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## EXTENDED COUNTRY-BY-COUNTRY REPORTING\*

### THE 3-MINUTE VERSION

All other transparency initiatives focus on disclosing tax payments. The EXTENDED COUNTRY BY COUNTRY reporting is the ONLY transparency reporting standard for extractive companies that focuses on putting the tax payments into a meaningful context; reporting production data, revenues, investments, costs, profits and other information which puts the tax payments into perspective so that it is possible to check and verify if the payments are credible and correct.

ANY transparency reporting that fails to take into account this meaningful context will sooner or later disappoint users of financial information, as the information reported will be necessary, but not satisfactory. It is therefore expected that a focus on reporting tax payments in isolation over time will have to be expanded to include the context or be replaced by initiatives that includes the context (Like the EXTENDED COUNTRY BY COUNTRY reporting standard).

The extractive companies have been GIVEN the right to extract the resources from the countries they have activities in. The least society can expect IN RETURN is that the extractive companies are transparent about their business. In addition, most of the extractive companies are seeking financing, equity and bonds, in transparent markets, and it should be a minimum requirement that such companies are transparent in return in order to satisfy the information needs of capital and bond investors. Capital providers should demand the EXTENDED COUNTRY BY COUNTRY reporting standard from extractive companies before they are able to raise capital or buy companies in those transparent markets.

The EXTENDED COUNTRY BY COUNTRY reporting standard is not a “mother of all cures”, but is rather a large step in the RIGHT DIRECTION of getting meaningful information to investors and other users of financial statements. Tax payments are in this connection a necessary, but not adequate, reporting item.

The EXTENDED COUNTRY BY COUNTRY reporting standard is LESS COSTLY than most of the other transparency reportings as it has been developed to conform with the consolidation processes that the companies already have in place.

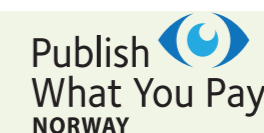
The EXTENDED COUNTRY BY COUNTRY reporting standards the only transparency reporting that is USEFUL TO ALL USERS of financial statements.

PUBLISH WHAT YOU PAY NORWAY has on our webpage provided downloadable version of the full report on the EXTENDED COUNTRY BY COUNTRY reporting standard. At the same webpage is a downloadable spreadsheet with a reporting template that fits both a country-by-country reporting and a project-by-project format (tax payment section can be adjusted to the particular reporting a country (US) or group of countries (EU) has decided on. An EXTENDED COUNTRY BY COUNTRY reporting standard can thus be unilaterally introduced by countries.

\* The extended country by country reporting template covers Dodd-Frank reporting requirements

**THIS IS A REPORTING TEMPLATE OF THE KEY INFORMATION IN AN EXTENDED CBCR AS PROPOSED BY PWYP NORWAY.**

(For more information, please visit: [www.pwyp.no](http://www.pwyp.no))



Type production	Oil & Gas	Mining	Example oil & gas - numbers without eliminations (eliminations for consolidation purposes reported totally in separate column to have all countries match fin.stmt)															
	Financial statement	Financial statement	Eliminations	Of which:				Of which:				Of which:		Of which:		Of which:		
2 METRICS				Country 1	Project A	Country 2	Country 3	Project B	Country 4	Country 5	Country 6	Project C	Project D	Country 7	Country 8	Country 9	Country 10	Project E
3 Volume 1	bbl o.e.	tonnes		bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.	bbl o.e.
4 Type production	56,5%oil,	88,2%CU,		40%oil,	45%oil,	50%oil,	55%oil,	40%oil,	55,5%oil,	30,2%oil,	40%oil,	45%oil,	50%oil,	55%oil,	40%oil,	55,5%oil,	30,2%oil,	56,5%oil,
5 Volume 2	36,5%gas	11,8%CO		60%gas	55%gas	50%gas	45%gas	60%gas	44,5%gas	69,8%gas	60%gas	55%gas	50%gas	45%gas	60%gas	44,5%gas	69,8%gas	36,5%gas
6 Type production	tonnes	ounces		tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes
7 # Employees 31.12.	100%NGL	100%AU		100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL	100%NGL
<b>8 INVESTMENTS (mill USD)</b>																		
9 I. Tangible assets - original value																		
10 II. Acc. Depreciation tangible																		
11 III. Intangible assets - original value																		
12 IV. Acc. Depreciation intangible																		
13 V. Total fixed assets																		
14 VI. Other long-term assets																		
15 VII. Other short-term assets																		
<b>16 REVENUES (mill USD)</b>																		
17 I. Production revenue																		
18 II. Hedging revenue																		
19 III. Other revenue																		
20 IV. Total revenue																		
<b>21 COSTS (mill USD)</b>																		
22 I. Production purchases																		
23 II. Labour cost																		
24 III. Hedging cost (loss)																		
25 IV. Other cash cost																		
26 V. Non-cash cost																		
27 VI. Finance income																		
28 VII. Finance cost																		
<b>29 PROFIT &amp; TAX (mill USD)</b>																		
30 I. Net profits and losses before tax																		
31 II. Cash tax																		
32 III. Deferred tax																		
33 IV. Net profit after tax																		
<b>34 TAXES PAID IN YEAR ('000 USD)</b>																		
35 Ia. Local taxes & fees				(all payments at local level (local relative to where other tax payments are paid)														
36 Ib. Pre-exploration taxes				(all signature bonuses, ground rents etc payable whether activities have been done or not)														
37 II. Pre-production taxes				(all import duties etc)														
38 III. Production taxes				(all CO2 fees, sales taxes, export duties etc)														
39 IV. Gross revenue taxes				(all royalties, windfall taxes etc)														
40 I-IV. Non-deductible part of taxes				(all taxes in classes I. through IV. that is non-deductible in net profit taxes)														
41 V. Net profit taxes general				(all corporate taxes)														
42 VI. Net profit taxes industry				(all special petroleum taxes, special mining taxes etc)														
43 VII. Withholding taxes																		
44 Total amount of payments (I-VII)																		
45 Government receiving the tax:																		
- (name 1 & total amount)																		
- (name 2 & total amount)																		
- (name 3 & total amount)																		
46 Currency used for payment:																		
(currency 1 & amount)																		
(currency 2 & amount)																		
(currency 3 & amount)																		
47 Financial period for payments:																		
period to government 1																		
period to government 2																		
period to government 3																		
48 Business segment that paid tax																		
government 1																		
government 2																		
government 3																		
<b>49 CASHFLOW</b>																		
50 I. Dividends paid																		

1. This is a template made by PWYP Norway that combines **Extended Country-by-Country reporting** (and Project-by-Project reporting as required in Dodd-Frank) in an easy-to-use format that captures the essential tax payment information in a meaningful context.

2. This table gives the necessary information to identify (1) the production, the investment, the associated revenues, the associated cost and the resulting taxes related to a country or, separately identified, a project within a country if the project is not equal to the country (relevance) and (2) to secure that the accounting information is still possible to connect to the financial statement numbers (completeness).

3. The tables covers all the information that is needed to put the tax payments into a meaningful context without revealing sensitive information (historical accounting information is not regarded as sensitive information as long as the detailed tax calculations are not revealed).

**DODD-FRANK requirements covered by template:**

- Yes (44) 1. Type and total amount of payments made for each project.
- Yes (45) 2. Type and total amount of payments made to each government.
- Yes (35-43) 3. Total amounts of the payments, by category.
- Yes (45) 4. The government that received the payments, and the country in which the government is located.
- Yes (col) 5. The project to which the payments relate.
- Yes (46) 6. Currency used to make the payments.
- Yes (47) 7. Financial period in which the payments were made.
- Yes (48) 8. Business segment of the resource extraction issuer that made the payments.

We welcome any questions or clarification needs in writing to [post@pwyp.no](mailto:post@pwyp.no)

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Publish What You Pay Norway (PWYP Norway) is the Norwegian chapter of the international PWYP network. We promote mandatory national and international standards for transparency and financial integrity in the extractive industries oil, gas and mineral resources so that the economic potential from commercial development and trade with non-renewable and finite resources can be translated into a sustainable development and common good. For more information, please see [www.pwyp.no](http://www.pwyp.no)

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