

In force from 15/03/2019

Act XLVIII of 1993

on mining

The purpose of this Act is to regulate the mining of mineral resources, the prospecting and extraction of geothermal energy, the establishment and operation of hydrocarbon transmission pipelines, and related activities consistently with the protection of life, health, safety, the environment and property, and the management of mineral and geothermal energy reserves.

PART I

GENERAL PROVISIONS

Scope

Section 1(1) The following falls within the scope of this Act:

- (a) mining of mineral resources;**
- (b) suspension of extraction and land rehabilitation after extraction;**
- (c) establishment, recovery and termination of waste heaps;**
- (d) management, recovery and abandonment of areas of closed underground mines that remain open;**
- (e) other underground activities not serving mining purposes, carried out with mining methods, falling within the scope of other acts (shaft sinking, deep drilling, tunnelling and drifting);**
- (f) establishment, putting into service, technical operation, abandonment and dismantling of technological installations used in hydrocarbon extraction, pipelines, hydrocarbon transmission, natural gas distribution pipelines and direct lines, and the pipelines of other gases and gas products;**
- (g) development of geological structures suitable for hydrocarbon storage and their utilisation for storage;**
- (h) prospecting, extraction and recovery of geothermal energy;**
- (i) geological tasks of the State not falling within the scope of other acts;**
- (j) treatment of mining waste;**

(k) prospecting, development for storage, utilisation and closure of geological structures suitable for the storage of carbon dioxide of energy and industrial origin, and transmission of carbon dioxide in pipelines for the purpose of geological storage;

(l) geological prospecting, not including prospecting necessary for testing, assessing and installing sites of nuclear facilities, radioactive waste disposal sites and radioactive waste storage facilities;

(m) establishment, operation and closure of mineral borrow pits necessary for the establishment of public water installations for defence and protection against water damage;

(n) installations and facilities necessary for activities listed in points (a)–(m), and special civil works serving geological prospecting for testing, assessing and installing sites of nuclear facilities, radioactive waste disposal sites and radioactive waste storage facilities.

(2) The prospecting and extraction of mineral resources found in placer and alluvion is also deemed to be an activity listed in point (a) of paragraph (1).

(3)

(4) Unless provided otherwise by this Act, environmental and water management legislation is applicable to water sources.

(5) The following shall be excluded from the scope of this Act:

(a) geological storage of carbon dioxide, with a total planned storage quantity of less than 100 kilotonnes, undertaken for research, development or testing of new products and processes,

(b) manual sluicing.

(6) Mine railways, mine cableways and belt conveyors, and gathering pipelines located within and between fields are deemed to be installations necessary for the above listed activities, falling within the scope of this Act.

(7) The provisions of Sections 3, 20, 25, 41, 41/A and 44 shall apply to extraction of mineral resources under an administrative licence other than that of the Mining Authority, or necessary for averting disaster, or an emergency within the meaning of Section 53 of the Fundamental Law.

(8) The provisions of this Act shall apply to extractive operations carried out at target extraction sites necessary for constructing the earthworks of expressways defined in Schedule 1 of Act CXXVIII of 2003 on the public interest and development of the expressway network of the Republic of Hungary (hereinafter ‘Expressway Act’), and for transport development projects declared a national economic priority only to the extent ordered by the

Expressway Act or Act LIII of 2006 on accelerating and simplifying the implementation of investments of national economic priority.

Performance of activities

Section 2(1)¹⁵ Activities falling within the scope of this Act may be carried out with protection of human life, health, the environment, arable land and property, and by ensuring conformity with requirements related to the management of mineral and geothermal energy reserves.

(2)¹⁶ In the course of mining operations it is prohibited to apply technology associated with the use of cyanide or cyanide compounds.

Rights of the State

Section 3(1)¹⁷ Mineral resources and geothermal energy are owned by the State at their natural place of occurrence. The mining undertaking shall become owner of the extracted mineral resources and the geothermal energy extracted for energy purposes by way of extraction and recovery, respectively. By application of general rules relating to the amount of the mining fee and by payment of 1.4 times the amount of the mining fee, determined in accordance with Section 20(3)(b), the mining undertaking holding a natural gas storage operating licence, defined in separate legislation, may, upon request, acquire ownership of State-owned hydrocarbon found in underground gas storage facilities, as its natural place of occurrence, prior to extraction.

In this case, the mining undertaking shall pay 1.4 times the amount of the mining fee

(a)¹⁸ in excess of 12 % of the value of mineral resources within 60 days of the decision of the Mining Authority on the transfer of ownership becoming final,

(b) equal to 12 % of the value of mineral resources at the time of extraction.

Ownership of hydrocarbon shall be transferred to the mining undertaking at the time of the payment of the amount determined in point (a).

(1a)¹⁹ Ownership of extracted mineral resources shall be transferred to the person

(a)²⁰ holding an administrative licence other than the permit of the Mining Authority, except as provided for in paragraph (1b),

(b) holding the right to extraction, based on the decision of the county or Budapest defence committee in case of use, recovery or sale for other purposes after cessation of the risk of disaster or of an emergency within the meaning of Article 53 of the Fundamental Law.

(1b)²¹ Extracted mineral resources released to a developer acting in the name and on behalf of the Hungarian State under legislation, extracted under an administrative licence other than that of the Mining Authority, and

(a) installed in real property owned by the Hungarian State by a developer acting in the name and on behalf of the Hungarian State, or

(b)²² used for recultivating a target extraction site or mine,

shall remain the property of the Hungarian State. The use, recovery of extracted mineral resources not in accordance with point (a) or point (b) is possible under conditions and by means regulated in Act CXCVI of 2011 on national assets and Act CVI of 2007 on State-owned assets, under the agreement concluded with Magyar Nemzeti Vagyonkezelő Zártkörűen Működő Részvénytársaság.

(1c)²³ Mineral resources extracted from borrow pits and installed in public water facilities owned by the local authority, serving defence and protection against water damage, shall constitute the property of the local authority.

(2)²⁴ The State exclusively carries out the pipeline transport of crude oil, petroleum products and – except for natural gas – hydrocarbon gases.

(3)²⁵ The minister in charge of mining affairs (hereinafter ‘minister’) may delegate the performance of activities listed in Section 8 – with the exception of cases regulated in paragraph (4) – for a fixed period on the basis of a concession contract.

(4) Surface reconnaissance defined in Section 4 of this Act may be carried out on the basis of notification, mining operations regulated in Sections 5–6 on the basis of administrative licences (liberalised activities), and under this Act in cases referred to in Section 50(6).

Surface reconnaissance subject to notification

Section 4(1) Reconnaissance in open areas, not involving the disturbance of the soil’s surface, may be carried out on the basis of the agreement concluded with the owner (manager, user) of the property and with prior notification of the starting time of prospecting to the Mining Authority.

(2) The agreement with the owner (manager, user) of the property shall not exempt the person conducting reconnaissance from obtaining other administrative licences prescribed by specific legislation.

(3) Damage caused by surface reconnaissance shall be reimbursed pursuant to provisions of the Civil Code.

(4)²⁶ Notification is deemed to be accepted if the Mining Authority does not initiate measures against surface reconnaissance within fifteen days prior to the deadline for launching prospecting.

Activities subject to authorisation by the Mining Authority²⁷

Section 5(1)²⁸ The Mining Authority shall authorise:

- (a) the prospecting of mineral resources in open areas,**
 - (b)²⁹ exploration and extraction of mineral reserves after establishment of the mining site, and the suspension of extraction,**
 - (c) the recovery of waste heaps,**
 - (d) prospecting, development of geological structures suitable for the storage of natural gas, and their utilisation for storage, if this does not endanger the environment,**
 - (e) establishment, putting into service, dismantling or abandonment of facilities referred to in point (f) of Section 1(1) and installations of the underground gas storage facility,**
 - (f)³⁰ the marketing of liquefied propane, butane gases and their compounds in a tank or a cylinder, and establishment, putting into service and dismantling, and abandonment of the filling and storage facilities of liquefied propane, butane gases, their compounds and distribution pipelines,**
 - (g)³¹ the extraction and recovery of geothermal energy, and the construction and putting into service of the necessary underground and surface facilities – specified in separate legislation – if the activity is not bound to a water management permit,**
 - (h)³² the treatment of mining waste,**
 - (i)³³ civilian blasting activity and marketing of explosives intended for civilian use,**
 - (j)³⁴ licensed establishment, repair, conversion, putting into service of pressure equipment and systems falling within the competence of the Mining Authority,**
 - (k)³⁵ geological prospecting,**
 - (l)³⁶ the establishment, operation and closure of mineral borrow pits necessary for the establishment of public water installations for defence and protection against water damage,**
 - (m)³⁷ fracturing, acid fracturing, gas injection, reservoir energy compensation serving the management of mineral reserves, hydrocarbon prospecting and extraction, and water injection used for fracturing technology and reservoir energy compensation.**
- (2)³⁸ The mining undertaking licensed to extract crude oil and natural gas – holding the operating licence issued by the Hungarian Energy and Public Utility Regulatory Authority relating to the storage of natural gas – may request authorisation of the extension of the**

mining site for the underground storage of natural gas with the Mining Authority, if this does not pollute, endanger or damage the environment.

(3)³⁹ Activities subject to authorisation under this Act may be commenced with permits issued by the Mining Authority, and carried out under the terms contained therein.

(4)⁴⁰ The Mining Authority may not deny the issue of a permit if the application for a permit is in conformity with legal requirements.

(4a)⁴¹ The Mining Authority shall not issue a prospecting permit, establish a mining site, and shall reject the application for the permit referred to in paragraph (1) – with the exception of the application for approval of the technical operational plan for mine closure and land rehabilitation – if

(a)⁴² the applicant owes any

(aa) concession fees, mining fees, supervisory fees,

(ab) fees determined by way of a final decision to compensate for any unpaid mining fees, usage fees, fines, value of unlawfully extracted mineral resources, or

(ac) default interest relating to payment obligations referred to in subpoints (aa) and (ab),

or

(b) the applicant failed to meet its obligation to declare the mining fee.

(5)⁴³ Time lost – not including the period of the authority's activity relating to the conducting of the procedure by the statutory deadline available for such procedure – in consequence of the decision, measure or omission of the authority, beyond the control of the mining undertaking, shall not be included in the limitation period relating to licensed mining operations or in the licensed period of mining operations. The mining undertaking shall provide proof of the cause of such loss.

Section 6⁴⁴(1) The mining right exercised on the basis of the administrative licence may be transferred with the approval of the Mining Authority. The transferee shall lodge the application for approval.

(2)⁴⁵ The contract on the transfer of the mining right shall take effect on the date when the Mining Authority's decision becomes final.

(3)⁴⁶ The Mining Authority shall reject the application for the transfer of the mining right if

(a)⁴⁷ the transferor or transferee of the mining right owes

(aa) mining fees, supervisory fees,

(ab) fees determined by way of a final decision to compensate for any unpaid mining fees, usage fees, fines, value of unlawfully extracted mineral resources, or

(ac) default interest relating to payment obligations referred to in subpoints (aa) and (ab),

or

(b) the transferor or transferee of the mining right failed to meet its obligation to declare the mining fee.

Section 7⁴⁸(1) The mining undertaking shall carry out activity in conformity with requirements set out in Section 2 and general rules set out in Part III.

(2) Only Sections 20 and 41 of the general rules defined in Part III of this Act are applicable to the extraction of mineral resources referred to in Section 1(2), based on a water management permit.

PART II

THE CONCESSION

Section 8⁴⁹ Under a concession contract concluded with a resident or non-resident natural person or transparent entity, the minister may delegate for a fixed period:

(a)⁵⁰ in a contained area

(aa) the prospecting, exploration and extraction of mineral resources,

(ab) the prospecting, extraction and recovery of geothermal energy,

(ac)⁵¹

(b) the establishment and operation of crude oil, petroleum product and – with the exception of natural gas – other hydrocarbon transmission pipelines.

Designation of concession areas

Section 9⁵²(1) Any area designated by the Mining Authority as a contained area – in which the occurrence of the given mineral resources or the extraction of geothermal energy is probable – can be considered for designation in a concession tender.

(2) Taking into account the results of the sensitivity and load capacity assessment, in the call for concession tenders the minister shall announce the contained area in which the mining of mineral resources or the extraction of geothermal energy seems favourable for energy purposes.

(3) Aquifers and bodies of water already used for drinking, mineral, medicinal and thermal water purposes may not be designated as contained areas.

(4)⁵³ Contained areas to be designated for a concession tender are published by the Mining Authority. Resident or non-resident legal and natural persons may propose areas to be designated for concession tenders. The Mining Authority shall take such proposal into consideration in the course of publication only if the condition in paragraph (1) is met, and designation is not in conflict with the provision of paragraph (3).

The concession tender

Section 10⁵⁴(1) The minister shall publish a public tender for the conclusion of concession contracts.

(2)⁵⁵ The invitation to tender, also in consideration of Section 8 of Act XVI of 1991 on concession, shall include the following:

(a) definition of the area or spatial area included in the tender, indicating whether any third parties hold rights to mine mineral resources, or to extract or recover geothermal energy in the area or spatial area, or to carry out any other activity falling within the scope of this Act,

(b) professional requirements for performing the concession, and requirements defined on the basis of the results of the sensitivity and load capacity test, and the obligation to provide security necessary for conformity with the requirements,

(c)⁵⁶ substantive requirements of the prospecting work programme to be submitted,

(d) information on the requirement to present the management, financial position of the tenderer, and on the participation fee, and

(e) requirements relating to land rehabilitation, restoration of the area covered by the concession, and definition of the security for meeting the obligation.

(3)⁵⁷ Beyond application of provisions of Act XVI of 1991 on concession, the public tender shall be published in the Official Journal of the European Union at least ninety days before the expiry of the tender submission deadline.

Evaluation of tenders

Section 11(1) Tenders meeting conditions of eligibility shall be evaluated.

(2)⁵⁸ The minister shall setup an evaluation committee for evaluating tenders. The minister shall decide on granting the concession based on the proposal of the evaluation committee. The result of the tender shall be made public and notified to all tenderers.

The concession contract

Section 12(1) The minister shall conclude a concession contract with the successful tenderer. The concession contract may be concluded for a maximum period of 35 years, which may be extended once by not more than one half of the duration of the concession contract.

(1a)⁵⁹ The extension of the concession contract shall be initiated at least 6 months prior to its termination. Upon failure to meet the deadline the contract may not be extended.

(2)⁶⁰ The concession contract shall set out the contents of the prospecting work programme and performance guarantees. The technical prospecting operating plan approved by the Mining Authority shall cover the tasks undertaken in the work programme determined in the concession contract. In the contract the minister may stipulate the reimbursement of costs necessary for completion of the work programme if the concessionaire fails to meet its obligation undertaken in the approved work programme.

(3)⁶¹ If extractable mineral resources remain in the concession area after termination of the concession contract, the minister shall publish a new concession tender within 3 months from termination of the concession contract. In relation to such tender it is unnecessary to conduct the sensitivity and load capacity test. The former concessionaire shall be entitled to the concession if agreeing to the conditions of the most favourable offer.

(4) Unless provided otherwise in the concession contract, surface installations constructed under the concession contract shall constitute the property of the mining undertaking as of the date of commissioning. If the installations can no longer be operated upon termination of the concession contract, the mining undertaking shall dismantle these and restore the area.

(5)⁶² If the concession terminates without closure of the mine, the former concessionaire shall carry out the mine closure and land rehabilitation works. The Mining Authority shall *ex officio* delete the mining site after approval of the mine closure and land rehabilitation.

Section 12/A⁶³(1) A concession fee shall be payable or other compensation provided to the State for carrying out mining operations bound to a concession.

(2) The concession contract shall set out the amount of the concession fee and the means of its payment, or compensation referred to in paragraph (1) and the means of its provision.

(3) The minister shall determine the minimum amount of the concession fee in the call for concession tenders in accordance with Section 20(8). The tenderer may make an offer of a higher amount.

The concessionary company

Section 13⁶⁴(1)⁶⁵ The person signing the concession contract shall establish a company (hereinafter 'concessionary company') in which it holds the majority of shares, quotas and

votes at the time of the establishment of the company and during its activity, and shall undertake, as owner of the company, the enforcement of the requirements defined in the concession contract.

(2) The rights and obligations arising under the concession contract are due to and borne by the concessionary company as mining undertaking.

THE MINING CONCESSIONS

Prospecting, exploration and extraction

Section 14⁶⁶(1)⁶⁷ During the duration of the concession the scheduled prospecting of mineral resources and of geothermal energy may not be longer than 4 years. The prospecting period may be extended once, or twice in relation to geothermal energy and non-conventional hydrocarbon, by one half of the original prospecting period.

(2)⁶⁸

Section 15⁶⁹ If the concessionaire does not commence extraction, recovery for energy purposes by the deadline determined in the contract no later than 5 years from the establishment of the mining site, or 3 years from the designation of the geothermal protection boundary, it shall pay the fee determined in the contract. If it fails to meet the fee payment obligation, the concession shall be terminated.

Transport and underground storage of hydrocarbons

Section 16⁷⁰(1) The provisions set out in Sections 10–13 are applicable to the transport of crude oil, petroleum products and hydrocarbon gases – except for natural gas – under the concession contract.

(2) On the basis of a concession granted for the establishment and operation of a crude oil, petroleum product and hydrocarbon gas transmission pipeline, the mining undertaking has the right to lodge an authorisation application with the Mining Authority for the construction and operation of the transmission pipeline and of facilities necessary for its operation.

(3) Concessions for the establishment and operation of crude oil, petroleum product and hydrocarbon gas transmission pipelines may also be jointly granted.

Section 17⁷¹

Transfer of the concession

Section 18⁷²(1) The right to perform the mining concession may be transferred to third parties by contract. The transfer of such right is subject to the consent of the minister. The application for consent shall be lodged with the minister jointly by the transferor concessionary company and the transferee.

(2) The minister may grant such consent if – pursuant to the concession contract and law – the transferee has agreed to performing the obligations of the transferor and meets conditions applicable to performing the concession.

(3) A concession tender is not necessary in case of a transfer referred to in paragraph (1).

Performance of the mining concession

Section 19⁷³(1) The concessionaire shall carry out mining operations by meeting the requirements prescribed in Section 2, in accordance with general rules set out in PART III. If the concession is terminated, the decision establishing the mining site shall be annulled – with the exception defined in Section 12(3) – and the administrative licences obtained in accordance with PART III shall be revoked.

(2) The administrative licence obtained in accordance with PART III shall not be revoked if before the termination of the concession the licence holder proves that the special civil works or the mining waste treatment facility falling within the competence of the Mining Authority is used or operated in connection with other mining operations not under a concession.

PART III

GENERAL RULES OF MINING OPERATIONS

The mining fee

Section 20⁷⁴(1) The State is entitled to a share and a mining fee from extracted mineral resources and geothermal energy.

(2)⁷⁵ The mining fee shall be paid by:

(a) the mining undertaking,

(b) the licence holder within the meaning of Section 1(7), licensed to carry out activity referred to in Section 1(2), and the person holding the right to extraction referred to in Section 3(1a)(b), and

(c) the legal entity extracting geothermal energy,

for mineral resources and geothermal energy extracted, or for mineral resources used by it in relation to extraction by underground coal gasification.

(3)⁷⁶ The amount of the mining fee equals the following amount of the value calculated from the quantity of mineral resources extracted on the basis of the administrative licence:

(a)⁷⁷ 16 % of such value in relation to crude oil and natural gas extracted before 1 January 2008 on hydrocarbon fields put into regular operation, on the basis of the technical extraction plan, with the exceptions set out in points (b), (d) and (e);

(b) in relation to natural gas extracted on hydrocarbon fields put into operation before 1 January 1998,

(ba)⁷⁸ J % of such value, where

$$J = \frac{P - A * k}{P} * 100$$

J: percentage of mining fee;

P: in relation to natural gas sold for supplying customers eligible for universal service, the administrative price determined by legislation concerning the quantity and price of natural gas sources offered for purchase to universal service providers and of domestically produced natural gas, and the group of persons with the right or obligation to use it; in relation to selling at free prices, multiple of the average current annual price of natural gas approved in the ministerial decree on the determination of prices relating to universal services on the natural gas market in the year preceding the relevant year, expressed in US dollars, and of the average official daily exchange rates of the National Bank of Hungary;

A: approved value of domestically produced natural gas in 2003;

k: correction factor, the value of which increases by 1 in 2003, and by 0.24 each year in the subsequent years;

(bb)⁷⁹ 12 % of such value if the amount of the mining fee calculated in accordance with point (ba) does not reach 12 %;

(c)⁸⁰ in relation to crude oil and natural gas extracted after 1 January 2008 on hydrocarbon fields put into regular operation, during the production trial and on the basis of the technical extraction plan, with the exceptions set out in points (d) and (e);

(ca) 12 % of such value, if the annual quantity of natural gas extracted from the hydrocarbon field does not exceed 300 million m³, or 50 kt in relation to crude oil,

(cb) 20 % of such value, if the annual quantity of natural gas extracted from the hydrocarbon field exceeds 300 million m³, but does not exceed 500 million³, or exceeds 50 kt, but does not exceed 200 kt in relation to crude oil,

(cc) 30 % of such value, if the annual quantity of natural gas extracted from the hydrocarbon field exceeds 500 million m³, or exceeds 200 kt in relation to crude oil;

(d)⁸¹ 12 % of such value in relation to natural gas originating from the necessary replacement of cushion gas in underground gas storage put into operation before 1 July 2007, and in relation to carbon dioxide gas;

(e) 8 % of such value in relation to natural gas with a high inert gas content;

(f) 5 % of such value in relation to non-metallic mineral resources extracted by open-cast mining, except for energy sources;

(g)⁸² 0 % of such value in relation to underground coal mining;

(h) 2 % of such value in relation to other solid mineral resources;

(i)⁸³ 2 % of such in relation to unconventional hydrocarbon and hydrocarbon extracted by special procedure, and the recovery of hydrocarbon extracted from associated gas extracted with thermal water.

(3a)⁸⁴ The amount of the mining fee shall equal 50 % of the value of the quantity of mineral resources used, recovered or sold

(a) for purposes not related to the activity defined in the licence, extracted on the basis of a different administrative licence referred to in Section 1(7), or

(b) for other purposes after a risk of disaster referred to in Section 3(1a)(b) or an emergency referred to in Article 53 of the Fundamental Law.

(3b)⁸⁵ In relation to extraction by underground coal gasification, the amount of the mining fee shall equal 2 % of the value of the quantity of used mineral resources.

(4)⁸⁶ If the monthly average exchange price of Brent crude oil reaches or exceeds 80 USD/bbl, the amount of the mining fee referred to in points (a)–(c) of paragraph (3) shall increase in each case by 3 percentage points. If the monthly average exchange price of Brent crude oil reaches or exceeds 90 USD/bbl, the amount of the mining fee referred to in points (a)–(c) of paragraph (3) shall increase by an additional 3 percentage points in each case.

(5)⁸⁷ The amount of the mining fee shall equal 0 % for the quantity of hydrocarbon extracted with enhanced recovery procedures.

(6)⁸⁸ The mining fee is not payable

(a) in the case defined in Section 1(7), for the quantity of mineral resources not exceeding 500 m³, extracted on the basis of the building permit, irrespective of the purpose of use,

(b) for the quantity of mineral resources released to a developer acting in the name and on behalf of the Hungarian State under Act I of 1988 on road transport and Act CLXXXIII of

2005 on rail transport, extracted in the course of activity carried out on the basis of a different administrative licence, other than the permit of the Mining Authority,

(c) for mineral resources extracted from borrow pits and installed in public water facilities owned by the local authority, serving defence and protection against water damage,

(d) for geothermal energy recovered from energy sources with a temperature of less than 30 °C,

(e) for the quantity of geothermal energy recovered in excess of 50 %, and

(f)⁸⁹ for the recovery of geothermal energy (thermal energy) originating from the recooling of thermal water used for therapeutic (balneological) purposes on the basis of the water management permit, and of hydrocarbon extracted from associated gas for the purposes of the licence holder.

(7)⁹⁰ In relation to geothermal energy, the amount of the mining fee equals 2 % of the value of extracted geothermal energy.

(8)⁹¹ In relation to mining operations carried out under a concession contract (Section 12), the minister shall determine the amount of the mining fee in consideration of differences between

(a) types of mineral resources,

(b) natural conditions affecting extraction and the success of geothermal energy recovery, and

(c) other public interests,

for each extraction site.

(9)⁹² The mining fee shall be paid in money. The paid mining fee may be settled as cost.

(10)⁹³

(11)⁹⁴ The amount of the mining fee paid in money corresponds to the percentage of the value of extracted mineral resources or geothermal energy determined by law or the concession contract. The basis for calculating the mining fee is the value of the quantity of mineral resources extracted from their natural place of occurrence, transported through the mine opening, measured at the wellhead, otherwise derived from the wellhead.

(12)⁹⁵

(13)⁹⁶

(14)⁹⁷ In the course of extending the mining site under Section 5(2) and authorising the mining site for the underground storage of natural gas, the Mining Authority determines the quantity of State-owned hydrocarbon stored in the underground gas storage facility in which the person holding the right to the mining site may acquire ownership. Within 180 days of the decision providing for the mining site established for underground gas storage becoming final, the mining undertaking may request ownership of State-owned hydrocarbon stored in the underground gas storage facility. The Mining Authority shall decide on the request. The mining fee shall be assessed within 30 days from approval of the first technical operating plan.

(15)⁹⁸ During the duration – including the suspension – of its mining right the mining undertaking shall report to the Mining Authority if it is subject to any ongoing judicial winding-up proceedings, or to voluntary liquidation ordered by an authorised person.

Section 20/A⁹⁹

Authorisation of mining operations

Section 21(1) The mining undertaking may commence mining operations with the permit of the Mining Authority and perform these under conditions set out therein.

(2)¹⁰⁰ A prospecting right may be granted or prospecting authorised, and a mining site established only in relation to mineral resources defined in the Government Decree No 54/2008 of 20 March 2008 on the determination of the specific value of mineral resources and geothermal energy, and the method of calculating values.

(3)¹⁰¹ After approval of the first technical operating plan for exploration and extraction, the mining undertaking shall continuously hold a valid extraction, suspension, mine closure or land rehabilitation technical operating plan until approval of the mine closure (field abandonment) or land rehabilitation by the Mining Authority.

Authorisation of prospecting

Section 22(1)¹⁰² In the concession contract the minister grants the right to prospecting mineral resources or geothermal energy within a contained area, within the framework of a concession. The Mining Authority issues a prospecting permit for prospecting mineral resources in an open area.

(2)¹⁰³ The granted prospecting right or prospecting permit grants the right to the mining undertaking to submit the mineral resource and geothermal energy technical prospecting operating plan, to request its approval, to prospect mineral resources and geothermal energy on the basis of the approved technical prospecting operating plan, and to request the establishment of the mining site and the designation of the geothermal protection boundary based on the approved closing prospecting report.

(3)¹⁰⁴ In addition to the need to meet the condition defined in paragraph (1), prospecting activity may only commence on the basis of an approved technical prospecting operating plan. The technical prospecting operating plan is approved by the Mining Authority.

(4) The Government determines rules relating to the development and size of the prospecting area.

(5)¹⁰⁵ The deadline prescribed in relation to the concession is also applicable to the scheduled prospecting period in case of authorised prospecting.

(6)¹⁰⁶ The concessionaire and the holder of the administrative mining licence have the exclusive right to implement their prospecting work programme in the area and under conditions determined in the contract and in the licence, respectively. Within the framework of such activity, they have the right to carry out instrumental measurements, tests and drilling serving the determination of the availability and location, the quantity and quality of mineral resources, and geothermal energy conditions in the earth's crust, to establish prospecting tunnels and shafts, and to request the establishment of the mining site and the designation of the geothermal protection boundary.

(7)¹⁰⁷ If in the course of prospecting, the mining undertaking detects mineral resources not falling within the scope of its rights, it shall report such finding to the Mining Authority, and may request the extension of the prospecting permit to such mineral resources. The prospecting permit may not be extended to mineral resources in relation to which the prospecting area is qualified as contained.

(8)¹⁰⁸ The prospecting right granted or the prospecting permit issued in accordance with paragraph (1) shall be terminated or revoked if the holder does not request the approval of the technical prospecting operating plan by the Mining Authority within 6 months of the entry into force of the concession contract granting the prospecting right or of the decision authorising prospecting becoming final, or the Mining Authority rejects the request for approval of the technical operating plan in a final decision.

(9)¹⁰⁹ If the mining undertaking is responsible for not carrying out its prospecting tasks defined in the work programme or in the approved technical operating plan on a prorated basis, the Mining Authority shall revoke the prospecting permit or request the minister to enforce the legal consequences set out in the concession contract.

(10)¹¹⁰ If the granted prospecting right or prospecting permit is for an area covering in part or whole, or enclosing a geological structure in relation to which the mining rights of a different mining undertaking have already been established, the holder of the prospecting right or prospecting permit shall coordinate its activity with the mining undertaking already holding mining rights, and set out the relevant agreement in a public instrument or in an instrument countersigned by a lawyer or a registered legal counsel. The agreement is subject to approval by the Mining Authority in accordance with criteria defined by legislation enacted to implement this Act. The parties may withdraw from, cancel, terminate or amend the agreement with the approval of the Mining Authority.

(11)¹¹¹ The agreement shall include the following:

(a) conditions for carrying out mining operations, with determination of the sequence of technical, safety and environmental protection tasks, the method of execution, and costs borne by the parties obliged to cooperate,

(b) coordination of the use of real property located on the surface,

(c) explicit provision for mutually ensuring each other's activity.

(12)¹¹² The party acquiring the prospecting right or prospecting permit shall attach the agreement to the request for approval of the technical prospecting operating plan. If there is no agreement, the Mining Authority shall decide on the necessity and content of cooperation in the course of the authorisation procedure of the technical prospecting operating plan.

(13)¹¹³ The mining undertaking shall submit a closing prospecting report to the Mining Authority within five months either from completion of prospecting, or from the last day of the authorised prospecting period at the latest. Upon failure to meet the deadline, or if the Mining Authority rejected the closing prospecting report in a final decision, the prospecting right of the mining undertaking shall be revoked.

(14)¹¹⁴ During the authorised prospecting period the mining undertaking may return all or part of the prospecting area. The Mining Authority may accept the return of the area if compensation has been provided for mine damage caused in the area reported for returning, and the land rehabilitation, environmental, land conservation and soil protection obligations have been met. On the date the decision becomes final, the prospecting right or prospecting permit of the holder shall be revoked in relation to the returned area.

Special rules of hydrocarbon prospecting, exploration and extraction

Section 22/A¹¹⁵(1)¹¹⁶ Pursuant to Section 9, the minister shall designate contained areas in which the authorisation of the prospecting, exploration and extraction of hydrocarbons within the framework a concession begins 90 days after publication (concession notice) of the areas in two national dailies and in the Official Journal of the European Union with the simultaneous evaluation of the submitted tenders.

(2)¹¹⁷

(3) The notice shall specify the activities covered by the concession, the geographical area in relation to which tenders may be submitted, the scheduled date or deadline of evaluation, and possible preference criteria. In the course of defining such criteria, the requirement of equal treatment shall be met. The notice shall also indicate where access to detailed information relating to the area and the authorisation procedure is provided.

(4)¹¹⁸

(5)–(6)¹¹⁹

(7) The permit may be denied or revoked on national security grounds in relation to an undertaking controlled by third countries or the nationals of third countries deemed to be as such by the European Union.

(8)¹²⁰ The prospecting work programme and its budget shall be attached to the application for authorisation of hydrocarbon prospecting. Financial security in the amount of HUF 200 million per prospecting block, but – irrespective of the number and size of prospecting areas to which one undertaking is entitled to, and the total prospecting cost – maximum HUF 1 billion shall be provided simultaneously as a condition for granting the prospecting right or the prospecting permit. In the budget the amount of financial security may be appropriated for tasks relating to the implementation of the prospecting work programme, and to cover compensation for expected mine damage, and the performance of land rehabilitation and conservation obligations. Financial security may take the form of a guarantee contract concluded with a credit institution established in a Member State of the European Economic Area. A guarantee contract concluded with a credit institution not established in a Member State of the European Economic Area may be accepted only if a credit institution established in a Member State of the European Economic Area provides an additional guarantee of such guarantee.

(9)¹²¹ An irrevocable guarantee contract or a revocable one bound to approval by the Mining Authority may be accepted as financial security. The Mining Authority shall approve the withdrawal of financial security if the mining undertaking has completed its prospecting work programme, or it has returned the prospecting area, and it no longer has any mine damage indemnification, land rehabilitation, conservation obligations in relation to prospecting. The withdrawal of the financial security may also be approved – based on budgetary appropriation referred to in paragraph (8) – for subtotals, in proportion to the performed prospecting and indemnification obligations. If pursuant to Section 22(9), the Mining Authority revokes the prospecting permit, or in relation to a concession contract the minister enforces legal consequences of a breach of contract upon the request of the Mining Authority, the financial security shall be enforced for up to the amount arising from the breach, and credited to the central budget. The Mining Authority shall decide on the use of the financial security in consideration of the provisions of paragraph (8).

(10)¹²² In relation to hydrocarbons, in the procedure serving the authorisation of prospecting, approval of the technical prospecting operating plan and the transfer of mining rights, in addition to applying general requirements set out in this Act and in separate legislation, the Mining Authority shall assess

(a) the technical and financial capability of applicants;

(b) the date and method planned by applicants for launching and performing prospecting (exploration and extraction),

(c) the effectiveness and responsibility of applicants in carrying out their activities with previous permits,

(d) in case of an intention to transfer, in addition to items set out in points (a)–(c) the amount undertaken by the applicant recipient to pay to receive the permit.

(11)¹²³ The permit referred to in paragraph (1) is not deemed to be granted in the cases below:

(a)¹²⁴ change of the name of the holder of the prospecting permit or of the right to the mining site, if resulting from the change of name or owner of the undertaking holding the existing permit, or the changed ownership composition of such undertaking,

(b)¹²⁵ after determination or establishment of the prospecting permit or mining site, approval of the technical operating plan of prospecting or exploration, extraction;

(c) decision of the Mining Authority taken within the framework of a procedure relating to the launch, suspension, extension or termination of activities, or to the extension of the permit.

(12)¹²⁶ If legislation prescribes the acquisition of an environmental permit or integrated pollution prevention and control permit (hereinafter ‘IPPC permit’) for the launch of certain hydrocarbon extraction activities, or the construction of facilities necessary for carrying out such activities, the Mining Authority shall authorise such activities and the construction of such facilities only upon availability of the final environmental permit or IPPC permit.

(13)¹²⁷ In relation to hydrocarbons, the prospecting right or permit of a mining undertaking may extend to a maximum total hydrocarbon prospecting area of 20 000 km². When determining the prospecting area, the prospecting area of the mining undertaking with majority control – within the meaning of the Civil Code – of the mining undertaking intending to obtain the prospecting right or prospecting permit shall also be taken into consideration.

Section 22/B¹²⁸(1)¹²⁹ Special rules relating to the authorisation of hydrocarbon extraction are appropriately applicable to the prospecting, extraction and recovery of geothermal energy in a contained area, provided that a mining site may not be established for geothermal energy.

(2)¹³⁰ Geothermal energy may be extracted within a contained area only from the area of the earth’s crust demarcated for this purpose (geothermal protection boundary).

(3) The geothermal protection boundary is designated by the Mining Authority.

(4) A facility serving the extraction of geothermal energy within the geothermal protection boundary may not be authorised for third parties without the written declaration of consent of the holder of the right.

(5)¹³¹ The Mining Authority shall keep records on the geothermal energy recovery facilities, the quantity of extracted and recovered geothermal energy, and on the established geothermal protection boundaries.

(6)¹³² For purposes of geothermal energy, the water management permit granted for the use of thermal water from underground water reserves in an open area is simultaneously deemed to be a geothermal energy extraction and recovery permit. The provisions of Section 3, Section 20, Section 22/B (5), Section 25(2)(b) and Section 41 of this Act are appropriately applicable to the recovery of geothermal energy based on the water management permit, while water management and environmental protection legislation is otherwise normative.

(7)¹³³ The provisions of specific legislation relating to special types of civil engineering works, falling within the competence of the Mining Authority, are applicable to the authorisation of the extraction and recovery of geothermal energy in an open area not based on a water management permit.

(8)¹³⁴

*Repeated prospecting of hydrocarbon fields*¹³⁵

Section 22/C¹³⁶(1) After establishment of the mining site, the mining undertaking shall carry out the repeated prospecting of hydrocarbon fields belonging to the mining site, except for the hydrocarbon field operating on the basis of the effective technical operating plan and the operating underground gas storage facility.

(2) The technical operating plan relating to repeated prospecting shall be first submitted to the Mining Authority within two years from expiry of the tenth year from the establishment of the mining site.

(3) After repeated prospecting carried out for the first time, the technical operating plan relating to repeated prospecting shall be submitted to the Mining Authority by the end of the twelfth year from completion of the previous repeated prospecting.

(4) Repeated prospecting shall be completed within four years from approval of the technical prospecting operating plan. The period of repeated prospecting may not be extended.

(5)¹³⁷ The Mining Authority shall reduce the area of the mining site with the area of the mining site in relation to which the mining undertaking is responsible for not performing the obligations set out in paragraphs (1)–(4), or the Mining Authority has rejected the application for the technical operating plan for repeated prospecting in a final decision.

(6) For the purpose of this section, the hydrocarbon field operating on the basis of an effective technical operating plan is one

(a) in relation to which the mining undertaking has a mining fee payment obligation for extracted mineral resources in the mining fee declaration period in which the technical operating plan for repeated prospecting is submitted, or

(b) in which the mining undertaking carries out extraction with enhanced recovery procedures.

Geological prospecting¹³⁸

Section 22/D¹³⁹(1) The Mining Authority grants a geological prospecting permit for geological prospecting. Geological prospecting may not be authorised in an area designated for a concession tender. Geological prospecting may be authorised in an area of a mining site established for the extraction of crude oil, natural gas and carbon dioxide gas, or for underground gas storage, and of a geothermal protection boundary, or in a crude oil, natural gas and carbon dioxide gas prospecting area if the holder of the mining right has given its consent to such activity.

(2) Additional geological prospecting of the spatial area – for the same purpose – demarcated in the geological prospecting permit, during the validity of the geological prospecting permit, may not be authorised.

(3) Based on the geological prospecting permit, the permit holder has the right to carry out instrumental measurements, tests and drilling, and sampling serving the study of the material, structural aspects and developmental history of the earth's crust, and to construct civil engineering works for mining prospecting in the spatial area demarcated in the geological prospecting permit, for the purpose determined in the permit.

(4)¹⁴⁰ Only a person reported to the Mining Authority in accordance with Act LXXVI of 2009 on general rules of launching and providing services may carry out geological prospecting.

(5)¹⁴¹ A summary geological report shall be prepared on geological prospecting, to be submitted to the Mining Authority within 6 months from completion of prospecting. Prior to submitting or upon failure to submit the summary geological report, or if such report is rejected by Mining Authority in a final decision, the person holding the right to geological prospecting may not use or utilise geological data obtained in the course of prospecting.

(6)¹⁴² The geological prospecting permit shall no longer be valid if the person holding the right to geological prospecting does not launch prospecting within 6 months of the geological prospecting permit becoming final.

(7) If the application for a geological prospecting permit concerns a geological structure in relation to which the mining rights of another mining undertaking have already been established, the submitter of the geological prospecting permit application shall act in accordance with Section 22(10),(11).

(8) The geological prospecting permit applicant shall attach the agreement referred to in paragraph (7) to the geological prospecting permit application. If there is no agreement, the Mining Authority shall decide on the necessity and content of cooperation in the procedure approving the geological prospecting permit.

(9) The person holding the right to geological prospecting shall provide security referred to in Section 41(7).

Authorisation of the exploration, extraction and recovery of the waste heap

Section 23(1)¹⁴³ With the exception set out in Section 26(2), the holder of the right to the mining site may be granted authorisation to explore and extract mineral reserves, and to carry out the underground storage of hydrocarbons.

(1a)¹⁴⁴ Exploration and extraction of hydrocarbons, too, may only be carried out at a mining site two years after the end of the prospecting period determined in the concession contract or in the decision authorising prospecting.

(1b)¹⁴⁵ The experimental extraction of mineral resources by underground coal gasification may also be carried out after approval of the closing prospecting report without establishment of a mining site for a maximum of six months during the validity of the technical exploration operating plan.

(2)¹⁴⁶ The Mining Authority authorises the exploration and extraction of mineral resources, underground gas storage and the recovery of waste heaps by approval of the technical operating plan (Section 27). Rules of extraction by open-cast mining are applicable to the extraction of mineral resources from waste heaps.

(2a)¹⁴⁷ The technical operating plan relating to the authorisation of exploration and extraction referred to in paragraph (1a) shall no longer be valid if the mining undertaking fails to meet the deadline available for submitting the closing prospecting report, or the Mining Authority has rejected the application for approval of the closing prospecting report in a final decision, or it terminated the procedure.

(3)¹⁴⁸ The mining undertaking holds the exclusive right to carry out mining operations, to sell valuable substances and to install facilities necessary for these activities, and to use facilities defined in the contract or in the administrative licence in the area and under the conditions defined in the concession contract or in the administrative licence issued for mining.

(4)¹⁴⁹

Establishment and operation of the hydrocarbon transmission pipeline, natural gas distribution pipeline and direct line, and storage facility, and other gas and gas product pipelines¹⁵⁰

Section 24(1)¹⁵¹ On the basis of the concession or administrative licence granted for the establishment and operation of a hydrocarbon transmission pipeline, the licence holder has

the right to construct and operate the transmission pipeline and the facilities necessary for keeping it in service, and to use the facilities defined in the contract. The hydrocarbon transmission pipeline may constitute an independent object of property.

(2)¹⁵² A natural gas transmission, distribution pipeline, underground gas storage facility may be operated by a licensed transmission system operator, distributor and storage facility operator regulated under separate legislation. In the decision authorising the putting into service of the transmission pipeline, the Mining Authority determines the safety zone of the pipeline, and provides for the establishment of easement by a deadline.

(3)¹⁵³ The licence holder, and the operator of other gas and gas product pipelines shall draw up a technical safety control system – to be approved and monitored by the Mining Authority – for the design, establishment, reconstruction, operation and dismantling of a hydrocarbon transmission pipeline, natural gas distribution pipeline and direct line, and storage facility, and other gas and gas product pipelines.

(4)¹⁵⁴ The provisions of separate legislation are normative in relation to free access to natural gas transmission and distribution pipelines, and underground gas storage facilities.

(5)¹⁵⁵ The availability of the free capacities of technological pipelines connecting fields in crude oil and natural gas extraction, the related gas operated and storage facilities, and of oil transmission pipelines and storage facilities for the transmission and storage of domestically extracted hydrocarbons may be prescribed in separate legislation. Access may be granted if

(a) the free capacity suitable for satisfying demand is available, and

(b) the mineral resources do not cause disruptions in the operation of the planned system.

Section 24/A¹⁵⁶(1) The operator holding a licence for the operation of a crude oil transmission pipeline (hereinafter ‘oil transmission pipeline operator’) shall offer the contractually not reserved capacities of the oil transmission pipeline and the storage capacities necessary for transmission, and the person disposing over contractually reserved capacities shall offer the unused capacities of the transmission pipeline and storage capacities necessary for transmission for sale, in a transparent and non-discriminatory manner.

(2) In relation to a sale of contractually reserved but not used capacities, the capacity sale fee may not be higher than the fee paid for reserving the given capacity.

(3)¹⁵⁷ In a crude oil and petroleum product supply emergency defined in Act XXIII of 2013 on the emergency stockpiling of imported crude oil and petroleum products, or if such an emergency is probable, the oil transmission pipeline operator shall dispose over the contractually reserved but unused capacities of the oil transmission pipeline and of the storage facility necessary for transmission. The oil transmission pipeline operator shall offer for sale the contractually reserved but unused capacities to persons actually requesting transmission, in a transparent and non-discriminatory manner.

(4) The oil transmission pipeline operator and the person disposing over contractually reserved but unused capacities shall set out the rules of financial settlement necessary under paragraph (3) in a contract on capacity reservation.

(5) In the case referred to in paragraph (3), if there is demand in excess of contractually not reserved capacities, and of contractually reserved but unused capacities, the capacities shall be sold in proportion to requested quantities, in conformity with paragraph (3).

(6)¹⁵⁸ If a provision of an international agreement promulgated by law is applicable, paragraphs (3)–(5) shall be observed in a contractually defined crude oil and petroleum product supply emergency occurring in the territory of the party to the agreement, after notification given in accordance with the contract on the occurrence of an emergency, provided that contractually reserved but unused capacities shall be offered to parties actually requesting transmission.

Provision and management of geological data

Section 25¹⁵⁹(1)¹⁶⁰ Each year the mining undertaking and the geological prospecting permit holder shall send geological data obtained in the course of mining operations and geological prospecting, respectively, to the State geological body.

(2)¹⁶¹ The mining undertaking shall send to the State geological body

(a) initial data in the closing prospecting report relating to the quantity, quality and location of mineral resources, and properties of geothermal energy in the earth's crust,

(b) on an annual basis changes occurring in mineral reserves after the launch of production, and the report relating to the quantity of extracted and recovered geothermal energy, and

(c) the statement on remaining mineral reserves upon closure of the mine or field abandonment.

(2a)¹⁶² The person defined in Section 3(1a) shall report to the Mining Authority the quantity of each mineral resource extracted in the given year by 28 February of the year following the relevant year.

(3)¹⁶³ The following shall constitute a business secret:

(a)¹⁶⁴ data provided by the mining undertaking in the course of prospecting, by termination of the prospecting right but no later than the decision on the application serving the establishment of the mining site becoming final,

(b) geological data provided by the mining undertaking within the mining site, by cessation of the mining right but no later than three years from date of the data provision obligation,

(c)¹⁶⁵ data provided by the geological prospecting permit holder, for one year from the decision accepting the summary geological report becoming final,

(d) geological data provided for the joint mining plan, for three years from implementation of the technical operating plan referred to in Section 29(2).

(3a)¹⁶⁶ Irrespective of the date of data, information

(a) on the location and time of performed prospecting and geological prospecting,

(b) on the owner of prospecting or geological prospecting data,

(c) included in the decision establishing or modifying the mining site, or attached thereto, relating to the location of mineral resources, the quantity and quality of geological, extractable resources,

(d) on the quantity, quality of annually extracted mineral resources, the location of mineral resources located at the mining site at the end of the relevant year, the quantity and quality of geological, extractable resources, the quantity of extracted geothermal energy,

(e) on the location of extraction, recovery, and

(f) on the amount of the declared mining fee

shall constitute public information in the public interest.

(4)¹⁶⁷ The mining undertaking and geological prospecting permit holder are responsible for the authenticity of provided data, which may be verified by the State geological body.

(5)¹⁶⁸ The State geological body manages the register of State mineral resources and geothermal energy resources, and of geological structures storing carbon dioxide of energy and industrial origin; it issues certificates on such data upon the request of entitled persons for a fee determined in separate legislation.

Mining site

Section 26¹⁶⁹(1)¹⁷⁰ Mineral resources may be explored and extracted, geological structures utilised for the underground storage of hydrocarbon in the designated part of the surface or sub-surface of the earth (hereinafter 'mining site').

(2) The establishment of a mining site is not required for the prospecting and extraction of mineral resources within the framework of prospecting or during the recovery of waste heaps.

(3)¹⁷¹ The Mining Authority establishes the mining site upon request, in consideration of the observations of owners of real property relating to the expected utilisation schedule of

properties to be covered by the mining site and the usage, utilisation and disposal rights attached to the properties in relation to open-cast mining sites.

(4)¹⁷² The Mining Authority sends the final decision on the establishment of the mining site to the land registration authority for the mining site's registration in the land register. It is not necessary to register in the land register mining sites established for the extraction of crude oil and natural gas – including carbon dioxide gas – and for underground gas storage.

(5)¹⁷³ The establishment of the mining site and its registration in the land register shall be without prejudice to the ownership, purpose and use of surface properties covered by the mining site. The establishment of the mining site does not constitute the launch of using the area.

Section 26/A¹⁷⁴(1)¹⁷⁵ The mining undertaking may apply for the establishment of the mining site and the designation of the geothermal protection boundary within 5 months of the decision accepting the closing prospecting report becoming final. The duration of the environmental authorisation procedure and the activity defined in Section 23(1a) and (1b) is not included in the 5-month period. Upon failure to meet the deadline, the right of the mining undertaking to request the establishment of the mining site and the designation of the geothermal protection boundary shall cease.

(2)¹⁷⁶ The establishment of a mining site may be requested on the basis of legally obtained data of a data repository, new discoveries in geological theory or a report on the calculation of reserves prepared with the use of reported surface reconnaissance. In relation to an application submitted on the basis of a report on the calculation of reserves, the Mining Authority shall call on the applicant to launch the environmental authorisation procedure and suspend the mining site establishment procedure – with the exception of the establishment of a mining site relating to crude oil, natural gas, including carbon dioxide, gas mineral resources – until the conclusion of the environmental authorisation procedure with a final decision.

(3) The Mining Authority shall establish a mining site for the exploration and extraction of specific mineral resources if the applicant

(a) proves with prospecting data (closing prospecting report or report on the calculation of reserves) that the deposit to be demarcated with the mining site holds extractable mineral resources,

(b)¹⁷⁷ holds the environmental permit or IPPC permit necessary for carrying out the activity, or the final decision of the environmental protection authority closing the preliminary review procedure in relation to the exploration and extraction of solid mineral resources, in cases defined by Government Decree No 314/2005 of 25 December 2005 on the environmental impact assessment and the integrated pollution prevention and control authorisation procedure,

(c) defines the mining technology it intends to use (underground mining, open-cast mining, borehole mining), proves the feasibility of extraction conditions with technical specifications, and specifies the date of extraction based on the schedule,

(d) meets legal requirements prescribed for the contents of the mining site documentation.

(3a)¹⁷⁸ An open-cast mining site may be established or horizontally expanded if the requirements of Act CXXXIX of 2018 on the spatial plan of Hungary and of certain priority regions of Hungary relating to the establishment of the mining site are met.

(4)¹⁷⁹ The mining undertaking shall launch operational extraction within 5 years from establishment of the mining site, or within 10 years in relation to hydrocarbon deposited along a common State border. The mining undertaking may no more than once request the Mining Authority to extend the deadline determined for launching operational extraction at a mining site by up to 5 years. The mining undertaking shall pay a fee for extension.

(5) The Mining Authority shall revoke the mining right of the mining undertaking if the mining undertaking

(a) fails to launch operational extraction by the deadline determined for launching operational extraction, and

(aa) fails to request the Mining Authority to extend the extraction deadline, or

(ab)¹⁸⁰ the Mining Authority rejected the request for extension in a final decision,

b)¹⁸¹ it fails to perform its fee payment obligation by the deadline, or

(c) the economic operator is dissolved without a legal successor.

(6)¹⁸² With the exception of the case referred to in Section 12(3), the Mining Authority may publish an invitation to tender for the purpose of designating the new holder of the mining right attached to the mining site, in consideration of mineral reserve management criteria, environmental protection and economy, the expected revenues, savings or other benefits of the State, if a body exercising the ownership of the Hungarian State does not lay claim to such right on the basis of a request made in advance.

(6a)¹⁸³ If the new holder of the right is designated in relation to a mining site at which extraction has not yet been carried out after its establishment, the new holder of the right shall launch operational extraction within five years from designation. The five-year deadline may be extended in accordance with paragraph (4). The legal consequences set out in paragraph (5) are also applicable in relation to the new holder of the right.

(6b)¹⁸⁴ If the new holder of the right is designated in relation to a mining site at which extraction has already been launched after its establishment, the new holder of the right shall launch operational extraction within one year from designation. The one-year deadline may

not be extended. The one-year deadline does not include the duration of administrative procedures necessary for obtaining the administrative licences for the launch of extraction.

(7) The Mining Authority shall publish the invitation to tender on its website and in the Hungarian Official Gazette, published as an attachment to the Hungarian Official Journal, and in the Official Journal of the European Union in relation to hydrocarbons.

(8)¹⁸⁵ A mining site qualified as a contained area in relation to its deposit of mineral resources may not be included in the tender referred to in paragraph (6). The Mining Authority shall delete the mining site *ex officio* from the register after the decision cancelling the mining right becomes final.

Section 26/B¹⁸⁶(1)¹⁸⁷ After the establishment of an open-cast mining site, but 5 years before the date determined in the schedule referred to in Section 26/A (3)(c), at the latest, the mining undertaking has the right request the Mining Authority to order the initiation of a construction and lot development prohibition on the properties covered by the mining site, in accordance with relevant legal building regulations. Upon failure to meet the deadline, the rights of the mining undertaking for initiating the prohibition of construction and lot development shall cease.

(2) In relation to a mining site serving underground mining, the mining undertaking has the right to initiate the ordering of a construction and lot development prohibition if mining is likely to affect real property on the surface.

(3)¹⁸⁸ In the evaluation procedure of the application for the establishment or modification (expansion, reduction, merger or division) of the mining site, based on prospecting (reserve calculation) data the Mining Authority determines the quantity of mineral resources deposited at the mining site, its classification as a valuable substance or tailings.

(3a)¹⁸⁹ The Mining Authority shall register the prospecting area and the mining site. The register shall include:

(a) in relation to the prospecting area

(aa)¹⁹⁰ the number of the decision authorising prospecting and the date it becomes final, the file number and effective date of the concession contract in relation to the granting of a prospecting right,

(ab) administrative designation of the prospecting area, with naming of the municipalities involved, and their demarcation with the coordinates of the Uniform National Projection System (hereinafter 'EOV System'), the demarcation of the prospecting blocks with coordinates of the EOV System, the lower and upper surface of the prospecting area,

(ac) specification of mineral resources authorised for prospecting,

(ad) name and domicile, or name and registered office of the holder of the prospecting right,

(ae) authorised prospecting period,

(af) date of termination of the prospecting right if it is revoked,

(b) in relation to the mining site

(ba)¹⁹¹ the number of the decision establishing the mining site and the date it becomes final,

(bb) registered name of the mining site, name and domicile, or name and registered office of the holder of the right, coordinates of the boundary cut-off points based on the EOVS System, its area (surface projection), lower and upper surface,

(bc) name, quantity of mineral resources deposited at the mining site (geological and extractable resources),

(bd) method of extracting mineral resources,

(be)¹⁹² the number of the decision deleting the mining site and the date it becomes final.

(3b)¹⁹³ The register referred to in paragraph (3a) is deemed to be a public register, except in relation to the name and domicile, or name and registered office of the holder of the right.

(4)¹⁹⁴ The Mining Authority may modify the mining site upon request. If the modification affects a mining site registered in the land register, it shall contact the land registration authority with the final decision on modification for the registration of the modification of the mining site in the land register. Rules relating to the establishment of the mining site are appropriately applicable to its modification.

(5)¹⁹⁵ If the Mining Authority deletes the mining site upon request of the mining undertaking or *ex officio*, it shall transfer deletion in the register and notify the stakeholders thereof. It shall contact the land registration authority with the final decision on deletion for the deletion of the mining site's entry from the land register. The obligations of the former holder of the right to the mining site shall remain in effect after deletion of the mining site in relation to compensation for mine damage, land rehabilitation and safety, and environmental protection and nature conservation.

Section 26/C¹⁹⁶(1)¹⁹⁷ If during mining operations a natural, environmental, monumental or archaeological value is discovered in the area of the mining site before submission of the technical operating plan of mine closure, which cannot otherwise be protected, the Mining Authority may reduce the mining site *ex officio* based on the decision of the relevant authority, such decision also providing for indemnification of the mining undertaking.

(2)¹⁹⁸ The provisions of the Civil Code are applicable to indemnification provided to the mining undertaking for *ex officio* reduction of the area of the mining site under paragraph (1). The amount of indemnification shall be paid by the relevant authority referred to in paragraph (1) within 30 days of its decision becoming final, unless it had indicated the existence of the natural, environmental, monumental or archaeological value, or the probability thereof based on earlier actual data and geological attributes during the assessment of the professional matter during the sensitivity and load capacity test, or in the administrative procedure of the Mining Authority.

(3)¹⁹⁹ If the area of the established mining site is declared a withdrawn area before submission of the technical operating plan of mine closure, the mining undertaking shall be entitled to indemnification for resulting damage. The decision declaring the withdrawn area shall also provide for indemnification. The amount of indemnification is payable within 30 days of the decision declaring the withdrawn area becoming final.

Technical operation plan

Section 27²⁰⁰(1)²⁰¹ Exploration, extraction, underground gas storage and waste heap recovery shall be performed on the basis of an approved technical operating plan.

(2)²⁰² The technical operating plan shall be drawn up in consideration of the technical safety, health protection, fire protection rules, mineral reserve management, water management, environmental, nature conservation and landscape protection requirements to ensure that it serves the protection of life, health, surface and underground facilities, the preservation of agricultural and forestry land, the possible prevention and mitigation of mine damage and environmental-natural damage, conformity with the provisions of town planning instruments, and the implementation of land rehabilitation.

(3)²⁰³

(4)²⁰⁴ The Mining Authority approves the technical operating plan on the basis of criteria defined in paragraph (2) and the property usage schedule if the mining undertaking has proven its right of use in relation to the properties to be affected by mining operations defined in the technical operating plan.

(5)²⁰⁵ In the course of approving the technical operating plan, the Mining Authority shall authorise the sale of tailings in excess of the quantity necessary for land rehabilitation.

(6)²⁰⁶ The mining undertaking shall inform the body responsible for nature conservation in protected natural areas of any minerals, mineral aggregates and fossils found during mining operations, deemed to be important on a professional, scientific basis, and enable recovery of the finding.

*Operating rules*²⁰⁷

Section 28²⁰⁸(1) The mining undertaking shall maintain the rules of technical, technological safety provisions defined in this Act and in decrees implementing this Act, and ensure their enforcement.

(2)²⁰⁹ The mining undertaking shall appoint a chief technical supervisor and a deputy supervisor for the mining plant (hereinafter collectively ‘chief technical mining supervisor’). A separate chief technical mining supervisor may be appointed in a hydrocarbon mining plant in relation to special mining operations. The chief technical mining supervisor must be reported to the Mining Authority.

(3)²¹⁰ A person intending to carry out the activity of the chief technical mining supervisor shall report such intention to the Mining Authority in accordance with Act LXXVI of 2009 on general rules of launching and providing services. The activity of the chief technical mining supervisor may be carried out by a person with a clean criminal record, who meets conditions set out in Decree No 16/2013 of 19 April 2013 of the Minister for National Development on the appointment of the chief technical mining supervisor.

(4)²¹¹ The register managed by the Mining Authority on persons with the right to carry out the activity of the chief technical mining supervisor includes the personal identification data of natural persons, specifies their educational qualifications and diploma number.

(4a)²¹² The register referred to in paragraph (4) is deemed to be a public register, except in relation to the personal identification data of natural persons.

(5)²¹³ The chief technical mining supervisor is responsible for enforcing the provisions set out in Section 27(2), the technical requirements and mining safety rules in mining operations, and for verification of conformity with these. In such capacity he is deemed to be the representative of the mining undertaking. His responsibility is without prejudice to the responsibility of the mining undertaking or of other persons based on their position or job. If the appointment of chief technical mining supervisor relates to certain mining operations, the chief technical mining supervisor shall assume exclusive responsibility in relation to these.

Section 28/A²¹⁴

Section 28/B²¹⁵

Joint extraction

Section 29²¹⁶(1) If several mining undertakings have the right to carry out production trials, exploration or extraction in relation to a hydrocarbon deposit in the prospecting phase, and all mining undertakings meet conditions applicable to extraction, the mining undertakings shall draw up a joint mining plan for the exploration and extraction of the hydrocarbon field. The joint mining plan shall determine the sequence, quantity and conditions of extraction, and the protection of mineral reserves. The mining undertakings shall provide geological data necessary for drawing up the joint mining plan. The Mining

Authority shall require mining undertakings failing to provide data to provide the geological data.

(2) The mining undertakings shall carry out exploration, extraction on the basis of the joint mining plan, but according to separate technical operating plans. If the mining undertakings do not draw up the joint mining plan by submission of the application for approval of the first technical operating plan, the Mining Authority shall procure completion of the joint mining plan at the cost of the mining undertakings. If the Mining Authority procures completion of the joint mining plan, it shall suspend the technical operating plan approval procedure until completion of the joint mining plan.

Section 29/A²¹⁷(1)²¹⁸ If several mining undertakings have the right to extract solid mineral resource deposits overlapping each other, or which are contiguous directly or through the protective pillars, the mining undertakings shall coordinate their exploration and extraction activity, and set out their relevant agreement in a public instrument or in an instrument countersigned by a lawyer or registered legal counsel. The agreement is subject to approval by the Mining Authority. The parties may withdraw from the agreement with the approval of the Mining Authority, and cancel, terminate or amend it with the approval of the Mining Authority.

(2) The agreement referred to in paragraph (1) shall include the following:

(a) conditions for carrying out mining operations, with determination of the sequence of technical, safety and environmental protection tasks, the method of execution, and rules relating to costs borne by the parties obliged to cooperate,

(b) coordination of the use of real property located on the surface, and

(c) explicit provision for mutually ensuring the activity of each of the parties.

(3) The agreement referred to in paragraph (1) shall be attached to the application for approval of the technical operating plan of exploration and extraction. If there is no agreement, the Mining Authority shall decide on the necessity and content of cooperation in the course of the authorisation procedure of the technical operating plan.

Suspension of extraction

Section 30²¹⁹(1)²²⁰ The mining undertaking may suspend extraction for up to 12 months during the period of the technical operating plan approved for extraction. Extraction may be suspended for more than 12 months with the permission of the Mining Authority, based on the approved technical operation suspension plan.

(2) A fee payment obligation for compensation of lost mining fees shall be determined in the concession contract by the minister, and by the Mining Authority in the decision approving the technical operating plan prepared for suspension in relation to other mining undertakings. A fee compensating for the mining fee may not be determined if the suspension of extraction was necessitated by an act of God or mining hazards.

(3)²²¹ The approved technical operating plan or the mining plan serving as its basis shall be considered for determining the amount of the fee payable by the mining undertaking to compensate for lost mining fees. The amount of the annual fee payable by the mining undertaking shall equal 30 % of the amount of the mining fee determined in accordance with Section 20 for the value of extracted quantity approved for the last year in the technical extraction plan preceding suspension.

(4)²²² The Mining Authority shall order *ex officio* the closure of the mine and land rehabilitation, except for the underground mining of ore, if

(a)²²³ the suspension of extraction reaches a period of 6 years,

(b)²²⁴ the mining undertaking fails to duly meet its fee payment obligation determined to compensate for lost mining fees notwithstanding the relevant notice, or

(c)²²⁵ the application of the mining undertaking for approval of the technical operating plan relating to the period following suspension – except for the technical operating plan relating to mine closure and land rehabilitation – has been rejected by the Mining Authority in a final decision, or it has terminated the procedure.

(4a)²²⁶ The mining undertaking shall submit the application for approval of the technical operating plan referred to in Section 42 within 30 days of the decision of the Mining Authority ordering the mine closure and land rehabilitation becoming final.

(5)²²⁷ If the mining undertaking fails to meet its obligation prescribed in paragraph (4a), or the Mining Authority has rejected the technical operating plan of mine closure it had submitted in a final decision, or terminated the procedure with a final decision, the concession contract shall be terminated in relation to mining operations conducted under a concession contract, and the Mining Authority shall revoke the mining right of the mining undertaking in relation to mining carried out on the basis of a permit issued by the Mining Authority.

(6)²²⁸ If pursuant to paragraph (5)

(a) the concession contract is terminated, provisions of Section 12(3) are applicable, or

(b) if the Mining Authority revokes the mining right, provisions of Section 26/A (6b),(7) are applicable.

Rules of establishment

Section 31²²⁹(1)²³⁰ The authorisation of the Mining Authority is required for

(a) the construction, putting into service, repair, conversion, dismantling and abandonment of civil engineering works, facilities and equipment necessary for carrying out the activities defined in Section 1(1)(a)–(m), and for the construction, putting into service,

repair, conversion, dismantling and abandonment of filling and storage facilities, and distribution pipelines of liquid propane-butane gases, and their compounds, and

(b) the construction, putting into service, repair, conversion of certain pressure equipment

[hereinafter the civil engineering works defined in points (a)–(b) collectively referred to as ‘special civil works’].

(2) A developer who or which

(a)²³¹ carries out construction relating to special civil works or a part thereof without a final permit or a permit declared immediately enforceable,

(b) carries out construction by way of derogation from the permit defined in point (a),

(c) carries out construction relating to special civil works or a part thereof without notification or by way of derogation from such notification,

(d) establishes special civil works or a part thereof by breach of town planning instruments, general mandatory building regulations and safety regulations, or

(e) uses special civil works bound to a building permit without an occupancy permit

[hereinafter points (a)–(e) collectively referred to as ‘irregular construction’] shall be subject to the fine imposed by the Mining Authority, which shall bar the developer from carrying out the activity in relation to points (a)–(d), and from use in relation to point (e).

(3)²³² If the special civil works were established in accordance with points (a), (b) or (c) of paragraph (2), the Mining Authority may issue a retention permit for them if conditions for establishing regularity exist or can be established. If the special civil works were established in accordance with paragraph (2)(d), the Mining Authority shall order the dismantling of the special civil works.

(4)²³³ A fine may not be imposed in cases defined in points (a) and (b) of paragraph (2) if the building permit declared immediately enforceable has been annulled or judicially repealed.

Section 31/A²³⁴ Unless agreed otherwise, the developer is entitled to ownership of special civil works authorised by the Mining Authority.

Safety zone and protective pillar

Section 32²³⁵(1)²³⁶ A safety zone shall be designated to protect the hydrocarbon transmission, natural gas distribution pipelines, and other gas and gas product pipelines (for the purpose of this section hereinafter collectively referred to as ‘pipeline’), and mining facilities and direct lines, and their environment. The legal regulation implementing this Act

sets out the extent of the safety zone, and the prohibitions and restrictions enforced within the safety zone. The safety zone of the pipeline and direct line is qualified as an impact area.

(2)²³⁷ It is necessary to protect residential municipalities, other surface or underground facilities, water resources, flowing and standing water, monumental real property, archaeological, protected natural areas from the impact of activity carried out in relation to the facility defined in paragraph (1), with the designation of a protective pillar (boundary pillar, protection boundary) where necessary. The protective pillar may not be put at risk during the activity. The Mining Authority may authorise – based on the hearing of the stakeholders – the extraction or weakening of the protective pillar if its function is no longer necessary, or the safety and protective requirements can otherwise be met.

(3)²³⁸ The installation of materials, buildings or facilities – except those falling within the scope of this Act – and the planting of plants (trees), and activity endangering the safety of the pipeline, life, physical well-being or the security of property is prohibited or subject to restriction within the safety zone. The legal regulation implementing this Act sets out the detailed rules of prohibitions and restrictions.

(4) The path of the pipeline shall be designated and designed so as to ensure that it preferably passes through public areas, and comes into contact with arable land or other property not in public ownership only to the extent necessary. The pipeline shall be designed, constructed and operated so as to ensure that its impact does not endanger the health of inhabitants in the area concerned, and that it modifies the natural environment, the value of the landscape and generally elements of the environment only to the extent necessary.

(5)²³⁹

Mine map

Section 33(1) The mining undertaking shall prepare the maps (mine map) relating to mining operations and mining facilities, prescribed by mining safety regulations and update these with changes.

(2) Upon completion of mining, it shall submit one copy of the mine map to the Mining Authority for storage.

*Safety and operational supervision of mining and gas operations*²⁴⁰

Section 34(1)²⁴¹ Mining and gas operations defined in separate legislation shall be carried out in conformity with safety requirements.

(2)²⁴² Separate legislation shall stipulate safety regulations.²⁴³

(3)²⁴⁴ The mining undertaking and the gas licence holder shall provide for verification of conformity with safety requirements and the supervision of activity, and ensure that the operational regulations serving the protection of people, the environment and property are available to employees.

(4) The mining undertaking shall operate a mine rescue and blowout protection service in the plants designated by the Mining Authority, and draw up a disruption response and blowout protection plan. The plan shall be sent to the Mining Authority.

(5)²⁴⁵ The mining undertaking shall ensure that the mine is qualified in relation to the main mining hazards (water hazard, gas blast hazard, firedamp, combustible dust hazard, fire risk, dust hazard and silicosis hazard).

(6)²⁴⁶ The Mining Authority may require the mining undertaking and the gas licence holder, as employer, to provide information in writing on conformity with the relevant occupational safety requirements.

Section 34/A²⁴⁷ The branch technical committees are responsible for monitoring activity relating to the establishment and operation of gas distribution pipelines and liquid propane and butane gas tanks, and for facilitating the wide ranging application of the results of technological progress that enhance the safety of the distribution and marketing of gas.

Major accidents and severe incidents

Section 35(1)²⁴⁸ The mining undertaking and gas licence holder shall immediately report any major accidents and severe incidents to the Mining Authority, and to the water protection authority or environmental protection authority as well if occurring during a water inrush or mining waste management. The rules of reporting and inspection shall be determined in the mine safety regulation. The minister shall set out the scope of a severe incident in a decree.²⁴⁹

(2) The Mining Authority shall investigate major accidents and severe incidents. During the investigation it determines the cause of the accident or incident, and takes measures necessary to prevent similar occurrences.

Land rehabilitation

Section 36²⁵⁰(1)²⁵¹ The mining undertaking or the geological prospecting permit holder shall gradually restore the surface area, the usability of which ceased or was significantly limited as a result of mining or geological prospecting, and thereby bring the area into a condition suitable for recovery or adjust it to the natural environment (hereinafter 'land rehabilitation').

(2)²⁵² The Mining Authority shall decide on tasks necessary for land rehabilitation in the course of the procedure approving the technical operating plan and the land rehabilitation plan of unused deep mining holes, as defined in paragraph (4).

(3)²⁵³

(4)²⁵⁴ Land rehabilitation tasks arising before the entry into force of this Act, relating to unused deep mining holes shall be performed by the owner of the deep mining holes on 31 December 2004 or the person who acquired ownership of deep holes after such deadline.²⁵⁵

(5)²⁵⁶ The owner shall draw up a land rehabilitation plan – also covering the schedule of land rehabilitation – on the performance of tasks referred to in paragraph (4) and submit it to the Mining Authority for approval.

(5a)²⁵⁷ The owner shall schedule land rehabilitation so as to ensure that from the year 2020, at least 1/13th of the land rehabilitation obligation relating to unused deep mining holes is performed each year. The owner shall complete the land rehabilitation of all unused deep mining holes it owns by 31 December 2032.

(6)²⁵⁸ The land rehabilitation of deep mining holes is not necessary if these were not used for mining purposes. The Mining Authority shall decide whether the unused deep mining hole is no longer suitable for mining. The decision of the Mining Authority does not grant the right of use for non-mining purposes; the authorisation of the competent authority is required for such use.

(7)²⁵⁹ The owner shall carry out land rehabilitation if, within six months of the Mining Authority's decision referred to in paragraph (6) becoming final, it does not request authorisation of use for non-mining purposes from the competent authority, or it does not commence use within the period specified in the permit.

(8)²⁶⁰ The Mining Authority shall manage a register on unused deep mining holes.

Mine damage

Section 37(1)²⁶¹ The mining undertaking or the geological prospecting permit holder shall reimburse damage (mine damage) defined in paragraph (2), in accordance with provisions set out in paragraphs (3)–(5).

(2)²⁶² Mine damage is deemed to be damage caused by mining or geological prospecting in third party real property, buildings, in other components and accessories of real property, and damage caused by water withdrawal, including expenditures serving the prevention, mitigation and control of damage.

(3) Indemnification is not due for damage if the civil engineering work was erected without a building permit in an area reserved for mining or within the borders of the mining site, or by breach of the conditions of such permit serving damage control.

(4) Unless agreed otherwise, indemnification of mine damage shall be paid in money.

(5)²⁶³ When indemnification is due, the mining undertaking or geological prospecting permit holder shall attempt to reach an agreement. If no agreement is reached, the mining undertaking or geological prospecting permit holder shall pay the amount of indemnification supported with an expert opinion to the injured party within 30 days from the due date of indemnification.

(6)²⁶⁴ The injured party may claim indemnification due but not paid by the prescribed deadline, and additional claims for indemnification in excess of already paid indemnification

in civil proceedings instituted against the mining undertaking or geological prospecting permit holder.

(7)²⁶⁵ A disadvantage resulting in the regular use of real property from a mining facility established on the basis of easement or expropriation is not deemed to be mine damage. Indemnification due for hindrance or other loss (e.g. decreased market value of real property) shall be assessed for the owner (manager, user) of the property upon establishment of easement or during the expropriation procedure.

Limitation of ownership of surface property

Section 38(1)²⁶⁶ The owner (manager, user) of the property shall tolerate observations, measurements, placement of marks performed by the mining undertaking or the geological prospecting permit holder on the property. The mining undertaking and geological prospecting permit holder shall pay indemnification for damage caused by their above activity and the temporary hindrance or disturbance of the use of the property in accordance with rules relating to mine damage.

(1a)²⁶⁷ The owner of the property shall tolerate the land rehabilitation of deep holes by the owner of the unused deep holes referred to in Section 36(4). The owner of deep holes shall pay indemnification for damage caused during land rehabilitation in accordance with rules relating to mine damage.

(2)²⁶⁸ Entry to the seismic measurement site, the setting out of measuring points and paths, the performance of measurements, including multidimensional seismic measurements and recording, are also deemed to be activity defined in paragraph (1). Geophysical measurements are not deemed to be temporary use of arable land for other purposes defined in Act CXXIX of 2007 on the protection of arable land.

(3)²⁶⁹ Unless agreed otherwise, to install a mining facility, hydrocarbon transmission pipeline, other gas and gas product pipeline, and equipment necessary for prospecting operations, hindering the regular use of the property, the mining undertaking and the operator of the other gas and gas product pipeline may request the establishment of easement to use the property for the purpose and until completion of construction and prospecting, in exchange for indemnification payable to the owner of the property. Indemnification of caused damage shall be paid in accordance with rules relating to mine damage.

(4)²⁷⁰ For the duration of operating a mining facility, hydrocarbon transmission pipeline, other gas and gas product pipeline, and equipment necessary for prospecting operations, including activity involving the termination of operation, hindering the regular use of the property, the mining undertaking and the operator of the other gas and gas product pipeline may request the establishment of easement in exchange for indemnification payable to the owner of the property. To install and operate equipment, energy supply, data transmission, cathodic protection equipment, technical pipelines and other equipment necessary for the regular operation of facilities falling within the scope of this Act, the mining undertaking and the operator of the other gas and gas product pipeline may request the establishment of

easement to the extent of the safety zone in exchange for indemnification payable to the owner of the property.

(5)²⁷¹ Based on the easement, the mining undertaking and the operator of the other gas and gas product pipeline have the right to use the property to the extent necessary for carrying out the activity, and to take measures necessary for inspection, repair, maintenance, capacity maintenance and expansion, for maintaining operation and safety, and the prevention and control of disruptions.

(6)²⁷² Indemnification for damage caused during use of the property shall be paid in accordance with rules relating to mine damage. Indemnification for damage caused to the property shall be paid consistently with the limitation of easement. The mining undertaking and the operator of the other gas and gas product pipeline shall attempt to reach an agreement with the owner, trustee or user of the property on the establishment of easement, and on the method and amount of indemnification by sending of an offer.

(6a)²⁷³ Unless agreed otherwise, the expropriation authority declares the establishment of easement and indemnification provided in exchange upon the request of the mining undertaking or the operator of the other gas and gas product pipeline. Rules of Act CXXIII of 2007 on expropriation are applicable to the procedure serving the establishment of easement. The right based on the agreement and on the administrative decision is deemed equivalent under provisions set out in Sections 5:27 and 5:164 of the Civil Code and in Section 16(f) Act CXLI of 1997 on the land register.

(7)²⁷⁴ The mining undertaking shall bear costs (indemnification, procedural costs etc.) incurred in connection with expropriation undertaken by the State in the concession contract. The mining undertaking shall advance the amount of expenditures to the organisation representing the State. Expropriation for mining purposes may otherwise be requested by the mining undertaking as third party requester of expropriation; the mining undertaking shall pay the costs and indemnification relating to expropriation. In both cases the expropriated property shall constitute the property of the State; for the duration of the mining right the mining undertaking shall have the right to occupy the property and to use it free of charge.

(8)²⁷⁵ In case of expropriation for mining purposes, the right of the mining undertaking to use the expropriated property shall be registered by the land registration authority in the land register on the basis of the final decision on expropriation.

(9)²⁷⁶ If conditions of expropriation for mining purposes exist in relation to a property owned by the State, an easement establishment procedure shall be conducted in relation to the property upon the request of the mining undertaking, irrespective of the fact that use for mining purposes precludes the regular use of the property.

(10)²⁷⁷ Easement may not be established for the installation or operation of a mining facility, hydrocarbon transmission pipeline and other gas and gas product pipeline in public spaces. The owner of public space shall tolerate the installation or operation of a mining

facility, hydrocarbon transmission pipeline and other gas and gas product pipeline in such space. The developer shall pay indemnification for damage caused by use of public space, including restriction of the use of public space.

(11)²⁷⁸ Easement may not be established, either, if the mining facility, hydrocarbon transmission pipeline and other gas and gas product pipeline is contiguous with railway tracks, flowing waters or channels. The stakeholders shall enter into an agreement for the use of such areas for construction and for the operation of facilities. The agreement is suitable as proof of construction rights.

(12)²⁷⁹ The agreement referred to in paragraph (11) may not limit the rights defined in paragraph (5).

Section 38/A²⁸⁰(1) The distribution network operator within the meaning of Act XL of 2008 on the supply of natural gas, and the owner of the distribution pipeline and the provider of pipeline propane-butane gas (hereinafter collectively 'licence holder') may request

- (a) the right to preparation works,
- (b) a transmission line easement,
- (c) a right of use, and
- (d) expropriation

for use of third party property.

(2) During the exercise of rights defined in paragraph (1), the licence holder shall provide indemnification for damage caused by

- (a) the placement of marks, measurements, tests,
- (b) the installation of, access to and the performance of works at the facilities,
- (c) hindrance (limitation) of the use of the property and its decreased market value

to the owner or user of the property (hereinafter collectively 'owner').

(3)²⁸¹ The rights listed in paragraph (1) may be exercised in other withdrawn areas only with the preliminary consent of the person holding the right to the withdrawn area.

(4) Upon cessation of the rights referred to in paragraph (1), the licence holder or distribution pipeline owner shall restore the property to its original state.

(5)²⁸² The right to preparation works, transmission line easement and right of use shall be conferred on the licence holder under the agreement entered into with the owner of the

property. Unless agreed otherwise, the right to preparation works, transmission line easement and the right of use shall be authorised by the Mining Authority.

(5a)²⁸³ A transmission line easement or right of use may not be established for a distribution pipeline to be established in a public space or for a facility defined in Section 38/D(1), and their safety zone that is contiguous with public space. The owner of public space shall tolerate the establishment of a distribution pipeline or a facility defined in Section 38/D(1) in public space. The developer shall pay indemnification for damage caused by use of public space, including the limitation of the use of public space.

(5b)²⁸⁴ A transmission line easement or right of use may not be established even if the distribution pipeline or the facility defined in Section 38/D(1) is contiguous with the area of a railway track, flowing water or channels. The stakeholders shall enter into an agreement for the use of such areas for construction and for the operation of facilities. The agreement is suitable as proof of construction rights. If the safety zone of the pipeline is also contiguous with a third party property adjacent to a railway track, flowing water or channel, and the reduction of the safety zone is not possible, a transmission line easement shall be established on the neighbouring third party property.

(5c)²⁸⁵ The agreement referred to in paragraph (5b) may not limit the rights set out in points (a)–(c) of Section 38/C(5) and in Section 38/D(2) more than the limitations set out in point (c) of Section 31(2) and in paragraph (4) of Section 31 of Act CLXXXIII of 2005 on rail transport, and in Section 17(9), Section 18 and in Section 24(3),(5),(6) of Act LVII of 1995 on water management.

(5d)²⁸⁶ As regards the distribution pipeline to be replaced or constructed in connection with the construction of a national road and its accessories, and a railway track of the core network and its accessories, in relation to all properties affected by all replacements and construction, not falling within the scope of paragraph (5a) or (5b), the authority shall provide for the transmission line easement within the framework of the establishment authorisation procedure without the separate application of the developer referred to in Section 29(1) of Act I of 1988 on road transport and in Section 44(1) of Act CLXXXIII of 2005 on rail transport.

(5e)²⁸⁷

(5f)²⁸⁸ The authority shall notify the land registration authority to register the transmission line easement in the land register based on its final decision providing for the transmission line easement. If the transmission line easement does not affect the entire area of land, only a part thereof, the diagrammatic site plan endorsed by the land registration authority, representing the part of the property affected by the transmission line easement shall also be attached to the administrative decision.

(6) The Government shall stipulate by decree detailed rules relating to the substance, granting, termination of rights relating to the restriction of surface property and indemnification.

(7)²⁸⁹

(8)²⁹⁰

(9)²⁹¹

(10)²⁹² The provisions of paragraphs (5d) and (5f) are also applicable to gas terminals and pressure regulator stations belonging to the distribution pipelines, provided that the Mining Authority shall establish a right of use in the procedure referred to in paragraph (5d).

Right to preparation works

Section 38/B²⁹³(1) The licence holder or owner of the distribution pipeline may request the granting of the right to preparation works for establishment of the gas distribution pipeline (hereinafter 'distribution pipeline').

(2) Based on the right to preparation works, in exchange for indemnification the owner of the property shall tolerate the placement of necessary marks, measurements and soil testing on its property. The owner of the property shall be notified before the launch of works.

Transmission line easement²⁹⁴

Section 38/C²⁹⁵(1) For the installation or operation of a distribution pipeline on third party property in exchange for indemnification, the Mining Authority may establish a transmission line easement to the benefit of the licence holder or distribution pipeline owner for up to the area of the safety zone, if it does not significantly hinder the use of the property.

(2)²⁹⁶ The Mining Authority shall notify the land registration authority to register the transmission line easement in the land register based on its final decision, with the exception set out in paragraph (3).

(3)²⁹⁷ If the transmission line easement is established on the basis of the agreement entered into between the property's owner and the licence holder or distribution pipeline owner, the licence holder or distribution pipeline owner shall request the registration of the transmission line easement in the land register. The transmission line easement is due to the current licence holder or owner of the gas distribution pipeline and encumbers the property.

(4)²⁹⁸ The transmission line easement may also be exercised before registration on the basis of the final decision or the consent of the owner.

(5) On the basis of the transmission line easement, on the third party property the licence holder or distribution pipeline owner may

(a) install and operate a distribution pipeline together with its fittings,

(b) maintain, repair, convert and remove the installed facilities,

(c) remove plants, trees, bushes, and branches, roots thereof, located along the pipeline, encroaching the safety zone,

(d)²⁹⁹ access or intersect a routed facility, river, flowing water, lake, channel or civil engineering works by means determined in the decree of the minister enacted in agreement with the minister in charge of water management, the minister in charge of the environment and the minister in charge of electronic communications.

(6) The transmission line easement established by decision of the Mining Authority shall be terminated if the licence holder or distribution pipeline owner does not build the facilities referred to in point (a) of paragraph (5) within five years from authorisation or permanently removes them. The licence holder or distribution pipeline owner shall report the termination of the transmission line easement to the Mining Authority within 30 days from termination. The Mining Authority shall determine *ex officio* the termination of the transmission line easement upon notification by the licence holder or distribution pipeline owner, otherwise upon the request of the property owner, or upon knowledge of termination by other means.

(7)³⁰⁰ Upon termination of the transmission line easement, the Mining Authority shall notify the land registration authority to delete the transmission line easement in the land register based on its final decision.

Right of use

Section 38/D³⁰¹(1) With respect to a gas terminal, metering station, district or individual pressure regulator station, pipeline propane-butane gas supply relating to a distribution pipeline, for the installation and operation of tanks and containers serving the storage of propane-butane gases and their compounds on third party property in exchange for indemnification, the Mining Authority may establish the right of use to the benefit of the licence holder or distribution pipeline owner for up to the area of the safety zone, if it does not significantly hinder the use of the property.

(2) The provisions of Section 38/C are applicable to the right of use, provided that the licence holder or distribution pipeline owner may enclose the facilities installed on third party property for up to the area of the safety zone.

(3) Point (d) of Section 38/C(5) may not be applied to the right of use.

Section 38/E³⁰²

Rights related to the direct natural gas line³⁰³

Section 38/F³⁰⁴ The provisions of the Civil Code are applicable to the establishment, existence and termination of rights relating to the establishment and operation of the direct line, encumbering third party property.

Construction prohibitions and restrictions

Section 39³⁰⁵(1) The mining undertaking may request the Mining Authority – by the deadline specified in Section 26/B(1) – to request the competent building authority to order a prohibition of construction and lot development on property located within the borders of the mining site established for underground or open-cast mining. The mining undertaking shall reimburse the resulting damage to the owner (property manager, user) of the property. The mining undertaking may not request the ordering of the construction and lot development prohibition if the mining site has not been registered in the land register.

(2)³⁰⁶ In all construction or lot development procedures relating to the mining site or the safety zone the mining undertaking is deemed to be a customer. If the mining undertaking requests the prescription of conditions for construction or lot development explicitly serving the avoidance of disadvantages caused by mining operations, it shall reimburse the owner (property manager, user) of the property damage resulting, outstanding from the above.

(3)³⁰⁷ When drawing up the spatial plans and town planning instruments it is necessary to consider – by enquiring with the Mining Authority – registered areas containing mineral resources. Upon the proposal of the Mining Authority, land use and construction restrictions may be introduced in the local building code in relation to the area of the established mining site.

(4)³⁰⁸ After completion of mining operations the Mining Authority notifies the competent local authority to provide for ordering a prohibition or restriction of construction relating to the property at risk from mining operations or terminated special civil works.

(5)³⁰⁹ After deletion of the mining site, the Mining Authority shall notify the competent local authority to provide for deletion of the construction and lot development prohibition ordered under paragraph (1).

Section 40³¹⁰

Fines, measures and security

Section 41³¹¹(1)³¹² The Mining Authority shall impose a fine on a legal or natural person who or which carries out or provides for the performance of unlawful mining operations, bars it or him from pursuing such activity, and requires it or him to pay the unlawfully extracted value. A person carries out unlawful mining operations if it

(a) carries out surface reconnaissance without mandatory notification referred to in Section 4,

(b) extracts mineral resources or recovers geothermal energy without a mining concession or the permit of the Mining Authority,

(c) extracts mineral resources or recovers geothermal energy in the course of activity carried out without or by derogation from the administrative licence prescribed by separate legislation,

(d)³¹³

(e)³¹⁴

(1a)³¹⁵ The Mining Authority shall impose a fine on a legal or natural person who or which carries out or provides for the performance of mining waste management without or by derogation from a permit, bar it or him from pursuing such irregular activity, and requires it or him to terminate the illegality.

(2)³¹⁶ If the mining undertaking irregularly carries out mining operations, the Mining Authority may impose a fine on the mining undertaking, suspend such operations, revoke the permit and order the restoration of the original state or, if this is not possible, land rehabilitation, or it may revoke the mining right of the mining undertaking, in which case Section 26/A(6),(7) is applicable. In relation to a concession, the Mining Authority may also initiate the termination of the concession contract.

(3)³¹⁷ The mining undertaking carries out mining operations irregularly if

(a)³¹⁸ without or by derogation from the permit of the Mining Authority,

(b) by breach of rules prescribed in Part III of this Act,

(c) it meets its reporting, self-declaration or payment obligation prescribed by law in relation to the assessment of the mining fee incorrectly, late or fails to meet such obligation,

(d) by breach of rules relating to the management of waste generated during mining operations,

(e) by derogation from rules relating to the prospecting, extraction and recovery of geothermal energy.

(3a)³¹⁹ Ownership of mineral resources extracted during irregular mining operations shall pass on to the mining undertaking if the Mining Authority did not order restoration to the original state and the mining undertaking has paid the mining fee.

(3b)³²⁰ Among the legal consequences referred to in paragraph (2), the Mining Authority shall apply those that most effectively serve the termination of illegality. The Mining Authority may also jointly apply legal consequences.

(3c)³²¹ If the mining undertaking suspended extraction without permission, the Mining Authority shall require the mining undertaking to pay a fee calculated on the basis of Section 30(3) for the duration of unauthorised suspension.

(4)³²² The Mining Authority shall impose a fine on a natural or legal person who or which carries out unauthorised gas operations (storage of natural gas, its distribution, transmission by pipeline, pipeline transmission of other gases, pipeline distribution of liquid propane,

butane gases and their compounds, their marketing in tanks or cylinders) falling within the scope of separate legislation, bound to the administrative licence issued by the Mining Authority, and may bar it from carrying out such activity.

(5)³²³ The Mining Authority shall impose a fine on a licence holder with the right to conduct gas operations referred to in paragraph (4), which carries out its activity by derogation from requirements set out by law or in the decision of the Mining Authority, and may suspend its activity or revoke the licence issued by the Mining Authority. If the measure affects gas operations falling within the scope of Act XL of 2008 on the supply of natural gas, the Mining Authority shall notify the Hungarian Energy and Public Utility Regulatory Authority of the proposed measure.

(6) The fine may be reimposed.

(7)³²⁴ To ensure security for the performance of the obligations of the mining undertaking arising from mining operations, the conclusion of an insurance contract or the provision of security is prescribed by the minister in the concession contract and by the Mining Authority in its permit or licence, in consideration of the offer of the mining undertaking. Such financial collateral shall extend to the reimbursement of mine damage and performance of the land rehabilitation obligation, including environmental damage caused by waste management facilities and their rehabilitation works.

(7a)³²⁵ A security provision obligation may not be prescribed for the obligation of land rehabilitation resulting from mining operations, assumed by the State.

(7b)³²⁶ If the mining undertaking fails to meet its security provision obligation by the given deadline, the Mining Authority shall prohibit the launch or continuation of mining operations until performance of the obligation. If the mining undertaking failed to meet its security provision obligation within ninety days of the decision of the Mining Authority prohibiting the launch or continuation of mining operations becoming final, the Mining Authority shall revoke the mining right of the mining undertaking, entailing the application of Section 26/A(6),(7).

(8)³²⁷

(9)³²⁸ If in the course of procedures referred to in paragraphs (4)–(5), the Mining Authority determines that the case falls within the competence of a different authority, it shall inform the competent authority without delay.

Section 41/A³²⁹(1)³³⁰ The Mining Authority shall impose a fine on the natural or legal person who or which

(a) breaches requirements set out in fire protection laws or fire protection regulations relating to facilities falling under the fire protection authority of the Mining Authority,

(b) operates pressure equipment or a storage tank falling under the administrative supervision of the Mining Authority without preliminary testing, or notwithstanding the negative result of such testing, or after expiry of the permit,

(c)³³¹ breaches safety rules relating to the operation of pressure equipment or storage tanks falling under the administrative supervision of the Mining Authority, or fails to meet its reporting obligation prescribed by Government Decree No 23/2006 of 3 February 2006 on the administrative supervision of certain pressure equipment falling within the competence of the Mining Authority,

(d) breaches requirements prescribed by legislation or administrative decisions relating to the transmission, distribution, storage of natural gas, crude oil, petroleum products, and other gas and gas products by a pipeline, or to the safety zones of facilities necessary for the above activity,

**(e) breaches provisions relating to the mining site or the rules of mine safety regulations ,
or**

(f)³³² fails to report the launch or completion of geological prospecting to the Mining Authority,

(g)³³³ breaches safety requirements relating to the establishment and operation of electrical equipment and devices, electric consuming equipment in the course of activity falling within the scope of this Act,

(h)³³⁴ breaches safety rules relating to civilian blasting activity falling under the authority of the Mining Authority, or the provisions of the administrative decision.

(1a)³³⁵ If the infringement referred to in point (d) of paragraph (1) is committed by the owner (manager, user) of the property, the fine may be imposed on the owner (manager, user) of the property if it hinders the owner or operator of the facility under point (d) of paragraph (1) in terminating the illegality.

(1b)³³⁶ A procedure serving the determination of infringements under point (d) of paragraph (1) and the imposition of the fine may be launched within 10 years from the date of the infringement.

(2) The Mining Authority shall impose a fine on the natural person who, in relation to activity falling under the administrative supervision of the Mining Authority,

(a) breaches rules relating to the healthy and safe performance of work, or to the inspection thereof, or tolerates the omission of enforcing such rules within the scope of his functions,

(b) fails to meet his reporting, investigation, registration obligation relating to occupational disease, or hinders its investigation, including denial of necessary data provision,

(c) as employer fails to meet its registration, investigation, report drafting and reporting obligation on time in relation to occupational accidents, or provides false information, conceals the true cause of accidents, or hinders their investigation, or

(d) intentionally hinders – as employer – the work safety representative in exercising his rights granted under the relevant work safety regulation, or takes detrimental measures against the work safety representative on account of his exercising his rights.

(3) The Mining Authority shall impose a fine on an employer which fails to meet its immediate reporting obligation relating to a severe incident or an occupational mining accident defined in this Act, provides false information, conceals the true cause of the incident, or hinders the investigation.

(4)³³⁷ The Mining Authority shall impose a fine on a person it has registered, who fails to meet its obligation to report changes to data.

(5)³³⁸ The Mining Authority shall impose a fine on the chief technical mining supervisor who fails to enforce provisions laid down in the technical operating plan, compliance and verification of compliance with technical requirements, mine safety regulations, occupational safety, environmental and mineral reserve management rules in mining operations.

(6)³³⁹ The Mining Authority shall impose a fine on the competent person – defined in Decree No 14/2008 of 3 April 2008 of the Minister for Economy and Transport on the management of mining waste – who fails to perform his tasks arising from the decree.

(7)³⁴⁰ The Mining Authority shall impose a fine on the gas distribution licence holder defined in Decree No 94/2003 of 18 December 2003 of the Minister for Economy and Transport on the rules and administrative supervision of the marketing of liquid propane, butane gases and their compounds in tanks or cylinders, which fails to meet its reporting obligation relating to the putting into service of pressure equipment.

(8)³⁴¹ The Mining Authority shall impose a fine on the person defined in Section 3(1a) who fails to meet its data provision obligation referred to in Section 25(2a).

(9)³⁴² The Mining Authority shall impose a fine on the

(a) certified mineral surveyor,

(b) specialist or official supervisor inspecting pressure equipment, and

(c) geological specialist,

who breached requirements laid down in legal regulations implementing this Act, relating to his activity, and the mine map as well in relation to the certified mineral surveyor.

(10)³⁴³ If the certified mineral surveyor, or the specialist or official supervisor inspecting pressure equipment, or the geological specialist breached the requirements of paragraph (9), or the chief technical mining supervisor breached the requirements of paragraph (5) by causing a severe incident, major accident defined in legal regulation on the rules of reporting and investigating severe incidents and major accidents occurring in the course of activity falling within the competence of the Mining Authority, or damage to third parties in a documented amount in excess of HUF 50 million, the Mining Authority may bar him from carrying out his activity for up to two years, subject to imposition of a fine.

Mine closure, field abandonment

Section 42(1)³⁴⁴ Upon completion of extraction, in the course of evaluating the technical operating plan drawn up for the closure of the mine and the abandonment of the hydrocarbon field it is also necessary to examine options of using the underground areas of the closed mine and their facilities for other public purposes, and using the abandoned hydrocarbon field for other purposes. In this process consideration should be given to the recovery and termination of the waste heap(s).

(2) The unused underground excavation void may be abandoned in a state so as to ensure no risk to either the environment or the surface.

(3)³⁴⁵ The Mining Authority authorises and verifies the implementation of the technical plan prepared for the use of underground excavation voids and other mining facilities for other purposes.

(4)³⁴⁶ In its permit referred to in paragraph (3), the Mining Authority shall provide for the decommissioning of public water supply facilities or their continued operation in the public interest based on the consent of the local authority concerned.

(5)³⁴⁷ The mining undertaking shall attach the instrument evidencing the right to use the property to the authorisation application of the technical operating plan of mine closure if it also plans to extract mineral resources in the course of the mine closure, not including development of the final bank and mine bottom.

PART III/A³⁴⁸

RULES OF THE GEOLOGICAL STORAGE OF CARBON DIOXIDE OF ENERGY AND INDUSTRIAL ORIGIN

Section 42/A For the purpose of this Part and Government Decree No 145/2012 of 3 July 2012 on the geological storage of carbon dioxide, the terms below shall mean the following:

1. *post-closure period*: the period after the closure of a storage site, including the period after the transfer of responsibility to the Mining Authority;

2.³⁴⁹ *geological prospecting related to the geological storage of carbon dioxide*: the assessment of potential storage complexes for the purposes of geologically storing carbon dioxide by

means of activities intruding into the sub-surface, such as drilling to obtain geological information about strata in the potential storage complex and, as appropriate, carrying out injection tests in order to characterise the storage site;

3. *geological formation*: a lithostratigraphical subdivision within which distinct rock layers can be found and mapped;

4. *added substances*: substances intentionally added to the carbon dioxide stream to control or monitor the movement of carbon dioxide at the storage site;

5. *significant risk*: a combination of a probability of occurrence of damage and a magnitude of expected damage, which, if occurring, renders the safe geological storage of carbon dioxide – in terms of the protection of the environment and human health – uncertain in relation to the storage site concerned;

6. *significant irregularity*: any irregularity in the injection or storage operations or in the condition of the storage complex itself, which implies the risk of leakage or risk to the environment or human health;

7. *substantial change*: change occurring relative to the provisions of the storage permit, which may adversely affect the effect of storage on the environment or human health;

8. *corrective measure*: any measures taken to correct significant irregularities or to close leakages in order to prevent or stop the release of carbon dioxide from the storage complex;

9. *transport network*: network of carbon dioxide transmission pipelines enabling the transport of carbon dioxide to the storage site;

10. *transport network operator*: a natural or legal person who or which operates and controls the carbon dioxide transmission pipeline;

11. *carbon dioxide stream*: a flow of substances resulting from the capture processes of carbon dioxide of energy and industrial origin, not qualified as a product;

12. *geological storage of carbon dioxide*: injection accompanied by storage of carbon dioxide streams in underground geological formations;

13. *carbon dioxide transmission pipeline*: pipeline, including associated booster stations, for the transport of carbon dioxide to the storage site;

14. *leakage*: any release of carbon dioxide from the storage complex;

15. *storage site*: a defined volume area within a geological formation used for the geological storage of carbon dioxide of energy and industrial origin, together with associated surface and injection facilities;

16. *closure of a storage site*: technical closure of the storage site and removal of injection facilities serving the definitive cessation of carbon dioxide injection based on the authorisation of the Mining Authority;

17. *storage complex*: the storage site and surrounding geological domain that can have an effect on the security of storage;

18. *operator*: any natural or legal person who operates or controls the storage site and to whom decisive economic power over the technical functioning of the storage site has been delegated;

19. *water column*: the vertically continuous mass of water from the surface to the bottom sediments of a water body.

Assessment of storage capacity

Section 42/B The Mining Authority shall assess geological structures, and their capacities, available in the territory of the country that are potentially suitable for the geological storage of carbon dioxide.

Geological prospecting permit for the geological storage of carbon dioxide³⁵⁰

Section 42/C³⁵¹(1) Geological prospecting relating to the geological storage of carbon dioxide may be carried out on the basis of the geological prospecting permit for the geological storage of carbon dioxide issued by the Mining Authority.

(2) The holder of the geological prospecting permit for the geological storage of carbon dioxide holds the exclusive right to carry out prospecting in the prospecting area.

(3) The geological prospecting permit for the geological storage of carbon dioxide is issued on condition of the operator possessing prospecting security in the amount of HUF 200 million for each prospecting block. The amount of prospecting security may not exceed HUF 1 billion, irrespective of the number of prospecting blocks. The amount of the prospecting security covering land rehabilitation and conservation resulting from damage caused by the planned activity may be included in the financial security provided for the storage permit.

(4) Geological prospecting relating to the geological storage of carbon dioxide may be carried out for up to 4 years. If the period specified in the permit is insufficient for completing prospecting, the geological prospecting permit for the geological storage of carbon dioxide may be extended by up to two years, provided that the activity is carried out in conformity with the permit.

(5)³⁵² On the basis of the final decision of the Mining Authority, the holder of the geological prospecting permit for the geological storage of carbon dioxide may be succeeded by its legal successor.

Modification and transfer of the geological prospecting permit for the geological storage of carbon dioxide³⁵³

Section 42/D³⁵⁴(1) The permit holder shall inform the Mining Authority of foreseeable and substantial changes to plans approved in the geological prospecting permit for the geological storage of carbon dioxide at least 30 days before such changes, and without delay in relation to unforeseeable changes.

(2) In the cases defined in paragraph (1), the permit holder shall submit an application for modifying the geological prospecting permit for the geological storage of carbon dioxide.

(3) The geological prospecting permit for the geological storage of carbon dioxide may be transferred, subject to approval by the Mining Authority. The application shall be submitted by the transferee to the Mining Authority.

(4)³⁵⁵ The contract on the transfer of the geological prospecting permit for the geological storage of carbon dioxide shall take effect on the day of the affirmative decision of the Mining Authority becoming final. The Mining Authority shall modify the person of the holder of the geological prospecting permit for the geological storage of carbon dioxide simultaneously with the adoption of the affirmative decision.

Storage permit

Section 42/E(1)³⁵⁶ The storage permit may be granted if the storage site is suitable for the storage of carbon dioxide based on geological prospecting relating to the geological storage of carbon dioxide.

(2)³⁵⁷ The Mining Authority shall not issue a storage permit in the area of the prospected potential storage site to third parties during prospecting carried out on the basis of the geological prospecting permit for the geological storage of carbon dioxide.

(3) The Mining Authority shall have preference for the holder of the prospecting permit relating to the storage site when issuing the storage permit, if conditions set out in the prospecting permit are met, and it submitted the storage permit application during the validity of the prospecting permit.

(4) The operator may operate the storage site only on the basis of the storage permit issued by the Mining Authority.

(5) The geological storage of carbon dioxide may not be permitted in a water column, or in layers, aquifers, water bodies already used for the recovery of drinking water, mineral water, curative and thermal water, suitable for drinking water, mineral water and curative water.

(5a)³⁵⁸ Unless otherwise provided for in an international agreement, the Mining Authority may not authorise the storage of carbon dioxide at a storage site within a storage complex that at least partly extends beyond the border of a Member State of the European Union.

(6)³⁵⁹ With the exception referred to in paragraph (7), the storage permit shall be revoked if the storage permit holder does not launch carbon dioxide injection within two years of the storage permit becoming final. The deadline may be extended by up to one year upon request of the operator.

(7) The storage permit shall not be revoked if the permit holder proves that it was unable to launch the injection of carbon dioxide by the deadline referred to in paragraph (6) for reasons beyond its control.

(8) The Mining Authority shall register the issued storage permits, the closed storage sites and their surrounding storage complexes.

(9) The operator shall report the launch of carbon dioxide injection to the Mining Authority at least 15 days in advance.

Financial security to be provided for the storage permit

Section 42/F(1) The operator shall provide financial security determined by the Mining Authority to ensure conformity with requirements set out in the permit, and with requirements relating to the closure, the post-closure period, and the obligation to return emission allowances defined in Act XV of 2005 on the trade in greenhouse gas emission allowances. The amount of financial security may not be less than HUF 200 million.

(2) Injection may not be launched without performance of the obligation to provide financial security.

Restriction of the ownership of surface property, safety zone of the storage site and transport network

Section 42/G(1)³⁶⁰ The provisions of Sections 37 and 38 are applicable to the installation and operation of the facilities of geological prospecting relating to the geological storage of carbon dioxide, the storage site and of the transport network on third party property.

(2) A safety zone shall be designated in accordance with the requirements of Section 32 to protect the storage site and transport network, and their environment.

Transport of carbon dioxide

Section 42/H(1) Carbon dioxide shall be transported to the storage site through the transport network. The operator and transport network operator do not have to be the same.

(2) The provisions of Section 24(3) and Sections 31–32 are applicable to the design, establishment, reconstruction, operation and dismantling of the carbon dioxide transport network.

(3) The transport network operator shall ensure the safe, effective, uninterrupted operation, maintenance, development, management, emergency response of the transport

network it operates in consideration of operational security and environmental requirements.

Access to the transport network and storage site, and agreement on cooperation

Section 42/I(1) The operator and transport network operator shall ensure third party access to the storage site and to the transport network, respectively, in a transparent and non-discriminatory manner, for the purpose of the geological storage of carbon dioxide and the transport of carbon dioxide to the storage site.

(2) Access may be denied only on grounds of lacking storage, transport capacity or a connection.

(3) The operator denying access on grounds of lacking storage or transport capacity, or a connection shall implement the necessary development projects if these are economical or are implemented with third party financing.

(4) If the operator or transport network operator denies access to the storage site or the transport network, third parties may request the Mining Authority to review the legality of the denial of access. If the Mining Authority determines that the operator or transport network operator unlawfully denied access, it shall require the operator or transport network operator to grant access by way of a decision.

(5) In the event of a cross-border dispute, it is necessary to apply the dispute settlement mechanism of the State whose jurisdiction extends to the transport network or storage site to which access was denied. If the cross-border dispute concerns a transport network or storage site falling under the jurisdiction of several States, the Mining Authority shall initiate coordination with the authorities of the States concerned.

Section 42/J(1) The operator and transport network operator, and the carbon dioxide emitter (hereinafter collectively ‘parties’) shall enter into a cooperation agreement on the sharing of obligations and liability.

(2) Unless agreed otherwise, the Mining Authority shall decide on the sharing of obligations and liability.

(3) The agreement or information on the lack of such agreement shall be sent to the Mining Authority.

Monitoring plan and annual report

Section 42/K(1) The operator shall continuously monitor the injection facilities, the carbon dioxide plume, the storage complex, the environment surrounding the storage site and conformity with the conditions of the storage permit on the basis of the monitoring plan approved by the Mining Authority.

(2) Each year the operator shall send a report on its activity to the Mining Authority. The Mining Authority may determine a more frequent reporting obligation in the storage permit.

On-site inspection

Section 42/L(1) The Mining Authority shall carry out an on-site inspection once annually to ensure inspection of the injection and monitoring equipment, and the storage complex.

(2) A regular on-site inspection shall be held at least once every year for three years after closure, thereafter every five years until the transfer of responsibility to the Mining Authority.

Corrective measures

Section 42/M(1) The operator shall report substantial changes to the Mining Authority within 24 hours from their occurrence.

(2)³⁶¹ In the event of leakage or significant irregularity, the operator shall notify the Mining Authority, environmental protection authority, water protection authority and the professional disaster management body without delay, and take measures defined in the corrective measures plan.

(3) If the operator does not take the measures set out in paragraph (2), the Mining Authority shall require the operator to take them. To terminate leakage or a significant irregularity, the Mining Authority may require the operator to take measures other than those included in the corrective measures plan.

(4) If notwithstanding the corrective measures plan or the obligation in paragraph (3) the operator fails to take the necessary corrective measures by the given deadline, the Mining Authority shall *ex officio* provide for the implementation of such measures based on the corrective measures plan.

Review, modification, revocation of the storage permit

Section 42/N(1) The operator shall report to the Mining Authority planned substantial changes to the operation of the storage site and changes relating to the operator. The Mining Authority shall review the storage permit based on such reporting.

(2) The Mining Authority shall review *ex officio* the storage permit in the fifth year from its issue, thereafter every ten years until the transfer of responsibility.

(3) In addition to the provisions set out in paragraph (2), the Mining Authority shall review the storage permit if:

(a) it became aware of leakage or a significant irregularity,

(b) based on the report submitted by the operator or an on-site inspection, it is possible that the conditions of the permit will not be met, or if there is a risk of leakage or a significant irregularity,

(c) the operator fails to meet the requirements of the permit in any other way, or

(d) it considers it necessary on the basis of the latest scientific findings and technological progress.

Section 42/O The Mining Authority shall modify the storage permit:

(a) upon the request of the legal successor in the event of the dissolution of the operator with legal succession, if conditions of this Act and its implementing government decree are met,

(b) in the event of a substantial change,

(c) in relation to development projects expanding storage or transport capacities, or for establishing a connection necessary for third party access, and

(d) as result of reviewing the monitoring plan, due to changes to the monitoring plan if the Mining Authority agrees with the reviewed monitoring plan.

Section 42/P(1) The Mining Authority shall revoke the storage permit if

(a) there is leakage or a significant irregularity based on the annual report, regular on-site inspection or the notification of the operator,

(b) in the cases referred to in points (b) and (c) of Section 42/N(3), if the deficiency cannot be remedied or the operator fails to meet the relevant obligation by the deadline,

(c) it considers it necessary on the basis of the latest scientific findings and technological progress, or

(d) the operator was dissolved without legal successor.

(2) The Mining Authority may revoke the storage permit if the operator:

(a) fails to meet its obligation of reporting substantial changes,

(b) fails to meet requirements relating to the composition of the carbon dioxide stream,

(c) breaches its monitoring or annual reporting obligation,

(d) fails to meet its obligation relating to the availability or adjustment of financial contribution,

(e) breaches its obligation to immediately report and take measures in relation to leakage or significant irregularities,

(f) fails to meet the obligations ordered on the basis of the on-site inspection of the Mining Authority by the given deadline,

(g) derogates from the prospecting or storage permit, or fails to meet the obligations of the permits, or

(h) the operator does not modify the reviewed monitoring plan notwithstanding the relevant notice.

Section 42/Q(1) If the storage permit expires pursuant to Section 42/E(6), or the Mining Authority decides to revoke the storage permit, it shall provide for closure of the storage site or issue a new storage permit.

(2) Until issue of the new storage permit the Mining Authority shall assume responsibility for the performance of all obligations relating to monitoring and corrective measures in conformity with the requirements of this Act, and in the event of leakage it shall provide for the return of emission allowances referred to in Act XV of 2005 on the trade in greenhouse gas emission allowances, and shall take measures necessary for preventing environmental damage or for the remediation of damage.

(3) The Mining Authority may use the financial security made available by the former operator to cover costs incurred from activity referred to in paragraph (2). If the financial security does not provide sufficient cover for incurred costs, the Mining Authority may require the former operator to reimburse its costs.

Section 42/R(1) The Mining Authority shall designate the new storage permit holder after a tender procedure.

(2) The Mining Authority shall publish the invitation to tender on its website and in the Hungarian Official Gazette, published as an attachment to the Hungarian Official Journal.

(3) If the tender is unsuccessful, the Mining Authority shall order the closure of the storage site.

(4) The former operator of the storage site may submit a new storage permit application if it has implemented the measures prescribed by the Mining Authority to remedy deficiencies.

Closure of the storage site

Section 42/S(1) The storage site shall be closed upon the request of the operator if the conditions of the storage permit have been met and the Mining Authority issues the closure permit.

(2) The storage site shall be closed if the Mining Authority did not designate a new storage permit holder.

(3) The closure of the storage site may commence only in conformity with the plan approved by the Mining Authority after the review, relating to the post-closure period.

(4) After closure of the storage site in accordance with paragraph (1), until transfer of responsibility relating to the storage site to the Mining Authority, the operator shall be responsible for:

(a) monitoring, reporting and the implementation of corrective measures,

(b) meeting obligations preventing environmental damage in relation to leakage,

(c) the safe closure and sealing of the storage site, and the removal of injection facilities,

(d) returning emission allowances referred to in Act XV of 2005 on the trade in greenhouse gas emission allowances in the event of leakage, and

(e) performing all obligations relating to damage remedial measures.

(5) If the Mining Authority decides to close the storage site after revocation of the storage permit in accordance with Section 42/Q(1), on the basis of the preliminary plan it shall:

(a) carry out continuous monitoring in accordance with Section 42/K,

(b) implement the necessary corrective measures,

(c) provide for the return of emission allowances referred to in Act XV of 2005 on the trade in greenhouse gas emission allowances in the event of leakage,

(d) take the necessary preventive measures without delay if environmental damage has not yet occurred, but there is a direct risk of such damage, and

(e) take the necessary remedial measures.

Transfer of responsibility

Section 42/T(1)³⁶² After closure of the storage site in accordance with Section 42/S(1), the Mining Authority shall assume responsibility for performing all obligations relating to the storage site on its own initiative or upon request of the operator, if the conditions below are met:

(a) the report on safe storage prepared by the operator proves that the stored carbon dioxide will be completely and permanently contained at the storage site,

(b) the period specified by the Mining Authority in the storage permit but the minimum 20-year period from the closure of the storage site has expired, unless the Mining Authority determined fulfilment of the condition in point (a) before expiry of this period in a decision,

(c) the operator has met its financial contribution obligation referred to in paragraph (3) and

(d) it has technically closed the storage site and removed the injection facilities.

(2) If the storage site is closed pursuant to Section 42/S(2), the Mining Authority shall assume responsibility if all available data indicate that the stored carbon dioxide will be completely and permanently contained at the storage site.

(3) Before the transfer of responsibility relating to the storage site, the operator shall provide a financial contribution to costs incurred by the Mining Authority in the post-closure period.

(4) The Mining Authority shall determine the amount of financial contribution in the storage permit.

(5) The financial contribution may be used by the Mining Authority after the transfer of responsibility to cover costs incurred after the transfer of responsibility to ensure that carbon dioxide is completely and permanently contained at the storage site after the transfer of responsibility.

Section 42/U The Mining Authority may require the operator to reimburse costs incurred after the transfer of responsibility if the operator is at fault for such costs. If there is no actionable fault – if the operator met its financial contribution obligation – no further cost reimbursement obligation may be imposed after the transfer of responsibility.

Cross-border cooperation

Section 42/V(1) The Mining Authority shall cooperate with the authorities and professional organisations of other Member States in cross-border matters, in consideration of the requirements of legal regulations in force, make available data not deemed to be personal data upon the request of other Member States, necessary for the performance of their tasks defined in Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide (hereinafter ‘Directive 2009/31/EC’), and may request data, information from these organisations for the performance of its own tasks.

(2) Every three years the minister shall send a report to the European Commission on the Hungarian implementation of Directive 2009/31/EC and the register managed by the Mining Authority.

Legal consequences

Section 42/W(1)³⁶³ The Mining Authority shall impose a fine on the natural or legal person who or which carries out geological prospecting relating to the geological storage of carbon dioxide without a prospecting permit, and order restoration of the original state. The Mining Authority may declare the decision ordering the restoration of the original state to be immediately enforceable on grounds of occupational safety, environmental protection or nature conservation.

(2) If the operator carries out its activity serving the geological storage of carbon dioxide without a storage permit, the Mining Authority shall close the storage site without delay and require the operator to pay a fine.

(3) The Mining Authority shall require the operator to pay a fine if it

(a) fails to meet its obligation of reporting substantial changes,

(b) fails to meet requirements relating to the composition of the carbon dioxide stream,

(c) fails to meet its monitoring or regular reporting obligation,

(d) fails to meet its obligation to maintain or restore the financial contribution,

(e) breaches its obligation to immediately report and take measures in relation to leakage or significant irregularities,

(f) fails to meet the obligations ordered on the basis of the on-site inspection of the Mining Authority by the given deadline,

(g) derogates from the prospecting or storage permit,

(h) unlawfully denied access to the storage site.

(4) If the transport network operator unlawfully denied access to the transport network, the Mining Authority shall require it to pay a fine.

(5) If the parties do not send the cooperation agreement on the sharing of obligations and responsibilities or information on the lack thereof to the Mining Authority, the fine shall be paid jointly and severally by the parties.

(6) In the event of an infringement referred to in point (c) of paragraph (3), the Mining Authority may suspend injection until the monitoring or regular reporting obligation is met.

(7) In the event of leakage, pursuant to Act XV of 2005 on the trade in greenhouse gas emission allowances the operator shall return carbon dioxide equivalent emission allowances to the Hungarian State.

PART IV

STATE SUPERVISION OF MINING

THE MINING AUTHORITY

Section 43(1)³⁶⁴ The Mining Authority performs administrative tasks relating to mining.

(2)³⁶⁵ The Mining Authority is responsible for protecting the life, physical well-being and health of workers during the performance of activities under its supervision (Sections 44-46), and verifying compliance with rules relating to the management of mineral reserves and geothermal energy reserves, environmental protection, landscape protection and nature conservation, and to technical safety and fire protection.

(3)³⁶⁶ Within the framework of administrative supervision the Mining Authority exercises technical safety, occupational safety, building authority, building supervision, mineral reserve management, market surveillance and geological powers defined in this Act and in separate legislation. The administrative fire protection powers of the Mining Authority extend to the underground parts of mines and their equivalent open-cast parts.

(4)³⁶⁷ In administrative cases the decisions of the Mining Authority, acting with national competence, and of the State geological body may not be modified or annulled with supervisory powers.

(5)–(6)³⁶⁸

(7)³⁶⁹ The Mining Authority prepares the decisions of the minister relating to mineral reserve management and concession contracts, prepares the mining and gas safety regulations referred to in Section 34(2), and verifies their implementation.

(8)³⁷⁰

(9)³⁷¹ The operation of the Mining Authority is financed with own revenues and central budgetary funding. The person holding the right to the mining site or prospecting area, the licence holder of the natural gas storage facility, natural gas transmission and distribution, propane-butane gas distribution, the provider of cross-border propane-butane distribution services, the mining waste facility, the carbon dioxide storage site operator and the carbon dioxide transport network operator shall pay a supervisory fee to the Mining Authority for its supervisory activity.

(9a)³⁷² Annual amount of the supervisory fee

(a)³⁷³ 0.4 % of the value of the portion of mineral resources – subject to the mining free – extracted from the mining site or prospecting area in the year preceding the relevant year,

(b) 0.4 % of sales revenue in the year preceding the relevant year in relation to licensed activity,

(c) 0.4 % of sales revenue earned in Hungary in relation to a provider of cross-border propane-butane distribution services,

(d) 0.04 % of sales revenue in the year preceding the relevant year from the activity of the mining waste facility, if it is not qualified as a mining undertaking based on its activity, and

(e) 0.4 % of sales revenue in the year preceding the relevant year originating from the activity of the carbon dioxide storage site operator and carbon dioxide transport network operator.

(9b)³⁷⁴ An administrative service fee is payable for the procedure of the Mining Authority.

(9c)³⁷⁵ The mining undertaking or licence holder paying the supervisory fee under paragraph (9) shall be reimbursed the amount of the administrative service fees paid by them in the year preceding the relevant year for the procedures of the Mining Authority from the amount of the supervisory fee payable in the relevant year for up to the supervisory fee payment obligation determined for the relevant year.

(10)³⁷⁶ Persons performing administrative mining tasks shall be provided identification cards, while persons performing authority functions shall be provided a service badge with a serial number identical to that of the identification card.

(11)³⁷⁷ The Mining Authority exercises its market surveillance functions and authority under this Act, Act LXXXVIII of 2012 on the market surveillance of products, and separate legislation.

Section 43/A³⁷⁸(1) The Hungarian Mining and Geological Service (hereinafter ‘HMGS’) and the Government Offices of the County of Baranya, County of Borsod-Abaúj-Zemplén, County of Jász-Nagykun-Szolnok, County of Pest and County of Veszprém (hereinafter collectively ‘Government Office’) carry out the supervision of mining and State geological tasks. The HMGS is the supervisory authority in relation to the supervision of mining by Government Offices and the geological administrative tasks of the State.

(2) With the exception set out in paragraph (3), the Government Office referred to in paragraph (1) acts at first instance, and the HMGS acts at second instance with national competence in relation to administrative matters falling within the competence of the Mining Authority.

(3) Administrative cases falling within the mining supervisory competence of the HMGS at first instance are determined by the government decree implementing this Act.

(4) The decisions of the Government Office taken at first instance with market surveillance and geological competence in relation to the administrative authorisation and supervision of technical safety, building authority, building supervision, labour affairs, occupational safety and mining activity, and decisions taken in cases referred to in points (b)–(o), (q), (s) and point (t) of Section 44(1) are subject to appeal.

Section 43/B³⁷⁹(1) In relation to solid mineral resources, in the procedure launched for the establishment of the mining site, the procedure launched for the approval of technical operating plans relating to prospecting, extraction, suspension or mine closure, and field abandonment, and in authorisation procedures falling within the construction related administrative competence of the Mining Authority, the owner of areas actually used for mining, envisaged in the technical operating plan, and areas of the facility and its safety zone, and the person whose right relating to the property has been registered in the land register, shall be deemed to be a customer.

(2) In the procedure launched for the establishment of the mining site, the departmental council is deemed to be a customer in relation to consistency with county spatial plans.

(3) The owner of a property located in an impact area defined in this Act or in legislation implementing this Act, and a person whose right to the property is registered in the land register is deemed to be a customer.

(4)³⁸⁰

(5) In the administrative procedures of the Mining Authority

(a) lacking evidence may not be substituted with the declaration of the customer,

(b) the customer shall submit the original or authenticated copy of any instrument it is required to submit by law, and

(c) the decision may not be communicated verbally.

(6) After expiry of six months from the Mining Authority's decision becoming final, additional customers may not participate in the procedure.

(7) If in the authorisation procedure of the Mining Authority – in which counterparties are not involved – the competent authority does not provide an opinion by the prescribed deadline, the consent of the competent authority is deemed to be given.

(8) The non-involvement of a counterparty is established if the applicant customer submitted the declarations of consent of all known customers involved in the case to the performance of the requested activity, or the agreement allowing such activity.

(9) The legal successor – deemed as such under Civil Law – to the holder of the permit issued by the Mining Authority may assume the rights of the permit holder, but it shall notify the Mining Authority in writing of legal succession with adequate proof before launching or continuing the activity specified in the permit.

(10) In the course of its administrative procedure the Mining Authority may summon the natural person without a domicile to its registered office or the legal representative of the legal person without a registered office to its registered office.

(11)³⁸¹ The Mining Authority shall communicate its decisions by notice if the procedure involves the owner of the property located in the impact area, or the person whose right is registered in the land register, or it involves more than fifty customers, except for decisions taken personally for the customer in the procedure.

Section 43/C³⁸²(1) In the procedure of the Mining Authority the administrative deadline is

(a) in relation to the geological storage of carbon dioxide:

(aa) 70 days in the procedure for the authorisation of storage,

(ab) 45 days for assessing the plan relating to the post-closure period,

(b) 60 days in the procedure serving the establishment of the mining site,

(c) 25 days in the procedure for the authorisation of prospecting.

(2) In the procedures of the Mining Authority

(a) it is not necessary to provide for the exercise of requested rights in a pending decision,

(b) a request for clarification may be made no more than twice.

(3) The Mining Authority may declare its

(a) decision on the ban of activity referred to in Section 41(1),(2),(4),(5),(7b),

(b) mandatory decision on the termination of the activity of a mining facility posing an environmental hazard,

(c) decision requiring the investigation of a serious occupational accident and severe incident defined in the safety regulation on the rules of reporting and investigating a severe incident and major accident occurring during activity falling within the competence of the Mining Authority,

(d) binding decision taken in relation to the breach of the safety zone

immediately enforceable.

(4) The authority acting at first instance shall enforce the act defined in decisions taken by the Mining Authority and declared enforceable.

(5)³⁸³ Unpaid amounts under the titles below shall be collected as taxes:

(a) mining fee,

(b) value of unlawfully extracted mineral resources,

(c) fee prescribed for compensating lost mining fees during the suspension of extraction,

(d) supervisory fee, and

(e) default interest on the above amounts.

(6)³⁸⁴ In relation to the fine, mining fee and the value of unlawfully extracted mineral resources the Mining Authority may upon request authorise payment in instalments or deferred payment.

(7)³⁸⁵ In its application submitted before expiry of the payment deadline the obligor may request the authority at first instance to authorise deferred payment or instalments if it presents proof that payment by the deadline is not possible for reasons beyond its reasonable control or it would pose an unreasonable burden.

(8)³⁸⁶ In the event of late payment, the Mining Authority shall charge default interest corresponding to the central bank base rate valid on the first day of the calendar six-month period of default.

(9)³⁸⁷ The decision authorising the deferral of payment or payment in instalments, or rejecting the application may be separately appealed.

Section 43/D³⁸⁸(1) If during an official inspection the Mining Authority determines that the customer breached requirements set out in legal regulations or in an administrative decision, and breach of the legal regulations or administrative decision may be remedied by termination of the unlawful behaviour or the restoration of legality, the Mining Authority shall draw the customer's attention to the infringement and require it to terminate the infringement by an appropriate deadline and with the prospect of legal consequences.

(2) If the deadline referred to in paragraph (1) expires unsuccessfully or paragraph (1) is not applicable, within the framework of a new procedure the Mining Authority shall *ex officio* apply other legal consequences stipulated by this Act.

(3) Paragraph (1) is not applicable if

(a) the breach of requirements set out in legal regulations or the administrative decision may only be remedied in an additional administrative procedure,

(b) it is precluded by law with itemised indication of the infringement and the legal provision substantiating the enforcement of legal consequences,

(c) the Mining Authority determined a legal consequence against the same customer by way of a final decision taken not earlier than two years due to the unsuccessful outcome of the notice referred to in paragraph (1),

(d) the Mining Authority issued a notice referred to in paragraph (1) against the same customer not earlier than two years on the same factual and legal grounds.

Section 44³⁸⁹(1)³⁹⁰ Having regard to Section 43(3), the following falls within the competence of the Mining Authority:

- (a) mining of mineral resources,**
- (b) underground facilities serving mining and geological prospecting, and deep drilling performed for this purpose,**
- (c) management and closure of remaining open areas of closed underground mines,**
- (d) prospecting of geothermal energy, its extraction and recovery for energy purposes, construction, putting into service and operation of facilities and equipment necessary for this purpose,**
- (e)³⁹¹ construction, putting into service, operation, dismantling and abandonment of technological installations, pipelines, hydrocarbon, carbon dioxide transmission, natural gas distribution pipelines and direct lines used in hydrocarbon extraction, and other gas and gas product pipelines,**
- (f)³⁹² prospecting, development for storage, utilisation of geological structures suitable for the storage of hydrocarbon, and carbon dioxide of energy and industrial origin, and construction, putting into service, operation and closure of facilities and equipment necessary for this purpose,**
- (g)³⁹³ marketing of liquefied propane-butane gases and their compounds in a tank or a cylinder, construction, putting into service, operation, dismantling and abandonment of the filling and storage facilities of propane-butane gases and their compounds, pressure testing and repair facilities of the filling plant, their equipment and distribution pipelines,**
- (h) construction, putting into service and operation of warehouses of civilian explosives,**
- (i) establishment, recovery and termination of waste heaps,**
- (j) production of civilian explosives that cannot be activated by a detonator by way of compound at the site or place of business of use and distribution,**
- (k) civilian blasting activity,**
- (l) certain other underground activities not serving mining purposes, carried out with mining methods (shaft sinking, deep drilling, tunnelling, drifting), except for foundation engineering,**
- (m) blasting research,**

(n)³⁹⁴ management of mining waste, and construction, putting into service, operation, closure and follow-up of facilities and equipment necessary for this purpose.

(o)³⁹⁵ establishment, repair, conversion, putting into service, operation and dismantling of pressure equipment and systems used for activities and facilities listed in points (a)–(n),

(p)³⁹⁶ enforcement of State interests in increasing the level of proven geological fluids and mineral resources, and the registration of data,

(q)³⁹⁷ protection against hazards and adverse processes caused by the geological fluid, and the ordering of measures, requirements for this purpose,

(r)³⁹⁸ measurement, evaluation of options for recovering geological fluids and determination of the geological conditions of recovery,

(s)³⁹⁹ geological prospecting,

(t)⁴⁰⁰ establishment, operation and closure of mineral borrow pits necessary for the establishment of public water installations for defence and protection against water damage.

(2)⁴⁰¹ The Mining Authority shall authorise the marketing of civilian explosives and civilian blasting activity for the economic operator and for the person carrying out, managing and supervising such activity, who or which meets legal conditions. The Mining Authority shall register persons authorised to carry out such activity.

(2a)⁴⁰² The register of economic operators, referred to in paragraph (2), includes the name, registered office (place of business, branch) of the licence holder, the type and validity of the licence or permit, the name and address of the person in charge, the quantity of explosives authorised for marketing or use, and the commercial designation of the explosive.

(2b)⁴⁰³ The register of persons carrying out, managing and supervising the activity, referred to in paragraph (2), includes the personal identification data of natural persons holding a permit for the activity, the type, registration number of the permit, name of its issuer, scope of validity, expiry, and the number of the authorising decision.

(2c)⁴⁰⁴ The register referred to in paragraph (2) – except for personal identification data of natural persons, and data relating to the quantity of explosives authorised for marketing or use – is deemed to be a public register.

(3)⁴⁰⁵ The service provider holding the right to the free provision of services under Act LXXVI of 2009 on general rules of launching and providing services shall report to the Mining Authority its intention to carry out the marketing of civilian explosives within the framework of cross-border services.

(4)⁴⁰⁶ A person may carry out expertise or supervisory activity serving the inspection of pressure equipment, who has a clean criminal record, possesses the professional

qualifications determined in the relevant government decree, and the necessary experience, meets other conditions defined therein, and has reported the activity to the Mining Authority in accordance with Act LXXVI of 2009 on general rules of launching and providing services. The register managed by the Mining Authority on persons carrying out the activity includes personal identification data of the natural person carrying out the activity, specification of his educational qualifications and number of his diploma, serial number of his notification, name of the reported activity, and the date and filing number of deletion from the register.

(4a)⁴⁰⁷ On the basis of the register referred to in paragraph (4) the Mining Authority shall publish on its website the up-to-date register of operators that includes the name and address of the operator, the number of the notification of the activity and the letter code of reported activity.

(5)⁴⁰⁸ After becoming aware of activities falling under its administrative supervision, the Mining Authority shall ensure without delay the prevention or cessation of a breach of public interest defined in Section 2, and the lawful performance of the supervised activity.

(6)⁴⁰⁹ The Mining Authority is competent to assess the legality of activities defined in Section 1(7).

(7)⁴¹⁰ In procedures concerning the marketing of civilian explosives and civilian blasting activity, it is not necessary to provide for the exercise of requested rights in a pending decision within the meaning of Act CL of 2016 on the general rules of public administration.

Section 44/A⁴¹¹(1) If this Act or legal regulation enacted under its authority prescribes the involvement of an expert in geological matters, or stipulates legal consequences in relation to the involvement of an expert, with the exception of the expert holding the right to carry out forensic expertise under Act XXIX of 2016 on forensic experts, only a person reporting to the Mining Authority in accordance with Act LXXVI of 2009 on general rules of launching and providing services may be involved as an expert, and the legal consequences stipulated by law may only relate to the involvement of such person.

(2) The expertise referred to in paragraph (1) may be provided by a person with a clean criminal record, who holds the professional qualifications defined by the decree of the minister enacted under authorisation of this Act, and meets other conditions set out therein.

(3) The register managed by the Mining Authority on persons with the right to provide expertise includes the personal identification data of natural persons with the right to provide expertise. Only data serving proof of the right to provide expertise may be provided from the register.

Section 44/B⁴¹²(1) A person intending to carry out the activity of the mineral surveyor shall report such intention to the Mining Authority in accordance with Act LXXVI of 2009 on general rules of launching and providing services. The personal identification data of the reporting natural person shall be stated in the notification.

(2) The activity of the certified mineral surveyor may be carried out by a person with a clean criminal record, who meets other conditions defined in the decree enacted under authorisation granted under this Act.

(3) The register managed by the Mining Authority on persons carrying out certified mineral surveying includes the personal identification data of natural persons with the right to carry out such activity. Only data serving proof of the right to carry out certified mineral surveying may be provided from the register.

Section 44/C⁴¹³

The Mining Authority's administrative supervision of bringing underground waters to the surface

Section 45(1)⁴¹⁴ The Mining Authority carries out the official technical safety supervision of works carried out with mining technology aimed at bringing underground waters to the surface. Within the framework of administrative supervision, the Mining Authority directly takes measures in matters concerning the safety and professional competence of works and operations, and initiates measures serving the protection of water resources with the water protection authority.

(2)⁴¹⁵

(3) The Mining Authority is competent in the administrative supervision of storing water brought to the surface together with hydrocarbon in hydrocarbon storage facilities.

Administrative supervision of underground storage spaces

Section 46(1)⁴¹⁶ The Mining Authority carries out technical safety, occupational safety and labour supervision of activities serving the establishment, putting into service and decommissioning of underground spaces (underground storage spaces) with a floor area of more than 300 m², developed with mining methods and covered with a natural rock layer.

(2)⁴¹⁷ The body designated by the Government by decree registers the underground storage spaces.

(3) The owner (operator) of underground storage spaces shall preserve their condition.

PART IV/A⁴¹⁸

RULES OF THE ESTABLISHMENT, OPERATION, CLOSURE AND ADMINISTRATIVE SUPERVISION OF MINERAL BORROW PITS NECESSARY FOR THE ESTABLISHMENT OF PUBLIC WATER INSTALLATIONS FOR DEFENCE AND PROTECTION AGAINST WATER DAMAGE

Section 47(1)⁴¹⁹ A mineral borrow pit (hereinafter 'borrow pit') may be established within the 30 km radius of the public water installation for the extraction of mineral resources necessary for the construction of public water installations (hereinafter 'public water

installations’) serving defence and protection against water damage. The application for the borrow pit establishment licence may be submitted by the person possessing the final decision approving the construction of the public water installation (hereinafter ‘borrow pit licence holder’).

(2)⁴²⁰ The establishment of a borrow pit may not be authorised if a mine with a technical extraction plan approved with a final decision is located within the 30 km radius of the water installation, the mineral resources of the mine are suitable for the construction of the public water installation, and if the cost of the procurement of mineral resources from the mine is less or identical to the cost of procurement from the borrow pit.

(3) The applicant of the borrow pit establishment licence shall prove the inadequacy of mineral resources from the mine and its less favourable cost.

(4) If mineral resources are used from the mine, and their available quantity only covers part of the quantity necessary for construction, a borrow pit may be authorised for the quantity of necessary mineral resources.

(5)⁴²¹ The establishment of a borrow pit may not be authorised in a mineral resource prospecting area in relation to which the mining undertaking holds a technical prospecting operating plan approved by a final decision in relation to the same mineral resource to be extracted from the borrow pit, or in the area of a mining site established for open-cast mining, in the protective area of water bases or at a protected archaeological site.

(6) The mineral resources extracted from the borrow pit – except for mineral resources installed in water installations owned by the local authority – shall remain the property of the State; the borrow pit licence holder shall not acquire ownership of them.

(7) The mineral resources extracted from the borrow pit may be used only for the purpose defined in paragraph (1) and may not be placed on the market.

Section 47/A(1) For the use of land necessary for the establishment and operation of the borrow pit, an agreement shall be concluded with the land’s owner (property manager), which also extends to use and preliminary testing related thereto.

(2) The provisions of Section 37 are appropriately applicable to reimbursement of damage caused by activity carried out on the property.

(3) The borrow pit licence holder shall provide security for financial cover of the performance of its obligations relating to extraction and for the reimbursement of third party damage.

Section 47/B(1) The establishment of the borrow pit is authorised by the Mining Authority upon the application of the borrow pit licence holder by approval of the complex mining plan attached to the application, in consideration of criteria defined in paragraphs (2) and (3).

(2) The complex mining plan shall be drawn up so as to ensure protection of life, health, surface and underground facilities, cultural heritage, arable land used in agricultural and forestry, the natural environment and natural values, surface and underground waters, and the potential prevention and mitigation of damage caused by the activity.

(3) The borrow pit establishment licence may be modified *ex officio* or upon request. The establishment licence may be modified *ex officio* if value subject to protection becomes known during extractive operations. Rules relating to establishment are appropriately applicable to the modification of the establishment licence.

Section 47/C(1) The Mining Authority shall maintain a register – not deemed to be a public register – on the borrow pit and publish it on its website.

(2) The register referred to in paragraph (1) shall include the following:

(a) registration number of the licence,

(b)⁴²² the filing number and date of the licence becoming final,

(c) name, registered office of the borrow pit licence holder,

(d) name of the municipality affected by the borrow pit and lot numbers of the affected properties,

(e) place of use of extracted mineral resources,

(f) quantity of mineral resources extractable from the borrow pit in m³,

(g) name, registered office of operator,

(h)⁴²³ name of the licensing Mining Authority.

Section 47/D(1) The borrow pit licence holder shall appoint a chief technical mining supervisor and deputy supervisor in accordance with Section 28.

(2) The technical supervision of the extraction of mineral resources from the borrow pit shall be carried out by a person with the qualifications and experience defined in Decree No 60/2009 of 3 November 2009 of the Minister for Transport, Communications and Energy on professional qualifications and experience necessary for filling important technical safety jobs in mining, unless the chief technical mining supervisor and deputy supervisor also carry out technical supervision.

(3) During the establishment, operation and closure of the borrow pit, rules of Decree No 43/2011 of 18 August 2011 of the Minister for National Development on the issue of the Mine Safety Regulation of open-cast mining are appropriately applicable to safety requirements.

(4) The borrow pit licence holder shall report without delay any severe incidents or serious occupational accidents occurring during the establishment, operation or closure of the borrow pit to the Mining Authority. The Mining Authority shall investigate a severe incident or serious occupational accident in accordance with rules of Decree No 9/2013 of 22 March 2013 of the Minister for National Development on the rules of reporting and investigating a severe incident and serious occupational accident occurring during activity falling within the competence of the Mining Authority.

(5) For the purpose of this section, a severe incident is deemed to be the sliding of the bank or face, or a heap, if it endangers or damages a third party facility or equipment.

Section 47/E(1) After completion of extractive operations and long-term use of properties for other purposes, the borrow pit licence holder shall develop the properties used for extraction by adaptation to the natural environment.

(2) The Mining Authority shall decide on approving the closure of the borrow pit.

(3) Upon approval of the closure of the borrow pit, the Mining Authority shall delete it from the register.

Section 47/F(1) If the borrow pit licence holder or the mandated operator carries out activity by breach of the licence, the Mining Authority shall impose a fine on the borrow pit licence holder and require it to remedy the illegality. In the event of a repeated breach, the Mining Authority may revoke the licence and order restoration of the original state, or land rehabilitation if this is not possible.

(2) If the activity of the borrow pit licence holder or the operator breaches the safety rules set out in Section 47/D(3), the Mining Authority shall impose a fine on the borrow pit licence holder or operator, and suspend the activity if breached safety caused a direct emergency. The Mining Authority shall authorise the activity if the breach of safety is remedied.

Section 48⁴²⁴

PART V

DEFINITIONS

Section 49⁴²⁵ For the purpose of this Act the terms below have the following meanings:

1.⁴²⁶ ‘Mineral resource’: mineral substance that may be recovered at the current level of scientific and technological knowledge. The following is not deemed to be a mineral resource:

(a) humic layer of soil falling within the scope of Decree No 90/2008 of 18 July 2008 of the Minister for Agriculture and Rural Development on detailed rules for drawing up the soil protection plan, to be preserved for soil protection purposes, and

(b) water, regardless of its physical state.

2. ‘Mineral reserves’: part of mineral resources whose quantity and quality is determined by estimation or calculation on the basis of geological, mining and economic criteria.

3.⁴²⁷ ‘Mineral reserve management’: all decisions and measures of the Mining Authority that ensure

(a) the registration of the quantity, quality and deposits of mineral resources, and data provision necessary for maintaining the register,

(b) preservation, protection of known and registered mineral reserves, and prevention of unreasonable extraction and use of mineral resources,

(c) reduction of losses during the extraction of mineral resources and

(d) accounting for extracted mineral resources, and further extractability of remaining mineral reserves.

4.⁴²⁸ ‘Mining (mining operations)’: prospecting, exploration and extraction of mineral resources, treatment of waste generated during such activities, and mineral reserve management. The following activities are deemed to be mining operations:

(a)⁴²⁹ *in situ* treatment of extracted mineral resources, treatment of mineral resources in hydrocarbon extraction to enable their further treatment or further use, particularly in relation to the extraction of propane-butane gas, gasoline treatment and briquetting,

(b) *in situ* stockpiling of valuable substances,

(c) suspension, closure of mines, abandonment of hydrocarbon fields,

(d) land rehabilitation after completion of mining operations,

(e)⁴³⁰ prospecting of geological structures suitable for hydrocarbon storage, their development for storage, use and closure,

(f) prospecting, extraction and recovery of geothermal energy, and

(g) treatment of waste generated with activities defined in points (a)–(f).

5.⁴³¹ ‘Mining undertaking’: legal or natural person (hereinafter collectively ‘person’) licensed to carry out mining operations.

The person holding the right to

(a)⁴³²

(b)⁴³³ the establishment and operation of a hydrocarbon transmission pipeline for the purpose of the rules of Section 2, Section 18, Section 21(1), Section 24(1), Section 28(1), Sections 31–35, Sections 37–38 and Section 41, and

(c) maintaining and utilising the remaining open areas of the closed underground mine for the purpose of the rules of Section 2, Section 21(1), Section 28(1), Sections 31–34 and Sections 41–42

is also deemed to be a mining undertaking.

6.⁴³⁴ ‘Treatment’: the mechanical, physical, biological, thermal or chemical process or combination of processes carried out with mineral resources, in the course of open-cast mining as well, with a view to extracting the mineral, including the change of size, classification, separation and leaching, and the re-treatment of previously discarded mining waste, but excluding smelting, thermal manufacturing processes (other than the burning of limestone) and metallurgical processes.

7. ‘Reconnaissance’: prospecting to detect the presence of mineral resource deposits, and to determine the approximate expanse and quantity of mineral resources.

8.⁴³⁵ ‘Extractive industries’: any undertaking or facility related thereto carrying out mining operations and the treatment of mineral resources.

9.⁴³⁶ ‘Exploration’: mining operation serving the launch of the extraction of mineral resources.

For the purpose of this Act, exploration shall mean

- mine opening (main exploration), field exploration and preparation of extraction,
- removal of dirt bed (covering) and development of opening trench in open-cast mining,
- development of the field in hydrocarbon extraction and the recovery of geothermal energy.

10.⁴³⁷ ‘*Geological prospecting*’: technological-scientific activity involving the disturbance of the soil’s surface, or performed with geophysical, geochemical methods, aimed at, in particular, the identification of the material, structural properties and historical development of the earth’s crust, except for the prospecting of protected natural values and those worthy of protection.

11.⁴³⁸ ‘Geothermal energy’: the internal thermal energy of the earth’s crust.

12. ‘Geothermal energy sources’: for the purpose of this Act, substances of various physical states (e.g. underground waters, steam) that enable the recovery of the internal energy of the earth’s crust for geothermal energy purposes by way of extraction or other technology.

13.⁴³⁹ *Production trial*: extraction of mineral resources during the prospecting period or exploration in hydrocarbon extraction.

14. 'Industrial reserves' portion of geological reserves that can be economically extracted at the given time.

15.⁴⁴⁰ 'Extraction': extraction, separation, bringing to the surface of mineral resources from the deposit. For the purpose of this Act extraction is also deemed to be the extraction of mineral resources from abandoned waste heaps and underground coal gasification.

16.⁴⁴¹ 'Withdrawn area': where mining operations may be carried with the approval of the authority competent on the basis of the object of withdrawal, in conformity with separate conditions prescribed by it. A withdrawn area is deemed to be an urban area, part of non-urban land to be built in, transport area, cemetery, watercourse or standing water bed, safety or protective zone of a suspended rail or line, water installation, drinking water, mineral water, curative water, any spring and its protective area, protective forest, protective zone of health and vacation resorts, protected natural area, real property under monument or archaeological protection, area of national defence facilities, arable land in relation to open-cast mining, and anything deemed to be as such by law in relation to mining operations.

17.⁴⁴² *Prospecting*: mining operations carried out with geological (geological, geophysical, geochemical) and engineering methods, serving the:

(a) discovery of mineral resource deposits,

(b) demarcation of the discovered mineral resource deposit, and determination of its quantity and quality, and

(c) understanding of geothermal energy conditions in the earth's crust, and

(d)⁴⁴³ understanding of geological structures in terms of suitability for the underground storage of hydrocarbon.

18.⁴⁴⁴ *Prospecting area*: area demarcated for the prospecting of mineral resources or geothermal energy determined in the concession contract or in the prospecting permit.

19. 'Deposit': natural place of occurrence of mineral resources (e.g. layer, bed, deposit).

20. 'Open area': any area not qualified as a contained area in relation to specific mineral resources.

21.⁴⁴⁵ 'Waste heap': accumulated mass of solid tailings extracted during or with the extraction of mineral resources, and separated from them.

22.⁴⁴⁶ 'Hydrocarbon transmission pipeline' (transmission pipeline): the pipeline – together with its accessories and components – that transports natural gas, crude oil or the products

thereof from the exit point (crude oil, natural gas preparation plant, oil refinery, gas treatment plant), dispatch station of production (preparation, production, storage), or from the crossing point of the national border to the transfer station of consumption (municipality, industrial facility) and treatment, or up to the national border.

Components of the transmission pipeline:

- dispatch and transfer station,
- technological facilities serving the operation of the transmission pipeline (booster station, filling, unloading, purging, sectioning equipment, purification stations) and equipment signalling the path,
- facilities and equipment serving the operation, control and monitoring of the transmission pipeline (remote monitoring, communications, corrosion protection) up to the access point of the remote data transmission service.

Remote data transmission devices owned by the mining undertaking are components of the transmission pipeline.

23.⁴⁴⁷ *‘Carbon dioxide of energy and industrial origin’*: carbon dioxide produced from the thermal decomposition of fossil mineral resources and the burning of fossil fuels.

24.⁴⁴⁸ *‘Contained area’*: area demarcated for the prospecting, exploration, extraction of specific mineral resources, which may be designated for a concession tender. Areas already established with mining rights in relation to the given mineral resource shall be deemed contained areas during exercise of such rights. The earth’s crust measured 2 500 m below the natural surface is deemed to be a contained area in relation to geothermal energy in the entire territory of the country.

25.⁴⁴⁹ *‘Enhanced recovery procedure’*: ultimate surplus hydrocarbon extraction procedure that increases the quantity of hydrocarbon extractable with primary and secondary extraction methods.

26.⁴⁵⁰ *‘Geological data subject to provision’*: geological data obtained by the geological prospecting permit holder or the mining undertaking directly or indirectly through the processing of basic geological data in the course of geological prospecting, geothermal energy prospecting, mineral resource prospecting or extraction.

27.⁴⁵¹ *‘Arable land’*: for the purpose of this Act a cadastral parcel located on non-urban land of a municipality, registered in the land register with a branch of cultivation of arable land, vineyard, orchard, garden in quality classes 1–4.

28.⁴⁵² *‘Mineral substances’*: solid, liquid or gaseous, organic or inorganic compounds of natural origin, and chemical elements found in the earth’s crust (hereinafter collectively

‘minerals’) and their assemblage of an identical genome, constituting a continuous body in space (formations).

29.⁴⁵³ ‘Valuable substance’: a mineral resource in relation to which the mining site is primarily established, representing a value that justifies its extraction under the given economic geological, technical and economic circumstances. More than one valuable substance may be deposited at a mining site.

30.⁴⁵⁴ ‘Geological mineral reserves’: total quantity of mineral resources evidenced with prospecting data, determined with the parameters (measurement conditions) characteristic of the given mineral resource, without application of technical and economic limits.

31.⁴⁵⁵ ‘Extractable mineral reserves’: part of geological mineral reserves within the space of the mining site, decreased with reserves fixed in the pillars (boundary pillar, protective pillar), extractable at the current level of scientific-technical development.

32.⁴⁵⁶ ‘Tailings’: in relation to a given mineral resource extraction site, a mineral substance

– found above, below, next to or within a reservoir (rock mass) consisting of the valuable substance, but within a separate rock mass, and

– whose extraction in a certain quantity is necessitated by the mining of the valuable substance, and

– whose qualification as tailings has been authorised by the Mining Authority.

33.⁴⁵⁷ ‘Foundation engineering’: for the purpose of this Act, underground construction, where there is no natural rock layer above the civil engineering work, i.e. the underground facility is built by masking to the surface.

34.⁴⁵⁸ ‘Deep hole’: the result of a technological process, where a hole is mechanically created (a cylindrical excavation void) in the earth’s crust for geological or mining purposes with hole formation, stabilisation and fittings, whose length (depth) is large relative to its specific, relatively small diameter. The deep hole may be vertical, of a controlled skew or horizontal at the final section of the formed hole.

35.⁴⁵⁹ ‘Civilian blasting’: manufacture, procurement, storage, use, destruction of civilian explosives.

36.⁴⁶⁰ ‘Target extraction site’: extraction site established for the extraction of sand, gravel and clay mineral resources (including their variants and compounds) – not affecting underground waters – necessary for the construction of the earthworks (embankments) of expressways falling within the scope of separate legislation and transport development projects declared a national economic priority.

37.⁴⁶¹ ‘Natural gas with a high inert gas content’: natural gas in which the ratio (determined by measurement with legal effect) of non-flammable gases reaches or exceeds (volume) 30 per cent.

38.⁴⁶² ‘Unconventional hydrocarbon extractable by special procedure’: hydrocarbon that can only be extracted from accumulated hydrocarbon in the pores of sedimentary source rock establishing conditions for the development of hydrocarbon, storage layers with extremely poor permeability, and with special procedures, mainly with mining technology used in well stimulation or solid mineral mining.

39.⁴⁶³ ‘Other gas and gas product pipeline’: the pipeline – together with its accessories and components – that transports not only natural gas, but also other gas, fluids or gas products from the exit point (preparation plant, treatment plant), dispatch station of production (preparation, production, storage), or from the crossing point of the national border to the transfer station of consumption (municipality, industrial facility) and treatment, the connection point to the interconnected natural gas system, or up to the national border.

Components of the pipelines:

- dispatch and transfer station,
- technological facilities serving the operation of the pipeline (booster station, filling, unloading, purging, sectioning equipment, purification stations) and equipment signalling the path,
- facilities and equipment serving the operation, control and monitoring of the pipeline (remote monitoring, communications, corrosion protection) up to the access point of the remote data transmission service.

40.⁴⁶⁴ ‘Hydrocarbon field’: occurrence of hydrocarbon consisting of one or more hydrocarbon deposits belonging to a stratigraphic formation allowing clear demarcation, with a joint hydrodynamic system, belonging – on the basis of professional proof – to the same geological structure, or which are structurally connected.

41.⁴⁶⁵ ‘*Extraction*’: extraction of geothermal energy from geothermal energy sources for the supply of heat or the generation of electricity.

42.⁴⁶⁶ ‘*Recovery of geothermal energy*’: activity during which extracted geothermal energy is recovered.

43.⁴⁶⁷ ‘*Mining waste*’: waste generated during the mining, storage and treatment of mineral resources, except for waste not directly originating from these activities.

44.⁴⁶⁸ ‘*Gas operations*’: design, construction, commissioning, operation of natural gas transmission, distribution pipelines and underground natural gas storage facilities, their

control and maintenance in the above processes, disruption response, repair, and their abandonment and dismantling, and supervision of the above by the licence holder.

45.⁴⁶⁹ *‘underground storage facility of carbon dioxide of energy and industrial origin’*: a defined spatial area within a geological structure used for the geological storage of carbon dioxide of energy and industrial origin, and associated surface and injection facilities.

46.⁴⁷⁰

46.⁴⁷¹

47.⁴⁷² *‘Management of mining waste’*: collection and storage of waste generated during the mining, storage and treatment of mineral resources at the waste treatment facility, except for waste not directly originating from these activities, and transport of waste from the place of origin to the waste treatment facility.

48.⁴⁷³

49.⁴⁷⁴ *‘Operational extraction’*: extraction of mineral resources, where the actual extracted quantity reaches at least one quarter of the maximum extraction quantity approved in the first, unmodified technical operating plan relating to the activity within 5 years from establishment of the mining site, or within 10 years in relation to hydrocarbon deposited along a common State border.

50.⁴⁷⁵ *‘Unused deep mining hole, well’*: dry hydrocarbon test boring, well, or hydrocarbon well withdrawn from production, unnecessary for field production or technologically inadequate.

51.⁴⁷⁶ *‘Dry hydrocarbon test boring, well’*: test boring (well) not indicating the presence of hydrocarbon or indicating a quantity not enabling the economical extraction of hydrocarbon.

52.⁴⁷⁷ *‘Underground coal gasification’*: mining technology involving the regulated extraction of syngas produced through the partial oxidation of a discovered subsurface coalfield performed through a borehole.

53.⁴⁷⁸ *‘Suspension of extraction’*: when extraction is not carried out at the mine for a period of more than 12 months.

54.⁴⁷⁹ *‘Joint mining plan’*: technical documentation to be drawn up if several mining undertakings have the right to explore and extract a hydrocarbon deposit, which meet conditions necessary for extraction.

PART VI

MORAL AND FINANCIAL RECOGNITION OF MINERS

Section 49/A⁴⁸⁰(1) Keeping with professional tradition, each year Hungarian miners celebrate ‘Miners’ Day’ on the first Sunday of September and ‘Borbála Day’ on 4 December.

(2) As recognition of their outstanding professional traditions and distinguished work, miners have the right to wear miner’s full dress uniform and to use their own anthem.

(3) The Central Mining Museum in Sopron and the Hungarian Oil Museum, and the network of mining museums operated by them collect, processes and presents cultural artefacts of Hungarian miners and the mining profession.

(4)⁴⁸¹

Section 49/B⁴⁸²(1) A person is entitled to temporary mining annuity if

(a)⁴⁸³ he was employed in an underground job by a mining undertaking in Hungary

(aa) with a period of eligible service of at least twenty-five years under Act LXXXI of 1997 on social security pension benefits, or

(ab) with at least 5 000 shifts, eligible as period of service under Act LXXXI of 1997 on social security pension benefits, provided that 1.67 times the number of shifts completed in ore mining at the Mecsek mines, and 1.25 times the number of shifts completed in coal mining at the Mecsek mines shall be considered for determining the number of shifts,

(b)⁴⁸⁴ he has not reached retirement age, and

(c)⁴⁸⁵

(d) he does not receive regular cash benefits within the meaning of point (i) of Section 4(1) of Act III of 1993 on social administration and social benefits from the date on which the temporary mining annuity is determined, with the exception of the widower’s pension, survivor’s accident pensions, cash benefits of military personnel and persons under national care, the ‘For national courage’ allowance, and benefits disbursed by foreign bodies under EU regulations, and equivalent benefits.

(2) As of 1 January 2012, the mining pension – of an amount increased with the pension increase of January 2012 – of the person born in 1950 or later, receiving a mining pension, not falling within the scope of point (c) of Section 3(2) of Act CLXVII of 2011 on the discontinuation of early retirement pensions, early benefits and on the service allowance, who on 31 December 2011 has completed the period of service or number of shifts determined in paragraph (1), shall be disbursed as a temporary mining annuity in consideration of rules relating to the suspension of the temporary mining annuity.

(3) The temporary mining annuity shall be increased in accordance with Section 62 of Act LXXXI of 1997 on social security pension benefits.

Section 49/C⁴⁸⁶(1)⁴⁸⁷ Unless provided otherwise by this Act or its implementing government decree, rules relating to the enforcement of claims, the determination and disbursement of the temporary mining annuity, the determination and calculation of the period of service, the determination and proof of the period granting entitlement to the temporary mining annuity, legal remedy, the incurrence of procedural costs, the repayment and reimbursement of benefits received without a legal basis, the payment of default interest, data provision and reporting obligations, default penalty, remission, reduction of debt and authorisation of payment facilities, execution, data processing and the retirement pension shall be appropriately applicable, provided that where rules relating to retirement pension refer to pension benefits or pensions, these shall mean the temporary mining annuity.

(2) Unless provided otherwise by this Act or its implementing government decree, rules relating to early benefits shall be appropriately applicable to the suspension, discontinuation and cover of the temporary mining annuity, legal consequences relating to discontinuation, and to the retirement pension of persons receiving the temporary mining annuity, provided that where the rule relating to early benefits refers to early benefits, these shall mean the temporary mining annuity.

(3)⁴⁸⁸ In exceptional cases, pursuant to Section 83/B of Act LXXXI of 1997 on social security pension benefits, the administrative pension insurance body may grant exemption upon request from suspension of the disbursement of the temporary mining annuity on the merits.

Section 49/D⁴⁸⁹ The pensioner miner eligible for the coal allowance may request redemption of his coal allowance in money.

Section 49/E⁴⁹⁰(1) In the procedure at first instance serving the determination and review of the mining income supplement defined in the government decree, the administrative deadline is forty days if the extent of the applicant's health detriment and his unfitness for underground mining work needs to be examined as a technical matter.

(2) In the procedure at first instance serving the determination and review of the health detriment annuity of miners defined in the government decree, the administrative deadline is thirty-five days if the extent of the applicant's health detriment needs to be examined as a technical matter. The administrative deadline is seventeen working days

(a) in the procedure at first instance if it is not necessary to examine the extent of the applicant's health detriment, and

(b) in the procedure at second instance.

PART VII

IMPLEMENTING AND TRANSITIONAL PROVISIONS

Section 50(1) This Act shall enter into force on the 30th day from its promulgation.

(2)⁴⁹¹ Geological data, calculations and records of mineral reserves produced within the framework of research financed by the State or during the activities of State mining companies shall be made available to the State geological body.

(3)⁴⁹³

(4)⁴⁹⁴ The designation of a contained area within the meaning of Section 9 of this Act shall be without prejudice to ongoing procedures.

(5)⁴⁹⁵ The Mining Authority shall provide for the qualification of areas referred to in Section 9 of this Act, the review of qualifications every five years and the publication of contained areas that may be designated for concession.

(6)⁴⁹⁶ On the date of the entry into force of this Act, economic operators and natural persons with a mining right

(a) may continue mining operations at their mined mines; and

(b) shall acquire an extraction right over areas already prospected by them and covered by the mining site, which they agree to explore under the appropriate application of conditions under Section 15; and

(c) may complete their ongoing prospecting of raw materials specified in their issued and valid prospecting permit by the deadline specified in their permit, but within 4 years at the latest, and after establishment of the mining site they may request – by submission of the work programme – the conclusion of the concession contract on exploration and extraction from the minister, or the issue of the permit (Section 23) from the Mining Authority in cases referred to in Section 5 and in point (a) of Section 2 of Act XVI of 1991 on concession.

(7) In relation to prospecting carried out by special procedure, upon the request of the prospector the minister may determine a deadline that is up to 2 years longer than the deadline referred to in paragraph (6)(c).

(8) Economic operators and natural persons carrying out mining operations shall send to the minister their area records prepared in accordance with provisions set out in paragraph (6) within 3 months from the entry into force of this Act. The minister may launch a public tender in relation to areas not entered in the area records sent by the deadline, or freed pursuant to provisions in points (b) and (c) of paragraph (6).

(9)⁴⁹⁷ The technical safety control system referred to in Section 24(3) shall be drawn up by 31 December 2013.

(10) If the person with the right to the mining site fails to meet its obligation defined in paragraph (8), the Mining Authority shall *ex officio* provide for deletion of the defaulting person's mining right and the submission of geological data.

(11)⁴⁹⁸ The supervisory fee payment obligation of the mining waste facility not deemed to be a mining undertaking within the meaning of Section 43(9) of this Act laid down in Section 1(4) of Act CLXXXI of 2010 amending certain energy legislation and Act LXXVIII of 1997 on the development and protection of the built environment shall first arise on 1 January 2012.

(12)⁴⁹⁹ The State is entitled to own unused deep mining holes or wells drilled before 1 October 1991 if third parties did not acquire a title to these before the entry into force of Act CCXVII of 2012 on participation in the Community scheme for greenhouse gas emission allowance trading and in implementing the Effort Sharing Decision (hereinafter ‘Amending Act 1’). This provision shall be without prejudice to the right of the State to dispose of unused deep mining holes or wells drilled before 1 October 1991 after the entry into force of this provision.

(13)⁵⁰⁰ Section 14(1) of this Act, laid down by Amending Act 1, is applicable to prospecting rights or prospecting permits granted or issued after its entry into force.

(14)⁵⁰¹ Paragraph (13) of Section 22/A of this Act shall be without prejudice to the validity of prospecting permits issued before the entry into force of Amending Act 1, but the territorial restriction determined therein is applicable on the date of acquiring the new prospecting permit or prospecting right intended to be acquired.

(15)⁵⁰² The technical prospecting operating plan referred to in Section 22/C shall be submitted within 2 years from the entry into force of Amending Act 1 in relation to hydrocarbon fields demarcated at a mining site established before 1 January 2003, referred to in Section 22/C, laid down in Amending Act 1. This obligation is not applicable to hydrocarbon fields suspended on the basis of a technical operation suspension plan approved on the date of the entry into force of Amending Act 1.

(16)⁵⁰³ Before the entry into force of Amending Act 1, the chief technical supervisor or deputy supervisor registered by the Mining Authority may continue carrying out the activity of the chief technical supervisor or deputy supervisor in accordance with rules in force before the entry into force of Amending Act 1 at the registered mine to which he was appointed. The appointment of the chief technical supervisor or deputy supervisor after the entry into force of Amending Act 1 may only be given to a holder of the permit referred to in Section 28 of this Act, amended by Amending Act 1.

(17)⁵⁰⁴ As regards the use of unused deep mining holes and wells authorised before the entry into force of Amending Act 1, amending Section 36, such use shall be commenced within one year from the entry into force of Amending Act 1. Upon failure to begin such activity it is necessary to carry out the land rehabilitation of the unused deep mining holes or wells.

(18)⁵⁰⁵ After entry into force of Amending Act 1, the register referred to in Section 36(8) shall be established by 30 September 2013, and the owner of unused deep mining holes shall provide data to such register by 31 July 2013.

(19)⁵⁰⁶ Section 38(11), Section 38/A(5b) of this Act amended by Act LXXXVI of 2014 amending Act XLVIII of 1993 on mining and Act CXXIX of 2007 on the protection of arable land (hereinafter ‘Amending Act 2’), and Section 39(4),(5) and Section 43/B(6)(g) of this Act laid down in Amending Act 2 are also applicable in ongoing procedures.

(20)⁵⁰⁷ Section 25(3) of this Act amended by Amending Act 2 is also applicable to data already provided in conformity with the date of data provision.

(21)⁵⁰⁸ Paragraphs (6a) and (6b) of Section 26/A of this Act laid down in Amending Act 2 are also applicable in relation to new holders of rights designated before its entry into force. If on the date of the entry into force of Section 26/A(6a) laid down in Amending Act 2, the five-year deadline prescribed for launching extraction has expired in relation to the designated new holder of the mining right, the new holder of the right may request the extension of the deadline within six months from entry into force. Upon failure to meet the six-month deadline, the mining right shall be deleted.

(22)⁵¹⁰ The one-year deadline referred to in Section 26/A(6b) of this Act laid down in Amending Act 2 shall start from the day after the date of the entry into force of Amending Act 2 in relation to new holders of rights designated before the entry into force of Amending Act 2.

(23)⁵¹² Repayment defined in Section 43(9c), laid down in Act CXCVI of 2015 amending certain energy related acts, shall be first applied by the Office after 1 January 2017.

(24)⁵¹³ The provisions of this Act laid down in Act L of 2017 amending certain acts relating to the entry into force of the act on the general rules of public administration and the act on the general rules of administrative procedure (hereinafter ‘Administrative Amending Act’) are applicable in procedures launched after the entry into force of the Administrative Amending Act and in repeated procedures.

Section 50/A⁵¹⁵(1) The Government is authorised to set out detailed rules by decree in relation to

1. Geological prospecting and surface reconnaissance bound to notification,
2. Activities falling within the scope of this Act, authorised on the basis of the administrative licence or the concession contract,
3. The establishment and composition of the evaluation committee evaluating the concession tenders,
- 4.⁵¹⁶ The mining fee, the payment thereof, and charges or fees serving to compensate for mining fees lost as a result of irregular mining operations,
- 5.⁵¹⁷ The authorisation of prospecting and the basic substantive requirements of the prospecting work programme, the granting of the prospecting right and financial security

relating to the prospecting permit, the establishment and size of the prospecting area, conditions for the administrative authorisation of the agreement to be concluded in relation to geological structures covered in part or whole by a prospecting right or prospecting permit, where the mining rights of other mining undertakings have already been established, or where there is no agreement, the determination of the necessity and contents of cooperation,

6. The safety zone and the protective pillar,⁵¹⁸
7. The mine maps,
8. The safety and operational supervision of mining and gas operations,
9. The limitation of ownership of surface property,
10. Measures, security, the upper limit of the fine, criteria to be considered for determining its amount,
- 11.⁵¹⁹ Within the meaning of this Act, detailed conditions for carrying out civilian blasting activity, marketing of civilian explosives, expertise and supervisory activities examining pressure equipment, rules of the procedure authorising such activities, data content of the register on persons carrying out such activities, not including personal data, legal consequences applicable to non-performance of obligations prescribed by law or in administrative decisions relating to such activities, the marketing of explosives and the administrative supervision of the activities,⁵²⁰
12. Determination of the specific value of mineral resources and geothermal energy, and the method of calculating values,⁵²¹
13. Detailed requirements of mineral reserve management,
14. Rights and obligations relating to lakes remaining or created after completion of mining operations, affecting underground water reserves, in consideration of provisions of Act LVII of 1995 on water management,
- 15.⁵²² Designation of the State geological body or bodies, and the Mining Authority or Authorities, and sharing of the supervisory fee,⁵²³
16. Scope of geological data subject to mandatory provision and rules of data provision,
- 17.⁵²⁴ Official tender procedure for designation of the new holder of mining rights,
- 18.⁵²⁵ Determination and designation of the geothermal protection boundary, and registration of geothermal energy recovery facilities, the quantity of extracted and recovered geothermal energy, and determined geothermal protection boundaries,

19.⁵²⁶ Conducting of sensitivity and load capacity testing to be performed in the natural deposit area of mineral resources and geothermal energy, and involvement of administrative and other bodies in testing,⁵²⁷

20.⁵²⁸ Authorisation, administrative supervision of certain pressure equipment falling within the competence of the Mining Authority, and amount of fine to be imposed in the event of irregular construction,

21. In relation to geological structures suitable for the storage of carbon dioxide of energy and industrial origin

(a) survey of potential storage sites,

(b)⁵²⁹ authorisation of geological prospecting and storage relating to the geological storage of carbon dioxide,

(c) transfer of the prospecting permit,

(d) injection of the carbon dioxide stream,

(e) inspection by the operator and the Mining Authority,

(f) financial security and financial contribution,

(g) closure of the storage site and transfer of responsibility,

(h) substantive requirements of the register managed by the Mining Authority, not applicable to personal data,

(i) implementation of corrective measures,

(j) access to the transport network, and the agreement on cooperation,

(k) amount and imposition of fines,

(l) designation of the new storage facility operator,

(m) preparation and submission of the report sent to the European Commission,

22.⁵³⁰ Procedure relating to the determination, disbursement, suspension, exemption from suspension and discontinuation of the temporary mining annuity,

23.⁵³¹ Building permit procedure relating to special civil works falling within the competence of the Mining Authority, scope of construction activities, content of technical documentation to be attached to the application serving the launch of the procedure, and amount of the fine imposed for irregular construction,⁵³²

- 24.⁵³³ Registration of mineral resources and geothermal energy reserves,
- 25.⁵³⁴ Determination of the amount of the fee payable for the extension of the extraction deadline referred to in Section 26/A(4), and method of its payment,
26. The set of criteria for identifying European and national critical infrastructure in relation to crude oil and natural gas extraction facilities, hydrocarbon transmission, distribution pipelines, direct lines and storage facilities, its designation, the protection of sensitive information, contact and reporting obligations, and in case of designating the European critical infrastructure, its protection, rules of its control, and legal consequences applicable in the event of breached requirements,
- 27.⁵³⁵ Registration of unused deep mining holes,
- 28.⁵³⁶ The proposal for making additions to the list of contained areas designated for concession tenders, publication of areas eligible for designation,
- 29.⁵³⁷ The redemption of the coal allowance of retired miners in money,
- 30.⁵³⁸ Authorisation of the borrow pit necessary for establishing public water installations serving protection and defence against water damage, substantive requirements of the licence application, contents of the complex operational plan, security necessary for establishing the borrow pit, substantive requirements of the application for termination of the borrow pit, amount of the fine,
- 31.⁵³⁹ Additional rules of procedure applicable by bodies carrying out administrative mining tasks within the scope of administrative authority.
- (2) The minister shall be authorised to determine by decree
- (a)⁵⁴⁰ professional qualifications and experience necessary for filling jobs that are important in terms of technology and safety, and rules relating to the basic training and periodic continuation training of employees holding such jobs,⁵⁴¹
- (b)⁵⁴² provisions relating to professional qualifications and experience necessary for performing certain tasks qualified as specialised occupational safety activities,⁵⁴³
- (c) rules relating to the certified mineral surveyor,⁵⁴⁴
- (d) the scale and substantive requirements of mine maps,⁵⁴⁵
- (e) rules relating to the mining persistency bonus,
- (f) the regulation setting out technical safety requirements of civilian blasting activity,⁵⁴⁶

(g) provisions relating to the moral and financial recognition of miners, relating in particular to the new generation of miners, conservation of traditions and other special benefits, the scope, beneficiaries and amount of benefits, and

(h)⁵⁴⁷ the technical safety requirements of mining and gas safety regulations, the design, establishment, commissioning, operation and decommissioning of facilities, and technical regulations setting out other conditions of the above, rules for using the technical safety control systems, the establishment of branch technical committees, the rules of their tasks and operation,⁵⁴⁸

(i)⁵⁴⁹ the drawing up of reports prescribed by the directives of the European Union relating to the prospecting, exploration and production of mineral resources, mineral reserve management and waste generated in the course of mining operations, rules of forwarding to the European Commission and publication,⁵⁵⁰

(j)⁵⁵¹ detailed conditions for providing geological expertise under this Act, rules of the procedure granting the right to such activity, data content of the register of experts, not including personal data, detailed rules of procedure for managing the register, and legal consequences applicable in the event of non-compliance with obligations prescribed by law or in administrative decisions relating to expertise,⁵⁵²

(k)⁵⁵³ rules relating to the topics and order of mining, gas safety technology and occupational safety examinations,

(l)⁵⁵⁴ detailed conditions for carrying the activity of the certified mineral surveyor, rules of the procedure granting the right to such activity, data content of the register, not including personal data, detailed rules of procedure for managing the register, and legal consequences applicable in the event of non-compliance with obligations prescribed by law or in administrative decisions relating to the activity,⁵⁵⁵

(m)⁵⁵⁶ detailed rules for managing mining waste,

(n)⁵⁵⁷ safety requirements of carbon dioxide transmission pipelines and provisions relating to the safety regulations of carbon dioxide transmission pipelines,

(o)⁵⁵⁸ rules of procedure relating to the call for concession tenders, their evaluation and conducting, and the fee of participation in the tender, and detailed rules relating to the operation of the evaluation committee,⁵⁵⁹

(p)⁵⁶⁰ detailed conditions for carrying the activity of the chief technical mining supervisor, rules of the procedure granting the right to such activity, data content of the register, not including personal data, detailed rules of procedure for managing the register, and legal consequences applicable in the event of non-compliance with obligations prescribed by law or in administrative decisions relating to the activity,⁵⁶¹

(q)⁵⁶² scope of severe incidents and major accidents occurring in the course of activity falling within the competence of the Mining Authority, the reporting obligation on the above and rules of investigation.

(3)⁵⁶³ The minister shall be authorised to

(a)⁵⁶⁴ determine by decree – in agreement with the minister in charge of tax policy – the rules of the payment, collection, management and registration of the supervisory fee, the scope, amount of administrative service fees and rules of their collection, management, sharing and registration,⁵⁶⁵

(b)⁵⁶⁶ regulate by decree – in agreement with the minister in charge of water management and the minister in charge of electronic communication – access to and crossing of the routed installation, river, watercourse, lake, channel and civil engineering work by the licence holder or the owner of the distribution pipeline on the basis of the transmission line easement.

(4)⁵⁶⁷

(5)⁵⁶⁸

(6)⁵⁶⁹

Section 50/B⁵⁷⁰(1) The holder of the right to the mining site already serving established open-cast mining shall draw up a schedule relating to the unused part of the mining site within two years from the entry into force of this provision and send it to the Mining Authority. The schedule shall indicate the method of using individual properties for mining purposes and its expected schedule. The Mining Authority shall send the schedule to the owners of the properties concerned, setting a 30-day deadline and a call for declarations. The Mining Authority shall decide on approval of the schedule in a decision. Before taking a decision, the Mining Authority shall review the declaration of the property owner concerned on the merits, relevant in terms of the right of use, utilisation and disposal over his property, relating to the expected time of use.

(2)⁵⁷¹ In relation to a mining site established before the entry into force of this provision, where the mining undertaking does not hold an environmental permit, or if required by separate legislation, the IPPC permit, the mining undertaking may submit to the Mining Authority its first technical operating plan relating to exploration or extraction for approval only together with the final environmental permit relating to the mining site, or if required by separate legislation, with the IPPC permit.

(3) The technical operating plan for land rehabilitation already approved in the final decision of the Mining Authority in relation to the mining site at the time of the entry into force of this provision shall be taken into consideration in the course of drafting the technical operating plan, or considered as valid in the authorisation procedure thereof.

(4)⁵⁷² Rules set out in Section 50(4) of Act C of 2000 on accounting are applicable to the stocktaking of not yet extracted hydrocarbon transferred to the ownership of the mining undertaking under Section 3(1) of this Act, located in an underground gas storage facility. The value of hydrocarbon owned pursuant to Section 3(1), recognised by way of price control, and the value comprising the basis of the mining fee payable by the mining undertaking in connection with the transfer of ownership is a value determined on the basis of separate legislation relating to the determination of the value of mineral resources.

Section 50/C⁵⁷³(1)⁵⁷⁴ In relation to natural gas distribution pipelines built and commissioned on third party property before 1 January 2004, if these were installed after establishment of the easement, without registration in the land register, registration is bound to the final and enforceable authorisation of use issued by the Mining Authority for the gas distribution pipeline. If the easement does not affect all of the cadastral parcel, the diagrammatic site plan of variations validated by the land registration authority, representing the affected part of the property, shall also be attached to the decision.

(2) In relation to natural gas distribution pipelines built and commissioned on third party property before 1 January 2004, if these were installed without the establishment of easement, or the authorisation of use defined in paragraph (1) is unavailable, the Mining Authority shall establish a transmission line easement in relation to the natural gas distribution pipeline concerned upon the application of the licence holder submitted by 31 December 2012. The Mining Authority shall notify the land registration authority to register the transmission line easement in the land register based on its final decision providing for the transmission line easement.

(3) In relation to natural gas distribution pipelines built and commissioned on third party property before 1 January 2004, if these operated earlier as connecting or consumer pipelines at a continuous site, and were installed without the establishment of easement, or the authorisation relating to easement is unavailable, or it has not been registered in the land register, the Mining Authority shall establish an easement in relation to the pipelines concerned upon the application of the licence holder submitted by 31 December 2012. The Mining Authority shall notify the land registration authority to register the transmission line easement in the land register based on its final decision providing for the transmission line easement.

(4) On technical safety grounds the Mining Authority has the right to prescribe a conversion obligation in relation to the gas distribution pipelines defined in paragraph (3).

(5) The retroactive registration of easement or the retroactive establishment and registration of the transmission line easement may not entail additional rights and obligations in relation to the property, therefore it does not establish a legal basis for enforcing claims for indemnification, either.

(6)⁵⁷⁵ The provisions of paragraphs (1), (2) and (5) are also applicable to gas terminals and pressure regulator stations belonging to the distribution pipelines, provided that the Mining Authority shall establish a right of use in the procedure referred to in paragraph (2).

Section 50/D⁵⁷⁶(1) In relation to facilities built and commissioned on third party property before 1 January 2004, not falling within the regulatory scope of Section 50/C, falling within the scope of this Act, if these were operated after establishment of the easement, without their registration in the land register, registration is bound to the final and enforceable authorisation of use issued by the Mining Authority. If the easement does not affect all of the cadastral parcel, the diagrammatic site plan of variations validated by the land registration authority, representing the affected part of the property, shall also be attached to the decision.

(2)⁵⁷⁷ In relation to facilities built and commissioned on third party property before 1 January 2004, not falling within the regulatory scope of Section 50/C, falling within the scope of this Act, if these were operated without the establishment of easement, or the authorisation of use defined in paragraph (1) is not available, the expropriation authority shall establish an easement in relation to the facilities concerned upon the application of the mining undertaking submitted by 31 December 2016. The expropriation authority shall notify the land registration authority to register the transmission line easement in the land register based on its final decision providing for the easement.

(3)⁵⁷⁸ The retroactive registration of easement defined in paragraph (1) may not entail additional rights and obligations in relation to the property, therefore it does not establish a legal basis for enforcing claims for indemnification, either.

(4)⁵⁷⁹ The rules of procedure of Act CXXIII of 2007 on expropriation are applicable in the procedure referred to in paragraph (2).

(5)⁵⁸⁰ Paragraph (4) laid down in Amending Act 2 is also applicable in cases ongoing on the date of the entry into force of Amending Act 2.

Section 50/E⁵⁸² If the Mining Authority authorised the extension of the deadline for the launch of extraction or the regular underground storage of hydrocarbon for the mining undertaking before the entry into force of Section 26/A(5) laid down in Act XLVII of 2012 amending Act XLVIII of 1993 on mining and certain energy related acts, during the extended period the mining undertaking shall pay the fee determined in the contract concluded with the minister until the launch of extraction.

Section 50/F⁵⁸⁴ Geothermal energy prospecting, extracting and recovery establishments may continue to carry out their activity based on the permit issued by the water management authority or Mining Authority on the date of the entry into force of Act IV of 2010 amending Act XLVIII of 1993 on mining, for the period and under the conditions set out therein, or in relation to a prospecting permit, after approval of the closing prospecting report they may request the establishment of the geothermal protection boundary from the Mining Authority.

Section 50/G⁵⁸⁵ The amendments to Section 26/A laid down in Act LXXV of 2017 amending energy related acts are also applicable in ongoing cases.

Section 51⁵⁸⁶ This Act serves compliance with the following legal acts of the European Union:

(a) Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorisations for the prospection, exploration and production of hydrocarbons;

(b)⁵⁸⁷ Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC;

(c)⁵⁸⁸ Directive 2006/21/EC of the European Parliament and of the Council of 15 March 2006 on the management of waste from extractive industries and amending Directive 2004/35/EC (paragraphs 3, 6 and 8 of Article 3, Article 7, Articles 11–12, Article 14, Article 19), Section 1, Section 2, Section 16, Section 19, Section 41(1)(d), Section 43/B(6)(e), Section 44(1)(n), points 4, 6, 8 and 43 of Section 49, Section 50/A(2)(m) of the Act;

(d)⁵⁸⁹ Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006.