

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 29TH SESSION:
COUNCIL - PART II**

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(s) of Delegation(s) making the proposal:

The Kingdom of the Netherlands

2. Please indicate the relevant provision to which the textual proposal refers.

Regulation 24 (Change of Control)

3. 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.

3. After consulting the Contractor or entity providing the Environmental Performance Guarantee, as the case may be, the ~~Commission shall Secretary-General may:~~

[(b) In the case of a Contractor, treat a Change of Control as a transfer of rights and obligations in accordance with the requirements of these Regulations, in which case Regulation 23 shall apply, be it that, further to Regulation 23, the party that will come to qualify as the Contractor’s Managing Company shall issue a Parent Company Liability Statement effective as of the Change of Control;

[...]

4. Where the ~~[Commission] [Secretary-General]~~ determines that, following a Change of Control, a Contractor may not ~~be able to~~ have the ~~operational or financial~~ capability to meet its obligations under its Exploitation Contract or its Managing Company will not have the capability to meet its obligations under the Parent Company Liability Statement, the ~~[Secretary-General shall inform the Commission accordingly. The]~~ Commission shall submit a report of its findings and recommendations to the Council. [The Council shall consider the matter at its next meeting with a view to take a decision.]

** Note to draft: the Kingdom of the Netherlands has used the consolidated text as shared prior to Part I of the 29th session, including the red marking, ~~strikethrough~~ and underlining of the President’s text. The Kingdom of the Netherlands’ changes are reflected in the amendments shown through the “tracked changes” function and are highlighted yellow.*

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

These changes are part of the Kingdom of the Netherlands’ effort to provide sufficient legal basis in the regulations and Exploitation Contract to ensure that

parent companies of Contractors are jointly and severally liable towards the Authority for damage caused by a Contractor.

The Kingdom of the Netherlands does so by introducing a so-called “Parent Company Liability Statement” as a new Annex XI, which will form a compulsory schedule to the Exploitation Contract, signed by a parent company of the Contractor (one that qualifies as a so-called “Managing Company”). This provides a contractual basis for such joint and several liability.

Simultaneously, the Kingdom of the Netherlands submits proposals to Draft Regulations 7, 18bis and 23, Annex IX and the Schedule. These submissions should be read together. We will explain these changes further in a paper on the topic, to be shared prior to Part II of the 29th Session.