

**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: OEWG**

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

- 3. Please indicate the relevant provision to which the textual proposal refers. DR75**

- 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.**

Regulation 75

Audit [and inspection] by the Authority

1. The Secretary-General, or Council, may request an audit of the Contractor’s records and all subcontractors’ records associated with the exploitation activities in the Area.
2. Any such audit shall be undertaken at the Contractor’s sole cost and shall be performed by [an] [Council approved] Inspector in accordance with Part XI of these regulations.
3. An Inspector may, in connection with a liability for a royalty payment:
 - (a) Inspect [all corporate offices, plants and] the mining and on-board processing facilities with a view to verifying the accuracy of [all information reported and the accuracy of] the equipment measuring the quantity of Mineral ore [sold or removed without sale from the Contract Area];
 - (b) Inspect, audit and examine any [relevant] documents, papers, records and data [available at the Contractor’s offices or on-board any mining vessel or Installation];
 - (c) Require any duly authorized representative of the Contractor to answer any questions in connection with the inspection audit and provide any missing documents, papers, records and data; and
 - (d) Make and retain copies or extracts of any documents or records relevant to the subject matter of the inspection audit and provide a Contractor with a list of such copies or

extracts.

4. The Contractor shall make available to an Inspector such financial records and information contemplated as reasonably required by the Secretary-General to determine compliance with this Part.

5. Members of the Authority, in particular a sponsoring State or States, shall, ~~to the best of their abilities~~, cooperate with and assist the ~~[Secretary-General]~~ [relevant organ of the Authority] and any Inspector in the carrying out of any audit under this regulation, and shall facilitate access to the records of a Contractor by an Inspector and assist in the exchange of information relevant to a Contractor's obligations under this Part.

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

Cooperation by the contractor must be an obligation. Such cooperation must be with the relevant organ and the inspector and not only the secretary general