



## AUTHORITY – CONTRACTOR

NB: For an interim period (Article 151 (3)) contracts must be conducted in accordance with a production authorization (Article 151 (2)) based on a production ceiling (Article 151 (2(d))) determined according to trends on the nickel market (Article 151 (4)) by applying the Production Policy as provided by the Convention (Article 151)

Subject Matter	Provisions of Convention	Basic Conditions of Annex III	Dispute Settlement Convention/Annex III
Power of Authority	157;160;153	Rules regulations and procedure to be issued by Authority (Article 17)	Not applicable in respect to discretionary power of Authority (Article 189)
Applicants Except Enterprise	Article 153 (2)	Application (Article 3 (1)) - plan of work (Art 6) undertakings (Art 4 Para 6), proposed area (Art 8) Qualification (Art 4 Para 1-3) financial/technical capability - sponsorship by state party Application fee (Art 13 Para 2) (US\$500 000)	Dispute Chamber (Article 187(d))
Contract	Article 153 (3) Article 153 (6)	- Contract concluded between Authority and applicant (contractor) (Article 3 (5)) approved by Council (Article 162 (2(j))) - Joint venture with Enterprise (Article 11) - Suspension (serious persistent and wilful violations) (Article 18 (1)) - Revision (conduct inequitable impracticable impossible) (revisable only by consent) (Article 19) - Transfer of rights and obligations (Article 20) consent required	- In general Commercial arbitration (Article 188 (2) Article 187(c)(i))  - Dispute Chamber acts or omissions related to Area activities (Article 187(c)) and others (Article 187(f))
Reservation		Of the proposed area - One half reserved for Enterprise (Articles 8-9) - Contractor granted exclusive rights for one half (Article 16 Art 3(4c))	
Production Authorization	Article 151 (2)	Selection of Applicants (Article 7)	Disputes Chamber (Article 187(c)(ii))
Financial Terms		Minimum annual contribution US\$1 million (Article 13 (3)) or production charge (Article 13 (4)) whichever is greater (Article 13 (3))	Commercial arbitration AIII (Article 13 (15))
Transfer of Technology	Article 144	Transfer of technology (Article 5) - Training program (Article 15)	AIII Article 5 (4) - In general Commercial terms and conditions commercial arbitration (Article 187 187(c)(i))
Liability	Articles 139 and 304	- Contractor and Authority (Article 22) - Authority for its staff (Article 168 (2))	Dispute Chamber (Article 187(e)) Liability of Authority
Monetary penalties		- Imposed by Authority proportionate to seriousness of violation (Article 18 (2))	Dispute Chamber AIII, Article 18 (3)