

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:
COUNCIL - PART III**

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 of Working Group:

Informal Working Group on Inspection, Compliance and Enforcement

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

Australia

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

Draft regulation 103(1) and (5)

4. 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. At any time, if it appears to the [Secretary-General] [Inspectorate] based on reasonable grounds that a Contractor is in breach of the terms and conditions of its exploitation contract, Part XI ~~and~~ or the rules, regulations and procedures of the Authority, the [Secretary-General] [Inspectorate] shall issue a compliance notice to the Contractor requiring the Contractor to take such action as may be specified in the compliance notice [and report immediately to the Council].

...

5. If a Contractor, in spite of [one or more] warnings by the [Authority] [Inspectorate], fails to implement the measures set out in a compliance notice and continues its activities in such a way as to result in serious, persistent ~~or~~ wilful violations of the fundamental terms of the exploitation contract, Part XI of the Convention ~~and~~ or the rules, regulations and procedures of the Authority, the Council [shall] suspend or terminate the exploitation contract by providing written notice of suspension or termination to the Contractor in accordance with the terms of the exploitation contract.

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

We consider that the references to the exploitation contract, Part XI and the rules, regulations and procedures of the Authority should be referred to in the alternative to

capture instances in which the Contractor is in breach of one of these instruments, but not all of them. We therefore suggest replacing 'and' with 'or'.

In paragraph 5, we also suggest including the term 'exploitation' ahead of 'contract' for the sake of clarity and consistency with other references in this draft regulation.