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SEC Adopts Final Rules Implementing Dodd-Frank Disclosure Requirements for Resource Extraction Issuers

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The SEC voted today to adopt final rules to implement Section 1504 of the Dodd-Frank Act relating to resource extraction issuers. The rules provide that a U.S. or foreign company that (1) files an annual report with the SEC and (2) engages in the commercial development of oil, natural gas or other minerals, is required to disclose the type and total amount of payments made by the company, its subsidiaries or entities under its control to a foreign government or the U.S. federal government for each "project" and each government in order to further the commercial development of oil, natural gas or minerals. Companies subject to the rule will be required to report for fiscal years ending after September 30, 2013. For the first report, most companies will be able to provide a report disclosing only those payments made after September 30, 2013. Based on statements by Commissioners and staff at today's open meeting and the SEC's press release, we expect the final rules to be similar to the SEC's original proposal released in December 2010. This memo summarizes the changes highlighted at today's open meeting.

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

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Related materials

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