

Resource Extraction Disclosure Repealed

February 14, 2017

On February 14, 2017, President Trump approved a joint resolution of Congress repealing the SEC's rule requiring resource extraction disclosure. The joint resolution was passed pursuant to the 1996 Congressional Review Act, which allows a new Congress to use special fast-track procedures to invalidate agency rules submitted in the last 60 session or legislative days of the previous session of Congress.

The resource extraction disclosure rule was adopted in June 2016 and would have required domestic and foreign public companies engaged in the commercial development of oil, natural gas or minerals to annually disclose payments made to U.S. federal and foreign governments to further the commercial development of those resources. The disclosure would have been required for fiscal years ending on or after September 30, 2018. (Our memo describing the rule is available [here](#).)

The rule was the second attempt by the SEC to implement the Dodd-Frank mandate; the first resource extraction disclosure rule adopted in August 2012 was overturned in federal court after an industry challenge.

Technically, a requirement for the SEC to issue a resource extraction disclosure rule still remains on the books under Section 13(q) of the Securities Exchange Act of 1934, as amended by the Dodd-Frank Act. We don't believe the current SEC will be in any rush to adopt a revised resource extraction rule under the Dodd-Frank mandate, and in any event the Congressional Review Act forbids any new rulemaking that is "substantially the same" as the voided rule absent additional statutory authorization.

If you have any questions regarding the matters covered in this publication, please contact any of the lawyers listed below or your regular Davis Polk contact.

John Banes	+44 20 7418 1317	john.banes@davispolk.com
Alan F. Denenberg	650 752 2004	alan.denenberg@davispolk.com
Joseph A. Hall	212 450 4565	joseph.hall@davispolk.com
Sophia Hudson	212 450 4762	sophia.hudson@davispolk.com
Michael Kaplan	212 450 4111	michael.kaplan@davispolk.com
Byron B. Rooney	212 450 4658	byron.rooney@davispolk.com
Richard D. Truesdell, Jr.	212 450 4674	richard.truesdell@davispolk.com
Nicole Green	212 450 3042	nicole.green@davispolk.com

© 2017 Davis Polk & Wardwell LLP | 450 Lexington Avenue | New York, NY 10017

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's [privacy policy](#) for further details.