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Offshore Minerals (Amendment) Bill 2026.

Offshore Minerals (Amendment) Bill 2026

(ORDINANCE No.   OF 2026)

ARRANGEMENT OF PROVISIONS

Clause

Offshore Minerals (Amendment) Bill 2026

(assented to: 2026)
(commencement: on publication)
(published: 2026)

A BILL

for

AN ORDINANCE

To amend the Offshore Minerals Ordinance 1994 in relation to the decommissioning of offshore installations and to make related and consequential amendments to the Taxes Ordinance 1997 and secondary legislation.

BE IT ENACTED by the Legislature of the Falkland Islands —

PART 1 - PRELIMINARY MATTERS

1. Title
This Ordinance is the Offshore Minerals (Amendment) Ordinance 2026.

2. Commencement
This Ordinance comes into force on publication in the *Gazette*.

PART 2 - AMENDMENT OF OFFSHORE MINERALS ORDINANCE 1994

3. Offshore Minerals Ordinance 1994 amended
This Part amends the Offshore Minerals Ordinance 1994.

4. Part V heading amended
In the heading to Part V, replace "**ABANDONMENT**" with "**DECOMMISSIONING**".

5. Section 47 amended (interpretation of Part V *(1987, c.12, s. 16)*)
(1) In the heading to section 47, delete "***(1987, c.12, s. 16)***".

(2) In section 47(1) —

(a) before paragraph (a), insert —

"(aa) "**decommissioning**" includes abandonment;";

(b) in paragraph (a), replace “abandonment programme” with “**decommissioning programme**”; and

(c) in paragraph (c), after “which is”, insert “, or is intended to be established,”.

(3) After section 47(1), insert —

“(1A) In this Part, a reference to decommissioning an offshore installation includes a reference to decommissioning any associated well or other structure or equipment referred to in section 48(3A).”.

[UK Petroleum Act 1998, s 45]

6. New section 47A inserted (restriction on decommissioning)

After section 47, insert —

“**47A. Restriction on decommissioning**

(1) A person to whom a notice may be given under section 48(1) in relation to an offshore installation or submarine pipe-line may not abandon, or begin or continue the decommissioning of, the installation or pipe-line unless a decommissioning programme approved by the Governor has effect in relation to the installation or pipe-line.

(2) A person who, without reasonable excuse, contravenes subsection (1) commits an offence.

[UK Petroleum Act 1998, s 28A]”.

7. Section 48 amended (preparation of programmes *(1987, c.12, s. 1)*)

(1) In the heading to section 48, delete “***(1987, c.12, s. 1)***”.

(2) In section 48(1) —

(a) replace “the abandonment” with “the decommissioning”; and

(b) replace “an “abandonment” with “a “**decommissioning**”.

(3) After section 48(1), insert —

“(1A) The power to give a notice under subsection (1) is exercisable —

(a) on the Governor’s own motion; or

(b) at the request of any person to whom the notice may be given (whether or not the notice is given to that person).

(1B) Before giving a person a notice under subsection (1), the Governor must give the person an opportunity to make written representations as to whether the notice should be given.”.

(4) In section 48(2), replace “abandonment” with “decommissioning”.

(5) After section 48(2), insert —

“(2A) A person to whom a notice under subsection (1) is given —

(a) must consider alternatives to, or alternative methods of, decommissioning the installation or pipe-line, such as re-using or preserving it; and

(b) must frame the programme so as to ensure (whether by means of the timing of the measures proposed, the inclusion of provision for collaboration with other persons, or otherwise) that the cost of carrying it out is kept to the minimum that is reasonably practicable in the circumstances.”.

(6) In section 48(3), replace “an abandonment” with “a decommissioning”.

(7) After section 48(3), insert —

“(3A) A decommissioning programme for an offshore installation must provide for the decommissioning of the installation, all associated wells and all other structures and equipment in the controlled waters used in connection with the installation.”.

(8) In section 48(4) —

(a) replace “An abandonment” with “A decommissioning”;

(b) at the end of paragraph (b), insert “and”; and

(c) replace paragraph (c) with —

“(c) if it —

(i) proposes that an installation or pipe-line or any associated structures or equipment be left in position or not wholly removed; or

(ii) includes the decommissioning of a well,

shall include provision as to any continuing maintenance that may be necessary.”.

(9) Replace section 48(5) and (6) with —

“(5) The Governor may exercise his powers under this section notwithstanding that a decommissioning programme has previously been submitted for the installation or pipe-line in question if the Governor has, under section 51 —

(a) rejected that programme; or

(b) approved it (whether or not the approval has been withdrawn).”.

[UK Petroleum Act 1998, s 29]

8. Section 49 amended (persons who may be required to submit programmes *(1987, c.12, s. 2)*)

(1) In the heading to section 49, delete “***(1987, c.12, s. 2)***”.

(2) Replace section 49(1) with —

"(1) A notice under section 48(1) must not be given to a person in relation to the decommissioning of an offshore installation unless, when the notice is given, the person is within any of the following paragraphs —

(a) a person to whom subsection (5) applies in relation to the installation;

(b) a person to whom subsection (5) applied in relation to the installation, but who —

(i) transferred the right mentioned in that subsection to another person; and

(ii) has not obtained a consent required under the licence in relation to the transfer;

(c) a person who is a party to a joint operating agreement or similar agreement relating to rights by virtue of which a person is within paragraph (a);

(d) a person having the management of the installation or of its main structure;

(e) a person who owns any interest in the installation otherwise than as security for a loan;

(f) a body corporate which is outside paragraphs (a) to (e) but is associated with a body corporate which is within paragraphs (a) or (b); or

(g) subject to section 50(1), a body corporate which is outside paragraphs (a) to (f) but is associated with a body corporate which is within paragraphs (c) to (f).".

(3) In section 49(2) —

(a) replace "section 49(1)" with "section 48(1)";

(b) replace "abandonment" with "decommissioning";

(c) in paragraph (a), replace "in pursuance of section 38(3) of this Ordinance" with "under section 38(3)"; and

(d) in paragraph (c), replace "company" with "body corporate" in each place.

(4) Replace section 49(5) and (6) with —

"(5) This subsection applies to a person in relation to an offshore installation if —

(a) the person has the right —

(i) to exploit or explore for a mineral in any area; or

(ii) to explore any area with a view to, or in connection with, the exercise of a right within subparagraph (i); and

(b) either —

(i) any activity mentioned in subsection (6) is carried on from, by means of or on the installation; or

(ii) the person intends to carry on an activity mentioned in that subsection from, by means of or on the installation,

or if the person had such a right when any such activity was last so carried on.

(6) The activities referred to in subsection (5) are —

(a) the exploitation of, or exploration for, a mineral in the exercise of the right mentioned in subsection (5)(a);

(b) the conveyance in the area so mentioned, by means of a pipe or system of pipes, of minerals got in the exercise of that right; and

(c) the provision of accommodation for persons who work on or from an installation which is or has been maintained, or is intended to be established, for the carrying on of an activity falling within paragraph (a) or (b) or this paragraph.

(7) The fact that an installation has been maintained for the carrying on of an activity within subsection (6) shall be disregarded for the purposes of subsection (6)(c) if, since it was so maintained, the installation —

(a) has been outside the controlled waters; or

(b) has been maintained for the carrying on of an activity which is not within that subsection.

(8) For the purposes of this section, one body corporate is "**associated with**" another if —

(a) one of them controls the other; or

(b) a third body corporate controls both of them.

(9) A body corporate ("**A**") "**controls**" another body corporate ("**B**") if —

(a) where B is a company, A controls B as described in subsection (10);

(b) where B is a limited liability partnership, A controls B as described in subsection (11); or

(c) in any case (including where B is a company or limited liability partnership), A has the power, directly or indirectly (including through one or more interposed entities), to secure that B's affairs are conducted in accordance with A's wishes.

(10) Where B is a company, A controls B if A holds or is entitled to acquire —

(a) one half or more of the issued share capital of B;

(b) such rights as would entitle A to exercise one half or more of the votes exercisable in general meetings of B;

(c) such part of the issued share capital of B as would entitle A to one half or more of the amount distributed if the whole of the income of B were in fact distributed among the shareholders; or

(d) such rights as would, in the event of the winding up of B or in any other circumstances, entitle it to receive one half or more of the assets of B which would then be available for distribution among the shareholders.

(11) Where B is a limited liability partnership, A controls B if A —

(a) holds a majority of the voting rights in B;

(b) is a member of B and has a right to appoint or remove a majority of other members; or

(c) is a member of B and controls alone, or pursuant to an agreement with other members, a majority of the voting rights in B.

(12) In subsection (11), "**voting rights**" means rights conferred on members in respect of their interest in the partnership to vote on those matters which are to be decided on by a vote of the members of the partnership.

(13) In determining whether A controls B, A is taken to hold any rights and powers that are held —

(a) by another person as nominee for A; or

(b) by a body corporate which A controls (including rights and powers which such a body corporate is taken to hold by virtue of this paragraph).".

[UK Petroleum Act 1998, s 30]

9. Section 50 amended (section 48 notices: supplementary provisions *(1987, c.12, s. 3)*)

(1) In the heading to section 50, delete "***(1987, c.12, s. 3)***".

(2) Delete section 50(1) to (4).

(3) In section 50(5), after "has given", insert "a".

[UK Petroleum Act 1998, s 31]

10. Section 51 amended (approval of programmes *(1987, c.12, s. 4)*)

(1) In the heading to section 51, delete "***(1987, c.12, s. 4)***".

(2) After section 51(2), insert —

"(2A) The modifications or conditions may (in particular) include modifications or conditions —

(a) which are intended (whether by means of the timing of the measures proposed, the inclusion of provision for collaboration with other persons, or otherwise) to reduce the total cost of carrying out the programme;

(b) requiring the persons who submitted the programme to carry out and publish or make available to the Governor a review of the programme and its implementation including, where relevant, recommendations as to the contents and implementation of future decommissioning programmes.”.

(3) After section 51(5), insert —

“(6) Before reaching a decision under this section the Governor must —

(a) consider —

(i) alternatives to, or alternative methods of, decommissioning the installation or pipe-line, such as re-using or preserving it; and

(ii) whether section 48(2A)(b) has been complied with and, if it has not been, modifications or conditions that would enable it to be complied with; and

(b) take into account the cost of carrying out the programme that has been submitted and whether it is possible to reduce that cost by modifying the programme or making it subject to conditions.”.

[UK Petroleum Act 1998, s 32]

11. Section 52 amended (failure to submit programmes *(1987. c.12, s. 5)*)

(1) In the heading to section 52, delete “***(1987. c.12, s. 5)***”.

(2) In section 52(1), replace “an abandonment” with “a decommissioning”.

(3) After section 52(3), insert —

“(3A) When preparing a decommissioning programme under this section the Governor must —

(a) consider alternatives to, or alternative methods of, decommissioning the installation or pipe-line, such as re-using or preserving it; and

(b) frame the programme so as to ensure (whether by means of the timing of the measures proposed, the inclusion of provision for collaboration with other persons, or otherwise) that the cost of carrying it out is kept to the minimum that is reasonably practicable in the circumstances.”.

(4) In section 52(4) and (7), replace “an abandonment” with “a decommissioning”.

[UK Petroleum Act 1998, s 33]

12. Section 53 amended (revision of programmes *(1987, c.12, s. 6)*)

(1) In the heading to section 53, delete “***(1987, c.12, s. 6)***”.

(2) In section 53(2) —

(a) in paragraph (a), replace “paragraph (a), (b) (c), (d) or (e) of section 49(1)” with “section 49(1)(a) to (g)”; and

(b) in paragraph (b), replace “paragraph (a), (b) or (c) of section 49(2)” with “section 49(2)(a) to (c)”.

(3) In section 53(3), replace “paragraph (d) or (e) (but no other paragraph) of section 49(1) or paragraph (b) or (c) (but not paragraph (a)) of section 49(2)” with “section 49(1)(g) (but not section 49(1)(a) to (f)) or section 49(2)(b) or (c) (but not section 49(2)(a))”.

(4) In section 53(4) —

(a) in paragraph (a), replace “Governor’s” with “Governor’s,”;

(b) in paragraph (b), replace “Governor;” with “Governor.”; and

(c) delete all the words after paragraph (b).

(5) After section 53(4), insert —

“(4A) A person who makes a proposal under subsection (1) that is likely to have an effect on the cost of carrying out the programme must frame it so as to ensure (whether by means of the timing of the measures proposed, the inclusion of provision for collaboration with other persons, or otherwise) that the cost of carrying out the programme as proposed to be altered is kept to the minimum that is reasonably practicable in the circumstances.”.

(6) After section 53(7), insert —

“(7A) If it appears to the Governor that what is proposed under subsection (1) is likely to have an effect on the cost of carrying out the programme, the Governor must, before making a determination under subsection (7) —

(a) consider —

(i) alternatives to, or alternative methods of, decommissioning the installation or pipe-line, such as re-using or preserving it; and

(ii) whether subsection (4A) applies and, if so, whether it has been complied with; and

(b) take the likely effect on the cost of carrying out the programme into account.”.

[UK Petroleum Act 1998, s 34]

13. New section 53A inserted (amendment of programmes)

After section 53, insert —

“**53A. Amendment of programmes**

(1) This section applies where a decommissioning programme approved by the Governor includes a provision by virtue of which the programme may be amended.

(2) A person who proposes to make an amendment under such a provision that is likely to have an effect on the cost of carrying out the programme must frame the amendment so as to ensure (whether by means of the timing of the measures proposed, the inclusion of provision for collaboration with other persons, or otherwise) that the cost of carrying out the programme as proposed to be amended is kept to the minimum that is reasonably practicable in the circumstances.

(3) If it appears to the person who proposes to make the amendment that subsection (2) applies, the person must consider alternatives to, or alternative methods of, decommissioning the installation or pipe-line, such as re-using or preserving it.

(4) Any person who has the function of approving amendments made under a provision mentioned in subsection (1) must, when exercising the function, take into account the effect of the proposed amendment on the cost of carrying out the programme.

[UK Petroleum Act 1998, s 34A]".

14. Section 54 amended (withdrawal of approval *(1987, c.12, s. 7)*)

(1) In the heading to section 54, delete "***(1987, c.12, s. 7)***".

(2) In section 54(1) and (3), replace "an abandonment" with "a decommissioning".

[UK Petroleum Act 1998, s 35]

15. Section 55 amended (duty to carry out programmes *(1987, c.12, s. 8)*)

(1) In the heading to section 55, delete "***(1987, c.12, s. 8)***".

(2) In section 55, replace "an abandonment" with "a decommissioning".

[UK Petroleum Act 1998, s 36]

16. New section 55A inserted (reduction of costs of carrying out programmes)

After section 55, insert —

"**55A. Reduction of costs of carrying out programmes**

(1) This section applies where a decommissioning programme approved by the Governor has effect in relation to an installation or pipe-line.

(2) The Governor may, for the purpose of reducing the total cost of carrying out the programme, by written notice require any person who submitted the programme to take, or refrain from taking, action of a description specified in the notice.

(3) The notice may, in particular, require —

(a) changes to the times at which the measures proposed in the programme are to be carried out;

(b) the persons who are under a duty to secure that the programme is carried out to collaborate with other persons.

(4) The programme, and any condition to which it is subject, has effect subject to any notice given under this section.

(5) A notice given under this section may not increase the total costs to be met by any person who is to be subject to obligations under the programme or under any other decommissioning programme.

(6) The Governor may not give a notice to a person under this section without first giving the person an opportunity to make written representation as to whether the notice should be given.

(7) A person to whom a notice is given under this section who without reasonable excuse fails to comply with the notice commits an offence.

(8) If a notice under this section is not complied with, the Governor may —

(a) do anything necessary to give effect to the notice; and

(b) recover from the person to whom the notice was given any expenditure incurred under paragraph (a).

(9) A person liable to pay any sum to the Governor by virtue of subsection (8) must also pay interest on that sum for the period beginning with the day on which the Governor notified the person of the sum payable and ending with the date of payment.

(10) The rate of interest payable in accordance with subsection (9) is a rate determined by the Governor as comparable with commercial rates.

[UK Petroleum Act 1998, s 36A] ”.

17. Section 56 amended (default in carrying out programmes *(1987, c.12, s. 9)*)

(1) In the heading to section 56, delete “***(1987, c.12, s. 9)***”.

(2) In section 56(1), replace “an abandonment” with “a decommissioning”.

(3) After section 56(1), insert —

“(1A) If it appears to the Governor that the proposed remedial action is likely to have an effect on the cost of carrying out the programme, the Governor must take that effect into account when deciding whether to give the notice.”.

[UK Petroleum Act 1998, s 37]

18. Section 57 replaced (financial resources *(1987, c.12, s. 10)*)

Replace section 57 with —

“**57. Financial information relating to decommissioning**

(1) For the purpose of making a decommissioning decision about a person, the Governor may, by written notice, require the person to give to the Governor specified information or documents about the person’s financial affairs.

(2) A “**decommissioning decision**” means —

(a) if the person is within section 49(1)(a) to (g) or (2)(a) to (c), a decision about whether to give the person a notice under section 48(1);

(b) if the person is within section 53(2)(a) or (b), a decision about —

(i) whether to make a proposal about the person under section 53(1); or

(ii) whether to impose a duty on the person under section 55; or

(c) if the person is required under a licence to obtain the consent of the Governor before decommissioning a well, a decision about granting that consent.

(3) For the purpose of making a financial resources decision about a person in relation to a decommissioning programme or the decommissioning of a well, the Governor may, by written notice, require the person to give to the Governor specified information or documents about —

(a) the estimated costs of carrying out the decommissioning;

(b) the person's financial affairs; or

(c) any other matter relevant to the making of the financial resources decision.

(4) A "**financial resources decision**" means a decision, in relation to a person who is within section 57A(1) or (2), about whether to give the person a notice under that section.

(5) A person given a notice under this section commits an offence if —

(a) they fail, without reasonable excuse, to comply with the notice within the period specified in it; or

(b) they knowingly or recklessly give the Governor information or a document that is false or misleading in a material particular.

(6) It is an offence for a person to disclose information or a document given to the Governor under this section unless the disclosure —

(a) is for the purpose of the exercise of the Governor's functions under this Part;

(b) is made with the consent of the person by or on behalf of whom the information or document was given; or

(c) is required by law.

[UK Petroleum Act 1998, s 38 and 45A]

57A. Financial assurance in relation to decommissioning duty

(1) This section applies in relation to a person if the person —

(a) has been given a notice under section 48(1); or

(b) has a duty under section 55,

in relation to the decommissioning of an offshore installation or submarine pipe-line.

(2) This section also applies in relation to a person if the person is required under a licence to obtain the consent of the Governor before decommissioning a well.

(3) The Governor may, by written notice, require the person to —

(a) establish and maintain financial assurance that the Governor is satisfied is sufficient to ensure that the person has the financial capacity —

(i) in the case of a person who is within subsection (1), to carry out any duty the person has, or is likely have, under section 55 in relation to the decommissioning; or

(ii) in the case of a person who is within subsection (2), to comply with their obligations under this Ordinance in relation to the decommissioning of the well; and

(b) take any other action the Governor considers appropriate to ensure that the person will be capable of carrying out that duty or complying with those obligations.

(4) Without limiting subsection (3)(a), the financial assurance required might include, for example —

(a) a decommissioning security agreement;

(b) contributing to a decommissioning trust fund or statutory decommissioning fund;

(c) a charge over a bank account or any other asset;

(d) a deposit of money;

(e) a performance bond or guarantee;

(f) an insurance policy;

(e) a letter of credit.

(5) The notice —

(a) must set out what financial assurance and other action is required and the timeframe for complying with the notice; and

(b) may include any other requirements relating to the assurance or other action as the Governor considers appropriate, including for example —

(i) requirements about how anything required by the notice is to be done (which may include it being done to the satisfaction of, or in a manner approved by, the Governor);

(ii) requirements about information that must be given to the Governor in relation to the assurance or other action.

(6) Before giving a person a notice under this section, the Governor must give them an opportunity to make written representations as to whether the notice should be given.

(7) A person who fails to comply with a notice given under this section commits an offence unless they prove that they exercised due diligence to avoid the failure.

[UK Petroleum Act 1998, s 38 and 45A]

57B. Protection of assets included in financial assurance

(1) This section applies if a person is required under section 57A(4) to establish and maintain financial assurance.

(2) The financial assurance and the property and rights that are included in it are enforceable, and are to be applied in accordance with the terms of the financial assurance, notwithstanding any law relating to insolvency or bankruptcy that might provide or operate to the contrary.

[UK Petroleum Act 1998, s 38A]

57C. Publication information about financial assurance

(1) This section applies in relation to a person (the "assurer") who is required under section 57A(4) to establish and maintain financial assurance.

(2) The Governor may, by written notice, require the assurer to publish information about the financial assurance and the property and rights that are included in it.

(3) The notice —

(a) must set out what information must be published; and

(b) may include any other requirements relating to the publication as the Governor considers appropriate, including for example, when, where and how and to whom it is to be published.

(4) If the assurer does not comply with the notice, the Governor or a creditor of the assurer may apply to the Supreme Court for an order under subsection (5).

(5) If the Supreme Court is satisfied that the assurer has not complied with the notice, it may order the assurer to take such steps as the court considers appropriate to secure publication of the information as required by the notice.

[UK Petroleum Act 1998, s 38B] ".

19. Section 58 replaced (regulations *(1987, c.12, s. 11)*)

Replace section 58 with —

"**58. Regulations**

(1) The Governor may make regulations relating to the decommissioning of offshore installations, submarine pipe-lines and wells.

(2) The regulations may (without limitation) —

(a) prescribe standards and safety requirements for decommissioning;

(b) prescribe standards and safety requirements in respect of anything left in the controlled waters after an installation, pipe-line or well is decommissioned;

(c) make provision for the protection of the environment;

(d) make provision for inspection;

(e) make provision for ensuring that a person who has, or may become subject to —

(i) a duty under section 55 in relation to decommissioning programme; or

(ii) an obligation under this Ordinance in relation to the decommissioning of a well,

will be able to comply with that duty or obligation.

(3) This section does not limit any other provisions of this Ordinance relating to regulations.

[UK Petroleum Act 1998, s 59] ”.

20. Section 59 amended (offences under Part V *(1987, c.12, s. 12)*)

(1) In the heading to section 59, delete “***(1987, c.12, s. 12)***”.

(2) In section 59 —

(a) replace “section 49, 52, 56 or 57” with “this Part”; and

(b) after “offence to”, insert “imprisonment for 2 years and”.

[UK Petroleum Act 1998, s 40]

21. Section 60 amended (validity of Governor’s acts *(1987, c.12, s. 14)*)

(1) In the heading to section 60, delete “***(1987, c.12, s. 14)***”.

(2) In section 60(2) —

(a) in paragraph (e), delete “and”; and

(b) replace paragraph (f) with —

“(f) the giving of a notice under section 55A(2); and

(g) the giving of a notice under section 57A(3).”.

(3) In section 60(5) —

(a) in paragraph (e), delete “and”; and

(b) replace paragraph (f) with —

“(f) in relation to the giving of a notice under section 55A(2), means the requirements of section 55A(6); and

(g) in relation to the giving of a notice under section 57A, means the requirements of section 57A(6).”.

[UK Petroleum Act 1998, s 42]

22. New section 60A and cross-heading inserted

After the heading to Part VI, insert —

“*Decommissioning of wells*

60A. Decommissioning of well

(1) This section applies in relation to a person who, under a licence, has drilled, or commenced drilling, a well (including a borehole).

(2) The Governor may give a notice requiring the person to give to the Governor specified information or documents about the person’s financial affairs within the timeframe specified in the notice.

(3) The Governor may, by written notice, require the person to —

(a) establish and maintain financial assurance that the Governor is satisfied is sufficient to ensure that the person has the financial capacity, to carry out the decommissioning of the well and comply with any other obligations under this Ordinance in relation to the decommissioning of the well; and

(b) take any other action the Governor considers appropriate to ensure that the person will be capable of decommissioning of the well and complying with those obligations.

(4) Before giving a person a notice under this section, the Governor must give them an opportunity to make written representations as to whether the notice should be given.

(5) A person who fails to comply with a notice given under subsection (2) or (3) commits an offence unless the person proves that they exercised due diligence to avoid the failure.

(6) To avoid doubt, this section applies in addition to Part V and does not limit the extent to which decommissioning of an offshore installation includes decommissioning of wells associated with the installation.

[UK Petroleum Act 1998, s 45A] ”.

23. Section 73 amended (offences by bodies corporate: liability of directors and others)

(1) In section 73, before “Where”, insert “(1)”.

(2) In section 73, insert as subsection (2) —

“(2) Where the affairs of a body corporate are managed by its members, this section applies in relation to acts and defaults of a member in connection with their functions of management as if they were a director of the body corporate.”.

24. New sections 74B and 74C inserted

Before section 75, insert —

“**74B. Fees and charges**

(1) The Governor may make regulations to provide for fees and charges to be payable in connection with this Ordinance.

(2) The regulations may set out —

(a) the matters in respect of which fees and charges are payable;

(b) the amount of a fee or charge or the method by which it is to be calculated;

(c) who is liable to pay a fee or charge;

(d) when a fee or charge must be paid;

(e) how a fee or charge may be recovered; and

(f) the consequences of not paying a fee or charge (including, for example, a monetary penalty, a liability to pay interest, or the right of the Governor to refrain from doing the thing to which the fee or charge relates).

(3) Regulations setting the method by which the amount of a fee or charge is to be calculated may provide for the amount of the fee or charge, or any variable involved in the calculation of that amount, to be determined by the Director of Mineral Resources.

(4) The regulations may authorise the Director of Mineral Resources to waive or refund a fee or charge in a particular case, and may set out the circumstances in which they may do so.

74C. Forms

The Governor may make regulations prescribing forms to be used for the purposes of this Ordinance.".

25. Minor and consequential amendments

The provisions of the Offshore Minerals Ordinance 1994 listed in Schedule 1 are amended as set out in that Schedule.

PART 3 - MINOR AND CONSEQUENTIAL AMENDMENTS OF OTHER LEGISLATION

26. Taxes Ordinance 1997 amended

The provisions of the Taxes Ordinance 1997 listed in Schedule 2 are amended as set out in that Schedule.

27. Secondary legislation amended

The secondary legislation listed in Schedule 3 is amended as set out in that Schedule.

SCHEDULE 1 - MINOR AND CONSEQUENTIAL AMENDMENTS OF OFFSHORE MINERALS ORDINANCE 1994

section 25

section 2	(1) In section 2(1), delete the definition of "**company**". (2) In section 2(1), insert in the appropriate alphabetical order — " "**decommissioning**" has the meaning given by section 47;"; and "**well**" means a well drilled in the offshore petroleum area with a view to the extraction of petroleum (whether through that well or another one), including structures and equipment below the seabed and the wellhead.". (3) In section 2(1), definition of "**director**" — (a) in paragraph (a), replace "in relation to a company" with ", in relation to a body corporate,"; and (b) in paragraph (c), replace "company" with "body corporate". (4) In section 2(1), definition of "**statutory instrument**", delete "and". (5) In section 2(1), definition of "**subsidiary legislation**", replace "Ordinance." with "Ordinance; and".
section 7	Delete section 7(1)(b).
section 11	In section 11(2)(c), replace "abandonment" with "decommissioning".
section 23	Delete section 23(2)(e).
section 64	(1) In section 64, definition of "application", after "an application", insert "or a submission". (2) In section 64, definition of "relevant consent" — (a) replace "permission in" with "permission (including approval of a decommissioning programme) in"; (b) in paragraph (b)(i), replace "abandonment or proposed abandonment" with "decommissioning or proposed decommissioning"; and (c) in paragraph (b)(iii), replace "capability)." with "capability);".
section 77	(1) In the heading to section 77, replace "**Forms, fees and costs**" with "**Costs of inquiries**". (2) Delete section 77(1). (3) In section 77(2), delete "(2)".
section 80	(1) In section 80(1) — (a) in subparagraphs (ii) and (iii), replace "company" with "body corporate";

	(b) replace “as or its ” with “as its”; and (c) replace “appointed” with “appointed.”. (2) In section 80(2) replace “company” with “body corporate”.
Schedule 3	In Schedule 3, paragraph 1, delete “; and, without prejudice to the generality of the power to make regulations conferred by the preceding provisions of this paragraph, regulations in pursuance of this paragraph may require the payment of fees in connection with an application”.
Schedule 4	In Schedule 4, paragraph 6, delete “abandonment or”.

SCHEDULE 2 - MINOR AND CONSEQUENTIAL AMENDMENTS OF TAXES ORDINANCE 1997

section 26

section 106	(1) In section 106(3)(c), replace "dismantling" with "decommissioning". (2) In section 106(4), insert in its appropriate alphabetical order — " "**decommissioning**" includes demolition and abandonment;".
section 111	(1) In section 111(8)(a), replace ", demolished, destroyed or abandoned" with "or decommissioned". (2) In section 111(8)(b), replace ", demolition, destruction or abandonment" with "or decommissioning".
section 113	In section 113(5) and (6), replace "demolition" with "decommissioning".
section 114	(1) In the heading to section 114, replace "**Demolition and abandonment**" with "**Decommissioning**". (2) In section 114(1), replace "demolition or abandonment" with "decommissioning" in each place. (3) In section 114(2) — (a) replace "demolished or abandoned" with "decommissioned"; and (b) replace "demolition or abandonment" with "decommissioning" in each place. (4) In section 114(3), replace "demolition or abandonment" with "decommissioning" in each place. (5) In section 114(4), replace "This subsection applies to abandonment expenditure, that is to say," with "In this section, "**decommissioning expenditure**" means". (6) In section 114(4)(b) and (c), replace "demolition or abandonment" with "decommissioning". (7) In section 114(4)(c), replace "an abandonment" with "a decommissioning". (8) In section 114(5) — (a) replace "abandonment" with "decommissioning"; and (b) replace "1994" with "1994.". (9) In section 114(6) and (7)(a) and (b), replace "abandonment" with "decommissioning" in each place. (10) In section 114(8)(b), replace "demolition or abandonment" with "decommissioning".

	(11) In section 114(8)(c), replace "abandonment expenditure for the purposes of this section if the demolition" with "decommissioning expenditure if the decommissioning".
section 140	(1) In section 140(1), insert in its appropriate alphabetical order — " "**decommissioning**" includes demolition and abandonment;". (2) In section 140(1), definition of "**petroleum extraction activities**", paragraph (e), delete "or abandoning".

SCHEDULE 3 - MINOR AND CONSEQUENTIAL AMENDMENTS OF SECONDARY LEGISLATION

section 27

Offshore Petroleum (Licensing) Regulations 1995	
SCHEDULE 1, Part IV 2, paragraph 7	Replace paragraph 7(d) with — “(d) Registered office (if any)”.
SCHEDULE 2, clause 17	(1) In the heading to clause 17, replace “**abandonment**” with “**decommissioning**”. (2) In clause 17(1), replace “abandoning” with “decommissioning”. (3) In clause 17(2), replace “abandon” with “decommission”. (4) In clause 17(6), replace “abandoned” with “decommissioned”.
SCHEDULE 2, clause 21	In clause 21(1), replace “abandoned” with “decommissioned”.
SCHEDULE 2, clause 27	In clause 27(1), replace “abandonment” with “decommissioning”.
SCHEDULE 2, clause 38	In clause 38(2)(e), (3)(a) and (5), replace “company” with “body corporate” in each place.
SCHEDULE 3, substituted clause 8B	(1) In the heading to substituted clause 8B — (a) replace “**abandonment**” with “**decommissioning**”; and (b) replace “**wels**” with “**wells**”. (2) In substituted clause 8B(1), replace “abandoning” with “decommissioning”. (3) In substituted clause 8B(2), replace “abandon” with “decommission”.
SCHEDULE 3, substituted clause 8C	In substituted clause 8C(1), replace “abandoned” with “decommissioned”.

Offshore Petroleum (Licensing) Regulations 2000	
SCHEDULE 1, PART III, paragraph 6	In column (d), replace “In the case of a company, its registered office” with “Registered office (if any)”.
SCHEDULE 2, clause 17	(1) In the heading to clause 17, replace “**abandonment**” with “**decommissioning**”.

	(2) In clause 17(1), replace “abandoning” with “decommissioning”. (3) In clause 17(2), replace “abandon” with “decommission”. (4) In clause 17(6), replace “abandoned” with “decommissioned”.
SCHEDULE 2, clause 21	In clause 21(1), replace “abandoned” with “decommissioned”.
SCHEDULE 2, clause 27	In clause 27(1), replace “abandonment” with “decommissioning”.
SCHEDULE 2, clause 38	In clause 38(2)(e), (3)(a) and (5), replace “company” with “body corporate” in each place.

Petroleum Survey Licences (Model Clauses) Regulations 1992	
Schedule, clause 20	In clause 20(2)(e), delete “company or other”.

OBJECTS AND REASONS

This Bill is the Offshore Minerals (Amendment) Bill 2026. It amends the Offshore Minerals Ordinance 1994 in relation to the decommissioning of offshore installations and makes related and consequential amendments to the Taxes Ordinance 1997 and some of the secondary legislation under the Offshore Minerals Ordinance 1994.

Amendment of decommissioning regime

The main purpose of this Bill is to amend the provisions of the Offshore Minerals Ordinance 1994 relating to decommissioning.

Part V of the Offshore Minerals Ordinance 1994 provides the mechanism for requiring the holders of offshore petroleum licences to decommission their infrastructure at the end of a project. When enacted in 1994, Part V mirrored the then current UK Petroleum Act 1987. That Act was replaced by the Petroleum Act 1998, which has itself been amended a number of times to expand and strengthen the decommissioning regime. This Bill makes similar changes, tailored to the Falkland Islands context, to Part V of the Offshore Minerals Ordinance 1994.

The Bill also updates the terminology in the Offshore Minerals Ordinance 1994 to refer to decommissioning of installations rather than abandonment. In the past, offshore installations were often fixed platforms and at the end of their life at least some parts of them would be left in place and abandoned. Modern practice is for an offshore project to be decommissioned with wells being plugged and installations and most of the associated infrastructure being removed. The abandonment terminology therefore no longer reflects what actually happens and is changed accordingly.

The Bill also makes a number of other minor housekeeping amendments to improve consistency of language, simplify cross-referencing and improve readability.

Clause notes

Clause 1 is the title clause.

Clause 2 provides for the Bill to come into force on publication in the *Gazette*.

Clause 3 provides that Part 2 amends the Offshore Minerals Ordinance 1994.

Clauses 4 and 5 make minor and consequential amendments.

Clause 6 inserts a new section 47A, which makes it an offence for a person to abandon, or begin or continue decommissioning, an offshore installation unless a decommissioning programme has been approved by the Governor. This is to ensure that decommissioning does not begin until a decommissioning programme has been approved.

Clause 7 amends section 48 to update and clarify the circumstances in which a decommissioning programme can be required. It also clarifies that a decommissioning programme for an offshore installation must provide for the decommissioning of associated wells and other structures and equipment.

Clause 8 amends section 49 to clarify the persons who can be given a notice under section 48 and in what circumstances. Broadly those persons are the licensees, any other parties to a joint operating agreement, the installation operator, the owner of the installation, and associated bodies corporate.

Clause 9 makes minor and consequential amendments to section 50.

Clause 10 amends section 51, which relates to the approval of decommissioning programmes. The amendments relate to the modification of a programme or imposition of conditions, and the matters that the Governor must consider before deciding whether to approve a programme. The amendments are directed to ensuring that alternatives to decommissioning and alternative methods of decommissioning are considered and that the total cost of a decommissioning programme are not unreasonable.

Clause 11 amends section 52, which allows the Governor to prepare a decommissioning programme if the licensee or other persons given a notice under section 48 do not do so. The amendments correspond to those being made to section 51.

Clause 12 amends section 53, which relates to revisions of an approved decommissioning programme. The amendments correspond to those being made to sections 49 to 52.

Clause 13 inserts new section 53A, which applies when an approved decommissioning programme includes a provision allowing for it to be amended. The new section ensures that when any such amendments are made the same consideration is given to alternatives and reducing the cost of decommissioning.

Clauses 14 and 15 make consequential and minor amendments.

Clause 16 inserts new section 55A, which allows the Governor to give directions to the person carrying out a decommissioning programme for the purpose of reducing the total cost of carrying out the programme.

Clause 17 amends section 56, which allows the Governor to require a person to take remedial action if they do not carry out the decommissioning programme as required. The amendment is to ensure that the Governor takes into account the effect the remedial action is likely to have on carrying out the decommissioning programme.

Clause 18 replaces section 57, which relates to ensuring that financial resources are available to carry out decommissioning. Under a licence, the licensee must obtain the Governor's consent before abandoning a well and that consent is likely to be granted subject to conditions comparable to the terms of a decommissioning programme.

New sections 57 to 57B apply to the decommissioning of offshore installation and pipe-lines in accordance with approved decommissioning programmes and to the decommissioning of wells in accordance with consent granted under a licence. Ordinarily wells will be decommissioned as part of the decommissioning of the installation so these new provisions apply to both. *New section 60A* makes similar provision for the unusual cases when a well might be decommissioned separately from the installation or where the person responsible is not within the categories listed in section 49.

New section 57 allows the Governor to require people to provide information or documents that the Governor needs in order to make decisions about decommissioning. Failing to give the information, or giving false information, is an offence.

New section 57A allows the Governor to require a person who has a duty or obligation to decommission an offshore installation, pipe-line or well to establish and maintain financial assurance to ensure that they have financial capacity to carry out the decommissioning. The Governor can require them to take any other action the Governor considers appropriate for that purpose. *New section 57A(4)* sets out some examples of financial assurances that might be required, but these are only examples. The nature and quantum of the assurance that the Governor will accept in a particular case will depend on all of the circumstances of the case. What is acceptable is also likely to change over the life of a project.

Failing to establish the assurance, and to maintain it for as long as the notice requires, is an offence. If the notice requires other action to be taken, failure to take that action is also an offence.

The purpose of a financial assurance is to ensure that financial resources are available when the time comes for decommissioning. One scenario in which it might be necessary to call on the assurance is if the licensee or other persons who are required to carry out the decommissioning go into liquidation. *New section 57B* is inserted to protect the financial assurance and its underlying property and rights from being called in by the liquidator as part of the assets of the insolvent person.

Clause 19 replaces section 58, which allows the Governor to make regulations about decommissioning.

Clause 20 amends section 59 to increase the penalty for offences under Part V in line with the UK Act.

Clause 21 makes consequential amendments to section 60.

Clause 22 inserts new section 60A which relates to the decommissioning of a well, which might occur separately from the decommissioning of an installation. It allows the Governor to require financial assurance to be made in relation to the decommissioning in the same way as it can be required in relation to the decommissioning of an installation under *new sections 57* and *57A.*

Clause 23 amends section 73, which provides that if a body corporate commits an offence, the directors may also be liable in certain circumstances, for example if they consented to the offending conduct. Section 73 is amended to ensure it also applies to members of a limited liability partnership who are in a position equivalent to a director of a company.

Clause 24 inserts *new section 74B and 74C*. The amendments to the UK Petroleum Act 1998 include the insertion of a wide power to prescribe fees in relation to decommissioning. In the UK other Acts provide power to prescribe fees in relation to other matters covered by other Parts of the Offshore Minerals Ordinance 1994.

New section 74B allows regulations to be made setting fees for matters arising under the Offshore Minerals Ordinance 1994. There are a number of provision in the Ordinance that allow regulations to prescribe fees for specific purposes. Those provisions are repealed by Schedule 1.

New section 74C will allow the regulations to prescribe forms. This continues the power currently in section 77(1), which is being repealed.

Clause 25 and *Schedule 1* make various minor and consequential amendments to other provisions of the Offshore Minerals Ordinance 1994.

Minor and consequential amendments

Part 3 and *Schedules 2* and *3* make various minor and consequential amendments to the Taxes Ordinance 1997 and various secondary legislation under the Offshore Minerals Ordinance 1994.

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