

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28<sup>TH</sup> 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](mailto:council@isa.org.jm).*

**1. Name of Working Group:**

Open-ended Working Group of the Council on the Financial Terms of a Contract

**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 Regulation 39(1)

**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. A Contractor shall keep ~~[at a place agreed between the Contractor and the Compliance Committee, and make available for inspection and audit in accordance with these regulations,]~~ a complete and proper set of books, accounts and financial records, consistent with internationally accepted accounting principles, which must include information that fully discloses ~~{all revenue and}~~ actual and direct expenditures ~~{liabilities}~~ for Exploitation, including capital expenditures and operating costs and such other information as will facilitate an effective audit of the Contractor’s expenditures and costs.

~~{1.bis The Contractor shall keep the books, account, and records pursuant to paragraph 1-at a place agreed between the Contractor and the [Compliance Committee], and shall make them available for inspection and audit in accordance with these regulations.}~~

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

- We oppose the requirement in Draft Regulation 39(1) and (1.bis) that Contractors seek the agreement of the Compliance Committee as to the appropriate place for storing their records. This should be the decision taken by Contractors alone depending on their individual circumstances and potentially applicable regulatory requirements.

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

Draft Regulation 39(2)

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2. A ~~To the extent practical,~~ a Contractor shall maintain maps, geological, mining and mineral analysis reports, production records, processing records, records of sales or use of Minerals, ~~{records of port inspections, customs records, processing plant receipt data or records,}~~ environmental data, archives and samples and any other data, information and samples connected with the Exploitation activities in accordance with ~~{Standards and taking into account Guidelines}~~ ~~{the Authority’s data and information management policy}~~.

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

- We support referencing the Standards and Guidelines in Draft Regulation 39(2) rather than referring to the Authority’s own internal policies.
- This will provide greater clarity and predictability given that the Standards and Guidelines will be specifically drafted for application to the Contractors.

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

Draft Regulation 39(3)

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2. To the extent practical. ~~To the extent practical, A-a~~ Contractor shall keep, in good condition, a representative portion of samples or cores, as the case may be, of the Resource category, ~~from each sample collection period identified in the {relevant} Standard[s] and {Guidelines}, together with biological samples, obtained in the course of Exploitation until the termination of the [exploitation contract]—[Closure Plan].~~ Samples shall be maintained taking into account the relevant Guidelines, which shall provide the option for the Contractor to maintain them itself or to have such maintenance performed on its behalf in whole or in part by a third party.

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

- We propose reintroducing the wording “to the extent practical” to Draft Regulation 39(3) to ensure that Contractors have appropriate flexibility with this obligation. The ability to maintain these samples and cores in good condition may depend on a variety of factors, not all of which will be under the control of the Contractor.