

**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:

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 62

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.

The Council-~~shall~~, based on the recommendations of the Commission, apply the provisions of this Part ~~in-on~~ a transparent, uniform and non-discriminatory ~~basis-manner~~, and~~]~~ shall ensure equality of financial treatment and comparable financial obligations for Contractors ~~[to counter any disparity arising out of any grossly incomparable concentration of given resources]~~.

Explanation / Comment

- One participant proposes deleting, “shall be applied in a uniform and non-discriminatory manner” as it may create a negative inference for sections where these words are not included. It recommends adding “transparency” to Regulation 1. I invite comments.

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

- We oppose the new language at the end of Draft Regulation 62 as the Authority should not try to re-balance or make up for differences between Contractors based on the particular section of the Area that they are granted rights to explore or exploit. Contractors may apply for a given area for a variety of reasons and are not guaranteed certain returns.
- With respect to the Chair’s comment, we also oppose the deletion of the requirement for uniform and non-discriminatory treatment. We do not consider the risk of a negative inference to be high here. Draft Regulation 62 establishes an overarching obligation on

the Council to apply the regulations fairly and equitably. We consider it is a useful overarching requirement that reflects the requirements of the Convention.