

TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:

COUNCIL - PART VII

Informal Working Group on Financial terms

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.im.

1. Name of Working Group:

Informal Working Group on Financial terms

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

China

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

Enclosure III Draft Standard

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.

***Note: China’s amendments are in Blue**

Draft Standard

First Period of Commercial Production means a period of 5 years following the ~~date~~ [date](#) year of commencement of Commercial Production.

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

According to Draft Regulations 67, the payment cycle for royalty is calculated and paid every six months of the calendar year. Considering that the payment rate for the second commercial production period may be different, if the first commercial production period is strictly 5 years from the start date of commercial production, it will cause difficulties in calculating royalty. There may be a six-month period to which the royalty rate for the first period of commercial production is applied partly and the royalty rate for the second period of commercial production is partly applied. For ease of management, it is

recommended that the first commercial production period include the year of the start of the commercial production and the following four calendar years.