

Kingdom of Tonga Intervention on Draft Regulation 23

Thank you, Mr. President,

The Kingdom of Tonga appreciates the opportunity to intervene on Draft Regulation 23 concerning the transfer of rights and obligations under an Exploitation Contract.

Tonga supports the general framework that ensures all transfers are subject to the approval of the Council, and that the transferee must assume all responsibilities and liabilities of the contract, including those arising prior to the transfer. This is essential to uphold the integrity and continuity of contractual obligations and environmental accountability in the Area.

However, Tonga wishes to underscore the importance of ensuring that **any transfer which affects the Sponsoring State's oversight or the Effective Control of the Contractor** must be accompanied by a **new certificate of sponsorship** issued under Regulation 6. This ensures that the Sponsoring State is not unknowingly placed in a position of responsibility over a contractor it has not reviewed or approved.

On paragraph 3, Tonga shares concerns raised by others that linking the Commission's review of transfers solely to its twice-yearly meeting schedule could result in **avoidable regulatory delays**. This may unduly impact Contractors and frustrate the timely progression of responsible activities in the Area. We therefore suggest allowing the Commission to review transfers **intersessionally** and within a defined timeframe, such as **90 days**, to ensure procedural certainty and efficiency.

Finally, we request that the Regulation explicitly recognize the **need to inform and involve the Sponsoring State** in the finalization of any novation or legal instrument, especially where it impacts Effective Control or the basis of sponsorship.

Tonga remains committed to a regulatory framework that is legally sound, efficient, and fair to all stakeholders, while preserving the essential role and sovereignty of Sponsoring States.

Thank you, Mr. President.