

4 December 2003

Dear Honourable MPs:

### **Private Members' Ballot – Corporate Responsibility Bill**

As UK non-governmental organisations promoting development and rights in poor countries, we believe transparency is key to the responsible management of revenues. Without this, misuse and misappropriation has been shown to fuel devastating conflicts, undermine economies and perpetuate poverty. Such instability and poor growth also creates risky environments for companies and their shareholders.

UK companies may be seen to be complicit in corruption and mismanagement if they are not transparent about their transactions with governments. These companies are already required to publish what they pay in the UK. We believe this should be extended to cover all the countries in which they operate.

The Corporate Responsibility Bill spearheaded by CORE includes a proposal for the disclosure of the *“amount, or a reasonable summary thereof, of (i) taxes and other payments made to governments for any country of operation; and (ii) grants, tax dispensations or other benefits received from any government or government agency in any country of operation”*. Therefore, the Bill presents an opportunity to make a real and positive difference to the transparency of all UK companies and to contribute to the stability of the countries in which they operate.

The destructive impact of poor transparency and governance is demonstrated particularly powerfully in the oil, gas and mining sector. Extractive industries are one of the most significant sources of foreign investment in over 60 developing countries and it is a sector in which many UK companies are active. But without good transparency and management of revenues, oil, gas and mineral deposits have often brought misery for poor people. Our organisations are members of the “Publish What You Pay” NGO coalition, which is actively campaigning for the disclosure of payments made by extractive industry companies. This Bill will be an important contribution to progress on improving corporate transparency. It will also support citizens of countries in which they operate by generating information about the revenue payments to government, information they can use to call their leaders to account.

We call on you to support the CORE proposals in the Corporate Responsibility Bill that will consolidate and strengthen the UK Government's leading role on corporate responsibility internationally.

Yours sincerely,

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