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## **SENATE ADOPTS WALL STREET REFORM INCLUDING CARDIN-LUGAR PROVISION TO INCREASE TRANSPARENCY AND ATTACK CORRUPTION**

*Supported by ONE co-Founder Bono and Open Society Institute Founder George Soros,  
Bipartisan Language Brings U.S. to Forefront of Economic Transparency in Worldwide Oil, Gas  
and Mining Industries*

Washington, DC – With passage of the Wall Street Reform Conference Report, the Senate has approved a measure, authored by **U.S. Senators Benjamin L. Cardin (D-MD)** and **Richard Lugar (R-IN)**, to increase transparency in the oil, gas and mining industries. The ***Cardin-Lugar Energy Security Through Transparency*** (ESTT) provision will add stability to markets through greater information and predictability and help protect investors from undue risks associated with corrupt or unstable governments in oil-rich or mineral-wealthy countries. The provision requires extractive companies listed on U.S. stock exchanges to disclose, in their SEC filings, payments made to governments for oil, gas and mining.

“This provision is a critical part of the increased transparency and corporate responsibility that we are striving to achieve in the financial industry. Given the catastrophic events in the Gulf of Mexico, oil companies, in particular, should well understand that secrecy fosters instability, corruption and greater risk,” **said Senator Cardin, Chairman of the U.S. Helsinki Commission and a member of the Senate Foreign Relations Committee.** “Revenue transparency increases energy security and creates U.S. jobs by reducing the operating risk U.S. companies face in inherently unstable markets. We now have the tools to help people in resource-rich countries hold their leaders accountable for the money made from their oil, gas and minerals.”

“Transparency empowers citizens, investors, regulators, and other watchdogs and is a necessary ingredient of good governance for countries and companies alike. The Cardin-Lugar amendment brings a major step in favor of increased transparency at home and abroad. It empowers investors to have a more complete view of the value of their holdings. It brings more information to global commodity markets, which would benefit price stability. Most importantly, it helps empower citizens to hold their governments to account for the decisions made by their governments in the management of valuable oil, gas, and mineral resources and revenues,” **said Senate Foreign Relations Committee Ranking Member Lugar** in a Senate floor statement.

“The extractive industries transparency provision is another major step forward for protecting U.S. taxpayers and shareholders and increasing the transparency of major financial transactions,” **said Senate Judiciary Committee Chairman Patrick Leahy (D-VT).** “This provision is about good governance and transparency so the American people and investors can know if they are investing in

companies that are operating in dangerous or unstable parts of the world, thereby putting their investments at risk. It will also enable citizens of these countries to know what their governments are receiving from foreign companies in exchange for mining rights.”

“This proposal is a great lever to support more transparency and healthier governance in poor countries,” said **Bono, co-founder of the anti-poverty group ONE and U2 lead singer**. “It will empower activists, media and good-governance watchdogs, both south of the equator and north, to ensure the continent’s vast riches end up in service of its people, not lining the pocket of some kleptocrat. Senators Cardin and Lugar and Chairman Frank deserve tremendous credit, as do the many activists who brought this idea to fruition. And thanks to Senators Leahy, Chairman Dodd and Congresswoman Waters for their unflinching support of the world’s poorest – this time through support for better transparency and governance.”

“Congress’ action is a big victory for the United States, for the citizens of every country with mining or oil or gas production, and for investors and people who recognize that financial transparency is essential for government and corporate accountability. The U.S. has raised the global standard for financial transparency for governments worldwide and for the oil, gas and mining industries,” said **George Soros, Chairman of Soros Fund Management, LLC and founder of The Open Society Institute**.

Passage of ESTT brings the U.S. to the leading edge of this issue and highlights its importance to our economic partners. The Senators are hopeful that other major exchanges in Europe and Asia may soon follow suit. The Cardin-Lugar provision is based on S. 1700, legislation offered by Senators Lugar, Cardin, Roger Wicker (R-MS), Charles Schumer (D-NY), Russ Feingold (D-WI), and Sheldon Whitehouse (D-RI).

**The Cardin-Lugar language in the Conference Report requires companies listed on U.S. stock exchanges to disclose in their SEC filings payments made to governments for oil, gas and mining activities, resulting in:**

**Greater Corporate Transparency:** The extractive industries are capital-intensive and dependent on long-term stability to generate returns. Transparency of payments made to a government can help mitigate political and reputational risks and allow shareholders to make better-informed assessments of opportunity costs in what are often very high-risk operating environments that may be politically unstable, rife with corruption and have a history of civil conflict fueled, in part, by natural resources.

**Increased Predictability for Investors:** Companies in the extractive sector face unique risks, which are heightened by the substantial capital employed in the extractive industries. The often opaque and unaccountable management of natural resource revenues by foreign governments creates unstable and high-cost operating environments for multinational companies. Minimizing those risks is crucial to investors.

**Growth that Helps Alleviate Poverty:** Resource-rich countries are often home to some of the world’s poorest people. Resource-revenue transparency enables citizens of these countries to hold their governments more accountable and can help ensure that a country’s natural resource wealth is used wisely.

**Enhanced Energy Security:** Increased transparency will directly benefit US energy security by helping to create more stable, democratic governments, and foster more stable business environments in resource-rich countries.

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