**UK EITI Contract and Licence Transparency subgroup meeting, Tuesday 11th February 2025 via Microsoft Teams**

**Attendees:**

Mike Earp (NSTA) Johann MacDougall (Scottish Government)

Mark Wilson (DENI) Mark Wrigley (TCE)

Hedi Zaghouani (BDO) Mike Nash (DESNZ, UK EITI Secretariat, Chair)

**Update on actions from the November 2024 meeting:**

**The UK Secretariat and BDO to have a closer look at the guidance for requirement 2.4 to look at the implications for the UK and validation going forward and report back to the subgroup.** *Meeting held and paper is in progress and ready in next couple of weeks for review by the subgroup.*

**Action: UK Secretariat and BDO to complete draft paper for consieration.**

**For refinements to 2.2d and 2.4a it was agreed that more guidance was required from the EITI International Secretariat. The following guidance was received.**

**2.2d**

* **Who would provide the commentary on efficiency and effectiveness? This would be very subjective.** *Like all things in the EITI Standard, it would be the MSG's responsibility to provide commentary on the efficiency of licensing practices - even if it could be a subjective view, many of the judgement calls by MSGs under the EITI Standard could be seen as subjective but should be based on a clear methodology. Attention to crafting a method could be a first step. See my comments below on Requirement 2.4a also related to how the MSG agrees and describes its methodology. If needed, the MSG could request support from the IA or another outside expert on licensing.*
* **Is the request for beneficial ownership (BO) data to re-endorse the request for disclosure of this data in other areas of the EITI Standard or for another specific reason?**

*The reference to BO under Requirement 2.2 simply refers to the same requirement under Requirement 2.5, so it is not a new requirement as such.*

**2.4a**

* **the language for this encouragement is unhelpful. Does the refinement part of this encouragement refer to just contracts or should it be licences as well? The original encouragement refers to both contracts and licences.**

*Governments, acting on behalf of citizens, enter into agreements with companies to exploit natural resources. These agreements, known as contracts, licenses, concessions or permits, grant companies the right to extract resources in exchange for a share of the profits. Regardless of the type of agreement, MSGs are responsible for determining the full scope of production contracts and licenses that should be disclosed.* ***With respect to exploration contracts and licenses, MSGs should discuss what should be disclosed, based on materiality and practicality.*** *(See Key Concepts section of the* [*Guidance Note on Requirement 2.4*](https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Feiti.org%2Fsites%2Fdefault%2Ffiles%2Fcontracts-and-licenses-%252827627%2529.pdf&data=05%7C02%7CMichael.Nash%40energysecurity.gov.uk%7Cb1dced37e30343456e7e08dd0d33aeee%7Ccbac700502c143ebb497e6492d1b2dd8%7C0%7C0%7C638681240394703982%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=EvOAa1rB9iPFT3zggej%2FChhRH%2BgFBzZh%2FCT6JaiBRtY%3D&reserved=0)*, page 9). Also helpful is the discussion on page 19 about Step 5 of How to implement Requirement 2.4, which talks about what considerations the MSG should consider in the review of what should be disclosed. This includes agreement on a method of disclosure, if this is something the UK has done already that could be a reference point or if not, developing a methodology could be a future activity.*

It was agreed that as these are encouragements the subgroup would concentrate their efforts primarily on the requirements and revisit them if time allowed.

**For the Department for the Economy (Northern Ireland) a Judicial Review has stated that the redaction of data on full licence application forms is unlawful.** *Mark Wilson updated the legal barriers paper.*

**Any updates from organisations since last meeting?**

The Department for the Economy (Northern Ireland) reported that their executive had agreed the policy on redaction of data as unlawful.

The Coal Authority has changed its name to the Mining Remediation Authority (MRA).

**Legal barriers paper**

Still need to finalise the document. Need to get to MSG over the next couple of months to ensure that we can carry out the necessary work in time for the validation. MRA and TCE to provide updated text for the MSG paper in time for the 19th March MSG meeting.

MSG to review paper and consider and see if they agree there are bona fide legal barriers to full contract disclosure. If the MSG agree there are legitimate barriers, they would still need a plan to try to address them to be fully compliant with Requirement 2.4.

**AOB**

Next meeting will take place on 5th March 2025.