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DRAFT STATUTORY INSTRUMENTS

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**2014 No.**

**The Reports on Payments to Governments Regulations 2014**

**PART 1**

**REPORT ON PAYMENTS TO GOVERNMENTS**

**Duty to prepare report on payments to governments**

4. The directors of an undertaking must prepare a report annually on payments made to governments for each financial year of the undertaking (the “report”) if that undertaking is—

- (a) a large undertaking or a public interest entity; and
- (b) a mining or quarrying undertaking or a logging undertaking.

**Content of report**

5.—(1) For each financial year, the report must state the following information in relation to the relevant activities of the undertaking—

- (a) the government to which each payment has been made, including the country of that government;
- (b) the total amount of payments made to each government;
- (c) the total amount per type of payment made to each government; and
- (d) where those payments have been attributed to a specific project, the total amount per type of payment made for each such project and the total amount of payments for each such project.

(2) Where an undertaking makes a payment that is not attributable to a specific project, that payment may be disclosed in the report without splitting or disaggregating the payment to allocate it to a specific project.

(3) A payment need not be taken into account in the report if—

- (a) it is a single payment of an amount less than £86,000, or
- (b) it forms part of a series of related payments within a financial year whose total amount is less than £86,000.

(4) Payments, activities and projects may not be artificially split or aggregated to avoid the application of these Regulations.

(5) The disclosure of payments must reflect the substance, rather than the form, of each payment, relevant activity or project concerned.

(6) Where payments in kind are made to a government, the report must state the value of such payments in kind and, where applicable, the volume of those payments in kind, and the directors must provide supporting notes to explain how the value has been determined.

### **Exemption for subsidiaries or parent undertakings included in consolidated reports**

6. The directors of an undertaking that is a subsidiary undertaking or a parent undertaking are exempt from preparing a report if the payments to governments made by the undertaking are included in the consolidated report drawn up by the parent undertaking in accordance with regulation 8.

7. The directors of an undertaking that is a subsidiary undertaking or a parent undertaking are exempt from preparing a report if—

- (a) the parent undertaking is subject to the provisions implementing Chapter 10 of the Directive in any member State other than the United Kingdom; and
- (b) the payments to governments made by the undertaking are included in the consolidated report drawn up by that parent undertaking.