

**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:

Institutional Matters

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

Canada

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

The recommended approach would be to add a new regulation in draft Regulation 6 (Institutional Matters) and revise the Schedule [President's Text] definitions to outline the requirement for the sponsoring State to be the flag state.

If the submission is accepted, revisions to other provisions would also be required (such as DR3; DR5; DR18bis; DR30; DR43; DR105; Annex I [President's Text], Section I, for example).

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.

Regulation 6 [IWG IM]

Certificate of sponsorship

(f) (g) A statement by the sponsoring State that it registers the vessels/ships and/or installations of the applicant that are intended to be used to undertake activities in the Area, and assumes flag state responsibilities pursuant to Article 94 of the Convention.

(g) A declaration that the sponsoring State assumes responsibility in accordance with articles 94, 139 and 153 (4) of the Convention and article 4 (4) of annex III to the Convention]

[Facilitators' note: there are conflicting suggestions to delete sub-paragraphs (e) and (f) on the basis they are unnecessary, and to keep them on the basis of consistency with the Exploration Regulations].

Schedule [President's Text]

Use of terms and scope

"Sponsoring State" means a State party or parties to the Convention which submits a certificate of sponsorship of an applicant, and a certificate of registration for any ships/vessels or installations used to undertake activities in the Area in accordance with regulation 6.

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

The intent of the proposal is to streamline the regulatory regimes that Contractors must follow while engaged in “activities in the Area” and otherwise operating vessels on the high seas; and, to mitigate potential conflicts that could arise with respect to inspection, compliance, and enforcement from having different States exerting exclusive jurisdiction over these two components of a Contractor’s operations in the Area.

If vessels are registered with the Sponsoring State, then the Sponsoring State, as any flag state is expected to, would have to ensure the vessel’s compliance with international law and treaties while operating in the high seas. Having one state responsible for ensuring compliance with two distinct regulatory regimes (i.e., for “activities in the Area” and for international transit through the high seas) would promote clear and consistent operations overall.

This would also mitigate the risk of potential issues during inspections related to compliance or enforcement led by the Authority, in the case where a flag state is not an ISA member state and therefore would not be subject to the regulatory authority of the ISA but would have exclusive jurisdiction over vessels on the high seas.

To summarize, it should be a requirement for all vessels used for “activities in the Area” to be registered with the Sponsoring State as the flag state, to enable the most streamlined approach to regulation and enforcement.