

TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH SESSION:

COUNCIL - PART VII

Informal Working Group on Financial terms

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.im.

1. Name of Working Group:

Informal Working Group on Financial terms

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

China

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

Regulation 70 Payment of royalty shown by royalty return

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.

***Note: China’s amendments are in Blue**

Recommendation: It is suggested to include the installment payments in the regulations. The circumstances for using installment payments should be further clarified in the relevant Standards, and force majeure is suggested to be one of the circumstances.

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

Exploitation contracts are generally decades long, and during the execution of the contract, there may be circumstances that cannot be foreseen, avoided, or overcome by the contractor, such as fires, earthquakes, windstorms, wars, unrest, etc..it is reasonable to allow the contractor to pay the royalty in instalments under certain circumstances.