

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS  
DURING THE 29<sup>TH</sup> 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](mailto:council@isa.org.jm).*

**1. Name of Working Group:**

Open-ended Working Group of the Council on the Financial Terms of a Contract

**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 38(2)(d)

**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 38 [OEWG]**

**Annual report**

2. Such annual reports shall be in accordance with applicable Standards and taking into consideration Guidelines and include:

[...]

(d) An annual financial report, in conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants, of the actual and direct Exploitation expenditures, which are the capital expenditures and operating costs of the Contractor in carrying out the programme of activities during the Contractor’s accounting year in respect of the Contract Area, together with an annual statement of the computation of payments paid or payable by the Contractor to the Authority or Sponsoring States, ~~governments, state enterprises, and other contractors, as well as payments and other forms of financial benefit received by the Contractor from Sponsoring States~~, and reported against the Financing Plan;

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

- We reiterate our concern with the overreaching and unnecessary nature of Draft Regulation 38(2)(d)’s requirement for contractors to report on payments to any and all governments, state enterprises and other contractors as well as payments and other financial benefits received from Sponsoring States. This requirement is excessive, unnecessary and overly burdensome. It is also unclear why the Authority requires this information. We propose this sub-paragraph be limited to payments to the Authority and its Sponsoring States.