



global witness

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SEC Announces Historic Transparency Rule for U.S. Oil, Gas and Mining Companies Doing Deals With Foreign Governments

Groundbreaking Transparency Rule First Called for by Global Witness Will Curb Corruption and Cut Poverty Overseas by Bringing Payments Into the Open

Global Witness Releases Initial Response to SEC Rule Requiring Extractive Industries Transparency, Detailed Review to Follow

Washington, DC — Today, the U.S. [Securities and Exchange Commission](#) (SEC) announced a landmark transparency rule which requires U.S.-listed oil, gas and mining companies to publish details of their payments to governments for the right to exploit a country's natural resources. The rule, which follows more than 16 years of campaigning by Global Witness and our [Publish What You Pay-US](#) allies, has been celebrated by human rights and transparency advocates as a key step in curbing corruption and cutting poverty around the globe.

For decades, corruption in the oil, gas and mining industries has helped keep poor countries poor, propped up dirty regimes and created risks for investors. This kind of state looting is currently possible because huge deals for natural resources are struck behind closed doors between companies and governments, meaning citizens cannot see how much money is at stake, who is benefitting from the deals, or if corrupt transactions are taking place.

The new SEC measures will make it much harder to strike such deals, and enable citizens to "follow the money" generated by their country's resources, understanding what revenue their country should be receiving in exchange for its natural wealth. The ruling requires companies to declare what they pay their governments for oil, gas and mining deals, broken down by country and by project.

Global Witness was the first organization to call for mandatory disclosure laws that would bring payments into the open in December 1999, following years of investigations which showed that transformational amounts of money were being stolen by corrupt elites in backroom deals with companies. In 2002, Global Witness conceived and was the co-founder of the [Publish What You Pay](#) campaign, which has since seen the European Union, the UK, Canada and Norway enacting transparency laws requiring companies to disclose project-level payments to governments.

Simon Taylor, Director of Global Witness and co-founder of Publish What You Pay said:

“This is historic! This rule will go a long way to help end injustice from shady deals between companies and kleptocrats. Such deals are why so many citizens in resource-rich countries remain so desperately poor, because their most valuable assets are being stolen. Today’s U.S. rule has real teeth: by requiring companies to publish payments they make for each individual oil, gas or mining project, it will end the practice of striking shady deals behind closed doors. That’s good for society, investors and companies alike. After years of hard work from campaigners all over the world, the U.S. has now resumed its seat as a leader in the global movement to ensure transparency and accountability for the extractive industries. It should be swiftly put into place and fully enforced.”

Section 1504 was bipartisan and enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010. The SEC introduced an implementing rule for Section 1504 in 2012, but this was set aside by a U.S. district court in 2013 following a legal challenge by the American Petroleum Institute, an oil industry lobby group whose members include Exxon, Chevron, Shell and BP.

The court decision required the SEC to revisit and strengthen the legal justifications for its original rule and the SEC has now done this. Civil society groups around the world, prominent economic experts, the U.S. State Department and investor groups managing trillions of dollars of assets have all submitted statements of support urging the SEC to put out a strong rule that is consistent with the transparency laws adopted in the European Union, the UK, Canada and Norway.

Having a common, global standard simplifies compliance for multinational companies and makes it possible for civil society to use and compare disclosures from different jurisdictions to hold their governments and the companies that exploit their resources accountable.

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About Global Witness

[Global Witness](#) wants a better world — where corruption is challenged and accountability prevails, all can thrive within the planet’s boundaries, and governments act in the public interest. Many of the world’s worst environmental and human rights abuses are driven by the exploitation of natural resources and corruption in the global political and economic system. Global Witness is campaigning to end this. We carry out hard-hitting investigations, expose the facts, and push for change. We are independent, not-for-profit, and work with partners around the world in our fight for justice.

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