

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

Informal Working Group - Environment

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:

SPAIN

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

Regulation 103

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.

1. At any time, if it appears to the Secretary-General on reasonable grounds that a Contractor is in breach of the terms and conditions of its exploitation contract, [Part XI, Agreement and the Rules of the Authority](#), the Secretary-General shall issue a compliance notice to the Contractor requiring the Contractor to take such action as may be specified in the compliance notice.

~~5.~~ 5. If a Contractor, in spite of warnings by the Authority, fails to implement the measures set out in a compliance notice and continues its activities in such a way as to result in serious, persistent and willful violations of the fundamental terms of the contract, Part XI of the Convention and the Rules, regulations and procedures of the Authority, the Council may suspend or terminate the exploitation contract by providing written notice of suspension or termination to the Contractor in accordance with the terms of the exploitation contract.

~~5-6.~~

~~6.~~ In the case of any violation of an exploitation contract [not covered by paragraph 5 above](#), or in lieu of suspension or termination under paragraph 5 above, the Council may impose upon a Contractor monetary penalties proportionate to the seriousness of the violation.

7. ~~Save-Except~~ Except for emergency orders under article 162 (2) (w) of the Convention, the Council may not execute a decision involving monetary penalties, suspension or termination until the Contractor has been accorded a reasonable opportunity to exhaust the judicial remedies available to it pursuant to section 5 of Part XI to the Convention.

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

It seems to us that the first paragraphs 1 - 4 regulate the warnings referred to in paragraph 5 and Article 18 of Annex III. If so, non-compliance with Part XI, the Agreement and the rules, regulations and procedures of the Authority should also be included. In the use of terms “rules of the Authority” refers to rules, regulations and procedures.

It should be made clearer in the text that in accordance with Article 18 of Annex III, violations other than serious, persistent and wilful violations or if the Council decides not to suspend or terminate the contract, the Council may impose upon the contractor monetary penalties