

Transparency on the Move: Payment Disclosure by the World's Largest Oil, Gas & Mining Companies

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Publish What You Pay – United States sought to gauge the reach of groundbreaking transparency measures in the United States, the European Union, Norway, and Canada. To do so, we assessed how many of the world's 100 largest oil and gas, and 100 largest mining companies (by market capitalization) would be covered by payment disclosure requirements in each of these jurisdictions.¹ Here are the results.²

OIL AND GAS COMPANIES:

- **The United States:** Of the world's 100 largest oil and gas companies, 68 are listed on a U.S. exchange, and thus captured by Section 1504 of the Dodd-Frank Act.³
- **The European Union:** Of the world's 100 largest oil and gas companies, 24 are listed on a EU-regulated exchange or incorporated in a EU-member country and are therefore captured by the EU Transparency and Accounting Directives.⁴
- **Norway:** Effective January 2014, Norway mandated that extractive companies disclose payments to governments at the project level. Among the world's 100 largest oil and gas companies, two are listed on the Oslo Stock Exchange and thus subject to Norway's new disclosure requirements. First reports are due in March 2015.
- **Canada:** In December 2014, the Canadian Parliament passed mandatory reporting legislation in line with the existing international standard. 14 of the world's 100 largest oil and gas companies are listed on the Toronto Stock Exchange and will therefore be required to publically disclose their payments on a project-by-project basis.

Clearly, with 68 of the world's 100 largest oil and gas companies listed on a U.S. exchange, the implementation of Section 1504 of the Dodd-Frank Act would go a long way toward advancing transparency in the extractive industries. Yet if companies covered by laws in the EU and Norway are added to the total, the number of top-100 oil and gas companies captured by mandatory disclosure provisions rises to 81. With the passage of mandatory disclosure legislation in Canada, the number increases to 84. This represents a nearly 25 percent increase in the number of top-100 oil and gas companies captured by mandatory disclosure provisions, above what is captured by Section 1504 alone.

¹ Presently, companies listed on the Hong Kong Stock Exchange are required to disclose payment information on a one-time basis – upon first listing on the exchange. While HKE was not included in our analysis, data shows that transparency in the extractive industries would be enhanced were HKE disclosing requirements made more robust. Of the world's top 100 oil and gas companies, five are listed on the HKE. And of the top 100 mining companies, 13 are listed on the HKE.

² Market data was collected in March 2014.

³ Of these 68 US-listed oil and gas companies, 22 are cross-listed on either EU, Norwegian, or Canadian exchanges, and are therefore captured by transparency mandates in those jurisdictions.

⁴ Our analysis almost certainly undercounts the extent to which the world's 100 largest oil, gas, and mining companies are subject to the EU Accounting Directive. While we have captured whether parent companies are incorporated in an EU-member country, we have not assessed whether non-EU incorporated parent companies have EU-based subsidiaries large enough to be caught by the Accounting Directive.

The unique impact of transparency initiatives in the U.S., EU, Norway and Canada:

- **The United States:** 68/100 oil and gas companies surveyed in this assessment are listed on a U.S. exchange and subject to Section 1504 of the Dodd Frank Act.
- **The United States + the European Union:** Of the 24 oil and gas companies listed on a EU exchange or incorporated in a EU-member country, 13 are *exclusively* listed or incorporated. That is, they are not simultaneously listed on a U.S. exchange. Taking into account these 13 unique observations, the implementation of both U.S. and EU transparency initiatives would increase the number of captured top-100 oil and gas companies to 81.
- **The United States + the European Union + Norway:** Two top-100 oil and gas companies are listed on the Oslo Stock Exchange, yet in both cases the companies are also listed on a U.S. and EU exchange. Total company coverage remains at 81/100.
- **The United States + the European Union + Norway + Canada:** Of the 14 oil and gas companies listed on the Toronto Stock Exchange, three do not appear on a U.S. or EU-regulated exchange, nor do they appear on the Oslo Stock Exchange. Therefore, factoring in transparency initiatives in the U.S., the EU, Norway, and Canada, 84 of the world's 100 largest oil and gas companies would be required to disclose their payments to governments.

Conclusion: Section 1504 of the Dodd-Frank Act, capturing 68 of the world's 100 largest oil and gas companies, represents an enormous step toward bringing about transparency in the oil and gas industry. Yet if transparency initiatives are implemented in each of the four areas surveyed above, the number of top-100 oil and gas companies required to disclose the payments they make to governments rises to 84 – a nearly 25 percent increase.

MINING COMPANIES

Many of the world's largest mining companies by market capitalization will also be subject to mandatory disclosure requirements.

- **The United States:** Of the world's 100 largest mining companies, 40 are listed on a U.S. exchange, and thus captured by Section 1504 of the Dodd-Frank Act.⁵
- **The European Union:** Of the world's 100 largest mining companies, 28 are listed on a EU-regulated exchange or incorporated in a EU-member country and are therefore captured by the EU Transparency and Accounting Directives.
- **Norway:** Among the world's 100 largest mining companies, one is listed on the Oslo Stock Exchange and thus subject to transparency initiatives enacted in Norway.
- **Canada:** In January 2014, Canadian mining associations joined with civil society organizations to produce recommendations mandating public disclosure at the project level. With the passage of

⁵ Of these 40 US-listed mining companies, 25 are cross-listed on either EU, Norwegian, or Canadian exchanges, and thus captured by transparency requirements in those jurisdictions.

Canada's mandatory disclosure legislation in December 2014, 16 of the world's 100 largest mining companies will be required to publically disclose their payments to governments.

Like the world's 100 largest oil and gas companies, many of the world's largest mining companies are listed on a U.S. exchange and thus subject to the mandatory disclosure provision of the Dodd-Frank Act. Yet if companies covered by laws in the EU and Norway are added to the total captured by Section 1504 of the Dodd-Frank Act, the number of top-100 mining companies captured by mandatory disclosure provisions rises from 40 to 57. Adding companies covered by recently-passed Canadian legislation increases the number to 58. Thus, while Section 1504 goes a long way toward bringing about transparency in the mining industry, the number of top-100 mining companies captured by mandatory disclosure provisions rises by 45 percent when initiatives enacted or in the works in other jurisdictions are factored in.

The unique impact of transparency initiatives in the U.S., EU, Norway and Canada:

- **The United States:** 40/100 mining companies surveyed in this assessment are listed on a U.S. exchange and subject to Section 1504 of the Dodd Frank Act.
- **The United States + the European Union:** Of the 28 mining companies listed on a EU-regulated exchange or incorporated in a EU-member country, 17 are *exclusively* listed or incorporated. In other words, they are not simultaneously listed on a U.S. exchange. Taking into account these 17 unique observations, the implementation of both U.S and EU transparency initiatives would increase the number of captured top-100 mining companies to 57.
- **The United States + the European Union + Norway:** One top-100 mining company is listed on the Oslo Stock Exchange, yet the company is simultaneously listed on a EU-regulated exchange. Total company coverage remains at 57/100.
- **The United States + the European Union + Norway + Canada:** Of the 16 mining companies listed on the Toronto Stock Exchange, one does not appear on a U.S. or EU-regulated exchange, nor does it appear on the Oslo Stock Exchange. Therefore, factoring in transparency initiatives in the U.S., the EU, Norway, and Canada, 58 of the world's 100 largest mining companies would be required to disclose their payments to governments.

Conclusion: Section 1504 of the Dodd-Frank Act would require 40 of the world's 100 largest mining companies to disclose the payments they make to governments around the world. Yet taking into account transparency initiatives already implemented or in the works in each of the areas surveyed above, the number of top-100 mining companies subject to mandatory disclosure provisions rises to 58 – a nearly 45 percent increase.

For more information please contact:

Jana Morgan, PWYP-US Director

jmorgan@pwypusa.org, +1 202-496-1189

