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Revised single negotiating text (part I)

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DOCUMENT A/CONF.62/WP.8/Rev.1

Revised single negotiating text*

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NOTE BY THE PRESIDENT OF THE CONFERENCE

At its 55th plenary meeting on Friday, 18 April 1975, the Conference decided to request the Chairmen of its three Main Committees each to prepare a single negotiating text covering the subjects entrusted to his Committee. The Chairmen were expected, in the preparation of this text, to take into account all the formal and informal discussions that had been held. It was understood that the text would be informal in character and would not prejudice the position of any delegation, nor would it represent any negotiated text or accepted compromise. The informal single negotiating text was to serve purely as a procedural device and only provide a basis for negotiation without affecting either the status of proposals already made by delegations or the right of delegations to submit amendments or introduce new proposals.

The informal single negotiating texts which were released before the adjournment of the third session of the Third United Nations Conference on the Law of the Sea as documents A/CONF.62/WP.8/Parts I, II and III[8] have been the subject of informal negotiations both during the intersessional period and during almost this entire fourth session which started on 15 March 1976.

At the 1st meeting of the fourth session the President indicated that the next phase should be the preparation by the Chairmen of the three Committees of a revised single negotiating text in respect of each of their Committees and that this revised text would reflect as far as possible the result of the informal negotiations that had taken place.

The revised single negotiating text would represent a further stage in the work of the Conference. The Chairmen of the three Committees have accordingly prepared revised single negotiating texts. These texts have been prepared entirely on their own responsibility and will have no other status than that of serving as a basis for continued negotiation without prejudice to the right of any delegation to move any amendments or to introduce any new proposals. The texts must not be regarded as committing any delegation or delegations to any of their provisions. In accordance with the procedure already established, there will be no general discussion of the texts.

A new part IV dealing with the item "Settlement of Disputes" is now being presented on the responsibility of the President following a general debate on the item (A/CONF.62/WP.9/Rev.1). Like the other texts it will only serve as a basis for negotiation and will not affect the right of any delegation to introduce amendments or new proposals.

The President presents these texts to the Conference as a procedural device to carry forward the process of negotiation in the expectation and the hope that the future negotiations will help towards the attainment of general agreement in keeping with the letter and the spirit of the "gentleman's agreement" regarding the conclusion of a treaty or a convention by consensus.

* This text consists of four parts: parts I, II and III appear in the present document and part IV in document A/CONF.62/WP.9/Rev.1.

[8] See *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. IV (United Nations publication, Sales No. E.75.V.10).

*DOCUMENT A/CONF.62/WP.8/REV.1/PART I***

(Text presented by the Chairman of the First Committee)

INTRODUCTORY NOTE

1. The peculiar form of this revised single negotiating text makes an introductory commentary inevitable. The complexity of the issues and the nature of the delicate negotiating effort involved in elaborating treaty articles for a new international régime, including an international machinery, demand a careful identification of the major problems, having regard to the divergent views expressed on them. The informal negotiations in the First Committee were based on the recognition of this fact. Yet, this did not in any way reduce the significance of all aspects of the provisions of the new treaty which must also be negotiated.

2. With the informal single negotiating text I submitted in Geneva, I was presented with an impossible task of trying to present a basic working document for the First Committee's mandate. My preoccupation could not be the reconciliation of these divergent views because none was possible, considering that no meaningful negotiations had begun. The period of consultations preceding its issue was embarrassingly short. Instead, I had to assemble ideas, in some chronological order, which I felt would effectively expose the magnitude of the outstanding issues.

3. The instructions of the Conference, that I produce a revision of that text (the current revised single negotiating text), presented me with an opportunity to reflect, as best I saw them, the content of the debates during the New York session based on the Geneva single negotiating text. What I now present does no more than reflect my personal view, as Chairman, of the possible direction in which the desirable consensus we seek may be found.

4. As with the first text, I have no illusions about the capacity of a single individual with my limitations to produce a compromise, particularly in so short a time. The value of a text like this resides in its own capacity to guide negotiations to a fruitful finality. If it succeeds in doing this, the gratification will be mine, but the credit must go in the first place to all the delegations of the First Committee who have demonstrated such devotion and made available to me the privilege of their wisdom and suggestions. They worked at various informal levels, including the informal meetings of the Committee as a whole, and a multiplicity of smaller groups of experts and interested individuals under my personal supervision. The delegations were also encouraged to meet bilaterally and multilaterally, as well as in groups of interests. The results of all of these were fed in to me and in appropriate cases thrown open for further review in larger meetings.

5. I decided to submit first impression drafts of various articles, known as the "PBE Series", to all delegations in the hope that they would be studied and comments made to aid the production of the revised single negotiating text. I am grateful to those who responded to my appeal. However, I take full responsibility for the text which I now present to the

** Incorporating document A/CONF.62/WP.8/Rev.1/Part I/Corr.1 of 10 May 1976.

Conference. It owes its authorship to none but my personal conclusions as a Chairman who has followed the negotiations with undiluted enthusiasm for a successful adoption of a consensus text.

6. Three important special features deserve notice:

(*a*) This text has 63 articles, compared with the 75 contained in the Geneva single negotiating text. The reasons for this will be seen in the explanations below.

(*b*) There are three annexes, which complete the list indicated in the Geneva single negotiating text. Annex I deals with the Basic Conditions of the Prospecting, Exploration and Exploitation. Annex II deals with the Statute of the Enterprise, and annex III deals with the Statute of the Sea-Bed Dispute Settlement System. However, while annex I was the subject of detailed consideration during the negotiations, annexes II and III are products of preliminary exchange of views. The latter two may be considered to occupy the same status as the former when it first appeared in the Geneva single negotiating text. In other words, they will need detailed consideration at the next session of these negotiations.

(*c*) A "Special Appendix" has been added to reflect the special situation brought to light in the discussion on the subject. Paragraph 9 of annex I was left blank in the Geneva single negotiating text. It is reserved for provisions dealing with financial arrangements. The subject was considered for the first time at this session. Although the exchange of views on it was very useful, it appears to have been confined to available experts from a limited number of countries. Even among these, opinions were not without their grave divergencies. The obvious conclusion was that it would need to be considered further at the next session, with wider participation and expertise. However, two texts, A and B, have been included in the revised single negotiating text, both of which may offer useful ideas for those further discussions. Text A reproduces the text which I submitted for the consideration of delegations. Text B was a draft on which initial discussions were based, submitted for that purpose after consultations among a selected advisory group.

7. The text is largely self-explanatory. In view of the fact that there are no less than 60 main articles and 3 annexes, I feel compelled to mention some of the interrelationships between these provisions and to point out those areas which still require further negotiation and refinement.

8. I have used the term "this Part of the Convention" throughout the text in order to remain consistent with the consensus that there will be one law of the sea convention covering the work of the three Main Committees and that of the Conference as a whole. In this context, the work of the First Committee constitutes a Part of the Convention.

I

9. The first question related to the scope of the power or control of the Authority regarding activities in the Area. Attention is drawn to a number of relevant articles, and to their relation with annex I.

10. The term "activities in the Area" now refers to all activities of exploration for, and exploitation of, the resources of the Area. This does not mean that other activities would not be covered or governed by this Part of the Convention. On the contrary, they are regulated under specific articles. For example, article 10 deals with scientific research, article 11 with transfer of technology, and articles 12 and 13 with protection of marine environment and of human life. Under these articles, the Authority has a special role to play. The weaknesses contained in the original texts of these articles have been amended. Under the present text, the Authority is required to take specific measures to fulfil its role.

11. As to the associated activities relating to exploration and exploitation, attention is drawn to paragraph 5 of annex I. This paragraph clearly states that normally a contract covers all stages of operations, although a Contractor may apply for a specific stage or stages. By implication, such stages as feasibility study, construction of facilities, processing, transportation and marketing are clearly not excluded. Thus, the Authority shall decide what stages of operations are to be included in a contract. Paragraph 3 of article 22 is intended to be read in this context. That paragraph stipulates that the Authority shall exercise control over activities in the Area for the purpose of securing effective compliance with the relevant provisions of this Part of the Convention, annex I, the rules, regulations, and procedures of the Authority, as well as the plan of work. In this manner, the controlling power of the Authority is clearly stated and maintained. Furthermore, under other articles dealing with the institutional aspects of the Authority, the Authority has the power to supervise all operations, initiate proceedings before the Tribunal, inspect and audit all books, records and accounts and issue emergency orders through the Technical Commission.

12. With regard to the nature and fundamental principles of the functioning of the Authority, reference should be made to article 21. The Authority is the organization through which States Parties shall organize and control activities in the Area, particularly with the view towards the administration of the resources of the Area. Attention is drawn also to paragraph 1 of annex I, which clarifies that the Authority shall act on behalf of mankind as a whole, in whom all rights in the resources of the Area are vested. These resources are not subject to alienation. Without prejudice to this concept, however, a distinction between resources and minerals has been introduced, should it be necessary for the Authority to part with the minerals at some stage.

II

13. Under the exploration and exploitation system adopted in article 22; activities in the Area shall be conducted directly by the Authority and, in association with the Authority and under its control in accordance with that article, by States Parties, State Enterprises, or natural or juridical persons possessing the necessary affiliation, or any group of the foregoing.

14. With respect to those activities conducted in association and under the control of the Authority, paragraphs 7 and 8 of annex I, elaborate the qualifications and mode of selection, respectively, of applicants for these activities. The conditions and procedures for the selection of applicants is contained in paragraph 8 (*c*). Paragraph 8 (*d*) deserves special mention. In substance, this subparagraph contains an important provision widely discussed during the negotiations. The title of "Reservation of areas" given to the item proved inappropriate. It is now elaborated to ensure benefit for the Authority, by enabling it readily to obtain data and information on areas deemed economically attractive after prospecting. Embodying the substance of that suggestion, the system in subparagraph (*d*) operates as follows: in applying for a contract, an applicant indicates the co-ordinates of either one area twice as large as the intended mine site, or two areas of equivalent commercial value. If a contract is to be awarded after consideration of all the conditions required of the applicant, the Authority retains one of the two viable mine sites. Further activities in this area shall be conducted directly by the Enterprise at its discretion, or, in association with the Authority, by developing countries or other entities

sponsored by them and under their effective control. In this way, the Authority should receive substantial benefits.

15. With regard to promoting the effective participation by the developing countries in the activities in the Area, reference also should be made to article 18. In this connexion, the article calls for due regard to their special needs and interests and in particular, the special needs of the land-locked and geographically disadvantaged States among them, in overcoming obstacles arising from their disadvantaged location. The question of access to the Area by land-locked countries involves transit through coastal States, a matter which appears to fall within the mandate of the Second Committee.

III

16. The Enterprise is the organ of the Authority which directly conducts activities in the Area pursuant to article 22. Provisions relating to the Enterprise are made in both article 41 (originally article 35) and annex II, which contains the Statute of the Enterprise. In introducing the draft Statute of the Enterprise, I made a statement explaining the concepts adopted in the Statute. In that connexion I have also pointed out some of the issues to be considered. Annex II has now been revised, taking into account the discussion held in the Committee on the draft Statute. Nevertheless, this annex, as pointed out above, is a preliminary text and is yet to be discussed in depth in the Committee.

17. Furthermore, during my consultations, the notion of a Finance Commission has been suggested. This also has to be discussed at the next session.

18. The discussion on the draft Statute of the Enterprise revealed an expressed need for the United Nations Secretary-General to explore alternative means of financing the Enterprise. It is my view that any study in this area would be useful for our future discussions and my hope is that the Secretariat will respond to that request. It may wish to consider in its undertaking, terms and conditions of some international or public finance institutions by which activities might be financed.

IV

19. Article 9 is an attempt to balance some of the most difficult issues in the First Committee mandate. It sets out the general principles regarding economic aspects of activities in the Area. It endeavours to embrace all the interests and needs of the contending groups of States.

20. Special attention is drawn to paragraph 4, which deals with protection against adverse economic effects to developing land-based mineral producers. The protection scheme envisages a three-layer system of complimentary measures. These are:

(i) What are commonly called commodity arrangements, so as to facilitate efficient and stable markets for those classes of commodities produced from the Area, at prices remunerative to producers and fair to consumers;
(ii) Production controls for an interim period as specified in the article;
(iii) A compensatory system of economic adjustment assistance.

21. The text makes clear what constitutes "adverse economic effects" and who may be compensated therefrom.

22. Certain important questions, however, need particular attention at the next session. Significant among them is a method for assuring that the production limitation prescribed does not adversely affect the ability of the Enterprise to conduct activities on its own, or of developing countries in prescribed association with it, at the earliest possible date.

23. With regard to the provision for an interim period regarding production controls, the inclusion of an option for the council to prolong the interim period is contingent on agreement upon a satisfactory voting procedure for this and other issues.

24. It should be pointed out that although a method of computation for the cumulative growth segment has been included in paragraph 21 of annex I, I am fully aware of the need for more careful consideration of this matter.

25. Specific attention will have to be devoted to the projected rate of increase for nickel (that is 6 per cent) applied in paragraph 21 of annex I, which was taken from the report of the Secretary-General, "Economic implications of sea-bed mineral development in the international area" (A/CONF.62/25).[9]

26. In connexion with protection against adverse economic effects to developing land-based mineral producers, article 30 provides for an Economic Planning Commission. This Commission is empowered to submit recommendations to the Council and to review the trends of, and factors affecting, supply, demand and prices of raw materials which may be obtained from the Area. Any of the developing countries, having a special interest in this matter, could bring a situation to the attention of the Economic Planning Commission if a substantial decline in mineral export earnings were likely to occur. Furthermore, the Commission has the power to examine this situation and make recommendations. On the basis of studies, reports and reviews, the Commission would advise the Council in exercising the powers specifically entrusted to it under article 28.

V

27. I wish now to turn to some institutional aspects relating to the proposed International Sea-Bed Authority. Article 24 provides for the establishment of the principal governing, judicial and administrative organs of the Authority: an Assembly, a Council, a Tribunal, and a Secretariat.

28. One of the central issues before us has been the relationship between the Assembly and the Council. While the relationship as manifested in the original articles 26 and 28 was supported by some groups of countries, it was opposed just as strongly by certain others. From the discussion, it was obvious that a system based on either the supremacy of one organ or the other, or on the strict division of functions and powers of the two principal organs could not constitute a compromise solution. On the other hand, a possible agreement seemingly lies in the following direction: the Assembly would have the power to prescribe general policies; the Council would have certain prerogatives but would be subject to these general policies. As a result, the Council presumably would have sufficient latitude to execute the various tasks assigned to it and to carry out day-to-day operations on the basis of the policies established by the Assembly. The present relationship between the Assembly and the Council embodies this philosophy.

29. Another issue taken up here relates to the descriptive use of the term "supreme policy-making" for the Assembly as an organ of the Authority. It was criticized on the grounds of prejudicing the more profound problem of jurisdiction and

[9] *Ibid.*, vol. III (United Nations publication, Sales No. E.75.V.5).

the nature of the interprincipal organ relationship. Another descriptive term, "plenary", was proposed in the "PBE Series" but again was rejected on the ground that it did not describe the status of a principal organ in which the entire membership was represented, and from which the general policies to be pursued by the representatives of mankind as a whole were to emanate.

30. On this sensitive descriptive issue, I have adopted the term "supreme" only. It is my view that it does not prejudice either side to the conflict of ideas. It is employed merely to describe the organ most representative of the membership of mankind. The interrelationship between the Assembly and the Council must be examined in the scope of their respective powers and functions. Article 24 ensures that neither shall take actions which may impede the exercise of specific powers and functions entrusted to the other.

31. The Committee held several preliminary discussions on the composition of the Council, but did not have the time for necessary detailed discussions on the vital question of its decision-making process. As a result, the present article 27 has been reproduced from the original text, and this article will need to be considered further in the Committee.

32. Article 25 contains the decision-making processes of the Assembly. Special voting procedures for particular types of decisions were suggested which are substantially at variance. Additional measures have been added in an attempt to ensure that the interests of all the groups of countries would be safeguarded. The entire question of the decision-making processes in the organs may have to be considered at the next session.

33. In addition, I wish to mention the proposed Rules and Regulations Commission, which is dealt with in article 32. This article is new, but the concept is not. It may be recalled that in the Geneva single negotiating text some of these same powers and functions were subsumed under the Technical Commission in the interest of supporting a minimum number of subsidiary organs. However, considerations of economy appeared from the negotiation to be subordinate to a greater need for a separate commission to execute functions now elaborated in article 32, (2).

34. Article 20 was not discussed because I consider that decisions on some of its provisions will, more appropriately, be taken at a later stage.

VI

35. Articles 33-40 (originally 32-33 and 57-63) deal with the Tribunal and the settlement of disputes. These articles have been grouped from the previous text in the interests of convenience and easy reference. The Statute of the Sea-Bed Dispute Settlement System (annex III) requires further consideration in the Committee at the next session. My introductory remarks in presenting the original draft to the Committee will suffice. However, certain articles in the Statute and in the revised main Text may have to be adjusted to elaborate further article 40 (formerly article 63) dealing with the mechanism of permanent arbitration or Special Chambers and other related articles.

VII

36. The question of finance with regard to the new international machinery is of such crucial importance that no attempt has been made at an unsatisfactory treatment of the important issues involved. It is on their resolution that the nature of the new Authority, and perhaps its effectiveness as a viable institution for the survival of mankind's aspirations in ocean space may well depend. This question was dealt with by the Geneva single negotiating text in articles 42 to 47. They are retained with little change because negotiations need to be held seriously on them, together with the other crucial question of financial arrangements mentioned above.

VIII

37. Articles 52 to 60 (originally 48 to 56) relate to the question of status, immunity and privileges. These articles were discussed in the Committee. They have been reproduced from the original text, because of the need for further consideration by the Committee.

38. In my statement of 5 September 1975, introducing the informal single negotiating text, Part I, I stated that the text was drafted, purely for convenience, as a self-contained convention. Consequently, the final clauses were also included. For the reasons I have stated earlier in this statement, all articles concerning final clauses have been deleted because they are general in nature and affect the Convention as a whole. Article 63 (originally article 73), dealing with provisional application, has been retained because it bears a close relationship to the régime and machinery. Nevertheless, the question of provisional application is of a general nature and should be taken up by the Plenary. In any case, this article does not prejudice further consideration in the First Committee of those aspects of provisional application which relate specifically to the Committee's work.

39. Finally, the length of this introduction is motivated only by my desire to present all the elements I consider necessary to a good understanding of this Revised Single Negotiating Text. However, nothing I have said here is intended to be a substitute for the Text itself, over which I have taken greater time and effort.

(Signed) PAUL BAMELA EUGO
Chairman, First Committee

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INTERPRETATION

Article 1

For the purpose of this Part of the Convention:

(i) "States Parties" to this Convention means Contracting Parties.

(ii) "Activities in the Area" means all activities of exploration for, and exploitation of, the resources of the Area.

(iii) "Resources" means mineral resources *in situ*. When recovered from the Area, such resources shall, for the purposes of this Part of the Convention, be regarded as minerals.

(iv) Minerals shall be divided into the following categories:

(*a*) Liquid or gaseous substances such as petroleum, gas, condensate, helium, nitrogen, carbon dioxide, water, steam, hot water, and also sulphur and salts extracted in liquid form in solution;

(*b*) Useful minerals occurring on the surface of the sea-bed or at depths of less than 3 metres beneath the surface and also concretions of phosphorites and other minerals;

(*c*) Solid minerals in the ocean floor at depths of more than 3 metres from the surface;

(*d*) Ore-bearing silt and brine.

THE AREA AND ITS LIMITS

Article 2

1. This Part of the Convention shall apply to the sea-bed and ocean floor and subsoil thereof beyond the limits of national jurisdiction, hereinafter called the "Area".

2. States Parties shall notify the International Sea-Bed Authority established pursuant to Article 20 (hereinafter called the "Authority"), of the limits referred to in paragraph 1 of this article and determined by co-ordinates of latitude and longitude and shall indicate the same on appropriate large-scale charts officially recognized by that State.

3. The Authority shall register and publish such notification in accordance with rules adopted by it for the purpose.

4. Nothing in this article shall affect the validity of any agreement between States with respect to the establishment of limits between opposite or adjacent States.

COMMON HERITAGE OF MANKIND

Article 3

The Area and its resources are the common heritage of mankind.

NO CLAIM OR EXERCISE OF SOVEREIGNTY OR OTHER RIGHTS

Article 4

1. No State shall claim or exercise sovereignty or sovereign rights over any part of the Area or its resources, nor shall any State or person, natural or juridical, appropriate any part thereof. No such claim or exercise of sovereignty or sovereign rights, nor such appropriation shall be recognized.

2. No State or person, natural or juridical, shall claim, acquire or exercise rights with respect to the minerals of the Area except in accordance with the provisions of this Part of the Convention. Otherwise, no such claim, acquisition or exercise of such rights shall be recognized.

ACTIVITIES IN THE AREA

Article 5

Activities in the Area shall be governed by the provisions of this Part of the Convention.

GENERAL CONDUCT OF STATES IN RELATION TO THE AREA

Article 6

Without prejudice to Article 5, the general conduct of States in relation to the Area shall be in accordance with the provisions of this Part of the Convention, and other pertinent rules of international law, including the Charter of the United Nations, in the interests of maintaining peace and security and promoting international co-operation and mutual understanding.

BENEFIT OF MANKIND AS A WHOLE

Article 7

Activities in the Area shall be carried out for the benefit of mankind as a whole, irrespective of the geographical location of States, whether coastal or land-locked, and taking into particular consideration the interests and needs of the developing countries as specifically provided for in this Part of the Convention.

USE OF THE AREA EXCLUSIVELY FOR PEACEFUL PURPOSES

Article 8

The Area shall be open to use exclusively for peaceful purposes by all States, whether coastal or land-locked, without discrimination and without prejudice to the other provisions of this Part of the Convention.

GENERAL PRINCIPLES REGARDING ECONOMIC ASPECTS OF ACTIVITIES IN THE AREA

Article 9

Activities in the Area shall be undertaken in such a manner as to:

1. Foster the healthy development of the world economy and a balanced growth in international trade, and to promote international co-operation for the over-all development of all countries, especially of developing countries;

2. Expand opportunities for all States Parties to participate in the development of the resources of the Area;

3. Increase availability of resources to meet world demand;

4. Protect against the adverse economic effects of a substantial decline in the mineral export earnings of developing countries for whom export revenues from minerals or raw materials also under exploitation in the Area represent a significant share of their gross domestic product or foreign exchange earnings, when such decline is caused by activities in the Area, by:

(i) Facilitating, through existing forums or such new arrangements or agreements as may be appropriate and in which all affected parties participate, the growth, efficiency and stability of markets for those classes of commodities produced from the Area, at prices remunerative to producers and fair to consumers. The Authority shall have the right to participate in any commodity conference dealing with the categories of minerals produced in the Area. The Authority shall have the right to become a party to any such arrangement or agreement resulting from such conferences as are referred to above. The participation by the Authority in any organs established under the arrangements or agreements referred to above shall be in respect of its production in the Area and in accordance with the rules of procedure established for such organs. In carrying out the decisions taken by such organs, the Authority shall assure the uniform and non-discriminatory implementation of such decisions in respect of all production in the Area of the minerals concerned. In doing so, the Authority shall act in a manner consistent with the terms of existing contracts;

(ii) The Authority limiting, in an interim period specified below, total production in the Area so as not to exceed the projected cumulative growth segment of the nickel market during that period. The cumulative growth segment for the purpose of this Part of the Convention shall be computed in accordance with Annex I, paragraph 21. The interim period referred to above shall be of a duration of 20 years and shall begin on 1 January 1980, or immediately upon the commencement of commercial production under a

contract, whichever comes earlier. During the last 12 months of the 20-year period, the Council may take a decision to prolong the period for another 5 years. Production levels under existing contracts shall not be affected by the interim limit, but shall, however, be included in the calculation of the stated production limits under this sub-paragraph;

(iii) A compensatory system of economic adjustment assistance in respect of the adverse effects referred to in this paragraph.

5. Ensure their safe, orderly and efficient conduct and, in accordance with commonly used principles of conservation, the avoidance of unnecessary waste;

6. Ensure equitable sharing in and distribution of financial and other economic benefits among States Parties from the activities in the Area, taking into particular consideration the interests and needs of the developing countries, in accordance with Article . . . and consistent with Articles 11, 18 and 23.

Scientific research

Article 10

1. Scientific research in the Area shall be carried out exclusively for peaceful purposes and for the benefit of mankind as a whole. The Authority shall promote and encourage the conduct of scientific research in the Area.

2. The Authority may itself conduct scientific research in the Area and may enter into agreements for that purpose.

3. States Parties shall promote international co-operation in scientific research in the Area exclusively for peaceful purposes by:

(*a*) Participation in international programmes and encouraging co-operation in scientific research by personnel of different countries and of the Authority;

(*b*) Ensuring that programmes are developed, through the Authority or other international bodies as appropriate, for the benefit of developing countries and technologically less developed countries with a view to

(i) Strengthening their research capabilities;

(ii) Training their personnel and the personnel of the Authority in the techniques and applications of research;

(iii) Fostering the employment of their qualified personnel in activities of research in the Area;

(*c*) Effective dissemination of the results of research and analysis when available, through the Authority or other international channels when appropriate.

Transfer of technology

Article 11

The Authority and States Parties shall co-operate in promoting the transfer of technology and scientific knowledge relating to activities in the Area so that all States benefit therefrom. In particular, they shall promote:

(*a*) Programmes for the promotion of transfer of technology to developing countries with regard to activities in the Area, including, *inter alia*, facilitating the access of developing countries to the relevant technology, under just and reasonable conditions;

(*b*) Measures directed towards the advancement of domestic technology of developing countries, particularly through the opening of opportunities to personnel from developing countries for training in marine science and technology and their full participation in activities in the Area.

Protection of the marine environment

Article 12

With respect to activities in the Area, necessary measures shall be taken in order to ensure effective protection for the marine environment from harmful effects which may arise from such activities. To that end the Authority shall adopt appropriate rules, regulations and procedures for *inter alia*:

(*a*) The prevention of pollution and contamination, and other hazards to the marine environment, including the coastline, and of interference with the ecological balance of the marine environment, particular attention being paid to the need for protection from the consequences of such activities as drilling, dredging, excavation, disposal of waste, construction and operation or maintenance of installations, pipelines and other devices related to such activities;

(*b*) The protection and conservation of the natural resources of the Area and the prevention of damage to the flora and fauna of the marine environment.

Protection of human life

Article 13

With respect to activities in the Area, necessary measures shall be taken in order to ensure effective protection of human life. To that end the Authority shall adopt appropriate rules, regulations and procedures to supplement existing international law as reflected in specific treaties which may be applicable.

Rights of coastal states

Article 14

1. Activities in the Area, with respect to resource deposits in the Area which lie across limits of national jurisdiction, shall be conducted with due regard to the rights and legitimate interests of any coastal State across whose jurisdiction such resources lie.

Consultations, including a system of prior notification, shall be maintained with the State concerned, with a view to avoiding infringement of such rights and interests. In cases where activities in the Area may result in the exploitation of resources lying within national jurisdiction, the prior consent of the coastal State concerned shall be required.

2. Neither the provisions of this Part of the Convention nor any rights granted or exercised pursuant thereto shall affect the rights of coastal States to take such measures consistent with the relevant provisions of Part III of the Convention as may be necessary to prevent, mitigate or eliminate grave and imminent danger to their coastlines or related interests from pollution or threat thereof or from other hazardous occurrences resulting from or caused by any activities in the Area.

Legal status of the superjacent waters and air space

Article 15

Neither the provisions of this Part of the Convention nor any rights granted or exercised pursuant thereto shall affect the legal status of the waters superjacent to the Area or that of the air space above those waters.

ACCOMMODATION OF ACTIVITIES IN THE AREA AND IN THE MARINE ENVIRONMENT

Article 16

1. Activities in the Area shall be carried out with reasonable regard to other activities in the marine environment.

2. Stationary and mobile installations relating to the conduct of activities in the Area shall be subject to the following conditions:

(i) Such installations shall be erected, emplaced and removed solely in accordance with the provisions of this Part of the Convention and subject to rules and regulations adopted by the Authority. The erection, emplacement and removal of such installations shall be the subject of timely notification through Notices to Mariners or other generally recognized means of notification;

(ii) Such installations shall not be located in the Area where they may obstruct passage through sea lanes of vital importance for international shipping or in areas of intense fishing activity;

(iii) Safety zones shall be established around such installations with appropriate markings to ensure the safety both of the installations themselves and of shipping. The configuration and location of such safety zones shall not be such as to form a belt impeding the lawful access of shipping to particular maritime zones or navigation along international sea lanes;

(iv) Such installations shall be used exclusively for peaceful purposes;

(v) Such installations shall not possess the status of islands. They shall have no territorial sea, nor shall their presence affect the determination of territorial or jurisdictional limits of any kind.

3. Other activities in the marine environment shall be conducted with reasonable regard for activities in the Area.

RESPONSIBILITY TO ENSURE COMPLIANCE AND LIABILITY FOR DAMAGE

Article 17

1. States Parties shall have the responsibility to ensure that activities in the Area, whether undertaken by States Parties, or state enterprises, or persons natural or juridical which possess the nationality of States Parties or are effectively controlled by them or their nationals, shall be carried out in conformity with the provisions of this Part of the Convention. The same responsibility applies to international organizations for activities in the Area undertaken by such organizations. Without prejudice to applicable principles of international law and paragraph 18 of Annex I, damage caused by the failure of a State Party to carry out its responsibilities under this Part of the Convention shall entail liability. A State Party shall not however be liable for damage caused by any failure to comply by a person whom it has sponsored under Article 22, paragraph 1, if the State Party has taken all necessary and appropriate measures to secure effective compliance under Article 22, paragraph 3.

2. A group of States Parties or a group of international organizations, acting together, shall be jointly and severally responsible under these articles.

3. States Parties shall take appropriate measures to ensure that the responsibility provided for in paragraph 1 of this article shall apply *mutatis mutandis* to international organizations.

PARTICIPATION OF DEVELOPING COUNTRIES, INCLUDING LAND-LOCKED AND OTHER GEOGRAPHICALLY DISADVANTAGED STATES

Article 18

Effective participation in the activities in the Area of developing countries shall be promoted as specifically provided for in this Part of the Convention, having due regard to their special needs and interests, and in particular, the special needs of the land-locked and geographically disadvantaged States among them in overcoming obstacles arising from their disadvantaged location.

ARCHAEOLOGICAL AND HISTORICAL OBJECTS

Article 19

All objects of an archaeological and historical nature found in the Area shall be preserved or disposed of for the benefit of the international community as a whole, particular regard being paid to the preferential rights of the State or country of origin, or the State of cultural origin, or the State of historical and archaeological origin.

ESTABLISHMENT OF THE INTERNATIONAL SEA-BED AUTHORITY

Article 20

1. There is hereby established the International Sea-Bed Authority which shall function in accordance with the provisions of this Part of the Convention.

2. All States Parties to this Convention are *ipso facto* members of the Authority.

3. The seat of the Authority shall be at Jamaica.

4. The Authority may establish such regional centres or offices as it deems necessary for the performance of its functions.

NATURE AND FUNDAMENTAL PRINCIPLES OF THE FUNCTIONING OF THE AUTHORITY

Article 21

1. The Authority is the organization through which States Parties shall organize and control activities in the Area, particularly with the view towards the administration of the resources of the Area, in accordance with this Part of the Convention.

2. The Authority is based on the principle of the sovereign equality of all of its members.

3. All members, in order to ensure to all of them the rights and benefits resulting from membership, shall fulfil in good faith the obligations assumed by them in accordance with this Part.

FUNCTIONS OF THE AUTHORITY

Article 22

1. Activities in the Area shall be conducted directly by the Authority and, in association with the Authority and under its control in accordance with paragraph 3 of this article, by States Parties, or state enterprises, or persons natural or juridical which possess the nationality of States Parties or are effectively controlled by them or their nationals, when sponsored by such States, or any group of the

foregoing in accordance with the provisions of Annex I, the rules, regulations and procedures of the Authority adopted under Article 28 (2) (xii) and the Statute of the Enterprise.

2. Activities in the Area shall be carried out in accordance with a formal written plan of work drawn in accordance with Annex I and approved by the Council after review by the Technical Commission. In the case of activities in the Area conducted in association with the Authority such a plan of work shall be in the form of a contract of exploration and exploitation.

3. The Authority shall exercise control over activities in the Area for the purpose of securing effective compliance with the relevant provisions of this Convention, Annex I and the rules, regulations and procedures of the Authority adopted under Article 28 (2) (xii) and the plan of work approved in accordance with paragraph 2. States Parties who sponsor persons natural or juridical shall assist the Authority by taking all necessary and appropriate measures to secure effective compliance by such persons.

Article 23

1. The Authority shall avoid discrimination in the exercise of its powers and functions, including the granting of opportunities for activities in the Area, except as specifically provided for in this Part of the Convention. All rights granted under it shall be fully safeguarded in accordance with the provisions of this Part of the Convention.

2. Special consideration for developing countries specifically provided for in this Part of the Convention shall not be deemed to be discrimination.

Organs of the Authority

Article 24

1. There are hereby established as the principal governing, judicial and administrative organs of the Authority, an Assembly, a Council, a Tribunal* and a Secretariat.

2. There is hereby established the Enterprise, the organ through which the Authority shall directly carry out activities in the Area.

3. Such subsidiary organs as may be found necessary may be established in accordance with this Part of the Convention.

4. The principal organs shall each be responsible for exercising those powers and functions which have been provided to them and shall, except as otherwise specified in this Part of the Convention, avoid taking any actions which may impede the exercise of specific powers and functions entrusted to another organ.

The Assembly

Article 25

1. The Assembly shall consist of all the members of the Authority.

2. The Assembly shall meet in regular session every year and in such special sessions as may be determined by the Assembly, or convened by the Secretary-General at the request of the Council or of a majority of the members of the Authority, or in accordance with paragraph 8 of this article.

3. Sessions shall take place at the seat of the Authority unless otherwise determined by the Assembly. At such sessions, each member shall have one representative who may be accompanied by alternates and advisers.

4. The Assembly shall elect its President and such other officers as may be required at the beginning of each session. They shall hold office until the new President and other officers are elected at the next following session.

5. Each member of the Assembly shall have one vote.

6. All decisions on questions of substance and the question whether a question is one of substance or procedure, shall be made by a two-thirds majority of the members of the Authority.

7. Decisions relating to questions other than those specified in paragraph 6 above, including the decision to convene a special session of the Assembly, shall be made by a majority of the members present and voting.

8. Any decision of the Assembly on an important question of substance shall come into effect 90 calendar days following the session in which it was adopted, provided that within that time period one third of the members of the Authority plus one have not given notification of their objection in writing to the Secretary-General of the Authority. Where such notification is given, the Secretary-General shall place the matter before the Assembly for reconsideration by a Special Session. This procedure shall not apply to decisions on important questions of substance which have not been taken by consensus.

9. When a matter of substance comes up for voting for the first time, the President may, and shall, if requested by at least 15 representatives, defer the question of taking a vote on such matter for a period not exceeding five calendar days. The provisions of this paragraph may be applied only once on the matter.

10. A majority of the members of the Assembly shall constitute a quorum.

11. Upon a request to the President supported by not less than one fourth of the members of the Authority, a vote on any matter before the Assembly shall be deferred pending reference to the Tribunal for an advisory opinion on the legality of the proposed action. Voting on such matters shall be stayed pending delivery of the Tribunal's advisory opinion. If the advisory opinion is not received during the session in which it is requested, the Assembly shall decide when it will meet to vote upon the deferred question.

Powers and functions of the Assembly

Article 26

1. The Assembly, as the supreme organ of the Authority, shall have the power to prescribe the general policies to be pursued by the Authority on any questions or matters within the competence of the Authority by adopting resolutions and making recommendations. With regard to any such questions or matters not specifically entrusted to a particular organ of the Authority, the Assembly shall indicate which organ shall be entrusted with such questions or matters. The Assembly may also discuss any questions or any matters within the scope of this Part of the Convention and make recommendations thereon.

2. In addition, the powers and functions of the Assembly shall be:

(i) Election of the members of the Council in accordance with Article 27;

* Annex III (The Statute of the Sea-Bed Dispute Settlement System) is still to be negotiated. If a compulsory arbitration mechanism or any other mechanism is agreed to rather than a permanent Tribunal, this article and subsequent ones referring to the Tribunal will need to be revised.

(ii) Appointment, upon the recommendation of the Council, of the Secretary-General, and of the members of the Tribunal and the Governing Board of the Enterprise;
(iii) Establishment, as appropriate, of such subsidiary organs as may be found necessary for the performance of its functions in accordance with the provisions of this Part of the Convention. In the composition of such subsidiary organs due account shall be taken of the principle of equitable geographical distribution and special groups, and the need for members highly qualified and competent in the relevant technical matters dealt with by such organs;
(iv) Assessment of the contributions of States Parties to the administrative budget of the Authority in accordance with an agreed general assessment scale until the Authority shall have sufficient income for meeting its administrative expenses;
(v) Adoption of the financial regulations of the Authority upon the recommendations of the Council;
(vi) Approval of the budget of the Authority on its submission by the Council;
(vii) Adoption of its rules of procedure;
(viii) Request and consideration of special reports from the Council and from the other organs of the Authority on any matter within the scope of this Part of the Convention;
(ix) Studies and recommendations for the purpose of promoting international co-operation concerning activities in the Area and encouraging the progressive development of international law relating thereto and its codification;
(x) Adoption of criteria, rules, regulations and procedures for the equitable sharing among States Parties of financial and other economic benefits derived from activities in the Area, taking into particular consideration the interests and the needs of the developing countries;
(xi) Consideration of problems of a general nature arising for States in connexion with activities in the Area resulting from their land-locked and otherwise geographically disadvantaged location;
(xii) Suspension of members pursuant to Article 62;
(xiii) Receipt of reports from the Enterprise.

3. In exercising its powers and functions, the Assembly shall have particular regard to Article 24.4.

The Council

Article 27

1. The Council shall consist of 36 members of the Authority elected by the Assembly, 24 to be elected in accordance with the principle of equitable geographical representation and 12 with a view to representation of special interests, taking into account the principle of equitable geographical representation, the election to take place in the following order:

(*a*) Six members with substantial investment in, or possessing advanced technology which is being used for, the exploration of the Area and the exploitation of its resources, and members which are major importers of landbased minerals which are also produced from the resources of the Area, provided only that at the first election at least one of these six members shall be from the Eastern (Socialist) European region.

(*b*) Six members from among the developing countries, one being drawn from each of the following categories:

(i) States which are exporters of landbased minerals which may also be produced from the resources of the Area;
(ii) States which are importers of the minerals referred to in subparagraph (i);
(iii) States with large populations;
(iv) Land-locked States;
(v) Geographically disadvantaged States;
(vi) Least developed countries.

(*c*) Twenty-four members in accordance with the principle of equitable geographical representation. For this purpose, the geographical regions shall be Africa, Asia, Eastern Europe (Socialist), Latin America and "Western Europe and others".

2. Elections shall take place at regular sessions of the Assembly, and each member of the Council shall be elected for a term of four years. In the first election of members of the Council, however, 18 members shall be chosen for a period of two years.

3. Members shall be eligible for re-election; but due regard should, as a rule, be paid to the desirability of rotating seats.

4. The Council shall function at the seat of the Authority, and shall meet as often as the business of the Authority may require, but not less than three times a year.

5. Each member of the Council shall have one vote.

6. Decisions on important questions shall be made by a two-thirds plus one majority of the members present and voting. The decision on an issue as to whether or not a matter is an important question shall be taken by a two-thirds majority. Decisions on other questions shall be decided by a majority of the members present and voting.

7. The Council shall establish a procedure whereby a member of the Authority not represented on the Council may send a representative to attend a meeting of the Council when a request is made by such member, or a matter particularly affecting it is under consideration. Such a representative shall be entitled to participate in the deliberations but not to vote.

Powers and functions of the Council

Article 28

1. The Council, as the executive organ of the Authority, shall have the power to prescribe the specific policies to be pursued by the Authority on any questions or matters within the competence of the Authority and in a manner consistent with the general policies prescribed by the Assembly.

2. The Council shall:

(i) Supervise and co-ordinate the implementation of the provisions of this Part of the Convention and, whenever it deems appropriate, invite the attention of the Assembly to cases of non-compliance;
(ii) Recommend to the Assembly candidates for appointment to the Tribunal and to the Governing Board of the Enterprise;
(iii) Establish, as appropriate, and with due regard to economy and efficiency, in addition to the Commissions provided for in Article 29 (1), such subsidiary organs as may be found necessary for the performance of its functions in accordance with the provisions of this Part of the Convention. In the composition of such subsidiary organs, emphasis shall be placed on the need for members highly qualified and competent in the relevant technical matters dealt with by such organs and, having due regard for the

principle of equitable geographical distribution and special interest groups referred to in Article 27 (1);

(iv) Adopt its rules of procedure;

(v) Enter into agreements with the United Nations or other intergovernmental organizations on behalf of the Authority, subject to approval by the Assembly;

(vi) Transmit to the Assembly the reports of the Enterprise with its recommendations;

(vii) Transmit to the Assembly annual reports and such special reports as the Assembly may request;

(viii) Issue general policy directives to the Enterprise;

(ix) Approve on behalf of the Authority, after review by the Technical Commission, formal written plans of work for the conduct of activities in the Area drawn up in accordance with paragraph 2 of Article 22;

(x) Exercise control over activities in the Area in accordance with paragraph 3 of Article 22;

(xi) Adopt, in accordance with paragraph 4 of Article 9, necessary and appropriate measures to protect against adverse economic effects specified therein;

(xii) Adopt and apply rules, regulations and procedures recommended by the Rules and Regulations Commission and any amendments thereto in accordance with the provisions of paragraph 12 of Annex I. Upon their approval by the Council, they shall be submitted directly to all States Parties. Such rules, regulations and procedures shall become effective 90 days after their submission, unless in the meantime one fourth of the States Parties inform the Authority of their disapproval. This time period shall be suspended in respect of any rule, regulation or procedure the validity of which has been challenged in the Tribunal, pending a Tribunal decision on the matter;

(xiii) Review the collection of all payments to be made by or to the Authority in connexion with operations pursuant to this Part of the Convention;

(xiv) Make recommendations to States concerning the policies and measures required to give effect to the principles of this Part of the Convention;

(xv) Make recommendations to the Assembly concerning suspension of the privileges and rights of membership for gross and persistent violations of the provisions of this Part of the Convention upon a finding by the Tribunal.

Organs of the Council

Article 29

1. There are hereby established as organs of the Council:

(*a*) An Economic Planning Commission, composed in accordance with Article 30;

(*b*) A Technical Commission and a Rules and Regulation Commission, each of which shall be composed of 15 members appointed by the Council with due regard to not only the need for members highly qualified and competent in the technical matters which may arise in such organs but also to special interests and the principle of equitable geographical distribution.

2. The Council shall invite States Parties to submit nominations for appointment to each of the Commissions referred to in paragraph 1 above.

3. Appointment to each Commission shall take place not less than 60 days before the end of a calendar year and the members of a Commission shall hold office from the commencement of the next calendar year following their appointment until the end of the third calendar year thereafter. The first appointments to a Commission, however, shall take place not less than 30 days after the entry into force of this Convention, and five of those so appointed shall hold office until the end of the calendar year next following the year of their appointment, while five other members shall hold office until the end of the second calendar year following their appointment.

4. In the event of the death, incapacity or resignation of a member of a Commission prior to the expiry of his term of office, the Council shall appoint a member from the same area or interest who shall hold office for the remainder of the previous member's term.

5. Members of a Commission shall be eligible for reappointment for one further term of office.

6. Each Commission shall appoint its Chairman and two Vice-Chairmen who shall hold office for one year.

7. The Council shall approve, on the recommendation of a Commission, such rules and regulations as may be necessary for the efficient conduct of the functions of the Commission.

8. Decisions of the Commissions shall be by a two-thirds majority of their members.

9. Each Commission shall function at the seat of the Authority and shall meet as often as shall be required for the efficient performance of its functions.

The Economic Planning Commission

Article 30

1. The Economic Planning Commission shall be composed of 18 experts appointed by the Council, upon nomination by States Parties. Such experts shall have appropriate qualifications and experience relevant to mining and the management of mineral resource activities, and international trade and finance. In the composition of the Economic Planning Commission, the Council shall take into account the need for equitable geographical distribution. The Council shall also ensure at all times a fair and equitable balance within the Commission between those experts appointed from countries which produce and which consume minerals which are also derived from the Area.

2. The Economic Planning Commission shall submit its recommendations to the Council upon an affirmative vote of two thirds of its members. In those cases where a recommendation is not adopted by consensus, any dissenting opinions and analyses shall be forwarded to the Council together with the recommendation.

3. The Economic Planning Commission, in consultation with the competent organs of the United Nations, its specialized agencies and any other intergovernmental organization with responsibilities relating to minerals which are also derived from the Area, shall review the trends of, and factors affecting, supply, demand and prices of raw materials which may be obtained from the Area, bearing in mind the interests of both consuming and producing countries, and in particular the developing countries among them.

4. The Commission shall make such special studies and reports as may be required by the Council from time to time.

5. Any developing country for whom export revenues from minerals or raw materials also under exploitation in the Area represent a significant share of its gross domestic product or foreign exchange earnings may bring to the attention of the Economic Planning Commission a situation which is likely to lead to a substantial decline in its mineral export earnings and is caused by activities in the Area. The

Commission shall forthwith investigate this situation and shall make recommendations, in consultation with States Parties and with the competent intergovernmental organizations, to the Council in accordance with paragraph 6 of this article.

6. On the basis of studies, reports and reviews referred to above, the Commission shall advise the Council as to the exercise of its powers and functions pursuant to subparagraph (xi) of paragraph 2 of article 28.

THE TECHNICAL COMMISSION

Article 31

1. Members of the Technical Commission shall have appropriate qualifications and experience in the management of mineral resources, ocean and marine engineering and mining and mineral processing technology and practices, operation of related marine installations, equipment and devices, ocean and environmental sciences and maritime safety, accounting and actuarial techniques.

2. The Technical Commission shall:

(i) Make recommendations to the Council with regard to the carrying out of the Authority's functions with respect to scientific research and transfer of technology;
(ii) Prepare special studies and reports at the request of the Council;
(iii) Advise the Rules and Regulations Commission on all technical aspects of its work;
(iv) Prepare assessments of the environmental implications of activities in the Area;
(v) Supervise, on a regular basis, all operations with respect to activities in the Area, where appropriate in consultation and collaboration with any entity carrying out such activities or State or States concerned;
(vi) Initiate on behalf of the Authority proceedings before the Tribunal in cases of non-compliance;
(vii) Upon a finding by the Tribunal in proceedings resulting from subparagraph (vi) above, notify the Council and make recommendations with respect to measures to be taken;
(viii) Inspect and audit all books, records and accounts related to financial obligations to the Authority concerning activities in the Area and collect all payments to the Authority prescribed in Annex I;
(ix) Direct and supervise a staff of inspectors who shall inspect all activities in the Area to determine whether the provisions of this Part of the Convention, the rules, regulations and procedures prescribed thereunder, and the terms and conditions of any contract with the Authority are being complied with;
(x) Issue emergency orders, which may include orders for the suspension of operations, to prevent serious harm to the marine environment arising out of any activity in the Area;
(xi) Disapprove contract areas in cases where substantial evidence indicates the risk of irreparable harm to a unique environment;
(xii) Take into account views on protection of the environment of recognized experts in the field before taking final decisions or making recommendations to the Council on the above matters as they relate to the protection of the marine environment.

3. States Parties and other parties concerned shall facilitate the exercise by the members of the Commission and its staff of their functions which shall not be delayed or otherwise impeded.

4. The Members of the Commission and its staff shall, upon request by any State Party or other party concerned, be accompanied by a representative of such State Party or other party concerned when carrying out their supervision and inspection functions.

THE RULES AND REGULATIONS COMMISSION

Article 32

1. Members of the Rules and Regulations Commission shall have high qualifications in legal matters, including those relating to ocean mining and other marine matters.

2. The Rules and Regulations Commission shall:

(i) Formulate and submit to the Council the rules, regulations and procedures referred to in subparagraph (xii) of paragraph 2 of Article 28;
(ii) Keep such rules, regulations and procedures under review and recommend to the Council from time to time such amendments thereto as it may deem necessary or desirable;
(iii) Assist the Technical Commission in preparing assessments of the environmental implications of activities in the Area and consider and evaluate these implications before recommending the rules, regulations and procedures referred to in subparagraph (i) of this paragraph;
(iv) Prepare special studies and reports at the request of the Council;
(v) Take into account views on protection of the environment of recognized experts in that field before recommending rules, regulations and procedures to the Council and report those views to the Council together with its recommendations.

THE TRIBUNAL

Article 33

1. The Tribunal shall have jurisdiction with respect to:

(*a*) Any dispute between States Parties to this Convention concerning the interpretation or application of this Part of the Convention relating to activities in the Area;

(*b*) Any dispute between States Parties to this Convention, or between such State Party and a national of another State Party, or between nationals of different States Parties, or between a State Party or a national of a State Party and the Authority or the Enterprise concerning the conclusion of any contract, its interpretation or application or other activity in the Area which has arisen;

(*c*) Any dispute falling within Article 36; and

(*d*) Any matter falling within Article 44.

2. When a dispute falling within subparagraph (*a*) has arisen, the parties to the dispute shall first seek a solution through consultation, negotiation, conciliation or other such means of their own choice. If the dispute has not been resolved within one month of its commencement, any party to the dispute may institute proceedings before the Tribunal, unless the parties agree to submit the dispute to arbitration.

3. The Tribunal shall exercise all powers and perform all functions referred to under Articles 35, 38, 39 and 62.

4. The Tribunal shall be composed of a body of independent judges, elected regardless of their nationality from among persons of high moral character, who possess the qualifications required in their respective countries for ap-

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pointment to the highest judicial offices, or are lawyers of highest distinction in the field of international law.

5. The Tribunal shall consist of 11 judges, 7 of whom shall constitute a quorum.

6. Members of the Tribunal shall be appointed by the Assembly on the recommendation of the Council from among candidates nominated by States Parties to this Convention. In making recommendations to the Assembly on appointment of judges, the Council shall pay due regard to the principle of equitable geographical distribution and of assuring representation of the principal legal systems of the world.

7. Members of the Tribunal hold office for six years and may be reappointed for one further term; provided that the terms of the five judges elected at the first election shall expire at the end of three years.

8. The members of the Tribunal unless removed in accordance with paragraph 10 shall continue to discharge their duties until their places have been filled. Though replaced, they shall finish any cases which they may have begun.

9. Upon the occurrence of a vacancy in the Tribunal, the Council shall appoint a successor who shall hold office for the remainder of his predecessor's term, subject to the approval of the Assembly at its next regular session.

10. A member of the Tribunal may be removed from office by the Assembly, on the unanimous recommendation of the other members of the Tribunal and the approval of the Council.

Article 34

The Tribunal shall render advisory opinions on the request of any organ of the Authority or as otherwise specifically provided for in this Part of the Convention.

Article 35

Any party to any dispute falling within Article 33, paragraph 1 (*b*), (*c*) or (*d*) of this Part of the Convention may institute proceedings before the Tribunal, provided, however, that when such a dispute is between a State Party and a natural or juridical person of another State Party, the sponsoring State of the natural or juridical person shall be required to intervene.

Article 36

1. Any State Party which questions the legality of measures taken by any organ of the Council or of the Assembly on grounds of a violation of this Part of the Convention, lack of jurisdiction, infringement of any fundamental rule of procedure or misuse of power, may bring the matter before the Tribunal.

2. Any national of a State Party may, subject to the same conditions, bring a complaint to the Tribunal with regard to a decision directed to that person, or, in the case of a person conducting or seeking a contract to conduct activities in the Area, a decision which, although in form directed to another person, is of direct concern to that person.

3. In any dispute under this article involving persons other than States Parties the sponsoring State shall be given notice and an opportunity to participate in the proceedings. The Authority may request such participation when it is a party. The sponsoring State shall give serious consideration to any such request.

4. The proceedings provided for in this article shall be instituted within one month of either the date of publication of the decision concerned or its notification to the complainant, or of the date on which he became aware of it.

5. If the Tribunal considers the complaint well-founded, it shall declare the decision concerned to be void, and shall determine what measures shall be taken to redress any damage caused.

Article 37

1. Judgements and orders of the Tribunal shall be final and binding. They shall be enforceable in the territories of Members of the Authority in the same way as judgements or orders of the highest court of that Member State.

2. If a State Party fails to perform its obligations under a judgement rendered by the Tribunal, the other party or parties to the dispute may bring the matter before the Council which shall decide upon measures to be taken to give effect to the judgement.

Article 38

1. Upon request of any party to the dispute, the Tribunal may, if it considers that circumstances so require, after giving the party an opportunity to be heard, order provisional measures, which it considers appropriate for preserving the respective rights of the parties, for minimizing damage to any party and for preventing serious harm to the marine environment, pending final adjudication.

2. Notice of any provisional measures ordered under this article shall be given forthwith to the parties to the dispute and to all States Parties. A party to the dispute directly affected by such provisional measures may request their immediate review. The Tribunal shall promptly undertake such review and confirm or suspend the order.

3. Any provisional measures ordered under this article shall be binding upon the parties to the dispute.

Article 39

1. The Tribunal may seek the opinion of any organ of the Council regarding an issue falling within its competence.

2. The Tribunal shall decide whether proceedings shall be suspended until the opinion sought has been made available.

Article 40

1. If the parties to a dispute so agree, they may submit the dispute to an Arbitration Commission. The Arbitration Commission shall be composed of three members. Each party to the dispute shall appoint one member to the Commission, while the third member, who shall be the Chairman, shall be chosen in common agreement between the parties. If the parties fail to agree on the designation of the third member within a period of one month, the third member shall be appointed by the President of the Tribunal. In case any of the parties fail to make an appointment within a period of one month the President of the Tribunal shall fill the remaining vacancy or vacancies.

2. The Arbitration Commission shall decide on matters placed before it by a simple majority.

3. Any of the parties to a dispute decided pursuant to this article, or the Authority, may appeal any question of law arising out of such dispute to the Tribunal which shall then be seized of the dispute for this purpose.

THE ENTERPRISE

Article 41

1. The Enterprise shall be the organ of the Authority which shall, subject to the general policy directives and control of the Council, conduct activities in the Area directly, pursuant to Article 22.

2. The Enterprise shall have international legal personality and such legal capacity as may be necessary for the performance of its functions and the fulfilment of its purposes. The Enterprise shall function in accordance with the Statute set forth in Annex II to this Part of the Convention, and shall in all respects be governed by the provisions of this Part of the Convention. Appointment of the members of the Governing Board shall be made in accordance with the provisions of the Statute set forth in Annex II.

3. The Enterprise shall have its principal place of business at the seat of the Authority.

THE SECRETARIAT

Article 42

1. The Secretariat shall comprise a Secretary-General and such staff as the Authority may require. The Secretary-General shall be appointed by the Assembly upon the recommendation of the Council. He shall be the chief administrative officer of the Authority.

2. The Secretary-General shall act in that capacity in all meetings of the Assembly and of the Council, and of any subsidiary organs established by them, and shall perform such other functions as are entrusted to him by any organ of the Authority.

3. The Secretary-General shall make an annual report to the Assembly on the work of the organization.

Article 43

1. The staff of the Authority shall consist of such qualified scientific and technical and other personnel as may be required to fulfil the administrative functions of the Authority. The Authority shall be guided by the principle that its staff shall be kept to a minimum.

2. The paramount consideration in the recruitment and employment of the staff and in the determination of their conditions of service shall be to secure employees of the highest standards of efficiency, competence and integrity. Subject to this consideration, due regard shall be paid to the importance of recruiting staff on as wide a geographical basis as possible.

3. The staff shall be appointed by the Secretary-General. The terms and conditions on which the staff shall be appointed, remunerated and dismissed shall be in accordance with regulations made by the Council, and to general rules approved by the Assembly on the recommendation of the Council.

Article 44

1. In the performance of their duties, the Secretary-General and the staff shall not seek or receive instructions from any Government or from any other source external to the Authority. They shall refrain from any action which might reflect on their position as international officials of the Authority responsible only to the Authority. They shall have no financial interest whatsoever in any activity relating to exploration and exploitation in the Area. Subject to their responsibilities to the Authority, they shall not disclose any industrial secret or data which is proprietary in accordance with paragraph 10 (*a*) of Annex I or other confidential information coming to their knowledge by reason of their official duties for the Authority. Each State Party to this Part of the Convention undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities.

2. Any violation of the responsibilities set forth in paragraph 1 of this article shall be considered a grave disciplinary offence and shall, in addition, entail personal liability for damages. Any State Party or natural or juridical person sponsored by a State Party may bring an alleged violation of this article before the Tribunal which may order monetary penalties or the assessment of damages. Upon such order, the Secretary-General shall dismiss the staff member concerned. The elaboration of the provisions of this paragraph shall be included in the staff regulations of the Authority.

Article 45

1. The Secretary-General shall, on matters within the competence of the Authority, make suitable arrangements, with the approval of the Council, for consultation and co-operation with non-governmental organizations recognized by the Economic and Social Council of the United Nations.

2. Any organization with which the Secretary-General has entered into an arrangement under paragraph 1 may designate representatives to attend as observers meetings of the organs of the Authority in accordance with the rules of procedure of any such organ. Procedures shall be established for obtaining the views of such organizations in appropriate cases.

3. Written reports submitted by these non-governmental organizations on subjects in which they have special competence and which are related to the work of the Authority may be distributed by the Secretary-General to States Parties.

FINANCE

Article 46

The Assembly shall establish the General Fund of the Authority.

All receipts of the Authority arising from activities in the Area, including any excess of revenues of the Enterprise over its expenses and costs in such proportion as the Council shall determine, shall be paid into the General Fund.

Article 47

The Council shall submit for the approval of the Assembly annual budget estimates for the expenses of the Authority. To facilitate the work of the Council in this regard, the Secretary-General shall initially prepare the budget estimates.

Article 48

1. Expenses of the Authority comprise:

(*a*) Administrative expenses, which shall include costs of the staff of the Authority, costs of meetings, and expenditure on account of the functioning of the organs of the Authority;

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(*b*) Expenses not included in the foregoing, incurred by the Authority in carrying out the functions entrusted to it under this part of the Convention.

2. The expenses referred to in paragraph 1 of this article shall be met to an extent to be determined by the Assembly on the recommendation of the Council, out of the General Fund, the balance of such expenses to be met out of contributions by members of the Authority in accordance with a scale of assessment adopted by the Assembly pursuant to the subparagraph (iv) of paragraph 2 of article 26.

Article 49

1. Any excess of revenues of the Authority over its expenses and costs to an extent determined by the Council, all payments received pursuant to Article 46 of this Convention and any voluntary contributions made by States Parties to this Convention shall be credited to a Special Fund.

2. Amounts in the Special Fund shall be apportioned and made available equitably in such manner and in such currencies, and otherwise in accordance with criteria, rules, regulations and procedures adopted by the Assembly pursuant to subparagraph (x) of paragraph 2 of article 26.

Article 50

Subject to such limitations as may be approved by the Assembly in the financial regulations adopted by it pursuant to subparagraph (v) of paragraph 2 of article 26, the Council may exercise borrowing powers on behalf of the Authority without, however, imposing on members of the Authority any liability in respect of loans entered into pursuant to this paragraph, and accept voluntary contributions made to the Authority.

Article 51

The records, books and accounts of the Authority, including its annual financial statements, shall be subject to an annual audit by a recognized independent auditor.

STATUS, IMMUNITIES AND PRIVILEGES

Article 52

The Authority shall have international legal personality, and such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purpose.

Article 53

To enable the Authority to fulfil its functions it shall enjoy in the territory of each State Party to this Convention, the immunities and privileges set forth herein except as provided in Annex II to this Convention with respect to operations of the Enterprise.

Article 54

The Authority, its property and assets, shall enjoy, in the territory of each State Party to this Convention, immunity from legal process, except when the Authority waives its immunity.

Article 55

The property and assets of the Authority, wheresoever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of seizure by executive or legislative action.

Article 56

All property and assets of the Authority shall be free from restrictions, regulations, controls and moratoria of any nature.

Article 57

The President and members of the Assembly, the Chairman and members of the Council, members of any organ of the Assembly, or the Council, and members of the Tribunal, and the Secretary-General and staff of the Authority, shall enjoy in the territory of each member State:

(*a*) Immunity from legal process with respect to acts performed by them in the exercise of their functions, except when this immunity is waived;

(*b*) Not being local nationals, the same immunities from immigration restrictions, alien registration requirements and national service obligations, the same facilities as regards exchange restrictions and the same treatment in respect of travelling facilities as are accorded by States Parties to this Convention to the representatives, officials and employees of comparable rank of other States Parties.

Article 58

The provisions of the preceding article shall apply to persons appearing in proceedings before the Tribunal as parties, agents, counsel, advocates, witnesses or experts; provided, however, that subparagraph (*b*) thereof shall apply only in connexion with their travel to and from, and their stay at, the place where the proceedings are held.

Article 59

1. The archives of the Authority shall be inviolable, wherever they may be.

2. All proprietary data, industrial secrets or similar information and all personnel records shall not be placed in archives open to public inspection.

3. With regard to its official communications, the Authority shall be accorded by each State Party to this Convention treatment no less favourable than that accorded to other international organizations.

Article 60

1. The Authority, its assets, property and income, and its operations and transactions authorized by this Convention, shall be exempt from all taxation and customs duties. The Authority shall also be exempt from liability for the collection or payment of any taxes or customs duties.

2. Except in the case of local nationals, no tax shall be levied on or in respect of expense allowances paid by the Authority to the President or members of the Assembly, or in respect of salaries, expense allowances or other emoluments paid by the Authority to the Chairman and members of the Council, members of the Tribunal, members of any organ of the Assembly or of the Council and the Secretary-General and staff of the Authority.

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SUSPENSION OF PRIVILEGES

Article 61

A State Party of the Authority which is in arrears in the payment of its financial contributions to the Authority shall have no vote in the Authority if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two years. The Assembly may permit such a State Party to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the State Party.

Article 62

1. A State Party which has grossly and persistently violated the provisions of this Part of the Convention or of any agreement or contractual arrangement entered into by it pursuant to this Part of the Convention, may be suspended from the exercise of the privileges and the rights of membership by the Assembly upon recommendation by the Council.

2. No action may be taken under this article until the Tribunal has found that a State Party has grossly and persistently violated the provisions of this Part of the Convention.

PROVISIONAL APPLICATION

Article 63

1. Pending the definitive entry into force of this Convention in accordance with the provisions of Article . . . a State may notify, upon signing this Convention, the Secretary-General of the United Nations that it will apply this Convention provisionally and that it will undertake to seek ratification or accession in accordance with constitutional procedures as rapidly as possible.

2. This Convention shall enter provisionally into force upon the thirty-sixth such notification to the Secretary-General of the United Nations.

3. Upon provisional entry into force of this Convention in accordance with paragraph 2, any State which has notified the Secretary-General of the United Nations of its intention to apply this Convention provisionally in accordance with paragraph 1 shall be regarded as being Party for the purpose of provisional application of this Convention.

4. The provisional application of this Convention with respect to a State shall be terminated if that State notifies the other Parties to provisional application of the withdrawal of its notification under paragraph 1.

5. The provisional application of this Convention in accordance with this article shall be terminated:

(*a*) Upon the definitive entry into force of this Convention in accordance with Article . . . ;

(*b*) If, as a result of withdrawal of notification, in accordance with paragraph 4 above, the total number of Contracting Parties becomes less than that provided for in paragraph 2;

(*c*) At the end of a period of . . . years after the commencement of provisional application.

6. If, at the end of six months after the opening of the Convention for signature, provisional entry into force as provided for in this article does not occur, an Interim Commission shall come into existence, as provided for in Annex . . . to this Convention.

ANNEX I

Basic conditions of prospecting, exploration and exploitation

RIGHTS IN THE AREA AND ITS RESOURCES

1. All rights in the resources of the Area are vested in mankind as a whole, on whose behalf the Authority shall act. These resources are not subject to alienation. The minerals derived from the Area, however, may only be alienated in accordance with this Part of the Convention and the rules and regulations adopted thereunder.

TITLE TO MINERALS AND PROCESSED SUBSTANCES

2. Title to the minerals shall normally be passed upon recovery of the minerals pursuant to a contract of exploration and exploitation. In the case of contracts pursuant to paragraph 5 for stages of operations, title to the minerals or processed substances shall pass in accordance with the contract. This paragraph is without prejudice to the rights of the Authority under paragraph 9 (*d*).

PROSPECTING

3. (*a*) The Authority shall encourage the conduct of prospecting in the Area. Prospecting shall be conducted only after the Authority has received a satisfactory written undertaking that the proposed prospector shall comply with this Part of the Convention and the relevant rules and regulations of the Authority concerning protection of the marine environment, the transfer of data to the Authority, the training of personnel designated by the Authority and accepts verification of compliance by the Authority with all of its rules and regulations in so far as they relate to prospecting. The proposed prospector shall, together with the undertaking, notify the Authority of the broad area or areas in which prospecting is to take place. Prospecting may be carried out by more than one prospector in the same area or areas simultaneously. The Authority may close a particular area for prospecting when the available data indicates the risk of irreparable harm to a unique environment or unjustifiable interference with other uses of the Area.

(*b*) Prospecting shall not confer any preferential, proprietary or exclusive rights on the prospector with respect to the resources or minerals.

EXPLORATION AND EXPLOITATION

4. Exploration and exploitation shall only be carried out in areas specified in plans of work referred to in Article 22 and approved by the Authority in accordance with the provisions of this Annex and the relevant rules, regulations and procedures adopted pursuant to paragraph 12.

5. Contracts shall normally cover all stages of operations. If the applicant for a contract applies for a specific stage or stages, the contract may only comprise such stage or stages. Nothing in this paragraph shall in any way limit the discretion of the Enterprise.

6. Every contract entered into by the Authority shall:

(*a*) Be in strict conformity with this Part of the Convention and the rules and regulations prescribed by the Authority;

(*b*) Ensure control by the Authority at all stages of operations in accordance with Article 22;

(*c*) Confer exclusive rights on the Contractor in the contract area in accordance with the rules and regulations of the Authority.

QUALIFICATIONS OF APPLICANTS

7. (*a*) The Authority shall adopt appropriate administrative procedures and rules and regulations for making an application and for the qualifications of an applicant. Such qualifications shall include financial standing, technological capability and satisfactory performance under any previous contracts with the Authority.

(*b*) The procedures for assessing the qualifications of States Parties which are applicants shall take into account their character as States.

(*c*) Every applicant without exception shall:

(i) Undertake to comply with and to accept as enforceable the obligations created by the provisions of this Part of the Convention, the rules and regulations adopted by the Authority, and the decisions of its organs and the terms of contracts, and to accept control by the Authority in accordance therewith;

(ii) Accept control by the Authority in accordance with paragraph 6;

(iii) Provide the Authority with satisfactory assurances that its obligations covered by the contract entered into by it will be fulfilled in good faith.

SELECTION OF APPLICANTS

8. (*a*) Upon receiving an application with respect to activities of exploration and exploitation, the Authority shall first ascertain whether any competing application has been received for the Area and category of minerals applied for. If no such competing application has been received, the Authority shall enter into negotiations for the purpose of concluding a contract with the applicant in respect of the area applied for, unless the Authority finds that:

(i) The applicant does not possess the requisite qualifications pursuant to paragraph 7;

(ii) The applicant has not complied with the procedures established for applications;

(iii) The applicant does not agree to comply with the financial arrangements set forth in paragraph 9 (*d*) or the requirements concerning operations in this Annex or the rules and regulations of the Authority;

(iv) The contract would not be in accordance with the resource policy set forth in Article 9 and . . . , and the relevant decisions of the Authority in implementation thereof.

This paragraph shall not prejudice the provisions of paragraph 11.

(*b*) If the Authority receives more than one application at the same time in respect of substantially the same area and category of minerals, selection from among the applicants shall be made on a competitive basis. In accordance with subparagraph (*a*), the Authority shall enter into preliminary negotiations with the applicants in order to select the best qualified among them and, once the selection is made on the basis of a comparative consideration of their applications and qualifications, the Authority shall enter into negotiations with the selected applicant for the purpose of concluding the corresponding contract.

(*c*) If the Contractor has entered into a contract with the Authority for separate stages of operations, he shall have a preference and a priority among applicants for a contract for subsequent stages of operations with regard to the same areas and resources; provided, however, that where the Contractor's performance has not been satisfactory such preference or priority may be withdrawn.

(*d*) (i) When applying for a contract for exploration only, or for exploration and exploitation, in accordance with subparagraph (*a*) above, the applicant shall indicate the co-ordinates of an area, consistent with the provisions of paragraph 12, of which one half will be designated by the Authority as the contract area. Alternatively, the applicant may submit two areas of like size and equivalent commercial value, one of which will be designated by the Authority as the contract area. This subparagraph shall not apply to the Enterprise.

(ii) If a contract is entered into for the area designated by the Authority as the contract area, the area covered by the application but not by the contract can only be exploited by the Authority directly or in association with the Authority and under its control in accordance with paragraph 3 of Article 22, by developing countries or entities sponsored by them and under their effective control in accordance with Article 22. In the latter case, the Enterprise must be given an opportunity to decide whether it wishes to conduct the activities itself.

(iii) When considering applications from associations which include developing countries for areas specified under subparagraph (ii), the Authority shall, before entering into a contract, ensure that the developing country or countries concerned will obtain significant benefits from any such association as evidenced *inter alia* by the location of a processing plant in the territory of one of the developing countries concerned.

(*e*) [The issue of a quota or anti-monopoly provision remains to be discussed in the Committee in the future.]

RIGHTS AND OBLIGATIONS UNDER THE CONTRACT

9. (*a*) The Authority on the one hand and any State Party, or any state enterprise or person natural or juridical which possesses the nationality of a State Party or is effectively controlled by it or by its nationals, when sponsored by a State Party, or any group of the foregoing (hereinafter referred to as the Contractor), on the other hand, having completed the procedure under paragraph 8 above shall conclude a contract for the conduct of activities in the Area. The Contractor shall use its own funds, materials, equipment, skills and know-how as necessary for the conduct of operations covered by the contract and provide an appropriate guarantee of satisfactory performance under the contract to be determined by the Authority. However, the parties may agree to include provisions governing the respective contributions of the Authority and the Contractor.

(*b*) The costs directly related to the performance of the contract pursuant to subparagraph (*a*) shall be recoverable by the Contractor out of the proceeds of operations or by the respective parties in the event the Authority has contributed to the costs of performance. The Authority shall in its rules and regulations establish a schedule pursuant to which such costs will be recovered in the manner specified in subparagraph (*d*) of this paragraph.

(*c*) The proceeds of operations pursuant to the contract after deduction of the costs referred to in subparagraph (*b*) of this paragraph which shall be calculated according to accounting rules and procedures which are in general use, shall be apportioned between the Authority and the Contractor in the manner specified in the contract in accordance with subparagraph (*d*) of this paragraph.

(*d*) [Financial arrangements. See Special Appendix.]

10. (*a*) The Contractor shall transfer in accordance with the rules and regulations and the terms and conditions of the contract to the Authority at time intervals determined by the Authority all data which are both necessary and relevant to the effective implementation of the powers and functions of the organs of the Authority in respect of the contract area. Transferred data in respect of the contract area, deemed to be proprietary, shall not be disclosed by the Authority, and may only be used for the purposes set forth above in this subparagraph. Data which are necessary for the promulgation of rules and regulations concerning protection of the marine environment and safety shall not be deemed to be proprietary. Except as otherwise agreed between the Authority and the Contractor, the Contractor shall not be obliged to disclose proprietary equipment design data.

(*b*) The Contractor shall draw up practical programmes for the training of personnel of the Authority and developing countries, including the participation of such personnel in all activities covered by the contract.

11. The Authority shall, pursuant to this Part of the Convention and the rules and regulations prescribed by the Authority, accord the Contractor the exclusive right to explore and exploit the contract area with the Authority in respect of a specified category of minerals and shall ensure that no other entity operates in the same contract area for a different category of minerals in a manner which might interfere with the operations of the Contractor. The Contractor shall have security of tenure. Accordingly, the contract shall not be cancelled, revised, suspended or terminated, except in accordance with the provisions of paragraph 14 or 15. The Authority shall not, during the continuance of a contract, permit any other entity to carry out activities in the same area for the same category of minerals.*

* Paragraph 11 is without prejudice to any decision on emergency orders regarding suspension of work in order to protect the marine environment.

RULES, REGULATIONS AND PROCEDURES

12. (*a*) The Authority shall adopt and uniformly apply rules, regulations and procedures for the implementation of this Part of the Convention including these basic conditions, on the following matters:

(1) *Administrative procedures relating to prospecting, exploration and exploitation in the area*

(2) *Operations*

(i) Size of area;
(ii) Duration of activities;
(iii) Performance requirements and guarantees;
(iv) Categories of minerals;
(v) Renunciation of areas;
(vi) Progress reports;
(vii) Submission of data;
(viii) Inspection and supervision of operations;
(ix) Passing of title pursuant to paragraph 2;
(x) Prevention of interference with other uses of the sea and of the marine environment;
(xi) Transfer of rights by a Contractor;
(xii) Procedures for transfer of technology to developing countries and for their direct participation;
(xiii) Mining standards and practices including those relating to operational safety, conservation of the resources and the protection of the marine environment;
(xiv) Continuity of operations in the event of disputes;
(xv) Definition of commercial production.

(3) *Financial matters*

(i) Establishment of uniform and non-discriminatory costing and accounting rules;
(ii) Apportionment of proceeds of operations.

(4) *Rules, regulations and procedures to implement decisions of the Council taken in pursuance of Articles 9 and 30*

(*b*) Regulations on the following items shall fully reflect the objective criteria set out below:

(1) *Size of area*

The Authority shall determine the appropriate size of areas for exploration which may be up to twice as large as those for exploitation in order to permit intensive exploration operations. Areas for exploitation shall be calculated to satisfy stated production requirements over the term of the contract taking into account the state of the art of technology then available for ocean mining and the relevant physical characteristics of the area. Areas shall neither be smaller nor larger than are necessary to satisfy this objective. In cases where the Contractor has obtained a contract for exploitation, the area not covered by such contract shall be relinquished to the Authority.

(2) *Duration of activities*

(i) Prospecting shall be without time-limit;
(ii) Exploration should be of sufficient duration as to permit a thorough survey of the specific area, the design and construction of mining equipment for the area, the design and construction of small and medium-size processing plants for the purpose of testing mining and processing systems;
(iii) The duration of exploitation should be related to the economic life of the mining project, taking into consideration such factors as the depletion of the ore, the useful life of mining equipment and processing facilities and commercial viability. Exploitation should be of sufficient duration as to permit commercial extraction of minerals of the area and should include a reasonable time period for construction of commercial scale mining and processing systems, during which period commercial production should not be required. The total duration of exploitation, however, should also be short enough to give the Authority an opportunity to amend the terms and conditions of the contract at the time it considers renewal in accordance with rules and regulations which it has issued subsequent to entering into the contract.

(3) *Performance requirements*

The Authority shall require that during the exploration stage, periodic expenditures be made by the Contractor which are reasonably related to the size of the contract area and the expenditures which would be expected of a *bona fide* Contractor who intended to bring the area into commercial production within the time-limits established by the Authority. Such required expenditures should not be established at a level which would discourage prospective operators with less costly technology than is prevalently in use. The Authority shall establish a maximum time interval after the exploration stage is completed and the exploitation stage begins to achieve commercial production. To determine this interval, the Authority should take into consideration that construction of large-scale mining and processing systems cannot be initiated until after the termination of the exploration stage and the commencement of the exploitation stage. Accordingly, the interval to bring an area into commercial production should take into account the time necessary for this construction after the completion of the exploration stage and reasonable allowance should be made for unavoidable delays in the construction schedule.

Once commercial production is achieved in the exploitation stage, the Authority shall within reasonable limits and taking into consideration all relevant factors require the Contractor to maintain commercial production throughout the period of the contract.

(4) *Categories of minerals*

In determining the category of mineral in respect of which a contract may be entered into, the Authority shall give emphasis *inter alia* to the following characteristics:

(i) Resources which require the use of similar mining methods; and
(ii) Resources which can be developed simultaneously without undue interference between Contractors in the same area developing different resources.

Nothing in this paragraph shall deter the Authority from granting a contract for more than one category of mineral in the same contract area to the same applicant.

(5) *Renunciation of areas*

The Contractor shall have the right at any time to renounce without penalty the whole or part of his rights in the contract area.

(6) *Protection of the marine environment*

Rules and regulations shall be drawn up in order to secure the effective protection of the marine environment, taking into account the extent to which activities in the area conducted by methods such as drilling, dredging, coring and excavation as well as disposal, dumping and discharge in the area of sediment, wastes or other matters from activities in the area will have a harmful effect on the marine environment.

(7) *Commercial production*

Commercial production shall be deemed to have begun if an operator engages in activity of sustained large-scale recovery operations which yield a sufficient quantity of materials as to indicate clearly that the principal purpose is large-scale production rather than production intended for information gathering, analysis or equipment or plant-testing.

13. The Authority shall have the right to take at any time any measures provided for under this Part of the Convention to ensure compliance with its terms, and in the performance of the control and regulatory functions assigned to it thereunder or under any contract. The Authority shall have the right to inspect all facilities in the Area used in connexion with any activities in the Area.

PENALTIES

14. (*a*) A Contractor's rights under the contract concerned may be suspended or terminated only in the following cases:

(i) If the Contractor has conducted his activities in such a way as to result in gross and persistent or serious, persistent and wilful violations of the fundamental terms of the contract, this Part of the Convention and rules and regulations, which were not caused by circumstances beyond his control; or

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(ii) If a Contractor has failed to comply with a final binding decision of the dispute settlement body applicable to him.

(*b*) The Authority may impose upon the Contractor monetary penalties proportionate to the seriousness of the violation in lieu of suspension or termination or in any case not covered under subparagraph (*a*) above.

(*c*) Except in cases of emergency orders as provided for in Article 31(x), the Authority may not execute a decision involving monetary penalties, suspension or termination until the Contractor has been accorded a reasonable opportunity to exhaust his judicial remedies in the Tribunal. The Tribunal may, however, pursuant to Article 38, order execution of a decision regarding monetary penalties or suspension pending final adjudication of the matter.*

REVISION OF CONTRACT

15. (*a*) When circumstances have arisen, or are likely to arise, which, in the opinion of either party, would render the contract inequitable or make it impracticable or impossible to achieve the objectives set out in the contract or in this Part of the Convention, the parties shall enter into negotiations to adjust it to new circumstances in the manner prescribed in the contract.**

(*b*) Any contract entered into in accordance with Article 22 of this Part of the Convention may only be revised if the parties involved have given their consent.

TRANSFER OF RIGHTS

16. The rights and obligations arising out of a contract shall be transferred only with the consent of the Authority, and in accordance with the rules and regulations adopted by it. The Authority shall not withhold consent to the transfer if the proposed transferee is in all respects a qualified applicant, and assumes all of the obligations of the transferor.

APPLICABLE LAW

17. The law applicable to the contract shall be the provisions of this Part of the Convention, the rules and regulations prescribed by the Authority and the terms and conditions of the contract. The rights and obligations of the Authority and of the Contractor shall be valid and enforceable in the territory of each State Party. No State Party may impose conditions on a Contractor that are inconsistent with this Part of the Convention.

LIABILITY

18. Any responsibility or liability for wrongful damage arising out of the conduct of operations by the Contractor shall lie with the Contractor. It shall be a defence in any proceeding against a Contractor that the damage was the result of an act or omission of the Authority. Similarly, any responsibility or liability for wrongful damage arising out of the exercise of the powers and functions of the Authority shall lie with the Authority. It shall be a defence in any proceeding against the Authority that the damage was a result of an act or omission of the Contractor. Liability in every case shall be for the actual amount of damage.

19. Except as otherwise specified, the procedural and substantive provisions of this Annex relating to contracts shall apply *mutatis mutandis* to the Enterprise.

20. [Transitional arrangements prior to the adoption of rules and regulations by the Authority would be included here.]

21. The rate of increase in world nickel demand projected for the interim period referred to in Article 9 shall be the average annual rate of increase in world demand during the 20-year period prior to the entry into force of this Part of the Convention, provided that the computed rate of increase shall be at least 6 per cent per annum. The cumulative growth segment of the world nickel market referred to in Article 9 shall be computed on the basis of this annual rate of increase from a base amount, which shall be the highest annual world demand during the three-year period immediately preceding the year in which the interim period commences.

ANNEX II

Statute of the Enterprise

PURPOSE

1. (*a*) The Enterprise shall conduct activities of the Authority in the Area, in the performance of its functions in implementation of Article 41.

(*b*) In the performance of its functions and in carrying out its purposes, the Enterprise shall act in accordance with the provisions of this Part of the Convention, in particular of Article 9 and 22 thereof, and the Annexes thereto.

RELATIONSHIP TO THE AUTHORITY

2. (*a*) The Enterprise shall at all times be subject to the policy directives and control of the Council in accordance with the provisions of Article 41.

(*b*) Nothing in this Annex shall make the Enterprise liable for the acts or obligations of the Authority, or the Authority liable for the acts or obligations of the Enterprise.

MEMBERSHIP

3. (*a*) The members of the Enterprise shall be the members of the Authority on the date of the entry into force of this Convention.

(*b*) Any State which subsequently becomes a member of the Authority shall *ipso facto* become a member of the Enterprise from the date on which it becomes a party to this Convention.

LIMITATION OF LIABILITY

4. No member shall be liable, by reason of its membership, for obligations of the Enterprise.

ORGANIZATION AND MANAGEMENT

Structure

5. (*a*) The Enterprise shall have a Governing Board, a Director-General and such other officers and staff to perform such duties as the Enterprise may determine.

Governing Board

(*b*) (i) The Governing Board shall be responsible for the conduct of the operations of the Enterprise, and for this purpose shall exercise all the powers given to it by this Annex.

(ii) The Governing Board shall have 36 members elected by the Assembly on the same criteria as contained in Article 27 of this Part of the Convention for election of the members of the Council.

(iii) Members of the Board shall be elected every two years, and shall be eligible for re-election.

(iv) Each member of the Board shall have one vote. Except as otherwise expressly provided all matters before the Board shall be decided by a majority of the votes cast.

(v) Each member of the Board shall appoint an alternate from the same Member State with full power to act for him when he is not present. When the members of the Board appointing them are present, the alternates may participate in meetings, but shall not vote.

(vi) Members of the Board shall continue in office until their successors are appointed or elected. If the office of a

* With respect to paragraph 14 (*c*) it is assumed that a Statute of the Tribunal will provide for an appropriate time period within which an aggrieved party may have recourse to the Tribunal.

** With respect to paragraph 15 (*a*) provisions relating to the matter of profits will be dealt with in the Special Appendix concerning financial matters.

member of the Board becomes vacant more than 90 days before the end of his term, the Member State of the former member of the Board may appoint another member for the remainder of the term. While the office remains vacant, the alternate of the former member of the Board shall exercise his powers, except that of appointing an alternate.

(vii) The Governing Board shall function in continuous session at the principal office of the Enterprise and shall meet as often as the business of the Enterprise may require.

(viii) A quorum for any meeting of the Governing Board shall be a majority of two thirds of the members of the Board.

(ix) The Assembly shall adopt regulations under which a member not represented by a member of the Board may send a representative to attend any meeting of the Governing Board when a request made by, or a matter particularly affecting, that member is under consideration.

(x) The Governing Board may appoint such committees as they deem advisable.

The Director-General and staff

(*c*) (i) The Governing Board shall elect a Director-General who shall not be a member of the Board or an alternate. The Director-General shall be the legal representative of the Enterprise. He shall be Chairman of the Governing Board, but shall have no vote except a deciding vote in case of an equal division. He may participate in meetings of the Assembly but shall not vote at such meetings. The Director-General shall hold office for a period of five years and may be reappointed for one further term.

(ii) The Director-General shall be chief of the operating staff of the Enterprise and shall conduct, under the direction of the Governing Board, the ordinary business of the Enterprise. Subject to the general control of the Governing Board, he shall be responsible for the organization, appointment and dismissal of the officers and staff.

(iii) The Director-General, officers and staff of the Enterprise, in the discharge of their offices, owe their duty entirely to the Enterprise and to no other authority. Each member of the Enterprise shall respect the international character of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties.

(iv) In appointing the officers and staff the Director-General shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible.

Location of offices

(*d*) The principal office of the Enterprise shall be at the seat of the Authority. The Enterprise may establish other offices in the territories of any member.

Channel of communication

(*e*) Each member shall designate an appropriate authority with which the Enterprise may communicate in connexion with any matter arising under the Annex.

Publication of reports and provision of information

(*f*) (i) The Enterprise shall, not later than three months after the end of each financial year, submit to the Authority for its approval an annual report containing an audited statement of its accounts and shall transmit to the Council and circulate to members at appropriate intervals a summary statement of its financial position and a profit and loss statement showing the results of its operations.

(ii) The Enterprise may publish its annual report and such other reports as it deems desirable to carry out its purposes.

(iii) Copies of all reports, statements and publications made under this article shall be distributed to members.

Allocation of net income

(*g*) The Council, on the recommendation of the Governing Board, shall determine annually what part of the net income of the Enterprise after provision for reserves and surplus should be transferred to the Authority.

FINANCE

6. (*a*) The funds of the Enterprise shall comprise:

(i) Amounts determined from time to time by the Assembly out of the Special Fund referred to in Article 49.

(ii) Voluntary contributions made by States Parties to this Convention.

(iii) Amounts borrowed by the Enterprise, in accordance with subparagraph (*c*) below.

(iv) Other funds made available to the Enterprise, including charges, to enable it to commence operations as soon as possible for carrying out its functions.

(*b*) The Governing Board of the Enterprise shall determine when the Enterprise may commence operations.

(*c*) The Enterprise shall have the power to borrow funds, and in that connexion to furnish such collateral or other security therefor as it shall determine; provided, however, that before making a public sale of its obligations in the markets of a member, the Enterprise shall have obtained the approval of that member and of the member in whose currency the obligations are to be denominated. The total amount and sources of borrowings shall be approved by the Council on the recommendation of the Governing Board.

(*d*) The funds of the Enterprise shall be kept separate and apart from those of the Authority. The provisions of this paragraph shall not prevent the Enterprise from making arrangements with the Authority regarding facilities, personnel, and services and arrangements for reimbursement of administrative expenses paid in the first instance by either organization on behalf of the other.

OPERATIONS

7. (*a*) The Enterprise shall be the organ responsible for activities in the Area carried out directly by the Authority. The Enterprise shall carry out activities in the Area, including scientific research and the promotion thereof, all in accordance with Articles 9 and 22 and the other applicable provisions of this Part of the Convention and the Annexes thereto.

(*b*) The Enterprise shall propose to the Council projects for carrying out activities in the Area. Such proposals shall include a detailed description of the project, an analysis of the estimated costs and benefits, a draft formal written plan of work and all such other information and data as may be required from time to time for its appraisal by the Technical Commission and approval by the Council.

(*c*) Upon approval by the Council, the Enterprise shall execute the project on the basis of the formal written plan of work referred to in subparagraph (*b*) of this paragraph.

(*d*) Procurement of goods and services:

(i) To the extent that the Enterprise does not at any time possess the goods and services required for its operations, it may procure and employ them under its direction and management. Procurement of goods and services required by the Enterprise shall be effected by the award of contracts, based on response to invitations in member countries to tender, to bidders offering the best combination of quality, price and most favourable delivery time.

(ii) If there is more than one bid offering such a combination, the contract shall be awarded in accordance with the following principles:

(a) Non-discrimination on the basis of political or similar considerations not relevant to the carrying out of operations with due diligence and efficiency;

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(b) Guidelines approved by the Council with regard to the preferences to be accorded to goods and services originating in the developing countries, particularly the land-locked or otherwise geographically disadvantaged among them;

(iii) The Governing Board may adopt rules determining the circumstances in which the requirement of invitations in member countries to bid may be dispensed with.

(*e*) The Enterprise shall have title to all minerals and processed substances produced by it. They shall be marketed in accordance with rules, regulations and procedures adopted by the Council in accordance with the following criteria:

(i) The products of the Enterprise shall be made available to States Parties;

(ii) The Enterprise shall offer its products for sale at not less than international market prices; it may, however, sell its products at lower prices to developing countries particularly the least developed among them.

(*f*) Other powers:

Without prejudice to any general or special power conferred on the Enterprise under any other provision of this Convention, the Enterprise shall exercise all such powers incidental to its business as shall be necessary or desirable in the furtherance of its purposes.

(*g*) Political activity prohibited:

The Enterprise and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to carry out the purposes specified in paragraph 1 of this Annex.

WITHDRAWAL, SUSPENSION OF MEMBERSHIP, SUSPENSION OF OPERATIONS

Withdrawal by members

8. (*a*) Any member withdrawing from membership in the Authority shall cease to be a member of the Enterprise on the date on which such withdrawal becomes effective.

Suspension of membership

(*b*) (i) Persistent violation by a member of any of its obligations to the Enterprise shall render such member liable to suspension pursuant to Article 62 of this Part of the Convention.

(ii) While under suspension, a member shall not be entitled to exercise any rights under this annex except the right of withdrawal, but shall remain subject to all obligations.

Suspension or cessation of membership in the Authority

(*c*) Any member which is suspended from membership in, or ceases to be a member of, the Authority shall automatically be suspended from membership in, or cease to be a member of, the Enterprise, as the case may be.

Rights and duties of Governments ceasing to be members

(*d*) (i) When a Government ceases to be a member it shall remain liable for any amounts due from it to the Enterprise. The Enterprise and the Government may agree on a final settlement of account and a final settlement of all obligations of the Government to the Enterprise.

(ii) If such agreement shall not have been made within six months after the Government ceases to be a member or such other time as the Enterprise and such Government may agree, the settlement shall be made in accordance with the following conditions:

(a) Any payments due to the Government may be made in such instalments, at such times and in such available currency or currencies as the Enterprise reasonably determines, taking into account the financial position of the Enterprise;

(b) Any amount due to the Government shall be withheld so long as the Government or any of its agencies remains liable to the Enterprise for payment of any amount and such amount may, at the option of the Enterprise, be set off, as it becomes payable, against the amount due from the Enterprise;

(c) If the Enterprise sustains a net loss on the operations pursuant to paragraph 7 as of the date when the Government ceases to be a member, and the amount of such loss exceeds the amount of the reserves provided therefor on such date, such Government shall repay on demand the amount by which the amount due to the Government would have been reduced if such loss had been taken into account when the latter amount was determined.

(iii) In no event shall any amount due to a Government under this paragraph be paid until six months after the date upon which the Government ceases to be a member. If within six months of the date upon which any Government ceases to be a member the Enterprise suspends operations under subparagraph (*e*) of this paragraph, all rights of such Government shall be determined by the provisions of such subparagraph (*e*) and such Government shall be considered still a member of the Enterprise for purposes of such subparagraph (*e*), except that it shall have no voting rights.

Suspension of operations and settlement of obligations

(*e*) (i) The Enterprise may permanently suspend its operations if, on the recommendation of the Enterprise, the Assembly, by a vote of two thirds of its members so decides. After such suspension of operations the Enterprise shall forthwith cease all activities, except those incident to the orderly realization, conservation and preservation of its assets and settlement of its obligations. Until final settlement of such obligations and distribution of such assets, the Enterprise shall remain in existence and all mutual rights and obligations of the Enterprise and its members under this Annex shall continue unimpaired, except that no member shall be suspended or withdraw and that no distributions shall be made to members except as in this subparagraph provided.

(ii) No distribution shall be made to members until all liabilities to creditors shall have been discharged or provided for and until the Assembly, by vote of a majority of its members shall have decided to make such distribution.

(iii) Subject to the foregoing, the Enterprise shall distribute the assets of the Enterprise to members in accordance with Article 49 of this Part of the Convention, subject, in the case of any member, to prior settlement of all outstanding claims by the Enterprise against such member. Such distribution shall be made at such times, in such currencies, and in cash or other assets as the Enterprise shall deem fair and equitable. Distribution to the several members need not necessarily be uniform in respect of the type of assets distributed or of the currencies in which they are expressed.

(iv) Any member receiving assets distributed by the Enterprise pursuant to this paragraph shall enjoy the same rights with respect to such assets as the Enterprise enjoyed prior to their distribution.

STATUS, IMMUNITIES AND PRIVILEGES

9. (*a*) To enable the Enterprise to fulfil the functions with which it is entrusted, the status, immunities and privileges set forth herein shall be accorded to the Enterprise in the territories of each member.

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Status of the Enterprise

(*b*) The Enterprise shall possess full juridical personality, and, in particular, the capacity:

(i) To contract;
(ii) To acquire and dispose of immovable and movable property;
(iii) To institute legal proceedings.

Position of the Enterprise with regard to judicial process

(*c*) Actions may be brought against the Enterprise only in a court of competent jurisdiction in the territories of a member in which the Enterprise has an office, has appointed an agent for the purpose of accepting service or notice of process, has entered into a contract for goods or services, or has issued securities. The property and assets of the Enterprise shall, wheresoever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgement against the Enterprise.

Immunity of assets from seizure

(*d*) Property and assets of the Enterprise, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of seizure by executive or legislative action.

Immunity of archives

(*e*) The archives of the Enterprise shall be inviolable.

Freedom of assets from restrictions

(*f*) To the extent necessary to carry out the operations provided for in this Annex and subject to the provisions of this annex, all property and assets of the Enterprise shall be free from restrictions, regulations, controls and moratoria of any nature.

Privileges for communication

(*g*) The official communications of the Enterprise shall be accorded by each member the same treatment that it accords to the official communications of other members.

Immunities and privileges of officers and employees

(*h*) The members of the Governing Boards, alternates, officers and employees of the Enterprise:

(i) Shall be immune from legal process with respect to acts performed by them in their official capacity;
(ii) Not being local nationals, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations and the same facilities as regards exchange restrictions as are accorded by members to the representatives, officials, and employees of comparable rank of other members;
(iii) Shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

Immunities from taxation

(*i*) (i) The Enterprise, its assets, property, income and its operations and transactions authorized by this Annex, shall be immune from all taxation and from all customs duties. The Enterprise shall also be immune from liability for the collection or payment of any tax or duty.

(ii) No tax shall be levied on or in respect of salaries and emoluments paid by the Enterprise to members of the Board, alternates, officials or employees of the Enterprise who are not local citizens, subjects, or other local nationals.

(iii) No taxation of any kind shall be levied on any obligation or security issued by the Enterprise (including any dividend or interest thereon) by whomsoever held:

(a) Which discriminates against such obligation or security solely because it is issued by the Enterprise; or

(b) If the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Enterprise.

Application of article

(*j*) Each member shall take such action as is necessary in its own territories for the purpose of making effective in terms of its own law the principles set forth in this Annex and shall inform the Enterprise of the detailed action which it has taken.

Waiver

(*k*) The Enterprise in its discretion may waive any of the privileges and immunities conferred under this article to such extent and upon such conditions as it may determine.

ANNEX III

Statute of the sea-bed dispute settlement system

SETTLEMENT SYSTEM

1. The Sea-Bed Dispute Settlement System shall, in accordance with the present Statute, be constituted and function through the Sea-Bed Tribunal and Special Chambers.

I. ORGANIZATION OF THE TRIBUNAL

Composition of Tribunal

2. (*a*) The Tribunal is the principal judicial organ of the Authority;

(*b*) The Tribunal shall be composed of a body of independent judges, elected regardless of their nationality from among persons of high moral character, who possess the qualifications required in their respective countries for appointment to the highest judicial offices, or are lawyers of highest distinction in the field of international law. The Tribunal shall consist of 11 judges, 7 of whom shall constitute a quorum.

Appointment to Tribunal

3. Members of the Tribunal shall be appointed by the Assembly on the recommendation of the Council from among candidates nominated by States Parties. In making recommendations to the Assembly on appointment of judges, the Council shall pay due regard to the principle of equitable geographical distribution and of assuring representation of the principal legal systems of the world.

Members of Tribunal: Tenure

4. (*a*) Members of the Tribunal shall hold office for six years and may be reappointed for one further term; provided that the terms of the five judges elected at the first election shall expire at the end of three years.

(*b*) Members of the Tribunal, unless removed in accordance with subparagraph (*d*), shall continue to discharge their duties until their places have been filled. Though replaced, they shall finish any cases which they may have begun.

(*c*) Upon the occurrence of a vacancy in the Tribunal, the Council shall appoint a successor who shall hold office for the remainder of his predecessor's term, subject to the approval of the Assembly at its next regular session.

(*d*) A member of the Tribunal may be removed from office by the Assembly, on the unanimous recommendation of the other members of the Tribunal and the approval of the Council.

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Tribunal: Participation

5. (*a*) Members of the Tribunal shall be bound, unless prevented from attending by illness or other serious reasons duly explained to the President, to make themselves available whenever the needs of the Tribunal require.

(*b*) If, for some special reason, a member of the Tribunal considers that he should not take part in the decision of a particular case, he shall so inform the President of the Tribunal.

(*c*) If the President considers that for some special reason one of the members of the Tribunal should not sit in a particular case, he shall give him notice accordingly.

(*d*) If in any such case the member of the Tribunal and the President disagree, the matter shall be settled by the decision of the Tribunal.

Nationality of members

6. (*a*) If the Tribunal includes upon the Bench a member of the nationality of only one of the parties, the other party shall be entitled to nominate an *ad hoc* member to sit for the purpose of that case.

(*b*) Should there be several parties in the same interest, they shall for the purpose of the preceding provision be reckoned as one party only. Any doubt upon this point shall be settled by the decision of the Tribunal.

(*c*) A person who for the purposes of membership of or participation in the Tribunal could be regarded as a national of more than one State shall be deemed to be a national of the one in which he ordinarily exercises civil and political rights.

II. Organization of Special Chambers

Special Chambers

7. (*a*) Special Chambers shall exercise the contentious jurisdiction of the Tribunal in any case in which either party requests that a Special Chamber shall be established and exercise such jurisdiction. Such request shall be made at the time of the institution of proceedings or within one month thereof. Special Chambers shall be established in accordance with the following provisions.

(*b*) A Special Chamber shall consist of three members appointed to decide a specific case referred to it.

(*c*) One member shall be appointed by the party requesting the establishment of a Special Chamber and at the time of such request.

(*d*) One member shall be appointed by the other party by a letter addressed to the Registrar of the Tribunal within one month of the receipt by such other party of the notice of the request of the first party for the establishment of a Special Chamber.

(*e*) One member shall be appointed by agreement between the parties within two months of the receipt of the notice of the request of the first party for the establishment of a Special Chamber.

(*f*) If any appointment has not been made within the time-limits stipulated above, any party to the proceedings may request the President of the Tribunal to make the remaining appointment or appointments.

III. Administrative matters common to the Tribunal and the Special Chambers

Presidents of the Tribunal and of Special Chambers

8. (*a*) The President of the Tribunal shall be elected by the members of the Tribunal to hold office for a period of two years.

(*b*) The President of a Special Chamber shall be appointed by the parties to the dispute. If they fail to make an appointment within one month of the appointment of the last member of the Chamber, either party may request the President of the Tribunal to make the appointment.

Restraints on members

9. (*a*) No member of the Tribunal may exercise any political or administrative function, or engage in any other occupation of a professional nature. Any doubt on this point shall be settled by the decision of the Tribunal. This provision shall apply to members of Special Chambers during the currency of the session of the Special Chamber.

(*b*) No member may act as agent, counsel, or advocate in any case.

(*c*) No member may participate in the decision of any case in which he has previously taken part as agent, counsel, or advocate for one of the parties, or as a member of a national or international court, or of a commission of inquiry, or in any other capacity.

(*d*) Any doubt on this point shall in any particular case be decided by a majority of the other members of the Tribunal or of the Special Chamber, as the case may be.

Immunity of members

10. The members of the Tribunal or of a Special Chamber shall possess immunity in respect of their official acts and when actually engaged on the business of the Tribunal or the Special Chamber shall enjoy diplomatic privileges and immunities.

Declaration by members

11. Every member of the Tribunal or a Special Chamber shall, before taking up his duties, make a solemn declaration in open session that he will exercise his powers impartially and conscientiously.

Administrative services

12. Unless otherwise decided by the Assembly upon the recommendation of the Tribunal, the administrative services of the Tribunal and the Special Chambers shall be provided by the Secretary-General of the Authority who shall, after consulting with and securing the approval of the Tribunal, appoint a Registrar of the Tribunal and Special Chambers.

Seat and place of sitting

13. The administrative seat of the system shall be established at the seat of the Authority or at such other place as shall at any time be approved by the Assembly. In principle, however, the Tribunal and any Special Chambers shall sit and exercise their functions away from the seat of the Authority and at such place as they consider convenient and desirable.

Emoluments of members

14. (*a*) The emoluments of members of the Tribunal and of Special Chambers shall be fixed by the Assembly.

(*b*) All emoluments and allowances of members of the Tribunal and of Special Chambers shall be free of all taxation.

Expenses of the Tribunal and of Special Chambers

15. (*a*) The expenses of the Tribunal shall be met from the budget of the Authority.

(*b*) The expenses of the Special Chambers shall be met by the parties to the dispute.

Rules of procedure

16. The Tribunal shall frame rules, including rules of procedure, for carrying out the functions of the Tribunal and of Special Chambers.

IV. Operation of the system

Jurisdiction

17. (*a*) The Tribunal shall have jurisdiction with respect to:

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(i) Any dispute between States Parties to this Convention concerning the interpretation or application of this Part of the Convention relating to activities in the Area;
(ii) Any dispute between States Parties to this Convention, or between such State Party and a national of another State Party, or between nationals of different States Parties, or between a State Party or a national of a State Party and the Authority or the Enterprise concerning the conclusion of any contract, its interpretation or application or other activity in the Area which has arisen;
(iii) Any dispute falling within Article 36 of this Part of the Convention; and
(iv) Any matter falling within Article 44 of this Part of the Convention.

(*b*) The Tribunal shall have advisory jurisdiction to give at the request of the Assembly, the Council or any organ of the Council an opinion on any legal question relating to this Part of the Convention.

(*c*) The Tribunal shall exercise all powers and perform all functions referred to under Articles 35, 38, 39 and 62.

(*d*) Special Chambers shall have jurisdiction with respect to:

(i) Any dispute between States Parties concerning the interpretation or application of this Part of the Convention and relating to activities in the Area;
(ii) Any dispute concerning the conclusion, interpretation or application of any contract or concerning other activities in the Area, which has arisen between States Parties, or between a State Party and a national or another State Party, or between nationals of different States Parties.

Applicable law

18. The Tribunal and the Special Chambers, whose function is to decide in accordance with law such disputes and questions as are submitted to them shall apply, as the circumstances require:

(*a*) The Convention, including its Annexes;

(*b*) The Rules, Regulations and Procedures of the Authority;

(*c*) The terms of any material contracts;

(*d*) Subject to the above, any relevant rules of generally recognized international law.

The Tribunal and the Special Chambers shall pay special regard to any of their own and each others' previous decisions on the same point of law with a view to ensuring consistency in their jurisprudence.

A. CONTENTIOUS CASES

Parties to disputes

19. The following may be parties in cases before the Tribunal or Special Chambers in accordance with the appropriate provisions of this Part of the Convention:

(*a*) States Parties;

(*b*) State enterprises and persons natural or juridical which possess the nationality of a State Party or are effectively controlled by a State Party or its nationals, and which are party to a contract with the Authority, provided that proceedings against States Parties shall be brought in the name of the State Party of which such persons are nationals or by which, or by whose nationals, such persons are effectively controlled;

(*c*) Any grouping of (*a*) and (*b*), or of persons within (*b*);

(*d*) The Authority;

(*e*) The Enterprise and the Technical Commission in accordance with functions of this Part of the Convention and its Annexes.

Orders

20. The Tribunal or Special Chamber shall make orders for the conduct of the case, shall decide the form and time in which each party must conclude its arguments, and make all arrangements connected with the taking of evidence.

Provisional measures

21. (*a*) Upon the request of any party to the dispute, the Tribunal may, if it considers that circumstances so require, after giving the party an opportunity to be heard, order provisional measures, which it considers appropriate for preserving the respective rights of the parties, for minimizing damage to any party and for preventing serious harm to the marine environment, pending final adjudication.

(*b*) If a party to a case has requested that a Special Chamber shall be established, the Tribunal shall, pending the establishment of the Special Chamber, have the power to order provisional measures in that case.

(*c*) Notice of the measures ordered shall forthwith be given to the parties and to all States Parties.

(*d*) Provisional measures shall be binding.

(*e*) A party to a dispute directly affected by such provisional measures may request their immediate reconsideration. The Tribunal or Special Chamber shall promptly reconsider the measures and confirm, amend or terminate the order.

(*f*) Once a Special Chamber is seized of proceedings, it shall have the power to make, vary or revoke any order of provisional measures previously made in those proceedings.

(*g*) Orders for provisional measures shall remain operative until final adjudication unless otherwise provided in the order itself or by a subsequent order of the Tribunal or of the Special Chamber which becomes seized of the proceedings.

Intervention

22. (*a*) Should any of those listed in paragraph 19 consider that it has an interest of a legal nature which may be affected by the decision in a case, it may submit a request to the Tribunal or Special Chamber to be permitted to intervene. It shall be for the Tribunal or Special Chamber to decide upon this request.

(*b*) Whenever the construction of a treaty to which States other than those concerned in the case are parties is in question, the Registrar shall notify all such States forthwith. Every State so notified has the right to intervene in the proceedings; but if it uses this right, the construction given by the judgement will be equally binding upon it.

Fact-finding and use of experts

23. (*a*) The Tribunal or Special Chamber may, at any time, after consulting the parties, entrust any individual, body, commission, or other organization that it may select, with the task of carrying out an inquiry or giving an expert opinion.

(*b*) The Tribunal or Special Chamber shall, if the parties to a dispute so request, suspend the proceedings until the parties have had a chance to reconsider the situation in the light of the results of such inquiry or opinion.

Technical assessors

24. When a dispute involves technical questions the Tribunal or Special Chamber may, after hearing the views of the parties, obtain assistance in consideration of the case from two technical assessors who may sit with it, but who shall not have the right to vote.

Duty to appear

25. (*a*) It is the duty of parties to appear before the Tribunal or Special Chamber. If a party does not appear, or fails to defend its case, the other party may call upon the Tribunal or Special Chamber to decide upon its claim.

(*b*) The Tribunal or Special Chamber must, before doing so, satisfy itself, not only that it has jurisdiction, but also that the claim is well-founded in fact and law.

Main Menu

Judgements and orders are binding

26. (*a*) Judgements and orders of the Tribunal are final and binding. In the event of dispute as to the meaning or scope of a judgement or order, either party may request its interpretation.

(*b*) Judgements and orders of the Special Chambers are final and binding on the parties to the dispute. In the event of the dispute as to the meaning or scope of the judgement or an order, either party may request its interpretation. The request shall, if possible, be submitted to the same Special Chamber. If that Special Chamber cannot be reconstituted, the request shall be submitted to the Tribunal.

(*c*) Each party shall abide by and comply with the terms of the judgement or order.

Enforcement of judgements within territories of States Parties

27. (*a*) Each State Party shall recognize those judgements or orders which are suitable for enforcement within its territory as binding and shall enforce the pecuniary obligations imposed by such judgement or order as if it were a final judgement of the highest court in that State. A State Party with a federal constitution may enforce such a judgement or order in or through its federal courts and may provide that such courts shall treat the award as if it were a final judgement of the courts of a constituent State.

(*b*) A party seeking recognition or enforcement in the territories of a State Party shall furnish to a competent court or other authority which such State shall have designated for this purpose a copy of the judgement or order certified by the Registrar. Each State Party shall notify the Registrar of the designation of the competent court or other authority for this purpose and of any subsequent change in such designation.

(*c*) Execution of the judgement or order shall be governed by the laws concerning the execution of judgements in force in the State in whose territories such execution is sought.

Recourse to the Council

28. If a State Party fails to perform its obligations under a judgement rendered by the Tribunal, the other party or parties to the dispute may bring the matter before the Council which shall decide upon measures to be taken to give effect to the judgement.

Decisions affecting the Authority

29. If the Tribunal decides that a measure taken, or a refusal or failure to act, by the Authority is illegal, the judgement shall determine as the case may be, the extent to which and the date from which the measure in question is void and the measures to be taken to redress the situation. The Authority shall promptly and fully implement the decision of the Tribunal.

Revision of judgements

30. (*a*) An application for revision of a judgement may be made only when it is based upon the discovery of some fact of such a nature as to be a decisive factor, which fact was, when the judgement was given, unknown to the Tribunal or Special Chamber and also to the party claiming revision, always provided that such ignorance was not due to negligence.

(*b*) The application for revision of a judgement shall if possible be heard by the Tribunal or by the Special Chamber which gave the judgement. If that Special Chamber cannot be reconstituted, the application shall be heard by the Tribunal.

(*c*) The proceedings for revision shall be opened by a judgement of the Tribunal or Special Chamber expressly recording the existence of the new fact, recognizing that it has such a character as to lay the case open to revision, and declaring the application admissible on this ground.

(*d*) The Tribunal or Special Chamber may require previous compliance with the terms of the judgement before it admits proceedings in revision.

(*e*) The application for revision must be made at latest within six months of the discovery of the new fact.

(*f*) No application for revision may be made after the lapse of 10 years from the date of the judgement.

Costs

31. Unless otherwise decided by the Tribunal or Special Chamber, each party shall bear its own costs.

B. ADVISORY OPINIONS

Requests for advisory opinions

32. Questions upon which the advisory opinion of the Tribunal is asked shall be laid before the Tribunal by means of a written request containing an exact statement of the question upon which an opinion is required, and accompanied by all documents likely to throw light upon the question.

Notification of requests

33. (*a*) The Registrar shall forthwith give notice of the request for an advisory opinion to all States Parties.

(*b*) The Registrar shall also, by means of a special and direct communication, notify any State Party, organ of the Authority, State enterprise, or person natural or juridical, which possesses nationality of a State Party or is effectively controlled by it or its nationals, considered by the Tribunal as likely to be able to furnish information on the question that the Tribunal will be prepared to receive, within a time-limit to be fixed by the Tribunal, written statements, or to hear, at a public sitting to be held for the purpose, oral statements relating to the question.

(*c*) Should any such State Party, organ of the Authority or national of any State Party have failed to receive the special communication referred to in paragraph (*b*) of this article, it may express a desire to submit a written statement or to be heard; and the Tribunal shall decide thereon.

(*d*) States Parties, organs of the Authority and nationals of States Parties having presented written or oral statements or both shall be permitted to comment on the statements made by other States, organs of the Authority or nationals of States Parties in the form, to the extent, and within the time-limits which the Tribunal shall decide in each particular case. Accordingly, the Registrar shall in due time communicate any such written statements to States Parties, organs of the Authority and nationals of States Parties having submitted similar statements.

Delivery of opinions

34. The Tribunal shall deliver its advisory opinions in open court, notice having been given to the States Parties, the Authority and to any nationals of States Parties who have participated in the proceedings.

Procedure

35. In the exercise of its advisory functions the Tribunal shall further be guided by the provisions of the present Statute which apply in contentious cases to the extent to which it recognizes them to be applicable.

C. MATTERS COMMON TO CONTENTIOUS PROCEEDINGS AND ADVISORY OPINIONS

Consultation of Council organs

36. (*a*) The Tribunal or Special Chambers may, on contentious proceedings, either at the request of a party or upon their own initiative after consulting the parties, and in advisory proceedings upon the initiative of the Tribunal, seek the opinion of any organ of the Council regarding an issue falling within its competence. The Tribunal or Special Chambers shall not be bound by any conclusion of fact or law contained in any such opinion.

(*b*) The Tribunal or Special Chambers may, if they deem it necessary or desirable, suspend the proceedings for no more than one month pending the delivery of the opinion.

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Voting

37. (*a*) All questions shall be decided by a majority of the members of the Tribunal or Special Chamber who are present.

(*b*) In the event of an equality of votes, the President or the member who acts in his place shall have a casting vote.

Statements of reasons

38. (*a*) A judgement, order or advisory opinion shall state the reasons on which it is based.

(*b*) It shall contain the names of the members of the Tribunal or Special Chamber who have taken part in the decision.

Separate opinions

39. If the judgement, order or advisory opinion does not represent in whole or in part the unanimous opinion of the members of the Tribunal or Special Chamber, any member shall be entitled to deliver a separate opinion.

SPECIAL APPENDIX

Financial arrangements

APPROACH A

9. (*d*). *Financial arrangements*

(i) The Authority shall adopt rules, regulations and procedures regarding the financial arrangements to apply to contracts mentioned in subparagraph (*a*) above. These arrangements shall include such matters as the form of guarantee to be made by the Contractor, the initial fee to be paid by a Contractor, guidelines for determining development and operating costs and the accounting rules and procedures to apply to contracts.

(ii) In drawing up its rules, regulations and procedures for financial arrangements the Authority should be guided by the following principles:

(a) To ensure optimum revenues for the Authority;

(b) To provide financial incentives, where necessary, to attract investments and technology into the exploration and exploitation of the Area;

(c) To provide for equality of treatment and comparable financial obligations on the part of all States and other entities which obtain contracts.

(iii) (a) The costs to be recovered out of the proceeds of operations shall comprise:

The costs directly related to the development of the contract area (but not the costs of prospecting) incurred prior to or after the commencement of commercial production (hereinafter referred to as Development Costs) including costs related to equipment or development costs, and construction;

Costs directly related to the contract area incurred after the commencement of commercial production (hereinafter referred to as Operating Costs) such as wages, salaries, cost of supplies, transportation, general overhead and administration.

(b) Development Costs shall be recoverable on such perdentage bases per annum as are agreed upon in the contract. Development Costs not recovered by the Contractor during the incentive period referred to in (iv) C of this subparagraph shall be apportioned as deductions from the proceeds over a period of . . . years. Alternatively, the Contractor may use an accelerated recovery schedule that permits the recovery of . . . per cent of the Development Costs within a period of . . . years from the commencement of the incentive period.

(c) The current Operating Costs shall be deductible, in any accounting period established by the Authority in accordance with the rules and regulations from the proceeds of operations for that period. In the event a loss should be incurred, the Contractor shall be entitled to deduct such a loss in following accounting periods in accordance with the rules and regulations.

(iv) (a) The Net Proceeds for a given accounting period shall be that portion of the proceeds which remain after the deduction of allowable Development Costs and Operating Costs for that period.

(b) In each year, the Contractor's Net Proceeds shall be assessed in terms of the return on investment rate which they represent. The return on investment shall be calculated by dividing the sum of the Net Proceeds in all preceding years, including the current year, by the total number of years from the date of commencement of commercial production, and expressing this average as a percentage of total Development Costs.

(c) The Net Proceeds shall be apportioned between the Authority and the Contractor in the following manner:

During the incentive period, not to exceed . . . years after the commencement of commercial production, the Contractor shall have the right to retain the proceeds under the contract.

Low Profit Operations:

When the Contractor's return on investment is less than . . . per cent, (the Threshold Return) the Authority shall be entitled to . . . per cent of the Net Proceeds.

Normal Profit Operations:

When the Contractor's return on investment exceeds . . . per cent, (the Threshold Return) the Authority shall be entitled to . . . per cent of the Net Proceeds in excess of those required to satisfy the Threshold Return.

High Profit Operations:

When the Contractor's return on investment exceeds . . . per cent (the Premium Return), the Authority shall be entitled to . . . per cent of the New Proceeds in excess of those attributable to satisfying the Premium Return.

(v) Special Incentives shall be determined by the Authority by means of reducing its percentage of proceeds in order to encourage the promotion of the policy objectives of the Authority including *inter alia*: the transfer of technology to the developing countries and to the Authority; the creation of joint venture agreements with developing countries or their nationals; and reinvestment of profits in activities in the Area.

(vi) Any State Party or State Enterprise may elect, in respect of a particular contract it is seeking under paragraph 8 (*a*) of this annex, to submit a schedule of payments to the Authority in lieu of those established in this subparagraph in accordance with rules and regulations of the Authority which shall be designed to assure that such State Party or State Enterprise applicants pay a percentage of the gross value of the processed metals derived from the contract area each year. The Authority shall calculate this percentage by assigning a fair market value to the processed metals, using as a basis the yearly average prices at which each of the commodities is traded in the world market. The total payments shall be calculated so as to ensure that the sum of revenues paid each year under the contract corresponds to the payments that would accrue to the Authority each year under the preceding subparagraphs.

In the event the Authority determines that the proceeds of the Contractor are consistently and unjustifiably lower than the normal proceeds of other contractors the Authority may apply this subparagraph in lieu of the provisions of subparagraph (iv).

(vii) During the negotiation of the contract under paragraph 8 (*a*) of this Annex the Authority shall not entertain applications for the same Area and category of minerals from any other applicant. The Authority may however retain such applications for the contingency a contract is not entered into under paragraph 9 (*a*).

APPROACH B

1. The financial arrangements referred to in paragraph 12 (*a*) (3) of annex 1 shall include such matters as the form of guarantee to be made by the Contractor, the initial fee to be paid by the Contractor and . . .

2. In drawing up the financial arrangements, the Authority shall be guided by the following principles:

(*a*) To ensure optimum revenues for the Authority from the exploration and exploitation of resources of the Area;

(*b*) To provide the financial incentives where necessary to attract the required investments and technology into the exploration and exploitation of resources of the Area;

(*c*) To ensure equality of treatment and comparable financial obligations on the part of all States and other entities which obtain contracts.

3. The Authority shall appoint auditors who, in accordance with the contract, shall have access to a Contractor's financial records and books related to performance of the contract, including sales agreements, all contracts with outside groups for consulting programmes, patent royalties.

4. (i) During the course of negotiations for a contract, the Authority may request an applicant to submit a proposed schedule to the Authority which would be calculated either as:
   (a) A scale of progressive charges in monetary terms against the gross value of processed metals derived from the Area; or
   (b) A scale of progressive charges in kind on a percentage basis of the processed metals derived from the Area; or
   (c) A fixed sum of money per standard unit of weight of the processed metals derived from the Area.
   (ii) The Authority shall establish in its rules and regulations a procedure for calculating the manner by which the schedules in paragraph (i) above may be determined in order to ensure equal treatment of contractors.

5. Where the Authority decides that it would be in its best interests to do so, it may, either as an alternative to or in conjunction with paragraph 4, request the applicant to submit schedules based on sharing of proceeds pursuant to paragraphs 6 and 7 below.

6. (i) For the purposes of paragraph 7 below costs to be recovered by the Contractor, or by the respective parties in the event the Authority has contributed to those costs, out of the proceeds of exploration and exploitation of resources of the Area in any accounting period (hereinafter called the "proceeds") shall comprise:
   (a) Capital costs, i.e.
      (1) Pre-production costs, i.e., all costs incurred in accordance with the contract prior to commencement of commercial production, including those relating to prospecting, exploration, and preparation for commercial production, including plant and equipment costs; and
      (2) New or replacement capital costs, i.e., costs in accordance with the contract incurred after commencement of commercial production, including property, plant, and equipment costs; and
   (b) Current operating costs, i.e., the costs incurred after the commencement of commercial production and directly attributable to production and sales. These costs shall include wages, salaries, supplies, materials, power, transportation, general overhead and administration.
   (ii) The Contractor may secure a return on unredeemed capital costs in each accounting period at a percentage to be agreed upon in the contract (hereinafter called the "return").
   (iii) Capital costs and the return shall be redeemed from the proceeds according to a schedule and over a number of accounting periods as agreed upon in the contract.
   (iv) The current operating costs shall be deductible in any accounting period as a first deduction from the proceeds in that accounting period.
   (v) Where the proceeds are insufficient for the Contractor to redeem the total amount owing to him under subparagraphs (iii) and (iv) above, the shortfall shall be redeemed from the proceeds as a final deduction according to a schedule and over a number of subsequent accounting periods as agreed upon in the contract.
   (vi) The proceeds from the disposal of any capital assets purchased pursuant to paragraph 4 (i) (a) above, either during the period of the contract or at its termination, will first be applied to redeeming any unredeemed capital costs and return, and the remainder shall be treated as proceeds to be distributed in accordance with paragraph 7 (i) (d) below.

7. (i) The proceeds shall be apportioned between the Authority and the Contractor according to fixed or progressive percentages as they are agreed upon in the contract and in accordance with the following procedures:
   (a) Where the proceeds are less than the current operating costs and the scheduled redemption of capital costs, the Authority shall not be entitled to any of the proceeds;
   (b) Where the proceeds are insufficient to redeem the current operating costs, the scheduled redemption of capital costs, and the return, only the current operating costs and the capital costs scheduled to be redeemed shall be deductible and the Authority shall be entitled to the agreed fixed or progressive percentage of the surplus. The remaining proceeds shall be paid to the Contractor to satisfy in part his scheduled return and any shortfall shall be carried forward as a loss in accordance with subparagraph 6 (v) above;
   (c) Where the proceeds exceed the current operating costs, the scheduled redemption of capital costs, the return, and any shortfall carried over from the previous accounting period, the Authority shall be entitled to the agreed fixed or progressive percentage of the proceeds;
   (d) When in any accounting period all of the capital costs and any shortfall carried forward have been redeemed, the Authority shall be entitled to the agreed fixed or progressive percentage of the proceeds in excess of the current operating costs.
   (ii) In the event the Authority has contributed to the costs to be recovered and without prejudice to the provisions of subparagraph 7 (i) above, these costs shall be recovered by the Authority in accordance with the provisions of subparagraph 6 as agreed upon in the contract.

8. The Authority may reduce the percentage of proceeds referred to in paragraph 7 or the respective charge or sum referred to in paragraph 4, whichever is appropriate, to which it is entitled under the agreement, in order to encourage the Contractor to undertake joint agreements with developing countries, increase its reinvestment rates, stimulate the transfer of technology and support other priorities established by the Authority. The Authority may draw up rules, regulations and procedures to this effect.

CHECK LIST

Articles 1-31 maintain the same numerical order.

New Article Number	*Original Article Number*	*New Article Number*	*Original Article Number*
32	31 *bis*	48	44
33	32	49	45
34	33	50	46
35	57	51	47
36	58	52	48
37	59	53	49
38	60	54	50
39	61	55	51
40	63	56	52
41	35	57	53
42	36	58	54
43	38	59	55
44	39	60	56
45	41 *bis*	61	67
46	42	62	68
47	43	63	73

The following articles in the original text have been deleted: 34, 37, 40, 41, 62, 64, 65, 66, 69, 70, 71, 72, 74 and 75.