

## EU REFERENDUM

### Oil and Gas

The EU has implemented the following legislation which has a direct impact on the oil and gas industry: the Safety of Offshore Oil and Gas Operations Directive which seeks to prevent accidents and ensure prompt responses to incidents, and the Prospection, Exploration and Production of Hydrocarbon Directive which is aimed at ensuring fair (and safe) competition within the sector.

### Should the UK remain a member of the European Union?

Yes

No

The Prime Minister has renegotiated the UK's terms of membership. The following themes of the renegotiation will be of relevance to the oil and gas sector:

#### **Economic Competitiveness**

The settlement commits to further reductions in red tape and beauracracy in the EU. Further clarity is required about how these reforms will work in practice.

The EU has agreed to add provision for national parliaments to "red card" draft legislation from the EU if 55% of the national parliaments object to it. This is particularly relevant given the concerns highlighted by the UK Government during the passage of the safety Directive outlined above.

#### **Employment**

The renegotiation agreed to member states being able to reject claims for social assistance from EU citizens. It is unclear whether this will apply to in-work benefits such as tax credits.

The legislation implemented above are Directives, which means national authorities must draw up legislation in order to conform with the directive within a certain time frame. This means legislation already exists which meets the needs of the UK as a country. Therefore, there would be a limited impact on oil and gas companies in the areas of competition and safety.

#### **Exports and Operations in the EU**

Given the UK legislation already meets the requirements of the EU Directive, it can be assumed that oil and gas operators with activity in other EU countries will be able to continue to do so.

#### **Employment for EU citizens**

Further clarity is needed about whether EU citizens will be permitted to continue to work in the EU.