

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH 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.jm.

1. Name of Working Group:

Open-ended Working Group of the Council on the financial terms

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

Submitted by Nauru Ocean Resources Inc. and Tonga Offshore Mining Ltd.

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

Draft Reg. 82(2)(3).

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.

The Council, based on the recommendations of the Commission ~~and in consultation with Contractors~~, may adjust the rates of payments in the light of such recommendations ~~and consultation~~, taking into account the economic viability of the project, save that any adjustment to the rates of payments may only apply to existing exploitation contracts ~~{from the end of the Second Period of Commercial Production reflected in appendix IV to these regulations}~~ ~~{after five years of commercial production have been completed under that exploitation contract}~~.

Without limiting the scope of any review by the Council, a review under this regulation may include an adjustment to the Applicable Royalty Rate under appendix IV and the manner and basis of the calculation of a royalty ~~{, including triggers for price-based royalties}~~.

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

- We propose the amendments to Regulation 82(2)(3) as reflected above.
- We do not support the inclusion of “triggers for price-based royalties”.
- We consider such terms to be ambiguous and appears to be inconsistent with the proposed system of payments set out in the Convention and the Part XI Implementation Agreement.