

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:
COUNCIL - PART VIII**

Informal Working Group – Institutional Matters

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to council2022@isa.org.jm.

1. Name(s) of Delegation(s) making the proposal:

China

2. Please indicate the relevant provision to which the textual proposal refers.

Regulation 85

3. Kindly provide the proposed amendments to the regulation in the text box below, using the “track changes” function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

2. The annual fixed fee is due and payable to the Authority within 30 Days of the commencement of each Calendar Year ~~at the rate prescribed by the Council under paragraph 2 above~~. Where an annual fixed fee remains unpaid after the date it becomes due and payable, a Contractor shall, in addition to the amount due and payable, pay interest on the amount outstanding, beginning on the date the amount became due and payable, at an annual rate calculated by adding 5 per cent to the special drawing rights interest rate prevailing on the date the amount became due and payable.

4. Please indicate the rationale for the proposal. [150 word limit]

Since the date of the commencement of commercial production is the date from which the payment of the annual fixed fee will be paid, it is suggested that paragraph 1 clarify the definition and criteria of “Commercial Production”, such as the proportion of an anticipated production, or standards for the amounts of output.

At the same time, considering that this regulation is still unclear on how to calculate the annual fixed fee, it is suggested that further clarification be made.

The content “at the rate prescribed by the Council under paragraph 2 above” contained in paragraph 2 is a leftover from the previous version of the Draft Regulations. As there is no further reference to “rate” in this regulation, it is suggested that the above-mentioned content be deleted.

