

**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 77 – General anti-avoidance rule

**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.**

(new para 4) If the Contractor incurs in a non-compliance of payment of a royalty in accordance with this Part, the Council shall suspend or rescind the Contract pursuant to regulation 103 of these Regulations and company principals shall be barred from direct or indirect involvement with any Contractor or Subcontractor operating in the Area for a period of 10 years.

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

If a contractor incurs in a non-compliance of payment of a royalty, that, in addition to suspending or rescinding the Contract, the regulation should go further and have the possibility of barring company principals from direct or indirect involvement with any Contractor or Subcontractor operating in the Area for a period of, for example, 10 years. However, we recognize that this addition may be better suited to be included in Draft Regulation 103.