

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27<sup>TH</sup> SESSION:  
COUNCIL - PART III**

**President's text**

*Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to [council@isa.org.jm](mailto:council@isa.org.jm).*

**1. Name of Working Group:**

President's text

**2. Name(s) of Delegation(s) making the proposal:**

China

**3. Please indicate the relevant provision to which the textual proposal refers.**

Regulation18 bis

Obligations of the Contractors

**4. 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.**

**\*Note: China's amendments are in Blue**

~~1. Contractor shall comply with these Regulations and the Rules of the Authority in a manner consistent with the Convention and the Agreement.~~

~~2. Contractors, their holding, subsidiaries, affiliated and Ultimate Parent companies, agencies, partnerships, and suppliers shall be held liable for the compliance of the Contract. Particularly, they shall be jointly and severally liable for the obligation of compensating damages arising from Exploitation Activities.~~

~~3. Whether Contractors fail to comply with their payment obligations under these Regulations, holdings and Ultimate Parent Companies shall be held responsible to effect such payments to the Authority on behalf of Contractors.~~

~~4. Sponsor States shall take all legislative and administrative measures to assure that Contractors have all material, operative, and financial means to comply with the Contract and these Regulations and that no corporate limitation shall prevent Contractors, holding and Ultimate Parent Companies to compensate damages and make the payment required by the Contractors under the Contract and these Regulations.]~~

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

The obligations of the Contractors can be presented in relevant regulations. There is no need to list a separate regulation of general obligations. If it is believed necessary to list the general obligations in the consideration of the text, from the perspective of working method, the refinement of general obligations should be arranged after the improvement of specific regulations. The general obligations summarized at this stage may not be accurate. In addition, this regulation involves issues concerning effective control and financial terms, these issues should be further discussed after determining the definition of effective control and discussion of financial terms.