

**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 81

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. The system of payments adopted under these regulations and pursuant to paragraph 1 (c) of section 8 of the annex to the Agreement, shall be reviewed by the Council five years from the first date of commencement of Commercial Production in the Area and at intervals thereafter ~~[[in accordance with the applicable Standard [as determined by the Council, taking into account the level of maturity and development of Exploitation activities in the Area]] [in accordance with relevant the applicable Standards] [as well as all observed environmental impacts].~~

2. The Council, based on the recommendations of the Commission ~~[and in consultation with Contractors]~~, may revise the system of payments ~~[in the light of changing circumstances]~~ and following any review under paragraph 1 above, ~~[taking into account the economic viability of the project]~~ save that any revision shall only apply ~~in a non-discriminatory manner [to existing exploitation contracts by agreement between the Authority and the Contractor]~~ ~~[to (i) new exploitation contracts agreed-concluded between the Authority and a Contractor after the revised system of payments, if any is in effect; and (ii) existing exploitation contracts if by agreement between the Authority and the Contractors so agree].]~~

~~[2-ALT ——— The Council, based on the recommendations of the Commission and following a review under paragraph 1, may decide to adjust the existing system of payments or introduce a new system of payments, taking into account the level of maturity and development of Exploitation activities in the Area.~~

~~3. Without limiting the scope of any review by the Council, a review under this regulation may include an adjustment to an existing system of payments, or an introduction of a new system of payments, and may consider changes to all applicable Rules Regulations and Procedures (RRPs) [including any relevant Standards and Guidelines].~~

~~4. A review of the system of payments shall consider all Resource Categories unless otherwise decided by the Council.~~

~~5. A change to the system of payments shall only apply by agreement between the Authority and the Contractor for Contract Areas that have already commenced Commercial Production.]~~

~~[3. Recommendations of the Council to the Assembly under paragraph 2:~~

~~(a) take into account the sufficiency of the benefits that are being generated for humankind as a whole in return for the loss of the common heritage of humankind;~~

~~(b) reflect the objectives contained in Article 13, Annex III of the Convention, including to ensure optimum revenues for the Authority from the proceeds of Commercial Production;~~

~~(b) follow the process and consider relevant matters as set out in the applicable Standard; and~~

~~(c) be informed by consultations with relevant experts and stakeholders including the Legal and Technical Commission, Economic Planning Commission and Finance Committee.]~~

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

Para 1: we proposed simplifying para 1 by reference to the applicable standard.

Para 2: we support the inclusion of appropriate consultation with contractors and the revised text to clarify to which contract any new system would apply, consistent with the 1994 Agreement at Section 8(1)(e).

Para 2alt: we prefer the original and simpler language in paragraph 2.

Para 3: these matters are not appropriate for the regulations and potentially limit the scope for the Commission's consideration. Parameters can be better dealt with in an applicable standard.