

**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:**

President's Text

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

Federal Republic of Germany

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

President's Text, Annex X (Standard clauses for exploitation contract)

**Blue text** indicates Germany's textual proposals

**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.**

**Section 4 Security of tenure and exclusivity**

4.1 The Contractor is hereby granted the exclusive right under this Contract to Explore for and Exploit the resource category specified in this Contract and to conduct Exploitation activities within the Contract Area in accordance with the terms of this Contract. The Contractor shall have security of tenure and this Contract shall not be suspended, terminated or revised except in accordance with the terms set out herein. Any impacts from activities in the Area carried out under an Exploitation Contract must be strictly limited to the Contractor area.

...

**Section 9 Renewal**

9.3 The Council shall review the notification including an updated Environmental Impact Statement, and if the Council determines that the Contractor is in compliance with the conditions set out above, this Contract [shall be] [may be] renewed on the terms and conditions of the standard exploitation contract that are in effect on the date that the Council approves the renewal application.

...

## **Section 12 Suspension and termination of Contract and penalties**

12.1 The Council may suspend or terminate this Contract, without prejudice to any other rights that the Authority may have, if any of the following events should occur:

...

(e) If the Contractor has not made bona fide efforts to achieve or sustain Commercial Production and is not recovering Minerals in commercial quantities at the end of five years from the expected date of Commercial Production, save where the Contractor is able to demonstrate to the Council's satisfaction good cause, which may include force majeure, [good faith efforts to comply with the environmental obligations imposed by the Authority](#), or other circumstances beyond the reasonable control of the Contractor that prevented the Contractor from achieving Commercial Production.

## **Section 13 Obligations on Suspension or following Expiration, Surrender or Termination of a Contract**

13.1 In the event of termination, expiration or surrender of this Contract, the Contractor shall:

(a) Comply with the final Closure Plan [and the Environmental Management and Monitoring Plan](#), and continue to perform the required environmental management of the Contract Area as set forth in the final Closure Plan and for the period established in the final Closure Plan;

...

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

Section 4: Changes to align section 4 with DR 18. The economic value of a Contract area should not be reduced by environmental consequences of mining activities in a neighbouring contract area. This relates to a broader question around limiting impacts of mining activities to the contract area and how to ensure other contractors and the Marine Environment outside of contract areas are not negatively impacted.

Section 9: Any renewal of contract should include an update of the environmental performance of the mining activities.

Section 12: The Regulations need to balance two aims: (a) ensuring that a Contractor does not "reserve" a contract area without developing the resources and (b) ensuring the Contractor is not penalized for diligently carrying out all environmental obligations imposed by the Authority, which might require additional time. For example, if previously unknown vulnerable marine ecosystems are discovered in the Contract area during the lifetime of the contract, the Contractor should not be penalized for delaying mining activities to study the ecosystems and develop sensible management measures. The same applies to implementing Best Environmental Practices, which may change over time and may require time to implement them.

Section 13: Mentioning of the EMMP in 13.1(a) would harmonise this provision with Section 10.