

Part 5: General

Financial Assistance

Clause 40: Financial assistance for resilience and continuity purposes

114 Clause 40 enables the Secretary of State to provide financial assistance in any form, with terms and conditions, for the purpose of maintaining or improving downstream oil sector resilience or for the purpose of securing or maintaining continuity of supply of crude oil-based fuel. Subclause (4) lists the types of financial assistance that may be given.

Powers to amend thresholds

Clause 41: Power to amend thresholds

115 Clause 41 enables the Secretary of State to make regulations to vary the threshold amounts specified in clauses: 3(6); 8(6); 9(3); 10(2)(a) and (b); 12(3); and 17(1)(b).

Regulations

Clause 42: Regulations

- 116 Clause 42 sets out how a power to make regulations under this Bill may be exercised.
- 117 Subclause (2) states that the power to make regulations under this Bill is exercisable by the Secretary of State by Statutory instrument.
- 118 Subclause (3) states that, other than for the purpose of commencement under clause 44(2) and regulations under those clauses mentioned in subclause (4), statutory instruments are to be subject to annulment in pursuance of a resolution of either House of Parliament.
- 119 Subclause (4) state that a statutory instrument under clauses 8; 12; 36(3)(b) and 41 cannot be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament.

Interpretation and final provisions

Clause 43: Interpretation

120 Clauses 43 includes definitions of terms used in this Bill.

Clause 44: Extent, commencement and short title

- 121 Subclause (1) states that the Bill extends to England, Wales, Scotland and Northern Ireland;
- 122 Subclause (2) states that the Bill, apart from clauses 42, 43 and 44, comes into force the given day that the Secretary of State will by regulations

appoint.

- 123 Subclause (3) states that regulations under this clause may be appointed for different days for different purposes and that they may be done for transitional, transitory and saving provisions.
- 124 Subclause (4) states that the Bill may be referred to as the Downstream Oil Resilience Act 2021, subject to Parliamentary approval.

Schedules

Schedule 1

Acquisitions: Supplementary

Shares, rights and interests held “indirectly”

- 125 Paragraph 2(1) defines “indirectly” in relation to holding a share, right or interest: if the person has a majority stake and that entity - (2)(a) holds the share, right or interest, or (2)(b) is part of a chain of entities—(i) each of which (other than the last) has a majority stake in the entity immediately below it in the chain, and (ii) the last of which holds the share, right or interest.
- 126 Paragraph 2(2) defines “majority stake” for voting rights, rights of board appointment and removal, and influence.

Calculating shareholdings

- 127 Paragraph 3(1) sets out that holding “more than 25% of the shares” is to holding shares comprised in the issued share capital of that company of a nominal value exceeding (in aggregate) 25% of that share capital.
- 128 Paragraph 3(2) states that for situations in which a company that does not have a share capital, a reference to holding shares in that company is to holding a right to share in the capital or, as the case may be, profits of that company. In which case a reference to holding “more than 25% of the shares” in that company is to holding a right or rights to share in more than 25% of the capital or, as the case may be, profits of that company.

Voting rights

- 129 Paragraphs 4 and 5 set out how voting rights are classified and how those apply where an entity does not have general meetings.

Joint interests

- 130 Paragraph 6 sets out that if two or more persons each hold a share, right or interest jointly, each of them is treated as holding that share, right or interest.

Joint arrangements

- 131 Paragraph 7 sets out that where a joint arrangement exists, the persons involved will be treated as holding the combined shares, rights or interests.

Commencement

- 1 Clause 44(2) sets out that the Bill will come into force by way of commencement regulations and Clause 44(3) allows these to appoint different days for different purposes and make transitional, transitory and saving provision.

Financial implications of the Bill

- 2 Any future expenditure or financial transactions incurred by Secretary of State will have a fiscal impact. The Bill does not require a ways and means resolution but does require a money resolution as the new legislation imposes a potential liability on public expenditure.

Compatibility with the European Convention on Human Rights

- 3 BEIS considers that the provisions of the draft Bill are compatible with the Convention Rights set out in the Human Rights Act 1998.

Related documents

- 4 The following documents are relevant to the Bill and can be read at the stated locations:
 - a) Downstream Oil Supply Resilience Consultation page, hosting the consultation document, consultation stage Impact Assessment and Government response:
<https://www.gov.uk/government/consultations/downstream-oil-supply-resilience>

Annex A - Territorial extent and application in the United Kingdom

The table below sets out the extent and application of each Part of the Bill.⁴

Provision	Extends to E & W and applies to England?	Extends to E & W and applies to Wales?	Extends and applies to Scotland?	Extends and applies to Northern Ireland?	Would corresponding provision be within competence of Senedd Cymru?	Would corresponding provision be within competence of the Scottish Parliament?	Would corresponding provision be within the competence of the Northern Ireland Assembly?	Legislative Consent Motion needed?
Part 1: Clauses 1-7	Yes	Yes	Yes	Yes	No	No	Yes	Yes (NI)
Part 2: Clauses 8-25	Yes	Yes	Yes	Yes	No	No	Yes	Yes (NI)
Part 3: Clauses 26-42	Yes	Yes	Yes	Yes	No	No	Yes	Yes (NI)
Part 4: Clauses 43-56	Yes	Yes	Yes	Yes	No	No	Yes	Yes (NI)

⁴ References in this Annex to a provision being within the legislative competence of the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly are to the provision being within the legislative competence of the relevant devolved legislature for the purposes of Standing Order No. 83J of the Standing Orders of the House of Commons relating to Public Business.

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