

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28<sup>TH</sup> SESSION:  
COUNCIL - PART II**

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](mailto:council@isa.org.jm).

**1. Name of Working Group:**

Informal Working Group on Inspection, Compliance and Enforcement

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

China

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

Regulation 103 Compliance notice, suspension, and termination of exploitation contract

**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**

1. At any time, if it appears to the ~~{Inspectorate}~~ [Compliance Committee] ~~{Commission}~~ based on reasonable grounds, [including a report from an Inspector], or failure to comply with a written instruction under regulation 99, that a Contractor is in breach of, ~~{or is at risk of breaching}~~, the terms and conditions of its exploitation contract, ~~{Part XI}~~ [provisions of the Convention related to activities in the Area, the Agreement and] the rules, regulations and procedures of the Authority, ~~or these regulations,~~ the ~~{Commission}~~ ~~{Inspectorate}~~ [Compliance Committee] shall ~~{make recommendations to the Council to}~~ issue a compliance notice to the Contractor requiring such action as may be specified in the compliance notice and shall report immediately to the Council, through the Commission, on the issue of such notice.

~~{1.bis. Actions taken under this Regulation by the Authority should be commensurate with the gravity, frequency, and other circumstances of the actual or anticipated breach by the Contractor, which may include taking account of the Contractor’s previous conduct under contract with the Authority.}~~

~~{1 ter. Paragraph (1) bis. notwithstanding, where regulations 4(5), 36(3), 52(8), 99(3) and 102(3) apply, the Authority shall issue a compliance notice under paragraph 1(iv).}~~

2. ~~{A compliance notice may be issued only in case of breach of the terms and conditions of its exploitation contract, Part XI and provisions of the Convention related activities in the Area, the rules, regulations and procedures of the Authority, or these regulations}~~ A compliance notice shall:

4. The Contractor shall be given a reasonable opportunity not exceeding 30 days to make representations in writing to the Secretary General concerning any aspect of the compliance notice, who shall transmit same to the ~~{Inspectorate}~~ [Compliance Committee] ~~{Commission}~~. Having considered the representations, the ~~{Inspectorate}~~ [Compliance Committee] ~~{Commission}~~ may make recommendations, through the Commission, to the Council to confirm, modify or withdraw the compliance notice.

~~5 bis. The Secretary General shall make public any compliance notice issued to a Contractor, as well as any response received from the Contractor [and Sponsoring State], subject to the confidentiality obligations of Regulation 90, and shall present an annual report to the Council summarizing any compliance notices the Authority has issued.~~

[5. bis Alt 1 The Secretary-General shall make public any compliance notice issued to a Contractor, any response received from the Contractor or Sponsoring State or States, subject to the confidentiality requirements of Regulation 90. The Compliance Committee ~~Inspector General~~ shall present in their annual report to the Council a summary of any compliance notices the Compliance Committee ~~Inspectorate~~ has issued.]

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

Regarding paragraph 1, compliance notice should only be issued in the event that a Contractor is in breach of its exploitation contract. Reporting and making recommendations on ICE matters to the Council shall be carried out by the Commission, The Compliance Committee may report on the issuance of compliance notices to the Council through the Commission.

Regarding paragraph 1bis and paragraph 1bis alt, it is recommended to keep 1bis alt and delete 1bis. There is a duplication of content between 1bis and 2bis, and considering the context, it is more appropriate to specify it in paragraph 2bis. Support the establishment of a dialogue procedure between the Authority and Contractors, which will facilitate the Contractors to better fulfill their obligations.

Regarding paragraph 1ter, it is suggested to be deleted. Paragraph 1 has overall and relatively comprehensive provisions regarding the issuance of compliance notices, and there is no need to list other specific regulations, and the listed regulations may not be comprehensive.

Regarding paragraph 2, the chapeau of this paragraph is suggested to be deleted. Paragraph 1 already specifies the circumstances to issue the compliance notices and does not need to be repeated.

Regarding paragraph 4, reporting and making recommendations on matters related to ICE to the Council shall be carried out by the Commission. The Compliance

Commission may make recommendations to the Council to confirm, modify or withdraw the compliance notice through the Commission.

Regarding paragraph 5bis and 5bis alt1, it is suggested to delete 5bis and retain 5bis alt1. Since the compliance notice is issued by the Compliance Committee, therefore, the Compliance Committee should present the relevant situation of issuing the compliance notice in its annual report.