

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 29TH SESSION:
COUNCIL - PART II**

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(s) of Delegation(s) making the proposal:

Republic of Nauru

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

Regulation 84

3. 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. A Contractor shall pay to the Authority, from the effective date of an Exploitation Contract and for the term of the Exploitation Contract and any renewal thereof, an annual reporting fee as determined by a decision of the Council from time to time, based on the recommendation of the Finance Committee with the aim of covering the costs associated with the Authority’s management and review of the Contractor’s annual reports.

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

Overall, we support that the Authority must take steps to recover reasonable and actual costs incurred relating to its regulatory functioning from the application process through to the closure of an operation, including amounts recoverable by the Authority on a cost recovery basis (e.g., competent experts, independent examinations or audits) that will arise during the administration of the contract which may not be reflected in the applicable fee categories. Many jurisdictions provide for the cost recovery of regulatory services, and the Authority must ensure that a clear picture is presented in the regulatory text as to what costs should be captured.

For regulation 84 it is important that the purpose of the annual reporting fee is clear, particularly given the multiple fees including the annual fixed fee currently being contemplated. Specifying the objective of each fee will help ensure that there is guidance for the Finance Committee and Council when they set the amounts to be payable. To this end, we suggest adding the text highlighted above.

Please note: Nauru also made a submission on sub-paragraph 4(a) in May 2024 for consideration.