

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

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:

Russian Federation

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

Reg. 23

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.

2. The Contractor and Transferee shall jointly inform the Secretary-General of any application for consent to transfer the rights and obligations under an Exploitation Contract. The Secretary-General shall transmit that application to the Commission, which shall give its recommendation to the Council.

3. The Commission shall consider and decide whether to recommend to the Council to consent to the application for consent to transfer ~~{within 90 Days of the date it receives the application}~~ at its next available meeting, provided that the documentation has been circulated at least 30 Days prior to that meeting.

~~{4. An application to transfer the rights and obligations under an Exploitation Contract shall be subject to the requirements under Regulations 5, 6, 13-16, 15-~~

5. The Commission shall not recommend approval of the transfer if it would:

~~(b) Allow the Transferee to Monopolize the conduct of activities in the Area [with regard to the Resource category covered by the Exploitation Contract or the Transferee would Monopolize or significantly control the production of any single Mineral or metal produced globally; or]~~

~~(c) If any circumstances under Regulations 15(2)(a) or 15(3)(c) are applicable.~~

~~[6. bis A Contractor shall pay a Transfer Profit Share, which shall be levied on a pro rata basis by the Authority on gains made from the direct or indirect transfer of rights under an Exploitation Contract in accordance with applicable Standard.]~~

~~{6. ter The Authority shall publish a Standard for the effective operation of the Transfer Profit Share.}~~

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

4. In case of transfer the rights and obligations, requirements under Regulations 5, 6, 13 are the only to be applicable because it is not a new application or an application for extension, but a change of a subject (party) of contract.

5(b): clarification of significant control (criteria) is necessary

5(c): 15(3)(a) or 15(3)(c) are only applicable in case of transfer. Besides that, 5(b) and 5(c) in fact tell about the same. Thus, we suggest keeping one of them

6bis; this paragraph needs further considerations. In particular, mechanism of calculation of such payment is unclear. Besides that, contractor will pay a tax in its State.

6ter: "Standard for the effective operation of the TransferProfit Share" is unclear