

**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 23

Transfer of rights and obligations 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.

Para 1. [A Contractor may transfer its rights and obligations under an exploitation contract in whole or in part only with the prior consent of the Council, based on the recommendations of the Commission] [and with notification to the Sponsoring State or States].

Para 2. ~~[An application for consent to transfer the rights and obligations under an exploitation contract shall be made] [to] [the Secretary-General [will be informed] jointly by the Contractor and transferee [of the transfer of the rights and obligations under an exploitation contract].~~

Para 2alt. The Secretary-General will be informed jointly by the Contractor and transferee of the transfer of the rights and obligations under an exploitation contract.

Para 3. The Commission shall ~~[consider the application for consent to]~~ [review and confirm the] transfer at its next available meeting, provided that the documentation has been circulated at least 30 Days prior to that meeting.

Para 4. The Commission shall ~~[consider whether]~~ [ensure that] the transferee:

- (a) Meets the requirements of a qualified applicant as set out in regulation 5;

Para 5. The Commission shall not ~~[recommend approval of]~~ [sanction] the transfer if it would:

- (a) Involve conferring on the transferee a Plan of Work, the approval of which would be forbidden by article 6 (3) (c) of annex III to the Convention; or

[(b) Permit the transferee to monopolize the conduct of activities in the Area with regard to the Resource category covered by the exploitation contract] [or the transferee would monopolize or significantly control the production of any single mineral or metal produced globally].

Para 6. Where the exploitation contract is subject to an encumbrance registered in the Seabed Mining Register, the Commission shall not ~~[recommend consent to]~~ [sanction] the transfer unless it has received evidence of consent to the transfer from the beneficiary of the encumbrance.

Para 7. Where the Commission determines that the requirements of paragraphs 4, 5 and 6 above have been fulfilled, it shall ~~[recommend approval of]~~ [confirm] the ~~[application for consent]~~ [transfer] to the Council. In accordance with article 20 of annex III to the Convention, the Council shall not ~~[unreasonably]~~ withhold ~~[consent to a]~~ [sanctioning of the] transfer if the requirements of this regulation are complied with.

Para 8. A transfer is validly effected only upon:

(a) Execution of the assignment and novation agreement between the Authority, the transferor and the transferee;

(b) Payment of the prescribed transfer fee pursuant to appendix II; and

~~[(c) Recording by the Secretary General of the transfer in the Seabed Mining Register.]~~

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

Para 1: The UK cannot accept this language “~~[and with notification to the Sponsoring State or States]~~”.

The Sponsoring State must give its consent (based on the recommendations of the Commission) [and with the consent of the notification to the Sponsoring State or States]. The UK requests this wording is reinserted.

Para 2 and Para 2 alt: Both paras are the same and the UK cannot accept this language. The consent of the Authority is required – Art 20 of Annex III of UNCLOS – a notification to the Secretary General is insufficient.

Para 3: The original language [consider the application for consent to] ~~[review and confirm the]~~ “ is preferable to the UK as it makes it clear that the approval of the Authority is required, and not just a confirmation.

Para 4: The UK regards that the original language (“consider whether”) is preferable because it is not the role of the LTC to “ensure that” that the transferee meets the conditions, but to consider whether they meet the conditions. If the transferee does not meet the conditions then approval will be withheld.

Para 5: The UK regards that the original language “**recommend approval of**” because it is for the LTC to recommend approval (or not) to the Council and for the Council to not unreasonably withhold consent.

Para 5 b: The UK does not regard that the ISA can consider what is proposed “for the transferee would monopolize or significantly control the production of any single mineral or metal produced globally]. “ because this would be going beyond the ISA’s mandate.

Para 6: The UK regards that the text “sanction” is inappropriate because the role of the LTC is to make recommendations to the Council. The UK would prefer to see the original text “**recommend consent to**” reinserted.

Para 7: The UK regards that the text “sanctioning of the” is inappropriate because the role of the LTC is to make recommendations to the Council. The UK would prefer to see the original texts reinserted.

Para 8: For transparency reasons, the UK would like to see (c) “**Recording by the Secretary General of the transfer in the Seabed Mining Register**” reinserted.