



## Legal and Technical Commission

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**Relinquishment of areas under contract for exploration  
for polymetallic sulphides and cobalt-rich crusts**

### **Recommendations for the guidance of contractors on the relinquishment of areas under exploration contracts for polymetallic sulphides or cobalt-rich ferromanganese crusts**

**Issued by the Legal and Technical Commission**

#### **I. Introduction**

1. The present recommendations are intended to assist contractors in fulfilling their obligations under regulation 27 of the regulations on prospecting and exploration for polymetallic sulphides in the Area ([ISBA/16/A/12/Rev.1](#), annex) and regulation 27 of the regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area ([ISBA/18/A/11](#), annex) in respect of the relinquishment from the original contract area for polymetallic sulphides and cobalt-rich ferromanganese crusts.
2. As at 30 June 2019, seven contracts for exploration for polymetallic sulphides and five contracts for exploration for cobalt-rich ferromanganese crusts had entered into force.
3. According to regulation 12, paragraph 1, of the regulations on polymetallic sulphides, a “polymetallic sulphide block” means a cell of a grid as provided by the International Seabed Authority, which shall be approximately 10 km by 10 km and no greater than 100 km<sup>2</sup>.
4. According to regulation 12, paragraph 1, of the regulations on cobalt-rich ferromanganese crusts, a “cobalt crust block” is one or more cells of a grid as provided by the Authority, which may be square or rectangular in shape and no greater than 20 km<sup>2</sup> in size.



## II. Legal obligations

5. The legal obligations of contractors with regard to the relinquishment of areas are elaborated on in the regulations adopted by the Authority relating to prospecting and exploration.

6. Paragraphs 1 to 3 of regulation 27 of the regulations on polymetallic sulphides read as follows:

### **Size of area and relinquishment**

1. The contractor shall relinquish the area allocated to it in accordance with paragraph 2 of this regulation. Areas to be relinquished need not be contiguous and shall be defined by the contractor in the form of sub-blocks comprising one or more cells of a grid as provided by the Authority.

2. The total area allocated to the contractor under the contract shall not exceed 10,000 square kilometres. The contractor shall relinquish parts of the area allocated to it in accordance with the following schedule:

(a) By the end of the eighth year from the date of the contract, the contractor shall have relinquished at least 50 per cent of the original area allocated to it;

(b) By the end of the tenth year from the date of the contract, the contractor shall have relinquished at least 75 per cent of the original area allocated to it; or

3. The contractor may at any time relinquish parts of the area allocated to it in advance of the schedule set out in paragraph 2, provided that a contractor shall not be required to relinquish any additional part of such area when the remaining area allocated to it after relinquishment does not exceed 2,500 square kilometres.

7. Paragraphs 1 and 2 of regulation 27 of the regulations on cobalt-rich ferromanganese crusts read as follows:

### **Size of area and relinquishment**

1. The contractor shall relinquish the area allocated to it in accordance with paragraph 1 of this regulation. Areas to be relinquished need not be contiguous and shall be defined by the contractor in the form of sub-blocks comprising one or more cells of a grid as provided by the Authority. By the end of the eighth year from the date of the contract, the contractor shall have relinquished at least one third of the original area allocated to it; by the end of the tenth year from the date of the contract, the contractor shall have relinquished at least two thirds of the original area allocated to it; or, at the end of the fifteenth year from the date of the contract, or when the contractor applies for exploitation rights, whichever is the earlier, the contractor shall nominate an area from the remaining area allocated to it to be retained for exploitation.

2. Notwithstanding the provisions in paragraph 1, a contractor shall not be required to relinquish any additional part of such area when the remaining area allocated to it after relinquishment does not exceed 1,000 square kilometres.

### III. General requirements

8. To provide certainty and efficiency in managing areas under contract, relinquishment will be achieved by subdividing the initial blocks in the exploration contracts into cells of equal size. As a general rule, these cells will have dimensions of 1 km x 1 km. Where it is not possible to subdivide the blocks by applying this general rule owing to the particulars of an individual contract, its principles will be applied in a pragmatic manner to achieve an equivalent outcome.

9. To facilitate the management of relinquishments in the administration of contracts, recording of the relinquished cells will be achieved through a system of block and cell indexation, whereby blocks will retain their block number under the initial contract and cells will have an index number composed of the block number of which they are a part and a number assigned by their order commencing in the top left hand corner and proceeding right (see figure 1).

10. The cell geometry and index number for existing contracts will be provided to the contractors by the Authority.

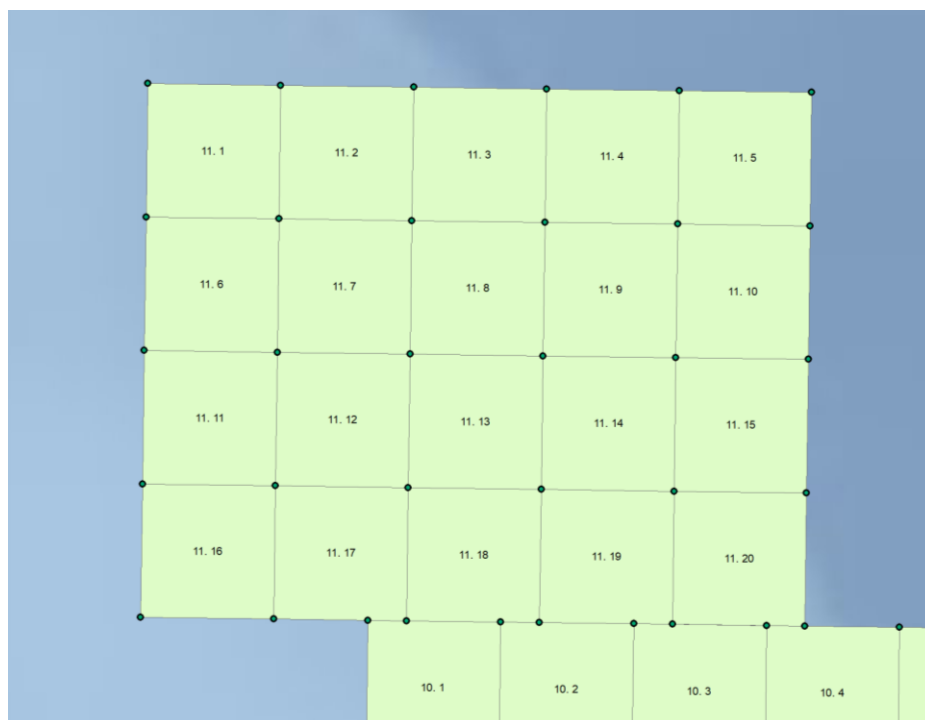
### IV. Specific guidance

#### A. Blocks with sides that are an integer number of kilometres

11. For the majority of blocks established under contracts for exploration for polymetallic sulphide or cobalt-rich ferromanganese crusts, the dimensions of the contract area sides are an integer number of kilometres, for example, 10 km x 10 km or 4 km x 5 km. In such cases, the general rule can be applied, as shown in figure 1 below.

Figure 1

**Subdivision of a cobalt-rich ferromanganese crust block of 4 km x 5 km into 20 equal cells of 1 km x 1 km and indexation of the cells**

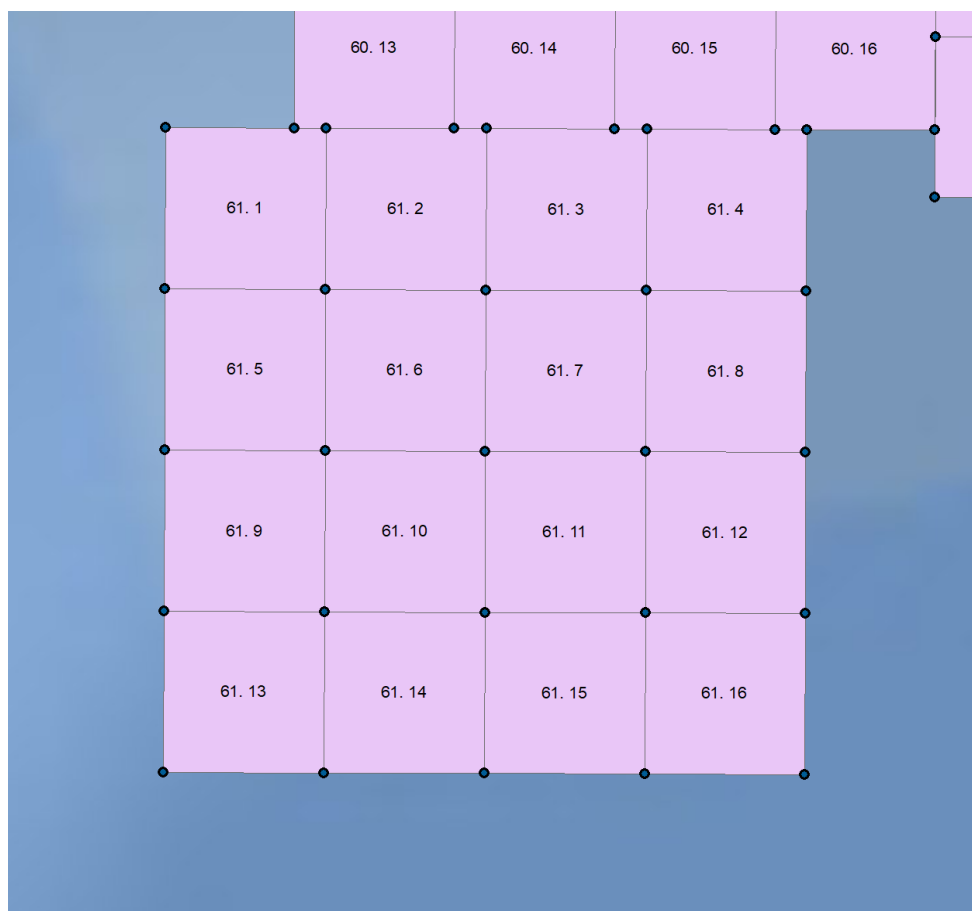


## B. Blocks with sides that are not an integer number of kilometres

12. Blocks with sides that are not an integer number of kilometres should be subdivided in such a manner that the dimensions of the cell sides are approximately 1 km. For cobalt-rich ferromanganese crusts, where the initial block size is 20 km<sup>2</sup>, many blocks of approximately 4.5 km x 4.5 km have been created, applying the principle laid out in paragraph 8 above. In such cases, the initial blocks will be subdivided into 16 cells of approximately 1.12 km x 1.12 km each, as shown in figure 2 below.

Figure 2

**Subdivision of a cobalt-rich ferromanganese crust block into 16 equal cells of 1.12 km x 1.12 km and indexation of the cells**



## C. Relinquishment process

13. To achieve the relinquishment requirement, individual cells will be identified by the contractor for return to the Authority on the basis of the percentage of the contract area to be relinquished. The contractor shall deliver a list of relinquished cells and a map of the relinquished area to the Authority

14. Relinquishment may be undertaken by full blocks or individual cells within multiple blocks with no restriction on which cells or blocks are to be returned.