

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH SESSION:
COUNCIL - PART I**

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:

Open Ended Working Group on Financial Terms of a Contract

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

The Pew Charitable Trusts

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

DR 77

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.

- **Red font** are proposed amendments by the Facilitator in this revised text.
- Our proposed amendments and our questions or comments regarding the facilitator’s remarks are indicated as in-line edits in **blue**. Proposed deletions of text proposed by the facilitator appears in strikethrough and **bold**.

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

We prefer alt. 2.

Regarding paragraph 4, the language of ‘gross and persistent’ breach come from Article 185 UNCLOS, and relates to a State Party and their rights and privileges as a member of the Assembly. We consider more appropriate language to use here would be ‘serious, persistent and wilful violation’ in accordance with Article 18 of Annex III, which relates to Contractor compliance with their contract and the rules of the ISA.

In relation to the proposal to bar individual company principals, we think this is a good idea. But like others we would prefer to see it broadened into wider situations of any serious, willful and persistent non-compliance, rather than only relating to royalty payments. So we agree with Russia’s proposal that this may be better placed in DR 103. We also consider this point should be included in the Regulations that relate to an application for Exploitation and the applicant’s qualification criteria (namely DR 5 on qualified applicants, as well as DR 12 and Annex I on content of applications - which should require relevant track record information to be disclosed). This will also mean the track record of the principals can be considered in other situations, for example transfer of contract rights, covered by DR23.