



Petroleum and Submarine Pipe-lines Act 1975

1975 CHAPTER 74

PART V

MISCELLANEOUS AND GENERAL

Miscellaneous

40 The National Oil Account

- (1) There shall be an account, to be called the National Oil Account (and hereafter in this section referred to as "the Account"), which subject to the following provisions of this section shall be under the control and management of the Secretary of State.
- (2) There shall be paid into the Account, in addition to any sums required to be paid into it by virtue of any other provision of this Act,—
 - (a) all sums received by the Corporation from any source or standing to the credit of the Corporation 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;
 - (b) all sums which, after the coming into force of this paragraph, are received by the Secretary of State by virtue of the Petroleum (Production) Act 1934 or from the sale of any petroleum delivered to him under the terms of a licence granted in pursuance of that Act;
 - (c) all sums which are payable to the Corporation in respect of services performed by the Corporation for a Minister of the Crown or a Northern Ireland department.
- (3) There shall be paid out of the Account, in addition to any sums required to be paid out of it by virtue of any other provision of this Act,—

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- (a) such sums as the Secretary of State considers are needed to enable the Corporation and any relevant subsidiary to defray expenditure properly chargeable to revenue or capital account;
- (b) any sums which, after the coming into force of this paragraph, are payable by the Secretary of State by reference to any licence granted in pursuance of the Petroleum (Production) Act 1934 ;
- (c) any sums which the Treasury direct are to be paid out of the Account to a Minister of the Crown or a Northern Ireland department in respect of the revenue accruing to the Minister or department in connection with such services as are mentioned in paragraph (c) of the preceding subsection ;

and when the Secretary of State considers and the Treasury agree that the amount standing to the credit of the Account exceeds the amount required for the purposes of the Account the Secretary of State shall pay the excess into the Consolidated Fund.

- (4) It shall be the duty of the Secretary of State as respects the financial year ending on 31st March 1976 and each subsequent financial year—
 - (a) to prepare, in such form as he may determine with the approval of the Treasury, an account of the sums paid into and out of the Account in that year; and
 - (b) to send a copy of the account to the Comptroller and Auditor General not later than the end of the month of November next following that year;

and the Comptroller and Auditor General shall examine, certify and report on each account of which a copy is sent to him in pursuance of this subsection and shall lay copies of it and of his report on it before each House of Parliament.

41 Payments to petroleum licence holders etc from the Account

- (1) The Secretary of State may by order make provision for the making by the Corporation, or by another person specified in the order, of payments to or in respect of persons who are or have been entitled to the benefit of licences granted in pursuance of the Petroleum (Production) Act 1934 and are parties to such agreements as are mentioned in section 2(1)(e) of this Act or similar participation agreements made with title Corporation or a relevant subsidiary; and, without prejudice to the generality of the power conferred by the preceding provisions of this subsection, such an order may include provision for the making of payments—
 - (a) to the Secretary of State in settlement of any sums payable to him by such persons in pursuance of licences so granted;
 - (b) to the Commissioners of Inland Revenue in settlement of any sums payable by such persons by way of petroleum revenue tax, income tax or corporation tax.
- (2) An order in pursuance of this section may be varied or revoked by a subsequent order in pursuance of this section.
- (3) Where any person has paid to the Secretary of State a sum by way of royalty under the terms of a licence granted in pursuance of the Petroleum (Production) Act 1934, the Secretary of State may with the approval of the Treasury repay to him the whole or a part of that sum if the Secretary of State considers it expedient to do so for the purpose of facilitating or maintaining the development of the petroleum resources of the United Kingdom ; and any repayment and right to a repayment in pursuance of this subsection shall be disregarded for the purposes of income tax, corporation tax and petroleum revenue tax.

- (4) Any sums required for making payments in pursuance of the preceding subsection or an order made by virtue of this section shall be paid by the Secretary of State out of the National Oil Account.

42 Loans etc to promote development of United Kingdom petroleum resources

- (1) Where it appears to the Secretary of State expedient to do so for the purpose of facilitating or maintaining the development of the petroleum resources of the United Kingdom, he may with the approval of the Treasury—
- (a) make loans to an oil company on terms determined by him; or
 - (b) guarantee on such terms the repayment of the principal of and the payment of interest on loans made to an oil company by another person.
- (2) Any sums required by the Secretary of State for the purposes of the preceding subsection shall be defrayed out of money provided by Parliament; but the aggregate amount for the time being outstanding in respect of the principal of loans made in pursuance of that subsection shall not exceed £50 million and the aggregate amount of the principal sums in respect of which guarantees in pursuance of that subsection are for the time being in force and of the payments on account of principal sums which have been made by the Secretary of State under such guarantees and not recovered by him shall not exceed a further £600 million.
- (3) Immediately after a loan is made or a guarantee is given in pursuance of subsection (1) of this section, the Secretary of State shall lay a statement relating to it before each House of Parliament; and where any sum is issued for fulfilling a guarantee so given the Secretary of State shall, as soon as possible after the end of each financial year (beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged), lay before each House of Parliament a statement relating to that sum.
- (4) In subsection (1) of this section " oil company " means a body corporate which, in the opinion of the Secretary of State, has as its principal object—
- (a) the production or refining of petroleum or the production and refining of petroleum ; or
 - (b) the supplying of petroleum in a case where any of its other objects is one of those mentioned in the preceding paragraph.

43 Payments in respect of Burmah Oil Co. Ltd

The Secretary of State may, out of money provided by Parliament, pay to the Bank of England (hereafter in this section referred to as " the Bank ") such sums, not exceeding in the aggregate £350 million, as may be needed, in pursuance of arrangements made between the Secretary of State and the Bank, for the purpose of making good any losses sustained by the Bank in consequence of guarantees given by the Bank in respect of loans to the Burmah Oil Company Limited or any of that Company's subsidiaries or in consequence of loans made by the Bank to that Company or any of its subsidiaries.

44 Extension of Mineral Workings (Offshore Installations) Act 1971

- (1) The Mineral Workings (Offshore Installations) Act 1971, except section 1, shall have effect as if any reference to an offshore installation within the meaning of that Act included a reference to any other installation, whether floating or not, which—

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- (a) is maintained or intended to be established, in controlled waters or waters in the United Kingdom, for use in connection with the conveyance of things by means of a pipe constructed in or under the sea ; and
- (b) is, or when established will be, capable of being manned by one or more persons ;

and in relation to any such other installation subsection (4) of section 3 of that Act (which includes the concession owner among the persons having the duty to ensure that regulations under that section relating to an installation are complied with) shall have effect as if references to the concession owner were omitted.

- (2) In relation to any such offshore installation which comprises only apparatus or works which are associated with a pipe or system of pipes for the purposes of Part III of this Act and are capable of being manned by one or more persons, the said subsection (4) shall have effect as if references to the concession owner were omitted except, in a case where the concession owner has the right to exploit the mineral resources in the area in which the installation is situated, in relation to minerals from those resources which are included among the things in connection with the conveyance of which the installation is or was or will be for use.
- (3) At the end of section 12(3) of the said Act of 1971 (which provides that references in that Act to an offshore installation do not include an installation which at the relevant time consists exclusively of a pipe-line) there shall be inserted the words " and do not include any apparatus and works which are treated as associated with a pipe or system of pipes in pursuance of section 33(1) of the Petroleum and Submarine Pipe-lines Act 1975 and are at the relevant time incapable of being manned by one or more persons ".
- (4) Provision may be made by regulations as to what things are, for the purposes of subsection (1) or (2) of this section or any provision of section 12 of the said Act of 1971 as amended by this section, capable or incapable of being manned by one or more persons.
- (5) It is hereby declared that the powers to make regulations conferred by section 6 of the said Act of 1971 include power to make regulations—
 - (a) providing for an inspector appointed in pursuance of that section to enter upon any premises or vessel used or intended to be used in connection with an offshore installation within the meaning of that Act and to inspect the premises or vessel and anything on the premises or vessel which is used or intended to be used as aforesaid; and
 - (b) requiring the payment of fees in connection with any examination or test required by regulations under that section and of fees for the issue of certificates in pursuance of regulations under that section.

General

45 Amendments of enactments

- (1) It is hereby declared that the reference to pipe-lines under the high seas in section 8(1) of the Continental Shelf Act 1964 (which among other things relates to the punishment of persons who damage such pipe-lines) includes pipe-lines under the territorial sea adjacent to the United Kingdom.
- (2) In section 23 of the Prevention of Oil Pollution Act 1971 (which among other things authorises the Secretary of State to exempt vessels from provisions of that Act) the

words " any vessels or classes of vessels " shall be omitted and at the end of the section there shall be inserted the words "—

- (a) any vessels or classes of vessels ;
- (b) any discharge of, or of a mixture containing, crude oil produced as a result of operations for the exploration of the sea-bed and subsoil or the exploitation of their natural resources in a case where the discharge occurs in the course of such operations or is from a pipe-line or a place on land."

(3) Nothing in the Dumping at Sea Act 1974 shall apply to anything done—

- (a) for the purpose of constructing or maintaining a pipeline as respects any part of which an authorisation (within the meaning of Part III of this Act) is in force; or
- (b) for the purpose of establishing or maintaining an offshore installation within the meaning of the Mineral Workings (Offshore Installations) Act 1971 or any such other installation as is mentioned in section 44(1) of this Act.

46 Orders and regulations

(1) Any power conferred by this Act to make an order or regulations—

- (a) includes power to make different provision by the order or regulations for different circumstances and to include in the order or regulations such incidental, supplemental and transitional provisions (including, in the case of regulations, provisions for the payment of fees in respect of consents and certificates required by the regulations) as the Secretary of State considers appropriate in connection with the order or regulations; and
- (b) shall be exercisable by statutory instrument;

and any statutory instrument made by virtue of this subsection, except an instrument containing only an order made by virtue of section 6(3), 33(2), (3) or (4) or 49(2) of this Act, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(2) No order shall be made in pursuance of section 6(3) of this Act unless a draft of the order has been approved by a resolution of the House of Commons.

47 Expenses

Any administrative expenses of the Secretary of State or a government department which are attributable to this Act shall be defrayed out of money provided by Parliament.

48 Interpretation etc-general

(1) In this Act—

" controlled pipe-line " and " controlled waters " have the meanings assigned to them by section 20(2) of this Act;

" the Corporation " has the meaning assigned to it by section 1(1) of this Act;

" enactment " includes an enactment of the Parliament of Northern Ireland or of the Northern Ireland Assembly;

" functions " includes powers and duties;

" notice " means notice in writing;

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" prescribed " means prescribed by regulations;

" regulations " means regulations made by the Secretary of State;

" relevant subsidiary " means a wholly owned subsidiary of the Corporation; and

" subsidiary " shall be construed in accordance with section 154 of the Companies Act 1948 or section 148 of the Companies Act (Northern Ireland) 1960 and " wholly owned subsidiary " shall be construed in accordance with section 150(4) of the said Act of 1948 or section 144(5) of the said Act of 1960.

- (2) Subsections (1) to (3) of section 49 of the Pipe-lines Act 1962 (which relates to the service of documents in pursuance of that Act) shall have effect as if references to that Act included references to this Act and as if after the words " arrangements agreed " in subsection (3) there were inserted the words " or in accordance with regulations made by virtue of the Petroleum and Submarine Pipe-lines Act 1975 " ; and in the application of this subsection to Northern Ireland the said subsections (1) to (3) shall have effect as if they extended to Northern Ireland.
- (3) Except so far as this Act expressly provides otherwise and subject to the provisions of section 33 of the Interpretation Act 1889 (which relates to offences under two or more laws), nothing in this Act—
- (a) confers a right of action in any civil proceedings (other than proceedings for the recovery of a fine) in respect of any contravention of this Act or an instrument made in pursuance of this Act;
 - (b) affects any restriction imposed by or under any other enactment, whether public, local or private; or
 - (c) derogates from any right of action or other remedy (whether civil or criminal) in proceedings instituted otherwise than under this Act.
- (4) References in this Act to any enactment are references to it as amended by or under any other enactment.
- (5) Without prejudice to the generality of the preceding subsection, references in this Act to licences granted under the Petroleum (Production) Act 1934 include references to licences granted under section 2 of that Act as applied by section 1(3) of the Continental Shelf Act 1964; but nothing in this Act affects the extent of the said Act of 1934.

49 Short title, commencement and extent

- (1) This Act may be cited as the Petroleum and Submarine Pipe-lines Act 1975.
- (2) This Act shall come into force on such day as the Secretary of State may by order appoint; and, without prejudice to the generality of section 46(1)(a) of this Act, different days may be appointed in pursuance of this subsection for different provisions of this Act and for such different purposes of the same provision as may be specified in the order.
- (3) This Act, except Part II and Schedules 2 and 3, extends to Northern Ireland and the following provisions of this Act extend to controlled waters and places above and below those waters, namely,—
- (a) Parts II and III and Schedules 2 and 3 ;
 - (b) sections 44 and 45 ; and

- (c) sections 46 and 48 and this section so far as they relate to any provision mentioned in paragraph (a) or (b) of this subsection.