

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH SESSION:
COUNCIL - PART III**

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to council@isa.org.jm.

1. Name of Working Group:

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

Chile

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

Part VII

Section 2

Regulation 64: Contractor shall pay royalty

4. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the “track changes” function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

A Contractor, ~~from the date of commencement of Commercial Production~~, shall pay a royalty in respect of the mineral-bearing ore sold or removed without sale from the Contract Area as determined in appendix IV to these regulations pursuant to paragraph 1 of section 8 of the annex to the Agreement.

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

Chile believes there should be a more thorough definition of “Commercial Production”, as this could allow for extraction and stockpiling without selling, in order to increase future gains, eventually disrupting the market, all while still extracting minerals without paying any royalty.

In this manner, Chile also suggests that commercial production be defined as the moment in which extraction of minerals begins.