

Act No. 259 of 9 June 1971 concerning the Continental Shelf
with the amendments resulting from
Act No. 278 of 7 June 1972 and Act No. 654 of 21 December 1977

Paragraph 1.

The natural resources of the Danish Continental Shelf are the property of the State of Denmark and may only be explored or exploited by others under a concession or a permit.

Subsection 2. In this Act, natural resources shall be understood to mean:

- (1) the mineral and other non-living resources of the sea bed or its subsoil and
- (2) living organisms, which, at the harvestable stage, are either permanently attached to or in the sea bed or are unable to move without being in constant physical contact with the sea bed or its subsoil.

Paragraph 2.

The Minister of Commerce may permit exploration of the natural resources mentioned in paragraph 1, subsection 2, No. 1, when such exploration is not carried out with a view to exploitation. The Minister for the Environment may permit the recovery of such raw materials as are covered by the Act on Raw Materials. Otherwise, the exploration and exploitation of resources as mentioned in paragraph 1, paragraph 2(1), may only be carried out under a concession granted by the Minister of Commerce in pursuance of the rules contained in the Act on the Exploration and Recovery of Raw Materials in the Subsoil of the Kingdom of Denmark.

Subsection 2. The Minister of Fisheries may permit fishing and exploration of the living organisms as mentioned in paragraph 1, subsection 2, No. 2. If investigation of the natural resources as mentioned in paragraph 1, subsection 2, No. 1, is included in the fisheries or marine research, permission for these investigations shall also be granted by the Minister of Fisheries. A permit may be granted for a period of up to 5 years and may be made conditional on the payment of taxes to the public authorities.

Subsection 3. A permit in accordance with subsection 1, clause 2, can be given as a sole right to take up a raw material from the Continental Shelf or from a specific part thereof.

Subsection 4. A sole rights concession may only be given to an enterprise that is operated as a joint-stock company, private company or similar, and may be made subject to the following or other conditions:

- (1) that the Minister for the Environment may lay down rules for fixing selling prices for the materials recovered and that the company, with a view to this, shall give the Minister detailed information on the annual expenditure of the company for administration, repairs, renewal, depreciation, transfers to reserves and dividend etc.,
- (2) that the company may not increase its share capital or raise loans without the consent of the Minister,
- (3) that the company may only transfer shares with the consent of the Minister, and
- (4) that the company shall cover the expenditure incurred by the Government for compensation in pursuance of paragraph 6(a), subsection 2, and the costs involved in fixing such compensation.

Subsection 5. A permit for exploitation in pursuance of subsection 1, clause 2, can be revoked by the Minister for the Environment. At least 10 years' notice shall be given of such revocation.

Subsection 6. The Minister for the Environment may specify restrictions relating to the nature and quantity of the materials that may be exploited in pursuance of a permit in accordance with subsection 1, clause 2. He may further restrict or stop exploitation in specific areas or lay down general or local depth limits for this.

Subsection 7. The Minister for the Environment may lay down rules for the payment of taxes on raw materials exploited in pursuance of a permit in accordance with subsection 1, clause 2, to cover the expenditure specifically connected with the administration of the Act.

Subsection 8. The Minister for the Environment may lay down rules on supervision of the extraction of raw materials in accordance with subsection 1, clause 2.

Subsection 9. Any party drilling on the Continental Shelf for the raw materials mentioned in subsection 1, clause 2, shall, within 3 months after the drilling, notify the Geological Survey of Denmark of the location of the drilling and of the strata found, and submit samples of the strata penetrated. Within the same time limit, a report shall be made to the Geological Survey of Denmark on the results of geophysical investigations and other analyses of raw materials.

Subsection 10. The Minister for the Environment may lay down rules to the effect that any party extracting raw materials in pursuance of subsection 1, clause 2, shall provide information on the extraction activities, including information on the nature and quantity of the materials extracted and on their use.

Paragraph 3.

Danish law shall apply to installations placed on the Continental Shelf with a view to exploration or exploitation of the Continental Shelf and in safety zones around the installations except as provided in subsection 2 below. Unless otherwise prescribed by the Minister concerned, installations and safety zones shall be under the local jurisdiction of the nearest district of a Danish Court or administrative authority.

Subsection 2. The following Acts shall not apply to installations and safety zones:

- (1) Salt Water Fisheries Act;
- (2) Game Act;
- (3) Act on Commercial Activities in Greenland;
- (4) Act on Hunting and Fresh Water Fisheries in Greenland; and
- (5) Act on Commercial Hunting, Fisheries and Shooting in Greenland.

Paragraph 4.

The Minister of Commerce may promulgate special rules on safety measures in connection with the establishment and operation of the installations referred to in paragraph 3, subsection 1, on the laying of pipelines and cables and on measures to prevent or remedy pollution. The observance of such rules shall be supervised by the authorities to whom similar responsibilities are assigned in other legislation, and appeals against decisions by the supervising authorities shall be governed by the rules otherwise applying to appeals against such decisions. However, the Minister may prescribe deviations from these rules.

Subsection 2. The Minister may also prescribe rules for the establishment of safety zones around installations used for exploration or exploitation. The extent of such zones may not exceed 500 metres around the installations in

question, measured from any point on the outermost edge of these installations. The Minister may prescribe rules governing navigation in safety zones and prohibit unauthorized ships from entering these zones.

Subsection 3. The Minister of Commerce shall lay down the rules mentioned in subsections 1 and 2 in consultation with the Ministers responsible for matters of a similar nature.

Paragraph 5.

Any person infringing the sole right of the State under paragraph 1 shall be fined or sentenced to up to 6 months mild imprisonment unless a more severe penalty is prescribed in other legislation.

Subsection 2. Failure to comply with the conditions laid down in concessions or permits granted in pursuance of this Act or in pursuance of the Acts mentioned in paragraph 2, subsection 1, and paragraph 6, shall be punishable by fining unless a more severe penalty is prescribed in other legislation.

Subsection 3. Rules promulgated in pursuance of this Act may prescribe fining for infringement of such rules.

Subsection 4. For infringements committed by joint-stock companies, private companies or similar, fines may be imposed on the company as such.

Paragraph 6.

Installations and safety zones, cf. paragraph 3, subsection 1, placed on or established within the Greenland sector of the Continental Shelf shall be subject to the legislation otherwise applying in Greenland. The Minister for Greenland shall exercise the powers laid down in paragraphs 2 and 4, in compliance with the rules contained in the Act on Mineral Resources in Greenland.

Paragraph 6(a).

_____ If a sole rights permit is granted in pursuance of paragraph 2, subsection 3, the Minister for the Environment may revoke permits granted in pursuance of paragraph 2, subsection 1, clause 2, granted before the date of tabling the Bill, insofar as the sole rights permit relates to raw materials and areas covered by the earlier permits.

Subsection 2. Any party whose permit for the exploitation of raw materials is revoked in pursuance of subsection 1 shall be entitled to government compensation for the loss thereby suffered.

Subsection 3. Failing ordinary agreement, the amount of compensation shall be decided by valuation commission comprising two members with the necessary expertise, appointed by the Maritime and Commercial Court, together with a chairman, also appointed by the Maritime and Commercial Court, who shall be a lawyer. A substitute shall be appointed for each of the said members.

Subsection 4. The Minister for the Environment shall lay down rules for the procedure of the commission and for its legal competence to transact business, including the functions of the substitutes, its authority to engage necessary assistance and to call in special experts etc., together with the necessary rules for fees.

Paragraph 6(b).

The Minister for the Environment may authorize an agency or similar institution established under the Ministry to exercise the powers conferred on the Minister in this Act or in rules prepared in pursuance of this Act.

Subsection 2. The Minister may prescribe rules regarding the access to appeal decisions taken in pursuance of the powers under subsection 1 to the Minister, and may prescribe that such decisions may not be appealed to the

Minister.

Paragraph 7.

This Act shall enter into force on 1 July 1971.

Subsection 2. Article 3 of Royal Decree No. 259 of 7 June 1963 on the Exercise of Danish Sovereignty over the Continental Shelf shall be repealed.

Paragraph 8.

This Act shall not apply to the Faroes.