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New Rule to Curb Corruption in Oil, Gas and Mining Falls Woefully Short

Revised Rule Goes Against Global Consensus for Transparency

The U.S. Securities and Exchange Commission (SEC) voted today to adopt a rule to implement Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Section 1504 requires disclosure of payments to foreign governments by U.S. companies in the oil, gas, forestry and mining sectors. The law that the rule is implementing was originally intended to fight corruption through bribery and other illicit payments to corrupt foreign officials.

Transparency International's U.S. Office Director Gary Kalman issued the following statement on passage of the final rule for Section 1504 by the SEC:

The changes made to the rule will make it easier for corrupt leaders all over the world to enrich themselves while endangering local economies and environments. When mining, timber, or other natural resource industries bribe public officials in exchange for special access to environmentally sensitive land or buy the silence of officials who witness wrongdoing, they undermine efforts to combat climate change, destroy lands needed for local farming, and poison clean drinking water supplies.

The revised rule defies overwhelming evidence in favor of a comprehensive and enforceable rule. It ignores the global consensus built among other nations and stakeholders calling for greater transparency including several of the world's largest oil and mining companies.

The rule thwarts global progress towards transparency in the extractives industry. The U.S. should be among the leaders. Instead, we are failing to live up to even the bare minimum of a world standard set by Europe and other advanced economies.

The Biden administration must revisit this rule to make the U.S. a leader on transparency in the oil, gas and mining industry. We should adopt a model rule that shows a U.S. commitment to transparency and the rule of law.

Related Resources

[Proposed U.S. Rule III-equipped to Prevent Secret Payments by Oil, Gas, Forestry & Mining Companies](#)
[Transparency International's full comment, 13 March 2020](#)

SEC proposal: [Disclosure of Payments by Resource Extraction Issuers](#)

Transparency International EU (2018), [Under the Surface: Looking into payments by oil, gas and mining companies to governments](#)

Media Contact

Scott Greytak, Advocacy Director, Transparency International—U.S. Office

Telephone: +1 614-668-0258

Email: media-us@transparency.org

Twitter: [@transparencyUSA](https://twitter.com/transparencyUSA)