STATUTORY INSTRUMENTS

2016 No. 318

PETROLEUM

The Oil and Gas Authority (Levy) Regulations 2016

Made - - - -	*8th March 2016*
Laid before Parliament	*11th March 2016*
Coming into force - -	*1st April 2016*

The Secretary of State for Energy and Climate Change makes the following Regulations in exercise of the powers conferred by sections 42(1) and 53(1) of, and paragraphs 1, 3 and 5 to 7 of Schedule 7 to, the Infrastructure Act 2015(**1**).

Citation and commencement

1. These Regulations may be cited as the Oil and Gas Authority (Levy) Regulations 2016 and come into force on 1st April 2016.

Interpretation

2. In these Regulations—

"charging period" means the period beginning on 1st April 2016 and ending on 31st March 2017;

"licensee" means a person holding a petroleum licence;

"offshore exploration licence" means a petroleum licence of the sort referred to in regulation 2(2)(a) of the Offshore Exploration (Petroleum, and Gas Storage and Unloading) (Model Clauses) Regulations 2009(**2**), relating to an area any part of which lies within offshore waters;

"offshore licence" means an offshore exploration licence or an offshore production licence;

"offshore production licence" means a petroleum licence relating to an area any part of which lies within offshore waters which is not an offshore exploration licence;

"offshore waters" means—

(a) the waters comprising the territorial sea of the United Kingdom, and

(**1**) 2015 c. 7.
(**2**) S.I. 2009/2814.

(b) the sea in any area for the time being designated under section 1(7) of the Continental Shelf Act 1964(**3**);

"petroleum licence" means a licence under—

(a) section 2 of the Petroleum (Production) Act 1934(**4**) (licences to search for and get petroleum), or

(b) section 3 of the Petroleum Act 1998(**5**) (licences to search and bore for and get petroleum).

Liability to pay the levy

3.—(1) Except where paragraph (2) applies, for each offshore production licence which a licensee holds at the relevant time, the licensee is liable to pay, in respect of the charging period, a levy of £6,808.65.

(2) For each offshore production licence—

(a) which a licensee holds at the relevant time, and

(b) under which, at that time, the licensee is entitled to—

(i) erect or carry out any relevant works (within the meaning of the licence) either in the licensed area or elsewhere, for the purpose of getting petroleum from that area or for the purpose of conveying to a place on land petroleum got from that area; or

(ii) get petroleum from that area otherwise than in the course of searching for petroleum, drilling wells or testing wells,

the licensee is liable to pay, in respect of the charging period, a levy of £64,951.96.

(3) Where at the relevant time a licensee is the licensee of an offshore exploration licence, the licensee is liable to pay, in respect of the charging period, a levy of £6,808.65 for that licence.

(4) For the purpose of this regulation the "relevant time" means 12.01a.m. on 1st April 2016.

Payment of the levy

4. Where a licensee of an offshore licence is liable to pay a levy to the Secretary of State in accordance with regulation 3, the Secretary of State must notify that licensee in writing of—

(a) the amount of the levy for which that licensee is liable (and, where that amount has been reduced under regulation 7(5)(a), the notification must say so);

(b) the date by which the amount is required to be paid; and

(c) details of how the payment can be made.

Interest payable on late payment of the levy

5.—(1) Where any amount of the levy notified to the licensee of an offshore licence is not paid in accordance with the notification under regulation 4, the licensee is liable to pay to the Secretary of State interest, calculated in accordance with paragraph (2), on the amount of the levy which remains unpaid.

(2) The interest payable under paragraph (1) is simple interest calculated from day to day on the unpaid amount from the date by which the amount is required until the date when payment is made at a rate of 5 per cent per annum over the Bank of England base rate from time to time.

(**3**) 1964 c. 29.
(**4**) 1934 c. 36.
(**5**) 1998 c. 17.