

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH SESSION:  
COUNCIL - PART II**

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:**

Open Ended Working Group

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

Canada and Australia

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

DR 71: Information to be submitted

**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.**

**Regulation 71**

**Information to be submitted**

1. A royalty return shall include the following information for each royalty return period, in accordance with the Standard and taking into account the Guidelines:
  - (a) The quantity in wet and wet metric tons-dry metric tons of mineral-bearing ore recovered from each Mining Area;
  - (b) The quantity and value by Mineral in wet and wet metric tons-dry metric tons of the mineral-bearing ore shipped from the Mining Area;
  - (c) The value and the basis of the valuation (by Mineral) of the mineral-bearing ore sold or removed without sale from the Mining Area, as verified by a suitably qualified person Suitably Qualified Person and supported by a representative chemical analysis of the ore by a certified laboratory;
  - (d) Details of all contracts and sale or exchange agreements relating to the mineral-bearing ore sold or removed without sale from the Contract Area; and
  - (e) A calculation of the royalty payable in accordance with section 3, including any adjustment made to the prior royalty return period and a declaration signed by a designated official of the Contractor that the royalty return is accurate and correct.
2. In respect of a final royalty return period ending on the date of expiry, surrender or termination of the exploitation contract, the Contractor shall provide:
  - (a) A final calculation of the royalty payable;
  - (b) Details of any refund or overpayment of royalty claimed; and
  - (c) The quantity and value (by Mineral) of all closing stocks of the mineral-bearing ore.
3. Within 90 Days from the end of a Calendar Year, the Contractor shall provide the Secretary-General and the sponsoring State or States with a statement from an auditor or certified independent accountant that the royalty calculation for that Calendar Year:
  - (a) Is based on proper accounts and records properly kept and is in agreement with those accounts and records; and

(b) Complies with these regulations and is accurate and correct.

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

Regarding Regulation 71, paragraph 1 (b), Canada and Australia would like for the Council to consider whether reporting both wet (at time of extraction) and dry (calculated outside of Area) mineral weights could help validate reported dry metric tonnes and conversion rates. This should not overburden contractors. Regarding paragraph 1 and 3, Canada and Australia would also recommend that terms Suitably Qualified Person and Certified Laboratory be defined in the schedule or in applicable Standards. For example, Certified Laboratory could be defined according to applicable ISO standards. This would help to ensure that payments to the ISA are accurate and mitigate the risk of underreporting.