



Oil and Gas (Enterprise) Act 1982

1982 CHAPTER 23

PART I

OIL

The British National Oil Corporation

2 Provisions supplementary to section 1

- (1) For the purpose of facilitating the eventual disposal under section 1(1) above of—
- (a) any part of the undertaking of the Oil Corporation, or any part of the undertaking of a relevant subsidiary which is not an equity oil subsidiary, being (in either case) a part which is concerned with searching and boring for and getting petroleum, or any property rights or liabilities comprised in such a part; or
 - (b) the whole or any part of the undertaking of, or any property, rights or liabilities of, an equity oil subsidiary,
- the Corporation may exercise its powers to establish subsidiaries, to secure increases in the capital of subsidiaries and to transfer property, rights and liabilities to subsidiaries, notwithstanding the provisions of any enactment which may be taken to limit the purposes for which those powers may be exercised.
- (2) The Oil Corporation may also, for the said purpose, make schemes for the transfer, between the Corporation and a relevant subsidiary or between one such subsidiary and another, of—
- (a) any prescribed property, rights or liabilities ;
 - (b) all property, rights and liabilities comprised in, or in a prescribed part of, the transferor's undertaking.
- (3) A scheme under subsection (2) above may—
- (a) provide that any prescribed rights or liabilities of the transferor shall be enforceable either by or against either party or by or against both ;

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- (b) for the purpose of dealing with matters arising out of or related to the transfer, confer or impose on either party rights or liabilities which are to be enforceable against or by the other;
 - (c) provide that for the purposes of section 6 of the 1975 Act (borrowing limits) any aggregate amount there mentioned shall be determined as if any money borrowed or debt assumed by the transferor the liability to repay which is transferred were (in either case) money borrowed by the transferee ;
- and may contain such other supplementary, incidental and consequential provisions (including provisions as to the construction of agreements, licences and other documents) as may appear to the Oil Corporation to be necessary or expedient.
- (4) A scheme under subsection (2) above may also provide that—
- (a) prescribed securities of the transferee shall be issued to the transferor in consideration of the transfer and shall be credited as fully paid up ;
 - (b) for the purposes of section 56 of the Companies Act 1948 (share premium account) and of any statutory accounts of the transferee, the value of any asset and the amount of any liability transferred shall be taken to be the value or (as the case may be) the amount which would have been assigned to that asset or liability for the purposes of the statutory accounts prepared by the transferor in respect of its last accounting period ending before the transfer date if that period had ended immediately before that date ;
 - (c) a prescribed amount not exceeding the accumulated realised profits of the transferor at the transfer date shall be treated by the transferee as a reserve which represents its profits available for distribution (within the meaning of Part III of the Companies Act 1980);
 - (d) in ascertaining for the purposes of the said section 56 what amount (if any) falls to be treated as a premium received on the issue of any shares in pursuance of any provision made by virtue of paragraph (a) above, the amount of the net assets; transferred shall be taken to be reduced by an amount corresponding to the amount of any reserve for which provision is made by virtue of paragraph (c) above;
 - (e) subject to any provision made by virtue of the preceding provisions of this subsection, for the purposes of any statutory accounts of the transferee the amount to be included in respect of any item shall be determined as if any relevant thing done by the transferor (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the transferee.
- (5) A scheme under subsection (2) above shall not come into force until it is approved by the Secretary of State or until such date as the Secretary of State may in giving his approval specify; and the Secretary of State may approve a scheme either without modifications or with such modifications as, after consultation with the Oil Corporation, he thinks fit.
- (6) On the coming into force of a scheme under subsection (2) above—
- (a) the property, rights and liabilities to be transferred shall, subject to subsection (7) below, be transferred and vest in accordance with the scheme ;
and
 - (b) any provision made by virtue of subsection (3) or (4) above shall have effect in accordance with the scheme notwithstanding any rule of law and the provisions of any enactment.

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(7) Schedule 1 to this Act shall apply to any transfer under paragraph (a) of subsection (6) above and that paragraph shall have effect subject to the provisions of that Schedule.

(8) In this section " statutory accounts " means—

- (a) in relation to the Oil Corporation, a statement of accounts prepared by the Corporation in accordance with section 10 of the 1975 Act;
- (b) in relation to any other party, accounts prepared by that party for the purposes of any provision of the Companies Acts 1948 to 1981 (including group accounts);

and in this section and in Schedule 1 to this Act " prescribed ", in relation to a scheme under subsection (2) above, means specified or described in or determined in accordance with the scheme.