



Natural Resources  
Transparency Commission  
**NRTC**

# **Terms of Reference for Independent Administrator**

**NRTC Report - 2022**

Approved by the MSG on 22/03/2023 according to the 2019 EITI Standard and all amendments expected to be adopted at the EITI Global Conference 2023



## Table of Contents

Background.....	3
Objectives and Expectations of Assignment .....	6
Scope of services, tasks, and expected deliverables .....	7
Qualification Requirements for Independent Administrators .....	20
Reporting requirements and schedule for deliverables .....	21
Client’s input and counterpart personnel .....	<b>Error! Bookmark not defined.</b>
Annex 1 – Statement of Materiality .....	22
Annex 2 – Supporting Documentation .....	37
Annex 3 – Table of Terms .....	38



## Background

The Extractive Industries Transparency Initiative (EITI) is a global standard for improving transparency and accountability in the oil, gas, and mining sectors.

EITI implementation has two core components:

- **Transparency:** oil, gas, and mining companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry. The figures are reconciled by an Independent Administrator and published annually alongside other information about the extractive industries under the EITI Standard.
- **Accountability:** A Multistakeholder Group (MSG) with representatives from government, companies, and civil society is established in Iraq to oversee the process and communicate the findings of the EITI reporting, and promote the integration of EITI into broader transparency efforts in that country.

**The Independent Administrator should be perceived by the MSG to be credible, trustworthy, and technically competent.** The MSG and Independent Administrator should address any concerns regarding conflicts of interest. The EITI Report and associated data files prepared by the Independent Administrator will be submitted to the MSG for approval and made publicly available under Requirements 7.1 and 7.2.

The international EITI Board has developed these procedures to promote greater consistency and reliability in EITI reporting.

The EITI process should be used to complement, assess, and improve existing reporting and auditing systems. The Board recommends that the process rely as much as possible on existing procedures and institutions, so that the EITI process draws on, complements, and critically evaluates existing data collection and auditing systems. In this way, the EITI process has the potential to generate important recommendations to strengthen other oversight systems.

The EITI requires an assessment of whether the payments and revenues are subject to credible, independent audits, applying international auditing standards. The expectation is that government and company disclosures as per Requirement 4 are subject to credible, independent audits, applying international auditing standards. The expectation is that disclosures as per Requirement 4 will include an explanation of the underlying audit and assurance procedures that the data has been subject to, with public access to the supporting documentation.

### EITI Implementation in Iraq

Iraq joined EITI as an implementing country in 2010 and has since published eleven EITI reports for years 2009 - 2020. **Recently, the Iraqi EITI formally changed its name to Natural Resources Transparency Commission (NRTC) according to the Government of Iraq's Diwani Order No. 23512 issued on 20/02/2023.** The results of Iraq's most recent EITI Validation, which were announced by the EITI Board in October 2019 were '**meaningful progress with considerable improvements**'.



The Iraq NRTC MSG has been undertaking actions to completely meet the 12 corrective actions recommended by the validation committee. In particular, the MSG has agreed on following the objectives under its current work plan. A new validation date was set on January 1<sup>st</sup>, 2024.

### **Systematic Disclosure**

Provide a mechanism for direct systematic disclosure of oil, gas, and minerals sectors' data on the websites of the related ministries, State-Owned Enterprises (SOEs,) and extractive companies to ensure the availability of transparent up-to-date real-time data without the need to wait for annual reports.

References: EITI requirements 2.6, 4.1, 4.9, 4.2, 4.5, 6.1 and 6.2

### **Beneficial Ownership (BO)**

Disclosure of the details of the natural persons who are the real owners or beneficiaries of extractives contracts, to prevent nepotism, corruption, and arbitrariness. It is also necessary to publish the identity of legal owners (shareholders) of all mining, oil, and gas companies operating in Iraq. NRTC MSG has published a BO Roadmap on the NRTC Website and it is in the process of hiring an international expert to help implement the BO requirements.

References: EITI requirement 2.5

### **Contracts Transparency**

Informing citizens, civil society, anti-corruption authorities, parliament, and government agencies about licensing round contracts, oil export contracts, and other important contracts and enabling them to search for their strengths and weaknesses.

References: EITI requirements 2.2 and 2.4

### **Register of Licenses**

Provide and organize an accurate, organized, updated, approved, detailed, and transparent database on reservoirs, fields, and wells included in the oil licensing rounds that are easily accessible to the public and multi-stakeholders.

References: EITI requirement 2.3

### **Public Debate**

Employ media and illustrative means to communicate annual reports' data and conclusions to the public in clear language to enhance public debate encourage debates and raise awareness of the oil and gas sector and the revenue generated from it.

References: EITI requirement 7.1

### **Annual Reports**

Issue reliable annual NRTC reports that comply with the EITI standard 2019 and all amendments expected to be adopted at the EITI Global Conference 2023, including publication of production and export data, petrodollar and governorate allocations, social benefit allocations, reconciliation of revenues received by the government and payments made by companies, etc. The annual NRTC



Reports aim to increase transparency in managing natural resources and contribute to reducing corruption, inform economic development and poverty reduction, and enhance governance in the oil, gas, and minerals sectors.

References: EITI requirements 6.2, 4.1 and 4.9

### **Annual Progress Report**

Prepare annual progress reports to inform the multi-stakeholders of NRTC activities, achievements performed during the past year, and enable public debates aimed at the optimal implementation of EITI standards in Iraq.

References: EITI requirement 7.4



## Objectives and expectations of the assignment

On behalf of the government of Iraq and the NRTC MSG, NRTC seeks a competent and credible firm, free from conflicts of interest, to provide Independent Administrator services by the EITI Standard, 2019 and all amendments expected to be adopted at the EITI Global Conference 2023.

The objective of the assignment is to support the NRTC MSG in strengthening disclosures under the EITI Standard, 2019 and all amendments expected to be adopted at the EITI Global Conference 2023, provide an assessment of the comprehensiveness and reliability of the disclosures and support the NRTC MSG in agreeing with recommendations for strengthening government systems and natural resource governance.

The Independent Administrator is expected to:

(i) Produce a detailed inception report to inform the MSG's decision on the scope of the 2022 EITI Report based on a review of existing disclosures on government and company websites, prior years' NRTC scoping studies, and requirements of the EITI Standard; and

(ii) Produce an NRTC Report and associated data files for the reporting year 2022 under the EITI Standard, and the section on '*Scope of services, tasks, and expected deliverables*', below.

(iii) Produce a completed 'Transparency template' that maps the availability of information per EITI requirements from publicly-available online government and company sources as well as in the 2022 NRTC Report. (The Transparency template is available to download here: <https://eiti.org/documents/validation-templates> ).

(iv) Hold a training workshop for 6 members of the NRTC for a period not less than 6 days, noting that training must be provided by one of the experts working in the EITI International Secretariat or authorized by them. The training agenda must include:

- a. The EITI Requirements on issuing the annual report,
- b. The EITI Requirements on Beneficial Ownership, Contracts Transparency, Systematic Disclosure, Energy Transition, Commodity Trade, and State Owned Enterprises.
- c. The auditing and reconciliation mechanism used by the Independent Administrator to process the data.

The Independent Administrator shall also take into consideration the changes in EITI Standard 2019 vis-à-vis the EITI Standard 2016, as well as all amendments expected to be adopted at the EITI Global Conference 2023. The Independent Administrator shall make sure that the report reflects and incorporate these changes, especially what is related to Requirements 2.4, 2.5, 2.6, 4.7, 6.1, 6.2, 6.3, and 6.4. These changes shall also be reflected in the Inception Report.

The Independent Administrator shall submit to the National Secretariat a work-progress report stating the completed work and obstacles faced. Such a report shall be presented every (30) thirty day in Arabic. Such process shall commence after the submission of the inception report.



## Scope of services, tasks, and expected deliverables

The work of the Independent Administrator has five conceptual phases. These phases may overlap and there may also be some iteration between the phases.

The Independent Administrator's responsibilities in each phase are elaborated below.

### **Phase 1 – Preliminary analysis and inception report**

**Objective:** The purpose of the inception phase is to confirm that the scope of the EITI reporting process has been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the EITI Report. The Independent Administrator will review prior scoping decisions and considerations taken by the NRTC MSG (1.1-1.2 below) and prepare an Inception Report. The Inception Report will thus ensure that there is a mutual understanding between the NRTC MSG and the Independent Administrator of the scope of the NRTC Report and the work to be carried out.

The MSG's proposal for the scope of the EITI Report, to be revised and confirmed with the Independent Administrator during the inception period, is set out in Annex 1.

The Independent Administrator is expected to undertake the following tasks during the inception phase:

- 1.1 Review the relevant background information, including the governance arrangements and tax policies in the extractive industries, the findings from any preliminary scoping work, existing disclosures by governments and companies, and the conclusions and recommendations from previous EITI Reports and Validations.** (A list of relevant documentation is provided in Annex 2).
- 1.2 The Independent Administrator should review the scope proposed by the MSG in Annex 1 with a particular focus on the following:**
  - 1.2.1 Reviewing the comprehensiveness of the payments and revenues to be covered in the EITI Report as proposed by the MSG in Annex 1 and accordance with EITI Requirement 4.
  - 1.2.2 Reviewing the comprehensiveness of the companies and government entities that are required to report as defined by the MSG in Annex 1 and under EITI Requirement 4.1.
  - 1.2.3 Supporting the MSG with identifying existing disclosures by companies and government entities reporting, collecting, and maintaining information under the EITI Standard.
  - 1.2.4 Supporting the MSG with examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process. This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards. It is recommended that the EITI Report includes a summary of the findings, otherwise, the MSG should make the results of the review of audit and assurance practices publicly



available elsewhere.

- 1.2.5 Providing advice to the MSG on **the reporting templates based on the agreed benefit streams to be reported and the reporting entities**. Sample templates are available from the International Secretariat. It is recommended that the templates include a provision requiring companies to report “any other material payments to government entities” above an agreed threshold. The MSG decides to task the Independent Administrator to draft reporting templates for consideration and approval by the MSG.

**1.3 Based on requirements 1.1 and 1.2 as applicable, produce an Inception Report that:**

**1.3.1 Includes a statement of materiality (Annex 1) confirming the NRTC MSG’s decisions on the payments and revenues to be covered in the EITI Report, including:**

- The definition of materiality and thresholds, and the resulting revenue streams to be included under Requirement 4.1(c).
- The sale of the state’s share of production or other revenues collected in-kind under Requirement 4.2.
- The coverage of infrastructure provisions and barter arrangements under Requirement 4.3.
- The coverage of transportation revenues under Requirement 4.4.
- Disclosure and reconciliation of payments to and from state-owned enterprises under Requirement 4.5.
- The materiality and inclusion of direct sub-national payments under Requirement 4.6.
- The materiality and inclusion of sub-national transfers under Requirement 5.2.
- The level and type of disaggregation of the EITI Report, by individual project, company, government entity, and revenue stream, under Requirement 4.7.
- The coverage of social expenditure and environmental payments under Requirement 6.1.

**1.3.2 Includes a statement of materiality (annex 1) confirming the MSG’s decisions on the companies and government entities that are required to report, including:**

- The companies, including SOEs, that make material payments to the state will be required to report under Requirement 4.1(d).
- The government entities, including any SOEs and subnational government entities, that receive material payments and will be required to report under Requirement 4.1(d), 4.5, and 4.6.
- Any barriers to full government disclosure of total revenues received from each of the benefit streams agreed in the scope of the EITI report, including revenues that fall below-agreed materiality thresholds (Requirement 4.1(d)).

1.3.3 Includes a definition of the term ‘project’ and an overview of the revenue streams to be





reported by the project, confirming the MSG's decision that the financial data should be disaggregated by project where levitthe ed by project.

1.3.4 Based on the examination of the audit and assurance procedures in companies and government entities participating in the EITI reporting process (1.2.4 above), **confirms what information participating companies and government entities are required to provide to the Independent Administrator to assure the credibility of the data, linking EITI disclosures to financial data audited to international standards.**

The Independent Administrator should exercise judgment and apply appropriate international professional standards<sup>1</sup> in developing a procedure that provides a sufficient basis for a comprehensive and reliable EITI Report. The Independent Administrator should employ his /her professional judgment to determine the extent to which reliance can be placed on the existing controls and audit frameworks of the companies and governments. Where deemed necessary by the Independent Administrator and the multi-stakeholder group, assurances may include:

- Requesting sign-off from a senior company or government official from each reporting entity attesting that the completed reporting form is a complete and accurate record.
- Requesting a confirmation letter from the companies' external auditor that confirms that the information they have submitted is comprehensive and consistent with their audited financial statements. The MSG may decide to phase in any such procedure so that the confirmation letter may be integrated into the usual work program of the company's auditor. Where some companies are not required by law to have an external auditor and therefore cannot provide such assurance, this should be identified, and any reforms that are planned or underway should be noted.
- Where relevant and practicable, requesting that government reporting entities obtain a certification of the accuracy of the government's disclosures from their external auditor or equivalent;
  - a. National companies:** Requesting from national companies to submit their final annual financial report approved by the Federal Board of Supreme Audit. Otherwise, requesting national companies to submit their final annual financial report approved by companies' boards.
  - b. Oil Buyers Companies:** Requesting their final annual financial report approved by an external auditor. Otherwise, request buying invoices and supporting documentation.
  - c. IOCs:** Requesting their final annual financial report approved by an external auditor. Otherwise, request the annual financial reports of each field (for all IOCs that are participants in the alliance).

---

<sup>1</sup> For example, ISA 505 relative to external confirmations; ISA 530 relative to audit sampling; ISA 500 relative to audit evidence; ISRS 4400 relative to the engagement to perform agreed-upon procedures regarding financial information and ISRS 4410 relative to compilation engagements.



If the independent administrator has other suggestions in addition to the above-mentioned points, The Independent administrator should present such suggestions to the MSG to insure data quality.

The inception report should document the options considered and the rationale for the assurances to be provided.

**1.3.5 Confirms the procedures for integrating and analysing non-revenue information in the EITI Report.** The inception report should incorporate Table 1 below, confirming the division of labor between the Independent Administrator (IA), the MSG, or other actors in compiling, quality-assuring, and analysing this data, and how the information should be sourced and attributed. While Table 1 is not meant to replace the Requirements of the EITI Standard, 2019 and all amendments expected to be adopted at the EITI Global Conference 2023, which will guide the IA, it highlights certain important data sets from the Iraqi national context that must be reflected in the NRTC Report by the IA.

#### **1.3.6 Beneficial Ownership (EITI Requirement 2.5<sup>2</sup>):**

For this report, the Independent Administrator should:

- (a) Review the Final Report on the IEITI BOT project, dated 31 March 2023, noting that it is an integral part of the ToRs, and ensure the Recommendations are implemented,
- (b) Review the IEITI BO Reporting Template to reflect lessons learned from the 2023 BO reporting process and any updates to the EITI Standard
- (c) Propose an approach for ensuring BO data assurance.
- (d) Distribute the BO template to the companies included in the scope of the EITI Report as well as any companies bidding for licenses, collect data, and follow up on any missing or incomplete submissions.
- (e) Compile the data in an open data format (xlsx or CVS)<sup>3</sup>.
- (f) Assure or verify the collected BO data. Most of the proposed activities in roadmap section 7 regarding the verification of data should form part of a robust verification regime. The disclosure of supporting documents, cross-checking data with other databases, and random sampling of information all play a role in verification. Enforcement of requirements to report BO information also play an important role in verification but this typically requires those requirements to be legal obligations.
- (g) Publish the data collected and verified as an Excel spreadsheet on the NRTC website. Also, publish a list of companies asked to submit a BO form and the names of those companies that did not return a completed form.
- (h) Present the findings in the NRTC Report, noting for each of the companies in the scope of the report: the name of the BOs of each company, details about their identity, and information about how ownership is exerted. Where legal owners have been disclosed, this should be clearly distinguished from beneficial ownership.
- (i) Provide comments on the comprehensiveness and reliability of the BO information and present recommendations for improving beneficial ownership reporting in the future.
- (j) The BO section of the report shall also include reporting on:
  - Government policy towards BOT,
  - Any relevant legislative and regulations related to BO
  - Any BO data collection process along with an assessment of the process

<sup>2</sup> Template beneficial ownership declaration, <https://eiti.org/files/Template-beneficial-ownership-declaration-form.doc>

<sup>3</sup> An open data standard for beneficial ownership reporting is being developed. Please be in touch with the EITI International Secretariat for further information.



- Any planned reforms relevant to BO,
- MSG discussions, commitments, and actions on BO.

While fulfilling the above, the IA is requested to undertake the following steps:

- Ensure that there is a publicly available Beneficial Ownership Register containing records of the names of the natural persons who are the owners and those who are the ultimate beneficiaries of companies that hold licenses to explore for or extract oil, gas, or minerals or apply for such licenses.
- The Beneficial Ownership Register shall contain the identity of the owners, the nature and extent of their ownership, and details of any change in ownership or control during the reporting year.
- Wherever possible, such information that already exists in the company's documents e.g. the Registrar of Companies, the Stock Exchange, and the official bodies concerned with the contracts and Licenses. If it is already publicly available, the mechanism for obtaining it should be mentioned.
- Vulnerabilities in reporting should be disclosed, including naming companies that have not provided all or part of the information.
- Full cooperation with the international expert to be hired by the MSG regarding his recommendations on BO's requirements and implementation procedure. mentioned.
- Clarify government policy and document the Board's discussions on the disclosure of utility ownership.
- Vulnerabilities in reporting should be disclosed, including naming companies that have not provided all or part of the information.
- Full cooperation with any international expert hired by the MSG regarding his recommendations on BO's requirements and implementation procedure.

The IA shall provide information on any significant one-time signature bonuses signed in the oil, gas, and mining sectors.

For this report, the MSG will:

- Provide to the IA its roadmap for Beneficial Ownership disclosures.
- Consider and agree the recommendations by the IA with regards the details to be disclosed about the identity of the BO, and the approach for BO data assurance.
- Provide information on the government's policy and multi-stakeholder group's discussion on disclosure of beneficial ownership.

### 1.3.7 Roadmap (EITI Requirements 6.1, 4.2, and 4.9):

The report shall include a roadmap for implementing the following requirements in Iraq for the years 2021, 2022, and consequent years:

- Energy Transition (Requirement 6.1).
- Commodity Trading (Requirement 4.2).
- Systematic Discloser (Requirement 4.9).
- Licencing Registry (Requirement 2.2.<sup>4</sup>, and 2.3.<sup>5</sup>)
- Contract Transparency (Requirement 2.4<sup>6</sup>)
- State-Owned Enterprises SOEs (Requirement 2.6 and 6.2.<sup>7</sup>)

The Independent Administrator is required to:

- Perform a scoping study on the current situation as well as the legal and technical challenges expected to face the implementation.
- write a road map to implement these requirements in Iraq in collaboration with the EITI International Secretariat and based on other EITI countries' experiences.
- The Roadmap shall be presented with the inception report for final NRTC MSG approval.
- After approval, the IA is required to collect, evaluate, reconcile, and sort all required data for each one of the above requirements for the years 2021, and year 2022.
- Reconciled data and final recommendations for the year 2021, and 2022 shall be published in NRTC reports of

<sup>4</sup> Guidance Note 4: Licence Allocations, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN4>

<sup>5</sup> Guidance Note 3: Licence Registers, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN3>

<sup>6</sup> Guidance Note 7: Contract Transparency, <https://eiti.org/guidance-notes-and-standard-terms-reference#GN7>

<sup>7</sup> Guidance Note 18: SOE participation in EITI Reporting, <https://eiti.org/GN18>



each year and be available for publishing on related websites and databases as recommended by the approved roadmap.

*Table 1 – Non-revenue information to be provided in the EITI Report*

Non-revenue information <sup>8</sup>	Data collection, quality assurances, and analysis are to be undertaken by the Independent Administrator	Data collection to be undertaken by the MSG and others
<p><b>Legal Framework and fiscal regime</b> Requirement 2.1.</p>	<p>a. Present an analysis of the legal framework and financial system relating to extractive industries (oil, gas, and mining) in accordance with Requirement 2.1 of the EITI Standard 2019 and all amendments expected to be adopted at the EITI Global Conference 2023, including:</p> <p>b. A brief of applicable laws and provisions governing extractive industries, especially regarding (a) the licensing and operating regime of extractive companies and State-Owned Enterprises (SOEs); (b) the financial payment obligations of extractive companies and SoEs; (c) sub-national implications of extractive operations such as petrodollar allocations and governorate allocations; (d) environmental and social obligations of extractive industries under law.</p> <p>c. Roles and responsibilities of related governmental entities and SOEs in regulating extractive industries.</p> <p>d. The description of the rights of extraction in Iraq should include Production and Service Contracts (PSCs) with the Private Sector and National Production by SoEs, their legal basis, and associated implications.</p> <p>e. A brief description of the financial system including the financial powers granted and presenting a full and developed graph of the 2022 financial system. This should include a description of the complex cost recovery and remuneration fee system which is in place to compensate private companies under the PSCs in Iraq. The difference between the gross and net revenues accruing to the Ministry of Oil and other Ministries should also be described.</p> <p>f. A description of the oil flows and related financial flows with descriptive charts/diagrams where applicable.</p> <p>g. Present the audit procedures and evidence.</p> <p>h. Provide the latest reforms related to legal and financial Framework, in the Sector that are conducted by the Government.</p> <p>Analyze the recommendations for Gas sector reform provided by the World Bank, including those committed to by the Government of Iraq, and describe which of them can be supported through NRTC and how.</p>	<p>The NRTC MSG shall provide the IA with the following documents:</p> <p>b. A list of the laws, regulations and amendments planned, to be included in the NRTC Report;</p> <p>c. The various recommendations and advisories were given by the World Bank to the Ministry of Oil, Government of Iraq with regard to Gas sector reforms; and</p> <p>Relevant documents and studies relating to NRTC, including the joint World Bank-International EITI Secretariat publication titled <i>“Iraq’s Oil Decade: Data Analysis for Improved Governance and Public Financial Management”</i>.</p>
<p><b>An overview of the extractive industries,</b></p>	<p>The IA shall provide an overview of the extractive industries, including any significant exploration activities in accordance with EITI Requirement 3.1.</p>	<p>...</p>

<sup>8</sup> In preparing this information, the MSG may wish to use Part 2 of the EITI Summary data template, which contains a disclosure checklist for publicly accessible non-revenue information in line with the EITI Standard.



Non-revenue information <sup>8</sup>	Data collection, quality assurances, and analysis are to be undertaken by the Independent Administrator	Data collection to be undertaken by the MSG and others
Including any significant exploration activities EITI Requirement 3.1.		
<b>Production and export</b> EITI Requirement 3.2 and 3.3.	<ul style="list-style-type: none"> <li>■ The IA shall disclose the production data for the reporting year 2022, to fulfill Requirement 3.2, including the following:               <ul style="list-style-type: none"> <li>(a) Total production volume and production values per product; provided that the production is disaggregated to National production (per project/block) and IOCs production per project.</li> <li>(b) Describe how the volume and values of production are calculated.</li> <li>(c) Determine whether the production area is subject to the federal government or local government.</li> <li>(d) volumes and percentage of invested and burnt Gas per company with stating the total production.</li> </ul> </li> <li>■ The IA shall disclose the following to fulfill Requirement 3.3:               <ul style="list-style-type: none"> <li>(a) Total export volume and value of exports by product (Crude oil, condensate, Gas (LPG, Condensers), and any other product).</li> <li>(b) Determine whether the export is subject to the federal government or the local government.</li> <li>(c) Describe how the volume of exports and their values are calculated.</li> </ul> </li> </ul>	The NRTC MSG will provide the IA with their agreed definition of 'project'.
<b>Distribution of revenues</b> EITI Requirement 5.1.	<ul style="list-style-type: none"> <li>■ The IA shall disclose the following to fulfill Requirement 5.1:               <ul style="list-style-type: none"> <li>(a) Indicate whether the revenues of the extractive industry (in cash and in-kind) are recorded in the national budget or not.</li> <li>(b) In cases where income from extractive industries is not recorded in the national budget, the distribution of such income should be interpreted, with links to relevant financial reports as appropriate.</li> </ul> </li> </ul>	...
<b>Revenue management and expenditures</b> EITI Requirement 5.3.	<ul style="list-style-type: none"> <li>■ The IA shall disclose the following to fulfil Requirement 5.3:               <ul style="list-style-type: none"> <li>(a) Describe any extractive income earmarked for specific programs or geographic areas, including petrodollar and governorate allocations.</li> <li>(b) Description of ways to ensure accountability and efficiency in their allocation and use (regional development)</li> <li>(c) Information from the Government that will enhance public understanding and debate on the issues of revenue sustainability and resource dependence. This may include the assumptions underlying future years in the budget cycle on expected production vis-à-vis OPEC commitments, Budget Oil Prices, commodity prices, revenue projections from extractive industries, and the proportion of future financial revenues expected to come from the extractive sector.</li> </ul> </li> </ul>	...



Non-revenue information <sup>8</sup>	Data collection, quality assurances, and analysis are to be undertaken by the Independent Administrator	Data collection to be undertaken by the MSG and others
<b>Contribution of Extractive Industries to the Economy</b> EITI Requirement 6.3.	<ul style="list-style-type: none"> <li>■ The IA shall disclose the following to fulfil Requirement 6.3:               <ul style="list-style-type: none"> <li>(a) Disclose information on the contribution of extractive industries to the economy for the year 2022 and include the following:                   <ul style="list-style-type: none"> <li>(i) The volume of extractive industries as a value and as a percentage of GDP.</li> <li>(ii) Total government revenue from extractive industries (including taxes, royalties, fees, and other payments) in terms and as a percentage of total government revenues</li> <li>(iii) Exports of extractive industries in terms of value and as a percentage of total exports.</li> <li>(iv) Employment in extractive industries in absolute terms and as a percentage of total employment, classified according to gender and position.</li> <li>(v) The main areas where production is concentrated.</li> </ul> </li> </ul> </li> </ul>	...
<b>Environmental impact of extractive activities</b> EITI Requirement 6.4.	<ul style="list-style-type: none"> <li>■ The IA shall disclose the following to fulfil Requirement 6.4:               <ul style="list-style-type: none"> <li>(a) An overview of relevant legal provisions and administrative rules as well as actual practice related to environmental management and monitoring of extractive investments in the country with regard to International Oil Companies (IOCs) as well as SOEs.</li> <li>(b) An overview of EIAs prepared by the IOCs operating under service contracts that have been approved by the Federal Government. Where possible, the full text of these EIAs should be published, with references to these EIAs included in the EITI Report.</li> <li>(c) The IA is required to provide information about any payments paid by companies to the government as environmental pollution fees or penalties imposed by any law or regulation and all other relevant activities.</li> </ul> </li> </ul>	...
<b>Development Fund for Iraq (DFI)</b>	The IA shall: <ul style="list-style-type: none"> <li>(a) Describe the DFI account in detail along with its history and purpose;</li> <li>(b) provide information about any money flows into the DFI during the reporting year 2022, how these were calculated, and in general, the provisions that determine money flows into the DFI account; and</li> <li>(c) provide links to the publicly available audited financial statements of the DFI.</li> <li>(d) compare the amounts of oil sales proceeds reported by oil buyers and SOMO with the receipts of oil proceeds by the DFI (and successor) accounts at the Federal Reserve Bank of New York.</li> </ul>	...
<b>Validation Corrective actions of 2019</b>	Confirm all corrective actions taken by the MSG with respect to each comment received in Iraq's second validation report.	Submit the validation report. (in Annex 2)



Non-revenue information <sup>8</sup>	Data collection, quality assurances, and analysis are to be undertaken by the Independent Administrator	Data collection to be undertaken by the MSG and others
<b>Cost Recovery and Remuneration Fees</b>	The IA shall provide the following details for the reporting year 2022: i. The fundamentals of calculation of cost recovery and remuneration fees, including stating the deductions and expenses that can be claimed by IoCs and/or State partners; ii. The amounts of cost recovery and remuneration fees paid per company and per project; and iii. The time periods to which point (b) above refers. i.e. the years to which the payments of cost recovery and remuneration fees corresponded, and when these payments were actually realized.	
<b>State partner share from remuneration fees</b>	The IA shall provide the total state partner share from remuneration fees, with distribution by type of payment and company. i.e. revenues received by national oil companies within the government partner's share.	
<b>Treasury share of SOE reported profits (45%)</b>	State the Treasury share of the SOEs profits for the year 2022 with the legal grounds of calculating such share. The transfers of a share of SOEs' profits to the MoF should be reconciled with MoF receipts.	

1.3.8 Confirms the reporting templates based on the agreed benefit streams to be reported, the reporting entities, and the definition of the project (1.2.1 – 1.2.2 and 1.3.3 above). The Independent Administrator in collaboration with the national secretariat will draft the templates for the MSG's approval. It is recommended that the templates include a provision requiring companies to report "any other material payments to government entities" and payments to non-government entities (including landowner entities) other than for the provision of goods and services (including employment) listed above an agreed threshold. **The Independent Administrator should confirm the key stages of its work as well as any procedures or provisions relating to safeguarding confidential information.** The Independent Administrator should also develop guidance for the reporting entities on how to complete the reporting templates and provide training to reporting entities.

## **Phase 2 – Data collection**

**Objective:** The purpose of the second phase of work is to collect the data for the EITI Report in accordance with the scope confirmed in the Inception Report. The MSG and national secretariat will provide contact details for the reporting entities and assist the Independent Administrator in ensuring that all reporting entities participate fully.

The Independent Administrator is expected to undertake the following tasks during the data collection phase (under direct supervision from the MSG):

2.1 Distribute the reporting templates and collect the completed forms and associated supporting documentation directly from the participating reporting entities, as well as any contextual or



other information that the MSG has tasked the Independent Administrator to collect in accordance with 1.3.4 above.

- 2.2 Contact the reporting entities directly to clarify any information gaps or discrepancies.

### **Phase 3 – initial reconciliation**

**Objective:** The purpose of this phase is to complete an initial compilation and reconciliation of the contextual information and revenue data with a view to identifying any gaps or discrepancies to be further investigated.

- 3.1 The Independent Administrator should compile a database with the payment and revenue data provided by the reporting entities, disaggregated by each individual project, company, government entity, and revenue stream in accordance with Requirement 4.7.
- 3.2 The Independent Administrator should comprehensively reconcile the information disclosed by the reporting entities, identifying any discrepancies (including offsetting discrepancies) in accordance with the agreed scope and any other gaps in the information provided (e.g. assurances).
- 3.3 The Independent Administrator should identify any discrepancies above the agreed margin of error established in agreement with the MSG

### **Phase 4 – investigation of discrepancies and draft EITI Report**

**Objective:** The purpose of this phase is to investigate any discrepancies identified in the initial reconciliation, and to produce a draft EITI Report that compiles the contextual information, reconciles financial data, and explains any discrepancies above the margin of error determined by the MSG, where applicable.

- 4.1 The Independent Administrator should contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data, and to collect additional data from the reporting entities concerned.
- 4.2 The Independent Administrator should submit a draft EITI Report to the MSG for comment that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSG. The financial data should be disaggregated by each individual project, company, government entity, and revenue stream in accordance with Requirement 4.7. The draft EITI Report should:
  - a) describe the methodology adopted for the reconciliation of company payments and government revenues, and demonstrate the application of international professional standards.
  - b) include a description of all revenue streams, related materiality definitions, and thresholds (Requirement 4.1).





- c) include an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
  - d) indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d).
  - e) include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures and an assessment of whether this is likely to have had a material impact on the comprehensiveness of the report.
  - f) document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI Report. Any gaps or weaknesses must be disclosed. Where audited financial statements are publicly available, it is recommended that the EITI Report advises readers on how to access this information.
  - g) include non-revenue information as per Requirements 2,3,5 and 6 and other information requested by the MSG. The contextual information should be clearly sourced in accordance with the procedures agreed upon by the Independent Administrator and the MSG. Where information is already being systematically disclosed, the Independent Administrator should clearly state where the information is publicly accessible.
- 4.3 Where previous EITI Reports have recommended corrective actions and reforms, the Independent Administrator should comment on the progress in implementing those measures. The Independent Administrator should make recommendations for strengthening regular, timely, and comprehensive disclosures by government entities and companies in the future, including any recommendations regarding audit practices and reforms needed to bring them in line with international standards, and where appropriate, recommendations for other extractive sector reforms related to strengthening the impact of the implementation of the EITI on natural resource governance. The Independent Administrator is encouraged to collaborate with the MSG in formulating such recommendations.
- 4.4 The Independent Administrator shall make recommendations on enhancing the template Terms of Reference for Independent Administrator services in accordance with the EITI Standard. The independent administrator is required to report to the MSG any recommendations related to implementing all recommendations that will be listed in the validation report of 2019.
- 4.5 The Independent Administrator shall make recommendations on enhancing data quality to ensure its credibility.

## **Phase 5 – final EITI Report**

**Objective:** The purpose of this phase is to ensure that any comments by the MSG on the draft report have been considered and incorporated into the final EITI Report.



- 5.1 The Independent Administrator will submit the EITI Report upon approval to the MSG. The MSG will endorse the report prior to its publication and will oversee its publication. Where stakeholders other than the Independent Administrator decide to include additional comments in, or opinions on, the EITI Report, the authorship should be clearly indicated.
- 5.2 Preliminary analysis, inception report, data collection, initial reconciliation, investigation of discrepancies, draft report, and the final EITI Report all must be published in the Arabic language first, then translated (certified translation) to Kurdish and English languages.
- 5.3 The Independent Administrator should produce electronic data files<sup>9</sup> that can be published together with the final Report.
- 5.4 Following approval by the MSG, the Independent Administrator is mandated to submit summary data from the EITI Report electronically to the International Secretariat according to the standardized reporting format available from the International Secretariat<sup>10</sup>.
- 5.5 The Independent Administrator shall take appropriate measures to ensure that the report is comprehensible. This includes ensuring that the report has high levels of readability, legibility, and usability. The MSG may wish to request that the report be edited by a professional copy editor and/or be designed by a professional graphical designer.
- 5.6 The MSG may request that the Independent Administrator submit to the national secretariat all data gathered during reconciliation available, including the contact information of all institutions contacted during the reporting process. All data submitted should be in paper and electronic editable formats.
- 5.7 The Independent Administrator shall prepare an Executive Summary in accordance with the guidelines of EITI. Such Executive Summary shall comprise figures stated in a table in the report or non-revenue information and compare the same with previous years, this shall be accompanied by illustrative diagrams and figures of the following:
- (i) total revenue of the reporting year and compare it with previous years,
  - (ii) annual crude oil production with the percentage of each SOE's production to the total production,
  - (iii) annual gas production with the percentage of each SOE's production to the total production,
  - (iv) volume of burnt gas for the reporting year compared with previous years' total production and with invested gas,
  - (v) annual mineral production volumes and values divided according to production areas.
  - (vi) quantities of exported crude oil; annual and monthly export rate; and the volume of the same,

---

<sup>9</sup> The files can be in CSV or Excel format and should contain the tables and figures from the print report. In accordance with requirement 7.2.b, the multi-stakeholder group is required to make the EITI Report available in an open data format (xlsx or csv) online.

<sup>10</sup> The latest version of the summary data template can be found at: <https://eiti.org/document/eiti-summary-data-template>



- (vii) total amount of annually exported gas with annual and monthly export rates and volumes. Such rates shall be divided according to SOEs and state the total,
- (viii) The total amount of minerals produced annually with rates of annual and monthly production classified according to the extractive companies and the total number of all production,
- (ix) Quantities and volumes of compensated oil,
- (x) amounts of social expenditures provided by IOCs, classified as obligatory and voluntary for the reporting year compared with previous years,
- (xi) amounts of obligatory social expenditures provided by SOEs for the reporting year compared with previous years,
- (xii) petrodollar allocated amounts and actual amounts for the reporting year and compared with previous years,
- (xiii) regions development allocated amounts and actual amounts for the reporting year compared with the previous year,
- (xiv) amount of collected taxes, for the reporting year, from licensing rounds companies, i.e. IOCs, and classified according to such companies and the field in which they are operating,
- (xv) cost recovery and remuneration fees amounts and additional amounts classified according to the licensing round companies for the reporting year and compared with previous years,
- (xvi) total number of workers in extractive industries for the reporting year, any increase or decrease percentage in the total number of workers and their percentage to the total number of workers throughout Iraq,
- (xvii) governmental reforms of the extractive sector, including the acts and regulations of the reporting year or planned to be reformed in the future,
- (xviii) indications and recommendations,
- (xix) A brief summary of mining in Iraq and the reasons for its belatedness,
- (xx) A brief summary of the challenges faced by Independent Administrator concerning data of the Kurdistan Region

5.8 The final approved copy of the report shall be published as follows:

- (i) 1000 paper copies of the Report in Arabic
- (ii) 1000 paper copies of the Executive Summary in Arabic
- (iii) 100 paper copies of the Report in English
- (iv) 500 paper copies of the Executive Summary in English
- (v) 100 paper copies of the Report in Kurdish



- (vi) 500 paper copies of the Executive Summary in Kurdish
- (vii) 2000 electronic copies containing the Report and the Executive Summary in three languages on a business card-size flash memory
- (viii) All paper copies and flash memories shall be printed with a graphic design to be approved by Iraq EITI.

### **Qualification Requirements for Independent Administrators**

All work carried out by the Independent Administrator shall be carried out according to international professional standards. It is a requirement that the Independent Administrator is perceived by the MSG to be credible, trustworthy, and technically competent. Bidders must follow (and show how they will apply) the appropriate professional standards for the reconciliation / agreed-upon procedures work in preparing their report.

The Independent Administrator will need to demonstrate:

- Expertise and experience in the oil, gas, and mining sectors in Iraq.
- Expertise in accounting, auditing, and financial analysis.
- Number, expertise, and educational achievement of the company's work team.
- A track record in similar work. Previous experience in EITI reporting is not required but would be advantageous.
- Similar work to the issuance of reports of EITI in and outside Iraq
- Shall have an official company branch located in Iraq licensed by the Iraqi government.
- In order to ensure the quality and independence of the exercise, Independent Administrators are required, in their proposal, to disclose any actual or potential conflicts of interest, together with commentary on how any such conflict can be avoided.
- The IA staff should include employees with good knowledge of the oil, gas, and minerals sectors and familiar with the standards of the Transparency Initiative who had previously worked in preparing the EITI reports in Iraq.
- To assign at least three independent administrative staff to be available in Baghdad and have a legal residence for the purpose of daily communication with the national secretariat throughout the contract period and to submit continuous field reports (verbally and in writing) on the development of the daily work and the challenges faced. The three staffers shall be available to meet at the NRTC office if needed, and at the discretion of the national secretariat.



## Reporting requirements and time schedule for deliverables

- A. The assignment is expected to commence on the date of services commencement mentioned in the contract, culminating in the finalization of the EITI Report by the report approval date mentioned in the contract also, the proposed schedule is set out below:

Signing of Contract	One day
Preliminary analysis	Four weeks
Submission of the Inception report for the MSG	One day
Data collection, Initial reconciliation, and Investigation of discrepancies	Sixteen weeks
Submission of the Initial Reconciliation Report for the MSG	One day
Submission of the Draft Report for the MSG	Six weeks
Submission of the Final report for the MSG	4 weeks

- B. Capacity building program should be organized and funded by the Independent Administrator for companies to fill in their templates.

- C. The schedule of payments shall be as follows, and as stated in the contract GCC:

**Payment one:** 20% of the contract price following the MSG's final approval on the inception report

**Payment two:** 20% of the contract price following the MSG's final approval on the initial reconciliation report

**Payment three:** 40% of the contract price following the MSG's final approval of the draft EITI report

**Payment four:** 20% of the contract price following the delivery of the following materials:

- Printed material of the final report and executive summary in Arabic, Kurdish, and English.
- Flash memories containing soft copies of the final report and executive summary in Arabic, Kurdish, and English.
- Electronic copy of the summary data sheet, subject to the approval of the EITI International Secretariat.



## Annex 1 – Statement of Materiality

The purpose of this statement of materiality is for the Independent Administrator to understand the scoping work and associated decisions that have already been carried out by the multi-stakeholder group or by other consultants. The Independent Administrator confirms the joint understanding of the scope of the services in the inception report. Annex 2 lists relevant attachments, including any scoping studies undertaken in the past. The Independent Administrator is required to fulfil all EITI 2019 requirements and all amendments expected to be adopted at the EITI Global Conference 2023, and the scoping study prepared by the MSG shall not be bounded only by the following tables.

### 1. Taxes and revenues to be covered in the EITI Report (Requirement 4.1)

With regards to the revenue streams set out in Requirements 4.1-4.2 and 4.6, the MSG has agreed that the following revenue streams from the extractive sector are material and should be reconciled in the EITI Report:

*Table 1 – Material revenues to be reconciled (Below figures are related to the IEITI Report of 2019-2020, to be updated to reflect the figures related to the report of 2021)*

Revenue stream	Estimated value and share of total revenue in USD	Government and company recipient	Additional commentary on work to be undertaken by the Independent Administrator as necessary
Crude Oil exports	34,879,861,935 (68.7%)	SOMO	Obtaining average export price per day with the percentage of the exports, in terms of the markets to which oil is exported.
Value of lifted oil	6,858,957,174 (13.5%)	SOMO	to be reconciled with Oil Lifting Companies by preparing a cumulative diagram from 2011 to the end of 2020, showing the total amounts received by lifting companies. Explaining the mechanism used to calculate the amount during the four quarters of the year 2021.
Domestic consumption of crude oil	1,937,225,261 <b>Note A</b>	Oil products distribution company & Oil Pipelines Company & Midland Oil Company & Missan Oil Company	State how much crude oil and oil products are received by the Ministry of Electricity for power generation.
Crude Oil Exports (Kurdistan)	4,448,835,268 (8.8%)	Ministry of Natural Resources in KRG	The IA shall make attempts to reconcile IOC payments to the KRG, such as Corporate Income Tax, Profit Oil, License fees, and other types of revenues
Income Taxes	579,046,828 (1.1%)	Ministry of Finance/ General Commission of Taxes	The report shall include aggregated data of all taxes paid and/or due to be paid by all IOCs operating in Iraq, in addition to the detailed reconciliation of income taxes disaggregated to levels required under Requirement 4.7.
SOE transfers of a 45% share of net profit to	1,274,244,758 (2.5%)	Ministry of Finance	



Revenue stream	Estimated value and share of total revenue in USD	Government and company recipient	Additional commentary on work to be undertaken by the Independent Administrator as necessary
MOF			
Cost recovery payments	<b>Note B</b>	SOMO to IOCs	
Remuneration fee payments	<b>Note B</b>	SOMO to IOCs	
Internal Service Payments	649,482,759	MOF (through SOMO) to National Oil Companies	

**Note A:** Value of Crude Oil and Oil Products received by Ministry of Electricity Entities.

**Note B:** The value of Cost Recovery and Remuneration Fee Payments in total resembles the value of lifted Oil (second line item in the above table), where there is no separation between the value of Cost Recovery or Remuneration Fees payments when lifting oil.

The multi-stakeholder group has agreed that the revenue streams from the extractive sector listed in Table 2 should be unilaterally disclosed by the government in the EITI Report rather than reconciled with company figures. The reasons for unilateral disclosure rather than reconciliation should be documented by the MSG.

*Table 2 – Material revenues to be unilaterally disclosed by the government*

Revenue stream	Estimated value and share of total extractive industry revenue	Government recipient	Levied by project or corporate entity	Additional commentary on data sources and work to be undertaken by IA.
Minerals Sales	Not Available	Ministry of Finance or Ministry of Industry and Minerals and KRG Ministry of Natural Resources	Obtain any sales information from any mining company that works within the extractive industries.	...

The multi-stakeholder group has agreed that the following revenue streams from the extractive sector are immaterial and should not be reconciled or unilaterally disclosed by the government in the EITI report:

*Table 3 – Immaterial revenue streams from the extractive sector to be unilaterally disclosed and excluded from the scope of reconciliation*

Revenue stream	Estimated value and share of total extractive industry revenue in USD	Government recipient	Additional commentary on data sources and rationale for concluding that the revenue stream is immaterial
Total revenue - distributed by type of payment and company - received by the Government of Iraq		SOMO	Such revenues are basically immaterial as they fall under the materiality threshold decided by the MSG, as well as such amounts do not affect the comprehensiveness of the report. Such



Revenue stream	Estimated value and share of total extractive industry revenue in USD	Government recipient	Additional commentary on data sources and rationale for concluding that the revenue stream is immaterial
from Oil Products exports. This Includes:			data shall be listed as contextual information only.
Naphtha	425,813,230		
Diesel Oil	1,911,135,751		
Natural Benzene	17,714,365		
VR	19,180,394		
State partner share from remuneration fees	178,470,908	Ministry of Finance	
Treasury share of SOE reported profits (45%) – MoIM	0	Ministry of Finance	
Transportation revenue	0		

## 2. Approach to project-level reporting

The MSG has defined the term “**project**” as the operational activities carried out in a single **License** and form the basis for payment liabilities with a government.

Where payments are attributed to a specific project – see Table 1 in Annex 1- Statement of Materiality - then the total amounts per type of payment shall be disaggregated by the project.

## 3. Additional benefit streams:

With regards to the benefit streams set out in Requirements 4, the MSG has agreed to the following:

*Table 4 – Additional benefit streams*

Benefit stream	Applicable and/or material	Estimated value and share (%) of total extractive industry revenue	Government recipient	Additional commentary on data sources and work to be undertaken by the Independent Administrator as necessary.
The materiality and inclusion of infrastructure and barter arrangements (Requirement 4.3) <sup>11</sup>	Not Applicable/not material			
The materiality and inclusion of <u>mandatory</u> social and environmental payments (Requirement 6.1(a, b)) <sup>12</sup>	Applicable / not material	N A	Local governorates	It must be indicated in terms of cash and in-kind mentioning the beneficiary party. Presents an opinion on how to reconcile such

<sup>11</sup> Guidance note 15: Infrastructure and barter provisions: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN14>

<sup>12</sup> Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>





Benefit stream	Applicable and/or material	Estimated value and share (%) of total extractive industry revenue	Government recipient	Additional commentary on data sources and work to be undertaken by the Independent Administrator as necessary.
				payments in the initial reconciliation report.
The materiality and inclusion of <u>voluntary</u> social and environmental payments (Requirement 6.1(c)) <sup>13</sup>	Applicable / not material	N A	Local governmental directorates	It must be indicated in terms of cash and in-kind with mentioning the beneficiary party Presents an opinion on how to reconcile such payments in the initial reconciliation report.
The materiality and inclusion of transportation revenues (Requirement 4.4) <sup>14</sup>	not applicable and not material			

#### **Reporting companies (Requirement 4.1.d)**

The MSG has agreed that any company making payments of 1% against the material revenue streams identified in Table 1 is required to be included in the EITI Report:

*Table 5 – Companies to be included in the EITI Report but not limited to the following:*

Entity	Sector	Type	Additional commentary on work to be undertaken by the IA
Basra Oil Company	Oil and gas	SOE	
Missan Oil Company	Oil and gas	SOE	
Dhi Qar Oil Company	Oil and gas	SOE	
Midland Oil Company	Oil and gas	SOE	
North Oil Company	Oil and gas	SOE	
Oil Marketing Company, SOMO	Oil and products Marketing	SOE	
British Petroleum (BP)		IOC	
PetroChina		IOC	
ENI		IOC	
ExxonMobil		IOC	
SHELL		IOC	
Pertamina		IOC	
CNOOC Iraq		IOC	
PETRONAS		IOC	
Total		IOC	
JAPEX		IOC	
LUKOIL Mid-East Ltd		IOC	
JSC Gazprom Neft		IOC	
Korea Gas Corporation (KOGAS)		IOC	

<sup>13</sup> Guidance note 17: Social expenditures: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN17>

<sup>14</sup> Guidance note 16: Revenues from transportation of oil, gas and minerals: <https://eiti.org/guidance-notes-and-standard-terms-reference#GN16>



Entity	Sector	Type	Additional commentary on work to be undertaken by the IA
PETRONAS Carigali		IOC	
Türkiye Petrolleri Anonim Ortaklığı (TAPO)		IOC	
Al-Waha Petroleum Co. Ltd		IOC	
Kuwait Energy Co.		IOC	
Dragon Oil		IOC	
EGPC		IOC	
IOCs operating in KRG	Extraction and exploration activities	IOC	
Oil Buyers	Oil, gas, and petroleum products	IOC	

#### 4. Government-to-Government Transactions (Requirement 4)

Table 6 – Government to government transactions included in the scope of the NRTC Report

Transactions	Applicable and/or material	Financial flow	under	Government agency	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
The disclosure and reconciliation of payments to and from state-owned enterprises (Requirement 4.5) <sup>15</sup>	Applicable/ Not Material	The cost of producing barrels of crude oil exported and consumed locally	BOC MOC DQOC NOC MdOC OEC (Oil Exploration company)	Ministry of Finance and SOMO	To be conciliated for their importance and to pursue the corrective actions of the second validation 2019.

<sup>15</sup> Guidance Note 18: SOE participation in EITI Reporting, [https://eiti.org/files/GN/Guidance\\_note\\_18\\_SOEs\\_EN.pdf](https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf)



Transactions	Applicable and/or material	Financial flow and revenue sharing	Government agency executing the transfer	Government agency receiving the transfer	Additional commentary on work to be undertaken by the Independent Administrator as necessary.
The materiality and inclusion of mandatory sub-national transfers under Requirement 5.2 <sup>16</sup>	Applicable/ Not materially	Budget Law for the Year 2021 (petrodollar)	Ministry of Finance	Governorates covered by the Budget Law	To be reconciled if possible and identify the amounts rounded of previous years, with expressing the reasons for not receiving the allocated amounts. Such allocations are obtained from the Ministry of Planning after the issuance of final amendments.
The materiality and inclusion of mandatory sub-national transfers under Requirement 5.2 Regional development	Applicable/ Not materially	Budget Law for the Year 2021  Regional development	Ministry of Finance	Governorates covered by the Budget Law	The materiality and inclusion of mandatory sub-national transfers under Requirement 5.2 Regional development
Total - distributed by type of payment and company: - (revenues received by IOCs provided by the Government of Iraq as cost recovery payments).	Applicable/ material	cost recovery payments	Ministry of Finance	IOCs and State-partner	Total - distributed by type of payment and company: - (revenues received by IOCs provided by the Government of Iraq as cost recovery payments).
Total - distributed by type of payment and company -: (revenues received by national oil companies within the share of foreign partner	Applicable/ material	Remuneration fees	Ministry of Finance	IOCs and State-Partner	Total - distributed by type of payment and company -: (revenues received by national oil companies within the share of foreign partner

<sup>16</sup> Guidance Note 10: Sub-national reporting, <https://eiti.org/files/Guidance-note-10-Subnationalreporting.pdf>

## Annex 2 – Supporting documentation

Documentation of governance arrangements and tax policies in the extractive industries, including relevant legislation & regulations

- Federal budget legislation for 2023
- KRG budget legislation for 2023

EITI work plans & other documents

- NRTC's latest work plan

Previous EITI Reports

- IEITI Report for 2019 and 2020 (Arabic, English)
- IEITI Report for 2018 (Arabic)
- IEITI Report for 2017 (Arabic, English)
- IEITI Report for 2016 (Arabic, English)

Commentary on previous EITI Reports

- Validation Committee corrective actions on the 2017 Report
- Validation report on 2019

Other relevant documentation (e.g. annual activity reports)

- NRTC's latest Annual Progress Report

## Annex 3 – Table of Terms

1. The term "contract" means:

- a. The full text of any contract, or any other agreement granted by the Government to the Companies, and includes the conditions relating to the exploitation of oil, gas, and minerals
- b. The full text of any addendum or addendum relating to details relating to the exploitation rights outlined in paragraph 2.4 (c.1) or the implementation of the contract
- c. The full text of any change or amendment to the documents mentioned in paragraphs 2.4 (c) - 1 and 2.4 (c.2)

2. License means:

- a. The full text of any license by the government grants companies the right to exploit oil, gas, and minerals.
- b. The full text of any extension or addendum relating to the details
- c. Related to the exploitation rights set out in paragraph 2.4 (d1) or the implementation of the contract
- d. The full text of any change or amendment to the documents described in paragraphs 2.4 (d) - 1 and 2.4 (d.2).

3. Definition of a public company (the self-financed economic unit wholly owned by the state which enjoys moral personality and financial and administrative independence and operates according to economic basis) according to the Public Companies Law No. (22) Of 1997 (amended).

4. Timing of data (the period covered by the report).

5. Project is the operational activities carried out in a single **FIELD**, whether it is operated by IOCs under the licenses rounds or operated by SOEs.