



Council

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Proposed amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area

Note by the secretariat

1. Members of the Council will recall the revision in 2013 of the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area (Nodules Regulations)¹ in order to bring them into line with the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area (Sulphides Regulations).² It was also decided to align the fee provision in the Nodules Regulations with the fee provision in the Regulations on Prospecting and Exploration for Cobalt-rich Ferromanganese Crusts in the Area (Crusts Regulations).³
2. As a result, the fee provision in regulation 21 of the Sulphides Regulations is not consistent with the corresponding provisions in the Nodules Regulations and in the Crusts Regulations. In order to address that inconsistency, the Council of the International Seabed Authority requested the Legal and Technical Commission to make a recommendation for consideration by the Council at its twentieth session in order to bring regulation 21 of the Sulphides Regulations into line with regulation 21 of the Crusts Regulations.
3. At its meeting in February 2014, the Commission decided to recommend to the Council the amendments to regulation 21 as contained in annex I to the present document.
4. The Council is invited to consider the recommendation of the Commission. A draft decision for consideration by the Council is set out in annex II to the present note.

¹ ISBA/19/C/17.

² ISBA/16/A/12/Rev.1, annex.

³ ISBA/18/A/11.



Annex I

Suggested amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area

Regulation 21 Fee for applications

1. The fee for processing an application for approval of a plan of work for exploration of polymetallic sulphides shall be a fixed amount of 500,000 United States dollars or its equivalent in a freely convertible currency, to be paid in full at the time of the submission of an application.
2. If the administrative costs incurred by the Authority in processing an application are less than the fixed amount indicated in paragraph 1 above, the Authority shall refund the difference to the applicant. If the administrative costs incurred by the Authority in processing an application are more than the fixed amount indicated in paragraph 1 above, the applicant shall pay the difference to the Authority, provided that any additional amount to be paid by the applicant shall not exceed 10 per cent of the fixed fee referred to in paragraph 1.
3. Taking into account any criteria established for this purpose by the Finance Committee, the Secretary-General shall determine the amount of such differences as indicated in paragraph 2 above and notify the applicant of the amount. The notification shall include a statement of the expenditure incurred by the Authority. The amount due shall be paid by the applicant or reimbursed by the Authority within three months of the signing of the contract referred to in regulation 25 below.
4. The fixed amount referred to in paragraph 1 above shall be reviewed on a regular basis by the Council in order to ensure that it covers the expected administrative costs of processing applications and to avoid the need for applicants to pay additional amounts in accordance with paragraph 2 above.

Annex II

Draft decision of the Council of the International Seabed Authority relating to amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area

The Council of the International Seabed Authority,

1. *Adopts* the amendments to regulation 21 of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area as contained in the annex to the present decision;

2. *Decides* to apply the amended regulation 21 provisionally from the date of its adoption by the Council, pending its approval by the Assembly of the International Seabed Authority.
