

**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 of Working Group:

President's Text

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 21(3)

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.

Regulation 21 [President's Text]

Termination of sponsorship

[...]

3. In the event of termination of sponsorship the Contractor **may, prior to the termination date referred to in paragraph 2 above** obtain another Sponsoring State or States in accordance with the requirements of Regulation 6, and in particular in order to comply with Regulation 6 (1) and (2). Such State or States shall submit a certificate of sponsorship in accordance with Regulation 6. The Exploitation Contract ~~terminates~~shall suspend automatically if the Contractor fails to obtain a Sponsoring State or States within the required period unless the Contractor has sought the Council's consent to transfer its rights and obligations under the Exploitation Contract pursuant to Regulations 23. Any such suspension of an exploitation contract shall be lifted once a certificate of sponsorship is submitted in accordance with Regulation 6.

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

- In relation to Draft Regulation 21(3), we consider that if sponsorship is terminated, the contract should be suspended rather than terminated. Our proposed language further specifies that the suspension is lifted once the new certificate of sponsorship is submitted.
- This would ensure that the contractor does not entirely lose its rights and obligations under the contract and simplify the process for recommencing relevant activities in the Area. This would reduce the administrative burden and costs on contractors, member States, and the Authority. It would also help ensure the continuity of operations in the Area and facilitate care and maintenance of operations while the contractor seeks other sponsors.