

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 29TH SESSION:
COUNCIL - PART I**

President's text

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:

China

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

Regulation18 bis Obligations of the Contractors.

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**

2. ~~The contractor-Contractors~~, their holding, subsidiaries, affiliated and Ultimate Parent companies, agencies and partnerships shall ~~be held liable for the compliance of the Contract. Particularly, they shall be jointly and severally [and strictly] liable for the obligation of compensating damages arising outside of permitted Exploitation Activities [or for unforeseen damage arising from permitted activities].~~have responsibility or liability for any damage arising out of wrongful acts in the conduct of its operations, account being taken of contributory acts or omissions by the Authority. Liability in every case shall be for the actual amount of damage.

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

Article 22 of Annex III to the Convention provides that "The contractor shall have responsibility or liability for any damage arising out of wrongful acts in the conduct of its operations, account being taken of contributory acts or omissions by the Authority. Liability in every case shall be for the actual amount of damage." The terms of the Draft Regulations should be consistent with the provisions of the Convention. For example, it should be made clear that the contractor's liability is limited to damage caused by its wrongful acts, etc.

