

**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:

The Ocean Foundation, Observer

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

Part III: Rights and obligations of Contractors

Regulation 18bis: Obligations of Contractors

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.

Part III, Regulation 18bis:

2. Each Contractors that is awarded an Exploitation Contract hereunder, together with all of its, their holding companies, subsidiaries, affiliated and Ultimate Parent-parent companies, Ultimate Beneficial Owner(s), agencies, partnerships, subcontractors, and suppliers shall be held jointly and severally liable for the performance compliance of the Exploitation Contract by such Contractor in accordance with its terms, these Regulations, and the Rules of the Authority, including, without limitation, for any and all damages. Particularly, they shall be jointly and severally liable for the obligation of compensating damages arising from Exploitation Activities conducted by such Contractor or any of its affiliates, subcontractors, or suppliers.

3. Whether In the event a Contractors fails to comply with any of its their payment obligations under the Exploitation Contract, these Regulations, or the Rules of the Authority, its holding company(s), parent company(s), and and Ultimate Parent Owner(s)Companies shall be held jointly and severally responsible for promptly to effectuating such payments to the Authority on behalf of such Contractors.

4. Sponsoring States shall take all legislative and administrative measures to ~~assure~~ ensure that Contractors have all material, operative, and financial means to comply with the Exploitation Contract, and these Regulations, and the Rules of the Authority, and shall ensure and that no legal, administrative, contractual, or corporate limitation exists under the laws of such Sponsoring State that would limit the liability of any ~~shall prevent~~ Contractors, or its holding company(s), parent company(s), and Ultimate Parent Companies Beneficial Owner(s) hereunder ~~from~~ compensating the Authority for any damages arising from Exploitation activities conducted by such Contractor or any of its affiliates, subcontractors, or supplier, or prevent such persons from making any ~~and make~~ the payment to the Authority that is required ~~by the Contractors~~ under the Exploitation Contract, and these Regulations, and the Rules of the Authority. No Exploitation Contract shall be awarded to any Contractor until the Sponsoring State has demonstrated compliance with this requirement to the satisfaction of the Council.

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

Part III, Regulation 18bis: As drafted, proposed Regulation 18bis is imprecise and needs to be drafted to ensure that a Contractor can be held liable for its actions or inactions to the maximum extent permissible under Part XI of UNCLOS. Deep seabed mining would be an extractive industry on par with the largest globally, and liability provisions should be at least as stringent as those for analogous industries (for example the oil pollution conventions).