

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

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:

Open-ended Working Group of the Council on the financial terms

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

Submitted by Nauru Ocean Resources Inc. and Tonga Offshore Mining Ltd.

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

Part III, Draft Reg. 23(2) and 23(10).

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.

3. The Commission shall consider the application for consent to transfer and make its recommendation to the Council within 90 days of the date it receives the application. ~~at its next available meeting, provided that the documentation has been circulated at least 30 Days prior to that meeting.~~

[...]

~~10. [The terms and conditions of the transferee's exploitation contract shall be those set out in the standard exploitation contract annexed to these Regulations that is in effect on the date that the Secretary General or a duly authorized representative executes the assignment and novation agreement.]~~

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

DR23(3)

- Noting the Commission currently meets only twice a year, we consider the timing to consider an application should not be tied to the meeting of the Commission.
- We propose a 90-day timeframe for the Commission to consider the application and if necessary to work intersessionally.

DR23(10)

- We consider the requirement to replace an existing exploitation contract's terms and conditions with any amended standard terms to be inconsistent with the Convention and the procedure developed by the Commission for the transfer of rights.
- Article 20, Annex III of the Convention requires the transferee to assume all of the obligations of the transferor. We consider the transferee stands in the shoes of the

transferor once the transfer is complete. Therefore, it would be inconsistent with the Convention if the standard terms imposed different obligations to that of the transferee.