

**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:

OEWG.

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

Republic of Nauru

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

Regulation 70

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 pay the royalty due for a royalty return period on the Day the royalty return is required to be lodged. ~~[The Council may request the advance payment of any royalty due by way of instalment where special circumstances exist, in accordance with relevant Standards and [Guidelines] [rules, regulations and procedures of the Authority], to reflect for instance impacts on ecosystem services and the natural capital.]~~

2.bis. A Contractor shall declare the currency to be used in the payment of royalties ~~[in the exploitation contract] [prior to the commencement of Commercial Production]~~

2.ter. Unless otherwise decided by the Council, a Contractor may only change the currency used for the payment of royalties on the anniversary of the fifth year of Commercial Production and at the end of every subsequent ~~[fifth] year of Commercial Production [after requesting the change of currency, and only after obtaining [authorization from the Authority][approval of the Council], which shall decide on this after assessing that income will not be affected by the requested change].~~

~~[ALT 2. bis/ter. The currency to be used in the payment of royalties must be stated in the exploitation contract and declared before the commencement of Commercial Production. Such currency may be changed by previous request of the Contractor and approval by the Council at the end of every subsequent fifth year of Commercial Production.]~~

3. All payments made to the Authority ~~shall be made gross net and~~ shall be free of any deductions, transmission fees, levies or other charges

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

Para 1: we see not basis for an advance payment of royalty, either in the Convention or Agreement or as a matter of policy.

Para 2bis: setting the currency prior to CP would be preferable.

Para 2ter: the parameters for payment is established in para 2. We see no need for the Council or Authority to approve any change.

Para 3: “net” or “gross” may be confusing as to meaning.