

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27<sup>TH</sup> 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](mailto: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 76

**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 76**

**Assessment by the ~~Authority~~ Finance Committee**

1. Where the ~~Finance Committee Secretary-General~~ determines, following any audit under this Part, or by otherwise becoming aware that any royalty return is not accurate and correct in accordance with this Part, the Secretary-General may, by written notice to a Contractor, request any additional information that the Secretary-General, **in consultation with the Finance Committee**, considers reasonable in the circumstances, including the report of an auditor.
2. A Contractor shall provide such information requested by the Secretary-General within 60 Days of the date of such request, together with any further information the Contractor requires the Secretary-General to take into consideration.
3. The ~~Finance Committee Secretary-General~~ may, within 60 Days of the expiry of the period prescribed in paragraph 2 above, and after giving due consideration to any information submitted under paragraph 2, make an assessment of any royalty liability that the ~~Secretary-General~~ **the Committee** considers ought to be levied in accordance with this Part.
4. The Secretary-General shall provide the Contractor with written notice of any proposed assessment under paragraph 3 above. The Contractor may make written representations to the Secretary-General within 60 Days of the date of such written notice. The Secretary-General shall consider such representations and shall **report to the Finance Committee, who shall submit a report and recommendations to the Council, who shall decide to confirm or revise the assessment made under paragraph 3 above.**

5. The Contractor shall pay any such royalty liability within 30 Days of the date of the determination made by the ~~Council Secretary-General~~ under paragraph

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

As a general comment for this regulation, it is questionable whether the Secretary-General is afforded sufficient legal powers under UNCLOS to take sole responsibility to determine the royalty due from a Contractor, particularly where this conflicts with the Contractor's own assessment. Instead, the Finance Committee should be responsible for making an evaluation and recommendation, with the Council responsible for taking a decision.