

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

The Kingdom of the Netherlands

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

Draft Regulation 40 – amendments are reflected in tracked changes and highlighted yellow in the below.

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.

Prevention of corruption

1. A Contractor shall not make any gift or reward directly to (i) any officials, agents or employees or cContractors or subcontractors of the Authority or (ii) other individuals operating under the auspices of the Authority to induce or reward such persons for any acts undertaken in accordance with their duties under these Regulations, nor shall a Contractor make any gifts or rewards indirectly for the benefit of these individuals.

1. bis A Contractor shall not make gifts or rewards directly to the Authority, to procure a benefit that it would not be entitled to under the Exploration contract or Exploitation Contract.

1. ter Gifts or rewards as referred to in paragraphs 1 and 2 above shall not be made by persons other than the Contractor acting on behalf of the Contractor or for the Contractor’s benefit.

1. quater Contractors shall publish an anti-corruption policy setting out how they manage corruption risk, including how they collect and take risk-based steps to use beneficial ownership data of joint venture partners, subcontractors and suppliers in their processes.

2. The Contractor acknowledges and agrees that it is subject to the anti-bribery and anti-corruption provisions of the jurisdictions in which the Contractor is a national or by whose nationals it is effectively controlled and shall conduct its activities under the Exploitation Contract in accordance with its obligations under such anti-bribery and anti-corruption laws, [including in accordance with the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises].

2. bis Any act in contravention of paragraphs 1, 1bis, 1ter or the anti-bribery and anti-corruption laws listed in paragraph 2 shall be deemed a serious and willful violation of the fundamental terms of these Regulations and the Exploitation Contract.

2. ter Upon becoming aware of any information that a contravention as described in paragraph 2bis has taken place or is taking place, the Secretary-General, an Inspector, or the Sponsoring State, as applicable, shall refer the information

immediately to the [Compliance Committee] for their consideration, including possible action pursuant to Regulation 103. The Secretary-General or an Inspector, as applicable, shall also send such notification to the Sponsoring State.

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

- Para. 1: Contractor's should also not send gifts or rewards to person's close to officials of the Authority etc., which those people can enjoy;
- Para. 1.bis: sending of gifts or rewards to the Authority in exchange for benefits should also be impermissible;
- Para. 1.ter: it should be clear that Contractors shall not directly make such gifts or rewards, nor should such gifting or rewarding be done by others on the Contractor's behalf;
- Para. 1.quarter: this measure is also recommended by the Extractive Industry Transparency Initiative;
- Paragraphs 2.bis and 2.ter: it must be clear what the consequences are if a Contractor violates Draft Regulation 40. It must also be clear what is to be done – and by who – when suspicions of corruption arise. To this effect, paras. 2.bis and 2.ter are proposed. This has been taken from the proposal submitted by Pew for Council session 30.1, with certain amendments.