



February 3, 2012

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-4628

Re: Comments of EarthRights International on the Factual Record for Rulemaking on Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

Dear Ms. Cross,

As a participant in the Comments process, EarthRights International (ERI) is deeply interested in Final Rules implementing Section 1504 of the Dodd-Frank Act that reflect the extensive factual record that has been compiled in the course of rulemaking. We believe that the Commission's analysis of the consequences of its rules must be informed by those submissions in the record that have a clear factual basis, rather than assertions that are unsubstantiated and based solely on hypothetical concern.

We believe that oil and mining industry commenters have submitted extreme allegations, claiming to need weak rules that contravene the plain words of Section 1504 in order to protect them from dire consequences. To be sure, all sides of this debate have often engaged in speculative reasoning in order to inform the Commission's decisions. However, only Section 1504's proponents have consistently supported their reasoning with verifiable, carefully vetted facts. We therefore submit this short letter to draw the Commission's attention to the opposing arguments made with respect to certain key issues and the facts—or lack thereof—supporting those arguments, and to supplement the factual record.

1. Exemptions for Foreign Disclosure Prohibitions

Question: Do any countries currently prohibit disclosures?	
<p><i>Industry Claim:</i></p> <p>Angola, Qatar, China, and Cameroon prohibit Dodd-Frank type disclosures.</p>	<p><i>Facts from the Record:</i></p> <ul style="list-style-type: none"> • None of the four countries identified prohibits disclosures. Industry claims are based on an erroneous reading of Cameroonian lawⁱ and an analysis of Chinese law that identifies no express prohibitions and is rooted in erroneous assumptions.ⁱⁱ Angola permits disclosure as a matter of course, and its model contracts permit disclosure to comply with regulatory requirements.ⁱⁱⁱ A letter sent to ExxonMobil by the Qatari Ministry of Energy and Industry, and submitted by ExxonMobil as evidence of a purported prohibition, in fact indicates that disclosures required by Dodd-Frank are <i>not</i> prohibited, but that the government may take such measures in response to Dodd-Frank.^{iv} • Petrobras and Statoil disclose payment information in all the countries where they

	<p>operate, including China and Angola, and Petrobras could not identify any countries that prohibit disclosure.^v</p> <ul style="list-style-type: none"> • Even if industry claims were supported by the facts—and they are not—it is notable that industry has identified only <i>four</i> out of over fifty resource-rich countries in which they operate that supposedly prohibit disclosures.
<p><i>Question: Would companies suffer a competitive disadvantage if forced to disclose payments to governments that are opposed to transparency?</i></p>	
<p><i>Industry Claim:</i></p> <p>Forcing companies to violate disclosure prohibition laws <i>could</i> entail abandoning projects, renegotiating existing contracts, paying damages under broken contracts, or delisting from the U.S. exchanges. <i>In hypothetical cases</i>, it could also allow competitors to outbid them and might discourage recalcitrant governments from granting them concessions.</p>	<p><i>Facts from the Record:</i></p> <ul style="list-style-type: none"> • Since Dodd-Frank was enacted, at least one international oil company, Kosmos Energy, has in fact <i>listed</i> in the U.S.^{vi} • Since June 2010, when the Hong Kong Stock Exchange enacted new extractive industry disclosure requirements, more than a dozen extractive companies have listed on HKEx.^{vii} • Late last year, Angola awarded seven new deepwater oil blocks to companies that are covered by Dodd-Frank, including Statoil.^{viii} Angola is one of the countries identified by industry as prohibiting disclosure, and Statoil is one of the most proactively transparent companies in the world. • According to a careful study of over one hundred contracts, it is an industry standard to include an allowance for information disclosure where required by the laws of any state to which the party is subject; many also allow explicitly for disclosure subject to stock exchange requirements. The study also concludes that such an exemption would likely be read into such contracts by a court of law.^{ix} • API claims (without offering details) that at least some of its members have contracts that do not expressly allow for disclosure required by law. However, a Chinese legal opinion submitted by Royal Dutch Petroleum demonstrates that Shell’s contracts in China include such provisions, at least for home country regulatory requirements.^x • No extractive company submitting comments to the SEC has mentioned Section 1504 disclosures as a material risk in its annual reports for investors filed with the SEC since the enactment of Dodd-Frank.^{xi} • Sierra Leone has implemented an on-line system for reporting extractive industry

	payments, with no minimum threshold and payments disaggregated by company, project location, and payment type. ^{xii}
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2. Project Definition

<i>Question: How should the term “project” be defined?</i>	
<p><i>Industry Claim:</i></p> <p>Defining “project” as all activities within a country or, alternatively, all activities within a geographic basin or province would be consistent with the statute and comport with commonly understood disclosure standards. The Commission should also exclude from the project definition all activities not “material” to investors.</p>	<p><i>Facts from the Record:</i></p> <ul style="list-style-type: none"> Income tax is often calculated (and should be reported) at the country level, but most terms fixing companies’ payments to governments are set out in the lease or license authorizing operations, rather than at the country or geographic basin or province level.^{xiii} This is the level at which the U.S. Department of Interior collects payment information from extractive issuers.^{xiv} Moreover, there is <i>no</i> suggestion in the record that <i>any</i> payments are assessed at the geographic basin level, so new reporting systems would have to be built for all payment streams if projects were defined at this level. Section 1504 explicitly calls for <i>both</i> country-level and project-level disclosures; therefore, “country” cannot be equivalent to “project”. Congress could have – but did not – limit payment disclosures to so-called “material projects,” despite using the term “material” to delimit other aspects of Section 1504 disclosure and other sections of the Dodd-Frank Act.^{xv} Moreover, no commenter has been able to suggest how such materiality would be measured while remaining faithful to the aims of the statute.
<i>Question: Who would benefit from disclosure of project level payment information?</i>	
<p><i>Industry Claim:</i></p> <p>Project-level disclosures would produce mountains of information that would be of little use to anyone; on the flip side, it could cost companies anywhere from a few hundred thousand dollars to \$50 million to collect the information <i>and</i> would cause competitive harm.</p>	<p><i>Facts from the Record:</i></p> <ul style="list-style-type: none"> Numerous civil society groups from around the world have attested that they would use project-level disclosure to hold governments accountable for natural resource receipts.^{xvi} Project-level data from Burma, obtained through litigation, helped civil society groups track natural gas revenues illicitly held by regime cronies offshore.^{xvii} Investors say that project-level data will enable them to calculate cost curves more accurately and estimate the lifespan of important projects of companies they invest in.^{xviii} No company has provided any information

	<p>supporting their estimates of implementation costs, and <u>industry representatives acknowledge that they do not have in-depth cost estimates</u>,^{xxix} but a Newmont Mining executive has claimed that the effects would be “<i>de minimis</i>,” as it already collects and reports much of the required information.^{xxx}</p> <ul style="list-style-type: none"> EITI participants including Chevron, Exxon, and CNOOC recently developed a reporting standard in Indonesia that will require reporting on the project level, defining a petroleum “project” as a production sharing contract (license), with no mention that such disclosure could put them at a competitive disadvantage.^{xxxi}
<p>Question: Could project level disclosures threaten the physical security of important project facilities or company employees?</p>	
<p>Industry Claim:</p> <p>Terrorists and insurgents might use project-level data to determine which facilities are high-value and then attack them and their employees.</p>	<p>Facts from the Record:</p> <ul style="list-style-type: none"> Trade unions from the Niger Delta – one of the most hazardous places in the world for oil exploration and for company employees – attest that project-level disclosures would <i>improve</i> their security and re-direct pressure targeted towards companies to the governments that receive and misappropriate funds.^{xxii}

3. Payment Thresholds

<p>Question: Can <i>de minimis</i> be defined as “material” or a designated numerical or percentage threshold?</p>	
<p>Industry Claim:</p> <p>It would be consistent with the statute to define <i>de minimis</i> as “material”; while a designated numerical threshold would be unworkable and difficult to apply to companies of widely varying sizes, a percentage threshold could be acceptable.</p>	<p>Facts from the Record:</p> <ul style="list-style-type: none"> The SEC and the courts do not equate <i>de minimis</i> with “material”;^{xxiii} Congress indicated its intention of requiring truly <i>de minimis</i> disclosures by using the term “material” in other parts of Section 1504 and Dodd-Frank. Percentage thresholds would lead to inconsistent data that could not be compared between firms, as smaller companies would be disclosing much smaller payments than large companies.^{xxiv} The London Stock Exchange’s Alternative Investment Market has adopted a disclosure requirement that designates a <i>de minimis</i> threshold of \$15,000,^{xxv} which provides a commonly accepted standard if one is required. High payment thresholds would effectively eliminate entire streams of revenue that are significant for particular countries. Sierra Leone’s 2010 EITI report reveals that mining companies reported almost \$9 million in

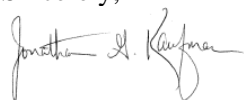
	payments in 2007, of which over 40% would not be reported with a \$1 million disclosure threshold. Such a threshold would also exclude all payments for ½ of all EITI reporting companies in Sierra Leone, including one that contributes nearly 10% of all government payments from extractives in the country. ^{xxvi}
	<ul style="list-style-type: none"> • Payments at much lower levels than those that are commonly considered “material” to companies have outsized effects in many resource-rich countries in Africa, for example, where many countries have per capita incomes of less than \$200 per year.^{xxvii}

4. Filed vs. Furnished

<i>Question: Should Section 1504 disclosures be deemed as filed, or furnished?</i>	
<p><i>Industry Claim:</i></p> <p>Since Section 1504 disclosures are qualitatively different than other financial disclosures and are not material to investors, they should be furnished, rather than filed.</p>	<p><i>Facts from the Record:</i></p> <ul style="list-style-type: none"> • Congress determined definitively that Section 1504 disclosures <i>are</i> material to investors, as manifested in every floor statement made by the Senators who were proponents of the law. While the disclosures clearly have other purposes as well, Section 1504 was designed as an investor protection statute.^{xxviii} • For the handful of other disclosures that the SEC has historically allowed to be furnished rather than filed, the Commission has had a coherent policy rationale related to the proper allocation of responsibilities and independence between directors with specific responsibilities, on the one hand, and managers, on the other.^{xxix} • The relevant language of Section 1504 has been interpreted twice in the past – <i>including, most recently, in the Final Rules released to implement Section 1504’s sister provision, Section 1503 of the Dodd-Frank Act</i> – to require filing, not furnishing, of disclosures.^{xxx}

We hope that this compilation and supplementary factual evidence will assist the Commission to distinguish facts from hypothetical anecdotes and extreme, unsupported allegations in the voluminous administrative record. Please do not hesitate to contact us with further questions or concerns.

Sincerely,



Jonathan G. Kaufman

Staff Attorney

EarthRights International

Cc:

The Honorable Mary L. Schapiro
Chairman
U.S. Securities and Exchange Commission

The Honorable Luis A. Aguilar
Commissioner
U.S. Securities and Exchange Commission

The Honorable Daniel M. Gallagher
Commissioner
U.S. Securities and Exchange Commission

The Honorable Elisse B. Walter
Commissioner
U.S. Securities and Exchange Commission

Mr. Mark Cahn
General Counsel
U.S. Securities and Exchange Commission

Mr. Craig M. Lewis
Chief Economist
U.S. Securities and Exchange Commission

Ms. Meredith Cross
Director, Division of Corporate Finance
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Ms. Paula Dubberly
Deputy Director Division of Corporation Finance
U.S. Securities and Exchange Commission

Ms. Tamara M. Brightwell
Senior Special Counsel to the Director
Division of Corporation Finance
U.S. Securities and Exchange Commission

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- ⁱ Comment of Jaff N. Bamenjo, Associate Coordinator, The Network for the Fight Against Hunger in Cameroon (RELUFA) (July 11, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-96.pdf>; Comment of Valery Nodem, Coordinator, RELUFA (Mar. 14, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-74.pdf>.
- ⁱⁱ Comment of Isabel Munilla, Director, Publish What You Pay U.S., at 3-4 (Dec. 19, 2011) (“PWYP Foreign Laws Comment”), at <http://www.sec.gov/comments/s7-42-10/s74210-118.pdf>.
- ⁱⁱⁱ *Id.* at 2-3.
- ^{iv} Comment of Patrick Mulva, Vice President and Controller, Exxon Mobil Corp., Attachment II (Mar. 15, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-73.pdf>.
- ^v PWYP Foreign Laws Comment, *supra* note ii, at 2; Comment of Mario Menezes, Chief Accounting Officer, Petrobras, App. A at 3, at <http://www.sec.gov/comments/s7-42-10/s74210-25.pdf>.
- ^{vi} Comment of Isabel Munilla, Director, Publish What You Pay U.S., at 9 (Dec. 19, 2011) (“PWYP Project Definition Comment”), at www.sec.gov/comments/s7-42-10/s74210-117.pdf.
- ^{vii} In a comment submitted in February 2011, the Revenue Watch Institute noted that nine extractive companies had listed on the Hong Kong Stock Exchange since the enactment of the new disclosure requirements. Comment of Karin Lissakers, Executive Director, Revenue Watch Institute, at 11 (Feb. 17, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-23.pdf> (listing United Company Rusal Plc., China Gold International Resources Corp. Ltd., the global mining giant Vale S.A., MIE, Enviro Energy International Holdings Ltd., CITIC Dameng Holdings Ltd., IRC Limited, Mongolian Mining Corporation, and SouthGobi Resources Ltd.). According to later Revenue Watch research that was not included in the February 2011 comment, at least thirteen extractive companies have listed since June 2010.
- ^{viii} Comment of Jonathan G. Kaufman, Staff Attorney, EarthRights International, at 13-14 (Sept. 20, 2011) (“September ERI Comment”), at <http://www.sec.gov/comments/s7-42-10/s74210-111.pdf>.
- ^{ix} Peter Rosenblum & Susan Maples, *Contracts Confidential: Ending Secret Deals in the Extractive Industries* 26-27 (2009), available at <http://www.revenuewatch.org/sites/default/files/RWI-Contracts-Confidential.pdf>, cited in Comment of Raymond C. Offenheiser, President, Oxfam America, at 18 n.24 (Feb. 21, 2011) (“Oxfam America Comment”), at <http://www.sec.gov/comments/s7-45-10/s74210-76.pdf>; see also Comment of Susan Maples, Post-Doctoral Research Scholar, Vale Columbia Center on Sustainable International Investment, at 2, 4-5 (Mar. 2, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-52.pdf>.
- ^x Comment of Martin J. ten Brink, Executive Vice President Controller, Royal Dutch Shell plc, App. C at 5 (Legal Opinion of Jun He Law Offices) (May 17, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-90.pdf>.
- ^{xi} PWYP Project Definition Comment, *supra* note vi, at 7.
- ^{xii} See Government of Sierra Leone, Ministry of Mines and Mineral Resource, GoSL Online Repository, at <http://sierraleone.revenuesystems.org>, sample screenshots attached hereto as Appendix A.
- ^{xiii} PWYP Project Definition Comment, *supra* note vi, at 2-5.; Comment of Corinna Gilfillan, Head of U.S. Office, Global Witness, at 18-19 (Feb. 25, 2011) (“Global Witness Comment”), at <http://www.sec.gov/comments/s7-42-10/s74210-34.pdf>.
- ^{xiv} Comment of Robert Prael, Financial Management Program Manager, Office of Natural Resource Revenue, U.S. Department of Interior, at 1 (Aug. 4, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-108.pdf> (noting that lease-level payment information would allow comparability between Section 1504 disclosures and information already collected and published by the U.S. Department of Interior); see also PWYP Project Definition Comment, *supra* note vi, App. 1 (U.S. Department of Interior “Report of Sales and Royalty Remittance Form MMS-2014”).
- ^{xv} Oxfam America Comment, *supra* note ix, at 11-13; Comment of Isabel Munilla, Director, Publish What You Pay U.S., at 39-41 (Feb. 25, 2011) (“PWYP Proposed Rule Comment”), at <http://www.sec.gov/comments/s7-42-10/s74210-29.pdf>.
- ^{xvi} Comment of Human Rights Foundation of Monland at 3-4 (July 15, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-99.pdf>; Comment of Elijah Okougbo, General Secretary, Nigeria Union of Petroleum and Natural Gas Workers, at 1 (July 8, 2011) (“NUPENG Comment”), at <http://www.sec.gov/comments/s7-42-10/s74210-97.pdf>; Comment of Ta’ang Students and Youth Organization at 3-6 (June 28, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-92.pdf>; Comment of Bayo Olowoshile, General Secretary, Petroleum & Natural Gas Senior Staff Association of Nigeria (June 27, 2011) (“PENGASSAN Comment”), at <http://www.sec.gov/comments/s7-42-10/s74210-93.pdf>; Comment of Tutu Alicante, Executive Director, EG Justice, at 2-3 (Mar. 29, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-77.pdf>; Comment of Human Rights Foundation of Monland at 2-3 (Mar. 8, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-71.pdf>.

^{xvii} See EarthRights International, *Total Impact: The Human Rights, Environmental, and Financial Impacts of Total and Chevron's Yadana Gas Project in Military-Ruled Burma (Myanmar)* 43 (2009), submitted concurrently with September ERI Comment, *supra* note viii.

^{xviii} Comment of Paul Bugala, Calvert Asset Management Company, Inc., at 2 (Nov. 15, 2010), at <http://www.sec.gov/comments/df-title-xv/specialized-disclosures/specializeddisclosures-49.pdf>.

^{xix} Submission of International Association of Oil and Gas Producers to the European Commission at 5 (June 1, 2011), attached hereto as Appendix B, (comments of industry association including Exxon Mobil, Chevron, and Shell, among others, engaging in extreme speculation on costs and criticizing Section 1504, but admitting that “No in-depth studies regarding costs have yet been carried out by our members[,]” even for country-by-country reporting); Amanda Peterka, “Energy companies fight rule require disclosure of foreign payments,” *Greenwire* (Feb. 2, 2012), at <http://www.eenews.net/gw/2012/02/02/4>, attached hereto as Appendix C (quoting American Petroleum spokesperson as saying, “We don’t have exact numbers” on how much rule implementation would cost).

^{xx} Comment of Bennett Freeman, Senior Vice President, Calvert Asset Management Company, Inc., at 3 (Mar. 1, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-40.pdf>.

^{xxi} PWYP Project Definition Comment, *supra* note vi, at 3-4 & App. 5 (“EITI Indonesia Scoping Note”) at 2, 4-13 (noting “49 revenue-paying production sharing contracts controlled by the 20 largest oil and gas producing companies in the country will report.”).

^{xxii} NUPENG Comment, *supra* note xvi, at 1; PENGASSAN Comment, *supra* note xvi.

^{xxiii} Global Witness Comment, *supra* note xiii, at 22-23;

^{xxiv} PWYP Proposed Rule Comment, *supra* note xv, at 30, 31-32.

^{xxv} *Id.* at 29.

^{xxvi} See Excerpt from Sierra Leone Extractive Industries Transparency Initiative, *First Sierra Leone EITI Reconciliation Report* (Mar. 2010) (Table D 2: Comparison of initial data by company and by revenue stream for 2007) (complete report available at <http://resources.revenuewatch.org/sites/default/files/Published%20SLEITI%20FINAL%20REPORT%20Master%2003-22-2006%5B1%5D.doc>), attached hereto as Appendix D.

^{xxvii} Comment of Jonathan Lash, President, World Resources Institute, at 5-6 (Mar. 1, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-37.pdf>.

^{xxviii} Comment of Rep. Raúl M. Grijalva at 1 (Nov. 15, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210.shtml>; Oxfam America Comment, *supra* note ix, at 9; September ERI Comment, *supra* note viii, at 5 n.10; Comment of Sen. Benjamin L. Cardin, Sen. John F. Kerry, Sen. Patrick Leahy, Sen. Charles E. Schumer, and Rep. Barney Frank at 1 (Mar. 1, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-42.pdf>; Comment of Sen. Carl Levin at 1 (Feb. 1, 2011), at <http://www.sec.gov/comments/s7-42-10/s74210-19.pdf>.

^{xxix} Comment of Jonathan G. Kaufman, Staff Attorney, EarthRights International, at 9-11 (Jan. 26, 2011) (“January ERI Comment”), at <http://www.sec.gov/comments/s7-42-10/s74210-8.pdf>.

^{xxx} The Commission interpreted statutory language requiring disclosures to be “included” in a periodic report as meaning that the information should be filed, rather than furnished, in the context of Section 302 of the Sarbanes-Oxley Act. See January ERI Comment, *supra* note xxix, at 10. For the Section 1503 Final Rule Release, see Securities and Exchange Commission, *Mine Safety Disclosure*, Release Nos. 33-9286; 34-66019 (Dec. 21, 2011) [76 FR 81762, 81767] (final rule), available at <http://www.sec.gov/rules/final/2011/33-9286.pdf> (noting that filing is consistent with statutory language requiring information to be included in periodic reports, and would therefore be subject to Section 18 of the Exchange Act “as is the case with other disclosure [*sic*] filed as part of a periodic report”).

Appendix A

**Sample Screenshots from Sierra Leone Ministry of Mines and
Mineral Resources Online Repository**

GoSL Online Repository - Desktop Manager - Mozilla Firefox


File Edit View History Bookmarks Tools Help

GoSL Online Repository - Desktop Manager

sierraleone.revenuesystems.org/desktop/desktop?workspaceId=284048

Most Visited Gmail Lexis EarthRights Webmail Westlaw

AVG Search Site Safety Weather Facebook

 **Government of Sierra Leone**
GoSL Online Repository
Ministry of Mines and Mineral Resources

Home DashBoard Map Help Desktop: Industrial 13-01-12 Log Off

MCO Industrial Mineral Rights Data as of 13 January 2012. Payment data available for 2010 and 2011. Exporters and Dealers are in a separate Desktop. Artisanal data is to come within short.

COMPANY PAID BY COMPANY BY LICENSE BY STATUS LATEST APL.

Filters

Expand All Hierarchy:Holder / Company / Records: 578 Download:

Code	
	Koidu Holdings SA (15)
Holder	Kola Enterprise Ltd (1)
	Kripto International Mining Company (SL) (8)
	Leone Trading International Company Limited (5)
Tax ID	Lion Mining Company Limited (1)
	Lion Mountain Mining/Fishing Co (SL) Ltd (3)
	LOHEGRIN RESOURCES LIMITED (2)
Type	London Mining (2)
Status	LRB Company Limited (2)
Year	Luso Mining Company (SL) Limited (1)
Currency	Magna Egoli Mining Company (SL) Limited (1)
	Makpele Mining Company Limited (2)
	Marampa Iron Ore (SL) Limited (3)
	Marong Agro Minerals and Mining Company(SL) Limited (1)
	Matamic Mining Corporative (SL) Limited (1)
	Metal Exploration (Mauritius) Limited (30)
	Mile Stone Trading Limited (5)

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GoSL Online Repository - Desktop Manager - Mozilla Firefox


File Edit View History Bookmarks Tools Help

GoSL Online Repository - Desktop Manager

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Most Visited Gmail Lexis EarthRights Webmail Westlaw

AVG Search Site Safety Weather Facebook



Government of Sierra Leone

GoSL Online Repository

Ministry of Mines and Mineral Resources

Home Dashboard

COMPANY PAID

Filters

Code

Holder

Tax ID

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Year

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Reset Apply

Record Details

Code: ML 06/95

Date Of Application: 01 - Feb 95

Issuing Office: Freetown

Company: Koidu Holdings SA

License Type: Large Scale

Status: Licensed

Date Approved: 01 - May 95

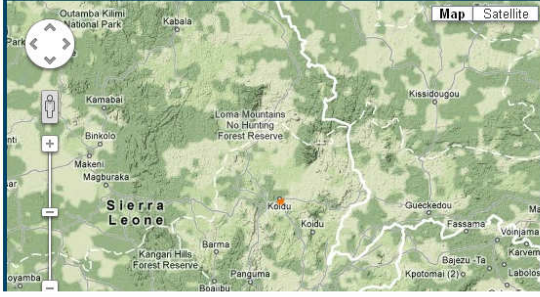
Sq Kms: 4

Total Paid: USD 2,316,614


Locations: TANKORO (KONO) -


Mineral: Diamonds -


GIS:





Map Satellite


Download: 


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61 USD 


37 USD 


82 USD 


23 USD 


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
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Government of Sierra Leone

GoSL Online Repository

Ministry of Mines and Mineral Resources

Home Dashboard

MCO Industries is to come with

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Record Details



A (282700.0; 955130.0)
B (283100.0; 954960.0)
C (283220.0; 954640.0)
D (284780.0; 955440.0)
E (284660.0; 953210.0)
F (282570.0; 953190.0)
G (282560.0; 953540.0)
H (282320.0; 953540.0)
I (282320.0; 954050.0)
J (282660.0; 954200.0)

Payments:

Date	Type	Action	Amount
11 - Jan 12	Cash	Annual Payment	USD 200,000
30 - Dec 11	Cash	Royalty	USD 141,261
08 - Nov 11	Bank Draft	Royalty	USD 133,737
18 - Oct 11	Bank Draft	Royalty	USD 157,782
23 - Aug 11	Bank Draft	Royalty	USD 188,723
01 - Aug 11	Bank Draft	Royalty	USD 185,581
28 - Jun 11	Bank Draft	Royalty	USD 142,886
27 - Jun 11	Bank Draft	Royalty	USD 179,463
12 - May 11	Bank Draft	Royalty	USD 182,596
24 - Feb 11	Cheque	Royalty	USD 201,214
30 - Dec 10	Cash	Annual Payment	USD 200,000
21 - Oct 10	Cash	Royalty	USD 101,685
21 - Oct 10	Bank Draft	Annual Payment	USD 101,685
08 - Jul 10	Bank Draft	Royalty	USD 200,000

12 Log Off

p. Artisanal data

Download:

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Most Visited Gmail Lexis EarthRights Webmail Westlaw

AVG Search Site Safety Weather Facebook



Government of Sierra Leone

GoSL Online Repository

Ministry of Mines and Mineral Resources

Home Dashboard

COMPANY PAID

Filters

Code

Holder

Tax ID

Type

Status

Year

Currency

Reset

Apply

Record Details

Code: EXPL 04/04

Date Of Application: 01 - Jan 01

Issuing Office: Freetown

Company: Koidu Holdings SA

License Type: Exploration-Precious

Status: Licensed

Date Approved: 01 - Jan 04

Sq Kms: 88.5


Total Paid: USD 14,500

Locations: LOWER BAMBARA (KENEMA) -

Mineral: Diamonds - Associated Minerals -

GIS:

Map Satellite



Download:

Download

00 USD

61 USD

37 USD

82 USD

23 USD

81 USD

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Log Off

GoSL Online Repository - Desktop Manager - Mozilla Firefox

GoSL Online Repository - Desktop Manager

sierraleone.revenuesystems.org/desktop/desktop?workspaceId=284048

AVG

Government of Sierra Leone
GoSL Online Repository
Ministry of Mines and Mineral Resources

Home Dashboard

MCO Industries is to come with...

COMPANY PAID

Filters

Code

Holder

Tax ID

Type

Status

Year

Currency

Reset Apply

Record Details

Sierra Leone

A (268991.375; 909196.688)
B (278491.344; 914296.688)
C (279791.313; 911296.688)
D (282991.313; 911296.688)
E (282991.313; 909096.688)
F (278291.344; 904896.75)
G (273691.344; 904796.75)
H (274491.344; 905796.688)
I (274491.344; 906696.688)
J (271791.375; 906696.688)
K (271791.375; 908596.688)
L (271551.0; 908576.0)
M (271156.0; 908336.0)
N (270991.0; 908096.0)
O (270691.375; 907796.688)

Payments:

Date	Type	Action	Amount
08 - Jul 10	Bank Draft	Annual Payment	USD 14,500

Close

Download:

00 USD
61 USD
37 USD
82 USD
23 USD
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86 USD
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96 USD
14 USD
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Appendix B

**Submission of International Association of Oil and Gas Producers to the European
Commission at 5 (June 1, 2011)**

Assess record for 'Country-by-Country Reporting by Multinational Companies'

Meta Informations	
Creation date	20-12-2010
Last update date	
User name	null
Case Number	627926205271735410
Invitation Ref.	
Status	N
Background Information	
For the purpose of analysis of this consultation you want to be identified as -single choice reply- (compulsory)	preparer
If you are preparer, are you -single choice reply- (compulsory)	Association of companies
Name(s) (of respondent and of your organisation / company) -open reply- (compulsory)	
Rachel Bonfante, EU Affairs Manager International Association of Oil and Gas Producers (OGP Europe)	
Country where your organisation / company is located -single choice reply- (compulsory)	BE - Belgique / België
Please provide the name and location of parent company -open reply- (optional)	
209-215 Blackfriars Road London SE1 8NL UNITED KINGDOM	
Your address -open reply- (optional)	
165 Bld du Souverain 1160 Brussels	
Your e-mail address: -open reply- (compulsory)	
rachel.bonfante@ogp.be	
Short description of the general activity of your organisation / company: -open reply- (optional)	
OGP is the single association representing companies and associations engaged in the exploration and production of oil and natural gas both at global and at EU level, with offices in London and Brussels. At EU level, OGP represents members who are active in Europe. OGP Europe participates in the Berlin Fossil Fuels Forum, the Madrid European Gas Regulatory Forum as well as other consultative groups set up by the European Commission, and it is the prime interlocutor for energy policy, environmental and other issues related to this industry. Globally, OGP's worldwide membership accounts for more than half of the world's oil output and about one third of global gas production. OGP fosters cooperation in the area of health, safety and the environment, operations and engineering, and represents the industry before international organisations, such as the UN, IMO and the World Bank, as well as regional seas conventions, such as OSPAR, where it has observer status.	
Is your organisation registered in the Interest Representative Register?	Yes
If your organisation is not registered, you have the opportunity to register here before you submit your contribution. Responses from organisations not registered will be published separately from the registered organisations. -single choice reply- (compulsory)	
Please specify the Register ID number in the Interest Representative Register -open reply- (compulsory)	3954187491-70
Can the Commission contact you if further details on the information you	Yes

submitted is required? -single choice reply- (compulsory)	
Publication: Do you object to publication of the personal data on the grounds that such publication would harm your legitimate interests? -multiple choices reply- (optional)	
<h2>Questionnaire</h2>	
<p>1. Would it be useful to have common EU rules on the disclosure of financial information[10] on a country-by-country basis?</p> <hr/> <p>[10] The Accounting Directives already require issuers to identify subsidiaries, jointly controlled entities and associates in other countries. There is, however, no consensus on what further financial data, if any, should be disclosed on a country-by-country basis. This could include information such as: the financial performance in each country including information on intra-group transactions, pre-tax profit, tax information on a country-by-country basis, etc.</p> <p>-single choice reply- (compulsory)</p>	<p>No opinion</p>
<p>Please explain</p> <p>In replying to this question, please consider:</p> <ul style="list-style-type: none"> (i) whether the existing disclosure requirements (e.g. publication of accounts by subsidiaries of multinationals in third countries concerned) provide sufficient transparency; (ii) whether there is scope for disclosing information only to public authorities (which could consolidate such information on a "country-by-country" basis before making it public); (iii) this transparency requirement in the context of corporate social responsibility; (iv) any possible negative consequences for the EU economy (e.g. impact on security of energy supply in the EU; competitive disadvantages for EU companies which may be disclosing commercially sensitive information, increased reporting costs); and (v) any possible positive/negative repercussions for corporate governance as a consequence of applying higher transparency standards. <p>-open reply- (optional)</p>	
<p>2. Would the disclosure of financial information on a country-by-country basis by multinational companies be meaningful to investors of the company concerned?</p> <p>-single choice reply- (compulsory)</p>	<p>No</p>
<p>Please explain</p> <p>In replying to this question, please consider:</p> <ul style="list-style-type: none"> (i) whether there are risks inherent to multinational companies' activities that could be identified through the disclosure of financial information on a country-by-country basis, and (ii) any possible positive/negative repercussions for corporate governance as a consequence of applying higher transparency standards. <p>If yes, please specify the type of financial information that would be useful (e.g. intra-group transactions, turnover, pre-tax profit, tax expenses on a country-by-country basis, etc.), for which purpose, and how such disclosure could help in achieving the objective of being meaningful to investors. Please consider whether additional specific information would be needed for companies operating in certain sectors (e.g. financial services, extractive industry, other)</p> <p>-open reply- (optional)</p>	
<p>Please note OGP's responses relate specifically to extractive industry payments to governments rather than</p>	

general country level disclosures. The ultimate goal of country by country reporting is to provide civil society in third countries with the ability to hold governments accountable so that revenues collected from extractive activities can be used for public good. However, if not implemented thoughtfully, country by country disclosure may actually harm investors by revealing sensitive information, for example, if a company has only one project or is the sole foreign company present in a country. To comply with new EU laws on payment disclosures, we wish to point out that companies may withdraw from or may choose not to begin operations in certain countries if disclosure of payments breaches local law or contract conditions. This would place companies at a competitive disadvantage in international terms and has the potential to impact EU security of supply. There is also the risk that some companies may simply choose to delist from US and EU stock exchanges in order to avoid compliance. No such risk exists under EITI. Finally, it should be noted that some States will prefer to work with companies not subject to reporting requirements. These elements highlight the need for an exemption where disclosure would conflict with host government/local contractual laws and/or oil and gas contractual conditions. For these reasons, country by country reporting should not be treated in the same way as regulated financial reporting that focuses on investor protection.

3. Would the disclosure of financial information on a country-by-country basis by multinational companies be useful for the purposes of improving tax governance at a global level?

-single choice reply- **(compulsory)**

No opinion

Please explain the type of financial information that would be useful (e.g. intra-group transactions, turnover, pre-tax profit, tax expenses on a country-by-country basis, etc.), and how such disclosure could help in achieving the objective.

-open reply- **(optional)**

4. Would the disclosure of financial information on a country-by-country basis by multinational companies active in the extractive sector (e.g. minerals, oil, natural gas, etc.)^[11] be useful in order to improve domestic accountability and governance in natural resource-rich third countries?

[11] As defined in the IASB Discussion Paper DP/2010/1 on Extractive Activities (April 2010): "Exploring for and finding minerals, oil and natural gas deposits, developing those deposits and extracting the minerals, oil and natural gas. These are referred to as extractive activities or, alternatively, as upstream activities. Minerals, oil and natural gas are non-regenerative natural resources. In other words, they cannot be replaced in their original state after extraction. Minerals are naturally occurring materials in or on the earth's crust that include metallic ores (such as copper, gold, silver, iron, nickel, lead and zinc), other industrial minerals (non-metallic minerals and aggregates), gemstones, uranium and fossilised organic material (coal). Oil and natural gas, often referred to collectively as petroleum, can be defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid or solid phase (such as tar sands or oil shale)."

-single choice reply- **(compulsory)**

Yes

Please explain the type of financial information that would be useful (e.g. intra-group transactions, turnover, payments to governments, pre-tax profit, tax expenses on a country-by-country basis, etc.), other narrative information on activities rather than figures, and how such disclosure could help in achieving the objective. -open reply- **(optional)**

OGP fully supports EITI - three OGP member companies serve on the EITI Board, with a further three member companies acting as alternates. Only EITI brings together all necessary partners (including all non-listed oil and gas companies), ensures the full involvement of sovereign host governments and provides a formal platform for civil society organisations to provide input. OGP cautions against expanding a poorly conceived US law into the EU jurisdiction. This would place the Western extractive sector at a disadvantage vis-à-vis most (non-listed) National Oil Companies (NOCs) in the global competition for resources and ultimately impact energy security. If the EU follows the US approach, it will result in an incomplete picture of payments received by host governments as the obligations apply only to companies registered with the SEC. The failure to capture

payments from NOCs and integrated oil companies registered outside the EU (or not at all) is huge. The US approach will also fail to capture the state share of “profit oil” which, in most Production Sharing Contracts, represents the vast proportion of value taken by the state from oil and gas projects. Differences in the scope of payments covered by the US and EITI approaches will further undermine the ability of civil society to compare data. At EU level, and building on the EITI approach, there must be a clear and consistent approach to the nature and level of aggregation of the payments to be disclosed; “taxes and royalties”, “production entitlement” and “other”; and their destination: local, regional or federal agencies, government institutes, state oil companies and state operating companies. Once again, through on-the-ground experience, EITI has largely resolved these issues. We urge the EU to follow this approach.

5. Would it be useful if financial information on a country-by-country basis by multinational companies would be presented according to predefined standards or formats? - single choice reply- (compulsory)

No

Please explain.

In replying to this question, please consider, in the absence of existing international accounting standards on this issue:

- (i) how could this objective be achieved (e.g. disclosure in the annual management report);
- (ii) at what level should the data be comparable (e.g. at the level of the multinational "company", for the benefit of investors; at the level of the "country", for the benefit of other stakeholders; other?);
- (iii) who could prepare any common reporting format of this kind (e.g. the IASB, ESMA, the OECD) and what would be the advantages of the latter bodies compared to the IASB.

-open reply- (optional)

In OGP’s view, while it is preferable for industry to have a global approach to reporting payments to host governments, the recent approach taken in the US under the Dodd-Frank Act, whilst well-intentioned, is poorly conceived and has the potential to seriously undermine the gold standard created by EITI. In light of this, we request that when considering the implementation of country by country reporting measures at EU level, the Commission establish guidelines that are consistent with the EITI principles and reporting templates. It is important that the considerable EITI achievements remain intact. This could be done, for example, through a legal requirement that all extractive companies listed on an EU-exchange commit to, and comply with, EITI.

6. If country-by-country reporting were to be considered useful, what kind of multinational companies would usefully be targeted? -single choice reply- (compulsory)

Only some issuers of shares in EU regulated markets which meet one or more of the following criteria (click all relevant boxes):

Only some issuers of shares in EU regulated markets which meet one or more of the following criteria (click all relevant boxes): -multiple choices reply- (compulsory)

Large Size [please provide a threshold in terms of capitalization or turnover]

Large Size [please provide a threshold in terms of capitalization or turnover] -open reply- (optional)

Not SMEs but all companies listed on an EU stock exchange

If country-by-country reporting were to be considered useful, what kind of multinational companies would usefully be targeted?

Please explain.

In replying to this question, please consider some of the following issues:

- (i) the benefits that disclosure by all companies may bring;
- (ii) the compliance cost;
- (iii) the extent of a company's activities in third countries (if limited extent, disclosing financial information may be prejudicial to the business position of the company); and
- (iv) the possible consequences for the competitiveness of EU capital markets.

-open reply- (optional)

If country by country reporting of payments to host governments is required, we believe all companies listed on an EU stock exchange (not SMEs) should have to report payments to third country governments based on an EITI type model. As past prosecutions have shown, corrupt practices can take place in any sector. Given the argument that such information lessens the risk to corporate reputation, there is an inconsistency with the view that information regarding payments to governments is useful to investors in the extractive industries but not to investors in other industries.

7. Please provide information on the cost that you estimate that the introduction of country-by-country disclosure requirements could entail. -open reply- (optional)

No in-depth studies regarding costs have yet been carried out by our members. However, the complexity of the US approach leads us to believe that industry will need at least two years to prepare the information required under the Dodd-Frank provisions. US-listed operators estimate they will need to develop systems and procedures, including internal controls, on a scale similar to that initially imposed by Sarbanes-Oxley. The huge burden, in terms of costs and time for companies will be significantly increased if there is a full auditing requirement rather than the thorough, independent validation process pioneered by EITI - a cost that will need to be borne on an annual basis.

8. Please provide any additional comments you may have that have not been addressed above. -open reply- (optional)

9. If you have relevant documents you want to share with us, please attach them here. (optional) -multiple choices reply- (optional)	I attach additional documents
---	-------------------------------

Uploaded files:

OGP position - Country by country reporting consultation - 20-12-10.pdf

PRINT

EXPORT RECORD

Appendix C

Amanda Peterka, “Energy companies fight rule requiring disclosure of foreign payments,”
Greenwire (Feb. 2, 2012)

<http://www.eenews.net/gw/2012/02/02/4>

Energy companies fight rule requiring disclosure of foreign payments

Amanda Peterka, E&E reporter

Published: Thursday, February 2, 2012

Oil, gas and mining industries are battling a late addition to the 2010 financial reform law that requires energy companies to disclose their payments to foreign governments.

Much of the fight has been played behind the scenes at the Securities and Exchange Commission, which is expected to release a final rule this year requiring disclosure of foreign payments. But calls from industry and human rights groups are going public as the final rule's release looms.

Human rights groups in the Publish What You Pay Coalition have been fighting for years to pass the measure they say will curb corruption in resource-rich impoverished countries.

But U.S. energy companies say the rule would put them at a competitive disadvantage to state-owned companies, such as Russian energy giant OAO Gazprom.

"Those foreign companies could use the detailed disclosures required by the proposed rule to piggyback on the exploration of American companies or to negotiate more favorable terms from host governments," the American Petroleum Institute wrote in Jan. 19 comments to the SEC.

The mining industry is urging the SEC to write a new rule that aligns with a voluntary global reporting initiative the United States joined last fall.

The SEC has given itself until June to release a final rule -- a time frame that has been delayed twice from the deadline in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

On Tuesday, five Senate Democrats -- including one of the original co-sponsors of the Dodd-Frank provision -- urged the SEC to "resist pressure to release a weak rule that does not follow the [law's] clear statutory language and intent."

The rule stems the law's Section 1504, which was added to the bill by Sens. Ben Cardin (D-Md.) and Richard Lugar (R-Ind.).

The provision was spurred by a push that began in the 1990s by human rights advocates for mandatory disclosure of companies' payments that contribute to what the groups call the "resource curse" -- that people from resource-rich countries usually don't get to share the wealth.

Corinna Gilfillan, head of the U.S. office for the group Global Witness, points to Angola and Equatorial Guinea as the "classic examples" of resource-rich countries whose people are impoverished.

"These countries may be rich in natural resources," Gilfillan said, "but the resource doesn't contribute well to development. It is often siphoned off to corrupt regimes who can park the money offshore and just use it to consolidate their power."

Rule spreads wide net

Global Witness helped found Publish What You Pay in 2002 to advocate disclosures of payments to foreign governments by U.S. companies. Doing so, the coalition argued, would create a more stable business environment for companies.

Legislation to require such disclosure was introduced each year in Congress beginning in 2007 with the "Extractive Industries Transparency Disclosure Act." Democratic Rep. Barney Frank of Massachusetts, who would later co-sponsor the Dodd-Frank Act with former Sen. Christopher Dodd (D-Conn.), introduced the original bill.

The version that made it into Dodd-Frank was added as an amendment in conference negotiations without going through committee markups. The SEC issued its proposed rule in December 2010.

In the draft rule, resource extraction companies would be required each year to report all taxes, royalties, fees, production entitlements and bonuses paid to governments. Companies would report both the type and total amount of payments made for each project and to each country.

The mandate would take effect a year after the SEC issues its final rule for companies operating in foreign countries and those operating at home. The domestic requirement is aimed at helping the Department of the Interior keep track of 3,000-plus leases it monitors.

Companies must report in an "interactive data format" that the SEC would compile and post on its website.

According to the nonprofit Revenue Watch Institute, which reports on disclosure matters, the SEC rule would cover 503 companies that represent nearly a third of the extractive-resource sector's global market value.

Among oil and gas companies covered by the rule: Exxon Mobil Corp., Petrochina Co. Ltd., Royal Dutch Shell PLC, Brazil's Petrobras, Chevron Corp., China National Offshore Oil Corp. (CNOOC), ConocoPhillips Co., Halliburton Co., Chesapeake Energy Corp. and Marathon Oil Corp.

Also covered are eight of the world's 10 largest mining companies.

Publish What You Pay has praised the rule, saying it would spur activity in other large extractive markets. Last year, the European Union issued a disclosure proposal very similar to the U.S. rule, but the European Union has gone slightly further in that it requires private companies and the timber industry to comply.

"The signals we're seeing is that the other markets are likely to follow what the U.S. comes out with," said Isabel Munilla, U.S. director of Publish What You Pay. "And so, of course, we would like the U.S. to be in the lead, obviously. And that was the intention of Congress, for the U.S. to lead on this."

But the SEC severely underestimated the cost of its proposed rule, according to extractive companies. In comments submitted last October, Exxon Mobil put its cost of compliance at \$50 million. Industrywide, the cost is in the "hundreds of millions of dollars," the company said.

The American Petroleum Institute writes in its Jan. 19 comments that the SEC failed to examine what effects the rule would have on "efficiency, competition and capital formation."

"We don't have exact numbers" on what the rule would cost, said Justin Spickard, API's director of federal relations, "but in many cases it would require a complete overhaul of accounting systems. It certainly would be costly, looking at the contracts that would be lost, the projects that could be lost."

'Heart of the problem'?

The SEC's definition of a project has become one of the main battles over the rule.

Speaking at a December forum in Washington, D.C., Munilla of Publish What You Pay said a project should be defined as "lease, license or other concession level of arrangement, whatever is the legal agreement that gives rise to a payment."

But at the same forum, a representative from mining giant Rio Tinto Group said that the word "project" does not have a finite definition.

"We call a project something in a particular location that's developing a particular resource," said Laurel Green, chief policy adviser of Rio Tinto's external affairs team. "But in fact, a project might constitute tens or hundreds of different licenses."

Veronika Kohler, director of international policy at the National Mining Association, said groups that are calling for a more specific definition of "project" have a "gap in knowledge" of mining companies' daily routines.

In a letter to SEC last March, NMA called on regulators to allow mining companies to define "project" as they define "reporting units" in the financial disclosures they already make.

Spickard of API, on the other hand, appeared to call for an even broader definition of a project, saying that reporting payments on a country-by-country basis "still gets to the heart of the problem." Most importantly, he said, the definition should not require companies to divulge trade secrets.

Other stakeholders have called for the reporting of all projects over a certain price tag.

Bennett Freeman, senior vice president of sustainability research and policy at Calvert Investments Inc., suggested a \$1 million minimum at the December forum. Freeman has represented investors in the disclosure battle for the past decade. Transparency, he said, is "the investor's best friend and ally."

"Until the passage of Dodd-Frank and until the rule is completed and the requirements kick in," he said, "we have had inadequate disclosure, inadequate transparency that we need to properly assess those very, very complex, significant factors of risk in our portfolios."

The other major issue in comments filed to the SEC is whether the agency should allow for exemptions to the rule if disclosure is prohibited by the host country's government.

Royal Dutch Shell, for example, told the SEC last August that it was subject to such disclosure prohibitions in China and Qatar, countries where it invests more than \$20 billion collectively.

"When operating in those countries we are required to follow all their respective laws and regulations," Shell said. "Like in the US, we are not permitted to pick and choose which laws or regulations to follow."

But in comments filed in December, Publish What You Pay argues the oil and gas industry has yet to provide a legal text that proves industry members face such prohibitions abroad. Shell, the coalition says, provided only a single legal opinion from a Chinese law firm as evidence.

Publish What You Pay also blasted a letter from the Qatari government supplied by Exxon Mobil, which says that Qatar has begun drafting new laws to prohibit "commercially sensitive information." That letter lists examples of such information, none of which is required by Section 1504 of Dodd-Frank.

"The minute they think they can get a loophole, they're going to act on it," Munilla said. "We're just finding that it's a bit of a smoke-and-mirrors thing."

Voluntary reporting

Mining companies are calling for the SEC to scrap its proposal altogether and instead align it with the Extractive Industries Transparency Initiative, a global voluntary reporting scheme that President Obama joined last fall ([E&ENews PM](#), Sept. 20, 2011).

Former British Prime Minister Tony Blair announced EITI in 2002. Since its founding that year, approximately 35 countries have joined and are in varying levels of compliance.

Under the initiative, countries convene groups of stakeholders to come up with disclosure requirements for extractive industries. They follow a general EITI framework but retain control of specifics.

Kohler of the National Mining Association said it makes sense for the SEC to delay its rule and wait for whatever the U.S. stakeholder groups come up with under EITI.

"We would hope one would reference the other, rather than having two systems, one which would deviate from the other, even if inadvertently," Kohler said.

Human rights organizations agree that EITI and the U.S. law should go hand in hand, but they say EITI should come from Dodd-Frank. The global reporting initiative will pick up where Dodd-Frank leaves off, they say, by covering private as well as public companies.

To be sure, many companies are already disclosing their payments.

The Hong Kong Stock Exchange and the Alternative Investment Market of the London Stock Exchange both recently required companies to disclose at the time of listing.

According to Publish What You Pay, U.S. company Newmont Mining Corp., Norway's Statoil ASA, Canada's Talisman Energy Inc. and South Africa's AngloGold Ashanti Ltd. disclose payments on a country-by-country level. Australia's Rio Tinto discloses payments to certain countries.

"Our companies, they see the benefits of operating in these transparent atmospheres," Kohler said, adding that transparency creates a more stable situation in the countries and creates better relationships with local nongovernmental organizations.

But voluntary efforts have not been enough, the rule's supporters say. And though EITI has made progress, groups say it is unlikely that countries known for secrecy surrounding extractive industries --- Angola, Burma, Cambodia, China, Equatorial Guinea, Iran and Russia -- will ever sign onto the initiative.

"We needed this jolt, this catalyst from mandatory disclosure," Calvert Investments' Freeman said.

Appendix D

Excerpt from Sierra Leone Extractive Industries Transparency Initiative, *First Sierra Leone EITI Reconciliation Report* (Mar. 2010) (Table D 2: Comparison of initial data by company and by revenue stream for 2007)

Sierra Leone Extractive Industries Transparency Initiative (SLEITI)



DATA RECONCILIATION SERVICES

(Grant No: TF093541-SL)

First Sierra Leone EITI Reconciliation Report

Final Report

March 8, 2010

SUBMITTED BY:

Verdi Consulting
1593 Spring Hill Road
Suite 510 East
Vienna, VA 22182
USA



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Contact Facsimile: +1-703 584 7790
Website: www.verdiconsulting.net

Company/Revenue Stream	Company Reported		MDA Reported		Unresolved	
	USD	Le	USD	Le	USD	Le
Sierra Rutile Ltd	880,970	2,071,230,394	361,168	882,619,469	(519,802)	(1,188,610,925)
Agricultural Development Fund	0	102,800,000	0	102,800,000	0	0
Corporate tax	71,728	0	0	211,181,813	(71,728)	211,181,813
Customs Duties	66,194	0	69,907	0	3,713	0
Mining lease	152,992	0	80,020	0	(72,972)	0
Licenses	20,920	0	20,920	0	0	0
NASSIT Payments	0	1,207,938,092	0	0	0	(1,207,938,092)
Other	0	741,791,101	0	0	0	(741,791,101)
Royalty	117,340	0	190,321	0	72,981	0
Surface rent	451,796	0	0	558,663,455	(451,796)	558,663,455
Withholding Tax	0	18,701,200	0	9,974,201	0	(8,726,999)
Unspecified Company	0	0	0	57,050,000	0	57,050,000
Surface rent	0	0	0	57,050,000	0	57,050,000

Table D 2: Comparison of initial data by company and by revenue stream for 2007

Company/Revenue Stream	Company Reported		MDA Reported		Unresolved	
	USD	Le	USD	Le	USD	Le
2007	9,388,643	14,067,948,301	7,042,286	4,066,934,100	(2,346,356)	(10,001,014,201)
African Minerals	1,800,362	6,757,864,350	1,090,395	647,831,425	(709,967)	(6,110,032,925)
Agricultural Development Fund	1,100	0	0	0	(1,100)	0
Mining lease	200,000	0	0	0	(200,000)	0
Licenses	1,041,600	0	653,000	0	(388,600)	0
NASSIT Payments	0	1,012,183,350	0	0	0	(1,012,183,350)

Company/Revenue Stream	Company Reported		MDA Reported		Unresolved	
	USD	Le	USD	Le	USD	Le
Royalty	557,662	0	437,395	312,215,425	(120,267)	312,215,425
Surface rent	0	4,267,987,650	0	335,616,000	0	(3,932,371,650)
Taxes from employees (PAYE)	0	1,477,693,350	0	0	0	(1,477,693,350)
Cluff Gold	31,400	246,903,684	0	0	(31,400)	(246,903,684)
Licenses	31,400	0	0	0	(31,400)	0
NASSIT Payments	0	50,484,499	0	0	0	(50,484,499)
Taxes from employees (PAYE)	0	50,759,174	0	0	0	(50,759,174)
Withholding Tax	0	145,660,011	0	0	0	(145,660,011)
Hisham Mackie	1,716,068	6,000,000	1,699,569	0	(16,499)	(6,000,000)
Alluvial Diamond exporters license	41,500	0	40,000	0	(1,500)	0
Diamond Exporter Agent	15,000	6,000,000	0	0	(15,000)	(6,000,000)
Royalty	1,659,568	0	1,659,569	0	1	0
Kassim Basma	807,367	7,200,000	785,876	159,005,000	(21,491)	151,805,000
Alluvial Diamond exporters license	41,500	0	40,000	0	(1,500)	0
Corporate tax	0	0	0	50,000,000	0	50,000,000
Diamond Exporter Agent	20,000	7,200,000	0	0	(20,000)	(7,200,000)
Other	0	0	0	8,455,000	0	8,455,000
Royalty	745,867	0	745,876	0	9	0
Taxes from employees (PAYE)	0	0	0	100,000,000	0	100,000,000
Withholding Tax	0	0	0	550,000	0	550,000
Koidu Holdings S.A	1,856,406	3,941,924,342	1,748,032	1,642,042,194	(108,374)	(2,299,882,148)
Agricultural Development	23,447	0	0	0	(23,447)	0

Company/Revenue Stream	Company Reported		MDA Reported		Unresolved	
	USD	Le	USD	Le	USD	Le
Fund						
Customs Duties	0	1,150,492,754	0	0	0	(1,150,492,754)
Mining lease	200,000	0	0	0	(200,000)	0
Licenses	53,000	0	53,000	0	0	0
NASSIT Payments	0	1,011,955,327	0	0	0	(1,011,955,327)
Other	0	131,400,000	0	0	0	(131,400,000)
Royalty	1,550,391	0	1,465,464	0	(84,927)	0
Surface rent	29,568	0	29,568	0	0	0
Taxes from employees (PAYE)	0	1,648,076,261	0	1,642,042,194	0	(6,034,067)
London Mining Co.	125,000	417,583,453	125,000	205,373,608	0	(212,209,845)
Customs Duties	0	48,698,055	0	0	0	(48,698,055)
Mining lease	100,000	0	100,000	0	0	0
NASSIT Payments	0	63,172,500	0	0	0	(63,172,500)
Surface rent	25,000	0	25,000	0	0	0
Taxes from employees (PAYE)	0	96,232,565	0	0	0	(96,232,565)
Withholding Tax	0	209,480,333	0	205,373,608	0	(4,106,725)
Sierra Minerals	2,532,040	138,673,800	1,188,975	358,860,992	(1,343,066)	220,187,192
Agricultural Development Fund	52,331	0	0	46,500,000	(52,331)	46,500,000
Corporate tax	412,478	0	0	235,049,111	(412,478)	235,049,111
Customs Duties	1,107,425	0	257,484	0	(849,941)	0
Mining lease	50,960	0	50,960	0	0	0
Other	11,448	138,673,800	0	0	(11,448)	(138,673,800)
Royalty	862,436	0	880,530	0	18,094	0

Company/Revenue Stream	Company Reported		MDA Reported		Unresolved	
	USD	Le	USD	Le	USD	Le
Surface rent	34,962	0	0	77,311,881	(34,962)	77,311,881
Sierra Rutile Ltd	519,999	2,551,798,672	404,440	951,130,881	(115,560)	(1,600,667,792)
Agricultural Development Fund	0	181,186,700	0	139,500,000	0	(41,686,700)
Corporate tax	75,000	0	0	147,654,500	(75,000)	147,654,500
Customs Duties	115,172	0	92,019	1,594,039	(23,153)	1,594,039
Mining lease	132,903	0	132,903	0	0	0
NASSIT Payments	0	1,277,305,380	0	0	0	(1,277,305,380)
Other	0	425,439,300	0	0	0	(425,439,300)
Royalty	196,925	0	179,518	0	(17,407)	0
Surface rent	0	378,854,077	0	299,558,376	0	(79,295,701)
Taxes from employees (PAYE)	0	0	0	29,229,476	0	29,229,476
Withholding Tax	0	289,013,215	0	333,594,489	0	44,581,274
Unspecified company	0	0	0	102,690,000	0	102,690,000
Surface rent	0	0	0	102,690,000	0	102,690,000