

Dr Brian Gilvary

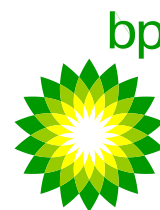
Chief Financial Officer

16 February 2016

Secretary Brent J Fields
U.S. Securities and Exchange Commission
100 F Street, NE
Washington
DC 20549-1090
USA

BP p.l.c.
1 St James's Square
London
SW1Y 4PD

Tel: +44 (0)207 496 4000



Dear Secretary Fields

Re: Comments - Disclosure of Payments by Resource Extraction Issuers Proposed Rule, File Number S7-25-15

BP welcomes the opportunity to provide comments on the Securities and Exchange Commission's ("Commission") proposed rule implementing Section 13(q) of the Securities Exchange Act of 1934.

BP supports the goal of improving revenue transparency in resource-rich countries and was one of the original members of the Extractive Industries Transparency Initiative ("EITI"). In June of this year BP will begin to report its 2015 government payments under EU and UK transparency laws.

The specific approach taken to transparency must also be weighed against the potential competitive and commercial impact on those companies affected. BP continues to believe the API reporting proposal best achieves the transparency objective of Section 13(q) while remaining true to the Commission's central mission to protect investors and competition.

As the Commission finalises the rule, BP offers the following specific views, laid out in more detail in the attached Appendix:

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- BP urges the Commission to adopt an exemption for all “foreign private issuers.”
- In the event the Commission does not adopt an exemption for foreign private issuers, BP supports the Commission’s alternative reporting proposal.
- With respect to the alternative reporting proposal, BP recommends that such reports be “furnished” rather than “filed.”
- Finally, BP supports the Commission’s proposed definition of “control”, but disagrees with the Commission’s proposal regarding “proportionately consolidated entities.”

Yours sincerely

A handwritten signature in black ink, reading "Brian Gilvary", is enclosed in a rectangular box. The signature is written in a cursive style with a long horizontal flourish extending to the right.

Brian Gilvary

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Appendix

BP urges the Commission to adopt an exemption for all “foreign private issuers.”

The Commission has requested public comment on whether it should exempt certain categories of issuers from the proposed rule. BP supports an exemption for “foreign private issuers” whether or not those issuers are required to file an annual report with the Commission. An exemption for all foreign private issuers is justifiable in particular so that issuers bear the compliance burden associated with only one set of transparency rules. For example, the government payments information that BP will file under the UK Transparency Initiative will be in the public domain on the UK regulatory websites as well as BP’s own website as required by the UK rules.

BP supports “alternative reporting” for foreign private issuers.

In the event the Commission does not adopt an exemption for foreign private issuers, BP supports the Commission’s alternative reporting proposal. The option to submit BP’s UK Transparency Initiative report or its USEITI report would not only help to lessen the compliance burden of preparing and providing multiple reports, it would also benefit users of the data by providing a single dataset per company and avoid potentially confusing duplicative disclosures.

The Commission believes that this “alternative reporting” is appropriate for circumstances in which the foreign jurisdiction or the USEITI reporting requirements are substantially similar to the proposed rule requirements. BP asks the Commission to use a more flexible standard such as “broadly similar” or “broadly comparable” as opposed to “substantially similar” in the proposed rule.

In addition, the Commission should in its adopting release identify those other jurisdictions whose rules meet the “alternative reporting” standard. BP strongly believes that the EU directives and the UK Transparency Initiative meet this test. Express recognition of which foreign jurisdiction’s disclosure requirement satisfies section 13(q)’s objectives would be highly beneficial to issuers subject to multiple jurisdiction rules.

BP disagrees with the Commission’s proposal to require disclosures be “filed” rather than “furnished” for foreign private issuers

BP supports the Commission’s proposal that issuers provide the required disclosure about payments on Form SD rather than in the issuers’ periodic or current reports.

At the same time, BP urges the Commission to allow foreign private issuers to treat their SD filings as furnished rather than filed. This would be consistent with foreign private issuers’ obligations to “furnish” Exchange Act reports on Form 6-K, which are not subject to Section 18 liability. The nature and purpose of the Section 13(q) disclosures is qualitatively different than other disclosures that have historically been required under Section 13. Subjecting resource payment disclosures to Section 18 liability would not enhance investor protection but rather increase the burden on issuers aiming to comply with important transparency efforts.

BP supports the Commission’s proposed definition of “control”, but disagrees with the Commission’s proposal regarding “proportionately consolidated entities.”

Companies should not be required to provide information in relation to payments they do not make themselves. BP welcomes the Commission’s proposal to align the definition of “control” with GAAP.

However, BP disagrees with the Commission’s proposal for issuers to report proportional payments in relation to activities that are “proportionally consolidated.” This will result in an unwarranted increase in cost and complexity for issuers, for all the reasons outlined by API.

Activity in the commercial development of oil and gas is predominantly carried out through unincorporated joint ventures, usually with several partners, principally “proportionally consolidated” or accounted for as “joint operations” under IFRS. Requiring proportionate reporting will create an extensive need for the exchange of granular payment data that is not normally shared and which co-venturers may have no right to receive under the applicable contractual arrangements.

We believe a cost-efficient alternative would be for the Commission to require the issuer to report 100% of the payments made where the issuer is the operator, as it is the operator who carries the responsibility of making government payments on behalf of the joint venture. At the same time, non-operating partners should not report any share of payments made by the operator venture. This approach would align with the EITI process where for each operation within a country, 100% of the payments are reported by the operator of the venture which makes the payment.