

EITI STANDARDS

EXPECTATIONS FOR EXTRACTIVE INDUSTRIES

03 April 2024

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SUMMARY OF EITI STANDARDS

“The EITI Standard is designed to promote good governance by enhancing transparency, strengthening accountability and facilitating public debate about the management of natural resources. Since it was first launched ten years ago, the EITI Standard has established a common set of rules that govern what governments and companies should disclose and when.”

SUMMARY OF EITI STANDARDS

I. STRUCTURE OF THE 2019 EITI STANDARDS

The 2019 EITI Standards are made of :

- ❖ 12 principles that serve as framework of objective and stakeholders' engagements.
- ❖ 07 minimum requirements that EITI implementing countries shall comply with.

II. REQUIREMENTS OF THE 2019 EITI STANDARDS

- 1. Oversight by the Multi-stakeholder group** (Engagement of the State; Engagement of Companies; Engagement of Civil Society; Multi-stakeholder group management; Work Plan monitoring and review)
- 2. Legal and institutional framework** (Tax and Legal framework; Licenses and contracts awards, Licenses Register; Contracts disclosure; Beneficial Ownership; State Participation)
- 3. Exploration and production** (Exploration activities; Production data ; Exportation data)

SUMMARY OF EITI STANDARDS

II. REQUIREMENTS OF THE 2019 EITI STANDARDS (continue)

4. Revenues Collection (Comprehensive Taxes and Revenues disclosure; Sale of State's Share; Infrastructure provisions and barter arrangements; Transportation/Pipeline Revenues; States Owned Enterprises; Subnational Payments; Level of disaggregation by project; Data timeliness; Data Quality and assurance)

5. Revenue management and distribution (Allocation system; Subnational Transfers; Management of revenues and expenditures).

6. Social and economic spending

(Social and environmental; Quasi-fiscal; Contribution to the economy; environmental and Social Impact of activities)

7. Outcomes and impact

(Public Debate; Data Accessibility and open data; Recommendations; Outcomes and impact assessment)

SUMMARY OF EITI STANDARDS

III. THE NEW 2023 EITI STANDARDS

Improvements

“Since 2020, the EITI has been strengthening its work on anti-corruption, recognizing the unique opportunity for EITI implementation to address corruption and governance risks in the natural resource sector.

For the first time, the 2023 EITI Standard explicitly reflects anti-corruption in the objectives and text of several EITI Requirements. It includes provisions to help EITI implementing countries identify areas across the EXTRACTIVE sector value chain that are vulnerable to corruption, without imposing burdensome reporting requirements.

In addition, all companies participating in EITI reporting are now expected to disclose their anti-corruption policies.”

These broadly cover four thematic areas:



Anti-corruption

New provisions enhance opportunities for countries and companies to use the EITI platform to identify and address corruption risks in the natural resource sector.



Energy transition

New provisions support disclosures and public debate on the impacts of the energy transition by shedding light on relevant policies, as well as the revenues that countries can expect to receive from their oil, gas and minerals under different market scenarios.



Gender, social and environmental issues

To help ensure that natural resources are managed in the interest of all citizens, there are strengthened provisions on promoting greater diversity in decision-making and disclosures that consider gender, social and environmental issues.



Revenue collection

New and refined provisions require more comprehensive and detailed disclosures, which can help countries strengthen their tax base and raise revenues.

SUMMARY OF EITI STANDARDS

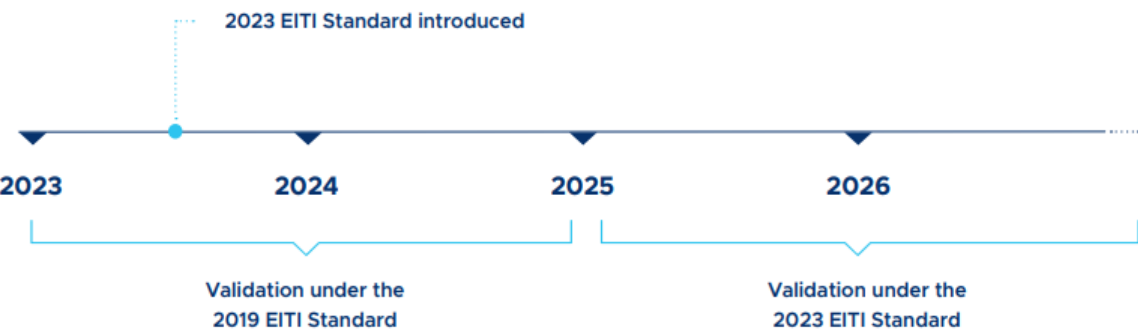
III. THE NEW 2023 EITI STANDARDS (continue)

KEY CHANGES

and

When do the Changes come into effect ?

EITI implementing countries will be assessed against the 2023 EITI Standard from 1 January 2025.



Topic	EITI Requirements
Anti-corruption	<ul style="list-style-type: none">• Disclosing companies' anti-corruption policies and practices (Requirements 1.2 and 2.6)• Linking license registers with ownership registers to improve the usability of data (Requirement 2.3)• Implementing lower ownership thresholds for reporting beneficial owners; clarifying reporting requirements for politically exposed persons (PEPs) and state-owned enterprises; disclosing the full ownership structure leading to beneficial owners (Requirement 2.5)
Energy transition	<ul style="list-style-type: none">• Increasing understanding about energy transition policies, carbon pricing and subsidies (Requirement 2.1)• Increasing transparency in fast-tracked license awards (Requirement 2.2)• Shedding light on investments by state-owned enterprises in the extractive sector (Requirement 2.6)• Disclosing proven reserves (Requirement 3.1)• Disclosing companies' greenhouse gas emissions (Requirement 3.4)• Considering revenue projections and scenarios (Requirement 5.3)
Gender, social and environmental	<ul style="list-style-type: none">• Disclosing policies related to artisanal and small-scale mining (Requirement 2.1)• Reporting on free, prior and informed consent and community consultation (Requirement 2.2)• Disclosing gender-disaggregated data on benefits to communities and disclosing contracts mandating social and environmental payments (Requirements 5.2 and 6.1)• Disclosing granular data on employment (Requirement 6.3)• Disclosing environmental, social and gender impact assessments and an overview of the legal framework for managing environmental and social impacts (Requirement 6.4)
Revenue collection	<ul style="list-style-type: none">• Clarifying the scope of contract disclosure (Requirement 2.4)• Reporting more granular, comprehensive and higher quality disclosures on production and exports (Requirements 3.2 and 3.3)• Disclosing sales agreements; infrastructure and barter provisions; and contracts mandating social and environmental payments (Requirements 4.2, 4.3 and 6.1)• Clarifying disclosure requirements on resource-backed loans, including collateralised sovereign debt (Requirement 4.3)• Introducing leaner processes for revenue disclosure; disclosing companies' effective tax rates, incentives and deductions (Requirements 4.1 and 4.9)• Shedding light on companies' costs and government systems for monitoring costs (Requirement 4.10)
Impact and stakeholder engagement	<ul style="list-style-type: none">• Monitoring civic space and documenting actions (Requirement 1.3)• Ensuring EITI implementation addresses key governance challenges related to energy transition, anti-corruption and gender equity (Requirements 1.4, 1.5, 7.1 and 7.3)• Combining requirements on work planning and monitoring (Requirement 1.5 and previously Requirement 7.4)

EXPECTATIONS FOR EXTRACTIVE COMPANIES IN CAMEROON

I. COMPANIES' ENGAGEMENT

- EXTRACTIVE Companies are expected to jointly sign a Memorandum Of Understanding in line with EITI standards and to appoint independently its representatives to the MSG.
- EXTRACTIVE Companies are expected to sign the Stakeholders engagement to recognize and comply with EITI international standards for Transparency.
- EXTRACTIVE Companies are expected to commit to the due diligence process and disclose their anticorruption policy stating how the company mitigates any exposure to the corruption risks with their joint-venture partners.
- Disclose a statement or a policy of gender equality

EXPECTATIONS FOR EXTRACTIVE COMPANIES IN CAMEROON

II. DATA DISCLOSURE

- Disclose comprehensive information in line with EITI norms in all countries implementing EITI standards that the company and/or affiliates operate.
- Disclose Taxes and duties payments to the government and for each project
- Disclose Legal or practical obstacles to the data disclosure
- Disclose Audited Financial Statements or main parts of it (Balance sheet, P&L) in case of unavailability of FS.
- Disclose the content of contracts and licenses in line with Government policy and guidance.

EXPECTATIONS FOR EXTRACTIVE COMPANIES IN CAMEROON

TIMELINESS, ACCESSIBILITY AND OPEN DATA

I. DATA TIMELINESS

Companies are expected to commit to disclose their most recent and most reliable information.

This can be achieved through an internal periodic disclosure system that shall comply with the EITI less than 2 years standard.

II. DATA ACCESSIBILITY AND OPEN DATA

Companies are expected to disclose into their Websites, Data and documents in a format easily accessible to the public (Excel , Word, Publisher, etc.)

➤ *Experience sharing (GDC EITI web page)*

DATA DISCLOSURE - DECLARATIONS TEMPLATES

WHAT ? – HOW ? – WHEN ?

I. WHAT ? - DATA TO BE DISCLOSED

- Production per License (or project) (Crude Oil, Condensate, Natural Gas and Mining products)
- Sales Data and Exportations
- Volume Data/ Importations for Trading and Transportation (Crude Oil, Condensate, Natural Gas and Mining products)
- Production Sharing (where applicable)
- Payments of State Royalties in kind or in Cash.
- Payments of Taxes and Duties as well as Social contributions (CNPS).
- Payments for environment protection, ESIA and Sites restauration funds.

DATA DISCLOSURE - DECLARATIONS TEMPLATES

WHAT ? – HOW ? – WHEN ?

II. HOW ?

TO FACILITATE FILLING OF DECLARATIONS AND CONCILIATION PROCESS

- Gather all documents required for the declaration, long before the start of Data collection.
- Verify with the beneficiaries the exhaustivity and tidy of information on various payments made.
- Complete the Audit of EITI declarations in advance, as from the Year Closing date or at the same timeframe of the Audit of Financial Statements, far before the start of EITI conciliation (if this is possible).

DATA DISCLOSURE - DECLARATIONS TEMPLATES

WHAT ? – HOW ? – WHEN ?

II. WHEN ?

FILLING OR DISCLOSING EITI DECLARATIONS

- QUARTERLY disclosure in your website of short / Summary Quarterly reports in EITI declaration format /Templates.
- UPDATE QUARTERLY the website data.
- Submit the Audited YEARLY EITI declarations in advance, as soon as the Financial statements are approved for the Year, before the start of EITI conciliation (if this is possible).

DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION

I. BENEFICIAL OWNERSHIP OF THE OPERATOR

EXTRACTIVE Companies are expected to declare:

- **PHYSICAL PERSONS**
- PARENT COMPANIES
- AFFILIATE COMPANIES
- STATE OWNED COMPANIES

Owner of Shares in the Operator's Capital and their percentage.

Particularly **Physical Persons** that directly or indirectly own or Control the corporate entity...

DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION

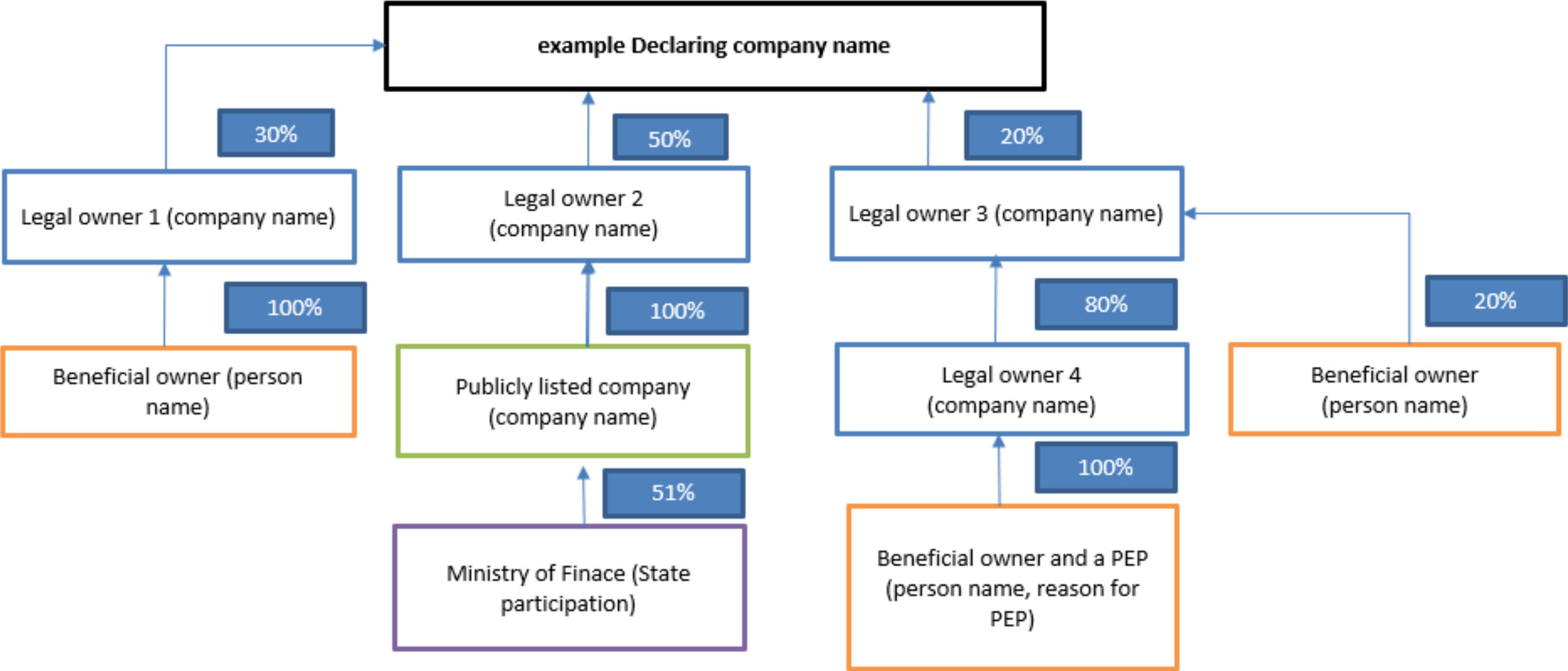
I. BENEFICIAL OWNERSHIP OF THE OPERATOR

EITI Requirement:

«As of 1 January 2020, the EITI Standard requires that implementing countries request, and companies disclose, beneficial ownership information (Requirement 2.5). This requirement applies to companies that apply for or hold participating interests in a country's EXTRACTIVE sector and requires disclosure of their beneficial owners, the level of ownership and details about how ownership or control is exerted»

<https://eiti.org/documents/legal-approaches-beneficial-ownership-transparency-eiti-countries>

DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION



DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION

II. BENEFICIAL OWNERSHIP OF NON-OPERATORS

EXTRACTIVE Companies are encouraged, as far as possible, to declare the proprietorship of their joint venture partners – non operators.

III. DECLARATION TEMPLATES

Declaration templates are regularly sent to the companies during the data Collection process.

Companies are also encouraged to include into the declaration, the diagrams of Capital share structure presenting the connection between beneficiaries and percentage of their shares.

Template can also be downloaded on the following website:

<https://eiti.org/guidance-notes/beneficial-ownership-model-declaration-form>

Companies listed in Stock exchange or owned at 100% Parent Company(ies) listed in Stock exchange shall indicate the following information: 1. Name of Stock Exchange; 2. Company's notation; 3. The link of website where SX documents are filed.

DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION

IV. DIFFICULTIES OF BENEFICIAL OWNERSHIP DECLARATION

Data collection Timing:

Commonly time allocated to Collect information on beneficial Ownership is too short and does not allow a comprehensive data collection.

Quantity of information:

A large number of information is requested: Complete identity, Address, Contact / reference, Nationality or jurisdiction, Taxpayer Number, Registration Reference, Registration Jurisdiction, Percentage of interest, control or shares, Nature of the person (Physical or morale entity) noting that the same comprehensive information is required for the proprietors if the Owner of shares is a morale entity, as long as the chain can be.

This doesn't ease the process of exhaustive data collection.

DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION

IV. DIFFICULTIES OF BENEFICIAL OWNERSHIP DECLARATION (continue)

- Quality of information:

Additionally to the Quantity of information required, Companies shall appreciate/ assess if the physical person beneficiary Owner is a Politically Exposed Person (PEP).

The EITI Standard states that Implementing countries are required to request full disclosure of PEP's beneficial ownership regardless of their level of ownership.
(Requirement 2.5.f.ii)

This means that Companies shall obtain information on Private activities of these Owners and assess their political influence. Noting that this is not limited to persons holding prominent public functions.

DISCLOSURE OF BENEFICIAL OWNERSHIP INFORMATION

IV. DIFFICULTIES OF BENEFICIAL OWNERSHIP DECLARATION (continue)

- Quality of information (continue):

It Shall be noticed that for some countries (USA, France, Chine, Canada, etc.) not implementing EITI their citizens shall be covered by restrictive laws with regards to the disclosure of their private information such as their identity, Ownership, interests and private economic and political activities.

If the number of Owners is considerable as well as nationalities and or residence places/Countries, companies might unwillingly make incorrect or non- exhaustive declaration of beneficial Ownership.

QUESTIONS : WHAT TO DO ? WHAT IS YOUR EXPERIENCE ?

THANK YOU FOR YOUR ATTENTION