

For immediate release: 15th July 2010

U.S. passes landmark reforms on resource transparency

New bill a breakthrough for campaign against conflict and corruption

Global Witness strongly welcomes a ground-breaking new bill, passed by the U.S. Senate today, which will help to lift the curse of corruption and conflict from poor countries that are rich in oil and minerals by promoting greater public oversight and responsible trading practices.

Provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act (also known as the Financial Reform Act) will require oil, gas and mining companies registered with the Securities and Exchange Commission (SEC) to publicly disclose their tax and revenue payments to governments around the world. This disclosure will deter the corruption which has brought deep poverty and conflict to many resource-rich countries.

The Act will also require companies whose products contain cassiterite (tin ore), coltan, wolframite and gold to disclose to the SEC whether they are sourcing these minerals from the Democratic Republic of Congo (DRC) or adjoining countries. Companies will have to detail the measures they have taken to avoid sourcing these minerals from DRC armed groups, which are guilty of massacres and other atrocities. The bill also requires that all information disclosed be independently audited.

"These provisions are a huge victory for corporate accountability in the oil, gas and mining industries, and we commend the leadership of Members of Congress who have steadfastly championed them," said Corinna Giffillan of Global Witness, a non-profit group which has campaigned since the 1990s to break the links between natural resources, corruption and conflict

"As well as helping the people of resource-rich-but-poor countries, these provisions will serve U.S. governmental and commercial interests around the world by promoting stability and responsible corporate investment," said Giffillan. Global Witness is a co-founder of Publish What You Pay, a global coalition of more than 600 civil society groups that works for transparency in the oil, gas and mining industries.

The House of Representatives approved these reforms on June 30th and the Senate did so today. President Obama is expected to sign the Dodd-Frank legislation into law next week.

"Now is the time for the United Kingdom and other major economies to follow the example of the U.S., so that these crucial reforms can become global standards," said Giffillan.

Global Witness commends Senator Benjamin Cardin (D-MD) and Senator Richard Lugar (R-IN) for championing the extractive industry revenue transparency provision, with the strong support of Senator Richard Durbin, Senator Russell Feingold (D-WI), Senator Patrick Leahy (D-VT), and Senator Charles Schumer (D-NY). Global Witness also recognizes the strong leadership of Senator Sam Brownback (R-KS), Senator Richard Durbin, Senator Russell Feingold, Representative Howard Berman (D-CA), and Representative Jim McDermott (D-WA) for the DRC conflict minerals provision. Global Witness commends Senate Banking Committee Chairman Christopher Dodd (D-CT) and House Financial Services Chairman Barney Frank (D-MA) for their support of these provisions.

For more information, please contact:

In the United States: Corinna Gilfillan on +1 202 725 8705 cgilfillan@globalwitness.org

In Europe: Diarmid O'Sullivan on +44 7872 620 955 dosullivan@globalwitness.org