

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28<sup>TH</sup> 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](mailto:council@isa.org.jm).*

**1. Name of Working Group:**

OEWG on Financial Terms.

**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 63(1),(2) and (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.**

1. The Council may, taking into account the recommendations of the Commission, in accordance with the Standards and taking into account the Guidelines, provide for incentives to Contractors, including financial incentives, on a transparent, uniform and non-discriminatory basis, ~~to Contractors~~ to further the objectives set out in article 13 (1) of annex III to the Convention.

2. Furthermore, the Council may provide incentives, [including financial incentives], to those Contractors entering into joint arrangements with the Enterprise under article 11 of annex III to the Convention, ~~and developing~~ including to developing States or their nationals, to stimulate the transfer of technology thereto and to train the personnel of the Authority and of developing States.

~~[4. Any incentives shall be fully compatible with the policies and principles under Regulation 2].~~

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

Nauru supports the text in paragraphs (1) and (2) as currently drafted including the proposed changes.

We do not support paragraph 4 and consider it to be unnecessary. Draft regulation 2 sets out a number of principles, approaches and policies that apply to the application of the regulations and decisions made under the regulations.

There is no need to reiterate these solely under regulation 63. Furthermore, as a general comment any incentives are to be fully compatible with the Convention and

the 1994 Agreement. The regulations should not create additional limitations or restrictions on the types of incentives to be offered to contractors or States contemplated by this regulation.