

I. General comments

(i) The Regulations shall strike a balance between resource exploitation and marine environmental protection, and formulate scientific, reasonable, fair and equitable regulations, standards and guidelines for environmental issues.

(ii) **With regard to independent experts**, the participation of independent experts in relevant environmental work shall be in accordance with the provisions of the Convention and the cost-effective principle. The Draft Regulations provide the implementation of monitoring programme by independent experts and the requirement of peer review by competent independent experts before being reviewed by the Legal and Technical Commission(LTC), which, on the one hand, unnecessarily put extra pressure on contractors and, on the other hand, may adversely affect the decision-making of the LTC. The involvement of the independent experts shall be strictly in accordance with the Convention. In addition, the opinions of independent experts should not have any legal effect and should not prejudice or replace the decisions of the relevant organs of the Authority. The provisions of the Draft Regulations relating to independent experts shall fully respect the powers of the LTC and avoid negatively affecting or impacting on the existing mechanisms

of the Authority.

(iii) **With regard to test mining**, test mining can be a condition for the commencement of Commercial Production activities, but should not be a condition for an application for exploitation contracts. Test activities in different forms and scales shall be encouraged to gain more data in support of environmental impact assessment and eco-friendly equipment research, development and upgrade. A Contractor shall submit an Environmental Impact Statement to the LTC as required prior to commencement of test mining activities. The Contractor shall only commence test mining activities after consideration and approval by the LTC.

(iv) **With regard to the Closure Plan**, the criteria for final mine closure and unplanned mine closure needs clarifying. The criteria and procedures for re-mining after temporary suspension shall be clarified. the Closure Plan updating shall consider Material Change and technology developments and, in the absence of these, should not be too frequent. It is unreasonable and difficult in practice to require Contractors to release monitoring data publicly on a monthly basis after the end of mining. It is proposed that monitoring data can be submitted by the Contractor to the Authority at a regular basis and be published on its official website. If the Council considers that the Contractor has failed to meet the conditions of the Final Closure Plan,

it shall firstly require the Contractor to take remedy measures within a reasonable period and, if the Contractor has not taken such remedy measures, it may consider the forfeiture (by the Authority) of part of Contractor's Environmental Performance Guarantee that matches its liability for non-performance.