

**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 of the Working Group

Financial Terms of an Exploitation Contract

2. Name(s) of Delegation(s) making the proposal:

Brazil

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

DR23(5)

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.

Red text is in “consolidated text”; blue text indicates Brazil’s textual proposals

DR23(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].

DR23(5). The Commission shall not recommend approval of the transfer if it would:
(b) Allow the Transferee to obtain significant control or monopolize the exploitation activities in the Area, or Permit the Transferee, its holdings, subsidiaries, affiliated and ultimate parent companies to obtain significant control, market dominance or monopoly in the production of any single mineral or metal produced globally.

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

UNCLOS’s Article 150 (“Policies relating to activities in the Area”) determines that Activities in the Area shall be carried out in such a manner as to foster healthy development of the world economy and balanced growth of international trade, and to promote international cooperation for the overall development of all countries, especially developing States, and with a view to ensuring i.a. (f) the promotion of just and stable prices remunerative to producers and fair to consumers for minerals derived both from the Area and from other sources, and the promotion of long-term equilibrium between supply and demand; and (g) the prevention of monopolization of activities in the Area.

To be consistent with UNCLOS, ISA's organs must prevent any form of market dominance or monopoly in the Area and take into account its impact on the production and price stability of any single mineral or metal produced globally.