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Obama Signs Conflict Minerals Legislation Bill

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The “Dodd Frank Wall Street Reform and Consumer Protection Act” was signed into law by U.S. President Barack Obama. The bill includes a provision addressing ‘conflict minerals,’ requiring certain disclosures by publicly-traded manufacturing firms to the Securities and Exchange Commission (SEC) as to the source of gold used in manufacturing processes.

While the regulations implementing the bill are yet to be drafted, only companies traded on a U.S. stock exchange will be implicated by the legislation and required to file reports on gold sourcing with the SEC.

The primary intent of the new law is to overhaul the nation’s financial regulatory system. An added provision took aim at “conflict minerals,” including gold, from the Democratic Republic of Congo (DCR) and bordering countries.

This provision requires publicly-traded gold manufacturers to file annually with the SEC disclosing whether gold used in their products originated in any of the designated countries. If so, the reporting company must provide information on the due diligence it exercised to ensure that the gold did not benefit armed groups.

The purpose behind the conflict-mineral provision is to prevent funding conflict in the DRC and the nine countries adjoining it. The bill defines conflict minerals to include gold, coltan, cassiterite, wolframite or their derivatives. Manufacturers that are covered by the legislation will need to determine whether gold in their inventory originated in the DRC.