

**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:

Pew Charitable Trusts

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

DR 65

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 65~~

~~Secretary General may issue Guidelines~~

- ~~1. The Secretary-General may, from time to time, issue Guidelines in accordance with regulation 95 in respect of the administration and management of royalties prescribed in this Part.~~
- ~~2. The Secretary-General shall consider all requests for the clarification of any Guidelines issued under paragraph 1 above, or on any other matter connected with the administration and management of a royalty and its payment.~~

Regulation 65alt Management of Royalties Received

The Secretary-General shall manage any royalties received from Contractors in accordance with relevant Standards, and Articles 140 and 173 of the Convention. [Inserted as a place-holder]

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

Regarding DR 65, the draft Regulations already provide for Standard and Guideline-making powers and processes making this regulation redundant. Furthermore, stakeholders have raised concerns whether this regulation may grant unnecessary powers to the Secretary-General or circumvent processes for issuing Guidelines relating to royalties. Therefore, we recommend this regulation be deleted.

We instead propose a separate regulation on the management of royalties received, which could set rules on the equitable sharing of the financial benefits derived from activities in the Area (i.e. royalties), as required by Art. 160(2)(f)(i) UNCLOS.