

DEEP SEABED MINING BILL 2015 FACT SHEET

About Deep Seabed Mining

1 Deep seabed mining is an emerging industry, which is receiving increasing worldwide interest due to recent technological advances.¹ As the industry is relatively nascent, international scientific knowledge on the environmental impact of deep seabed mining activities is currently limited. By definition, deep seabed is in international waters and any mining activities are outside of Singapore waters.

Deep Seabed Mining Bill 2015

2 This Bill aims to establish a licensing regime to regulate the exploration for and extraction of deep seabed resources by companies sponsored by Singapore. This supports companies in pursuing such economic activities while **ensuring that they are carried out in an environmentally responsible way**. The enactment of this Bill is in accordance with Singapore's obligations to the International Seabed Authority² (ISA) and under the United Nations Convention on the Law of the Sea (UNCLOS).

Key Features of the Bill

3 Key features of the deep seabed licensing regime are:

- (i) The conditions under which a license will be granted to a company include having the technological and financial capabilities to go through with the activity it wishes to conduct, and undertaking necessary measures to minimise damage to the marine environment.
- (ii) It will be an offence for a Singapore company to engage in deep seabed mining without a license issued by MTI and a contract with the ISA. Offenders may be fined up to \$300,000, and subject to a further fine not exceeding S\$50,000 daily for a continuing offence, up to a cap of S\$500,000.³ As an added deterrent, individuals (including company directors) who are complicit in the offence may also be imprisoned for up to 3 months.

¹ For more information on deep seabed mining, please refer to the International Seabed Authority's website at www.isa.org.jm.

² The International Seabed Authority (ISA) is an autonomous international organisation established in 1994 under the 1982 UNCLOS. Countries organise and regulate activities on the seabed and ocean floor through the ISA when they go beyond the limits of national jurisdiction, in accordance with the regulatory regime established under the UNCLOS.

³ These penalties are benchmarked against those imposed by other countries which have enacted similar legislation, such as the UK. They were also pegged at a level to ensure that there is a sufficient deterrent effect on errant companies.

- (iii) If the accident and damage caused by a licensed contractor breaches any of the licensing conditions, the license can be suspended or revoked. The contractor can be ordered to stop all activities and ensure the effective protection of the marine environment.
- (iv) The ISA may also take the errant contractor to task via dispute resolution under the auspices of the Seabed Disputes Chamber.⁴ The Bill allows for such an order for compensation or reparation to be registered and treated as a judgment of the Court.

Background

4 According to the regulations established by the UNCLOS and the ISA, companies are prohibited from carrying out deep seabed mining activities, unless they have been granted a license by the ISA with the sponsorship of a government.

5 Since 2001, the ISA has awarded 30 contracts for the exploration of minerals in the deep seabed in the Clarion-Clipperton Fracture Zone in the Pacific Ocean, and also in the Indian Ocean and Atlantic Ocean. These contracts are governed by ISA regulations, which establish:

- (i) Legal rules that contractors and ISA must follow in undertaking seabed activities, and
- (ii) Provisions to protect the marine environment against possible harm from seabed activities.

6 Internationally, these contracts have been awarded to both private and state-owned companies such as Nautilus Minerals (Canada) and Cook Islands Investment Corporation, among others. In Singapore, Ocean Mineral Singapore – a joint venture between Keppel Corporation and Lockheed Martin – is leading the front on deep seabed exploration and has plans to launch a joint exploratory cruise in the Clarion-Clipperton Zone.

⁴ This refers to the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea (ITLOS) established under UNCLOS.