

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 77 General anti-avoidance rule

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**

~~4. If the Contractor is in a [gross and persistent] breach of royalty payment obligations in accordance with this Part, the Council shall suspend or rescind the Contract pursuant to regulation 103 of these Regulations [and the Contactor’s company principals shall be barred from direct or indirect involvement with any Contractor or subcontractor operating in the Area for a period of [10] years].~~

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

Paragraph 4 deals with matters of compliance and enforcement and it is proposed that it be deleted and discussed in Part XI of the Draft Regulations, entitled "Inspection, compliance and enforcement".