

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 30TH SESSION:
COUNCIL - PART I**

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 Consolidated Text

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

Canada

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

DR 82 (Review of Rates of Payment)

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. An adjustment to the rates of payments shall ~~apply to all Contract Areas, but shall only apply by agreement between the Authority and the Contractor for Contract Areas where both of the following conditions are met:~~

~~(a) The first five years of Commercial Production in the Contract Area have not elapsed; and~~

~~(b) The Contractor does not hold rights to another Contract Area of the same Resource Category for which the first five years of Commercial Production has elapsed.~~

5. Please indicate the rationale for the proposal.

Canada submitted this text ahead of third Part of the 28th Session of the Council in November 2023. By default, all adjustments to the payment rates following a review will automatically become effective for all Contract Areas. Originally, the intent of the text included in the latter part of paragraph 4 and sub-paragraphs 4 a) and 4 b) was to be explicit about the conditions required for an adjustment to rates of payment to come into effect by agreement between the Authority and the Contractor. The requirement for agreement by the Contractor to adjustments to the rates of payment applies only outside review periods and would be subject to that Contractor not holding rights to the same category of resources in another Contract Area still subject to the previous rates.

Several delegations and observer organizations noted that the formulation of the text in paragraph 4 and subparagraphs a) and b) adds confusion and could be interpreted as leaving the door open for different rates to be applied to different Contract Areas. As a result, we have revised the text and believe that the proposed edits provided added clarity and reassurance that there will only be a single rate of payment applied across Contract Areas for a given resource category.