

*Draft Regulations laid before Parliament in accordance with paragraph 2(2) of Schedule 2 to the European Communities Act 1972, section 3(6) of the Pollution Prevention and Control Act 1999 and section 62(3) of the Regulatory Enforcement and Sanctions Act 2008 for approval by resolution of each House of Parliament*

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D R A F T   S T A T U T O R Y   I N S T R U M E N T S

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**2018 No. 000**

**ENVIRONMENTAL PROTECTION**

**The Offshore Environmental Civil Sanctions Regulations 2018**

*Made* - - - - 2018  
*Coming into force* - - 2018

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SCHEDULE — Offences

The Schedule to the following Regulations sets out (i) criminal offences created by statutory instruments made in exercise of powers conferred by specified enactments (as defined in section 62(4) of the Regulatory Enforcement and Sanctions Act 2008<sup>(a)</sup>) (the “RESA offences”) and (ii) criminal offences created in exercise of powers conferred by section 2(2) of the European Communities Act 1972<sup>(b)</sup> (the “ECA offences”).

The Secretary of State is a relevant enforcement authority (as defined in section 62(5) of the Regulatory Enforcement and Sanctions Act 2008) in relation to the RESA offences.

In accordance with section 66 of the Regulatory Enforcement and Sanctions Act 2008, the Secretary of State is satisfied that the Secretary of State will act in accordance with the principles referred to in section 5(2) of that Act in exercising the powers conferred by these Regulations.

The Secretary of State makes these Regulations in exercise of the powers conferred by article 2 of the Merchant Shipping (Oil Pollution Preparedness, Response and Cooperation Convention) Order 1997<sup>(c)</sup>, sections 2, 3 and 7(9) of the Pollution Prevention and Control Act 1999<sup>(d)</sup> and section 62(2) of the Regulatory Enforcement and Sanctions Act 2008 in relation to the RESA offences.

The Secretary of State, being a Minister designated<sup>(e)</sup> for the purposes of section 2(2) of the European Communities Act 1972 in relation to the environment, makes these Regulations in exercise of the powers conferred by that provision in relation to the ECA offences.

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(a) 2008 c.13.

(b) 1972 c.68. Section 2(2) was amended by paragraph 15(3) of Schedule 8 to the Scotland Act 1998 (c.46), section 27 of the Legislative and Regulatory Reform Act 2006 (c.51) and Part 1 of Schedule 1 to the European Union (Amendment) Act 2008 (c.7). Paragraph 2(2) of Schedule 2 was amended by section 27(2) of the Legislative and Regulatory Reform Act 2006.

(c) S.I. 1997/2567.

(d) 1999 c.24.

(e) See article 2(a) of S.I. 2008/301.

Before making these Regulations, the Secretary of State consulted the persons required to be consulted by sections 2(4) and 3(4) of the Pollution Prevention and Control Act 1999.

In accordance with paragraph 2(2) of Schedule 2 to the European Communities Act 1972, section 3(6) of the Pollution Prevention and Control Act 1999 and section 62(3) of the Regulatory Enforcement and Sanctions Act 2008, a draft of this instrument has been approved by a resolution of each House of Parliament.

## PART 1

### Preliminary

#### Citation and commencement

**1.**—(1) These Regulations may be cited as the Offshore Environmental Civil Sanctions Regulations 2018.

(2) These Regulations come into force on [date].

#### Interpretation

**2.** In these Regulations—

“fixed monetary penalty” has the meaning given in regulation 4(3);

“FMP offence” has the meaning given in regulation 4(2);

“non-compliance penalty” has the meaning given in regulation 18(3);

“relevant permit” means any of the following—

(a) a permit within the meaning of the Offshore Chemicals Regulations 2002(a) (authorisation to use or discharge an offshore chemical);

(b) a permit within the meaning of the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005(b) (authorisation to discharge oil);

(c) a permit within the meaning of the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013(c) (written permission to operate an offshore combustion installation);

“Tribunal” means the First-tier Tribunal(d);

“variable monetary penalty” has the meaning given in regulation 11(3);

“VMP offence” has the meaning given in regulation 11(2).

#### **Penalties may be only be imposed in respect of acts or omissions occurring on or after [date] 2018**

**3.** The power to impose fixed and variable monetary penalties under these Regulations may be exercised only in relation to offences constituted by acts or omissions occurring on or after [date] 2018.

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(a) S.I. 2002/1355; relevant amending instruments are S.I. 2005/2055 and 2011/982. “Permit” is defined in regulation 2(1).

(b) S.I. 2005/2055, amended by S.I. 2011/983; there are other amending instruments but none is relevant. “Permit” is defined in regulation 2.

(c) S.I. 2013/971. “Permit” is defined in regulation 2(1).

(d) The First-tier Tribunal was established by section 3(1) of the Tribunals, Courts and Enforcement Act 2007 (c.15).

## PART 2

### Fixed monetary penalties

#### **Fixed monetary penalties: power to impose [s. 39(2)]**

4.—(1) If the Secretary of State is satisfied beyond reasonable doubt that a person has committed a FMP offence, the Secretary of State may, in accordance with this Part, impose a fixed monetary penalty on the person in relation to the offence.

(2) An offence is a “FMP offence” if—

- (a) the offence is contained in a provision set out in an entry in column 1 of any of the tables in the Schedule; and
- (b) “Yes” is set out in the corresponding entry in column 2.

(3) A “fixed monetary penalty”, in relation to a FMP offence set out in an entry in column 1 of any of the tables in the Schedule, is a requirement to pay to the Secretary of State a penalty of the amount set out in the corresponding entry in column 3.

#### **Fixed monetary penalties: duty to serve notice of intent [s. 40(2)(a), (c)(i); 51(1)(a)]**

5.—(1) This regulation applies where the Secretary of State proposes to impose a fixed monetary penalty on a person in relation to a FMP offence constituted by an act or omission (the “relevant act or omission”).

(2) Before imposing a fixed monetary penalty, the Secretary of State must first serve on the person a notice of what is proposed (a “notice of intent”) that complies with regulation 6.

(3) But no notice of intent may be served if—

- (a) the Secretary of State has previously imposed a variable monetary penalty on the person in relation to an offence constituted by the relevant act or omission; or
- (b) the relevant act or omission constituted a breach of a term or condition of a relevant permit and the permit has previously been revoked because of the breach.

(4) The person on whom the notice of intent is served may discharge the person’s liability for the fixed monetary penalty by paying two-thirds of the amount of the fixed monetary penalty to the Secretary of State within the period of 28 days beginning with the day on which the notice of intent is received.

(5) The person on whom the notice of intent is served may make written representations and objections to the Secretary of State in relation to the proposed imposition of the fixed monetary penalty within the period of 28 days beginning with the day on which the notice of intent is received.

#### **Fixed monetary penalties: content of notice of intent [s 40(2)(b), (3)]**

6. To comply with this regulation, the notice of intent must—

- (a) include information as to the grounds for the proposal to impose the fixed monetary penalty (including details of the relevant act or omission referred to in regulation 5(1));
- (b) state the amount of the fixed monetary penalty;
- (c) state that the person on whom the notice of intent is served may discharge the person’s liability for the fixed monetary penalty by paying to the Secretary of State the sum referred to in regulation 5(4) within the period referred to in that paragraph and include information as to how payment may be made;
- (d) state that the person on whom the notice of intent is served has the right to make written representations and objections to the Secretary of State in relation to the proposed imposition of the fixed monetary penalty within the period referred to in regulation 5(5) and include information about how representations and objections may be made; and

- (e) include information as to the circumstances in which the Secretary of State may not impose the fixed monetary penalty.

**Fixed monetary penalties: decision to impose [s. 40(2)(c)(ii) and (4)(a), 52]**

7.—(1) This regulation applies where the person on whom the notice of intent was served does not discharge the person’s liability for the fixed monetary penalty in accordance with regulation 5(4).

(2) After the end of the period referred to in regulation 5(5) (period in which person may make representations and objections), the Secretary of State must—

- (a) consider any representations and objections made by the person; and
- (b) decide whether or not to impose the fixed monetary penalty.

(3) The Secretary of State may not impose a fixed monetary penalty on a person in relation to an offence if the Secretary of State is satisfied that the person would not, by reason of any defence raised by the person, be liable to be convicted of the offence.

(4) If the Secretary of State decides not to impose the fixed monetary penalty, the Secretary of State must give notice in writing to the person on whom the notice of intent was served.

(5) If the Secretary of State decides to impose the fixed monetary penalty, the Secretary of State must serve on the person on whom the notice of intent was served a notice (a “final notice”) that complies with regulation 8.

(6) A person on whom a final notice is served must pay to the Secretary of State the amount of the fixed monetary penalty within the period of 28 days beginning with the day on which the final notice is received.

(7) The Secretary of State may at any time withdraw a final notice by giving notice in writing to the person on whom the final notice was served.

**Fixed monetary penalties: content of final notice [s 40(2)(d) and (5)]**

8. To comply with this regulation, the final notice must state the amount of the fixed monetary penalty and include information as to—

- (a) the grounds for imposing the fixed monetary penalty (including details of the act or omission giving rise to the penalty);
- (b) how payment may be made;
- (c) the period within which payment must be made;
- (d) rights of appeal; and
- (e) the consequences of non-payment.

**Fixed monetary penalties: appeals [s.40(2)(e) and (6), 54(3)]**

9.—(1) A person on whom a final notice is served may appeal to the Tribunal in relation to the decision to impose the fixed monetary penalty on any of the following grounds—

- (a) that the decision was based on an error of fact;
- (b) that the decision was wrong in law;
- (c) that the decision was unreasonable.

(2) Where an appeal is made in relation to a decision to impose a fixed monetary penalty, the fixed monetary penalty is suspended until a decision is made by the Tribunal in respect of the appeal.

(3) On an appeal, the Tribunal may do any of the following—

- (a) confirm the decision to impose the fixed monetary penalty and confirm the final notice;
- (b) set aside the decision to impose the fixed monetary penalty and cancel the final notice;

- (c) award costs.

**Fixed monetary penalties: criminal proceedings and convictions [s. 41]**

**10.**—(1) Where a notice of intent is served on a person under regulation 5—

- (a) no criminal proceedings for the offence in relation to which the notice was served may be instituted against the person in respect of the relevant act or omission referred to in paragraph (1) of that regulation before the end of the period referred to in paragraph (4) of that regulation (period in which person may discharge liability for fixed monetary penalty);
- (b) if the person discharges the person’s liability for the fixed monetary penalty in accordance with paragraph (4) of that regulation, the person may not at any time be convicted of that offence in respect of the relevant act or omission.

(2) Where a fixed monetary penalty is imposed on a person in relation to an offence, the person may not at any time be convicted of the offence in respect of the act or omission giving rise to the penalty.

## PART 3

### Variable monetary penalties

**Variable monetary penalties: power to impose [s. 42(2)]**

**11.**—(1) If the Secretary of State is satisfied beyond reasonable doubt that a person has committed a VMP offence, the Secretary of State may, in accordance with this Part, impose a variable monetary penalty on the person in relation to the offence.

(2) An offence is a “VMP offence” if—

- (a) the offence is contained in a provision set out in an entry in column 1 of any of the tables in the Schedule; and
- (b) “Yes” is set out in the corresponding entry in column 4.

(3) A “variable monetary penalty” is a requirement to pay to the Secretary of State a penalty of an amount determined by the Secretary of State.

(4) The amount of any variable monetary penalty must not exceed £50,000.

**Variable monetary penalties: duty to serve notice of intent [s. 43(2)(a), (b), (5); 51(1)(b)]**

**12.**—(1) This regulation applies where the Secretary of State proposes to impose a variable monetary penalty on a person in relation to a VMP offence constituted by an act or omission (the “relevant act or omission”).

(2) Before imposing a variable monetary penalty, the Secretary of State must first serve on the person a notice of what is proposed (a “notice of intent”) that complies with regulation 13.

(3) But no notice of intent may be served if—

- (a) the Secretary of State has previously imposed a fixed monetary penalty on the person in relation to an offence constituted by the relevant act or omission;
- (b) the person has discharged liability to a fixed monetary penalty in relation to an offence constituted by the relevant act or omission under regulation 5(4); or
- (c) the relevant act or omission constituted a breach of a term or condition of a relevant permit and the permit has previously been revoked because of the breach.

(4) The person on whom the notice of intent is served may offer to the Secretary of State within the period of 28 days beginning with the day on which the notice of intent is received an

undertaking as to action to be taken by the person (including the payment of a sum of money) to benefit any person affected by the offence in relation to which the notice of intent is served.

(5) The person on whom the notice of intent is served may make written representations and objections to the Secretary of State in relation to the proposed imposition of the variable monetary penalty within the period of 28 days beginning with the day on which the notice of intent is received.

**Variable monetary penalties: content of notice of intent [s. 43(3)]**

13. To comply with this regulation, the notice of intent must—

- (a) include information as to the grounds for the proposal to impose the variable monetary penalty (including details of the relevant act or omission referred to in regulation 12(1));
- (b) state the amount of the variable monetary penalty;
- (c) state that the person on whom the notice of intent is served may offer to the Secretary of State within the period referred to in regulation 12(4) an undertaking as to action to be taken by the person (including the payment of a sum of money) to benefit any person affected by the offence in relation to which the notice of intent is served and include information about how an undertaking may be offered;
- (d) state that the person on whom the notice of intent is served has the right to make written representations and objections to the Secretary of State in relation to the proposed imposition of the variable monetary penalty within the period referred to in regulation 12(5) and include information about how representations and objections may be made; and
- (e) include information as to the circumstances in which the Secretary of State may not impose the variable monetary penalty.

**Variable monetary penalties: decision to impose and to accept or reject undertaking [s. 43(2)(c) and (4)(a), (5), 52]**

14.—(1) After the end of the period referred to in regulation 12(5) (period in which person may make representations and objections), the Secretary of State must—

- (a) consider any representations and objections made by the person on whom the notice of intent was served;
- (b) decide whether to accept or reject any undertaking offered by the person and, if the Secretary of State decides to accept an undertaking, take the undertaking into account in making the decision referred to in sub-paragraph (c); and
- (c) decide to do one of the following—
  - (i) not to impose a variable monetary penalty;
  - (ii) to impose a variable monetary penalty of the amount stated in the notice of intent;
  - (iii) to impose a variable monetary penalty of a lower amount.

(2) The Secretary of State may not impose a variable monetary penalty on a person in relation to an offence if the Secretary of State is satisfied that the person would not, by reason of any defence raised by the person, be liable to be convicted of the offence.

(3) If the Secretary of State decides not to impose a variable monetary penalty, the Secretary of State must give notice in writing to the person on whom the notice of intent was served.

(4) If the Secretary of States decides to accept an undertaking from the person on whom the notice of intent was served, the Secretary of State must give notice in writing to the person.

(5) If the Secretary of State decides to impose a variable monetary penalty, the Secretary of State must serve on the person on whom the notice of intent was served a notice (a “final notice”) that complies with regulation 15.

(6) A person on whom a final notice is served must pay to the Secretary of State the amount of the variable monetary penalty within the period of 28 days beginning with the day on which the final notice is received.

(7) The Secretary of State may at any time withdraw a final notice by giving notice in writing to the person on whom the final notice was served.

**Variable monetary penalties: content of final notice [s 43(2)(d) and (6)]**

**15.** To comply with this regulation, the final notice must state the amount of the variable monetary penalty and include information as to—

- (a) the grounds for imposing the variable monetary penalty (including details of the act or omission giving rise to the penalty);
- (b) how payment may be made;
- (c) the period within which payment must be made;
- (d) rights of appeal; and
- (e) the consequences of non-payment.

**Variable monetary penalties: appeals [s.43(2)(e) and (7), 54(3)]**

**16.—**(1) A person on whom a final notice is served may appeal to the Tribunal in relation to the decision to impose the variable monetary penalty on any of the following grounds—

- (a) that the decision was based on an error of fact;
- (b) that the decision was wrong in law;
- (c) that the amount of the variable monetary penalty is unreasonable;
- (d) that the decision was unreasonable for any other reason.

(2) Where an appeal is made in relation to a decision to impose a variable monetary penalty, the variable monetary penalty is suspended until a decision is made by the Tribunal in respect of the appeal.

(3) On an appeal, the Tribunal may do any of the following—

- (a) confirm the amount of the variable monetary penalty and the final notice;
- (b) reduce the amount of the variable monetary penalty and amend the final notice;
- (c) set aside the decision to impose the variable monetary penalty and cancel the final notice;
- (d) award costs.

**Variable monetary penalties: criminal proceedings and convictions [s. 44]**

**17.—**(1) Where a variable monetary penalty is imposed on a person in relation to an offence, the person may not at any time be convicted of the offence in respect of the act or omission giving rise to the penalty.

(2) Where an undertaking is accepted from a person in relation to an offence, the person may not at any time be convicted of the offence in respect of the act or omission giving rise to the undertaking, except in a case where—

- (a) no variable monetary penalty was imposed on the person in respect of the act or omission giving rise to the undertaking; and
- (b) the person fails to comply with the undertaking.

**Non-compliance penalties: power to impose where undertaking not complied with [s. 45(1) to (3)(a), 52]**

**18.—**(1) This regulation applies where—



- (a) the Secretary of State accepts an undertaking from the person on whom the notice of intent was served; and
  - (b) the person fails to comply with the undertaking.
- (2) The Secretary of State may, by notice (a “non-compliance penalty notice”) served on the person, impose a non-compliance penalty on the person.
- (3) A “non-compliance penalty” is a requirement to pay to the Secretary of State a penalty of an amount determined by the Secretary of State.
- (4) The non-compliance penalty notice must state the amount of the non-compliance penalty and include information as to—
- (a) the grounds for imposing the non-compliance penalty;
  - (b) how payment may be made;
  - (c) the period within which payment must be made;
  - (d) rights of appeal; and
  - (e) the consequences of non-payment.
- (5) A person on whom a non-compliance penalty notice is served must pay to the Secretary of State the amount of the non-compliance penalty within the period of 28 days beginning with the day on which the non-compliance penalty notice is received.
- (6) The Secretary of State may at any time withdraw a non-compliance penalty notice by giving notice in writing to the person on whom the non-compliance penalty notice was served.

**Non-compliance penalties: appeals [s. 45(3)(b) and (4)]**

**19.—**(1) A person on whom a non-compliance penalty notice is served may appeal to the Tribunal against the decision to serve the notice on any of the following grounds—

- (a) that the decision was based on an error of fact;
- (b) that the decision was wrong in law;
- (c) that the decision was unfair or unreasonable for any reason (including that the amount of the non-compliance penalty is unreasonable).

(2) Where an appeal is made against a decision to serve a non-compliance penalty notice, the non-compliance penalty is suspended until a decision is made by the Tribunal in respect of the appeal.

(3) On an appeal, the Tribunal may do any of the following—

- (a) confirm the amount of the non-compliance penalty and the non-compliance penalty notice;
- (b) reduce the amount of the non-compliance penalty and amend the non-compliance penalty notice;
- (c) set aside the decision to impose the non-compliance penalty and cancel the non-compliance penalty notice;
- (d) award costs.

## PART 4

### Miscellaneous

**Guidance as to use of civil sanctions [s. 63]**

**20.—**(1) The Secretary of State must before [date] prepare and publish guidance about the Secretary of State’s use of the powers to impose fixed monetary penalties, variable monetary penalties [and non-compliance penalties].

- (2) The guidance must contain information as to—
- (a) the circumstances in which a penalty is likely to be imposed;
  - (b) the circumstances in which a penalty may not be imposed;
  - (c) in the case of a fixed monetary penalty—
    - (i) the amount of the penalty; and
    - (ii) how liability for the penalty may be discharged and the effect of discharge;
  - (d) in the case of a variable monetary penalty [or a non-compliance penalty], the matters likely to be taken into account by the Secretary of State in determining the amount of the penalty (including, where relevant, any discounts for voluntary reporting of non-compliance);
  - (e) rights to make representations and objections;
  - (f) rights of appeal.
- (3) The Secretary of State must from time to time review the guidance and, where appropriate, prepare and publish revised guidance.
- (4) The Secretary of State must consult such persons as the Secretary of State considers appropriate before publishing the guidance or any revised guidance.
- (5) The Secretary of State must have regard to the guidance, or any revised guidance, in exercising the Secretary of State’s functions under these Regulations.

**Publication of enforcement action [s. 65]**

- 21.**—(1) The Secretary of State must from time to time publish a report specifying—
- (a) the cases in which a fixed or variable monetary penalty [or a non-compliance penalty] has been imposed (other than cases where the penalty has been imposed but overturned on appeal);
  - (b) the cases in which liability for a fixed monetary penalty has been discharged by payment under regulation 5(4);
  - (c) the cases in which an undertaking is accepted from a person under regulation 14(1)(b).
- (2) But the Secretary of State is not required to include in the report anything that the Secretary of State thinks is not appropriate for publication.
- (3) The first report must be published before [date].
- (4) Subsequent reports must be published at intervals not exceeding [x] years.

**Service, etc. of notices**

- 22.**—(1) Any notice that the Secretary of State must or may serve on or give to a person under these Regulations may be served or given in any of the following ways—
- (a) by delivering it to the person;
  - (b) by leaving it at the person’s proper address;
  - (c) by sending it by post to the person at the person’s proper address;
  - (d) if the person is a body corporate, by serving it in accordance with sub-paragraph (a), (b) or (c) on the secretary of the body;
  - (e) if the person is a partnership, by serving it in accordance with sub-paragraph (a), (b) or (c) on a partner or a person having the control or management of the partnership business;
  - (f) in a case where an address for correspondence using electronic communications is given by the person, by sending it using electronic communications to the person at that address, provided that the condition referred to in paragraph (2) is satisfied.
- (2) The condition is that the notice is—
- (a) capable of being accessed by the person;

(b) legible in all material respects; and

(c) in a form sufficiently permanent to be used for subsequent reference.

(3) Paragraph (1)(f) does not apply if the person notifies the Secretary of State (before any notice is served or given) that the person does not wish the notice to be sent using electronic communications.

(4) For the purposes of this regulation and section 7 of the Interpretation Act 1978(a) (which relates to the service of documents by post) in its application to this regulation, the proper address of any person on or to whom a notice is to be served or given is the person's last-known address, except that—

(a) in the case of service on a body corporate or its secretary, it is the address of the registered or principal office of the body;

(b) in the case of service on a partnership, a partner or a person having control or management of a partnership business, it is the address of the principal office of the partnership;

and for the purposes of this paragraph the principal office of a company registered outside the United Kingdom or of a partnership carrying on business outside the United Kingdom is its principal office within the United Kingdom.

(5) If a person to be served with a notice, or to whom a notice is to be given, under these Regulations notifies the Secretary of State that an address within the United Kingdom other than the person's proper address (as determined under paragraph (4)) is the one at which the person or someone on the person's behalf will accept service of notices under these Regulations, that address must also be treated as the person's proper address for the purposes of this regulation and for the purposes of section 7 of the Interpretation Act 1978 in its application to this regulation.

(6) In this regulation—

“address”, in relation to electronic communications, means any number or address used for the purposes of such communications;

“electronic communication” has the same meaning as in the Electronic Communications Act 2000(b);

“legible in all material respects”, in relation to a notice, means that the information contained in the notice is available to the person on whom it is served to no lesser extent than it would be if served by means of a notice in printed form.

### Recovery of payments

**23.—**(1) The Secretary of State may recover any fixed monetary penalty, variable monetary penalty or non-compliance penalty imposed under these Regulations as if payable under a court order.

(2) The Secretary of State may recover any fixed monetary penalty, variable monetary penalty or non-compliance penalty imposed under these Regulations as if payable under an extract registered decree arbitral bearing a warrant for execution by a sheriff of any shireffdom.”

Date \_\_\_\_\_  
Department for Business, Energy and Industrial Strategy  
*Name*  
Secretary of State

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(a) 1978 c.30.

(b) 2000 c.7. The definition of “electronic communication” is in section 15(1). The definition was amended by paragraph 158 of Schedule 17 to the Communications Act 2003 (c.21).

## SCHEDULE

regs. 4(2), 4(3) and 11(3)

### Offences

**1. The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998(a).**

(1) <i>Provision of the above</i>	(2) <i>Fixed monetary penalty</i>	(3) <i>Amount of fixed monetary penalty</i>	(4) <i>Variable monetary penalty</i>
regulation 7(1)(a)	Yes	£2,500	Yes
regulation 7(1)(b)	Yes	£500	–
regulation 7(1)(c)	Yes	£1,000	Yes
regulation 7(2)	Yes	£1,000	–
regulation 7(3)	Yes	£1,000	Yes
regulation 7(4)	Yes	£1,000	Yes

**2. The Offshore Chemicals Regulations 2002.**

(1) <i>Provision of the above</i>	(2) <i>Fixed monetary penalty</i>	(3) <i>Amount of fixed monetary penalty</i>	(4) <i>Variable monetary penalty</i>
regulation 18(1)(a)	Yes	£2,500	Yes
regulation 18(1)(b)	Yes	£2,500	Yes
regulation 18(1)(c)	Yes	£1,000	–
regulation 18(1)(d)	Yes	£1,000	–
regulation 18(1)(e)(i)	Yes	£1,000	–
regulation 18(1)(e)(ii)	Yes	£1,000	–
regulation 18(1)(f)	Yes	£1,000	–
regulation 18(1)(g)	Yes	£1,000	–
Regulation 18(1)(h)	Yes	£2,500	Yes

**3. The Offshore Installations (Emergency Pollution Control) Regulations 2002(b).**

(1) <i>Provision of the</i>	(2) <i>Fixed monetary</i>	(3) <i>Amount of fixed</i>	(4) <i>Variable monetary</i>
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(a) S.I. 1998/1056, amended by S.I. 2015/386; there are other amending instruments but none is relevant.

(b) S.I. 2002/1861, amended by S.I. 2015/664; there is another amending instrument, but it is not relevant.

<i>above</i>	<i>penalty</i>	<i>monetary penalty</i>	<i>penalty</i>
regulation 5(1)	Yes	£2,500	Yes
regulation 5(2)	Yes	£1,000	–

**4. The Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005.**

<i>(1)</i> <i>Provision of the above</i>	<i>(2)</i> <i>Fixed monetary penalty</i>	<i>(3)</i> <i>Amount of fixed monetary penalty</i>	<i>(4)</i> <i>Variable monetary penalty</i>
regulation 16(1)(a)	–	–	Yes
regulation 16(1)(aa)	–	–	Yes
regulation 16(1)(b)	Yes	£2,500	Yes
regulation 16(1)(c)	Yes	£1,000	–
regulation 16(1)(d)	Yes	£1,000	–
regulation 16(1)(e)	Yes	£1,000	–
regulation 16(1)(f)	Yes	£1,000	–
regulation 16(1)(g)	Yes	£1,000	–

**5. The Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013.**

<i>(1)</i> <i>Provision of the above</i>	<i>(2)</i> <i>Fixed monetary penalty</i>	<i>(3)</i> <i>Amount of fixed monetary penalty</i>	<i>(4)</i> <i>Variable monetary penalty</i>
regulation 34(1)(a)	Yes	£2,500	Yes
regulation 34(1)(b)	Yes	£1,000	Yes
regulation 34(2)(a)	Yes	£2,500	Yes
regulation 34(2)(b)	Yes	£1,000	–
regulation 34(2)(c)	Yes	£1,000	–
regulation 34(2)(d)	Yes	£1,000	–
regulation 34(2)(e)	Yes	£1,000	–

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations give the Secretary of State the power to impose civil sanctions by way of fixed and variable monetary penalties on persons in respect of certain criminal offences under the following—

- the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 (S.I. 1998/1056);

- the Offshore Chemicals Regulations 2002 (S.I. 2002/1355);
- the Offshore Installations (Emergency Pollution Control) Regulations 2002 (S.I. 2001/1861);
- the Offshore Petroleum Activities (Oil Pollution Prevention and Control) Regulations 2005 (S.I. 2005/2055);
- the Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (S.I. 2013/971).

The offences, which are set out in the Schedule to these Regulations, are enforced by the Offshore Petroleum Regulator for Environment & Decommissioning of the Department for Business, Energy and Industrial Strategy. For some offences, the Secretary of State may impose either a fixed or a variable monetary penalty; for others, only one of the penalties is available.

The Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) Regulations 1998 were amended by the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operation Convention) (Amendment) Regulations 2015 (S.I. 2015/386) to include offences for the purpose of implementing the environmental requirements of Articles 14 and 28 of Directive 2013/30/EU of the European Parliament and of the Council of 12th June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC (O.J. L 178, 28.6.2013, p.66). As these Regulations give the Secretary of State the power to impose fixed and variable monetary penalties in respect of those offences, these Regulations also implement that Directive.

#### Fixed monetary penalties

The amount of the fixed monetary penalty in relation to an offence is set out in the Schedule. Before imposing a fixed monetary penalty, the Secretary of State must first serve a “notice of intent” (see regulation 5). A person who receives a notice of intent may, within 28 days of receipt, make representations to the Secretary of State or discharge liability for the penalty by paying two-thirds of the amount. A person who discharges liability for a penalty in this way may not be convicted of the offence in relation to which the notice of intent was served in respect of the act or omission constituting the offence (see regulation 10(1)(b)).

The Secretary of State must consider any representations made and decide whether or not to impose the fixed monetary penalty (see regulation 7). If the decision is to impose the penalty, a “final notice” must be served.

#### Variable monetary penalties, undertakings and non-compliance penalties

The amount of a variable monetary penalty in relation to an offence is determined by the Secretary of State (see regulation 11). Before imposing a variable monetary penalty, the Secretary of State must first serve a “notice of intent” (see regulation 12) setting out the amount of the penalty. A person who receives a notice of intent may, within 28 days of receipt, make representations to the Secretary of State and offer an undertaking as to action to be taken (including the payment of a sum of money) to benefit persons affected by the offence.

The Secretary of State must consider any representations made, decide whether to accept any undertaking offered and decide whether or not to impose the variable monetary penalty or to impose a penalty of a lower amount (see regulation 14). An undertaking may be accepted even if the penalty is not imposed. If the decision is to impose the penalty, a “final notice” must be served.

Where a person fails to comply with an undertaking accepted by the Secretary of State, the Secretary of State may impose a monetary penalty (a “non-compliance penalty”) on the person of an amount determined by the Secretary of State by serving a “non-compliance penalty notice” (see regulation 18). Where an undertaking is accepted but no variable monetary penalty is imposed, it is possible for a person who fails to comply with the undertaking to be convicted of the offence in respect of the act or omission giving rise to the undertaking (see regulation 17(2)).

#### General

Fixed and variable monetary penalties may be imposed only if the Secretary of State is satisfied beyond reasonable doubt that an offence has been committed (see regulations 4(1) and 11(1)). A penalty may not be imposed if the Secretary of State is satisfied that the person would not, by reason of any defence, be liable to be convicted of the offence (see regulations 7(3) and 14(2)).

A fixed monetary penalty may not be imposed if a variable monetary penalty has been imposed in respect of the same act or omission (and vice versa) (see regulations 5(3) and 12(3)). Nor may a penalty be imposed in respect of an act or omission that constitutes a breach of a “relevant permit” (as defined in regulation 2) if the permit has been revoked for that breach.

Where a fixed or variable monetary penalty has been imposed on a person in relation to an offence, the person may not be convicted of the offence in respect of the act or omission giving rise to the penalty (see regulations 10(2) and 17(1)).

Penalties must be paid within 28 days of receipt of the final notice or non-compliance penalty notice (see regulations 7, 14 and 18). The Secretary of State may recover the amount of any unpaid penalty as if [payable under a court order](#).

### Appeals

A person may appeal to the First-tier Tribunal against the decision to impose fixed and variable monetary penalties and non-compliance penalties (including the amount of a variable monetary penalty or a non-compliance penalty) (see regulations 9, 16 and 19).

### Miscellaneous

The Secretary of State must publish guidance before [date] about the use of the powers to impose fixed and variable monetary penalties and non-compliance penalties and must have regard to the guidance in exercising functions under these Regulations (see regulation 20).

The Secretary of State must from time to time publish a report specifying the cases in which (i) fixed or variable monetary penalties and non-compliance penalties have been imposed; (ii) liability for a fixed monetary penalty has been discharged by payment of two-thirds the amount of the penalty; and (iii) undertakings have been accepted (see regulation 21). The first report must be published before [date], and subsequent reports must be published at intervals not exceeding [x] years.

Section 64 of the Regulatory Enforcement and Sanctions Act 2008 requires the Secretary of State to publish guidance about how the offences set out in the Schedule are enforced.

Section 67 of that Act provides for the Secretary of State to review these Regulations as soon as practicable after [[date] 2021]. In light of this requirement, the Secretary of State has published a statement under section 28(2)(b) of the Small Business, Enterprise and Employment Act 2015 that it is not appropriate to make provision for review in these Regulations.

[impact assessment wording]