

**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.

DR63. Para 2.

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

2. Those incentives shall be applied on a uniform and non-discriminatory basis, to further the objectives set out in Article 13(1) of Annex III to the Convention including, where applicable, the objective of stimulating the transfer of technology to, and training the personnel of, the Authority and of developing States]

2. Those incentives shall further all the objectives set out in Article 13 of Annex III to the Convention including the objectives of ensuring the transfer of technology, training and scientific knowledge to developing States, and providing financial and non-financial incentives for contractors to undertake joint arrangements with the Enterprise and developing States.

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

Article 11 of Annex III to UNCLOS (“Joint arrangements”) provides for both joint arrangements with the Enterprise and other forms of joint arrangements.

Article 13 of Annex III to UNCLOS (“Financial terms of contracts”) envisages the provision of “incentives for contractors to undertake joint arrangements with the Enterprise and developing States or their nationals, to stimulate the transfer of technology thereto, and to train the personnel of the Authority and of developing States”.

The mention to transfer of technology and training confirms that ISA's incentives must be financial and non-financial incentives.