

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

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:** President's Text

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

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

DR22(2) - proposed amendments in green; black text and tracked changes text is from the President's draft circulated prior to the November 2023 Council meeting.

- 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 Contractor may, [solely for the purpose of raising financing to effect its obligations under an exploitation contract and only with the prior consent ~~of the Sponsoring State or States and~~ of the Council [which consent shall not be unreasonably withheld or delayed], based on the recommendations of the Commission], mortgage, pledge, lien, charge or otherwise encumber all or part of its interest under an exploitation contract.

2. ~~[In seeking consent under this regulation,]~~ [when seeking the consent of the Council, and in its annual reports submitted in accordance with regulation 38.] The Contractor shall disclose to the Council and Commission the terms and conditions of any such encumbrance referred to in paragraph 1 above and its potential impact on the activities under the exploitation contract in the event of any default by the Contractor.

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

Australia considers that information relating to the terms and conditions of an encumbrance should be provided to the Council and Commission at the time the consent of the Council is sought, not at a later point once consent has already been granted. This textual amendment ensures relevant information is provided at the time of application, as well as including ongoing updates in the annual reports.