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Draft regulations on exploitation of mineral resources in the Area

The President's revised draft text

Prepared by the President of the Council for the twenty-eight session, Ambassador Juan José González Mijares (Mexico)

Explanatory note

1. During the Council meeting in March 2022, the Council endorsed the President's proposal to consider the parts of the draft not handled by any of the informal working groups, in plenary and in an informal setting (ISBA/27/C/21, section D, paras 24-28). These elements are thus handled in the President's Text and consist of the following parts:

- (a) The Preamble;
- (b) Part III, Rights and Obligations of Contractors;
- (c) Part X, General Procedures, Standards, and Guidelines;
- (d) Annex I, Application for approval of a plan of work to obtain an exploitation contract;
- (e) Annex II, Mining Work Plan;
- (f) Annex III, Financing Plan;
- (g) Annex V, Emergency Response and Contingency Plan;
- (h) Annex VI, Health and Safety Plan and Maritime Security Plan;
- (i) Annex IX, Exploitation Contract and Schedule;
- (j) Annex X, Standard clauses for exploitation contract;
- (k) Appendix I, Notifiable events;
- (l) Schedule, Use of terms, and scope.

2. Thus, a consolidation of the above-mentioned parts into a single document was prepared with the President's Text of 11 October 2022 (ISBA/27/C/WOW/CRP.1). This document was later updated by a version of 3 March 2023 (ISBA/28/C/WOW/CRP.1). The President's Text provides a full collation of suggestions (textual proposals) received by delegations and observers to the above-mentioned parts since the issuance of ISBA/25/C/WP.1 of 22 March 2019.

3. During the third part of the twenty-seventh session, a first reading of the President's Text covered the preamble and draft regulations 17-30. The first reading of the text was resumed from draft regulation 31 during part I of the twenty-eighth session and was successfully finalized during the same part of the session.

4. It was agreed during the meeting in March 2023 (ISBA/28/C/11, Annex, II), that I would now prepare a revised text, that would take into account comments made during discussions and textual proposals submitted during and after the meetings held in November 2022 and March 2023.

5. In relation to the Schedule, use of terms and scope, it was agreed during the March 2023 meeting that all terms and scope used in the informal working groups would be consolidated in the President's text. This has been done to the extent possible. However, in relation to specialized terms and where expertise within the subject is required for further development, the terms and scope will be handled by the relevant working group. Where terms are allocated to those working groups, it is clearly indicated in square brackets in the Schedule included in this text.

6. The revisions in this revised text are primarily focused on streamlining the text where possible and I implemented the following approach to the revisions:

- (a) Ideas that reflected a general direction in the discussions have been incorporated, although the precise textual formulations proposed by delegations may not always have been utilized. While not every individual idea or proposal is necessarily reflected, the text presented is an attempt at reflecting the general thrust of those ideas and proposals.
- (b) Where general comments were made but no drafting suggestions were provided or where several drafting suggestions were made going in a similar direction without being identical, I am proposing wording for the consideration of delegations.
- (c) Square brackets are introduced for proposals for which conceptual discussion are expected and where further work might be requested by the Council. The absence of square brackets does not imply agreement on the idea, content or specific language reflected in a draft regulation. The absence of brackets around new ideas which are reflected for the first time in the draft text should not be taken as a *fait accompli* as to their inclusion. Equally, the fact that regulations have not been revised should not be taken as an indication of agreement on the unrevised draft regulations.
- (d) Options have been used throughout the text to present alternative conceptual approaches. The order in which options appear in the text should not be taken as indicating any suggested order of priority, nor as indication of the level of support for any particular option.

(e) Boxes containing explanations of revisions and/or my comments, where necessary, are included under the relevant draft regulations.

7. The work and results should be fully consistent with the articles of the Convention and the 1994 Agreement, and the process and its results should not undermine existing relevant legal instruments and frameworks and relevant global, regional, and sectoral bodies.

Preamble

In accordance with the United Nations Convention on the Law of the Sea of 10 December 1982 (“the Convention”),

[Ensuring the effective protection for the Marine Environment from harmful effects, which may arise from the activities in the Area, in accordance with Article 145 of the Convention].

Reaffirming the fundamental importance of the principle that the Area and its resources are the common heritage of mankind,

Emphasizing that the exploitation of the resources of the Area shall be carried out for the benefit of mankind as a whole, on whose behalf the International Seabed Authority acts, in accordance with Part XI of the Convention and the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 (“the Agreement”),

Considering that the objective of these regulations is to provide for the exploitation of the resources of the Area consistent with the Convention and the Agreement.

[Preamble Alt.]

In accordance with the United Nations Convention on the Law of the Sea of 10 December 1982 (“the Convention”), the Area and its resources are the common heritage of mankind, and the Exploitation of the resources of the Area shall be carried out for the benefit of mankind as a whole, on whose behalf the Authority acts.

The objective of these regulations is therefore to provide for the Exploitation of the resources of the Area consistent with the Convention, including the duty to ensure effective protection for the Marine Environment from harmful effects caused by those activities.]

Comments/remarks

- I noted that different views have been expressed in relation to the preamble. Some delegations and observers have suggested more consistency with the preamble of the exploration regulations. An alternative to the current wording has thus been inserted as to accommodate for that alternative.
- Several suggestions were made in relation to referencing the content of article 145 of the United Nations Convention on the Law of the Sea of 10 December 1982 (“the Convention”). I have attempted to draft a reference that considers the content of the different proposals and is consistent with the wording and content of the Convention.
- A suggestion was made to reference the Sustainable Development Goals and targets of the 2030 Agenda. Whilst these are important goals, I have refrained from inserting this reference as these goals will be completed by 2030.

[Part I Introduction and Part II Applications for approval of Plans of Work in the form of contracts (regulations 1-16) are covered by IWG IM]

Part III Rights and Obligations of Contractors

Section 1 Exploitation contracts

Regulation 17 The [exploitation] contract

1. Upon the Council's approval of a Plan of Work, the Secretary-General shall prepare an exploitation contract between the Authority and the applicant in the form prescribed in annex IX to these regulations.
2. The exploitation contract shall be signed on behalf of the Authority by the Secretary-General or duly authorized representative. The designated representative or the authority designated under regulation 5 (2) shall sign the exploitation contract on behalf of the applicant. The Secretary-General shall notify all members of the Authority in writing of the conclusion of each exploitation contract.
3. The exploitation contract and its schedules is a public document, and shall be published [without delay] [7 days] in the Seabed Mining Register, except for Confidential Information, which shall be redacted.

Comments/remarks

- Diverting views have been provided in relation to the time frame in para 3. I invite further discussions on whether there is a preference for a general reference to "without delay" or whether a specific timeline, e.g., 7 days, is preferred.

Regulation 18 Rights and exclusivity under an exploitation contract

1. An exploitation contract shall confer on a Contractor [or the Enterprise] the exclusive right to:
 - (a) Explore for the specified Resource category in accordance with [paragraph 7 below] [relevant Standards and taking into account any Guidelines, in accordance with Good Industry Practice, Best Available Scientific Evidence, Best Environmental Practices, and Best Available Techniques]; and
 - (b) Exploit the specified Resource category in the Contract Area in accordance with the approved Plan of Work [and regulations 18bis and 18ter], provided that [production] [mining operations] shall only take place in approved Mining Areas [and subject to prerequisites prescribed under regulation 25(6)].

2. The Authority shall not permit any other entity to exploit or explore for the same Resource category in the Contract Area for the entire duration of an exploitation contract.

3. The Authority, in consultation with a Contractor, shall ensure that no other ~~[Contractor] [entity]~~ operates in the Contract Area for a different category of resources in a manner which might interfere with the rights granted to the Contractor.

4. An exploitation contract shall provide for security of tenure and shall not be revised, suspended or terminated except ~~[in observance of the applicable rules, regulations and procedures, as well as]~~ in accordance with the terms ~~[thereof] [set out in articles 18 and 19 of the Annex III of the Convention].~~

5. An exploitation contract shall not confer any interest or right on a Contractor in or over any other part of the Area or its Resources other than those rights expressly granted by the terms of the exploitation contract or these regulations.

6. The Contractor shall, subject to regulation 20, have the exclusive right to apply for ~~[and be granted]~~ a renewal of its exploitation contract.

7. In relation to exploration activities in the Contract Area conducted under an exploitation contract, the applicable Exploration Regulations shall continue to apply as set out in the relevant ~~[Standards and/or] [Guidelines]~~. In particular, the Contractor shall ~~[be expected to]~~ continue to ~~[show] [exercise]~~ due diligence in conducting exploration activities in the Contract Area, together with ~~[the payment of applicable fees and]~~ the reporting of such activities and its results to the Authority in accordance with the applicable Exploration Regulations, including under regulation 38 (2) (k).

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Comments/remarks

- I have maintained the original wording of the heading. The alternative suggestion, “Exclusive rights of a Contractor under an exploitation contract” did not capture all elements of draft regulation 18, as the regulation handles both exclusive rights and other rights.
- In relation to para 5, I have attempted to simplify the provision and align it with article 153 (6) of the Convention, according to which a contract shall provide for security of tenure, and the contract shall not be revised, suspended, or terminated except in accordance with articles 18 and 19 of Annex III to the Convention.
- One delegation had suggested inserting a para 8 referring to articles 87 and 147 of the Convention. I have refrained from inserting such a reference as the rights are already vested with the Contractor and in order to avoid duplication given the language in regulation 1(4).
- On a general level, and across the regulations, it has been suggested to include the reference to the Enterprise so as to future proof the regulations, as the Enterprise is already contemplated in the 1994 Agreement, and here, bearing in mind that the plan of work will be between the ISA and the Enterprise. So, I have inserted a reference to the Enterprise in continuance of the reference to the Contractor. Before implementing this throughout the text, I would like to invite comments on the suggested approach or provide an alternative way of handling the reference to the Enterprise.

[Regulation18 bis

Obligations of the Contractors.

1. Contractors shall comply with these Regulations and the Rules of the Authority in a manner consistent with the Convention, the Agreement and the Exploitation Contract.

[1.bis. A Contractor shall carry out the proposed Plan of Work in accordance with these Regulations, Good Industry Practice, Best Available Scientific Evidence and Best Environmental Practices, using appropriately qualified and adequately supervised personnel.]

[1.ter. Contractors shall remain current in their implementation of Best Environmental Practices and Good Industry Practices, and shall continually identify and implement solutions that reflect the most up-to-date Best Available Scientific Evidence and Best Available Techniques.]

2. Contractors, their holding, subsidiary~~ies~~, affiliated and Ultimate Parent companies, agencies, ~~and~~ partnerships, ~~and suppliers~~ shall be held liable for the compliance of the Contract. Particularly, they shall be jointly and severally [and strictly] liable for the obligation of compensating damages arising outside of permitted Exploitation Activities.

3. In the event that Contractors fail to comply with their payment obligations under these Regulations, holdings and Ultimate Parent Companies shall be held responsible to effect such payments to the Authority on behalf of Contractors.

4. [Sponsor States shall take all legislative and administrative measures to assure that Contractors have all material, operative, and financial means to comply with the Contract and these Regulations and that no corporate limitation shall prevent Contractors, holding and Ultimate Parent Companies to compensate damages and make the payment required by the Contractors under the Contract and these Regulations.]

Comments/remarks

- It has been suggested by several delegations to delete draft regulation 18 bis, with the rationale that it is inconsistent with the Convention, including article 4 of Annex III to the Convention. However, other delegations have supported its inclusion. I invite a conceptual discussion of whether 18 bis should be retained.
- It has been proposed by several participants to place para 4 in another section of the draft regulations. I have thus placed the para in square brackets and invite discussions on where this para may be better placed.

Regulation 19

Joint arrangements

1. Contracts may provide for joint arrangements between a Contractor and the Authority through the Enterprise, in the form of joint ventures or production-sharing, as well as any other form of joint arrangement, which shall have the same protection against revision, suspension or termination as contracts with the Authority.

2. The Council shall enable the Enterprise to engage in seabed mining effectively at the same time as the entities referred to in article 153, paragraph 2 (b), of the Convention.

[Regulation 19 Alt

Joint arrangements

Before approving any contract with an entity referred to in article 153, paragraph 2(b), of the Convention, the Authority shall adopt Standards and Guidelines:

(a) providing for joint arrangements between a Contractor and the Enterprise, pursuant to article 11 of Annex III of the Convention; and

(b) in relation to financial terms, to further the objective of enabling the Enterprise to engage in seabed mining, pursuant to article 13(1)(e) of Annex III of the Convention.]

Comments/remarks

- I have noticed diverging views on the application of articles 11 and 13 of Annex III to the Convention. An alternative draft regulation 19 has been inserted in an attempt to accommodate that.

Regulation 20

Term [and renewal] of exploitation contracts

1. Subject to the provisions of section 8.3 of the exploitation contract, the maximum initial term of an exploitation contract is 30 years [from the commencement of Commercial Production]. [The Authority and the Contractor may agree to a shorter period in light], [taking account] of the expected economic life of the Exploitation activities of the Resource category set out in the Mining Workplan [and the policies and objectives of the Authority cited in regulation 2] [and including a reasonable time period for the construction of commercial-scale mining and processing systems].

2. An application to renew an exploitation contract shall be made in writing addressed to the Secretary-General and shall be made no later than [one year] [two years] before the expiration of the initial period or renewal period, as the case may be, of the exploitation contract.

3. The Contractor shall supply such documentation as may be specified in the [Standards and] Guidelines. If the Contractor wishes to make any changes to a Plan of Work and such changes are Material Changes, the contractor shall submit a revised Plan of Work.

[3.Alt. The Contractor submitting an application to renew an exploitation contract shall supply a revised plan of work, including an updated EIA, as well as such documentation as may be specified in any applicable Standard and taking account of Guidelines. Submission of a revised Plan of Work for the purposes of this regulation is deemed to be a Material Change for the purposes of regulation 57.]

4. The Commission shall consider such application to renew an exploitation contract at its next meeting [after submission of any revised plans or responses by the Contractor pursuant to regulation 11(2)], provided the documentation required under paragraph 3 has been circulated at least [30] [60] Days prior to the commencement of that meeting of the Commission.

5. In making its recommendations to the Council under paragraph 6 below, [including any proposed amendments to the Plan of Work or revised Plan of Work], the Commission shall examine and assess applications in accordance with regulation 13, against the criteria contained in regulation 12, and take account of any report on the review of the Contractor's activities and performance under a Plan of Work under

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regulation 58, [as well as any other relevant information from, inter alia, performance assessments, annual reports, environmental reports, legal actions against the contractor].

6. The Commission [shall] [may] recommend to the Council the approval of an application to renew an exploitation contract, and [an exploitation contract shall be renewed by the Council provided that:

(a) The Resource category is recoverable annually in Commercial and Profitable Quantities from the Contract Area;

(b) The Contractor is in compliance with the terms of its exploitation contract and the Rules of the Authority, including the rules, regulations and procedures [and Standards] adopted by the Authority [from time to time] to ensure effective protection for the Marine Environment from harmful effects which may arise from activities in the Area;

[(b) bis. The cumulative environmental impact does not exceed the thresholds set by the applicable Regional Environmental Management Plan as a result of the renewal, and that such renewal does not hinder the achievement of the strategic and regional environmental goals and objectives;]

(c) The exploitation contract has not been terminated earlier;

(d) The Contractor has paid the applicable fee in the amount specified in appendix II;

(e) [The Council is satisfied that the requirements of regulation 13 will be met; and]

(f) [The Sponsoring State has reconfirmed their sponsorship of the Contractor by reissuing their certificate of sponsorship.]

7. Each renewal period shall be a maximum of 10 [15] years [for a maximum overall duration of the exploitation contract of 60 years].

8. Any renewal of an exploitation contract shall be effected by the execution of an instrument in writing by the Secretary-General or duly authorized representative, and the designated representative or the authority designated under regulation 5 (2) [by the Contractor]. The terms of a renewed exploitation contract shall be those set out in the standard exploitation contract annexed to these regulations that is in effect on the date that the Council approves the renewal application.

9. Sponsorship is deemed to continue throughout the renewal period unless the Sponsoring State or States terminates its sponsorship in accordance with regulation 21.

10. An exploitation contract in respect of which an application for renewal has been made shall, despite its expiry date, remain in force until such time as the renewal application has been considered and its renewal has been granted or refused.

Comments/remarks

- I have received a proposal for the division of the regulation into a separate regulation on the terms of a contract and a regulation on the extension of the contract. I have attempted to make it clearer that the provision concerns both the terms *and* the extension of a contract. I believe that this might have clarified the potential uncertainties, but I invite discussion on whether a division of the elements is preferred.
- In para 2 I have suggested one year, as it seemed amongst delegations that it was reasonable time.

- Several proposals going in the same direction were provided for in para 3. I have thus attempted to draft an alternative para 3. I invite discussion on the preferences and comments in relation to the original para 3 and the new para 3 Alt.

Regulation 21

Termination of sponsorship

[Alt. Requirement for State sponsorship]

1. Each Contractor ~~[that is not the Enterprise or a State Party]~~ shall ensure that it is sponsored by a State or States, as the case may be, throughout the period of the exploitation contract in accordance with ~~[article 153(2)(b) of the Convention and]~~ regulation 6, ~~[and to the extent necessary that it complies with regulations 6 (1) and (2)].~~

~~[1.bis. A Contractor shall promptly notify the Authority if the Contractor's Sponsoring State or States terminates its sponsorship.]~~

~~2. — [A State may terminate its sponsorship by providing to the Secretary-General a written notice describing the reasons for such termination. Termination of sponsorship takes effect no later than 12 months after the date of receipt of the notification by the Secretary-General [unless the notification specifies a later date], except for termination due to a Contractor's non-compliance under its terms of sponsorship, in which case termination takes effect no later than 6 months after the date of such notification.]~~

~~[2.alt. [Without prejudice to any terms, rights or obligations between a State and a Contractor under the terms of sponsorship.] [A] [a] State may terminate its sponsorship by providing to the Secretary-General a written notice describing the reasons for such termination and the date termination is to take effect, [no earlier than] taking into account the following timeframes:~~

~~(i) Termination due to a Contractor's [material] non-compliance under its terms of sponsorship, [negligence or environmental damage]: termination to take effect [no earlier] [no later than] [6] months after the date of receipt of the notification by the Secretary-General;~~

~~(ii) Termination due to reasons other than those listed in subparagraph (i) above: termination to take effect no [earlier] [later] than 12 months after the date of receipt of the notification by the Secretary-General.]~~

~~[2.alt.bis. If the reasons for termination of sponsorship include non-compliance under its terms of sponsorship, [negligence or environmental damage], the Contractor must suspend its mining operations until the Council has considered the matter in accordance with paragraph 6 below.]~~

3. In the event of termination of sponsorship, [due to reasons other than those listed in subparagraph 2 (i)] the Contractor may [shall], [within the period referred to in [sub]paragraph 2 (ii)] [before the previous State's sponsorship ends], obtain another Sponsoring State or States in accordance with the requirements of regulation 6, and in particular in order to comply with regulation 6 (1) and (2). Such State or States shall submit a certificate of sponsorship in accordance with regulation 6. The exploitation contract terminates automatically if the Contractor fails to obtain a Sponsoring State or States within the required period [unless the Contractor has sought the Council's consent to transfer its rights and obligations under the exploitation contract pursuant to regulations 23].

[3.bis. In the event that the Contractor is able, within the relevant period, to obtain another Sponsoring State or States in accordance with sub-paragraph 3, the Authority shall deal expeditiously with any consents that are required as a result under regulations 23 or 24.]

4. A Sponsoring State or States is not discharged from any obligations accrued while it was a Sponsoring State by reason of the termination of its sponsorship nor shall such termination affect any legal rights and obligations created during such sponsorship [consistent with the requirements of contractors, including as set forth in Annex III, Article 17.2(e) of the Convention].

5. The Secretary-General shall notify, [as soon as practicable,] the members of the Authority of a termination or change of sponsorship.

6. After a Sponsoring State has given a written notice in accordance with paragraph 2 above, the Council, based on the recommendations of the Commission, which shall take account of the reasons for the termination of sponsorship, [especially in the case of termination of contract that also equates to a material breach of compliance] [with the terms of the exploitation contract] [may] [shall] require the Contractor to suspend, [or continue the suspension of,] its mining operations until such time as [the Contractor has proved to the satisfaction of the Council that the breach of compliance with the exploitation contract has been addressed and] a new certificate of sponsorship is submitted.

7. [Nothing in this regulation shall relieve a Contractor of any obligation or liability under its exploitation contract, and the Contractor shall remain responsible and liable to the Authority for the performance of its obligations under its exploitation contract in the event of any termination of sponsorship.]

Comments/remarks

- Several delegations supported the idea of distinguishing between the reasons for the termination within para 2.alt and 2.alt.bis. The proposals have thus been included in the text but are still bracketed as further discussions are needed, in particular in relation to the timing. Several suggestions to refine the timing, e.g., to allow time for the transfer of rights, have been inserted in mark up for the Council and observers' consideration. To my understanding there was most support for para 2.alt. I have therefore deleted the original para 2 and suggest to continue the negotiations based on para 2.alt.
- I have suggested deleting the reference to "environmental damage," as this reference, in my understanding, is inconsistent with article 162 of the Convention, as it refers to "serious harm" and thus a higher threshold in relation to non-compliance. Also, I have suggested deleting the reference to negligence, as this might create uncertainty, considering that the Contract will already govern what will constitute non-compliance.

Regulation 22

Use of exploitation contract as security

1. The Contractor may, [solely for the purpose of raising financing to effect its obligations under an exploitation contract and only with the prior consent of the Sponsoring State or States and of the Council, based on the recommendations of the Commission], mortgage, pledge, lien, charge or otherwise encumber all or part of its interest under an exploitation contract.

2. ~~[In seeking consent under this regulation,]~~ ~~[a]~~ ~~[The]~~ Contractor shall disclose to the Council and Commission the terms and conditions of any such encumbrance referred to in paragraph 1 above and its potential impact on the activities under the exploitation contract in the event of any default by the Contractor.

3. ~~[As a condition to giving consent under this regulation,]~~ ~~[the]~~ ~~[The]~~ Authority shall request evidence that the beneficiary of any encumbrance referred to in paragraph 1 above shall agree either, upon foreclosure, to undertake Exploitation activities in accordance with the requirements of the exploitation contract and these regulations, ~~[in which case the beneficiary must fulfil the requirement of paragraph 4 and 5 of regulation 23]~~ or ~~[to]~~ ~~[that such a beneficiary shall]~~ transfer the mortgaged property only to a transferee that fulfils the requirements of paragraphs 4 and 5 of regulation 23 ~~[as determined by the Commission].~~

4. ~~[In giving consent under this regulation,]~~ ~~[the]~~ ~~[The]~~ Council may require that the beneficiary of the encumbrance referred to in paragraph 1 above:

(a) Shall subscribe to any internationally adopted standards for the extractive industries which are widely accepted ~~[including environmental and social governance standards, with reference to relevant Standards and Guidelines where relevant];~~ and

(b) Shall be properly regulated through a national financial conduct authority in accordance with the Guidelines.

5. A Contractor shall file with the Seabed Mining Register a summary of any agreement that results or may result in a transfer or assignment of an exploitation contract, part of an exploitation contract or any interest in an exploitation contract, including registration of any security, guarantee, mortgage, pledge, lien, charge or other encumbrance over all or part of an exploitation contract. ~~[Nothing in this regulation shall relieve a Contractor of any obligation or liability under its exploitation contract].~~

6. The Authority shall ~~[not be obliged to]~~ provide any funds or issue any guarantees or otherwise become liable directly or indirectly in the financing of the Contractor's obligations under an exploitation contract.

Comments/remarks

- I note that in para 1, several delegations supported restricting the Contractors' right to use the exploitation contract as security. I have inserted these elements in square brackets but would like to remind delegations and observers that the Convention does not contain limitations on a Contractor's ability to use the exploitation contract as a security.
- A reference to Standards and/or Guidelines has been inserted, as I believe it would be beneficial to provide guidance on what general standards might be deemed "widely accepted," and examples could include the IFC Performance Standards, Global Industry Standard, etc.

[DR 23, 23bis and 23ter is covered by the OEWG]

Regulation 24

Change of control

1. For the purposes of this regulation, a “change in control” occurs where there is a change [in 50 per cent or more of] in the ownership of the Contractor, or of the membership of the joint venture, consortium or partnership, as the case may be, [that results in the holding of the beneficial ownership of 50% or more of the Contractor or the controlling interest in the Contractor by an entity that previously held a minority share or had no prior equity interest,] or a change in 50 per cent or more of the ownership of the entity providing an Environmental Performance Guarantee ~~[which by bringing the ownership to 50% constitutes a change in the effective control].~~

1.Alt. [For the purposes of this regulation, a “change in control” occurs where there is a change resulting in ownership of 50 percent or more of the Contractor, or of the membership of the joint venture, consortium or partnership, as the case may be, or a change resulting in ownership of 50 percent or more of the entity providing an Environmental Performance Guarantee.]

2. Where there is a change of control of the Contractor, or there is a change of control in any entity providing an Environmental Performance Guarantee on behalf of a Contractor, the Contractor shall, [as soon as reasonably practicable but no later than 24 hours], notify the Secretary-General [\[and the Sponsoring State\]](#) in advance of such change of control, [but in any event within 90 Days thereafter] [and in the case of an entity providing an Environmental Performance Guarantee, no later than within 90 Days thereafter]. The Contractor shall provide the Secretary-General [\[and the Sponsoring State\]](#) with such details as he or she shall reasonably request of the change of control: [\[including whether or not the change of control affects the Contractor’s nationality or State of effective control, for the purposes of determining the Sponsoring State.\]](#)

3. After consulting the Contractor or entity providing the Environmental Performance Guarantee, as the case may be, the Secretary-General may:

(a) Determine that, following a change of control of the Contractor or the entity providing the Environmental Performance Guarantee, the Contractor will continue to be able, ~~[and in particular will have the financial capability]~~, to meet its obligations under the exploitation contract or Environmental Performance Guarantee, in which case the contract shall continue to have full force and effect;

(b) In the case of a Contractor, treat a change of control as a transfer of rights and obligations in accordance with the requirements of these regulations, in which case regulation 23 shall apply; or

(c) In the case of an entity providing an Environmental Performance Guarantee, require the Contractor to lodge a new Environmental Performance Guarantee in accordance with regulation 26, within such time frame as the Secretary-General shall stipulate.

[\[\(d\) Confirm with the Sponsoring State whether its sponsorship continues, or require a written notice under regulation 21 bis, where sponsorship has terminated.\]](#)

4. Where the Secretary-General determines that, following a change of control, a Contractor may not ~~[be able]~~ [have the financial capability] to meet its obligations under its exploitation contract, the Secretary-General shall inform the Commission accordingly. The Commission shall submit a report of its findings and recommendations to the Council.

Comments/remarks

- I have received a proposal for moving the tasks vested with the Secretary-General in para 3 to the Commission. I have refrained from inserting this proposal, as the Secretary-General, according to para 3, will conduct the initial review, given that it has no technical nature. In para 4, it is accommodated for the situation where a change of control is problematic, and the Commission's attention and consideration are needed.
- I have received a suggestion to insert regulation on the prevention of monopolization of the Area by any one entity, including parent companies. I invite discussion on such an inclusion and the appropriate placement.

**Section 2
Matters relating to production**

**Regulation 25
Documents to be submitted prior to production**

At least 12 months prior to the proposed commencement of production in a Mining Area, the Contractor shall provide to the Secretary-General a Feasibility Study prepared in accordance with Good Industry Practice, taking into account the [applicable] Guidelines [as well as the results of the test mining study pursuant to Regulation [48bis], paragraph 2 or 3, as applicable, and in accordance with Annex [IV ter]]: [and the Secretary General shall submit this matter to the Commission]. [In the light of the Feasibility Study, the Secretary General shall consider whether any Material Change needs to be made to the Plan of Work in accordance with regulation 57 (2)]. If [the Commission] [he or she determines] [considers] that any [such] Material Change needs to be made [to the Plan of Work], the Contractor shall prepare and submit to the [Commission] [Secretary-General] a revised Plan of Work accordingly].

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2. Where, as part of a revised Plan of Work, the Contractor delivers a revised Environmental Impact Statement, Environmental Management and Monitoring Plan and Closure Plan under paragraph 1 above, regulation 57 (2) shall apply mutatis mutandis to such Environmental Plans [if the modification to the Environmental Plans constitutes a Material Change], and such Environmental Plans shall be dealt with in accordance with the procedure set out in regulation 11.

3. Provided that, [where applicable], the procedure under regulation 11 has been completed, the Commission shall, at its next meeting, provided that the documentation has been circulated at least 30 Days before the meeting, examine [the Feasibility Study and] any revised Plan of Work supplied by the Contractor under paragraph 1 above, and in the light of any comments made by members of the Authority, Stakeholders and the Secretary-General on the Environmental Plans.

[3.bis. An application to renew an exploitation contract shall be accompanied by updated Environmental Plans to be reviewed in accordance with the provisions of regulation 11.]

4. If the Commission determines that the revised Plan of Work, including any amendments thereto dealt with in accordance with regulation 14, continues to meet the requirements of regulation 13, it shall recommend to the Council the approval of the revised Plan of Work. [If the Commission determines that it does not meet said requirements, the procedure established in Regulation 14 (b) will be applied.]

5. The Council shall consider the report and recommendation of the Commission relating to the approval of the revised Plan of Work in accordance with paragraph 11 of section 3 of the annex to the Agreement.

6. The Contractor may not commence production in any part of the Area covered by the Plan of Work until either:

(a) The ~~[Secretary General]~~ [Commission] has determined that no Material Change to the Plan of Work needs to be made in accordance with regulation 57 (2) ~~[and this determination has been endorsed by the Council]~~; or

(b) In the event that a Material Change is made, the Council has given its approval to the revised Plan of Work pursuant to paragraph 5 above; and the Contractor has lodged an Environmental Performance Guarantee in accordance with regulation 26.

Comments/remarks

- Several delegations have pointed to the technical nature of the Feasibility Study and have suggested that it should be reviewed by the Commission. I have updated the provision throughout to reflect that.
- I have suggested deleting para 3 bis, which deals with renewal, as it is, to my understanding, already covered in draft regulation 20.

Regulation 26

[Environmental Performance Guarantee]

[Alt. Decommissioning Bond]

1. A Contractor shall lodge [an Environmental Performance Guarantee] [a Decommissioning Bond] in favour of the Authority and no later than the commencement date of production in the Mining Area.

2. The required form and amount of the [Environmental Performance Guarantee] [Decommissioning Bond] shall be determined according to the [applicable Standards and take account of the applicable] Guidelines, and shall reflect the [likely] [forecasted] costs required for:

(a) The premature closure of Exploitation activities;

~~(a) bis. — [The repair of an in-service submarine cable or pipeline in, or adjacent to, the application area that was damaged as a result of the Contractors activities;]~~

~~—(a) ter. — [Responding to, and remediating, a significant environmental Incident;]~~

(b) The decommissioning and final closure of Exploitation activities, including the removal of any Installations and equipment; and

(c) The post-closure monitoring and management of residual Environmental Effects.

3. ~~[The Council shall decide the amount of an [Environmental Performance Guarantee] [Decommissioning Bond] in the Standard taking into account the recommendation of the Commission and Finance Committee.]~~ The amount of an [Environmental Performance Guarantee] [Decommissioning Bond] may be provided by way of instalments over a specified period ~~according to the relevant [Standard and take account of the applicable] Guidelines.~~

[3 bis. The [Environmental Performance Bond] [Decommissioning Bond] shall take the form of a letter of credit or surety bond guaranteed by a financial institution with a long-

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term credit rating of AA- or better from Fitch Ratings, Moody's or Standard & Poor and meeting the other financial criteria provided for in the Standard.]

4. The amount of the [Environmental Performance Guarantee] [Decommissioning Bond] shall be reviewed and updated [annually by the Contractor]:

- (a) Where the Closure Plan is updated in accordance with these regulations; or
- (b) As the result of:
 - (i) A performance assessment under regulation 52;
 - (ii) A modification of a Plan of Work under regulation 57; or
 - (iii) A review of activities under a Plan of Work under regulation 58;

[(iv) The Authority considers that the likely cost of the activities outlined in (2) have substantially increased:] and

(c) At the time of review by the Commission of a final Closure Plan under regulation 60.

(d) [Inflation and other market or economic conditions impact on the amount of the guarantee that must be held.]

5. A Contractor shall, as a result of any review under paragraph 4 above, recalculate the amount of the [Environmental Performance Guarantee] [Decommissioning Bond] within 60 Days of a review date [submit this calculation to the Secretary General for forwarding to the Commission for their review] and lodge a revised guarantee in favour of the Authority.

6. The Authority shall hold such guarantee in accordance with its policies and procedures, which shall provide for:

(a) The repayment or release of any [Environmental Performance Guarantee] [Decommissioning Bond], or part thereof, upon compliance by the Contractor of its obligations that are the subject of the [Environmental Performance Guarantee] [Decommissioning Bond]; or

(b) The forfeiture of any [Environmental Performance Guarantee] [Decommissioning Bond], or part thereof, where the Contractor fails to comply with such obligations.

7. The requirement for an [Environmental Performance Guarantee] [Decommissioning Bond] under this regulation shall be applied in a uniform [and non-discriminatory] manner.

8. The provision of an [Environmental Performance Guarantee] [Decommissioning Bond] by a Contractor does not limit the responsibility and liability of the Contractor under its exploitation contract in the amount of such guarantee.

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Comments/remarks

- I have received several proposals to delete the newly suggested para 2, sub-paras (a) bis and (a) ter. These sub-paras contain elements that relate to financial compensation *during* the lifetime of the exploitation contract. It is my understanding that the Environmental Performance Guarantee is to provide funds in a situation where the Contractor could not meet its decommissioning and post-closure responsibilities. Therefore, I would suggest deleting these sub-paras from this draft regulation. It could be considered moving or deleting the provisions, as it might already be covered by other regulations, such as draft regulations 36 and Annex X.

section 7.1. Furthermore, in relation to the para on submarine cables, it might be considered to delete the proposal as it seems out of scope, being an issue between the owner of the cables and the Contractor.

- I have received a proposal from a group to rename the Environmental Performance Guarantee to a “Decommissioning Bond” to clarify and highlight its purpose. I invite discussion of this proposal.
- In para 3, I have received a suggestion to delete the first sentence and the reference to the Council’s obligations. This with the rationale that it will be for the Commission to assess the sufficient of the guarantee according to the applicable standard and that it will be for the Commission to assess the level as part of an application and make its recommendation in this regard to the Council.
- I have refrained from inserting proposed additional subjective criteria in para 7, as this, to my understanding, is irrelevant in the establishment of the guarantee. Also, to my understanding, the purpose of para 7 is to underline the mandatory nature of the guarantee, and this purpose is already being served with the current wording.

[DR 27 is covered by the OEWG]

Regulation 28 Maintaining Commercial Production

1. The Contractor [shall] ~~[will make best efforts to]~~ maintain Commercial Production in accordance with the exploitation contract and the Plan of Work annexed thereto and these regulations, ~~[and market conditions]~~. A Contractor shall, consistent with Good Industry Practice, manage the recovery of the Minerals removed from the Mining Area at rates contemplated in the Feasibility Study.

2. ~~[The Contractor shall notify the Secretary-General [and the Sponsoring State or States] if it:~~

- (a) Fails to comply with the Plan of Work; or
- (b) Determines that it will not be able to adhere to the Plan of Work in future.]

3. Notwithstanding paragraph 1 above, the Contractor shall ~~[temporarily] [immediately] [reduce or]~~ suspend production whenever such reduction or suspension is required to protect the Marine Environment from ~~[Serious Harm or a threat of Serious Harm]~~ or to protect human health and safety ~~[to protect the Marine Environment from Serious Harm or a threat of Serious Harm, to protect human health and safety or to protect human remains, objects or sites of archaeological or historical nature] [upon the receipt of emergency order pursuant to regulation 4(4) or on the Contractor’s own decision that maintaining the level of production would result in Serious Harm or a threat of Serious Harm.]~~ A Contractor shall notify the Secretary-General ~~[and the Sponsoring State or States]~~ of such a reduction or suspension of production as soon as is practicable and no later than ~~[72] [24]~~ hours after production is ~~[reduced or]~~ suspended.

4. ~~[A Contractor shall notify the Secretary-General as soon as it recommences any mining activities, and no later than 72 hours after such recommencement, and, where necessary, shall provide to the Secretary-General such information as is necessary to~~

demonstrate that the issue triggering a reduction or suspension has been addressed. The Secretary-General shall notify the Council that production has recommenced.]

Comments/remarks

- I have suggested deleting the newly proposed sentence that relates to the emergency order, as this element seems to not fit in this provision. I suggest moving it to Part XI, Section 3 on Enforcement and Penalties.

Regulation 29

Reduction or suspension in production due to market conditions

Alt. Extended suspension in production due to market conditions

1. Notwithstanding regulation 28, a Contractor may temporarily reduce or suspend production due to market conditions [or other factors] but shall notify the Secretary-General thereof [as soon as practicable thereafter] [no later than one month from the date of the reduction or suspension]. Such reduction or suspension may be for a period of up to 12 months.

2. If the Contractor proposes to continue the reduction or suspension for more than 12 months, the Contractor shall notify the Secretary-General in writing, at least 30 Days prior to the end of the 12-month period, giving its reasons for seeking a further reduction or suspension of that length of time. [If business practices are suspended due to global economic conditions or force majeure, the contractor shall be allowed to maintain a longer suspension.] The Commission shall, upon determining that the reasons for the reduction or suspension are reasonable, including where the prevailing economic conditions make Commercial Production impracticable, [of for other circumstances beyond the Contractor's control] recommend approval of the suspension to the Council. The Council shall, based on the recommendation of the Commission, [consider] [decide on] the reduction or suspension requested by the Contractor. The Contractor may apply for more than one suspension. [During the period when the Contractor reduces or suspends production, the annual fixed fee or royalties paid by the Contractor shall be exempted or deducted appropriately].

3. In the event of any suspension in mining activities, the Contractor shall continue to monitor and manage the Mining Area in accordance with the Closure Plan. [Where suspension continues for a period of more than 12 months, the Commission may require the Contractor to submit a final Closure Plan in accordance with regulation 60.] Where the Contractor elects to suspend all production for [more than] five [consecutive] years, the Council may terminate the exploitation contract [following consultation with the Contractor] and the Contractor shall be required to implement the final Closure Plan.

4. A Contractor shall notify the Secretary-General as soon as it recommences any mining activities, and no later than 72 hours after such recommencement, and, where necessary, shall provide to the Secretary-General such [non-market] information as is necessary to demonstrate that the issue triggering a reduction or suspension has been addressed. The Secretary-General shall notify the Council that production has recommenced.

[Regulation 29 Alt.

Reduction or suspension in production due to market conditions

1. In pursuance of regulation 2(2)(a) relating to the efficient conduct of activities, and the avoidance of unnecessary waste, and to ensure that the resources are being mined optimally in accordance with the Mining Work Plan, a Contractor shall, in accordance with Best Industry Practices:

(a) Avoid inefficient mining practices;

(b) Minimize the generation of waste in the conduct of exploitation in the Area

2. A Contractor shall include in its annual report under Regulation 40 such information and Reports as the Secretary General requests, in accordance with the Standards and Guidelines, to demonstrate that the Contractor is meeting the obligations in paragraph 1 above.

3. If the Secretary General becomes aware that Contractor is not meeting the obligations in paragraph 1 above, by way of written notice to the Contractor, request a review of mining and processing activities carried out under the Plan of Work. The Contractor shall implement any modifications to bring the Mining Workplan and any mining and processing practice into conformity with Best Industry Practices.

4. Members of the Authority shall, to the best of their abilities, assist the Secretary General through the provision of Data and information in connection with this regulation where processing, treatment and refining of ore from seabed mining occur under their jurisdiction and/or control.]

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Comments/remarks

- I have refrained from referring to market conditions in the title, as this, to my understanding, would limit the scope of this regulation. There might be other force majeure factors that could lead to the reduction or suspension of production in addition to market conditions.
- Several delegations have proposed deleting the alternative draft regulation 29 Alt, with concern about its enforceability and following stakeholder submissions. I invite conceptual discussions on this and also ask for consideration of whether some of the elements, such as paras 1(a) and (b), could be addressed in relevant Guidelines.

Section 3

**Safety of life [and property] at sea
[Alt. Safety, labour and health at sea]**

Regulation 30

Safety, labour and health standards

1. The Contractor shall ensure at all times that:

(a) All vessels and Installations operating and engaged in Exploitation activities are in good repair, in a safe and sound condition [in accordance with the requirements, specifications and preventive or corrective maintenance plans of the respective

~~manufacturers,]~~ and adequately manned, ~~[display navigation lights and shapes as per Collision Regulations]~~ and comply with paragraphs 2 and 3 below; and

(b) All vessels and Installations employed in Exploitation activities have an appropriate class designation and shall remain in class for the duration of the exploitation contract.

2. The Contractor shall ensure ~~[via periodic assessment by an independent entity as may be required]~~ compliance with the applicable international rules and standards established by competent international organizations or general diplomatic conferences concerning the safety of life at sea, the pollution of the Marine Environment by vessels, the prevention of collisions at sea, [the training of seafarers,] [maritime labour conditions, as adopted by the Maritime Labour Convention] and the treatment of crew members, as well as [any] rules, regulations and procedures ~~[and Standards adopted from time to time by the Council relating to]~~ [of the Authority on] these matters.

3. In addition, Contractors shall:

(a) Comply with the relevant national laws relating to vessel standards and crew safety of their flag State in the case of vessels, or their Sponsoring State or States in the case of Installations; and

(b) Comply with the national laws of its Sponsoring State or States in relation to any matters that fall outside of the jurisdiction of the flag State, such as worker rights for non-crew members and human health and safety that pertains to the mining process rather than to ship operation.

4. The Contractor shall provide copies of valid certificates required under relevant international shipping conventions to the Authority upon request.

5. The Contractor shall ensure that:

(a) All of its personnel, before assuming their duties, have the necessary experience, training and qualifications and are able to conduct their duties safely, competently and in compliance with the Rules of the Authority and the terms of the exploitation contract;

(b) An occupational health, safety and environmental awareness plan is put in place to inform all personnel engaged in Exploitation activities as to the occupational and environmental risks which may result from their work and the manner in which such risks are to be dealt with; and

(c) Records of the experience, training and qualifications of all of its personnel are kept and made available to the Secretary-General upon request.

6. When conducting its operations, a Contractor shall [develop], implement and maintain a safety management system, taking account of the relevant Guidelines.

Comments/remarks

- I have deleted the reference to the display of correct navigation lights and shapes, as this is the responsibility of the captain. Furthermore, I have attempted to clarify the regulation in terms of both the responsibility of the Contractor and the references to Standards.

Section 4 Other users of the Marine Environment

Regulation 31 Reasonable regard for other activities [and infrastructure] in the Marine Environment

[1. Contractors shall, [consistent with the] relevant Guidelines, carry out exploitation under an exploitation contract with reasonable regard for other activities [and structure] in the Marine Environment, ~~[including but not limited to submarine cables and pipelines in the Contract Area, fishing activities and other activities]~~, in accordance with article[s] [87 and] 147 of the Convention and the approved Environmental Management and Monitoring Plan, [Regional Environmental Management Plan] and Closure Plan, ~~[and any applicable international rules and standards established by competent international organizations]~~

Alt. 1. [Contractors shall, consistent with the [Standards and taking into account the] relevant Guidelines, carry out Exploitation under an exploitation contract with reasonable regard for other activities in the Marine Environment in accordance with article 147 of the Convention and the [and structures] approved Environmental Management and Monitoring] Plan [of Work, the applicable Regional Environmental Management] [and Closure] Plan and any applicable international rules and standards established by competent international organizations, and relevant national laws and regulations of Sponsoring States and flag States.]

[1.bis. Each Contractor shall exercise due diligence to ensure that it does not [cause damage to submarine cables or pipelines] [interfere with other uses of the sea] in the Contract Area. In particular, the Contractor shall:

(a) comply with the measures it agreed with the operators [undertaking other uses of the sea] [of the submarine cables and pipelines] to reduce the risk of damage to any in-service cables and pipelines ~~[(such as an easement, or a mining exclusion zone within a reasonable radius)]~~; and

(b) ensure that any actions it takes will not interfere with the route of a planned submarine cable or pipeline.

[1.bis.alt. Each Contractor shall exercise due diligence to ensure that it does not interfere with other uses of the sea in the Contract Area. In particular, the Contractor shall:

(a) identify current and planned uses of the sea transiting or proximate to the Contract Area through publicly available data and resources and any other reasonable means [(b-1) coordinate directly with the operators undertaking other uses of the sea in order to reduce the risk of interference with those uses as a result of the Contractor's activities].

(b) coordinate directly with the operators undertaking other uses of the sea in order to reduce the risk of interference with those uses as a result of the Contractor's activities.

(c) comply with the measures it agreed with the operators undertaking other uses of the sea to reduce the risk of damage to any in-service cables and pipelines; and

(d) ensure that any actions it takes will not interfere with the route of a planned submarine cable or pipeline].

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~~[1 alt ter. [Contractors shall carry out Exploitation under an exploitation contract with reasonable regard for climate mitigation carried out by ecosystem in the area, such as carbon burial and sequestration and nutrients recycling.]~~

~~2. — [The Authority, in conjunction with member States, shall take measures to ensure that other activities in the Marine Environment shall be conducted with reasonable regard for the activities of Contractors in the Area.]~~

2. Alt. [To further the due and reasonable regard obligations in Articles 87 and 147 of the Convention, the Authority, in conjunction with member States, shall facilitate early-stage coordination between the Contractors and the proponents of the other activities in the marine environment].

Comments/remarks

- Several alternatives were provided in relation to para 1. I have attempted to reflect the alternatives that received the most support and adjust for the comments that were received on these alternatives.
- In the original para 1, I have attempted to streamline the provision in accordance with the proposals received during the March 2023 meeting. I have suggested deleting the reference to submarine cables, pipelines, and other examples. Firstly, for example, cables and pipelines cannot be considered as “other activities”. Secondly, to make the applicability more general.
- For para 1 alt bis, several delegations and observers have noted that this para is intended to be in addition to para 1 and/or para 1alt. I agree with this and suggest that para 2 alt bis be merged with para 1 or para 1alt once it is decided which para the delegations prefer. Further suggestions have been received in relation to additional due diligence requirements, and those have been inserted.
- Furthermore, on para 1 alt bis(a), the proponent of the suggested language on easement or a mining exclusion zone has, after consideration and further consultation with other delegations, withdrawn its previous proposal. It has been deleted from the text.
- The proposal in 1 alt ter has received support from several delegations and observers. However, it was suggested that it would be better placed elsewhere. I have deleted the reference here and suggest that it be placed within the text of the IWG ENV. Proposals received in respect of this provision have been forwarded to the facilitator of the IWG ENV and have thus been taken into consideration regardless of the removal.
- I noted that para 2 Alt received support from many delegations. I have therefore suggested the continuation of negotiations based on this provision and as a new para 2.

Section 5 Incidents and notifiable events

Regulation 32 Risk of Incidents

1. A Contractor shall reduce the risk of Incidents as much as reasonably practicable, to the point where the cost of further risk reduction would be grossly disproportionate to the benefits of such reduction, [in accordance with any relevant Standards and] taking into account the ~~[relevant]~~[applicable] Guidelines.
2. The reasonable practicability of risk reduction measures shall be kept under review in the light of new knowledge and technology developments and Good Industry Practice, Best Available Techniques and Best Environmental Practices. In assessing whether the time, cost and effort would be grossly disproportionate to the benefits of further reducing the risk, consideration shall be given to best practice risk levels compatible with the operations being conducted.
3. A Contractor shall maintain the necessary risk assessment and risk management systems in accordance with Good Industry Practice, Best Available Techniques and Best Environmental Practices and shall report annually to the Secretary-General on such systems in accordance with regulation 38(2)(h).

Regulation 33 Preventing and responding to Incidents

1. The Contractor shall not proceed ~~[or continue]~~ with Exploitation if it is reasonably foreseeable ~~[or likely]~~ that proceeding or continuing would cause or contribute to an Incident, or prevent the effective management of such Incident.
2. The Contractor shall, upon becoming aware of an Incident:
 - (a) Notify its Sponsoring State or States and the Secretary-General immediately, but no later than 24 hours from the ~~[Incident-occurring]~~ [moment the Contractor becomes aware of the Incident;

[(a).Alt. Notify its Sponsoring State or States, ~~[relevant-adjacent Coastal States]~~ [States adjacent to the contract area likely to be affected] and the Secretary-General immediately, as soon as reasonably practicable but no later than 24 hours from the time the incident occurred;]
 - (b) Immediately implement, where applicable, the Emergency Response and Contingency Plan approved by the Authority for responding to the Incident;
 - (c) Undertake promptly, and within such time frame as stipulated, any instructions received from the Secretary-General in consultation with the Sponsoring State or States, flag State, coastal State or relevant international organizations, as the case may be;
 - (d) Take any other measures necessary in the circumstances to limit the adverse effects of the Incident; and
 - (e) Record the Incident in the Incidents Register, which is a register to be maintained by the Contractor on board a mining vessel or Installation to record any Incidents or notifiable events under regulation 34.

[(f) Following resolution of an Incident, provide the Authority with an Incident report which details the Incident and any corresponding data on its nature, scale, and impacts, the Contractor's response, and lessons learned.]

3. The Secretary-General shall [promptly] report any Contractor that fails to comply with this regulation to its Sponsoring State or States, [States adjacent to the contract area] and the flag State of any vessel involved in the Incident for consideration of the institution of legal proceedings under national law.

4. The Secretary-General shall report such Incidents and measures taken to the Commission and the Council at their next available meeting.

[Alt.4. The Secretary-General shall

(a) before issuing instructions under this regulation, request instruction from the [Compliance Committee/Council], and consult with the Sponsoring State or State, and other relevant State or international organisations, insofar as it is feasible to do so taking account of the urgency in the situation;

(b) follow any relevant Standards and Guidelines on the issue of instructions under this regulations;

(c) report such Incidents and measures taken to the Commission and the Council at their next available meeting.]

[5. The Secretary-General shall publish copies of Incident reports at the Authority's website.]

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Comments/remarks

- In respect of sub-para 2 (a), several alternatives were provided. I have attempted to limit it to the originally proposed wording and an alternative that received more support, this is based on the proposals received from delegations and participants during the March 2023 session.
- I have used the wording "States adjacent to the contract area likely to be affected" as this, to my understanding, would be the most specific and in line with the language of the Convention.

Regulation 34

Notifiable events

1. A Contractor shall immediately notify its Sponsoring State or States, [States adjacent to the contract area] [, other relevant stakeholders] and the Secretary-General of the [happening] [occurrence] of any of the [Notifiable] Events listed in appendix I to these regulations.

2. The Contractor shall, as soon as reasonably practicable, but no later than 24 hours after the Contractor becomes aware of any such [Notifiable] Event,

(a) provide written notification to the Secretary-General of the event, including a description of the event, the immediate response action taken (including, if appropriate, a statement regarding the implementation of an Emergency Response and Contingency Plan) and any planned action to be taken, [and]

(b) [Record the Notifiable Eevents in the Incidents Register,] [which is a register to be maintained by the Contractor on board a mining vessel or Installation to record any Incidents or notifiable events under this regulation.]

3. [Upon receipt of notification under paragraph (2)], tThe Secretary-General shall consult with the Sponsoring State or States, [States adjacent to the contract area] and other regulatory authorities as necessary, [and shall seek the instructions of the Compliance Committee/Council]. .

4. The Contractor shall ensure that all regulatory authorities are notified and consulted, as appropriate.

5. Where a complaint is made to a Contractor concerning a matter covered by these regulations, the Contractor shall record the complaint and shall report it to the Secretary-General within seven Days of the complaint being received.

Comments/remarks

- The definition in para 2(b) has been placed in the Schedule, terms and scope. Furthermore, I have attempted to clarify the difference between the Incidents in DR 33 and the Notifiable Events in 34 to avoid any overlaps.

Regulation 35

Human remains and objects and sites of an archaeological or historical nature

The Contractor shall ~~[immediately]~~ notify the Secretary-General in writing within 24 hours of any finding in the Contract Area of any human remains of an archaeological or historical ~~[and paleontological]~~ nature, or any object or site of a similar nature, and its location, including the preservation and protection measures taken. The Secretary-General shall transmit such information, ~~[within 7 Days of receiving it]~~ to the Sponsoring State ~~[or State]~~, to the State from which the remains, ~~[object or site]~~ originated, if known, to the Director General of the United Nations Educational, Scientific and Cultural Organization and to any other competent international organization. ~~[Following the finding of any such] [Such] human remains, object or site in the Contract Area [should be disposed of for the benefit of mankind as a whole or preserved, so that] [-and in order to avoid disturbing such human remains, object or site,] no further Exploration or Exploitation shall take place, within a reasonable radius, [to be determined by the Authority [in consultation with the Contractor] [until such time as the Council decides otherwise], after taking into account the views of the State from which the remains [or objects] originated. [-the Director General of the United Nations Educational, Scientific and Cultural Organization or any other competent international organization. [If the Council decides that exploration or exploitation cannot continue, the Contractor shall be compensated, including but not limited to the vicarious areas of equivalent size or value elsewhere or appropriate waiver of fees.]~~

Section 6

Insurance obligations

Regulation 36

Insurance

1. A Contractor shall obtain and thereafter at all times maintain, and cause its subcontractors to obtain and maintain, in full force and effect, insurance with financially sound insurers satisfactory to the Authority, of such types, on such terms and in such amounts in accordance with ~~[the relevant Standards and Guidelines] [applicable international maritime practice, consistent with Good Industry Practice and as specified in the relevant Guidelines].~~

~~[2.— Contractors shall include the Authority as an additional assured. A Contractor shall use its best endeavours to ensure that all insurances required under this regulation shall be endorsed to provide that the underwriters waive any rights of recourse, including subrogation rights against the Authority in relation to Exploitation.]~~

3. The obligation under an exploitation contract to maintain insurance as specified in the ~~[relevant Standards and]~~ Guidelines is a fundamental term of the contract. Should

a Contractor fail to maintain the insurance required under these regulations, the Secretary-General shall issue a compliance order under regulation 103. The Secretary-General shall notify the Council at its next available meeting of such failure, and the corrective measures taken by the Contractor.

4. A Contractor shall not make any ~~Material~~ ~~c~~Change to or terminate any insurance policy ~~[related to its Exploitation activities in the Area]~~ without the prior consent of the Secretary-General.

5. A Contractor shall notify the Secretary-General immediately if the insurer terminates the policy or modifies the terms of insurance.

6. A Contractor shall notify the Secretary-General immediately upon receipt of claims made under its insurance.

7. A Contractor shall provide the Secretary-General at least annually with evidence of the existence of such insurance in accordance with regulation 38 (2) (i).

Comments/remarks

- In respect of the types, terms, and amounts of the insurance required to fulfil the above-stated obligations, they will be handled in the standards and or guidelines for insurance. In that regard, I can refer to ISBA/26/C/12/Add.2, para 29.
- Several delegations have proposed the deletion of para 2, as this seems to be out of scope for this insurance provision. I invite discussion on this.

Section 7 Training commitment

Regulation 37 Training Plan

1. The Contractor shall conduct and carry out the training of personnel of the Authority and developing States on an ongoing basis in accordance with the approved Training Plan commitment under schedule 8 to the exploitation contract, these regulations and any training Guidelines.

2. The Contractor, the Authority and the Sponsoring State or States may, from time to time, as necessary, revise and develop the Training Plan by mutual agreement, taking into account the shortage of any skills and requirements of the industry in the undertaking of activities in the Area and the training Guidelines.

3. Any mutually agreed modification of or amendment to the Training Plan shall become part of schedule 8 to the exploitation contract.

4. [In the case of specific training on Mitigation and the prevention of pollution from the Area, participation of representative of the adjacent coastal State should be ensured.]

~~4. Alt 1 [The Training Plan presented by the Contractor must contain proposals of at-sea training as well as capacity building in other areas of relevance such as: Environmental Management, International Law (with a focus on the Convention and the Mining Code, Modeling, Statistics and Marine Spatial Planning.)4.~~

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~~4. Alt 2 [The Training Plan presented by the Contractor must contain proposals of at-sea training as well as capacity building in other areas of relevance such as: Environmental Management, International Law (with a focus on the Convention and the Mining Code, Modeling, Statistics and Marine Spatial Planning.)~~

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Comments/remarks

- I have suggested deleting para 4. Alt.1 and para 4. Alt.2. As for Alt.1, I believe that it is more in line with the Convention, as the Convention does not contain any provisions or indirect obligations to train representatives of Coastal States. Furthermore, in relation to Alt.2, I suggest that it be further regulated in the relevant Standards and/or Guidelines.

Section 8 Annual reports and record maintenance

[DR 38 and 39 are covered by the OEWG]

Section 9 Miscellaneous

Regulation 40 Prevention of corruption

1. A Contractor shall not make any gift or reward to any officials, agents or employees or Contractors or subcontractors of the Authority or other individuals operating under the auspices of the Authority to induce or reward such persons for any acts undertaken in accordance with their duties under these regulations.

2. The Contractor acknowledges and agrees that it is subject to the anti-bribery and anti-corruption provisions of the jurisdictions in which the Contractor is a national or by whose nationals it is effectively controlled ~~[or of the jurisdiction in which the Contractor is organized or conducts business.]~~ and shall conduct its activities under the exploitation contract in accordance with its obligations under such anti-bribery and anti-corruption laws, ~~[including in accordance with the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises].~~

Regulation 41 Other Resource categories

1. The Contractor shall notify the Secretary-General ~~[within 30 Days]~~ if it finds, ~~[within its Contract Area]~~. Resources ~~[in the Area]~~ other than the Resource category to which the exploitation contract relates ~~[within 30 Days of its find]~~. [The Secretary-General shall inform the Council about such notification during the next regular session of the Council.]

2. ~~[If the contractor presents an interest in]~~ [F] [t]he exploration for and exploitation of such finds must be the subject of a separate application to the Authority, in accordance with the relevant Rules of the Authority.

~~[2.Alt. The exploration for and exploitation of resources referred to in paragraph 1 of this Regulation shall be the subject of a separate application to the Authority.]~~

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Comments/remarks

- Para 1 and a proposed 1 Alt. were very similar, and I have attempted to draft a consensus-based para 1.
- The reference to the need for the Secretary-General to notify the Council gained strong support from delegations during the March 2023 Session, and I have thus inserted this requirement.

Regulation 42

Restrictions on advertisements, prospectuses and other notices

No statement shall be made in any prospectus, notice, circular, advertisement, press release or similar document issued by the Contractor, or [to the knowledge] [with the express or implied permission] of the Contractor, or in any other manner or through any other medium, claiming or suggesting, whether expressly or by implication, that the Authority has or has formed or expressed an opinion over the commercial viability of Exploitation in the Contract Area.

Regulation 43

Compliance with other laws and regulations

1. Nothing in an exploitation contract shall relieve a Contractor from its lawful obligations under any national law to which it is subject, including the laws of a Sponsoring State and flag State. [Contractors shall comply with all laws and regulations, whether domestic, international, or other, that apply to its conduct of activities in the Area.]

2. Contractors shall maintain the currency of all permits, licences, approvals, certificates and clearances not issued by the Authority and that may be required to lawfully conduct Exploitation activities in the Area.

3. Contractors shall notify the Secretary-General promptly when a permit, licence, approval, certificate or clearance connected with its activities in the Area is withdrawn, [terminated] or suspended.

[Parts IV and VI are covered by the IWG on Environmental Matters]

[Parts V and VIII covered by the IWG on Institutional Matters]

[Part VII and DR 89 are covered by the OEWG]

[DR 90-92 are covered by the IWG on Institutional Matter]

Part X General procedures, Standards and Guidelines

Regulation 93 Notice and general procedures

1. [Replaced to the Schedule]

~~[1. — For the purpose of this regulation:~~

~~—(a) “Communication” means any application, request, notice, report, consent, approval, waiver, direction or instruction required or made under these regulations; and~~

~~—(b) “Designated representative” means the person so named on behalf of a Contractor on the Seabed Mining Register.]~~

2. Any communication shall be made by the Secretary-General or by the designated representative of the applicant or Contractor, as the case may be, in writing.

3. Service of any communication must be made:

(a) By hand, fax, registered mail or email containing an authorized electronic signature; and

(b) To the Secretary-General at the headquarters of the Authority or to the designated representative at the address stated on the Seabed Mining Register, as the case may be.

4. The requirement to provide any information in writing under these regulations is satisfied by the provision of the information in an electronic document containing a digital signature.

5. Delivery by hand is deemed to be effective when [made] [accompanied with an acknowledgement copy]. Delivery by fax is deemed to be effective when the “transmit confirmation report” confirming the transmission to the recipient’s published fax number is received by the transmitter. Delivery by registered [air] mail is deemed to be effective 21 Days after posting. Delivery by email is deemed to be effective when the email enters an information system designated or used by the addressee for the purpose of receiving documents of the type sent and is capable of being retrieved and processed by the addressee.

6. Notice to the designated representative of the applicant or Contractor constitutes effective notice to the applicant or Contractor for all purposes under these regulations, and the designated representative is the agent of the applicant or Contractor for the service of process or notification in any proceeding of any court or tribunal having jurisdiction.

7. Notice to the Secretary-General constitutes effective notice to the Authority for all purposes under these regulations, and the Secretary-General is the Authority’s agent for the service of process or notification in any proceeding of any court or tribunal having jurisdiction.

Comments/remarks

- The definitions in para 1 have been moved to the Schedule, as they, to my understanding, will have an impact on more than just the present regulation.

Regulation 94
Adoption of Standards

1. The Commission shall, taking into account the views of [recognized experts,] [recognized experts identified in accordance with annex X], Stakeholders and relevant existing internationally accepted standards, make recommendations to the Council on the adoption and revision of Standards relating to Exploitation activities in the Area, including standards relating to [inter alia]:

(a) Operational safety;

~~[(a).Alt. The effective protection of human health and safety, and labour matters;]~~

(b) The conservation [and Exploitation] of the Resources; and

(c) The protection of the Marine Environment, including standards or requirements relating to the Environmental Effects of Exploitation activities, as referred to in regulation 45.

~~[1bis. [The Council shall ensure that requirements and legally binding obligations associated with relevant and/or applicable international treaties and agreements are adopted/integrated into the ISA's Standards and Guidelines.]~~

~~[1ter. Standards shall describe how the Authority and Contractors shall implement these regulations, and shall aim for:~~

~~(a) a uniform and non-discriminatory operating environment for all Contractors;~~

~~(b) a consistent approach by all parties to reduce environmental impacts and human health and safety risks to as low as reasonably practicable;~~

~~(c) an outcomes-based approach to regulation, which prescribes rigorous environmental outcomes while affording flexibility for the processes by which these outcomes are achieved to enable continuous improvement, particularly as technology advances.]~~

2. The Council shall consider and approve, upon the recommendation of the Commission [and taking into account statements submitted by Stakeholders during a public consultation,] the Standards, provided that such Standards are consistent with the intent and purpose of the Rules of the Authority [and] [including] [the decisions of the Council and the Assembly [and, to the extent relevant, developed on the basis of Best Available Scientific Evidence, Best Environmental Practices, Best Available Techniques, and Good Industry Practice]. If the Council does not approve such Standards, the Council shall return the Standards to the Commission for reconsideration in the light of the views expressed by the Council. [The Standards approved by the Council shall remain effective on a provisional basis until approved by the Assembly or until amended by the Council in the light of any views expressed by the assembly].

3. [The Standards contemplated in paragraph 1 above [may] [must] include both qualitative and quantitative standards, [if applicable], and must include all the methods, processes and technology required to implement the Standards.]

~~[3-bis. Standards shall be methodological, procedural, technical and environmental rules that are necessary to implement the regulations and to ensure a coherent approach to monitoring and assessment, as referred to in Regulation 45. Standards are legally binding on Contractors and the Authority, and shall be revised every 5 years in the light of new knowledge, e.g., resulting from environmental impact assessments and monitoring.]~~

4. ~~[Standards adopted by the Council [and approved by the Assembly] shall be legally binding on Contractors, [Sponsoring States] and the Authority and [] [shall] be~~

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~~[reviewed and eventually amended] at least every five years from the date of their adoption or revision, and in the light of improved knowledge or technology [and on the request of the Council] [or in view of unforeseeable events or environmental considerations].~~

~~[4.alt. Standards [or amendments thereto] adopted by the Council shall be legally binding on Contractors, [member States] and the Authority [from the date of their adoption] and the Commission shall review these Standards at least every five years from the date of their adoption or revision and advise the Council, in the light of improved knowledge or technology, as to whether any revision is required]~~

~~[4.bis. Standards adopted or revised may incorporate an appropriate transition period for implementation by existing Contractors.]~~

~~[4.ter. For the avoidance of doubt, compliance with Standards is a fundamental term of the contract, for the purposes of regulation 103.]~~

~~[5. In the event of any conflict between the provisions of these regulations and the provisions of a Standard, the regulations shall prevail. The Authority should be notified of the conflict, and shall provide additional guidance as necessary.]~~

~~[5.bis. To the extent of any inconsistency between a Standard and amendments thereto, and an already approved Plan of Work, a Contractor following a reasonable transition period, shall use its best efforts to comply with any additional changes to its Plan of Work as a result of the amendment.]~~

Comments/remarks

- During the meeting in March 2023, I got the impression that many delegations and observers preferred the original wording of draft regulation 94. I have thus deleted draft regulations 94 alt and 94 alt 1 and attempted to incorporate the diverging elements in the original regulation, to the extent possible, in an attempt to reach a consensus.
- Several delegations have suggested deleting para 1bis as it suggested not to reference other treaties, as parties to the Convention might not necessarily be parties to other treaties that otherwise would apply.
- I suggest deleting 3. bis as this proposal entails the same elements as the original para 3 and elements of para 4, with the difference that it refers to draft regulation 45. However, I would suggest not referring to draft regulation 45 as this regulation solely concerns environmental standards. The current provision is, to my understanding, attempting to cover the general regulation of standards.
- I have deleted the original para 4 as I understood from delegations and observers that there was support for continuing negotiations based on para 4 alt. I did not hear any opposition to this approach.

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Regulation 95 Issue of Guidelines

~~{1. [The Commission [or] [and where there is no conflict of interest] [and] the Secretary General, [respectively] [shall] [may], [as the case may require] from time to time, [issue] [prepare] Guidelines of a technical or administrative nature, taking into account the views of [the Council and] relevant Stakeholders. Guidelines will support the implementation of these regulations from an administrative and technical perspective.}~~

[1. **alt.** The Commission [or other subsidiary organs of the Authority where so requested by the Council], shall, from time to time, develop Guidelines of a technical nature, [for the guidance of Contractors] in order to assist in the implementation of these Regulations, taking into account the views of relevant Stakeholders.

1. **alt bis.** The Secretary-General shall, from time to time, develop Guidelines of an administrative nature, [in order to assist in the implementation of these Regulations], taking into account [instructions from the Council and] the views of the Commission as well as other relevant Stakeholders.]

~~{1. **alt ter.** Guidelines will support the implementation of the Regulations from an administrative and technical perspective. Guidelines will also clarify documentation requirements for an application, detail process requirements (e.g. for the public consultation process, annual reporting and periodic review), and provide guidance on the interpretation of regulatory provisions. [The guidelines are only of a recommendatory nature and does not affect the Contractor's performance of the exploitation contract by means other than the guidelines]}~~

2. The full text of such Guidelines shall be [reported] [recommended] to the Council [for adoption]. ~~[In case of Guidelines which are not of a predominantly administrative nature,] [T]he Council shall take into account statements submitted by Stakeholders during public consultation]. Should the Council find that a Guideline is inconsistent with the intent and purpose of the Rules of the Authority, it may [direct] [request] that the Guideline be modified [or withdrawn]. ~~[Where no such [direction] [request] is made the Council shall approve the Guidelines].~~~~

~~{2 bis. Where the Council approves the Guidelines, the Commission or the Secretary-General, as appropriate, shall issue the Guidelines.}~~

3. The Commission [or other subsidiary organ], [in the case of technical Guidelines] and the Secretary-General, [in the case of administrative Guidelines] shall keep under review such Guidelines [which shall be reconsidered, and revised [subject to Council approval] as needed, at least every five years from the date of their adoption or revision, and] in the light of improved knowledge or information.

~~{3. alt. The Commission and the Secretary General shall review the Guidelines in the light of improved knowledge or information and submit their recommendations to the Council for further consideration and, possibly, adoption.}~~

[4. Guidelines are only of a recommendatory nature.] ~~[and do not affect the Contractor's performance of the Exploitation contract by means other than the Guidelines.}~~

Comments/remarks

- In general, several proposals were received in relation to the structure of these provisions. I have attempted to draft a proposal that is a middle ground, and that can (hopefully) achieve consensus from most delegations.
- Several delegations and observers were in favour of para 1.alt. I have thus suggested deleting the original para 1 and continuing the negotiations based on para 1.alt.
- I have attempted to clarify para 2, as to my understanding only the standards are to be formally approved by Council.

[Part XI is covered by the IWG on ICE]

[Part XII and XIII are covered by the IWG on Institutional Matters]

Annex I

Application for approval of a Plan of Work to obtain an exploitation contract

Section I Information concerning the applicant

1. Name of applicant.
2. Street address of applicant.
3. Postal address (if different from above).
4. Telephone number.
5. Fax number.
6. Email address.
7. Name of applicant's designated representative.
8. Street address of applicant's designated representative (if different from above).
9. Postal address (if different from above).
10. Telephone number.
11. Fax number.
12. Email address.
13. If the applicant is a juridical person:
 - (a) Identify applicant's place of registration;
 - (b) Identify applicant's principal place of business/domicile; and
 - (c) Attach a copy of applicant's certificate of registration.

[d) Identify the identities and locations of the applicant's:

(i) management including any members of its board of directors;

(ii) ownership, including any persons or entities holding 5 percent or more of the applicant's equity, if different from the place of registration/domicile, for example in the case the the applicant is a subsidiary of a parent company located in a different jurisdiction and

(iii) an organisational chart of the group structure.]

14. Identify the Sponsoring State or States.

15. In respect of each Sponsoring State, provide the date of deposit of its instrument of ratification of, or accession or succession to, the United Nations Convention on the Law of the Sea of 10 December 1982 and the date of its consent to be bound by the Agreement relating to the Implementation of Part XI of the Convention.

[15.bis. Provide information about relevant national laws and administrative measures that would apply to the applicant in its conduct of Activities in the Area, including on compensation mechanisms in respect of damage caused by pollution of the marine environment.]

[15.ter. A description of the Contractors and the Sponsoring States (or States) compliance enforcement strategies, and how these align with the Rules of the Authority.]

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16. Attach a certificate of sponsorship issued by the Sponsoring State or States.

Section II

Information relating to the area under application

17. Define the boundaries of the area under application by attaching a list of geographical coordinates (in accordance with the [World Geodetic System 84] [~~most recent applicable international standards used by the Authority~~] [and a georeferenced file and a map with the limits of the requested area]

Section III

Technical information

18. Provide detailed documentary proof of the applicant's technical capability, or access thereto, to conduct the Exploitation and to Mitigate Environmental Effects.

19. Provide documentary proof that the applicant has the ability to comply with relevant safety, labour and health standards [~~and is able to apply its policies in a non-discriminatory an gender-sensitive way~~].

20. Provide a description of how the applicant's technical capability will be provided through the use of in-house expertise, subcontractors and consultants on the proposed Exploitation activities. [~~Provide organograms of staffing, and staffing data provided should be disaggregated by gender~~].

20. **bis.** [Identify the in-service and planned submarine cables and pipelines in, or adjacent to, the area under application; and provide documentary proof of the measures agreed between the applicant and the operators of the cables and pipelines to reduce the risk of damage to the in-service and planned submarine cables and pipelines].

~~[20.ter. Provide evidence that the applicant has demonstrated a satisfactory record of past operational performance and compliance, both within the Area and in other States' jurisdiction].~~

Section IV

Financial information

21. Attach such information, in accordance with the [Standards and] Guidelines, [as applicable], [to enable the Council to determine] [to assist the Authority in determining] whether the applicant has [or will have] access to the financial resources to carry out the proposed Plan of Work and fulfil its financial obligations to the Authority, as follows:

(a) If the application is made by the Enterprise, attach certification by its [competent authority] [Director-General] that the Enterprise has the necessary financial resources to meet the estimated costs of the proposed Plan of Work;

(b) If the application is made by a State or a State enterprise, attach a statement by the State or the Sponsoring State certifying that the applicant has the necessary financial resources to meet the estimated costs of the proposed Plan of Work; and

(c) If the application is made by an entity, attach copies of the applicant's audited financial statements, including balance sheets and income statements and cash flow statements for the most recent three years, in conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants, noting that:

(i) If the applicant is a newly organized entity and a certified balance sheet is not available, attach a pro forma balance sheet certified by an appropriate official of the applicant;

(ii) If the applicant is a subsidiary of another entity, attach copies of such financial statements of that entity and a statement from that entity, in conformity with internationally accepted accounting principles and certified by a duly qualified firm of public accountants, that the applicant will have the financial resources to carry out the Plan of Work; and

(iii) If the applicant is controlled by a State or a State enterprise, attach a statement from the State or State enterprise certifying that the applicant will have the financial resources to carry out the Plan of Work.

22. If, subject to regulation 22, an applicant seeking approval of a Plan of Work intends to finance the proposed Plan of Work by borrowing, attach details of the amount of such borrowing, the repayment period and the interest rate, together with the terms and conditions of any security, charge, mortgage or pledge made or provided or intended to be made or provided or imposed by any financial institution in respect of such borrowing [\[and the predicted debt-to-equity ratio\]](#).

23. Provide details of [any] [the] Environmental Performance Guarantee proposed or to be provided by the applicant in accordance with regulation 26.

Section V Undertakings

24. Attach a written undertaking that the applicant will:

(a) Accept as enforceable and comply with the applicable obligations created by the provisions of the Convention and the rules, regulations and procedures of the Authority, the decisions of the relevant organs of the Authority and the terms of its contracts with the Authority;

(b) Accept control by the Authority of activities in the Area as authorized by the Convention; and

(c) Provide the Authority with a written assurance that its obligations under the exploitation contract will be fulfilled in good faith.

Section VI Previous contracts with the Authority

25. Where the applicant or, in the case of an application by a partnership or consortium of entities in a joint arrangement, any member of the partnership or consortium has previously been awarded any contract with the Authority, attach:

(a) The date of the previous contract or contracts;

(b) The dates, reference numbers and titles of each report submitted to the Authority in connection with the contract or contracts;

(c) The date of termination of the contract or contracts, if applicable;

(d) [The final report on the results of exploration and baseline investigations, including results of testing equipment and operations in the exploration area.]

Section VII
Attachments

26. List all the attachments and annexes to this application (all data and information should be submitted in hard copy and in a digital format specified by the Authority).

[26.Alt. \[Attach the following attachments and annexes: \[xx\]\]](#)

Annex II

Mining Workplan

A Mining Workplan, based on the results of Exploration (at least equivalent to the data and information to be provided pursuant to section 11.2 of the standard clauses for Exploration contracts), should cover the following subject matters:

(a) A comprehensive statement of the Mineral Resource delineated in the relevant Mining Area(s), including details, or estimates thereof, of all known Mineral reserves reported in accordance with the International Seabed Authority Reporting Standard for Reporting of Mineral Exploration Results Assessments, Mineral Resources and Mineral Reserves (see [ISBA/21/LTC/15](#), annex V), together with a comprehensive report of a suitably qualified and experienced person that includes details of and validation of the grade and quality of the possible, proven and probable ore reserves, as supported by a pre-feasibility study or a Feasibility Study, as the case may be;

[\[\(a\).bis. A description and schedule of any Exploration activities planned to be conducted following approval of the Exploitation Plan of Work, including a description of the equipment and methods expected to be used.\]](#)

(b) A chart of the boundaries of the proposed Mining Area(s) (on a scale and projection specified by the Authority) and a list of geographical coordinates (in accordance with the [] [most recent applicable international standards used by the Authority];

(c) A proposed programme of mining operations and sequential mining plans, including applicable time frames, schedules of the various implementation phases of the Exploitation activities and expected recovery rates;

(d) Details of the equipment, methods and technology expected to be used in carrying out the proposed Plan of Work, including the results of [\[full-scale mining machinery\]](#) tests conducted and the details of any tests to be conducted in the future, as well as any other relevant information about the characteristics of such technology, including processing and environmental safeguard and monitoring systems, together with details of any certification from a conformity assessment body;

(e) A technically and economically justified estimate of the period required for the Exploitation of the Resource category to which the application relates;

(f) A detailed production plan, showing, in respect of each Mining Area, an anticipated production schedule that includes the estimated maximum amounts of Minerals that would be produced each year under the Plan of Work;

(g) An economic evaluation and financial analysis of the project;

(h) The estimated date of commencement of Commercial Production; and

(i) Details of subcontractors [\[and suppliers of goods and services\]](#) to be used for Exploitation activities, [\[together with information about their compliance records\]](#).

(j) Details on how many vessels [are proposed to] [will] be involved in the mining operations, including how and to where the collected ores [will] [are proposed to] be transported from the mining site to shore for processing, [as well as details relating to onshore processing]

Annex III

Financing Plan

A Financing Plan should include:

- (a) Details and costing of the mining technique, technology and production rates applicable to the proposed mining activities;
- (b) Details and costing of the technological process applicable to the extraction and on-board processing of the Mineral ore;
- (c) Details and costing of the technical skills and expertise and associated labour requirements necessary to conduct the proposed mining activities;
- (d) Details and costing of regulatory requirements relevant to the proposed mining activities, including the cost of the preparation and implementation of the Environmental Management and Monitoring Plan and Closure Plan;
- (e) Details regarding other relevant costing, including capital expenditure requirements;
- (f) Details of expected revenue applicable to the proposed mining activities;
- (g) A detailed cash-flow forecast and valuation, excluding financing of the proposed mining activities, clearly indicating applicable regulatory costs; and
- (h) Details of the applicant's resources or proposed mechanisms to finance the proposed mining activities, and details regarding the impact of such financing mechanisms on the cash-flow forecast [and debt-to-equity ratio].

[i] Details of any loans or planned loans, and the institutions making the loans, with an indication whether those institutions apply the Equator Principles or the International Finance Corporation performance standards, or equivalent.]

[Annex IV is covered by the IWG on Environmental Matters]

Annex V

Emergency Response and Contingency Plan

An Emergency Response and Contingency Plan must:

(a) Be prepared in accordance with Good Industry Practice and the relevant regulations, Standards and Guidelines;

(b) Provide an effective plan of action for the applicant's efficient response to Incidents and events, including processes by which the applicant will work in close cooperation with the Authority, ~~[eastal States,]~~ other competent international organizations ~~[as well as other persons with the relevant expertise or knowhow]~~ and, where applicable, emergency response organizations; and

(c) Include:

- ~~—(i) The overall aims and objectives and arrangements for controlling the risk of Incidents;~~
- ~~—(ii) Relevant codes, standards and protocols;~~
- ~~—(iii) Organizational structure and personnel roles and responsibilities;~~
- ~~—(iv) Details of individuals authorized to initiate response mechanism(s);~~
- ~~—(v) Details of control mechanisms in place during the course of normal operations;~~
- ~~—(vi) Details of the emergency response equipment;~~
- ~~—(vii) Details of the safety management system;~~
- ~~—(viii) Details of the environmental management system;~~
- ~~—(ix) A description of the mining operations and equipment, including emergency response equipment;~~
- ~~—(x) A description of all foreseeable Incidents, an assessment of their likelihood and consequences and associated control measures;~~
- ~~—(xi) The number of persons that can be present on the mining vessel(s) at any time;~~
- ~~—(xii) A description of the arrangements to protect persons on the mining vessel(s), and to ensure their safe escape, evacuation and rescue;~~
- ~~—(xiii) Details of arrangements for the maintenance of control systems to monitor the Marine Environment in the event of an Incident;~~
- ~~—(xiv) Details of the emergency response plan;~~
- ~~—(xv) Details of the known natural Marine Environmental conditions that may influence the efficiency of response equipment or the effectiveness of a response effort;~~
- (xvi) Information and measures relating to the prevention of Incidents which could result in Serious Harm to the Marine Environment;
- (xvii) An assessment of [potential] pollution hazards and the measures to prevent or reduce such hazards, including;
- ~~—(xviii) An assessment of Mining Discharges and measures to control such discharges;~~
- ~~[(xviii-1) An assessment of environmental impacts (surface, midwater, benthic) created by the emergency];~~
- ~~—(xix) Details of the warning mechanisms intended to alert the Authority, together with the type of information to be contained in such warning;~~

~~—(xx) Details of arrangements for coordinating any emergency response;~~

~~—(xxi) Details of training programmes for personnel;~~

~~—(xxii) A description of the monitoring of performance under the plan;~~

~~—(xxiii) Details of audit and review processes;~~

~~—(xxiv) Details of the presence of other hazards/harmful substances; and~~

(xxv) An assessment of the likelihood of oil spills, leaks, etc., due to the normal operation of the mining vessel.

~~[(xxv-01) Details of the presence of other hazards/harmful substances;~~

[(xxv-1) A description of accountability and liability for environmental damage resulting from an ~~[Emergency]~~ ~~[Incident].]~~

Note: This plan is to be developed further under these regulations and in conjunction with other international organizations, flag States, coastal States and Sponsoring States and other entities that have relevant jurisdictional competence with regard to specific components of the plan.

Comments/remarks

- I have received a proposal for simplifying Annex V to keep the focus on the subject of it being the Emergency Response and Contingency Plan. For example, elements and descriptions of the environmental management system should be a part of the Environmental Management Plan. Also, Mining Discharges are discharges during normal mining activities and are thus not related to an emergency.

Annex VI

Health and Safety Plan and Maritime Security Plan¹

A Health and Safety Plan

1. The Health and Safety Plan prepared under these regulations and this annex must:

(a) Be prepared in accordance with Good Industry Practice, and ~~[relevant]~~ [applicable] standards and guidelines;

(b) Comply with applicable national laws and regulations related to safety and health, including occupational safety and health, of personnel on vessels or installations engaged in activities in the Area, as well as applicable international rules and standards of the International Labour Organization and the International Maritime Organization related to safety and health, including occupational safety and health;

(c) ~~[Be designed with the aim to]~~ eEnsure that all personnel on a vessel or installation engaged in activities in the Area are provided with safety and health protection, including occupational safety and health protection, and live, work and train in a safe and hygienic environment [with roles and responsibilities allocated to relevant named personnel appropriately];

(d) Identify hazards and risks and include a comprehensive and integrated system for the management of the hazards and risks;

(e) Ensure that the risks to the health and safety of personnel on a vessel or installation engaged in activities in the Area are reduced to a level that is as low as reasonably practicable;

(f) Address all matters of safety of life and the prevention of occupational accidents, injuries and diseases that may be identified as hazards and risks for personnel on vessels or installations engaged in activities in the Area;

(g) Include and refer to the requirements of the Emergency Response and Contingency Plan under annex V of these regulations that relate to protecting and securing the safety and health of all persons on vessels or installations during an incident or emergency;

(h) Be worded in plain language ~~[and, for submission as part of the application for approval of a plan of work, prepared in an official language of the Authority]~~.

(i) [Be gender-sensitive, and specifically address women's safety, and freedom from harassment in the workplace, and consider other issues relevant to ensuring an equitable and inclusive working environment for a diverse workforce].

2. The Health and Safety Plan must contain, as a minimum:

(a) Requirements regarding minimum age and medical fitness for all personnel working and living on a vessel or installation;

(b) Requirements for the competency and training, including mandatory safety training, for all personnel working and living on a vessel or installation;

¹ Annex VI on a Health and Safety Plan and Maritime Security Plan has been populated with the content of ISBA/26/C/17 and is here shown in a clean version.

(c) A description of the measures taken to ensure that the vessel or installation is appropriately and sufficiently manned in order to ensure that the vessel or installation is operated safely, efficiently and with due regard to security under all conditions;

(d) Information about the number and positions of all personnel working or living and working on a vessel or installation;

(e) Details of shore-based management providing assistance to the vessel or installation, including the designated person with responsibility and authority for monitoring the safety, health and security of operations and with direct access to the highest level of management;

(f) Definitions of levels of authority and effective lines of communication between and among shore staff and personnel on board vessels and installations;

(g) A description of the duties of the master and/or the person designated by the master to take responsibility for the implementation of and compliance with the occupational safety and health plan;

(h) A description of an effective fatigue management strategy determining operational workload requirements matching onboard manning levels and onshore support resources as well as work schedules indicating the maximum hours of work or minimum hours of rest for all personnel living and working on a vessel or installation;

(i) Information about the medical care available on the vessel or installation and the communication and response plans in the event that additional or onshore medical care is required;

(j) Arrangements and procedures for the safe transfer of personnel to and from or between vessels or installations;

(k) A description of [aH] foreseeable occupational hazards, an assessment of their likelihood and consequences, and associated preventative and control measures;

(l) Details regarding procedures for hazard identification and risk assessment on vessels or installations and the preventive and protective measures adopted based on the outcomes of those procedures;

(m) Details of procedures, plans and instructions for key operations concerning the safety of the personnel, vessels and installations;

(n) A description of the equipment and tools to be provided to ensure that all operations are conducted in such a manner as to minimize any adverse effects on [the] [workers²] occupational safety and health [of personnel] to the extent necessary;

(o) Identification of critical equipment and technical systems that may result in hazardous situations;

(p) A description of crew accommodations and recreational facilities enabling and promoting the personnel's health and well-being, and information on their conformity to relevant rules, regulations and standards;

(q) Details of procedures to ensure that the vessels or installations are maintained in conformity with the provisions of the relevant rules and regulations and with any additional requirements that may be established;

(r) Details of audit and review processes, and information on procedures for the implementation of corrective action, including measures intended to prevent recurrence;

(s) Information on procedures ensuring that non-conformities, accidents and hazardous situations are reported, investigated and analysed with the objective of improving safety and prevention;

(t) Details of the procedures for the communication of information between the company/owner/operator and competent authorities and organizations, including the Authority;

(u) Details of the warning mechanisms intended to alert the Authority, together with the type of information to be contained in the warning;

(v) Details regarding consultations with personnel on vessels or installations and, where appropriate, the representative workers' organizations, on the preparation and implementation of the vessel's or installation's occupational safety and health policies and programmes and the procedures to ensure the continuous improvement of the policies to take into account changes in practice and technology;

(w) The occupational safety and health policy and programme for each vessel or installation engaged in activities in the Area;

[x) Procedures for the periodic review of the plan and for its updating.]

3. An occupational safety and health policy and programme for a vessel or installation engaged in activities in the Area must contain the following to ensure a safety culture on board the vessel or installation:

(a) An occupational health, safety and environmental awareness plan to inform all personnel engaged in activities in the Area as to the occupational and environmental risks that may result from their work and the manner in which such risks are to be dealt with;

(b) A plan for the communication of the occupational health, safety and environmental awareness plan;

(c) A training plan to establish a safety culture for occupational safety and health for the vessel or installation, including mandatory personal safety training and specific task and equipment training, including the labelling of safety-related equipment;

(d) The roles and responsibilities of:

(i) Masters, officers or other personnel responsible for safety and health, including occupational safety and health on a vessel or installation;

(ii) The vessel or installation safety committee;

(iii) The worker representative on the safety committee.

(e) Requirements, policies and training on the vessel or installation to address the following:

(i) Food and water safety;

(ii) Hygiene and sanitary facilities;

(iii) Measures to prevent disease and vermin;

(iv) Safety, and structural and design features of the vessel or installation, including means of access and asbestos-related risks;

(v) Provision of personal protective equipment for personnel;

(vi) Machinery;

(vii) Ambient factors in the workplace and living accommodation on the vessel or installation, including exposure to noise, vibration, lighting, ultraviolet light, non-ionizing radiation and extreme temperatures;

(viii) Air quality, ventilation and the effects of other ambient factors, including tobacco smoke;

(ix) Structural features of the vessels or installations and means of access, and materials;

(x) Special safety measures on and below deck on vessels and installations;

(xi) Loading and unloading of equipment;

(xii) Fire prevention and fire-fighting;

(xiii) Anchors, chains and lines;

(xiv) Dangerous cargo and ballast;

(xv) Work in enclosed spaces;

(xvi) Exposure to biological hazards;

(xvii) Exposure to radiological hazards;

(xviii) Exposure to chemicals;

(xix) Ergonomic hazards;

(xx) Physical and mental effects of fatigue;

(xxi) Effects of drug and alcohol dependency;

(xxii) Communicable diseases;

(xxiii) HIV/AIDS protection and prevention;

(xxiv) Emergency and accident response;

(xxv) Harassment and bullying;

(xxvi) Safety and occupational safety and health training of younger workers and trainees on the vessel or installation;

(xxvii) Protection for lone and isolated workers;

(xxviii) Protection of women workers [and workers from vulnerable groups];

(xxix) Measures regarding the safety, and occupational safety and health, of any temporary workers.

4. The occupational safety and health policy and programme must also address:

(a) Cyberrisks;

(b) Procedures for the investigation, reporting and follow-up to any safety or occupational safety and health incidents, including occupational diseases;

(c) Protection of the privacy of personal and medical data of personnel.

B

Maritime Security Plan

1. The Maritime Security Plan prepared under these regulations and this annex must:

(a) Be prepared in accordance with Good Industry Practice and relevant standards and guidelines;

(b) Comply with applicable national laws and regulations related to maritime security, as well as applicable international rules and standards of the International Maritime Organization related to maritime security;

(c) Be developed based on a security assessment and risk analysis relating to all aspects of the vessel's or installation's operations in order to determine which of its parts are more vulnerable to maritime security incidents;

(d) Provide an effective plan to ensure the application of measures on board the vessel that are designed to protect the persons on board, the cargo, the cargo transport units, the ship's stores or the vessel from the risks of a security incident;

(e) Be protected from unauthorized access or disclosure;

(f) Be subject to inspection by officers duly appointed by the competent authority;

(g) Be worded in plain language and, for submission as part of an application for approval of a plan of work, prepared in an official language of the Authority.

[h) Be gender-sensitive, and specifically address women's security, and any other issues relevant to ensuring maritime safety measures are applied equitably and inclusively for a diverse workforce.]

2. The Maritime Security Plan must contain, as a minimum:

(a) Measures designed to prevent weapons, dangerous substances and devices that are intended for use against persons, vessels, installations or ports, and whose carriage is not authorized, from being taken on board the vessel or installation;

(b) An identification of the restricted areas, and measures for the prevention of unauthorized access to them;

(c) Measures for the prevention of unauthorized access to the vessel or installation;

(d) Procedures for responding to security threats or breaches of security, including provisions for maintaining critical operations of the vessel or installation, or vessel/port interface;

(e) Basic security measures for security level 1 (the level for which minimum appropriate protective security measures shall be maintained at all times), both operational and physical, that will always be in place;

(f) Additional security measures that will allow the vessel or installation to progress without delay to security level 2 (the level for which appropriate additional protective security measures shall be maintained for a period of time as a result of heightened risk of a security incident) and, when necessary, to security level 3 (the level for which further specific protective security measures shall be maintained for a limited period of time when a security incident is probable or imminent, although it may not be possible to identify the specific target);

(g) Procedures for evacuation in case of security threats or breaches of security;

(h) Duties of personnel on board vessels and installations who are assigned security responsibilities, and duties of other shipboard personnel relating to security aspects;

(i) Procedures for auditing the security activities;

(j) Procedures for training, drills and exercises associated with the plan;

(k) Procedures for interfacing with port facility security activities;

(l) Procedures for the periodic review of the plan and for its updating;

(m) Procedures for reporting security incidents;

(n) Identification of the vessel or installation security officer;

(o) Identification of the company security officer, including 24-hour contact details;

(p) Procedures to ensure the inspection, testing, calibration, and maintenance of any security equipment provided on board;

(q) Frequency of testing or calibration of any security equipment provided on board;

(r) Identification of the locations where the activation points of the vessel or installation security alert system are provided (when activated, a ship security alert system automatically transmits a ship-to-shore security alert to a competent authority,

(s) Procedures, instructions and guidance regarding the use of the vessel or installation security alert system, including testing, activation, deactivation and resetting, and regarding the limitation of false alerts.

3. The Maritime Security Plan must establish that:

(a) All personnel on board vessels and installations have received security-related familiarization and security-awareness training or instruction;

(b) Personnel on board vessels and installations with designated security duties have attended a training course on those duties.

[Annex VII and VIII are covered by the IWG on Environmental Matters]

Annex IX

Exploitation contract and schedules

THIS CONTRACT made the ... day of ... between the INTERNATIONAL SEABED AUTHORITY represented by its SECRETARY-GENERAL (hereinafter referred to as “the Authority”) and ... represented by ... (hereinafter referred to as “the Contractor”) WITNESSETH as follows:

A. Incorporation of clauses

The standard clauses set out in annex X to the regulations on exploitation of mineral resources in the Area shall be incorporated herein and shall have effect as if herein set out at length.

B. Contract Area

For the purposes of this Contract, the “Contract Area” means that part of the Area allocated to the Contractor for Exploitation, defined by the coordinates listed in schedule 1 hereto.

C. Grant of rights

In consideration of (a) their mutual interest in the conduct of Exploitation in the Contract Area pursuant to the United Nations Convention on the Law of the Sea of 10 December 1982 and the Agreement relating to the Implementation of Part XI of the Convention, (b) the rights and responsibility of the Authority to organize and control activities in the Area, particularly with a view to administering the resources of the Area, in accordance with the legal regime established in Part XI of the Convention and the Agreement and Part XII of the Convention, respectively, and (c) the interest and financial commitment of the Contractor in conducting activities in the Contract Area and the mutual covenants made herein, the Authority hereby grants to the Contractor the exclusive right to Explore for and Exploit [specified Resource category] in the Contract Area in accordance with the terms and conditions of this contract.

D. Entry into force and Contract term

This Contract shall enter into force on signature by both parties and, subject to the standard clauses, shall remain in force for an initial period of [x] years thereafter unless the Contract is sooner terminated, provided that this Contract may be renewed in accordance with the regulations.

E. Entire agreement

This Contract expresses the entire agreement between the parties, and no oral understanding or prior writing shall modify the terms hereof.

F. Languages

This Contract will be provided and executed in the [... and] English language[s] [and both texts are valid].

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by the respective parties, have signed this Contract at ..., this ... day of

The Schedules [to the exploitation contract]

Schedule 1

Coordinates and illustrative chart of the Contract Area and proposed Mining Area(s).

Schedule 1 bis

[Certificate of sponsorship]

Schedule 2

The Mining Workplan.

Schedule 3

The Financing Plan.

Schedule 4

The Emergency Response and Contingency Plan.

Schedule 5

The Health and Safety Plan and the Maritime Security Plan.

Schedule 6

The Environmental Management and Monitoring Plan.

Schedule 7

The Closure Plan.

Schedule 8

The Training Plan.

Schedule 9

Conditions, amendments and modifications agreed between the Commission and the Contractor, and approved by the Council, during the application approval process.

Schedule 10

Where applicable under regulation 26, the form of any Environmental Performance Guarantee, and its related terms and conditions.

Schedule 11

Details of insurance policies taken out or to be taken out under regulation 36.

Schedule 12

Agreed review dates for individual plans, together with any specific terms attaching to a review, where applicable.

Schedule 13

To the extent that any documentation is not available at the point of signing the Contract, and a time frame for submission has been agreed with the Commission, this should be reflected here, together with, where applicable, deadline dates.

Annex X

Standard clauses for exploitation contract

Section 1

Definitions

In the following clauses:

- (a) “Regulations” means the regulations on exploitation of mineral resources in the Area, adopted by the Authority; and
- (b) “Contract Area” means that part of the Area allocated to the Contractor for Exploitation, defined by the coordinates listed in schedule 1 hereto.

Section 2

Interpretation

2.1 Terms and phrases defined in the regulations have the same meaning in these standard clauses.

2.2 In accordance with the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982, its provisions and Part XI of the Convention are to be interpreted and applied together as a single instrument; this Contract and references in this Contract to the Convention are to be interpreted and applied accordingly.

Section 3

Undertakings

3.1 The Authority undertakes to fulfil in good faith its powers and functions under the Convention and the Agreement in accordance with article 157 of the Convention.

3.2 The Contractor shall implement this contract in good faith and shall in particular implement the Plan of Work in accordance with Good Industry Practice and Best Environmental Practices. For the avoidance of doubt, the Plan of Work includes:

- (a) The Mining Workplan;
- (b) The Financing Plan;
- (c) The Emergency Response and Contingency Plan;
- (d) The Training Plan;
- (e) The Environmental Management and Monitoring Plan;
- (f) The Closure Plan; and
- (g) The Health and Safety Plan and Maritime Security Plan,

that are appended as schedules to this Contract, as the same may be amended from time to time in accordance with the regulations.

3.3 The Contractor shall, in addition:

- (a) Comply with the regulations, as well as other Rules of the Authority and Standards, as amended from time to time, and the decisions of the relevant organs of the Authority;
- (b) Accept control by the Authority of activities in the Area for the purpose of securing compliance under this Contract as authorized by the Convention;

(c) Pay all fees and royalties required or amounts falling due to the Authority under the regulations, including all payments due to the Authority in accordance with Part VII of the regulations; and

(d) Carry out its obligations under this Contract with due diligence, including compliance with the rules, regulations and procedures adopted by the Authority to ensure effective protection for the Marine Environment, and exercise reasonable regard for other activities in the Marine Environment.

Section 4 **Security of tenure and exclusivity**

4.1 The Contractor is hereby granted the exclusive right under this Contract to Explore for and Exploit the resource category specified in this Contract and to conduct Exploitation activities within the Contract Area in accordance with the terms of this Contract. The Contractor shall have security of tenure and this Contract shall not be suspended, terminated or revised except in accordance with the terms set out herein.

4.2 The Authority undertakes not to grant any rights to another person to Explore for or Exploit the same resource category in the Contract Area for the duration of this Contract.

4.3 The Authority reserves the right to enter into contracts with third parties with respect to Resources other than the resource category specified in this Contract but shall ensure that no other entity operates in the Contract Area for a different category of Resources in a manner that might interfere with the Exploitation activities of the Contractor.

4.4 If the Authority receives an application for an exploitation contract in an area that overlaps with the Contract Area, the Authority shall notify the Contractor of the existence of that application within 30 Days of receiving that application.

Section 5 **Legal title to Minerals**

5.1 The Contractor will obtain title to and property over the Minerals upon recovery of the Minerals from the seabed and ocean floor and subsoil thereof; [onto the Contractor's mining vessel or installation and receipt by the Authority of the required payment for those Minerals], in compliance with this Contract.

5.2 This Contract shall not create, nor be deemed to confer, any interest or right on the Contractor in or over any other part of the Area and its Resources other than those rights expressly granted in this Contract.

Section 6 **Use of subcontractors and third parties**

6.1 No Contractor may subcontract any part of its obligations under this Contract unless the subcontract contains appropriate terms and conditions to ensure that the performance of the subcontract will reflect and uphold the same standards and requirements of this Contract between the Contractor and the Authority.

6.2 The Contractor shall ensure the adequacy of its systems and procedures for the supervision and management of its subcontractors and any work that is further subcontracted, in accordance with Good Industry Practice.

[6.2.bis. The Contractor shall apply due diligence in selecting its suppliers, and shall be responsible to ensure the adequacy of goods and services it procures, in accordance with Good Industry Practice].

6.3 Nothing in this section shall relieve the Contractor of any obligation or liability under this Contract, and the Contractor shall remain responsible and liable to the Authority for the performance of its obligations under this Contract in the event that it subcontracts any aspect of the performance of those obligations.

Section 7 Responsibility and liability

7.1 [In accordance with the 'polluter pays' principle,] ~~[(The Contractor shall be liable to the Authority for the actual amount of any damage, including damage to the Marine Environment, arising out of its wrongful acts or omissions, and those of its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this Contract, [including the costs of reasonable measures to prevent and limit damage to the Marine Environment,]~~ [arising out of its wrongful acts [or omissions]], account being taken of any contributory acts or omissions by the Authority or third parties. This clause survives the termination of the Contract and applies to all damage [arising out of the Contractors wrongful acts [or omissions]] regardless of whether it is caused or arises before, during or after the completion of the Exploitation activities or Contract term. [For the purpose of this clause, 'wrongful acts or omissions', means any act or omission attributable to the Contractor that results in damage, irrespective of bad intention or negligence]. [Recoverable damages under this clause include: costs of reasonable measures to prevent and limit damage to the Marine Environment, lost revenue, reinstatement, pay-out in lieu of actual reinstatement, and/or measures to compensate for pure ecological loss and harm to the living resources of the Area.]

7.2 The Contractor shall indemnify the Authority, its employees, subcontractors and agents against all claims and liabilities of any third party arising out of any wrongful acts or omissions of the Contractor and its employees, agents and subcontractors, and all persons engaged in working or acting for them in the conduct of its operations under this Contract.

7.3 The Authority shall be liable to the Contractor for the actual amount of any damage caused to the Contractor arising out of its wrongful acts in the exercise of its powers and functions, including violations under article 168 (2) of the Convention, account being taken of contributory acts or omissions by the Contractor, its employees, agents and subcontractors, and all persons engaged in working or acting for them in the conduct of its operations under this Contract, or third parties.

7.4 The Authority shall indemnify the Contractor, its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this Contract, against all claims and liabilities of any third party arising out of any wrongful acts or omissions in the exercise of its powers and functions hereunder, including violations under article 168 (2) of the Convention.

Section 8 Force majeure

8.1 The Contractor shall not be liable for an unavoidable delay or failure to perform any of its obligations under this Contract due to force majeure, provided the Contractor has taken all reasonable steps to overcome the delay or obstacle to performance. For the purposes of this Contract, force majeure shall mean an event or condition that the Contractor could not reasonably be expected to prevent or control; provided that the event or condition was not caused by Contractor action, negligence or by a failure to observe Good Industry Practice.

8.2 The Contractor shall give written notice to the Authority of the occurrence of an event of force majeure as soon as reasonably possible after its occurrence (specifying

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the nature of the event or circumstance, what is required to remedy the event or circumstance and if a remedy is possible, the estimated time to cure or overcome the event or circumstance and the obligations that cannot be properly or timely performed on account of the event or circumstance) and similarly give written notice to the Authority of the restoration of normal conditions.

8.3 The Contractor shall, upon request to the Secretary-General, be granted a time extension equal to the period by which performance was delayed hereunder by force majeure and the term of this Contract shall be extended accordingly.

Section 9 Renewal

9.1 The Contractor may renew this Contract for periods not more than 10 years each, on the following conditions:

- (a) The resource category is recoverable annually in commercial ~~[and profitable]~~ quantities from the Contract Area;
- (b) The Contractor is in compliance with the terms of this Contract and the Rules of the Authority, including rules, regulations and procedures adopted by the Authority to ensure effective protection for the Marine Environment from harmful effects which may arise from activities in the Area;
- (c) This Contract has not been terminated earlier; and
- (d) The Contractor has paid the applicable fee in the amount specified in appendix II to the regulations.

9.2 To renew this Contract, the Contractor shall notify the Secretary-General no later than one year before the expiration of the initial period or renewal period, as the case may be, of this Contract.

9.3 The Council shall review the notification, and if the Council determines that the Contractor is in compliance with the conditions set out above, this Contract ~~[shall be]~~ [may be] renewed on the terms and conditions of the standard exploitation contract that are in effect on the date that the Council approves the renewal application.

Section 10 Renunciation of rights

10.1 The Contractor, by prior written notice to the Authority, may renounce without penalty the whole or part of its rights in the Contract Area, provided that the Contractor shall remain liable for all obligations and liabilities accrued prior to the date of such renunciation in respect of the whole or part of the Contract Area renounced. Such obligations shall include, inter alia, the payment of any sums outstanding to the Authority, and obligations under the Environmental Management and Monitoring Plan and Closure Plan.

Section 11 Termination of sponsorship

11.1 If the nationality or control of the Contractor changes or the Contractor's Sponsoring State or States, as defined in the regulations, terminates its sponsorship, the Contractor shall promptly notify the Authority, and in any event within 90 Days following such changes or termination.

11.2 In either such event, if the Contractor does not obtain another sponsor meeting the requirements prescribed in the regulations which submits to the Authority a

certificate of sponsorship for the Contractor in the prescribed form within the time specified in the regulations, this Contract shall terminate forthwith.

Section 12
Suspension and termination of Contract and penalties

12.1 The Council may suspend or terminate this Contract, without prejudice to any other rights that the Authority may have, if any of the following events should occur:

(a) If, in spite of written warnings by the Authority, the Contractor has conducted its activities in such a way as to result in serious persistent and wilful violations of the fundamental terms of this Contract, Part XI of the Convention, the Agreement and the rules, regulations and procedures of the Authority;

(b) If the Contractor has failed, within a reasonable period, to comply with a final binding decision of the dispute settlement body applicable to it;

(c) If the Contractor knowingly, recklessly or negligently provides the Authority with information that is false or misleading;

(d) If the Contractor or any person standing as surety or financial guarantor to the Contractor pursuant to regulation 26 of the regulations becomes insolvent or commits an act of bankruptcy or enters into any agreement for composition with its creditors or goes into liquidation or receivership, whether compulsory or voluntary, or petitions or applies to any tribunal for the appointment of a receiver or a trustee or receiver for itself or commences any proceedings relating to itself under any bankruptcy, insolvency or readjustment of debt law, whether now or hereafter in effect, other than for the purpose of reconstruction; or

(e) If the Contractor has not made bona fide efforts to achieve or sustain Commercial Production and is not recovering Minerals in commercial quantities at the end of five years from the expected date of Commercial Production, save where the Contractor is able to demonstrate to the Council's satisfaction good cause, which may include force majeure, or other circumstances beyond the reasonable control of the Contractor that prevented the Contractor from achieving Commercial Production.

12.2 The Council may, without prejudice to Section 8, after consultation with the Contractor, suspend or terminate this Contract, without prejudice to any other rights that the Authority may have, if the Contractor is prevented from performing its obligations under this Contract by reason of an event or condition of force majeure, as described in Section 8, which has persisted for a continuous period exceeding two years, despite the Contractor having taken all reasonable measures to overcome its inability to perform and comply with the terms and conditions of this Contract with minimum delay.

12.3 Any suspension or termination shall be by written notice to the Contractor, through the Secretary-General, which shall include a statement of the reasons for taking such action. The suspension or termination shall be effective 60 Days after such written notice, unless the Contractor within such period disputes the Authority's right to suspend or terminate this Contract in accordance with Part XI, Section 5, of the Convention. [In [such a] [which] case, this Contract shall only be suspended or terminated in accordance with a final binding decision in accordance with Part XI, Section 5, of the Convention].

[12.4 If the Contractor takes such action, this Contract shall only be suspended or terminated in accordance with a final binding decision in accordance with Part XI, Section 5, of the Convention.]

12.5 If the Council has suspended this Contract, the Council may by written notice require the Contractor to resume its operations and comply with the terms and conditions of this Contract, not later than 60 Days after such written notice.

12.6 In the case of any violation of this Contract not covered under Section 12.1 (a), or in lieu of suspension or termination under Section 12, the Council may impose upon the Contractor monetary penalties proportionate to the seriousness of the violation.

12.7 Subject to Section 13, the Contractor shall cease operations upon the termination of this Contract.

12.8 Termination of this Contract for any reason (including the passage of time), in whole or in part, shall be without prejudice to rights and obligations expressed in this Contract to survive termination, or to rights and obligations accrued thereunder prior to termination, including performance under a Closure Plan, and all provisions of this Contract reasonably necessary for the full enjoyment and enforcement of those rights and obligations shall survive termination for the period so necessary.

Section 13
Obligations on Suspension or following Expiration, Surrender or Termination of a Contract

13.1 In the event of termination, expiration or surrender of this Contract, the Contractor shall:

(a) Comply with the final Closure Plan, and continue to perform the required environmental management of the Contract Area as set forth in the final Closure Plan and for the period established in the final Closure Plan;

(b) Continue to comply with relevant provisions of the regulations, including:

(i) Maintaining and keeping in place all insurance required under the regulations;

(ii) Paying any fee, royalty, penalty or other money on any other account owing to the Authority on or before the date of suspension or termination; and

(iii) Complying with any obligation to meet any liability under Section 8;

(c) Remove all Installations, plant, equipment and materials in the Contract Area; and

(d) Make the area safe so as not to constitute a danger to persons, shipping or [to result in adverse impacts, or a reasonable likelihood of such impacts, to] the Marine Environment.

13.2 Where the Contractor fails to undertake the obligations listed in Section 13.1 within a reasonable period, the Authority may take necessary steps to effect such removal and make safe the area at the expense of the Contractor. Such expense, if any, shall be deducted from the Environmental Performance Guarantee held by the Authority.

13.3 Upon termination of this Contract, any rights of the Contractor under the Plan of Work and in respect of the Contract Area also terminate.

Section 14
Transfer of rights and obligations

14.1 The rights and obligations of the Contractor under this Contract may be transferred in whole or in part only with the consent of the Authority and in accordance with the regulations, including payment of the fee as set out in appendix II to the regulations.

14.2 The Authority shall not unreasonably withhold consent to the transfer if the proposed transferee is in all respects a qualified applicant in accordance with the regulations and assumes all of the obligations of the Contractor, and if the transfer does

not confer to the transferee a Plan of Work, the approval of which would be forbidden by article 6 (3) (c) of annex III to the Convention.

14.3 The terms, undertakings and conditions of this Contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 15

No waiver

No waiver by either party of any rights pursuant to a breach of the terms and conditions of this Contract to be performed by the other party shall be construed as a waiver by the party of any succeeding breach of the same or any other term or condition to be performed by the other party.

Section 16

Modification of terms and conditions of this Contract

16.1 When circumstances have arisen or are likely to arise after this Contract has commenced which, in the opinion of the Authority or the Contractor would render this Contract inequitable or make it impracticable or impossible to achieve the objectives set out in this Contract or in Part XI of the Convention, the parties shall enter into negotiations to revise it accordingly.

16.2 This Contract may be revised by agreement between the Contractor and the Authority.

16.3 This Contract may be revised only:

(a) With the consent of the Contractor and the Authority; and

(b) By an appropriate instrument signed by the duly authorized representatives of the parties.

16.4 Subject to the confidentiality requirements of the regulations, the Authority shall publish information about any revision to the terms and conditions of this Contract.

Section 17

Applicable law

17.1 This Contract is governed by the terms of this Contract, the Rules of the Authority and other rules of international law not incompatible with the Convention.

17.2 The Contractor, its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this Contract shall observe the applicable law referred to in Section 17.1 hereof and shall not engage in any transaction, directly or indirectly, prohibited by the applicable law.

17.3 Nothing contained in this Contract shall be deemed an exemption from the necessity of applying for and obtaining any permit or authority that may be required for any activities under this Contract.

17.4 The division of this Contract into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

Section 18

Disputes

Any dispute between the parties concerning the interpretation or application of this Contract shall be settled in accordance with Part XII of the regulations.

Section 19**Notice**

Any notice provided to or from one party to another pursuant to this Contract shall be provided in accordance with the notice provision set out at regulation 91 of the regulations.

Section 20**Schedules**

This Contract includes the schedules to this Contract, which shall be an integral part hereof.

Appendix I

Notifiable events

In respect of an Installation or vessel engaged in activities in the Area, notifiable events for the purposes of regulation 346 include [any of the following events, except for where it constitutes an "Incident" for the purposes of these regulations]:

~~[1. — Fatality of a person.]~~

~~[2. — Missing person.]~~

3. Occupational lost time illness.

4. Occupational lost time injury.

~~[5. — Medical evacuation.]~~

5.bis. [Marine Mammal Fatality or evident distress]

~~[6. — Fire/explosion resulting in an injury or major damage or impairment.]~~

~~[7. — Collision resulting in an injury or major damage or impairment.]~~

8. Significant leak of hazardous substance.

9. Unauthorized Mining Discharge.

10. Adverse environmental conditions with likely significant safety and/or environmental consequences ~~[such as serious harm].~~

11. Significant threat or breach of security, [including cyber security].

~~[12. — Implementation of Emergency Response and Contingency Plan.]~~

~~[13. — Major impairment/damage compromising the ongoing integrity or emergency preparedness of an Installation or vessel.]~~

14. Impairment/damage to safety or environmentally critical equipment.

15. [Significant] eContact with fishing gear [resulting in its damage].

16. [[Suspected] c[C]ontact with submarine pipelines or cables [resulting in its damage].]

17. [[Significant] eContact with equipment related to marine scientific research [resulting in its damage].

[Appendices II and III are covered by the IWG on Institutional Matters]

[Appendix IV is covered by the OEWG]

Schedule

Use of terms and scope

Comments/remarks

- General terms and scope used throughout the draft regulations are handled in the President's text. In relation to specialized terms and where expertise within the subject is required for further development, the terms and scope are handled by the relevant working group. Where terms are allocated to any working groups, it is clearly indicated in square brackets in the Schedule included in this text. All proposals provided in the past that relate to the allocated terms and scope have been provided to the relevant chair/facilitator for consideration.

["Authority" means the International Seabed Authority as established by part XI of the Convention and for the purposes of these Regulations shall include all organs of the Authority save for the Enterprise, except where the Enterprise is expressly stated as being included.]

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"Agreement" means the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982.

"Best Available Scientific [Evidence] [Information]" means the scientific information and data accessible and attainable that, in the particular circumstances, is of good quality and is objective, within reasonable technical and economic constraints, and is based on internationally recognized scientific practices, standards, technologies and methodologies.

"Best Available Techniques" [handled by the IWG ENV]

"Best Environmental Practices" [handled by the IWG ENV]

"Best Archaeological Practices" handled by the IWG ENV]

"Calendar Year" means a period of 12 months, ending with 31 December.

["Closure" means activities undertaken at a particular site once commercial production has ceased, and includes: Decommissioning, post-mining monitoring and reporting, and any rehabilitation and restoration or compensatory measures that may be agreed.]

"Closure Plan" means the document referred to in annex VIII.

"Commercial Production" shall be deemed to have begun where a Contractor engages in sustained large-scale recovery operations which yield a quantity of materials sufficient to indicate clearly that the principal purpose is large-scale production rather than production intended for information-gathering, analysis or the testing of equipment or plant.¹

"Commission" means the Legal and Technical Commission of the Authority.

¹ This wording is taken from article 17 (2) (g) of annex III to the Convention. Article 17 (1) (b) (xiii) of annex III to the Convention requires the Authority to provide for a definition of commercial production, reflecting the objective criteria under article 17 (2) (g). A clearer definition of commercial production will be needed.

“**Communication**” means any application, request, notice, report, consent, approval, waiver, direction or instruction required or made under these regulations;

“**Confidential Information**” shall have the meaning assigned to that term by regulation 89.

“**Contract Area**” means the part or parts of the Area allocated to a Contractor under an exploitation contract and defined by the coordinates listed in schedule 1 to such exploitation contract.

“**Contractor**” means a contractor having a contract in accordance with Part III and, where the context applies, shall include its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under the contract.

[Alt “**Contractor**” means a party to an exploitation contract in accordance with Part III of these regulations] [and, where the context applies, shall include its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under the contract.]

“**Convention**” means the United Nations Convention on the Law of the Sea.

“**Council**” means the executive organ of the Authority established under article 158 of the Convention.

“**Cumulative Environmental Effect**” [handled by the IWG ENV]

[“**Decommissioning**” means measures taken, whether onshore or offshore, to permanently cease the operations, remove, or dispose of structures, facilities, installations, and other equipment erected or used for the purposes of activities undertaken pursuant to an exploitation contract, in connection with the abandonment or cessation or partial cessation of those activities in a Contract area or part of a Contract area.]

“**Damage to the Marine Environment**” [handled by the IWG ENV]

“**Day**” means calendar Day.

“**Designated representative**” means the person so named on behalf of a Contractor on the Seabed Mining Register.

“**Ecological Balance of the Marine Environment**” [handled by the IWG ENV]

“**Ecosystem Approach**” [handled by the IWG ENV]

“**Effective Control**” [handled by the IWG IM]

“**Effective Protection**” [handled by the IWG ENV]

“**Emergency Response and Contingency Plan**” means the document referred to in annex V.

“**Environmental Effect**” [handled by the IWG ENV]

“**Environmental Impact**” [handled by the IWG ENV]

“**Environmental Management System**” [handled by the IWG ENV]

“**Environmental Objectives**” [handled by the IWG ENV]

“**Environmental Risk**” [handled by the IWG ENV]

“**Environmental Risk Assessment**” [handled by the IWG ENV]

“**Environmental Performance Guarantee**” means a financial guarantee supplied under regulation 26.

“Environmental Plans” [handled by the IWG ENV]

“Exploit” and **“Exploitation”** mean the recovery for commercial purposes of Resources in the Area with exclusive rights and the extraction of Minerals therefrom, including the construction and operation of mining, processing and transportation systems in the Area, for the production and marketing of metals, as well as the decommissioning and closure of mining operations.

“Exploration Regulations” means the regulations on prospecting and exploration for polymetallic nodules in the Area, the regulations on prospecting and exploration for polymetallic sulphides in the Area and the regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area, as the case may be and as replaced or amended by the Council from time to time.

“Explore” and **“Exploration”**, as applicable, mean the searching for Resources in the Area with exclusive rights, the analysis of such Resources, the use and testing of recovery systems and equipment, processing facilities and transportation systems and the carrying out of studies of the environmental, technical, economic, commercial and other appropriate factors that must be taken into account in Exploitation.

“Facilities-maritime infrastructure-floating platforms” [handled by IWG ENV]

“Feasibility Study” means a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered.

“Financing Plan” means the document referred to in annex III.

“Good Industry Practice” **“Best Industry Practice”** means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected to be applied by a skilled and experienced person engaged in the marine mining industry and other related extractive industries worldwide, [based on Best Environmental Practice, which is based on Best Available Scientific Information and Best Available Technology]. [Employment of the latest widely accepted stage of development (state of the art) of processes, of facilities or of methods of operation, consistent with the Fundamental Principles, including using skill, diligence, prudence and foresight which is an would reasonably be expected to be applied by a skilled and experienced person engaged in the marine mining industry.]

“Guidelines” means documents that provide guidance on technical and administrative matters, issued by the [Authority] [Commission and the Secretary-General, respectively] pursuant to regulation 95. [Guidelines have to be considered as recommendatory].

[Alt “Guidelines” means a document that supports the implementation of the Regulations from an administrative and technical perspective. Guidelines will also clarify documentation requirements for an application, detail process requirements (e.g. for the public consultation process, annual reporting and periodic review), and provide guidance on the interpretation of regulatory provisions. The Guidelines are recommendations and not requirements].

“Impact reference zone” [handled by the IWG ENV]

“Incident” means an event, or sequence of events, where activities in the Area result in:

- (a) A marine Incident or a marine casualty as defined in the Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident (Casualty Investigation Code, effective 1 January 2010);

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(b) ~~[A significant unanticipated or unpermitted adverse impact] [Serious Harm]~~ to the Marine Environment or to other existing legitimate sea uses, whether accidental or not, or a situation in which such ~~[Serious Harm to the Marine Environment] [adverse impact was only narrowly avoided]~~ is a reasonably foreseeable consequence of the situation; and/or

(c) Damage to a submarine cable or pipeline, or any Installation.

“Incidents Register” means ~~[a register to be maintained by the Contractor on board a mining vessel or Installation to record any Incidents or notifiable events]~~ ~~a register maintained under regulation 33 (2) (e).~~

“Inspector” means a person acting under Part XI of these regulations.

“Installations” includes, insofar as they are used for carrying out activities in the Area, structures and platforms, whether stationary or mobile.

“Intangible Cultural Heritage” [handled by the IWG ENV]

“Interference with the Ecological Balance of the Marine Environment” [handled by the IWG ENV]

“Marine Environment” [handled by the IWG ENV]

“Material Change” means a [substantial] [significant] change ~~that affects [to]~~ the basis on which ~~[the] [an]~~ original report, document or plan, including a Plan of Work, was accepted or approved by the Authority, and includes changes such as physical modifications, [changes to harmful effects of activities on the Marine Environment, ~~[other environmental] effects or effects on stakeholders],~~ the availability of new knowledge or technology and changes to operational management that are to be considered in light of the applicable Guideline[s].

~~[Alt “Material Change” means a substantial or significant change to the basis on which the original report, document or plan, including a Plan of Work, was accepted or approved by the Authority.]~~

“Metal” means any metal contained in a Mineral.

“Minerals” means Resources that have been recovered from the Area.

“Mining Area” means the part or parts within the Contract Area ~~[from which minerals will be extracted, as],~~ described in a Plan of Work, as may be modified from time to time in accordance with these regulations.

“Mining Discharge” means any sediment, waste or other effluent directly resulting from Exploitation, including shipboard or Installation processing immediately above a mine site of Minerals recovered from that mine site.

“Mining Workplan” means the document referred to in annex II.

“Mitigate” and **“Mitigation”** includes:

(a) Avoiding an effect altogether by undertaking or not undertaking a certain activity or parts of an activity;

(b) Minimizing effects by limiting the degree or magnitude of the activity and its implementation [to the extent practicable and necessary to ensure protection of the Marine Environment];

(c) Rectifying the effect by repairing, rehabilitating or restoring the affected Marine Environment; and

(d) Reducing or eliminating the impact over time through preservation and maintenance operations during the life of the mining activity;:-

~~[(e) Offsetting, only as a last resort.]~~

“**Plan of Work**” means a Plan of Work for Exploitation in the Area, defined collectively as all and any plans or other documents setting out the activities for the conduct of the Exploitation, which form part of, or is proposed to be part of, an exploitation contract.

“**Proponent**” [handled by the IWG ENV]

“**Protection**” [handled by the IWG ENV]

“**Preservation**” [handled by the IWG ENV]

“**Preservation reference zone**” [handled by the IWG ENV]

“**Rehabilitation**” [handled by the IWG ENV]

“**Regional environmental management plan**” [handled by the IWG ENV]

“**Reserved Area**” means any part of the Area designated by the Authority as a reserved area in accordance with article 8 of annex III to the Convention.

“**Resources**” [handled by the IWG ENV]

“**Resource Category**” [handled by the IWG ENV]

“**Restoration**” [handled by the IWG ENV]

“**Rules of the Authority**” means ~~[the Convention], [the Agreement]~~, these regulations and other rules, regulations and procedures of the Authority [including Standards] [and Guidelines] [decisions of the Council or Assembly of the Authority, and any other ISA instruments expressed as being binding upon Contractors] as may be adopted from time to time.

“**Seabed Mining Register**” means the registry established and maintained by the Authority in accordance with regulation 92.

“**Serious Harm**” [handled by the IWG ENV]

“**Sound commercial principles**” means [...]]

“**Special Circumstances**” means [...]]

“**Sponsoring State**” means a State party or parties to the Convention which submits a certificate of sponsorship of an applicant in accordance with regulation 6.

“**Stakeholder**” means a natural or juristic person or an association of persons with an interest of any kind in, or who may be affected by, the proposed or existing Exploitation activities under a Plan of Work in the Area, or who has relevant information, [knowledge] or expertise.

“**Standards**” means such technical and other standards and protocols, including performance and process requirements, adopted pursuant to regulation 94. [Standards have to be considered as mandatory.]

[Alt.1 “Standards” means methodological, procedural, technical or environmental rules that are necessary to implement the regulations and to ensure a coherent approach to monitoring and assessment, including performance and process requirements, adopted pursuant to regulation 94. Standards are legally binding on Contractors and the Authority”.]

[Alt.2. “Standards” means such documents adopted by the Authority pursuant to regulation 94.]

“**Synergistic Impacts**” [handled by the IWG ENV]

“**Underwater Cultural Heritage**” [handled by the IWG ENV]

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