

New EITI Requirements, 2013

- 1 Effective oversight by the multi-stakeholder group.
- 2 Timely publication of EITI Reports.
- 3 EITI Reports that include contextual information about the extractive industries.
- 4 The production of comprehensive EITI Reports that include full government disclosure of extractive industry revenues, and disclosure of all material payments to government by oil, gas and mining companies.
- 5 A credible assurance process applying international standards.
- 6 EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.
- 7 That the multi-stakeholder group takes steps to act on lessons learned and review

Requirement	Old/New
EITI Requirement 1 The EITI requires effective oversight by the multi-stakeholder group.	
1.1 The government is required to issue an unequivocal public statement of its intention to implement the EITI...	Old rule 1 with some modifications.
1.2 The government is required to appoint a senior individual to lead the implementation of the EITI...	Old rule 3 with some changes
1.3 The government is required to commit to work with civil society and companies , and establish a multi-stakeholder group to oversee the implementation of the EITI... <i>*TOR</i>	Combining old rules 2 and 4.
1.4 The multi-stakeholder group is required to maintain a current workplan, fully costed and aligned with the reporting and Validation deadlines established by the EITI Board... <i>*Workplan</i>	Old rule 5 with some changes
1.5 Adapted implementation Should the multi-stakeholder group conclude that it faces exceptional circumstances that necessitate deviation from the implementation requirements, it must seek prior EITI Board approval for adapted implementation. The request must be endorsed by the multi-stakeholder group and reflected in the workplan. The request should explain the rationale for the adapted implementation. The EITI Board will only consider allowing adaptations in exceptional circumstances. In considering such requests, the EITI Board will place a priority on the need for comparable treatment between countries and ensuring that the EITI Principles are upheld, including ensuring that the EITI process is sufficiently inclusive, and that the EITI Report is comprehensive, reliable and will contribute to public debate.	New
1.6 EITI Reporting and Validation deadlines	Old - reflect the current rules, as

	found in Policy Note 3 and Policy Note 5.
<p>a) EITI Reporting deadlines</p> <p>The EITI requires timely publication of EITI Reports (Requirement 2). If the EITI Report is not published by the required deadline, the country will be suspended. The suspension will be lifted if the EITI Board is satisfied that the outstanding EITI Report is published within six months of the deadline. If the outstanding reports are not published within six months of the deadline, the suspension will remain in force until the EITI Board is satisfied that the country has published an EITI Report that covers data no older than the second to last complete accounting period (requirement 2). If the suspension is in effect for more than one year the EITI Board will delist the country.</p>	
<p>b) EITI Validation deadlines</p> <p>Implementing countries must undertake Validation regularly in order to determine whether implementation is consistent with the EITI Standard (see chapter 3). EITI Candidate countries are required to commence Validation within two and a half years of becoming an EITI Candidate. Validation will determine whether the country is: (1) EITI Compliant, (2) not EITI Compliant, but has made meaningful progress; or (3) not EITI Compliant, and has not made meaningful progress (see below). A country may hold EITI Candidate status for no more than five years from the date that the country was admitted as an EITI Candidate.² After three and a half years, a country will be designated EITI Candidate country (suspended) while undertaking final corrective actions...</p> <p><i>*EITI compliance (and three year validation)</i></p> <p><i>*Meaningful progress</i></p>	
<p>c) Annual activity reports</p> <p>Multi-stakeholder groups are required to publish annual activity reports (Requirement 7.2). The report of the previous year's activities must be published by 1 July of the following year. The EITI Board will establish appropriate deadlines for new EITI Candidate countries. If the annual activity report is not published within six months of this deadline, i.e. by 31 December the following year, the country will be suspended until the EITI Board is satisfied that the outstanding activity report has been published.</p>	
<p>d) Extensions</p> <p>An implementing country may apply for an extension if it is unable to meet any of the deadlines specified in sections (a), (b) and (c) above. The EITI Board will apply the following tests in assessing any extension requests:</p> <ol style="list-style-type: none"> 1. The request must be made in advance of the deadline and be endorsed by the multi-stakeholder group. 2. The multi-stakeholder group must demonstrate that it has been making meaningful progress towards meeting the deadline and has been delayed due to exceptional circumstances... 	
1.7 Suspension	

a) Suspension due to breaches of the EITI Principles and requirements... b) Suspension due to political instability or conflict... c) Lifting the suspension...	
1.8 Delisting Delisting, i.e. revoking a country's status as an EITI implementing country, will occur if: (1) In accordance with Requirement 1.7(a), an implementing country has been subject to suspension, and the matter has not been resolved to the satisfaction of the EITI Board by the agreed deadline; and (2) In accordance with Requirement 1.6(b), the EITI Board concludes that a country has not made meaningful progress in implementing the EITI. Where it is manifestly clear that a significant aspect of the EITI Principles and requirements are not adhered to by an implementing country, the EITI Board reserves the right to delist the country. A delisted country may reapply for admission as an EITI Candidate at any time. The EITI Board will apply the agreed procedures with respect to assessing EITI Candidate applications. It will also assess previous experience in EITI implementation, including previous barriers to effective implementation, and the implementation of corrective measures.	
1.9 Appeals The implementing country concerned may petition the EITI Board to review its decision regarding suspension, delisting or the country designation as EITI Candidate or EITI Compliant following Validation. In responding to such petitions, the EITI Board will consider the facts of the case, the need to preserve the integrity of the EITI and the principle of consistent treatment between countries. The EITI Board's decision is final. The country concerned may, prior to the notice periods under Article 8 of the Articles of Association, appeal a decision of the EITI Board to the next ordinary Members' Meeting.	

EITI Requirement 2 The EITI requires timely publication of EITI Reports	
2.1 Implementing countries are required to produce their first EITI Report within 18 months of being admitted as an EITI Candidate. Thereafter, implementing countries are expected to produce EITI Reports on an annual basis .	Old rule 5e
2.2 EITI Reports must cover data no older than the second to last complete accounting period , e.g. an EITI Report published in calendar/financial year 2014 must be based on data no later than calendar/financial year 2012. Multi-stakeholder groups are encouraged to explore opportunities to publish EITI Reports as soon as practically possible. In the event that EITI reporting is significantly delayed, the multistakeholder group should take steps to ensure that EITI Reports are issued for the intervening reporting periods so that that every year is subject to reporting.	Old rule 5e
2.3 The multi-stakeholder group is required to agree the accounting period covered by the EITI Report.	

EITI Requirement 3 The EITI requires EITI Reports that include contextual information about the extractive industries.	
3.1 Compiling contextual information	New

The multi-stakeholder group should agree the procedures and responsibilities for the preparation of the contextual information for the EITI Report. The information should be clearly sourced.	
3.2 The EITI Report must describe the legal framework and fiscal regime governing the extractive industries...	New
3.3 The EITI Report should provide an overview of the extractive industries, including any significant exploration activities...	
3.4 The EITI Report must disclose, when available, information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report...	New
3.5 The EITI Report must disclose production data for the fiscal year covered by the EITI Report, including: a) Total production volumes and the value of production by commodity, and, when relevant, by state/region. b) Total export volumes and the value of exports by commodity, and, when relevant, by state/region of origin.	New
3.6 Where state participation in the extractive industries gives rise to material revenue payments, the EITI Report must include...	New
3.7 The EITI Report must describe the distribution of revenues from the extractive industries. a) The EITI Report should indicate which extractive industry revenues, whether cash or in-kind, are recorded in the national budget. Where revenues are not recorded in the national budget, the allocation of these revenues must be explained, with links provided to relevant financial reports as applicable, e.g. sovereign wealth and development funds, sub-national governments, state-owned companies, and other extra-budgetary entities. b) Multi-stakeholder groups are encouraged to reference national revenue classification systems, and international standards such as the IMF Government Finance Statistics Manual.	New
3.8 The multi-stakeholder group is encouraged to include further information on revenue management and expenditures in the EITI Report, including:	New
a) A description of any extractive revenues earmarked for specific programmes or geographic regions. This should include a description of the methods for ensuring accountability and efficiency in their use.	
b) A description of the country's budget and audit processes and links to the publicly available information on budgeting, expenditures and audit reports.	
c) Timely information from the government that will further public understanding and debate around issues of revenue sustainability and resource dependence. This may include the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the extractive sector.	

<p>3.9 Register of licenses</p> <p>a) The term license in this context refers to any license, lease, title, permit, or concession by which the government confers on a company(ies) or individual(s) rights to explore or exploit oil, gas and/or mineral resources.</p> <p>b) Implementing countries are required to maintain a publicly available register or cadastre system(s) with the following timely and comprehensive information regarding each of the licenses pertaining to companies covered in the EITI Report:</p> <ul style="list-style-type: none"> i. license holder(s); ii. coordinates of the license area; iii. date of application, date of award and duration of the license; and iv. in the case of production licenses, the commodity being produced... 	New
<p>3.10 Allocation of licenses</p> <p>a) Implementing countries are required to disclose information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report, including: a description of the process for transferring or awarding the license; the technical and financial criteria used; information about the recipient(s) of the license that has been transferred or awarded, including consortium members where applicable; and any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards.</p> <p>b) Where licenses are awarded through a bidding process during the accounting period covered by the EITI Report, the government is required to disclose the list of applicants and the bid criteria.</p> <p>c) Where the requisite information set out in 3.10(a) and 3.10(b) above is already publicly available, it is sufficient to include a reference or link in the EITI Report.</p> <p>d) The multi-stakeholder group may wish to include additional information on the allocation of licenses in the EITI Report, including commentary on the efficiency and effectiveness of these systems.</p>	New
<p>3.11 Beneficial ownership</p> <p>a) It is recommended that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity(ies) that bid for, operate or invest in extractive assets, including the identity(ies) of their beneficial owner(s) and the level of ownership. Where this information is already publicly available, e.g. through filing to corporate regulators and stock exchanges, the EITI Report should include guidance on how to access this information.</p> <p>b) Where such registers do not exist or are incomplete, it is recommended that implementing countries request companies participating in the EITI process provide this information for inclusion in the EITI Report...</p>	New
<p>3.12 Contracts</p> <p>a) Implementing countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and</p>	New

minerals. b) It is a requirement that the EITI Report documents the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals. This should include relevant legal provisions, actual disclosure practices and any reforms that are planned or underway. Where applicable, the EITI Report should provide an overview of the contracts and licenses that are publicly available, and include a reference or link to the location where these are published...	
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EITI Requirement 4 The EITI requires the production of comprehensive EITI Reports that include full government disclosure of extractive industry revenues and disclosure of all material payments to government by oil, gas and mining companies.	New, combining old rules 9, 11, 14, 15.
4.1 Defining the taxes and revenues to be covered in the EITI Report	
a) In advance of the reporting process, the multi- stakeholder group is required to agree which payments and revenues are material and therefore must be disclosed, including appropriate materiality definitions and thresholds. Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report. A description of each revenue stream, related materiality definitions and thresholds should be included in the EITI Report. In establishing materiality definitions and thresholds, the multi-stakeholder group should consider the size of the revenues streams relative to total revenues. The multi-stakeholder group should document the options considered and the rationale for establishing the definitions and thresholds.	
b) The following revenue streams should be included :	Modifies old rule 9d
i. the host government's production entitlement (such as profit oil);	
ii. national state-owned company production entitlement;	
iii. profits taxes;	
iv. royalties;	
v. dividends;	
vi. bonuses, such as signature, discovery and production bonuses;	
vii. licence fees, rental fees, entry fees and other considerations for licences and/or concessions; and	
viii. any other significant payments and material benefit to government. Any revenue streams or benefits should only be excluded where they are not applicable or where the multi-stakeholder group agrees that their omission will not materially affect the comprehensiveness of the EITI Report.	
c) Sale of the state's share of production or other revenues collected in-kind. Where the sale of the state's share of production or other revenues collected in-kind is material, the government, including state owned enterprises, are required to disclose the volumes sold and revenues received...	New

d) Infrastructure provisions and barter arrangements: The multi-stakeholder group and the independent administrator are required to consider whether there are any agreements, or sets of agreements, involving the provision of goods and services, including loans, grants and infrastructure works, in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities...	Modifies old rule 9f
e) Social expenditures: Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, the EITI Report must disclose and, where possible, reconcile these transactions...	New.
f) Transportation: Where revenues from the transportation of oil, gas and minerals constitute one of the largest revenue streams in the extractive sector, the government and state-owned enterprises (SOEs) are expected to disclose the revenues received...	New
4.2 Defining which companies and government entities are required to report	
a) The EITI Report must provide a comprehensive reconciliation of government revenues and company payments , including payments to and from state-owned enterprises, in accordance with the agreed scope (Requirement 4.1). All companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope. An entity should only be exempted from reporting if it can be demonstrated that its payments and revenues are not material. All government entities receiving material revenues are required to comprehensively disclose these revenues in accordance with the agreed scope.	Old 14 and 15
b) Unless there are significant practical barriers, the government is additionally required to provide, in aggregate, information about the amount of total revenues received from each of the benefit streams agreed in the scope of the EITI Report, including revenues that fall below agreed materiality thresholds. Where this data is not available, the Independent Administrator should draw on any relevant data and estimates from other sources in order to provide a comprehensive account of the total government revenues.	New
c) State-owned enterprises (SOEs): The multi-stakeholder group must ensure that the reporting process comprehensively addresses the role of SOEs, including material payments to SOEs from oil, gas and mining companies, and transfers between SOEs and other government agencies.	New
d) Subnational payments: It is required that the multi-stakeholder group establish whether direct payments, within the scope of the agreed benefit streams, from companies to subnational government entities are material. Where material, the multi-stakeholder group is required to ensure that company payments to subnational government entities and the receipt of these payments are disclosed and reconciled in the EITI Report.	New
e) Subnational transfers: Where transfers between national and subnational government entities are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue sharing mechanism, the multi-stakeholder group is required to ensure that material transfers are disclosed in the EITI Reports. The	New.

<p>EITI Report should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. The multi-stakeholder group is encouraged to reconcile these transfers. The multistakeholder group is encouraged to ensure that any material discretionary or ad-hoc transfers, are also disclosed and where possible reconciled in the EITI Report. Where there are constitutional or significant practical barriers to the participation of subnational government entities, the multi-stakeholder group may seek adapted implementation in accordance with requirement 1.5.</p>	
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EITI Requirement 5 The EITI requires a credible assurance process applying international standards.	
5.1 Appointment of the Independent Administrator The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards. The Independent Administrator must be perceived by the multistakeholder group to be credible, trustworthy and technically competent. The multi-stakeholder group should endorse the appointment of the Independent Administrator.	Old 16 with modifications
5.2 Agreement of Independent Administrator's Terms of Reference The multi-stakeholder group and the Independent Administrator are required to agree terms of reference in accordance with the 'agreed upon procedure for EITI Reports and based on the standard Terms of Reference endorsed by the EITI Board. Should the multi-stakeholder group wish to adapt or deviate from these agreed upon procedures, approval from the EITI Board must be sought in advance (Requirement 1.5)... The multi-stakeholder group is required to agree the level of disaggregation for the publication of data. It is required that EITI data is presented by individual company, government entity, and revenue stream. Reporting at project level is required, provided that it is consistent with the United States Securities and Exchange Commission rules and the forthcoming European Union requirements. <i>*Audit procedures</i>	New
5.3 Assessment and recommendations from the Independent Administrator	
a) In accordance with the Term of Reference, the Independent Administrator should prepare an EITI Report that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies.	
b) The Independent Administrator should produce electronic data files that can be published together with the EITI Report. Summary data from each EITI Report should be submitted electronically to the International Secretariat according to the standardised reporting format provided by the International Secretariat.	New

c) The EITI Report should include an assessment from the Independent Administrator on the comprehensiveness and reliability of the data presented, including an informative summary of the work performed by the independent administrator and the limitations of the assessment provided. Based on the government's disclosure of total revenues as per Requirement 4.2(b) the Independent Administrator should indicate the coverage of the reconciliation exercise.	New
d) The assessment should include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information . Any gaps or weaknesses in reporting to the Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report.	Old 18
e) It is required that the EITI Report documents whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information.	New, (subject previously addressed in old rules 13, 14)
f) The Independent Administrator may wish to make recommendations for strengthening the reporting process in the future, including any recommendations regarding audit practices and reforms needed to bring them into line with international standards. Where previous EITI Reports have recommended corrective actions and reforms, the Independent Administrator should comment on the progress in implementing those measures.	17 (making rec's)
5.4 The multi-stakeholder group should endorse the EITI Report prior to its publication.	

EITI Requirement 6 The EITI requires EITI Reports that are comprehensible, actively promoted, publicly accessible, and contribute to public debate.	
6.1 The multi-stakeholder group must ensure that the EITI Report is comprehensible, actively promoted, publicly accessible and contributes to public debate. Key audiences should include government, parliamentarians, civil society, companies and the media. The multi-stakeholder group is required to: <ul style="list-style-type: none"> a) produce paper copies of the EITI Report, and ensure that they are widely distributed. Where the report contains extensive data, e.g., voluminous files, the multi-stakeholder group is encouraged to make this available online; b) make the EITI Report available on-line, and publicise its availability; c) ensure that the EITI Report is comprehensible, including by ensuring that it is written in a clear, accessible style and in appropriate languages; and d) ensure that outreach events, whether organised by government, civil society or companies, are undertaken to spread 	Old rule 18d and 18e

awareness of and facilitate dialogue about the EITI Report across the country.	
<p>6.2 The multi-stakeholder group is encouraged to make EITI Reports machine readable, and to code or tag EITI Reports and data files so that the information can be compared with other publicly available data.</p> <p>As per Requirement 3.7(b), the multi-stakeholder group is encouraged to reference national revenues classification systems, and international standards such as the IMF Government Finance Statistics Manual. The multi-stakeholder group is encouraged to:</p> <p>a) produce brief summary reports, with clear and balanced analysis of the information, ensuring that the authorship of different elements of the EITI Report is clearly stated;</p> <p>b) summarize and compare the share of each revenue stream to the total amount of revenue that accrues to each respective level of government;</p> <p>c) where legally and technically feasible, consider automated online disclosure of extractive revenues and payments by governments and companies on a continuous basis. This may include cases where extractive revenue data is already published regularly by government or where national taxation systems are trending towards online tax assessments and payments. Such continuous government reporting could be viewed as interim reporting, and as an integral feature of the national EITI process which is captured by the reconciled EITI Report issued annually; and</p> <p>d) undertake capacity-building efforts, especially with civil society and through civil society organisations, to increase awareness of the process, improve understanding of the information and data from the reports, and encourage use of the information by citizens, the media, and others.</p>	<p>a) and d) are new</p> <p>b) old rule 18c(i) with minor changes</p> <p>c) old rule 11e</p>

<p>EITI Requirement 7</p> <p>The EITI requires that the multi-stakeholder group takes steps to act on lessons learned and review the outcomes and impact of EITI implementation.</p>	
<p>7.1 The multi-stakeholder group is required to take steps to act upon lessons learned; to identify, investigate and address the causes of any discrepancies; and to consider recommendations for improvement from the Independent Administrator.</p>	Old rules 17 and 20
<p>7.2 The multi-stakeholder group is required to review the outcomes and impact of EITI implementation on natural resource governance.</p> <p>a) The multi-stakeholder group is required to publish annual activity reports...</p> <p><i>*Consideration of encouraged items</i></p>	Old rules 20 and 21c