
STATUTORY INSTRUMENTS

1996 No. 498

FINANCIAL SERVICES

The Financial Services Act 1986 (Gas Industry Exemption) Order 1996

Made - - - - 29th February 1996
Laid before Parliament 1st March 1996
Coming into force - - 1st March 1996

Whereas it appears to the Treasury that by virtue of paragraph 4 of Schedule 5 to the Gas Act 1995⁽¹⁾ the Secretary of State must make a scheme providing for the authorisation of British Gas plc under section 7 of the Gas Act 1986⁽²⁾ as a public gas supplier to have effect as a licence granted under that section as it is to be substituted, permitting British Gas plc to be a public gas transporter; and

Whereas it appears to the Treasury that the scheme which must be made by the Secretary of State under paragraph 4 of Schedule 5 to that Act must provide for certain conditions, which have been determined under section 8(2) of the Gas Act 1995 to be standard conditions for the purposes of licences granted under section 7 of the Gas Act 1986 as it is to be substituted, to be incorporated in any licence treated as granted under that section; and

Whereas it appears to the Treasury that those conditions include a condition that a public gas transporter must prepare a code governing the conveyance and storage of gas and that it appears that British Gas plc has prepared such a code and a code which also governs the buying and selling of gas in its pipeline and in storage; and

Whereas it appears to the Treasury that British Gas plc has made arrangements (“the arrangements”) to enable or facilitate the buying and selling of gas in its pipeline system and in storage, gas storage capacity and gas transportation capacity; and

Whereas it appears to the Treasury that by virtue of paragraph 16 of Schedule 5 to the Gas Act 1995 the Secretary of State must make a scheme which provides for the authorisations of certain persons under section 8 of the Gas Act 1986 to have effect as licences granted under section 7A(2) of that Act⁽³⁾ permitting them to be gas shippers; and

Whereas it appears to the Treasury that all the persons who will be buying and selling gas, gas storage capacity and gas transportation capacity through the arrangements will be licensed under section 7A(2) of the Gas Act 1986; and

(1) 1995 c. 45.

(2) 1986 c. 44. The Gas Act 1986 has been amended by the Gas Act 1995 (c. 45). Section 7 of the Gas Act 1986 is to be substituted by section 5 of the Gas Act 1995.

(3) Section 7A of the Gas Act 1986 is to be inserted by section 6 of the Gas Act 1995.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Whereas it appears to the Treasury that British Gas plc is likely, when acting in its capacity as a public gas transporter, to engage in activities falling within paragraph 12 or 13 of Schedule 1 to the Financial Services Act 1986⁽⁴⁾ which involve investments within paragraph 8 of that Schedule; and

Whereas it appears to the Treasury that those activities will be incidental to the principal activities of British Gas plc when acting in its capacity as a public gas transporter and are not intended or likely to facilitate or enable the development of a market in the investments dealt in which subsists wholly or principally for speculative purposes; and

Whereas it appears to the Treasury likely that those persons who deal in investments with British Gas plc when acting in its capacity as a public gas transporter or who take part in the arrangements will be persons who are sufficiently expert to understand the risks involved;

Now, therefore, the Treasury, in exercise of the powers conferred on them by section 46⁽⁵⁾ and section 205A⁽⁶⁾ of the Financial Services Act 1986, and of all other powers enabling them in that behalf, hereby make the following order:

Citation and commencement

1. This Order may be cited as the Financial Services (Gas Industry Exemption) Order and shall come into force on 1st March 1996.

Exemption

2. British Gas plc shall be an exempted person as respects any activities within paragraph 12 or 13 of Schedule 1 to the Financial Services Act 1986 in which it engages in its capacity as a public gas transporter licensed under section 7 of the Gas Act 1986 which enable or facilitate persons holding licences under section 7A(2) of the Gas Act 1986 to buy or sell investments within paragraph 8 of Schedule 1 to the Financial Services Act 1986.

Simon Burns

Liam Fox

Two of the Lords Commissioners of Her Majesty's Treasury.

29th February 1996

(4) 1986 c. 60.

(5) The functions of the Secretary of State under section 46 were transferred to the Treasury by S.I.1992/1315.

(6) Section 205A was inserted by the Companies Act 1989 (c. 40).