HMRC - OT04030 - Appointment Of Responsible Person

OTA75\SCH2\PARA4

Outline

The concept of appointing a Responsible Person (RP) for each field simplifies the administration of PRT. Since fields typically have two or more participators, this device places upon one of them the primary duty of negotiation with HMRC.

It recognises the manner in which consortia holding the interests in a field organise their affairs, i.e. by one of their number (usually but not necessarily the participator with the largest interest) operating the field under the Joint Operating Agreement (JOA) which all the participators enter into. As such the Operator of a field is commonly (but again not necessarily) also the RP, its responsibility including the submission of field claims (see OT04420) and production returns (see OT04060).

Detail

The statutory rules governing the appointment of the RP are set out in OTA75\SCH2\PARA4. The participators in a field are obliged to nominate a RP by notice in writing to the Board within an initial period of 30 days following the issue of notices of determination for the field under OTA75\SCH1\PARA4 (see OT01007). For this purpose only, a participator is any person who is a licensee in respect of any licensed area wholly or partly included in the field, OTA75\SCH2\PARA4(8) (see OT03100 on the meaning of participator generally).

If the participators fail to make an appointment, or the Board does not approve a nomination, the Board has the power to make the appointment itself (OTA75\SCH2\PARA4(4).

Under OTA75\SCH2\PARA4(6) the Board can appoint a replacement RP on the nomination of the field participators, while under OTA75\SCH2\PARA7 an appointment can be revoked. In all cases LB Oil & Gas acts on behalf of the Board; papers should be passed by the nominated inspector to the SCS Responsible Officer who is in charge of signing and issuing letters of appointment etc.

OTA75\SCH2\PARA4(2) requires that the nominee be a body corporate resident in the UK, or a partnership all of whose members are resident in the UK.

Foreign fields

OTA83\SCH4\PARA13 applies these provisions to ‘foreign fields’, see OT13510.

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