

**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 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 75(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 Secretary-General, or Council, may request an audit of the Contractor’s records and ~~all the records of subcontractors’ records associated with~~ directly engaged in the Contractor’s exploitation activities in the Area.

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

We suggest the text is clarified so that only those sub-contractors directly engaged would be subject to a possible audit.

Note: the definition of “contractor” currently in the Schedule does include sub-contractors “where the context applies”. However, the latter can be ambiguous and thus preferable to spell out requirements in the regulations.

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Regulation 75(2)

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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.

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

An inspector will be Council approved under Part XI as being included on the roster with relevant audit experience.

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Regulation 75(3)(c)

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(c) Require any duly authorized representative of the Contractor to answer any relevant questions in connection with the ~~inspection~~ audit and provide any missing documents, papers, records and data; and

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

Consistent with paragraph (3)(b) we suggest adding “relevant” to ensure there is an appropriate scope to the questions being asked.