

Publish What You Pay UK Welcomes Renewed UK Government Commitment to Extractives Transparency

Miles Litvinoff, Publish What You Pay UK, 5 July 2018

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Publish What You Pay (PWYP) UK has welcomed the conclusions of the UK Government's [Post-Implementation Review \(PIR\)](#) of initial reporting by oil, gas and mining companies under the UK's Reports on Payments to Governments Regulations 2014, which implement EU Accounting Directive chapter 10.

The UK Government's review report, published by the Department for Business, Energy and Industrial Strategy (BEIS) in June, has found that the policy of requiring extractive companies to report their payments to governments country by country and project by project is **"on course to achieve its objectives"**. The report states that **"key success criteria have been met in terms of greater levels of transparency, compliance levels and avoidance of unnecessary costs to business"**.

Importantly, the UK review has found that **"this type of reporting does not disadvantage company business interests, including their relationships with governments"**.

"The UK Government's findings clearly refute claims made by American Petroleum Institute members, particularly US oil companies [Exxon and Chevron](#), that extractives transparency disclosures harm business interests or are legally prohibited," said Miles Litvinoff, PWYP UK Coordinator.

Some companies interviewed for the UK review indicated that they expect a positive influence from the UK Regulations on the business environment, government accountability, governance and corruption levels over the coming years. Two companies reported positive impacts even at this early stage.

Civil society review participants were enthusiastic about the regulations, which they consider – together with equivalent measures in other European Union member states and Canada and Norway – have changed the reporting environment significantly. As the UK Government review report notes, civil society expects the full value of reporting to emerge over time and to deliver benefits to investors, governments, companies and civil society. PWYP's work on [using the data](#) is well under way.

Litvinoff added: "Since 2015, when the UK law came into force, more than 100 UK-based and UK-listed oil, gas and mining companies including BHP Billiton, BP, Gazprom, Glencore, Rio Tinto, Shell and Sinopec have published tax, royalty and other payments worth at least \$280 billion made in 118 countries. The UK Government report clearly recognises that much good work has been done and reaffirms the UK's international policy commitment in this area."

No strengthening of the regulations is currently envisaged by the review report, despite the fact that civil society urged attention to minor weaknesses in the reporting requirements and online reporting tools.

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The UK Government, which is required to conduct a review of its extractives transparency regulations every five years, has informed PWYP UK that it hopes to influence the findings of the European Commission's review of reporting under EU Accounting Directive chapter 10, currently under way.

The United States Securities and Exchange Commission (SEC) is considering its implementation of the [Cardin-Lugar provision](#) – the US measure on which the Accounting Directive chapter 10 was based. To maintain the global extractives transparency standard and a level playing field for business, the SEC should implement Cardin-Lugar in alignment with the UK regulations, EU law and equivalent measures in Canada and Norway.

Other reactions

Global Witness's statement welcoming the report: [UK government endorses strong anti-corruption rules for oil and mining firms](#).

The US Lugar Center's very positive comment: [British Government: No burden, no competitive harm from extractives reporting](#).

Notes

1. The UK government's brief [Post-Implementation Review \(PIR\)](#) report is [here](#), with a longer paper from BEIS [here](#).
2. Input into the review from PWYP UK and a range of transparency champions in November 2017 is online [here](#).
3. In March 2017 the office of UK Prime Minister Theresa May [wrote to PWYP UK](#) stating that "The Government remains committed to [international action on transparency], and will continue to work with other jurisdictions around the world to raise global standards of transparency in the oil, gas and mineral sectors", replying to PWYP UK's [earlier letter](#).
4. The statement above that "Since 2015 ... more than 100 UK-based and UK-listed oil, gas and mining companies ... have published ... payments worth at least \$280 billion made in 118 countries" is based on data [compiled and published](#) by the Natural Resource Governance Institute.

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