

**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:

President's Text

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

Submitted by Nauru Ocean Resources Inc., Tonga Offshore Mining Ltd. and Blue Minerals Jamaica Ltd.

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

Draft Reg. 18 ter.

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.

1. An exploitation contract can only be terminated:

(a) ~~by all parties to the contract by~~ the mutual consent of the parties;

(b) ~~by the~~ on termination of State sponsorship, ~~in accordance with~~ pursuant to regulation 21;

(c) by the Contractor in accordance with the terms of the contract, as covered by section 10 of the Annex X to these regulations; and

(d) by the Authority in accordance with the terms of the contract, as covered by section 12 of the Annex X to these regulations; ~~or~~ .

~~(e) by expiry of the term of the contract, without renewal.~~

2. Any suspension or termination of a contract by the Authority shall be by written notice to the Contractor, through the Secretary-General, which shall include a statement of the reasons for taking such action. The suspension or termination shall be effective 60 Days after such written notice, unless the Contractor within such period disputes the Authority's right to suspend or terminate the contract in accordance with Part XI, Section 5, of the Convention, in which case the contract shall only be suspended or terminated in accordance with a final binding decision in accordance with Part XI, Section 5, of the Convention.

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

- Consistent with our submission on Draft Regulation 18(4), the primary legal relationship between the Authority and Contractors is established through the contract. As such, the contract should only be amended, suspended or terminated in accordance with its own terms and there is no need for Draft Regulation 18ter.
- If Draft Regulation 18ter is maintained, we have proposed some amendments to clarify its language and also because expiry of a contract is different to termination and should be deleted.