



## SUBSOIL CODE OF UKRAINE

**(The Official Bulletin of the Verkhovna Rada of Ukraine (BVR), 1994, No. 36, p. 340)**

*{Enacted by the Resolution of the Verkhovna Rada [No. 133/94–VR of 27 July 1994](#), BVR, 1994, No. 36, Art. 341}*

*{As amended under Laws*

[No. 2120-III of 7 December 2000](#), BVR, 2001, No. 2–3, Article 10  
[No. 2665-III of 12 July 2001](#), BVR, 2001, No. 50, Article 262  
[No. 2905-III of 20 December 2001](#), BVR, 2002, No. 12–13, Article 92  
[No. 380-IV of 26 December 2002](#), BVR, 2003, No. 10–11, Article 86  
[No. 762-IV of 15 May 2003](#), BVR, 2003, No. 30, Article 247  
[No. 1025-IV of 9 July 2003](#), BVR, 2004, No. 5, Article 22  
[No. 1344-IV of 27 November 2003](#), BVR, 2004, No. 17–18, Article 250  
[No. 1578-IV of 4 March 2004](#), BVR, 2004, No. 23, Article 324  
[No. 2285-IV of 23 December 2004](#), BVR, 2005, No. 7–8, Article 162  
[No. 2505-IV of 25 March 2005](#), BVR, 2005, No. 17, No. 18–19, Article 267  
[No. 3235-IV of 20 December 2005](#), BVR, 2006, No. 9, No. 10–11, Article 96  
[No. 3370-IV of 19 January 2006](#), BVR, 2006, No. 22, Article 184  
[No. 398-V of 30 November 2006](#), BVR, 2007, No. 3, Article 31  
[No. 489-V of 19 December 2006](#), BVR, 2007, No. 7–8, Article 66  
[No. 107-VI of 28 December 2007](#), BVR, 2008, No. 5–6, No. 7–8, Article 78  
[No. 309-VI of 3 June 2008](#), BVR, 2008, No. 27–28, Article 253  
[No. 1392-VI of 21 May 2009](#), BVR, 2009, No. 40, Article 578  
[No. 2154-VI of 27 April 2010](#), BVR, 2010, No. 22–23, No. 24–25, Article 263  
[No. 2457-VI of 8 July 2010](#), BVR, 2010, No. 48, Article 564  
[No. 2562-VI of 23 September 2010](#), BVR, 2011, No. 6, Article 47}

*{Also refer to The Decision of the Constitutional Court [No. 22-rp/2010 of 30 November 2010](#)}*

*{As amended under Laws*

[No. 2756-VI of 2 December 2010](#), BVR, 2011, No. 23, Article 160  
[, No. 2774-VI of 3 December 2010](#), BVR, 2011, No. 22, Article 151  
[, No. 2849-VI of 22 December 2010](#), BVR, 2011, No. 27, Article 232

No. 2856-VI of 23 December 2010, *BVR*, 2011, No. 29, Article 272  
, No. 3530-VI of 16 June 2011, *BVR*, 2012, No. 2–3, Article 3  
No. 3687-VI of 8 July 2011, *BVR*, 2012, No. 18, Article 157  
No. 3959-VI of 21 October 2011, *BVR*, 2012, No. 23, Article 230  
No. 4650-VI of 12 April 2012, *BVR*, 2013, No. 8, Article 66  
No. 5406-VI of 2 October 2012, *BVR*, 2013, No. 41, Article 551  
, No. 5456-VI of 16 October 2012, *BVR*, 2013, No. 46, Article 640 – changes come into effect on 18 November 2012, except for provisions regarding the transfer of powers from the territorial bodies of the central executive authorities in charge of shaping and implementing state policy in the field of environmental protection, oblast, Kyiv and Sevastopol city state administrations, executive authorities of the Autonomous Republic of Crimea, which shall come into force on 18 May 2013 – see Section II, [clause 1](#) of the Law No. 5456-VI of 16 October 2012;  
No. 1193-VII of 9 April 2014, *BVR*, 2014, No. 23, Article 873  
No. 71-VIII of 28 December 2014, *BVR*, 2015, No. 7–8, No. 9, Article 55  
No. 521-VIII of 16 June 2015, *BVR*, 2015, No. 32, Article 307  
№ 867-VIII of 8 December 2015, *BVR*, 2016, No. 4, Article 40  
No. 2059-VIII of 23 May 2017 *BVR* 2017, No. 29, Article 315  
, No. 2314-VIII of 1 March 2018, *BVR*, 2018, No. 15, Article 121  
No. 2320-VIII of 13 March 2018, *BVR*, 2018, No. 16, 136  
No. 124-IX of 20 September 2019, *BVR*, 2019, No. 46, Article 295  
, No. 402-IX of 19 December 2019, *BVR*, 2020, No. 20, Article 141  
No. 554-IX of 13 April 2020, *BVR*, 2020, No. 37, Article 277 – enacted on 1 January 2021}

*{In the text of the Code, the words “State Committee of Ukraine for Geology and Subsoil Use” in all cases have been replaced with the words “specially authorised central executive authority for subsoil geological study and rational use” in the corresponding case [No. 1578-IV of 4 March 2004](#)}*

*{In the text of the Code, the word “(license)” in all cases and numbers has been deleted under Law [No. 3370-IV of 19 January 2006](#)}*

*{In the text of the Code, the words “Verkhovna Rada of the Republic of Crimea” in all cases shall be replaced with the words “Verkhovna Rada of the Autonomous Republic of Crimea” in the corresponding case under Law [No. 3530-VI of 16 June 2011](#)}*

*{In the text of the Code: the words “specially authorised central executive authority for subsoil geological study and rational use” in all cases have been replaced with the words “central executive authority implementing the state policy in the field of subsoil geological study and rational use” in the corresponding case; the words “State Committee of Ukraine for Labour Protection Supervision” in all cases have been replaced with the words “central executive authority implementing the state policy in the field of labour protection” in the corresponding case; the words “Councils of People's Deputies” in all cases have been replaced with the word “councils” in the corresponding case; the words “state executive authorities”, “specially authorised state executive authorities” in all cases have been replaced with the words “executive authorities” in the corresponding case; the words “local executive authorities” in all cases have been replaced with the words “executive authorities at local level” in the corresponding case; the*

*words “foreign legal entities and citizens” in all cases have been replaced with the words “foreigners and stateless persons, foreign legal entities” in the corresponding case under Law No. 5456-VI of 16 October 2012}*

## **SECTION I. GENERAL PROVISIONS**

### **CHAPTER 1. MAIN PROVISIONS**

#### **Article 1.** The notion of subsoil

The subsoil is the part of the earth’s crust that is situated under the surface of the dry land and the bottom of water basins and reaches the depth accessible for geological study and exploration.

#### **Article 2.** The objective of the Subsoil Code of Ukraine

The objective of the Subsoil Code of Ukraine is to regulate mining relations to ensure the rational, integrated subsoil use to meet the needs for mineral raw materials and other needs of public production, subsoil protection, ensure the safety of people, property and the environment during the subsoil use, as well as protect the rights and legitimate interests of enterprises, institutions, organisations and citizens.

#### **Article 3.** Legislation on the subsoil

Mining relations in Ukraine shall be regulated by the [Constitution of Ukraine](#), the [Law of Ukraine](#) “On Environmental Protection”, this Code and other legal acts of Ukraine issued thereunder.

The specifics of the subsoil use in the implementation of the production sharing agreement, including those related to the provision, transfer, restriction, temporary ban (suspension) and termination of the right to use subsoil, as well as the legal formalisation of such relations, shall be regulated by the [Law of Ukraine](#) “On Production Sharing Agreements”.

*{Article 3 has been supplemented with a new part under LawNo. 2562-VI of 23 September 2010}*

Land, forest and water relations shall be regulated by the relevant legislation of Ukraine.

#### **Article 3<sup>1</sup>.** The peculiarities of applying the norms of this Code

If the laws on oil-and-gas bearing subsoil use, in particular the [Law of Ukraine](#) “On Oil and Gas”, the [Law of Ukraine](#) “On Gas (Methane) of Coal Deposits” and the [Law of Ukraine](#) “On Production Sharing Agreements”, establish norms other than those stipulated in this Code, the norms of these laws shall apply.

*{The Law has been supplemented with Article 3<sup>1</sup> under LawNo. 1578-IV of 4 March 2004; the text of the article as amended by LawsNo. 1392-VI of 21 May 2009, No. 2562-VI of 23 September 2010; as amended by LawNo. 2314-VIII of 01 March 2018}*

#### **Article 4.** Ownership of subsoil

The subsoil is the exclusive property of the Ukrainian people and is provided only for use. Agreements or actions that directly or implicitly violate the property rights of the Ukrainian people to subsoil are invalid. The Ukrainian people exercise the right of ownership over subsoil through

the Verkhovna Rada of Ukraine, the Verkhovna Rada of the Autonomous Republic of Crimea and local councils.

*{Part one of Article 4 as amended by Law No.5456-VI of 16 October 2012}*

Certain powers regarding the subsoil disposal may be granted to the relevant executive authorities by the legislation of Ukraine.

#### **Article 5. The State Fund of Subsoil and the State Fund of Mineral Deposits**

The State Fund of Subsoil includes both subsoil areas used and subsoil areas not involved in the use, including the continental shelf and the exclusive (maritime) economic zone

Mineral deposits are the accumulation of mineral substances in the subsoil, on the surface of the earth, in water and gas sources, at the bottom of water reservoirs that are suitable for industrial use in terms of quantity, quality and mode of occurrence.

Man-made mineral deposits are places where wastes from the extraction, separation and processing of mineral raw materials have accumulated, the reserves of which are estimated and of industrial importance. Such deposits may also occur due to losses during storage, transportation and use of processed mineral raw materials.

All mineral deposits, including man-made ones, with reserves estimated as industrial, make up the State Fund of Mineral Deposits, and all previously estimated mineral deposits make up the reserve of this fund.

The State Fund of Mineral Deposits is part of the State Fund of Subsoil.

The State Fund of Mineral Deposits and the reserve of this fund is formed by the central executive authority implementing the state policy in the field of subsoil geological study and rational use.

*{Part six of Article 5 as amended by Law No.5456-VI of 16 October 2012}*

The State Fund of Subsoil is formed by the central executive authority implementing the state policy in the field of subsoil geological study and rational use, together with the central executive authority implementing the state policy in the field of labour protection.

#### **Article 6. Types of minerals**

By their significance, minerals are classified into minerals of national and local significance. Classification of minerals as [minerals of national and local significance](#) shall be carried out by the Cabinet of Ministers of Ukraine on the recommendation of the central executive authority in charge of shaping state policy in the field of environmental protection.

*{Article 6 as amended by Law No. 5456-VI of 16 October 2012}*

#### **Article 7. Competence of the Verkhovna Rada of Ukraine in the field of mining relations regulation**

The competence of the Verkhovna Rada of Ukraine in the field of mining relations regulation includes:

- 1) legislative regulation of mining relations;

2) determining the main directions of state policy in the field of geological study, use and protection of subsoil;

*{Clause 3 of Article 7 has been deleted under Law No. 5456-VI of 16 October 2012}*

*{Clause 4 of Article 7 has been deleted under Law No. 5456-VI of 16 October 2012}*

*{Clause 4<sup>1</sup> of Article 7 has been deleted under Law No. 5456-VI of 16 October 2012}*

7) resolving other issues in the field of mining relations regulation under the [Constitution of Ukraine](#).

*{Clause 5 of Article 7 as amended by Law No. 5456-VI of 16 October 2012}*

**Article 8.** Competence of the Cabinet of Ministers of Ukraine in the field of geological study, use and protection of subsoil

The jurisdiction of the Cabinet of Ministers of Ukraine in the field of geological exploration, use and protection of subsoil involves:

1) implementation of the state policy in the field of mining relations regulation;

2) state control over the geological study, use and protection of subsoil, as well as over the formation and use of man-made deposits and mineral raw materials processing;

3) determining the procedure for the activities of executive authorities in the field of use and protection of mineral resources, coordination of their activities;

4) ensuring the development of national and regional programmes in the field of geological study, use and protection of subsoil;

5) determining the rate of use, further expansion and qualitative improvement of the raw material base;

6) determining the procedure for the subsoil use and protection, development and approval of the relevant rules and regulations;

*{Clause 6 of Article 8 as amended by Law No. 124-IX of 20 September 2019}*

7) establishing a fee for issuing special permits for the use of subsoil;

*{Clause 7 of Article 8 as revised by Law No. 2756-VI of 2 December 2010}*

8) establishing a unified system of the State Information Geological Fund and determining the procedure for disposal of geological information;

9) organisation of state examination and assessment of mineral reserves

10) solving issues related to the use of subsoil resources for storage and disposal of industrial waste and other harmful substances;

*{Clause 2 of Article 8 has been deleted under Law No. 3959-VI of 21 October 2011}*

12) determining criteria for the recognition of the mineral reserves as minor;

*{Article 8 has been supplemented with the new clause under Law No. 2562-VI of 23 September 2010}*

13) conclusion of production sharing agreements;

*{Article 8 has been supplemented with the new clause under Law No. 2562-VI of 23 September 2010}*

*{Clause 14 of Article 8 has been deleted under Law No. 5456-VI of 16 October 2012}*

15) conclusion of production sharing agreements on the use of subsoil areas in exclusive (maritime) economic zones, on the continental shelf of Ukraine;

*{Article 8 has been supplemented with the new clause under Law No. 2562-VI of 23 September 2010}*

15<sup>1</sup>) approval of the list of subsoil areas that are of special scientific, cultural or natural value and are not subject to use under the production sharing agreements;

*{Article 8 has been supplemented with the clause 15<sup>1</sup> under Law No. 5456-VI of 16 October 2012}*

15<sup>2</sup>) publication and dissemination of information on national and local taxes and fees and other payments, including contextual information (general overview) on extractive industries to increase the transparency of extractive industries under the [procedure](#) established by the Cabinet of Ministers of Ukraine;

*{Article 8 has been supplemented with the clause 15<sup>2</sup> by Law No. 521-VIII of 16 June 2015}*

16) solving other issues in the field of management and control over the use and protection of subsoil.

**Article 9.** Competence of the Verkhovna Rada of the Autonomous Republic of Crimea in the field of mining relations regulation

The competence of the Verkhovna Rada of the Autonomous Republic of Crimea, according to the procedure established by this Code and other legislative acts, involves:

1) distribution of fees for the use of mineral resources among the relevant local budgets;

*{Clause 2 of Article 9 has been deleted under Law No. 3959-VI of 21 October 2011}*

3) development, approval and implementation of local programmes for the development of the raw material base, rational use and protection of subsoil;

4) recognition of geological features of scientific or cultural value as objects of the nature reserve fund of local significance;

5) resolution of other issues in the field of mining relations regulation, determined by law.

*{Article 9 as amended by Law No. 2562-VI of 23 September 2010; as revised by the Law No. 3530-VI of 16 June 2011}*

**Article 9<sup>1</sup>.** Competence of oblast, Kyiv and Sevastopol city councils in the field of mining relations regulation

The competence of oblast, Kyiv and Sevastopol city councils in accordance with the procedure established by this Code and other legislative acts involve:



1) provision of subsoil for use to develop mineral deposits of local significance;

*{Clause 2 of Article 9<sup>1</sup> has been deleted under Law No. 3959-VI of 21 October 2011}*

*{Clause 3 of Article 9<sup>1</sup> has been deleted under Law No. 402-IX of 19 December 2019}*

4) distribution of fees for the use of subsoil among relevant local budgets;

5) development, approval and implementation of local programmes for the development of the raw material base, rational use and protection of subsoil;

6) recognition of geological features of scientific or cultural value as objects of the nature reserve fund of local significance;

7) termination of the right to use a subsoil area in cases and in accordance with the procedure stipulated in this Code;

8) control over the subsoil use and protection;

9) resolution of other issues in the field of mining relations regulation, determined by law.

*{The Code has been supplemented with Article 9<sup>1</sup> under Law No. 3530-VI of 16 June 2011; as amended under Law No. 1193-VII of 9 April 2014}*

**Article 9<sup>2</sup>.** Competence of the Council of Ministers of the Autonomous Republic of Crimea in the field of mining relations regulation

The competence of the Council of Ministers of the Autonomous Republic of Crimea under the procedure established by this Code and other legislative acts involves:

1) provision of subsoil for use to develop mineral deposits of local significance;

*{Clause 3 of Article 9<sup>2</sup> has been deleted under Law No. 402-IX of 19 December 2019}*

3) development and enforcement of local programmes for the development of the raw material base, rational use and protection of subsoil;

4) termination of the right to use a subsoil area in cases and under the procedure stipulated in this Code;

5) control over the subsoil use and protection;

6) resolution of other issues in the field of mining relations regulation, determined by law.

*{The Code has been supplemented with Article 9<sup>2</sup> under Law No. 3530-VI of 16 June 2011; as amended under Law No. 1193-VII of 9 April 2014}*

**Article 10.** Competence of village, settlement, city and raion councils, and councils of amalgamated territorial communities in the field of mining relations regulation

*{The title of Article 10 as amended by the Law No. 402-IX of 19 December 2019}*

The jurisdiction of village, settlement, city and raion councils and councils of amalgamated territorial communities within their territory following the procedure established by this Code and other legislative acts involves:

*{Paragraph one of Article 10 as amended by Law No. 402-IX of 19 December 2019}*

1) Approving the provision of subsoil for use for the purpose of geological study, development of mineral deposits of local significance;

2) implementing local programmes for the development of the raw material base, rational use and protection of subsoil;

3) restricting the activities of enterprises, institutions, organisations and citizens in cases and in accordance with the procedure stipulated by this Code;

4) monitoring subsoil use and protection;

5) resolving other issues in the field of mining relations regulation within its competence.

*{Article 10 as amended under Law No. 1193-VII of 9 April 2014}*

**Article 11.** Authorities in charge of public administration in the field of subsoil geological study, use and protection

Public administration in the field of geological study, use and protection of subsoil shall be carried out by the Cabinet of Ministers of Ukraine, the central executive authority ensuring the formation of state policy in the field of environmental protection, the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, the central executive authority implementing the state policy in the field of labour protection, the government authorities of the Autonomous Republic of Crimea, local executive authorities, other government authorities and local governments under the legislation of Ukraine.

Authorities in charge of public administration in the field of geological study, use and protection of subsoil are obliged to provide and publish information on the state of geological study, use and protection of subsoil in the amount necessary to ensure transparency in extractive industries, in accordance with the Cabinet of Ministers of Ukraine.

*{Article 11 has been supplemented with part two under Law No. 521-VIII of 16 June 2015}*

*{Article 11 as amended by Law No. 5456-VI of 16 October 2012}*

**Article 12.** Civic participation and associations of citizens to implement measures for the rational use and protection of subsoil

Citizens and their associations have the right to participate in the development and implementation of measures on the rational use and protection of subsoil, performed by the executive authorities, the authorities of the Autonomous Republic of Crimea and local governments.

*{Article 12 as amended by Law No. 3530-VI of 16 June 2011; the text of Article 12 as revised by Law No. 5456-VI of 16 October 2012}*

## **CHAPTER 2. PROVISION OF SUBSOIL FOR USE**

**Article 13.** Subsoil users

Subsoil users can be enterprises, institutions, organisations, citizens of Ukraine, as well as foreigners and stateless persons, foreign legal entities.



Under the terms of production sharing agreements, subsoil users can be citizens of Ukraine, foreigners, stateless persons, legal entities of Ukraine or other states, associations of legal entities established within or outside Ukraine (investors) meeting the requirements of Ukrainian legislation. An association of legal entities that is not a legal entity may be a subsoil user in accordance with the production sharing agreement, provided that the members of such association are jointly and severally liable for the obligations stipulated in the production sharing agreement.

*{Article 13 has been supplemented with part two under Law No. 2562-VI of 23 September 2010}*

#### **Article 14.** Types of subsoil use

The subsoil is provided for use for the purpose of:

the geological study, including an experimental programme of mineral deposits of national importance;

mining;

construction and operation of underground structures not related to mining, including constructions for underground storage of oil, gas and other substances and materials, disposal of harmful substances and production waste, wastewater discharge;

creation of geological territories and objects of important scientific, cultural, sanitary and health-improving value (scientific landfills, geological preserves, reserves, natural monuments, medical, sanitary institutions, etc.);

performance of works (activities) stipulated by the production sharing agreement;

*{Article 13 has been supplemented with a new paragraph under Law No. 2562-VI of 23 September 2010}*

geological study of amber-bearing subsoil, including research and development of deposits with subsequent amber mining (industrial development of deposits);

*{Article 14 has been supplemented with a new paragraph under Law No. 402-IX of 19 December 2019}*

meeting other needs;

#### **Article 15.** The term of subsoil use

Subsoil shall be allotted for permanent or temporary use.

Subsoil use without a pre-established term is considered permanent.

Temporary subsoil use can be short-term (up to 5 years) and long-term (up to 50 years). If necessary, the term of temporary subsoil use may be extended.

*{Part three of Article 15 as amended by Law No. 2562-VI of 23 September 2010}*

A special permit for the geological study of amber-bearing subsoil, including experimental and industrial development of deposits with subsequent amber mining (industrial development of deposits), is granted for a period of five years.

*{Article 15 has been supplemented with a new part under Law No. 402-IX of 19 December 2019}*

The period of subsoil use begins from the date of receiving a special permit (licence) for subsoil use unless otherwise provided therein, and in the case of a production sharing agreement – from the date specified in such agreement.

*{Part of Article 15 as revised by Law No. 2562-VI of 23 September 2010}*

#### **Article 15<sup>1</sup>. Environmental impact assessment**

If subsoil use is related to the performance of activities specified by the Law of Ukraine “On Environmental Impact Assessment”, their provision for use shall be carried out taking into account the results of environmental impact assessment.

Carrying out the planned mining activities stipulated by the Law of Ukraine “On Environmental Impact Assessment” on amber-bearing subsoil areas located on disturbed land plots following the list and coordinates determined by the Cabinet of Ministers of Ukraine is subject to mandatory environmental impact assessment with mandatory approval of design documentation on the recultivation of the corresponding land in the manner prescribed by law.

*{Article 15<sup>1</sup> has been supplemented with part two under Law No. 402-IX of 19 December 2019}*

*{The Code has been supplemented with Article 15<sup>1</sup> under Law No. 2059-VIII of 23 May 2017}*

#### **Article 16. Special subsoil use permits**

*{The title of Article 16 as revised by Law No. 3370-IV of 19 January 2006}*

*{Part one of Article 16 has been deleted under Law No. 3370-IV of 19 January 2006}*

Auctions for the sale of special subsoil use permits are conducted through electronic bidding, which is carried out using hardware and software, operating on the Internet and providing applicants, participants and an organiser of the auction and the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, and/or the Council of Ministers of the Autonomous Republic of Crimea the opportunity to use the services of such a system with the automatic exchange of information about the auction procedures.

*{Article 16 has been supplemented with a new part under Law No. 402-IX of 19 December 2019}*

Submission of documents for obtaining, extension of special subsoil use permits, their re-issuance, making changes to them (including the work programme) is carried out by the applicant in paper or electronic form through a special account, formed and maintained by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, on its official website.

*{Article 16 has been supplemented with a new part under Law No. 402-IX of 19 December 2019}*

The area of the subsoil for which a special permit is issued to conduct a geological study of amber-bearing subsoil, including research and development of deposits with subsequent amber mining (industrial development of deposits), shall not exceed 10 hectares.

*{Article 16 has been supplemented with a new part under Law No. 402-IX of 19 December 2019}*

The information and documents submitted by the applicants through the user account are open and published on the official website of the central executive authority implementing the state policy in the field of geological study and rational use of subsoil.

*{Article 16 has been supplemented with a new part under Law No. 402-IX of 19 December 2019}*

Special subsoil use permits are granted to auction winners, except in cases specified by the Cabinet of Ministers of Ukraine, by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, or by the Council of Ministers of the Autonomous Republic of Crimea regarding the development of mineral deposits of local significance on the territory of the Autonomous Republic of Crimea. [The procedure for conducting auctions for the sale of special subsoil use permits](#) and [the procedure for granting them](#) shall be established by the Cabinet of Ministers of Ukraine.

*{Part of Article 16 as amended by Law No. 2562-VI of 23 September 2010; as revised by Law No. 2856-VI of 23 December 2010; as amended by Law No. 3530-VI of 16 June 2011}*

Issuance of special subsoil use permits, except in cases of subsoil use under the terms of production sharing agreements concluded [under the Law of Ukraine](#) “On Production Sharing Agreements”, is subject to prior approval of an issue on the provision of land for these needs by the relevant council, except when there is no need to provide a land plot.

*{Part of Article 16 as amended by Law No. 5406-VI of 2 October 2012}*

If certain types of works related to the use of subsoil are performed by the persons not specified in the special permit, the responsibility for compliance with the conditions provided for by special permits shall be borne by the entity that has received a special permit.

Certain types of subsoil use or individual subsoil users may be subject to certain restrictions provided by the legislation of Ukraine.

Holder of a special subsoil use permit shall not grant, sell or otherwise alienate the rights granted to him/her by the special subsoil use permit to another legal entity or individual, including transfer them to the authorised capitals of business entities established with his/her participation, nor introduce it as a contribution to joint activities.

*{Part of Article 16 as revised by Law No. 2856-VI of 23 December 2010}*

The procedure and conditions of the tender for the conclusion of production sharing agreements are determined by the [Law of Ukraine](#) “On Production Sharing Agreements”. Under the terms of production sharing, a special subsoil use permit is issued based on a concluded production sharing agreement and must contain all types of subsoil use and other data and information provided for in this agreement. Rights to subsoil use may be transferred to third parties simultaneously with the transfer of rights and obligations under the production sharing agreement

and with the mandatory re-issuance of a special subsoil use permit following the requirements of the Law of Ukraine “On Production Sharing Agreements”.

*{Article 16 has been supplemented with a new part under Law No. 2562-VI of 23 September 2010}*

Re-issuance of special subsoil use permits, amendments to them, issuance of duplicates, extension of special subsoil use permits, suspension or annulment, renewal of their validity in case of suspension are carried out by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil according to the procedure prescribed by law.

*{Article 16 has been supplemented with a new part under Law No. 5456-VI of 16 October 2012}*

Granting special subsoil use permits to a business entity that has received an integral property complex of state-owned coal mining enterprise for rent or concession shall be carried out through reissuing special subsoil use permits issued to a coal mining enterprise of the state sector of the economy, the integral property complex of which has been leased or concessioned, in the name of a business entity that has received an integral property complex of such a coal mining enterprise for rent or concession, for the term of such special permit and without holding a tender (auction).

*{Article 16 has been supplemented with a new part under Law No. 3687-VI of 8 July 2011}*

During the lease or concession of an integral property complex of a state-owned coal mining enterprise for the period of a special permit for the use of subsoil or mining allotment to the lessee or concessionaire, the lessee or concessionaire shall produce coal and (or) lignite (brown coal) at the leased or concessioned facility based on a valid special permit for the use of subsoil or mining allotment of a state-owned coal mining enterprise, the integral property complex of which has been leased or concessioned but not more than 12 months from the date of concluding the lease or concession agreement.

*{Article 16 has been supplemented with a new part under Law No. 3687-VI of 8 July 2011}*

Issuance of special subsoil use permits to a business entity that has privatised a state-owned coal mining enterprise under the Law of Ukraine “On Peculiarities of Privatisation of Coal Mining Enterprises” shall be issued by reissuing special subsoil use permits granted to the specified coal mining enterprise in the name of a business entity, that has privatised it, for the term of such special permit and without holding an auction.

*{Article 16 has been supplemented with a part under Law No. 4650-VI of 12 April 2012}*

Extension of special subsoil use permits granted for areas located in the temporarily occupied territory of Ukraine shall be carried out taking into account the peculiarities established by law.

*{Article 16 has been supplemented with a part under Law No. 2320-VIII of 13 March 2018}*

## **Article 17. Mining allotment**

Mining allotment is a part of the subsoil provided to users for the industrial development of mineral deposits and purposes not related to the extraction of minerals. Subsoil use outside the mining allotment is prohibited.

Mining allotments for the development of mineral deposits, construction and operation of underground structures and other purposes not related to mining shall be provided by the central executive authority implementing the state policy in the field of labour protection, except as provided by this Code.

*{Part two of Article 17 as amended by Law No. 402-IX of 19 December 2019}*

Mining allotments for the development of mineral deposits of local significance are provided by the territorial departments of the central executive authority implementing the state policy in the field of labour protection and are subject to registration with the central executive authority implementing the state policy in the field of labour protection.

*{Part three of Article 17 as amended by Laws No. 3530-VI of 16 June 2011, No. 5456-VI of 16 October 2012; as revised by Law No. 402-IX of 19 December 2019}*

When providing mining allotments, the issues of correct division of mineral deposits into separate mining allotments shall be resolved to prevent that less valuable areas of deposits and not suitable for independent development are left outside the mining allotments; the issue of compliance with safety requirements during mining and blasting operations when developing mineral deposits and using subsoil for other purposes not related to mining, averting danger to people, property and the environment.

**The procedure for providing mining allotments** is established by the Cabinet of Ministers of Ukraine.

Provision of mining allotments to investors with whom a production sharing agreement has been concluded is carried out based on a concluded product sharing agreement by drawing up a relevant act, the form and content of which shall be determined by the legislation of Ukraine.

*{Article 17 has been supplemented with part six under Law No. 2562-VI of 23 September 2010}*

Users of oil-and-gas bearing and amber bearing subsoil who have received a special permit for such subsoil use do not need mining allotment.

*{Article 17 has been supplemented with part seven under Law No. 2314-VIII of March 1, 2018; as revised by Law No. 402-IX of 9 December 2019}*

#### **Article 18.** Provision of land plots for needs related to subsoil use

Provision of land plots for the needs related to subsoil use shall be carried out in accordance with the procedure established by the land legislation of Ukraine.

Land plots for subsoil use, except for the cases stipulated in **Article 23** of this Code, shall be provided to subsoil users after obtaining special permits for subsoil use or mining allotments by them.

When a land plot is provided by local councils for the development of mineral deposits of local significance, the subsoil is also provided for use.

#### **Article 18<sup>1</sup>.** Provision of land plots for subsoil use needs

If for carrying out mining activities the land plots of state-owned or communal property are to be provided for use, which at the time of the auction or tender for the provision of subsoil have been formed as an object of civil rights, the executive authority, local government, authorised to dispose of such land plots, before holding such auction (tender) at the request of the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, shall approve the list of state-owned and communal land plots located within the subsoil area to be transferred for use to the winner of the auction, tender, and which must be transferred to him/her for use for mining purposes. Disposal of such land plots is carried out with the following peculiarities:

1) the term of lease, emphyteusis, superficies agreements in respect of such land plots may be extended only provided that they are not transferred to the subsoil user for extraction of minerals after the expiration of their term;

2) ownership of land plots shall not be transferred (except in cases of their transfer to owners of buildings and structures located on them);

3) land plots shall not be transferred for permanent use to any person, except for the subsoil user;

4) land plots may be leased on the rights of emphyteusis, superficies only for the period prior to the provision of the land plot to the subsoil user;

5) a land easement shall not be established on a land plot, which makes it impossible for the subsoil user to use the land plot after receiving it for use.

Encumbrances on the property rights to the land plot located within a subsoil area to be transferred for use to the winner of the auction (tender) are defined by this article:

valid for the period determined by the decision of the executive authority, the local government authorised to dispose of the land plot, but not more than five years;

subject to state registration in the manner prescribed by the [Law of Ukraine](#) “On State Registration of Corporeal Rights to Real Estate and Their Encumbrances”, based on the relevant decision of the executive authority, local government, authorised to dispose of such land.

*{The Code has been supplemented with Article 18<sup>1</sup> under Law No. 402-IX of 19 December 2019}*

#### **Article 19. Provision of subsoil for use**

The subsoil is provided for use to enterprises, institutions, organisations and citizens only if they have a special permit for the subsoil use. The right to subsoil use is certified by an act on providing a mining allotment.

When concluding production sharing agreements the subsoil is provided for use under the production sharing agreement with the issuance of a special subsoil use permit and an act on providing a mining allotment.

*{Article 19 has been supplemented with a new part under Law No. 2562-VI of 23 September 2010}*



The subsoil use is carried out without the provision of a mining allotment or a special permit in the cases provided for by this Code.

**Article 20.** Provision of subsoil for geological study

For the geological study, including for research and industrial development of mineral deposits of national significance, the subsoil is provided for use without the provision of a mining allotment after obtaining a special permit for subsoil geological study.

Research and development of mineral deposits of national significance are carried out to clarify their individual mining and geological and other parameters, the choice of rational methods for extraction of minerals based on the plan of these works, agreed with the central executive authority implementing the state policy in the field of labour protection. Minerals extracted during research and development are subject to sale on general terms.

**Article 21.** Provision of subsoil for groundwater extraction (except mineral) and development of peat deposits

*{Title of Article 21 as amended by Law No. 867-VIII of 8 December 2015}*

The subsoil is provided for use for the extraction of groundwater (except mineral) and the development of peat deposits without the provision of mining allotment based on special permits, except as provided in [Article 23](#) of this Code, issued after prior agreement with the Council of Ministers of the Autonomous Republic of Crimea, oblast, Kyiv and Sevastopol city state administrations, the central executive authority implementing the state policy in the field of labour protection, and the central executive authority implementing the state policy in the field of sanitary and epidemic well-being of the population.

*{Article 21 as amended by Laws No. 5456-VI of 16 October 2012, No. 867-VIII of 8 December 2015}*

**Article 22.** Provision of subsoil for disposal of industrial waste and other harmful substances, discharge of wastewater

Provision of subsoil for disposal of industrial waste and other harmful substances, discharge of wastewater is allowed in exceptional cases in compliance with the norms, rules and requirements provided by the legislation of Ukraine.

For these purposes, the subsoil shall be provided under [Article 19](#) of this Code based on the results of special studies and projects performed at the request of interested enterprises, institutions and organisations.

**Article 23.** The right of landowners and land users to extract minerals of local significance, peat, groundwater (except mineral) and subsoil use for other purposes

*{Title of Article 23 as amended by Law No. 867-VIII of 8 December 2015}*

Landowners and land users have the right to extract minerals of local significance and peat within the land plots provided to them with a total depth of up to two metres, as well as groundwater (except mineral) without special permits and mining allotment for all needs, except for the production of packaged drinking water provided that the volume of groundwater extraction from each of the water intakes does not exceed 300 cubic metres per day.

*{Part one of Article 23 as amended by Law No. 2849-VI of 22 December 2010; as revised by Law No. 867-VIII of 8 December 2015}*

Landowners and land users who are agricultural commodity producers, whose share of agricultural commodity production for the previous tax (reporting) year is equal to or exceeds 75 per cent, except as provided in part one of this Article, within land plots provided to them shall have the right to mining groundwater (except mineral) for agricultural, industrial, as well as own household needs without special permits and mining allotment.

*{Part of Article 23 as revised by Law No. 867-VIII of 8 December 2015}*

Extraction of minerals of local significance and peat with the use of special technical means that can lead to undesirable changes in the environment shall be agreed upon with local councils, the Council of Ministers of the Autonomous Republic of Crimea and oblast, Kyiv and Sevastopol city state administrations.

*{Part one of Article 23 as amended by Laws No. 3530-VI of 16 June 2011, No. 5456-VI of 16 October 2012}*

### **CHAPTER 3. RIGHTS AND RESPONSIBILITIES OF SUBSOIL USERS**

#### **Article 24. Rights and responsibilities of subsoil users**

Subsoil users shall have the right to:

1) carry out a geological study, complex development of mineral deposits and other works on the subsoil area provided to them under the terms of a special permit or production sharing agreement;

*{Clause 1, part one of Article 24 as amended by Law No. 2562-VI of 23 September 2010}*

2) dispose of extracted minerals, unless otherwise provided by law or special permit terms;

3) carry out the mothballing of a mineral deposit or part thereof provided for use under a special permit;

4) the priority extension of temporary subsoil use term;

5) enjoy additional rights provided for in the production sharing agreement.

*{Part one of Article 24 has been supplemented with clause 5 under Law No. 2562-VI of 23 September 2010}*

Subsoil users shall be obliged to:

1) use the subsoil in accordance with the purposes for which they were provided;

2) ensure the completeness of geological study, rational, integrated use and protection of subsoil;

3) ensure the safety of people, property and the environment;

4) bring the land plots disturbed during subsoil use into a condition suitable for their further use in social production;

4<sup>1</sup>) provide and publish information on national and local taxes and fees, other payments, as well as on production (economic) activities necessary to ensure transparency in the extractive industries, in accordance with the [procedure](#) approved by the Cabinet of Ministers of Ukraine;

*{Part two of Article 24 has been supplemented with clause 4<sup>1</sup> under Law No. 521-VIII of 16 June 2015}*

5) comply with other requirements for subsoil use established by the legislation of Ukraine and the production sharing agreement.

*{Clause 5, part two of Article 24 as amended by Law No. 2562-VI of 23 September 2010}*

Rights and obligations of the subsoil user arise from obtaining a special subsoil use permit and granting the right to use subsoil under the terms of production sharing agreements – from the moment of the enactment of such agreement unless otherwise provided by this agreement.

*{Article 24 has been supplemented with part three under Law No. 2562-VI of 23 September 2010}*

A subsoil user (investor) who has received a special permit for the subsoil use and a mining allotment (if necessary) or has entered into a production sharing agreement shall have the exclusive right to use the subsoil within its boundaries in accordance with this special permit and production sharing agreement. Any activity related to the use of subsoil within the mining allotment may be carried out only with the consent of the subsoil user (investor) to whom it has been provided. Such consent or refusal to provide it shall be given within twenty calendar days after the receipt of the written request. If no response is provided within the specified time, such consent shall be deemed to have been given.

*{Article 24 has been supplemented with part four under Law No. 2562-VI of 23 September 2010; as amended by Laws No. 5406-VI of 2 October 2012, No. 2314-VIII of 1 March 2018}*

If the investor receives a refusal from the subsoil user to give consent for carrying out works within the mining allotment provided to such subsoil user for mining, except for mining allotments for the extraction of hard coal and lignite, anthracite and iron metal ores, regardless of the grounds for such refusal, such consent may be given by the specially authorised central executive authority for industrial safety, labour protection, state mining supervision and state regulation in the field of safe handling of industrial explosives, provided that the simultaneous use of subsoil by several subsoil users within one mining allotment will not endanger human life and health and will not harm subsoil and/or industrial facilities located within the specified allotment.

*{Article 24 has been supplemented by part five under Law No. 5406-VI of 2 October 2012}*

#### **Article 25. Protection of subsoil users' rights**

The rights of subsoil users are protected by law and may be limited only in cases prescribed by the legislation of Ukraine.

Damages caused by the violation of the subsoil users' rights are subject to compensation in full in accordance with the legislative acts of Ukraine.

#### **Article 26. Termination of subsoil use rights**

The right to use subsoil shall be terminated if:

- 1) subsoil use is no longer needed;
- 2) the established term of subsoil use has expired;
- 3) the activities of subsoil users to whom it was provided for use have terminated;
- 4) the subsoil is used by applying methods and techniques that adversely affect the condition of the subsoil, lead to environmental pollution or harmful effects on public health;
- 5) the subsoil is used for purposes other than those provided for, other requirements stipulated by a special subsoil use permit have been violated;

*{Clause 5, part one of Article 26 as amended by Law No. 3370-IV of 19 January 2006}*

- 6) the user has not started using the subsoil without valid reasons within two years, and for oil-and-gas promising areas and oil-and-gas fields – within 180 calendar days;
- 7) the subsoil area provided for use has been withdrawn in the manner prescribed by law.

The right to use subsoil shall be terminated by the authority that has provided the subsoil for use, and in the cases provided for in clauses 4, 5, 6 of this Article, in case of disagreement of users – in court. In this case, the issue of the termination of the right to use the land plot shall be resolved in the manner prescribed by land legislation.

The legislation of Ukraine may provide for other cases of termination of the right to use subsoil.

The requirements of this article do not apply to subsoil users under a production sharing agreement. In this case, the right to use the subsoil may be suspended, limited or temporarily prohibited (suspended) only if:

- 1) production sharing agreement has expired under the terms and in the manner prescribed by such agreement (including early termination);
- 2) there is an immediate threat to human life and health or the environment.

*{Article 26 has been supplemented with part four under Law No. 2562-VI of 23 September 2010}*

Peculiarities and conditions for limitation or termination or temporary prohibition (suspension) of subsoil use in accordance with the production sharing agreement shall be determined by the [Law of Ukraine](#) “On Production Sharing Agreements”.

*{Article 26 has been supplemented with part five under Law No. 2562-VI of 23 September 2010}*

*{Article 26 as amended by Law No. 2665-III of 12 July 2001}*

## **Article 27. Deprivation of landowners and land users of the right to use subsoil**

Landowners and land users may be deprived of the right to extract minerals of local significance, peat and fresh groundwater and the right to use subsoil for economic and domestic needs if they violate the procedure and conditions of subsoil use on land plots that have been transferred to ownership or use by local councils or other specially authorised bodies in the manner prescribed by the legislation of Ukraine.

## CHAPTER 4. FEE FOR SUBSOIL USE

### Article 28. Fee for subsoil use

Subsoil use is fee-based, except for the cases provided for in [Article 29](#) of this Code. The fee is charged for the use of subsoil within the territory of Ukraine, its continental shelf and the exclusive (maritime) economic zone.

The fee for subsoil use shall be paid in the form of:

1) rent for the use of subsoil for mining operations;

*{Clause 1, part two of Article 28 as amended by Law [No. 71-VIII of 28 December 2014](#)}*

2) rent for the use of subsoil for purposes not related to mining.

*{Clause 2, part two of Article 28 as amended by Law [No. 71-VIII of 28 December 2014](#)}*

*{Part two of Article 28 as revised by Law [No. 2756-VI of 2 December 2010](#)}*

*{Part three of Article 28 has been deleted under Law [No. 71-VIII of 28 December 2014](#)}*

A corresponding fee is charged for the issuance of special subsoil use permits.

*{Part of Article 28 as revised by Law [No. 2756-VI of 2 December 2010](#)}*

The rent for the use of subsoil for mining operations and the rent for the use of subsoil for purposes not related to mining are established by the [Tax Code of Ukraine](#).

*{Part of Article 28 as revised by Laws [No. 2756-VI of 2 December 2010](#), [No. 71-VIII of 28 December 2014](#)}*

The rent for the use of subsoil for mining operations under the production sharing agreement shall be charged under the [Law of Ukraine](#) “On Production Sharing Agreements”.

*{Article 28 has been supplemented with the new part under Law [No. 2562-VI of 23 September 2010](#); as amended by Law [No. 71-VIII of 28 December 2014](#)}*

*{Part seven of Article 28 has been deleted under Law [No. 2756-VI of 2 December 2010](#)}*

*{Article 29 has been deleted under Law [No. 2756-VI of 2 December 2010](#)}*

*{Article 30 has been deleted under Law [No. 2756-VI of 2 December 2010](#)}*

### Article 31. Distribution of subsoil use fees

Fees for the subsoil use are credited to the state and local budgets under the [Budget Code of Ukraine](#).

Fees for the subsoil use received by the budget of the Autonomous Republic of Crimea, oblast budgets and city budgets of Kyiv and Sevastopol are distributed among local budgets by the Verkhovna Rada of the Autonomous Republic of Crimea, oblast, Kyiv and Sevastopol city councils respectively.

*{Article 31 as amended by Laws [No. 2505-IV of 25 March 2005](#), [No. 2457-VI of 8 July 2010](#); as revised by Law [No. 2756-VI of 2 December 2010](#)}*

*{Article 32 has been deleted under Law No. 2756-VI of 2 December 2010}*

*{Article 33 has been deleted under Law No. 2756-VI of 2 December 2010}*

**Article 34.** Payment (fee) for special permits issuance

*{Title of Article 34 as revised by Law No. 2856-VI of 23 December 2010}*

The amount of the fee for issuing special subsoil use permits shall be determined following the auction results. In case of granting a permit without holding an auction, a fee is charged, which is calculated based on the initial selling price of such a permit at auction. The initial selling price of the permit at the auction is calculated by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, based on the value of reserves and resources of mineral deposits or subsoil areas following the methodology established by the Cabinet of Ministers of Ukraine. The initial selling price of a special permit for geological exploration of amber-bearing subsoil at the auction, including research and development of deposits with subsequent extraction of amber (industrial development of deposits) amounts to two thousand non-taxable minimum incomes per 1 hectare of the relevant amber-bearing subsoil area provided under the terms of economic risk (uneven occurrence of amber, lack of geological information and the impossibility of calculating the resources and reserves of minerals without prior exploration and/or mining operations in certain areas), with mandatory further approval of the reserves' evaluation in the manner prescribed by law.

*{Part one of Article 34 as revised under Law No. 2856-VI of 23 December 2010; as amended under Law No. 402-IX of 19 December 2019}*

The fee for the issuance of special permits to state children's specialised health resort institution is not charged for the extraction of mineral waters in the part used for treatment on their territory.

*{Article 34 has been supplemented with part two under Law No. 1025-IV of 9 July 2003}*

*{Article 35 has been deleted under Law No. 2756-VI of 2 December 2010}*

*{Article 36 has been deleted under Law No. 2756-VI of 2 December 2010}*

## **SECTION II. GEOLOGICAL STUDY OF SUBSOIL**

**Article 37.** Performing works on the geological study of subsoil

Geological study of the subsoil is conducted in order to obtain data on the geological structure of the subsoil, the processes occurring in them, detection and evaluation of minerals, study patterns of their formation and location, clarify mining and other conditions of mineral deposits and subsoil use for purposes not related to the extraction of minerals.

Conducting works on the geological study of subsoil shall be arranged and coordinated by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, based on state-integrated or targeted programmes, intersectoral and sectoral plans, projects, relevant norms and rules.

Geological study of subsoil, envisaged by national programmes, is usually conducted at the expense of funds paid by mining companies to the state budget for previously performed



geological prospecting works. In some cases, the geological study can be performed at the expense of direct expenditures of state and local budgets.

Local councils and local executive authorities facilitate conducting works on the geological study of subsoil, which are carried out under national programmes, develop and implement appropriate territorial programmes.

**Article 38.** Requirements for geological study of subsoil

During the geological study of the subsoil, the following shall be ensured:

- 1) rational and effective works related to the geological study of subsoil;
- 2) state of the environment ecologically safe for human life and health;
- 3) comprehensive study of the subsoil geological structure, mining and engineering, hydrogeological and other conditions of development of explored deposits, construction and operation of underground structures not related to mining;
- 4) reliability of determining the quantity and quality of reserves of all minerals and their components, geological and economic assessment of mineral deposits;
- 5) conducting works by methods and in the manner that would exclude unjustified losses of minerals, reduction of their quality, excessive destruction of soil cover and environmental pollution;
- 6) placement of extracted rocks and minerals, which would exclude their harmful effects on the environment and public health;
- 7) preservation of exploration mine openings and wells that can be used for the development of deposits and other purposes, and the elimination of openings and wells not suitable for further use in the prescribed manner;
- 8) preservation of geological and mechanical completion documentation, samples of rocks and ores, duplicate samples of minerals that can be used in further study of subsoil, exploration and development of mineral deposits, as well as in the use of subsoil for purposes not related to mining.

Customers of works may stipulate other requirements for the geological study of subsoil, which do not contradict the legislation of Ukraine.

**Article 39.** State registration and maintaining a record of works and research related to the geological study of subsoil, geological information

Works and research related to the geological study of subsoil are subject to mandatory state registration and maintaining record to summarise and maximise the results of the subsoil study, as well as to prevent duplication of these works.

[State registration and maintaining a record of works and research](#) related to the geological study of the subsoil is carried out by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil.

[The procedure for disposing of geological information](#) shall be established by the Cabinet of Ministers of Ukraine.

The subsoil user shall have the right to dispose of, including sell and transfer to residents and non-residents of Ukraine for use, geological information created (purchased) at their own expense, taking into account the requirements established by the laws of Ukraine “[On State Secret](#)” and “[On Sanctions](#)”.

*{Article 39 has been supplemented with part four under Law No. 2314-VIII of 1 March 2018}*

The owner of geological information shall notify the central executive authority implementing the state policy in the field of geological study and rational use of subsoil about the transfer of ownership or the right to use geological information.

*{Article 39 has been supplemented with part five under Law No. 2314-VIII of 1 March 2018}*

*{Article 39 as revised by Law No. 5456-VI of 16 October 2012}*

#### **Article 40. Transfer of explored mineral deposits for industrial development**

Explored mineral deposits, including man-made ones, or their areas, mineral reserves of which are evaluated, shall be included in the State Fund of Mineral Deposits and transferred for industrial development in the [manner](#) prescribed by the Cabinet of Ministers of Ukraine.

#### **Article 41. Discoverers of mineral deposits**

Persons who have discovered a previously unknown deposit of industrial value, or have discovered additional reserves of minerals or new crude minerals in a previously known deposit that increase its industrial value significantly are recognised as discoverers.

Discoverers are entitled to remuneration. [Provision on discoverers of mineral deposits](#) shall be approved by the Cabinet of Ministers of Ukraine.

### **SECTION III. MAINTAINING STATE RECORD OF MINERAL DEPOSITS, RESERVES AND MANIFESTATIONS, AS WELL AS SUBSOIL AREAS PROVIDED FOR USE NOT RELATED TO MINING**

#### **Article 42. Maintaining state record of mineral deposits, reserves and manifestations**

Deposits, including man-made ones, mineral reserves and manifestations are subject to registration with the state cadastre of deposits and manifestations of minerals and the state balance of mineral reserves.

[State registration of deposits, reserves and manifestations of minerals](#) is carried out by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, in the manner prescribed by the Cabinet of Ministers of Ukraine.

*{Part two of Article 42 as amended by Law No. 5456-VI of 16 October 2012}*

#### **Article 43. State Cadastre of Deposits and Manifestations of Minerals**

The State Cadastre of Mineral Deposits and Manifestations of Minerals contains information on each deposit included in the State Fund of Mineral Deposits, on the quantity and quality of mineral reserves and available components, mining and engineering, hydrogeological and other conditions of field development and its geological and economic evaluation, as well as information about each manifestation of minerals.

The State Fund of Mineral Deposits and Manifestations is formed by the central executive authority implementing the state policy in the field of subsoil geological study and rational use.

The State Cadastre of Mineral Deposits and Manifestations includes geospatial data, metadata and services, disclosures and other activities with which and access to which can be implemented on the Internet, in accordance with the [Law of Ukraine](#) “On National Infrastructure of Geospatial Data”.

*{Article 43 has been supplemented with part three under Law No. 554-IX of 13 April 2020 – enacted on 1 January 2021}*

#### **Article 44.** State balance of mineral reserves

The state balance of mineral reserves contains information on the quantity, quality and degree of mineral reserves study in relation to deposits of industrial importance, their location, level of industrial development, as well as information on production, losses and provision of social production of explored mineral reserves.

The state balance of mineral deposits and manifestations is maintained by the central executive authority implementing the state policy in the field of subsoil geological study and rational use.

#### **Article 45.** State examination and assessment of mineral reserves

To determine the industrial value of deposits and assess the mineral reserves for each field, conditions are set for minerals, which are a set of requirements for the quality and quantity of minerals, mining and geological and other conditions of the field development.

Conditions for mineral raw materials are developed taking into account the rational use of all minerals, as well as their existing valuable components and are subject to examination by the central executive authority implementing the state policy in the field of geological exploration and rational use of subsoil, or other authorised enterprises, institutions or organisations.

*{Part two of Article 45 as amended under Laws No. 5456-VI of 16 October 2012, No. 2314-VIII of 1 March 2018}*

The procedure for the development of conditions for mineral raw materials shall be established by the central executive authority in charge of shaping state policy in the field of environmental protection.

*{Part three of Article 45 as amended by Law No. 5456-VI of 16 October 2012}*

Mineral reserves of explored deposits, as well as mineral reserves additionally explored in the process of field development, are subject to examination and assessment by the central executive authority implementing the state policy in the field of geological exploration and rational use of the subsoil, or other authorised enterprises, institutions or organisations following the procedure established by the Cabinet of Ministers of Ukraine.

*{Part four of Article 45 as amended by Laws No. 5456-VI of 16 October 2012, No. 2314-VIII of 1 March 2018}*

#### **Article 46.** Mineral reserve write-off

Extracted minerals, mineral reserves that have lost their industrial significance, as well as those lost in the extraction process or not confirmed during subsequent exploration works or development of the field, are subject to deregistration of the mining enterprise according to the [procedure](#) determined by the Cabinet of Ministers of Ukraine.

The results of mineral reserve write-off are recorded in the State Informational Geological Fund of Ukraine.

**Article 47.** State record-keeping of subsoil areas provided for the use for the purposes not related to mining

Subsoil areas provided for the construction and operation of underground structures and other purposes not related to mining are subject to state record-keeping by the central executive authority implementing the state policy in the field of labour protection.

#### **SECTION IV. DESIGN, CONSTRUCTION AND COMMISSIONING OF MINING FACILITIES, AS WELL AS UNDERGROUND STRUCTURES NOT RELATED TO MINING**

**Article 48.** Peculiarities of designing mining facilities, as well as underground constructions not related to mining

The design of mining facilities and underground structures not related to mining is carried out based on geological and other subsoil studies, taking into account the integrated development of the region and the requirements of environmental safety.

The design of mining facilities is carried out after prior approval in the manner prescribed by legislation on the provision of land and mining allotment.

Projects for the construction of mining facilities or underground structures not related to mining, including for the disposal of production waste, other harmful substances, wastewater discharge, are subject to environmental impact assessment, scientific and technical and other types of examination and approval in the manner prescribed by the legislation of Ukraine.

*{Part three, Article 48 as amended by Law No. 2059-VIII of 23 May 2017}*

*{Article 49 has been deleted under Law No. 1193-VII of 9 April 2014}*

**Article 50.** Main requirements for the design, construction and commissioning of mining facilities, mineral processing facilities, as well as underground structures not related to mining

Mining construction plans shall provide for:

1) the location of ground and underground structures, ensuring the most rational and efficient use of mineral reserves;

2) methods of prospecting, systems of mineral deposits development and technical schemes of processing (preparation) of mineral raw materials that provide the most complete, comprehensive and economically feasible extraction of mineral reserves, as well as the use of existing components;

3) rational use of the overburden in the development of mineral deposits;

4) warehousing, storage and determination of the procedure for accounting of minerals that are temporarily not used, as well as production waste containing useful components;

5) geological study of subsoil discovered in the process of construction and mining facilities operation, and preparation of geological and surveying documentation;

6) reclamation of disturbed lands, maximum preservation of soil cover;

7) measures to ensure the safety of people, property and the environment.

In the construction plans of objects for processing mineral raw materials, the following shall be ensured:

1) the use of technological schemes providing a rational and comprehensive extraction of existing components of industrial significance from the extracted mineral raw material;

2) rational use, utilisation, demilitarisation or safe disposal of processing waste (sludge, dust, waste water, etc.);

3) warehousing, storage and determination of the procedure for records-keeping of production waste that contains useful components and is temporarily not used;

7) measures ensuring the safety of people, property and the environment.

During the designing, construction and commissioning of underground structures not related to mining the rational use of minerals, as well as compliance with the requirements specified in paragraphs 5, 6, 7 of part one of this article, and other requirements and rules under the legislation of Ukraine must be ensured.

The commissioning of new and reconstructed mining facilities, mineral raw materials processing facilities, as well as underground structures not related to mining is prohibited if during their design the requirements of this article were not observed.

## **SECTION V. SUBSOIL USE FOR THE DEVELOPMENT OF MINERAL DEPOSITS AND PURPOSES NOT RELATED TO MINING**

**Article 51.** The procedure for the development of mineral deposits and mineral raw materials processing

Development of solid, liquid and gaseous mineral deposits and processing of mineral raw materials shall be carried out following the approved designs and work plans, rules of technical operation and subsoil protection.

Rules of technical operation, designs and plans for development of mineral deposits and mineral raw materials processing shall be agreed upon by subsoil users with the central executive authority implementing the state policy in the field of geological exploration and rational use of subsoil, and the central executive authority implementing the state policy in the field of labour protection, in terms of compliance with the requirements of subsoil legislation.

*{Part two of Article 51 as amended by Laws [No. 2562-VI of 23 September 2010](#), [No. 5456-VI of 16 October 2012](#)}*

Subsoil use based on a special permit for geological study of amber-bearing subsoil, including research and development of deposits with subsequent extraction of amber (industrial development of deposits), in amber-bearing subsoil areas located on disturbed land plots, shall be carried out based on standard designs and/or technological schemes according to the procedure established by the Cabinet of Ministers of Ukraine.

*{Article 51 has been supplemented with part three under Law No. 402-IX of 19 December 2019}*

#### **Article 52.** Quotas for mining

To prevent the negative demographic, social and environmental consequences of intensive mining, quotas are set for the extraction of certain types of minerals.

[The procedure for setting quotas](#) for mining shall be approved by the Cabinet of Ministers of Ukraine.

#### **Article 53.** Basic requirements for the development of mineral deposits and mineral processing

When developing mineral deposits the following shall be provided:

1) the use of rational, environmentally friendly technologies for mining and extraction of existing components of industrial importance, prevention of excessive losses and deterioration of minerals, as well as selective development of mineral-rich areas of deposits, leading to loss of mineral reserves;

2) additional exploration of mineral deposits and other geological works, surveying works, maintaining technical documentation;

3) keeping track of the condition and movement of reserves, losses and deterioration of minerals, as well as submission of reporting to statistical and other government authorities established by law;

4) prevention of damage to developed and adjacent mineral deposits as a result of mining operations, as well as the preservation of mineral reserves of mothballed deposits;

5) warehousing, preservation and accounting of minerals, as well as production wastes that contain useful components and are temporarily not used;

6) rational use of overburden and production waste;

7) performing works safely for people, property and the environment.

When processing mineral raw materials, the following shall be ensured:

1) observance of technological schemes of mineral raw materials processing, ensuring rational and complex extraction of useful components;

2) accounting and control over the distribution of useful components at different processing stages and the degree of their extraction from mineral raw materials;

3) study of technological properties and composition of mineral raw materials, conducting research and technological tests in order to improve the technology of mineral processing;



- 4) rational use of processing waste (sludge, dust, wastewater, etc.);
- 5) warehousing, accounting and storage of production waste that contains useful components and is temporarily not used.

When developing mineral deposits and processing mineral raw materials, observance of other requirements stipulated by the legislation on environmental protection must be also ensured.

**Article 54. Liquidation and mothballing of mining facilities**

After the production of mineral reserves and when according to a feasibility study and other justifications further development of deposits or parts thereof is unreasonable or impossible, mining facilities or areas of these facilities are subject to liquidation or mothballing.

In case of complete or partial liquidation or mothballing of a mining facility, mine workings and wells must be brought to a state guaranteeing the safety of people, property and the environment, and in the case of mothballing – also guaranteeing the preservation of deposits, mine workings and wells for the whole mothballing period. In the case of liquidation of mining facilities, the issue of the possible use of mine workings and wells for other purposes of social production must be also addressed.

In case of liquidation and mothballing of mining facilities or their sections, technical, geological and surveying documentation shall be filled in at the moment of completion of mining operations and transferred for storage following the established procedure.

At mining facilities adjacent to facilities that are being liquidated or mothballed, measures must be taken to ensure the safety of mining operations.

Liquidation and mothballing of mining facilities or their areas shall be carried out in coordination with the central executive authority implementing the state policy in the field of labour protection and other concerned authorities following the procedure established by the central executive authority ensuring the formation of the state policy in the field of mining supervision and industrial safety.

*{The part five of Article 54 as revised by Law No. 5456-VI of 16 October 2012}*

Mothballing and liquidation of mining facilities and other structures related to the subsoil use under the production sharing agreement shall be carried out as prescribed by such agreement.

*{Article 54 has been supplemented with part six under Law No. 2562-VI of 23 September 2010}*

**Article 55. The procedure of subsoil use for the purposes not related to mining**

The use of subsoil for the construction and operation of underground structures and other purposes not related to mining shall be carried out under the relevant projects.

Projects shall provide for measures to ensure the demilitarisation of wastewater, harmful substances and production waste or their localisation within certain limits, as well as to prevent their penetration into mine workings, the earth's surface and water bodies.

In case of violation of this article's requirements, discharge of waste water into the subsoil, disposal of harmful substances and industrial waste must be limited, temporarily prohibited

(suspended) or terminated by the central executive authority implementing the state policy in the field of labour protection or other state authorities according to the procedure prescribed by the legislation of Ukraine.

*{Part three of Article 55 as amended by Law No. 5456-VI of 16 October 2012}*

## **SECTION VI SUBSOIL PROTECTION**

### **Article 56. Main requirements in the field of subsoil protection**

The main requirements in the field of subsoil protection are the following:

ensuring a complete and comprehensive geological study of the subsoil;

observance of the procedure established by law for the provision of subsoil for use and prevention of unauthorised subsoil use;

rational extraction and use of mineral reserves and their existing components;

prevention of harmful impact of subsoil use works on the preservation of mineral reserves, mine workings and wells that operate or have been mothballed, as well as underground structures;

protection of mineral deposits from flooding, water intrusion, fire and other factors influencing the quality of minerals and industrial value of deposits or complicating their development;

prevention of unreasonable and unauthorised building on mineral deposits areas and compliance with the procedure for the use of these areas for other purposes established by law;

prevention of subsoil contamination during underground storage of oil, gas and other substances and materials, disposal of harmful substances and production waste, wastewater discharge;

compliance with other requirements prescribed by the legislation on environmental protection.

### **Article 57. Restriction, temporary prohibition (suspension) or termination of subsoil use**

In case of violation of the requirements of [Article 56](#) and other articles of this Code, subsoil use may be restricted, temporarily prohibited (suspended) or terminated by the central executive authority implementing the state policy in the field of geological exploration and rational use of subsoil, the central executive authority implementing the state labour protection policy, or another state body authorised to apply such response measures in the manner prescribed by law.

*{The part one of Article 57 as revised by Law No. 5456-VI of 16 October 2012}*

When using subsoil in accordance with the terms of the production sharing agreement, the right to use the subsoil may be terminated, restricted or temporarily prohibited (suspended) on the terms and in the manner prescribed by the [Law of Ukraine](#) “On Production Sharing Agreements” and such agreement, and only in cases specified in [part four](#) of Article 26 of this Code.

*{Article 57 has been supplemented with part two under Law No. 2562-VI of 23 September 2010}*

### **Article 58. Building on mineral deposits areas**

It is prohibited to design and build settlements, industrial complexes and other facilities without the prior geological study of subsoil areas to be built on.

Building on mineral deposits areas of national significance, as well as building structures on their occurrence areas not related to mining, are allowed in exceptional cases only with the consent of the central executive authority implementing the state policy in the field of geological study and rational use of subsoil, the central executive authority implementing the state policy in the field of labour protection. At the same time, measures are to be taken to ensure the possibility of extracting minerals from the subsoil.

*{The part one of Article 58 as revised by Law No. 5456-VI of 16 October 2012}*

The procedure for building on mineral deposits areas of national significance shall be established by the Cabinet of Ministers of Ukraine.

Building on mineral deposits areas of local significance, as well as placement of underground structures not related to mining on the sites of their occurrence, are allowed in agreement with the Council of Ministers of the Autonomous Republic of Crimea, relevant local councils.

*{Part four of Article 58 as amended by Laws No. 3530-VI of 16 June 2011, No. 5456-VI of 16 October 2012}*

#### **Article 59. Protection of subsoil areas of special scientific or cultural value**

Rare geological outcrops, mineralogical formations, paleontological objects and other subsoil areas, which are of special scientific or cultural value, may be recognised as objects of the nature reserve fund in the manner prescribed by law.

In case of detecting rare geological exfoliations and mineralogical formations, meteorites, paleontological, archaeological and other objects of interest for science and culture, subsoil users are obliged to stop working at the relevant site and notify the state authorities concerned.

### **SECTION VII. STATE CONTROL AND SUPERVISION OVER WORKS ON GEOLOGICAL STUDY OF SUBSOILS, THEIR USE AND PROTECTION**

**Article 60.** The task of the state control and supervision over the geological study of subsoil, its use and protection

State control and supervision over the geological study of subsoil, its use and protection are aimed at ensuring compliance with the established procedure for subsoil use by all state authorities, enterprises, institutions, organisations and citizens, fulfilment of other responsibilities for subsoil protection established by the legislation of Ukraine.

**Article 61.** Authorities exercising state control and supervision over the works on the geological study of subsoil, its use and protection

State control over the geological study of subsoil (state geological control) and rational and efficient use of subsoil of Ukraine is carried out by the central executive authority implementing the state policy in the field of geological study and rational use of subsoil.

State supervision over the geological exploration works, their use and protection, as well as the use and processing of mineral raw materials (state mining supervision) shall be carried out by the central executive authority implementing the state policy in the field of labour protection.

State control over the use and protection of subsoil within its competence shall be exercised by the central executive authority implementing the state policy on the state supervision (control) in the field of environmental protection, rational use, reproduction and protection of natural resources.

*{Article 61 as amended by Law No. 3530-VI of 16 June 2011; as revised by Law No. 5456-VI of 16 October 2012}*

**Article 62.** Powers of the state geological control authority related to control over the geological study of subsoil

*{Title of Article 62 as amended by Law No. 5456-VI of 16 October 2012}*

State geological control authority verifies:

1) compliance with the requirements for the subsoil protection during the conduct of works on its study;

2) implementation of national programmes of geological exploration works, geological tasks and orders;

3) feasibility of applying methods and technologies, quality, integrity, the efficiency of works on the geological study of subsoil;

4) implementation of decisions on methodological support of works on the geological study and use of subsoil;

5) compliance with regulations, rules and other requirements for the geological study and use of subsoil, conditions of special permits for subsoil use and subsoil use agreements;

*{Clause 5, part one of Article 62 as amended under Law No. 124-IX of 20 September 2019}*

6) completeness of the subsoil geological structure study, mining and engineering, engineering and geological, geological and ecological and other conditions for the study of mineral deposits;

7) compliance of geological exploration works and scientific research with state contracts and orders, as well as projects for conducting such works;

8) use of technical means and methods of conducting works on the subsoil geological study, which prevent unjustified losses of minerals and deterioration of their quality;

9) timeliness and compliance with the established requirements for the commissioning of explored mineral deposits;

10) technology compliance during research and industrial operation of mineral deposits that ensure their studying without reducing the industrial value;

11) preservation of exploration mine openings and wells for the development of mineral deposits, storage of geological documentation, rock samples, duplicate samples that can be used in the further study of the subsoil;

12) justification of search, exploration areas and other works on the geological study of subsoil;

13) timeliness and correctness of state registration of works on geological study and use of subsoil, availability of special permits for subsoil use and fulfilment of conditions stipulated thereby;

14) completeness and reliability of initial data on the quantity and quality of reserves of basic and coexisting minerals, components contained in them, as well as the provision of performance balances of mineral reserves to enterprises and organisations;

15) accounting for oil, gas and related components;

16) conducting exploration and other works on the geological study of groundwater.

*{Part one of Article 57 as revised by Law No. 5456-VI of 16 October 2012}*

The state geological control authority, within its competence, ensures addressing other issues on the geological study of subsoil.

*{Part two of Article 62 as revised by Law No. 5456-VI of 16 October 2012}*

The state geological control authority shall be entitled to:

1) terminate all types of works on the geological study of subsoil, which are carried out in violation of norms and rules and may cause damage to deposits, significantly reduce the efficiency of work or lead to significant losses;

*{Clause 1, part three of Article 62 as amended under Law No. 124-IX of 20 September 2019}*

2) terminate the activities of enterprises and organisations engaged in geological exploration without special permits or in violation of the conditions prescribed by these permits;

3) give mandatory instructions (orders) to eliminate deficiencies and violations during the geological study of the subsoil.

*{Part three of Article 62 as amended by Law No. 5456-VI of 16 October 2012}*

Under the legislation of Ukraine, the state geological control authority may be entitled to other rights to prevent and eliminate violations of the rules and norms of subsoil geological study.

The procedure for state geological control shall be determined by the Cabinet of Ministers of Ukraine.

*{Text of Article 62 as amended by Law No. 5456-VI of 16 October 2012}*

**Article 63.** Powers of the state mining supervision authority to supervise the conduct of geological exploration, use and protection of the subsoil

*{Title of Article 62 as amended by Law No. 5456-VI of 16 October 2012}*

The state mining supervision authority verifies:

*{Paragraph one, part one of Article 63 as amended by Law No. 5456-VI of 16.10.2012}*

1) the completeness of the study of mineral deposits, mining and engineering, engineering and geological, hydrogeological and other conditions of their development, construction and operation of underground structures, disposal of harmful substances and production waste;

*{Clause 2, part one of Article 63 has been deleted by Law No. 5456-VI of 16 October 2012}*

3) compliance with the requirements for the protection of subsoil in the establishment of the conditions for mineral resources and the operation of mineral deposits;

*{Clause 3, part one of Article 63 as revised by Law No. 5456-VI of 16 October 2012}*

4) correctness of mineral deposits development;

5) completeness of the extraction of estimated mineral reserves and their existing components;

6) compliance with the established procedure for mineral reserves accounting, the validity and timeliness of their write-off;

7) compliance with the rules of geological and surveying works during the development of mineral deposits;

8) compliance with the rules and technologies of mineral raw materials processing to ensure more complete extraction of useful components and improve the quality of the final product;

9) correctness and timeliness of measures guaranteeing the safety of people, property and the environment, mine openings and wells from harmful effects of works related to the use of subsoil;

9<sup>1</sup>) readiness of state paramilitary mine rescue services and formations and dispatcher services to localise and eliminate the consequences of accidents;

*{Part one of Article 63 has been supplemented with clause 9<sup>1</sup> under Law No. 5456-VI of 16 October 2012}*

10) resolving other issues related to supervision over the use and protection of subsoil within its competence.

The state mining supervision authority is entitled to:

*{Paragraph one, part two of Article 63 as amended by Law No. 5456-VI of 16 October 2012}*

1) give mandatory instructions (orders) on the elimination of violations of norms and rules of conducting works during the geological study of subsoil, its use and protection;

2) terminate the works related to subsoil use, according to the procedure established by the legislation of Ukraine, in case of violations of the corresponding norms and rules;

3) require subsoil users to justify the mineral reserves write-off;

4) give recommendations on the introduction of new advanced technologies for mineral raw materials processing.

According to the law, the State Mining Supervision Authority may be entitled to other rights by the legislation of Ukraine to prevent violations of the legislation on subsoil and their elimination.



The procedure for state mining supervision shall be determined by the Cabinet of Ministers of Ukraine.

The provisions of this Article on production sharing agreements shall be applied taking into account the peculiarities stipulated by the [Law of Ukraine](#) “On Production Sharing Agreements”.

*{Article 63 has been supplemented with part five under Law No. 2562-VI of 23 September 2010}*

*{Text of Article 63 as amended by Law No. 5456-VI of 16 October 2012}*

## **SECTION VIII. DISPUTES ON SUBSOIL USE LIABILITY FOR VIOLATING LEGISLATION ON SUBSOIL**

### **CHAPTER 5. SETTLEMENT OF DISPUTES ON SUBSOIL USE**

**Article 64.** Procedure for considering disputes on subsoil use

Disputes on the issues of subsoil use shall be considered by the state geological control authority, the state mining supervision authority, the central executive authority implementing the state policy on state supervision (control) in the field of environmental protection, rational use, reproduction and protection of natural resources, local councils or by a court in the manner prescribed by the legislation of Ukraine.

*{Part one of Article 64 as revised by Law No. 5456-VI of 16 October 2012}*

Local councils shall resolve disputes over subsoil use related to the development of mineral deposits of local significance, peat, and fresh groundwater.

*{Part two of Article 64 as revised by Law No. 5456-VI of 16 October 2012}*

Plaintiffs – the central executive authority implementing the state policy in the field of geological exploration and rational use of subsoil, the central executive authority implementing the state policy in the field of labour protection, the central executive authority implementing the state policy on state supervision (control) in the field of environmental protection, rational use, reproduction and protection of natural resources – are exempt from paying state duties in cases of collection and compensation for damages caused to the state due to violation of subsoil legislation.

*{Part three of Article 64 as revised by Law No. 5456-VI of 16 October 2012}*

Disputes on the use of subsoil arising with other states, as well as between foreigners, stateless persons, foreign legal entities and a subsoil owner, shall be considered in accordance with the legislation of Ukraine.

*{Part four of Article 64 as revised by Law No. 5456-VI of 16 October 2012}*

Disputes on the subsoil use on the terms of products sharing shall be resolved following the terms of such agreements concluded [under Law of Ukraine](#) “On Production Sharing Agreements”

*{Article 64 has been supplemented with part five under Law No. 2562-VI of 23 September 2010}*

*{Article 64 as amended by Law No. 762-IV of 15 May 2003}*

## **CHAPTER 6. LIABILITY FOR VIOLATING LEGISLATION ON SUBSOIL**

### **Article 65. Liability for violating legislation on subsoil**

Violation of the legislation on subsoil entails disciplinary, administrative, civil and criminal liability in accordance with the legislation of Ukraine.

Liability for violation of the legislation on subsoil shall be borne by persons guilty of:

unauthorised subsoil use;

violation of norms, rules and requirements for conducting a geological study of subsoil;

selective development of mineral-rich areas, leading to excessive losses of mineral reserves;

excessive losses and deterioration of minerals quality during their extraction;

damage to mineral deposits, which prevent completely or significantly limit the possibility of their further exploitation;

violation of the established procedure for building on mineral deposits areas;

non-compliance with the rules of subsoil protection and requirements for the safety of people, property and the environment from harmful effects of works related to subsoil use;

destruction or damage to geological features of special scientific and cultural value, observation regime wells, as well as surveying and geodetic signs;

illegal destruction of surveying or geological documentation, as well as duplicate samples of minerals required for further geological exploration and development of deposits;

non-compliance with the requirements for bringing mine openings and wells that have been liquidated or mothballed to a state that guarantees the safety of people, as well as requirements for the preservation of deposits, mine openings and wells for the period of mothballing.

Legislative acts of Ukraine may establish liability for other violations of subsoil legislation.

### **Article 66. Termination of unauthorised subsoil use and building on mineral deposits areas**

Unauthorised subsoil use and building on mineral deposits areas in violation of the established procedure shall be terminated without reimbursement of expenses incurred.

### **Article 67. Reimbursement for damages caused by violations of subsoil legislation**

Enterprises, institutions, organisations and citizens are obliged to reimburse the losses caused by them as a result of violations of the legislation on subsoil, in the amounts and the manner prescribed by the legislation of Ukraine.

## **SECTION IX INTERNATIONAL RELATIONS**

**Article 68.** Provision of subsoil to foreigners and stateless persons, foreign legal entities for use

Foreigners and stateless persons, foreign legal entities are granted subsoil use and the right to process mineral raw materials on a competitive basis under agreements (contracts) concluded per the requirements of this Code and other legislative acts of Ukraine.

The procedure for concluding contracts on subsoil use and processing of mineral raw materials involving foreigners and stateless persons, foreign legal entities shall be determined by the Cabinet of Ministers of Ukraine.

#### **Article 69. International Treaties**

If an international treaty of Ukraine establishes rules other than those contained in the legislation of Ukraine on the subsoil, the rules of the international treaty shall apply.

**President of Ukraine**

**L. KUCHMA**

**City of Kyiv**  
**27 July 1994**  
**No. 132/94-VR**



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