

Revised Draft Reporting Guidelines  
Extractive Industries Transparency Initiative  
23 May 2003

*This report contains 16 pages*

*Appendices contain 12 pages*

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# 1 **Overview**

These guidelines are offered to those considering new approaches to promote transparency in the extractive industries. They seek to balance the objective of establishing consistent approaches to reporting under the Extractive Industries Transparency Initiative (EITI) with the need to reflect country-specific situations and requirements.

These Reporting Guidelines have been developed to guide Host Governments and Companies in completing the Reporting Templates to be submitted to an independent third party. Where possible, the Reporting Guidelines aim to coincide with and build on existing reporting structures and norms.

The overall process for reporting envisages:

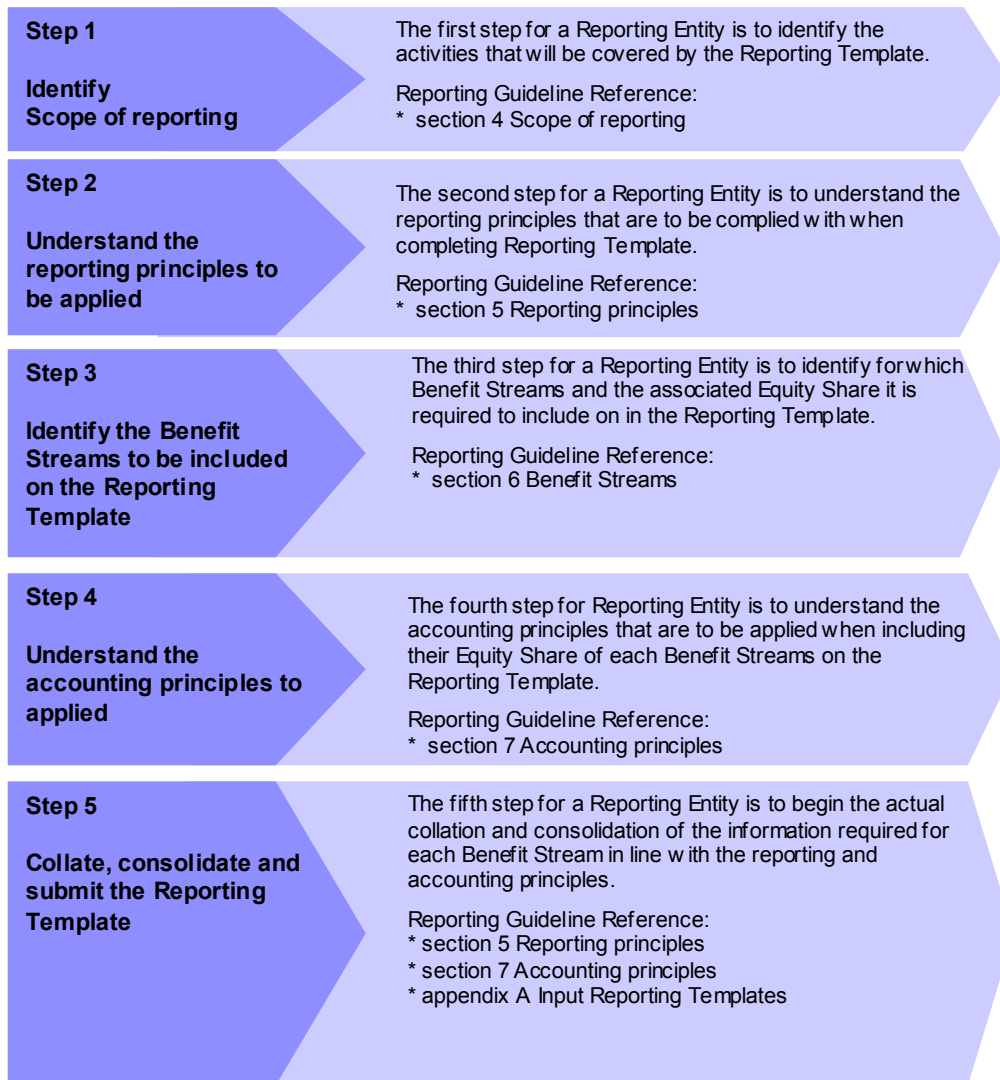
- Reporting by Host Governments in line with a standard Government Reporting Template;
- Reporting by Companies in line with a standard Company Reporting Template; and
- The aggregation and analysis of data disclosed in Host Government and Company Reporting Templates by an independent third party.

We will continue to work through a multi-stakeholder process to develop, test and revise these guidelines.

This revised draft is based on the Reporting Guidelines dated 16 April, discussion on them at a technical meeting of stakeholders on 12 May and subsequent drafting comments.

## 2 How to complete the Reporting Template

To help Reporting Entities complete the Reporting Templates included in Appendices A and B a five-step process that a Reporting Entity would generally need to go through has been outlined below, along with the references to relevant sections in the Reporting Guidelines that will help complete the steps.



### 3 Definition of terms

The terms used throughout the Reporting Guidelines have been defined for the purposes of the Reporting Guidelines only and are outlined in the following table (in alphabetical order). It is important that all Reporting Entities familiarise themselves with these terms prior to using the Reporting Guidelines.

<b>Term</b>	<b>Definition</b>
Aggregating Body	The independent third party who is responsible for aggregating and analysing the Reporting Templates submitted by the Companies and Host Governments.
Benefit Stream	A potential source of economic benefit Host Government receives from the extractive industry.  Indirect economic benefits like construction of infrastructure and employment of local personnel are not considered for the purposes of these reporting guidelines to be Benefit Streams.
Company	Companies are: <ul style="list-style-type: none"> <li>• National State-Owned Companies</li> <li>• International Companies</li> </ul>
Concessionary System	Under a Concessionary System an agreement between the Company and the Host Government exists whereby the Company is granted the right to explore for, develop, produce, transport, and market hydrocarbons or minerals within a fixed area for a specific amount of time. The production and sale of these hydrocarbons or minerals from the concession is then subject to rentals, royalties, bonuses and taxes. Under a Concessionary System the Company holds title to the resources produced.
Contractual System	Under a Contractual System an agreement between a contractor and the Host Government exists whereby the contractor bears all exploration costs and risks and development and production costs in return for a stipulated share of the production resulting from this effort. Generally, the government retains ownership of any hydrocarbons or minerals reserves.
Equity Share	The percentage of economic interest in/benefit derived from a concession, licence, operation or Company.
Extractive Industries	Extractive Industries are those industries involved in finding and removing wasting natural resources located in or near the earth's crust. Wasting natural resources are those resources that cannot be replaced in their original state by human beings.
Host Country	The territorial boundary over which a Host Government has jurisdiction and which a Company has Extractive Industry

Term	Definition
	economic interests.
Host Government	The governing regimes and institutions of a state within whose territorial boundaries Companies within the Extractive Industries operate. Host Government includes local, regional, state and federal representatives of these regimes and institutions and entities that are controlled by these regimes and institutions but excludes National State-Owned Companies.
Host Government Production entitlement	The produced hydrocarbons or minerals that a Host Government is entitled to from a mineral reserve/deposit under a Contractual System. Under a Concessionary System a Host Government will not have production entitlement.
International Company	<p>For the purposes of these guidelines, an International Company includes:</p> <ul style="list-style-type: none"> <li>• Public and private companies that are active in the Extractive Industries Upstream Activities;</li> <li>• State-Owned Companies that operate outside the territorial boundaries of the Government that controls them.</li> </ul>
Licence	An arrangement between an Extractive Industry company and the Host Government regarding a specific geographical or geological area and mineral operations relating thereto. For the purposes of the Reporting Guidelines the term Licence is also used to define a <i>permit</i> , an <i>acreage position</i> , a <i>contract area</i> , a <i>lease</i> or a <i>block</i> .
National State-Owned Company	Company controlled by the Host Government that conducts Extractive Industries' Upstream Activities in the Host Country. When determining if the Company is controlled the following criterion is used: the ability for the Host Government to govern the financial and operating policies of the Company so as to obtain benefits from its activities.
Reporting Dispensation	On a discretionary basis the Aggregating Body may grant a dispensation to an International Company from submitting a Reporting Template for certain Host Countries where their operations are not significant. The Aggregating Body is responsible for determining the dispensation criteria for each Country.
Reporting Entity	Companies and Governments completing and submitting Reporting Templates.
Reporting Guidelines	This document, which provides guidance to completing the Reporting Templates included in Appendix A and B.
Reporting Period	The reporting period for each Host Country Reporting Template is the period that aligns to the fiscal year of the Host Government.
Reporting	The templates that International, National, and National Stated

<b>Term</b>	<b>Definition</b>
Templates	Owned Companies and Host Governments submit to the Aggregating Body as part of their responsibility under the Reporting Guidelines.
Upstream Activity	Upstream Activity includes all activities related to exploration, development and production from mineral assets up to the point where the minerals extracted are in a marketable state without further processing.

## 4 Scope of reporting

The following boundaries have been set for Extractive Industries, Upstream Activities and Host Countries for the purposes of determining the scope of reporting under these Reporting Guidelines:

Activity	Scope of reporting
Extractive Industries	<p>Extractive Industries are those industries involved in finding and removing wasting natural resources located in or near the earth's crust. Wasting natural resources are those resources that cannot be replaced in their original state by human beings. For the purposes of the Reporting Guidelines wasting natural resources are limited to:</p> <ul style="list-style-type: none"> <li>• Metal ores (such as copper, gold, iron, nickel, lead, zinc, silver, tin and platinum);</li> <li>• Gemstones;</li> <li>• Crude oil (including natural gas liquids and oil sands); and</li> <li>• Natural gas</li> <li>• Coal and industrial minerals.</li> </ul>
Upstream Activities	<p>Includes all activities related to exploration, development and production from mineral assets up to the point where the minerals extracted are in a marketable state without further processing. Upstream activities can be divided into the following phases:</p> <ul style="list-style-type: none"> <li>• Prospecting</li> <li>• Acquisition of mineral rights</li> <li>• Exploration</li> <li>• Appraisal or evaluation</li> <li>• Development</li> <li>• Construction (not considered to be a separate phase in the oil and gas industry)</li> <li>• Production, and</li> <li>• Closure or abandonment</li> </ul>
Host Country	<p>Where a Host Government is implementing these Reporting Guidelines, the Host Government will be required to submit a Host Government Reporting Template and a Company will be [required/requested] to submit a Reporting Template for its Extractive Industry Upstream Activities in that Host Country.</p> <p>On a discretionary basis, Companies maybe granted a Reporting Dispensation by the Aggregating Body for submitting a Reporting Template for that Host Country.</p>



## 5 Reporting principles

These reporting principles have been developed to ensure a consistent and coherent system of reporting, underpinned by the reporting templates and technical accounting guidance.

Where specific guidance on an accounting issue is not provided, Reporting Entities should consider the reporting principles (in conjunction with the EITI principles) to determine the appropriate reporting treatment.

In practice, there needs to be a balance between these qualitative characteristics taking into account the constraints of timeliness, cost/benefit and confidentiality.

The reporting principles are:

Principle	Definition
Understandability	The information reported is readily understandable to users for the information who have a reasonable knowledge of the Extractive Industry business and economic activities and a willingness to study the information with reasonable diligence.
Relevance	<p>The reporting boundary of the Reporting Entity's Extractive Industries' Upstream Activities appropriately reflects the principal Benefit Streams that flow to Host Governments from the Upstream Activities of the Extractive Industries in that Host Country. The reporting principle of relevance is supported by the following sub-principle:</p> <p><u>Materiality</u>: The relevance of information is affected by its nature and materiality. A benefit stream is material if its omission or misstatement could influence the decisions of a user taken on the basis of the information included in the Reporting Template (refer to the principle of understandability). Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. It provides a threshold rather than being the primary qualitative characteristic which information must have to be relevant.</p>
Reliability	<p>Reporting Entities are asked to exercise due care to ensure that information submitted has the precision needed for its intended use and provides reasonable assurance on the integrity of that reported information. The reporting principle of reliability is supported by the following sub-principles:</p> <p><u>Substance over form</u>: For the information to be faithfully represented by the Reporting Entity, the Benefit Streams are to be reported in accordance with their substance and economic reality and not merely their legal form.</p>

Principle	Definition
	<p><u>Completeness</u>: For the information to be reliable it must be materially complete. Reporting Entities should account for all significant Benefit Streams from the Extractive Industry Upstream Activities within the reporting boundaries set. An omission can cause the information to be false or misleading, therefore, unreliable.</p> <p><u>Transparency</u>: All relevant issues should be noted and explained in a factual and coherent manner and information reported should be documented in a way that is traceable to source documents. All important/critical assumptions should also be documented.</p>
Comparability and consistency	Users of the information must be able to make meaningful comparison of those Benefit Streams reported by Companies and Host Governments. As a result, measurement and display of the Benefit Streams must be carried out in a consistent manner. The reporting should therefore allow meaningful comparison of the Extractive Industries' Upstream Activities' Benefit Streams reported by Host Governments and Companies within a Host Country.

In addition to the reporting principles, the information submitted on the Reporting Templates will be subject to a number of constraints. These constraints include:

Confidentiality: The reporting ensures the objectives of the EITI are achieved, whilst ensuring Companies do not breach commercial confidentiality agreements nor be placed at competitive disadvantage.

Cost/benefit: The benefits derived from information should exceed the cost of providing it, however, the cost/benefit balance is one of judgement. The appropriate balance is often difficult to assess as the benefits will also be received by those who are not bearing the costs.

Timeliness: If there is significant delay in reporting after the close of the reporting period the information may lose its relevance. To provide the information on a timely basis, it may be necessary to use preliminary figures for certain Benefit Streams (in particular those related to year-end production entitlement). In achieving the balance between reliability and relevance, it is necessary to consider how best to satisfy the decision-making needs of a user.

## 6 **Benefit Streams**

### 6.1 **Reporting requirement**

Host Governments are to report all significant Benefit Streams flows from the Extractive Industries Upstream Activities, during the Reporting Period, on a consolidated cash-basis. The required Reporting Template to be used by Host Governments is included in Appendix A.

International and National State-Owned Companies are to report their Equity Share of all significant Benefit Streams to Host Governments from their Extractive Industries Upstream Activities, during the Reporting Period, on a consolidated cash-basis. The required Reporting Template to be used by Companies is included in Appendix B.

In addition, National State-Owned Companies are required to report all significant Benefit Streams received on behalf of the Host Government, during the reporting period, on a consolidated cash-basis.

Separate templates are to be used for oil/gas and for mining.

Host Governments will:

provide (and request companies to provide), in accordance with existing or revised national law, whatever requirements, legal consents and/or waivers are necessary to enable compliance with these Reporting Guidelines;

Ensure, in accordance with existing or revised national law, that all relevant future contracts and/or agreements are designed in a manner that allows all parties to adhere to these Reporting Guidelines and request companies to do likewise; Publish the aggregated company data and the host government data locally in accessible formats and in a timely manner, after due consultation;

Ensure adequate mechanisms exist at country level to facilitate public assessment of the data made available under these Reporting Guidelines.

A two-scope approach to capturing Benefit Streams has been proposed

### 6.2 **Scope 1 Benefit Streams**

Scope 1 Benefit Streams are compulsory to report and it is intended that all significant Benefit Streams should be included in the Scope 1 Benefit Stream section of the Reporting Templates.

The reporting principle of materiality refers to both qualitative and quantitative considerations. To assist users of the guidelines in assessing if a Benefit Stream is material, they need to consider if the stream is significant in quantitative terms.

A Benefit Stream is considered to be significant if<sup>1</sup>:

Alternative 1: more than [0.1%] of the Host Governments estimated total production value for the Reporting Period;

Alternative 2: more that [0.5%] of the Company’s estimated total production value in the Host Country for the reporting period;

Alternative 3: more than USD 10 million.

Reference	Scope 1 Benefit Stream	Further description (if necessary)
i	Host Governments production entitlement	<p>This is the Host Governments share of the total production. This production entitlement can either be transferred directly to the Host Government or to the National State-Owned Company. Also, this stream can either be in kind and/or in cash.</p> <p>Where a royalty arrangement means that the Host Government has a more direct interest in the underlying production and makes sales arrangements independently of the concession holder, these “royalties” are more akin to Host Government production entitlement and should be reported under Sections 1 of the Reporting Templates for International Companies and Section 2 for National State-Owned Companies.</p>
ii	National State-Owned Company production entitlement	<p>This is the National State-Owned Company’s share of the total production. This production entitlement is derived from the National State-Owned Company’s equity interest. This stream can either be in kind and/or in cash.</p>
iii	Profits taxes	<p>Taxes levied on the profits of a Company’s Upstream Activities.</p>
iv	Royalties	<p>Royalty arrangements will differ between Host Government regimes.</p> <p>Where the royalty arrangements are such that the Company is obliged to dispose of all production and pay over a proportion of the sales proceeds, these “royalty” payments should be included in Section 3</p>

<sup>1</sup> Three alternatives to guide Reporting Guideline users in determining what a significant Benefit Stream is have been proposed. Further consultation with key stakeholders is required to determine the most appropriate materiality threshold.

Reference	Scope 1 Benefit Stream	Further description (if necessary)
		<p>of the Reporting Templates.</p> <p>Where the Host Government has a more direct interest in the underlying production and makes sales arrangements independently of the concession holder, these “royalties” are more akin to Host Government production entitlement and should be reported under Sections 1 of the Reporting Templates for International Companies and Section 2 for National State-Owned Companies.</p>
v	Dividends	Dividends paid to the Host Government as Shareholder of the National State-owned company in respect of shares and any profit distributions in respect of any form of capital other than debt or loan capital.
vi	Bonuses (such as signature, discovery, production)	<p>Payments related to bonuses for and in consideration of:</p> <ul style="list-style-type: none"> <li>• Awards, grants and transfers of the extraction rights;</li> <li>• Achievement of certain production levels or certain targets; and</li> <li>• Discovery of additional mineral reserves/deposits.</li> </ul>
vii	Licence fees, rental fees, entry fees and other considerations for licences and/or concessions	<p>Payments to the Host Government and/or National State-Owned Company for:</p> <ul style="list-style-type: none"> <li>• receiving and/or commencing exploration and/or for the retention of a licence or concession (licence/concession fees);</li> <li>• performing exploration work and/or collecting data (entry fees). These are likely to be made in the pre-production phase.</li> <li>• Leasing or renting the concession or licence area.</li> </ul>
viii	Other significant Benefits to Host Governments	These Benefit Streams include tax that is levied on the income, production or profits of Companies. These exclude tax that is levied on consumption, such as value-added taxes, personal income taxes or sales

Reference	Scope 1 Benefit Stream	Further description (if necessary)
		taxes.

### 6.3 Scope 2 Benefit Streams

Scope 2 Benefit Streams are those Benefit Streams that are not significant, but either the Companies or Host Governments would like to report on a voluntary basis.

### 6.4 Identifying significant Benefit Streams

It is strongly recommended that all Reporting Entities compile a Benefit Stream flow map (as demonstrated in the examples in Annex E) to ensure that they identify all their significant Benefit Streams. It is likely that each Benefit Stream flow-map will vary for each Company’s Upstream Activities in each Host Country. This is due to the wide variety of ownership structures and regulating regimes in place.

To help Reporting Entities identify their significant Benefit Streams, two worked examples of Benefit Stream flow maps have been provided, with Annex E outlining a flow map for a Contractual System and a flow map for a Concessionary System.

## 7 Specific accounting principles and treatments

### 7.1 Cash basis

Reporting of the Benefit Streams is to be done on a cash-basis so as to allow comparability of Company and Host Government information. The date of payment is taken to be the date the payer's bank account is debited and payments made within a period are to be reported for that period. Receipts are to be treated as received on the date the recipient's bank account is credited and reported in the period of receipt.

A cash basis is considered the most appropriate basis for comparing the information from Host Governments and Companies, as Host Governments are not generally in a position to estimate accruals for receipts to be expected from Companies for any particular period.

### 7.2 Reporting units

The reporting units to be used for each wasting natural resource are as follows:

Wasting Natural Resource	Units
Crude oil including natural gas liquids and oil sands.	Millions of barrels of oil equivalent (Barrels of oil equivalent are a measurement of the value of natural gas in terms of its equivalent in barrels of oil.)
Natural gas	Thousand million standard cubic feet of natural gas delivered (not adjusted for standard heat content)
Base Metals: Copper, iron, nickel, lead, zinc, coal and tin	Thousand tonnes
Precious Metals: Gold, silver and platinum	Thousand ounces

These units have been determined based on generally accepted reporting practice in the respective Extractive Industries. It is important the Reporting Entities use these units to ensure the reporting principles of comparability between Companies and Host Governments.

### 7.3 Reporting currency

The reporting currency of all cash Benefit Streams is United States dollars (USD). The principle reason for determining the reporting currency as USD is that in the majority of cases the wasting natural resources included in the reporting scope are traded with the quoted market price being in USD.

Also setting one reporting currency will help make the information more relevant to the wide range of potential users (which is aligned to the overarching reporting principles).

For transactions conducted in currencies other than USD the [monthly or quarterly<sup>2</sup>] average exchange rate should be used to translate these transactions into USD. This is consistent with generally accepted accounting practice where non-reporting currency income statements and cash-flows tend to be either reported at monthly or quarterly average rates.

#### **7.4 Provisional payments**

As Benefit Streams are reported on a cash basis all payments to the Host Government should be captured within the reporting period. If provisional cash payments are made then any rebate or additional payment required is reported in the subsequent period.

#### **7.5 Natural gas production and associated gas**

When producing oil from a reservoir, associated gas is often extracted. Where that associated gas is contracted to sales; or can be considered as reasonably certain of being sold based on reasonable expectation of the availability of markets along with transportation/delivery facilities, it should be reported in the same way as standard natural gas production, for example: if in-kind those delivered volumes should be included on the Company Reporting Template under either lines 1 or 2. Based on this treatment, associated gas that is reinjected or flared would be excluded.

#### **7.6 Valuation of in-kind Benefit Streams**

Reporting Entities are only required to report volumes for those Benefit Streams that are in-kind. The Aggregating Body will be responsible for associating a value to the in-kind benefit streams based on specific criteria suitable for individual Host Countries.

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<sup>2</sup> Consultation will be needed with Reporting Entities to determine if the monthly or quarterly average would be appropriate, depending on their reporting systems and processes.



## A Input template for Host Government Reporting Entity

Host Country reporting on: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

### Scope 1 Benefit Streams

Line ref	Guidelines section 6 ref	Volume	Value
<b>1</b>	<b>Benefit Stream from International Companies only</b>		
1a)	Host Government Production Entitlement from International Companies	i	
	i) Production Stream – in kind		
	* [specify nature of production and units]		
	* [specify nature of production and units]		
	ii) Production Stream – in cash		
<b>2</b>	<b>Benefit Stream from National State-Owned Companies</b>		
2a)	Host Government Production Entitlement from National State-Owned Company	i	
	i) Production Stream – in kind		
	* [specify nature of production and units]		
	* [specify nature of production and units]		
	ii) Production Stream – in cash		
<b>3</b>	<b>Benefit Streams from International and National State-Owned Company</b>		
3a)	Profit taxes	iii	
3b)	Royalties	iv	
	- in cash		
	- in kind		
3c)	Dividends	v	
3d)	Signing bonuses and production bonuses	vi	
3e)	License fees, rental fees, entry fees and other considerations for licenses/concessions	vii	
3f)	Other payments to Host Governments, specified as:	viii	
	_____		
	_____		
	_____		

### Scope 2 Benefit Streams

Line ref		Volume	Value
4	<b>Scope 2 Benefit Streams (voluntary disclosure):</b>		
	_____		
	_____		
	_____		
	_____		
	_____		

**Host Government sign off**

We acknowledge our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

- \_\_\_\_\_;
- \_\_\_\_\_;
- \_\_\_\_\_;
- \_\_\_\_\_.

## B Input template for Company Reporting Entities

Name of Company: \_\_\_\_\_

Host Country reporting on: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

### Scope 1 Benefit Streams

Line ref	Guidelines section 6 ref	Volume	Value
<b>1 Benefit Stream to be reported by International Companies only</b>			
1a)	Host Government Production Entitlement to Host Government i) Production Stream – in kind * [specify nature of production and units] * [specify nature of production and units] ii) Production Stream – in cash	i	
1b)	Host Government Production Entitlement to National State-Owned Company i) Production Stream – in kind * [specify nature of production and units] * [specify nature of production and units] ii) Production Stream – in cash	i	
<b>2 Benefit Stream to be reported by National State-Owned Companies only</b>			
2a)	i) National State-Owned Companies equity share of Host Government production entitlement – in kind * [specify nature of production and units] * [specify nature of production and units] ii) National State-Owned Companies equity share of Host Government production entitlement – in cash	i	
2b)	Production received by National State-Owned Company i) Production stream – in kind	i	

**Scope 1 Benefit Streams (continued)**

Line ref	Guidelines section 6 ref	Volume	Value
2c)	National State-Owned Company production entitlement <sup>3</sup>		
i)	Production entitlement – in kind		
	* [specify nature of production and units]		
	* [specify nature of production and units]		
ii)	Production entitlement – in cash		
2d)	Production entitlement received on behalf of the Host Government		
i)	Production stream – in kind		
	* [specify nature of production and units]		
	* [specify nature of production and units]		
ii)	Production entitlement received on behalf of the Host Government – in cash		
<b>3</b>	<b>Payments to Host Government/National State-Owned Company</b>		
3a)	Profit taxes		
3b)	Royalties		
	- in cash		
	- in kind		
3c)	Dividends		
3d)	Signing bonuses and production bonuses		
3e)	License fees, rental fees, entry fees and other considerations for licenses/concessions		
3f)	Other payments to Host Governments, specified as:		
	_____		
	_____		
	_____		

<sup>3</sup> The National State-Owned Company entitlement relates to its share of production where it is a contracting party, for example, where it has an interest in a Licence/Concession in addition to the Host Governments production entitlement.

<b>Scope 2 Benefit Streams</b>
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Line ref		Volume	Value
<b>4</b>	<b>Scope 2 Benefit Streams (voluntary disclosure):</b>		
	_____		
	_____		
	_____		
	_____		
	_____		

**Management sign off**

We acknowledge [*or On behalf of the Board of Directors (or similar body) we acknowledge*] our responsibility for the fair presentation of the Reporting Template in accordance with the Reporting Guidelines, with the exception of:

- \_\_\_\_\_;
- \_\_\_\_\_;
- \_\_\_\_\_;
- \_\_\_\_\_.

## **C** **Aggregating Guidelines**

These Aggregating Guidelines define the role of the ‘Aggregating Body’. The Aggregating Body is an independent party, which is responsible for:

- Aggregating and analysing the Reporting Templates submitted by the Companies and Host Government in the Host Country
- Ensuring the objectives of the Reporting Guidelines are achieved with particular regard for the principle of Understandability – i.e. preparation of a report that is understandable to Users of the information having a reasonable knowledge of the Extractive Industry and a willingness to study the information with reasonable diligence

The Host Government will:

- Request a designated Aggregating Body to undertake the responsibilities listed below;
- [Require/request] all companies operating in its territory to provide the Aggregating Body the data described in the Company Template.

The Aggregating Body will:

In General

- Set the Reporting Period and the Reporting Timetable
- Prepare guidance manual for the Host Government on data disclosure in Host Country
- Prepare guidance manual for Companies on data disclosure in Host Country

Scope of Reporting

- Confirm the Scope of the Extractive Industries in the context of the Host Country
- Confirm the Scope of Upstream Activities in the context of the Host Country
- Grant Reporting Dispensations, if applicable

Benefit Streams

- Undertake Mapping of Significant Benefit Stream Flows with Companies
- Agree Mapping of Significant Benefit Streams with Host Government
- Detail actual taxes as per Host Country context and refine Reporting Templates accordingly, if applicable
- Associate a value to the in-kind benefit streams based on specific criteria suitable for individual Host Countries

Process of Aggregation

- Prepare report of aggregated company data and of Host Government data, with notes explaining any absence of information and including a list of those companies that have, and have not, submitted data.
- Make arrangements to follow up discrepancies between Companies and Host Government information with those parties, if they wish
- Ensure there is appropriate disclosure to ensure users of the information can fairly interpret or investigate the discrepancies
- It is noted that some companies may consider separate, voluntary publication of their Company Templates.

## D Aggregated Company Templates

Host Country reporting on: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

### Scope 1 Benefit Streams

Line ref	Guidelines section 6 ref	Volume	Value
<b>1 Benefit Stream to be reported by International Companies only</b>			
1a)	Host Government Production Entitlement to Host Government i) Production Stream – in kind * [specify nature of production and units] * [specify nature of production and units] ii) Production Stream – in cash	i	
1b)	Host Government Production Entitlement to National State-Owned Company i) Production Stream – in kind * [specify nature of production and units] * [specify nature of production and units] ii) Production Stream – in cash	i	
<b>2 Benefit Stream to be reported by National State-Owned Companies only</b>			
2a)	i) National State-Owned Companies equity share of Host Government production entitlement – in kind * [specify nature of production and units] * [specify nature of production and units] ii) National State-Owned Companies equity share of Host Government production entitlement – in cash	i	
2b)	Production received by National State-Owned Company i) Production stream – in kind	i	

**Scope 1 Benefit Streams (continued)**

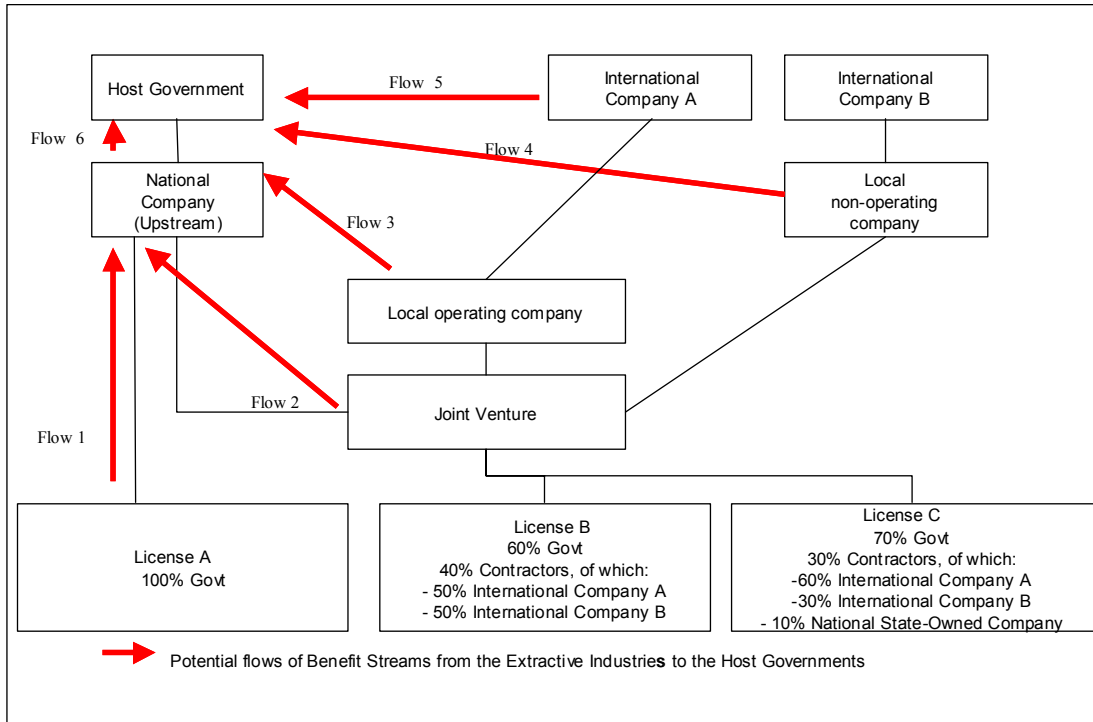
Line ref	Guidelines section 6 ref	Volume	Value
2c)	National State-Owned Company production entitlement <sup>4</sup>		
i)	Production entitlement – in kind		
	* [specify nature of production and units]		
	* [specify nature of production and units]		
ii)	Production entitlement – in cash		
2d)	Production entitlement received on behalf of the Host Government		
i)	Production stream – in kind		
	* [specify nature of production and units]		
	* [specify nature of production and units]		
ii)	Production entitlement received on behalf of the Host Government – in cash		
<b>3</b>	<b>Payments to Host Government/National State-Owned Company</b>		
3a)	Profit taxes		
3b)	Royalties		
	- in cash		
	- in kind		
3c)	Dividends		
3d)	Signing bonuses and production bonuses		
3e)	License fees, rental fees, entry fees and other considerations for licenses/concessions		
3f)	Other payments to Host Governments, specified as:		
	_____		
	_____		
	_____		

<sup>4</sup> The National State-Owned Company entitlement relates to its share of production where it is a contracting party, for example, where it has an interest in a Licence/Concession in addition to the Host Governments production entitlement.



## E Example Benefit Stream Maps

### For Contractual Systems

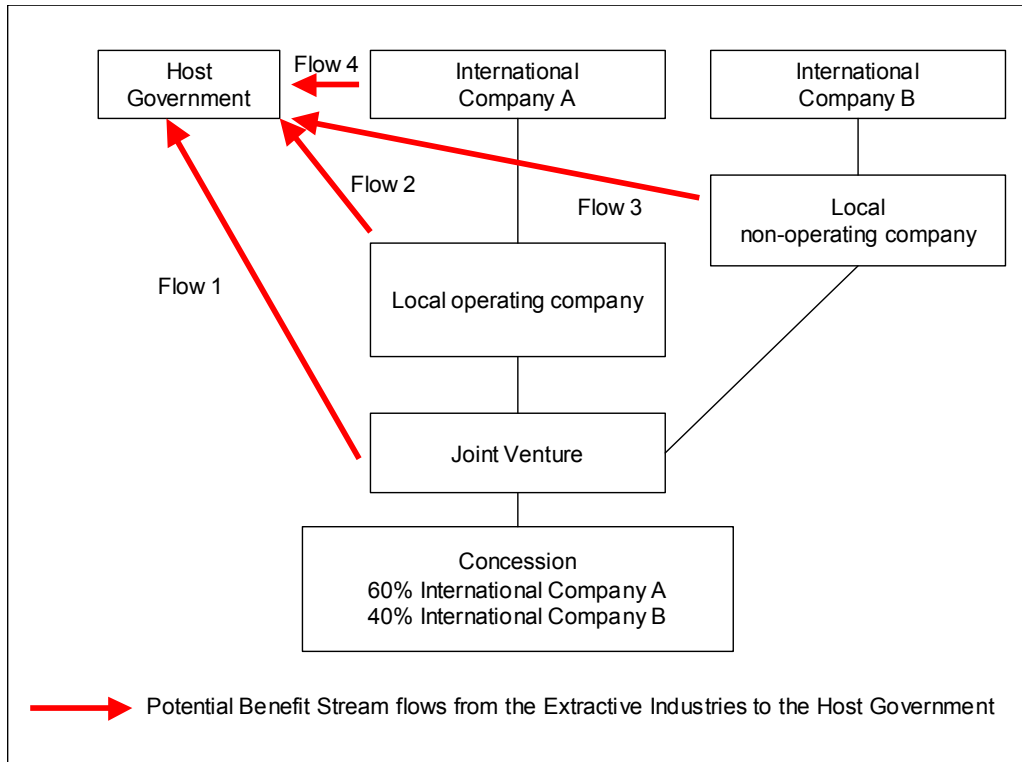


The Benefit Stream flows are identified in the diagram above. The table below identifies the equity share of the Benefit Streams to be reported by the National State-Owned Company and International Companies A and B under the Contractual System.

Benefit Stream flow	Benefit Stream reference from section 6	Who reports what		
		National State-Owned Company	International Company A	International Company B
1	Host Government Production Entitlement: Scope 1, Benefit Stream i) for Licence A Reporting Template reference	100% of Licence A's production in-kind 2b)	Not applicable	Not applicable
2	Equity Share of National State-Owned Company's production entitlement Scope 1, Benefit Stream ii) for Licences B and C from the Joint Venture Reporting Template reference	10% of Licence C of production in-kind/cash 2c)	Not applicable	Not applicable

Benefit Stream flow	Benefit Stream reference from section 6	Who reports what		
		National State-Owned Company	International Company A	International Company B
	Equity Share of Host Government Production Entitlement: Scope 1, Benefit Stream i) for Licences B and C from the Joint Venture	10% of 70% of Licence C of production in-kind/cash	50% of 60% of Licence B 60% of 70% of Licence C production in-kind/cash	50% of 60% of C Licence B 30% of 70% of Licence C production in-kind/cash
	Reporting Template reference	2a)	1b)	1b)
	Host Government production entitlement received by National State-Owned Company on behalf of the Host Government Scope 1, Benefit Stream i) for Licences B and C from the Joint Venture	60% of Licence B and 70% of Licence C of production in-kind/cash	Not applicable	Not applicable
	Reporting Template reference	2d)	Not applicable	Not applicable
3	Payments to Host Governments: Scope 1, Benefit Streams iii) to viii)	Not applicable	100% of those Benefit Streams related to Licence B and C	Not applicable
	Reporting Template reference	Not applicable	3	Not applicable
4	Payments to Host Governments: Scope 1, Benefit Streams iii) to viii)	Not applicable	Not applicable	100% of those Benefit Streams related to Licence B and C
	Reporting Template reference	Not applicable	Not applicable	3
5	Payments to Host Governments: Scope 1, Benefit Streams iii) to viii)	Not applicable	100%	100%
	Reporting Template reference	3	3	3
6	Payments by National State-Owned Company's Upstream Activities to Host Government. Scope 1, Benefit Streams iii) to viii)	100%	Not applicable	Not applicable
	Reporting Template reference	3	Not applicable	Not applicable

7.6.1 Worked example for Concessionary System



The table below identifies the equity share of the Benefit Streams to be reported by International Companies A and B under the Concessionary System.

Benefit Stream flow	Benefit Stream reference from section 6	Who reports what		
		National State-Owned Company	International Company A	International Company B
1	Payments to Host Governments: Scope 1, Benefit Streams iii) to viii)	Not applicable	60%	40%
	Reporting Template reference	Not applicable	3	3
2	Payments to Host Governments: Scope 1, Benefit Streams iii) to viii)	Not applicable	100%	Not applicable
	Reporting Template reference	Not applicable	3	Not applicable
3	Payments to Host Governments: Scope 1, Benefit Streams iii) to viii)	Not applicable	Not applicable	100%
	Reporting Template reference	Not applicable	Not applicable	3
4	Payments to Host Governments: Scope 1, Benefit Streams iii) to viii)	Not applicable	100%	100%
	Reporting Template reference	Not applicable	3	3



## **F** **References and sources of information**

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ISSUES PAPER *Extractive Industries Issues Paper*, International Accounting Standards Committee on Extractive Industries, November 2000.

JOHNSON, D. *International Petroleum Fiscal Systems and Production Sharing Contracts*, Tulsa: PennWell Publishing Company, 1994.

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