

**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.im](mailto:council@isa.org.im).

**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 79

**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 79 [OEWG]**

**Interest on unpaid royalty**

Where any royalty or other amount levied under this Part remains wholly or partly unpaid after the date it becomes due and payable, a Contractor shall, in addition to the amount due and payable, pay interest on the amount outstanding, beginning on the date the amount became due and payable, in accordance with ~~with Appendix IV~~ the applicable Standard, at an annual rate calculated by adding 5 per cent to the special drawing rights interest rate prevailing on the date the amount became due and payable.;

~~(a) Adding [5] per cent to the special drawing rights interest rate prevailing on the date the amount became due and payable for the first month of non-payment;~~

~~(b) Adding [10] per cent to the special drawing rights interest rate prevailing on the date the amount became due and payable for the second and third months of non-payment; and~~

~~(c) Adding [15] [20] per cent to the special drawing rights interest rate prevailing on the date the amount became due and payable for any further period of non-payment.~~

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

- The current drafting of Draft Regulation 79 contemplates levying interest of 10-20 per cent above the special drawing rate, which is outside the typical range of penalties fees that applies in land-based mining jurisdictions and would unfairly disadvantage deep seabed miners as compared to land-based miners.
- Instead, we propose that the penalty rate be limited to 5 per cent. The amount of additional 5 per cent is reasonable and would constitute an acceptable middle ground of rates applicable to land-based mining.