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From:	General Secretariat of the Council
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Subject:	Competitiveness Council, 2 March 2015 ANY OTHER BUSINESS: Information from the delegation of the Netherlands on the developments regarding transparency requirements in the Accounting Directive

Delegations will find in annex an information note from the delegation of the Netherlands on the developments regarding transparency requirements of the Accounting Directive, for consideration under "Any other business" by the meeting of the "Competitiveness" Council on 2 March 2015.

Competitiveness Council, 2 March 2015**Information from the delegation of the Netherlands on the developments regarding
transparency requirements in the Accounting Directive****Background**

Transparency is an important element of accountable management of natural resources. Disclosure of information about payments made by oil, gas and mining companies to governments allows citizens to see for themselves how much their government is receiving from their country's natural resources. Therefore, the Netherlands is committed to promoting transparency in the extractives sector.

For transparency to be effective, it is essential that transparency rules are applicable worldwide. When the EU was drafting its requirements on transparency for the extractive industries in the Accounting Directive 2013/34/EU, the US were drafting the American Dodd-Frank Act regulations on reporting requirements for the oil, gas and mining companies. This could have created an international level playing field on reporting requirements between the EU and the US.

This level playing field is however interrupted by the judgment of the U.S. District Court of Washington D.C. of 2 July 2013, in which the court ruled the American regulations on reporting requirements to be void. The American competent authority, the Securities and Exchange Commission (SEC), is set to draft new transparency rules, but this is each time postponed.

Objective

With this intervention in the Competitiveness Council, the Netherlands would like to raise awareness about the importance of maintaining a common stance on transparency reporting between the EU and the US. In view of the approaching implementation date of Directive 2013/34/EU, the Netherlands would like to ask the European Commission to remain in contact with the SEC and other relevant US authorities with respect to the transparency rules, in order to see if the similarity is maintained and the international level playing field remains intact. Also, the Netherlands would like to ask the Commission to keep the Council informed on the further developments and of its contacts with the SEC about the replacement of the US transparency rules.
