

**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.**

DR24(1alt), DR24(3) - 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.Alt. [For the purposes of this regulation, a "change in control" occurs where there is a change resulting in ownership of 50 percent or more of the Contractor, or of the membership of the joint venture, consortium or partnership, as the case may be, or a change resulting in ownership of 50 percent or more of the entity providing an Environmental Performance Guarantee.]

2. Where there is a change of control of the Contractor, or there is a change of control in any entity providing an Environmental Performance Guarantee on behalf of a Contractor, the Contractor shall, as soon as reasonably practicable but no later than 24 hours, notify the Secretary-General and the Sponsoring State in advance of such change of control, ~~[but in any event within 90 Days thereafter and in the case of an entity providing an Environmental Performance Guarantee, no later than within 90 Days thereafter].~~ The Contractor shall provide the Secretary-General and the Sponsoring State with such details as he or she shall reasonably request of the change of control [including whether or not the change of control affects the Contractor's nationality or State of effective control, ~~for the purposes of determining the Sponsoring State.~~] [On receipt of such notification and any further details pursuant to this paragraph, the Secretary-General shall promptly notify the Commission and the Council.]

3. After consulting the Contractor or entity providing the Environmental Performance Guarantee, as the case may be, the ~~Commission shall~~ Secretary-General may:

(a) Determine whether ~~that~~, following a change of control of the Contractor or the entity providing the Environmental Performance Guarantee, the Contractor will continue to be able, to meet its obligations under the

exploitation contract or Environmental Performance Guarantee, in which case the contract shall continue to have full force and effect, ~~or~~

(b) In the case of a Contractor, treat a change of control as a transfer of rights and obligations in accordance with the requirements of these regulations, in which case regulation 23 shall apply; ~~or~~

(c) In the case of an entity providing an Environmental Performance Guarantee, require the Contractor to lodge a new Environmental Performance Guarantee in accordance with regulation 26, within such time frame as the Secretary-General shall stipulate- ;

(d) Confirm with the Sponsoring State, [through the Secretary-General,] whether its sponsorship continues, or require a written notice under regulation 21 bis. where sponsorship has terminated- ; and

[e) Provide a report on any developments pertaining to this paragraph to the Council at its next meeting.]

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

In para 3, Australia considers that the Commission should assess each of the matters listed in sub-paragraphs (a) to (d) and provide a report to the Council. The punctuation at the end of each of sub-paragraphs (a) to (d) should be consistent, either through the use of a semi-colon or comma. The word 'and' should be added at the end of sub-paragraph (d).