

**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 63 ALT

**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. In accordance with the Standards and Guidelines and considering the recommendations of the Commission, the Council may offer incentives, ~~as well as regulatory and technical advice to all Contractors,~~ transparently, uniformly, without discrimination or arbitrariness, to advance the goals outlined in article 13 (1) of Annex III to the Convention.

2. Furthermore, the Council may provide advice and support to Contractors entering into joint arrangements with the Enterprise as stipulated in article 11 of annex III to the Convention. The primary purpose of these incentives is to promote technology transfers and to support the training of personnel from both the Authority and developing States.

3. The provision of these incentives should not create an artificial competitive advantage for any of the Contractors ~~companies~~ holding exploitation contracts.

4. The Council will ensure that the incentives granted to Contractors, as per paragraphs 1 and 2, do not result in an explicit or implicit subsidy, giving them an unfair competitive advantage ~~leverage~~ over land-based miners.

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

- We prefer the “Chair’s Proposed text” alternative paragraphs 1 through 3 for Draft Regulation 63 ALT. However, if the text of Draft Regulation 63 ALT is adopted, we propose deleting the reference to “regulatory and technical advice” from Draft Regulation 63ALT(1) as it is not clear how the provision of advice could be an

“incentive”. The Authority should not be using advisory support to contractors as a means of incentivising actions.

- We also propose a minor change to Draft Regulation 63ALT(3) to use the consistent term “Contractors” rather than “companies”.
- We consider that “leverage” in Draft Regulation 63ALT(4) should be replaced with “advantage” for consistency with paragraph 3 and for clarity.