

TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 31TH 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.im.

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

Russian Federation

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

Annex X

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.

Section 4

Security of tenure and exclusivity

4.1 The Contractor is hereby granted the exclusive right under this Contract to Explore for and Exploit the resource category specified in this Contract and to conduct Exploration and Exploitation activities within the Contract Area in accordance with the terms of this Contract. The Contractor shall have security of tenure, and this Contract shall not be suspended, terminated or revised except in accordance with the terms set out herein and the Regulations. ~~Any impacts from activities in the Area carried out under an Exploitation Contract must be strictly limited to the Contractor area.~~ ~~Any impacts from activities in the Area carried out under an Exploitation Contract must be strictly limited to the Contractor area.~~

Section 7

Responsibility and liability

7.1 ~~In accordance with the ‘polluter pays’ principle,~~ the Contractor shall be ~~strictly~~ liable to the Authority for the actual amount of ~~all environmental damage caused by Contractor activities that were not foreseen in the Plan of Work or that arise from a breach of any conditions of approval, including arising out of activities of the Contractor~~ ~~/any damage, including, damage to the Marine Environment, arising out of its wrongful acts or omissions, and those of its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this Contract~~ ~~arising out of its wrongful acts [or omissions]]~~ any damage, including damage to the Marine Environment, arising out of its wrongful acts or omissions, and those of its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this Contract ~~arising out of its wrongful acts [or omissions]]~~, account being taken of any contributory acts or omissions by the Authority or third parties. This clause survives the termination of the Contract and applies to all damage ~~arising out of the Contractors wrongful acts [or omissions]]~~ ~~arising out of the Contractors wrongful acts [or omissions]]~~ regardless of whether it is caused or arises ~~before, during or after the completion of the Exploitation activities or Contract term.~~ ~~For the purpose of clauses 7.1 and 7.2, ‘wrongful acts or omissions’, means any unlawful act or omission attributable to the Contractor that results in damage not anticipated and approved in the Plan of Work, irrespective of bad intention or negligence.~~ ~~Recoverable damages under this clause include: costs of reasonable measures to prevent and limit damage to the Marine Environment, lost revenue, reinstatement, pay-out in lieu of actual reinstatement,~~ ~~and/or measures to compensate for third-party economic loss, as well as pure ecological loss and harm to the living resources of the Area.~~ ~~For the avoidance of doubt, strict liability in this context applies the polluter pays principle.~~ ~~and means,~~

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it is not necessary to prove that a Contractor intended to commit or was reckless as to committing a wrongful act or omission, it is necessary only to demonstrate unpermitted damage or harm arose as a result of a Contractor's wrongful act for the Contractor to be held liable for that damage or harm.]

7.2 The Contractor shall indemnify the Authority, its employees, subcontractors and agents against all claims and liabilities of any third party arising out of any ~~wrongful~~ environmental damage caused by Contractor activities that were not foreseen in the Plan of Work or that arise from a breach of any conditions of approval, including arising from activities of the Contractor.

7.3 The Authority shall be liable to the Contractor for the actual amount of any damage caused to the Contractor arising out of its wrongful acts in the exercise of its powers and functions, including violations under article 168, paragraph 2 of the Convention, account being taken of contributory acts or omissions by the Contractor, ~~its~~ employees, agents and subcontractors, and all persons engaged in working or acting for them in the conduct of its operations under this Contract, ~~or~~ third parties.

7.4 The Authority shall indemnify the Contractor, ~~its employees, agents and subcontractors, and all persons engaged in working or acting for them in the conduct of its operations under this Contract,~~ against all claims and liabilities of any third party arising out of any wrongful acts or omissions in the exercise of its powers and functions hereunder, including violations under article 168, paragraph 2 of the Convention.

Section 9

Extension ~~Renewal~~ 276 of 305

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9.1 [Alt. 1 The Contractor may extentrenew this Contract in accordance with regulation 20.] for periods not more than 10 years each, on the following conditions:

(a) The resource category is recoverable annually in commercial [and profitable] quantities from the Contract Area;

(b) The Contractor is in compliance with the terms of this Contract and the Rules of the Authority, including rules, regulations and procedures adopted by the Authority to ensure effective protection for the Marine Environment from harmful effects which may arise from activities in the Area;

(c) This Contract has not been terminated earlier; and

(d) The Contractor has paid the applicable fee in the amount specified in appendix II to the regulations.

9.2 To renew this Contract, the Contractor shall notify the Secretary-General no later than one year before the expiration of the initial period or renewal period, as the case may be, of this Contract.

9.3 The Council shall review the notification, and if the Council determines that the Contractor is in compliance with the conditions set out above, this Contract [shall be] [may be] renewed on the terms and conditions of the standard exploitation contract that are in effect on the date that the Council approves the renewal application.

[Alt. 2 The Contractor may extent this Contract for periods not more than 10 years each, on the following conditions:

(a) The resource category is recoverable annually in commercial quantities from the Contract Area;

(b) The Contractor is in compliance with the terms of this Contract and the Rules of the Authority, including rules, regulations and procedures of the Authority, adopted by the Authority to ensure effective protection for the Marine Environment from harmful effects which may arise from activities in the Area;

(c) This Contract has not been terminated earlier; and

(d) The Contractor has paid the applicable fee [in the amount specified in appendix II to the Regulations].

9.2 To renew this Contract, the Contractor shall notify the Secretary-General no later than one year before the expiration of the initial period or extension period, as the case may be, of this Contract.

9.3 The Council shall review the notification, and if the Council determines that the Contractor is in compliance with the conditions set out above, this Contract shall be renewed on the terms and conditions of the standard exploitation contract that are in effect on the date that the Council approves the extension application.

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Section 12

Suspension and termination of Contract and penalties

12.1

(e) If the Contractor has not made bona fide efforts to achieve or sustain Commercial Production and is not recovering Minerals in commercial quantities at the end of five years from the expected date of Commercial Production, save where the Contractor is able to demonstrate to the Council's satisfaction good cause, which may include Force Majeure, [good faith efforts to comply with the environmental obligations imposed by the Authority,] or other circumstances beyond the reasonable control of the Contractor that prevented the Contractor from achieving Commercial Production.

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Section 17

Applicable law

17.2 The Contractor, its employees, subcontractors, agents and all persons engaged in working or acting for them in the conduct of its operations under this Contract shall observe the applicable law referred to in Section 17.1 hereof and shall not engage in any transaction, directly or indirectly, prohibited by the applicable law.

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