

**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 on financial terms of a contract

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

The Pew Charitable Trusts

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

DR 80

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.

Subject to regulation 103 (6), [and depending on the seriousness of the breach,] the Council may impose a monetary penalty [or] suspend or terminate the exploitation contract in respect of a [material breach] [violation] under this Part or of the contract [and company principals would 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]

We query whether DR80 should be deleted, as it overlaps and seems to conflict with other provisions in the Regulations including DR103, and Annex X. It is also inconsistent with the Convention, which requires serious, persistent and willful violations of the fundamental terms of the contract, and the rules of the ISA, as well as warnings, before a contractor’s rights under their contract can be suspended or terminated by the ISA.

In addition, there does not appear to be a reason to have a standalone provision here for breach of this Part of the regulations. The same compliance and enforcement regime can apply for all contract violations.

At the very least, it may be appropriate to revisit this regulation after negotiations on DR103 have progressed.