



Extractive Sector Transparency Measures Act

Overview

The *Extractive Sector Transparency Measures Act* (ESTMA or the Act) came into force on June 1, 2015. The Act introduces new reporting and transparency obligations for the Canadian extractive sector and contributes to global efforts against corruption in the sector.

Canada's requirements are broadly aligned with those in the European Union (EU) (Transparency and Accounting Directives) and the United States (Provision 1504 of the U.S. *Dodd-Frank Wall Street Reform and Consumer Protection Act*) in an effort to ensure a level playing field for Canada's extractive sector.

Who needs to report?

Determine if you are a **Reporting Entity** by using the flow chart on the back of this page.

What needs to be reported?

Reportable payments to a payee must relate to the commercial development of oil, gas or minerals and total at least C\$100,000 in one of these payment categories:

- Taxes (other than consumption and personal income).
- Royalties.
- Fees (including rental fees, entry fees and regulatory charges, as well as fees or other consideration for licences, permits or concessions).
- Production entitlements.
- Bonuses (including signature, discovery and production bonuses).
- Dividends (other than dividends paid to payees as ordinary shareholders).
- Infrastructure improvement payments.

What is a payee?

1. Any government* in Canada or abroad.
2. A body established by two or more governments.
3. Any trust, board, commission, corporation, body or authority that exercises a function, power or duty of any government in Canada or abroad.

When do you report?

Reporting Entities must report on payments made during financial years beginning after June 1, 2015. They are required to publish their report within 150 days following the end of their financial year.

How do you enroll and submit a report?

Reporting Entities must enroll with Natural Resources Canada (NRCan) prior to submitting their annual report. NRCan encourages enrolment **before June 30, 2016**. Consult the *Technical Reporting Specifications* and *Guidance* available on the NRCan website for further information on reporting.

How does substitution work?

The Act gives the Canadian Minister of Natural Resources authority to allow **Reporting Entities** to substitute reports prepared in another jurisdiction (whose requirements are determined to be an acceptable substitute) to meet Canada's requirements. At this time, EU and European Economic Area member countries that have implemented the EU Accounting and Transparency Directives are determined to be an acceptable substitute under the Act.

For more information, visit nrcan.gc.ca/estma.

General inquiries: nrcan.estma-lmtse.nrcan@canada.ca.

* The Act includes a two-year deferral (ending June 1, 2017) for reporting payments to Indigenous governments in Canada.



Are you a Reporting Entity?

