

[Securities Regulation Daily Wrap Up, TOP STORY—Commission finalizes resource extraction issuer rules revamp, \(Jun. 27, 2016\)](#)

Securities Regulation Daily

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By [Mark S. Nelson, J.D.](#)

The Commission has issued its long-awaited final rules implementing the Dodd-Frank Act's resource extraction issuer provisions, appearing to bring to an end the latest rounds of litigation over the breadth of the agency's first attempt to draft rules that mandate new disclosures by oil, gas, and minerals companies. The re-write followed a period of intense litigation and a [court order](#) to speed the rulemaking process, which the SEC eventually [said](#) could be finished by June 2016. The Commission issued a separate [order](#) finding certain countries' disclosure regimes substantially similar to the U.S. requirements ([Release No. 34-78167](#), June 27, 2016).

SEC Chair Mary Jo White said in an agency [press release](#) that the rules will aid disclosure of payments made to gain access to vital natural resources. Oxfam America, Inc., the human rights group that sued the SEC to press for a faster rules re-write had not yet [publicly commented](#) on the late-day rulemaking release.

The new final rules amend Exchange Act Rule 13q-1 and include a method by which a resource extraction issuer can apply for exemptive relief. The rules also give the SEC staff latitude to periodically publish online a compilation of data required to be filed under the rules, but further provides that this data cannot be anonymized. The release also makes several changes to Form SD, the form created for companies to make the various specialized disclosures required by the Dodd-Frank Act.

Dodd-Frank Act Section 1504 took aim at payments oil and gas companies make to governments to get the rights to extract oil, gas, and minerals. Section 1504 added Exchange Act Section 13(q), which requires a company that is a resource extraction issuer to disclose information about any payments it makes to a foreign government (or to the U.S.) for purposes of the commercial development of oil, gas, and minerals. The SEC first [proposed](#) the rules in 2010, and then [adopted](#) its initial final version of Exchange Act Rule 13q-1 in 2012.

A federal judge had [ruled](#) that the Commission's initial final rule flunked *Chevron* step one because Section 1504 did not necessarily require the agency to mandate publicly filed resource extraction issuer reports. Moreover, the court said the Commission misread "compilation" in a manner that limited the agency's discretion. The judge also said the Commission should have mulled including an exemption for firms doing business in countries that do not permit public disclosure of royalties payments.

The releases are [Nos. 34-78167](#) and [34-78169](#).

Companies: Oxfam America, Inc.

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