

**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.

Draft Regulation 63

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.

1. The Council may, taking into account the recommendations of the Commission, provide for incentives, **[in accordance with the Standards and taking into account the Guidelines] including financial incentives**, on a uniform and non-discriminatory basis, to Contractors to further the objectives set out in article 13 (1) of annex III to the Convention.

2. Furthermore, the Council may provide incentives, ~~including financial incentives~~, to those Contractors entering into joint arrangements with the Enterprise under article 11 of annex III to the Convention, ~~and developing~~ **including to developing** States or their nationals, to stimulate the transfer of technology thereto and to train the personnel of the Authority and of developing States.

3. The Council shall ensure that, as a result of the incentives provided to Contractors under paragraphs 1 and 2 above, Contractors are not subsidized so as to be given an artificial competitive advantage with respect to land-based miners.

[4. Any incentives shall be fully compatible with the policies and principles under Regulation 2.]

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

- We support the inclusion of the additional language in Draft Regulation 63.
- We oppose any proposed deletion of Draft Regulation 63, including the reference to financial incentives.
- We support the inclusion of a definition of ‘financial incentive’ in the Standards and Guidelines on the royalty mechanisms.