28 days beginning with the day on which the financial penalty notice was given.

45 Amount of financial penalty

- (1) The financial penalty payable under a financial penalty notice in respect of a failure to comply with a petroleum-related requirement (whether payable by one person, or jointly by two or more persons) must not exceed £1 million.
- (2) The OGA must—
 - (a) issue guidance as to the matters to which it will have regard when determining the amount of the financial penalty to be imposed by a financial penalty notice, and
 - (b) have regard to the guidance when determining the amount of the penalty in any particular case.
- (3) The OGA may from time to time review the guidance and, if it considers appropriate, revise it.
- (4) Before issuing or revising guidance under this section, the OGA must consult such persons as it considers appropriate.
- (5) The OGA must lay any guidance issued under this section, and any revision of it, before each House of Parliament.
- (6) The OGA must publish any guidance issued under this section, and any revision of it, in such manner as the OGA considers appropriate.
- (7) The Secretary of State may by regulations amend subsection (1) to change the amount specified to an amount not exceeding £5 million.

46 Payment of financial penalty

- (1) If a financial penalty notice is given jointly to two or more persons, those persons are jointly and severally liable to pay the financial penalty under it.
- (2) A financial penalty payable under a financial penalty notice is to be recoverable as a civil debt if it is not paid before the end of the period specified under section 44(2)(c)(ii).
- (3) Money received by the OGA under a financial penalty notice must be paid into the Consolidated Fund.

47 Revocation notices

- (1) This section contains provision about revocation notices which may be given under section 42 (failure to comply with a petroleum-related requirement).
- (2) A revocation notice may be given only in respect of a failure to comply with a petroleum-related requirement imposed on a licensee in that capacity.
- (3) Where two or more persons are the licensee in respect of a petroleum licence, the revocation notice may be given jointly to some or all of those persons.
- (4) A revocation notice is a notice which—
 - (a) specifies the petroleum-related requirement in question,
 - (b) gives details of the failure to comply with the requirement,
 - (c) informs the person or persons to whom the notice is given that the petroleum licence held by that person or those persons is to be revoked in relation to that person, or those persons, on the date specified in the notice (“the revocation date”).
- (5) The revocation date must not be earlier than the end of the period of 28 days beginning with the day on which the revocation notice was given.
- (6) A revocation notice may not be given in circumstances where the licence to be revoked in accordance with the notice is one which, on the date the notice is given, the OGA would not have the power to grant.
- (7) Where a licence is revoked in relation to a person in accordance with a revocation notice—
 - (a) the rights granted to the person by the licence cease on the revocation date;
 - (b) the revocation does not affect any obligation or liability imposed on or incurred by the person under the terms and conditions of the licence;
 - (c) the terms and conditions of the licence apply as if the licence had been revoked in accordance with those terms and conditions, subject to section 56(2).
- (8) Where two or more persons are the licensee in respect of a petroleum licence and a revocation notice is given in relation to some of those persons, but not in relation to others (the “continuing licence holders”), the OGA must inform the continuing licence holders that—
 - (a) the revocation notice has been given, and
 - (b) the licence will continue to have effect in relation to them following the revocation date.

48 Operator removal notices

- (1) This section contains provision about operator removal notices which may be given under section 42 (failure to comply with a petroleum-related requirement).
- (2) An operator removal notice may be given only in respect of a failure to comply with a petroleum-related requirement imposed on an operator under a petroleum licence in that capacity.
- (3) An operator removal notice is a notice which—
 - (a) specifies the petroleum-related requirement;
 - (b) gives details of the failure to comply with the requirement;
 - (c) informs the operator to whom it is given that, with effect from a date specified in the notice (“the removal date”), the licensee under whose licence the operator operates (“the relevant licensee”) is to be required to remove the operator (see subsection (5)).
- (4) The OGA must—
 - (a) give a copy of the operator removal notice to the relevant licensee, and
 - (b) require the relevant licensee to remove the operator with effect from the removal date.
- (5) Where a licensee is required to remove an operator from a specified date, the licensee must ensure that, with effect from that date, the operator does not exercise any function of organising or supervising any of the operations of searching for, boring for, or getting petroleum in pursuance of the licensee’s petroleum licence.
- (6) The removal date must not be earlier than the end of the period of 28 days beginning with the day on which the operator removal notice was given.
- (7) An operator removal notice may not be given in circumstances where the licence under which the operator operates is one which, on the date the notice is given, the OGA would not have the power to grant.
- (8) A requirement imposed on a licensee under subsection (4)(b) is sanctionable in accordance with this Chapter.
- (9) In this Chapter, “operator under a petroleum licence” has the same meaning as in Part 1A of the Petroleum Act 1998 (see section 9I of that Act).