

The FT says it is time for country-by-country reporting

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The [FT is emphatic in an editorial this morning](#): it says the time has come for country-by-country reporting in the extractive industries. As it notes:

The [Dodd-Frank Act](#), which the US Congress passed last year, was designed to reform financial regulation. But it may also prove an important tool in the fight against international corruption. The legislation requires US-listed companies involved in oil, gas or minerals extraction anywhere in the world to report all payments they make to governments to the Securities and Exchange Commission, project by project and country by country. Those that fail to do so face exclusion from US capital markets. Moves are afoot to [introduce a similar law in the European Union](#) this year. This is good news.

And as it adds:

Mineral deposits should be a blessing for the country where they are found. More often, however, they are a curse. When citizens do not know how much their governments are paid, they cannot ensure that resource revenues are well spent, or that their country is getting a fair deal. Transparency alone will not make resource-rich countries more open and stable, but without it, nothing will change.

Companies will benefit too. By levelling the playing field on which they compete, transparency legislation reduces the scope for unfair competition through bribes.

I suspect that's as much as I should quote, but the editorial then goes on to dismiss three further arguments. Firstly, it says that to argue that this would benefit the Chinese is wrong. Second, it says that such disclosure cannot undermine the Extractive Industries Transparency Initiative. In fact, it rightly says the EITI would be enhanced. That's a straight rebuttal to Shell. Thirdly it dismisses the idea that such disclosure conflicts with local regulation - the spurious argument put forward by many.

In that case it says:

Requiring transparency for financial market listing is a simple and effective way to

stamp this out. It is high time that the EU, and all countries where extractive companies are listed, followed the US lead.

Listing agreements are one way to do this. The EU would be better. And an International Financial Reporting Standards better still.

But of course, despite the mounting pressure the International Accounting Standards Board will refuse to act. Why is that?