

TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:

COUNCIL - PART I

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.

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

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

Regulation 5, Part II - ISBA/25/C/WP.1

3. Kindly provide the proposed amendments to the regulation or standard or guideline 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.

In this regulation, Costa Rica considers that a definition of Effective Control is needed as an “5. A” paragraph. This way the LTC and other bodies of the Authority can have certainty of how to interpret it and apply it when assessing compliance throughout the process.

Clarity of who may become a sponsoring state and whose sponsorship is required for a contractor’s application to be approved by the ISA is crucial to the development of an effective liability system.

To evaluate Effective Control the Authority must go beyond the location of the registration of the Contractor company, analyzing also ownership and business management as factors relevant to determine the level of “de facto” control by the State or its nationals.