

[Text submitted on 9 December 2025, by the Friends of the President group]

Regulation 81

Review of system of payments

1. The System of payments refers to the set procedures adopted by the Authority under Part VII of the Regulations for the purpose of determining payments owed by a Contractor. Such payments shall include royalties, profit sharing arrangements, and/or any other payment mechanism as may be adopted by the Council under this Part.

1alt. [The System of Payments means the financial mechanisms the Authority applies pursuant to Part VII of the Regulations to determine the payments due from a Contractor to the Authority, including the required forms of payment (such as a royalty payment and profit sharing).]

2. The System of payments shall be reviewed by the Council five years from the first date of commencement of Commercial Production in the Area and at intervals thereafter in accordance with the applicable Standard [as well as all observed Environmental Impacts].

3. A review of the System of payments shall be carried out in accordance with the applicable Standard.

4.3. The Council, based on the recommendations of the Commission-, may decide to adjust the existing Ssystem of payments or introduce a new Ssystem of payments. Any adjustment or introduction of a new System of payments shall be in accordance with the results of the most recent review referred to under this Regulation.

54. A review of the system of payments shall consider all Resource categories unless otherwise decided by the Council.

6.5. A change to the system of payment shall only apply by agreement between the Authority and the Contractor [for Contract Areas that have already commenced Commercial Production.] [to existing Contracts]

(GER textual proposal – environmental externalities)

[This regulation shall not apply to the Enterprise for a period not exceeding 10 years, in accordance with the decision adopted by the Assembly pursuant to Annex IV, Article 10, paragraph 3 of the Convention.] (IDG Enterprise)

Comment

Following in-person meetings on the margins of the July 2025 Council, and two virtual intersessional meetings held in November 2025, text for Draft Regulation 81 has been updated to reflect discussions and input received to date.

There was broad agreement on the addition of a new first paragraph providing a more explicit definition of the system of payments. There was general agreement on the proposed text in draft paragraph 1, though an alternative paragraph was also suggested under draft paragraph 1alt. Furthermore, a suggestion was made to include the definition in the Schedule of terms.

It was noted that the draft regulation lacked an explicit procedural obligation exists for the review of the system of payments to proceed under the applicable standard. An additional paragraph has therefore been added to address this. There was also broad agreement on the deletion of the

paragraph referencing that a review would proceed on the basis of relevant principles in the Convention and Implementing Agreement, noting redundancy with those exiting provisions.

Draft paragraph 6 appears to be the key outstanding point for which there are divergent views. Moreover, many member States have noted their reservations on the current draft paragraph. Further discussions are therefore required.

Elsewhere, although there was general support to delete the proposed reference to environmental externalities, one member State requested that the placeholder be retained until DR 64bis and DR 64ter have been re-inserted in the consolidated text. Finally, the text proposed by the interim Director General of the Enterprise has been removed from the original paragraph but retained in brackets. Further consideration will be required to determine whether this text should be included in the draft regulation or is better suited elsewhere (i.e. in the draft standard).

Regulation 82

Review of rates of payments

1. The rates of payments under an existing ~~S~~system of payments shall be reviewed by the Council five years from the first date of commencement of Commercial Production in the Area and at intervals thereafter in accordance with the applicable Standards.

2. A review of the rates of payments under an existing System of payments shall be carried out in accordance with the applicable Standards and in conjunction with a review pursuant to Regulation 81.

32. The Council, based on the recommendations of the Commission, may decide to adjust the rates of payments. Any adjustment to the rates of payment shall be in accordance with the results of the most recent review referred to under this Regulation.

34. A review of the rates of payments shall consider all Resource Categories unless otherwise decided by the Council.

45. An adjustment to the rates of payments shall apply to all Contract Areas [provided that the application is deferred until the end of the first five years of the Contract].

56. Without limiting the scope of any review by the Council, a review under this Regulation may include an adjustment to the [rate associated with any payment mechanism adopted under [this Part] [the rules, regulations, and procedures of the Authority, including any applicable Standards and taking into account any applicable Guidelines], including the manner and basis of their calculation, as well as the establishment of rates of payments for new relevant metals or Minerals that are likely to be commercially exploited [during the next review cycle.]

Comment

Following in-person meetings on the margins of the July 2025 Council, and two virtual intersessional meetings held in November 2025, text for Draft Regulation 82 has been updated to reflect discussions and input received to date.

Similar to Draft Regulation 81, an additional paragraph was added to ensure an explicit procedural obligation exists for the review of rates of payments to proceed under the applicable standard. There was broad agreement on, and no objection to, the proposed deletion of text on exemptions to the application of changes to payment rates previously under draft paragraph 5. However, one member State noted its reservation and proposes additional text included in brackets.

With respect to the final paragraph, many member States expressed support for the payment system to consider how minerals/metals recovered subsequently from Resources derived from the Area (including from tailings) would be treated. Nevertheless, there was agreement that draft regulation was not the most logical place for its inclusion. One member State proposed deleting a reference ‘during the next cycle’ when considering the establishment of rates for minerals/metals that are likely to be exploited. The rationale for this is to avoid any doubt that rates established for newly exploited metals are applied retrospectively.