

Feasibility Study:

SYSTEMATIC DISCLOSURES OF EITI DATA IN THE UNITED KINGDOM

Business Frameworks Analysis (BEIS)
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Table of Contents

List of Abbreviations

1. Summary	1
2. Background	3
3. Main Findings	6
3.1 (a) Non-Revenue (contextual) Information.....	6
3.1 (b) Recommendations for Mainstreaming Non-Revenue Information	11
3.2 (a) Revenue Data.....	12
3.2 (b) Data Quality.....	19
3.2 (c) Data Timeliness.....	21
3.2 (d) Recommendations for Mainstreaming Revenue Data	21
3.3 General Recommendations.....	23
Annexes	25
Annex 1 – Feasibility Study Terms of Reference	26
Annex 2 – Summary of Findings.....	33
Annex 3 – Summary of Recommendations.....	31
Annex 4 – Mainstreaming Roadmap.....	39

List of Abbreviations

BEIS	UK Department for Business, Energy and Industrial Strategy
APRT	Advance Petroleum Revenue Tax
BGS	British Geological Survey
BMAPA	British Marine Aggregate Producers Association
CA	The Coal Authority
CES	Crown Estate Scotland
DAERA-NI	Northern Ireland Department of Agriculture, Environment, and Rural Affairs
DfE - NI	Northern Ireland Department for the Economy
EFRAG	European Financial Reporting Advisory Group
GVA	Gross Value Added
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
IA	Independent Administrator
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
LPA	Local Planning Authority
MMO	Marine Management Organisation
MPA	Mineral Products Association
MSG	Multi-Stakeholder Group
NAO	National Audit Office
NI	Northern Ireland
OBR	Office for Budget Responsibility
OCR 2009	Overseas Companies Regulations 2009
OGA	Oil and Gas Authority
OGUK	Oil & Gas UK
ONS	Office for National Statistics
PEARS	Petroleum E-business Assignments and Relinquishment System
PRT	Petroleum Revenue Tax
RoPTG 2014	Reports on Payments to Government Regulations 2014
SC	Supplementary Charge
TCE	The Crown Estate
UK-EITI	UK Extractives Industries Transparency Initiative

1. Summary

The 2016 EITI Standard¹ enables implementing countries to disclose the information required by the Standard through routine government and company reporting, with a view to more timely, comprehensive and reliable disclosures, greater cost-effectiveness, and harmonisation of EITI reporting processes with those already used by government, companies, and industry bodies.

In July 2018, UK EITI commissioned the Business Frameworks Analysis team in the Department for Business, Energy and Industrial Strategy (BEIS) to conduct a feasibility study into the UK's readiness to mainstream EITI implementation via routine online disclosures. The study followed Terms of Reference based closely on the template developed by the EITI International Board and Secretariat² (*see Annex 1*), and examined whether:

- there is routine disclosure of the data required by the Standard in requisite detail; and
- the financial data is subject to credible, independent audit, in accordance with international Standards.

The scope of the study therefore required the Business Frameworks Analysis team to undertake the following:

- An assessment of the disclosures required by the EITI Standard (as applied by the UK EITI MSG).
- Cataloguing of public sources of the required data and an assessment of its accessibility, quality, and timeliness (*see Annex 2*).
- Consultation with the UK EITI multi-stakeholder group (MSG), the Independent Administrator (IA), and other key stakeholders on the feasibility of mainstreaming, and EITI implementation in the UK in general.
- The preparation of a roadmap for mainstreaming EITI disclosures in the UK based on the findings of the study (*see Annex 4*).

The main aim of this study is to identify public sources of EITI disclosures and any potential gaps that would need to be addressed to allow mainstreaming of EITI disclosures. It is therefore important to note that it is not intended to be a comprehensive assessment of all publicly available information about the sector. Further, it must be noted that, whilst this study aims to identify gaps in the availability of data required by the EITI Standard (as agreed by the UK EITI MSG), it does not aim to identify gaps between the requirements of the 2016 EITI Standard and the implementation of the Standard by UK EITI. The latter is being

¹ <https://eiti.org/document/standard>

² https://eiti.org/sites/default/files/documents/tor_for_eiti_systematic_disclosure_feasibility_study.docx

addressed in an ongoing validation exercise, with a final validation report due to be published in early 2019. Some of the findings and recommendations presented below are therefore subject to change based on the findings of the validation exercise.

The key finding of this study is that most of the information required by the EITI Standard is routinely disclosed via government or company reporting. In the main, non-revenue (contextual) data and information are available from multiple sources hosted by government departments and industry bodies (e.g. gov.uk, the UK legislation portal, HMRC, HMT, OGA, DfE-NI, TCE and CES,³ and OGUK, among others), but there are some limitations to mainstreaming. Revenue data is, to some extent, routinely disclosed, albeit not to a level commensurate with the EITI Standard due to confidentiality issues (both in the case of tax disclosures and some fees that apply in transactions that are commercially sensitive) but, where available, is subject to audit processes that satisfy international audit standards. The data kept on public online sources is kept up-to-date, provides good coverage of the required disclosures, and is generally of high quality.

The study did however identify gaps in the available public data, and therefore proposes recommendations related to:

- Making summarised contextual data accessible;
- Supplementing the data kept on the gov.uk open data portal and making existing datasets more accessible to end users;
-
- Adjusting materiality thresholds for some payment streams; and
- Reviewing/revising the scope of reconciliation.

Details of the findings of this study are provided in the sections that follow: *section 2* provides a brief background on the implementation of EITI in the UK, while *section 3* sets out the main findings on data availability, comprehensiveness, and reliability. *Annex 2* summarises findings on the level of individual requirements and provides links to available data; *Annex 3* provides a summary of recommendations; and *Annex 4*, a proposed roadmap to mainstreaming based on the recommendations made.

³ Crown Estate Scotland (CES) is not treated separately in this report, as it is a relatively new body, with limited coverage. It will, for the first time, be treated as a separate entity in the 2017 UK EITI payments report due to be published at the end of 2018.

2. Background

Historically, the UK has taken a strong leadership role in driving global transparency and accountability, and was key to the establishment of EITI in 2002. As part of this broad thrust, EITI was implemented in the UK with a view to increasing transparency and trust in the UK extractive industries and, more widely, to ensuring the citizens of less-developed countries benefit fairly from their countries' natural resources. The UK launched the implementation of EITI in mid-2013, and was admitted as an EITI candidate country at the October 2014 International EITI meeting in Burma.

The UK extractive industries comprise mining and quarrying sectors, and cover the extraction of oil and gas, coal, and minerals and metals used in construction, agriculture, and other industrial processes (such as salt, gravel, potash, kaolin, and tungsten). The sector is a significant contributor to the UK economy, adding £22bn to UK GVA and supporting in excess of 60,000 jobs through direct employment in the sector and the wider sector supply chain in 2017.⁴ The UK is the 21st largest producer of oil and gas in the world and, whilst production from other mining and quarrying activities (including coal) takes place on a significantly lower scale, that sector makes a sizeable contribution to regional and local economies across the UK.

Three UK EITI Payment Reports have been published to date, covering the 2014, 2015, and 2016 reporting cycles. The reports have been produced with an average lag of roughly 18 months relative to the end of the calendar year being reported on. The lag for the 2017 report, due to be published by the end of 2018, is expected to be cut to 1 year if the report is published according to schedule. In the first year of reporting, the reconciliation participation rate was just under 50%,⁵ but across the 2015 and 2016 payment reports, an average reconciliation participation rate of above 90% was recorded, a broad indication that whilst compliance with the reporting process is voluntary, companies have chosen to support increased transparency through their participation in the process. The payment reports also support the general view that UK regulation of the extractive industry is robust, and that both government and company reporting systems are of good quality. Whilst discrepancies have been identified in all three reports, they have been largely explained through the reconciliation process.

⁴ Source tables at <https://www.ogauthority.co.uk/exploration-production/taxation/extractive-industries-transparency-initiative/>

⁵ For the 2014 reconciliation exercise, the IA contacted all extractive companies in the UK as opposed to only in-scope companies. The low participation rate is likely due to the fact that some contacted extractive companies were not in scope and, therefore, did not participate in the reconciliation exercise.

As previously indicated, the reporting requirements of the EITI Standard in the UK apply to companies operating in the oil and gas industry and in other mining and quarrying operations, including those involved in coal mining. Applicable payment streams differ for each of these groups (see *Table 1* below), but all other requirements of the Standard remain the same for all companies across the entire extractive sector.⁶ In the main, companies are required to report on tax and other payments to government bodies (Requirement 4.1(b)(iii) and 4.1(b)(vi)); and on their beneficial ownership (Requirement 2.5). The Standard also requires coverage of applicable legal frameworks, fiscal regimes, licence allocation processes, and registers of licences for operating in the sector (Requirements 2.1 to 2.3); exploration, production, and exports (Requirements 3.1 to 3.3); data timeliness and quality (Requirements 4.8 and 4.9); revenue management, distribution, and transfers (Requirements 5.1 to 5.3), and the contribution of the sector to the UK economy (Requirement 6.3).

Table 1: Extractive Sector Payment Streams

		Sector	
		Oil and Gas	Other Mining and Quarrying (including coal)
Payment Streams	Ring Fence Corporation Tax and Supplementary Charge	Corporation Tax	
	Petroleum Revenue Tax and Advance Petroleum Revenue Tax Repayment	Payments to the Coal Authority	
	Oil and Gas Authority Levy	Payments to The Crown Estate and Crown Estate Scotland	
	Petroleum Licence Fees	payments under section 106 and equivalents in NI and Scotland to Local Planning Authorities	
	Payments to the Crown Estate and Crown Estate Scotland		

The current UK EITI workplan⁷ is built on three main objectives:

- i. Increasing public understanding of the social and economic impacts of the extractive industries and enriching public debate on the governance and stewardship of the UK’s oil, gas, and mineral resources.
- ii. Ensuring information is readily accessible and presented to the public in a clear manner.
- iii. Supporting the UK government’s championing of extractive transparency and open government.

⁶ Some requirements of the Standard are not applicable in the UK, and are therefore not addressed in this study. These have been marked as such in *Annex 2*.

⁷ [UK EITI Workplan 2018](#)

Mainstreaming of the EITI process is key to meeting objectives (i) and (ii). This feasibility study is therefore listed as one of the core activities of the workplan (Activity 1.5), as its findings will inform any application to the International EITI Board for adapted implementation of the Standard. On this basis, the study assesses the extent to which requirements of the Standard are satisfied via routine online disclosures and, in particular, that where data is available from public online sources, it satisfies the required level of comprehensiveness, reliability, and timeliness set out by the Standard. The main findings of the study are discussed below.

3. Main Findings

3.1 (a) Non-Revenue (contextual) Information

The UK implementation of the EITI Standard requires the disclosure of non-revenue (contextual information) under six main categories:

- i. Legal frameworks and fiscal regimes;
- ii. Licence allocation frameworks and registers of licences;
- iii. Company beneficial ownership;
- iv. Exploration, production, and exports;
- v. Revenue management, distribution, and transfers; and
- vi. Contribution of the sector to the UK economy.

Most of this contextual information is routinely disclosed on public online sources, but not all of this information is accessible to the end user, as available sources are dispersed. This is primarily due to the fragmented nature of the UK extractive sector and the number of regulators and industry bodies in operation. Whilst some gaps exist in the available information, most can be addressed with relative ease over the short to medium term (see *Annex 4*). Some contextual information requirements can, however, be immediately mainstreamed. The related findings are discussed below and summarised in *Annex 2*. Recommendations are summarised in *Annex 3*.

i. Legal Frameworks and Fiscal Regimes

Coverage of legal and fiscal regimes on public sources is comprehensive, but given the level of fragmentation of the sector, and the fact that it is governed by a number of different legal and fiscal frameworks, this coverage is spread, primarily, across multiple government portals. Details of the applicable legal frameworks can be found (in full) on the UK legislation portal,⁸ and additionally, in the case of mineral planning, on the websites of the Northern Ireland (NI), Scottish, and Welsh governments. Details of applicable fiscal regimes are published on sources hosted by relevant government and industry bodies (such as the OGA⁹) and the

⁸ www.legislation.gov.uk

⁹ Specific links are provided in *Annex 2*.

gov.uk portal.¹⁰ The information on these sources is kept up-to-date, and changes only become necessary when regulatory revisions are made. Therefore, this disclosure can be mainstreamed immediately.¹¹

ii. Licence Allocations and Registers of Licences

Information related to licences (allocations and registers of licences) is published, but here too, across multiple sources. For oil and gas, information on licensing is published primarily by the OGA,¹² and includes coverage of the process of awards and transfers, types of licences, and the licensing lifecycle. The DfE-NI publishes detailed guidance¹³ on licensing and licence allocations for Northern Ireland.

For the mining and quarrying sector (excluding coal), there is no single national licensing system as ownership rights vest in the landowners. Local planning authorities (LPAs) grant planning and environmental permits, but not licences. The BMAPA¹⁴ publishes guidance on the award of licences for the extraction of marine aggregate minerals, and the supporting legislation can be found on the UK legislation portal.¹⁵ For Northern Ireland, details of the award of mineral and petroleum licences are published on the DfE-NI¹⁶ portal. In the case of coal, the UK Coal Authority regulates and grants licences for coal mining and underground coal gasification operations, and publishes full guidance on the gov.uk portal.

Generally, information on licence allocations is kept up-to-date and, as in the case of legal and fiscal frameworks, requires revision only when amendments are made to the applicable regulations. It must be noted however, that none of the identified sources related to mining and quarrying set out the technical and financial criteria for the granting of licences (this information is published for oil and gas licensing by the OGA). This issue presents a relatively minor limitation to mainstreaming, as it would require the relevant owners of the information to publish the criteria on existing websites or portals along with the licensing information already disclosed.

Registers of licences are available through routine disclosure for both oil and gas and other mining and quarrying operations. Generally, the identified registries are updated frequently,

¹⁰ Specific links are provided in *Annex 2*.

¹¹ With there being multiple sources of information, relevant links could be published on the EITI website or on the EITI section of the gov.uk open data portal in order to simplify access.

¹² <https://www.ogaauthority.co.uk/licensing-consents/licensing-system/petroleum-e-business-assignments-and-relinquishment-system-pears>

¹³ www.economy-ni.gov.uk/articles/petroleum-licensing

¹⁴ https://bmapa.org/regulation_and_management/licensing_and_regulation.php

¹⁵ Licence details applicable to Scotland and Wales are also published on their respective government Portals

¹⁶ www.economy-ni.gov.uk/articles/minerals-licensing

and often, as soon as licences are granted (in the case of OGA updates, in real time). For oil and gas, the OGA publishes details on the licences granted, licence reports, and interactive maps of onshore and offshore allocations. DfE-NI publishes current licences and licence area maps for oil and gas operations in Northern Ireland. The depth of coverage varies across sources, but generally, can be considered good. The main gap in the available data is that the OGA PEARS system does not publish details of the parties to transfers of licences (licence assignments).¹⁷ This disclosure can be mainstreamed once this gap is addressed. The additional data required could be published on existing sources – no completely new data sets need be created. It must be noted that licence information published from the OGA PEARS system does not include information on non-trivial deviations¹⁸ since OGA licensing procedures do not deviate from that prescribed in the relevant licensing framework. Further, the date of application is not published by the OGA, but this is because applications are made during licensing rounds that run over set date ranges, meaning no specific date of application is recorded during the process.

Registers of licences for other mining and quarrying operations are also available from public online sources. The Coal Authority publishes data on licence awards and known areas of activity, in addition to holding an offline register of licences that is available upon request. The Marine Management Organisation (MMO), Natural Resource Wales, Marine Scotland, and DAERA-NI¹⁹ each keep an online public register of marine licences issued in their respective locations, and further coverage of marine aggregates extraction licences is available in the annual BMAPA Area Involved Report.²⁰ There is, however, no single register of licences for quarrying activity. Whilst distinct from licences, each Local Planning Authority (LPA) keeps a record of planning permissions granted for mineral extraction within the Local Authority. Further, none of the sources identified publish the details of non-trivial deviations from relevant licensing frameworks.

The gaps in this coverage present limitations to the mainstreaming of mining and quarrying licence registries. Addressing them would require, where legal constraints allow, greater alignment of routine disclosures with the requirements of the EITI Standard. This could take considerable time and coordination, as it would, for example, require the development and implementation of new online registers (as in the case of the Coal Authority register of licences).

¹⁷ Some companies make public the details of transfers to which they are party, but this is by no means a universal practice.

¹⁸ Substantive deviations from the standard/normal licensing procedure in cases where licences were awarded using a different or modified licensing procedure.

¹⁹ Additional data on marine licensing data for NI is available from the NI Marine Strategy and Licensing Branch.

²⁰ <https://bmapa.org/downloads/reference.php>

iii. Company Beneficial Ownership

Beneficial ownership information for companies could be mainstreamed immediately. Companies House (the UK registrar of companies) hosts and maintains the People with Significant Control (PSC) Register,²¹ which records company beneficial ownership information for ALL UK companies, and provides a protective regime for vulnerable PSCs.²² The data kept on this register is reliable, comprehensive, and updated in near real time.²³ The disclosure of company beneficial ownership is therefore ready for mainstreaming.²⁴

iv. Exploration, Production, and Exports

Public online disclosure of Exploration, production, and exports information is available but, as in other cases outlined above, is scattered across multiple sources. For example, no single source provides a full sector overview, but industry reports by various regulators and industry bodies provide information for oil and gas and mining and quarrying separately.

For coverage of exploration in the mining and quarrying sector, data on current mineral exploration projects is available on the level of individual company activity,²⁵ however there is no coverage of test drilling and excavation, as these activities are subject to agreements with individual landowners, and as such, are not kept on any central register. For oil and gas, the OGA hosts and maintains data on exploration licences²⁶ disaggregated to the individual discovery and basin-wide (aggregate) levels, and on individual licences awarded for exploration. Despite the dispersed nature of identified sources, coverage of exploration is comprehensive. Industry and sector overviews are prepared annually, and exploration data is updated at varying time periods across sources, but no less than on an annual basis.

Production data available from public online sources is also comprehensive, but equally dispersed. Data on oil and gas production is available from BEIS (DUKES data), gov.uk, Scottish government official statistics, and from OGA data. For mining and quarrying activities, the MPA publishes information on industry sales volumes on a quarterly basis,²⁷ and also produces estimates for aggregate production annually.²⁸ The OGA data is disaggregated to the field level for crude oil and gas production, but is also available by month and hydrocarbon

²¹ http://download.companieshouse.gov.uk/en_pscdata.html

²² See regulations here: <https://www.legislation.gov.uk/ukdsi/2016/9780111143018>

²³ 1 working day is required for processing and uploading changes to the online register, which is refreshed daily to capture the most recent upload.

²⁴ A post-implementation review of the effectiveness of the register is being conducted by BEIS, and is due to be published in June 2019.

²⁵ <http://www.bgs.ac.uk/mineralsuk/exploration/current.html>

²⁶ <https://www.ogaauthority.co.uk/exploration-production/exploration/>

²⁷ https://mineralproducts.org/iss_market_data01.htm

²⁸ <http://www.mineralproducts.org/documents/Facts-at-a-Glance-2018.pdf>

stream. Other sources report with varying levels of disaggregation, and the frequency of updates varies across these datasets: BEIS data is updated monthly (aggregate data on coal and oil and gas) and annually (DUKES data); gov.uk energy trend data is updated quarterly; and Scottish government data is published on an annual basis. At a minimum, however, updates are published annually. Sources listed also provide an outline of the data collection and calculation methodology, though this is not a universal practice. For mining and quarrying, the Mineral Products Association (MPA) publishes quarterly information on industry sales volumes and also annual estimates for aggregates, and BEIS publishes monthly statistics of building materials and components. There is no coverage of production values for non-construction mineral output in publicly available sources, but this is not due to gaps in public online disclosures – these values are not measured or captured at any stage of production, and are therefore not available for any level of disclosure.

Export data is available for the extractive sector as a whole, but available sources do not differentiate between mining and quarrying and oil and gas. ONS publishes data on the value of exports, imports, and net imports, and BEIS (DUKES) data provides coverage of oil, gas, and coal exports and imports. This is comprehensive and presented in aggregate form by both year and by commodity. ONS data is updated quarterly, and BEIS data, annually.

In the main, information on exploration, production and exports is comprehensive and kept current, but is scattered across multiple sources. These disclosures can be mainstreamed immediately, but as the information is scattered across multiple sources, relevant links could be published on the EITI website or on the EITI section of the gov.uk open data portal in order to simplify access.

v. Revenue Management, Expenditure, and Subnational Transfers

Due to the system of public accounting in the UK, coverage of the distribution of extractive revenue is provided only through UK national budget statements (statements of income and expenditure) and OBR economic and fiscal outlook releases. The UK government statistics used in the formulation of these are of high quality and are produced on an annual basis, and the general level of coverage is commensurate with the requirements of the EITI Standard. Further, UK extractive revenues are not hypothecated to any specific expenditure allocation except in the case of the OGA levy, which part-funds the operation of the OGA (discussed in *section 3.2(a)(i)*). The only applicable sub-national transfer is the transfer of the NI share of seaward petroleum licences (continental shelf income) to the NI government (in accordance with section 2 of the Miscellaneous Financial Provisions Act 1968²⁹). Data on this transfer of

²⁹ <http://www.legislation.gov.uk/ukpga/1968/75/contents>

continental shelf income is published annually in the OGA Annual Report and Accounts and in the NI Public Income and Expenditure Account.³⁰

There are limitations to mainstreaming this disclosure. Individual OGA levy payments are not disclosed outside of UK EITI payment reports (discussed below) and would therefore need to be published by the OGA. Further, the transfer of continental shelf income to NI is calculated via population-based method that is set out in the legislation.³¹ Whilst this means the formula is available in public online disclosures, access to it could be simplified.

vi. Contribution to the UK Economy

Public online disclosure of the contribution of the extractive sector to the UK economy is highly fragmented. Data on the value of the sector, revenue generated, number of enterprises, and employment, is available from ONS; economic and fiscal forecasts are published by OBR; and other sources provide coverage of regional distribution of operations. The only source of a consolidated summary is the EITI payments report. However, collectively, these individual sources provide comprehensive coverage of the required disclosures, albeit with varying degrees of disaggregation and update frequencies. The lack of a comprehensive summary is a minor limitation to mainstreaming, and could be addressed relatively easily with the provision of relevant links and a text summary on the EITI section of the gov.uk open data portal.

3.1 (b) Recommendations for Mainstreaming Non-Revenue Information

Based on the findings set out in *Section 3.1(a)* above, we make the following recommendations to the UK EITI MSG for their consideration:

- Disclosures related to applicable legal frameworks and fiscal regimes, extractive company beneficial ownership, and information on exploration, production and exports, could be mainstreamed immediately. The transfer of the NI share of continental shelf income could also be mainstreamed immediately but, in order to simplify access to the method of calculating the amount of the transfer, the formula set out in the relevant legislation should be published on the OGA portal, the DfE-NI portal, or both, along with the source of the population data required.
- Technical and financial criteria for the award of licences in the mining and quarrying sector should be added to relevant government websites/portals. The UK EITI MSG should engage with the owners of the relevant websites/portals to ensure these additional disclosures satisfy Requirement 2.2 of the EITI Standard.

³⁰ <https://www.finance-ni.gov.uk/publications/public-income-and-expenditure-accounts>

³¹ <http://www.legislation.gov.uk/ukpga/1968/75/section/2>

- Data outputs from the OGA PEARS portal should be updated with detailed coverage of the transfer of, or changes to, licences recorded on the system. The UK EITI MSG should engage with the OGA to ensure these additional disclosures satisfy Requirement 2.3 of the EITI Standard.
- The Coal Authority offline register of licences should be made available online in order to provide better access for end users. Further, the Coal Authority register and the marine licence registers kept by the MMO, Natural Resource Wales, Marine Scotland, and DAERA-NI should be supplemented with information on non-trivial deviations.
- The statistics on exploration, production, and exports, and the contribution of the extractive sector to the UK economy should be added in the EITI section of the gov.uk open data portal, along with appropriate text summaries. The UK MSG should ensure that this data is presented in a format that is easy to access and interpret.
- EITI reporting could be used collect and publish links to:
 - relevant sources on legal framework, fiscal regime, and licensing processes;
 - relevant LPA planning permissions registries (since the development and maintenance of a central registry is not feasible in practice); and
 - exploration, production, and export data and information.

3.2 (a) Revenue Data

As noted in *Section 2*, payment streams in scope of the UK EITI reporting process differ for oil and gas companies and companies engaged in other mining and quarrying activities. This section therefore treats the two groups separately.

Five payment streams specific to oil and gas production are in scope of UK EITI reporting³²:

- i. A combined total of Ring Fence Corporation Tax (RFCT) and Supplementary Charge (SC);
- ii. Petroleum Revenue Tax (PRT) and any Advanced Petroleum Revenue Tax (APRT) repayments;
- iii. Petroleum licence fees;
- iv. The OGA Levy; and

³² Each payment stream i includes the substantive payment and any associated interest or penalty payment.

- v. Payments to TCE and CES (in respect of pipeline access and operations).

For mining and quarrying sector, four payment streams are in scope of UK EITI reporting³³:

- i. Corporation Tax (CT);
- ii. Payments to the Coal Authority;
- iii. Payments to TCE and CES; and
- iv. Monetary payments to Local Planning Authorities (LPAs) in respect of planning obligations (payments made in accordance with Section 106 of the Town and Country Planning Act 1990³⁴ and equivalent legislation in Scotland³⁵ and NI³⁶).

The UK MSG applies a materiality threshold for in-scope payments that reflects that set by the Reports on Payments to governments Regulations 2014 (RoPTG 2014),³⁷ which is set at £86,000. RoPTG 2014 requires large and listed EU companies involved in mining, quarrying, and the logging of primary forests to report on payments made to governments in every jurisdiction in which they conduct operations. The UK EITI materiality threshold is applied to all revenue requirements of the Standard, and applies to each revenue stream on a net-payments basis with respect to the total amount paid.³⁸

There are however, some inherent complications with the system of revenue collection. For example, some oil and gas companies pay the RFCT, SC, and CT in consolidated instalments and not as separate payments. Whilst EITI requirements allow the payment of profits taxes via single payments, in the UK, CT paid by oil and gas companies is not related to their extractive activity and is therefore out of scope. The difficulty with single payments therefore lies in disentangling payments made in respect of extractive activity after they are issued. For EITI reporting, these companies are allowed to indicate the split between CT and other payments bundled into their single payment,³⁹ but this would not automatically be the case with mainstreamed disclosure. Another major issue applies to mining and quarrying companies. This group pays mainstream CT on profits from all their activities, and it is

³³ Each payment stream includes the substantive payment and any associated interest or penalty payment.

³⁴ <https://www.legislation.gov.uk/ukpga/1990/8/contents>

³⁵ <https://www.legislation.gov.uk/ukpga/1997/8/contents>

³⁶ <http://www.legislation.gov.uk/nisi/1991/1220/contents/made>

³⁷ <https://www.legislation.gov.uk/ukdsi/2014/9780111122235/contents>

³⁸ Once the threshold is reached for the total stream, all payments in the stream must be disclosed, even though, individually, some payments may be below the threshold.

³⁹ If companies tag or indicate the split of payments made in respect of extractive activity, the reconciliation process will use the total amount of the tagged payment. If, however, companies do not tag the split of payments, reconciliation will use the total amount paid.

therefore not possible to determine the share of CT they pay in respect of their extractive activities.

More fundamentally, the ability to mainstream revenue data is limited by UK taxpayer confidentiality provisions (as set out in the Commissioners for Revenue and Customs Act 2005⁴⁰). For EITI reporting, the UK MSG uses taxpayer waivers that allow the disclosure of tax data on individual companies' payments to HMRC. Without this waiver – as is the case with current public online disclosure outside of EITI reporting – individual company payments cannot be reported by government sources.

The main findings related to revenue requirements for the oil and gas sector and the mining and quarrying sector are discussed below and summarised in *Annex 2*. Recommendations are summarised in *Annex 3*.

i. Oil and Gas Sector

Disclosure of the details of the applicable tax framework for the oil and gas sector is available from public online sources. High-level information is published on the OGA website,⁴¹ and full details and guidance are published in the UK Oil Taxation Manual⁴² on gov.uk. The same applies for other relevant revenue streams – the OGA also publishes information and guidance on petroleum licence fees and the OGA Levy.

Tax Disclosures (RFCT, SC, PRT and APRT)

RFCT is a company-level profit tax charged specifically on the earnings from oil and gas exploration, development, and production (upstream activity). The calculation of chargeable profits follows the same methodology applied for CT, however, with different rules for the treatment of certain allowances, interest, and transfer pricing. The ring fence separates upstream oil and gas activities from the company's other activities. CT still applies to other activities of the company, which could include downstream oil and gas operations, but this is not in scope of EITI requirements.

⁴⁰ <https://www.legislation.gov.uk/ukpga/2005/11/contents>

⁴¹ <https://www.ogaauthority.co.uk/exploration-production/taxation/government-revenues-from-uk-oil-and-gas-production/>

⁴² <https://www.gov.uk/government/publications/oil-taxation-manual>

SC is also applied at the company level, to companies' ring fence profits⁴³. This is done after adjustments to ring fence profits, which could include the removal of finance costs and the application of certain allowances.

PRT is a tax applied to the profits raised from individual oil fields. PRT was introduced in 1975⁴⁴ and abolished for new fields first given development consent on or after 16 March 1993.⁴⁵ PRT therefore only applies to fields for which development consent was first granted prior to 16 March 1993. APRT is no longer chargeable, as it was a temporary tax payable for the period 1 January 1983 to 31 December 1986. Despite this, repayments of APRT may still arise where a payment is made to settle a previous year's liability, for example.

There is no publication of government tax receipts disaggregated to the company level due to the tax confidentiality provisions mentioned above. HMRC publishes annual aggregated tax data, and statistics of government revenues from oil and gas production on the gov.uk portal.⁴⁶ This annual statistical release includes an assessment of the data used in producing the statistics, and a list of related statistics for the oil and gas sector. OGA publishes aggregate data on government revenues from oil and gas production on the OGA portal,⁴⁷ which includes aggregate receipts reported by HMRC (on a cash basis) and by ONS (on an accruals basis).

In company reporting, tax payments are detailed in the tax note to companies' financial accounts, but with no standard for disaggregation. These company accounts are held by Companies House, and are available via its company search data product,⁴⁸ and company websites. Further, companies' tax payments are covered in their reports on payments to governments (under RoPTG 2014 and the Transparency Directive⁴⁹), wherein disclosures are disaggregated to the level of payment type and project. There are, however, some differences between the reporting requirements of RoPTG 2014⁵⁰ and EITI (which are covered in detail in a recent report prepared by PWYP⁵¹).

Moving to reliance on routine tax disclosures for the oil and gas sector would mean moving to disclosure of only aggregate tax receipts and the varying degrees of coverage provided in

⁴³ SC and RFCT payments are often combined by companies, and are therefore extremely difficult to disentangle unless the companies themselves indicate, at some later stage, the respective amounts paid.

⁴⁴ <https://www.legislation.gov.uk/ukpga/1975/22>

⁴⁵ <https://www.legislation.gov.uk/ukpga/1993/34/contents>

⁴⁶ See for example <https://www.gov.uk/government/statistics/government-revenues-from-uk-oil-and-gas-production>

⁴⁷ <https://www.ogaauthority.co.uk/exploration-production/taxation/government-revenues-from-uk-oil-and-gas-production/>

⁴⁸ <https://beta.companieshouse.gov.uk/>

⁴⁹ <https://www.handbook.fca.org.uk/handbook/DTR/4/3A.html>

⁵⁰ The Transparency Directive applies only to quoted companies and requires companies in scope to report no later than six (6) months after the end of their financial year. All other requirements match those of RoPTG 2014. Therefore, references to RoPTG 2014 used in this report also apply to the Transparency Directive.

⁵¹ <http://www.publishwhatyoupay.org/wp-content/uploads/2018/09/Comparing-UK-EITI-mandatory-data-assessment-report-PWYP-UK-Sept18.pdf>

company accounts. The resulting lack of company level data would introduce a substantial gap that would require considerable time and coordination to address. One option for addressing this gap would be to consult with HMRC and in-scope companies on the possibility of allowing tagged disclosures and taxpayer confidentiality waivers from extractive companies (as these companies now provide for the purpose of EITI reporting). This would allow HMRC to add relevant extractive company tax payments (disaggregated to the individual company level) to the list of its annual releases. Alternatively, alignment of the tax disclosure requirements of the Standard with the data captured in reports on payments to governments under RoPTG 2014 could be considered, but this would introduce the possibility of excluding data for extractive companies that are out of scope RoPTG 2014.

OGA Levy and Petroleum Licence Fees

The OGA Levy was introduced in line with the ‘user pays’ principle, and is therefore applied on a cost recovery basis. The levy works on a two-tier levy mechanism, with the levy apportioned between pre-production and in-production licence-holders, based on costs incurred by the OGA in relation to each group. Petroleum licence fees are annual rental fees charged on production licences. These are charged at an escalating rate for each square kilometre area covered by the licence, and are therefore designed to encourage retention of only the area licensees intend to use.

As noted in *Section 3.1(a)(v)* above, the OGA publishes guidance on the OGA Levy and petroleum licence fees on the OGA portal. The total amount of the levy and petroleum licence fees collected is published in the OGA Annual Report and Accounts. The fact that individual OGA Levy and petroleum licence fee collections are not published presents limitations to mainstreaming. To address these, OGA Levy and petroleum licence fee payments could be unilaterally disclosed on the OGA portal, after internal quality assurance checks or being subject to the OGA’s audit process.

Payments to TCE and CES

Oil and Gas companies pay TCE and CES for the right to cross land they hold and manage on behalf of the Crown for the purpose of pipeline access and operation. Outside the UK EITI payment reports, no source of coverage of this specific payment stream has been identified in the public domain. For mainstreaming, this information would have to be made available as part of routine online disclosure. The MSG could, however, consider removing this payment stream from the scope of EITI reporting – oil and gas company payments to TCE and CES are, arguably, not directly linked to extractive activity, and could therefore be excluded from scope of EITI on the same basis as oil and gas companies’ CT payments.

ii. Mining and quarrying Sector

Details of the applicable tax framework for mining and quarrying companies is widely available in public online sources. Details of the CT framework are published in the UK Company Taxation⁵² and Business Income Manuals⁵³ on the gov.uk portal. The framework related to payments to the Coal Authority is set out in full on the Coal Authority portal on gov.uk,⁵⁴ and covers licence fees, rents, and royalties. In the cases of TCE and CES however, details on the relevant payment streams are not clearly set out on any of the identified sources.

Tax Disclosures (CT)

There is no specific tax regime for the mining and quarrying sector as there is for oil and gas. As a result, mining and quarrying companies make CT payments on all their profits, and are not required to tag or identify the share paid in respect of profits from extractive activities. Due to this, the continued inclusion of CT payments for mining and quarrying companies is of little value to EITI reporting. Even in the case of company level CT disclosures (under the taxpayer confidentiality waiver system) CT payments related to extractive activity are not clearly reported, thus making headline figures potentially misleading. The 2016 UK EITI payments report provides several examples of this – some companies reported TCE payments on the order of millions (indicating significant extractive activity), but reported very low or zero CT payments, and vice versa. The MSG could, on this basis, consider removing this payment stream from the scope of EITI reporting.

Payments to the Coal Authority

Payments to the Coal Authority take several forms:

- Fees for statutory licences for surface and underground mining operations, underground coal gasification, and coal exploration;
- Production-related rents under coal leases;
- Fees applied under the Incidental Coal Agreement;
- Fees for use of the Coal Authority estate; and

⁵² <https://www.gov.uk/government/collections/company-taxation-manual>

⁵³ <https://www.gov.uk/government/collections/business-income-manual-bim>

⁵⁴ <https://www.gov.uk/government/organisations/the-coal-authority>

- Payments for coal rights for under options for leases and rights for pillars of support in coal.

The details of these payments (in aggregate) are published annually in the Coal Authority Annual Report and Accounts.⁵⁵ Payments to the Coal Authority are currently subject to reconciliation. However, coal revenues can be considered for unilateral disclosure, since total payments are very low (relative to the total of sector payments) and the industry is unlikely to grow.

Payments to TCE and CES

TCE and CES collect payments related to licensing and terrestrial mineral operations. The Marine Management Organisation (MMO), Natural Resource Wales, Marine Scotland, and DAERA-NI awards marine licences on behalf of TCE and CES to companies for marine minerals exploration, and TCE and CES collect royalties against the value of production. Companies also pay rent to TCE and CES. For terrestrial operations, the same applies – TCE and CES grant leases to companies, and collect royalties against the value of production. Rents and royalty payments are subject to confidentiality agreements, and as such, are not available via public online disclosures. TCE does however publish aggregate data by revenue stream on an accruals basis in the TCE Annual Report,⁵⁶ although these figures tend to be bundled with other revenue streams and are difficult to disentangle. Therefore, the extent to which payments to the TCE and CES could be mainstreamed is extremely limited.

Payments to LPAs

Payments to LPAs are issued in accordance with section 106 of the Town and Country Planning Act 1990⁵⁷ (and equivalent legislation in Scotland and NI). These payments are not standardised, but are site-specific, and negotiated on a case-by-case basis. They can include monetary payments, or off-site in-kind provisions where planning conditions are insufficient to offset the negative impact of a proposed development.

These payments are kept on LPA online registers (there is no central register), but full details of payments are not always recorded, and the recording format is not standardised. Where 'Section 106' payments have been disclosed through EITI reporting, they have been reported unilaterally by the companies that made them. There are therefore challenges to mainstreaming disclosure of this payment stream.

⁵⁵ <https://www.gov.uk/government/collections/coal-authority-annual-reports-and-accounts>

⁵⁶ The TCE annual report can be found here: <https://www.thecrownestate.co.uk/en-gb/our-business/integrated-annual-report/>

CES have not yet published their first annual report or accounts.

⁵⁷ <https://www.legislation.gov.uk/ukpga/1990/8/contents>

Materiality of the Mining and Quarrying Sector

Overall, the mining and quarrying sector contributes a small proportion of total government revenue from the extractives sector, and an even smaller fraction of total government revenues. The materiality of the sector, and therefore the relevance of the sector to the reconciliation process should be reviewed.

In addition to the issue of the inability to identify CT payments issued by companies in respect of their mining and quarrying activities, payments that are identifiable, for example payments to the coal authority and payments under Section 106 and equivalent legislation in Scotland and NI, are relatively small. An upward revision of the materiality threshold for the entire mining and quarrying sector would mean that all mining and quarrying payment streams fall outside the scope of reconciliation, and could be disclosed unilaterally, without the need for individual treatment in preparation for mainstreaming. The wider implication of this is that the lack of disaggregated data at source would not materially affect the UK's compliance with the Standard, nor would the gaps in publicly available non-revenue information.

It must be noted that whilst an upward revision to the materiality threshold for the sector would mean that sector-specific revenue data would not be reconciled, this in no way implies that coverage of mining and quarrying payments to government should be removed from the scope of reporting entirely. The relevant data could be captured in contextual information on the sector and its composition, so that the economic importance of the sector would continue to be highlighted.

Ultimately, decisions on materiality and the scope of reporting rest with the MSG, but we have added materiality considerations to the list of recommendations, as an alternative to addressing gaps in the coverage of different payment streams and contextual information on the level of individual requirements.

3.2 (b) Data Quality

The quality of public online disclosures – from both government and corporate sources – is consistently good. The requirements related to the preparation and filing of financial accounts for all UK companies is set out in the Companies Act 2006.⁵⁸ Companies must prepare their financial statements in accordance with UK-GAAP (as issued by the FRC) or IFRS (as issued by the IASB and endorsed and adopted by EFRAG under current EU arrangements).

⁵⁸ <https://www.legislation.gov.uk/ukpga/2006/46/contents>

Companies are also required to submit their financial accounts to independent audit, unless they are subject to the small companies exemption regime⁵⁹ or otherwise exempt from audit requirements. Additionally, EEA and non-EEA companies operating as overseas companies in the UK must prepare filings in accordance with the Overseas Companies Regulations 2009 (OCR 2009).⁶⁰ This requires them to file copies of their audit report and accounts to Companies House along with the necessary accompanying Companies House forms, and where applicable, full accounts prepared in accordance with OCR 2009 requirements.⁶¹ Whilst companies are not currently required to subject their reports on payments to government (under RoPTG 2014) to independent audit, the reports are open to public scrutiny and are generally considered to be reliable.

Government accounts are also subject to audit conducted by the NAO, and further scrutiny by the UK Public Accounts Committee. Under the government Resources and Accounts Act 2000⁶² and the Exchequer and Audit Departments Act 1921,⁶³ UK annual accounts are presented to the House of Commons Principal Accountant, who is responsible for the preparation of full financial statements. These are then audited by the NAO Comptroller and Auditor General in accordance with international standards.

OGA, TCE, and the Coal Authority are also audited by the NAO. CES is audited by Audit Scotland. OGA accounts are prepared in accordance with Companies Act 2006 and IFRS requirements; the Coal Authority accounts are prepared in accordance with requirements set out in the Coal Industry Act 1994,⁶⁴ and are presented for audit with HMT consent; and TCE accounts are prepared in accordance with the Crown Estate Act 1961⁶⁵ under directions from HMT.

More generally, government official statistics, used by other preparers of end-user data, are prepared under the Code of Practice for Official Statistics⁶⁶ and are therefore subject to tests of relevance, accuracy, timeliness, accessibility, and clarity, among other measures. Where government statistics are not prepared in accordance with the above-mentioned code of practice, they are subject to appropriate internal quality assurance practices.

Given the robust nature of accounting and auditing frameworks applied to both company and government accounting, data reliability and quality are satisfactory for the purpose of EITI reporting.

⁵⁹ See Companies Act 2006 above.

⁶⁰ <https://www.legislation.gov.uk/ukdsi/2009/9780111479476/contents>

⁶¹ This applies in the case of non-EEA companies that are registered in the UK as overseas companies but not required to prepare accounts in their local jurisdiction.

⁶² <https://www.legislation.gov.uk/ukpga/2000/20/contents>

⁶³ <https://www.legislation.gov.uk/ukpga/Geo5/11-12/52/contents>

⁶⁴ <http://www.legislation.gov.uk/ukpga/1994/21/contents>

⁶⁵ <https://www.legislation.gov.uk/ukpga/Eliz2/9-10/55/contents>

⁶⁶ <https://www.statisticsauthority.gov.uk/code-of-practice/>

3.2 (c) Data Timeliness

Whilst the different sources of public online disclosures identified publish or update revenue and non-revenue information with varying frequencies, all sources provide information that is more timely than the UK EITI Payments Report, which, at the time the last report was published, was roughly 18 months out of step with the underlying data. In general, public online disclosures satisfy EITI requirements on timeliness.

For revenue data in particular, whilst different sources use varying accounting periods (calendar year or fiscal year), the reporting basis used is made clear, and the disclosures fall within the general guidelines for EITI compliance (data must be no older than the second to last accounting period). government revenues (from HMRC) are published annually (at mid-year), and Whole Government Accounts are prepared with a publishing target of no later than 9 months after the end of the fiscal year ending April 5th.⁶⁷ Company accounts are to be submitted to Companies House no later than 9 months after the end of the company's financial year for private companies or 6 months for public companies,⁶⁸ with tax returns due no later than 12 months after the end of the company's financial year.⁶⁹ Reports on payments to government (under RoPTG 2014) are to be made public no later than 11 months after the end of the company's financial year.

3.2 (d) Recommendations for Mainstreaming Revenue Data

Based on the findings set out above, we make the following recommendations to the UK EITI MSG for their consideration:

- Disclosure of the applicable frameworks related to relevant payment streams (taxes and fees) for the entire extractive sector could be mainstreamed immediately.
- The MSG should consult with HMRC and in-scope oil and gas companies on the possibility of allowing tagged disclosures and taxpayer confidentiality waivers. This would allow HMRC to add relevant extractive company tax payments (disaggregated to the individual company level) to the list of its annual releases. Alternatively, the MSG could consider alignment of the tax disclosure requirements of the Standard with the data captured in reports on payments to governments under RoPTG 2014 and the

⁶⁷ As indicated by the NAO and guidance on: <https://www.gov.uk/government/publications/whole-of-government-accounts-2017-to-2018-guidance-for-preparers>

⁶⁸ <https://www.gov.uk/government/publications/life-of-a-company-annual-requirements/life-of-a-company-part-1-accounts>

⁶⁹ <https://www.gov.uk/company-tax-returns>

Transparency Directive, in order to address the major differences in the information captured. In so doing, mainstreamed sources of this information would be able to provide a level of disclosure that is commensurate with the EITI Standard – aggregate figures would be provided by government sources, and company data would be provided through Companies House Extractive Service.⁷⁰ The MSG could also consider working with companies to modify the data provided in their reports on payments to government.

- OGA Levy and petroleum licence fee payments should be unilaterally published on the OGA portal, after internal quality assurance checks or being subject to the OGA’s internal audit process.
- For reasons outlined above, CT from mining and quarrying companies should be removed from the scope of EITI payment streams. Due to issues inherent to the system of reporting, continued inclusion of CT payments from these companies would not add value to the EITI reporting process, and could be potentially misleading.
- The MSG should consider excluding payments to TCE and CES from oil and gas companies from the scope of EITI reporting. These payments are low enough to be considered insignificant, and are, arguably, not directly related to extractive activity – the latter being the basis of exclusion of oil and gas companies’ CT payments from scope.
- Aggregate payments to the Coal Authority should be considered for unilateral disclosure on the basis that the total payments to the Coal Authority is a small fraction of the total payments made to government by the extractive sector, and there is a low likelihood of industry growth over time. Additionally, given the small relative size of total Coal Authority revenue, we consider the disclosure of aggregate revenues satisfactory for EITI purposes. On this basis, Coal Authority revenues can be mainstreamed immediately.
- Sector-specific TCE and CES revenue data (related to mining and quarrying activity and payments) should be published on the EITI section of the gov.uk open data portal, along with an appropriate text summary that outlines the relevant TCE and CES revenue streams. For this to be made possible, TCE and CES would need to provide access to this data. The MSG would therefore need to engage with TCE and CES or the responsible government department with a view to increasing the transparency of TCE and CES data.
- Historically, the total annual payments under Section 106 (and equivalent legislation in Scotland and NI) have been very low. Given the significant coordination issues that will affect mainstreaming the disclosure of this payment stream, and fact that these

⁷⁰ <https://extractives.companieshouse.gov.uk/>

payments are very low, the applicable materiality threshold for this payment stream should be raised, so that these payments will only be caught if they are large enough to be significant.

- Payments recommended for removal from the scope of reconciliation (payments to the Coal Authority and LPA payments) should be noted in the UK EITI payment report, with suitable links provided for further information.
- As an alternative to addressing revenue data gaps for mining and quarrying companies on an individual basis, the MSG could consider reviewing and revising the materiality threshold applied to the mining and quarrying sector and the approach to sector-specific reporting of non-revenue and revenue information. Revisions to the materiality threshold of the sector could also have an impact on individual recommendations made for addressing gaps in the contextual information (in *Section 3.1(b)* above), but overall, would make mainstreaming of mining and quarrying disclosures less complex. In the roadmap (*Annex 4*), actions for mainstreaming revenue data for mining and quarrying are presented based on whether or not the MSG chooses to review the materiality of the mining and quarrying sector.

3.3 General Recommendations

In addition to the recommendations proposed for the mainstreaming of non-revenue and revenue information, we make the following general recommendations to UK EITI for their consideration:

- In relation to some of the findings set out in the above sections, and in particular, cases in which available sources of required information are scattered across multiple sources, it was proposed that links to sources could be collected and published on the EITI website/portal and/or on the EITI section of the gov.uk open data portal. To facilitate this, we propose that the MSG review the capacity needs related to the management of the UK EITI website/portal and the EITI section on the gov.uk open data portal.
- In its current form, the UK EITI website/portal is not designed to be an information and data portal. Moving to such a platform would allow for the efficient and timely sharing of sector information and data, lead to a reduction in the burden of reporting related to the preparation of the annual payments report, would simplify end-user access to EITI data and information, and would strengthen future application for adapted implementation. The MSG could therefore consider reviewing the design, function, and management of the EITI platform in order to facilitate such a move.
- In moving to mainstreamed (and primarily unilateral) disclosures, the MSG would also need to consider the ongoing role of reconciliation as a measure of the quality, and a check of the accuracy, of reporting. Varying approaches can be considered. For

example, a random sample of reports of in-scope payments and receipts could be periodically selected for a reconciliation exercise; or alternatively, payments by and receipts from companies that collectively contribute a set proportion of total extractive sector payments could be selected for reconciliation. Ultimately, the MSG would need to work with the IA to design a suitable approach based on recommendations of the IA.

ANNEXES

Annex 1 – Feasibility Study Terms of Reference

Terms of Reference:

EITI systematic disclosure feasibility study for The United Kingdom, Approved by the MSG on 23 July 2018

BACKGROUND

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes transparency and accountability in the extractive sector. It has a robust yet flexible methodology for disclosing company payments and government revenues from oil, gas and mining as well as other information about the extractive sector such as information about the legal framework and fiscal regime, licensing practices, state-owned companies, production, exports, etc. The requirements for implementing countries are set out in the EITI Standard.⁷¹ For further information, please see www.eiti.org.

Each implementing country creates its own EITI process adapted to the specific needs of the country. This involves defining the scope of information to be published and exploring how disclosure of information about the extractive sector can be integrated into government and company portals to complement and strengthen wider efforts to improve extractive sector governance.

To date, most of the information required to be disclosed by the EITI Standard has been collected and made public through EITI Reports. At the EITI Board meeting in February 2018, the EITI Board agreed to set of recommendations regarding **encouraging systematic disclosure**.⁷² The 2016 EITI Standard enables implementing countries to disclose the information required by the EITI Standard through routine government and corporate reporting systems such as websites, annual reports etc. The EITI Board agreed that “systematic disclosure should be firmly established as the default expectation, with EITI Reports used to address any gaps and concerns about data quality. Implementing countries could still continue to publish annual EITI reports collating and analysing the information from primary sources in order to make this information more accessible and comprehensible, especially for stakeholders that do not have access to online information”.

Systematic disclosure means that EITI’s disclosure requirements are met through routine and publicly available company and government reporting. This could include enabling access to EITI data through public financial reporting, annual company or government agency reports, information portals, and other open data and freedom of information initiatives. A key concern will be ensuring that the published data is comprehensive and reliable. This should include an explanation of the underlying audit and assurance procedures that the data has been subject to, with public access to the supporting documentation. **Mainstreaming** refers to the process for realising this goal, which may include interim measures, pilots, and other capacity building activities.

The EITI continues to emphasize the importance of the multi-stakeholder dialogue in exploring options for systematic disclosure. A feasibility study provides an opportunity to examine opportunities for strengthening multi-stakeholder consultation and dialogue, and to make this participation more

⁷¹ <http://eiti.org/document/standard>

⁷² <https://eiti.org/document/encouraging-systematic-disclosure>

effective. This could include considering options for integrating MSG oversight into existing representative bodies.

The UK was accepted as a candidate EITI country in October 2014. It has, to date, published three annual Reconciliation Reports. The UK MSG's agreed objectives with regard to EITI participation are, as follows, to:

- Recognise and support the principles set out in the 2016 EITI Standard.
- Enhance accountability to the UK public on the revenues from the UK's extractives industries.
- Increase public understanding of the social and economic impacts of the UK's extractive industries and enrich public debate on the governance and stewardship of the UK's oil, gas and mineral resources.
- Ensure information is readily accessible and presented to the public in a clear manner.
- Support moves towards common global reporting standards in oil, gas and mining and promote a level playing field for business in the UK and internationally.
- Support the UK government's championing of extractives transparency and open government.

1 Objective of the assignment

The objective of the assignment is to assess the feasibility of embedding EITI disclosures in government systems and corporate reporting. The product will be a feasibility study that:

- (1) assesses the extent to which information required by the EITI Standard, or otherwise relevant for achieving the objectives outlined in the MSG's workplan, is already made publicly available in governmental and corporate systems;
- (2) outlines any barriers or gaps in timely, comprehensive and reliable disclosures, as well as technical or financial support needs;
- (3) documents stakeholders' views and willingness to embed EITI disclosures in governmental and corporate systems;
- (4) proposes a roadmap for embedding EITI disclosures and the process for future EITI implementation. This should include actions, responsible parties, timelines, resource and technical assistance needs.

2 Scope of work

The work will involve the following tasks:

- (1) Examining the MSG's workplan in order to gain a clear understanding of the process, objectives and scope of the UK's EITI implementation, and the extent to which the EITI implementation draws on and seeks to strengthen systematic disclosures. Reviewing annual progress reports that have been produced by the MSG to understand what if any action has been undertaken by the MSG to address recommendations from any previous EITI reporting exercises and validations that address opportunities to strengthen systematic disclosures.
- (2) Consulting stakeholders, in particular the members of the multi-stakeholder group as well as the government agencies involved in the management of the extractive industries and companies in

the UK, on their views and concerns related to embedding EITI process and disclosures in government and corporate systems.

(3) Producing a feasibility study that:

- (i) identifies the government agencies and companies that are responsible for producing, collecting and/or maintaining the information required by the EITI Standard (EITI Requirements 2 to 6, summarised in annex A);
- (ii) assesses what information required by the EITI Standard is already made publicly available by government agencies and in what format such as on on-line cadastres and registers, government webpages on legal, fiscal and administrative arrangements for the sector, etc., and reviews what data is made publicly available by companies in their reports and on their websites and explore options for extending this disclosure;
- (iii) assesses whether the information is up to date, comprehensive (includes all information required by the EITI Standard), and reliable. If there are several public sources for the data, it should assess whether they are consistent;
- (iv) where information gaps are identified and/or where there are concerns about data reliability, recommends measures to address the gaps, including improving the timeliness, comprehensiveness, reliability, availability and accessibility of the information. The report should assess whether there is information available in government systems that is not publicly available but could easily be published online. The feasibility study should also identify any other obstacles to making the information required by the EITI Standard publicly available in government reporting systems.
- (v) outlines a credible approach to disclosure of the financial information required by the EITI Standard (please refer to Annex A). The feasibility study is expected to make recommendations on how to embed financial disclosures in company and government systems, for example by integrating data into online license cadastres or including a database and/or reporting templates on government, company and/or national EITI websites. The Business Frameworks Analytical Team should review previous EITI reports, including levels of discrepancies. The Business Frameworks Analytical Team should also assess the statutory rules for audits and actual auditing practices of government and corporate entities, as per EITI Requirement 4.9(a). In the event that auditing and assurance procedures are insufficient for EITI reporting purposes, the Business Frameworks Analytical Team should provide options for addressing quality assurance of financial disclosures. This could include full reconciliation as per 'conventional' EITI reporting, spot-checks reconciling certain transactions or a certain percentage of total disclosures, no reconciliation, etc. The Business Frameworks Analytical Team is expected to explain the rationale for the recommended options.

The findings should be summarised in a table that maps all the required disclosures under the EITI Standard. A template is available here: <https://eiti.org/document/systematic-disclosure-toolkit>

(4) Based on the feasibility study, there should be produced a suggested roadmap for embedding the EITI disclosures.

- (i) The roadmap should list the actions and associated costs that are needed to fully embed disclosures in government and company systems, responsible parties, timelines, resource and technical assistance needs. Where significant work is needed to make the data publicly accessible through government systems, the roadmap should suggest a step-by-step approach specifying the information can be sourced from existing sources, and the information that would need to be partially or fully collected or disclosed through the EITI reporting process.

3 Reference materials:

- Encouraging Systematic Disclosure, <https://eiti.org/document/encouraging-systematic-disclosure>
- Examples of other Feasibility studies, [https://eiti.org/publications?search_api_views_fulltext="systematic+disclosure"](https://eiti.org/publications?search_api_views_fulltext=)
- Agreed upon procedure for mainstreamed disclosures, <https://eiti.org/document/agreed-upon-procedure-for-mainstreamed-disclosures>
- Systematic disclosure toolkit, <https://eiti.org/document/systematic-disclosure-toolkit>
- The EITI Standard, <http://eiti.org/document/standard>;
- The online Guide to implementing the EITI Standard, <https://eiti.org/guide>
- EITI implementation guidance notes issued by the International Secretariat, <https://eiti.org/guidance-notes-standard-terms-of-reference>, in particular the guidance notes on scoping (#9), defining materiality (#13), establishing/governing MSGs (#14), and creating open data policies (#27). The Business Frameworks Analytical Team is advised to contact the EITI International Secretariat for any questions or clarifications related to the EITI Standard and the implementation of the EITI requirements;
- Standard Terms of Reference for Independent Administrator services, <https://eiti.org/document/standard-terms-of-reference-for-independent-administrator-services>, including standard EITI reporting templates, available from the International Secretariat;
- [Implementing EITI for Impact: A Handbook for Policymakers and Stakeholders](#), in particular chapters 4 and 5;
- Examples of Scoping Studies, available from <https://eiti.org/guidance-notes-standard-terms-of-reference#examples-of-scoping-studies> and the International Secretariat; and

Annex A – disclosures required by the EITI Standard

This annex summarises the information disclosures that are required by the EITI Standard and that should be assessed in the feasibility study. In undertaking the assessment, the Business Frameworks Analytical Team must refer to the disclosure requirements outlined in the EITI Standard to ensure that all details are fully considered. A tool for performing this assessment is available here: <https://eiti.org/document/systematic-disclosure-toolkit>

- The legal framework and fiscal regime governing the extractive industries (EITI Requirement 2.1);
- The availability and comprehensiveness of a public license register as well as information about license allocation processes and procedures (EITI Requirements 2.2 and 2.3);
- The UK's policy and practices on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals and any reforms underway (Requirement 2.4);
- The availability of a public register of the beneficial owners of extractive companies (EITI Requirement 2.5);
- Where applicable, information about the role of state-owned enterprises (SOEs) in the extractive sector and the financial relationships between the government and the SOE, quasi-fiscal expenditures, and government ownership in oil, gas and mining companies operating in the UK (EITI Requirements 2.6, 4.5, 6.2);
- Key features of the extractive sector, including any significant exploration activities (EITI Requirement 3.1);
- Production and export data (EITI Requirement 3.2, 3.3);
- The revenue streams that must be disclosed in accordance with EITI Requirements 4, 5 and 6. The analysis should cover:
 - The taxes and other revenue streams listed in 4.1;
 - Any revenues related to the sale of the state's share of production or other revenues collected in-kind (4.2),
 - Any revenues related to infrastructure provisions and other barter arrangements (4.3);
 - Any revenues related to transportation payments (4.4);
 - Any transactions between SOEs and other government agencies (4.5);
 - Any revenues collected by subnational government from oil, gas and mining companies (4.6);
 - Any transfers of extractive industry revenue between central and subnational levels of government (5.2); and
 - Any mandatory and voluntary social expenditures by extractive companies (6.1).
- Information about revenue allocations and distribution of revenues in accordance with EITI Requirements 5.1 and 5.3; and
- Information about the contribution of the extractive industries to the economy for the applicable year in accordance with EITI Requirement 6.3.

Annex B – project plan and timescales

Project Plan

The table below sets out a proposed summary of the key milestones, deliverables, and timescales for the implementation of this project, based on the assumption that the project will commence 23rd July 2018. This proposed plan will be circulated to the MSG for review and feedback prior to this date, and will be one of the tools with which the delivery of this project is managed.

The aim is to prepare a progress update to be delivered at the September 2018 MSG, which will allow key issues to be raised, considered and resolved in a timely manner.

Detailed Project timeline

Project Plan	Task Lead	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018
		1 2 3 4	5 6 7 8	9 10 11 12	13 14 15 16	17 18 19 20
Stage 1 Project initiation						
Prepare Final project plan	BEIS/MSG	■				
Project inception	BEIS		■			
Stage 2 Evidence gathering and analysis						
Identify key stakeholder groups (working along with UK-EITI)	BEIS/UK-EITI		■			
Finalise list of stakeholder contacts for consultation	BEIS/UK-EITI		■			
Consultation design	BEIS		■			
Target stakeholder warm-up	BEIS		■			
Desk Review	BEIS		■	■	■	
Consultation with target stakeholders	BEIS		■	■	■	
Stage 3 Drafting and Scrutiny						
Analysis of data and evidence	BEIS				▲	
Initial draft feasibility report (with key findings and conclusions)	BEIS				■	
Internal peer review - draft feasibility study	BEIS				■	
Amendments to feasibility study	BEIS				■	
Initial roadmap planning	BEIS					■
Draft roadmap	BEIS					■
Internal peer-review - feasibility study and draft roadmap	BEIS					■
Amendments and finalisation of feasibility study and roadmap	BEIS					●
Stage 4 Dissemination of Report						
Presentation of feasibility study and roadmap to MSG	BEIS					●

NOTE: Project plan revised after September 2018 MSG meeting.

Key:

- Project deliverable
- ▲ Project Update

Key Milestones, deliverables, and timescales

The timetable is set out on the assumption that the project plan is discussed and agreed to in advance of the proposed start date, and that peer-review and external review of draft outputs are completed within the allocated time.

We anticipate the key milestones and deadlines to be as follows:

- Project plan to be finalised the week ending 20th July 2018;
- Project inception will be the week commencing 23rd July 2018;
- Mid-project update (including high-level emerging results) to be presented at the September MSG meeting (date TBD);
- Amendments to draft feasibility study and preparation of final feasibility study to be complete by week ending 9th November 2018;

- Roadmap to be finalised by week commencing 20th November 2018, and presented along with final feasibility study at the November MSG meeting.

Annex 2 – Summary of Findings

Please see attached Microsoft Excel Spreadsheet “UK Mainstreaming Feasibility Mapping Tool”.

Annex 3 – Summary of Recommendations

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
Ready for Mainstreaming			
2.1	Legal framework and fiscal regime	Coverage of the legal and fiscal regime on public sources is comprehensive, but spread across multiple sources. The information on these sources is kept up-to-date. Available disclosures satisfy EITI requirement.	<i>Could be Mainstreamed immediately. EITI reporting could be used to provide relevant links.</i>
2.5	Beneficial ownership	Companies House hosts and maintains the People with Significant Control (PSC) Register, which records company beneficial ownership information for ALL UK companies. Available online disclosure satisfies EITI requirement.	<i>Could be Mainstreamed immediately.</i>
3.1	Exploration	Coverage of exploration is available for both mining and quarrying and oil and gas sectors, but over multiple sources. Data is comprehensive, and kept up to date. Available disclosure satisfies EITI requirement.	<i>Could be Mainstreamed immediately. EITI reporting could be used to provide relevant links and the statistics on exploration should be added in the EITI section of the gov.uk open data portal, along with an appropriate text summary.</i>
3.2	Production	Production information is available from public online sources, but spread over multiple sources. Data is comprehensive, and kept up to date. Available disclosure satisfies EITI requirement.	<i>Could be Mainstreamed immediately. EITI reporting could be used to provide relevant links and the statistics on production should be added in the EITI section of the gov.uk open data portal, along with an appropriate text summary.</i>

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
3.3	Exports	Coverage of exports is available for both mining and quarrying and oil and gas sectors. Data is comprehensive, and available on imports, exports, and net imports. Data is kept up to date. Available disclosure satisfies EITI requirement.	<i>Could be Mainstreamed immediately.</i> <i>EITI reporting could be used to provide relevant links and the statistics on exports should be added in the EITI section of the gov.uk open data portal, along with an appropriate text summary.</i>
4.1/4.9	Comprehensive disclosure of taxes and revenues, data quality (4.9)	Disclosure of details of applicable tax frameworks for both mining and quarrying and oil and gas sectors (EXCLUDING TCE and CES REVENUE STREAMS) is available in public online sources. Coverage of other revenue streams (licence fees, rents, etc.) is also available.	<i>Could be Mainstreamed immediately.</i> <i>Please see relevant section below for recommendations on mainstreaming disclosure of the details of TCE and CES revenue streams.</i>
4.1.b (vii)	Licence fees, rental fees, entry fees and other considerations for licences and concessions	Payments to Coal Authority: Records of payments to the Coal Authority (aggregate revenues) are available in public online sources, and are satisfactory for EITI reporting purposes.	<i>Could be Mainstreamed immediately.</i> <i>Payments to the Coal Authority should, however, be considered for unilateral disclosure as total payment to Coal Authority is low relative to total sector payments to government.</i>
5.1	Distribution of extractive industry revenues	Coverage of the distribution of extractives revenue is provided only through UK national budget statements and OBR economic and fiscal outlook releases. The UK government statistics used in the formulation of these are timely and of high quality.	<i>Could be Mainstreamed immediately.</i> <i>EITI reporting could be used to provide relevant links.</i>

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
5.2	Sub-national transfers	Only one sub-national transfer applies in the UK - the transfer of the NI share of continental shelf income. The amount of the transfer and the method of calculation are available in public online disclosures, but access to information on the method and its required inputs could be simplified.	<i>The formula used to determine the NI transfer of continental shelf income should be published on the OGA portal, the DfE-NI portal, or both, along with descriptions of the required inputs.</i>
Limitations to Mainstreaming			
2.2	Licence allocations	Most licence allocation information is disclosed in public online sources for both oil and gas and mining and quarrying sectors. Information is kept up-to-date, but no coverage of technical and financial criteria available for any set of licences apart from those for oil and gas.	<i>Technical and financial criteria for the award of licences for mining and quarrying sectors should be added to relevant government websites/portals. MSG should quality assure disclosures.</i> <i>EITI reporting could be used to provide relevant links.</i>

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
2.3	Register of licences	<p>Registers of licences are available through routine disclosure for both oil and gas and other mining and quarrying operations. Generally, the identified registries are updated frequently. In the OGA PEARS portal there is no coverage of the transfer of, or changes to, licences recorded on the system.</p> <p>The Coal Authority holds online data on licence awards and known areas of activity, in addition to an offline register of licences that is available upon request. Marine licence registers are available from the relevant regulators. No information on non-trivial deviations is published by the Coal Authority or the regulators responsible for marine licences. There is no single register of licences for quarrying activity. Each LPA keeps a record of planning permissions granted for mineral extraction within the local authority.</p>	<p><i>The Coal Authority offline register of licences should be made available online in order to provide better access for end users. The Coal Authority register and the marine licence registers kept by the relevant regulators should be supplemented with information on non-trivial deviations.</i></p> <p><i>Data published from the OGA PEARS portal should be updated with coverage of the transfer of, or changes to, licences recorded on the system.</i></p> <p><i>EITI reporting could be used to provide links to the relevant LPA registries of planning permissions (since the development and maintenance of a central registry for planning permissions is not feasible in practice).</i></p>
4.1	Comprehensive disclosure of taxes and revenues	<p>Details of TCE and CES relevant revenue streams are not clearly set out on any of the identified sources of TCE and CES information.</p>	<p><i>A text summary that outlines the relevant TCE and CES revenue streams should be published in the EITI section of the gov.uk open data portal.</i></p> <p><i>The MSG would need to engage with TCE and CES to improve the transparency of disclosures.</i></p>

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
4.1.b (iii)	Profits taxes (Mining and Quarrying CT ONLY)	There is no specific tax regime for the mining and quarrying sector as there is for oil and gas. Mining and quarrying companies pay mainstream CT on all their profits, and are not required to tag or identify the share of the tax paid in respect of profits from extractive activities. Continued inclusion of CT payments for mining and quarrying companies is therefore of little value.	<i>The MSG should consider removing CT payments from mining and quarrying companies from the scope of EITI reporting.</i>
4.1.b (iii)	Profits taxes (Oil and Gas tax disclosures ONLY)	There is no publication of tax data (disaggregated to the company level) in government reporting due to taxpayer confidentiality. Aggregate data is available from multiple government sources. Companies disclose tax payments in the tax note to their accounts, but there is no standard for disaggregation in this format. Companies also publish reports on payments to governments (under RoPTG 2014 and the Transparency Directive), in which disclosures are disaggregated to the project and payment stream levels, but there are differences between EITI and RoPTG 2014 and Transparency Directive reports.	<i>MSG should consult with HMRC and companies on the possibility of allowing tagged disclosures and taxpayer confidentiality waivers for this sector. This would allow the disclosure of company level data in HMRC's annual releases. Alternatively, the MSG could consider alignment of the tax disclosure requirements of the Standard with the data captured in reports on payments to governments under RoPTG 2014 and the Transparency Directive. As part of this process of alignment, the MSG could also consider working with companies to modify the data provided in their reports on payments to government.</i>

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
4.1.b (vii)	Licence fees, rental fees, entry fees and other considerations for licences and concessions;	<p>Oil and Gas Payments to TCE and CES: Disclosures of payments to TCE and CES from oil and gas companies are not available outside the EITI payments reports. In TCE accounts, these payments are bundled into accounting figures for other revenue streams. No CES accounts yet published.</p> <p>OGA Levy and Petroleum Licence Fees: The total amount of the levy and petroleum licence fees collected in the OGA Annual Report and Accounts. Data on the level of individual payments is available but not published outside the EITI process.</p> <p>Payments to TCE and CES from Mining and Quarrying Companies: TCE and CES rents and royalties are subject to confidentiality agreements, therefore are not publicly disclosed on the level of individual payments. Aggregate data is published in TCE annual report, though these figures are bundled with other revenue streams.</p> <p>Payments to LPAs (under section 106 and other equivalent legislation in Scotland and NI): Records of these payments are kept on LGA registers (no central registry), but full details are not always recorded. Payment details are therefore difficult to access (if access is at all possible).</p>	<p>Oil and Gas Payments to TCE and CES: Revenue stream is very small relative to total revenue from the sector, and is not directly linked to extractive activity. MSG should therefore consider removing these payments from scope of EITI reporting.</p> <p>OGA Levy and Petroleum Licence Fees: OGA Levy and petroleum licence fee payments should be unilaterally published on the OGA portal, after internal quality assurance checks or being subject to the OGA's audit process.</p> <p>Payments to TCE and CES from Mining and Quarrying Companies: Sector-specific TCE and CES revenue data should be published in the EITI section of the gov.uk open data portal, along with an appropriate text summary. TCE and CES would need to provide access to this data. The MSG would also need to engage in dialogue with TCE and CES or the responsible government departments with a view to increasing the transparency of TCE and CES data.</p> <p>Payments to LPAs (under section 106 and other equivalent legislation in Scotland and NI): Payments are historically very low. MSG should consider raising the materiality threshold so that payments fall out of scope of reporting. Payment should be given narrative coverage in EITI payment reports.</p>

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
5.3	Revenue management and expenditures	UK extractive revenues are not hypothecated to any specific expenditure allocation except in the cases of the OGA levy (for which findings and recommendations are discussed in 4.1.b (vii) above) and the subnational transfer of continental shelf income to NI (which is discussed in 5.2 above).	See recommendations in 4.1.b (vii) and 5.2 above.
6.3	The contribution of the extractive sector to the economy	Public online disclosure of the contribution of the extractive sector to the UK economy is highly fragmented. The only source of a consolidated summary is the EITI payments report. The lack of a comprehensive summary is a minor limitation to mainstreaming	Relevant statistics and an appropriate text summary should be added to the EITI section of the gov.uk open data portal. MSG should quality assure and assess usability and accessibility.
Not Applicable to UK			
2.4	Contracts	Not Applicable to UK	N/A
2.6	State participation	Not Applicable to UK	N/A
4.1.b (i)	The host government's production entitlements;	Not Applicable to UK	N/A
4.1.b (ii)	National state-owned company production entitlement;	Not Applicable to UK	N/A
4.1.b (iv)	Royalties	Not Applicable to UK	N/A
4.1.b (v)	Dividends	Not Applicable to UK	N/A
4.1.b (vi)	Bonuses, e.g. signature, discovery and production bonuses;	Not Applicable to UK	N/A
4.1.b (viii)	Any other significant payments and material benefit to government.	Not Applicable to UK	N/A

Summary of Recommendations			
Req	Description	Main Findings	Recommendation
4.2	Sale of the state's share of production or other revenues collected in kind	<i>Not Applicable to UK</i>	N/A
4.3	Infrastructure provisions and barter arrangements	<i>Not Applicable to UK</i>	N/A
4.4	Transportation revenues	<i>Not Applicable to UK</i>	N/A
4.5	Transactions related to state-owned enterprises	<i>Not Applicable to UK</i>	N/A
4.6	Subnational payments	<i>Not Applicable to UK</i>	N/A
6.1	Social expenditures by extractive companies	<i>Not Applicable to UK</i>	N/A
6.2	Quasi-fiscal expenditures	<i>Not Applicable to UK</i>	N/A

Annex 4 – Mainstreaming Roadmap

Recommendations	Months from Commencement											
	1	2	3	4	5	6	7	8	9	10	11	12
Legal Frameworks and Fiscal Regimes (2.1)												
i. Collect and publish relevant links to EITI website or EITI section on the gov.uk open data portal												
Licence Allocations (2.2)												
i. Consult with relevant government bodies on the addition of technical and financial criteria to relevant portals												
Registers of Licences (2.3)												
i. Consult with Coal Authority on the development and implementation of an online register												
ii. Consult with OGA on updating outputs from OGA PEARS portal with information on transfers/changes to licences												
iii. Consult with relevant authorities in the mining and quarrying sector on the addition of information on non-trivial deviations to their published information on licensing												
iv. Collect and publish links to LPA planning permissions registers to EITI open data on data.gov.uk and/or EITI website												
Exploration, Production, and Exports (3.1, 3.2, and 3.3) AND Distribution of Extractives Revenues (5.1)												
ii. Add relevant data and summaries to EITI open data on data.gov.uk												
Comprehensive disclosure of taxes and revenues (4.1)												
i. Consult with TCE and CES on adding text summary of relevant revenue streams to EITI open data on data.gov.uk												
Profits taxes (Oil and Gas tax disclosures ONLY) (4.1.b (iii))												
(A) i. Consult with HMRC and in-scope companies on establishing a system of tagging and taxpayer confidentiality waivers to allow company level disclosures												
(B) i. Assess the feasibility of aligning of EITI requirements with RoPTG 2014 and Transparency Directive reporting												

Recommendations	Months from Commencement											
	1	2	3	4	5	6	7	8	9	10	11	12
ii. Consult with companies on modifying the data provided in RoPTG 2014 and Transparency Directive reports												
Profits taxes (Mining and Quarrying tax disclosures only) (4.1.b (iii))												
i. Review the need for continued reporting of CT												
Licence fees, rental fees, entry fees and other considerations for licences and concessions (4.1.b (vii))												
(A) i. Consult with OGA on publishing OGA Levy and petroleum licence fees received on the company level												
ii. Review/revise the scope of oil and gas payments in scope of reporting (re: oil and gas payments to TCE and CES)												
iii. Review possibility of moving to unilateral disclosure of payments to the Coal Authority												
iv. Consult with TCE and CES on adding revenue data (or relevant links) and text summaries to EITI open data on data.gov.uk												
v. Review/revise materiality threshold applied to payments to LPA (under section 106 and other equivalent legislation)												
(B) i. Consult with OGA on publishing OGA Levy and petroleum licence fees received on the company level												
ii. Review/revise the scope of oil and gas payments in scope of reporting (re: oil and gas payments to TCE and CES)												
iii. Review materiality of the mining and quarrying sector and revise the approach to sector-specific reporting of non-revenue and revenue information												
Sub-national transfers (5.2)												
i. Consult with OGA and DfE-NI on publishing the formula used to determine NI transfer to relevant portals												
The contribution of the extractive sector to the economy (6.3)												
i. Add relevant statistics and text summary to EITI open data on data.gov.uk												
General Recommendations												

Recommendations	Months from Commencement											
	1	2	3	4	5	6	7	8	9	10	11	12
i. Review the management of the UK EITI web portal with a view to long term function as a key source of information												
ii. Review capacity needs related to the active management of the portal and the EITI section on gov.uk open data.												
iii. Review the ongoing role of reconciliation in the context of mainstreamed disclosures												