

**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 79

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.

Where any royalty or other amount levied under this Part remains unpaid after the date it becomes due and payable, a Contractor shall, in addition to the amount due and payable, pay interest on the amount outstanding, beginning on the date the amount became due and payable, at an annual rate calculated by adding ~~{5}~~ ~~{10}~~ ~~{20}~~ per cent to the special drawing rights interest rate prevailing on the date the amount became due and payable in **accordance with Appendix IV**.

Explanation / Comment

- Participants have proposed different proposals for the interest rate. One participant proposes 5% for a month delay and 10% for one to three month delay. I invite participants to settle on a percentage.

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

- We support the current proposal of annual rate calculated by adding 5% to the special drawing rights interest rate. The amount of additional 5% is reasonable and from our review of land-based mining regulations in various countries would constitute the acceptable middle ground of higher additional rates in Australia (8%) and lower additional rates in Canada (1-3%).
- We consider there is no basis for the proposal to increase the interest rate to 10% for the delay between one to three months.

- We further consider that imposing a penalty rate of 10 or 20% would unfairly disadvantage deep seabed miners as compared to land-based miner.