HMRC - OT05232 - Scheme - Content Of A Nomination Made Outside Business Hours

Outside business hours nomination (FA87\Sch10\Para5A

To be effective a nomination made outside business hours must contain the following.

the name of the participator or of the group of which the participator is a member;

the name of the person to whom the oil is to be sold, or the name of the group of which that person is a member;

the blend or grade of oil to be delivered;

the nominated price of the oil to be delivered;

the nominal volume of the oil;

the proposed delivery month;

the transaction base time; and

such other information as may be prescribed by the Board.

There are some differences between the nomination content requirements for those made outside business hours compared to the business hour nominations.

For an outside business hours nomination it is sufficient for the nomination to identify

the group of which the participator (i.e. the proposed seller) is a member; and

the group of which the purchaser is a member.

The reason for this is that nominations made when the back office support is unavailable may be made by the trader doing the deal, who may be unaware of the particular legal entity within the group they are selling on behalf of or selling to and may not know the fields from which the oil is being derived.

Furthermore no declaration is required in respect of outside business hour nominations, and the penalty regime described in respect of business hour nominations does not apply. This is to avoid penalising companies unnecessarily given there is a greater likelihood of the trader making errors when not having back-office support.

However the normal incorrect return penalty regime applies (see OT18760), so it is incumbent upon companies to audit nominations made outside business hours to ensure that any nomination excesses (see OT05240 below) arising from errors that render such nominations ineffective are correctly identified and returned.

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