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 20549-1090

Re: Rulemaking for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act – Natural Resource Canada draft implementation tools for ESTMA

October 2nd, 2015

Dear Chair White and Commissioners:

I'm writing to you on behalf of Publish What You Pay Canada (PWYP-Canada) regarding the coming into force of the Extractive Sector Transparency Measures Act (ESTMA) in Canada, as well as the publication of draft implementation tools and reporting templates that have been created by Natural Resources Canada to accompany the Act. The draft implementation tools are consistent with the regulations recently adopted in the United Kingdom as well as the SEC rule adopted in August 2012. The draft implementation tools were published for consultation in late July by Natural Resources Canada[1], and are made up of the following documents:

1) ESTMA Guidance
2) Technical Reporting Specifications
3) Reporting Template in XLS
4) Reporting Template in PDF

Copies of the ESTMA Guidance and Technical Reporting Specifications are attached to this letter. It is important to note that both industry and civil society organizations were consulted during the drafting of these documents, and the open comment period for the public closed on September 22nd 2015.

The ESTMA and the draft implementation tools provide yet another example of the expanding global standard on the mandatory disclosure of payments made by oil, gas and mining companies to governments. We would therefore like to draw your attention to several key points within the Extractive Sector Transparency Measures Act and the draft implementation tools that are of relevance to the rulemaking for Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and note that these were created based on the input from representatives of the Canadian oil, gas and mining sector as well as Canadian civil society.

About PWYP-Canada

PWYP-Canada is a coalition of 15 civil society organizations including development organizations, labour unions, and faith-based groups. PWYP-Canada has been heavily involved in efforts to secure a mandatory payment disclosure requirement in Canada, engaging with the Government of Canada on this important issue for over 7 years.

[1] http://www.nrcan.gc.ca/acts-regulations/17727

PWYP-Canada has worked extensively with the Canadian mining sector for the past several years through the Resource Revenue Transparency Working Group ("RRTWG"). The RRTWG was launched in September 2012 by PWYP-Canada, the Mining Association of Canada (MAC), the Prospectors and Developers Association of Canada (PDAC) and the Natural Resource Governance Institute, with the objective of creating joint recommendations to the Federal and provincial governments in Canada on how to implement a mandatory disclosure framework in Canada. Together, MAC and PDAC represent over 1000 mining companies, which presented a significant opportunity for direct engagement with companies that would be subject to such a disclosure framework.

The Adoption and Implementation of Transparency Legislation in Canada

Following over a year and a half of meetings, outreach and public consultation sessions in various cities across Canada, the RRTWG released a set of formal recommendations to the Federal and provincial governments in Canada regarding implementation of a mandatory disclosure framework.[2] These recommendations were aligned with the European Union's Transparency and Accounting Directives adopted in 2013, as well as the 2012 rule issued by the Securities and Exchange Commission (SEC) for Section 1504 of the Dodd-Frank Act. Members of the RRTWG went on to promote the implementation of formal recommendations at both the Federal and provincial levels, which eventually culminated in support from the Government of Canada and provincial governments.[3]

The RRTWG played an influential role in securing a commitment by the Government of Canada prior to the G8 Summit in 2013 to implement a mandatory disclosure requirement for Canadian oil, gas and mining companies. In December 2014, the Government of Canada adopted the Extractive Sector Transparency Measures Act (ESTMA),[4] which was subsequently brought into force on June 1st 2015. The ESTMA requires extractives companies to report the payments they make to governments for the commercial development of oil, gas, and mineral resources. It is aligned with the EU Directives, mandating public disclosure by project for each individual company, and applies to both listed and large private Canadian oil, gas and mining companies operating in Canada and abroad, with no exemptions for companies operating in any particular country. Evidence of such alignment is demonstrated in the Government of Canada's substitution determination made for the European Directives, which allows ESTMA reporting entities to provide a report submitted to European Union and European Economic Area member-states that have implemented the EU Accounting and Transparency Directives at a national level in place of an ESTMA report, so long as it is attested to using the prescribed attestation statement.[5]

Project-level Reporting

Project-level reporting has become the best practice in the field of reporting payments to governments in the oil, gas and mining sectors over the past several years. In the draft reporting specifications released by Natural Resources Canada which, once finalized, must be followed in order for a company to be deemed in compliance with the Act, a project is defined as follows:

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[2] http://www.pwyp.ca/images/M_images/Working_Group_Transparency_Recommendations_Eng.pdf
[3] http://www.huffingtonpost.ca/claire-woodside/canada-mining-transparency-_b_4747536.html
[4] http://laws-lois.justice.gc.ca/PDF/E-22.7.pdf
[5] http://www.nrcan.gc.ca/acts-regulations/17754

A "project" means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, this shall be considered a project.

"Substantially interconnected" means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities.[6]

A project-level reporting requirement was strongly supported by the Canadian mining sector. The Memorandum of Understanding that governed the work of the Resource Revenue Transparency Working Group (RRTWG) clearly stated that the purpose of the group was to make recommendations for project-level mandatory disclosure. The final recommendations of the RRTWG reinforced this commitment, stating that the Government of Canada should require disclosure at the project-level with a definition in line with that contained in the EU Directives and the 2012 SEC rule for Section 1504 of the Dodd-Frank Act.[7] Furthermore, the RRTWG further elaborated that a project was **not** to be defined on the following basis:

- on basis of its materiality to the company;
- as equivalent to a reporting unit;
- as an aggregation of all activities within a country;
- or as a geologic basin.

Public Reporting by Individual Companies

The anonymous disclosure model produced by the American Petroleum Institute would not comply with the requirements of the ESTMA given it does not distinguish payments made for each specific company. The ESTMA requires that each company publish an individual report and that they make that report available to the public. The ESTMA states that:

"An entity must, on providing the Minister with a report in accordance with section 9 — or on being deemed to have done so by the operation of subsection 10(2) or section 11 — make any information required by regulations made under paragraph 23(1)(f) available to the public or, if no such regulation is made, make the report and any information provided to the Minister under paragraph 10(2)(c) available to the public".[8]

It is imperative that the SEC require project-level disclosure at the individual company level. A model that anonymizes the disclosures would create a lower standard than those implemented in the EU, Norway and in Canada. This could create a fragmented system whereby US reporting may not be deemed as equivalent with other reporting jurisdictions, creating unnecessary burdens for companies.

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[6] http://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/pdf/estma/Technical_Reporting_Specifications_EN.pdf (see page 4)
[7] http://www.pwyp.ca/images/documents/Working_Group/Working%20Group%20Transparency%20Recommendations%20Eng.pdf (see pages 8 and 9)
[8] http://laws-lois.justice.gc.ca/PDF/E-22.7.pdf (see page 6)

Exemptions / Conflict of Laws

When referring to the potential for the ESTMA to conflict with the laws of other countries, the draft Guidance document clearly states that "no such laws have been identified".[9] As such, the draft guidance provides no exemptions to ESTMA reporting entities, regardless of the countries where they operate. There are now 30 European and North American countries that have adopted mandatory reporting, all of which have refused any exemptions for any country.

It is imperative that the SEC continue to align with the EU, Canada and Norway in not allowing for any exemptions. Since the adoption of the Dodd-Frank Act in 2010, proponents of exemptions have failed to provide any concrete evidence of a situation where a host state prohibits disclosure of information that is required by a company's home state or stock exchange. This was evident in a recent search conducted by PWYP-Canada and OpenOil of oil and gas contracts filed by Canadian companies. For example, in a production sharing agreement signed by Canadian Overseas Limited and Exxon Mobil Exploration and Production Liberia Limited for the rights to an offshore oil block, the contract clearly states that the confidentiality provisions in the contract shall not prevent the disclosure by the companies "as may be required by applicable law or financial stock exchange, accounting or reporting practices".[10]

Industry and Investor Support in Canada

As already mentioned, both the Mining Association of Canada and the Prospectors and Developers Association of Canada have publicly supported mandatory project-level disclosure requirements for a number of years.

In their support for mandatory disclosure requirements, the Canadian mining industry has echoed the need to harmonize reporting requirements in different jurisdictions. Following the release of the recommendations by the Resource Revenue Transparency Working Group, Pierre Gratton, President of the Mining Association of Canada, stated that "[a] global standard is critical for this type of disclosure to create a level playing field for companies".[11]

Furthermore, the Canadian Association of Petroleum Producers (CAPP), during their testimony before the Canadian Senate regarding the ESTMA, welcomed the Government of Canada's initiative in this matter, stating that their "members recognize the critical importance that this act will have in the fight against international corruption, through enhanced disclosure of payments by companies doing business in Canada to all levels of government, both domestically and abroad".[12] Furthermore, CAPP continued to raise the importance of harmonization with other jurisdictions when discussing their priorities with the ESTMA, stating:

> "The second priority relates to administrative burden while harmonizing with other jurisdictions. A core consideration in this regard is ensuring that the Canadian reporting framework aligns with established reporting frameworks in other jurisdictions. While the U.S. continues to develop its Dodd-

[9] http://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/pdf/estma/ESTMA_Guidance_e.pdf (see page 17)

[10] http://sedar.com/GetFile.do?lang=EN&docClass=36&issuerNo=00021327&fileName=/csfsprod/data141/filings/02044927/00000001/p%3A%5Cclients%5C53706%5C0010%5CC1445537.PDF (see page 32)

[11] http://www.pdac.ca/multimedia/press-releases/publications---press-releases/2014/01/16/january-16-2014

[12] http://www.parl.gc.ca/content/sen/committee/412/ENEV/19EV-51743-e.HTM

> Frank framework, the EU Transparency Directive and its imminent application in the U.K. is the most relevant precedent”.[13]

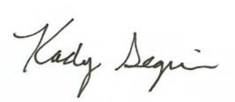
They went on to list key considerations for harmonization that the Government of Canada should consider, which included the definition of project. It is worth noting that several members of the Canadian Association of Petroleum Producers (CAPP) are also members of the American Petroleum Institute, such as Exxon Mobil and Chevron.

All three associations welcomed the coming into force of the ESTMA on June 1st 2015. Tim McMillan, President and CEO of the Canadian Association of Petroleum Producers, stated the following: “The ESTMA maintains Canada's position as a global leader in the fight against international corruption. [Canadian Association of Petroleum Producers (CAPP)] is pleased to work with the federal government to continue to assure Canadians and the international community that Canada's upstream oil and gas producers are among the most transparent and responsible energy developers in the world".[14]

Canada’s investment community closely followed and applauded the work of the Resource Revenue Transparency Working Group, demonstrated by a letter of support signed by 24 investment institutions with $362 billion in assets under management.[15] The signatories to the letter emphasized the positive impact that transparency of payments to governments can have for oil, gas and mining companies, which in turn positively impacts their investments. Furthermore, they noted that this form of transparency provides investors with an additional and important tool to identify and mitigate risks that may be associated with their investments.

Industry and civil society stakeholders alike have called for a global mandatory reporting standard for the payments made by oil, gas and mining companies. Both the Extractive Sector Transparency Measures Act (ESTMA) and the draft implementation tools released by Natural Resources Canada demonstrate the Canadian government’s approach to aligning with the European Union’s Transparency and Accounting Directives. The United States is now in a position to follow the direction taken by these jurisdictions, which would not only help to reduce the burden of multiple reporting regimes for industry, but would most importantly help to meet the needs of the ultimate users of mandatory disclosure reports, including both investors and civil society organizations.

With thanks,



Kady Seguin
Acting Director
Publish What You Pay Canada

[13] Ibid
[14] http://www.miningweekly.com/article/canadian-extractive-sector-transparency-measures-act-comes-into-force-2015-06-01
[15] http://www.pwyp.ca/images/documents/Working_Group/Investor_Statement_RRTWG_revised.pdf

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Extractive Sector Transparency Measures Act - Guidance

7/29/2015

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FOR CONSULTATION

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Foreword

The *Extractive Sector Transparency Measures Act* (the Act) was enacted on December 16, 2014 and brought into force on June 1st, 2015. This Act delivers on Canada's international commitments to contribute to global efforts to increase transparency and deter corruption in the extractive sector. The Act requires extractive entities active in Canada to publicly disclose, on an annual basis, specific payments made to all governments in Canada and abroad. The Act applies to entities that are subject to Canadian law and engaged in the commercial development of oil, natural gas, or minerals. The payments that will be reported are those of $100,000 or more and within specific categories of revenue streams commonly associated with exploration and extraction of oil, natural gas or minerals. Payments will be required to be reported on project level basis, where possible.

The intent is to proceed on the basis of the legislation alone. However, the Act does allow for the introduction of regulations which may be pursued if it becomes evident that the implementation of the Act would require a regulatory framework.

Canadian extractive companies already operate in a transparent and responsible manner. The adoption of the Act will reinforce Canada's leadership as a responsible resource developer by meeting the highest existing international transparency standards. As the Act is aligned with reporting requirements in other jurisdictions, it provides a level playing field for companies operating domestically and abroad. The Act is designed to increase transparency and also includes a substitution provision to minimize the reporting burden for Reporting Entities with similar obligations in multiple jurisdictions.

Canadians will benefit from increased efforts to strengthen transparency in the extractive sector, both at home and abroad. Alongside Canada, the United States and European Union countries have put in place similar public disclosure requirements for their respective extractive industries. Together these reporting systems will contribute to raising global transparency standards in the extractive sector.

Introduction

This Guidance has been developed to help businesses in the exploration and extractive sectors understand the requirements of the *Extractive Sector Transparency Measures Act*. It may also be useful to the general public to understand the type of information that is required to be reported under the Act.

The Guidance provides general information on areas such as:

- the scope of commercial development of oil, gas and minerals;
- what entities are subject to the Act;
- what entities must report payments under the Act;
- what payments should be reported under the Act.

This Guidance is not intended to be prescriptive, but rather practical and illustrative. It does set out information and expectations for reporting. Examples provided in the Guidance are not intended to be exhaustive. Users are responsible for determining whether and how the Act's provisions apply to them and for ensuring compliance in light of the facts and circumstances of their operations. This Guidance is not intended to replace legal advice. For the purposes of interpreting and applying the law, users are encouraged to consult the official version of the Extractive Sector Transparency Measures Act, as well as the Technical Reporting Specifications which is available at the following link: www.nrcan.gc.ca/acts-regulations/17727.

Natural Resources Canada (NRCan) may amend any of the information in this Guidance as required. NRCan will make reasonable efforts to inform Reporting Entities of changes, depending on the nature of such amendments.

1. Commercial development of oil, gas and minerals

Commercial development of oil, gas and minerals ("commercial development") captures two categories of activities:

- the exploration or extraction of oil, gas or minerals; or
- the acquisition or holding of a permit, licence, lease or any other authorization to carry out any exploration or extraction of oil, gas or minerals.[1]

Commercial development is not limited to activities within Canada. It also includes activities conducted in any foreign jurisdiction.

Exploration or extraction refers to the key phases of commercial activity, which occur during the life cycle of an oil, gas or mineral project. These extend from prospecting and exploration for oil, natural gas, or minerals to the closure and remediation of a project. Exploration or extraction is not only limited to active phases of operations on the ground, but also captures temporary periods of inactivity. For example, commercial development does not end with the completion of a seasonal exploration program and only begin again with the next seasonal program.

The acquisition or holding of a permit, licence, lease or other authorization is intended to capture the permitting process, including, for example, application for permits and undertaking of community consultations that will comprise or inform any such application.

Commercial development is not intended to extend to ancillary or preparatory activities for the exploration or extraction of oil, gas or minerals. For example, activities such as manufacturing equipment or construction of extraction sites would not be included.

Commercial development generally does not include post-extraction activities. Refining, smelting or processing of oil, gas or minerals, as well as the marketing, distribution, transportation or export, is generally not captured as commercial development for the purposes of the Act. However, certain initial processing activities are often integrated with extraction operations, and may comprise commercial development of oil, gas or minerals.

The scope of commercial development impacts upon who must report and what payments must be reported.

[1] *Extractive Sector Transparency Measures Act*, S.2 "commercial development of oil, gas or minerals"

2. Application of the Act

To help determine whether your business is subject to the Act requirements, the following general questions can be used:

- Are you a corporation, trust, partnership or other unincorporated organization?

- Are you engaged in the commercial development of oil, gas or minerals directly or through a controlled organization?

- Are you listed on a stock exchange in Canada?

  OR

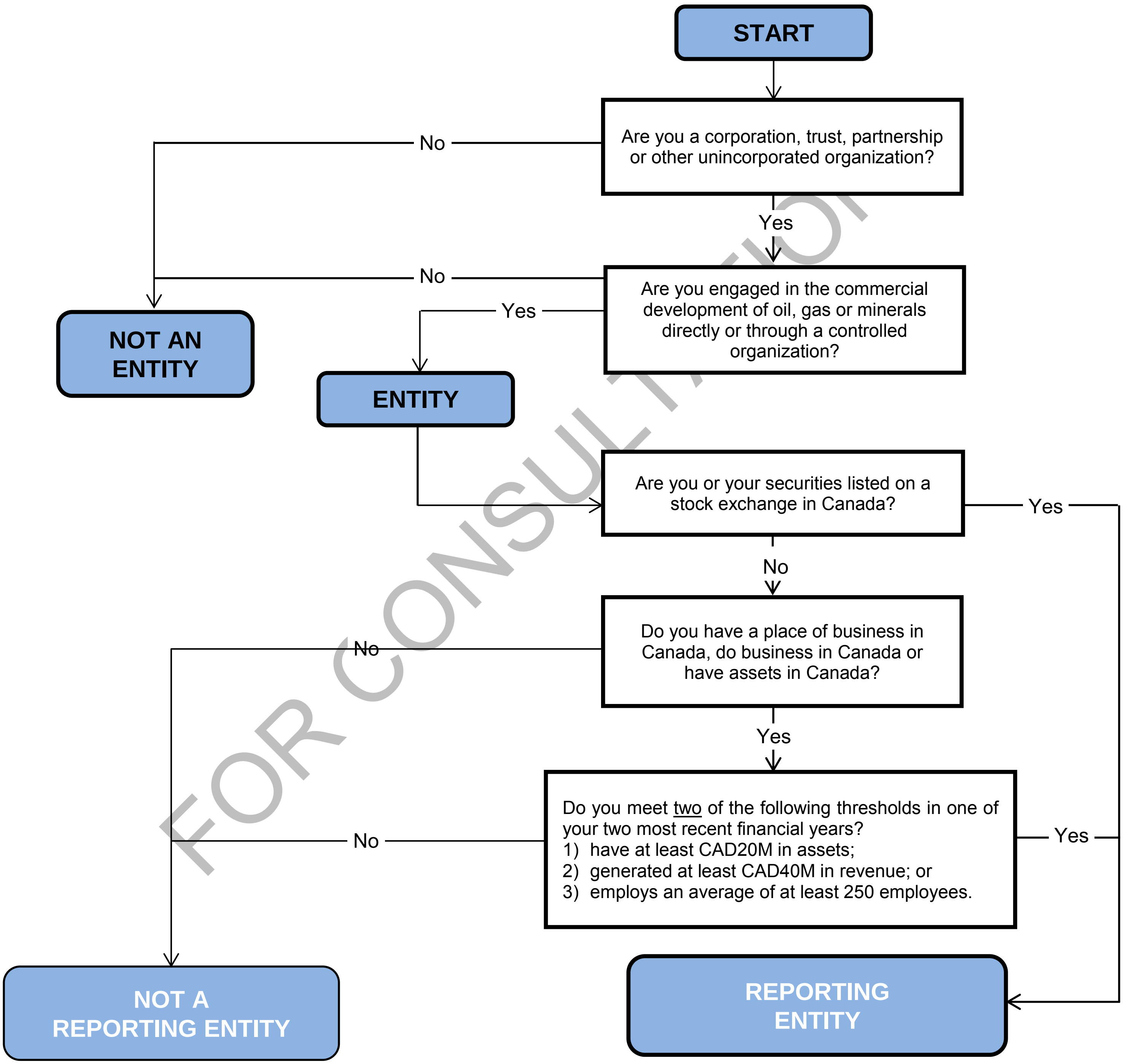
- Do you have a place of business, do business, or have assets in Canada?

- If you have a place of business, do business, or have assets in Canada, do you meet the size-related criteria specified in the Act?

A business must be subject to Canadian law to be a Reporting Entity. The Act does not have extra-territorial application to businesses which are not subject to Canadian law. Businesses that are not subject to Canadian law, but may have subsidiaries operating in Canada are not subject to the Act by virtue of their ownership of or interests in any Canadian subsidiary businesses, even if the subsidiary itself is a Reporting Entity.

The flow chart on the next page highlights the questions you should consider to determine if the Act is applicable to your business.

EXTRACTIVE SECTOR TRANSPARENCY MEASURES ACT
APPLICATION FLOWCHART



2.1 Entity

Only a business which is an Entity for purposes of the Act can be required to report payments under the Act. However, merely being an Entity under the Act does not automatically mean that a business will have to report payments. Your business must also be a Reporting Entity to be required to report payments under the Act.

If your business qualifies as an Entity – even if it is not currently required to report payments – it remains important to be aware of the obligations that come with Entity status. Should an Entity become a Reporting Entity at any point in its financial year, it will be required to report on all payments made within that year, even if it did not begin the year as a Reporting Entity.

In addition, the Act's enforcement and compliance provisions apply to all businesses that are Entities. For example, the Minister has the authority to request an audit from any Entity that meets the definition of "entity" set out in section 2 of the Act.

The flow chart on page 6 includes questions to determine whether a business is an Entity under the Act. If the answer to these questions is "yes", then your business is an Entity for purposes of the Act.

Are you a specified type of business enterprise under the Act?

Corporations, trusts, partnerships or other unincorporated organizations are the types of business enterprises which may constitute Entities under the Act.

These four categories of enterprises are intended to be broadly interpreted and extend to similar forms of business organizations, both within and outside Canada. For example, these categories include unlimited liability corporations, limited partnerships and royalty trusts. Further, foreign corporations, trusts, partnerships or unincorporated entities, in whatever form, may be Entities subject to the Act. The Act may also apply to business organizations which are owned or controlled by domestic or foreign governments (*e.g*., crown corporations, or state owned enterprises).

Individual natural persons and sole proprietorships are not captured within the classes of enterprises which may be Entities under the Act (*e.g.,* a farmer who personally owns farmland on which oil production occurs).

Are you engaged in the commercial development of oil, gas or minerals?

To qualify as an Entity under the Act, a business must be engaged in the commercial development of oil, gas or minerals. The scope of commercial development is referenced in section 1 of this Guidance.

Whether a business is involved in commercial development will depend on the specific facts and circumstances. Businesses themselves are in the best position to make a reasonable determination whether the activities they undertake fall within the scope of commercial development.

There may be many businesses that provide goods and/or services associated with or related to commercial development. It is likely that such businesses would not be Entities under the Act because the activities they perform are outside the scope of commercial development. Similarly, contractors that provide goods or services associated with or in relation to commercial development of oil, gas or minerals by a business that holds the principal permit, licence, lease or other authorization to carry out such activities would not be considered to be Entities by virtue of their contractual arrangements with a Reporting Entity.

Do you engage in the commercial development of oil, gas or minerals through control of another business enterprise?

Even if your business is not itself directly engaged in the commercial development of oil, gas or minerals, it is an Entity for purposes of the Act, if it controls a corporation, trust, partnership or other unincorporated organization that is engaged in such development and is not an Act entity in its own right.

This will be the case whether the controlled business is engaged in commercial development in Canada or in a foreign jurisdiction. For example, if a corporation that is subject to Canadian law controls an Australian partnership (not an Entity subject to the Act) that is engaged in the commercial development of oil in Australia, the controlling Canadian corporation is an Entity for purposes of the Act.

Control for purposes of the Act is not limited to direct control. It also extends to indirectly controlled businesses down an organizational chain (e.g., a business that is controlled by another controlled business). In addition to corporate subsidiaries, other types of business enterprises, such as partnerships, trusts and unincorporated organizations (e.g., joint ventures), also can be subject to control.

Where one business controls another enterprise under the accounting standards applicable to it (i.e., under International Financial Reporting Standards (IFRS) or US Generally Accepted Accounting Principles (GAAP)), that will generally be sufficient evidence of control for purposes of the Act.

2.2 Reporting Entity

An Entity that is subject to the Act will be required to report payments (in this Guidance, we refer to such a business as a "**Reporting Entity**") in either of two circumstances:

- if the Entity or the Entity's securities are listed on a stock exchange in Canada; **OR**
- if the Entity has a place of business in Canada, does business in Canada or has assets in Canada ***and*** meets two of the three following minimum thresholds in one of its two most recent financial years:
  - has at least CAD20 million in assets;
  - generated at least CAD40 million in revenue; or
  - employs an average of at least 250 employees.

  (the "**Size-Related Criteria**")

These two tests above are exclusive of one another. For example, an Entity with common shares listed on the TSX Venture Exchange will be a Reporting Entity, even if it does not have a place of business in Canada or does not meet any of the Size-Related Criteria.

Are you or your securities listed on a stock exchange in Canada?

A business' securities, for purposes of the Act, are to be broadly construed and will include any "security" as defined under Canadian provincial and territorial securities legislation.

A stock exchange in Canada for purposes of the Act includes any exchange in Canada recognized or exempted under Canadian provincial securities legislation and which is regulated under National Instrument 21-101 - *Marketplace Operation* or National Instrument 23-101 - *Trading Rules*.

Do you have "a place of business in Canada", "do business in Canada" or "have assets in Canada"?

Entities whose securities are not listed on a stock exchange in Canada must still report under the Act if they have a place of business in Canada, do business in Canada or have assets in Canada and meet two of the three Size-Related Criteria in one of its two most recent financial years.

In most cases, it will be obvious whether an Entity has a place of business in Canada, does business in Canada or has assets in Canada.

The assets to be considered in this analysis only are limited to Canadian assets.

Applying the size-related criteria - calculation of assets and revenue

In applying the Size-Related Criteria, the following approaches should be taken:

- **Based on financial statements.** CAD20 million in assets and CAD40 million in revenue tests are based on figures reported in an Entity's consolidated financial statements in one of its two most recent financial years.

- **Gross basis.** Assets should be calculated on a gross basis, not net.

- **Global assets and revenues.** Assets and revenue in the size-related criteria are not restricted to assets or revenue in Canada or to assets and revenue from the commercial development of oil, natural gas or minerals. A business should include all global assets and revenues in determining whether the Size-Related Criteria are met.

- **Exclude parent entities.** Global assets and revenues for the Size-Related Criteria analysis only relate to the entity itself and its global operations based on its consolidated financial statements. They do not include the global assets and revenues of a parent company.

- **Currency.** Where the currency of the consolidated financial statements is not CAD, assets and revenues should be converted into CAD for purposes of these tests either by using:

    - the exchange rate as of the Entity's financial year end; or
    - the Entity's method of translating the currency of assets or revenues employed in its financial statements.

The chosen method should reflect the Entity's method of reporting transactions in foreign currencies in its financial statements.

Calculation of number of employees

For purposes of the Size-Related Criteria, the 250 employees test should be based on the average of all employees of the Entity over each of its two most recent financial years. Employees include persons residing or employed in Canada as well as in any other jurisdiction. Employees also include full-time, part-time or temporary employees. Independent contractors, however, do not constitute employees. Entities should refer to the Canadian common law definition of an employee for purposes of applying the Size-Related Criteria.

3. Payments

3.1 Reportable payments

A payment under the Act is one that, in a financial year,

1) is made to the same Payee,
2) is made in relation to the commercial development of oil, gas or minerals, as set out in the Act; and
3) totals, as a single or multiple payments, CAD100,000 or more within ***one*** of the following seven categories:

- taxes (other than consumption taxes and personal income taxes)
- royalties
- fees (including rental fees, entry fees and regulatory charges, as well as fees or other consideration for licences, permits or concessions)
- production entitlements
- bonuses (including signature, discovery and production bonuses)
- dividends (other than dividends paid as ordinary shareholders)
- infrastructure improvement payments.

3.2 Payee

For purposes of the Act, a Payee is:

a) any government in Canada or in a foreign state at a national, regional, state/provincial or local/municipal level;

b) a body that is established by two or more governments; or

c) any trust, board, commission, corporation, body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include crown corporations and other state-owned enterprises that are exercising or performing a power, duty or function of government.

Aboriginal and indigenous groups and organizations within Canada and in other jurisdictions may be regarded as governments for purposes of qualifying as a Payee under the Act. However, the Act defers the requirement for Reporting Entities to report on payments made to aboriginal governments in Canada until two years after the Act comes into force, beginning on June 1, 2017. There may be cases where a payment is due to an aboriginal government but is collected by another body or government. For the purposes of the deferral, such payments do not have to be reported at this time.

From June 1, 2017, Reporting Entities must include in their reports payments made to aboriginal governments in Canada. For example, a Reporting Entity with a financial year beginning on January 1st, would not report on such payments made prior to June 1st 2017. Payments made following June 1, 2017 should be reported for the 2017 financial year.

Reporting Entities will need to consider the facts and circumstances to determine whether a particular organization or institution meets the criteria of a Payee, as set out in the Act. They will also need to consider whether a payment to a particular Payee is reportable depending on the facts and circumstances of the payment.

3.3 Same Payee

Payments by a Reporting Entity to the "same Payee" that meet or exceed CAD100,000 in ***one*** *category of payment by a Reporting Entity* must be disclosed under the Act.

For purposes of determining whether a series of payments constitute payments to the "same Payee" under the Act, Reporting Entities must group together departments, ministries, trusts, boards, commissions, corporations, bodies or other authorities that perform or are established to perform a power, duty or function on behalf of a particular level (e.g. national / regional/ municipal/ local authority, etc) of government, recognizing there are many forms and manners or organizing governments globally.

For the purposes of disclosing such payments in the report, reporting entities are encouraged, where practicable, to list the name of the department, agency or entity of the payee that received the payment, if more than one such body of a payee received a payment from the reporting entity.

For example, if several fee payments are made to the National Energy Board, Environment Canada and Natural Resources Canada (which are all Canadian federal bodies) that add up to CAD150,000 in a year, a fee payment of $150,000 would be reportable. If possible, the report would note three separate payments made to the National Energy Board, Environment Canada and Natural Resources Canada.

Further details on how payments are to be disclosed in the report are available in the Technical Reporting Specifications which can be accessed through the Natural Resources Canada website: www.nrcan.gc.ca/acts-regulations/17727.

3.4 Payment categories

Payments that fall outside of the seven categories listed above do not need to be reported under the Act.

Entities should look to the substance, rather than the form, of payments in determining which category is applicable. For example, facts and circumstances may indicate that a philanthropic or voluntary contribution was made to a Payee in lieu of one of the payment categories that would need to be reported under the Act. In such a case, the onus is on the Reporting Entity to determine whether a voluntary or philanthropic payment does in fact relate in some way to its commercial development of oil, gas or minerals. This may include payments made for corporate social responsibility purposes.

A Reporting Entity must report on all payments made:

- by the Reporting Entity; ***<u>and</u>***
- by any entity controlled by the Reporting Entity.

It is the responsibility of the Reporting Entity to determine in which categories their payments fall. In some cases it may be unclear whether a payment should be reported under one category or another. For example, a mineral royalty payment may be considered a tax, a royalty, or perhaps both. In these cases Reporting Entities should use their reasonable judgement. That said, Reporting Entities should not artificially structure their payments to avoid the reporting regime.

A brief overview of the payment categories follows. In addition, Box A below includes illustrative examples of reportable and non-reportable payments. These are meant to convey some potential factors reporting entities may need to consider when they are determining whether a particular payment is reportable or not.

<u>*Taxes*</u>

The tax category is intended to capture income, profit, and production tax payments of a Reporting Entity, in relation to the commercial development of oil, gas, or minerals. This does not include consumption and personal income taxes. Withholding taxes (i.e., taxes remitted to a government by a Reporting Entity on behalf of a third party) do not have to be reported, as these would not constitute the tax liability of the Reporting Entity.

The term “tax” generally means any type of government charge that is enforceable by law, imposed under statutory authority, levied by a public body, and intended for a public purpose. Any government charge that meets these requirements is a tax.

A consumption tax is a tax on the consumption or use of goods or services. Typical examples include sales tax, goods and services tax, harmonized sales tax, motor fuel tax, value-added tax and use tax. Consumption taxes, even if they relate to the commercial development of oil, gas or minerals, are not payments. Carbon taxes, depending on their design, could be seen as a consumption tax, but will need to be assessed by the Reporting Entity based on the facts and circumstances.

Examples of taxes, which would be reportable under the Act include :

- Income and profit taxes
- Capital gains taxes
- Capital Taxes
- Mining taxes
- Windfall profits taxes
- Resource Surcharges
- Petroleum revenue taxes

In addition to considering the characteristics of the tax, it is also necessary for Reporting Entities to keep in mind whether the tax was paid in relation to the commercial development of oil, gas or minerals. For example, it is unlikely that a tax levied on interest income would be considered to be paid for commercial development activities. On the other hand, a tax that was directly calculated with references to levels of gas production is likely to be classified as a production tax. Similarly, a Reporting Entity leases office space in a city and pays business tax to that municipality. That payment, while a tax, does not relate to commercial development activities that the Reporting Entity is conducting, so would not be required to be reported.

Royalties

Cash royalties to Payees should not be difficult to categorize or calculate. Royalties paid in-kind, however, should be treated in the same manner as other in-kind payments.

Fees

The category of fees is substantively broad as set out in the Act. It does not matter whether a payment, whether in cash or in-kind, is characterized as a fee or not. If the payment accomplishes the same purpose in substance as a fee, then it should be reported as a fee. This category is not meant to include amounts paid in ordinary course commercial transactions in exchange for services provided by governments or government-owned entities. For example, payments made to a state-owned utility for electricity used by its extraction operations is not likely to be a payment.

Production entitlements

A Payee's share of oil, gas or mineral production extracted as part of a commercial development under a production sharing agreement or similar contractual or legislated arrangement should be categorized as a production entitlement under the Act. Often production entitlements are paid on an in-kind basis. Reporting Entities should report the cash value of the production entitlements that a Payee takes possession of during the relevant financial period. Volumes of production entitlements paid do not have to be reported.

Bonuses

Signing, discovery, production and any other type of bonuses paid to a Payee in relation to the commercial development of oil, gas or minerals must be reported under the Act. A payment that is not termed a "bonus", but which in substance is a bonus payment, is reportable.

Share issuances by a Reporting Entity to a Payee that are required by law, or as consideration for the issuance of a license, permit or concession, are a typical example of an in-kind bonus.

Dividends

Dividends paid to a Payee as an ordinary shareholder do not need to be reported under the Act, so long as:

- the shares have been acquired by the Payee for consideration on the same terms as were available at the time of acquisition to other shareholders; and
- the dividend is paid to the Payee on the same terms as to other shareholders.

Dividends that are paid to a Payee on shares received in lieu of a bonus, production entitlements, royalties or any other payment category, on the basis of concessional terms for example, are likely to be reportable.

Infrastructure improvement payments

As with all other payment categories, a payment in this category must be a payment made to a Payee, whether monetary or in-kind. Reporting Entities that make infrastructure improvement payments to a Payee, whether under contractual obligations or otherwise, should report such payments.

For example, if the company is obliged by a Payee to build a road or a sewage system, other than in circumstances where the road or sewage system is expected to be primarily dedicated to operational activities throughout its useful life, the Reporting Entity may be required to disclose the cost of building the road or sewage systems as a payment to the Payee.

The Reporting Entity will need to identify the appropriate period in which to report the infrastructure improvement payment: (a) the period in which that payment was made by the Reporting Entity or (b) when the infrastructure is handed over to the government or (c) when the infrastructure is brought into use. Such considerations should be based on the facts and circumstances of the payment.

The intent is not to capture infrastructure improvement payments that relate primarily to the operational purposes of a Reporting Entity (i.e. building a road to access an extraction site that is primarily for operational needs).

Box A. Illustrative examples of reportable and non-reportable payments

A Canadian firm is engaged in natural gas operations in Western Canada, and oil development projects in a foreign country. As part of preparations of its annual report, the firm reviews the various payments it has made in relation to its commercial development of oil and natural gas.

- Corporate income taxes exceeding $100,000 in the reporting year have been paid separately to the Governments of Canada, Alberta, and a foreign government. These payments are all required to be reported as separate payments, since they are made to different Payees. Since they are not associated with a specific project, the Reporting Entity should not report these payments at the project level.

- Payments have been made to the foreign country's army for the provision of security at an oil extraction site. Since the army is providing a service, this payment is treated as a commercial transaction and is not required to be reported.
- The Reporting Entity has several lease holdings in Western Canada. It has hired a lease management company in Alberta to manage these lease holdings on its behalf, and discharge any legal payments associated with these lease holdings. For one lease holding, the local government charges a quarterly fee of $30,000, which the lease management company pays for the Reporting Entity. The Reporting Entity reports a fee payment to the local government of $120,000 in its report. Since this payment is attributed to a specific project, the Reporting Entity must disclose this payment at the project level.
- A signing bonus of $500,000 is paid by the Reporting Entity to an Aboriginal band council in Alberta for providing access to resource on traditional land. The payment is received by the Economic Development Board, a private entity that is owned by the Aboriginal band council to negotiate on its behalf with the oil & gas industry. Since the Act does not require reporting of such payments until June 1, 2017, the payment is not reported. A similar signing bonus is anticipated to be paid in the same manner in November 2017, and the Reporting Entity understands this payment will need to be reported in its report for that year.
- The Reporting Entity builds a lease access road use for its own use. The road is decommissioned at the end of the lease term. The road related primarily to the Reporting Entity's operational use during its useful lifetime, and there is no payment made to a government since the road no longer exists when the lease is concluded.
- The Reporting Entity also builds a permanent electrical supply and distribution system. At the end of the 30-year lease term, the ownership of the electrical supply and distribution system is to be transferred to the local municipal government. This should be reported as an infrastructure improvement payment at the time of the transfer, and follow the in-kind payment requirements under the Act.
- The Reporting Entity has provided a local municipal government with an endowment of $3 million to run a scholarship program for local youth, as well as $4 million to build a community center. These payments are related to the Reporting Entity's commercial development of gas and are reportable. The Reporting Entity includes these payments under the bonus payment category in their report.

3.5 Reporting payments made in situations of joint control

NRCan understands that there may be situations where joint control exists; that is, where no one business solely controls a business arrangement that includes two or more partners. NRCan also understands that there are many ways in which businesses structure joint arrangements to conduct their business.

In situations of joint control, Reporting Entities involved should consider the key requirements of the Act, as they would with regard to any payment:

1) If a Reporting Entity makes a payment, they must report it. This could be a payment made as an operator of a joint arrangement or as a member of a joint arrangement.

2) If a payment is made by an entity not subject to the Act that is controlled by a Reporting Entity, then the Reporting Entity must report it. Again, the entity (not subject to the Act) may

be making the payment as an operator or may be making the payment as a member of a joint arrangement.

Payment attribution rules set out in the Act may apply in situations of joint control, depending on the facts and circumstances.

3.6 Attribution of payments

The Act sets out clear rules regarding the attribution of payments that address situations where either a Reporting Entity does not make the payment directly to a Payee or a payment is not received directly by a Payee. Reporting Entities should carefully consider these rules when determining which payments made to a Payee must be included in its report. Box B includes illustrative examples of when payments may or may not be attributed to a Reporting Entity.

Box B. Illustrative cases of payment attribution to a Reporting Entity

- A property management company ("Alpha") is contracted to manage a leased property by a Reporting Entity. Alpha makes payments to the local municipality government that relate to the holding of the lease by the Reporting Entity. In this case, the Reporting Entity would be required to report the payments made by the service provider, as those were made "for" the Reporting Entity, relating to its holding of a lease for that property.
- A Reporting Entity contracts with engineering, procurement and construction ("EPC") companies for the construction of a plant. An EPC firm makes payments to governments for building permits, and other fees that relate to the construction of the facility. Since those payments do not relate to the extraction activities of the Reporting Entity, then the Reporting Entity would not be required to report the payments.
- A Reporting Entity contracts the operation of a mine to a service provider. The service provider pays environmental taxes levied on that facility to the government. These payments relate to the extraction activity of the Reporting Entity, and so the Reporting Entity would be required to report those payments.

4. Substitution

Assessment to determine substitutability of another jurisdiction's reporting requirements will be undertaken once such legislative measures are in place. The substitution authority allows for the determination that the reporting requirements of the other jurisdiction are an acceptable substitute for the reporting requirements, as set out in s.9 of the Act. This does not mean that another jurisdiction's requirements must be identical to those in the Act, but the other jurisdiction's requirements must have the ability to achieve the purpose of the Act: to deter corruption through the systematic public reporting of specific payments to all levels of government.

Assessment of requirements for substitution determination would focus on whether the key reporting obligations align with the reporting obligations (e.g., annual reporting, payment categories, project and Payee breakdown of payments, etc).

Recognizing that some other jurisdictions' requirements may not constitute an acceptable substitute, the Act provides authority to impose additional conditions on Reporting Entities that wish to employ the substitution determination. Conditions could be substantive, to address significant gaps in reporting in other jurisdiction's requirements or administrative in nature, to ensure that a Reporting Entity notifies NRCan of its intent to make use of substitution determination.

General instructions on how a Reporting Entity may use substitution are included in the Technical Reporting Specifications which can be accessed through the Natural Resources Canada website: www.nrcan.gc.ca/acts-regulations/17727.

5. Additional considerations

Reporting Entities have the responsibility to meet the obligations set out in the Act, and should consider what actions they should take to ensure they are able to meet their obligations. NRCan understands that different entities will take various actions, depending on their particular circumstances.

Reporting Entities may consider different types of action in order to ensure they have the capabilities in place to meet the obligations. Not all actions may be required to be taken, but could include approaches such as putting in place appropriate data collection systems, ensuring awareness of obligations within the Reporting Entity's corporate structure, and appropriate types of training, if necessary.

The Government of Canada continues to monitor risks of potential conflict between the Act and laws or other measures in foreign jurisdictions that may hinder reporting. While no such laws have been identified to date, Canada has held discussions with countries of interest to signal that, like other major economies, it has adopted legally-binding requirements to report payments.

Should Reporting Entities encounter challenges in meeting the reporting requirements, they may provide details of these circumstances to NRCan.

The Government of Canada will continue to assess any risks and engage directly with jurisdictions where measures exist that may raise concerns regarding the application of this legal requirement. Since similar measures will be in place in many other jurisdictions, such engagement may be undertaken with other international partners.

Natural Resources Canad
Ressources naturelles Canada

Extractive Sector Transparency Measures Act - Technical Reporting Specifications

Natural Resources Canada

8/1/2015

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CONTENTS

Introduction

The *Extractive Sector Transparency Measures Act* (the 'Act') requires Reporting Entities to provide a report of payments made to governments to Natural Resources Canada (NRCan) no later than 150 days after the end of each of its financial years, in the form and manner specified by the Minister of Natural Resources Canada ("the Minister"). The Act also requires Reporting Entities to make their reports available to the public in the manner specified by the Minister.

The purpose of the Technical Reporting Specifications document is to provide the form and manner specifications for the reporting process, including instructions on how to complete the reporting template, and specifications on other aspects of the form and manner of reporting under the authority set out in sections 9(5) and 12(2)(a) of the Act. As a companion to this document, Guidance has been developed to help Reporting Entities understand the reporting requirements of the Act, and can be accessed through the Natural Resources Canada website: www.nrcan.gc.ca/acts-regulations/17727. The Guidance is not prescriptive, but rather practical and illustrative.

1. Reporting process

Step 1

Obtain Reporting Tools

Download one of the two reporting templates, as well as the “Contacts Form” from www.nrcan.gc.ca/acts-regulations/17727.

Step 2

Complete ESTMA Report & Contact Form

Complete at least one of the reporting templates and the “Contacts Form”

Illustrative step-by-step guides are included in this document:

Annex A for publishing in XLS format.

Annex B for publishing in PDF format.

Step 3

Publish ESTMA Report

Publish the completed report on the Internet in XLS or PDF format.

The report must be publicly available for at least 5 years.

Step 4

Send ESTMA Report Web Link & Contact Form to NRCan

This step must be completed within 150 days of the end of your financial year.

Provide a functional direct link to the completed published report, along with a completed “Contacts Form”, as well as a copy of the report to NRCan via email to estma@NRCan.gc.ca.

Step 5

NRCan Publishes Link

NRCan will publish functional direct web link to all reports on the NRCan website.

The Contact Form is for NRCan internal use only, and is not made public.

2. Reporting and publishing specifications

The following contains a number of specifications for preparing and publishing annual reports.

2.1 Preparing a report

- ✓ Reports must be completed in either official language (English or French).
- ✓ All forms and templates can be downloaded at: www.nrcan.gc.ca/acts-regulations/17727
- ✓ Reporting Entities must report in either XLS format or PDF format. NRCan encourages Reporting Entities to use the XLS format.
- ✓ Illustrative step-by-step guides for completing the report are included in this document.
  - If publishing in **XLS format** see Annex A.
  - If publishing in **PDF format** see Annex B.

2.1.1 Mandatory contact form

A "*Contacts Form*" must also be completed and provided to NRCan for internal administrative use only. This form will not be published online. Its purpose is to provide NRCan with a point of contact in the reporting entity.

2.2 Organizing & reporting payments in a report

2.2.1 Method of accounting

Payments must be disclosed on a cash accounting basis (i.e. reported based on when the payment is made, not when a commitment is made for a payment).

Reported payments should be rounded to the nearest $10,000.

2.2.2 Breakdown of payments

Payments must be broken down to indicate which Payee received the payment.

Further, payments must also be broken down to the project level when they can be attributed to a specific project. Where a payment is made that is not attributable to a specific project, it may be disclosed in the report without splitting or disaggregating the payment to allocate it to a specific project. Payee-level disclosure for such payments is sufficient.

The report must also include the total of each payment category to each Payee and project where applicable.

A "project" means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. Nonetheless, if multiple such agreements are substantially interconnected, this shall be considered a project.

"Substantially interconnected" means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities.

Reporting entities are encouraged, where practicable, to list the name of the department, agency or other body of the payee that received the payment, if more than one such body of a payee received a payment from the reporting entity.

2.2.3 Substance over form

The disclosure of payments required under the Act must reflect the substance rather than the form of the payment or activity concerned.

2.2.4 Reporting currency

Reporting Entities must report in Canadian currency or in the currency of the Reporting Entity (e.g. currency used in a Reporting Entity's consolidated financial statements). Reports must only use one type of currency.

2.2.5 In-kind payments

The monetary value of any in-kind payment made to a Payee by a Reporting Entity must be reported under the Act.

If a Reporting Entity can determine the cost value of an in-kind payment, then that is the value that should be reported. If the cost is not determinable, then the in-kind payment should be reported at the fair market value. A Reporting Entity may employ an existing valuation methodology used in its financial statements or for another commercial purpose (e.g., a production sharing contract may specify a valuation methodology) to determine fair market value. A Reporting Entity must include a supplementary note in its report briefly summarizing how the value of any in-kind payment has been determined.

2.2.6 Attestation

Each report is required to include an attestation. Reporting Entities may choose from the following two options to receive attestation from:

1) a director or officer of the Reporting Entity, or

2) an independent auditor or accountant.

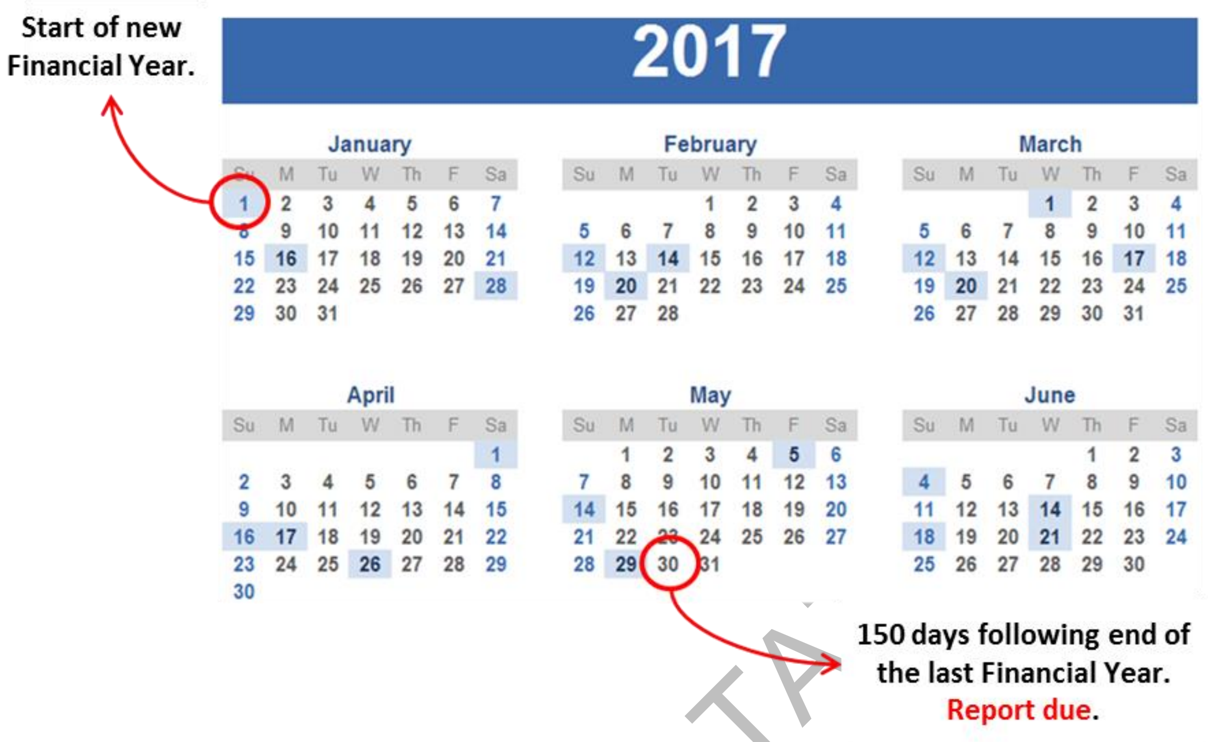
Instructions on how to include an attestation statement in a report can be found in Annexes A and B, depending on the report format used by the reporting entity.

2.3 Publishing and submitting a report

Reporting Entities are required to publish their report on the Internet so that it is available to the public and provide to NRCan a functional and direct web link to the report, within 150 days following the end of their financial year.

Timeline Example:

A Reporting Entity's financial year ends on December 31st, 2016. To comply with the Act, the entity must publish their report on the Internet and provide NRCan with a functional direct web link to the report by May 30th 2017 (150 calendar days following the end of their fiscal year).



3. Alternate mechanisms for preparing a report

3.1 Reporting through another Reporting Entity in situations with less than 100% ownership

For situations where a parent Reporting Entity has 100% ownership of a subsidiary Reporting Entity, the Act includes provisions to allow the subsidiary to report their respective payments through the parent Reporting Entity (section 11 of the Act).

This approach can also be used in situations where a parent Reporting Entity does not have 100% ownership of a subsidiary Reporting Entity, and both Reporting Entities wish to report their respective payments through the parent Reporting Entity. In such a case, both the parent and subsidiary Reporting Entities have legal obligations under the Act.

The parent and subsidiary entity should follow the requirements set out in section 11 of the Act.

3.2 Substitution

Where reporting requirements in other jurisdictions have been determined to be an acceptable substitute, Reporting Entity may use reports prepared and filed in the other jurisdiction to meet the reporting requirements under the Act. Reporting Entities must still meet the publishing requirements of the Act using their report prepared under the other jurisdictions reporting requirements.

Substitution determinations for other jurisdictions will be made public by NRCan. The substitution determination will include specifications on the form and manner of providing the report to NRCan. Further information on how substitution will work can be found in the Guidance.

Step-by-Step Instructions for Preparing a Report in XLS Format

Download the XLS reporting template for publishing in XLS format from the following link: www.nrcan.gc.ca/acts-regulations/17727

There are two components to the preparation of reports in XLS format:

1. Populate the cover page.
2. Populate the "Payments" worksheet.

*NOTE: The XLS reporting template was designed with versions of Excel 2010 and beyond. Some functionality may be lost when using previous versions.

1. Populate the XLS template cover page

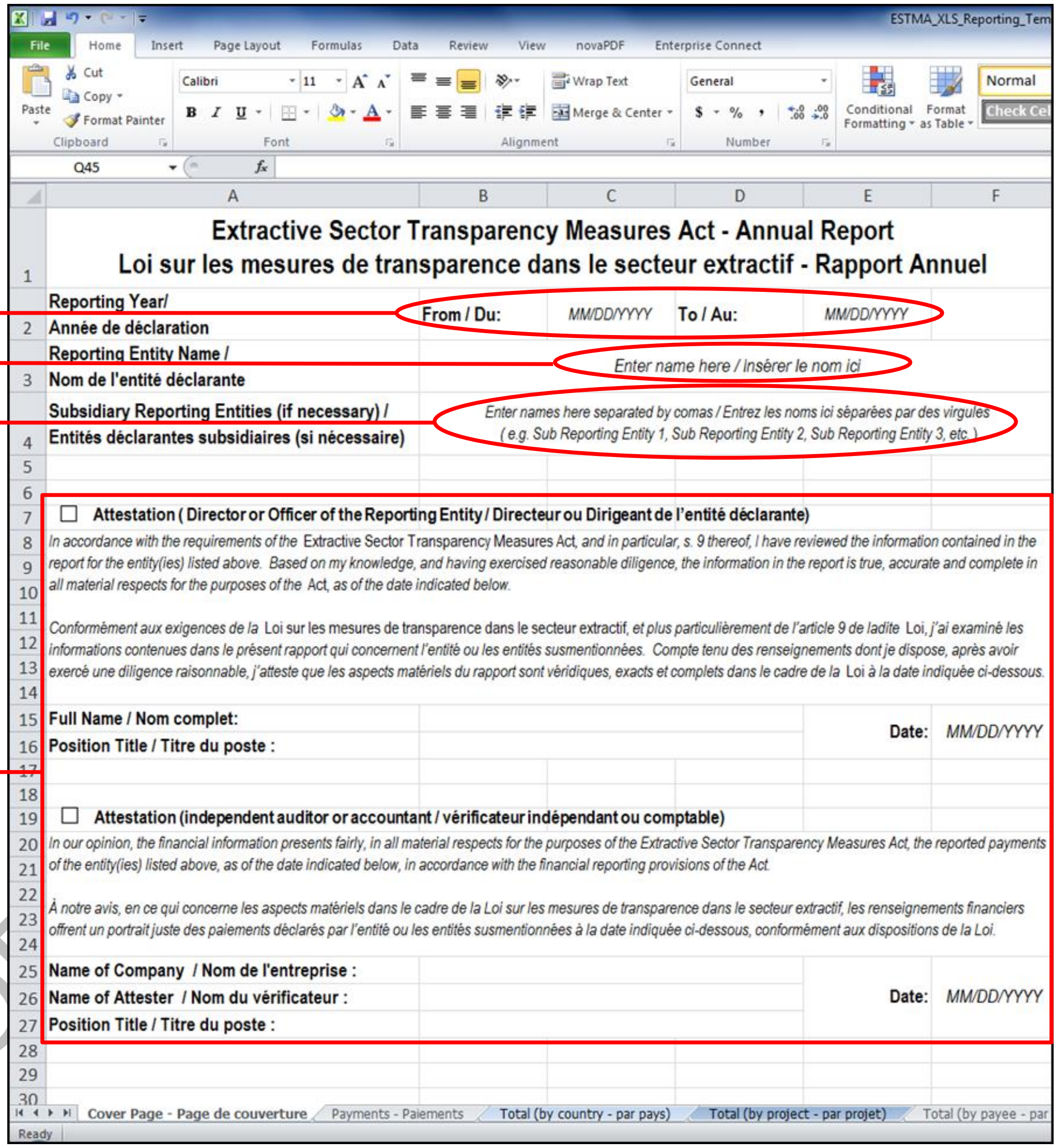
- ✓ A cover page must be completed for all reports.
- ✓ Read the attestation statements carefully, and ensure that the appropriate checkbox is selected and that the appropriate name, position title and date are inserted.

Insert the start and end dates of the reporting entity's financial year.

Insert the Reporting Entity's name.

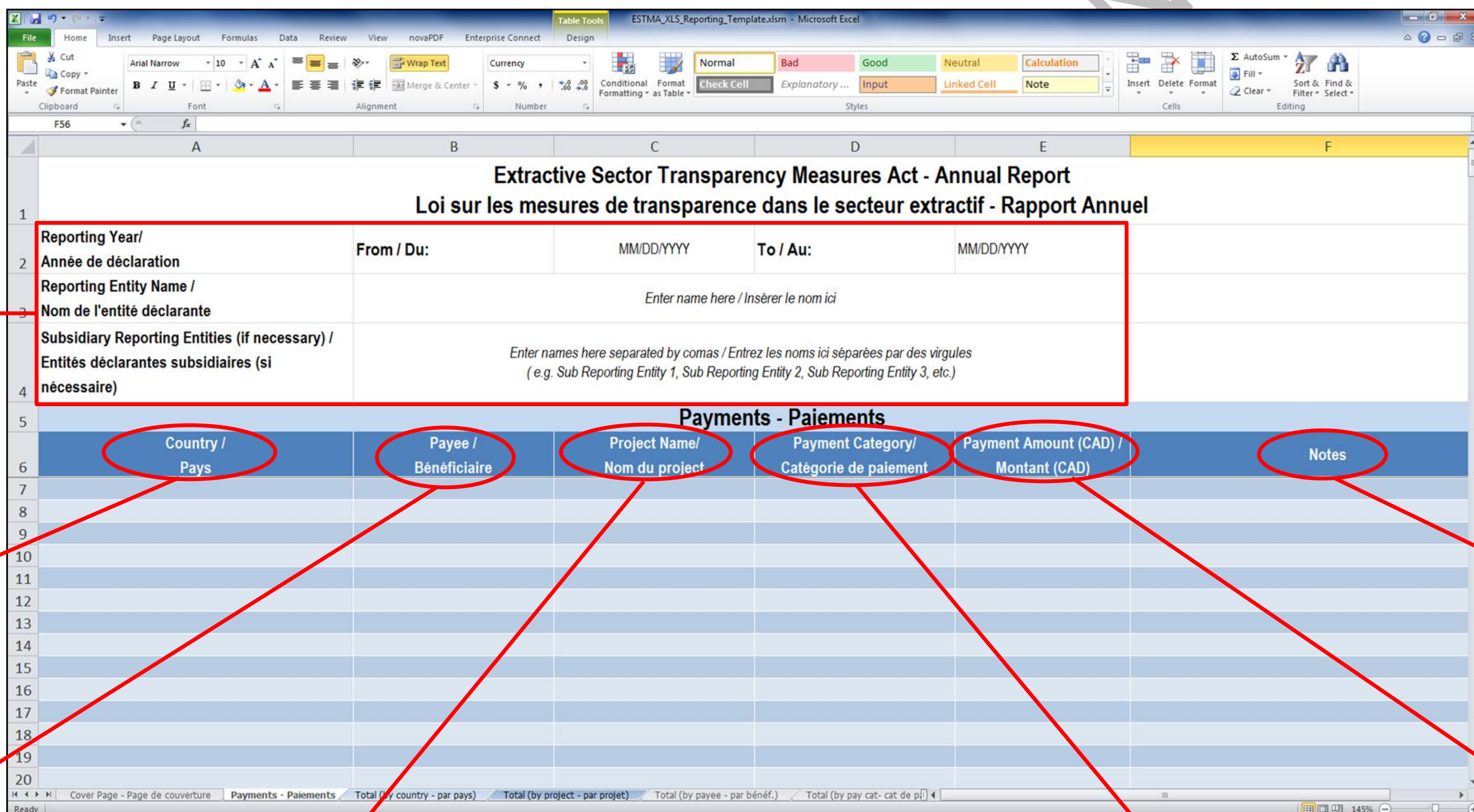
If any subsidiary Reporting Entities are reporting through a "parent" Reporting Entity, those subsidiaries must be named here.

Select ONE of the two the attestation checkboxes, and provide the name/company name (if required), position title of the attester, and the date of attestation.



2. Fill-in the "Payments" spreadsheet

- ✓ To access the "Payments" worksheet, click the "*Payments - Paiements*" tab at the bottom of the Excel window.
- ✓ Certain tabs offer drop-down lists to choose from; however, data may also be manually entered or pasted into the XLS template. When manually entering data, country names must be entered in accordance with the list provided in Annex C of the Technical Reporting Specifications.
- ✓ Reporting Entities may add rows as required; however columns may not be added or amended.



The upper section of each spreadsheet is automatically populated based on the information provided in the cover page.

Click a cell under "Country" and select a country from the list presented, or manually enter a country name based on the list in Annex C of the Technical Reporting Specifications.

Enter the name of the Payee.

Enter the name of the project.

Click a cell under "Payment Category" and select a category from the list, or manually enter a permitted category.

Enter the amount of the payment.

Enter notes as required for a payment in either official language.

3. Next steps and features of the XLS report

- ✓ Only the “Cover Page” and “Payments” spreadsheets must be filled-in.
- ✓ Once the “Payments” spreadsheet is completed, <u>save and close</u> the document.
- ✓ When the document is re-opened, all subsequent spreadsheets are automatically tabulated, providing totals by country, project, payee and payment category. Click the tabs located at the bottom of the Excel window to view the totals.

Once the document is saved, closed and re-opened, select any of the four subsequent spreadsheets to view totals by country, project, payee or payment category. The information may be sorted and analyzed using any of Excel’s functions.

Example:

Payments - Paiements				
Country / Pays	Payee / Bénéficiaire	Project Name/ Nom du project	Payment Category/ Catégorie de paiement	Payment Amount (CAD) / Montant (CAD)
Canada	Government of Alberta	Project Alpha	Taxes	$100,000
Canada	City of Ottawa	Project Beta	Fees / Frais	$250,000
Canada	Government of Alberta	Project Ceta	Infrasructure improvement / Amélioration d'infrastructure	$500,000

Totals by country / Totaux par pays	
Country	Total Amount Paid / Montant total payé
Canada	$850,000.00
(blank)	
Grand Total	$850,000.00

Totals by payee / Totaux par bénéficiare	
Payee / Bénéficiare	Total Amount Paid / Montant total payé
(blank)	
Government of Alberta	$600,000.00
City of Ottawa	$250,000.00
Grand Total	$850,000.00

Totals by project / Totaux par projet	
Project / Projet	Total Amount Paid / Montant total payé
(blank)	
Project Alpha	$100,000.00
Project Beta	$250,000.00
Project Ceta	$500,000.00
Grand Total	$850,000.00

ANNEX B: Preparing a report for publication in PDF format

Step-by-Step Instructions for Preparing a Report in PDF format

Download the PDF reporting template for publishing in PDF format from the following link: www.nrcan.gc.ca/acts-regulations/17727

There are two components to the preparation of reports in PDF format:

1. Populate the cover page.
2. Populate the data tables (by country and by project).

*Note: Reporting Entities may elect to replicate the PDF template rather than use the fillable PDF form. However, Reporting Entities must ensure that the cover page and data tables are replicated exactly as depicted.

1. Completing the PDF cover page

- ✓ A cover page must be completed for all reports.
- ✓ Read the attestation statements carefully, and ensure that the appropriate checkbox is selected and that the appropriate name, position title and date are captured.

Print | Clear | Save

Natural Resources Canada / Ressources naturelles Canada

Extractive Sector Transparency Measures Act - Annual Report / Rapport annuel pour la Loi sur les mesures de transparence dans le secteur extractif

Insert the start and end dates of the reporting entity's financial year.

Reporting Year / Année de déclaration From / Du : **To / Au :**

Insert the Reporting Entity's name.

Reporting Entity name / Nom de l'entité déclarante :

If any subsidiary Reporting Entities are reporting through a "parent" Reporting Entity, those subsidiaries must be named here.

Subsidiary Reporting Entities (if necessary) /Entités déclarantes subsidiaires (si nécessaire) :
Enter names here separated by comas / Entrez les noms ici séparées par des virgules
(e.g. Sub Reporting Entity 1, Sub Reporting Entity 2, Sub Reporting Entity 3, etc.)

Select ONE of the two the attestation checkboxes, and provide the name/company name (if required), position title of the attester, and the date of attestation.

☐ **Attestation (for Director or Officer of the entity / pour directeur/trice ou dirigeant/e de l'entité):**

In accordance with the requirements of the Extractive Sector Transparency Measures Act, *and in particular, s. 9 thereof, I have reviewed the information contained in the report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the report is true, accurate and complete in all material respects for the purposes of the* Act, *as of the date indicated below.*

Conformément aux exigences de la Loi sur les mesures de transparence dans le secteur extractif, *et plus particulièrement de l'article 9 de ladite* Loi, *j'ai examiné les informations contenues dans le présent rapport qui concernent l'entité ou les entités susmentionnées. Compte tenu des renseignements dont je dispose, après avoir exercé une diligence raisonnable, j'atteste que les aspects matériels du rapport sont véridiques, exacts et complets dans le cadre de la* Loi *à la date indiquée ci-dessous.*

Full Name / Nom complet : **Date:**
Position Title / Titre du poste :

☐ **Attestation (for independent auditor or accountant/ pour tiers vérificateur ou comptable):**

In our opinion, the financial information presents fairly, in all material respects for the purposes of the Extractive Sector Transparency Measures Act, the reported payments of the entity(ies) listed above, as of the date indicated below, in accordance with the financial reporting provisions of the Act.

À notre avis, en ce qui concerne les aspects matériels dans le cadre de la Loi sur les mesures de transparence dans le secteur extractif, les renseignements financiers offrent un portrait juste des paiements déclarés par l'entité ou les entités susmentionnées à la date indiquée ci-dessous, conformément aux dispositions de la Loi.

Name of company / Nom de l'entreprise : **Date:**
Name of Attester / Nom du vérificateur :
Position Title / Titre du poste :

2. Completing the PDF data tables

- ✓ Payments must be reported by country, and be broken down in two separate tables (payee and project).
- ✓ Country names may be selected from a drop-down list, or be manually entered or pasted into the PDF template. If entering countries manually, names must be spelled in accordance with the list provided in Annex C of the Technical Reporting Specifications.
- ✓ If re-creating the template, fields must appear in the exact same order with exact same spelling as indicated in the template.
- ✓ Countries may be added to the report by clicking the gray tab below the country name. Once complete, the document may be saved for publishing.

Select a country from the drop-down list, or manually enter a country name based on Annex C.

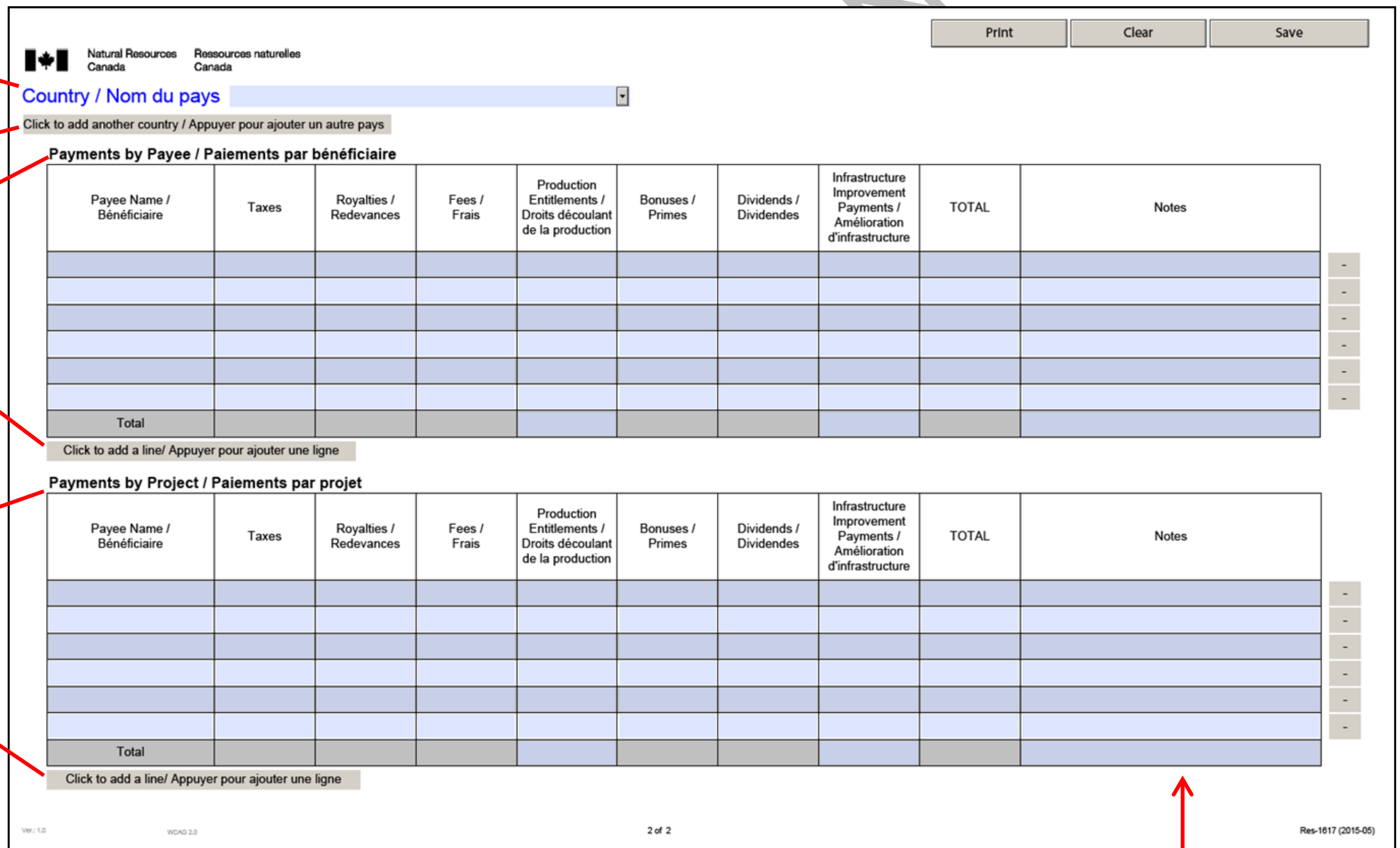
Click the gray tab under the country name to add another country to your report.

Table 1 must always be by payee.

Click the gray tab under the table to add rows for additional payees.

Table 2 must always be by project.

Click the gray tab under the table to add rows for additional projects.



Print | Clear | Save

Natural Resources Canada / Ressources naturelles Canada

Country / Nom du pays

Click to add another country / Appuyer pour ajouter un autre pays

Payments by Payee / Paiements par bénéficiaire

Payee Name / Bénéficiaire	Taxes	Royalties / Redevances	Fees / Frais	Production Entitlements / Droits découlant de la production	Bonuses / Primes	Dividends / Dividendes	Infrastructure Improvement Payments / Amélioration d'infrastructure	TOTAL	Notes
Total									

Click to add a line/ Appuyer pour ajouter une ligne

Payments by Project / Paiements par projet

Payee Name / Bénéficiaire	Taxes	Royalties / Redevances	Fees / Frais	Production Entitlements / Droits découlant de la production	Bonuses / Primes	Dividends / Dividendes	Infrastructure Improvement Payments / Amélioration d'infrastructure	TOTAL	Notes
Total									

Click to add a line/ Appuyer pour ajouter une ligne

2 of 2

Res-1617 (2015-05)

Certain payments may require qualifying notes, to be includes in the "Notes" column. This column may also be used to provide context.

ANNEX C: List of Countries for Reports (as per ISO 3166)

A
Afghanistan
Åland Islands
Albania
Algeria
American Samoa
Andorra
Angola
Anguilla
Antarctica
Antigua and Barbuda
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan

B
Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bermuda
Bhutan
Bolivia (Plurinational State of)
Bonaire, Sint Eustatius and Saba
Bosnia and Herzegovina
Botswana
Bouvet Island
Brazil
British Indian Ocean Territory
Brunei Darussalam
Bulgaria
Burkina Faso
Burundi

C
Cambodia
Cameroon
Canada
Cabo Verde
Cayman Islands
Central African Republic
Chad
Chile
China
Christmas Island
Cocos (Keeling) Islands
Colombia
Comoros
Congo
Congo (Democratic Republic of the)
Cook Islands
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Curaçao
Cyprus
Czech Republic

D
Denmark
Djibouti
Dominica
Dominican Republic

E
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Ethiopia

F
Falkland Islands (Malvinas)
Faroe Islands
Fiji
Finland
France
French Guiana
French Polynesia
French Southern Territories

G
Gabon
Gambia
Georgia
Germany
Ghana
Gibraltar
Greece
Greenland
Grenada
Guadeloupe
Guam
Guatemala
Guernsey
Guinea
Guinea-Bissau
Guyana

H
Haiti
Heard Island and McDonald Islands
Holy See
Honduras
Hong Kong
Hungary

I
Iceland
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Isle of Man
Israel
Italy

J
Jamaica
Japan
Jersey
Jordan

K
Kazakhstan
Kenya
Kiribati
Korea (Democratic People's Republic of)
Korea (Republic of)
Kuwait
Kyrgyzstan

L
Lao People's Democratic Republic
Latvia
Lebanon
Lesotho
Liberia
Libya
Liechtenstein
Lithuania
Luxembourg

M
Macao

Macedonia (the former Republic of Yugoslav)
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Martinique
Mauritania
Mauritius
Mayotte
Mexico
Micronesia (Federated States of)
Moldova (Republic of)
Monaco
Mongolia
Montenegro
Montserrat
Morocco
Mozambique
Myanmar

N
Namibia
Nauru
Nepal
Netherlands
New Caledonia
New Zealand
Nicaragua
Niger
Nigeria
Niue
Norfolk Island
Northern Mariana Islands
Norway

O
Oman

P
Pakistan
Palau
Palestine, State of
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Pitcairn
Poland
Portugal
Puerto Rico

Q
Qatar

R
Réunion
Romania
Russian Federation
Rwanda

S
Saint Barthélemy
Saint Helena, Ascension and Tristan da Cunha
Saint Kitts and Nevis
Saint Lucia
Saint Martin (French part)
Saint Pierre and Miquelon
Saint Vincent and the Grenadines
Samoa
San Marino
Sao Tome and Principe
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Sint Maarten (Dutch part)
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
South Georgia and the South Sandwich Islands
South Sudan
Spain
Sri Lanka
Sudan
Suriname
Svalbard and Jan Mayen
Swaziland
Sweden
Switzerland
Syrian Arab Republic

T
Taiwan, Province of China
Tajikistan
Tanzania, United Republic of
Thailand
Timor-Leste
Togo
Tokelau
Tonga
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Turks and Caicos Islands
Tuvalu

U
Uganda
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
United States Minor Outlying Islands
Uruguay
Uzbekistan

V
Vanuatu
Venezuela (Bolivarian Republic of)
Viet Nam
Virgin Islands (British)
Virgin Islands (U.S.)

W
Wallis and Futuna
Western Sahara

Y
Yemen

Z
Zambia
Zimbabwe