

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

**1. Name(s) of Delegation(s) making the proposal:**

The Pew Charitable Trusts

**2. Please indicate the relevant provision to which the textual proposal refers.**

Draft regulation 24

**3. 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.**

“**Change of Control**” means where there is a change resulting in **different** ownership of 50 percent or more of the Contractor, or of the membership of the joint venture, consortium or partnership, as the case may be, or a change resulting in **different** ownership of 50 percent or more of the entity providing an Environmental Performance Guarantee

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

As a general comment for this DR24 on Change of Control, we note that notification by the Contractor is required *before* the Change of Control (paragraph (2)), and the ISA’s assessment occurs *after* the Change of Control (paragraph 3), with no clear timeline prescribed for the ISA’s decision on whether the new ownership arrangement will in fact be able to fulfil the qualification criteria. We consider that different scenarios may require different timelines here. We suggest DR24 could be worked up to better distinguish between different types of change of control that can or cannot be notified in advance. For example, in national jurisdictions, such as those within the European Union, certain types of ‘change of control’ require the person who is about to acquire control to notify the regulator in advance as soon as they have decided to make the acquisition and then the company itself would notify the regulator after the event. The regulator then has 60 days (with the ability to ‘stop the clock’ if further information is needed) to confirm the change of control. Such regimes usually also identify other types of change of control that do not require advance approval, recognising that prior notification with sufficient time to conduct due diligence would not be possible in all circumstances. With these precedents in mind, we believe further discussion on this DR24 is warranted.

Regarding the defined term for ‘Change of Control’ in the Schedule, as mentioned by Germany and Costa Rica, to make sense of the definition, we suggest inserting the word ‘*different*’ before ‘*ownership*’ both times the word is used in the defined term.