



GUIDE TO MINERAL LEGISLATION AND REGULATIONS IN SWEDEN

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SGU

Sveriges geologiska undersökning
Geological Survey of Sweden

A GUIDE TO

Mineral legislation and regulations in Sweden, particularly the Minerals' Act (1991:45)

This guide is an introduction to the Swedish mineral legislation and regulations. The guide has however no official status. Those who want to know the exact wording of the Acts are referred to the Swedish law text.

KIND OF LAND COVERED

The Act is applicable to exploration and exploitation on land no matter what is the ownership. (See limitations p. 3.)

MINERALS COVERED BY THE ACT

The mineral substances (concession minerals) covered by the Act are:

- 1) antimony, arsenic, beryllium, bismuth, cesium, chromium, cobalt, copper, gold, iridium, iron occurring in the bedrock, lanthanum and lanthanide series, lead, lithium, manganese, mercury, molybdenum, nickel, niobium, osmium, palladium, platinum, rhodium, rubidium, ruthenium, scandium, silver, strontium, tantalum, thorium, tin, titanium, tungsten, uranium, vanadium, yttrium, zinc and zirconium,
- 2) alum shale, andalusite, apatite, baryte, brucite, refractory clay or clinkering clay, coal, fluorspar, graphite, kyanite, magnesite, nepheline syenite, pyrite, pyrrhotite, rock salt or other similar salt deposits, sillimanite and wollastonite,
- 3) oil, gaseous hydrocarbons and diamonds.

Other minerals, not mentioned above, belong to the landowner.

PERMIT – CONCESSION

Exploration may be carried out only by the holder of an exploration permit (exceptions: See Minerals' Act Chapter 1 Section 4) and exploitation only by the holder of an exploitation concession.

OWNERSHIP – RESTRICTIONS

There are no restrictions to foreigners obtaining exploration permits and exploitation concessions.

An exploration permit or an exploitation concession may be transferred after consent by the issuing authority.

EXPLORATION PERMIT

Area

An exploration permit is granted for a specific area where there is some likelihood of a successful discovery being made. It should be of suitable shape and size and no larger than may be assumed can be explored by the permit-holder in an appropriate manner.

Within a distance of 1000 metres from an exploitation concession with a mine in operation an exploration permit must not be granted but for the concession-holder. If mining operation does not commence within three years from the granting of the concession, exploration permits can be issued until the mining activity begins.

Prerequisites

An exploration permit shall be granted, if there is reason to assume that exploration in the area can lead to the discovery of a concession mineral. A permit shall however not be granted if it is obvious that the applicant has not the possibility or intention to conduct appropriate exploration or has earlier shown unsuitable to conduct exploration work.

A permit for exploration with regard to oil, gaseous hydrocarbons or diamonds may only be granted to a person who can prove that he is suitable to carry out such exploration work.

Time

An exploration permit is valid for a period of three years from the date of issue. After that, on application, it may be extended by another period of up to a maximum of three years if suitable exploration has been carried out within the area. The same is valid if the permit-holder has plausible excuses for exploration not yet having been carried out but nonetheless shows it likely that the area will be explored during the period referred to in the application.

In exceptional cases the period of validity of the permit may be further extended but for no more than a total of four years and in extreme cases by a further maximum of five years.

This means that the longest possible valid period for any one permit is fifteen years.

Moratorium – waiting period

When an exploration permit has expired, an application will not be considered for the same area or part of it during the first year after the permit was terminated. If special reasons apply, the Mining Inspector may allow an exception to be made from that provision.

Limitations

Exploration and exploitation cannot be carried out in national parks. Such activities are also seldom permitted in the following areas:

- those included in detailed town plans or in regional provisions according to the Planning and Building Act (1987:10),
- within 30 metres from public roads, railways, canals or airports,
- within 200 metres of any inhabited building,
- areas occupied by electric power stations or industrial plants,
- within 200 metres from churches or other assembly halls, educational institutions, hotels or boarding houses, hospitals or other comparable establishment intended for more than 50 persons,

- areas of fortification,
- churchyards or other burial grounds,
- certain areas in the Swedish mountains.

Before any exploration work starts, which can have a significant impact on the natural environment, notice of consultation shall be made to the supervisory authority (The County Administrative Board) in accordance with the provisions in the Environmental Code (1998:808) Chapter 12 Section 6.

Working plan

Before exploration work begins the permit-holder has to set up a working plan. The plan shall contain a description of the work planned, a timetable and an assessment of the impact on private rights and public interests. The plan shall be communicated to all landowners and other parties affected. A working plan will enter into force if there are no objections. It will also enter into force if the applicant and the objecting party can agree on the plan. If they cannot agree, the matter can be tried by the Mining Inspector, who in some cases can set up conditions for the exploration work

Damage

The explorer has to submit security for the compensation of damage and encroachment from exploration work. Before any work can start the sum of security has to be guaranteed.

Reports

When an exploration permit is terminated without the granting of an exploitation concession within the exploration area, the permit-holder shall – if he is carrying on exploration work professionally – within three months at the latest provide a report of exploration performed. A map of the explored area shall be appended to the report.

The report shall state:

- who has conducted the exploration work,
- the kind of exploration carried out,
- the extent of the exploration and,
- the results.

EXPLOITATION CONCESSION

Area

A concession is valid for a definite area, which is decided on the basis of the extent of the deposit, the purpose of the concession and other circumstances.

Prerequisites

A concession shall be granted if

- a mineral deposit has been found which can probably be exploited economically,
- the location and nature of the deposit does not make it inappropriate that the applicant is granted the concession requested and
- in the case of oil and gas, the applicant is considered appropriate for the exploitation of the deposit.

The Environmental Code (1998:808) shall be applicable in matters concerning the granting of a concession, which means, *inter alia*, that an Environmental Impact Assessment (EIA) shall be contained in an application for a concession.

Time

An exploitation concession is granted for a period of 25 years unless the applicant requests a shorter period of time.

The concession period is extended by ten years at a time without application if regular exploitation is in progress when the period of validity expires. A shorter period may be decided at the request of the concession-holder.

Designation of land

A legal proceeding for designation of land is held at the request and cost of the concession-holder. (See Minerals Act Chapter 9 Section 20.)

This determines land within the concession area, which the concession-holder may use for exploitation of the mineral deposit. A decision is also taken regarding the land, within or outside the concession area, which the concession-holder may use for activities related to the exploitation. In this connection the nature of the activity shall be stated.

When an exploitation concession is terminated, the concession-holder shall, at that date, forfeit the right to land assigned to him.

Minerals fee

When mining, the holder of an exploitation concession must pay an annual minerals fee to the landowners of the concession area and the state. The fee is 2 promille of the average value of the concession minerals mined, 1.5 promille of which is paid to the landowners to be distributed among them in proportion to their share of the concession area. The remaining 0.5 promille is paid to the state to be used for research and development in the field of sustainable development of mineral resources.

OTHER ACTS AFFECTING EXPLORATION AND EXPLOITATION

Among the acts with provisions affecting the activities referred to in the Minerals Act are the following:

Planning and Building Act (1987:10), *Plan- och bygglagen*

Environmental Code (1998:808), *Miljöbalken*

Act (1988:950) concerning the Cultural Heritage Management, *Kulturminneslagen*.

TAXES

Apart from the normal corporate tax, currently 28 percent, there are no additional special tax regulations appertaining to mining.

Fees related to mineral exploration and exploitation

An applicant in matters under the Minerals Act shall pay an application fee and an exploration fee to the Mining Inspector at the same time as the application is submitted. The application fee is SEK 500 for each exploration area and every new 2 000 hectares of each area. The exploration fees are related to the area of interest.

For the first three years exploration period the fees are as follows:

For diamonds, oil and/or gaseous hydrocarbons	SEK 2 per hectare
For other minerals	SEK 20 per hectare

The minimum fee is SEK 100 and it covers the entire three-year period of validity.

If the period of validity is extended, the fee for years four to six is:

For diamonds, oil and/or gaseous hydrocarbons	SEK 2 per hectare and year
For other minerals	SEK 21 per hectare and year

The minimum fee is SEK 200.

Further extended periods have still higher fees.

All fees shall be paid in advance for the exploration period or the extended period. If an area is reduced during the exploration the fee will be partially reimbursed.

The application fee for an exploitation concession is SEK 80 000 for each area.

Authorities

Compliance with the Minerals Act is governed by the Mining Inspector. Applications for permits or concessions should be sent to one of the Mining Inspector's two offices (Luleå or Falun).

Further questions concerning exploration and mining can be directed to the Mining Inspectorate.
www.bergsstaten.se

Head office:

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The Geological Survey of Sweden gives general information on geological and related matters as well as advice on legal matters in connection with the mineral policy etc.

www.sgu.se

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The Geological Survey also has a mineral information office in Malå in northern Sweden, which is intended to serve the needs of mineral exploration.

www.minko.se

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MINING INSPECTORATE

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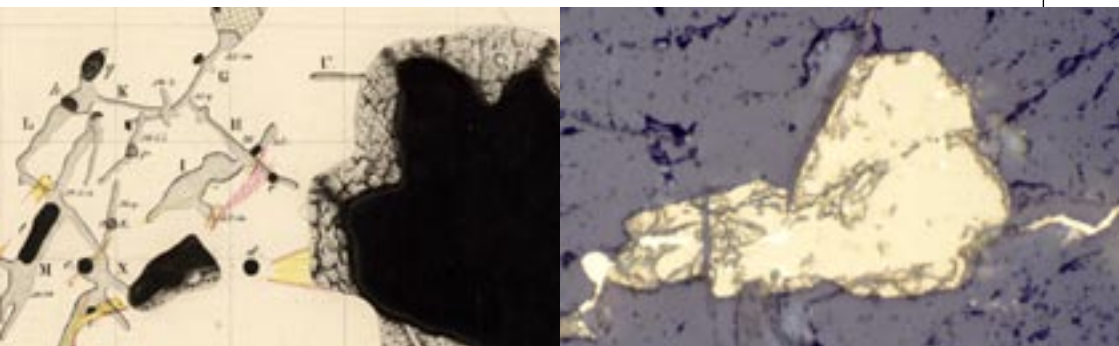
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