



Oil & Gas
Authority

OGA indicative timelines for considering a request for a Change of Control comfort letter or, where the Change of Control has completed, whether or not to exercise its Change of Control Powers

This document is not legally binding. It is not a substitute for any regulation or law and should not be taken as legal advice.

We will consider matters on a case-by-case basis and will apply the principles set out herein where it is appropriate to do so.

In the event that we decide to depart from the principles in any material respects, we will normally set out our reasons for doing so.

(a) Request for a comfort letter

Where one is requested, the OGA will normally take a decision whether to issue a change of control comfort letter within three months of receiving all the information that it requires to consider and make a decision on a request. However, this timescale is intended only as a guide, and licensees should be aware that in some cases this may take longer, depending on factors such as the complexity of the transaction.

Contact details

Prior to the completion of a change of control, when requesting a change of control comfort letter as set out on the OGA's website at [Oil and Gas Authority: Change of control - Licensing system - Licensing & consents \(ogauthority.co.uk\)](https://www.ogauthority.co.uk/Change-of-control-Licensing-system-Licensing-&-consents), the Licensee and/or the proposed new controlling person should start the process by emailing the OGA's Licensing Team at approvals@ogauthority.co.uk with the relevant details of the proposed transaction.

Information to be provided with a request for a comfort letter

The Licensing Team will consider the request for a comfort letter and specify any further information that it will initially require in order to begin consideration of it. The OGA's Financial Guidance - [financial-guidance-august-2018.pdf \(ogauthority.co.uk\)](https://www.ogauthority.co.uk/financial-guidance-august-2018.pdf) - outlines the information that the OGA will normally require to make an initial assessment of financial capability, and applicants should assume that this information will be required in relation to a request for a letter of comfort unless the OGA informs them otherwise.

The Licensee is reminded that it is for the Licensee requesting a letter of comfort to demonstrate that the change of control will not prejudice its ability to meet its licence commitments, liabilities and obligations.

(b) Consideration of the exercise of the change of control powers after a change of control has taken place

The following table sets out the proposed actions and timeline where the OGA is considering whether to exercise its Change of Control Powers (namely, the power set out in the licence clauses for the OGA to require a further change of control or, failing which, to revoke (or partially revoke) the Licence) in respect of a change of control that has completed without a comfort letter having been issued.

While licensees should be aware that the issue of a comfort letter does not prevent the OGA from exercising the Change of Control Powers in the future, the timelines below relate to cases where no such letter has been issued.

Week	Indicative Actions
0	OGA becomes aware that a change of control has completed without comfort.
2	Once OGA becomes so aware, OGA sends to the relevant: <ul style="list-style-type: none"> • Licensee: information request, including on financial and technical capability, and fitness. The information requested is likely to <i>include</i>, but will not necessarily be limited to, all the information set out in the Financial Guidance. Licensees will be expected to respond within five (5) weeks. • Joint Venturers, Field Participants etc.: letter inviting any representations they may wish to make on the transaction and on the potential use of Change of Control Powers. Any such representations to be made within three (3) weeks
5	Joint Venturers, Field Participants etc. provide representations, OGA sends representations to Licensee for comment.
7	Licensee provides information required and responds to comments of Joint Venturers, Field Participants etc.
10	OGA takes its decision whether or not it is minded to exercise its Change of Control Powers. If OGA is: <ol style="list-style-type: none"> 1. <u>not minded to exercise</u> the Change of Control Powers, the OGA notifies Licensee/person/JVs etc.. 2. <u>is minded to exercise</u> the change of control powers, the OGA notifies Licensee and sets out in a Minded To Notification ('MTN') the reasons why. The OGA invites representations on the MTN, including whether the OGA should exercise the Change of Control Powers as proposed, such representations to be made within four (4) weeks.
14	Licensee responds to the MTN.
By 18	Final OGA decision sent to the Licensee setting out whether it has exercised its Change of Control Powers, together with its reasons.

As the circumstances provide, the OGA may also request supplementary information from, or consider supplementary information provided by, the Licensee or Joint Venturers/Field Participants,

or take other further actions as part of the decision-making process including meeting with a Licensee.

While the OGA will, in general, seek to take decisions within the timescale set out above, this is only in the nature of general guideline.

The OGA will not always be able to make a decision within the timescale specified, as much will depend on particular factors including the complexity of the transaction, any supplementary information required by the OGA and how quickly the Licensee responds to requests for that information, and the volume of other matters under consideration by the OGA.