

APPENDIX

Nigeria's Petroleum Industry Bill: Selected Governance and Transparency Provisions, and Comparisons with International Best Practices

for use with the July 2011 FOSTER policy brief:

**“Nigeria's Petroleum Industry Bill: Improving sector performance through strong
transparency and accountability provisions”**

Available at www.revenuewatch.org/nigeriaPIB

Objective 1. Strong rules for open, competitive and transparent upstream awards.

Issue	Presidency bill (HB 159)	Senate draft (SB 236)	IAT memo (September 2010)	Best practice
<p>Requirement of competitive, open, and transparent award processes</p>	<p><u>Competitive, open, and transparent nature of the process</u> 270(1) - The grant of a petroleum prospecting licence, petroleum mining lease or contract in respect of any territory in, under or upon the territory of Nigeria shall be by a bidding process conducted by the Directorate, in consultation with the Inspectorate, which bidding process shall be open, transparent and competitive.</p> <p><u>No discretionary awards</u> 270(2) - For the avoidance of doubt, no discretionary awards shall be given under any circumstances whatsoever.</p>	<p><u>Competitive, open, and transparent nature of the process</u> 212 - The grant of a petroleum prospecting licence, petroleum mining lease or contract in respect of any territory in, under or upon the territory of Nigeria shall be by a bidding process conducted by the Commission, in consultation with the Inspectorate, which bidding process shall be open, transparent and competitive.</p> <p><u>No discretionary awards</u> 214(7) - For the avoidance of doubt, no discretionary awards shall be given under any circumstances whatsoever.</p>	<p><u>Competitive, open, and transparent nature of the process</u> 189(1) The grant of a petroleum mining lease, not derived from a petroleum prospecting license, or a petroleum prospecting licence in respect of any territory in, under or upon the territory of Nigeria shall be by a bidding process conducted by the Inspectorate, or conducted by the National Oil Company pursuant to paragraph (b) of subsection (2) of section 171 of this Act, in consultation with the Inspectorate, which bidding process shall be open, transparent and competitive and non-discriminatory with respect to any company.</p> <p><u>No discretionary awards</u> For the avoidance of doubt, no discretionary awards shall be given under any circumstances whatsoever, [except under certain circumstances where acreage is relinquished, set out in 191]</p>	<p><u>Competitive, open, and transparent nature of the process</u> <i>Angola Petroleum Activities Law 44(3)</i> – The National Concessionaire shall apply to the supervising Ministry for due authorization to carry out an open tender to define the entities with which it shall associate [...].</p> <p>(4) The status of associate of the National Concessionaire may be awarded through direct negotiation with the interested companies, but only in the following cases: (a) Immediately following an open tender procedure which has not resulted in the awarding of the status of associate of the National Concessionaire because of the lack of bids; (b) Immediately following an open tender procedure which has not resulted in the awarding of the status of associate of the National Concessionaire due to the supervising Ministry, after consulting with the National Concessionaire, considered the submitted bids unsatisfactory in view of the adopted criteria for the award.</p>
<p>Qualification of companies</p>		<p><u>Baseline legislated criteria – adequate technical and financial means to carry out obligations</u> 214 - Only companies...which have complied with all the conditions that</p>	<p><u>Baseline legislated criteria – adequate technical and financial means to carry out obligations</u> 171(5) - Only companies ... that comply with the conditions</p>	<p><u>Baseline legislated criteria – adequate technical and financial means to carry out obligations</u> <i>Angola Petroleum Activities Law 45(1)</i> – The status of Operator associate of the National</p>

	<p><u>Regulators must set more detailed criteria</u> 270(4) - The Directorate in consultation with the Inspectorate shall establish the technical, legal, economic and financial requirements as well as the minimum experience and capacity necessary for would be licensees, lessees, and contractors, which shall be contained in guidelines prepared by the Directorate.</p>	<p>may be prescribed by the Commission and the Inspectorate, as the case may be, shall be entitled to be a licensee, lessee or contractor. 196(5). The conditions prescribed shall include the requirement to be a company that qualifies pursuant to the qualification criteria determined in the bid invitation. Such criteria shall be different for operators and non-operators in the following respects: (a) the criteria for operator shall establish that the operator shall have the financial means and the technical qualifications to carry out the upstream petroleum operations in a safe manner and in accordance with the highest international standards, and (b) the criteria for a non-operator shall establish that the non-operator shall have the financial means to adequately finance his obligations.</p>	<p>prescribed by the Inspectorate, shall be entitled to be licensees, lessees or contractor parties under the terms of this Part III of the Act. (6) The conditions prescribed in subsection (5) of this section shall include the requirement to be a company that qualifies pursuant to the qualification criteria determined in the bid invitation. Such criteria shall be different for operators and non-operators in the following respects: (a) the criteria for operator shall establish that the operator shall have the financial means and the technical qualifications to carry out the upstream petroleum operations in a safe manner and in accordance with the highest international standards; and (b) the criteria for non-operator shall establish that the non-operator shall have the financial means to adequately finance his obligations.</p> <p><u>Regulators must set more detailed criteria</u> 171 – The Inspectorate shall establish the technical, legal, economic and financial requirements as well as the minimum experience and capacity necessary for would be licensees, lessees, and contractors, which shall be contained in guidelines prepared by the Directorate.</p>	<p>Concessionaire in a Petroleum concession may only be awarded to corporations which can show they have the technical and financial capability to carry out Petroleum Operations in the relevant concession area. (2) The status of non-operator associates of the National Concessionaire may only be awarded to corporations which show capacity and financial capability. [see also section 19]</p> <p><i>Timor Leste Petroleum Act 10(2)</i> - In order to be eligible to enter into a Petroleum Contract, a Person must: a. have, or have access to, the financial capability, the technical knowledge and technical ability, to carry out the Petroleum Operations in the Contract Area</p> <p><u>Regulators to set more detailed criteria</u> <i>Angola Petroleum Activities Law 45(3)</i> - The requirements regarding evidence of the technical and financial capacity and capability referred to in the preceding paragraphs shall be established in the regulations...</p> <p><u>Allocation criteria shall be published</u> <i>Sierra Leone Petroleum Policy 8(v)</i> - For transparency and equity, allocation criteria shall be published in order to inform petroleum companies of the basis for</p>
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	<p><u>Regulators must make awards on the basis of qualification</u> 270(4) - Licensees, lessees and contractors shall be chosen in accordance with [the Directorate’s guidelines for qualifying bidders.]</p>		<p><u>Regulators must make awards on the basis of qualification</u> 270(4) - Licensees, lessees and contractors shall be chosen in accordance with [the Directorate’s guidelines for qualifying bidders.]</p>	<p>allocation.</p> <p><u>Only pre-qualified companies allowed to bid</u> <i>Sierra Leone Petroleum Policy 8(iii)</i> – Only pre-qualified companies that meet government’s criteria for pre-qualification shall be permitted to bid as part of the bidding where emphasis will be put on the obligatory work programme offered.</p> <p><u>Additional legislated application requirements for bidders to qualify</u> <i>Peru Rules and Regulations to Qualify Oil Companies 5</i> – Oil Companies with previous experience in Hydrocarbons’ exploration and exploitation activities or exploitation must present to PERUPETRO S.A., for purposes of being Qualified, an application attaching the following documents: a. [incorporation papers]; b. [Affidavit stating the bidder is not bankrupt, unable to contract with the State, able to fulfill all future obligations under the license or contract] c. [Affidavit on the capacity of bidder staff] d. [Financial statements for the last 3 years] e. [Information on past experience in the oil and gas sector] f. [Affidavit committing the company to compliance with relevant environmental laws.] 6 – [Additional requirements for bidders having financial capacity but lacking experience]</p>
<p>Publication of impending tenders, bid</p>	<p><u>Call for bids</u> 270(3) - The Minister shall direct the</p>	<p><u>Call for bids</u> 214(7) - The Commission shall direct</p>	<p><u>Call for bids</u> 189(4) - The Minister shall direct the</p>	<p><u>Call for bids</u> <i>Sierra Leone Petroleum Policy 8(ii)</i> – Bid</p>

<p>rounds and details of bids</p>	<p>Directorate to call for bids in accordance with a process that shall be made available to the general public through publications on the website of the Inspectorate and in at least two newspapers with international and two newspapers with national coverage.</p>	<p>the Directorate to call for bids in accordance with a process that shall be made available to the general public through publications on the website of the Inspectorate and in at least two newspapers with international and two newspapers with national coverage.</p>	<p>Inspectorate to call for bids in accordance with a process that shall be made available to the general public through publications on the website of the Inspectorate and in at least two newspapers with international coverage and two newspapers with national coverage.</p> <p>Publication of bid details 189(6) - All bids received based on the bid parameters established in paragraph (2) of this section shall be opened in public and in the presence of representatives of the Presidency, the Ministry of Finance, the Directorate and the Service.</p>	<p>rounds shall be announced as and when they are considered necessary.</p> <p><i>Angola Decree 48/06</i> - Tender shall be publicly announced 60 days before the deadline.</p> <p>Publication of bid details <i>Angola Decree 48/06</i> - On the deadline for submission of bids, all bids shall be opened at a public session before a panel.</p>
<p>Disclosure of beneficial ownership</p>				<p><i>Natural Resource Charter Precept 4</i> – The true beneficial owners of the firm and their sources of funds should be known. There should be strong rules to prevent public officials steering business to firms in which they or their relatives and proxies may have a financial interest.</p>

Objective 2. Strong rules for awarding lifting, midstream and downstream licenses.

Issue	Presidency Bill	Senate Draft	IAT Memo	Best Practice
<p>Publication online and in print media of licensing opportunities, application and</p>	<p><u>Publication of licensing opportunities</u></p> <p><u>Publication of applications and opportunity for public comment</u></p>	<p><u>Publication of licensing opportunities</u></p> <p><u>Publication of applications and opportunity for public comment</u></p>	<p><u>Publication of licensing opportunities</u></p> <p><u>Publication of applications and opportunity for public comment</u></p>	

<p>awards.</p>	<p>291(1), 325 - When an application is made for a [technical or commercial] licence, the applicant shall publish a notification of the application in at least two Nigerian newspapers with nationwide circulation, in the form and manner, for as many times, for such period or periods, and in accordance with the period that may be prescribed in any regulations issued by the Minister on the advice of the Inspectorate.</p> <p>(2) Following the publication of the notification of the application, interested parties may comment on or make representations to the Inspectorate in respect of the application within the period of time prescribed in the Regulations, which period of time must be indicated in the published notification.</p> <p><u>Publication of awards</u></p> <p>290(6), 325 - Where the Inspectorate has decided to grant a [technical or commercial] license it shall publish a notice of its decision in the form and in the manner prescribed in regulations issued by the Commission on the advice of the Inspectorate.</p> <p>291(3), 325 - Following the grant or renewal of a [technical or commercial] license the applicant shall publish the notification of the grant or renewal in the form and manner in at least two Nigerian newspapers with nationwide circulation, for as many times, for such period or periods and in accordance</p>	<p>229(1), 264 - When an application is made for a [technical or commercial] licence, the applicant shall publish a notification of the application in at least two Nigerian newspapers with nationwide circulation, in the form and manner, for as many times, for such period or periods, and in accordance with the period that may be prescribed in any regulations issued by the Commission on the advice of the Inspectorate.</p> <p>(2) Following the publication of the notification of the application, interested parties may comment on or make representations to the Inspectorate in respect of the application within the period of time prescribed in the Regulations, which period of time must be indicated in the published notification.</p> <p><u>Publication of awards</u></p> <p>229(6), 264 - Where the Inspectorate has decided to grant a [technical or commercial licence] it shall publish a notice of its decision in the form and in the manner prescribed in regulations issued by the Minister on the advice of the Inspectorate.</p> <p>229(3), 264 - Following the grant or renewal of a technical licence the applicant shall publish the notification of the grant or renewal in the form and manner in at least two Nigerian newspapers with nationwide circulation, for as many times, for such period or periods and</p>	<p>210(1), SECTION - When an application is made for the issuance, renewal or modification of a [technical or commercial] licence, the applicant shall publish a notification of the application in at least two Nigerian newspapers with nationwide circulation, in a manner prescribed in the applicable regulations.</p> <p>(2) Following the publication in subsection (1) of this section, any interested person may comment on or make representations to the responsible Regulatory Institution in respect of the application within the period of time prescribed in the applicable regulations, which period of time must be indicated in the published notification.</p> <p><u>Publication of awards</u></p> <p>209(6), 243 - Where a [technical licence or commercial] is issued, renewed or modified, a notice of the issuance, renewal or modification shall be published in at least two national news papers.</p>	
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	<p>with such periods of time as may be prescribed in any regulations made by the Minister on the advice of the Inspectorate.</p> <p><u>Creation of license registry</u> 301 -306, 340-44 - [Inspectorate shall establish a registry of all licenses; registry shall be open to the public; individuals can obtain certified true copies of licenses and certain associated documents upon payment of a fee prescribed by regulations.]</p>	<p>in accordance with such periods of time as may be prescribed in any regulations made by the Commission on the advice of the Inspectorate.</p> <p><u>Creation of license registry</u> 301, 302, 306, 333-38 – [Inspectorate shall establish a registry of all licenses; registry shall be open to the public; individuals can obtain certified true copies of licenses and certain associated documents upon payment of a fee prescribed by regulations.]</p>	<p><u>Creation of license registry</u> 221-223, 258-260 – [Inspectorate shall establish a registry of all licenses; registry shall be open to the public; individuals can obtain certified true copies of licenses and certain associated documents upon payment of a fee prescribed by regulations.]</p>	
Requirement of competitive, open, and transparent award processes				<p><i>Natural Resource Charter Precept 4 – Competition in downstream activities and procurement of upstream services is also important for achieving value and efficiency in the extraction process. This may include avoiding the allocation of resource outputs to the domestic market at a value lower than the international price.</i></p>
Qualification of companies	<p>308, 325 - An application for the grant, renewal, modification of a [technical or commercial] licence shall be presented to the Inspectorate in the form and manner prescribed by regulations issued by the Commission on the advice of the Inspectorate and shall be accompanied by the prescribed fee, if any, together with such information or documents as may be prescribed in the said regulations.</p> <p>292, 327 - The Inspectorate shall make recommendations to the Minister to</p>	<p>228(2), 263 - An application for the grant, renewal, modification of a [technical or commercial] licence shall be presented to the Inspectorate in the form and manner prescribed by regulations issued by the Commission on the advice of the Inspectorate and shall be accompanied by the prescribed fee, if any, together with such information or documents as may be prescribed in the said regulations.</p> <p>230, 265 - The Inspectorate shall</p>	<p>209(2), 242(2) - An application for the issuance, renewal or modification of a technical licence shall be made to the Regulatory Institution in the form and manner prescribed by applicable regulations and shall be accompanied by the prescribed fee, if any, together with such information or documents as may be prescribed in regulations.</p> <p>211, 244 - The Minister shall make regulations establishing the procedures and other matters</p>	

	issue regulations applicable to [technical or commercial] licensing procedures under this Act, which shall include, but shall not be limited to- (a) the procedure, form, criteria, timescale and fees for licence applications, including any criteria for the grant of the licence and the grounds on which licenses may be refused.	make recommendations to the Commission to issue regulations applicable to [technical or commercial] licensing procedures under this Act, which shall include, but shall not be limited to- (a) the procedure, form, criteria, timescale and fees for licence applications, including any criteria for the grant of the licence and the grounds on which licenses may be refused.	relating to [technical or commercial] licences for midstream petroleum operations and for downstream petroleum operations under this Part, which shall prescribe, among other things, the following: (a) the procedure, form, criteria, timescale and fees for licence applications, including any criteria for the grant of the licence and the grounds on which licences may be refused.	
Disclosure of beneficial ownership				<u>Natural Resource Charter</u> Precept 4 – The true beneficial owners of the firm and their sources of funds should be known. There should be strong rules to prevent public officials steering business to firms in which they or their relatives and proxies may have a financial interest.

Objective 3: Detail the processes for selling NNPC shares, assets, or subsidiaries, and government shares in joint venture operations.

Issue	Presidency Bill (HB 159)	Senate Draft (SB 236)	IAT memo (September 2010)	Best Practice
Procedures for sale of NNPC shares	<p><u>Initial ownership</u> 136(4) - Ownership of the National Oil Company shall be vested solely in the Federal Government of Nigeria at the time of incorporation.</p> <p><u>Potential sale of shares</u> 136(5) – Notwithstanding the provisions of subsection (4) of this section the government may at any time after two years from the date of</p>	<p><u>Initial ownership</u> 117(3) Ownership of the National Oil Company shall be vested solely in the Federal Government of Nigeria.</p> <p><u>Potential sale of shares</u> [no provisions allowing or prohibiting]</p>	<p><u>Initial ownership</u> 78(4) Ownership of the National Oil Company shall be vested solely in the Federal Government of Nigeria at the time of incorporation</p> <p><u>Potential sale of shares</u> 78(6) - The government may at any time after two years from the date of incorporation of the National Oil Company, decide to divest itself of</p>	<p><u>Norway 2001</u> When the Norwegian Parliament approved the proposal to partially privatize Statoil in 2001, shares were listed on the New York and Oslo Stock Exchanges. The Government retained a 66.67% ownership stake in the company.</p>

	<p>incorporation of the National Oil Company, decide to divest itself of any amount of shares in the National Oil Company for sale to the Nigerian public on the Nigerian Stock Exchange.</p> <p><u>Who decides terms of sale?</u> 146. The functions of the Board shall Include (a) reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</p>		<p>any amount of shares in the National Oil Company.</p> <p><u>Who decides terms of sale?</u> 88. The functions of the Board shall include: (a) reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</p>	
<p>Procedures for the sale of NNPC shares in JVs or IJVs</p>		<p>[JVs left unincorporated]</p>	<p><u>Sale prohibited</u> 162(2) - The shares held by the National Oil Company in each of the incorporated joint venture companies shall at all times during the life of each incorporated joint venture company remain non transferable either by way of sale, assignment, mortgage or pledge to any other entity other than another entity wholly owned by the Federal Government of Nigeria.</p>	

Objective 4: Access to Information

Issue	Presidency Bill (HB 159)	Senate Draft (SB 236)	IAT memo (September 2010)	Best Practice
<p>Recognition and/or Incorporation of NEITI</p>	<p>5 - In achieving their functions and objectives under this Act, the Institutions and the National Oil Company shall be guided by principles</p>		<p>5 - In achieving their functions and objectives under this Act, the Institutions and the National Oil Company, shall be bound by the</p>	<p><i>Sierra Leone Petroleum Policy 5(iii)</i> - Government and other stakeholders shall participate in the Extractive Industries Transparency Initiative, as they currently do</p>

	of the Nigerian Extractive Industries Transparency Initiative Act of 2007.		principles of the Nigerian Extractive Industries Transparency Initiative Act of 2007.	in other sectors. Relevant data on petroleum revenue will be published according to the principles, criteria and procedures established by the Initiative.
Disclosure of JV, PSC costs			<p>174(4) – Every company involved as licensee, lessee or contractor shall for each license and lease provide a yearly summary of all revenues and costs on which the payments [of taxes, royalties, fees and bonuses] of this section were based within three years after the termination of each calendar year and the provisions with respect to confidentiality under [174(1)] shall apply to the requirement to provide such summaries.</p> <p>(5) The Directorate shall define the required detail and classification of the summary under subsection (4) of this section and such summaries shall be non confidential and published on the website of the Directorate together with the revenue information pursuant to [174(1)] of this section.</p>	
Disclosure of JV, PSC budgets			<p>173(9) - (9) All information pursuant to subsection (1) of section 362 of this Act shall be non-confidential and the Inspectorate shall publish this information on their website.</p> <p>362. (1) The Agency, the Authority, the National Oil Company, and the Inspectorate shall provide information to the Service and the Inspectorate on: (a) the approved budgets of incorporated joint ventures and for</p>	

			<p>production sharing contracts and information on project cost benchmarking and cost monitoring;</p> <p>(b) production, lifting or exported crude and Natural Gas , LNG, CNG, NGLs, realisable prices, American Petroleum Institute gravity of various crude oil blends, schedule of shipping agents or companies involved in lifting crude oil, Natural Gas , LNG, CNG, NGLs stating names, addresses, quantity and value of crude oil lifted;</p> <p>(c) names and addresses of licensed companies in the oil and gas industry, schedule and approved cost of all exploration and appraisal wells, schedule of licenses or leases granted categorised as to petroleum prospecting licences and petroleum mining leases and payments made thereon, production and lifting of crude oil specifying the affected terminals by the Inspectorate; and</p> <p>(d) any other information that the Service may, by regulations, require, from time to time.</p>	
<p>Disclosure of contracts</p>			<p>174(6) - The text of any existing or future licence or lease or contract with the National Oil Company and any amendments or side letters thereto shall not be confidential and shall be published on the website of the Directorate and the provisions of sub-section [174(1)] of this section apply.</p> <p>(7) The texts pursuant to subsection (6) of this section shall be on the website of the Directorate within one year after the commencement of this</p>	<p><i>From IFC Policy on Social and Environmental Sustainability, December 1, 2010:</i></p> <p>49. IFC will encourage governments and corporations to make extractive industry contracts public, and two years from the date of its Board approval of this policy it will require that, in the case of extractive industries projects it finances, the principal contract with government that sets out the key terms and conditions under which a resource will be exploited, and any significant amendments to that contract, be</p>

			<p>Act, and where such information is not supplied to the Directorate, a company in default shall pay a penalty of US \$ 10,000 for every day such information is not available after the date required to the Directorate.</p>	<p>public. IFC will allow the redaction of commercially sensitive information that is not essential to understand the terms and conditions under which the resource is developed.</p> <p>50. IFC may accept in lieu of contract disclosure, the publication by the client of a summary of the key terms and conditions under which the resource is being developed. This summary shall include the life of the contract; any material payments due to government made under it; other material fiscal terms and conditions; and a summary of any significant stabilization clauses.</p> <p>51. In cases where IFC provides financing for multiple corporate purposes rather than financing one specific project, the requirement for contract disclosure shall only apply to the principal investment for which funds are to be used</p> <p><i>Natural Resource Charter precept 4</i> As much information as possible should be made public prior to the awarding of contracts. <u>Contracts themselves should be made public.</u> This includes the fiscal regime under which firms will be operating. It also includes geological knowledge; publicly available findings of advanced survey work are likely to be beneficial in drawing firms into the bidding process. Social and environmental terms should be made public too. Robust and well-thought-through model contracts that have been subject to detailed legal review provide a sound basis for bids. Broadcast and open media access to the bid or auction event aids transparency and helps</p>
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			<p>establish the legitimacy of the outcome, particularly where the development is of national importance. Social and environmental terms should be made public too.</p> <p><i>Niger Constitution 150</i> – Contracts for the exploration and exploitation of natural and sub-soil resources, as well as all revenues paid to the state, disaggregated company-by-company, will be published in full in the Official Journal of the Republic of Niger.</p> <p><i>Liberia Extractive Industries Transparency Initiative Act 5.3</i> - For the purpose of this Act, contract transparency shall mean (1) public accessibility of material concessions/licenses and agreements related to the sectors within the scope of the LEITI as per Section 5.4 hereof; and (2) the post-award review and/or audit of the process by and through which concessions, contracts, and licenses are awarded for exploration and/or exploitation of minerals, forests and other resources in order to ascertain that each award was made in compliance with applicable laws.</p> <p><i>Sierra Leone Petroleum Policy 5(iv)</i> – Government shall publish the text of any existing or future petroleum agreements governing exploration and exploitation companies or groups but at the same time avoiding the disclosure of information whose publication would materially damage a party's legitimate business interests.</p> <p><i>DRC Decree No. 11/26 of May 2011 Carrying the Obligation to Publish All Natural Resource Contracts 2</i> – All contracts signed</p>
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<p>Other disclosures</p>			<p>174(8) - All geological, geophysical, geochemical and other technical petroleum data obtained during the petroleum operations as determined by the Inspectorate shall be provided directly to the national petroleum data bank of the Inspectorate as soon as such data are being obtained by any licensee or lessee. Such data shall not be confidential, except for data obtained under a petroleum</p>	<p><i>Peru Organic Hydrocarbons Law 37 –</i> The Contractor is obliged to keep PERUPETRO S.A. permanently advised as regards his operations. All the studies, data and information, whether processed or unprocessed, obtained by the Contractor and the Subcontractors, shall be supplied to PERUPETRO S.A.</p> <p>The Contractor has the right to use the said information and data for purposes of developing them and to prepare the</p>

			<p>prospecting license for a period of 5 years or until such time the exploration period ends or the related acreage is relinquished, whatever is the earlier date. With respect to petroleum exploration licenses the Directorate may agree to a period of confidentiality where the licensee obtains the data for the main purpose of selling this data to interested parties. All data in the national petroleum data bank shall be accessible to any interested person under such terms as may be determined by the Inspectorate.</p>	<p>reports, which other authorities may request, from him. He, furthermore, has the right to prepare and publish reports and studies using such information and data.</p> <p>The Contractor is obliged to present the technical and economic information of his operations to OSINERG in the form and terms set forth in the Regulation. Said information shall be of public availability.</p>
<p>Confidentiality clauses</p>	<p>SECTION(1) Confidentiality clauses or other clauses contained within any licenses, leases, agreements or contracts for the exploration and production of petroleum or in any other contract or legal instrument between the state and any company, that are for the purpose of preventing access to information and documents by third parties in respect of-</p> <p>(a) royalties;</p> <p>(b) bonus payments of whatever sort;</p> <p>(c) taxes; and</p> <p>(d) any other financial matters that directly affect revenues derived by the state from the exploration and production of petroleum, including but no limited to production costs of the operating partner,</p> <p>shall be null, void and of no effect.</p> <p>(2) Subsection (1) of this section shall not apply to proprietary industrial property rights owned by any of the parties to a licence, lease, agreement or</p>	<p>SECTION(1) Subject to the provision in subsection (3) of this section of the Act or the provisions of any other relevant law, confidentiality clauses or other clauses contained within any licenses, leases, agreements or contracts for upstream petroleum operations that are for the purpose of preventing access to information and documents by third parties in respect of any payments of:</p> <p>(a) royalties,</p> <p>(b) fees and bonuses of whatever sort,</p> <p>Shall be null, void, and of no effect.</p> <p>(2) Subsections (1) and (4) of this section shall not apply to proprietary industrial property rights owned by any of the parties to a licence, lease, agreement or contract to which the said subsections (1) and (4) apply, which shall be exempted from the scope of mandatory disclosure to the extent that confidentiality in such</p>	<p>173(1) - Confidentiality clauses or other clauses contained within any licenses, leases, agreements or contracts for upstream petroleum operations that are for the purpose of preventing access to information and documents by third parties in respect of any payments of:</p> <p>(a) royalties;</p> <p>(b) fees and bonuses of whatever sort; and</p> <p>(c) taxes</p> <p>shall be null, void and of no effect.</p> <p>(2) Subsections (1) and (4) of this section shall not apply to proprietary intellectual property rights owned by any of the parties to a licence, lease, agreement or contract to which the said subsection (1) and (4) applies, which shall be exempted from the scope of mandatory disclosure to the extent that confidentiality in such cases is protected by any law in force in Nigeria relating to the freedom of</p>	<p><u>Liberia Model Mineral Development Agreement</u></p> <p>Confidential Information does not include: information that [...] is mainly of scientific rather than commercial value, such as geological or geophysical data relating to areas in which the Company no longer holds a valid exploration license and has not designated as a Proposed Production Area. This Agreement is not confidential, and the Company is not entitled to confidential treatment of information relating to the timing and amount of royalties and other payments specifically due under the terms of this Agreement, or of Taxes and Duties payable by the Company or the rates at which such royalties, other payments or Taxes and Duties become due or are assessed, or information that is necessary to compute the amount of such royalties or other payments becoming due.</p>

	<p>contract to which the said subsection (1) applies, which shall be exempted from the scope of mandatory disclosure to the extent that confidentiality in such cases is protected by any law in force in Nigeria relating to the freedom of information, or by any treaty obligations of Nigeria under international law. The question of whether information or documents are proprietary industrial property rights and within the ambit of subsection (2) of this section shall be decided by the Directorate and that decision shall be final.</p>	<p>cases is protected by any law in force in Nigeria relating to the freedom of information, or by any treaty obligations of Nigeria under international law. [Subsections 3 and following missing]</p>	<p>information, or by any treaty obligations of Nigeria under international law. (3) The question of whether information or documents are proprietary intellectual property rights and within the ambit of subsection (2) of this section shall be decided by the Directorate. The Directorate shall seek the views of the relevant parties prior to making any such decision.</p>	
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Objective 5. Clarity on revenue flows

Issue	Presidency Bill	Senate Draft	IAT memo	Best practice
<p>Calculation and assessment of payments</p>	<p>39(n) - [The Inspectorate shall] compute, determine, assess and ensure payment of royalties, rentals, fees, and other charges as stipulated in this Act and any regulations made hereunder.</p>	<p>29(m) – [The Inspectorate shall] compute, determine, assess and ensure payment of royalties, rentals, fees, and other charges as stipulated in this Act and any regulations made hereunder.</p>	<p>39(2)(e) – [The Inspectorate shall] compute, determine, assess and ensure payment of royalties, rentals, fees, and other charges for upstream petroleum operations as stipulated in this Act and any regulations made hereunder;</p>	
<p>Collection of payments</p>				
<p>Accounts and revenue paths</p>			<p>333(7) Any rents [for petroleum exploration, prospecting, and mining licenses] imposed under this section shall be verified by the Inspectorate and be paid to the Federation Account. 335(7) Any royalties shall be</p>	

			<p>determined by the Inspectorate and be paid to the designated account of the Federation Account.</p> <p>396(3) The National Oil Company shall deposit any signature bonuses in the account established for that purpose by the Inspectorate and such signature bonuses shall be paid to the designated account of the Federation Account and any production bonuses shall be retained by the National Oil Company.</p>	
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Objective 6. More Oversight of NNPC Corporate Governance

Issue	Presidency Bill	Senate Draft	IAT memo	Best practice
NNPC Audit	<p>147(2) Information relating to the operations and activities of the National Oil Company shall be prepared and disclosed in accordance with high quality international standards of accounting and financial and non-financial disclosure requirements.</p> <p>(3) An annual audit of the National Oil Company shall be conducted by an independent, competent, experienced and qualified auditor that shall be accountable to the shareholders and shall provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the National Oil</p>	<p>134(3) The information relating to the operations and activities of the National Oil Company shall be prepared and disclosed annually by means of an annual report in accordance with high quality international standards of accounting and financial and non-financial disclosure requirements.</p>	<p>89(2) Information relating to the operations and activities of the National Oil Company shall be prepared and disclosed in accordance with high quality international standards of accounting and financial and non-financial disclosure requirements.</p> <p>(3) An annual audit of the National Oil Company shall be conducted by an independent, competent, experienced and qualified auditor that shall be accountable to the shareholders and shall provide an external and objective assurance to the Board and shareholders that the financial statements fairly represent the financial position and</p>	<p><i>Governance Benchmark #4 – Accountability of decision-making and performance provides assurance to society that decision-makers (individuals and institutions) are identified and that their performance, is assessed objectively. Accountability requires clear delegation, capable institutions and mechanisms of enforcement.</i></p> <p>4.3. The NOC has internal audit functions (conducting financial, physical and process audits) which report to the board.</p> <p>4.4. The NOC is subject to regular, functionally independent audited reports and accounts prepared to international accounting standards, such as the IFRS (International Financial Reporting Standards).</p> <p>4.5. NOC performance is benchmarked in a</p>

	<p>Company in all material respects. (4) External auditors shall be accountable to the shareholders and shall owe a duty to the National Oil Company to exercise due professional care in the conduct of the audit.</p>		<p>performance of the National Oil Company in all material respects. (4) External auditors shall be accountable to the shareholders and shall owe a duty to the National Oil Company to exercise due professional care in the conduct of the audit.</p>	<p>way that demonstrates relative as well as absolute performance i.e. functional performance against comparable organizations.</p> <p><i>Ecuador Special Law on the State Enterprise Petroecuador and its Subsidiaries11(b) - Without prejudicing its ability to conduct special investigations when it deems them appropriate, the Auditor General of the State will conduct mandatory annual audits of the financial statements and the economic exercises, in coordination with the Superintendent of Companies, for which the Executive President of Petroecuador will furnish the necessary financial statements by February 28 of each year, and the Auditor General will present the audit by April 30 of that year.</i></p> <p>(d) – The Board of Directors of Petroecuador will contract with specialized private firms to conduct an external audit of the company.</p>
<p>Mid-year and annual reports</p>		<p><u>Mid-year reporting</u> 139(1) - The National Oil Company shall submit to the National Assembly and the President a mid-year report of its operations and finances not later than 31st August of each year and an annual report of its operations, performance and audited financial report of the preceding year not later than 31st May of the following year.</p> <p><u>Annual Reports</u> 139(2) - A summary of the annual report and audited financial report of the National Oil Company shall be published on the website of the</p>		<p><i>Norway Petroleum Activities Act 11-8 – The Board of Directors [of the National Company] shall render accounts for revenues and expenditure in respect of the State’s participating interests. The Board of Directors shall also submit an annual report containing an overview of the participating interests managed by the company, including a resource account.</i></p>

		National Oil Company for public notice not later than 31 st of September of each year.		
Shareholder rights	<p>147(1) - Shareholders of the National Oil Company shall be entitled to Rights full disclosure about the National Oil Company, which disclosure shall include but not be limited to, material information on-</p> <p>(a) the financial and operating results of the National Oil Company.</p> <p>(b) National Oil Company objectives.</p> <p>(c) major share ownership and voting rights.</p> <p>(d) remuneration policy for members of the board and key executives, and information about board members (including their qualifications, the selection process, other National Oil Company directorships) and whether they are regarded as independent by the board.</p> <p>(e) related National Oil Company transactions.</p> <p>(f) foreseeable risk factors in National Oil Company activities.</p> <p>(g) issues regarding employees and other stakeholders.</p> <p>(h) governance structures and policies, including their qualifications, the selection process, other National Oil Company directorships) and whether they are regarded as independent by the board.</p> <p>(i) related National Oil Company transactions.</p> <p>(j) foreseeable risk factors in National Oil Company activities;</p> <p>(k) issues regarding employees and other stakeholders; and</p> <p>(l) governance structures and policies, in particular, the content of any other corporate governance code or policy and the process by which it is implemented.</p>	<p>134(1) - Shareholders of the National Oil Company shall be entitled to full disclosure about the National Oil Company, which disclosure shall include but not be limited to, material information on-</p> <p>(a) the financial and operating results of the National Oil Company, which shall be submitted to the Commission no later than six months after the operating year;</p> <p>(b) National Oil Company objectives.</p> <p>(c) major share ownership and voting rights.</p> <p>(d) remuneration policy for members of the board and key executives, board.</p> <p>(e) all National Oil Company transactions.</p> <p>(f) foreseeable risk factors in National Oil Company activities.</p> <p>(g) governance structures and policies, in particular, the content of any other corporate governance code or policy and the process by which it is implemented.</p>	<p>89(1) - Shareholders of the National Oil Company shall be entitled to full disclosure about the National Oil Company, which disclosure shall include, but not be limited to, material information on:</p> <p>(a) the financial and operating results of the National Oil Company;</p> <p>(b) National Oil Company objectives;</p> <p>(c) major share ownership and voting rights;</p> <p>(d) remuneration policy for members of the board and key executives, and information about board members (including their qualifications, the selection process, other National Oil Company directorships) and whether they are regarded as independent by the board;</p> <p>(e) related National Oil Company transactions;</p> <p>(f) foreseeable risk factors in National Oil Company activities;</p> <p>(g) issues regarding employees and other stakeholders; and</p> <p>(h) governance structures and policies, in particular, the content of any other corporate governance code or policy and the process by which it is implemented.</p>	