OECD Makes Recommendations for Improvements in Corporate Governance in Romania

Good corporate governance ensures the efficient use of company resources and good relations between the managers of companies, their employees, creditors and other stakeholders, and helps to win the confidence of domestic and international investors. As such, it is of particular importance in the transition economies of Central and Eastern Europe. An OECD report on Corporate Governance in Romania makes a series of recommendations for improvements in corporate governance that are relevant for other countries as well.

The OECD’s report on Corporate Governance in Romania will be presented at 4.00 p.m. on 11 December 2001 at the Athénée Palace Hilton Hotel in Bucharest at an event co-hosted by the OECD and the Government of Romania, with the support of the US Agency for International Development. Participants will include Romanian Prime Minister Adrian Nastase and other members of the Romanian Government, senior representatives of the OECD, USAID, the Bucharest Stock exchange and Romania’s National Securities Commission, businessmen, financiers and academics. The presentation is open to the media.

The report provides a detailed assessment of corporate governance practices in Romania, with a review of reforms made in the last ten years. Experts on corporate governance from Romania as well as OECD member countries have reviewed drafts of the report and provided substantial input.

Among other things, the report calls for effective enforcement of shareholder rights with respect to changes in share capital and the introduction of control mechanisms to prevent abusive related party transactions. It also calls for measures to increase the effectiveness of company boards and board members, as well as improved supervision and monitoring of companies by accountants and auditors.

For further information and to obtain a copy of the report, journalists are invited to contact the OECD’s Media Relations Division (tel. [33] 1 45 24 97 00 or news.contact@oecd.org).