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:**
    Open Ended Working Group on Financial terms

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 3
    Regulation 73: Overpayment of 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.**
    ADD:
    73 bis:

    1. Where a royalty return shows any underpayment of royalties, the Secretary-General must demand payment from the Contractor within XX number of days.
    2. If no payment is received, the Authority shall add the payment due to the next period of royalty collection.
    3. Proper measures shall be taken against contractors who do not pay the underpayed royalty in due time.

5. **Please indicate the rationale for the proposal. [150-word limit]**
    As the code considers a situation in which contractors make an overpayment, it is just as important to consider what would happen in cases of underpayment, including the measures to be taken against contactors who consistently underpay royalty.