

## **New anti-corruption measure for oil, gas and mining companies passes into law amidst cautions from civil society**

December 17th 2014 –Canada’s new law requiring oil, gas, and mining companies to annually report the taxes, royalties and other payments they make to governments passed into law on December 16th after receiving Royal Assent. Civil society organizations in Canada and abroad are welcoming the news, but caution that much work needs to be done to ensure citizens in resource-rich developing countries can access and use the information companies disclose.

“Canada’s leadership on extractives transparency will reduce opportunities for corruption and improve governance, impacting the lives of millions of citizens in resource rich countries,” said Claire Woodside, Director of Publish What You Pay-Canada (PWYP). “The *Extractive Sector Transparency Measures Act* will shed light on extractive sector payments, which in many cases have been shrouded in secrecy, creating new opportunities for citizens to hold their governments to account for the effective management and expenditure of these funds.”

“Many of the poor communities we work with in resource-rich developing countries experience the negative impacts of resource extraction without seeing many tangible benefits,” says Harry Kits from World Vision Canada, a PWYP member. “Payments from Canadian companies to host governments – when invested in education, health, and social programs – can contribute to sustainable development and lead to better opportunities for poor children. Yet for accountability around these payments to be possible, information must be reported in a way that is detailed enough and meaningful to local communities.”

Unlike comparable legislation in other jurisdictions, Canada’s legislation does not stipulate that payments be reported on a country-by country and project-by-project basis. Also, in contrast to the EU, it creates the possibility through future regulation that companies could be granted exemptions to not provide information in particularly corrupt countries and for public access to information to be restricted

While Canadian officials have indicated their commitment to project-level reporting, this and other crucial details – such as how much of companies’ reports will be made publically available – will be decided by a multi-stakeholder administrative process. It is critical that the outcome of this process include country-by-country, project-by-project reporting, reflecting the needs of data-users, which include,



amongst others, citizens, civil society organizations, parliamentarians, and journalists.

“For data-users in the more than 100 countries where Canadian extractive companies are active, Canada must ensure a strong reporting standard, aligned with global best practice,” says Woodside. “This includes public project-level reporting of payments with no exemptions.”

The Act is expected to come into force no later than June 1<sup>st</sup> 2015, with company reports beginning in May/June of 2017 for companies with a December 31<sup>st</sup> year end.

With the passage of the *Extractive Sector Transparency Measures Act*, Canada joins a growing number of jurisdictions, including the United States and the European Union that have put in place payment disclosure rules for extractive sector companies.

*PWYP-Canada* is the Canadian coalition of Publish What You Pay, a global network of over 800 civil society organizations united in their call for oil, gas and mining revenues to form the basis for development and improve the lives of citizens in resource-rich countries:

[www.pwyp.ca](http://www.pwyp.ca); [www.publishwhatyoupay.org](http://www.publishwhatyoupay.org)

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