



HELLENIC REPUBLIC

MINISTRY OF ECONOMY AND FINANCE

OECD Russian Corporate Governance Roundtable Meeting

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Meeting co-hosted by the Ministry for Economic Development, Russia



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Equitable treatment of non-government shareholders

Moscow, October 27th, 2008



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Equitable treatment of non-government shareholders

Once Privatisation Processes started, equitable treatment of share holders has always been an issue

Historically, most ex-public entities used to operate monopolies and hence held significant positions in their society, affecting directly national economy

Problem starts when entities look for market-based financing without giving out management and ownership rights



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Problems

Ownership – voting rights –
golden shares

Can someone buy shares from the stock-market and earn the majority of the general assembly?

Management – control of
the board and everyday
management

Do minority shareholders have the adequate rights as if it were a non-ex-public entity?



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Remedies - Ownership

Ownership

This was not really a problem until a few years ago

However,

Final phases of privatisation, where the public sector owned minority along with the raise of SWF and significant funds changed the balance

Reactions came even within the EU states

Main idea – Government to approve management handover



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Remedies - Management

Management

Treat ex-public entities as any other entity

Firm application of all principles of corporate governance w.r.t
the BOD and internal audit



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Remedies – Crucial Factors

Transparency of information available to all shareholders

The role of regulators is imperative for the appropriate treatment of all share-holders