

Please note that the comments expressed herein are solely my personal views

Securities and Exchange Commission
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Washington, DC 20549-1090
United States
www.sec.gov

Chris Barnard

19 March 2020

- **17 CFR Parts 240 and 249b**
- **Release No. 34-87783; File No. S7-24-19**
- **Disclosure of Payments by Resource Extraction Issuers**

Dear Sir.

Thank you for giving us the opportunity to comment on your proposed rule concerning the Disclosure of Payments by Resource Extraction Issuers.

You are proposing Rule 13q-1 and an amendment to Form SD to implement Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) relating to disclosure of payments by resource extraction issuers. Section 1504 of the Dodd-Frank Act added Section 13(q) to the Securities Exchange Act of 1934. Section 13(q) directs the SEC to issue rules requiring resource extraction issuers to include in an annual report information relating to payments made to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas or minerals. Section 13(q) requires these issuers to provide information about the type and total amount of payments made for each of their projects related to the commercial development of oil, natural gas or minerals, and the type and total amount of payments made to each government. In addition, Section 13(q) requires a resource extraction issuer to provide information about those payments in an interactive data format.

I supported the previous proposed disclosures,¹ and I generally support these new proposed disclosures, which will promote transparency concerning payments made by resource extraction issuers to governments.

¹ See my comment letter on your proposed rule: Disclosure of Payments by Resource Extraction Issuers, at 80 FR 80058, December 23, 2015. Comment letter available at <https://www.sec.gov/comments/s7-25-15/s72515-18.pdf>

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I would only recommend one change concerning proposed § 240.13q-1(a) which now states that “Every issuer that is required to file an annual report with the Commission on Form 10-K (17 CFR 249.310), Form 20-F (17 CFR 249.220f), or Form 40-F (17 CFR 249.240f) pursuant to Section 13 or 15(d) of the Exchange Act (15 U.S.C. 78m or 78o(d)) and engages in the commercial development of oil, natural gas, or minerals must furnish a report on Form SD (17 CFR 249b.400) within the period specified in that Form disclosing the information required by the applicable items of Form SD as specified in that Form.” I would strongly recommend that resource extraction issuers should be required to “file” the report with the SEC rather than “furnish” the report to the SEC. This would make the payment disclosures subject to liability under Section 18 of the Securities Exchange Act, which is entirely appropriate given that Section 18 imposes liability on any person who makes false and misleading statements of material fact on any report filed under the Securities Exchange Act.

Yours faithfully

C.R.B.

Chris Barnard