

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

Informal Working Group - Finance

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:

The Pew Charitable Trusts

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

DR 63

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.

- The facilitator’s proposed amendments are reflected in **red**.
- Our proposed amendments are indicated as in-line edits in **blue**. Proposed deletions of text proposed by the facilitator appears in strikethrough and **bold**.

Regulation 63 Incentives

1. The Council may, taking into account the recommendations of the Commission **and the Finance Committee**, provide for incentives, including financial incentives, ~~on a uniform and non-discriminatory basis~~, to Contractors to further the objectives set out in article 13 (1) of annex III to the Convention **based on the principles provided in paragraph 1(a) of section 6 and paragraph 1(a) of section 8 of the annex to the Agreement including**
- ~~2. Furthermore, the Council may provide incentives, including~~ financial incentives, to those Contractors entering into joint arrangements with the Enterprise under article 11 of annex III to the Convention, ~~and developing States or their nationals, to stimulate the transfer of technology thereto and to train the personnel of the Authority and of developing States.~~

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

We recommend combining the first two paragraphs to streamline drafting, while also amending the original text to avoid a misquotation of UNCLOS Article 11, Annex III. This Article provides that “Contractors entering into [...] joint arrangements with the Enterprise may receive financial incentives” and lists several objectives for such arrangements, which include, but is not limited to, transfer of technology and training. It would be helpful for the Council to discuss and provide specific examples of such financial incentives.