

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 30<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:**

Canada

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

DR 74 Proper books and records to be kept

**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.**

2. The Contractor shall prepare such records in conformity with internationally accepted accounting principles that verify, in connection with each Mining Area and the Contract Area, inter alia: ...

d) Details of all revenues and operating costs associated with activities in each Mining Area and the Contract Area, including a breakdown of all general administration and management costs essential to, and directly connected to these activities, and accruing in the Sponsoring State;.-

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

Under paragraph 2d, the details of all revenues and operating expenditures should include a breakdown of overhead costs (i.e. costs of operating headquarters). This is because in a tax context, any eligible expense must be incurred as part of the income-earning process of the entity. Canada has submitted a proposal that ensures at minimum that a breakdown of headquarter costs is required is included in the operating cost information that a Contractor must submit. This will allow the Authority to have line of sight on what Contractors are reported as overhead.