

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 30TH 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.

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

Russian Federation

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

Reg. 23

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. A Contractor may transfer its rights and obligations under an Exploitation Contract in whole or in part only with the prior written consent of the ~~the~~Sponsoring State, and the ~~Council~~ ~~such consent not to be unreasonably withheld~~, based on the recommendations of the Commission ~~and with notification to the Sponsoring State~~.

2. The Contractor and Transferee shall jointly inform the Secretary-General of any application ~~for consent~~ to transfer the rights and obligations under an Exploitation Contract. The Secretary-General shall transmit that application to the Commission, which shall give its recommendation to the Council.

3. The Commission shall consider and ~~decide whether to~~ recommend to the Council that the Council consent to the application for consent to transfer at its next meeting, provided that the documentation has been circulated at least 30 Days prior to that meeting.

4. An application to transfer the rights and obligations under an Exploitation Contract shall be subject to the requirements under Regulations 5, ~~6, 13, 15-16~~.

5.

~~(b)~~ Allow the Transferee to Monopolize the conduct of activities in the Area ~~with regard to the Resource category covered by the Exploitation Contract or to Monopolize or significantly control~~ the production of any single Mineral or metal produced globally; or

(c) If any circumstances under Regulations 15~~(2)~~ or (3)~~(a)~~ are applicable.

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6. bis The Authority shall levy a Transfer Profit Share, on any gain realised from the direct or indirect transfer of rights under an Exploitation Contract in accordance with applicable Standard.

~~6. ter e The effective operation of the Transfer Profit Share referenced in the above paragraph shall follow the provisions included in the applicable Standard.~~

7. Where the Commission determines that the requirements of paragraphs 4, 5, 6 and 7 of this Regulation have been fulfilled, it shall recommend approval of the application for consent to the Council. In accordance with Article 20 of Annex III to the Convention, the Council shall not withhold consent to a transfer if the requirements of this Regulation are complied with. Once the Council has received a recommendation from the Commission, the Council shall inform the Contractor of the Council's decision within 30 Days.

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

4. In case of transfer the rights and obligations, requirements under Regulations 5, 6, 13 are the only to be applicable because it is not a new application or an application for extension, but a change of a subject (party) of contract.

5(b): clarification of significant control (criteria) is necessary

5(c): 15(3)(a) is only applicable in case of transfer.

Besides that, 5(b) and 5(c) in fact tell about the same. Thus, we suggest keeping one of them in aim to avoid duplication

6bis; this paragraph needs further considerations. In particular, mechanism of calculation of such payment is unclear. Besides that, contractor will pay a tax in its State.

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