

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 30TH 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(s) of Delegation(s) making the proposal:

Canada

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

NEW DR 64 ter Profit Share on the Transfer of Rights Under an Exploitation Contract

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.

1. The Authority shall levy a Transfer Profit Share, on any gain realized from the direct or indirect transfer of rights under an Exploitation Contract.

2. The effective operation of the Transfer Profit Share referenced in the above paragraph shall be subject to and carried out in accordance with the provisions included in the applicable Standard

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

Considerable work has been undertaken on the issue of ensuring the Authority benefits from any profits realized through the transfer of rights under a contract. In this respect, Canada and the African Group proposed regulatory text for inclusion under DR 23 on Transfer of Rights in November 2023. Subsequently, in March 2024, Canada submitted a Standard detailing the operation of the profit share on direct and indirect transfer of rights, which was informed by intersessional work and input from Member States. Given that the transfer profit share represents an element of the payment system, and that many of the draft regulations under Part VII on the Financial terms of an Exploitation Contract apply to ‘payments under this Part’, it is proposed to create a new DR 64 ter to house the text under this Part. This draft text would then be proposed for deletion under DR 23 where it is currently parked.