

## Dodd-Frank Rulemaking Redux: The SEC Adopts Again a Resource Extraction Payments Disclosure Rule

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August 2, 2016

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**PRACTICES** Capital Markets and Securities, Energy, Power and Natural Resources, Mining and Metals, Oil and Gas

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On June 27, 2016, the U.S. Securities and Exchange Commission (the “**SEC**,” or the “**Commission**”) adopted rules authorized under Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank Act**”), requiring extractive industry companies to disclose certain payments they make to governments. These rules (the “**Final Rules**”) obligate oil and natural gas producers and mining companies that file annual reports with the SEC under the Securities Exchange Act of 1934 (the “**Exchange Act**”) to report annually the payments they make to the U.S. federal government or any foreign government for the commercial development of oil, natural gas or minerals.

The Final Rules are for the most part substantially the same as the rules proposed by the Commission in December 2015 (the “**Proposed Rules**”), described in our Securities Alert: “The SEC’s Resource Extraction Payments Disclosure Rule Gets a Do-Over” (Jan. 7, 2016). However, the Final Rules modified certain provisions in the Proposed Rules, and added some new provisions, some of which should prove helpful to hydrocarbon and mining companies required to report under the rules.

The SEC had adopted rules to implement Section 1504 in 2012, but those rules were vacated in 2013 by the U.S. federal district court for the District of Columbia. The court found that the SEC had misread Section 1504 to compel public disclosure of companies’ payments in their reports instead of a compilation, and that the SEC’s explanation for not granting any exemptions to the disclosure requirements was arbitrary and capricious.

To read the full alert click on the PDF below:

[Dodd-Frank-Rulemaking-Redux2.PDF](#)