



**No. 737**  
**ACT ON COMPENSATION FOR**  
**ENVIRONMENTAL DAMAGE**

**August 19, 1994**

**Section 1**  
**Scope of application**

Compensation shall be paid for a loss defined in this Act as environmental damage, caused by activities carried out in a certain area and resulting from:

- 1) pollution of the water, air or soil;
- 2) noise, vibration, radiation, light, heat or smell; or
- 3) other similar nuisance.

The keeper of a road, railway, port, airport or other comparable traffic area shall also be considered to be carrying out activities referred to above in paragraph 1.

This Act does not apply to contractual liability for compensation.

**Section 2**  
**Relationship to other legislation**

This Act does not apply to losses, compensation for which is provided for in another Act.

This Act, however, also applies to environmental damage where compensation is due by virtue of the Product Liability Act (694/90).

The Adjoining Properties Act (26/20) and the Water Act (264/61) contain separate provisions on losses to be compensated under this Act.

The application of the provisions of this Act in procedures under certain other Acts is laid down in section 12.

Unless otherwise provided for in this Act, the Damages Act (412/74) applies to compensation for environmental damage.

**Section 3**  
**Causality**

Compensation shall be paid for environmental damage in accordance with this Act if it is shown that there is a probable causal link between the activities and the loss referred to in section 1, paragraph 1. In assessing the probability of causality, consideration shall be given, among other things, to the type of activity and loss and to the other possible causes of the loss.

**Section 4**  
**Obligation to tolerate the nuisance**

Compensation shall be paid for environmental damage by virtue of this Act only if toleration of the nuisance is deemed unreasonable, consideration being given, among other things, to local circumstances, the situation resulting in the occurrence of the nuisance, and the regularity of the nuisance elsewhere in similar circumstances.

The obligation to tolerate the nuisance prescribed in paragraph 1 above shall not, however, apply to loss inflicted deliberately or criminally, nor to bodily injury, nor to material loss of greater than minor significance.

**Section 5**  
**Damage for which compensation is due**

Compensation shall be set for bodily injury and material loss in accordance with the provisions of chapter 5 of the Damages Act. Compensation shall be paid for financial loss not connected with bodily injury or material loss if the loss is not minor. Compensation shall, however, always be paid for loss inflicted criminally.

Reasonable compensation shall be paid for environmental damage other than that specified in paragraph 1; in the determination of this compensation, due consideration shall be given to the duration of the nuisance and the loss, and to the chances of the person suffering the loss avoiding or preventing this loss.

**Section 6**  
**Costs of prevention and reinstatement**

Compensation shall also be paid by virtue of this Act for:

- 1) the costs of the measures needed to prevent environmental damage, as referred to in section 1, threatening the person undertaking the measures, or to reinstate a damaged environment;
- 2) the costs, incurred by authorities, of measures to prevent the threat or the effects of a nuisance referred to in section 1, or to reinstate a polluted environment to its original state, if the costs are reasonable relative to the nuisance or the threat thereof, and to the benefit gained by the measures; and
- 3) the costs of investigations that proved unavoidable in carrying out the preventive measures or reinstatement referred to above in subparagraphs 1 and 2.

This section does not apply to costs provided for in section 17 of the Act on the Imposed Threat of a Fine (1113/90).



## **Section 7**

### **Persons liable for compensation**

Even when the loss has not been caused deliberately or negligently, liability for compensation shall lie with a person

- 1) whose activity has caused the environmental damage;
- 2) who is comparable to the person carrying out the activity, as referred to in subparagraph 1; and
- 3) to whom the activity which caused the environmental damage has been assigned, if the assignee knew or should have known, at the time of the assignment, about the loss or the nuisance referred to in section 1 or the threat of the same.

In the assessment of the comparability referred to in paragraph 1, subparagraph 2, due consideration shall be given to the competence of the person concerned, his financial relationship with the person carrying out the activity and the profit he seeks from the activity.

## **Section 8**

### **Joint and several liability**

Persons liable for compensation shall be jointly and severally liable for environmental damage probably caused by the relevant activities as a whole.

Unless otherwise agreed, the joint and several liability for compensation shall be divided equitably, giving due consideration to the grounds for the liability, the chances of preventing the damage and the other prevailing circumstances.

However, liability for compensation shall not be imposed by judgment, in a degree exceeding the appropriate share, on a person whose share in inflicting the loss is manifestly minor.

## **Section 9**

### **Advance compensation**

If the future environmental damage resulting from a nuisance can be assessed in advance, compensation for it shall on demand be pre-set either as a lump sum or as an annual payment. If there is later an essential change in circumstances, or the assessed loss is otherwise essentially different from that actually resulting from the nuisance, the compensation set in this manner may be adjusted to a reasonable extent considering the circumstances.

An advance lump-sum compensation to be paid for damage caused to real estate shall be ordered to be deposited if the real estate, due to a mortgage or according to the provisions on the lien for an outstanding purchase price, stands as security for a claim or the right to collect a specific revenue in money or goods, and the owner does not show that the rights holders have consented to the payment of the compensation to him, or a court of law considers that the property can, despite the environmental damage, clearly bear the encumbrances attached to it. The provisions of section 7 of the Act on the Redemption (Expropriation) of Immoveable Property and

Special Rights (603/77) apply, where appropriate, to the deposit and withdrawal of the compensation.

## **Section 10**

### **Duty of redemption**

If, owing to environmental damage, the real estate is rendered entirely or partially useless to the owner, or its use for its intended purpose is essentially hampered, the party liable for compensation shall redeem the entire real estate or part thereof on the demand of the owner.

If a court of law rules that the real estate or part thereof shall be redeemed, the provisions of the Act on the Redemption (Expropriation) of Immoveable Property and Special Rights apply to the redemption.

If the damage has been caused jointly by several persons, the provisions of paragraph 1 only apply to the persons whose shares in causing the entire damage are substantial. The provisions currently in force on compensation paid under section 8 shall apply to the redemption compensation paid.

## **Section 11**

### **Compensation procedure**

An action referred to in this Act shall be brought before the court of law competent to hear a case concerning compensation by virtue of chapter 10 of the Code of Judicial Procedure.

## **Section 12**

### **Application of the Act in procedures under certain other Acts**

If, in a procedure under the Act on the Redemption (Expropriation) of Immoveable Property and Special Rights, the Act on Public Roads (243/54), the Act on Private Roads (358/62) or the Mining Act (503/65), compensation is to be set for environmental damage as referred to in this Act, the provisions of this Act on liability for compensation and on the grounds for compensation shall apply, except for sections 8 to 10 inclusive. This Act shall apply if activities under the acts mentioned above in this section lead to bodily injury deemed to be environmental damage.

## **Section 13**

### **Entry into force and transitional provisions**

This Act enters into force on June 1, 1995.

Earlier legislation shall apply to compensation for damage caused by activities carried out before the entry into force of this Act, even if the damage becomes apparent only after the entry into force.