

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

Open-ended Working Group – financial terms of a contract under article 13, paragraph 1 of Annex III to the United Nations Convention on the Law of the Sea and under section 8 of the Annex to the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982

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:

Portugal, Canada

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

Regulation 38, Paragraph (b)

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.

«(b) The quantity and dry metal content of the Resources recovered during the period and the tonnage of Minerals and metals produced, marketed and sold during the Calendar Year, reported against the Mining Workplan;»

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

- It is proposed to change “quality” for “dry metal content”. The latter is more objective, accurate and preferred to “quality”. Also, it is the metal content that will be determinant for Royalty calculation.
- The second proposal refers to the replacement of the word “volume” for “tonnage”. In fact, the volume of the recovered minerals may be more difficult to determine *in situ* and in the production vessel, since it may depend of their size and compaction. “Tonnage” is more appropriate than “volume” when referring to minerals and metals produced, marketed and sold. This is more in line with industry practice and is more practical for auditing purposes. Contractors should be able to measure or estimate “tonnage” when nodules are offloaded, sold, or remain in-situ on the ship, if required.