

2. Under the direction of the Council, the inspectors shall also have the responsibility of verifying compliance with any provision of this Convention, or any undertaking given by an operator thereunder, and with all other conditions prescribed in any agreement to which the Authority is a party.

3. The inspectors shall report any non-compliance to the Economic and Technical Commission established pursuant to Section 4 of this Chapter which, in cases of urgency, shall immediately notify the President of the Council. The President shall bring the matter to the notice of the Council which may call upon the State or States concerned to remedy forthwith any non-compliance which it finds to have occurred.

4. The Council may report the non-compliance to all Contracting Parties and to the Security Council and the General Assembly of the United Nations.

5. In the event of a failure of a State to take fully corrective action within a reasonable time, the Council may take one or both of the following measures: direct curtailment or suspension of assistance being provided by the Authority to a Contracting Party and call for return of any materials and equipment made available to the Contracting Party or Parties. The Assembly may also, in accordance with Article.....suspend any non-complying member from the exercise of the privileges and rights of membership.

Article 39

1. The Council may send into the territory of a Contracting Party, and into the International Sea-bed area and any installation established therein, inspectors designated by the Authority after consultation with the Contracting Party or Parties concerned. The inspectors shall have access at all times to all places and data and to any person who, by reason of his occupation deals with materials, equipment or facilities relating to any activity in respect of which a licence

has been issued pursuant to this Convention, and to any books of account and records kept with respect to such activity.

2. Inspectors designated by the Authority shall be accompanied by representatives of the Contracting Party concerned, if such Party so requests, provided that the inspectors shall not thereby be delayed or otherwise impeded in the exercise of their functions.

Section 4

The Economic and Technical Commission

Article 40

1. The Economic and Technical Commission shall be composed of fifteen members designated by the Council with due regard to equitable representation on the Commission as a whole of the areas specified in sub-paragraph (a) of paragraph 1 of Article 33, and of the categories of States specified in sub-paragraph (b) of that Article so that the Commission shall at all times include a representative of each of those areas and categories. The Council shall invite all Contracting Parties to submit nominations for designations to the Commission.

2. Designations to the Commission shall take place not less than sixty days before the end of a calendar year and members of the Commission shall hold office from the commencement of the next calendar year following their designations until the end of the second calendar year thereafter. The first designations to a Commission, however, shall take effect sixty days after such designation, and those so designated shall hold office until the end of the calendar year next following the year of their designation.

3. The Commission shall elect its Chairman.

4. The Council shall approve such rules and regulations as may be necessary for the efficient conduct of the

functions of the Commission. Decisions shall be by a majority of members of the Commission.

5. Members of the Commission shall serve in their individual capacity and shall receive regular remuneration as the Council from time to time determine.

6. Members of the Commission shall be appropriately qualified in the management of sea-bed resources, and operation of marine installations, equipment and devices, ocean sciences, maritime safety, ocean and marine engineering and mining and mineral technology and practices. They shall also be persons of high moral character who may be relied upon to exercise independent judgment.

7. The Commission shall function in continuous session at the seat of the Authority, and shall meet as often as shall be required for the efficient performance of its functions.

8. The Commission may establish sub-commissions as it deems desirable for the purpose of dealing with specific subjects, or the performance of specific functions assigned to it under this Convention.

Article 41

1. The Commission shall :

- (i) issue, revoke, suspend or modify licences for exploration and exploitation of the International Sea-bed ;
- (ii) supervise the operations of a licensee in co-operation with the licensee, its State and any coastal State concerned ;
- (iii) perform such functions with respect to disputes between Contracting Parties as are specified in Chapter VIII.
- (iv) formulate and submit to the Council all such rules, regulations, measures and practices as are contemplated in paragraphs (vii)–(xi) of Article 31.

Such rules, regulations, measures and practices shall come into force for all Contracting Parties upon their recommendation by the Council and approved by the Assembly by a two-thirds majority ;

- (v) arrange for and review the collection of international fees and other forms of payment ;
- (vi) issue deep-drilling permits ;
- (vii) keep currently under review the supply and demand for, and the prices of, raw materials obtained from the International Sea-bed and from land sources and make recommendations to the Council regarding pricing and marketing of sea-bed raw materials, taking into particular consideration the interests and needs of the developing countries, whether land-locked or coastal ;
- (viii) make recommendations to the Council with respect to the promotion of international co-operation in scientific research on and development and practical application of scientific techniques for the exploration of the International Sea-bed and the exploitation of its resources, as well as the transfer of technology to the developing countries ;
- (ix) survey the International Sea-bed with a view to establishing a long-term plan for its exploration and exploitation of its resources in a safe and orderly manner, and submit its plans to the Council from time to time, making scientific recommendations regarding portions of the International Sea-bed that may be opened for exploration and exploitation, and portions thereof that may be reserved to the Authority ; and
- (x) advise the Council in the exercise of its functions, and make such special studies and reports as may be requested by the Council from time to time.

*Section 5**The Tribunal***Article 42**

1. There is hereby established, as the permanent judicial organ of the Authority, a Tribunal of fifteen persons, lawyers of the highest distinction, competent in matters within the scope of this Convention, who may be relied upon to exercise independent judgment.

2. The Assembly shall elect members of the Tribunal from among candidates nominated by Contracting Parties. They shall hold office for five years, and may be re-elected. In electing members of the Tribunal, the Assembly shall pay due regard to the importance of assuring representation on the Tribunal of the principal legal systems of the world.

3. The Tribunal shall establish its rules of procedure, elect its President, appoint a Registrar and such staff as may be necessary for the efficient discharge of its functions. The salaries and emoluments and terms of service of members of the Tribunal, and of the Registrar and staff of the Tribunal shall be determined by the Council.

4. A member of the Tribunal, after expiry of his term of office, shall continue to perform his functions as such in relation to any cases proceedings in respect of which were substantially advanced prior to the date of such expiry.

5. A member of the Tribunal may be removed from office by the Council on the unanimous recommendation of the other members of the Tribunal.

6. Upon the occurrence of a vacancy in the Tribunal, the Council shall elect a successor who shall hold office for the remainder of his predecessor's term.

Article 43

The Tribunal shall be responsible for settling disputes relating to the interpretation and application of this

Convention, which have been submitted to it in accordance with the provisions of Chapter VIII of this Convention.

Article 44

Subject to an authorisation under Article 96 of the Charter of the United Nations, the Tribunal may request of the International Court of Justice advisory opinions on legal questions arising within the scope of its activities.

Article 45

Nothing in this Section shall prevent Contracting Parties from settling their disputes by any other means prescribed by Chapter VIII of this Convention.

*Section 6**Finance***Article 46**

1. With a view to promoting and intensifying exploration of the International Sea-bed and the exploitation of its resources for the benefit of mankind as a whole, irrespective of the geographical location of States, whether land-locked or coastal, and taking into particular consideration the interests and needs of the developing countries, each coastal State in respect of which an apportionment index below..... has been specified in the scale of apportionment approved by the Assembly pursuant to Section 4 of Chapter VI shall pay to the Authority for credit to a Sea-bed Development Fund, a sum equivalent to.....per cent of the net income derived by that State from all exploitation of the resources of the sea-bed and the ocean floor and the sub-soil thereof lying within its national jurisdiction. States may make voluntary contributions to the Sea-bed Development Fund.

2. Payments to the Authority, pursuant to paragraph 1 of this Article and disbursements from the Fund shall be made in such manner and in such currencies as shall be determined from time to time by the Assembly on the recommendation of the Council.

3. Each coastal State shall report annually to the International Sea-bed Authority concerning the nature and extent of the exploitation of the resources of the sea-bed and the ocean floor and the sub-soil thereof lying within its national jurisdiction.

Article 47

1. The Council shall submit to the Assembly the annual budget estimates for the expenses of the Authority. If the Assembly does not approve the estimates, it shall return them, together with its recommendations, to the Council. The Council shall then submit further estimates to the Assembly for its approval.

2. Expenditures of the Authority shall 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 ;
- (b) expenses not included in the foregoing, incurred by the Authority in carrying out its functions provided for in sub-paragraphs (ii) - (xii) of Article 23; and
- (c) the expenditure of the Sea-bed Development Corporation, to the extent that it cannot be met out of the Corporation's own revenues and other receipts.

3. The expenses referred to in paragraph 2 of this Article shall be met to an extent to be determined by the Assembly on the recommendation of the Council, out of the Sea-bed Development Fund, the balance of such expenses to be apportioned by the Council among the matters in accordance with a scale to be fixed by the Assembly. In fixing the scale the Assembly shall be guided by the scale of apportionment approved by it pursuant to Section 4 of Chapter VI of this Convention.

Article 48

1. Any excess of revenues from licence fees, and other receipts from operators, over expenses and costs shall be credited to a general fund as the Council may determine.

2. The Sea-bed Development Corporation established pursuant to Chapter V of this Convention shall pay to the Authority for credit to the general fund, any excess of its revenues over expenses and costs incurred in the course of its operations. States may make voluntary contributions to the general fund.

3. Determination and payments of amounts to the Authority pursuant to paragraph 2 of this Article shall be in accordance with arrangements entered into between the Council and the Sea-bed Development Corporation and approved by the Assembly, or between the Council and the State making a voluntary contribution, as the case may be.

4. The general fund shall be dealt with and utilised in accordance with Section 4 of Chapter VI of this Convention.

Article 49

Subject to rules and limitations approved by the Assembly, 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 to accept voluntary contributions made to the Authority.

Article 50

Decisions of the Assembly on financial questions and of the Council on the amount of the Authority's budget, shall require a two-thirds majority of those present and voting.

Section 7

Status, immunities and privileges

Article 51

The Authority shall have full international legal perso-

nality. The legal capacity of the Authority shall include the capacity :

- (a) to contract ;
- (b) to acquire and dispose of movable and immovable property ; and
- (c) to institute legal proceedings.

Article 52

To enable the Authority to fulfil its functions it shall enjoy in the territory of each Contracting Party the immunities and privileges set forth in this section.

Article 53

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

Article 54

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 55

To the extent necessary to carry out the operations provided for in this Convention, and subject to the provisions of this Convention, all property and assets of the Authority shall be free from restrictions, regulations, controls and moratoria of any nature.

Article 56

The Chairman and members of the Assembly, the President and members of the Council, members of the Economic and Technical Commission, and members of the Tribunal, and the officers 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 the Authority waives this immunity;

- (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 Contracting Parties to the representatives, officials and employees of comparable rank of other Contracting Parties.

Article 57

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 sub-paragraph (b) thereof shall apply only in connection with their travel to and from, and their stay at, the place where the proceedings are held.

Article 58

1. The archives of the Authority shall be inviolable, wherever they may be.
2. With regard to its official communications, the Authority shall be accorded by each Contracting Party treatment no less favourable than that accorded to other international organisations.

Article 59

1. The Authority, its assets, property and income, and its operations and transactions authorised 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 Chairman or members of the Assembly,

or in respect of salaries, expense allowances or other emoluments paid by the Authority to the President and members of the Council, members of the Tribunal, members of any Commission established by the Authority and the officers and staff of the Authority.

Section 8

Relationship with other organisations

Article 60

The Council, with the approval of the Assembly, is authorised to enter into an agreement or agreements establishing an appropriate relationship between the Authority and the United Nations and any other organisations, the work of which is related to that of the Authority.

Article 61

The agreement or agreements establishing the relationship between the Authority and the United Nations shall provide for :

- (a) Submission by the Authority of reports as provided for in sub-paragraphs (ii) and (iii) of Article 24 ;
- (b) Consideration by the Authority of resolutions relating to it, adopted by the General Assembly or any of the Councils of the United Nations, and the submission of reports, when requested, to the appropriate organ of the United Nations on the action taken by the Authority or by its members in accordance with this Convention as a result of such consideration.

CHAPTER V

THE SEA-BED DEVELOPMENT CORPORATION

Article 62

1. There is hereby established the Sea-bed Development Corporation (the Corporation).

2. The Corporation shall have an international legal personality distinct from the Authority and such legal capacity as may be necessary for the performance of its functions and the fulfilment of its purposes. The Corporation shall function in accordance with the Statute set forth in Annex I to this Convention, and shall in all respects be governed by the provisions of this Convention.

3. The President of the Council shall *ex officio* be President of the Corporation.

4. The President shall have its principal place of business at the seat of the Authority.

Article 63

All Contracting Parties are *ipso facto* parties to the Statute of the Corporation.

Article 64

Subject to the general policies and supervision of the Authority :

- (i) The Corporation shall be responsible for the preparation and execution of projects for the exploration of the International Sea-bed and the exploitation of its resources, in implementation of sub-paragraph (i) of Article 23 of this Convention (Corporation Projects) ;
- (ii) The Corporation may enter into arrangements with one or more Contracting Parties or with one or more nationals of Contracting Parties acting with the consent and under the sponsorship of such Contracting Parties, for the establishment of joint projects for exploration of the International Sea-bed or the exploitation of its resources (Joint Projects) ;
- (iii) All projects of the Corporation shall be subject to approval by the Council, and supervision by the Economic and Technical Commission.

Article 65

1. In relation to portions of the International Sea-bed that are open for exploration and exploitation, Corporation Projects and Joint Projects shall not be accorded treatment in the matter of exploration licences, exploitation licences, exploitation rights, work requirements and other terms and conditions more favourable than any other projects for exploration of the International Sea-bed and the exploitation of its resources; provided, however, that the Council may in its discretion waive international fees and other forms of payment with respect to Corporation Projects.

2. The Corporation shall make arrangements for marketing of any raw materials recovered through Corporation Projects and Joint Projects.

3. The Corporation shall make arrangements to ensure that any raw materials recovered through Corporation Projects shall not be used to further any military purpose.

CHAPTER VI SHARING IN BENEFITS

Section 1

Apportionment

Article 66

The Council shall administer rules approved by the Assembly pursuant to paragraph (xi) of Article 31 relating to the equitable sharing of benefits derived from the exploration of the International Sea-bed and the exploitation of its resources, including:

- (a) Scientific, technical or other information;
- (b) Raw materials; and
- (c) Revenues and other receipts credited to the general fund established pursuant to paragraph 1

of Article 47, up to a maximum of [.....] thereof.

Section 2

Information

Article 67

1. Each Contracting Party shall make available to the Economic and Technical Commission as soon as possible after the entry into force of this Convention with respect to such Party, and thereafter in a timely manner all such information relating to the exploration of the International Sea-bed and the exploitation of its resources as would, in the judgment of that Party, be necessary or useful to the Authority in carrying out its functions.

2. Each Contracting Party shall make available or cause to be made available to the Authority all information obtained by that Contracting Party or by any licensee which is its national.

Article 68

1. The Economic and Technical Commission shall be responsible for collecting and making available in an accessible form the information made available to it pursuant to the preceding Article, or obtained as a result of the Authority's own research, exploration or exploitation activities or reaching it through any other means. The Commission shall ensure that each Contracting Party receives such information or is notified of its availability in a timely manner through the issue of regular information circulars and, where the character of the information so warrants, such special bulletins as may be necessary.

2. The Commission shall take steps to encourage the exchange among Contracting Parties of information relating to the exploration of the sea-bed and the exploitation of its resources, and shall serve as an intermediary among its members for this purpose.

*Section 3**Raw materials***Article 69**

1. The Authority may retain in its facilities amounts of raw materials obtained through its own exploitation activities and not offered for sale.

2. Contracting Parties may make available to the Authority raw materials obtained by them as a result of exploitation, in accordance with this Convention, of the International Sea-bed in such form and quantity and upon such terms and conditions as shall be agreed with the Authority. The raw materials made available to the Authority may, at the discretion of the Contracting Party making them available, be stored either by that Party or, with the agreement of the Authority, in the Authority's facilities.

3. The Authority shall notify all Contracting Parties on a regular basis of any raw materials stored in its facilities and described by reference to their quantity, form and composition.

4. The Authority shall be responsible for storing and protecting raw materials in its possession and shall ensure that these materials shall be safeguarded against (i) hazards of the weather; (ii) unauthorised removal or diversion; (iii) damage or destruction including sabotage; and (iv) forcible seizure.

5. Raw materials made available to or obtained by the Authority shall be used or made available to Contracting Parties by the Council in accordance with rules adopted by the Assembly pursuant to paragraph (xi) of Article 31: provided, however, that (i) no Contracting Party having made raw materials available to the Authority, may designate

any other Contracting Party or Parties, or any specific project to which may it be transferred; and (ii) no raw materials made available by or through the Authority to any Contracting Party shall be used in such a way as to further any military purpose.

*Section 4**Revenues and other receipts***Article 70**

1. Revenues and other receipts credited to the general fund pursuant to Article 47 shall be shared equitably among all Contracting Parties.

2. Such funds shall be apportioned and made available in such manner and in such currencies and upon such other terms and conditions as may be approved by the Assembly pursuant to paragraph (xi) of Article 31. The Council shall recommend to the Assembly at each regular session a scale of apportionment based upon the criteria specified in Annex II to this Convention, and so designed as to ensure that each Contracting Party shall receive from the fund a portion commensurate with its needs.

Article 71

1. Distribution of such funds shall be the responsibility of the Council.

2. The Council shall 60 days prior to commencement of each regular session of the Assembly:

- (a) Prepare the scale of apportionment for approval by the Assembly;
- (b) Review the criteria specified in Annex II to this Convention and make recommendations to the Assembly with respect to any amendments that may be necessary.

CHAPTER VII SCIENTIFIC RESEARCH AND TRANSFER OF TECHNOLOGY

Article 72

The Contracting Parties undertake to initiate and participate in international programmes of scientific research concerning the International Sea-bed exclusively for peaceful purposes, in the manner and in furtherance of the objectives specified in Article 15 of this Convention.

Article 73

1. When a Contracting Party or its national proposes to carry out research activity in any part of the International Sea-bed, the Contracting Party shall, not less than 60 days prior to the proposed date of commencement of such research, transmit to the Economic and Technical Commission :

- (i) a detailed and precise description of the proposed research, including the subject, objectives, location, duration, a list of the equipment to be used indicating their function, the number and function of personnel participating, the nationalities of such personnel and the number and the nationality of the vessels or other installations to be used ;
- (ii) a statement that the research is being carried out exclusively for peaceful purposes ;
- (iii) a statement that the research is not being carried out for industrial purposes, and is not subject to the rules adopted by the Assembly with respect to industrial research pursuant to sub-paragraph (viii) of Article 31 ; and
- (iv) an undertaking that there will be open publication of the results of such research, either by the Contracting Party concerned, or through the Authority.

2. The Commission shall forthwith transmit the notification to all Contracting Parties and enter into consultations with the Contracting Party transmitting the notification with a view to obtaining such clarification as may be necessary.

3. Where scientific research is to take place within 100 miles from the nearest point of the limit of national jurisdiction of a Contracting Party, or of any installation on the International Sea-bed over which a Contracting Party has jurisdiction, the consent of that Contracting Party shall first be obtained. The Contracting Party concerned shall not without sufficient reason withhold its consent to scientific research by a qualified institution ; provided, however, that the Contracting Party concerned shall have the right, if it so desires, to participate or to be represented in the research, and that in any event the results shall be published.

Article 74

Contracting Parties undertake to examine, in consultation with the Authority, ways and means of facilitating the transfer to the developing countries of technology relating to the exploration of the International Sea-bed and the exploitation of its resources, including such technology as may be protected by patents. The Authority may serve as an intermediary among its members for the purpose of making available all such technology on as wide a basis as possible.

CHAPTER VIII SETTLEMENT OF DISPUTES

Section 1

Jurisdiction of the Tribunal

Article 75

1. The Tribunal established pursuant to Article 41 of this Convention shall have jurisdiction with respect to :

- (a) Any dispute relating to the interpretation or application of this Convention; and
- (b) Any dispute connected with the subject matter of this Convention and submitted to it pursuant to an agreement, contract or licence entered into or issued pursuant to this Convention.

2. When a dispute falling within paragraph 1 of this Article has arisen between Contracting Parties, or between a Contracting Party and a national of another Contracting Party, or between nationals of Contracting Parties, or between a Contracting Party or a national of a Contracting Party and the Sea-bed Development Corporation, the parties to the dispute shall first seek a solution through negotiation, conciliation or other means of their own choice. If the dispute has not been resolved within two months of the commencement of the dispute any Party to the dispute may institute proceedings before the tribunal, unless the parties agree to submit the dispute to arbitration pursuant to Section 2 of this Article.

Article 76

1. Any Contracting Party which questions the legality of measures taken by the Council, or the Economic and Technical Commission on grounds of a violation of this Convention, lack of jurisdiction, infringement of any fundamental rule of procedure or misuse of power, may bring the matter before the Tribunal.

2. Any person may subject to the same conditions, bring a complaint to the tribunal with regard to a decision directed to that person, or a decision which, although in form directed to another person, is of direct concern to the complainant.

3. The proceedings provided for in this Article shall be instituted within two months 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.

4. 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.

5. An order of the Tribunal pursuant to this Article shall be binding upon the Council or the Commission as the case may be.

Article 77

1. The judgment of the Tribunal shall be final and binding and enforceable in the territories of a Contracting Party as though it were a judgement of the highest court of that Contracting Party.

2. If a Contracting 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 judgment.

Article 78

1. At any time after it is seized of the dispute, the Tribunal may, if it considers that the circumstances so require, order provisional measures for the purpose of preserving the respective rights of the parties, or preventing serious harm to the marine environment.

2. 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 its order.

Article 79

1. The Tribunal or any party to proceedings before it may at any time seek the opinion of the Economic and Technical Commission regarding an issue falling within its competence,