

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

Informal Working Group - Financial terms

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.

1. Name of Working Group:

Open-ended Working Group of the Council on the financial terms

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

China

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

DR76

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**

Regulation 76

Assessment by the Authority

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 **based on the recommendations of the Finance Committee** may, by written notice to a Contractor, request any additional information that the Secretary- General 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 ~~Finance Committee Secretary-General~~ considers ought to be levied in accordance with this Part.

4. The Secretary-General based on the recommendations of the Finance Committee 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 Finance Committee ~~Secretary-General~~ shall consider such representations and shall 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.

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

Paragraph 7, section 3 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 provides that "Decisions by the Assembly or the Council having financial or budgetary implications shall be based on the recommendations of the Finance Committee".

Paragraphs 1, 3 and 4 of Article 76 of the draft regulations are related to the competence of the Finance Committee, and should be referred to the Finance Committee for consideration. Thereafter, the Finance Committee should make recommendations to the Council and the decision on the assessment should be made by the Council upon the recommendations. Administrative matters in the assessment may be referred to the Secretary-General.