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SEC should issue final rule on oil and mining disclosure, says Publish What You Pay

WASHINGTON, D.C.— At a press briefing held today, Publish What You Pay U.S. joined with developing country activists and investors to call on the Securities and Exchange Commission (SEC) to issue final rules to implement a landmark law that will shed light on billions of dollars in payments from oil and mining companies to governments.

The requirement for greater disclosure was passed one year ago as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and requires oil, gas and mining companies listed on U.S. stock exchanges to publish what they pay to U.S. and foreign governments for oil, gas and minerals. Publish What You Pay welcomed the draft regulations released for comment by the SEC in December, but the regulatory agency has yet to publish the final rules.

“The oil, gas and mining industry has had ample time to comment on the draft,” said Isabel Munilla, director of Publish What You Pay U.S. “Many industry recommendations to the SEC would effectively gut implementation. The SEC must not give in to the wishes of companies that don’t want to follow the new law.”

The so-called “Cardin-Lugar” provision was backed by bipartisan group of legislators including Senators Richard Lugar (R-IN), Ben Cardin (D-MD), Patrick Leahy (D-VT), and Congressman Barney Frank (D-MA), and will cover 90 percent of the largest internationally operating oil companies, 8 out of 10 of the world’s largest mining companies and hundreds of smaller companies.

Secrecy in company payments for oil, gas and mineral resources has too often led to corruption, violence and civil war, in many countries rich in these natural resources, while exacerbating poverty by preventing those funds from being invested in basic services like health and education.

“From communities on the Gulf coast of the U.S., to the newly independent people of Southern Sudan, to investors in capital markets around the world, citizens will be able to use the information generated by this law to monitor the funds that flow from companies to governments,” said Munilla, “That’s why citizens groups in many countries outside the U.S., and investors with over \$1.2 trillion in assets under management, wrote to the SEC in support of the law.”

Demand for the final rules is also building in Europe, where Publish What You Pay has launched a campaign for similar transparency requirements. The European Commission is set to introduce legislative proposals in the fall that will mirror the requirements of the U.S. law.

“The world is waiting for leadership from the SEC, and the urgency is clear,” said Munilla, “It is critical that the SEC release its final rules as soon as possible.”

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Publish What You Pay is a global civil society coalition that believes that the wealth generated by oil, gas and mining industries can be a pathway to poverty reduction, stable economic growth and development in resource-rich countries. Founded in 2002, PWYP comprises over 600 organizations working from nearly 70 countries that advocate for revenue transparency as a necessary ingredient for accountability. In the U.S., PWYP comprises 35 members, including development, faith-based, human rights, environmental, financial reform and anti-corruption organizations representing over 2.5 million constituents spread through every state in the nation. www.pwypusa.org

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