

**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.

Regulation 22 Use of exploitation contract as security

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**

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. If, in the light of improved knowledge, technology, implementation contract.

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

It is suggested to retain "of the Sponsoring State or States and". The status of the exploitation contract involves the sponsorship obligation of the Sponsoring State, and contractor may mortgage, pledge, lien, etc., only with the prior consent of the Sponsoring State.