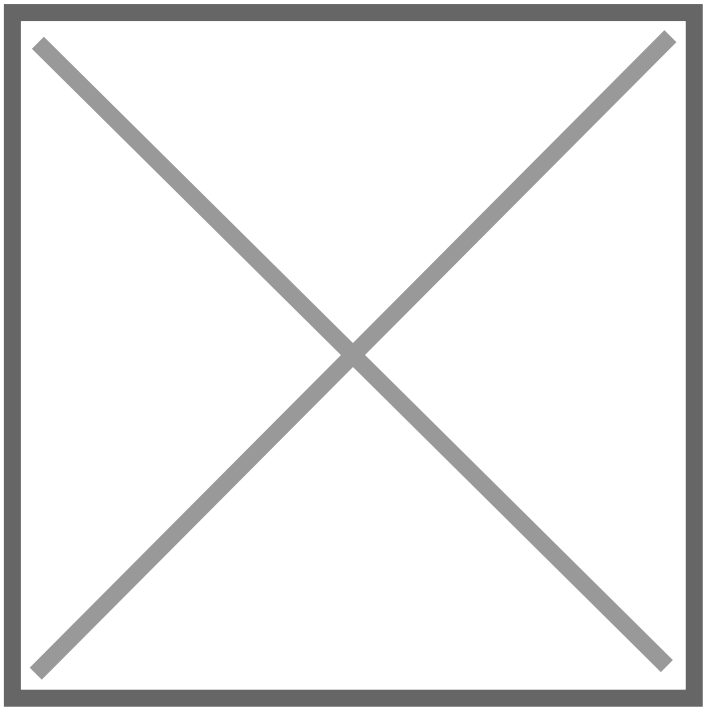


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Additional Information

Level 1 Regulation
Transparency Directive (TD) Directive 2004/109/EC
Topic
Financial reporting
Historic Question Reference
[ESMA31-67-127 TD Q19]
Subject Matter
Reporting of payments to governments at consolidated level; TD Art 6
Question
What type of issuers should prepare reports on payments to governments according to Article 6?
ESMA Answer
23-10-2015

Original language

[ESMA31-67-127 TD Q19]

Issuers that are active in the extractive or logging of primary forest industries (thereafter “issuers”) are subject to

Article 6 of TD and also to the Accounting Directive 2013/34/EU (hereinafter “AD”). The latter provides for the definition of these issuers as well as their obligations.

Issuers incorporated in the EU that fall under the definition of "Public Interest Entities" (PIEs) according to Article 2(1) of the AD and consequently, if they are active in such industries, are subject to the PIEs’ requirement to prepare a report on payments to governments (Chapter 10 of AD).

Given that issuers incorporated in a third country do not fall under the definition of PIE, the AD is not directly applicable to them. Therefore, and in order to cover third country issuers in addition to EU issuers, the TD requires all issuers to report payments to governments at consolidated level. As a result, issuers incorporated in a third country which are falling under the TD scope are also required to prepare a consolidated report.