

**FOR IMMEDIATE RELEASE: December 11, 2015**

**Contact:** Jana Morgan, Director - [jmorgan@pwypusa.org](mailto:jmorgan@pwypusa.org)  
Office (202) 496-1189 – Mobile (703) 795-8542



## **Securities and Exchange Commission Reasserts US Leadership on Oil, Gas and Mining Transparency Law**

Today, the Securities and Exchange Commission (SEC) voted in favor of a proposed rule for Section 1504 of the Dodd-Frank Act. Publish What You Pay – United States welcomes the decision by the SEC to propose a rule in line with the international standard on extractives payment transparency.

Section 1504 requires that all US-listed oil, gas and mining companies publicly disclose the payments they make for access to natural resources by project and by company.

“While we are still in the process of analyzing the proposal, the SEC appears to have answered the call of investors with trillions of dollars in assets under management, the United States government, and hundreds of civil society organizations in resource rich countries around the world, by issuing a strong proposed rule that requires public disclosure of payments by company and by project, with no categorical exemptions,” said Jana Morgan, Director of Publish What You Pay – United States.

Both the Department of the Interior and the Department of State have stressed the importance of a strong rule in comments to the SEC. A November 2015 letter from the Department of State notes, “[s]ection 1504 directly advances the United States’ foreign policy interests in increasing transparency and reducing corruption in the oil, gas and minerals sectors. Corruption and mismanagement of these revenues can impede economic growth, [and] reduce opportunities for U.S. trade and investment...”

Investors, with assets under management worth over \$6.4 trillion, overwhelmingly agree on the importance of a sufficiently granular 1504 rule and have taken an active role in petitioning the SEC to produce a robust rule aligned with laws already in place in the EU, Canada and Norway.

“30 countries are now implementing mandatory disclosure laws and a number of companies have begun voluntarily reporting their project-level payments, including US-listed Kosmos Energy and BHP Billiton, the world’s largest mining company. Clearly, project-level transparency has become the norm,” said Morgan. “Now the SEC must not backtrack on the progress made in its proposal and ensure that the final rule aligns with the global standard.”

The United States is the largest extractives market in the world, with roughly 1,000 foreign and domestic companies listed, including Chinese state owned companies.

Publish What You Pay looks forward to commenting on the proposed rule and working with the SEC to ensure that the final implementing rule is robust and fit to serve its dual purpose of giving investors the information they need to adequately assess investment risk and providing citizens with the data necessary to hold their governments and companies accountable.

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**Notes to Editors:**

- Last year, Oxfam America sued the SEC for unreasonably delaying the promulgation of a new rule for Section 1504. This long awaited proposed rule comes as a response to a District Court ruling requiring the SEC to set a reasonable timeline for a proposed and final rule. More information about Oxfam America's lawsuit against the SEC is available here:
  - <http://www.oxfamamerica.org/press/oxfam-america-sues-sec-over-delay-on-oil-gas-and-mining-transparency-rules/>
  - <http://www.oxfamamerica.org/press/oxfam-presses-for-oil-mining-transparency-law-in-court/>
  - <http://www.oxfamamerica.org/press/victory-for-oil-transparency-advocates-as-federal-court-sides-with-oxfam-america/>
- Initial comments to the proposed rule will be due on January 25, 2016. Reply comments will be due on February 16, 2016. The SEC told the Massachusetts District Court it will vote on a final rule no later than June 2016.
- For a comprehensive analysis of the companies subject to Section 1504 of the Dodd-Frank Act, read our recent submission to the SEC:
  - <http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-100.pdf>
  - The data supporting this analysis can be downloaded here:  
[http://www.publishwhatyoupay.org/wp-content/uploads/2015/11/1504\\_Companies\\_MASTER.xlsx](http://www.publishwhatyoupay.org/wp-content/uploads/2015/11/1504_Companies_MASTER.xlsx)
- Investors with assets under management worth more than \$6.4 trillion have urged the SEC to quickly produce a strong rule in line with the global standard. To put that number in perspective, \$6.4 trillion is greater than the GDP of every country in the world, save for the United States and China. Read recent investor submissions here:
  - <http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-35.pdf>
  - <http://www.sec.gov/comments/df-title-xv/resource-extraction-issuers/resourceextractionissuers-36.pdf>
- The SEC originally produced an implementing rule in August 2012, more than two years after the enactment of the Dodd-Frank Act. However, this rule was set aside following a lawsuit led by the American Petroleum Institute and the US Chamber of Commerce. Read more about the District Court decision here :
  - [http://www.publishwhatyoupay.org/wp-content/uploads/2015/12/PWYP-Fact-Sheet\\_District-Court-Decision-Sept-2013.pdf](http://www.publishwhatyoupay.org/wp-content/uploads/2015/12/PWYP-Fact-Sheet_District-Court-Decision-Sept-2013.pdf)
- Additional background information can be found by visiting [www.pwypusa.org](http://www.pwypusa.org)

***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 800 organizations working from nearly 70 countries that advocate for revenue transparency as a necessary ingredient for accountability. In the U.S., PWYP comprises 40 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](http://www.pwypusa.org)