

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

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:** President's text

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

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

Reg 18

RIGHTS AND EXCLUSIVITY UNDER AN EXPLOITATION CONTRACT

- 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.**

ALT 1 (a)

Alt. Exclusive rights of a Contractor under an exploitation contract

Para 1. An exploitation contract shall confer on a Contractor the exclusive right to:

(a) Explore for the specified Resource category in accordance with [paragraph 7 below] [the rules, regulations and procedures of the Authority, where the approved Plan of Work provides for the stage of exploration]; and

(b) Exploit the specified Resource category in the Contract Area in accordance with the approved Plan of Work, provided that production shall only take place in approved Mining Areas [and subject to prerequisite prescribed under regulation 25(6)].

Para 2. The Authority shall not permit any other entity to exploit or explore for the same Resource category in the Contract Area for the entire duration of an exploitation contract.

Para 3. The Authority, in consultation with a Contractor, shall ensure that no other entity [holding a contract with the Authority] operates in the Contract Area for a different category of resources in a manner which might interfere with the rights granted to the Contractor.

Para 7. In relation to exploration activities in the Contract Area conducted under an exploitation contract, the applicable Exploration Regulations shall continue to apply [as set out in the relevant] [Guidelines] [as set out in the relevant Standards]. In particular, the Contractor shall [be expected to] continue to show due diligence in conducting exploration activities in the Contract Area, together with [the payment of applicable fees and] the reporting of such activities and its results to the Authority in

accordance with the applicable Exploration Regulations, including under regulation 38 (2) (k).

Para 8 - [The Contractor shall exercise the exclusive rights provided for in this regulation in consistence with articles 87 and 147 of the Convention.]

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

For the title Alt. Exclusive rights of a Contractor under an exploitation contract, the UK is flexible and can accept this.

For para 1 (a): The UK is not sure that the additional language on exploration is required given the provisions of Regulation 18 (7).

For para 3: The UK is not sure that the additional language “[holding a contract with the Authority]” is required, as it suggests an organisation may have a contract outside of the Authority.

For para 5 : The UK regards that the language “[nor limit any (other) freedoms of the high seas]” is unnecessary given the provisions of Reg 1 (4). It is also the case that the obligation of reasonable regard goes both ways.

For para 8: The UK regards this language “[The Contractor shall exercise the exclusive rights provided for in this regulation in consistence with articles 87 and 147 of the Convention.]” as unnecessary duplication given the language in Regulation 1 (4).