

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

Oral Statement by the Federal Republic of Germany

Delivered in July 2024

Regulation 80 – Monetary policies

Germany believes that any contract violation should be subject to the range of enforcement and compliance measures set out in DR 103, which includes compliance notice, monetary penalties, and in serious cases also suspension or termination of a contract. We see no reason why violations of financial terms of a contract should only be subject to monetary penalties. As currently drafted, DR 80 could mean that if a contractor persistently fails to pay royalties to the ISA, all the ISA could do is to impose financial penalties. That is not in the interest of humankind and in fact contradicts the Convention, which requires us as ISA members to act in the interest of humankind. We therefore submit that the ISA needs to reserve the right, as provided for in UNCLOS, to suspend or terminate a contract in the case of serious, persistent and wilful violations of the Contract. To achieve that, we propose to delete DR 80 and have all contractual violations regulated by DR 103.