



Vickie Wood
Alternatives to Regulation Team
Department for Business, Innovation and Skills
3rd Floor, Spur 2
1 Victoria Street
London SW1H 0ET

16 May 2014

Dear Ms Wood,

CAFOD response to the Consultation on the UK implementation of the EU Accounting Directive

I am writing to congratulate BIS on the leadership that it has taken on the EU Accounting Directive. We ask that the UK Government will continue to take a leadership role in the development of a global transparency standard for the extractive industries by prompt, robust and effective transposition of both of the EU directives into UK law.

We strongly support the points set out in PWYP UK's detailed response to the consultation on UK transposition of the EU Accounting Directive. CAFOD was one of the NGOs which played a leading role in the development of Publish What You Pay and the Extractive Industry Transparency Initiative and we are one of the 24 NGOs forming the UK coalition.

CAFOD is the official Catholic aid agency for England and Wales, working with more than 500 partner organisations across the world to end poverty and injustice. Many of the countries where our partner organisations work are rich in natural resources but the development of extractive industries, attracting high amounts of FDI, has often not led to poverty reduction for poor communities. As a development agency, we have therefore encouraged the UK Government to complement its investment in aid with a robust legal framework to reduce the risk of corruption and promote responsible standards of operation by both oil, gas and mining companies and resource-rich governments.

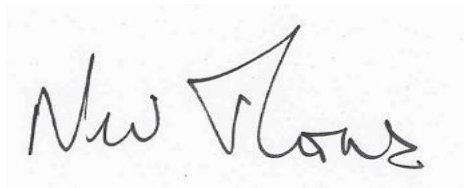
Transposition of the Accounting Directive applicable to UK-registered companies is urgent, and should be done quickly. We believe that it should require reports on payments to governments relating to financial years commencing no later than 2015. In terms of the communities where our partner organisations are working such as Colombia, Peru, DRC, Zambia and Cambodia, there is already an appetite for access to accurate information. Members of the Publish What You Pay Coalition identified the need for transparency of payments by extractive companies to governments more than a decade ago. In this respect, there is a real sense of urgency.

We hope the UK Government will also transpose the Transparency Directive quickly so that it also requires reporting by UK-listed companies on payments relating to financial years commencing no later than 2015. Reporting by UK-listed companies under the Transparency Directive will enhance the UK's competitiveness as a well-governed financial centre, building on the significant progress made with the Bribery Act 2010.

From our work on mining activities in countries such as DRC and the Philippines, we are aware that smaller, exploration companies can play a key role on the ground and may be the first international business representatives with which communities and local government officials come into contact. London is an established global centre for many such companies. The need for high standards of transparency and accountability within this particular sector is therefore apparent and we ask the Government to consider extending the application of the Transparency Directive to AIM-listed companies.

While we are aware of pressure from some companies to delay effective implementation, in light of our participation in the Open Government Partnership, we are confident that the Government will meet its public commitments on prompt transposition of both Directives, setting a valuable example for other states.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neil Thorns', is centered within a light gray rectangular box. The signature is written in a cursive, fluid style.

Neil Thorns
CAFOD Director of Advocacy