



## Licensing Process for Exploration

This factsheet explains the process for the application and grant of an exploration licence.

If a company is interested in exploring for seabed minerals in the Cook Islands, it must apply for an exploration licence from the Seabed Minerals Authority (Authority). An exploration licence will give the company permission to undertake research on the seabed such as: mapping the seafloor, gathering nodule and biological samples. The information gained through exploration research is critical

### AN APPLICATION IS MADE

The licensing process begins when an applicant makes an application for an exploration licence to the Authority through its online application portal ([www.sbma.gov.ck](http://www.sbma.gov.ck)). Hard copies of the application must also be provided.

The application will go through a number of processing and assessment stages.

#### Stage 1: Is the application complete?

Upon opening an application, the Authority will carry out checks to ensure an application is complete.

An application is considered complete when:

- All the required documents and information has been provided (if not, further information is then requested)
- The application fee has been paid
- The blocks an applicant is applying for are available (i.e. the blocks are in fact the ones that are being offered)

If the above checks are met and satisfied an application will progress to the next 'Qualification' stage. The Authority can return an application if the information requirements are not met.

#### Stage 2: Does an applicant meet the "qualification criteria"?

This stage is carried out over 30 days (or may be longer) and will determine if an applicant meets certain criteria. These include a technical and financial assessment of the applicant, and that the applicant is a fit and proper person to operate in Cook Islands waters.

The Authority with assistance from



other government departments and third party experts who specialise in due diligence matters will investigate and verify certain information (compliance history, financial resources, corporate structure, directors etc) provided by an applicant.

If an applicant meets all the required criteria, the application will be notified to the public, and a copy of the application sent to the Licensing Panel.

If any of the criteria are not met, the application will be declined by the Authority.

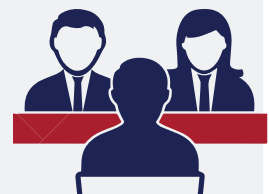
#### Stage 3: Public notification

The public are notified of the application and can submit comments to the Authority on the application within one month. At the same time, the Authority will consult with other Crown agencies, including the National Environment Service about environmental matters and the requirement for any environmental approval from the National Environment Council.

The Authority will then send a revised report on the application to the Licensing Panel (Panel).

#### Stage 4: Evaluation of application by Licensing Panel

All applications are assessed and reviewed by a body of technical experts known as the Licensing Panel. The Panel will use their expert knowledge to evaluate the merits of an application against specific criteria set out in the Act, Regulations and Invitation to Tender. Once they have assessed the application, the Panel will make a recommendation to the Minister whether to grant or decline an application.



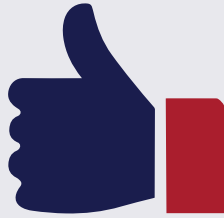


## Stage 5: Panel Recommendation

On receipt of a recommendation from the Panel the Minister will review and make a decision.

If the Panel's recommendation is to decline a licence, the Minister must decline the licence application.

If the recommendation is to grant a licence, the responsible Minister can either grant the licence or, if the Minister disagrees refer the recommendation back to the Panel to re-evaluate. Should the Minister agree to grant a licence, a request will be made to the Authority to prepare a draft licence.



## Stage 6: Preparation of draft licence

The Authority will draft licence terms for successful applicants based on the model licence in the Seabed Minerals (Exploration Regulations 2020). The terms have to be approved by the Minister and then sent to the applicant for review.

Once the draft licence is finalised, the licence is referred to Cabinet.



## Stage 7: Licence Decision-making

The Minister and Cabinet review the terms of the licence and decides whether to approve the terms. The Cabinet may first seek an opinion from the Crown Law Office before making a decision.



## Stage 8: Advising the applicant

The Authority will advise the successful applicant of the outcome of their application and that terms have been approved. The licence agreement will be signed by the Minister and the applicant.

A licence holder may commence exploration subject to the terms of the licence and the necessary environmental approval from the National Environment Council.

Decision outcomes will be published in the media.

