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SEC Proposes Resource Extraction Payments Disclosure Rules

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by Jason Brenkert

At the Securities and Exchange Commission's (the "Commission") open meeting on December 18, 2019, the Commissioners proposed rules to require resource extraction issuers to file an annual Form SD that includes information about payments related to the commercial development of oil, natural gas, or minerals that are made to a foreign government or to the U.S. federal government. The proposed rules implement Section 13(q) of the United States Exchange Act of 1934, as amended, and they are mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").

It has been a difficult road for the Commission to implement these rules. The Commission first adopted rules on resource extraction payments disclosure in 2012, but those rules were vacated by the U.S. District Court for the District of Columbia. The Commission then adopted new rules in 2016, which were disapproved by a joint resolution of Congress pursuant to the Congressional Review Act. The new proposed rules are a substantial easing of the requirements in the prior rules.

For more information on the proposed rules, see our recent eUpdate here.

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