

NOTE

of any opinion whats	employed and the presentation of the material in this publication do not imply the expression over on the part of the Secretariat of the United Nations concerning the legal status of any or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.
	olication in the <u>Bulletin</u> of information concerning developments relating to the law of the sea has and decisions taken by States does not imply recognition by the United Nations of the
validity of the action	and decisions in question.
	ANY MATERIAL CONTAINED IN THE <u>BULLETIN</u> IS REPRODUCED IN RT OR IN WHOLE, DUE ACKNOWLEDGEMENT SHOULD BE GIVEN.

Copyright © United Nations, 2003

CONTENTS

		Page
I.	UNITED NATIONS CONVENTION ON THE LAW OF THE SEA	1
impleme provisio	f the United Nations Convention on the Law of the Sea, of the Agreement relating to the entation of Part XI of the Convention and of the Agreement for the implementation of the ons of the Convention relating to the conservation and management of straddling fish stocks and nigratory fish stocks	1
1.	Table recapitulating the status of the Convention and of the related Agreements, as at 31 March 2003	1
2.	Chronological lists of ratifications of, accessions and successions to the Convention and the related Agreements, as at 31 March 2003	12
	(a) The Convention	12
	(b) Agreement relating to the implementation of Part XI of the Convention	13

CONTENTS

3.	General Assembly resolution 57/143 of 12 December 2002: Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks
В. 1	National legislation
1.	Czech Republic:
	(a) Act 61 on Maritime Navigation, 24 February 2000
	(b) Act No. 158 of 18 May 2000 on Prospecting, Exploration for and Exploitation of Mineral Resources from the Seabed beyond the Limits of National Jurisdiction and Amendments to Related Acts,
2.	Republic of Korea: Enforcement Decree of Territorial Sea and Contiguous Zone Act. Presidential Decree No. 9162, 20 September 1978
3.	Madagascar: Extract from Act No. 99-028 of 3 February 2000 amending the Maritime Code
C. 7	Treaties
4.	Timor-Leste and Australia:
	(a) Exchange of Notes constituting an Agreement between the Government of Australia and the Government of the Democratic Republic of East Timor concerning Arrangements for Exploration and Exploitation of Petroleum in an Area of the Timor Sea between Australia and East Timor, Dili, 20 May 2002.
	(b) Timor Sea Treaty, Dili, 20 May 2002
	(c) Memorandum of Understanding between the Government of the Democratic Republic of East Timor and the Government of Australia concerning an International Unitization Agreement for the Greater Sunrise field, Dili, 20 May 2002
	(d) Agreement between the Government of Australia and the Government of the Democratic Republic of Timor-Leste relating to the Unitization of the Sunrise and Troubadour fields. Dili, 6 March 2003

I. UNITED NATIONS CONVENTION ON THE LAW OF THE SEA

A. Status of the United Nations Convention on the Law of the Sea, of the Agreement relating to the implementation of Part XI of the Convention

and of the Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks

1. Table recapitulating the status of the Convention and of the related Agreements, as at 31 March 2003

State or entity	United Nations Convention on the Law of the Sea (in force as from 16 November 1994)		Agreement relating to the implementation of Part XI of the Convention (in force as from 28 July 1996)		Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks (in force as from 11 December 2001)	
Italicized text indicates non- members of the United Nations; Shaded row indicates landlocked States	Signature ₽ (□ - declaration)	Ratification; formal confirmation(fc); accession(a); succession(s); (🗅 - declaration)	Ratification; formal confirmation(fc); accession(a); definitive signature(ds); participation(p); simplified procedure (sp); 2		Signature (□ - declaration or statement)	Ratification; accession(a) ³ (□ - declaration)
TOTALS	157 (🖰 35)	142 (🖰 52)	79	112	59 (□5)	34 (□8)
Afghanistan	Ø					
Albania					_	
Algeria		□11 June 1996	D	11 June 1996 (p)		
Andorra						
Angola		5 December 1990				
Antigua and Barbuda	D	2 February 1989				
Argentina		□1 December 1995	P	1 December 1995	P	·

Agreement for the implementation of the provisions of

United Nations Convention on the Law of the Sea (in force as from 16 November 1994) Agreement relating to the implementation of Part XI of the Convention (in force as from 28 July 1996)

State or entity

State or entity	the	United Nations Convention on the Law of the Sea (in force as from 16 November 1994)		Part XI of the Convention		Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks (in force as from 11 December 2001)	
Italicized text indicates non- members of the United Nations; Shaded row indicates landlocked States	Signature A (□ - declaration)	Ratification; formal confirmation(fc); accession(a); succession(s); (\(\D\) - declaration)	Ratification; formal confirmation(fc); accession(a); definitive signature(ds); participation(p); simplified procedure (sp); 2		Signature (□ - declaration or statement)	Ratification; accession(a) $\frac{3}{2}$ (\Box - declaration)	
Cook Islands	D	15 February 1995		15 February 1995 (a)		1 April 1999 (a)	
Costa Rica		21 September 1992		20 September 2001 (a)		18 June 2001 (a)	
Côte d'Ivoire	Ø	26 March 1984	Ø	28 July 1995 (sp)	P		
Croatia		□5 April 1995 (s)		5 April 1995 (p)			
Cuba		□15 August 1984		17 October 2002 (a)			
Cyprus	P	12 December 1988	Ø	27 July 1995		25 September 2002 (a)	
Czech Republic	Ø	□21 June 1996	Ø	21 June 1996			
Democratic People's Republic of Korea	Ø						
Democratic Republic of the Congo	Ø	17 February 1989					
Denmark	Ø		Ø		Ø		
Djibouti	B	8 October 1991					
Dominica	B	24 October 1991					
Dominican Republic	P	21 00(0001 1771					
Ecuador							
Egypt	D	□26 August 1983	Ø		D		
El Salvador	D	- · · · · · · · · · · · · · · · · · · ·					
Equatorial Guinea	Ø	21 July 1997		21 July 1997 (p)			
Eritrea		J		y y			
Estonia							
Ethiopia	D						
European Community	Ď	□1 April 1998 (fc)	Ø	1 April 1998(fc)			
Fiji	₽. P.	10 December 1982	Ø	28 July 1995	Ø	12 December 1996	
Finland	Ď	□21 June 1996	Ø	21 June 1996	Ø	*** ** ** ***	
France	Ď	□11 April 1996	Ø	11 April 1996			
Gabon	D	11 March 1998	P	. "	1	1	

State or entity

State or entity

Italicized text indicates nonmembers of the United Nations;

United Nations Convention on the Law of the Sea

(in force as from 16 November 1994)

Agreement relating to the implementation of Part XI of the Convention

(in force as from 28 July 1996)

Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks

(in force as from 11 December 2001)

	e or entity	United Nations Convention on the Law of the Sea (in force as from 16 November 1994)		Agreement relating to the implementation of Part XI of the Convention (in force as from 28 July 1996)		Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks (in force as from 11 December 2001)	
me Na Sh	alicized text indicates non- embers of the United ations; naded row indicates ndlocked States	Signature A (□ - declaration)	Ratification; formal confirmation(fc); accession(a); succession(s); (🗅 - declaration)	Signature	Ratification; formal confirmation(fc); accession(a); definitive signature(ds); participation(p); ¹ simplified procedure (sp); ²	Signature (□ - declaration or statement)	Ratification; accession(a) $\frac{3}{2}$ (\Box - declaration)

United Nations Convention on the Law of the Sea

Agreement relating to the implementation of

State or entity

(in force as from 16 November 1994)

State or entity	United Nations Convention on the Law of the Sea (in force as from 16 November 1994)		Agreement relating to the implementation of Part XI of the Convention (in force as from 28 July 1996)		Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks (in force as from 11 December 2001)	
Italicized text indicates non- members of the United Nations; Shaded row indicates landlocked States	Signature & (\(\text{\Omega}\) - declaration)	Ratification; formal confirmation(fc); accession(a); succession(s); (a declaration)	Signature	Ratification; formal confirmation(fc); accession(a); definitive signature(ds); participation(p); ¹ simplified procedure (sp); ²	Signature (□ - declaration or statement)	Ratification; accession(a) ³ (□ - declaration)
United Republic of	D	□30 September 1985	D	25 June 1998		176002Td4k

Tanzania

United Nations Convention on the Law of the Sea

(in force as from 16 November 1994)

Italicized text indicates nonmembers of the United Nations;

Shaded row indicates landlocked States

State or entity

Signature

✓
(□ - declaration)

Ratification; formal confirmation(fc); accession(a); succession(s); (accession(c) - declaration)

Agreement relating to the implementation of Part XI of the Convention

(in force as from 28 July 1996)

Ratification; formal confirmation(fc); acceasices

Agreement for the implementation of the provisions of the Convention relating to the conservation and management of straddling fish stocks and highly migratory fish stocks

(in force as from 11 December 2001)

2. <u>Chronological lists of ratifications of, accessions and successions to the Convention</u> <u>and the related Agreements, as at 31 March 2003</u>

(a) The Convention

- 1. Fiji (10 December 1982)
- 2. Zambia (7 March 1983)
- 3. Mexico (18 March 1983)
- 4. Jamaica (21 March 1983)
- 5. Namibia (18 April 1983)
- 6. Ghana (7 June 1983)
- 7. Bahamas (29 July 1983)
- 8. Belize (13 August 1983)
- 9. Egypt (26 August 1983)
- 10 19839-18.5422 .0017 Tw10.01.4(.)-882 0 TD.48 refBa.0057 Tc a)

- 86. Georgia (21 March 1996)
- 87. France (11 April 1996)
- 88. Saudi Arabia (24 April 1996)
- 89. Slovakia (8 May 1996)
- 90. Bulgaria (15 May 1996)
- 91. Myanmar (21 May 1996)
- 92. China (7 June 1996)
- 93. Algeria (11 June 1996)
- 94. Japan (20 June 1996)
- 95. Czech Republic (21 June 1996)
- 96. Finland (21 June 1996)
- 97. Ireland (21 June 1996)
- 98. Norway (24 June 1996)
- 99. Sweden (25 June 1996)
- 100. Netherlands (28 June 1996)
- 101. Panama (1 July 1996)
- 102. Mauritania (17 July 1996)
- 103. New Zealand (19 July 1996)
- 104. Haiti (31 July 1996)
- 105. Mongolia (13 August 1996)
- 106. Palau (30 September 1996)
- 107. Malaysia (14 October 1996)
- 108. Brunei Darussalam (5 November 1996)
- 109. Romania (17 December 1996)
- 110. Papua New Guinea (14 January 1997)
- 111. Spain (15 January 1997)
- 112. Guatemala (11 February 1997)
- 113. Pakistan (26 February 1997)
- 114. Russian Federation (12 March 1997)
- 115. Mozambique (13 March 1997)

- 40. Samoa (14 August 1995)
- 41. Micronesia (Federated States of) (6 September 1995)
- 42. Jordan (27 November 1995)
- 43. Argentina (1 December 1995)
- 44. Nauru (23 January 1996)
- 45. Republic of Korea (29 January 1996)
- 46. Monaco (20 March 1996)
- 47. Georgia (21 March 1996)
- 48. France (11 April 1996)
- 49. Saudi Arabia (24 April 1996)
- 50. Slovakia (8 May 1996)
- 51. Bulgaria (15 May 1996)
- 52. Myanmar (21 May 1996)
- 53. China (7 June 1996)
- 54. Algeria (11 June 1996)
- 55. Japan (20 June 1996)
- 56. Czech Republic (21 June 1996)
- 57. Finland (21 June 1996)
- 58. Ireland (21 June 1996)
- 59. Norway (24 June 1996)
- 60. Sweden (25 June 1996)
- 61. Malta (26 June 1996)
- 62. Netherlands (28 June 1996)
- 63. Panama (1 July 1996)
- 64. Mauritania (17 July 1996)
- 65. New Zealand (19 July 1996)
- 66. Haiti (31 July 1996)
- 67. Mongolia (13 August 1996)
- 68. Palau (30 September 1996)
- 69. Malaysia (14 October 1996)
- 70. Brunei Darussalam (5 November 1996)
- 71. Romania (17 December 1996)
- 72. Papua New Guinea (14 January 1997)
- 73. Spain (15 January 1997)
- 74. Guatemala (11 February 1997)
- 75. Oman (26 February 1997)
- 76. Pakistan (26 February 1997)

- 77. Russian Federation (12 March 1997)
- 78. Mozambique (13 March 1997)
- 79. Solomon Islands (23 June 1997)
- 80. Equatorial Guinea (21 July 1997)
- 81. Philippines (23 July 1997)
- 82. United Kingdom of Great Britain and Northern Ireland (25 July 1997)
- 83. Chile (25 August 1997)
- 84. Benin (16 October 1997)
- 85. Portugal (3 November 1997)
- 86. South Africa (23 December 1997)
- 87. Gabon (11 March 1998)
- 88. European Community (1 April 1998)

- 22. Monaco (9 June 1999)
- 23. Canada (3 August 1999)
- 24. Uruguay (10 September 1999)
- 25. Australia (23 December 1999)
- 26. Brazil (8 March 2000)
- 27. Barbados (22 September 2000)
- 28. New Zealand (18 April 2001)
- 29. Costa Rica (18 June 2001)
- 30. Malta (11 November 2001)

- 31. United Kingdom on behalf of Pitcairn, Henderson, Ducie and Oeno Islands, Falkland Islands, South Georgia and South Sandwich Islands, Bermuda, Turks and Caicos Islands, British Indian Ocean Territory, British Virgin Islands and Anguilla (10 December 2001)
- 32. Cyprus (25 September 2002)

The Government of Kiribati wishes to propose that the formula used for drawing archipelagic baselines be revisited in the future to take into consideration the above-mentioned concerns of Kiribati.

Accession by Kiribati to the United Nations Convention on the Law of the Sea does not in any way prejudice its status as an archipelagic State or its legal rights to declare all or part of its maritime territory as archipelagic waters under the said Convention.

(c) United Kingdom of Great Britain and Northern Ireland

Declaration of 7 April 2003 pursuant to article 298, paragraph 1, of the United Nations Convention on the Law of the Sea

... the United Kingdom of Great Britain and Northern Ireland does not accept any of the procedures provided for in section 2 of Part XV of the Convention with respect to the categories of disputes referred to in paragraph 1(b) and (c) of article 298.

II. LEGAL INFORMATION RELEVANT TO THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA

A. United Nations General Assembly resolutions of interest

1. General Assembly resolution 57/141 of 12 December 2002: Oceans and the law of the sea

The General Assembly,

Recalling its resolutions 49/28 of 6 December 1994, 52/26 of 26 November 1997, 54/33 of 24 November 1999, 55/7 of 30 October 2000, 56/12 of 28 November 2001 and other relevant resolutions adopted subsequent to the entry into force of the United Nations Convention on the Law of the Sea ("the Convention") on 16 November 1994,

Emphasizing the universal and unified character of the Convention and its fundamental importance for the maintenance and strengthening of international peace and security, as well as for the sustainable development of the oceans and seas.

Reaffirming that the Convention sets out the legal framework within which all activities in the oceans and seas must be carried out and is of strategic importance as the basis for national, regional and global action and cooperation in the marine sector, and that its integrity needs to be maintained, as recognized also by the United Nations Conference on Environment and Development in chapter 17 of Agenda 21,²

Conscious that the problems of ocean space are closely interrelated and need to be considered as a whole through an integrated, interdisciplinary and intersectoral approach,

Convinced of the need, building on arrangements established in accordance with the Convention, to improve coordination at the national level and cooperation and coordination at both intergovernmental and inter-agency levels, in order to address all aspects of oceans and seas in an integrated manner,

Recognizing the important role that the competent international organizations have in relation to ocean affairs, in zth26ve inNallr(in1esS)9.8(an)9.89.8rtin-ed 223-,98-7(tie6(mv01.552357.9iI.i053z) .I.itin-ed 2239/n)8z.I. .I.itin-igII/ 1.10250.009 .9

Recalling the essential role of international cooperation and coordination in promoting the integrated management and sustainable development of the oceans and seas, and recalling also that the role of international cooperation and coordination on a bilateral basis and, where applicable, within a subregional, regional, interregional or global framework is to support and supplement the national efforts of all States, including coastal States, in

Noting the responsibilities of the Secretary-General under the Convention and related resolutions of the General Assembly, in particular resolutions 49/28, 52/26 and 54/33, and in this context the expected increase in responsibilities of the Division for Ocean Affairs and the Law of the Sea of the Office of Legal Affairs of the Secretariat in view of the progress in the work of the Commission on the Limits of the Continental Shelf ("the Commission") and the anticipated receipt of submissions from States, in addition to the expected growing involvement of the Division with requests for technical assistance from States and its role in inter-agency coordination and cooperation,

I. Implementation of the Convention and related agreements and instruments

- 1. *Calls upon* all States that have not done so, in order to achieve the goal of universal participation, to become parties to the Convention¹ and the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 ("the Agreement"); ¹
 - 2. Reaffirms the unified character of the Convention;
- 3. Once again calls upon States to harmonize, as a matter of priority, their national legislation with the provisions of the Convention, to ensure the consistent application of those provisions and to ensure also that any declarations or statements that they have made or make when signing, ratifying or acceding to the Convention are in conformity therewith and, otherwise, to withdraw any of their declarations or statements that are not in conformity;
 - 4. Encourages States parties to the Convention to deposit with the Secretary-General charts and lists of

III. Meeting of States Parties

9. *Requests* the Secretary-General to convene the thirteenth Meeting of States Parties to the Convention in New York from 9 to 13 June 2003 and to provide the services required;

IV. Settlement of disputes

- 10. Notes with satisfaction the continued contribution of the International Tribunal for the Law of the Sea ("the Tribunal") to the peaceful settlement of disputes in accordance with Part XV of the Convention, underlines its important role and authority concerning the interpretation or application of the Convention and the Agreement, encourages States parties to the Convention to consider making a written declaration choosing from the means set out in article 287 for the settlement of disputes concerning the interpretation or application of the Convention and the Agreement, and invites States parties to note the provisions of annexes V, VI, VII and VIII to the Convention concerning, respectively, conciliation, the Tribunal, arbitration and special arbitration;
- 11. Equally pays tribute to the important and long-standing role of the International Court of Justice with regard to the peaceful settlement of disputes concerning the law of the sea;
- 12. *Recalls* the obligation under article 296 of the Convention requiring all parties to a dispute before a court or a tribunal referred to in article 287 of the Convention to comply promptly with any decision rendered by such court or tribunal:
- 13. *Encourages* States parties to the Convention that have not yet done so to nominate conciliators and arbitrators in accordance with annexes V and VII to the Convention, and requests the Secretary-General to continue to update and circulate lists of these conciliators and arbitrators on a regular basis;

V. The Area

14. Notes with satisfaction the first examination by the Council of the International Seabed Authority ("the

VII. The continental shelf and the work of the Commission

- 19. *Notes with satisfaction* the progress in the work of the Commission, especially that the consideration of submissions regarding the establishment of the outer limits of the continental shelf beyond 200 nautical miles has begun with receipt of the first submission, made by the Russian Federation on 20 December 2001;
- 20. *Encourages* States parties that are in a position to do so to make every effort to make submissions to the Commission within the time period established by the Convention, taking into account the decision of the eleventh Meeting of States Parties to the Convention; 12
- 21. Encourages States and relevant international organizations and institutions to consider developing and making available training courses to assist developing States in the preparation of such submissions, based on the outline for a five-day training course 13 prepared by the Commission in order to facilitate the preparation of submissions in accordance with its Scientific and Technical Guidelines; 14
- 22. *Approves* the convening by the Secretary-General of the twelfth session of the Commission in New York from 28 April to 2 May 2003, followed by two weeks of meetings of a subcommission in the event that a submission is made to the Commission, and of the thirteenth session of the Commission from 25 to 29 August 2003;

VIII. Marine science and technology

- 23. Stresses the importance of the issues of marine science and technology and the need to focus on how best to implement the many obligations of States and competent international organizations under Parts XIII and XIV of the Convention, and calls upon States to adopt, as appropriate and in accordance with international law, such national laws, regulations, policies and procedures as are necessary to promote and facilitate marine scientific research and cooperation, especially those relating to consent for marine scientific research projects as provided for in the Convention;
- 24. *Calls upon* States, through national and regional institutions, to ensure that, in respect of marine scientific research conducted pursuant to Part XIII of the Convention

IX. Maritime safety and security

26.

- 43. Also calls upon States to advance the implementation of the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities and the Montreal Declaration on the Protection of the Marine Environment from Land-based Activities, ¹⁸ to enhance maritime safety and the protection of the marine environment from pollution and other physical impacts, and to improve the scientific understanding and assessment of marine and coastal ecosystems as a fundamental basis for sound decision-making through the actions identified in the Johannesburg Plan of Implementation;
- 44. *Invites* all relevant United Nations agencies to review individually their arrangements for collecting information and data relevant to the marine environment and for ensuring the quality of those data, using to the fullest possible extent what is available at the regional level, and to consider collectively how to ensure that the resulting information and data sets provide, within the constraints of existing resources, an acceptably consistent, coherent and comprehensive basis for international decision-making;
- 45. *Decides* to establish by 2004 a regular process under the United Nations for the global reporting and assessment of the state of the marine environment, including socio-economic aspects, both current and foreseeable, building on existing regional assessments, and requests the Secretary-General, in close collaboration with Member States, relevant organizations and agencies and programmes of the United Nations system, namely, the United Nations Environment Programme, the Intergovernmental Oceanographic Commission, the Food and Agriculture Organization of the United Nations, the International Maritime Organization, the World Health Organization, the

- 50. *Calls upon* States to take measures for the protection and preservation of coral reefs and to support international efforts in this regard, in particular the measures outlined in decision VI/3 adopted by the Conference of the Parties to the Convention on Biological Diversity at its sixth meeting, held at The Hague from 7 to 19 April 2002:¹⁹
- 51. *Also calls upon* States to develop national, regional and international programmes for halting the loss of marine biodiversity, in particular fragile ecosystems;
- 52. Further calls upon States to accelerate the development of measures to address the problem of invasive alien species in ballast water, and urges the International Maritime Organization to finalize the International Convention on the Control and Management of Ships' Ballast Water and Sediments;
- 53. Calls upon States to promote the conservation and management of the oceans in accordance with chapter 17 of Agenda 21 and other relevant international instruments, to develop and facilitate the use of diverse approaches and tools, including the ecosystem approach, the elimination of destructive fishing practices, the establishment of marine protected areas consistent with international law and based on scientific information, including representative networks by 2012 and time/area closures for the protection of nursery grounds and periods, proper coastal and land

58. *Takes note* of the Fund for Peace: Peaceful Settlement of Territorial Disputes established by the General Assembly of the Organization of American States in 2000 as a primary mechanism, given its broader regional scope, for the prevention and resolution of pending territorial, land border and maritime boundary disputes, and also takes

67. Invites

XVII. Fifty-eighth session of the General Assembly

73. Requests the Secretary-General to report to the General Assembly at its fifty-eighth session on the implementation of the present resolution, including other developments and issues relating to ocean affairs and the law of the sea, in connection with his annual comprehensive report on oceans and the law of the sea, and to provide the report in accordance with the modalities set out in resolutions 49/28, 52/26 and 54/33, and also requests the Secretary-General to make the report available, in its curre

2. <u>General Assembly resolution 57/142 of 12 December 2002: Large-scale pelagic drift-net fishing, unauthorized fishing in zones of national jurisdiction and on the high seas/illegal, unreported and unregulated fishing, fisheries by-catch and discards, and other developments</u>

The General Assembly,

Reaffirming its resolutions 46/215 of 20 December 1991, 49/116 and 49/118 of 9 December 1994, 50/25 of 5 December 1995, 51/36 of 9 December 1996, 52/29 of 26 November 1997, 53/33 of 24 November 1998 and 55/8 of 30 October 2000, as well as other resolutions on large-scale pelagic drift-net fishing, unauthorized fishing in zones of national jurisdiction and on the high seas, fisheries by-catch and discards, and other developments, and noting resolution 57/143 of 12 December 2002,

Noting that the Code of Conduct for Responsible Fisheries of the Food and Agriculture Organization of the United Nations¹ sets out principles and global standards of behaviour for responsible practices to conserve, manage and develop fisheries, including guidelines for fishing on the high seas and in areas under the national jurisdiction of other States, and on fishing gear selectivity and practices, with the aim of reducing by-catch and discards,

Welcoming

Recognizing also that coordination and cooperation at the global, regional, subregional as well as national levels in the areas, inter alia, of data collection, information-sharing, capacity-building and training are crucial for the conservation, management and sustainable development of marine living resources,

Recognizing further the duty provided as a principle in the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas ("the Compliance Agreement"), ⁷ the Agreement and the Code of Conduct for Responsible Fisheries for flag States to exercise effective

- 14. *Urges* States to develop and implement national and, where appropriate, regional plans of action, to put into effect by 2004 the International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing of the Food and Agriculture Organization of the United Nations¹⁰ and to establish effective monitoring, reporting and enforcement and control of fishing vessels, including by flag States, to further the International Plan of Action;
 - 15. Also urges States, as a matter of priority, to coordinate their activities and cooperate directly and, as

23. *Calls upon* the Food and Agriculture Organization of the United Nations, the United Nations Environment Programme, in particular its Regional Seas programme, the International Maritime Organization, regional and subregional fisheries management organizations and arrangements and other appropriate intergovernmental organizations to take up, as a matter of priority, the issue of marine debris as it relates to fisheries and, where appropriate, to promote better coordination and help States to implement fully relevant international agreements,

3. General Assembly resolution 57/143 of 12 December 2002: Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks

The General Assembly,

Recalling the relevant provisions of the United Nations Convention on the Law of the Sea of ("the Convention"), and bearing in mind the relationship between the Convention and the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks ("the Agreement"), 2

Recalling also its resolution 56/13 of 28 November 2001, and bearing in mind its resolution 57/142 of 12 December 2002,

Recognizing that, in accordance with the Convention, the Agreement sets forth provisions concerning the conservation and management of straddling fish stocks and hi5(d)-11n10.8(57s)8.4(res)8.4(o)11..1(n)6(l)-p -lrlcres res[1 reses rest sfl7']

- 3. *Calls upon* all States that have not done so, in order to achieve the goal of universal participation, to become parties to the Convention, which sets out the legal framework within which all activities in the oceans and seas must be carried out, taking into account the relationship between the Convention and the Agreement;
- 4. *Reaffirms* the outcomes of the World Summit on Sustainable Development, ³ in particular, those relating to the conservation and management of straddling fish stocks and highly migratory fish stocks;
- 5. *Emphasizes* the importance of the effective implementation of the provisions of the Agreement, including those provisions relating to bilateral, regional and subregional cooperation in enforcement, and urges continued efforts in this regard;
- 6. Urges all States, and entities referred to in the Convention and in article 1, paragraph 2 (b), of the Agreement, to pursue cooperation in relation to straddling fish stocks and highly migratory fish stocks, either directly or through appropriate subregional or regional fisheries management organizations or arrangements, to ensure the effective conservation, management and long-term sustainability of such stocks, to agree upon measures necessary to coordinate and, where there are no subregional or regional fisheries management organizations or arrangements in respect of particular straddling or highly migratory fish stocks, to cooperate to establish such organizations or enter into other appropriate arrangements;
 - 7. Welcomes the initiation of negotiations and ongoing preparatory work to establish regional and subregional

14.

20. Further requests the Secretary-General to submit to the General Assembly at its fifty-ninth session a report on "Sustainable fisheries, including through the 1995 Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, and related instruments", taking into account information provided by States, relevant specialized agencies, in particular the Food and Agriculture Organization of the United Nations, and other appropriate organs, organizations and programmes of the United Nations system, regional and subregional organizations and arrangements for the conservation and management of

B. <u>National legislation</u>

- Czech Republic
- (a) Act 61 on Maritime Navigation* of 24 February 2000

Parliament has passed the following Act of the Czech Republic:

PART ONE GENERAL PROVISIONS

Scope of the Act

- 1. This Act regulates:
- (a) Conditions for operation of seagoing vessels, maritime navigation under the national flag of the Czech Republic, and the rights and obligations of legal and natural persons connected with it;
- (b) The execution of the state administration in matters of maritime navigation.
- 2. This Act does not apply to the maritime navigation of military vessels, water scooters and inflatable boats or to the maritime navigation of small vessels, provided they are operated under the laws covering inland navigation.¹

Section 2 Basic terms

- 1. Maritime navigation means the operation of seagoing vessels and seagoing yachts on the high seas² in the exclusive economic zone² and archipelagic waters,² in the territorial sea² and on stretches of inland waterways connected with the territorial sea up to a port performing the functions of a port for seagoing vessels and for the stay of seagoing vessels and seagoing pleasure yachts in ports.²
- 2. Seagoing vessel means a seagoing merchant ship or seagoing yacht.
- 3. Near-coast navigation means the operation of seagoing vessels exclusively in the territorial sea between ports of a coastal State or coastal States.

^{*}Text communicated on 7 January 2003 by the Permanent Mission of the Czech Republic to the United Nations through note 16/2003.

¹Act No. 114/1995 Coll., on inland navigation, as amended by Act No. 358/1999 Coll.

² United Nations Convention on the Law of the Sea, published under No. 240/1996 Coll.

- 4. Seagoing merchant ship means a seagoing vessel operating under its own propulsion for the purpose of carrying cargo or passengers or carrying cargo and passengers (hereinafter referred to as "ship").
- 5. Seagoing yacht means a seagoing vessel the length of whose hull exceeds 2.5 metres but is not more than 24 metres, equipped with sails or an engine or both, designed for maritime navigation for hire and for the purpose of profit.
- 6. Pleasure yacht means a vessel the length of whose hull exceeds 2.5 metres but is not more than 24 metres, and which is equipped with sails or an engine or both and is

- 2. The law of the Czech Republic shall apply aboard a seagoing vessel flying the national flag of the Czech Republic. The law of the Czech Republic shall apply on a territorial sea or inland waterway connected with the territorial sea and in a port for a seagoing vessel flying the national flag of the Czech Republic, unless the coastal State enforces its right under international law.
- 3. With its entry in the Maritime Register a seagoing vessel acquires the nationality of the Czech Republic. The owner of the seagoing vessel shall pay an annual fee for the right to fly the national flag of the Czech Republic.
- 4. The amount of the annual fee shall be set out in accordance with the type of the seagoing vessel, its size and maritime navigation trading area. The method of payment and proof of payment of the fee shall be determined by the Government.

1. Maritime navigation is to be carried out under the national flag of the Czech Republic, with the exception of

- 4. Any person may examine the Maritime Register and take extracts from it and copies of it.
- 5. An administrative fee shall be charged for operations connected with keeping the records. 4

1. The following data shall be entered in the Maritime Register:

- (a) Where a natural person is the applicant, an extract from the Penal Register concerning the natural person, or where a legal person is the applicant, an extract from the Penal Register covering all members of the statutory body, the extract from the Penal Register shall be no more than six months old;
- (b) If the applicant is a legal person that has already been entered, an extract form the Business Register or a document attesting to the establishment of said legal person;
- (c) A document certifying the ownership of the seagoing vessel;
- (d) A document certifying the legal relation of the operator of the seagoing vessel to the seagoing vessel;
- (e) A document certifying the technical seaworthiness of the seagoing vessel;
- (f) In the case of a parallel registration, a document on the previous removal of the seagoing vessel from the Maritime Register of another State, or in the case of a new ship, an affidavit stating that the ship is not entered in the Maritime Register of another State;

1. The technical seaworthiness of a seagoing yacht, its maritime navigation equipment and its area of allowable maritime navigation, including a delimitation of the distance of its allowable maritime navigation from the mainland and the coast, shall be demonstrated by a certificate of s

Parallel registration of a ship

- 1. Parallel registration of a ship means registration of a ship in the Maritime Register of another State provided the original registration in the Maritime Register of the previous State has been suspended. Parallel registration may be effected only in the case where the legislation of both States so allows.
- 2. A ship which is entered in the Maritime Register of another State and whose registration in that State has been suspended may be parallel-registered in the Maritime Register

- (d) A document attesting to the agreement of creditors, if any, with the parallel registration;
- (e) A joint declaration of the shipowner and the ship operator on their obligation to notify the Maritime Register of the other State within a period of one month of all changes to the name and other data concerning the ship,

Section 19 Removal of a seagoing vessel from the Maritime Register

- 1. A decision to remove a seagoing vessel from the Maritime Register shall be made by the Authority following the submission of an application therefor by the owner of the seagoing vessel or on the initiative of the Authority.
- 2. On its own initiative, the Authority shall decide on the removal of a seagoing vessel from the Maritime Register if:
- (a) It ascertains that the seagoing vessel owner has given false data or has concealed important facts which will prevent the seagoing vessel from flying the national flag of the Czech Republic;
- (b) The operator of the seagoing vessel has ceased to satisfy the conditions for entry of the seagoing vessel in the Maritime Register;

- 5. The interim passport may be granted to a seagoing vessel only once, for a maximum period of six months. Such period shall not be extended.
- 6. Upon granting the permit for navigation, the Authority shall issue the seagoing vessel an interim certificate of registry. The interim certificate of registry shall certify the right of the seagoing vessel to fly the national flag of the Czech Republic.
- 7. Details on granting the interim passport shall be set out by implementing regulations.

Section 21 Use of the national flag of the Czech Republic

- 1. The operator of the seagoing vessel or pleasure seagoing yacht shall ensure that the seagoing vessel or pleasure seagoing yacht hoists the national flag of the Czech Republic at the most visible place on the main mast or on the stern. At the place designated for the national flag of the Czech Republic, no other flag or symbol may be hoisted. When other flags are used on a seagoing vessel or pleasure seagoing yacht, such flags may not be of greater size than the national flag of the Czech Republic which must be hoisted along with those flags at the same time.
- 2. The manner and reasons for the hoisting, placement and the size of the national flag of the Czech Republic and other flags used on a seagoing vessel or pleasure seagoing yacht shall be set out in an implementing regulation.

Section 22 Port of registry and designation of a seagoing vessel

- 1. The port of registry (port) of a seagoing vessel shall be the place so indicated in the entry for the seagoing vessel in the Maritime Register.
- 2. The port of registry of a seagoing vessel flying the national flag of the Czech Republic shall be designated as "Praha".
- 3. A ship shall be designated by its name. The name of the ship must be clearly different from the names of other ships entered in the Maritime Register. The ship's name must not injure the dignity of the Czech Republic.
- 4. A seagoing yacht shall be designated by its registration number, which shall be preceded by the words "CZE".
- 5. The name of the ship, the seagoing yacht's registration number and name of the port of registry shall be situated on the stern. The ship shall be designated by its name on both sides of its bow. The designation of a seagoing vessel shall be indicated by visible and legible letters and numbers.

Section 23 Property right to and maritime lien on a seagoing vessel

1. Unless otherwise follows from this Act, the provisions

- 3. The approval of the mortgagee shall be necessary for the assignment of ownership of a mortgaged seagoing vessel.
- 4. A maritime lien (mortgage) on a seagoing vessel shall be contracted by making its entry in the Maritime Register, according to the precedence of proposals received.

Section 24 Obligations of a seagoing vessel operator

- 1. The operator of a seagoing vessel shall:
- (a) Carry out maritime navigation under the national flag of the Czech Republic only on condition that the vessel has been entered in the Maritime Register or has been granted an interim passport;
- (b) Carry out maritime navigation according to this Act;
- (c) Provide for the technical seaworthiness of the vessel throughout the period of its operation;
- (d) Ensure the safe navigation of the vessel by designating the master of a ship or the yachtmaster of a seagoing yacht competent for the navigation of a seagoing vessel;
- (e) Ensure that the ship is manned by a qualified crew of a size and composition corresponding to the requirements of the international agreement binding on the Czech Republic;⁷
- (f) Equip the ship with tackle of the approved type, with accompanying documentation and designation, and on an ongoing basis provide for such tackle in compliance with the requirements of the international agreement binding on the Czech Republic, ³

- (l) Ensure that the vessel throughout its period of operation carries liability insurance against harm resulting from the ship's operations and that the insurance premiums are in force.
- 2. At a time of war or conflict involving the Czech Republic, the ship's operator shall provide the Authority with daily data on the geographical position of the ship.
- 3. The operator of a seagoing vessel must not use a seagoing vessel flying the national flag of the Czech Republic or allow its use for the unauthorized transport of drugs, psychotropic substances, weapons, explosives or slaves.

Mandatory documents of a seagoing vessel

- 1. In carrying out maritime navigation the ship's operator shall ensure that the following documents are on board the ship:
- (a) Certificate of registry;
- (b) Safe manning certificate of ship with crew;
- (c) Ship station licence;

- (r) Other documents pursuant to international agreements binding on the Czech Republic.⁹
- 2. The authenticity and completeness of the documents under (h) to (p) above must be approved by the Authority prior to the first entry in such documents. The Authority shall indicate its approval on the document in question.
- 3. The certificate of registry, the logbook, the engine room logbook, the radio logbook and the muster roll shall have the nature of a public document.
- 4. The documents shall be kept by the ship's operator for three years from the date of the last entry in the documents. The shipowner shall ensure the placement of the documents for safe keeping in the Authority's archives after the expiry of three years from the date of the last entry in the documents.

- 1. In carrying out maritime navigation the operator of the seagoing yacht shall ensure that the following documents and logbooks are on board the seagoing yacht:
- (a) Registration certificate;
- (b) Logbook;
- (c) List of persons on board the yacht;
- (d) List of passengers, provided the yacht carries passengers.
- 2. The owner of a seagoing yacht shall ensure that the registration certificate is submitted to the Authority after the expiry of its period of validity.
- 3. The owner of a seagoing yacht shall ensure that the logbook is kept for a period of three years from the date of the last entry in the logbook.

- 1. Mandatory documents shall be available on board a seagoing vessel in the original.
- 2. The types of documents and their essentials shall be set out in an implementing regulation.

⁹ International Convention for the Safety of Life at Sea (SOLAS), 1974, published under No. 52/1995 Coll.; 1978 Protocol to the International Convention for the Safety of Life at Sea (SOLAS), 1974, published under No. 52/1995 Coll.; 1978 Protocol to the International Convention for the Prevention of Pollution from Ships (MARPOL), 1973, published under No. 71/1995 Coll.; International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), 1978, published under No. 53/1995 Coll.

PART THREE CREW OF A SEAGOING VESSEL

Ship's crew

Section 28

1. The natural persons whose names are entered in the muster roll and who carry out activities for ensuring the safety of a ship's operations shall be the ship's crew. The sh

Section 33 Basic obligations of the master of a seagoing vessel

- 1. The master of a seagoing vessel shall:
- (a) Pilot the ship and ensure safe nautical navigation; to this end he shall be authorized to use all measures necessary to ensure the safe course of navigation, to keep order on board ship and to ensure the ship's seaworthiness, including seeing to the competence of the crew, in compliance with the legislation of the Czech Republic, the provisions of international agreements binding on the Czech Republic¹² and regulations of the coastal State;
- (b) In piloting the ship, comply with the international law and practices generally adopted and recognized in maritime navigation;
- (c) Ensure the safety of the passengers and crew, including the periodic organization of alarm drills and practical drills in e]TJ0urills in91 705.7iic oo

- (n) Cause to disembark any ship's crew member the validity of whose documents attesting to professional qualifications or fitness of health have expired or who is no longer in good health.
- 2. The yachtmaster of a seagoing yacht shall satisfy all obligations referred to under paragraph 1 to ensure the operation of the yacht.

Relation of the master of a seagoing vessel to persons on board the vessel

- 1. All persons on board a seagoing vessel shall comply with the orders of the master of the vessel issued within the limits of his power.
- 2. The master of a seagoing vessel shall avail himself of all necessary measures against any person on board a seagoing vessel who fails to comply with his order. If such person endangers the safety of the seagoing vessel, persons or cargo and such danger cannot be otherwise averted, and if there is a justified suspicion that a crime has been committed, the master of the seagoing vessel shall be authorized to place such person in a special space, but only for the time required for navigation to the nearest port, at the latest.
- 3. The master of a seagoing vessel shall make a notation in the logbook describing any such measure, and he shall notify, without delay, the Czech Republic's diplomatic representation in the nearest port at which the ship or the seagoing yacht is to arrive. If a foreign national is involved, the master of the seagoing vessel shall also notify the nearest police office. Furthermore, the master of the seagoing vessel shall agree with the Czech Republic's diplomatic representation upon further procedures to be taken, in accordance with the nature of the matter.

Section 35

Verification by the master of a seagoing vessel of the signature or duplicate of a document

- 1. The master of a seagoing vessel shall be authorized, if the urgent interest of the shipowner, the ship operator unless he is the shipowner, a ship's crew member or other person on board the ship so requires, to carry out an official verification of a signature or a determination of the conformity of a duplicate or copy with the document.
- 2. The method of verification shall be set out by implementing regulation.

5. If the event about which the sea protest is being submitted occurred in a port, the master of the ship shall submit the sea protest within 24 hours following the event.

Sea casualty (accident)

- 1. A sea casualty (accident) means:
- (a) Total loss of a seagoing vessel;
- (b) Serious damage to the health or the death or the disappearance of a person carried by a seagoing vessel, or serious damage to the health or the death or the disappearance of a person connected with the operation of a seagoing vessel;
- (c) Damage to the seagoing vessel's construction or to the mandatory tackle of the seagoing vessel, bringing about the technical unseaworthiness of the seagoing vessel;
- (d) An act of piracy against the seagoing vessel;
- (e) Pollution of the sea environment;
- (f) Collision of a seagoing vessel with another seagoing vessel or other solid object;
- (g) Fire on board a seagoing vessel;
- (h) Running aground or stranding ashore,

provided such a casualty occurred during maritime navigation.

2. The technical determination of the causes of a sea casualty shall be performed by the Authority, which shall take measures for their prevention.

Section 38

Measures to be taken in the event of the unavoidable total loss of a seagoing vessel

- 1. If in the opinion of the master of a seagoing vessel an unavoidable total loss is threatening the vessel, the master of the vessel shall provide for all measures to be taken towards the rescue of the passengers on board, the crew and obligatory documents, valuables, charts and cash.
- 2. The master of a seagoing vessel shall be the last one to abandon the vessel.

Section 39

Measures to be taken in the event a crime is committed aboard a seagoing vessel

- 1. If the master of a seagoing vessel has a justified suspicion that a crime has been committed aboard the vessel, he shall:
- (a) Take without delay such measures as to prevent the offender from persisting in the criminal activity or evading responsibility therefor;
- (b) Give the offender and the witnesses a hearing and carry out other operations necessary for securing the proofs;

- (c) Draw up a protocol on each hearing of the offender or witnesses or other acts committed by him; the protocol shall be signed together with him by the person affected by the act in question.
- 2. The master of the seagoing vessel shall submit protocols referred to in paragraph 1(c), together with objects relevant to the criminal act, to the Czech Republic's diplomatic representation that is nearest to the port at which the seagoing vessel is to arrive. At the same time, the master of the seagoing vessel shall agree with the Czech Republic's diplomatic representation upon the official procedure for handing over the person suspected of committing the crime.
- 3. Unless this Act provides otherwise, the master of a seagoing vessel shall proceed in carrying out the investigation operations referred to in paragraphs 1 and 2 in accordance with the Criminal Code. $\frac{14}{12}$

<u>Section 40</u> <u>Measures in the event of a birth or death aboard a seagoing vessel,</u> the disappearance of a person or of a man overboard

1. For every birth or death occurring aboard a seagoing vessel, the master of the vessel shall draw up a note in the presence of two crew members if the birth or death occurs aboard a ship, or if the birth or death occurs aboard a yacht in the presence of two individuals on board, and notify the Czech Republic's diplomatic representation that is nearest to the port at which the seagoing vessel is to arrive, as well as the seagoing vessel operator. In the case of a death aboard a seagoing vessel, the procedure to be followed shall not be subject to special regulations.

- 2. Examinations under paragraph 1 shall be administered by the Authority's examining board. The Minister of Transport and Communications shall appoint, in accordance with the international agreement binding on the Czech Republic, ⁷ the persons supervising the activity of examining boards and the competence of its members.
- 3. Details regarding the manner of administering the examinations and their contents, the composition of the examining board, the competence of the members of the examining board and the scope or professional qualifications for the execution of specific activities of crew members shall be laid down by implementing regulation.

Section 45 Attestation of qualifications

The applicant, in the case of a legal person authorized or approved by the Authority, shall provide his attestation of qualifications by a certificate of having passed a course as provided in the international agreement binding on the Czech Republic. The Authority shall publicize in the Transport Bulletin the list of authorized and approved legal persons.

Section 46 Certificates of competence

- 1. If the applicant demonstrates his medical fitness and professional competence, the Authority shall issue a certificate of competence certifying the medical fitness and professional competence of the holder for performing the designated function. In such a case the certificate of competence shall be issued for a non-specified period.
- 2. Where the applicant has successfully completed a course as provided in the international agreement binding on the Czech Republic, ⁷ the Authority shall issue a certificate of competence attesting to the qualifications of the certificate holder. In such a case, the certificate shall be issued for a specified period.
- 3. The certificate of competence referred to in paragraph 1 shall be applicable for the performance of the function of shipmaster and officer, provided an endorsing clause is affixed to it attesting to the continuing good health and professional competence of the holder (hereafter referred to as "endorsement of the certificate of competence"). The

- 4. The medical fitness of the master of a seagoing yacht shall be determined and the certificate of medical fitness issued, following a medical check-up and any other necessary examinations of the person concerned, by the examining physician authorized by the Authority in accordance with section 48 (2) of this Act. The date of submission of the application for a certificate of competence or the date when the yacht is to set sail shall be no later than three months following the issuance of the health fitness certificate.
- 5. Details concerning training, the manner of proving experience, the examining board and the administration of the examinations, the requirements as to the knowledge of the applicant, the types, specimens, validity and scope of authorization of certificates of competence and the conditions for their issuance, as well as the validity of any previously issued certificates of competence, shall be set out by implementing regulation.

Suspension of a certificate of competence

1. The Authority shall suspend the certificate of competence and order the verification of the professional competence or a review of the medical fitness of a crew member of a seagoing vessel when the crew member in

2. The entry of persons into the logbook of a seagoing yacht shall be made by the yachtmaster before the yacht sets sail from port. Before the seagoing yacht sets sail from port, the yachtmaster shall make a list of all persons on board the seagoing yacht as well as a list of passengers, provided the seagoing yacht carries passengers.

Section 53

Prior to each embarkation a crew member shall produce his valid certificates of competence. The certificates of competence shall be effective throughout the duration of service on board ship.

Seaman's books

Section 54

- 1. Every crew member shall bear a seafarer's identification paper. $\frac{17}{1}$ The seafarer's identification paper shall mean the seaman's book. Without a seaman's book a seafarer may not embark on a ship.
- 2. An application for a seaman's book submitted by a national of the Czech Republic who presents a document certifying to his having been accepted as a crew member or to his previously having been a crew member shall be decided on by the Authority. If the application is accepted in full, the decision to issue the seaman's book shall not be subject to section 47 of the Administrative Code. 18
- 3. The Authority may issue a seaman's book to a national of the Czech Republic for a maximum period of 10 years.
- 4. A crew member who is not a national of the Czech Republic shall bear the seaman's book of the State of which he is a national.
- 5. The seamen's book of a crew member shall contain information on his identity, qualifications and length of embarkation. A seaman's book issued by the Authority and registered by the Ministry of Interior of the Czech Republic shall constitute a travel document of the Czech Republic. 19
- 6. Data entered in the seaman's book and a model seaman's book shall be set out by implementing regulation.

- 1. In the case of an application for a seaman's book submitted by a natural person who is not a national of the Czech Republic, the Authority may decide to issue the seaman's book in accordance with section 54 (2) of this Act, provided the applicant submits to the Authority a residence permit in the Czech Republic issued no more than five years earlier or provided the applicant can demonstrate that he has previously served on board a ship.
- 2. The Authority may issue a seaman's book to a natural person who is not a national of the Czech Republic for a maximum period of five years, provided the conditions stipulated in paragraph 1 have been satisfied.

¹⁷ International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), 1978.

¹⁸ Act No. 71/1967 Coll., on administrative proceedings (Administrative Code), as amended by Act No. 29/2000 Coll.

¹⁹ Act No. 329/1999, on travel documents on the amendment to Act No. 283/1991 Coll., on the Police of the Czech Republic, as amended (Act on Travel Documents).

PART FOUR PLEASURE YACHTS

Section 56

The verification of the technical worthiness of pleasure yachts for maritime navigation, the competence of their operators, including record-keeping and the issuance of the appropriate documents, may be delegated by the Authority to a legal person having its registered office in

PART FIVE SERVICE ABOARD SHIP AND LABOUR-LEGAL RELATIONS OF MEMBERS OF THE SHIP'S CREW

Section 59
Duty aboard ship

Section 64 Monetary compensation

If service contracted for a specified navigation period terminates prematurely as a result of shipwreck, total loss of the ship or the unseaworthiness of the ship, the crew members shall be entitled, apart from the compensation due to them under the Labour Code, to a special compensation in the amount of double the average of their monthly earnings.

Section 65 Repatriation of ship's crew members

1. A ship's crew member has the right to be transported to the place of the registered office of the operator or to the place specified in the service contract (hereafter referre

2. A ship shall be equipped with appropriate accommodation and catering spaces, spaces and facilities for stowage and cooling of provisions and the preparation of meals and beverages, spaces equipped for resting and for spending

- 3. The ship's physician or holder of the medical officer certificate of competence shall keep records on persons who were treated during the voyage. The physician shall draw up and issue a report on the state of health of the treated person. The holder of the medical officer certificate of competence shall keep a record of the state of health of the treated person.
- 4. The implementing legal regulation shall set out the manner of storage of the drugs and sanitary supplies in the medicine cabinet, the management and control of the drugs and sanitary supplies, the scope of the course of expanded first aid and the content of the records of the persons treated during the voyage.

Section 68 Application of the Labour Code

Unless this Act provides otherwise, the labour-legal relations of the members of the ship's crew of seagoing vessels shall be governed by the Labour Code.

PART SIX GENERAL AVERAGE AND RESCUE OF PROPERTY

Section 69 General average

1. If a ship and its cargo are in general maritime peril, the shipmaster may, while ensuring as a priority the safety of the passengers on board, decide under extraordinary circumstances to undergo a reasonable and intentional sacrifice or a smaller damage in order to prevent a greater damage. General average shall mean damage arising under conditions of general maritime peril in extraordinary circumstances as a result of a reasonable and intentional sacrifice or a damage undergone for the purpose of preserving the property involved from peril and to maintain the value of the property.

3. Following a request by the persons involved in a general average and to the debit of whom the general average must be adjusted, the ship operator shall provide a security for the corresponding proportion of the damage caused by the general average and devolving upon the ship, namely before the ship leaves the port of termination of the voyage during which the general average occurred.

Section 71

2. The person who has passed the above examination shall obtain a certificate to that effect. The average adjuster shall use a stamp with the inscription "Average adjuster of the Economic Chamber of the Czech Republic".

Section 73 Salvage of property

1. The conditions for effecting the salvage of a ship and other valuables on board a ship and the manner of

2. The authorized person shall determine whether the person on which this Act imposes obligations (hereafter referred to as "obligated person") is satisfying such obligations properly and whether he adheres to the conditions set out in the decisions issued by the Authority. The obligated

- (c) Fails to ensure periodic technical inspections of the ship according to international agreements binding on the Czech Republic;
- (d) Fails to ensure the safe manning of the seagoing vessel with crew.
- 2. The Authority shall impose a fine of up to CZK 1,000,000 on any legal or natural person who:
- (a) Fails to have available on a seagoing vessel the mandatory documents laid down by the present Act or fails to keep such documents for a period of three years following the last entry in them or who fails to hand over a given document to the Authority's archives;
- (b) Fails to ensure that the shipmaster is a national of the Czech Republic, unless an exemption has been granted;
- (c) Fails to ensure that service on board is performed only by persons who are competent in terms of their health and profession and have valid certificates of competence attesting thereto;
- (d) Fails to make sure that the Authority is notified, without delay, of the involvement of the seagoing vessel in a maritime accident or of an event affecting the seaworthiness of the seagoing vessel or otherwise affecting the technical condition of the seagoing vessel, including the keeping of evidence and witnesses' testimony;
- (e) Fails to carry current liability insurance against harm resulting from the ship's operations and to maintain payments on the insurance premiums;
- (f) Fails to return, without unnecessary delay, to the Authority the certificate of registry of the seagoing vessel if it has been removed from the Maritime Register or if registration has been suspended.
- 3. The Authority shall impose a fine of up to CZK 500,000 on any legal or natural person who breaches his obligation by:
- (a) Failing to keep the mandatory documents for a period of three years following the last entry in such documents;
- (b) Failing to ensure the handing over of a given document to the Authority's archives;
- (c) Failing to notify the Authority, without delay, in the event of a birth, death or serious damage to health on board the seagoing vessel;
- (d) Failing to notify the Authority of any alteration of facts to be entered in the Maritime Register;
- (e) Failing to ensure the marking of a seagoing vessel;
- (f) Obstructing the exercise of state supervision of maritime navigation or preventing the exercise of such supervision or failing to implement measures laid down by the person authorized to exercise state supervision of maritime navigation.
- 4. The Authority shall impose a fine of up to CZK 500,000 to the master of a seagoing vessel who:
- (a) Impairs by his own actions the seaworthiness of the vessel;

- (e) Allows a person performing watchkeeping duties to do so under the influence of alcohol or drugs;
- (f) Causes the pollution of the environment by a seagoing ship; or
- (g) Fails to ensure that the person performing watchkeeping duties has the necessary qualifications.

Section 83 Transitory provisions

- 1. Unless otherwise provided, the legal relations and rights arising from the legislation currently in force shall be governed by this Act until the effective date of this Act.
- 2. The fines under this Act may be imposed only for an unlawful act which occurred after the effective date of this Act.

- 5. Decree of the Ministry of Transport No. 160/1956 Official Journal, on the conditions for the sea-borne carriage of cargo, as amended by Act No. 513/1991 Coll.
- 6. Decree of the Ministry of Transport No. 65/1967 Coll., on navigation and seaman's books.
- 7. Decree of the Federal Ministry of Transport No. 89/1985 Coll., on the amendment of certain rights and obligations following from legal-labour relations of crews of Czechoslovak seagoing vessels.
- 8. Decree No. 7210/75-25 of the Federal Ministry of Transport, on alarm operations on Czechoslovak seagoing vessels, as registered under item 11/1975 Coll.
- 9. Decree of the Federal Ministry of Transport No. 328/1990 Coll., on professional competence and authorization for the performance of the function of ship's crew members of Czechoslovak seagoing vessels, as registered under item 51/1990 Coll.
- 10. Decree No. 19 404/1988-0320 of the Federal Ministry of Transport and Communications, on the remuneration of crews of Czechoslovak seagoing vessels, as registered under item 14/1989 Coll.
- 11. Decree of the Federal Ministry of Transport No. 562/1990 Coll., amending the Decree on the remuneration of crews of Czechoslovak seagoing vessels, as registered under item 90/1990 Coll.
- 12. Decree of the Federal Ministry of Transport No. 343/1990 Coll., on tonnage marking on Czechoslovak seagoing vessels, as registered under item 54/1990 Coll.
- 13. Directive No. 49/1967 of the Ministry of Health of the Czechoslovak Socialist Republic, on assessing the health fitness for work, as amended by Directive No. 17/1970 Coll. of the Ministry of Health of the Czechoslovak Socialist Republic and Decree No. 31/1993 Coll., section 14 (2) and annex 3, relating to crew members of seagoing vessels.

Section 87

This Act shall apply as from 1 July 2000.	
Signed by:	
Klaus	

Havel Zeman (b) Act No. 158 of May 18, 2000

CHAPTER II

Conditions imposed on prospecting and activities in the Area

<u>§ 3</u>

Prospecting and activities in the Area may be carried out by natural persons domiciled in the territory of the Czech Republic or legal entities with their seat in the territory of the Czech Republic under the terms and conditions specified herein ("Authorized Persons"). Work connected with prospecting and activities in the Area shall be managed by, and responsibility for them shall be entrusted to, a natural person to whom the Ministry of Industry and

- (c) Demonstrable knowledge of the provisions hereof; Parts I, XI, XII and XV of the United Nations Convention on the Law of the Sea³ ("the Convention"); Annexes III to VI to the Convention; the Agreement relating to the Implementation of Part XI of the Convention⁴ ("the Agreement") and its Annex; and the mandatory principles, rules, regulations and procedures issued by the International Seabed Authority ("the Authority");
- (d) Experience in prospecting or in activities in the Area of at least one year's duration, at least one month of which should be in maritime activities; maritime experience can be replaced by successful graduation from a special course organized by the International Ocean Institute or successful graduation from a training programme organized by the Authority.
- 2. Expertise shall be demonstrated by a certificate issued by the Ministry pursuant to the protocol of a successful examination concerning expertise specified in section 1, clauses (b) and (c), before an examination board established by the Ministry, provided the remaining requirements for expertise in §§ 4 to 6 and § 7, sections 1 to 3, hereof are met. In testing the expertise under the provisions of section 1, clauses (b) and (c), the examination board shall observe rules of procedure issued by the Ministry.

§ 7 Certificate

- 1. A natural person who intends to engage in prospecting or activities in the Area as such or as an authorized representative of other persons ("Statutory Representative") shall file with the Ministry an application requesting the issuance of a certificate of expertise.
- 2. In the application the applicant shall state his/her name and surname, domicile and citizen's card index number or identification number.
- 3. The applicant shall enclose with the application an excerpt from the criminal record, $\frac{5}{1}$ not older than three months and authenticated copies of documents listed in § 6, section 1, clauses (a) and (d). In the event the applicant, a natural person, has stayed during the last five years outside the territory of the Czech Republic, he/she shall submit documents identified in the preceding sentence from all States in which he/she stayed without interruption for more than three months during the last five years.
- 4. If the conditions imposed in §§ 4 to 6 and in § 7, sections 1 to 3, are satisfied, the Ministry shall issue a certificate of expertise valid for seven years after the effective date thereof. Otherwise the Ministry shall disallow the application.
- 5. For issuance of the certificate of expertise the Ministry shall charge a fee in accordance with a separate regulation. 6

³⁾ Communication of the Ministry of Foreign Affairs No. 240/1996 Coll., on the conclusion of the United Nations Convention on the Law of the Sea.

⁴⁾ Communication of the Ministry of Foreign Affairs No. 241/1996 Coll., on the conclusion of the Agreement relating to the Implementation of Part XI of the United Nations Convention on the Law of the Sea.

⁵⁾ § 11 of the Criminal Record Act No. 269/1994 Coll.

⁶⁾ Act No. 368/1992 Coll., on Administrative Charges, as amended; item No. 22, clause (a), of the Administrative Charges Tariff.

§ 8 Prospecting

- 1. The Authorized Person shall notify the Authority in writing of an intention to prospect. The notification shall be submitted in any of the official languages of the United Nations.
 - 2. In the notification the Authorized Person shall state:
- (a) His/her name and surname, nationality, citizen's card index number or identification number if a natural person;
- (b) Its business name, registered office and identification number, if a legal entity;
- (c) Name and surname, domicile, citizen's card index number or identification number and nationality of natural persons that constitute the statutory body of the legal entity involved, if such body exists;
- (d) Telephone/fax number and email address;
- (e) Name and surname, domicile, citizen's card index number or identification number and nationality of the natural person acting as the Statutory Representative;
- (f) Type of mineral resource prospected for;
- (g) The obligation that the prospecting activities will satisfy the provisions of the Convention, the Agreement and the mandatory principles, rules, regulations and procedures as issued by the Authority;
- (h) A consent to inspections by the Authority concerning compliance with the obligation under clause (g);
- (i) Coordinates of the territory in which the prospecting activities will take place;
- (j) A description of the prospecting activities;
- (k) The intended starting date of prospecting;
- (l) The expected duration of prospecting.
- 3. The Authorized Person shall attach to the notification a document evidencing that insurance against damage caused by the prospecting activities has been put into effect.
- 4. At the same time the Authorized Person shall send to the Ministry for its records a copy of the notification under section 1 above, authenticated under a specific legal regulation, ²⁾ and an official translation of the notification to the Czech language. ⁸⁾
- 5. The Authorized Person may commence prospecting only after a document evidencing registration of the notification by the Authority has been submitted to the Ministry for its files.

§ 9 Activities in the Area

1. The Authorized Person may carry out activities in the Area only pursuant to a written contract concluded

§ 10 Certificate of sponsorship

1. In an application requesting a certificate of

§ 13 Settlement of disputes

Disputes connected with prospecting or activities in the Area shall be resolved pursuant to the provisions of articles 186 to 190 of the Convention.

§ 14 Concurrent proceedings

If the Authorized Person is subject simultaneously to proceedings undertaken by the Authority for violation of the mandatory principles, rules, regulations and procedures issued by the Authority in connection with prospecting or activities in the Area and by the Ministry for violation of the provisions hereof, the Ministry shall suspend the proceedings until it receives a valid decision of the Authority. Should the Authority decide on recourse, the Ministry shall discontinue the proceedings; otherwise the proceedings instituted by the Ministry shall continue.

CHAPTER IV State administration

§ 15

The Ministry shall:

- (a) Keep records of notifications registered by the Authority under § 8, sections 4 and 5;
- (b) Appoint and recall members of the expert examination board established to test the expertise set forth in § 6, section 1, clauses (b) and (c), and issue rules of procedure of the board;
- (c) Decide on issuance and revoke certificates of expertise, and keep the corresponding records;
- (d) Decide on issuance and revoke certificates of sponsorship granted according to §§ 10 and 17 and keep the corresponding records; inform the Authority about the issuance or expiration of certificates of sponsorship, always stating the reasons therefor;
- (e) Give consent to assignment of rights, obligations and duties under § 12 and keep the corresponding records;
- (f) Carry out the inspection activities under § 16;
- (g) Levy fines under § 18.

§ 16 Inspection activities 3. Unless stipulated otherwise herein the inspection procedure shall be governed by a separate legal regulation. $\frac{10}{10}$

<u>§ 17</u> Revocation and expiration of certificate of sponsorship

- 1. The Ministry shall revoke a certificate of sponsorship in the event the Authorized Person involved:
- (a) Fails to fulfil the obligation under § 10, section 1, clause (f);
- (b) Refuses to submit to an inspection under § 16; or

PART THREE AMENDMENT TO THE TRADE LICENSING ACT

<u>§ 24</u>

In § 3, section 3, of the Trade Licensing Act No. 455/1999 Coll., as amended by Act No. 231/1992 Coll., Act No. 591/1992 Coll., Act No. 273/1993 Coll., Act No. 303/1993 Coll., Act No. 38/1994 Coll., Act No. 42/1994 Coll.,

2. Republic of Korea

Enforcement Decree of Territorial Sea and Contiguous Zone Act Presidential Decree No. 9162, 20 September 1978 ¹

Amended by Presidential Decree No. 13463, 7 September 1991, by Presidential Decree No. 15133, 31 July 1996, and by Presidential Decree No. 17803, 18 December 2002

Article 1. Purpose

The purpose of this Decree is to regulate matters entrusted by the Territorial Sea and Contiguous Zone Act (hereinafter referred to as "the Act") and those necessary for its enforcement. <Amended by Presidential Decree No. 15133, 31 July 1996>

Article 2. Basepoint of straight baseline

In measuring the breadth of the territorial sea, each area of the sea where the straight line is employed as the baseline and the basepoint thereof in accordance with the provision of article 2, Paragraph 2, of the Act shall be provided for in table 1 annexed hereto.

Article 3. Breadth of the territorial sea in the Korea Strait

- (1) Name, type and official number of the ship;
- (2) Purpose of the activity, and
- (3) Area of the sea of the activity, passage route and schedule.
- 2. Any authorization, approval or consent obtained from the authorities concerned with respect to the activities provided for in subparagraphs (b) to (e) or (k) of article 5, paragraph 2, of the Act in accordance with other laws and regulations shall be regarded as authorization, approval or consent obtained under this Decree.

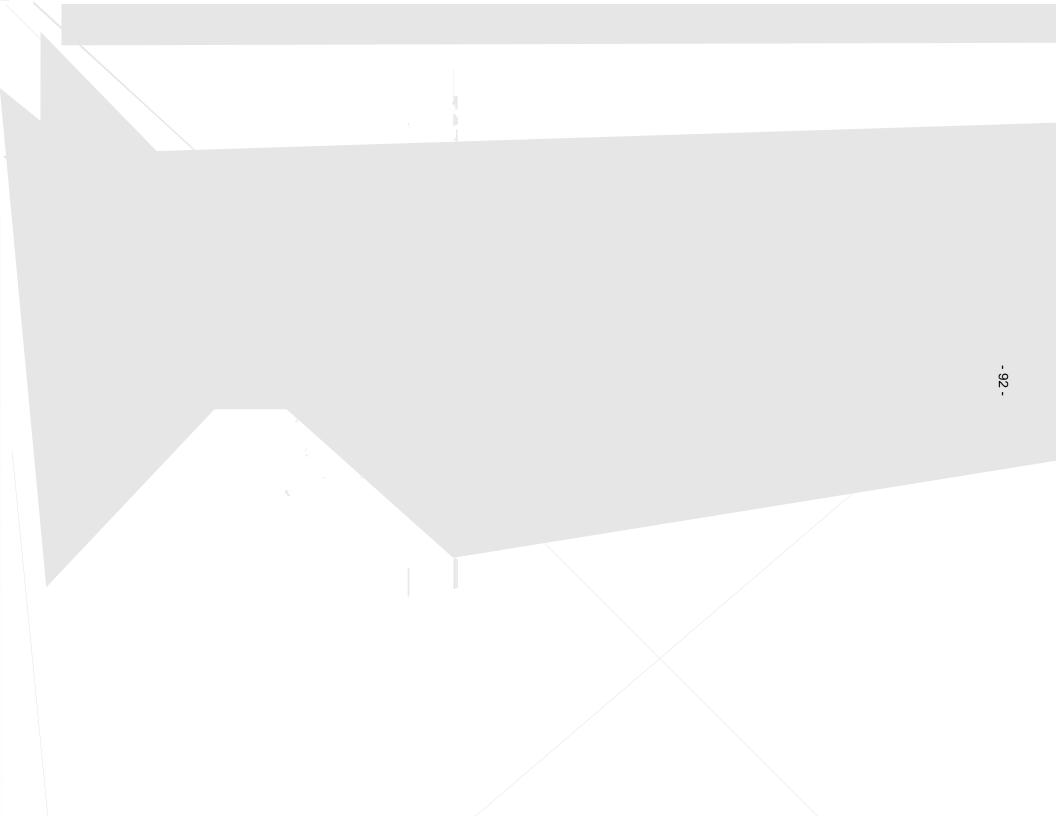
Article 6. Standard for control of discharge of pollutants

"The standards as provided for in the Presidential Decree" in subparagraph (i), of article 5, paragraph 2, of the Act means the standards set by article 23 of the Enforcement Decree of the Marine Pollution Prevention Act. <Amended by Presidential Decree No. 17803, 18 December 2002>

<u>Table 1</u>
Areas of the seas where straight lines are employed as baselines and the basepoints thereof

(Geodetic system: World Geodetic System)

Areas	Basepoints	Geographical designation	Coordinates
Yeongil Man ^a	1	Dalman Gab ^b	·



3. <u>Madagascar</u>

Extract from Act No. 99-028 of 3 February 2000 amending the Maritime Code¹

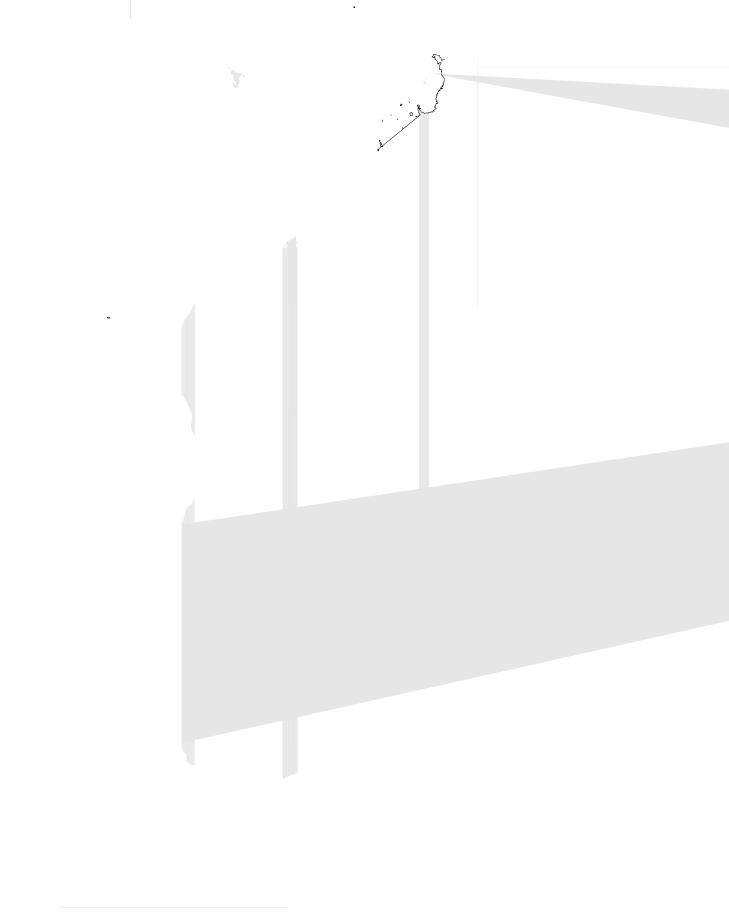
Volume 1. The sea

Section 1. Delimitation of the territorial sea

Article 1.1.01. Breadth of the territorial sea

The Malagasy territorial sea extends into the high seas 12 nautical miles from the baseline.

Article 1.1.02. External waters



- 7. Nothing contained in this Exchange of Notes and no acts taking place while this Exchange of Notes is in force shall be interpreted as prejudicing or affecting Australia's or the Democratic Republic of East Timor's position on, or rights relating to:
 - (a) A seabed delimitation or their respective seabed entitlements; or
 - (b) Any previous agreements relating to the area.
- 8. In agreeing to continue the arrangements in place on 19 May 2002, pending the entry into force of the Treaty, the Government of the Democratic Republic of East Timor does not thereby recognize the validity of the Treaty between Australia and the Republic of Indonesia on the Zone of Cooperation in an Area between the Indonesian Province of East Timor and Northern Australia (the "Timor Gap Treaty") or the validity of the "integration" of East Timor into Indonesia.
- 9. The Government of Australia and the Government of the Democratic Republic of East Timor agree that the Treaty is suitable for immediate submission to their respective treaty approval processes and to work expeditiously and in good faith to satisfy their respective requirements for the entry into force of the Treaty.

The Australian Embassy in Dili avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Democratic Republic of East Timor the assurances of its highest consideration.

Dili, 20 May 2002

Note II

The Ministry of Foreign Affairs of the Democratic Republic of East Timor presents its compliments to the Australian Embassy in Dili and has the honour to refer to the Timor Sea Treaty between the Government of Australia and the Government of the Democratic Republic of East Timor, signed at Dili on 20 May 2002 ("the Treaty") and Australia's note to the Ministry No 01 dated 20 May 2002, which reads as follows:

[See Note I]

- 2. The Ministry of Foreign Affairs of the Democratic Republic of East Timor has the honour to advise that the foregoing proposal is acceptable to the Government of the Democratic Republic of East Timor and to agree that the Australian note and this reply shall constitute an Agreement between the Democratic Republic of East Timor and Australia.
- 3. The Ministry of Foreign Affairs of the Democratic Republic of East Timor avails itself of this opportunity to renew to the Australian Embassy in Dili the assurances of its highest consideration.

Dili, 20 May 2002

(b) Timor Sea Treaty² Dili, 20 May 2002

The Government of Australia and the Government of East Timor,

Conscious of the importance of promoting East Timor's economic development,

Aware of the need to maintain security of investment for existing and planned petroleum activities in an area of seabed between Australia and East Timor,

² Source: Australian Department of Foreign Affairs and Trade, AUSTRALIAN TREATIES DATABASE: http://www.info.dfat.gov.au/info/treaties

Recognizing the benefits that will flow to both Australia and East Timor by providing a continuing basis for petroleum activities in an area of seabed between Australia and East Timor to proceed as planned,

Emphasizing the importance of developing petroleum resources in a way that minimizes damage to the natural environment, that is economically sustainable, promotes further investment and contributes to the long-term development of Australia and East Timor,

Convinced that the development of the resources in accordance with this Treaty will provide a firm foundation for continuing and strengthening the friendly relations between Australia and East Timor,

Taking into account the United Nations Convention on the Law of the Sea done at Montego Bay on 10 December 1982, which provides in article 83 that the delimitation of the continental shelf between States with opposite or adjacent coasts shall be effected by agreement on the basis of international law in order to achieve an equitable solution,

Taking further into account, in the absence of delimitation, the further obligation for States to make every effort, in a spirit of understanding and cooperation, to enter into provisional arrangements of a practical nature which do not prejudice a final determination of the seabed delimitation,

Noting the desirability of Australia and East Timor entering into a treaty providing oination o27.1(ion)8.11 c

- (ii) any naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state; or
- (iii) any naturally occurring mixture of one or more hydrocarbons, whether in a gaseous, liquid or solid state, as well as other substances produced in association with such hydrocarbons,

and includes any petroleum as defined by subparagraphs (i), (ii) or (iii) that has been returned to a natural reservoir;

Article 4. Sharing of petroleum production

- (a) Australia and East Timor shall have title to all petroleum produced in the JPDA. Of the petroleum produced in the JPDA, ninety (90) per cent shall belong to East Timor and ten (10) per cent shall belong to Australia.
- (b) To the extent that fees referred to in article 6(b)(vi) and other income are inadequate to cover the expenditure of the Designated Authority in relation to this Treaty, that expenditure shall be borne in the same proportion as set out in paragraph (a).

Article 5. Fiscal arrangements and taxes

Fiscal arrangements and taxes shall be dealt with in the following manner:

- (a) Unless a fiscal scheme is otherwise provided for in this Treaty:
 - (i) Australia and East Timor shall make every possible effort to agree on a joint fiscal scheme for each petroleum project in the JPDA;

Article 12. Health and safety for workers

The Designated Authority shall develop, and limited liability corporations or limited liability entities shall apply, occupational health and safety standards and procedures for persons employed on structures in the JPDA that are no less effective than those standards and procedures that would apply to persons employed on similar structures in Australia and East Timor. The Designated Authority may adopt, consistent with this article, standards and procedures taking into account an existing system established under the law of either Australia or East Timor.

Article 13. Application of taxation law

- (a) For the purposes of taxation law related directly or indirectly to:
 - (i). The exploration for or the exploitation of petroleum in the JPDA; or
 - (ii). Acts, matters, circumstances and things touching,

(g) Australia and East Timor may make arrangements permitting officials of one country to assist in the enforcement of the criminal law of the other country. Where such assistance involves the detention of a person who under paragraph (a) is subject to the jurisdiction of the other country that detention may only continue until it is practicable to hand the person over to the relevant officials of that other country.

Article 15. Customs, quarantine and migration

- (a) Australia and East Timor may, subject to paragraphs (c), (e), (f) and (g), apply customs, migration and quarantine laws to persons, equipment and goods entering its territory from, or leaving its territory for, the JPDA. Australia and East Timor may adopt arrangements to facilitate such entry and departure.
- (b) Limited liability corporations or other limited liability entities shall ensure, unless otherwise authorized by

Article 18. Surveillance

- (a) For the purposes of this Treaty, Australia and East Timor shall have the right to carry out surveillance activities in the JPDA.
- (b) Australia and East Timor shall cooperate on and coordinate any surveillance activities carried out in accordance with paragraph (a).
- (c) Australia and East Timor shall exchange information derived from any surveillance activities carried out in accordance with paragraph (a).

Article 19. Security measures

- (a) Australia and East Timor shall exchange information on likely threats to, or security incidents relating to, exploration for and exploitation of petroleum resources in the JPDA.
- (b) Australia and East Timor shall make arrangements for responding to security incidents in the JPDA.

Article 20. Search and rescue

Australia and East Timor shall, at the request of the Designated Authority and consistent with this Treaty, cooperate on and assist with search and rescue operations in the JPDA taking into account generally accepted international rules, regulations and procedures established through competent international organizations.

Article 21. Air traffic services

Australia and East Timor shall, in consultation with the Designated Authority or at its request, and consistent with this Treaty, cooperate in relation to the operation of air services, the provision of air traffic services and air accident investigations, within the JPDA, in accordance with national laws applicable to flights to and within the

Article 24. Amendment

This Treaty may be amended at any time by written agreement between Australia and East Timor.

Article 25. Entry into force

- (a) This Treaty shall enter into force upon the day on which Australia and East Timor have notified each other in writing that their respective requirements for entry into force of this Treaty have been complied with.
- (b) Upon entry into force, the Treaty will be taken to have effect and all of its provisions will apply and be taken to have applied on and from the date of signature.

- (j) thence north-easterly along the geodesic to the point of Latitude 10° 53' 42" South, Longitude 127° 48' 45" East;
- (k) thence north-easterly along the geodesic to the point of Latitude 10° 43′ 43″ South, Longitude 127° 59′ 16″ East;
- (1) thence north-easterly along the geodesic to the point of Latitude 10° 29' 17" South, Longitude 128° 12' 24" East;
- (m) thence north-westerly along the geodesic to the point of Latitude 9° 29' 57" South, Longitude 127° 58' 47" East;
- (n) thence north-westerly along the geodesic to the point of Latitude 9° 28' 00" South, Longitude 127° 56' 00" East; and
- (o) thence north-westerly along the geodesic to the point of commencement.

Annex B under article 23 of this Treaty Dispute resolution procedure

- (a) An arbitral tribunal to which a dispute is submitted pursuant to article 23 (b) shall consist of three persons appointed as follows:
 - (i) Australia and East Timor shall each appoint one arbitrator;
 - (ii) The arbitrators appointed by Australia and East Timor shall, within sixty (60) days of the appointment of the second of them, by agreement, select a third arbitrator who shall be a citizen, or permanent resident of a third country which has diplomatic relations with both Australia and East Timor;
 - (iii) Australia and East Timor shall, within sixty (60) days of the selection of the third arbitrator, approve the selection of that arbitrator who shall act as Chairman of the Tribunal.
- (b) Arbitration proceedings shall be instituted upon notice being given through the diplomatic channel by the country instituting such proceedings to the other country. Such notice contain a statement setting forth in summary form the grounds of the claim, the nature of the relief sought and the name of the arbitrator appointed by the country instituting such proceedings. Within sixty (60) days after the giving of such notice the respondent country shall

- (h) Australia and East Timor shall each bear the costs of its appointed arbitrator and its own costs in preparing and presenting cases. The cost of the Chairman of the Tribunal and the expenses associated with the conduct of the arbitration shall be borne in equal parts by Australia and East Timor.
- (i) The Arbitral Tribunal shall afford to Australia and East Timor a fair hearing. It may render an award on the default of either Australia or East Timor. In any case, the Arbitral Tribunal shall render its award within six (6)

- (a) Giving directions to the Designated Authority on the discharge of its powers and functions;
- (b) Conferring additional powers and functions on the Designated Authority;
- (c) Adopting an interim Petroleum Mining Code pursuant to article 7(b) of the Treaty, if necessary;
- (d) Approving financial estimates of income and expenditure of the Designated Authority;
- (e) Approving rules, regulations and procedures for the effective functioning of the Designated Authority;
- (f) Designating the Designated Authority for the period referred to in article 6(b)(i);
- (g) At the request of a member of the Joint Commission, inspecting and auditing the Designated Authority's books and accounts or arranging for such an audit and inspection;
- (h) Approving the result of inspections and audits of contractors' books and accounts conducted by the Joint Commission;
- (i) Considering and adopting the annual report of the Designated Authority;
- (j) Of its own volition or on recommendation by the Designated Authority, in a manner not inconsistent with

Annex G under article 13 (b) of this Treaty Taxation Code for the avoidance of double taxation and the prevention of fiscal evasion in respect of activities connected with the Joint Petroleum Development Area

Article 1 General definitions

- 1. In this Taxation Code, unless the context otherwise requires:
 - (a) The term "Australian tax" means tax imposed by Australia, other than any penalty or interest, being tax to which this Taxation Code applies;
 - (b) The term "company" means any body corporate or any entity which is treated as a company or body corporate for tax purposes;
 - (c) The term "competent authority" means, in the case of Australia, the Commissioner of Taxation or an authorized representative of the Commissioner and, in the case of East Timor, the Minister for Finance or an authorized representative of the Minister;
 - (d) The term "East Timor tax" means tax imposed by East Timor, other than any penalty or interest, being tax to which this Taxation Code applies;
 - (e) The term "framework percentage" means, in the case of Australia, ten (10) per cent and, in the case of East Timor, ninety (90) per cent;
 - (f) The term "law of a Contracting State" means the law from time to time in force in that Contracting State relating to the taxes to which this Taxation Code applies;
 - (g) The term "person" includes an individual, a company and any other body of persons;
 - (h) The term "reduction percentage" means, in the case of Australia, ninety (90) per cent and, in the case of East Timor, ten (10) per cent;
 - (i) The terms "tax" or "taxation" mean Australian tax or East Timor tax, as the context requires; and
 - (j) The term "year" means, in Australia, any year of income and, in East Timor, any tax year.
- 2. In the application of this Taxation Code at any time by a Contracting State, any term not defined in this Taxation Code or elsewhere in the Treaty shall, unless the context otherwise requires, have the meaning which it has at that time under the law of that Contracting State for the purposes

Article 3 Resident

- 1. For the purposes of this Taxation Code, resident of a Contracting State means:
 - (a) In the case of Australia, a person who is liable to tax in Australia by reason of being a resident of Australia under the tax law of Australia; and
 - (b) In the case of East Timor, a person who is liable to tax in East Timor by reason of being a resident of East Timor under the tax law of East Timor,

but does not include any person who is liable to tax in that Contracting State in respect only of income from sources in that Contracting State.

- 2. Where by reason of the provisions of paragraph 1 of this article, an individual is a resident of both Contracting States, then the status of the person shall be determined as follows:
 - (a) The person shall be deemed to be a resident solely of the Contracting State in which a permanent home is available to the person;

- (ii) The value added tax and sales tax on luxury goods ("value added tax"); and
- (iii) The sales tax,

imposed under the law of East Timor.

2. The provisions of this Taxation Code shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Treaty in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any relevant changes which have been made in their respective taxation law as soon as possible after such changes.

- 2. Dividends paid or credited by a company which is a resident of a Contracting State wholly or mainly out of profits, income or gains derived from sources in the JPDA, and which are beneficially owned by a resident of that Contracting State, shall be taxable only in that State.
- 3. Dividends paid or credited by a company which is a resident of a Contracting State wholly or mainly out of profits, income or gains derived from sources in the JPDA, and which are beneficially owned by a person who is not a resident of either Contracting State, may be taxed in both Contracting States but the taxable amount of any such dividends shall be an amount equivalent to the framework percentage of the amount that would be the taxable amount but for this paragraph.
- 4. The term "dividends" as used in this article means income from shares or other rights participating in profits and not relating to debt claims, as well as other income which is subjected to the same taxation treatment as income from shares by the law of the Contracting State of which the company making the distribution is a resident.
- 5. Notwithstanding any other provisions of this Taxation Code, where a company which is a resident of a Contracting State derives profits, income or gains from the JPDA, such profits, income or gains may be subject in the othekincome Sukinains may be subject in the

3. Income derived by an individual who is not a resident of either Contracting State in respect of professional services, or other independent activities of a similar character, performed in the JPDA may be taxed in both Contracting States but subject to a rebate entitlement against the tax payable in each Contracting State of the reduction percentage of the gross tax payable in that Contracting State on income referred to in this paragraph.

Article 13 Dependent personal services

- 1. Salaries, wages and other similar remuneration derived by an individual who is a resident of a Contracting State in respect of employment exercised in the JPDA may be taxed in both Contracting States as reduced by the reduction percentage.
- 2. Notwithstanding paragraph 1, the Contracting State in which the individual is a resident may tax such remuneration without such reduction. In such a case, that State shall provide a tax offset against the tax payable on such remuneration by the individual in that Contracting State for the tax paid in the other Contracting State.
- 3. Remuneration derived by an individual who is not a resident of either Contracting State in respect of employment exercised in the JPDA may be taxed in both Contracting States but subject to a rebate entitlement against the tax payable in each Contracting State of the reduction percentage of the gross tax payable in that Contracting State on the income referred to in this paragraph.

Article 14 Other income

- 1. Items of income of a resident of a Contracting State other than an individual, derived from sources in the JPDA and not dealt with in the foregoing articles of this Taxation Code, shall be reduced by the reduction percentage.
- 2. Items of income of a resident individual of a Contacting State derived from sources in the JPDA and not dealt with in the foregoing articles of this Taxation Code may be taxed in both Contracting States as reduced by the reduction percentage.
- 3. Notwithstanding paragraph 2, the Contracting State in which the individual is a resident may tax such items of income without such reduction. In such a case, that State shall provide a tax offset against the tax payable on those items of income by the individual in that State for the tax paid in the other Contracting State.
- 4. Items of income of a person who is not a resident of either Contracting State derived from sources in the JPDA and not dealt with in the foregoing articles of this Taxation Code may be taxed in both Contracting States but subject to a rebate entitlement against the tax payable in each Contracting State of the reduction percentage of the gross tax payable in that Contracting State on the income referred to in this paragraph.
- 5. For the purposes of this article, "derived from" has the same meaning as expressed in article 5.

Article 15 Fringe benefits

For the purposes of the taxation law of Australia, the amount of Australian fringe benefits tax payable in relation to fringe benefits provided to employees in a year, in respect of employment exercised in the JPDA, shall be:

- (a) In the case of such employees who are residents of Australia, the fringe benefits tax may be applied without reduction;
- (b) In respect of employees who are residents of East Timor, the fringe benefits tax shall not be applied; and

(c) In respect of employees who are not residents of either Contracting State, the amount payable shall be reduced by the reduction percentage.

Article 16

Article 21 Exchange of information

1. The competent authorities of the Contracting States shall exchange such information as is necessary for carrying out the provisions of this Taxation Code or of the domestic law of the Contracting States concerning taxes covered by this Taxation Code, insofar as the taxation thereunder is not contrary to this Taxation Code, in particular for the prevention of avoidance or evasion of such taxes. Any information received by the competent authority of a Contracting State shall be treated as secret in the same manner as information obtained under the domestic law of that Contracting State and shall be disclosed only to persons or authorities (including courts and administrative bodies) involved in the assessment or collection of, the enforcement or prosecution in respect of, or the

- (c) Memorandum of Understanding between the Government of the Democratic Republic of East Timor and the Government of Australia concerning an International Unitization Agreement for the Greater Sunrise field³

 Dili, 20 May 2002
- 1. The Government of Australia and the Government of the Democratic Republic of East Timor, reinforcing their wish to cooperate in the development of the petroleum resources of the Timor Sea in accordance with the Timor Sea Treaty ("the Treaty"), will work expeditiously and in good faith to conclude an international unitization agreement ("the Agreement") for certain petroleum deposits in the Timor Sea known as Greater Sunrise by 31 December 2002.
- 2. The conclusion of the Agreement is without prejudice to the early entry into force of the Treaty, and is without prejudice to the agreement recorded in paragraph 9 of the 20 May 2002 Exchange of Notes between the Government

(iii) Any naturally occurring mixture of one or more hydrocarbons, whether in a gaseous, liquid or solid state, as well as other substances produced in association with such hydrocarbons;

including any Petroleum as defined in subparagraph (i), (ii) or (iii) that has been returned to a natural reservoir;

- (k) "Regulatory Authorities" means the competent authority for administering petroleum activities in that part of the Joint Petroleum Development Area within the Unit Area and the competent Australian authority for administering petroleum activities in that part of the Unit Area outside the Joint Petroleum Development Area;
- (1) "Sunrise Commission" has the meaning given in article 9 of this Agreement;
- (m) "Sunrise Joint Venturers" means all those individuals or bodies corporate holding for the time being a licence or contract in respect of an area within the Unit Area under which exploration or exploitation of Petroleum may be carried out;
- (n) "Unit Area" means the area described in annex I;
- (o) "Unit Installation" means any structure or device installed or to be installed above, on, or under the seabed of the Unit Area for the purpose of extracting Petroleum from the Unit Reservoirs in accordance with the Development Plan. Unit Installations exclude any structure or device after the Valuation Point;
- (p) "Unit Operator" has the meaning given in article 6 of this Agreement;
- (q) "Unit Petroleum" means all Petroleum contained in or produced from the Unit Reservoirs, up to the Valuation Point:
- (r) "Unit Property" means all Unit Installations in the Unit Area;
- (s) "Unit Reservoirs" has the meaning given in annex I;
- (t) "Valuation Point" means the point of the first commercial sale of Petroleum produced from the Unit Reservoirs, which shall occur no later than the earlier of:
- (i) The point where the Petroleum enters an Export Pipeline, and
- (ii) The MPC point for the Petroleum.

Article 2 Without prejudice

- 1. Nothing contained in this Agreement, no acts taking place while this Agreement is in force or as a consequence of this Agreement and no law operating in the Unit Area by virtue of this Agreement:
- (a) Shall be interpreted as prejudicing or affecting the position of either Australia or Timor-Leste with regard to their respective maritime boundaries or rights or claims thereto; and
- (b) May be relied on as a basis for asserting, supporting, denying or limiting the position of either Australia or Timor-Leste with regard to their respective maritime boundaries or rights or claims thereto.
- 2. This article applies notwithstanding any other provision of this Agreement, including, in particular, article 4 of this Agreement.

<u>Article 3</u> Exploitation of the Unit Reservoirs 2. Australia and Timor-Leste shall ensure that the obligations of the Regulatory Authorities contained in this Agreement, with respect to ensuring compliance by the Sunrise Joint Venturers with the terms of this Agreement, shall be fully observed.

Article 4 Application of laws

For the purposes of this Agreement but not otherwise and unless otherwise provided in this Agreement:

(a) The Timor Sea Treaty shall be deemed to apply to petroleum activities within the JPDA and petroleum activities

<u>Article 8</u> <u>Reapportionment of Unit Petroleum</u>

- 1. Technical redetermination of the Apportionment Ratio from the Unit Reservoirs may take place in accordance with the following:
- (a) Either Australia or Timor-Leste may request the Unit Operator to undertake a redetermination of the Apportionment Ratio;
- (b) Australia and Timor-Leste shall have regard to the desirability of minimizing the number of reviews of the Apportionment Ratio;
- (c) Any redetermination of the Apportionment Ratio shall not occur within five (5) years of any prior redetermination, except that a redetermination may occur within twelve (12) months of the commencement of production from the Unit Reservoirs;
- (d) The Unit Operator shall use only commercially available software in a redetermination of the Apportionment Ratio. Only data that is available to both Governments as at the date the redetermination is requested shall be utilized by the Unit Operator and all data and analyses pursuant to the Unit Operator's proposal for the redetermined Apportionment Ratio shall be provided to both Governments with the proposal. The Unit Operator shall use all reasonable endeavours to complete the redetermination within 120 days;
- (e) Any change to the Apportionment Ratio arising from a redetermination requested under subparagraph (a) has effect when it is agreed by the Regulatory Authorities or, if referred to an expert for determination, when the expert

- 7. Regulatory Authorities may refer disputes to the Commission in the first instance for resolution by consultation and negotiation. In the event that the dispute cannot be resolved by the Commission, disputes shall be settled in accordance with article 26.
- 8. The Sunrise Commission shall consist of three members. Two shall be nominated by Australia and one shall be nominated by Timor-Leste.

Article 10 Apportionment of receipts and expenditures

All receipts and expenditures up to the Valuatio

- 5. The Regulatory Authorities shall ensure that the exploitation of the Unit Area shall be in accordance with the Development Plan.
- 6. The Unit Operator may at any time submit, and if at any time the Regulatory Authorities so decide may be required to submit, proposals to bring up to date or otherwise amend the Development Plan. All amendments or additions to the Development Plan require the prior approval of the Regulatory Authorities.
- 7. Where the Unit Operator has been notified by either Regulatory Authority that the Development Plan or an amendment to the Development Plan has not been approved, the Regulatory Authorities shall consult with each other and with the Unit Operator with a view to reaching agreement.
- 8. The Regulatory Authorities shall require the Sunrise Joint Venturers not to change the status or function of any Unit Installation in the Unit Area in any way except in accordance with an amendment to the Development Plan in accordance with paragraph 2.
- 9. Where a Sunrise Joint Venturer has entered into contracts for the sale of gas from the project that are part of an approved Development Plan, no action may be taken by the Regulatory Authorities to withhold the supply of that gas.

Article 13 Abandonment

- 1. The abandonment of any or all parts of Unit Property shall be undertaken in accordance with laws that have entered into force as at the date of this Agreement and as amended from time to time as applied by the Regulatory Authorities.
- 2. At least two years before the abandonment of any part of Unit Property is undertaken, including the preliminary removal of any large item of machinery or the decommissioning of any installation or pipeline, the Unit Operator shall be required to submit a revised Development Plan, in accordance with the provisions of article 12, which contains a plan for the cessation of production from Unit Property.
- 3 The Sunrise Joint Venturers shall enter into an agreement to share the costs of discharging the abandonment obligations referred to in paragraph 1 above for Unit Property.
- 4. The costs of abandonment of any or all parts of Unit Property shall be apportioned in accordance with the Apportionment Ratio.

Article 14 Structures located in the Unit Area

- 1. The Regulatory Authorities shall require the Unit Operator to inform them of the exact position of every structure located in the Unit Area.
- 2. For the purposes of exploiting the Unit Reservoirs and subject to article 22 and to the requirements of safety, neither Government shall hinder the free movement of personnel and materials between structures located in the Unit Area and landing facilities on those structures shall be freely available to vessels and aircraft of Australia and Timor-Leste.

Article 15

2. The Regulatory Authorities shall administer the legislation in the Unit Area.

Article 20 Occupational health and safety

- 1. Legislation as set out in Annex II as amended from time to time shall apply for the purposes of occupational health and safety in the Unit Area.
- 2. The Regulatory Authorities shall administer the legislation in the Unit Area.

Article 21 Environmental protection

- 1. Legislation as set out in Annex II as amended from time to time shall apply for the purposes of protection of the environment in the Unit Area.
- 2. The Regulatory Authorities shall administer the legislation in the Unit Area.

Article 22 Customs

- 1. Australia and Timor-Leste shall consult at the request of either of them in relation to the entry of particular goods and equipment to structures in the Unit Area aimed at controlling the movement of such persons, equipment and goods. Australia and Timor-Leste may adopt arrangements to facilitate such movement of persons, equipment and goods.
- 2. Australia and Timor-Leste may, subject to paragraphs 3, 4 and 5, apply customs law to equipment and goods entering their respective territory from, or leaving that territory for, the Unit Area.
- 3. Goods and equipment entering the Unit Area for purposes related to petroleum activities shall not be subject to customs duties.
- 4. Goods and equipment leaving or in transit through either Australia or Timor-Leste for the purpose of entering the Unit Area for purposes related to petroleum activities shall not be subject to customs duties.

- 2. The Regulatory Authorities shall facilitate:
- (a) Access to any equipment for Unit Petroleum measurement; and
- (b) The production of information, including design and operational details of all systems, relevant to the measurement of Unit Petroleum,

to enable inspectors to satisfy themselves that the fundamental interests of Australia and Timor-Leste in regard to measurement of Unit Petroleum are met.

Article 25
Provision of information

Article 27

Entry into force, amendment and duration

- 1. This Agreement shall enter into force upon the day on which Australia and Timor-Leste have notified each other in writing that their respective requirements for entry into force of this Agreement have been complied with.
- 2. This Agreement may be amended or terminated at any time by written agreement between Australia and Timor-Leste.
- 3. In the event of permanent delimitation of the seabed, Australia and Timor-Leste shall reconsider the terms of this Agreement. Any new agreement shall ensure that petroleum activities entered into under the terms of this Agreement shall continue under terms equivalent to those in place under this Agreement.

IN WITNESS WHEREOF the undersigned, being duly authorized thereunto by their respective Governments, have signed this Agreement.

DONE at Dili, on this sixth day of March, two thousand and three in two originals in the English language.

For the Government of Australia

For the Government of the Democratic Republic of Timor-Leste

Alexander Downer Ana Pessoa

Minister for Foreign Affairs Minister of State for the Presidency of the Council of Ministers

Annex I Delineation of Unit Area and Unit Reservoirs

The Unit Area is the area (depicted for illustrative purposes only on the map at Attachment 1) bounded by a line commencing at 9° 50′ 00″ S, 127° 55′ 00″ E and running:

(a) successively along the rhumb line to each of the following points in the sequence in which they appear below:

9° 50' 00" S, 128° 20' 00" E

9° 40' 00" S, 128° 20' 00" E

9° 40' 00" S, 128° 25' 00" E

9° 30' 00" S, 128° 25' 00" E

9° 30' 00" S, 128° 20' 00" E

9° 25' 00" S, 128° 20' 00" E

9° 25' 00" S, 128° 00' 00" E

9° 30' 00" S, 127° 53' 20" E

9° 30' 00" S, 127° 52' 30" E

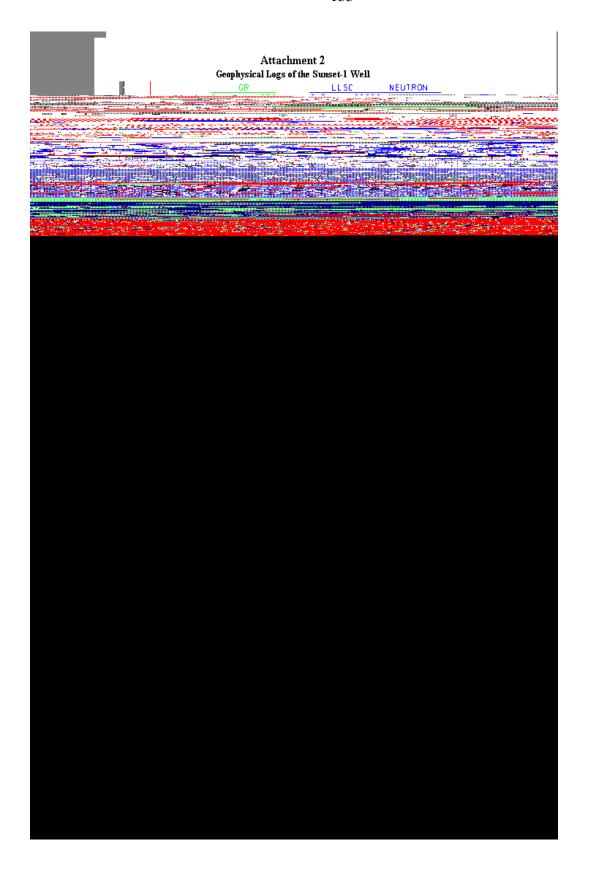
9° 35' 00" S, 127° 52' 30" E

9° 35' 00" S, 127° 50' 00" E

9° 37′ 30″ S, 127° 50′ 00″ E

9° 37′ 30″ S, 127° 45′ 00″ E

9° 45' 00" S, 127° 45' 00" E



Annex II

Legislation applicable in the Unit Area as referred to in Articles 19, 20 and 21

Article 19 - Safety

Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations

Limitation of Liability for Maritime Claims Act 1989

Navigation Act 1912

Radiocommunications Act 1992

Seafarers Rehabilitation and Compensation Act 1992

Article 20 - Health

Petroleum (Submerged Lands) (Occupational Health and Safety) Regulations

Occupational Health and Safety (Maritime Industry) Act 1993

Navigation Act 1912

Seafarers Rehabilitation and Compensation Act 1992

Article 21 - Environmental Protection

Petroleum (Submerged Lands) (Management of Environment) Regulations 1999

Protection of the Sea (Civil Liability) Act 1981

Protection of the Sea (Oil Pollution Compensation Fund) Act 1993

Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund - Customs) Act 1993

Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund - Excise) Act 1993

Protection of the Sea (Imposition of Contributions to Oil Pollution Compensation Fund - General) Act 1993

Protection of the Sea (Powers of Intervention) Act 1981

Protection of the Sea (Prevention of Pollution from Ships) Act 1983

Protection of the Sea (Shipping Levy) Act 1981

Annex III Petroleum valuation principles

- 1. This annex sets out the principles to be applied in determining the value of petroleum in non-arm's-length transactions under article 16, for the purposes of cost recovery and production-sharing of that part of Unit Petroleum apportioned to the Joint Petroleum Development Area in accordance with the Apportionment Ratio.
- 2. An arm's-length transaction is one where the parties to the transaction are dealing at arm's length with each other in relation to the transaction. Whether the parties are dealing at arm's length is determined not only by the relationship between the parties but also by the nature of the dealings between those parties, even if they are otherwise independent of each other.

- 3. In determining whether an arm's-length transaction has taken place, the Regulatory Authorities shall, among other things, have due regard to the functions performed, assets used and risks assumed. In assessing the allocation of risk, and the associated return to those risks, regard shall be had to the outcomes expected of parties acting at arm's length.
- 4. Where there is no arm's-length sale, the petroleum shall be valued with reference to a comparable uncontrolled price (CUP) at the Valuation Point.
- 5. If no CUP exists, petroleum shall be valued by the application of the pricing methodology set out in paragraph 6. In this methodology:

Calculation Period means the period beginning with the year five years before production of petroleum from Greater Sunrise is scheduled under the Development Plan to commence (t = 0), and ending with the year when production is scheduled under the Development Plan to cease (t = T);

Downstream Facilities means any petroleum processing facilities after the Valuation Point and before the earlier of the first point of arm's-length sale and the first available CUP.

- 6. The petroleum valuation (PV) shall be:
- (a) Calculated at (and all estimates required therefor shall be calculated as at) the date of commencement of producder the bottom producted the bottom producted at (an all estimates required therefor shall be calculated as at) the date of commencement of producted the bottom produ

(c) The cost of natural gas used in the production process;

CDC in the last year of production is the estimated costs of decommissioning the Downstream Facilities, and otherwise is zero;

QH is the quantity of undifferentiated hydrocarbons that, in that year, passed the Valuation Point.

- 7. Where that part of the undifferentiated hydrocarbon stream which is processed as condensate or LPG is processed under a fixed processing fee arrangement, with those revenues being passed upstream, then the following adjustments shall be taken into account in the calculation in paragraph 6:
- (a) VDP shall exclude the value of the condensate or LPG but include the amount of tolling fees paid in that year in respect of the processing services supplied to a Sunrise Joint Venturer in respect of production of that condensate or LPG; and
- (b) QH shall exclude the quantity of undifferentiated hydrocarbons which results in production of that condensate or LPG for which tolling fees were paid.
- 8. All costs and estimates of costs used for the purposes of the calculation in paragraph 6, including any tolling fees charged under paragraph 7, shall be not more than those which would be directly and necessarily incurred by a reasonable and prudent operator in an arm's-length transaction.
- 9. Where the average realized price for downstream product over the previous two years differs by more than 10 per cent from the average price over that period as included in the calculations under paragraph 6, then either Australia or Timor-Leste may initiate a review of these calculations by the Regulatory Authorities, in accordance with the following:
- (a) Any review shall occur not within two years of any prior review, and the first review shall not occur earlier than five years following the commencement of production from Greater Sunrise;

(c) If, within the time limits provided for in subparagraphs (a) (ii) and (iii) and paragraph (b) of this annex, the required appointment has not been made or the required approval has not been given, Australia or Timor-Leste may request the President of the International Court of Justice to make the necessary appointment. If the President is a citizen or permanent resident of Australia or Timor-Leste or is otherwise unable to act, the Vice-President shall be invited to make the appointment. If the Vice-President is a citizen or permanent resident of Australia or Timor-Leste or is otherwise unable to act, the Member of the International Court of Justice next in seniority who is not a citizen or permanent resident of Australia or Timor-Leste shall be invited to make the appointment.

- 5. The task of the expert is to reach an independent determination of whatever matters are in question. Where the matter in dispute is in relation to technical redetermination of the apportionment ratio pursuant to article 8, the expert's decision must be made in accordance with any technical procedures and calculation formula pertaining to redetermination as set out in the relevant Joint Venturers' Agreement.
- 6. The expert may engage independent contractors to undertake work which is necessary to enable the expert to reach a decision, provided that any contractor nominated by the expert for that purpose is approved by the

