

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH 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:

President's text

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

Republic of Nauru

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

Regulation 22(1)

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.

1. The Contractor may, [solely for the purpose of raising financing to effect its obligations under an exploitation contract and only with the prior consent ~~of the Sponsoring State or States and~~ of the Council which consent shall not be unreasonably withheld or delayed, based on the recommendations of the Commission], mortgage, pledge, lien, charge or otherwise encumber all or part of its interest under an exploitation contract.

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

We note concerns expressed in connection with this regulation where it has the potential to hinder contractors in raising finance and any impracticalities in the consent mechanism. We also acknowledge the President's comments that the Convention does not contain limitations on a contractor's ability to use the exploitation contract as a security.

We are open to hearing further views from other delegations and the contractor base. In the meantime, we suggest the above amendments to this paragraph (1), including the deletion of sponsoring State consent as this is a matter for a sponsoring State to consider under its national rules.

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27TH 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:

President's text

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

Republic of Nauru

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

Regulation 22(4)

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.

4. [~~In giving consent under this regulation,~~] [~~the~~] [~~The~~] Council may require that the beneficiary of the encumbrance referred to in paragraph 1 above:

(a) Shall subscribe to any internationally adopted standards for the extractive industries which are widely accepted [~~including environmental and social governance standards, with reference to relevant Standards and Guidelines where relevant~~]; ~~and~~or

(b) Shall be properly regulated through a national financial conduct authority in accordance with the Guidelines.

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

(a) and (b) should be alternatives. Change "and" to "or".