HMRC - OT05230 - Scheme - Content Of A Nomination Made During Business Hours

Introduction

To reflect the fact that the requirement to nominate within 2 hours of the TBT means that deals done outside office hours would need to be nominated by traders without back-office support, different nomination content requirements are made for outside business hour nominations than those made within business hours.

Business hours

Business hours are defined at FA1987\Sch10\Para4(1B)(b) as being the period 9am to 5pm (UK time) on a business a business day (Mondays to Fridays except for English public holidays).

Inside business hours nomination (FA87\Sch10Para5)

To be effective a nomination made within business hours must contain the following:

the name of the participator,

the name of the person to whom the oil is to be sold,

the field from which the oil to be delivered (in the cases where the participator has more than one field interest in a blend, at least one of which is subject to PRT all the originating fields attributable to that sale under the terminal allocation rules (see OT05840) will need to be specified on the nomination).

Given the requirements of the Attribution of Blended Oil Regulations (see OT05800), LB Oil & Gas will be satisfied that a Nomination made within business hours is effective if the just the grade of oil is specified, for this part of the information requirements only.

the nominated price of the oil to be delivered (this can be a flat price or a formula);

the nominal volume of the oil (this is the standard volume +/- 1% loading tolerance (Reg.10));

the proposed delivery month;

the transaction base time; and

such other information as may be prescribed by the Board.

It must also contain a declaration that it is correct and complete, plus, where a nomination is made before the contract of sale in question comes into being, a declaration that, to the best knowledge and belief of the participator making the nomination, that a contract will come into being in accordance with the terms outlined in the nomination.

There is provision for penalties for fraudulent or negligent submission of incorrect information on a nomination or for making any incorrect declaration in connection with a nomination. The penalty for fraud is up to £100,000 and the penalty for neglect up to £50,000. Also the nomination in question will not be effective - see FA1987\Sch10\Para5(3).

Previous page

Next page