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27th June 2014

By E-Mail:

Chair Mary Jo White
Commissioner Luis Aguilar
Commissioner Daniel Gallagher
Commissioner Michael Piwowar
Commissioner Kara Stein

Securities and Exchange Commission
100 F Street, NE
Washington, DC
20459-1090

Re: UK Prime Minister's statement on the Dodd-Frank Act Section 1504 implementing rule

Dear Chair and Commissioners,

We wish to bring to your attention a statement by the UK Prime Minister David Cameron, which urges the Commission to introduce an implementing rule for Section 1504 of the Dodd-Frank Act that includes public, company-by-company and project-by-project reporting of payments to all governments.

The statement is included in an opinion piece by Prime Minister Cameron published in the Wall Street Journal on 4th June 2014 ('The Corruption Cure: Transparency, Taxes, Trade'):

"Last year, the G-8 agreed to work toward common global standards of transparency in extractive industries to help end the scandal of people in power looting billions of dollars from countries that are rich in oil, gas and minerals. Europe has already agreed to rules for public, company-by-company and project-by-project reporting of payments to all governments. Canada plans to follow suit. We now need the U.S. to do the same, so we can work together to deliver common global standards. There is no reason we can't all agree to this within the next few months."

Global Witness strongly concurs with the UK Prime Minister's statement. By re-issuing a rule that requires public, company-by-company and project-by-project

reporting of payments to all governments, the Commission will ensure the U.S. reporting standard is equivalent to the EU Accounting and Transparency Directives.

As we note in our previous comment of 16th May 2014, the EU Directives leave no leeway for Member States to depart from the agreed standard of reporting. Recent suggestions to the contrary by other commentators are completely misguided and without any legal basis: the EU legal requirements are firmly set in stone.

Companies, investors, governments and civil society alike are calling for a globally consistent reporting standard which does not create undue reporting burdens for extractive companies that are listed in multiple markets. As the EU Directives are fixed, in order to achieve consistency and fulfil the Congressional mandate to “support the commitment of the Federal Government to international transparency promotion efforts relating to the commercial development of oil, natural gas, or minerals”, we urge the Commission to align the U.S. reporting requirements with the Europe-wide standard, as called for by the UK Prime Minister, in the interests of all stakeholders.

Sincerely,

A handwritten signature in black ink, appearing to read 'CG', with a stylized flourish extending to the right.

Corinna Gilfillan
Global Witness
Head of the U.S. Office

APPENDIX: Text of the UK Prime Minister's *Wall Street Journal* opinion piece, 4th June 2014.

Available online at: <http://online.wsj.com/articles/david-cameron-the-corruption-curetransparency-taxes-trade-1401913005>

The Corruption Cure: Transparency, Taxes, Trade

G-7 leaders should address the crony capitalism eating away at economic and political systems.

By DAVID CAMERON

Updated June 4, 2014 7:15 p.m. ET

At the G-7 meeting in Brussels this week, leaders of the world's largest economies should address the real cancer eating away at the world's economic and political systems: corruption.

Corruption is the archenemy of democracy and development. It stifles growth and corrodes the contract between state and citizen. Taking action against corruption is crucial to building stability around the world: whether it's supporting a new Ukraine free from crony capitalism; fostering more open societies in the Arab world; or eliminating the poverty and bad governance that still blight too much of Africa.

The best way to fight corruption and drive growth is through what I call the three Ts: greater transparency, fair tax systems and freer trade.

We need greater transparency over the ownership of companies and the use of natural resources to stop corrupt officials, oligarchs and money launderers from plundering the wealth of countries and funneling money around with impunity. We need tax systems where all pay what they owe, because when taxes aren't collected, it is the poor who suffer. And we need freer trade because when bureaucracy and trade barriers prevent people selling their goods for a fair price, nations are denied the chance to grow.

Since I put these issues on the international agenda at the G-8 summit in Lough Erne, Northern Ireland, last year, we have made significant progress. But there is an urgent need to do more.

On the ownership of companies, the G-20 has agreed that companies should know who really owns and controls them and that tax collectors and law enforcers should be able to obtain this information easily. In the U.K., we have committed to making this information public. But we need others to do the same. Until this information is easily available in every country, we will never completely lift the cloak of secrecy that is allowing corrupt regimes to stash their money abroad under false identities.

Last year, the G-8 agreed to work toward common global standards of transparency in extractive industries to help end the scandal of people in power looting billions of dollars from countries that are rich in oil, gas and minerals. Europe has already agreed to rules for public, company-by-company and project-by-project reporting of payments to all governments. Canada plans to follow suit. We now need the U.S. to do the same, so we can work together to deliver common global standards. There is no reason we can't all agree to this within the next few months.

On taxation, since Lough Erne a further 15 jurisdictions—including India, South Africa and Colombia—have signed up to a timetable for the implementation of a new global standard for the automatic exchange of information about who pays taxes where, bringing the total of participants to 44. We have also made progress on new international rules to stop companies from artificially shifting their profits across borders to avoid taxes. But we need to go further and faster.

Only when we actually start exchanging information automatically will we really improve the ability of our tax collectors to ensure people and companies pay what is due. So we need to get on with it—and as we do, we must continue to increase the number of countries taking part and, crucially, find ways of making tax information available to developing countries, too. Similarly, I believe we should get on with agreeing to the global country-by-country tax tool to help tax authorities build a clear picture of who is paying taxes where. I hope this can happen at the November G-20 Summit in Brisbane. But to keep us on track I believe that G-7 countries should consider introducing this tool sooner, to lead by example and achieve maximum transparency with minimum burdens on business.

On trade, the World Trade Organization in December delivered a massive breakthrough, with the first global trade deal in a generation. Every country in the WTO committed to sweep away red tape and bureaucracy at ports and borders. This alone could add £70 billion to the world economy each year, including £7 billion for sub-Saharan Africa and £1 billion for the U.K.

We must build on this momentum and press ahead with global negotiations on services and green goods, and we must take a bold and ambitious approach to bilateral trade deals. That means signing the EU-Canada deal and continuing the progress toward an EU-Japan agreement.

Above all it means seizing the historic opportunity to conclude a deal like no other: the Trans-Atlantic Trade and Investment Partnership between the U.S. and EU begun at Lough Erne. This deal has the potential to deliver a turbo-boost to growth and jobs, helping to secure our economic future for the long-term. And by making global supply chains more efficient, it will also have benefits for the global economy. We must have the political courage to be radical in seeing this through. I certainly intend to be. And we must be just as ambitious in offering strong support for market access for the least developed countries.

By taking these bold steps in advancing greater transparency, fairer taxes and freer trade, this G-7 summit can play its part in leading the global fight against corruption. By standing firm on the values and responsibilities that tie us together, we can build a better, safer and more prosperous future for our people and for the world.

Mr. Cameron is prime minister of the United Kingdom.