



Treaty Series No. 4 (2012)

Agreement

between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Denmark on the Reciprocal Holding of Stocks of Crude Oil and/or Petroleum Products

London, 26 March 2007

[The Agreement entered into force on 26 March 2007]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
January 2012*

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Any enquiries regarding this publication should be sent to us at Treaty Section, Foreign and Commonwealth Office, King Charles Street, London, SW1A 2AH

This publication is also available on <http://www.official-documents.gov.uk/>

ISBN: 9780101825924

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID P002472117 01/12 17744 19585

Printed on paper containing 30% recycled fibre content minimum.

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF DENMARK ON THE RECIPROCAL HOLDING OF
STOCKS OF CRUDE OIL AND/OR PETROLEUM PRODUCTS**

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Denmark:

HAVING REGARD to Council Directive 2006/67/EC of 24 July 2006 imposing obligations on Member States to maintain minimum stocks of crude oil and/or petroleum products (the Directive);

HAVING REGARD to Article 7.1 of the Directive which envisages the establishment of stocks within the territory of a Member State for the account of undertakings established in another Member State, under individual agreements between Governments;

HAVING REGARD to national legislation regarding oil stocking obligations;

HAVE AGREED as follows:

ARTICLE 1

For the purposes of this Agreement:

- (a) "competent authority" means the Governmental authority of each State responsible for supervising the fulfilment by undertakings of stock obligations;
- (b) "supply crisis" means a supply crisis as declared by the European Union or the International Energy Agency;
- (c) "territory" means that area over which each Government exercises jurisdiction excluding, in the case of Denmark, the Faroe Islands and Greenland; and
- (d) "undertaking" means any undertaking, body or entity established in the territory of one State which holds stocks for the purpose of facilitating compliance, whether by that undertaking, or by a third party, with the law relating to oil stocking obligations of that or the other State.

ARTICLE 2

This Agreement applies to stocks of crude oil and of any petroleum products including blending and finished products covered by the Directive which have been accepted by the competent authorities of both States as being stocks to which this Agreement applies.

ARTICLE 3

(1) An undertaking established in the United Kingdom may hold stocks to which this Agreement applies in Denmark. Such stocks may be held either:

- (a) directly by the undertaking established in the United Kingdom, or
- (b) by an undertaking established in Denmark, on behalf of the undertaking established in the United Kingdom.

(2) An undertaking established in Denmark may hold stocks to which this Agreement applies in the United Kingdom. Such stocks may be held either:

- (a) directly by the undertaking established in Denmark, or
- (b) by an undertaking established in the United Kingdom, on behalf of the undertaking established in Denmark.

(3) For stocks to be eligible for acceptance under Article 2 of this Agreement, the undertaking seeking acceptance of those stocks under that Article must have agreed to hold them whether itself or through a third party, from the first day of any calendar month for three or more full calendar months, after acceptance by the competent authorities of both States.

(4) If an undertaking holds stocks on behalf of another undertaking in accordance with paragraphs (1) (b) or (2) (b) of this Article, then those stocks shall not also be taken into account by the former undertaking for purposes of fulfilling its own stock holding obligation.

ARTICLE 4

Neither Government shall oppose the removal of stocks to which this Agreement applies from its territory in accordance with directions issued by the competent authority of the other State.

ARTICLE 5

(1) No stocks may be accepted under Article 2 of this Agreement as being stocks to which this Agreement applies unless:

- (a) the undertaking seeking to hold the stocks outside its State of establishment ("the first undertaking") has furnished the competent authority of its State of establishment, not later than one calendar month before the commencement of the period to which the acceptance relates, with the following particulars:
 - (i) its name and address and the name and address of the undertaking established in the State where the stocks are to be held ("the second undertaking") which is to hold the stocks on its behalf;
 - (ii) the category and quantity of the stocks; and
 - (iii) the period for which the stocks are to be held.
- (b) both the first and the second undertakings consent to the competent authorities of the two States disclosing to each other any information obtained for the purpose of implementing this Agreement.

(2) Where the first undertaking is seeking to hold outside its State of establishment stocks which will not be owned by itself but will be held at its disposal by the second undertaking, then in addition to the provisions of paragraph (1) of this Article, no stocks which are to be so held may be accepted under Article 2 of this Agreement as being stocks to which this Agreement applies, unless:

- (a) the stocks are to be held by virtue of an agreement in writing between the first undertaking and the second undertaking (the "contract") which will subsist throughout the period to which the acceptance relates;
- (b) the first undertaking has the contractual right to acquire the stocks throughout the period of the contract and the methodology for establishing the price of such acquisition is agreed between the parties concerned;
- (c) the actual availability of the stocks for the first undertaking is guaranteed at all times throughout the period of the contract, and
- (d) the second undertaking is one which is subject to the jurisdiction of the State in whose territory the stocks are situated insofar as the legal powers of that State to control and verify the existence of the stocks are concerned.

(3) Where the competent authority of one State has been furnished with particulars under paragraph (1) (a) of this Article, or any changes in respect of such

particulars, and accepts the stocks in question as stocks to which this Agreement applies, that authority shall, not later than ten working days before the commencement of the period to which the acceptance relates, transmit the particulars to the competent authority of the other State and notify it of such acceptance.

(4) The competent authority to which such particulars and notification are given shall notify the competent authority of the other State whether or not it accepts the stocks in question as stocks to which this Agreement applies not later than five working days before the commencement of the period to which the acceptance relates. In the event that no such notification is received it shall be deemed not to have accepted the stocks in question as stocks to which this Agreement applies.

(5) Any acceptance under paragraphs (3) or (4) of this Article may be withdrawn by either competent authority if any material inaccuracy is found in the particulars furnished:

- (a) in respect of that acceptance under paragraph (1) (a) of this Article; or
- (b) if there is any subsequent material change in the matters to which those relate.

Before withdrawing an acceptance under this provision the competent authority concerned shall inform the competent authority of the other State and afford the undertaking which had furnished the particulars a reasonable opportunity to make representations.

(6) Notwithstanding the time limits indicated in Article 5, the competent authorities may, if necessary, agree to extend any or all of those time limits.

ARTICLE 6

(1) Each competent authority shall require any undertaking holding stocks in the territory of the other State to furnish it with a statistical return, at least monthly, of those stocks within six weeks of the expiry of the period to which the return relates.

(2) Each statistical return to be furnished under paragraph (1) of this Article shall include particulars of:

- (a) the name and address of the undertaking holding the stocks in the territory of the other State and, where applicable, the name and address of the undertaking established in the State where the stocks are to be held, which is to hold the stocks on its behalf; and
- (b) the category and quantity of the stocks.

(3) Each competent authority shall check the information contained in the statistical returns and notify forthwith the competent authority of the other contracting party of any material discrepancy in respect of that information.

(4) Each competent authority shall from time to time and, in particular, whenever so requested by the competent authority of the other State undertake any inspections, checks or other verification measures which it considers appropriate in respect of stocks accepted as being stocks to which this Agreement applies and shall notify the competent authority of the other State immediately of any material discrepancy or irregularity which those inspections, checks or other verification measures reveal.

ARTICLE 7

The two Governments agree to consult each other as soon as reasonably practicable:

- (a) in the event of a supply crisis; or
- (b) at the request of either of them in order to:
 - (i) resolve any difficulty arising in the interpretation or application of this Agreement; or
 - (ii) amend any of the terms of this Agreement, in which case consultations must begin no later than 60 days after the request has been received.

ARTICLE 8

This Agreement may be amended by agreement between the two Governments which shall be confirmed in an Exchange of Notes, and which shall enter into force on the thirtieth day following the date of receipt of the later of the two Notes.

ARTICLE 9

This Agreement shall enter into force on the date of signature by both Governments.

ARTICLE 10

(1) This Agreement shall remain in force for an indefinite period of time but may be terminated by either Government upon giving notice in writing, through the diplomatic channel to the other Government, not less than six months before the

end of any calendar year. In such event the Agreement shall cease to be in force from the first day of the following calendar year.

(2) If a Government exercises the power of termination in paragraph (1) of this Article it shall forthwith give notice in writing of the same to the Commission of the European Union.

(3) The power of termination in paragraph (1) of this Article shall not be exercisable during a supply crisis.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

Done in duplicate at London on this twenty-sixth day of March 2007 in the English language only.

**For the Government of the
United Kingdom of Great Britain
and Northern Ireland:**

For the Government of Denmark:

PETER TRUSCOTT

BIRGER RIIS-JØRGENSEN



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Published by TSO (The Stationery Office) and available from:

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ISBN 978-0-10-182592-4



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