

**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 22

USE OF EXPLORATION CONTRACT AS SECURITY

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.

Para 1. The Contractor may, [solely for the purpose of raising financing to effect its obligations under an exploitation contract and only] ~~[with the prior consent of the sponsoring State or States and of the Council, based on the recommendations of the Commission]~~, mortgage, pledge, lien, charge or otherwise encumber all or part of its interest under an exploitation contract ~~[for the purpose of raising financing to effect its obligations under an exploitation contract].~~

Para 5. A Contractor shall file with the Seabed Mining Register a summary of any agreement that results or may result in a transfer or assignment of an exploitation contract, part of an exploitation contract or any interest in an exploitation contract, including registration of any security, guarantee, mortgage, pledge, lien, charge or other encumbrance over all or part of an exploitation contract. [Nothing in this regulation shall relieve a Contractor of any obligation or liability under its exploitation contract, and the Contractor shall remain responsible and liable to the Authority for the performance of its obligations under its exploitation contract in the event of a termination of sponsorship]

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

The UK has yet to finalise a position on Para 1, but would request that the wording “with the prior consent of the Sponsoring State” is reinserted into the paragraph.

On para 5, the UK would prefer the final sentence to read “Nothing in this regulation shall relieve a Contractor of any obligation or liability under its exploitation contract” and delete ~~“and the Contractor shall remain responsible and liable to the Authority for the performance of its obligations under its exploitation contract in the event of a termination of sponsorship”~~