

**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:**

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 75

**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.**

**Audit ~~and inspection~~ of books and records by the Authority**

1. The Secretary-General, ~~by itself or at the request of the Council~~ ~~or Council~~, may ~~request an~~ audit of the Contractor's ~~books and~~ records and ~~[all subcontractors' records associated with the exploitation activities] [the records of subcontractors' directly engaged in the Contractor's exploitation activities]~~ in the Area.

2. Any such audit shall be undertaken at the ~~Contractor's~~ sole cost and shall be performed by ~~an~~ ~~a~~ ~~[[Council approved] Inspector in accordance with Part XI of these regulations]~~ ~~qualified independent auditor approved-appointed by the Council~~ Secretary-General in accordance with the applicable Standard.].

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

We note as regards the text highlighted in paragraph 1 there may be jurisdictional issues over the audit of a subcontractor's books given there is not legal relationship between the same and the Authority. .

As to paragraph 2, we consider the SG would have the administrative authority to appoint an auditor and that the standard can set out the parameters and criteria.