
Dear Secretary Countryman,

We appreciate the opportunity to provide the comments of Equinor ASA ("Equinor") on the Securities and Exchange Commission's (the "Commission") proposed rules implementing Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Section 13(q) of the Securities Exchange Act of 1934 (the "Exchange Act") relating to the disclosure of certain payments by resource extraction issuers.

Equinor is a broad international energy company, headquartered in Norway, with a presence in more than 30 countries worldwide. In the U.S., it has significant oil and gas operations both off- and onshore and a growing US offshore wind business. Equinor’s ordinary shares are listed on the Oslo stock exchange while its American Depositary Shares are listed on the New York stock exchange.

Equinor believes that transparency underpins good governance and facilitates trust. Moreover, increased transparency can play a vital role in driving sound and competitive business practices and avoiding bribery and economic mismanagement.

Since 2005, Equinor has publicly disclosed its payments to governments on an annual basis. Initially, Equinor voluntarily disclosed such payments on a per country basis. Currently, such
Disclosure is published in accordance with the format prescribed by EU Directive 2013/34/EU (2013) (the “EU Directive”) and its Norwegian corresponding legislation. These regulations require that Equinor disclose payments on both per country and per project basis. Disclosure of payments to governments on a per project basis is likewise required under the standard agreed by the Extractive Industries Transparency Initiative (EITI), of which Equinor is a long-standing supporter.

Based on our experience making annual disclosures of our payments to governments, we welcome the ongoing efforts by the Commission to adopt rules implementing 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

However, the U.S. should aim to adopt rules that align with existing disclosure regimes - most notably the EU regime. Such alignment is particularly important for companies such as Equinor subject to disclosure obligations in several jurisdictions. Alignment will ensure that companies such as ours can keep compliance costs at a reasonable and proportional level. Alignment would also contribute to a level playing field in the global extractive sector between those companies listed in the US and those listed elsewhere and would increase the value of the disclosed information for the market and other third parties.

While the proposed rules are based on an approach similar to the one taken by the EU, the currently proposed rules would nonetheless create substantial differences between the two regimes. Firstly, the proposed definition of “project” substantially differs from that of the EU by requiring disclosures at the national and major subnational political jurisdiction level. Secondly, additional differences would be introduced through the proposed two-tiered _not de minimis_ test. Accordingly, we question the need for such a two-tiered test and its additional compliance burden.

We note that the Commission has also requested comments on an alternative approach which would permit issuers to submit their annual reports on a confidential basis, after which the Commission would produce an aggregated, anonymized compilation that would be made available to the public. Equinor does not favour such an approach. This approach would further increase the differences between the US disclosure regime and other disclosure regimes without providing any corresponding meaningful reduction in the compliance burden on issuers. Moreover, we believe such an approach would not be conducive to building trust with external stakeholders, nor prevent possible mismanagement of funds.

We welcome the fact that the proposed rules, subject to certain conditions, would permit resource extraction issuers to satisfy their obligations by submitting to the Commission a report complying with an alternative reporting regime as an exhibit to Form SD. Such a recognition of equivalence can facilitate the use of disclosed data by eliminating any potential misconceptions surrounding multiple, but slightly different, disclosures by the same issuer.

One of the preconditions to this alternative reporting option is that the Commission has determined that the foreign jurisdiction’s reporting obligations satisfy the transparency objectives of Section 13(q). Accordingly, Equinor requests that the Commission on its own initiative and as early as possible make the determination that the EU disclosure regime for payments to governments (as implemented in an EU or European Economic Area member country including Norway) satisfies Section 13(q)’s transparency objectives, and that an issuer that submits a report complying with such reporting requirements would satisfy its disclosure obligations under the new rules.
Further, we support the proposal that the disclosed payment information is “furnished” rather than “filed” and, as a result, would not be subject to liability under Section 18 of the Exchange Act nor incorporated by reference into a filing under the Securities Act of 1933. In our view, the benefit of these disclosure requirements comes from increased transparency regarding payments to governments from extractive industries rather than from increasing issuers’ potential liability to investors.

Lastly, allow us to share some of our experience of having disclosed payments to governments since 2005. The costs involved preparing our annual disclosure of payments to governments (following the initial implementation of necessary systems and procedures), have been modest and acceptable for a business operation of our size and nature. More broadly, although inherently hard to measure, we believe our disclosures have contributed to building additional trust with external stakeholders and have allowed us to tell a more complete story about our business and local value creation in a way conducive to strengthening our “license to operate”.

The above represents Equinor’s view on the proposed rules. As such, these points have also formed the basis for our input on the topic to trade associations of which we are members.

Sincerely,

/s/

Gine Wang-Reese

Vice-President

Equinor