

August 14, 2013

Mary Jo White
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman White:

As investors representing more than US\$5.6 trillion in assets under management, we commend the U.S. Securities and Exchange Commission (SEC) for its leadership in producing final rules for the implementation of Section 1504 of the Dodd–Frank Wall Street Reform and Consumer Protection Act (Section 1504). The rules were carefully considered and reflected investors' substantial interest in oil, gas and mining industry payment transparency. The SEC's leadership encouraged the development of a public global disclosure standard that includes the European Union Transparency Directive and regulation under development in Canada.

On July 2, the U.S. District Court for the District of Columbia made a ruling in *American Petroleum Institute et al. vs. Securities and Exchange Commission* vacating the rules for the implementation of Section 1504 and requiring the Commission to review them. We encourage the SEC to continue its vigorous defense of the Section 1504 rules as it responds to the U.S. District Court's decision.

It is in the interest of investors and companies subject to both the U.S. and EU requirements that the reporting obligations in these jurisdictions are as uniform as possible. Consistent and predictable regulations may lower compliance costs and enhance the salience of disclosures. Therefore, we hope that the SEC will take all necessary steps to ensure that the rules go into effect as early as possible and that they maintain continuity with regulations in other jurisdictions. In doing so, the SEC should have due regard to the lengthy deliberations it conducted before the promulgation of the rules, and the inputs from diverse constituencies including many investors.

Payment disclosure regulations, such as Section 1504 and the European Union Transparency Directive, play a critical role in encouraging greater stability in resource-rich countries, which benefits both the citizens of those countries and investors. The Extractive Industries Transparency Initiative (EITI) Board Chair Clare Short has stated that mandatory payment disclosure regulations would "strengthen the local accountability EITI provides¹." In fact, the latest revision of the EITI standard explicitly made project level payment disclosure contingent on alignment with SEC and EU regulation. We encourage the SEC to keep the complementary nature of regulations such as Section 1504 and EITI in mind as it considers its response to the U.S. District Court.

Investors depend on the SEC's leadership and deliberate consideration of disclosure requirements that protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. We commend the Commission on issuing rules for the implementation of

¹ Extractive Industries Transparency Initiative Web Site. "European Commission proposes disclosure requirements, 'to strengthen the EITI.'" Posted October 25, 2011. Accessed July 17, 2013. <http://eiti.org/news-events/proposed-eu-disclosure-requirements-strengthen-eiti#>

Section 1504 that reflect thorough contemplation of these factors and are confident the SEC will continue to act in the interest of investors as it responds to the U.S. District Court's July 2 ruling in API vs. SEC.

Sincerely,

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