

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090
United States

Chris Barnard

31 December 2010

-File No. S7-42-10
-Disclosure of Payments by Resource Extraction Issuers

Dear Sir,

Thank you for giving us the opportunity to comment on your Proposed Rule “Disclosure of Payments by Resource Extraction Issuers”.

You are proposing amendments to your rules pursuant to Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act relating to disclosure of payments by resource extraction issuers. Each resource¹ extraction issuer that is required to file an annual report with the SEC must disclose in an annual report any payments that the issuer, or any controlled entity therein, made to a foreign government or the U.S. federal government for the purpose of resource extraction. The disclosure would include the type and total amount of such payments for each project, the type and total payments made to each government, the total amounts of the payments by category, the currency used to make the payments, the financial period in which the payments were made, the business segment of the resource extraction issuer that made the payments, the government that received the payments, and the country in which the government is located, and the project of the resource extraction issuer to which the payments relate. The disclosures required by the provision would include payments made to companies at least majority-owned by a foreign government.

I generally support the proposed disclosures, which will promote transparency in payments made by resource extraction issuers to governments. However, I would recommend that you propose a clearer definition of “payment”. You currently define “payment” to mean a payment that is:

¹ Oil, natural gas, or minerals.

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

- made to further the commercial development of oil, natural gas or minerals;
- is not “de minimus”; and
- includes taxes, royalty fees (such as license fees), production entitlements, bonuses and other material benefits that are determined to be part of the commonly recognized revenue stream for the commercial development thereof.

As the purpose of the proposed rules is to promote transparency and accountability in payments² rather than providing material information to investors, I would recommend a more principles based approach to payments, based on the purpose of or intention behind the payment, rather than the type, amount or materiality of the payment. This would also negate the need for a de minimus exemption.

Yours faithfully

Chris Barnard

² Consider also the Extractive Industries Transparency Initiative, <http://eiti.org/>.