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Ufficio V*

Launch of the OECD report “The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis” and the 2021 edition of the “OECD Corporate Governance Factbook”

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Secretary General Cormann, Ladies and Gentlemen,

- First of all, let me **welcome and congratulate** Mr. Cormann for his appointment at the OECD in these challenging times for the world economy.
- **Old and new challenges are accentuated** by the severity of the Covid crisis. I believe the OECD is well placed to assist governments to address them.
- To name just a **few of such challenges**, there is the need to
 - (i) promote a sustained and inclusive **recovery** in the post Covid world,
 - (ii) to fight mounting **inequalities** weighing on the weakest layers of our societies,
 - (iii) to ensure a more modern, balanced and fair system of **international taxation**.
- In the perspective of the recovery, **efficient financial markets are essential** to the overall performance of our economies, as they can improve investor confidence, capital formation and capital allocation.
- **Corporate governance frameworks** – shareholders’ rights and the role of auditors, just to name two - are **key factors** for steering companies out of the pandemic crisis.

Well-designed corporate governance set-ups can foster adequate funding structures that make firms become more resilient and prosper.
- In this spirit today we are going to address the key role of Corporate Governance also in light of the OECD/G20 Principles on Corporate Governance.
- Therefore, on the eve of next week G20 meeting, I am pleased to have the opportunity to call the attention of policy makers and market participants **on two important new OECD corporate governance and corporate finance publications**.

- The report on “***The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis***” takes stock of the latest developments in global capital markets, with reference to corporate governance and the related policy measures.
- **Public equity and corporate debt markets** allow firms to access fundamental external sources of financing and to build resilience. The global phenomenon of de-listing (from stock market) in recent years was not matched by new listing, signalling a declining reliance on public equity markets for companies, especially small ones.
- On the basis of a **thorough evidence-based analysis**, the Report presents an overview of capital structures, corporate performance, the use of market-based financing, corporate ownership structures and payout policies over the last twenty years.
- Its **conclusions and advice** in terms of corporate governance frameworks are particularly **useful** at the current juncture. While companies’ governance requirements are put back into force after some were relaxed due to the pandemic.

Moreover, there is a lively debate on possible improvements on regulations and practices. In this regard, with a view to enhance the resilience of financial markets and the economy, the Report suggests to review the 2015 G20/OECD Principles

- The other publication released today is the OECD **Corporate Governance Factbook**. It provides a second important and comprehensive reference for the review of the Principles.
- The Factbook, covering all G20 and OECD members, shows how these economies are **implementing various aspects of the Principles of Corporate Governance** concerning, among others, institutional and regulatory frameworks, treatment of shareholder rights, disclosure as well as requirements related to boards of directors.
- This edition of the Factbook, offering new insight on **stock markets and the corporate landscape** during the pandemic, is the perfect complement to the Report.
- The two publications **indeed broaden our toolkit** to improve corporate governance frameworks and practices across OECD and G20 countries, with a view to improving companies’ access to finance.

This is a very relevant issue for the **recovery** phase, in which we want to avoid that firms are held back in their investment by lack of adequate funding.

- With this, let me **hand over the floor** to the OECD Secretary General, Mr Mathias Cormann, who will further articulate on the reports. Mr Cormann’s intervention will be followed by a comment of Mr. Carmine Di Noia, Consob Commissioner and Vice President of the OECD Corporate Governance Committee.
- Mathias, the floor is yours