

ISA 29th Session, Part II – Reading of the Draft Consolidated Text

Oral Statement by the Federal Republic of Germany

Delivered in March 2024

Regulation 10 – Preliminary review of application

Germany suggests deleting **paragraph 3** as it appears to be inconsistent with the Convention, which states that an exploration contractor has preference and priority for exploitation rights for that same area. In contrast, paragraph 3, seems to say that the exploration contractor only has 60 days to submit a full application for exploitation if another entity has filed an application for the same area. As also suggested by other delegations, this places undue time pressure on an applicant who may be in the process of preparing an application but will require longer than 60 days. Such time pressure may lead to limitations and shorter consultation periods, which are not in the interests of the Authority and may even be in breach of these draft regulations. Germany therefore supports para. 3.ALT that better aligns with Article 10 of Annex III to the Convention.

Including **paragraph 3.ALT** also means that **paragraph 4** can be deleted as it becomes unnecessary. The situation where one applicant has preference and priority is regulated in para 3.ALT and the situation where no applicant has preference and priority is covered by Article 6 para. 3 of Annex III of the Convention.

Germany supports **paragraph 5**, which states that the Enterprise has a right of first refusal with respect to reserved areas, which is indeed enshrined in the Convention and therefore must be considered during the preliminary review of an application.

Germany supports the suggested amendments to **paragraphs 1 and 2**, which we had also indicated in our written submission.