



# DODD FRANK SEC 1504 FINAL RULE OVERVIEW





# Annual Reports



Resource Extraction Issuer (issuer)– companies required to file annual reports using Form SD under Sect 13 or 15(d) of Exchange Act with SEC and engaged in commercial development of oil, natural gas, or minerals

- Commercial development = exploration, extraction, processing, export or the acquisition of a license for any such activity





# Project



Operational activities governed by a single contract, license, lease, concession, or similar legal agreement, which form the basis for payment liabilities with a government.

- Agreements that are both operationally and geographically interconnected may be treated by the Issuer as a single project.





# Payments



Taxes, royalties, fees, production entitlements, bonuses, social responsibility payments (req'd by law or contract), dividends, payments for infrastructure improvements

- Not fines or penalties although note USEITI includes them





# USEITI Alternative Reporting



- Issuers may use alternate reports to comply, if Commission determines the requirements applicable to those reports are substantially similar to this rule.
- Commission determined USEITI is substantially similar
  - But only for payments to U.S., not foreign gov't
  - Issuers have to supplement USEITI report with payment info to foreign gov'ts
  - May have to supplement to provide info on fiscal year basis
- Issuers must include a statement in the body of Form SD that it is relying on this accommodation.



# Effective Date



Issuer must comply starting with their fiscal year ending no earlier than September 30, 2018

- 2 years after effective date of rule
- May 30, 2019 for most issuers (those with December 31 fiscal year end)

