

TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 31<sup>st</sup> 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](mailto:council@isa.org.jm).

1. Name(s) of Delegation(s) making the proposal:

Friends of the President (facilitated by the Kingdom of the Netherlands)

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

Draft Regulation 40

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.

**Anti-bribery and anti-corruption**

1. ~~A~~An applicant or Contractor shall not ~~-, directly or indirectly,~~ offer, promise or provide any gift, reward, ~~\_, favour~~or, undue advantage, ~~nor attempt or any other benefit of value,~~ to do so, directly or indirectly, to:

(a) any officials, agents, employees or contractors or subcontractors of the Authority; or

(b) ~~other individuals~~any individual acting under the auspices of the Authority;

to induce such persons to act contrary to their duties under the Rules of the Authority, or to reward them for any such acts undertaken or refrained from.

1. bis An applicant or Contractor shall not offer, promise or provide any gift, reward, favour or undue advantage, ~~nor attempt to do so,~~ directly or indirectly, to the Authority, to procure a benefit to which it would not be entitled.

1. ~~ter~~ An applicant or Contractor will not attempt any of the actions described in paragraphs 1 and 1bis above.

1. ~~quat~~ An applicant or Contractor shall not encourage, instruct, authorise, procure, facilitate or ~~enable~~knowingly permit another person providing gifts, rewards, favours ~~or~~, undue advantage or any other benefit of value as referred to in paragraphs 1 and 1bis above on behalf of the applicant or Contractor or for ~~the Contractor's~~their benefit.

1. ~~quat~~quin. In respect of activities in the Area, applicants and Contractors shall prepare, maintain, and publish an anti-bribery and anti-corruption policy ~~setting that sets~~ out how ~~they assess and manage~~ corruption risk,

~~including how they collect and take risk-based steps risks are identified, prevented assessed, and managed in relation to use beneficial ownership data of activities in the Area. Such policy shall include, *inter alia*:~~

(a) due diligence procedures for joint venture partners, subcontractors, and suppliers in their process;

(b) measures to identify and disclose the beneficial ownership of entities participating in the Plan of Work;

(c) internal reporting mechanisms and protections for whistleblowers; and

(d) training and compliance programmes for personnel involved in activities in the Area.

(e) periodic risk assessments and internal audits of anti-corruption controls related to activities in the Area;

(f) clear procedures for reporting suspected corruption to the Authority and to the Sponsoring State without delay, including procedures to disclose payments made in connection with activities in the Area to any public authority, including royalties, fees, bonuses or other payments;

(g) record-keeping requirements ensuring that all relevant financial and contractual documentation related to activities in the Area is retained for a period determined by the Authority for the purpose of compliance verification.

2. The applicant or Contractor shall adhere to the anti-bribery and anti-corruption provisions of the jurisdictions ~~of~~ which ~~the Contractor~~ it is a national subjected and shall conduct its activities under the Exploitation Contract in accordance with its obligations under such anti-bribery and anti-corruption laws.

3. The obligations under paragraphs 1, 1.bis, 1.ter and 1.quat and 1. quin are fundamental terms of the Exploitation Contract for the purpose of regulation 103.

[3. bis The Secretary-General, an Inspector, or a Sponsoring State shall notify the Compliance Committee immediately if ~~it becomes aware they have~~ reasonable grounds to conclude that a breach of any circumstance it considers contravenes this regulation may have occurred or ~~which would be~~ likely to ~~do so~~ occur. The Secretary-General or an Inspector, as applicable, shall also send such notification to the Sponsoring State or States. The Sponsoring State or States shall cooperate with the Authority and consider any further action in accordance with applicable domestic laws. Nothing in this regulation shall prevent other persons or entities from bringing such circumstances to the attention of the Compliance Committee.

3. ter The Compliance Committee shall consider any alleged contravention of this regulation as a matter of urgent priority, including whether to conduct an investigation to determine if a breach has occurred, if so determined, whether any measures against the Contractor under [regulation 103] would be appropriate. The Secretary-General shall forward all available potential information and evidence in support of such alleged contravention to the Compliance Committee and the Sponsoring State-]

4. Without prejudice to the Compliance Committee's competence to take or recommend measures in accordance with [regulation 103], if a contravention of this regulation relates to a decision that has been taken by the Council or a recommendation of the Commission under these Regulations, then the Council or Commission shall consider the decision or recommendation *de novo*. If the decision of the Council or recommendation of the Commission relates to the approval of a Plan of Work or an extension of an approved Plan of Work,

(a) the Commission shall recommend the disapproval of the concerned Plan of Work or the extension of the concerned Plan of Work; and

(b) the Council shall disapprove the concerned Plan of Work or the extension of the concerned Plan of Work.

5. ~~This regulation shall apply mutatis mutandis to applicants.~~ If the [Compliance Committee-~~determines/Council~~] assesses that this regulation has been contravened by an Applicant:

(a) the Commission shall not recommend approval of a proposed Plan of Work and shall reverse any recommendation for approval of such proposed Plan of Work, and

(b) the Council shall not approve an application for a Plan of Work submitted by the said application, as applicable.

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

This document reflects the outcome of the intersessional work conducted between the first and second parts of the Council's 31st session. It must be read together with the updated report, which is simultaneously submitted to the Secretariat.