



## PRESS RELEASE

### **FINAL RULES ON PAYMENT DISCLOSURE BY EXTRACTIVE COMPANIES ISSUED IN THE US WILL INCREASE RESPONSIBLE INVESTMENTS AND GOVERNMENT ACCOUNTABILITY IN AFRICA**

4th July 2016

The Africa Centre for Energy Policy (ACEP) welcomes the release of final rules by the US Securities and Exchange Commission (SEC) for the implementation of Dodd Frank Section 1504, which require oil, gas and mining companies to disclose payments made to governments of resource host countries. The payments include taxes, royalties, fees (including license fees), production entitlements, and bonuses, consistent with Section 13(q), as well as community and social responsibility payments (“CSR payments”) that are required by law or contract, dividends, and payments for infrastructure improvements.

ACEP has been active over the last three years in demanding strong implementing rules for the purpose of increasing responsible investments in Africa and more important, holding African government’s accountable to their citizens for the collection and use of resource revenues. In furtherance of our mandate for the transparent and efficient management of Africa’s abundant resource wealth, we submitted two letters to the SEC at various stages of the rule making process, and working with our partner Oxfam US, we made oral submissions to officials of the SEC. We are pleased that our submissions, which highlighted the importance of the rules to the African people, particularly communities affected by resource extraction, have been well recognized by the strength and comprehensiveness of the final rules.

There are many extractive related activities in Africa involving companies that are listed in the US. In Ghana for example, extractive producing companies such as US-listed oil companies – Kosmos Energy and Anadarko; and US-listed mining companies – Goldfields, Newmont Mining and AngloGold Ashanti; are contributing to economic development efforts. It is therefore important for their efforts to be measured vis-avis their impact on the environment and people.

ACEP is particularly impressed that the rules cover important provisions such as non-exemption of reporting except for transitional relief or delayed reporting in limited circumstances subject to determination by the SEC; and disclosure of data from operations of subsidiaries; that could revolutionize the transparency regime in Africa’s extractive industries, together with the European Directives, the Extractive Industries Transparency Initiative (EITI), the Open

Contracting Partnership (OCP), and the Open Government Partnership (OGP) among other initiatives. These initiatives must complement national legislation to enhance the transparent and transformative effect of natural resource management on our continent.

With these developments in the US, EU and Canada, it has become imperative for the Governments of big African economies such as South Africa and Nigeria to pass similar legislations requiring similar payment disclosures by companies listed in their markets. These ensure that extractive producing companies and host governments will have no place to hide proceeds from the exploitation of Africa's natural resources, an important pre-requisite for fighting corruption and mismanagement of resources.

With these final rules, ACEP is better placed to fulfilling our mandate through our independent analysis of payments data, scrutiny of government reports and information sharing with the public for the purpose of enabling citizens to demand accountability from our government.

We wish to state further that we remain committed to increasing our campaigns together with our partners – Oxfam, Oxfam, Ibis, NRG, GIZ, OSIWA, DFID and the Ghana Oil and Gas for Inclusive Growth (GOGIG) supported by the UK Government - for increased resource governance in Ghana in particular and in Africa as a whole, to ensure that our governments are not only held publicly accountable for the management of natural resources but also transform natural resources to development outcomes for the citizens.

Signed

Dr. Mohammed Amin Adam

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