

Company Statements and Submissions in Support of the Cardin-Lugar Provision

Extractives Companies

Royal Dutch Shell

“Tax binds governments, communities and businesses together. Revenue transparency provides citizens with an important tool to hold their government representatives accountable and to advance good governance. Shell is committed to transparency as it builds trust. Trust is essential for a company that operates in our line of business, reflecting our core values of honesty, integrity and respect for people. By fulfilling the mandatory disclosures in line with the new UK legislative requirements we demonstrate that extraction of natural resources can lead to the opportunity of government revenue, economic growth and social development.”

“Transparency is only really effective if all parties in a country follow the same disclosure standards. Shell is a founder and board member of the Extractive Industries Transparency Initiative (EITI). Consistent with the EITI requirements, we continue to advocate mandatory country-by-country global reporting, as most tax payments are made at the corporate level to national governments. We support unified revenue reporting rules and standards applicable to all multinationals, irrespective of their ownership or place of business. Shell is actively involved in the revenue transparency discussion and we are working with stakeholders to develop an approach which takes into account the views of the relevant stakeholders involved, i.e. industry, governments and civil society.”

[Shell Website](#)

[Report on Payments to Governments for the Year 2015](#)

BP

“European Accounting and Transparency Directives and US Dodd-Frank legislation

We disclose information on payments to governments on a country by country and project basis as required under the revenue transparency provisions contained in the EU Accounting and Transparency Directives, which were recently brought into effect in UK law. Our report includes information on the payments BP made to governments for our upstream activities in 2015. For BP, these payments could be made in the form of production entitlements, taxes, royalties, bonuses, fees and infrastructure improvements.”

[BP Website](#)

“BP supports the concept of transparency in revenue flows from oil and gas activities in resource-rich countries. It helps citizens of affected countries access the information they

need to hold governments to account for the way they use funds received through taxes and other agreements. As a founding member of the Extractive Industries Transparency Initiative (EITI), BP works with governments, nongovernmental organizations and international agencies to improve transparency and disclosure of payments to governments.”

[Payments to Governments Report 2015](#)

Kosmos Energy - Dallas, TX

“In the light of the recent debates on transparency, Kosmos would like to refer all interested parties to our long held position on this important issue.”

“Kosmos believes resource revenues are more likely to be managed in the best interests of a country if payments and receipts are made transparently, and if accountability measures are in place for the use of these revenues. Ideally, this process is underpinned by a national dialogue in which industry plays its part as a partner with government and civil society. Kosmos is committed to advocating for transparency in our dealings with host governments.”

“Kosmos is a Supporting Company of the Extractive Industries Transparency Initiative (EITI), a leading global standard that strengthens governance by promoting transparency and accountability in the oil, gas, and mining industries. We are committed to exceeding EITI requirements and have resolved to report and publish annually material payments to governments.”

“In 2014, we made a policy decision to disclose payments to governments at a project level, as laid out in the European Union Accounting Directive, an initiative that aims to improve corporate accounting practices and transparency. We believe that this type of disclosure is beneficial to investors, civil society, and local communities, and reflects evolving international expectations.”

“In October 2015, Kosmos submitted a comment letter to the United States Securities and Exchange Commission (SEC) as part of the SEC rulemaking process for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which proposed requiring US-listed companies to disclose payments to US and foreign governments as a standard part of their reporting to the SEC. In our comment letter to the SEC, we highlighted our commitment to transparency, including our project level disclosure in accordance with the EU Accounting Directive. A copy of this letter is available at:” [Oct. 19, 2015 Comment to SEC](#)

[Kosmos Feb. 2, 2017 statement regarding Section 1504 of the Dodd–Frank Wall Street Reform and Consumer Protection Act](#)

[Kosmos Website](#)

[Kosmos Payments to Governments Report \(excerpt\)](#)

“Many people question the contributions our industry makes to oil and gas producing countries around the world. It is in our best interest to increase knowledge and understanding about these contributions and to support greater accountability for how the revenues are spent. As such, we publish material payments to governments wherever we operate and support implementation of the EITI internationally and in our countries of operation.”

[2014 Corporate Responsibility Report](#)

BHP Billiton

“A globally consistent mandatory framework will create a level playing field amongst the resource sector while minimizing the reporting burden and compliance costs for companies operating in multiple jurisdictions and ensuring stakeholders are able to access and analyze uniform data. Mandatory disclosure frameworks are an important step to enhanced natural resource governance. However it is critically important that data is meaningful, easily accessible and understandable so that it can contribute to informed debate regarding payments to and use of revenues by Governments from the commercial development of oil, natural gas and minerals.”

[Jan. 25, 2015 Comments to SEC](#)

“BHP Billiton is a founding supporter of the Extractive Industries Transparency Initiative (EITI) and an early adopter of best practice in disclosure and transparency. We believe transparency by governments and companies about revenue flows from the extraction of natural resources is an important element in the fight against corruption. We first disclosed our aggregate payments of taxes and royalties around the world 16 years ago. Since then, our level of disclosure in relation to payments to governments has continued to increase in line with our support of the EITI and our commitment to transparency. In FY2015, we publicly supported the EU Accounting Directive and voluntarily produced our BHP Billiton Economic contribution and payments to governments Report detailing our payments to governments on both a country-by-country and project-by-project basis in advance of any mandatory requirements to do so. We continued this level of disclosure in FY2016 through issuing our second Economic contribution and payments to governments Report.”

[BHP Billiton Sustainability Report 2016](#)

Rio Tinto

"Our business units support and promote the EITI and its implementation in the countries in which they operate. We fully support the EITI's principles of transparency and accountability."

"Rio Tinto supports countries publicly disclosing contracts and licences for the exploitation of oil, gas and minerals, as outlined in the EITI Standard."

“Rio Tinto believes our investors, stakeholders and communities deserve to understand in clear terms the amount of tax we pay in each country. We are committed to providing transparency about tax payments made to governments, to promote good corporate governance. We produced our first Taxes paid report in 2010. This is our sixth report, which covers the year ended 31 December 2015, and presents key data on tax payments, gross sales revenues and earnings showing our economic contribution to public finances. We continue to produce this voluntary report as it provides tax information in context with the aim of making the information more accessible and understandable.”

“Potentially we will face multiple and inconsistent reporting requirements, and will incur significant additional costs in complying with these obligations, often with little or no added public benefit.”

“We therefore believe governments should work together to adopt a consistent global approach, which establishes disclosure requirements and thresholds that are proportionate. We believe any mandatory rules need to remain focused on the ultimate objectives, both for governments and for companies namely: • Good tax governance • Accountability and • Transparency.”

[Taxes paid in 2015 Report](#)

Total S.A.

“Total considers that the re-introduction of Rule 13q-1 under the Dodd Frank Act should both restore a level playing field among major publicly-listed oil and gas companies and improve transparency to help combat global corruption and increase accountability. Total recognizes that the SEC positively answers its concerns by proposing to adopt an approach similar to European transparency legislation.

Furthermore, the SEC's proposal would allow foreign issuers already reporting payments to producing countries to meet the requirements of the commission's proposed rules if the foreign rules were determined by the commission to be substantially similar to the rule adopted under Section 13(q). Total believes equivalency recognition should help global transparency initiatives evolve toward a common standard, thereby improving the quality and comparability of information. It encourages foreign jurisdictions that have not yet adopted resource extraction payment disclosure laws to provide a level of disclosure that is consistent with U.S. and EU rules. Therefore, Total considers it important that the SEC substantially adopt its currently proposed rules in final form and, quickly thereafter, unilaterally make a determination of the equivalency of EU rules as transposed by the Member States of the European Union into their national laws.”

[Jan. 13, 2016 Comment to SEC](#)

“At Total, we are committed to rigorous transparency concerning the disclosure of revenues generated by our activities. We have supported the [Extractive Industries Transparency Initiative](#) (EITI) since it started in 2002 with the aim to report the taxes paid

by extractive industry companies to host country governments. We are particularly engaged in this voluntary, multilateral initiative, as it offers a framework for dialogue to everyone involved, including governments, oil, gas and mining companies, and civil society.

In addition to our commitment in favor of the EITI, we report the payments made by the Group's extractive companies for the benefit of each government of states or territories in which Total carries out its activities. In our annual registration document, we break down the types of payment and totals by country, project and government."

[Total S.A. Website](#)

Eni SpA

"Eni welcomes the draft Rule proposed by the SEC that would require resource extraction issuers to disclose payments made to the U.S. federal government or foreign governments for the commercial development of oil, natural gas or minerals. We believe the proposed rule contributes to the enhancement of transparency over payments to Governments in the extractive industry and to the definition of a global, consistent standard on transparency for all companies to comply with. Eni is willing to constructively engage with the SEC to support timely implementation of the proposed Rule. We believe supporting transparency is part of our responsibility towards society in the countries where we operate and it is a powerful driver for more stable and fair business environments, too."

"Several legislative initiatives on transparency have/are being developed in different jurisdictions (EU1 USA, Canada, Norway), potentially creating diverse disclosure obligations. While we are currently working to implement the EU Directives regarding 2016 payments, asymmetry remains between companies that are subject to reporting obligations and companies that are immune. We therefore welcome the new Rule proposed by the SEC in the USA, as it goes in the direction of levelling the field in the industry and addresses the issue of multiple reporting obligations and the associated compliance costs."

[Jan. 31, 2016 Submission to SEC](#)

"Improving natural resource governance, in particular by improving financial transparency in the extractive industries, is a crucial first step to ensuring local communities can hold their Governments accountable for the oil & gas and mineral wealth obtained through drilling and mining activities. As a matter of fact, in the extractive sector, where investments are hefty and require a long time to generate returns, political instability and social tensions are the real enemy."

"Transparency at national, local and community level shows what is being done, where, and at what cost. Eni adopts a proactive approach to transparency, undertaking a

voluntary disclosure on payments, investments and revenues, pursues tax strategy targets in accordance with local tax laws and guarantees the full respect of laws and regulations by all its personnel, according to the principle of “zero tolerance” to corruption stated in Eni’s Code of Ethics.”

“Finally, as evidence of its commitment to transparency and accountability, Eni has officially welcomed the draft Rule proposed by the SEC, which requires resource extraction issuers to disclose payments made to the U.S. Federal Government or foreign Governments for the commercial development of oil, natural gas or minerals.”

[2015 Sustainability report](#)

Tullow Oil (UK incorporated, London listed)

“The taxes we pay to governments are the most significant economic contribution we make to our countries of operation. We are committed to the transparent disclosure of payments to all our major stakeholder groups and published this information for the first time in our 2012 Corporate Responsibility Report; acting ahead of any regulatory requirements. In June 2013, an EU Accounting Directive was finalised which requires companies in the extractive industries to disclose payments made to governments by project or Company level as appropriate in each country of operation.”

[2013 Annual Report and Accounts](#)

“There is no doubt ... that disclosure was the right thing to do.”
Chairman, Simon Thompson

[2014 Corporate Responsibility Report](#)

“[W]e believe transparent disclosure of tax payments helps governments, citizens and international opinion formers to debate how wealth from oil resources should be managed sustainably and equitably. That is why we have disclosed our tax payments for the past three years, ahead of EU and UK legislation.”

[Tullow Oil Website](#)

Statoil (Norway incorporated, US listed)

“We welcome initiatives to strengthen revenue transparency legislation, including project-by-project disclosure of payments, as laid out in the EU Transparency Directive and in the similar Norwegian ‘country-by-country’ legislation. However, a global standard for revenue disclosure would be even more welcome. For Statoil, it is important that revenue transparency regulation applies globally, is effective, and creates a levelled playing field for all companies, communities and governments.”

Industry Associations

ICMM

“The advantage of the mandatory reporting laws are that they create a level playing-field for industry. The vast majority of ICMM members are required to publish their payments to government, regardless of whether they are operating in a country that implements the EITI standard or not. Furthermore, the data required by the mandatory reporting laws will be much more up-to-date than the EITI data which can be two years old by the time it is published.”

[ICMM Website - EITI and Revenue Transparency](#)

“In addition to existing commitments under the ICMM *Sustainable Development Framework* ICMM member companies commit to:

1. Include a clear endorsement of efforts at the international level to enhance the transparency of mineral revenues, including EITI, on their website and/or in their sustainable development reports. To submit a completed international-level self-assessment form to the EITI Secretariat for posting on the EITI website.
2. Engage constructively in countries that are committed to implementing EITI, consistent with the multi-stakeholder process adopted in each country.
3. Compile information on all material payments by country and by project at the appropriate levels of government. In the case of EITI implementing countries, this should be provided to the body assigned responsibility for reconciling details of payments by companies and revenue data provided by government according to the agreed national template. Material payments by companies are expected to have been independently audited, applying international standard accounting practices.
4. Support the public disclosure (ie publication) of material payments by country and by project. For EITI, this should be in line with the implementation approach adopted in-country.
5. Engage constructively in appropriate forums to improve the transparency of mineral revenues – including their management, distribution or spending – or of contractual provisions on a level-playing field basis, either individually or collectively through ICMM.”

[ICMM Website - Transparency of mineral revenues](#)