OECD Corporate Governance Factbook 2023

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Please cite this publication as:
OECD (2023), *OECD Corporate Governance Factbook 2023*, OECD Publishing, Paris, https://doi.org/10.1787/6d912314-en.

ISBN 978-92-64-72564-5 (print)
ISBN 978-92-64-47967-8 (pdf)
ISBN 978-92-64-53323-3 (HTML)
ISBN 978-92-64-54953-1 (epub)

OECD Corporate Governance Factbook
ISSN 2960-236X (print)
ISSN 2960-2009 (online)

Photo credits: Cover © Andrew Esson/Baseline Arts Ltd.

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Preface

Amidst a rapidly changing global market landscape and emerging challenges ranging from climate change to digitalisation to evolving investor expectations, corporations must continuously adapt and innovate. Good corporate governance is essential to enable corporations to effectively address and manage such challenges. For them to do so, corporate governance policies and practices must also keep pace.

The *G20/OECD Principles of Corporate Governance* have an important role to play by providing guidance to help policy makers evaluate and improve the legal, regulatory and institutional framework for corporate governance, with a view to supporting market confidence and integrity, economic efficiency, sustainable growth and financial stability.

In 2023, a new and revised edition of the *Principles* was issued reflecting a strong desire from all OECD and G20 Members to see the *Principles* offer guidance on companies' sustainability and resilience.

In particular, the revised *Principles* will help companies manage environmental and social risks, with insights on disclosure, the roles and rights of shareholders as well as stakeholders and the responsibilities of company boards. The objectives are to help improve companies' access to financial markets in an environment where investor expectations are evolving and to support investor confidence on the basis of more transparent market information and reinforced investor rights.

The accompanying *Corporate Governance Factbook* offers a unique source for understanding how the *Principles* are implemented around the world with comparative information and concrete evidence and examples from 49 jurisdictions globally.

This edition of the Factbook has been expanded with information on the new recommendations of the revised *Principles*, including on sustainability, general shareholder meetings, and company groups. Reflecting the increasing attention given to the green transition, the 2023 edition of the Factbook provides for the first time information on sustainable corporate practices, such as requirements or recommendations for sustainability-related disclosure, the majority of which are set out in mandatory laws or regulations. Such expanded coverage will ensure that the Factbook continues to provide a benchmark for monitoring and promoting the implementation of the *Principles*.

As capital markets and corporations continue to evolve and respond to new opportunities and challenges, the Factbook provides an essential tool to help policy makers and regulators stay abreast of the changing corporate governance landscape, and to consider how policies and practices can be adapted to remain effective. The OECD and its Corporate Governance Committee will continue to work with national governments, international institutions and the private sector to promote global implementation of the *Principles* with the support of the Factbook and other tools.

Mathias Cormann,

OECD Secretary-General

Foreword

The *OECD Corporate Governance Factbook* supports the implementation of good corporate governance practices by providing an easily accessible and up-to-date factual underpinning to help understand countries' institutional, legal and regulatory frameworks. Policy makers and regulators may use the Factbook to compare their own frameworks with those of other jurisdictions or to obtain information about specific policies and practices adopted. It also serves as a useful reference for market participants and analysts seeking to understand how such frameworks vary across different jurisdictions, and how they have been evolving.

The core information in the Factbook derives from OECD thematic reviews on how jurisdictions address major corporate governance challenges such as board practices (including remuneration); the role of institutional investors; related party transactions and minority shareholder rights; board member nomination and election; supervision and enforcement; frameworks for risk management and audit; and company groups. Additional sections address the capital market landscape, including ownership patterns; data on stock exchanges and their market activities; and the institutional and regulatory landscape. First published in 2014, the Factbook has been updated every two years since 2015 and this is the sixth edition.

This edition covers provisions enacted across all issue areas through the end of 2022, and provides a wealth of new information in line with the revised *G20/OECD Principles of Corporate Governance,* released in parallel with this edition. New sections have been added on corporate sustainability, covering sustainability-related disclosure frameworks, board responsibilities for reviewing or approving sustainability-related issues, and regulation on ESG rating and index providers. There are also new data and sections on the legal framework for virtual and hybrid meetings and for company groups.

The Factbook is divided into four chapters: 1) global markets, corporate ownership and sustainability; 2) the corporate governance and institutional framework; 3) the rights of shareholders and key ownership functions; and 4) the corporate board of directors. Each chapter offers a narrative overview, which helps to provide an overall picture of the main tendencies and variations in approaches taken by different jurisdictions. This is supported by 61 figures and 45 tables, providing comparative information on 49 jurisdictions, including all 38 OECD members, and G20 and Financial Stability Board members including Argentina; Brazil; the People's Republic of China (hereafter 'China'); Hong Kong (China); India; Indonesia; Saudi Arabia; Singapore; and South Africa. Two additional jurisdictions that actively participate in the OECD Corporate Governance Committee – Malaysia and Peru – are also included.

The Factbook compiles information gathered from 49 jurisdictions participating in the work of the Corporate Governance Committee, which are interchangeably referred to as either "jurisdictions surveyed" or "Factbook jurisdictions". It is the collective achievement of the Committee and the individual efforts of the delegates from all jurisdictions, who diligently reviewed and updated the information to ensure accuracy. The Factbook was prepared and co-ordinated under the supervision of Serdar Çelik by Daniel Blume, Akiko Shintani and Tiziana Londero with contributions from Thomas Dannequin, Adriana De La Cruz, Caio De Oliveira, Luca Dzikowski, Greta Gabbarini, Naoki Haraguchi, Fianna Jurdant and Alejandra Medina of the Capital Markets and Financial Institutions Division of the OECD Directorate for Financial and Enterprise Affairs.

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Executive summary

The 2023 edition of the OECD Corporate Governance Factbook presents comparative data and information on listed companies across 49 jurisdictions through the end of 2022. Updated every two years, the Factbook provides a unique tool for monitoring and supporting the implementation of the *G20/OECD Principles of Corporate Governance*. The scope of this edition has been expanded to cover the *Principles'* recommendations on a number of new topics. This includes new data on corporate governance frameworks related to sustainability, virtual and hybrid shareholder meetings, and company groups.

Global markets, corporate ownership and sustainability

Effective design and implementation of corporate governance policies require a good empirical understanding of the ownership and business landscape to which they will be applied. Chapter 1 provides context for the data collected in this edition of the Factbook with a global overview of the main developments in equity and corporate bond markets. With almost 44 000 listed companies in the world, global market capitalisation reached USD 98 trillion at the end of 2022, up from USD 84 trillion in 2017. Among key trends identified are a growing share of institutional investor ownership in publicly listed companies; a continuing shift toward leading Asian markets in the number of listed companies and initial public offerings (IPOs); an increasing proportion of capital market financing coming from secondary public offerings (SPOs); and a long-term growth trend in non-financial firm corporate bond issuances (although this eased somewhat in 2021-22).

Chapter 1 also analyses corporate sustainability-related policies and practices and reveals how, reflecting increased investors' attention to sustainability issues, all surveyed jurisdictions have established relevant provisions, specific requirements or recommendations with respect to sustainability-related disclosure. Only half of jurisdictions have explicit provisions on board responsibilities for sustainability-related policies. Newly collected information on regulatory frameworks on ESG rating and data providers indicate that only a few jurisdictions, mostly within the EU, have so far adopted such frameworks.

The corporate governance and institutional framework

The quality of the institutional, legal and regulatory framework is an important foundation for implementing the *G20/OECD Principles*, requiring effective supervision and enforcement that market participants can rely on. Against this background, Chapter 2 highlights how reforms in corporate governance remain a priority and were implemented in over 70% of Factbook jurisdictions in 2021-22. Corporate governance codes also continue to play an important role: almost all jurisdictions have a national corporate governance code or equivalent instrument, with varied approaches for implementing them. More than two-thirds of jurisdictions also publish a national report on companies' adherence to these codes – an increasingly common practice in recent years.

Chapter 2 also offers information on the lead regulatory institution for corporate governance of listed companies in each jurisdiction and their governance arrangements. Overall, budget autonomy is the most

common safeguard underpinning authorities' independence (60% of regulators), while 17% of regulators still depend exclusively on the government's budget. All but a few jurisdictions have established governing bodies to oversee their market supervisors, generally with specific criteria for appointments and term limits.

The rights of shareholders and key ownership functions

The *G20/OECD Principles* state that the corporate governance framework shall protect and facilitate the exercise of shareholders' rights and ensure equitable treatment of all shareholders. Chapter 3 highlights a significant increase in Factbook jurisdictions allowing companies to issue multiple voting shares, departing from the "one share one vote" proportionality principle and displaying a diversity of frameworks. The chapter also shows considerable evolution in frameworks for the review of related-party transactions. Nearly all jurisdictions now require both periodic and immediate disclosure of related-party transactions. Board approval of significant transactions is also required or recommended in all but eight jurisdictions, usually with the abstention of related board members and often with a special role for the audit committee or independent directors. Shareholders also may play a role in a majority of jurisdictions, for example, for transactions above certain thresholds.

Chapter 3 offers new data on the legal frameworks for conducting virtual and hybrid shareholder meetings. As of the end of 2022, a large majority of jurisdictions had rules or recommendations on virtual and/or hybrid shareholder meetings with safeguards for ensuring equal access to information and effective participation of all shareholders in line with the revised *G20/OECD Principles*. The rise in institutional ownership of publicly listed companies is reflected in the increasing use of investor stewardship codes together with disclosure of voting policies and voting records. In comparison to institutional investors, regulations on proxy and other advisory services is still less common. Another common feature related to company ownership, with implications for shareholder rights, are company groups. The Factbook includes new findings on how jurisdictions define company groups in their legal frameworks and what elements must be disclosed. To address their complexity, more than 80% of jurisdictions require public disclosure of a range of elements related to company group structures, their ownership and intra-group activities.

The corporate board of directors

The *G20/OECD Principles* recommend that the corporate governance framework ensures the strategic guidance of the company by the board and its accountability to the company and the shareholders. Chapter 4 offers information on board structures, board independence and board-level committees, as well as risk management and implementation of internal controls. Jurisdictions explicitly requiring or recommending the establishment of sustainability committees are rare. Concerning external audit, the Factbook confirms shareholders' primary responsibility for appointing and/or approving the external auditor, although the board's involvement is also increasingly common to assist the shareholders' decision.

Along with information on board nomination, election and remuneration, the final chapter addresses the gender composition of boards and senior management, on which jurisdictions have adopted a range of approaches to promote greater gender diversity. Three-fifths of jurisdictions mandate disclosure of the gender composition of boards, whereas only approximately 30% mandate it for senior management. Mandated quotas and/or voluntary targets have yielded positive results and, in this effort, complementary or alternative measures are also foreseeable and have generated positive outcomes.

1 Global markets, corporate ownership and sustainability

Effective design and implementation of corporate governance policies requires a good empirical understanding of the ownership and business landscape to which they will be applied. Chapter 1 therefore provides a global overview of developments related to stock markets, including their size, activities and ownership characteristics. The chapter also analyses corporate sustainability-related policies and practices, based upon new information collected for this edition in line with the new chapter of the revised *G20/OECD Principles of Corporate Governance*. This includes regulatory frameworks on sustainability disclosure, policies and practices for assurance of sustainability-related information and use of an international disclosure standard. It also refers to provisions on board responsibilities for sustainability-related policies as well as practices on board committees responsible for sustainability-related issues and executive compensation linked to sustainability matters. The chapter also includes newly collected information on regulatory frameworks on ESG rating and data providers.

1.1. Introduction

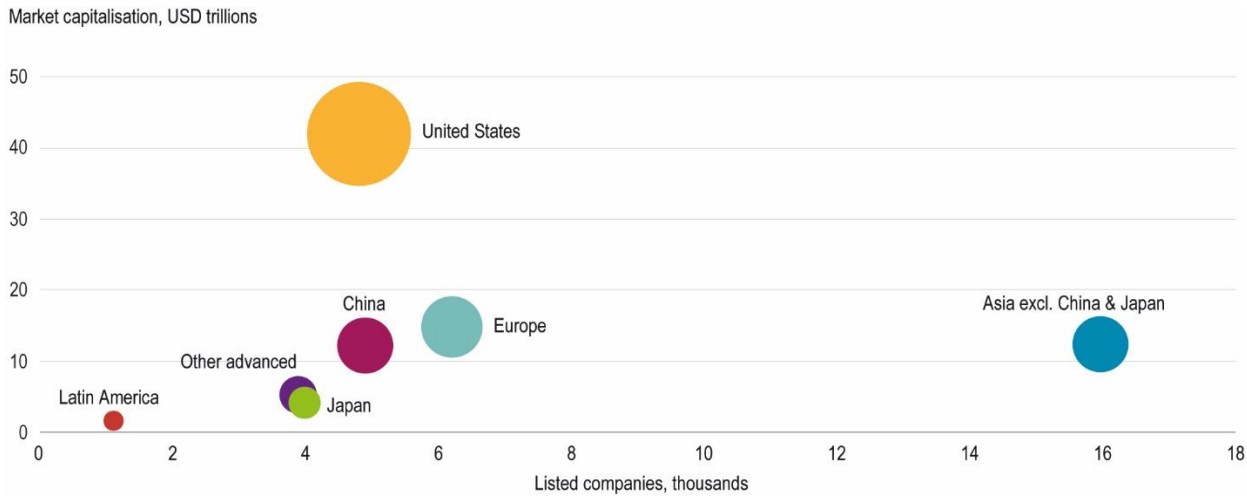
This chapter provides an overview of developments in equity and corporate bond markets worldwide including in the global landscape of listed companies and in the use of public equity via initial and secondary public offerings. It also offers an overview of the ownership structure of listed companies and of the use of corporate bonds in global capital markets. Finally, the chapter presents recent developments in corporate governance frameworks and corporate practices in relation to sustainability issues. The information presented in this chapter has a global coverage beyond the 49 jurisdictions covered in the Factbook and provides context for the information presented in the following chapters.

1.2. Global trends in equity markets and the listed company landscape

Equity markets offer companies access to the risk-willing, long-term capital needed in order to invest and ultimately contribute to economic growth. They also offer a secondary market that allows companies to continue accessing perpetual capital after their initial listing. In addition, equity markets contribute to the broader resilience of our economies. In times of crisis, when bank lending tends to contract, equity markets continue offering capital. Equity markets also remain the largest asset class available to households, offering the opportunity to manage their savings and share in the growth of the corporate sector.

At the end of 2022, there were almost 44 000 listed companies in the world with a total market capitalisation of USD 98 trillion. Company ownership data are available for 30 871 of these companies. Figure 1.1 provides a picture of the size of the key markets and regions according to the number of listed companies and market capitalisation for all listed companies. The United States remains the largest market by market capitalisation, while Asia has the highest number of listed companies.

Figure 1.1. Universe of listed companies, end 2022



Note: The figure shows the market capitalisation and number of listed companies for the 43 970 listed companies from 100 economies, and the bubble size represents their share in global market capitalisation. In this and subsequent figures in this chapter and in the text when specified, the category "Asia excl. China and Japan" includes all jurisdictions in the continent excluding the People's Republic of China (hereafter 'China' and Japan (e.g. Hong Kong (China); India; Korea; Singapore; and Chinese Taipei). "Latin America" includes jurisdictions both in Latin America and in the Caribbean. "Europe" includes all jurisdictions that are fully located in the region, including the United Kingdom and Switzerland but excluding the Russian Federation and Türkiye. "Other Advanced" includes all jurisdictions that are classified as advanced economies in IMF's World Economic Outlook Database but that are not represented in the other categories in the figure (e.g. Australia, Canada, and Israel). "Others" includes mostly jurisdictions that are classified as emerging market and developing economies in IMF's World Economic Outlook Database but that are not represented in the other categories in the figure (e.g. Saudi Arabia and South Africa). See the Methodology for Ownership data in Annex 1.A for more detailed information.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

Global market capitalisation increased from USD 84 trillion in 2017 to USD 98 trillion in 2022, while the number of listed companies increased from approximately 41 000 in 2017 to almost 44 000 in 2022. This increase was mainly driven by emerging economies, where the number of listed companies increased from around 16 000 in 2017 to over 20 000 in 2022. On the contrary, many advanced economies have seen a continuous decrease in the number of listed companies, mainly driven by a substantial and structural decline in listings of smaller growth companies, distancing a larger portion of these companies from ready access to public equity financing.

Table 1.1 provides an overview of the total market capitalisation and number of listed companies across the 49 Factbook jurisdictions, including OECD, G20 and Financial Stability Board members. It is important to note that the Factbook and data of Table 1.1 by jurisdiction focus on companies that issue equity on the regulated or main markets. Recognising that some jurisdictions have a significant number of companies in alternative market segments which may provide relevant opportunities for SME and growth company financing, Box 1.1 provides an overview of these alternative market segments for selected jurisdictions. However, more comprehensive data on these alternative segments have not been included in Table 1.1, recognising that they present methodological challenges that would require further study to ensure data comparability across jurisdictions, as well as to develop a clear understanding regarding the corporate governance frameworks applied to such markets.

Table 1.2 provides a breakdown of the largest stock exchanges in each jurisdiction and their characteristics.

Box 1.1. The rise of alternative market segments

The Factbook in its figures and tables focuses on companies that issue equity on the regulated or main markets and the legal, regulatory and institutional framework that applies to listed companies. Alternative market segments, however, have been established across jurisdictions and are becoming an increasingly common listing alternative as they have widened available options for issuers and investors and allow SME and growth company financing.[1.] At the same time, comparability of alternative market segments around the world is challenging, as their listing requirements, reporting obligations, as well as the frameworks that apply to companies on these markets are fragmented. Without aiming to provide an exhaustive overview, the selected examples listed below wish to acknowledge the growing relevance of alternative market segments and their differences.[2.]

Multilateral Trading Facilities (MTFs) in Europe and growth segments in other regions generally impose simplified requirements for listing. SME Growth Markets (GMs) have been established in the European Union, further to MiFID I and MiFID II, to cater to the needs of small and medium-sized issuers. These markets are not considered as a regulated market per EU legislation. Companies listing in these markets are subject to different regulatory frameworks, depending on each of these market segments and trading venues.

Euronext Growth is a market segment within the Euronext network tailored for SMEs that aim to raise funds to finance their growth. With simplified eligibility for listing and reporting requirements compared to those of the regulated market, Euronext Growth counts several companies in its different venues (Brussels, Dublin, Lisbon, Milan, Oslo and Paris).[3.] Such segments represent an important share of listings as there are more than 290 and 260 issuers on Euronext Growth Paris and Euronext Growth Milan, respectively.[4.] Another important reality is Nasdaq First North Growth Market which is an MTF. Nasdaq First North Growth Market counts over 550 traded growth companies, which are subject to the rules of different segments of First North MTF but not the requirements for admission to trading on a regulated market.[5.]

The Alternative Investment Market (AIM) is a UK MTF operated by the London Stock Exchange group within the meaning set out in the Handbook of the FCA and is recognised as an SME GM.[6.] AIM opened in 1995 and is operated and regulated by the Exchange in its capacity as a Recognised Investment Exchange. It provides a platform for smaller and growing companies to raise capital. Overall, AIM has more relaxed entry and listing requirements than the Standard Main market: for example, there is no need to file a prospectus to the FCA and no minimum free float requirement.[7.]

Beyond Europe, notable examples of alternative market segments can be found in **China** with the SSE Star Market of the Shanghai Stock Exchange launched in 2019, which counted more than 500 companies as of the end of 2022.[8.] This market supports companies in the science and technology field. Another market in China is the ChiNext market of Shenzhen Stock Exchange which represents a platform to support innovation among growing companies in emerging and strategic industries.[9.]

In **Korea**, the Korea Exchange (KRX) offers two segments for SMEs. One is the KOSDAQ market launched in 1996 to provide funds for startup companies and SMEs in the technology sector and now extending its scope to other growth industries, and the other one is the KONEX (Korea New Exchange), a new segment established in 2013 targeted to SMEs.[10.]

Overall, alternative market segments, including MTFs and SME GMs, support market dynamism and capital markets growth, but given their different characteristics, they would require further study to provide more comprehensive and comparable data across jurisdictions, as there is significant variation in how these market segments are defined and which rules apply to them across the Factbook jurisdictions.

Notes:
1. The Federation of European Securities Exchanges (FESE) estimated that at the end of 2022, for its 16 full members from 30 jurisdictions, there were 1 502 companies listed on specialised market segments in equity (FESE, 2022[1]).
2. For an analysis of which variables may contribute to differences among different trading venues for SMEs limited to EU jurisdictions, see (Annunziata, 2021[2]).
3. An overview of eligibility criteria and ongoing obligations on the different venues of Euronext Growth is available. Euronext Growth Oslo is not registered as an SME Growth Market under EU regulation.
4. The list of stocks for Euronext Growth Paris can be accessed here and the list for Euronext Growth Milan is available here.
5. Nasdaq First North Growth Market is a market operated by Nasdaq Stockholm (Nasdaq First North Growth Market Sweden), Nasdaq Copenhagen (Nasdaq First North Growth Market Denmark), Nasdaq Helsinki (Nasdaq First North Growth Market Finland) and Nasdaq Iceland (Nasdaq First North Growth Market Iceland). See general information and the Rulebook for issuers of shares on Nasdaq First North GM.
6. See AIM Rules for Companies.
7. An overview of entry, listing, trading and other obligations of AIM is provided on the London Stock Exchange's website.
8. See an overview of the STAR Market, its listings and the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange.
9. See an overview of the ChiNext market.
10. See an overview of the criteria and listing requirements for KOSDAQ market and for the KONEX market. Up to date figures on the different market segments of the Korea Exchange (KRX) are provided here.

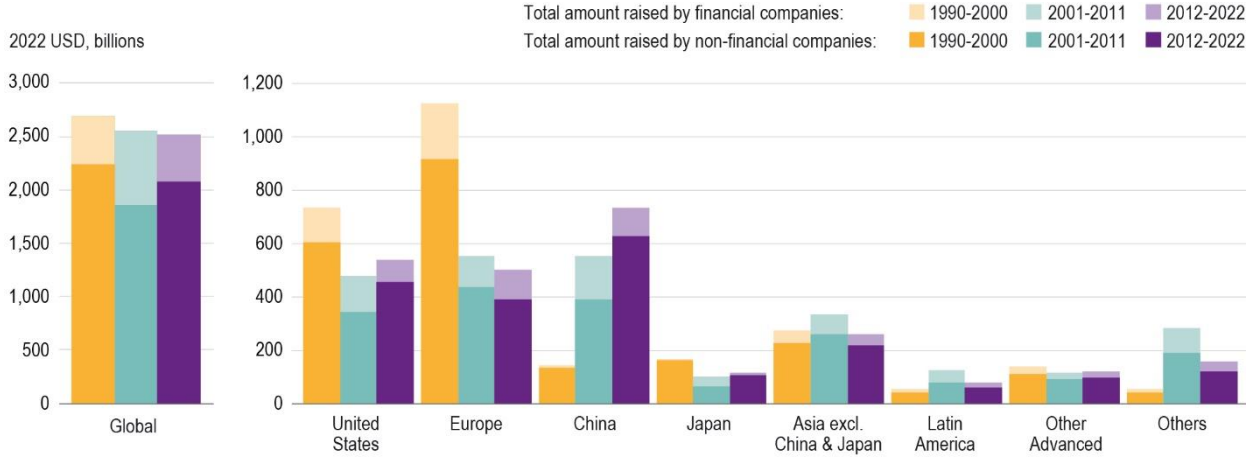
1.3. Initial public offerings trends

Since the mid-1990s, the public equity market landscape has undergone important changes. One important development has been an increasing use of public equity markets by Asian companies. In the 1990s, European non-financial companies – mainly from the United Kingdom, Germany, France and Italy – played a leading role in the global scene in terms of initial public offerings (IPOs), accounting for 41% of all capital raised, with over 3 500 listings during that period. Since then, European IPOs have declined both in absolute and relative terms. European non-financial companies raised only 24% of the total equity capital raised via IPOs during the 2001-11 period, dropping to 19% between 2012 and 2022 (Figure 1.2).

Asian companies have significantly increased their participation in global equity markets, from raising 22% of global IPO proceeds during the 1990s to 44% during the 2012-22 period. Importantly, the capital raised by non-financial companies in Asia has surpassed that of financial companies. The growth of Asian markets is mainly the result of a surge in Chinese IPOs. The number of Chinese IPOs more than tripled between the 1990-2000 period and the 2012-22 period, and they now represent almost one-third of the global proceeds. The Japanese market, which in 2001-11 experienced a decline in total IPO proceeds compared to the 1990s, saw a 15% increase during 2012-22, which also contributed to the increased importance of Asian equity markets during the past decade. The participation of Latin American companies in global capital markets has declined, with their amount of capital raised via IPOs contracting by 38% between 2001-11 and 2012-22.

The surge in IPOs of Asian companies has led to an increase in the share of Asian listed companies in all listed companies. At the beginning of 2023, 56% of the world's listed companies were listed on Asian stock exchanges, together representing 30% of the market capitalisation of the world's listed companies.

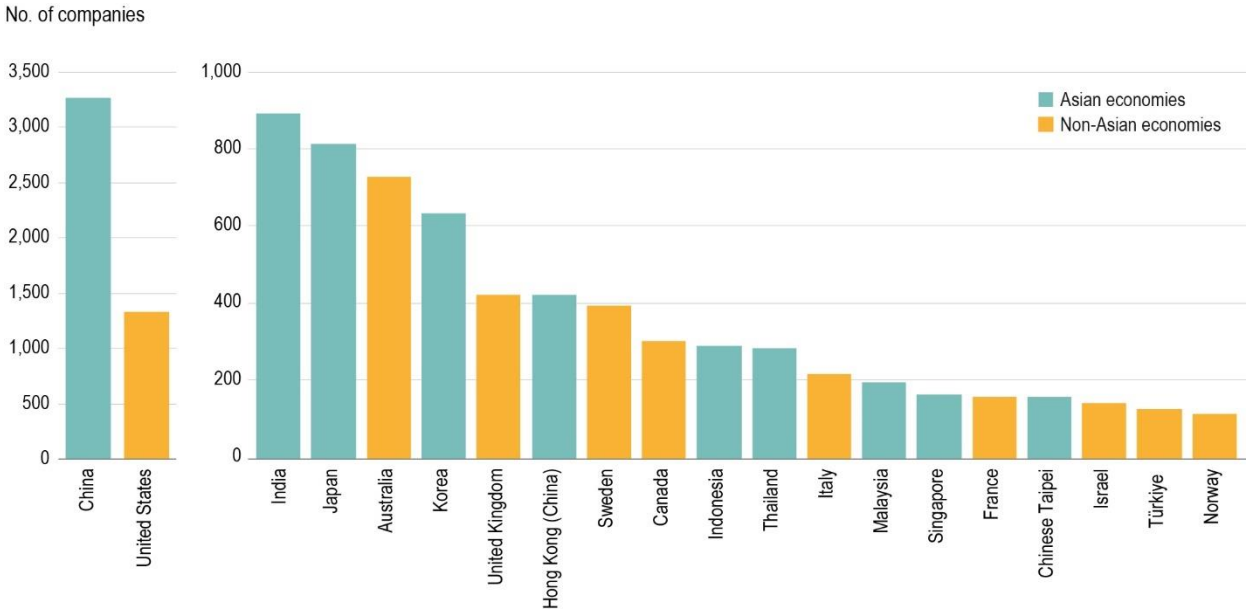
Figure 1.2. Initial public offerings (IPOs), total amount raised



Note: Initial public offerings in this report are defined as those listing on the main market where the capital raised is greater than zero. Therefore, direct listings are not recorded as an IPO in this database. The figure shows data for companies doing an initial public offering domiciled in 205 economies. More detailed information is provided in the Methodology for Public equity data in Annex 1.A of this Chapter.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

The shift towards Asia has been even more pronounced with respect to the number of IPOs by non-financial companies. Chinese non-financial companies have been the world's most frequent users of IPOs during the past decade, with about two and a half times as many IPOs as US companies (Figure 1.3). Moreover, other Asian markets – India, Japan, Korea and Hong Kong (China) – also rank among the top ten IPO markets globally. Importantly, several emerging Asian markets (shown in blue in Figure 1.3), such as Indonesia, Thailand and Malaysia, rank higher in terms of IPOs than most advanced non-Asian economies (shown in orange). Only one EU member state – Sweden – is in the top ten.

Figure 1.3. Top 20 jurisdictions by number of non-financial company IPOs between 2013 and 2022



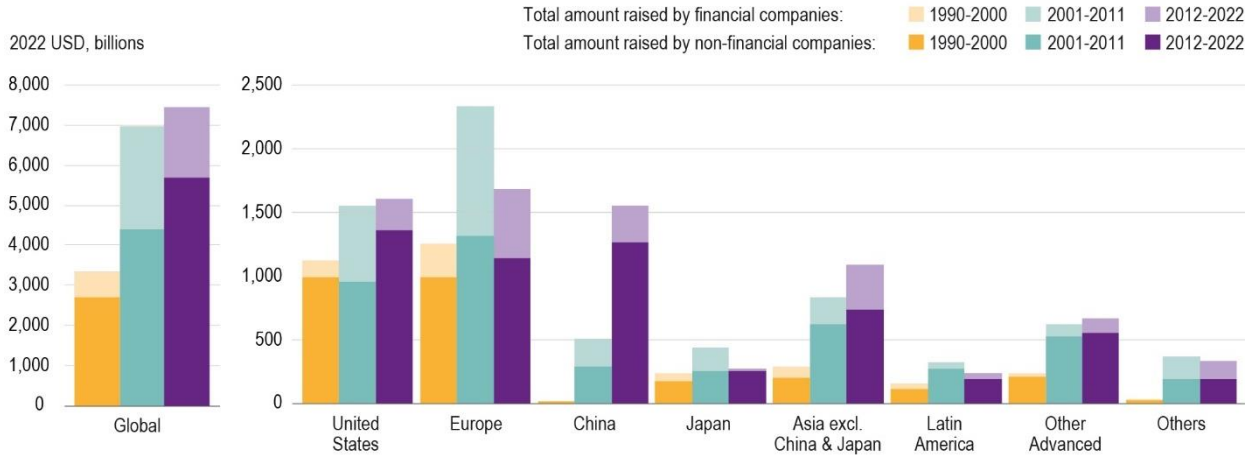
Note: The figure shows data for the top 20 economies by total number of initial public offerings. Companies are recorded by their domicile, not where they list. More detailed information is provided in the Methodology for Public equity data in Annex 1.A of this Chapter.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

1.4. Secondary public offerings trends

Secondary public offerings (SPOs or follow-on offerings) allow companies that are already listed to continue raising equity capital on primary markets after their IPO. The proceeds from the SPO may be used for a variety of purposes and can also help fundamentally sound companies to bridge a temporary downturn in economic activity. In this regard, SPOs played an important role in providing the corporate sector with equity in the wake of the 2008 financial crisis as well as during the COVID-19 crisis.

The use of SPOs as a source of financing has gained momentum over the last two decades. In 2020, non-financial companies raised a record USD 708 billion via SPOs. The proceeds raised between 2012 and 2022 worldwide totalled USD 7.4 trillion, which is more than twice the amount raised during the 1990s. All regions experienced an increase in the use of SPOs (Figure 1.4). In Europe and the United States – the dominant regions in terms of SPO volume – the proceeds increased by over one-third between 1990-2000 and 2012-22. While the use of SPOs was marginal in China during the 1990s, Chinese companies raised USD 1.55 trillion in equity through SPOs between 2012 and 2022, which represents 21% of the total equity raised in the world through SPOs during that period.

Figure 1.4. Secondary public offerings (SPOs), total amount raised



Note: All public equity listings following an IPO, including the first-time listings on an exchange other than the primary exchange, are classified as a SPO. The figure shows data for 206 economies. More detailed information is provided in the Methodology for Public equity data in Annex 1.A.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

The steady growth in SPOs worldwide has also shifted the importance of public equity financing from IPOs to SPOs with respect to the total funds raised. While in the 1990s, SPOs accounted for half of the proceeds raised in public equity markets (IPOs and SPOs combined), since the early 2000s this share has been increasing, reaching a record 89% of the total proceeds in 2009. The United States and Europe experienced both a decrease in IPOs and an increase in SPOs. The increasing needs of already listed companies for capital to continue expanding partly explain this increase in SPOs. In addition, listed companies in these markets regularly acquire smaller non-listed companies, and these acquisitions may be financed through SPOs.

1.5. Changes in the corporate ownership and investor landscape

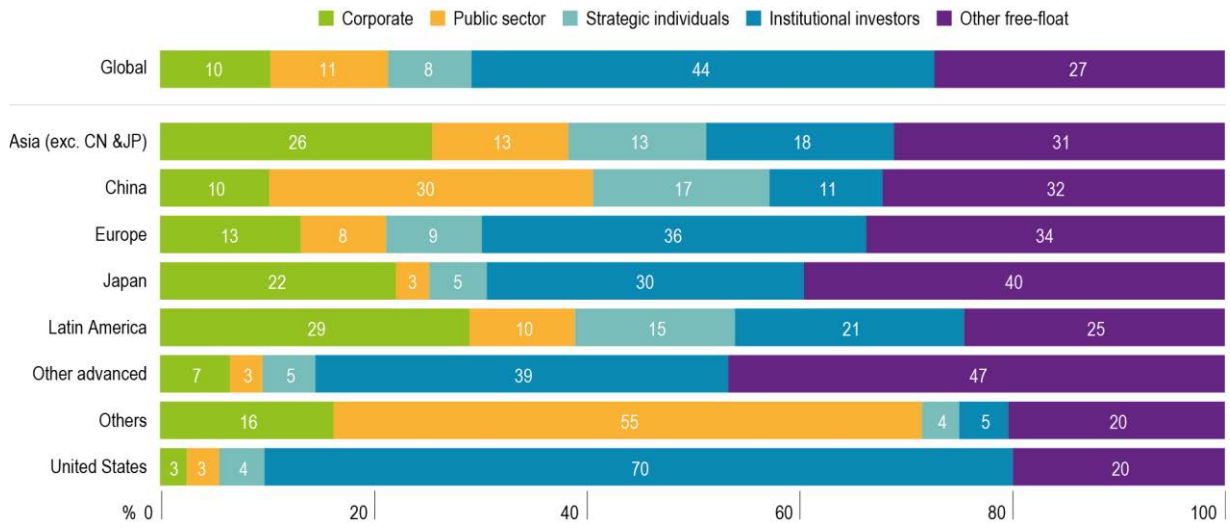
Today's equity markets are characterised by the prevalence of concentrated ownership in listed companies and a wide variety of ownership structures across countries. Historically, however, most of the corporate governance debate has focused on situations with dispersed ownership, where the challenge of aligning the interests of shareholders and managers dominates. Recent developments have shifted ownership structures of listed companies towards concentrated ownership models. The first factor contributing to this is the increasing importance of Asian companies in stock markets. Since Asian companies often have a controlling shareholder – either a corporation, family or the state – their growing presence in capital markets has increased the prevalence of controlled companies. The second factor impacting concentration at the company level is the rise of institutional investors. While assets under management by institutional investors have increased during the last two decades, many companies in advanced economies have left public equity markets. Therefore, a growing amount of funds flowing into a decreasing number of companies has increased ownership concentration at the company level. The third factor has been the partial privatisation of many state-owned companies through stock market listings since the 1990s. In many cases, privatisation through stock market listings has not led to any change in control and today states have controlling stakes in a large number of listed companies, particularly in emerging Asian markets.

This section provides a global overview of the ownership of listed companies, both in terms of the different categories of investors and the degree of ownership concentration at the company level. Table 1.1 provides characteristics related to these categories of shareholders and the extent of ownership

concentration across companies that issue equity on the regulated or main markets in the 49 jurisdictions covered by the Factbook.

The findings presented in Figure 1.5 build on firm-level ownership information from almost 31 000 listed companies from 100 different markets. Together, these companies represent 98% of global stock market capitalisation. Using ownership information for each company, investors were classified into five categories following (De La Cruz, Medina and Tang, 2019[3]): private corporations, public sector, strategic individuals, institutional investors and other free-float. Figure 1.5 shows the distribution of shareholdings among these five different investor categories at the global and regional levels. At the global level, institutional investors are the largest investors and own 44% of global market capitalisation, followed by the public sector with 11%, private corporations with 10%, and strategic individuals with 8%. The remaining 27% free-float is owned by shareholders who do not reach the threshold for mandatory disclosure of their shareholdings and by retail investors who are not required to disclose their shareholdings.

Figure 1.5. Investors' public equity holdings, end 2022



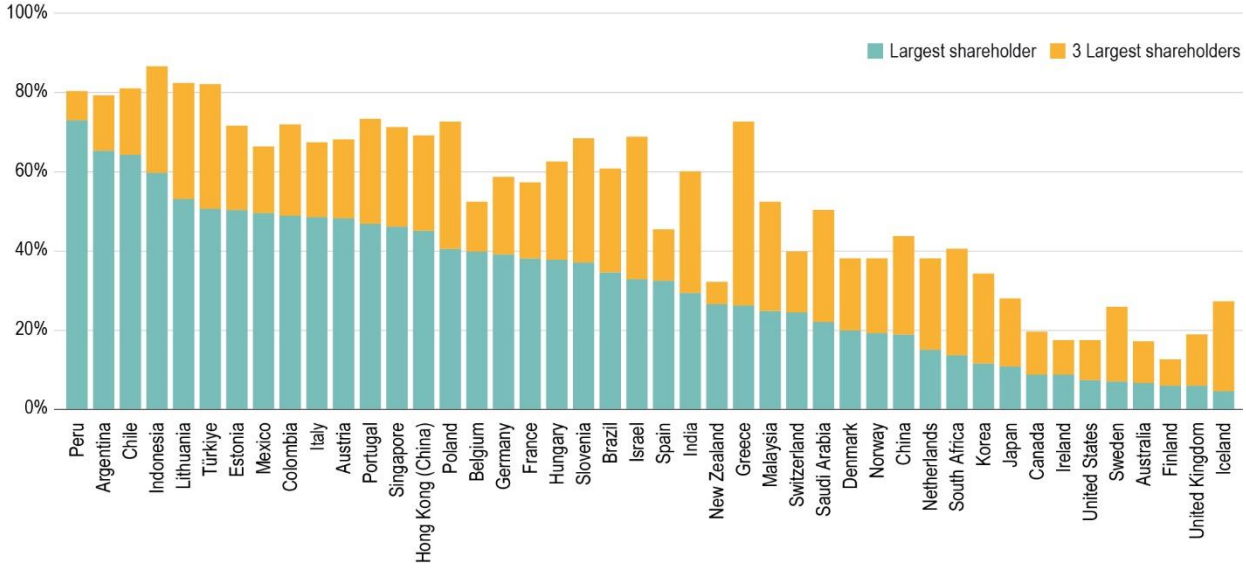
Note: The figure shows the overall ownership share by market capitalisation of the categories of owners for 31 000 listed companies from 100 different economies for which there is firm-level ownership information. See the Methodology for Ownership data in Annex 1.A for more detailed information.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

Figure 1.5 also shows how the importance of the different investor categories varies across markets. Institutional investors are by far the most dominant shareholders in the United States, where they own at least 70% of equity, with some of the unreported free-float also likely to be owned by them. Institutional investors are also the largest investors in Europe, Japan and other advanced markets. In China, institutional investors are the smallest investors, owning around 11% of market capitalisation, and the public sector is the largest investor, owning almost 30% of all equity. The public sector is also a significant owner in Asia (excluding China and Japan) with a 13% ownership. Corporations are important owners in some regions. This is the case in Latin America and Asia (excluding China and Japan) where corporations own 29% and 26% of market capitalisation respectively, and in Japan where they own 22%. These figures suggest that private corporations and holding companies are important owners in listed companies, and in many cases also the presence of group structures.

1.6. The prevalence of concentrated ownership

The degree of ownership concentration in an individual company is not only important for the relationship between owners and managers, it may also require additional focus on the relationship between controlling owners and non-controlling owners. The ownership structure in most markets today is characterised by a high degree of concentration at the company level. Figure 1.6 shows the share of companies in each jurisdiction where the single largest shareholder and the three largest shareholders own more than 50% of the company's equity capital. In half of the markets, at least one-third of all listed companies have a single owner holding more than 50% of the equity capital. In **Peru**, **Argentina**, **Chile** and **Indonesia**, more than 60% of companies have a single shareholder holding more than half of the equity capital.

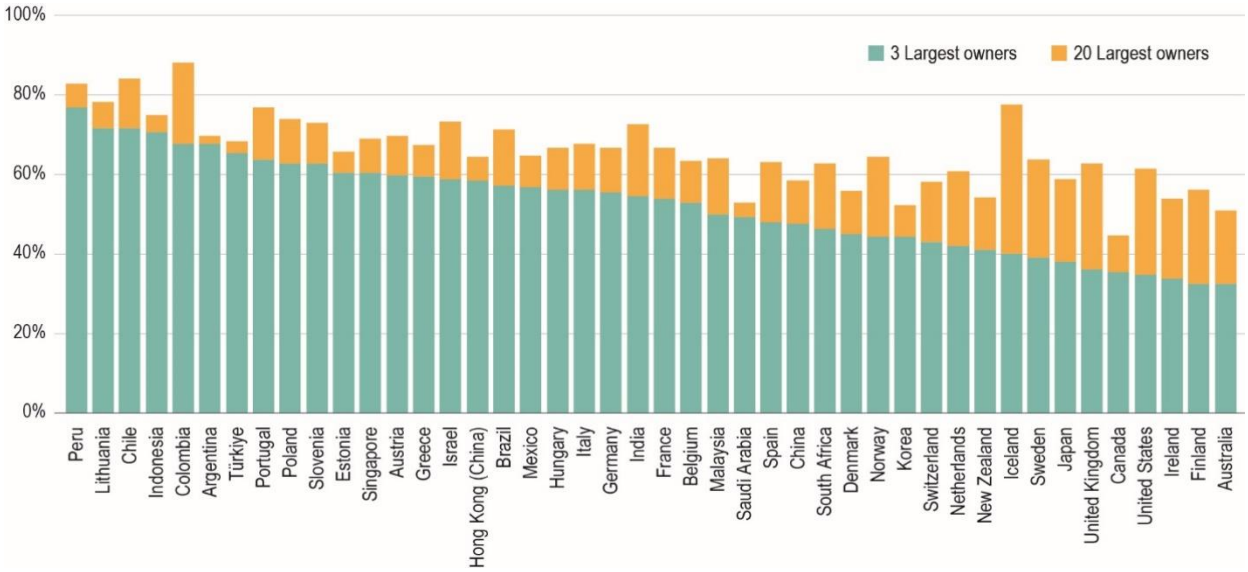
Figure 1.6. Ownership concentration by market, end 2022



Note: The figure presents the share of companies where the largest and three largest shareholder(s) hold more than 50% of the equity as share of the total number of listed companies in each market across 44 out of the 49 Factbook jurisdictions. Factbook jurisdictions with less than ten companies with ownership information are excluded from the figure: Costa Rica, the Czech Republic, Latvia, Luxembourg and the Slovak Republic. See the Methodology for Ownership data in Annex 1.A for more detailed information.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

Figure 1.7 provides a closer look at ownership concentration at the company level in each market by showing the average combined holdings of the three largest and 20 largest shareholders. In 25 of 44 jurisdictions, the three largest shareholders own on average more than 50% of the company's equity capital. The markets with the lowest ownership concentration, measured as the combined holdings of the three largest shareholders, are **Australia**, **Finland**, **Ireland**, the **United States**, **Canada** and the **United Kingdom**, where the three largest shareholders still own a significant average combined holding, ranging between 33% and 36% of the company's equity capital. Moreover, in all these jurisdictions, the 20 largest shareholders own on average between 45% and 63% of the company's capital.

Figure 1.7. Ownership concentration at the company level, end 2022



Note: The figure shows ownership concentration at the company level for each market. It shows the average combined holdings of the three and 20 largest owners respectively across 44 out of the 49 jurisdictions covered by the Factbook. Factbook jurisdictions with less than ten companies with ownership information are excluded from the figure: Costa Rica, the Czech Republic, Latvia, Luxembourg and the Slovak Republic. See the Methodology for Ownership data in Annex 1.A for more detailed information.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

Table 1.1 provides a comparison of ownership concentration across the Factbook's 49 jurisdictions based on the percentage of companies where the three largest shareholders own at least 50% of the shares. In 39 of the jurisdictions, the three largest owners hold more than 50% of the equity capital in at least one-third of all listed companies.

1.7. Trends in corporate bond financing

While the means and processes differ from those of shareholders, bondholders play an important role in defining the boundaries of corporate actions and in monitoring corporate performance. This is particularly salient in times of financial distress. Like equity, bonds typically provide longer-term financing than traditional bank loans and serve as a useful source of capital for companies seeking to diversify their capital base.

Since the 2008 financial crisis, corporate bonds have become both an important source of financing for non-financial corporations and an important asset class for investors. The low cost of debt resulting from sustained periods of expansive monetary policy has incentivised more, and riskier, issuers to borrow, using both corporate bonds and other instruments. In 2020, at the onset of the COVID-19 pandemic, non-financial companies rushed to tap corporate bond markets, issuing a record USD 3.3 trillion. In 2021, total issuance declined to USD 2.7 trillion, and in 2022, a tighter monetary policy environment increased the cost of debt, causing issuance to fall by more than a third to a total of USD 1.7 trillion.

Annual corporate bond issuance almost doubled from an average of USD 1.2 trillion during the 2001-11 period to USD 2.3 trillion during the 2012-22 period (Figure 1.8). In many countries, the increasing use of corporate bonds has been supported by regulatory initiatives aimed at stimulating their use as a viable source of long-term funding for non-financial companies. Except in the case of Japan, the figure shows that amounts issued have consistently increased since 1990. Importantly, while corporate bond issuances in China were negligible in the 1990s, since 2012 they have grown significantly. A similar trend has been

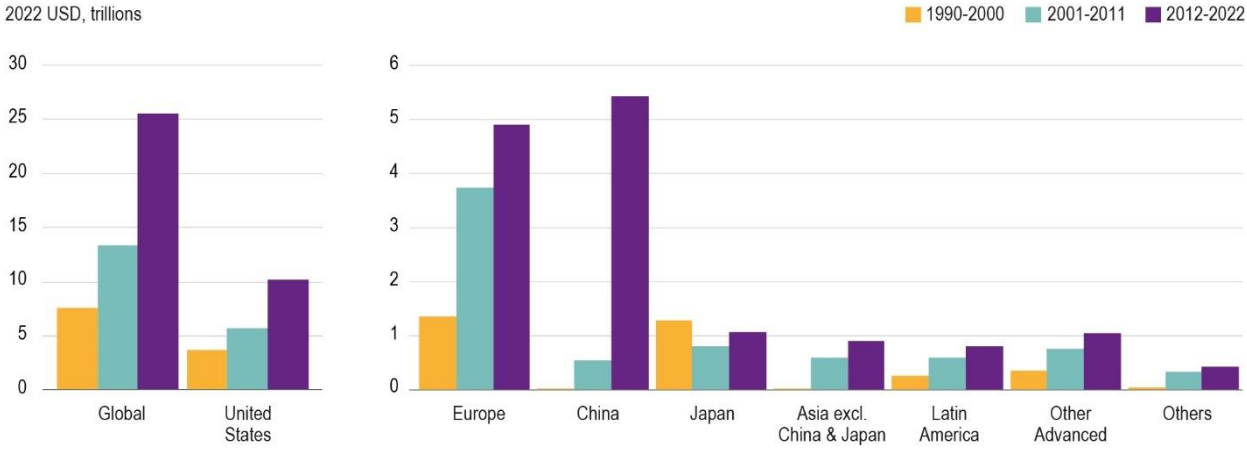
observed in Asia (excluding China and Japan) where non-financial corporate bond issuances were 40 times higher during the 2012-22 period compared to the 1990-2000 period. In Europe, issuances since 2012 have almost quadrupled from the amount issued between 1990 and 2000. In the United States, corporate bond issuances by non-financial corporations almost tripled during the 2012-22 period compared to the 1990s.

An important characteristic of global bond markets is the dominance of US corporate bond issuers. US companies are the largest users of corporate bonds, accounting for 40% of total issuances between 2012 and 2022. Over the same period, Chinese and European corporate bond issuances accounted for 21% and 19% of global issuances respectively.

This surge in the use of corporate bond financing has further highlighted the role of corporate bonds in corporate governance. For example, covenants, which are clauses in a bond contract that are designed to protect bondholders against actions that issuers can take at their expense, may have a strong influence on the governance of issuer companies. Covenants may range from specifying the conditions for dividend payments to clauses that require issuers to meet certain disclosure requirements.

One important feature of global corporate bond markets has been the decline in credit quality since 1990. Each year since 2010, with the exception of 2018 and 2022, more than 20% of the total amount of all bond issues was non-investment grade. In 2021, 35% of all non-financial corporate bond issuances was non-investment grade. As a result of the tightening financing conditions in 2022, the share of non-investment grade bonds dropped to 14% of all bond issuances. Importantly, over the last four years, the share of BBB rated bonds – the lowest investment grade rating – on average accounted for 54% of all investment grade issuance, higher than in previous years.

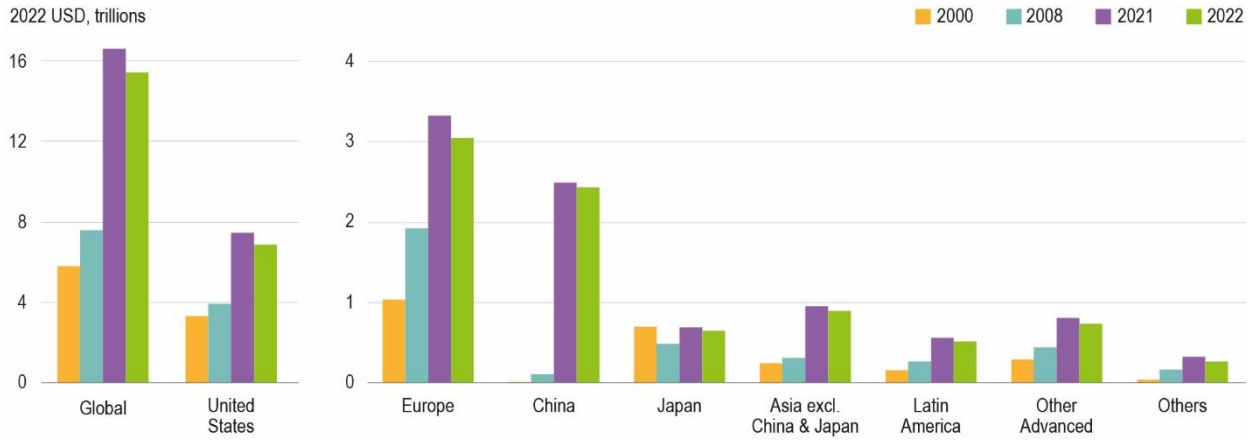
Figure 1.8. New issuance of non-financial corporate bonds



Note: See the Methodology for Corporate bond data in Annex 1.A for more detailed information.
Source: OECD Capital Market Series dataset, Refinitiv.

The global outstanding amount of non-financial corporate bonds reached a record level in 2021, amounting to USD 16.6 trillion in real terms, more than twice the 2008 amount. A similar pattern was observed in all regions. The outstanding amount of non-financial corporate bonds dropped to USD 15.4 trillion in 2022 as a result of the contraction in new issuances that year. Almost 45% of the outstanding amount of non-financial corporate bonds corresponds to US bonds, followed by European and Chinese bonds representing 20% and 16% of the total outstanding amount respectively. The outstanding amount of bonds issued by non-financial companies in Asia (excluding China and Japan) represented 6% of the total outstanding amount. Other regions' outstanding amounts represented less than 5% of the total in 2022 (Figure 1.9).

Figure 1.9. Outstanding amount of non-financial corporate bonds



Note: See the Methodology for Corporate bond data in Annex 1.A for more detailed information.
Source: OECD Capital Market Series dataset, Refinitiv.

1.8. Corporate sustainability

All Factbook jurisdictions have established relevant provisions, specific requirements or recommendations with respect to sustainability-related disclosure that apply to at least large listed companies.

The corporate sector plays a central role in advancing the transition to a sustainable, low-carbon economy. In fact, climate change is a financially material risk for listed companies representing two-thirds of global market capitalisation. Human capital, human rights and community relations, water and wastewater management and supply chain management, among other sustainability matters, are also critical risks for many listed companies (OECD, 2022[4]). This is why the revised *G20/OECD Principles of Corporate Governance* issued in 2023 include a new chapter on corporate sustainability and resilience, and why the Factbook also includes a new section on corporate sustainability issues (OECD, 2023[5]). The new chapter in the *Principles* presents a range of recommendations on corporate disclosure, the dialogue between a company and its shareholders and stakeholders on sustainability-related matters, and the role of the board in addressing these matters.

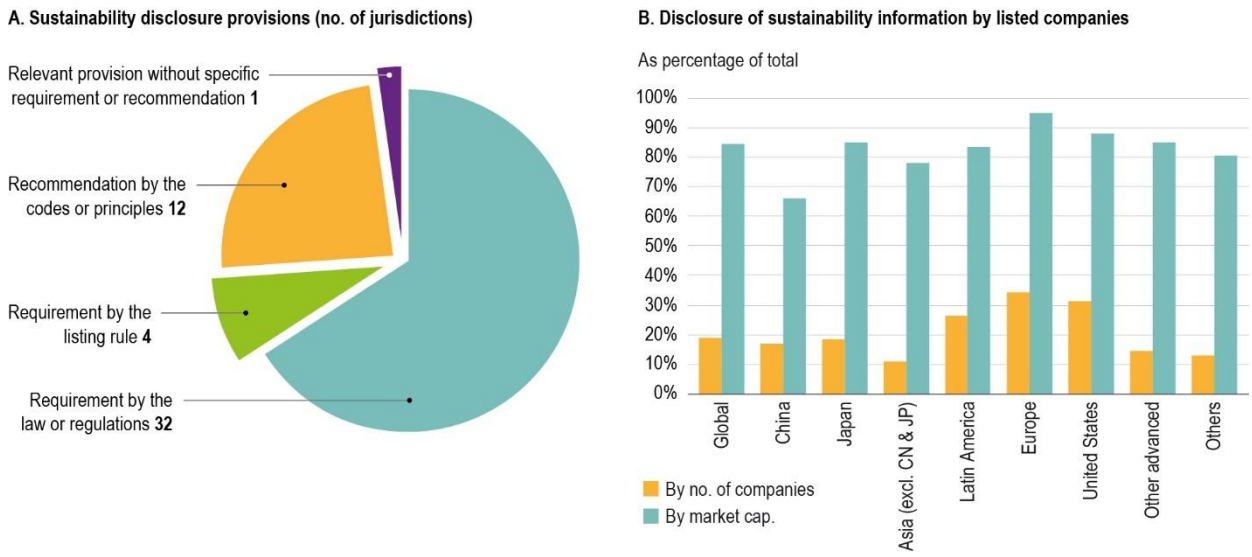
The *Principles* recognise sustainability-related disclosure as essential to ensure the efficiency of capital markets and to allow shareholders to exercise their rights on an informed basis. All the jurisdictions surveyed have established relevant provisions, specific requirements or recommendations with respect to sustainability-related disclosure. A requirement in the law or regulations has been established in nearly two-thirds of the jurisdictions, while a requirement in listing rules has been established in 8% of the jurisdictions (Figure 1.10). In 24% of the jurisdictions, sustainability-related disclosure is a recommendation provided by codes or principles, including frameworks set by the regulator or stock exchange following a "comply or explain" approach. In terms of the applicability of such relevant provisions, specific requirements or recommendations, sustainability information must or is recommended to be disclosed only by listed companies in 25 jurisdictions, while in the other 24 jurisdictions such disclosure framework covers both listed and non-listed companies.

In the European Union, the 2014 Non-Financial Reporting Directive (NFRD) has been the main source for member countries' sustainability-related disclosure requirements. The NFRD requires listed companies, as well as non-listed companies that are public interest entities above certain thresholds, to disclose sustainability information. However, companies may choose the disclosure standard they prefer to use. The 2022 Corporate Sustainability Reporting Directive (CSRD) will generate some important changes in

EU member countries' regulatory frameworks. One of the most relevant changes introduced by the CSRD is that companies subject to the new Directive will have to disclose sustainability-related information according to the EU Sustainability Reporting Standards (ESRS), which are being developed by the European Financial Reporting Advisory Group (EFRAG).

As a result of existing sustainability-related disclosure provisions, along with the growing consideration investors are devoting to sustainability-related information, almost 8 000 companies listed in 73 markets globally disclosed sustainability information in 2021. These companies represent 84% of global market capitalisation, ranging from 66% in China where sustainability-related disclosure is only recommended to 95% in Europe (Figure 1.10, Panel B). Notwithstanding, these companies represent only 19% of all listed companies globally, ranging from 17% in China to 34% in Europe (Figure 1.10, Panel B). This difference between the market capitalisation and number of companies ratios may be partially explained by the fact that 30 of the jurisdictions allow smaller listed companies not to disclose sustainability-related information (Table 1.3). Moreover, in the 12 jurisdictions that only recommend the disclosure of sustainability-related information, large listed companies may be more responsive to institutional investor demand for such information.

Figure 1.10. Sustainability-related disclosure with 2021 information



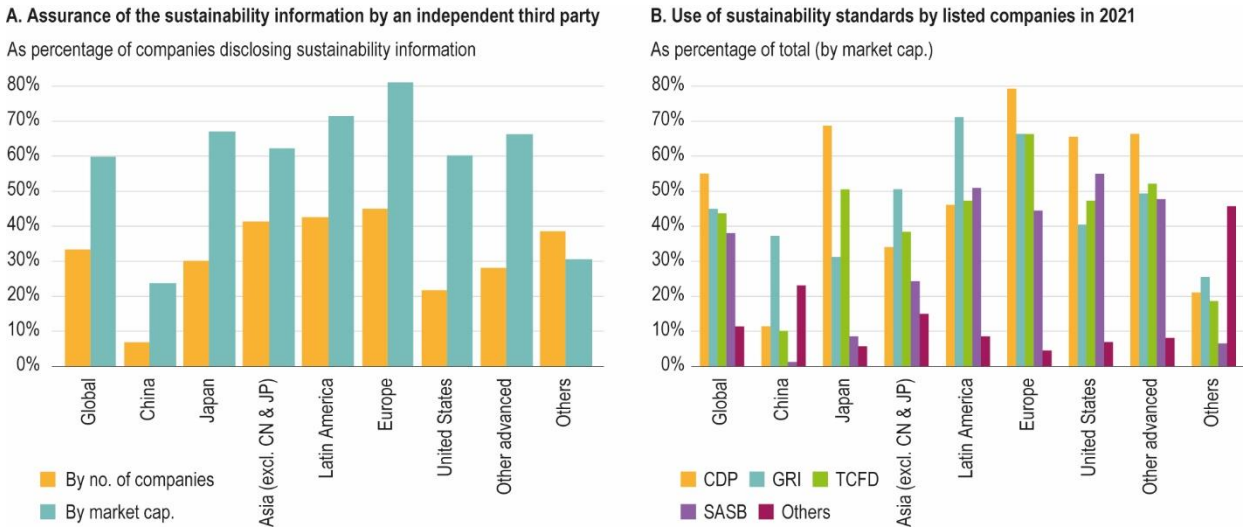
Note: Panel A is based on 49 jurisdictions. The "as percentage of total by no. of companies and by market cap" in Panel B includes all listed companies in each region. For instance, out of 42 019 listed companies worldwide with a total market capitalisation of USD 122 trillion in December 2021, 7 926 listed companies totalling USD 103 trillion of market capitalisation disclosed sustainability-related information. See the Methodology for Corporate sustainability data in Annex 1.A for more detailed information.
Source: Table 1.3; OECD Corporate Sustainability dataset, Refinitiv, Bloomberg.

Investors' confidence in sustainability-related information may be strengthened when the information is reviewed by an independent third party. This is why the *Principles* recommend that the "phasing in of requirements should be considered for annual assurance attestations by an independent, competent and qualified attestation service provider." In 2022, almost 2 700 companies that account for 60% of those that disclosed sustainability-related information by market capitalisation globally, hired an independent third party for the assurance of 2021 sustainability-related information (Figure 1.11, Panel A). Europe has the highest share of companies providing assurance of sustainability-related information, where 81% of the companies that disclosed sustainability-related information by market capitalisation, hired an independent third party.

The consistency, comparability, and reliability of sustainability-related information can also be reinforced if it follows "high quality, understandable, enforceable and internationally recognised standards", as recommended by the *Principles*. Of the 49 jurisdictions surveyed, six (**Australia**, **Canada**, **Colombia**, **Japan**, **Singapore**, and the **United Kingdom**) require or recommend the use of an international disclosure standard, while another 11 require or recommend a local one (Table 1.3). The remaining 32 jurisdictions allow companies to disclose their sustainability-related information according to the reporting framework of their choice.

Currently, listed companies often disclose a full (or partial) alignment with one or more international reporting standards. Global Reporting Initiative (GRI) standards, Task Force on Climate-Related Financial Disclosure (TCFD) recommendations or SASB standards were used in their 2021 sustainability-related disclosure by companies representing an average of 42% of global market capitalisation (Figure 1.11, Panel B). The CDP questionnaires, formerly known as Climate Disclosure Project, were used by listed companies representing 55% of market capitalisation globally. Regional variations in the use of standards are noteworthy. For instance, TCFD recommendations were prominent in most regions except in China and Others, and SASB standards were used less in China, Japan, and Others.

Figure 1.11. Assurance of the sustainability information and use of sustainability standards

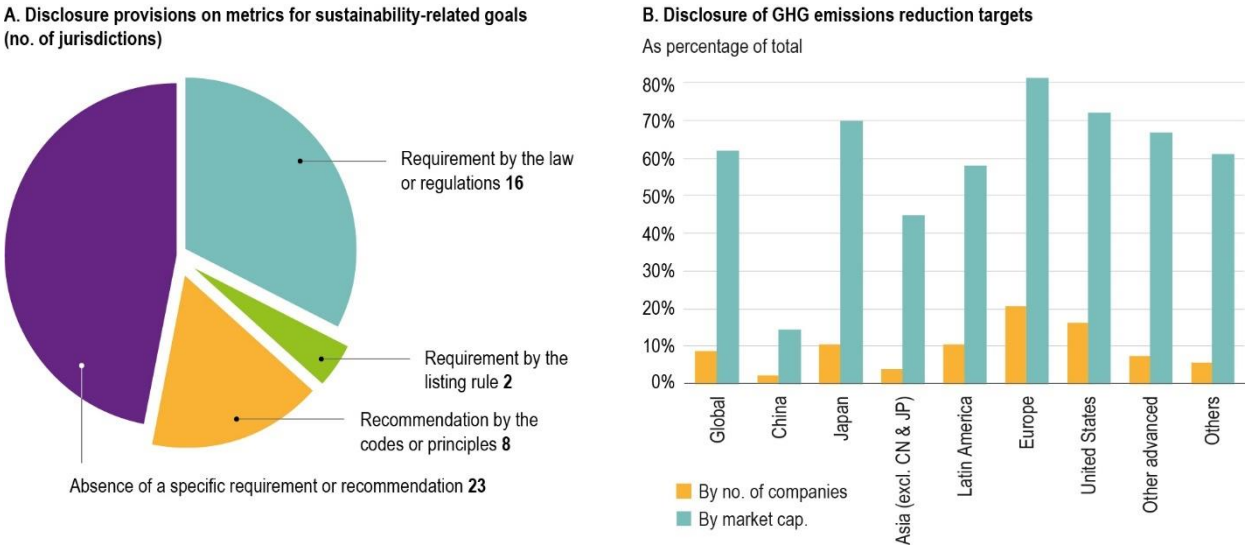


Note: In Panel A, the "as percentage of companies disclosing sustainability information by no. of companies and by market cap." includes all companies that disclosed sustainability information in each region. In Panel B, the "as percentage of total by market cap." includes all listed companies in each region. The sustainability disclosure can be either partially or fully compliant with a reporting standard ("Yes" refers both to full and partial compliance). The category "Others" for sustainability standards contains all companies that disclosed sustainability information (see Figure 1.10, Panel A) but that did not report compliance with any specific reporting standard among the four highlighted in the figure. While the CDP questionnaires would not typically be considered a sustainability-related disclosure standard, they are included in the analysis in Panel B because the questionnaires are an important framework for a majority of listed companies by market capitalisation globally.
Source: OECD Corporate Sustainability dataset, Refinitiv, Bloomberg.

In addition to recommending the disclosure of all sustainability-related material information, the *Principles* add the specific recommendation that, "if a company publicly sets a sustainability-related goal or target, the disclosure framework should provide that reliable metrics are regularly disclosed in an easily accessible form." This is important to allow investors to assess the credibility of, and progress towards meeting an announced goal or target. Fifty-three percent of the jurisdictions surveyed already require or recommend the disclosure of metrics for sustainability-related goals. In 16 jurisdictions, a requirement has been established in the law or regulation, while in two of them the requirement has been established in the listing rules. In eight jurisdictions, the disclosure of such metrics is recommended in codes or principles (Figure 1.12, Panel A).

One of the most relevant sustainability-related metrics for many companies is greenhouse gases (GHG) emissions. More than 5 000 listed companies representing 72% of global market capitalisation publicly disclosed their 2021 GHG emissions resulting directly from their activities and indirect emissions related to their energy consumption (known as scope 1 and scope 2 GHG emissions respectively), and 3 300 companies (56% of market capitalisation) disclosed the emissions generated in their supply chains, (known as scope 3 GHG emissions) (OECD Corporate Sustainability dataset, Refinitiv, Bloomberg). Companies are complementing these performance measurements with the disclosure of GHG emissions reduction targets. With the exception of companies listed in China, companies representing at least 40% of market capitalisation in the other selected regions disclose GHG emissions reduction targets, with higher shares in Europe, the United States and Japan (Figure 1.12, Panel B).

Figure 1.12. Metrics for sustainability-related goals and GHG emissions reduction targets



Note: Panel A is based on 49 jurisdictions. The "as percentage of total by no. of companies and by market cap." in Panel B includes all listed companies in each region. Information in Panel B includes companies that set targets or objectives to be achieved on emissions reduction – in scope are the short-term or long-term reduction targets to be achieved on emissions to land, air or water from businesses operations.
Source: Table 1.3; OECD Corporate Sustainability dataset, Refinitiv, Bloomberg.

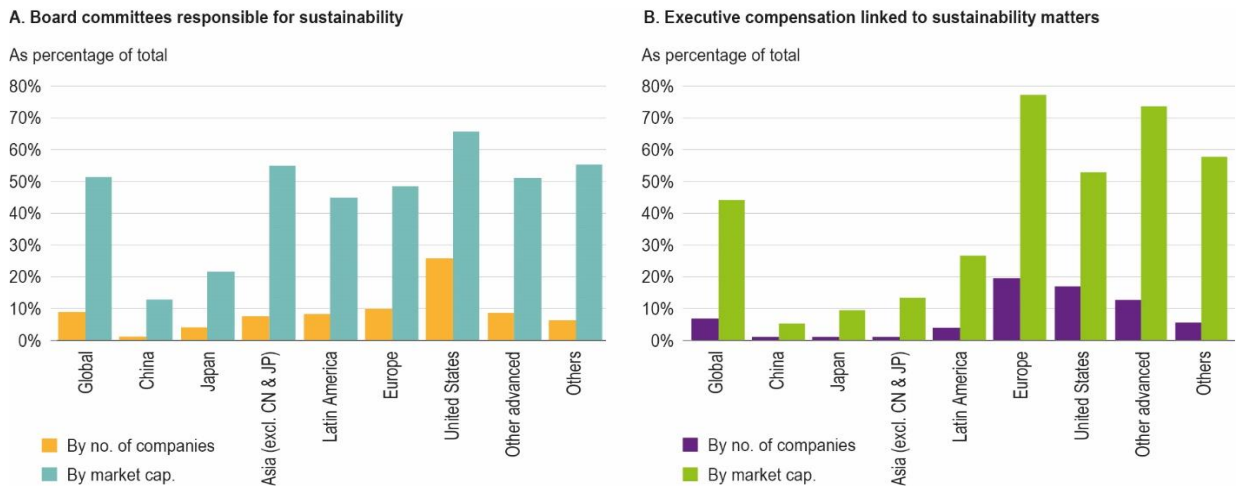
The *Principles* recommend that "the corporate governance framework should ensure that boards adequately consider material sustainability risks and opportunities when fulfilling their key functions". In half of the jurisdictions surveyed, boards are explicitly required or recommended to approve policies on sustainability-related matters such as sustainability plans and targets, as well as internal control policies and management of sustainability risks. This is a legal or regulatory requirement in eight countries (**Belgium**, **France**, **Greece**, **Hungary**, **Indonesia**, **Poland**, **Portugal**, and **Switzerland**); a listing rules requirement in three jurisdictions (**Hong Kong (China)**; **Singapore**; and **South Africa**); and a recommendation in 14 jurisdictions (Table 1.4). In the other half of the jurisdictions, there are no explicit requirements on board responsibilities for sustainability-related policies but, depending on the materiality of the sustainability matter for the company, broad directors' duties may apply. This is the case in **Australia** and **Norway**, for example.

Boards may establish a new committee or expand the role of an existing one to support the board's role in monitoring and guiding sustainability-related governance practices, disclosure, strategy, risk management and internal control systems. Globally, companies representing half of total market capitalisation have a board committee responsible for sustainability, regardless of the specific name attributed to such committee (Figure 1.13, Panel A). The share of companies that have such a committee is above the global

average in the United States (65% of market capitalisation), Others (55%) and Asia excl. China and Japan (54%), while it is less common in Japan (21%) and China (13%).

Boards may also use sustainability-related metrics when determining executive remuneration or nomination policies. In Europe and Other advanced, over 70% of companies by market capitalisation link their executive compensation to sustainability matters, and in the United States and Others, between 50% and 60% do so. In the other regions, these shares range from 5% in China to 27% in Latin America (Figure 1.13, Panel B).

Figure 1.13. Board committees and executive compensation



Note: The "as percentage of total by no. of companies and by market cap." includes all listed companies in each region. In Panel A, a company is considered to have such a committee if its responsibilities explicitly include oversight of CSR, sustainability, health and safety, and energy efficiency activities, regardless of the name of the committee. For example, a company with a "risk management committee" would be included in the category "Yes" if mentioned committee is responsible for managing sustainability risks. In Panel B, the compensation policy includes remuneration for the CEO, executive directors, non-board executives, and other management bodies based on "ESG or sustainability factors".
Source: OECD Corporate Sustainability dataset, Refinitiv, Bloomberg.

The *Principles* recommend that corporate governance frameworks require ESG rating and data providers, as well as index providers, where regulated, to disclose and minimise conflicts of interest that might compromise the integrity of their analysis and advice. The *Principles* also state that the methodologies used by ESG rating and index providers should be transparent and publicly available. In Europe, the administration of indices used as benchmarks is subject to EU Regulation 2016/1011 (EU Benchmarks Regulation), which includes rules on governance, conflicts of interest, and benchmark transparency to users. Index providers must be authorised or registered by their competent national authority to ensure that the indexes they provide can be used in the European Union, but requirements vary depending on the importance of the benchmark concerned. The EU Benchmarks Regulation applies to different types of indices (i.e. not only to ESG index providers), but an amendment implemented by EU Regulation 2019/2089 introduced new rules applicable specifically to "EU Climate Transition Benchmarks" and "EU Paris-aligned Benchmarks index providers".

Outside the European Union, index providers – including ESG index providers – are only regulated in **China** and in the **United Kingdom** among the Factbook jurisdictions (Table 1.4). Policies for the management of conflicts of interest and their disclosure for ESG rating providers are not widespread across the legal frameworks of the Factbook jurisdictions and are still a developing practice.

Table 1.1. Regulated markets and their ownership characteristics, 2022

Jurisdiction	Regulated market size		Ownership coverage		Ownership by investor category (%)*					Ownership concentration
	Total market capitalisation [USD-Million]	No. of listed companies	Total market capitalisation (%)	No. of listed companies	IIs	PS	SI	PC	OFF	(% of companies where 3 largest shareholders own >50%)
Argentina	46 079	82	94	43	6	22	18	23	30	79
Australia	1 671 163	1976	98	1223	29	2	5	4	59	17
Austria	117 118	53	100	50	24	23	6	19	28	68
Belgium	318 084	103	99	88	38	3	7	24	29	52
Brazil	786 762	355	100	326	29	14	8	24	25	61
Canada	2 199 632	1419	99	982	47	4	4	7	39	20
Chile	164 093	177	99	125	12	1	14	54	18	81
China	12 157 764	4911	97	4421	11	30	17	10	32	43
Colombia	68 636	59	99	39	13	36	9	32	10	72
Costa Rica	1 984	6	-	-	-	-	-	-	-	-
Czech Republic	28 344	11	100	10	9	46	4	16	25	100
Denmark	608 540	121	100	111	34	6	2	22	36	38
Estonia	4 731	20	99	14	7	30	13	19	31	71
Finland	298 742	129	100	119	35	15	7	5	38	13
France	2 833 497	355	100	325	28	7	17	15	33	57
Germany	1 993 321	804	100	514	27	9	9	19	36	59
Greece	57 096	137	96	65	17	11	14	24	35	72
Hong Kong (China)	3 364 087	2411	98	1632	18	12	18	20	32	69
Hungary	20 908	40	99	24	32	3	4	21	40	63
Iceland	14 306	22	100	22	45	7	6	16	25	27
India	3 407 859	4960	99	1539	21	15	12	32	20	60
Indonesia	607 597	823	97	551	8	16	13	39	23	87
Ireland	81 332	24	100	23	49	11	3	4	33	17
Israel	230 155	493	100	464	33	1	20	20	26	69
Italy	653 102	214	100	207	31	11	11	11	36	67
Japan	5 366 978	3904	100	3877	30	3	5	22	40	28
Korea	1 639 621	2331	99	2102	15	9	10	29	37	34
Latvia	490	11	77	4	18	32	6	36	8	75
Lithuania	5 069	25	97	17	3	38	12	29	18	82
Luxembourg	16 381	9	100	8	22	4	6	41	28	75
Malaysia	378 383	967	98	597	9	34	9	26	23	52
Mexico	465 048	143	98	115	18	1	29	22	30	66
Netherlands	899 804	98	100	87	38	3	7	22	31	38
New Zealand	96 421	121	96	87	18	17	5	8	52	32
Norway	390 707	208	100	205	28	34	7	12	19	38

Jurisdiction	Regulated market size		Ownership coverage		Ownership by investor category (%)*					Ownership concentration
	Total market capitalisation [USD-Million]	No. of listed companies	Total market capitalisation (%)	No. of listed companies	IIs	PS	SI	PC	OFF	(% of companies where 3 largest shareholders own >50%)
Peru	70 911	112	97	55	4	9	5	72	10	80
Poland	145 676	390	99	255	28	16	13	20	23	73
Portugal	83 347	37	100	30	22	11	14	32	21	73
Saudi Arabia	2 626 679	250	93	168	1	84	2	3	10	50
Singapore	434 049	570	99	290	15	15	11	20	39	71
Slovak Republic	3 203	36	68	4	0	0	4	83	13	100
Slovenia	8 708	34	95	19	8	33	1	13	45	68
South Africa	392 542	216	100	176	24	14	3	23	36	40
Spain	606 921	125	100	108	25	7	15	14	40	45
Sweden	809 922	351	100	346	37	5	13	12	32	26
Switzerland	1 834 619	240	100	224	31	6	7	7	49	40
Türkiye	321 079	438	97	291	8	13	13	40	26	82
United Kingdom	2 920 760	1334	100	1247	60	6	3	6	25	19
United States	41 961 931	4812	100	4648	70	3	4	3	20	15

Key: Ownership by investor category: **IIs**: Institutional investors; **PS**: Public Sector; **SI**: Strategic Individual; **PC**: Private Corporation; **OFF**: Other free float.
Note: The number of listed companies on regulated markets is based on comparable figures excluding investment funds and real estate investment trusts (REITs) prepared as part of the OECD's work on "Owners of the World's Listed Companies" and updated with 2022 data. Companies that list more than one class of shares are considered as one company and only its primary listing is considered. Only companies listed on the regulated or main segments of the stock exchange are included here. See Methodology included in Annex 1.A for more information, as well as Box 1.1 for additional data related to alternative market segments.
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg; see De La Cruz, Medina and Tang (2019[3]) "Owners of the World's Listed Companies".

Table 1.2. The largest stock exchanges

Jurisdiction	Largest stock exchange		Group	Legal status	Self-listing
Argentina	MerVal	Bolsa y Mercados Argentinos (ByMA)	-	Joint stock company	Yes
Australia	ASX	Australian Securities Exchange	Domestic (ASX Ltd)	Joint stock company	Yes
Austria		Wiener Börse	CEESEG	Private corporation or association	No
Belgium		Euronext Brussels	Euronext	Joint stock company	(Holding)
Brazil	B3	B3 - Brasil Bolsa Balcão S.A.	-	Joint stock company	Yes
Canada	TMX	Toronto Stock Exchange	TMX	Joint stock company	Yes
Chile		Santiago Stock Exchange	-	Joint stock company	Yes
China	SSE	Shanghai Stock Exchange	-	State-controlled[1]	No
	SZSE	Shenzhen Stock Exchange	-	State-controlled	No
	BSE	Beijing Stock Exchange	-	State-controlled	No

Jurisdiction	Largest stock exchange		Group	Legal status	Self-listing
Colombia	BVC	Bolsa de Valores de Colombia	BVC	Joint stock company	Yes
Costa Rica	BNV	Bolsa Nacional de Valores	-	Private corporation or association	No
Czech Republic	PSE	Prague Stock Exchange	Wiener Börse	Joint stock company	No
Denmark		NASDAQ Copenhagen A/S	NASDAQ Nordic LTD[2]	Private corporation or association	(NASDAQ)
Estonia	TSE	Nasdaq Tallinn AS	NASDAQ Nordic LTD[2]	Joint stock company	(NASDAQ)
Finland	OMXH	NASDAQ Helsinki	NASDAQ Nordic LTD[2]	Private corporation or association	(NASDAQ)
France	-	Euronext Paris	Euronext	Joint stock company	(Holding)
Germany		Deutsche Börse	-	Joint stock company	Yes
Greece	ATHEX	Athens Exchange	-	Joint stock company	(HELEX)
Hong Kong (China)	SEHK	The Stock Exchange of HongKong Limited	-	Private corporation or association	Yes
Hungary	BSE	Budapest Stock Exchange	-	Joint stock company	No
Iceland		NASDAQ OMX Iceland	NASDAQ Nordic LTD[2]	Private corporation or association	(NASDAQ)
India[3]	NSE	National Stock Exchange	-	Joint stock company	No
	BSE	Bombay Stock Exchange	-	Joint stock company	No
Indonesia	IDX	Indonesia Stock Exchange	-	Private corporation or association	No
Ireland	ISE	Euronext Dublin	Euronext	Joint stock company	(Holding)
Israel	TASE	Tel Aviv Stock Exchange	-	Joint stock company	Yes
Italy		Borsa Italiana	Euronext	Joint stock company	(Holding)
Japan	TSE	Tokyo Stock Exchange	JPX	Joint stock company	(JPX)
Korea	KRX	Korea Exchange	-	Joint stock company	No
Latvia	XRIS	Nasdaq Riga	NASDAQ Nordic LTD[2]	Joint stock company	(NASDAQ)
Lithuania		Nasdaq Vilnius	NASDAQ Nordic LTD[2]	Private corporation or association	(NASDAQ)
Luxembourg	LSE	Luxembourg Stock Exchange	-	Private corporation or association	No
Malaysia	KLSE	Bursa Malaysia	-	Private corporation	Yes
Mexico[4]	BMV	Bolsa Mexicana de Valores	Domestic	Joint stock company	Yes
Netherlands	AMS	Euronext Amsterdam	Euronext	Joint stock company	(Holding)
New Zealand	NZX	NewZealand Exchange	-	Joint stock company	Yes
Norway	OSE	Oslo Stock Exchange	Euronext	Joint stock company	No
Peru	BVL	Bolsa de Valores de Lima (BVL)	Domestic (Grupo BVL)	Joint stock company	Yes
Poland	GPW	Warsaw Stock Exchange	GPW Group	State-controlled joint stock company	Yes
Portugal	ELI	Euronext Lisbon	Euronext	Joint stock company	(Holding)
Saudi Arabia	TASI	Saudi Exchange Tadawul	Tadawul Group	State-controlled joint stock company	No
Singapore	SGX	Singapore Exchange	-	Joint stock company	Yes
Slovak Republic	BSSE	Bratislava Stock Exchange	-	Joint stock company	No
Slovenia	LJSE	Ljubljana Stock Exchange	-	Joint stock company	No
South Africa	JSE	Johannesburg Stock Exchange Limited	JSE Limited	Joint stock company	Yes
Spain	BME	Bolsas y Mercados Espanoles	BME (Six Group Ltd)	Joint stock company	Yes

Jurisdiction	Largest stock exchange		Group	Legal status	Self-listing
Sweden		Nasdaq Stockholm	NASDAQ Nordic LTD[2]	Private corporation or association	(NASDAQ)
Switzerland	SIX	SIX Swiss Exchange AG	SIX Group Ltd	Joint stock company	No
Türkiye	BIST	Borsa Istanbul	-	State-controlled joint stock company [5]	No
United Kingdom	LSE	London Stock Exchange	LSEG	Joint stock company	Yes
United States	NYSE	New York Stock Exchange	Intercontinental Exchange, Inc.	Joint stock company	Yes
	Nasdaq	The Nasdaq Stock Market LLC	NASDAQ	Joint stock company	Yes

Key: **SOE** = state-owned enterprise, "**-**" = information not applicable or not available. **( )** = holding company listing.
1. In **China**, the law (Law of the People's Republic of China on Securities, Art. 96) provides that a stock exchange is a legal person performing self-regulatory governance which provides the premises and facilities for centralised trading of securities, organises and supervises such securities trading and that the establishment and dissolution of a stock exchange shall be subject to decision by the State Council.
2. In seven jurisdictions (**Denmark**, **Estonia**, **Finland**, **Iceland**, **Latvia**, **Lithuania** and **Sweden**), the largest stock exchange is owned by NASDAQ Nordic Ltd (which is 100% owned by the NASDAQ Inc.).
3. In **India**, there are three nation-wide stock exchanges: NSE, BSE and Metropolitan Stock Exchange of India. Both NSE and BSE have been included in this table since NSE is largest in terms of volume of trading and BSE is largest in terms of number of entities listed on the stock exchange.
4. In **Mexico**, a second exchange, Bolsa Institucional de Valores (BIVA) started trading in July 2018.
5. In **Türkiye**, in line with the Council of Ministers Resolution No. 2017/9756 published in the Official Gazette dated 5 February 2017, the shares owned by the Treasury in Borsa Istanbul were transferred to the Turkish Wealth Fund Management, which is ultimately owned by the state.

Table 1.3. Sustainability-related disclosure

Jurisdiction	Key source(s)	Sustainability disclosure	Coverage of companies		Disclosure standard[2]	Disclosure of metrics for sustainability-related goals
			Listed companies only/Listed and non-listed companies	Flexibility for listed smaller companies[1]		
Argentina	Corporate Governance Code and CNV's Rules[3]	C	Listed companies only	Yes	-	-
Australia	ASIC Regulatory Guide 247: Effective Disclosure in an operating and financial review and ASX Corporate Governance Principles and Recommendations: 4th Edition	C	Listed companies only	No	TCFD	C
Austria	Commercial Code (UGB) § 243b	L	Listed and non-listed companies	Yes	-	C
Belgium	Code of companies and associations	L	Listed and non-listed companies	Yes	-	L
Brazil	CVM Rule No. 80	C[4]	Listed companies only	No	-	-
Canada[5]	Unofficial Consolidated Instruments 51-102 and 58-101 Canadian Securities Administrators Staff Notice 51-133, 51-358, CSA Staff Notice 51-354	L	Listed companies	Yes	TCFD, SASB, CDP, GRI	-
Chile	General Rule No. 30[6]	L	Listed companies and other entities supervised by CMF	No	Local (based on GRI, TCFD, Integrated Reporting plus SASB metrics)	L
China	CSRC Contents and Formats of Annual Reports	C	Listed and non-listed companies[7]	Yes	Local	-

Jurisdiction	Key source(s)	Sustainability disclosure	Coverage of companies		Disclosure standard[2]	Disclosure of metrics for sustainability-related goals
			Listed companies only/Listed and non-listed companies	Flexibility for listed smaller companies[1]		
Colombia	External Circular No. 31	L	Listed companies only	Yes	TCFD+ SASB	L
Costa Rica	Guidelines to disclose ESG information for issuing companies	C	Listed companies only	No	-	C
Czech Republic	Accounting Act	L	Listed and non-listed companies	Yes	-	-
Denmark	Section 99 a of the Annual Accounts Act	L	Listed and non-listed companies	No	-	L[8]
Estonia	Accounting Act § 24(6)	L	Listed companies, credit institutions and insurers that have over 500 employees	Yes	-	-
Finland	Accounting Act (1336/1997), Chapter 3a on Statement of non-financial information	L	Listed and non-listed companies	Yes	-	L
France	Article L225-102-1 of the Commercial Code	L	Listed and non-listed companies	Yes	Local	L
Germany	German Commercial Code (Section 289b to 289e) German Corporate Governance Code	L C	Listed companies only	Yes	-	L
Greece	Law 3556/2007, Law 4548/2018, ATHEX ESG Reporting Guide and Corporate Governance Code	L L C C	Listed companies only	Yes	-	L
Hong Kong (China)[9]	Main Board: Environmental, Social and Governance Reporting Guide GEM Board: Environmental, Social and Governance Reporting Guide	R	Listed companies only	No	Local	C
Hungary	Act C of 2000 on Accounting and Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors	L	Listed and non-listed companies	Yes	-	L
Iceland	Act on annual accounts, Art. 66d	L	Listed and non-listed companies	No	-	-
India	Circular on Business Responsibility and Sustainability Reporting (BRSR) by listed entities	L	Listed companies only[10]	Yes	-	-
Indonesia	OJK Regulation Number 51/POJK.03/2017 and OJK Regulation Number 29/POJK.04/2016	L	Listed and non-listed companies	No	-	-
Ireland	Irish Stock Exchange Listing Rules applying UK Corporate Governance Code	C	Listed companies only	Yes	-	-
Israel	Disclosure of Corporate Social Responsibility (CSR) and Environmental Social and Governance (ESG) Risks -A Proposed Outline	C	Listed companies only	No	-[11]	-
Italy	Decree on non-financial reporting 254/2016	L	Listed and non-listed companies	Yes	-	L

Jurisdiction	Key source(s)	Sustainability disclosure	Coverage of companies		Disclosure standard[2]	Disclosure of metrics for sustainability-related goals
			Listed companies only/Listed and non-listed companies	Flexibility for listed smaller companies[1]		
Japan	Japan's Corporate Governance Code[12]	C	Listed companies only	No	TCFD or equivalent	-
Korea	Code of Best Practices for ESG Disclosure Rules on KOSPI Market[13]	C	Listed companies only	Yes	Local	-
Latvia	Financial instruments market law and Law on Governance of Capital Shares of a Public Person and Capital Companies	L	Listed companies and non-listed SOEs	Yes	-	-
Lithuania	The Law on Reporting by Undertakings	L	Listed and non-listed companies	Yes	-	-
Luxembourg	The X Principles of Corporate Governance (X Principles) of the Luxembourg Stock. Exchange	C	Listed companies only	No	-	-
Malaysia	Practice Note 9 of the Main Market Listing Requirements and Guidance Note 11 of the ACE Market Listing Requirements[14]	R	Listed companies only	No	Local + TCFD	R
Mexico	Circular of Issuers[15] – Annex H and N	L	Listed companies only	No	-	L
Netherlands	Decree on the disclosure of non-financial information and Dutch Corporate Governance Code 2022	L C	Listed companies only	Yes	-	-
New Zealand	Financial Markets Conduct Act, Part 7A, Climate standards and NZX Corporate Governance code	L R	Listed and non-listed companies[16]	Yes	Local (based on TCFD)	L
Norway	Accounting Act[17]	L	Listed companies, non-listed banks and non-listed companies defined as public companies according to national law	No	-	-
Peru	Resolution 18/2020-SMV/02 on Corporate Sustainability Report	L	Listed companies only	Yes	Local	L
Poland	EU sustainability-related reporting directives	L	Listed and non-listed companies	Yes	Local (based on GRI, TCFD)	L
Portugal	Portuguese Company Code	L	Listed and non-listed companies	Yes	-	L
Saudi Arabia	ESG Disclosure Guidelines	C	Listed companies only	Yes	-	-
Singapore	SGX Listing Rules	R	Listed companies only	No	TCFD	R
Slovak Republic	Corporate Governance Code	C	Listed companies only	-	Local	C
Slovenia	Companies Act Corporate Governance Code	L C	Listed and non-listed companies	Yes	-	-
South Africa	JSE Listing Requirements and King Code of Corporate Governance	R C	Listed companies only	No	-	C
Spain	Code of Commerce (Article 49.5 and 49.6)	L	Listed and non-listed companies	Yes	-	-

Jurisdiction	Key source(s)	Sustainability disclosure	Coverage of companies		Disclosure standard[2]	Disclosure of metrics for sustainability-related goals
			Listed companies only/Listed and non-listed companies	Flexibility for listed smaller companies[1]		
Sweden	Public: The Annual Accounts Act Private: The Swedish Corporate Governance Code	L C	Listed and non-listed companies	Yes	-	-
Switzerland	Code of obligations, Art. 964a to 964c	L	Listed and non-listed companies	Yes	-	L
Türkiye	Communique on Corporate Governance Principles	L	Listed companies[18]	No	Local	C
United Kingdom	FCA's Climate related Disclosure Regime: Listing rules LR 9.8.6R and LR 14.3.27 R UK Companies Act requirements for companies and for LLPs	R L	Listed and non-listed companies[19]	No	TCFD	C
United States	Regulation S-K (17 CFR Part 229)[20]	-	SEC-registered public companies	Yes	-	-

Key: **L** = requirement by the law or regulations; **R** = requirement by the listing rule; **C** and **( )** = recommendation by the codes or principles, including frameworks set by the regulator or stock exchange following a "comply or explain" approach; **"-"** = absence of a specific requirement or recommendation.

Note: The **European Union's 2022** Corporate Sustainability Reporting Directive (CSRD) will generate some important changes in EU member countries' regulatory frameworks, and member countries need to adapt their sustainability-related disclosure frameworks in compliance with the Directive by 6 July 2024. Some major member countries, including France and Germany, have not yet adapted their frameworks in line with the new Directive. One of the most relevant innovations brought by the CSRD is that companies subject to the new Directive will have to disclose sustainability-related information according to the EU Sustainability Reporting Standards (ESRS), which are being developed by the European Financial Reporting Advisory Group (EFRAG). The first set of ESRS were scheduled to be adopted by the European Commission by 30 June 2023. The application of the new Directive will take place in four stages: (i) reporting in 2025 for companies already subject to the NFRD; (ii) reporting in 2026 for large companies that are not currently subject to the NFRD; (iii) reporting in 2027 for listed small and medium enterprises; (iv) reporting in 2029 for third-country undertakings with net turnover above EUR 150 million in the European Union if they have at least one subsidiary or branch in the EU exceeding certain thresholds.

1. "**Flexibility for listed smaller companies**" refers to the existence of different requirements for listed companies according to their size, which may be assessed in different forms such as total assets or number of employees. Jurisdictions that have a phase-in period for sustainability-related disclosure requirements based on the companies' size are not considered to have "flexibility" in this table if, at the end of the phase-in period, all requirements apply equally to all listed companies. While the adoption of a "comply or explain" system does allow flexibility for smaller companies not to comply with a recommendation, the adoption of such a system is not considered to allow "flexibility" in this table if all listed companies – without exceptions to smaller companies – need to report on their compliance. Finally, while it is acknowledged that some regulatory frameworks adopt flexible requirements for smaller *non-listed* companies, only flexibility for *listed* companies is considered in the column "Flexibility for *listed* smaller companies".

2. In "**Disclosure standard**", jurisdictions that require or recommend companies to follow any disclosure standard, therefore providing flexibility for companies to choose the specific standard to be used, are indicated as "-" in the column.

3. In **Argentina**, the national corporate governance code briefly mentions the need for the company to disclose sustainability information on its website, as well as to provide relevant corporate social responsibility information to its shareholders. Further, companies must include in their annual reports information about their environmental or sustainability policies. Finally, public offering rules establish that prospectuses must include a description of the company's environmental or sustainability policies and, if the company does not have such policies, it must provide an explanation why.

4. In **Brazil**, there is a recommendation for companies to disclose climate-related risks according to TCFD's recommendations, and companies need to explain in case they prefer to use another standard. In addition, disclosure on some particular sustainability issues, such as the workforce composition according to gender and race, is binding.

5. In **Canada**, Budget 2022 announced that the federal government is committed to moving towards mandatory reporting of climate-related financial risks across a broad spectrum of the Canadian economy, based on the TCFD's recommendations. In addition, Canada's Securities Administrators (CSA) has issued three publications on climate-related disclosures –CSA Staff Notice 51-333 in 2010, CSA Staff Notice 51-354 in 2018, and CSA Staff Notice 51-358 in 2019. Said staff notices provide guidance to issuers on existing continuous disclosure requirements related to environmental climate-related risks. Proposed National Instrument 51-107, when in force, will require issuers to disclose certain climate-related information in compliance with the recommendations of the TCFD. Finally, Part XIV.1 of the Canada Business Corporations Act includes disclosure requirements related to diversity.

6. In **Chile**, the Financial Market Commission (CMF) General Rule No. 30 was modified in 2021 to require corporate governance and sustainability disclosure in the annual report of the issuers of publicly offered securities and other entities supervised by the CMF such as banks, insurance companies, financial markets infrastructures and fund managers administrators, among others. Article 10 of the Securities Market Law was modified in 2022 to establish that entities registered in the Securities Registry carried by the CMF should provide information to the general public regarding their environmental and climate change impact, including the identification, evaluation and management of the related risks, as well as corresponding metrics. This provision is in addition to the establishment in Article 9 of an obligation of the issuers of publicly offered securities to disclose truthfully, sufficiently, and promptly all material information about their businesses.
7. In **China**, companies listed in the STAR Market on the Shanghai Stock Exchange and sample companies in the Shenzhen 100 Index, as well as some other companies, are required to disclose sustainability-related information. In addition, all listed companies and Chinese state-owned enterprises are encouraged to disclose sustainability-related information. See also: Self-regulatory Guidelines for Listed Companies on the SSE (No. 1 - Regulation of Operations) and Beijing Stock Exchange listing rules.
8. In **Denmark** large companies are not required to have specific metrics with regard to sustainability goals, but the metrics used within the company have to be disclosed.
9. In **Hong Kong** (**China)**, the Stock Exchange of Hong Kong Limited published a consultation paper seeking market feedback on proposals to enhance climate-related disclosures under the environmental, social and governance (ESG) framework in April 2023. It proposed that all issuers be mandated to make climate-related disclosures in their ESG reports based on the provisions of the International Sustainability Standards Board Climate Standard in respect of financial years commencing on or after 1 January 2024. The consultation period ended in mid-July 2023 and the Stock Exchange of Hong Kong Limited plans to publish its conclusions and final rules before the end of 2023.
10. In **India**, the sustainability-related disclosure requirement applies to the top 1 000 listed entities by market capitalisation.
11. In **Israel**, listed companies are recommended to publish an annual Corporate Social Responsibility report to public investors and other stakeholders. The ISA recommends reporting corporations that elect to publish an annual CSR report to draft the report on the basis of generally accepted international standards such as GRI or SASB. Nonetheless, reporting corporations that elect to publish an annual CSR report may draft the report on the basis of other acceptable standards.
12. In **Japan**, all listed companies are recommended to develop a basic policy and disclose initiatives on the company's sustainability. However, companies listed in the Prime Market should also enhance the quality and quantity of climate-related disclosure based on TCFD recommendations or equivalent international frameworks. The relevant ordinances were revised in January 2023 to make specific disclosure of sustainability information in the Annual Securities Report mandatory, including the company's responses to climate change and human capital, effective from the financial year ending in March 2023.
13. In **Korea,** KOSPI listed companies with total assets of more than KRW 1 trillion are required to disclose a corporate governance report no later than the last day of May. Coverage of companies will be gradually expanded as follows: KOSPI listed companies with total assets of 500 billion won (from 2024) and all KOSPI listed companies (from 2026). In the corporate governance report, companies should disclose whether they comply with key principles of the Korea Institute of Corporate Governance and Sustainability's Code of Best Practices for Corporate Governance, which includes several sustainability-related recommendations, and explain why if they do not comply. The KOSPI index includes the companies with the largest capitalisation in Korea.
14. In **Malaysia**, the enhanced sustainability reporting framework as set out under the Listing Requirements was announced in September 2022. The requirements under the enhanced framework will be implemented on a phased approach beginning with annual reports issued for financial year ending 2023 onwards. The climate-related disclosure requirements for listed issuers on the ACE Market (a sponsor-driven market for companies with growth prospects) differs from that of the Main Market (prime market for established companies with market capitalisation of at least RM 500 million upon listing). Companies in the Main Market are required to disclose TCFD-aligned information, while companies in the ACE Market are required to disclose a listed issuer's plan to transition towards a low-carbon economy.
15. In **Mexico**, the regulatory framework broadly establishes that public offer prospectuses and annual reports must include relevant sustainability information focusing on environmental matters. Specifically, with respect to environment related- information, the regulation requires disclosure of climate risks that may affect the company, the material impact of laws related to this matter on its business, and whether the company has policies, certificates or projects related to environmental matters. The disclosure of social matters is required in the annual reports including the number of unionised employees, the relationship with unions and the number of temporary workers.
16. In **New Zealand**, large financial markets participants are required to undertake climate reporting. This is set out in Part 7A of the Financial Markets Conduct Act 2013. Likewise, large listed issuers must produce climate reports (see Section 461P of the Financial Markets Conduct Act 2013).
17. In **Norway**, in addition to the Accounting Act, an Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions has been enacted. The Act applies to larger enterprises that are resident in Norway and that offer goods and services in or outside Norway. The Act also applies to larger foreign enterprises that offer goods and services in Norway, and that are liable to pay taxes in the country. For the purposes of this Act, larger enterprises mean enterprises that exceed two out of three thresholds, including one for sales revenues (NOK 35 million) and another one for the average number of employees (50 full-time equivalent). Parent companies shall be considered larger enterprises if the conditions are met for the parent company and subsidiaries as a whole. As such, the Act is not limited to listed companies only.
18. In **Türkiye**, the coverage of companies applies to those whose shares are traded on the Sub Market, Main Market and Star Market.
19. In the **United Kingdom**, coverage applies to Premium and Standard Market listed issuers as well as certain UK registered companies and Limited Liability Partnerships (LLPs).
20. In the **United States,** Regulation S-K sets forth requirements for disclosure under both the Securities Act and the Exchange Act and is applicable to both public offerings and ongoing reporting requirements.

Table 1.4. Sustainability: Board responsibilities and ESG rating and index providers

Jurisdiction	Board responsibilities for sustainability related policies	ESG rating and index providers			
		Regulated (Yes, No)	Disclosure of methodologies	Management of conflicts of interest	
				Setting the policy	Disclosure of policy
Argentina	-	No[1]	-	-	-
Australia	-	No	-	-	-
Austria	C	No	-	-	-
Belgium	L	No	-	-	-
Brazil	-	No	-	-	-
Canada	-	No	-	-	-
Chile	-	No	-	-	-
China	-	Yes (index providers only)	-	-	-
Colombia	C (only for banks)[2]	No	-	-	-
Costa Rica	C	Yes (ESG rating providers only)	-	L	L
Czech Republic	-	-	-	-	-
Denmark	C	No	-	-	-
Estonia	-	-	-	-	-
Finland	-[3]	No	-	-	-
France	L	Yes (index providers only)	L	L	L
Germany	C	Yes (index providers only)	L	L	L
Greece	L	Yes (index providers only)	-	-	-
Hong Kong (China)	R	No	-	-	-
Hungary	L (only for some entities)[4]	No	L	-	-
Iceland	C	No	-	-	-
India	-	-	-	-	-
Indonesia	L[5]	No	-	-	-
Ireland	-	No	-	-	-
Israel	-	No	-	-	-
Italy	C	No	-	-	-
Japan	C	No	C	C	C
Korea	-	No	-	-	-
Latvia	-	No	-	-	-
Lithuania	-	No	-	-	-
Luxembourg	C	No	C	-	C
Malaysia	C[6]	No	-	-	-
Mexico	-	No	-	-	-
Netherlands	C	No	-	-	-
New Zealand	-	No	-	-	-
Norway	-	Yes (index providers only)[7]	L	L	L
Peru	-	No	-	-	-
Poland	L	-	-	-	-
Portugal	L[8]	Yes (index providers only)	L	L	L
Saudi Arabia	-	No	-	-	-
Singapore	R[9]	No[10]	-	-	-
Slovak Republic	C	No	C	L	L
Slovenia	C	No	-	-	-
South Africa	C, R	No	-	-	-
Spain	-	No	-	-	-
Sweden	-	No	-	-	-
Switzerland	L	No	-	-	-
Türkiye	C	No[11]	-	-	-
United Kingdom	-	Yes (index providers only)[12]	L	L	L

Jurisdiction	Board responsibilities for sustainability related policies	ESG rating and index providers			
		Regulated (Yes, No)	Disclosure of methodologies	Management of conflicts of interest	
				Setting the policy	Disclosure of policy
United States	-	-	-	-	-

Key: **L** = requirement by the law or regulations; **R** = requirement by the listing rule; **C** and **( )** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation.

1. In **Argentina**, credit rating agencies that evaluate sustainable bonds are regulated and supervised by the securities regulator (CNV).
2. In **Colombia**, the Financial Superintendency has published expectations by industry regarding the incorporation of ESG factors in the Governance, Strategy, Risk Management and Disclosure policies and processes. In 2022, this authority released a Technical Document of Principles for the management of climate-related risks and opportunities for Banks and is currently in the consultation process for another Technical Document of Principles for the management of climate-related risks and opportunities for Insurers. These two documents set expectations regarding the role and functions of the Board of Directors.
3. In **Finland**, the board is not explicitly required or recommended to approve policies on sustainability-related matters. However, it is indirectly expressed already in the *travaux preparatoires* of the Finnish Limited Liability Companies Act (Government Bill 109/2005, p. 39) that generating profits for the company in the long term and maximising the value of the share often require that the company complies with societally acceptable conduct even where the law does not compel such conduct. That said, the matter of complying with the applicable ESG standards can be considered to have an effect on the public image and thereby profitability of a given company, and consequently it is advisable for the management of a company to take into account such standards, where relevant.
4. In **Hungary**, the rules in force lay down such tasks for occupational pension institutions, where the board of directors formulates the investment policy, the mandatory content of which includes the examination and presentation of the potential long-term effects of investments on the environment, society, and governance. In the insurance area, ESG aspects are also required to be taken into account in certain policies (remuneration, risk management, investments) and are also included in the institutional investor engagement policy. However, the entire financial sector is not fully covered.
5. In **Indonesia**, OJK Regulations (OJK Regulation Number 51/POJK.03/2017 and OJK Regulation Number 29/POJK.04/2016) require issuers' sustainability reports to include a statement from the Board of Directors about sustainability strategies and policies for responding challenges of implementing company sustainability.
6. In **Malaysia**, Practice 4.1 of the Malaysian Code on Corporate Governance recommends that the board together with management take responsibility for the setting of a listed issuer's sustainability strategies, priorities, and targets. The board should also take into account sustainability considerations when exercising its duties including, the development and implementation of company strategies, business plans, major plans of action and risk management.
7. In **Norway**, the requirements of the EU Benchmarks Regulation apply to providers of EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.
8. In **Portugal**, Board Members are obliged to observe "duties of loyalty, in the interest of the company, considering shareholders' long-term interests and weighing the interests of other stakeholders relevant for the sustainability of the company, such as its employees, customers, and creditors" (Article 64/1/b of the Portuguese Companies Code). Board Members are also responsible for the information disclosed in the non-financial disclosure, which contains information on sustainability policies.
9. In **Singapore**, the Listing Rules require issuers' sustainability reports to include a statement from the Board that it has considered sustainability issues in the issuer's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG issues. The Listing Rules also require issues to provide a description of the governance structure for sustainability practices in their sustainability reports.
10. In **Singapore**, the Monetary Authority of Singapore is working with the industry to develop a code of conduct for ESG rating providers. The industry code will cover good practices on governance, disclosure of ratings methodologies and management of conflicts of interest, as it would be modelled along the principles set out in the "IOSCO Good Sustainable Finance Practices - Call for Action" paper.
11. In **Türkiye**, CMB has regulatory power on capital market rating activities according to the Capital Markets Law No. 6362 clauses 1, 62, 63 and 128. Although CMB is planning to cover sustainability rating issues, currently no specific provision is in effect.
12. In the **United Kingdom**, the UK Benchmarks Regulations (BMR) define an index as a figure that is publicly available and is regularly determined, either by applying a formula or other calculation, or by making an assessment based on the value of one or more underlying assets/prices (including estimated prices, actual or estimated interest rates, quotes and committed quotes, or other values or surveys). An index becomes a benchmark within the scope of the BMR where: it is used to determine the amount payable under a financial instrument or financial contract, or the value of a financial instrument; it is used to measure the performance of an investment fund for the purpose of tracking the return, defining the asset allocation or a portfolio, or computing the performance fees.

Annex 1.A. Methodology for data collection and classification

Ownership data

The main source of information is the FactSet Ownership database. This dataset covers companies with a market capitalisation of more than USD 50 million and accounts for all positions equal to or larger than 0.1% of the issued shares. Data are collected as of end of 2022 in current USD, thus no currency nor inflation adjustment is needed. The data are complemented and verified using Refinitiv and Bloomberg. Market information for each company is collected from Refinitiv. The dataset includes the records of owners for 30 871 companies listed on 100 economies covering 98% of the world market capitalisation. For each of the countries/regions presented, the information corresponds to all listed companies in those countries/regions with available information. The five categories of owners defined and used in this report follow (De La Cruz, Medina and Tang, 2019[3]).

Public equity data

The information on initial public offering (IPOs) and secondary public offerings (SPOs or follow-on offerings) presented in Chapter 1 is based on transaction and/or firm-level data gathered from several financial databases, such as Refinitiv (Eikon Screener, Datastream), FactSet and Bloomberg. Considerable resources have been committed to ensuring the consistency and quality of the dataset. Different data sources are checked against each other and, the information is also controlled against original sources, including regulator, stock exchange and company websites and financial statements.

The dataset includes information about all initial public offerings (IPOs) and secondary public offerings (SPOs or follow-on offerings) by financial and non-financial companies. Initial public offerings in this report are defined as those listing on the main market where the capital raised is greater than zero. Therefore, direct listings are not recorded as an IPO in this database. All public equity listings following an IPO, including the first-time listings on an exchange other than the primary exchange, are classified as an SPO. If a company is listed on more than one exchange within 180 days, those transactions are consolidated under one IPO. The country breakdown is carried out based on the domicile of the issuer not on the stock exchange location. The database excludes the IPOs and SPOs by trusts, funds and special purpose acquisition companies.

Corporate bond data

Data presented on corporate bond issuances in Chapter 1 are based on OECD calculations using data obtained from Refinitiv Eikon that provides international deal-level data on new issues of corporate bonds that are underwritten by an investment bank.

Convertible bonds, deals that were registered but not consummated, preferred shares, sukuk bonds, bonds with an original maturity less than or equal to one year or an issue size less than USD 1 million are excluded from the dataset. The analyses in the report are limited to bond issues by non-financial companies. For the calculation of the outstanding amount of corporate bonds, in a given year, issues that are no longer outstanding due to being redeemed earlier than their maturity are also deducted. The early redemption data are obtained from Refinitiv Eikon and cover bonds that have been redeemed early due to being repaid

via final default distribution, called, liquidated, put or repurchased. The industry classification is carried out based on the Refinitiv Business Classification (TRBC) Industry Description. The country breakdown is carried out based on the issuer's country of domicile. Yearly issuance amounts initially collected in USD were adjusted by 2022 US Consumer Price Index (CPI).

Corporate sustainability data

The information on sustainability issues presented in Section 1.8 is based on a firm-level dataset containing records for up to 13 800 listed companies with a total of USD 113 trillion market capitalisation listed on 83 markets in 2021. The coverage may vary depending on the selected issue. The main data sources, Refinitiv and Bloomberg, were controlled against each other to ensure consistency. The disclosed data contains information on sustainability reporting, the external audit of sustainability reporting, the presence of a sustainability committee reporting directly to the board, and executive remuneration linked to sustainability factors and targets. Sustainability disclosure by trusts, funds or special purpose acquisition companies was excluded from the sample under analysis.

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2 The corporate governance and institutional framework

The quality of the institutional, legal and regulatory framework is an important foundation for implementing the *G20/OECD Principles of Corporate Governance*, requiring effective supervision and enforcement that market participants can rely on. Chapter 2 provides insights on the legal framework for corporate governance, revealing the frequency of legislative reforms in this area, as well as the continued relevance of national corporate governance codes or equivalent instruments and their monitoring as complementary mechanisms. Legal and regulatory frameworks should be coupled with strong and independent institutional oversight and Chapter 2 also offers information on the lead regulatory institution for corporate governance of listed companies in each jurisdiction, and on mechanisms to ensure their independence.

2.1. The regulatory framework for corporate governance

Corporate governance legal frameworks continue to adapt to a changing environment: during 2021-22 nearly 70% of Factbook jurisdictions amended either their company law or securities law or both. During the same period, national corporate governance codes or equivalent frameworks were updated by approximately one-third of Factbook jurisdictions. The balance between formal regulation and a "comply or explain" approach in the corporate governance framework varies across jurisdictions.

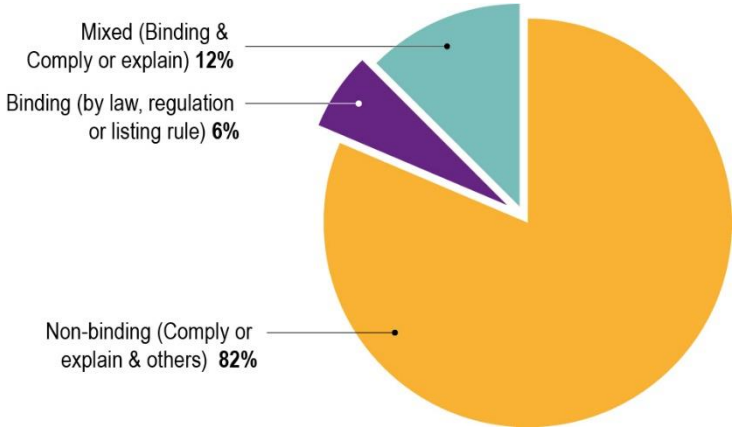
Traditionally, jurisdictions have used different combinations of laws and regulatory instruments on the one hand, and codes and principles on the other to oversee corporate governance issues. In all surveyed jurisdictions, the corporate governance framework is set forth by company laws and securities or capital markets laws, which provide for additional binding requirements for listed companies, contributing to the enforceability of shareholder protection for regulators. In most jurisdictions, the corporate governance framework is complemented by other binding regulations, often included in listing rules issued by the stock exchange or specific regulations issued by the main public regulators for corporate governance (Table 2.1).

Almost all Factbook jurisdictions have a national corporate governance code or equivalent instrument for corporate governance principles and recommendations, testifying to the continued relevance of such complementary mechanisms in allowing flexibility and the development of company best practices, particularly for emerging corporate governance issues.

The *G20/OECD Principles of Corporate Governance*, as revised in 2023, specifically refer to corporate governance codes in Principle I.B: "Corporate governance codes may offer a complementary mechanism to support the development and evolution of companies' best practices, provided that their status is duly defined" (OECD, 2023[1]). Eighty-two percent of the jurisdictions surveyed have a corporate governance code that follows a non-binding soft law "comply or explain" or similar approach. Some of these jurisdictions, including **Indonesia** and **South Africa**, have opted for specific variations of the "comply or explain" non-binding approach, such as "apply and/or explain" (See Box 2.1 for more examples).

Conversely, 18% of jurisdictions have either binding or partly binding instruments, a slight increase compared to 16% in 2021. Six jurisdictions (12%) (**Costa Rica**; **Hong Kong (China)**; **Israel**; **Mexico**; **Saudi Arabia**; and **Türkiye**) have opted for a mixed system of binding and voluntary measures (Figure 2.1).

Figure 2.1. Implementing mechanisms for corporate governance codes and regulations



Note: Based on 49 jurisdictions. See Table 2.2 for data. When not categorised as "Binding", or "Mixed", notwithstanding different preferences in naming approaches by jurisdictions, non-binding approaches fall within the category "Non-binding (Comply or explain & others)", including those named "Apply or explain", "Apply or explain an alternative", and "Apply and explain".

Only three jurisdictions use a binding approach. These jurisdictions do not have a national code or equivalent instrument under the "comply or explain" framework, and are also the only jurisdictions that adopt a legally binding approach. **India** and the **United States** rely upon their laws, regulations and listing rules as their legal corporate governance framework. The **People's Republic of China** (hereafter '**China**') is another notable exception. Its national corporate governance code, updated in 2018, is fully binding so may be considered as a mandatory set of provisions.

Box 2.1. Variations on "comply or explain" reporting on corporate governance codes

A few countries have developed unusual systems for promoting implementation of national corporate governance codes that do not strictly follow the most common "comply or explain" approach but can also be categorised as non-binding soft law approaches. For example, in **Costa Rica**, it is mandatory to implement the National Council of Supervision of the Financial System (CONASSIF) Corporate Governance Regulation but based on a "comply and explain" rule with some flexibility, unlike the more common model followed in other countries under which the company may simply choose not to comply but must explain why. While complying with the code is considered mandatory, companies may also apply the principle of proportionality, meaning that a company may justify not implementing certain provisions due to its circumstances. Listed companies are nevertheless mandated under the national code to establish and disclose their own codes and additional information consistent with the disclosure and transparency recommendations of the *G20/OECD Principles of Corporate Governance*.

In **Saudi Arabia**, the Capital Market Authority's Corporate Governance Regulations are binding by default for all companies listed on the Main Market, except when provisions clarify that they represent guiding provisions. In addition, the Regulations also specify that there are some mandatory provisions for companies on the Parallel Market.

South Africa's King IV Report on Corporate Governance (King IV Code) issued by the Institute of Directors in South Africa of 2016 represents a set of recommendations and best practices in line with the soft law approach, but it has an application regime named "apply and explain". While the Code's principles are described as voluntary, companies are expected to apply the principles and provide an explanation of the practices implemented, explaining how they support the application of the principles.

In **Malaysia**, the Malaysian Code on Corporate Governance follows an alternative application method named "apply or explain an alternative", according to which companies that are not applying the practices prescribed by the Code must provide an explanation for the departure, and disclose an alternative practice that meets the intended outcome of the principles of the Code.

Mexico is an example of a mixed approach involving binding laws and voluntary code recommendations. In 2005, its securities market law incorporated a minimum framework of the practices and principles of sound corporate governance for listed companies contained in the Code of Principles and Best Practices in Corporate Governance. That is, while the Code itself is not binding, many of the practices recommended in it have become binding by law. Moreover, stock exchange listing rules require listed companies to disclose their degree of adherence to the Code both to the stock exchange on which their stock is traded, and to investors. Stock exchange listing rules also require issuing companies to be knowledgeable about the Code.

National corporate governance codes or equivalent instruments are updated regularly: 16 jurisdictions amended or revised their codes or made equivalent changes in their listing requirements and rules (e.g. **United States**) in 2021-22 (Table 2.3). Nearly two-thirds of jurisdictions revised their codes or equivalent framework between 2019 and 2022. Five jurisdictions updated their code more than once during that period (**Austria**; **Germany**; **Hong Kong (China)**; **Saudi Arabia**; and the **United States**) Since the last revision of the *G20/OECD Principles of Corporate Governance* in 2015, more than 90% of all surveyed

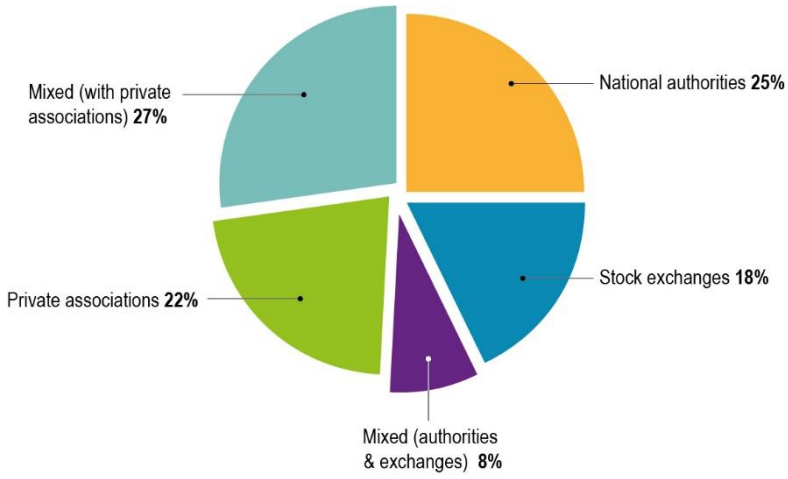
jurisdictions have revised their codes or equivalent provisions at least once. For example, **Germany** carries out reviews of its Corporate Governance Code on an annual basis to determine whether best practices included are still relevant or need to be adapted, with the latest update taking effect in June of 2022. **Malaysia** has updated its code four times since it was first adopted in 2000, including most recently in 2021.

In the majority of jurisdictions, national authorities and/or stock exchanges have taken the lead in establishing or revising the codes. In some jurisdictions, codes are devised and updated by working groups comprising institutions representing different markets segments (such as the Interagents Working Group in **Brazil**), as well as both public and private actors, such as in **Indonesia** where the National Committee on Corporate Governance includes representatives from regulatory authorities, issuers as well as individual market experts and assists the Financial Services Authority (OJK) as custodian of the corporate governance code and instruments.

The most common approach adopted for overseeing corporate governance codes by Factbook jurisdictions is a mixed public-private sector model, involving either joint oversight exercised by national authorities together with a mix of private sector groups (27%) or of national authorities and stock exchanges (8%). National authorities have played a growing role as the formal and sole custodian for their codes and updates, increasing from 17% to 25% of jurisdictions between 2015 and 2022.

Stock exchanges and private associations when they carry out these functions alone also play an important role as the key custodian in 18% and 22% of surveyed jurisdictions respectively (Table 2.3, Figure 2.2). For example, in **Hungary**, the Corporate Governance Committee is an advisory committee of the Budapest Stock Exchange (BSE). Members of the Committee include representatives of issuers, regulatory authorities and the stock exchange, as well as independent market experts and lawyers appointed by BSE's board of directors.

Figure 2.2. Custodians of corporate governance codes



Note: Based on 49 jurisdictions. See Table 2.3 for data.

To support effective disclosure and implementation of non-binding "comply or explain" codes, a national report is published in more than two-thirds of the jurisdictions covered by the Factbook, a notable increase from 2015 when less than half published such reports. Reviewing listed companies' adherence to such codes is an increasingly common practice across jurisdictions, in line with the recommendations of the *G20/OECD Principles of Corporate Governance*, as revised in 2023. Responsibility for publishing such reports is more or less evenly split between governmental authorities, stock exchanges, and private sector or stakeholder groups.

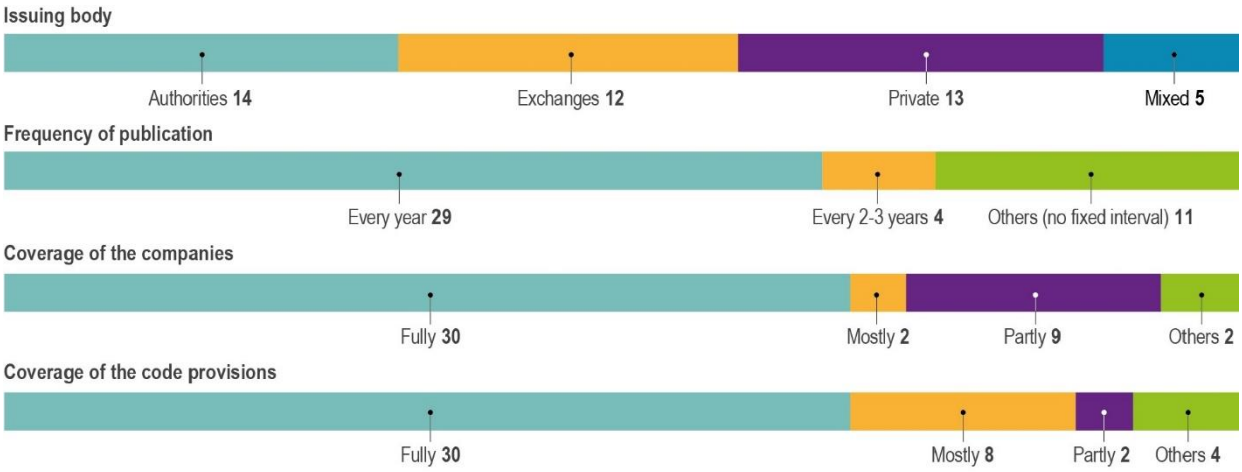
The *G20/OECD Principles of Corporate Governance*, as revised in 2023, in addition to recognising corporate governance codes as a tool to develop good governance, also highlight the importance of clear definitions in terms of coverage, implementation, compliance and sanctions of corporate governance codes or equivalent instruments to strengthen their effectiveness for companies.

Among surveyed jurisdictions, at least 44 institutions (in 34 jurisdictions) issue a national report reviewing listed companies' adherence to the corporate governance code in the domestic market. The report is published by more than one institution in eight jurisdictions (**Belgium**, **Canada**, **Denmark**, **France**, **Italy**, **Lithuania**, **Portugal** and **Slovenia**).

Importantly, **Brazil**, **Poland**, and **South Africa** for the first time report reviewing adherence to the corporate governance codes in this edition of the Factbook.

Almost two-thirds of institutions issue these reports annually, which usually cover all listed companies and all code recommendations. Among surveyed jurisdictions, 15 of them do not issue a national report on corporate governance as of 2022, including **India** and the **United States,** which do not have a corporate governance code based on the "comply or explain" approach.

Figure 2.3. National reporting on adherence to corporate governance codes



Note: Based on 44 reporting institutions in 34 jurisdictions. See Table 2.4 for data.

Overall, national regulators review listed companies' adherence and publish these reports in 14 jurisdictions, while stock exchanges review and publish them in 12 jurisdictions. Although the role of national authorities in issuing these reports has not changed since 2021, more stock exchanges and private groups have taken this role. Notably, in jurisdictions that have started publishing a national report in the past two years, the responsibility has been assigned either to a stock exchange, such as the Warsaw Stock Exchange in **Poland**, or to private groups, for example KPMG in **Brazil** and the Institute of Directors/King Committee in **South Africa**. Exchanges and private groups are responsible for publishing reports on listed companies' adherence to codes in more than a half of jurisdictions surveyed, a significant increase since 2015 when stock exchanges were responsible for issuing reports on codes in seven jurisdictions and private institutions in nine (Table 2.4, Figure 2.3).

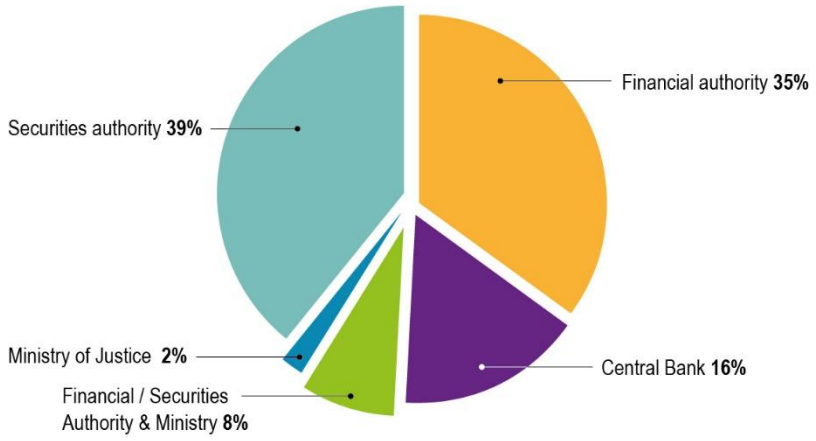
2.2. The main public regulators of corporate governance

In all surveyed jurisdictions, public regulators have the authority to supervise and enforce the corporate governance practices of listed companies. Securities or financial regulators generally play the key role in most jurisdictions.

Public regulators have the authority to supervise and enforce corporate governance practices of listed companies in all surveyed jurisdictions. Securities regulators, financial regulators or a combination of the two play the lead or at least a shared role in 82% of all jurisdictions (Table 2.5, Figure 2.4). Central banks play the key role in an additional eight jurisdictions (16%).

A few jurisdictions take differing approaches. **Korea** is the only jurisdiction in which the ministry in charge of corporate governance is the Ministry of Justice. This ministry also has the main responsibility for the supervision and enforcement of corporate governance. In **India**, the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), the securities market regulator, are both responsible for enforcing the corporate governance framework. In some jurisdictions, such as the **Czech Republic**, **Luxembourg**, the **Netherlands**, **Singapore**, and **Sweden**, the role of the public regulators is limited only to issues related to securities laws, as in principle, civil rules on corporate governance are mainly supervised and enforced privately. The authority of corporate governance regulators has proven to be quite stable over the years and has not changed significantly since 2015.

Figure 2.4. Who is the regulator of corporate governance?



Note: Based on 49 jurisdictions. See Table 2.5 for data.

In some jurisdictions, the division of responsibilities for regulatory and supervisory functions involves multiple layers. For example, in **South Africa**, the Companies and Intellectual Property Commission ("CIPC") is responsible for company law and corporate governance requirements such as the functioning and composition of the audit committee, while the Johannesburg Stock Exchange enforces stock exchange listing requirements. In the **United Kingdom**, the Financial Reporting Council (FRC) sets codes and standards including for corporate governance, but the FRC's corporate governance monitoring and third country auditor registration activities are relevant to the work of and may lead to enforcement by the Financial Conduct Authority. In the **United States**, state law is the primary source of corporate governance law, but the federal securities regulator (the Securities and Exchange Commission) and exchanges regulate certain governance matters.

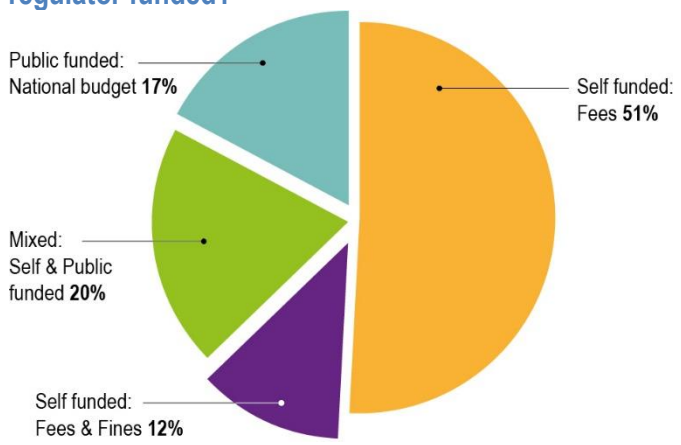
Autonomy over their budget can reinforce the operational independence of regulators. Sixty percent of regulators are funded fully by fees from regulated entities or by a combination of fees

and fines. Others rely upon a mix of public and regulated entity funding sources, while just 17% of regulators are fully financed by their government's budget.

Most regulators (30 institutions in 28 jurisdictions) are fully self-funded by fees. Other regulators (seven institutions) ensure budgetary autonomy by supplementing their self-funding with fines. Mixed sources of financing from both public funds and fees from regulated entities are also common (12 institutions in ten jurisdictions). Only ten regulatory institutions rely exclusively on government funding for their budget (Figure 2.5).

The *G20/OECD Principles of Corporate Governance* recognise and emphasise the importance of regulators' autonomy, resources, and capacity as key aspects to allow them to carry out their functions in a professional and objective manner (Principle I.E). The revised *Principles* provide examples of how jurisdictions have achieved autonomy and collected adequate resources, for example by imposing levies on supervised entities with or as an alternative to government funding. The *Principles*, at the same time, underline that fees imposed on regulated entities should not impede independence from market participants and should be imposed transparently and according to objective criteria.

Figure 2.5. How is the regulator funded?



Note: Based on 59 regulatory institutions across 49 jurisdictions. Jurisdictions with more than one main regulator are counted more times. See Table 2.6 for data.

The issue of the independence of regulators is commonly addressed through the creation of a formal governing body. The most common size for the board of these bodies across jurisdictions surveyed is five to seven members, but it ranges from as low as two members (Austria) to as high as 17 (Switzerland).

The *G20/OECD Principles of Corporate Governance* note how the creation of a formal governing body, typically a board, council or commission, is the solution adopted by many jurisdictions to address political independence (Principle I.E).

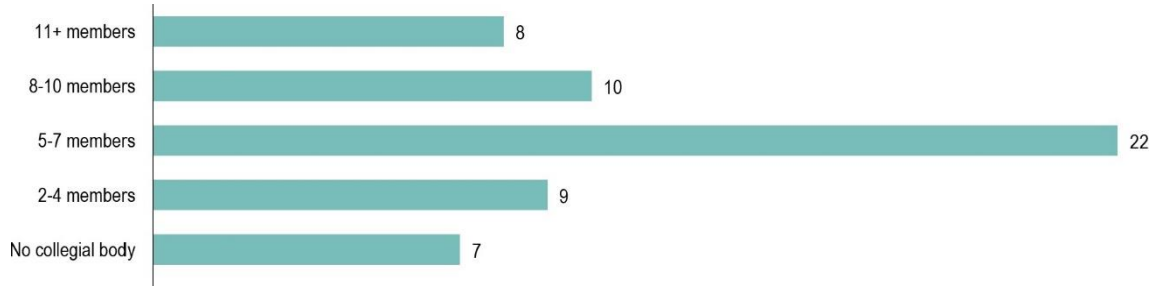
In line with the recommendations of the *G20/OECD Principles of Corporate Governance*, 87% of the regulatory institutions established by the Factbook jurisdictions have established a formal governing body (e.g. a board, council or commission) (Figure 2.6). **Colombia**, **Korea**, and **Slovenia** are the only regulators without a governing board for any of their regulatory bodies responsible for the supervision of corporate governance requirements. Four additional jurisdictions (**India**, **Japan**, **Saudi Arabia**, and **South Africa)**, which have more than one regulator, report a mixed approach with at least one regulatory institution lacking a governing body.

Seats on these governing bodies are sometimes reserved for representatives from specific institutions, such as central banks (in 20 governing bodies across 19 jurisdictions), public sector institutions (in 16

governing bodies across 15 jurisdictions) or from the private sector (in 12 bodies across 11 jurisdictions) (Table 2.7).

In the **United States**, no more than three out of five Commissioners of the Securities and Exchange Commission may belong to the same political party. In **France**, the Autorité des Marchés Financiers (AMF) has one of the largest boards with 16 members, including judges from the Supreme courts (Cour de Cassation and Conseil d'État). In **Switzerland**, the SIX Exchange Regulation (SER) division is overseen by a 17-member board responsible for enforcement of SIX Exchange listing rules.

Figure 2.6. What size are boards of regulators?



Note: Based on 56 institutions in 49 jurisdictions. Jurisdictions with more than one main regulator are counted more than once. See Table 2.7 for data.

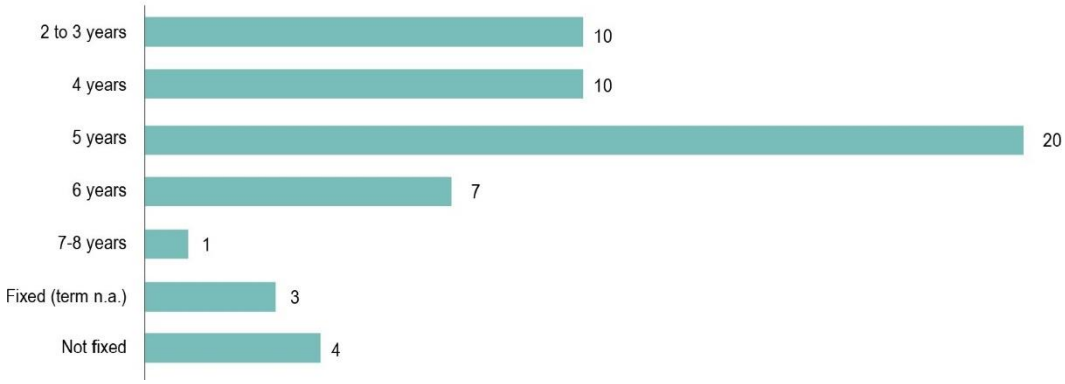
Members of the governing body of a national regulator are usually given fixed terms of appointment ranging from two to eight years, with all but four regulators allowing their re-appointment.

According to the *G20/OECD Principles of Corporate Governance*, as revised in 2023, to foster regulatory independence, members of the governing body are appointed for fixed terms, and as an additional precaution, some jurisdictions have also staggered appointments to avoid overlaps with the political calendar. Another solution adopted by some jurisdictions to strengthen independence and reduce potential conflicts of interest of regulators is the introduction of policies to restrict post-employment movement to industry through mandatory time gaps or cooling-off periods (Principle I.E).

Members of a governing body or a regulatory head such as a commissioner or superintendent are appointed for fixed terms in 51 out of 56 institutions. Of the 49 Factbook jurisdictions, only four do not make fixed term appointments (SEHK's Board in **Hong Kong (China)**; FSA's Commissioner in **Japan**; the Ministry of Justice governed by a Minister in **Korea**; and CNBV's Governing Board in **Mexico**). When specified, maximum terms generally range from two to eight years, and most commonly are set at four or five years (for 10 and 20 institutions, respectively) (Table 2.8, Figure 2.7).

The re-appointment of members is allowed in all jurisdictions that set fixed terms with the exception of **Brazil**, **Italy**, **Peru** and **Portugal**. The re-appointment of the chairperson is not allowed in **France** and is allowed only once in **Hungary** for the Governor of the Financial Stability Board. The number of reappointments is limited to one in six additional jurisdictions (**Costa Rica**, the **Czech Republic**, **France**, **Ireland**, **Saudi Arabia**, and **Spain**) and to two in one jurisdiction (the **Netherlands**).

Figure 2.7. What term of office do board members/heads of the regulator serve?



Note: Based on 55 institutions for 49 jurisdictions reporting data. Jurisdictions with more than one main regulator are counted more than once. One institution among surveyed jurisdictions, SEBI's board in India, has a different manner for setting the duration of the appointment and is not included in this figure. See Table 2.8 for data.

Table 2.1. The main elements of the regulatory framework: Laws and regulations

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
Argentina	Companies Law	2014		Capital Market Law No. 26831	2018		Rule No. 622/13 (Ordered Text 2013 CNV)
Australia	Corporations Act 2001		2022				Listing rules
Austria[1]	Commercial Code	2019		Stock Corporation Act	2019		
Belgium[1]	Code of Companies and Associations	2019		Law of 2 August 2002	2022	2013	
Brazil	Corporation Act	2022	2001	Securities Act	2022	2002	CVM Resolution No. 80/2022; Novo Mercado Listing Regulation
Canada	Federal *(Canada Business Corporations Act)* or provincial statutes	2022 (federal)	2022 (federal)	Provincial securities laws (e.g. Securitie s Act in Ontario)	-		*Canada Business Corporations Regulations* (federal) plus provincial regulations
Chile	Corporations Law	2021		Securities Market Law	2022		Rule No. 385 of 2015 (CMF) Rule No. 30 amended by Rule No 461 of 2021 (CMF)
China	The Company Law of the People`s Republic of China	2018	-	Securities Law of the People's Republic of China	2019	-	Code of Corporate Governance for Listed Companies in China; Regulations (CSRC)
Colombia	Commercial Code	1971	-	Securities Market Law 964	2005	-	Rules, Instructions (SFC)
	Law 222 of 1995	1995					
Costa Rica	Code of Commerce	2016	-	Regulatory Law of the Securities Market	1997	-	
Czech Republic	Business Corporations Act	2020	2012	Capital Market Undertakings Act	2022	2020	
Denmark	Company Act	2022	2021	Capital Markets Act	2022	-	Listing rules by Nasdaq Copenhagen: Rules for issuers of shares
	Financial Statements Act	2022	2019				
Estonia	Commercial Code	2022	2022	Securities Market Act	2022	2022	Listing rules of Nasdaq Baltic Tallinn
Finland	Limited Liability Companies Act	2022	2019	Securities Markets Act	2020	2013	Listing rules by Nasdaq Helsinki Nordic Main Market Rulebook for Issuers of Shares Corporate Governance Code

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
France	Code de Commerce	2020	2013	Code monétaire et financier	2020	2010	
Germany[1]	Commercial Code	2022	2017-2021	Securities Trading Act	2020	2018	-
	Stock Corporation Act	2022	2022				
Greece	Law 4548/2018	2018		Law 4706/2020 Law 4449/2017	2020 2017	2020	HCMC Decision 1A/890/18.09.2020 on sanctions imposed under Article 24 of Law 4706/2020 HCMC Decision 1/891/30.09 2020 on the evaluation of the Internal Control System (ICS) and provisions on Corporate Governance of law 4706/2020
Hong Kong (China)[1]	Companies Ordinance	2022	2022	Securities and Futures Ordinance	2022	2022	Main Board and GEM Listing Rules
	Companies (Winding Up and Miscellaneous Provisions) Ordinance	2022	2022				
Hungary	Civil Code	2022	2022	Act on the Capital Market	2022	2022	Corporate Governance Recommendations of BSE
Iceland	Act on Annual Account	2018	2006	Act on Markets in Financial Instruments no 115/2021	2021		Act on Financial undertakings (161/2002), Act on Insurance activities (56/2010) Nasdaq Iceland Rules for Issuers
	Act on Public Limited Companies	2017	2010				
India	Companies Act 2013		2022	Securities and Exchange Board of India Act	1992	2021	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
				Securities Contract (Regulation) Act	1956	2021	
Indonesia	Company Law	2007	2007	Capital Market Law	1995	1995	OJK Regulations IDX Listing Rules
Ireland	Companies Act	2014	2022	Securities Markets Regulations		2022	Regulations Listing Rules
				Funds Regulation		2019	

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
Israel	Companies Law	2018	2011	Securities Law	2017	2017	Securities Regulations (ISA), Companies Regulations Ministry of Justice (MOJ)
Italy	Civil Code	2022	-	Consolidated Law on Finance	2022	2022	Regulations (Consob)
Japan	The Companies Act	2019	2022	Financial Instruments and Exchange Act	2020	2020	Regulations (FSA) Securities Listing Regulations (TSE)
Korea	Company Act	2020	2018	Financial investment Services and Capital Markets Act	2021	2021	Act on Corporate Governance of Financial Companies
Latvia	Company Law	2022	2021	Financial Instrument Market Law	2022	2021	Group of Companies Law, Listing rules Stock Buyback Law
Lithuania	Law on Companies	2022	2014 (related changes 2017)	Law on Securities	2019	2015	Law on Markets in Financial Instruments
Luxembourg	Companies Act	2021	-	Law on markets in financial instruments	2021	-	
Malaysia	Companies Act	2019	2019	Securities Commission Malaysia Act	2017	2017	Bursa Malaysia Listing Requirements
							Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries (released in 2020)[2]
				Capital Markets and Services Act	2015	2015	Guidelines on Conduct for Capital Market Intermediaries (issued in 2021)
				Securities Industry Act	2004	2004	
Mexico	General Law of Mercantile Corporations (Companies' Law)	2018	-	Securities Market Law	2019		Rules applicable to Issuers (CNBV) Stock Exchanges Internal Rules & Regulations
Netherlands	Netherlands Civil Code	2021		Act on Financial Supervision	2020		
				Act on the Supervision of Financial Reporting	2019		
New Zealand	Companies Act 1993		2014	Financial Markets Conduct Act 2013		2021	Financial Markets Conduct Regulations

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
Norway	Public Limited Liability Companies Act	2022	2014	Securities Trading Act	2014	2014	Listing Rules
Peru	General Corporation Law	2021	-	Securities Market Law	2020	2017	Qualification on Independent Directors Guidelines Report on Compliance with the Code of Good Corporate Governance for Peruvian Corporations
Poland	Code of Commercial Companies	2022		Act on Trading in Financial Instruments Act on Public Offer of Financial Instruments	2022		
Portugal	Companies Code	2022	2022	Securities Law	2022	2022	CMVM Regulation No. 4/2013 on Corporate Governance
	Law 148/2015: Rules on board structure and duties of supervisory board members in public interest entities.	2022					
Saudi Arabia	Companies Law	2022	-	Capital Market Law	2003	2018	Corporate Governance Regulation issued by the CMA
Singapore	Companies Act		2018	Securities and Futures Act		2018	SGX Listing Manual; Corporate governance regulations for banks, insurers and financial market infrastructures
Slovak Republic	Commercial Code	2022	-	Act on Securities	2022	-	Act on Accounting
				Act on Stock Exchange	2022		
Slovenia[1]	Companies Act	2021	2019	Market in Financial Instruments Act	2021	2019	
South Africa	Companies Act	2008	2011	Financial Markets Act	2012	2012	
Spain	Capital Company Act	2021		Securities Market Law	2021		Regulations (CNMV); Good Governance Code of Listed Companies

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
Sweden	Companies Act	2006		The EU Market Abuse Regulation	2016		Self-regulation (Rulebook for issuers, Corporate Governance Code, Securities Council's statements) SFSA's regulations
				Securities Market Act	2007		
				Financial Instruments Trading Act	1991		
				Financial Instruments Trading (Market Abuse Penalties) Act	2017		
Switzerland[3]	The Code of Obligations (CO)	2023	2023	Financial Market Infrastructure Act	2021	2021	Laws, Ordinances, Circulars, Self-regulation (FINMA)
				Regulations of the Swiss Stock Exchange	2023	2023	
Türkiye	Turkish Commercial Code No. 6102 (TCC)	2022	-	Capital Market Law No. 6362	2021	2020	Communiqués (CMB)
United Kingdom	Companies Act of 2006		2006	Financial Services and Markets Act 2000		2016	Listing Rules, Prospectus Rules, Disclosure Guidance and Transparency Rules (FCA)
United States	State corporate laws		-	Securities Act of 1933		2022	NYSE Listed Company Manual Nasdaq Rulebook
				Securities Exchange Act of 1934		2022	

Key: "-" = no data available. The online version of the publication contains links to websites and reports where available.

1. Regarding takeover bids, some jurisdictions (e.g. **Austria, Belgium, Germany** and **Slovenia**) set out a separate legal framework, while **Hong Kong** (**China)** has a non-statutory code.

2. In **Malaysia**, the Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries were updated on 12 April 2021 to include guidance on the group governance framework.

3. In **Switzerland**, the amendments of the Code of Obligations (CO) and to the Regulations of the Swiss Stock Exchange entered into force on 1 January 2023.

Table 2.2. The main elements of the regulatory framework: National codes and principles

Jurisdiction	Key national corporate governance codes and principles	Implementation mechanism			
		Basis for framework	Approach[1]	Disclosure in annual company report	Surveillance
Argentina	Corporate Governance Code	Law or regulation	Apply or not, explain[2]	Required	Securities regulator
Australia	Corporate Governance Principles and Recommendations	Listing rule	Comply or explain	Required	Stock exchange
Austria	Austrian Code of Corporate Governance	Law or regulation	Comply or explain	Required	
Belgium	The 2020 Belgian Code on Corporate Governance	Law or regulation	Comply or explain	Required	Securities regulator
Brazil	Brazil Corporate Governance Code - Listed Companies	Law or regulation	Comply or explain	Required	Securities regulator & stock exchange
Canada	Corporate Governance: Guide to Good Disclosure	Law or regulation	Comply or explain	Required	
Chile	Practices for Corporate Governance Rule No.385	Law or regulation	Comply or explain[3]	Other	Securities regulator
	Contents of Corporate Annual Report. Rule No.30 amended by Rule No. 461 of CMF	Law or regulation	Explain	Required	Securities regulator
China	The Code of Corporate Governance for Listed Companies in China 2018	Law or regulation, Listing rule	Binding	Required	Securities regulator & Stock exchange
Colombia	Codigo Pais 2014	Law or regulation[4]	Comply or explain	Required	Securities regulator
Costa Rica	CONASSIF Corporate Governance Regulation	Law or regulation	Binding & Comply or explain[5]	Required	Securities regulator
Czech Republic	Czech Corporate Governance Code	Voluntary	Comply or explain	Required	-
Denmark	Recommendations on Corporate Governance	Law or regulation, Listing rule	Comply or explain	Required	Securities regulator, Stock exchange
Estonia	Corporate Governance Recommendations	Law or regulation	Comply or explain	Required	Securities regulator, Stock exchange & Private
Finland	Finnish Corporate Governance Code	Law or regulation, Listing rule	Comply or explain	Required	Stock exchange & Securities regulator
France	AFEP MEDEF Corporate Governance Code of Listed Corporations and Middlenext corporate governance code designed for listed small and medium listed companies (VaMPs)	Law or regulation	Comply or explain	Required	Private & Securities regulator
Germany	German Corporate Governance Code	Law or regulation	Comply or explain	Required	Different stakeholders appointed by Government
Greece	Hellenic Corporate Governance Code For Listed Companies	Law or regulation	Comply or explain	Required	
Hong Kong (China)	Corporate Governance Code (Appendix 14 of the Main Board Listing Rules / Appendix 15 of the GEM Listing Rules)	Listing rule	Binding & Comply or explain	Required	Stock exchange
Hungary	Corporate Governance Recommendations of BSE	Law or regulation	Comply or explain	Required	Corporate Governance Committee & Stock Exchange
Iceland	Corporate Governance Guidelines	Listing rule	Comply or explain	Required	Stock exchange

Jurisdiction	Key national corporate governance codes and principles	Implementation mechanism			
		Basis for framework	Approach[1]	Disclosure in annual company report	Surveillance
India	SEBI (listing Obligations and Disclosure Requirement) Regulations, 2015	Law or regulation	Binding	Required	Securities regulator & Stock exchange
Indonesia	Indonesia Good Corporate Governance Code	Voluntary	Apply or explain	Not Required	-
	Corporate Governance Guidelines of Public companies- OJK Regulation 21/2015, OJK Circular Letter 32/2015	Law or regulation	Comply or explain	Required	Securities regulator
Ireland	Irish Stock Exchange Listing Rules applying UK Corporate Governance Code with Irish Annex	Listing rule	Comply or explain	Required	-
Israel[6]	Code of recommended corporate governance embedded in Companies Law	Law or regulation	Other and Comply or explain	Required	Securities regulator
Italy	Corporate Governance Code	Law or regulation, Listing rule	Comply or explain	Required	Securities regulator, Stock exchange & Private
Japan	Japan's Corporate Governance Code	Listing rule	Comply or explain	Required	Stock exchange
Korea	Code of Best Practices for Corporate Governance/ Disclosure Rules on KOSPI Market Governance	Listing rule	Comply or explain	Other[7]	Stock exchange
Latvia	Corporate Governance Code	Law or regulation, Listing rule	Comply or explain	Required	Stock exchange
Lithuania	The Corporate Governance Code for the Companies Listed on Nasdaq Vilnius	Law or regulation, Listing rule	Comply or explain	Required	Securities regulator & Stock exchange
Luxembourg	Ten Principles of Corporate Governance	Listing rule	Comply or explain	Required	Stock exchange
Malaysia	Malaysian Code on Corporate Governance	Listing rule	Apply or explain an alternative	Required	Securities regulator & Stock exchange
Mexico	Code of Principles and Best Practices in Corporate Governance (Corporate Governance Code)	Law or regulation, Listing rule[8]	Binding (partly)	Required	Securities regulator & Stock exchange
Netherlands	Dutch Corporate Governance Code	Law or regulation	Comply or explain	Required	Securities regulator
New Zealand	NZX Corporate Governance Code	Listing rule	Comply or explain	Required	Securities regulator
Norway	Norwegian Code of Practice for Corporate Governance	Listing rule	Comply or explain	Required	-
Peru	Corporate Governance Code for Peruvian Companies	Law or regulation	Comply or explain	Required	Securities regulator
Poland	Code of Best Practice of GPW Listed Companies	Voluntary	Comply or explain	Required	Stock exchange
Portugal	Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG)	Law or regulation	Comply or explain	Required	Privation institution
Saudi Arabia	Corporate Governance Regulations	Law or regulation	Binding & Comply or explain	Required	Securities regulator
Singapore	Code of Corporate Governance	Listing rule	Comply or explain	Required	Stock exchange
Slovak Republic	Corporate Governance Code for the Slovak Republic	Law or regulation, Listing rule	Comply or explain	Required	Stock Exchange, Private institution (Slovak Corporate Governance Association)

Jurisdiction	Key national corporate governance codes and principles	Implementation mechanism			
		Basis for framework	Approach[1]	Disclosure in annual company report	Surveillance
Slovenia	Corporate Governance Code for Listed Companies	Law or regulation, Listing rule	Comply or explain	Required	Securities regulator & Stock exchange
South Africa	King Code IV	Listing rule	Apply and explain	Required	Stock exchange
Spain	Good Governance Code for Listed Companies	Law or regulation	Comply or explain	Required	Securities regulator
Sweden	Swedish Corporate Governance Code	Listing rule	Comply or explain	Required but can be a separate document	Stock exchange
Switzerland	Swiss Code of Best Practice for Corporate Governance	Voluntary	Comply or explain	-[9]	-
	Directive on Information relating to Corporate Governance	Listing rule	Comply or explain	Required	Stock exchange
Türkiye	Corporate Governance Principles	Law or regulation	Binding & Comply or explain	Required	Securities regulator
United Kingdom	UK Corporate Governance Code	Listing rule	Comply or explain	Required	Securities regulator
United States	Nasdaq Rulebook	Law or regulation, Listing rule	Binding	Required	Securities regulator & Stock exchange
	NYSE Listed Company Manual		Binding	Required	

Key: "-" = no data available. The online version of the publication contains links to websites and reports where available.

1. Jurisdictions have opted for different formulations to specify the application of their corporate governance code(s) or equivalent framework, which range from binding, mixed or non-binding (soft law) approaches. Soft law approaches are generally referred to as "comply or explain" but also include different formulations such as "Apply or explain", "Apply or explain an alternative", and "Apply and explain".

2. In **Argentina**, a company may decide not to apply a recommendation and still be in compliance with good practices. This approach looks to recognise heterogeneity among industries and companies and to provide broader means to comply with best practices.

3. In **Chile**, although there is no Corporate Governance Code, there is a regulatory requirement for disclosure that the Chilean regulator considers to function similarly to a code, namely the CMF General Rule No. 385. This provision requires listed companies to perform an annual self-assessment with regard to the adoption of good practices of corporate governance proposed by the CMF, and report to the CMF on a "comply or explain" basis. Although it is not required to include this information in the annual report, it is made available to the public through the Regulator´s and listed companies' websites. In addition, in November 2021 the CMF issued General Rule No. 461, which modifies General Rule No. 30 to include topics of Sustainability and Corporate Governance to the corporate annual report of securities issuers and other entities supervised by the CMF. This General Rule will be gradually phased in between 2022 and 2024, according to the type of entity and its size (measured by consolidated assets). In this regard, the disclosure requirements for the adoption of Corporate Governance Practices will be contained in the report of General Rule No. 385 and the annual report until 2024, and General Rule No. 385 will then be repealed when General Rule No. 461 enters fully in force.

4. In **Colombia**, the Código País recommendations are adopted on a voluntary basis by issuers; however, disclosure against the code is required by regulation, and once practices are reported as adopted, they become mandatory. Issuers have to include in their internal codes a clause under which the firm, its directors and employees are required to comply with the recommendations that were voluntarily adopted, as well as to submit the Código País Implementation Report to the SFC annually.

5. In **Costa Rica**, the CONASSIF Corporate Governance Regulation is mandatory to implement but based on a "comply and explain" rule. It is classified as "binding and comply or explain" due to some flexibility provided in implementing some measures according to proportionality considerations (See Box 2.1 on country examples for more details).

6. In **Israel**, the corporate governance code has both binding and voluntary recommendations embedded in its Companies Law, and which companies must report on based on the comply or explain approach.

7. In **Korea**, KOSPI listed companies with total assets of more than KRW 1 trillion are required to disclose a stand-alone corporate governance report annually no later than last day of May.

8. In **Mexico**, listed companies must disclose their degree of adherence to the Code to both the Stock Exchange and investors (See Box 2.1 on country examples for more details).

9. In **Switzerland**, the Code states that it uses the "comply or explain" principle, but it does not indicate where the company has to explain whether its corporate governance practices deviate from the recommendations.

Table 2.3. The custodians of national codes and principles

Jurisdiction	Custodians (Public/private/stock exchange/mixed initiative)		First code	Updates	
				No.	Latest
Argentina	Comisión Nacional de Valores	Public	2007	1	2019
Australia	ASX Corporate Governance Council	Mixed	2003	4	2019
Austria	Austrian Working Group for Corporate Governance	Private	2002	10	2021
	Federal Ministry of Finance	Public			
Belgium	Corporate Governance Committee	Mixed	2004	3	2020
Brazil	Brazilian Institute of Corporate Governance (IBGC)	Private	2016	-	2016
Canada	Provincial stock exchanges, e.g. Toronto Stock Exchange (TMX)	Exchange			2014
Chile	Financial Market Commission (CMF)	Public	2012	2	2021
China	China Securities Regulatory Commission	Public	2002	-	2018
Colombia	Financial Superintendence of Colombia (SFC)	Public	2007	1	2014
Costa Rica	National Council of Supervision of the Financial System (CONASSIF)	Public	2017	-	2017
Czech Republic	Czech Institute of Directors	Private	2001	2	2018
Denmark	Danish Committee on Corporate Governance	Public	2001	10	2020
Estonia	Estonian Financial Supervision and Resolution Authority (EFSA)	Public	2005		2006
	NASDAQ Tallinn	Exchange			
Finland	Securities Market Association	Private	1997	5	2020
France	Association Française des Entreprises Privées (AFEP)	Private	2003		2020
	Mouvement des Entreprises de France (MEDEF)				
	Middlenext		2016		2016
Germany	Commission of the German Corporate Governance Code	Mixed	2002		2022
Greece	Hellenic Corporate Governance Council	Private	2013		2021
Hong Kong (China)	The Stock Exchange of Hong Kong Limited (SEHK)	Exchange	2005	6	2022
Hungary	Corporate Governance Committee (Established by the Budapest Stock Exchange Company Limited)	Exchange	2004		2020
Iceland	Iceland Chamber of Commerce	Public	2004	6	2021
	SA Confederation of Icelandic Enterprises	Private			
India	Securities and Exchange Board of India (SEBI)	Public	2000	18	2020
	Recognised Stock Exchanges	Exchange			
Indonesia	Indonesia National Committee on Governance Policy Indonesia Financial Services Authority (OJK)	Mixed Public	2015	-	2015
Ireland	Irish Stock Exchange (following UK Financial Reporting Council recommendations)	Mixed	2003		2018
Israel	Ministry of Justice (MOJ)	Public	1999	34	2020
	Israel Securities Authority (ISA)				
Italy	Corporate Governance Committee	Mixed	1999	7	2020

Jurisdiction	Custodians (Public/private/stock exchange/mixed initiative)		First code	Updates	
				No.	Latest
Japan	Tokyo Stock Exchange (TSE) and other local stock exchanges	Exchange	2015	2	2021
Korea	Korea Exchange (KRX); Korea Institute of Corporate Governance and Sustainability (KCGS)	Exchange	2019	2	2022
Latvia	Corporate Governance Advisory Board	Mixed	2005	-	2020
Lithuania	Nasdaq Vilnius	Exchange	2006	2	2019
Luxembourg	Luxembourg Stock Exchange	Exchange	2007	4	2017
Malaysia	Securities Commission Malaysia	Public	2000	4	2021
Mexico	Business Coordinating Council (Consejo Coordinador Empresarial)	Private	1999	3	2018
Netherlands	Monitoring Committee Corporate Governance Code	Mixed	2003	3	2022
New Zealand	New Zealand Exchange (NZX)	Exchange	2003	-	2020
	Financial Markets Authority	Public	2004	-	2018
Norway	Norwegian Corporate Governance Board	Private	2005	9	2021
Peru	Superintendence of Securities Market (SMV)	Mixed	2002	1	2013
Poland	Warsaw Stock Exchange (GPW)	Exchange	2002		2021
Portugal	Portuguese Institute of Corporate Governance (IPCG)	Private	2013	1	2020
Saudi Arabia	Capital Market Authority	Public	2006	4	2021
	Saudi Central Bank (SAMA)				
	Insurance Corporate Governance Regulation 2015	Public	2015	1	-
	Principles of Corporate Governance for Banks Operating in Saudi Arabia 2014	Public	2014	1	-
Singapore	Monetary Authority of Singapore (MAS)	Public	2001	3	2018
	Singapore Exchange (SGX)	Exchange			
Slovak Republic	Slovak Association of Corporate Governance	Mixed	2002	2	2016
Slovenia	Ljubljana Stock Exchange	Exchange	2004	8	2022
	Slovenian Directors' Association	Private	2016		2022
	Slovenian Chamber of Commerce	Private	2014	1	2021
	Slovenian Sovereign Holding	Public	2016		2022
	Ministry of the Economy, Tourism and Sport	Public			
	Managers' Association of Slovenia	Private			
South Africa	Institute of Directors	Private	1994	4	2016
Spain	National Securities Market Commission (CNMV)	Public	1998	5	2020
Sweden	Swedish Corporate Governance Board	Private	2005	6	2020
Switzerland[1]	economiesuisse	Private	2002	3	2023
	SIX Exchange Regulation (SER)	Private	2002	7	2023
Türkiye	Capital Markets Board of Türkiye (CMB)	Public	2003	5	2020
United Kingdom	Financial Reporting Council (FRC)	Public	2003		2018

Jurisdiction	Custodians (Public/private/stock exchange/mixed initiative)		First code	Updates	
				No.	Latest
United States	Nasdaq	Exchange	2003		2022
	New York Stock Exchange (NYSE)	Exchange	2003		2022

1. In **Switzerland**, the updates to the Corporate Governance Code entered into force on 1 January 2023.

Table 2.4. National reports on corporate governance

Jurisdiction	Issuing body		Publication		Key contents		
	R: Securities/Corporate Governance Regulator S: Stock exchange P: Private institution M: Mixed		Frequency (years)	Latest	Corporate governance landscape	Evaluation of the "Comply or Explain" practices	
						Coverage of the listed companies	Coverage of the provisions of codes
Argentina	-	-	-	-	-	-	-
Australia	-	-	-	-	-	-	-
Austria	P	Austrian Working Group for Corporate Governance	1	2021	Yes	Fully	Fully
Belgium	R	FSMA	1	2019	Yes	Fully	Partly
	P	GUBERNA and FEB	1	2017	Yes	BEL20, mid & small	Fully
Brazil	P	KPMG	1	2022	Yes	Mostly	Fully
Canada	R	National Policy Instrument 58-201	1	2005	National policy	N/A	N/A
	P	Institute of Corporate Directors 2022 Study "Chart the Future"	1	2022	Yes	Partially	N/A
Chile	-	-	-	-	-	-	-
China	M	CAPCO	-	2014	Yes	Partly	Mostly
Colombia	R	SFC	1	2021	Yes	Fully	Fully
Costa Rica	-	-	-	-	-	-	-
Czech Republic							
Denmark[1]	M	NASDAQ Copenhagen A/S and Committee on Corporate Governance	1	2022	Yes	Fully	Fully
	S	NASDAQ Copenhagen A/S	Occasional[2]	2018	Yes	Fully	Fully
Estonia	R	EFSA	Occasional	2017	Yes	Fully	Mostly
Finland	M	Chamber of Commerce	1	2022	Yes	Fully	Fully
France	R	AMF	1	2022	Yes	Partly (50)	Fully
	P	AFEP and MEDEF (via a High Committee on Corporate Governance, HCGE)	1	2022	Yes	SBF 120	Fully
Germany	P	Berlin Center of CG	1	2021	Yes	Fully	Fully
Greece							
Hong Kong (China)	S	SEHK	2-3	2020	Yes	Partly (400 companies)	Fully
Hungary	S	Corporate Governance Committee	1	2021	Yes	Fully	Fully

Jurisdiction	Issuing body		Publication		Key contents		
	R: Securities/Corporate Governance Regulator S: Stock exchange P: Private institution M: Mixed		Frequency (years)	Latest	Corporate governance landscape	Evaluation of the "Comply or Explain" practices	
						Coverage of the listed companies	Coverage of the provisions of codes
Iceland	-	-	-	-	-	-	-
India							
Indonesia	-	-	-	-	-	-	-
Ireland	-	-	-	-	-	-	-
Israel	-	-	-	-	-	-	-
Italy	R	Consob	1	2022	Yes	-	-
	M	Corporate Governance Committee	1	2021	Yes	Fully	Fully
	P	Assonime	1	2022	Yes	Fully	Fully
Japan	S	TSE	2	2021	Yes	Fully	Fully
Korea	S	KRX	1	2022	Yes	Fully; partly for KOSPI listed	Fully
Latvia	S	Nasdaq Riga	-	2015	Yes	Fully	Mostly
Lithuania	R	Bank of Lithuania (LB)	Occasional	2020	Yes	Fully	Mostly
	S	Nasdaq Vilnius	Occasional	2021	Yes	Fully	Fully
Luxembourg	S	Bourse de Luxembourg	1	2018	Yes	Fully	Fully
Malaysia	R	Securities Commission Malaysia	1	2022	Yes	Fully	Fully
Mexico	P	PwC México Deloitte	2-3	2018	Yes	Mostly	Mostly
	S	BMV BIVA	1	2022			
Netherlands	M	Monitoring Committee	1	2022	Yes	Fully	Fully
New Zealand							
Norway	-	-	-	-	-	-	-
Peru	R	SMV	1	2022[3]	Yes	Fully	Fully
Poland	S	Warsaw Stock Exchange (GPW)	1	2022	Yes	Fully	Fully
Portugal	R	CMVM	1	2022[4]	Yes	Fully	Fully
	P	IPCG/CAM	1	2022	Yes	Fully	Fully
Saudi Arabia	R	CMA	1	2022	-	Fully	Mostly
Singapore	S	SGX	-	2016	Yes	Fully	Fully
Slovak Republic	P	SACG			-	Partly	Partly
Slovenia	P	Slovenian Directors' Association (SDA)	-	2022	-	Fully	Fully
	S	Ljubljana Stock Exchange (LJSE)	-	2022	Yes	Fully	Fully
South Africa	P	Institute of Directors/King Commitee	Ad hoc	2022	Yes	Fully	Fully
Spain	R	CNMV	1	2021	Yes	Fully	Fully
Sweden	P	Swedish Corporate Governance Board	1	2019	Yes	Fully	Fully
Switzerland	-	-	-	-	-	-	-
Türkiye	R	CMB	-	2020[5]	Yes	Partly[6]	Mostly
United Kingdom	R	FRC	1	2022	Yes	FTSE 350 & small	Mostly
United States							

Key: **R** = Securities/Corporate Governance Regulator; **S** = Stock exchange; **P** = Private institution; **M** = Mixed.

1. In **Denmark**, the joint report prepared by Nasdaq and the Committee on Corporate Governance is more comprehensive than the Nasdaq report, as it collects additional data and includes some focus areas that differ from year to year.
2. In **Denmark**, the Nasdaq report is published every year, but has included information regarding corporate governance only three times in the last 12 years.
3. In **Peru**, in addition to publishing an annual report on the Corporate Governance Code results, since 2019, the SMV has published on its web portal a tool that systematises and allows reviewing the answers to the "YES-NO" questions of the "Report on Compliance with the Code of Good Corporate Governance for Peruvian Corporations" submitted by each issuer.

4. In **Portugal**, the Portuguese Institute of Corporate Governance (IPCG) publishes a monitoring report on how listed companies disclose matters relating to the adoption of the Code. Since 2022 the CMVM publishes an annual report with the main conclusions on the integration of sustainability factors in the activity of Portuguese listed companies, which includes a chapter dedicated to the information disclosed by companies regarding corporate governance.
5. In **Türkiye**, the Monitoring Report has analysed the compliance status and the quality of the explanations provided by the BIST 100 companies for non-mandatory Corporate Governance Principles annexed to the Communiqué on Corporate Governance (II-17.1), which were disclosed under CRF (Compliance Report Format).
6. In **Türkiye**, the companies whose shares are traded on the BIST Star Market and BIST Main Market are required to disclose their compliance status and explanations for non-mandatory principles in line with the comply or explain approach. However, for the Report, the companies traded on BIST 100 indices were designated as the sample group.

Table 2.5. The main public regulators of corporate governance

Jurisdiction	Main public regulators	
Argentina	CNV	Comisión Nacional de Valores
Australia	ASIC	Australian Securities and Investments Commission
Austria	FMA	Financial Market Authority
Belgium	FSMA	Financial Services and Markets Authority
Brazil	CVM	Brazilian Securities Commission
Canada	OSC	Provincial securities commissions (e.g. Ontario Securities Commission)
Chile	CMF	Financial Market Commission (CMF)
China	CSRC	China Securities Regulatory Commission
	SASAC	State-owned Assets Supervision and Administration Commission
	MOF	Ministry of Finance of the People's Republic of China
Colombia	SFC	Financial Superintendency
		Ministry of Finance and Public Credit
Costa Rica	SUGEVAL	Superintendencia General de Valores
Czech Republic	CNB[1]	Czech National Bank
Denmark	DFSA	Danish Financial Supervisory Authority Danish Business Authority
Estonia	EFSA	Estonian Financial Supervision and Resolution Authority
Finland	FIN-FSA	Finnish Financial Supervisory Authority
France	AMF	Autorité des Marchés Financiers
Germany	BaFin	Federal Financial Supervisory Authority
Greece	HCMC	Hellenic Capital Market Commission
Hong Kong (China)	SFC SEHK	Securities and Futures Commission The Stock Exchange of Hong Kong Limited
Hungary	CBH	Central Bank of Hungary
Iceland	CBI	The Financial Supervisory Authority of the Central bank of Iceland
India	SEBI	Securities and Exchange Board of India
	MCA	Ministry of Corporate Affairs
Indonesia	IFSA (OJK)	Indonesia Financial Services Authority
Ireland	CBI	Central Bank of Ireland
Israel	ISA	Israel Securities Authority
Italy	CONSOB	Commissione Nazionale per le Società e la Borsa
Japan	FSA	Financial Services Agency
	SESC	Securities and Exchange Surveillance Commission
Korea	MOJ[2]	Ministry of Justice
Latvia	LVB	Bank of Latvia (Latvijas Banka)
Lithuania	LB	Bank of Lithuania
Luxembourg	CSSF[1]	Financial Sector Supervisory Commission
Malaysia	SCM	Securities Commission Malaysia
Mexico	CNBV	National Banking and Securities Commission
Netherlands	AFM[1]	Netherlands Authority for the Financial Markets

Jurisdiction	Main public regulators	
New Zealand	FMA	Financial Market Authority
Norway	NFSA	Financial Supervisory Authority of Norway
Peru	SMV	Superintendence of Securities Market (SMV)
Poland	KNF	Polish Financial Supervision Authority
Portugal	CMVM	Securities Market Commission
Saudi Arabia	CMA	Capital Market Authority
	MCI	Ministry of Commerce and Investment
	SAMA	Central Bank
Singapore	MAS[1]	Monetary Authority of Singapore
	ACRA[1]	Accounting and Corporate Regulatory Authority
Slovak Republic	NBS	Bank of the SlovakRepublic (Central Bank)
Slovenia	ATVP	Securities Market Agency
South Africa	CIPC	Companies and Intellectual Property Commission
	FSCA	Financial Sector Conduct Authority Exchanges
Spain	CNMV	National Securities Market Commission
Sweden	FI/SFSA[1]	Swedish Financial Supervisory Authority (Financial Reporting)
Switzerland	SER	SIX Exchange Regulation
Türkiye	CMB	Capital Markets Board of Türkiye
United Kingdom	FCA	Financial Conduct Authority
United States	SEC	Securities and Exchange Commission

1. In the **Czech Republic**, **Luxembourg**, the **Netherlands**, **Singapore** and **Sweden**, the public regulator is concerned with matters in relation to the securities law, while in principle civil rules on corporate governance are mainly supervised and enforced privately.
2. In **Korea**, the ministry in charge of company law is also substantially responsible for the enforcement of corporate governance issues.

Table 2.6. Budget and funding of the main public regulator of corporate governance

Jurisdiction	Key regulators	Form of funding	Main funding resource			Budget approval by:	
			National budget (NB)	Fines from wrongdoers	Fees from regulated entities	Government	Legislative body
Argentina	CNV	Public & Self	●	-	●	Required	Required
Australia	ASIC	Public & Self	●	-	●	Required	Required
Austria	FMA	Public	●	-	-		
Belgium	FSMA	Self	-	-	●		
Brazil	CVM	Public	●	-	-	Required	Required
Canada (Provinces e.g. Ontario)	OSC	Self			●		
Chile[1]	CMF	Public	●	-	●	Required	Required
China	CSRC	Public	●	-	-	Required	
Colombia	SFC	Self	-	●	●	Required	Required
Costa Rica	SUGEVAL	Public & Self[2]	●	-	●	Not required	Not required
Czech Republic	CNB	Self	-	-	●	Not required	Not required
Denmark	DFSA	Public & Self	●	-	●		Required
	DBA	Public & Self	●	-	●		Required
Estonia	EFSA	Self	-	-	●	Not required	Not required
Finland	FIN-FSA	Self	-	-	●	Not required	Not required

Jurisdiction	Key regulators	Form of funding	Main funding resource			Budget approval by:	
			National budget (NB)	Fines from wrongdoers	Fees from regulated entities	Government	Legislative body
France	AMF	Self	-	-	●	Not required	Not required
Germany	BaFin	Self	-	-	●	Required	
Greece	HCMC	Self	-	-	●	Required	Not required
Hong Kong (China)	SFC	Self	-	-	●	Required	Required
	SEHK	Self	-	-	●	Not required	Not required
Hungary	CBH	Self[3]	-	-	●	Not required	Not required
India	SEBI	Self	-	(to NB)	●	Not required	Not required
	MCA	Public	●	-	-		
Indonesia	IFSA (OJK)	Public &Self	●	●	●	Not required	Required
Iceland	CBI	Self	-	-	●	Not required	Required
Ireland	CBI	Self	-	●	●	Not required	Not required
Israel	ISA	Self	-	-	●	Required	Required
Italy	CONSOB	Self	-	-	●	Required	
Japan	FSA	Public	●	(to NB)	-	Required	Required
	SESC	Public	●	(to NB)	-	Required	Required
Korea	MOJ	Public	●	-	-	Required	Required
Latvia	LVB	Self	-	-	●	Not required	Not required
Lithuania	LB	Self	-	-	●	Not required	Not required
Luxembourg	CSSF	Self	-	●	●	Not required	Not required
Malaysia	SCM	Self	-	-	●	Not required	Not required
Mexico	CNBV	Public	●	-	-	Required	Required
Netherlands	AFM	Self	-	●	●	Required	
New Zealand	FMA	Public & Self	●	-	●	Required	Required
Norway	NFSA	Self	-	-	●	Required	Not required
Peru	SMV	Self[4]	-	-	●	Required	Required
Poland	KNF	Self	-	-	●	Required	Required
Portugal	CMVM	Self	-	-	●	Required	Required
Saudi Arabia	CMA	Public & Self[5]	-	●	●	Not required	N/A
	MCI	Public	●	-	-	Required	N/A
	SAMA	Public & Self	-	●	●	Not required	N/A
Singapore	MAS	Self	-	-	●		
	ACRA	Self	-	-	●		
Slovak Republic	NBS	Self[6]	-	-	●	Not required	Not required
Slovenia	ATVP	Self	-	●	●	Required	Not required
South Africa	CIPC	Public & Self	●	●	●	Required	Required
	FSCA	Self	-		●	Required	Required
	Exchange	Self	-		●		
Spain	CNMV	Self	-	-	●	Required	Required

Jurisdiction	Key regulators	Form of funding	Main funding resource			Budget approval by:	
			National budget (NB)	Fines from wrongdoers	Fees from regulated entities	Government	Legislative body
Sweden	FI/SFSA	Public & Self	●	-	●	Required	Not required
Switzerland	SER	Self	-	-	●	Not required	Not required
Türkiye	CMB	Self	-[7]	-[8]	●	Required	Required
United Kingdom	FCA	Self	-	-	●	Not required	Not required
United States	SEC	Public[9]	●	-	●	Required	Required

1. In **Chile**, per Art. 33 of CMF's Organic Law supervised entities should pay fees for inscriptions and modifications in registries, authorisations, and certificates, excluding entities that, according to Art. 8 of the General Banking Act, should pay supervisory fees.
2. In **Costa Rica**, a 2019 amendment to the Law Regulating the Securities Market and other related laws, achieved by Law 9746, changed SUGEVAL's funding from an 80%/20% split between the Central Bank and regulated entities to a 50% – 50% split. Starting in 2024, compulsory contributions of regulated entities will increase by 7.5% annually until 50% is achieved in 2027.
3. In **Hungary**, according to the Central Bank Act, in exceptional circumstances, where the amount of equity falls below the subscribed capital at the end of the year under review, the difference shall be directly reimbursed from the State's central budget to the retained earnings within five years, in equal instalments every year, within 30 days of the shareholders receipt of the notification of the report of the year under review.
4. In **Peru**, the SMV´s Organic Law includes the possibility of obtaining funding resources from the Central Government and fines from wrongdoers; nevertheless, the main source of resources of the SMV is the income from the contributions of issuers and authorised entities.
5. In **Saudi Arabia**, the Capital Market Law (CML) states that government funds may be used as a source of financial resources for the CMA. However, this has not been the case in practice and the CMA remains fully self-funded from fees for services and commissions charged by the authority and fines and financial penalties imposed on violators.
6. In the **Slovak Republic**, the budget of the NBS is separate from the state budget, and the annual profit or loss of the NBS is not included in the general government budget.
7. In **Türkiye**, when CMB funds are insufficient to meet the expenditures, under the Capital Market Law the deficit can be financed by the Treasury budget, although no deficit has been reported since 1992.
8. In **Türkiye**, for fines imposed by CMB, 50% is registered as income in the national budget and the remaining 50% is transferred to the Investor Compensation Center (Fund).
9. In the **United States**, the SEC receives fees from regulated entities but Congress determines the SEC's funding. The amount of funding received is offset by fees collected.

Table 2.7. Size and composition of the governing body/head of the main public regulator of corporate governance

Jurisdiction	Key regulators	Governing body/head	Composition				
			Members incl. Chair (current)	Representatives from specific bodies			
				Government	Central Bank	Others public	Others private
Argentina	CNV	Board of Directors	5	●	-	-	-
Australia	ASIC	Commission	3-8 (4)	-	-	-	-
Austria	FMA	Executive Board	2				
Belgium	FSMA	Management Committee	4	-	-	-	-
Brazil	CVM	Board of Commissioners	5				
Canada (Provinces e.g. Ontario)	OSC[1]	Commission or Board of Directors	9-16 (9)				
Chile	CMF	The Board	5	●	-	-	-
China	CSRC	Commission	5	●	-	-	-
Colombia	SFC	Superintendent Minister of Finance and Public Credit	-	-	-	-	-

Jurisdiction	Key regulators	Governing body/head	Composition				
			Members incl. Chair (current)	Representatives from specific bodies			
				Government	Central Bank	Others public	Others private
Costa Rica	SUGEVAL	CONASSIF (Board of Directors)	7	●	●	-	●
Czech Republic	CNB	Bank Board	7	-	●	-	-
Denmark	DFSA	Board of directors	9	-	●	●	●
Estonia	EFSA	Management Board	3-5 (4)				
Finland	FIN-FSA	Board	6	-	●	●	●
France	AMF	Board	16	●	●	●	●
Germany	BaFin	Executive Board	7	●		●	
Greece	HCMC	Board of Directors	7		●	●	●
Hong Kong (China)	SFC	Board of Directors	15	-	-	-	-
	SEHK	Board of Directors	13	-	-	-	-
Hungary	CBH	Financial Stability Board[2]	3-10	-	●	●	-
Iceland	CBI	Financial Supervision Committee	5-7	●	●	-	-
India	SEBI	The Board	9	●	●	●	-
	MCA	The Minister	-	-	-	-	-
Indonesia	IFSA (OJK)	Board of Commissioners	9	●	●	●	-
Ireland	CBI	Commission	10	●	●	-	-
Israel	ISA	Commissioners	5-13(10)		●	●	●
Italy	CONSOB	Commission	5	-	-	-	-
Japan	FSA	Commissioner	-	-	-	-	-
	SESC	Commission	3	-	-	-	-
Korea	MOJ	Minister	-	-	-	-	-
Latvia	LVB	Board	3	-	-	-	-
Lithuania	LB	Board	5	-	●[3]	-	-
Luxembourg	CSSF	Board and Executive Board	12				
Malaysia	SCM	Board of Commission	6	●	-	-	●
Mexico	CNBV	Governing Board	13	●	●	●	-
Netherlands	AFM	Executive Board	3-5 (3)	-	-	-	-
New Zealand	FMA	Board	5-9				
Norway	NFSA	Board	5	-	-	●	-
Peru	SMV	Board of Directors[4]	4	●	●	●	-
Poland	KNF	Commission	13	●	●	●	-
Portugal	CMVM	Management Board	5	-	-	-	-
Saudi Arabia	CMA	Board of Commissioners	5	-	-	-	-
	MCI	Minister	-	-	-	-	-
	SAMA	Board of Directors	5	-	●	-	●
Singapore	MAS	Board	12	●	●	●	●
	ACRA	Board	14	●	●	●	●
Slovak Republic	NBS	Bank Board	6 (5)	-	-	-	-
Slovenia	ATVP	Director[5]	-	-	-	-	-
South Africa	CIPC	Commissioner	-	●	-	-	-
	FSCA	Executive Committee[6]	-	-	-	-	-
Spain	CNMV	Board	8	●	●		
Sweden	FI/SFSA	Board	8	-	-	●	●
Switzerland	SER	Regulatory Board	17	-	-	-	●
Türkiye	CMB	Board	7	-	-	-	-
United Kingdom	FCA	Board	7	●	●	-	-
United States	SEC	Commission	5	-	-	-	-

1. In **Canada**, the governing body/head and its composition varies across the provinces. In Ontario, the OSC is governed by its Board of Directors. There may be a maximum of 12 board directors and a minimum of four (which includes the Chair and CEO).
2. In **Hungary**, the supreme decision-making body of CBH is the Monetary Council; the Monetary Council shall define the strategic framework within which the Financial Stability Council makes its decisions.
3. In **Lithuania**, the Law on Bank of Lithuania does not provide any specific requirements on composition (having representatives from specific bodies) of the regulators' board. The Chairperson of the Board of the Bank of Lithuania (LB) shall be appointed and dismissed by the Parliament on the recommendation of the President of the Republic. Deputy Chairpersons and Members of the Board of the Bank of Lithuania shall be appointed and dismissed by the President of the Republic on the recommendation of the Chairperson of the Board of the LB.
4. In **Peru**, the SMV's Board of Directors is made up of the Superintendent of Securities Market acting as the Chair, and four other directors appointed by the government by means of a Supreme Decree signed by the Minister of Economy and Finance. One candidate is proposed by the Ministry of Economy and Finance, one by the Central Bank of Peru and one by the Superintendence of Banks, Insurance and Private Pension Fund Management Companies (SBS). In addition, for the remaining seat to be filled by an independent director, the SMV submits a shortlist of candidates to the Ministry of Economy and Finance, which after assessment, sends a proposal to the President of the Republic for the appointment of the independent director.
5. In **Slovenia**, the Director of the ATVP represents and manages the operations and organises the work of the Agency. A Council composed of five members has oversight function and is competent for adopting the Rules of Procedure of the Agency and the implementing of regulations issued by the Agency, as well as deciding on licences, approvals and other individual matters, unless otherwise stipulated by law.
6. In **South Africa**, the FSCA's Executive Committee is comprised by the Commissioner and three Deputy Commissioners.

Table 2.8. Terms of office and appointment of the governing body/head of the main public regulator of corporate governance

Jurisdiction	Key regulators	Ruling body in charge of corporate governance	Term of members (in years)	Re-appointment	Nomination or Appointment by:	Approval by Legislative body
Argentina	CNV	Board of Directors	5	Allowed	National Executive Power	Required
Australia	ASIC	Commission	Up to 5	Allowed	Governor-General	Not required
Austria	FMA	Executive Board	Fixed		President	
Belgium	FSMA	Management Committee	6	Allowed	Royal Decree	
Brazil	CVM	Board of Commissioners	5	Not allowed	President	Required
Canada (Provinces e.g. Ontario)	Provincial securities regulators (OSC)[1]	Commission/ Board of Directors	Fixed	Allowed	Lieutenant Governor in Council	Not required
Chile	CMF	The Board	4 (Chair) 6 (Com-missioners)	Allowed	President with Senate's ratification (except for Chair)	Required
China	CSRC	Commission	5	Allowed	The State Council	Not required
Colombia	SFC	Superintendent	4	Allowed	President	Not required
Costa Rica	SUGEVAL	CONASSIF (Board of Directors)	5	Only once	Board of the Central Bank nominates 5 members (Chair is appointed, among them) President nominates the other 2 members (Minister of Finance and President of the Central Bank)	Not required
Czech Republic	CNB	Bank Board	6	Only once	President	Not required
Denmark	DFSA	Board of Directors	2	Allowed	Minister of Industry, Business and Financial Affairs	
Estonia	EFSA	Management Board	3 4 (Chair)	Allowed	Supervisory Board of EFSA	Not required

Jurisdiction	Key regulators	Ruling body in charge of corporate governance	Term of members (in years)	Re-appointment	Nomination or Appointment by:	Approval by Legislative body
Finland	FIN-FSA	Board	3	Allowed	Parliamentary Supervisory Council	
France	AMF	Board	5	Not allowed for chair (only once for members)	Ministry of Finance, Parliament and other public bodies (each independently appoints one or more members, in some cases after consulting with private bodies)	Not required
Germany	BaFin	Executive Board	5	Allowed	Ministry of Finance	
Greece	HCMC	Board of Directors	5	Allowed	Minister of Economy and Finance	Required
Hong Kong (China)	SFC	Board of Directors	Fixed	Allowed	Chief Executive of the HKSAR or the Financial Secretary under delegated authority HKEX (as the SEHK's sole member)	Not required
	SEHK	Board	Not fixed	Allowed		Not required
Hungary	CBH	Financial Stability Board[2]	6 (Governor and Vice Governors) Not fixed (managers)	Allowed once (Governor) Allowed (other members)	The president of the republic on the proposal of the prime minister (Governor, Vice Governors) Governor (managers)	Not required
Iceland	CBI	Financial Supervisory Committee	5	Allowed	Minister of Economic Affairs (3 members) Central Bank of Iceland (2 members)	Not required
India	SEBI	The Board	3-5	Allowed	Central Government	Not required
	MCA	The Minister				
Indonesia	IFSA (OJK)	Board of Commissioner	5	Allowed	President	Required
Ireland	CBI	Commission	3-5	Allowed once	Governor (chair) is nominated by Government and appointed by President. Other members (not incl.3 CBI & Dpt. Finance members) appointed by Minister of Finance	
Israel	ISA	Commissioners	3	Allowed	Minister of Finance	-
Italy	CONSOB	Commission	7	Not allowed	President of the Republic after a proposal of the Prime Minister	Opinion
Japan	FSA	Commissioner	Not fixed	-	Prime Minister	
	SESC	Commission	3	Allowed	Prime Minister	Required
Korea	MOJ	The Minister	Not fixed	Allowed	President (upon recommendation of the Prime Minister)	Not required
Latvia	LVB	Board	5	Allowed	Chair is nominated by the government. Other members are appointed by the Chair in co-operation with the Minister of Finance and the Council of the Central Bank.	Required

Jurisdiction	Key regulators	Ruling body in charge of corporate governance	Term of members (in years)	Re-appointment	Nomination or Appointment by:	Approval by Legislative body
Lithuania	LB	Board	5 (Chair) 6 (Other board members)	Allowed	Chair is nominated by the President and appointed by the Parliament Other members are nominated by the Chair and appointed by the President	Required for the Chair
Luxembourg	CSSF	Executive Board	5	Allowed	Grand Duke on the basis of a proposal from the government in Council	
Malaysia	SCM	Board of Commission	3 (Chair) 2 (Other members)	Allowed	Minister of Finance	Not required
Mexico	CNBV	Governing Board	Not fixed	-	Ministry of Finance Central Bank, Commission for Pension Funds and Commission for Insurance and Sureties.	Not required
Netherlands	AFM	Executive Board	4	Only twice	Royal Decree	
New Zealand	FMA	Board	5	Allowed	Governor-General	
Norway	NFSA	Board	4-6 (Chair) 4 (Other members)		King in Council Minister of Finance	
Peru	SMV	Board of Directors	6	Not allowed	Government	Not required
Poland	KNF	Commission	5 (Chair only)	Allowed	Prime Minister (Chair and Vice-Chairs) and other respective institutions	
Portugal	CMVM	Board of Directors	6	Not allowed	Council of Ministers' Resolution	Required[3]
Saudi Arabia	CMA	Board of Commissioners	5	Only once	Royal Order	
	MCI	Minister	4	Allowed	Royal Order	
	SAMA	Board of Directors	4 (Governor and Vice-Governor) 5 (other members)	Allowed	Royal Order	
Singapore	MAS	Board	Up to 3	Allowed	President	The directors are appointed by the President, as prescribed in the MAS Act
	ACRA	Board	2	Allowed	Minister	
Slovak Republic	NBS	Bank Board	6	Allowed	President Government	Required for the governor and deputy governors
Slovenia	ATVP	Director	6	Allowed	Government	Required
South Africa	CIPC	Commissioner	5	Allowed	Minister	Not required
	FSCA	Executive Committee	5	Allowed	Minister of Finance	Not required
Spain	CNMV	Board	4[4]	Only once	Government Ministry of Economic Affairs and Digital Transformation	Not required

Jurisdiction	Key regulators	Ruling body in charge of corporate governance	Term of members (in years)	Re-appointment	Nomination or Appointment by:	Approval by Legislative body
Sweden	FI/SFSA	Board	3	Allowed	Government	Not required
Switzerland	SER	Regulatory Board	3	Allowed	SIX	Not required
Türkiye	CMB	Board	4	Allowed	President of the Republic	Not required
United Kingdom	FCA	Board	3	Allowed	Treasury	Not required
United States	SEC	Commission	5	Allowed	President	Required

1. In **Canada**, for Ontario specifically, the Board of Directors governs the affairs of the OSC and is the ruling body in charge of corporate governance.
2. In **Hungary**, other members of the Financial Stability Board may be appointed until revocation by the President of the Hungarian National Bank.
3. In **Portugal**, the members of the board of directors are appointed by resolution of the Council of Ministers, taking into account the reasoned opinion of the competent committee of the parliament.
4. In **Spain**, the Spanish Parliament approved a new term for mandates (six years of mandate, but without re-appointment) in 2023.

References

OECD (2023), *G20/OECD Principles of Corporate Governance 2023*, OECD Publishing, Paris, https://doi.org/10.1787/ed750b30-en. [1]

3 The rights of shareholders and key ownership functions

The G20/OECD Principles of Corporate Governance state that the corporate governance framework shall protect and facilitate the exercise of shareholders' rights and ensure equitable treatment of all shareholders. Chapter 3 provides detailed information on the rights to obtain information on shareholder meetings, to request meetings and to place items on the agenda, and on voting rights. The chapter also looks at frameworks for the review of related party transactions, triggers and mechanisms for corporate takeover bids, and the roles and responsibilities of institutional investors and other intermediaries. The chapter also includes newly collected data on the legal frameworks for company groups, notably with respect to disclosure, as well as for conducting virtual and hybrid shareholder meetings, with safeguards aimed at ensuring equal access to information and effective participation of all shareholders.

3.1. Notification of general meetings and information provided to shareholders

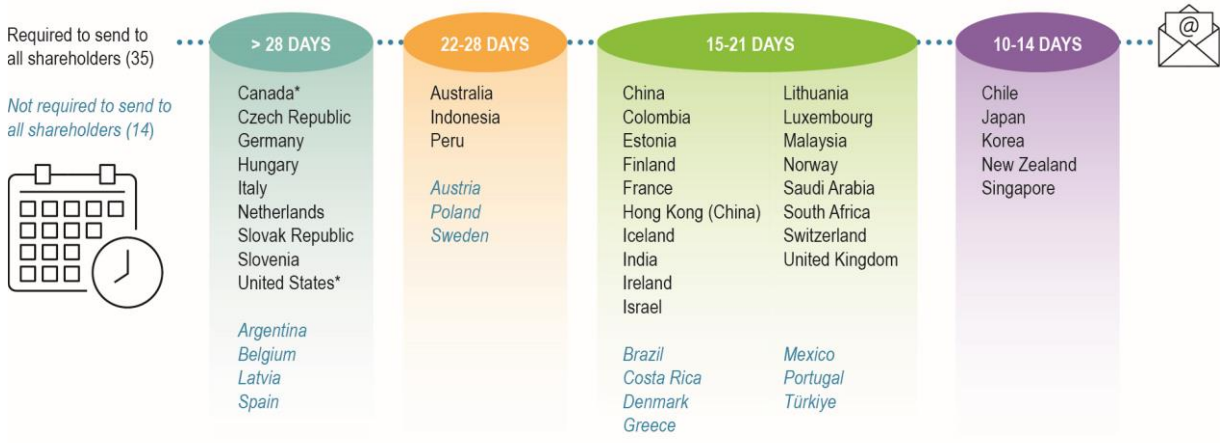
All jurisdictions covered by the Factbook require companies to provide advance notice of general shareholder meetings, with 51% establishing a minimum notice period ranging between 15 and 21 days, while another 39% provide for longer notice periods and 10% for shorter periods.

Participation in general shareholder meetings is considered a fundamental shareholder right. The *G20/OECD Principles of Corporate Governance* provide in sub-Principle II.C.1 that "Shareholders should be furnished with sufficient and timely information concerning the date, format, location and agenda of general meetings, as well as fully detailed and timely information regarding the issues to be decided at the meeting" (OECD, 2023[1]). Overall, to ensure that shareholders receive information on general shareholder meetings with sufficient advance notice, the corporate frameworks of all surveyed jurisdictions provide for dates and methods of notification.

The minimum period of notification of the meeting varies, with a majority of jurisdictions (25) requiring between 15 and 21 days. Having a notice period between 15 and 21 days was also the most widely adopted period in 2015 with 21 jurisdictions. Since 2015, more jurisdictions have amended their frameworks to guarantee longer notice periods. However, only two jurisdictions lengthened their notice periods during the last two years: **Brazil** extended the notice period from 15 to 21 days while **Iceland** extended this period from 14 to 21 days. On the other hand, **Chile** decided in 2020 to reduce the notice period from 20 to 10 days. The EU Shareholders' Rights Directive (Directive 2007/36/EC) requires a period of at least 21 days for general shareholder meetings, unless the company has electronic voting and a shorter notice period was approved at the previous general meeting by a majority of not less than two-thirds of the voting shareholders, in which case a company may call a general meeting – other than its annual general meeting – providing at least a 14-day notice.

Nineteen of the Factbook jurisdictions have mandatory notice periods above 21 days, while only 5 have notice periods below 15 days (**Chile, Japan**, **Korea**, **New Zealand** and **Singapore**) (Table 3.1, Figure 3.1).

Figure 3.1. Minimum public notice period for general shareholder meetings and requirements for sending notification to all shareholders



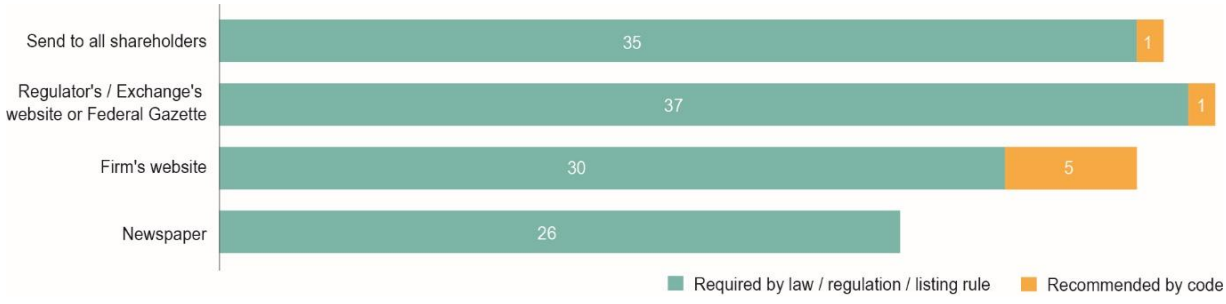
Note: Based on 49 jurisdictions, see Table 3.1 for data. * Please note that **Canada** and the **United States** are classified in the category of greater than 28 days but actual notice periods vary depending on state and provincial jurisdictions.

Proxy materials are generally sent to shareholders at the same time or a few days after the notification is given. In addition, in some jurisdictions, voluntary code recommendations are used as a way of supporting

longer notice periods. For instance, **Colombia**'s code recommends a notice period of 30 days, twice as long as the statutory 15-day notice period, while **Hong Kong (China)** provides in its code for 20 business days (at least four weeks) instead of the statutory 21-day minimum. Conversely, in **India**, shareholders may approve a shorter notice period in some cases. Further, in **Italy**, the minimum period may vary depending on the item on the agenda, whereby 40 days are required in case of board renewal, and 21 days in specific cases such as the reduction of share capital. In some jurisdictions, shareholders with a certain shareholding (e.g. 10% in **Mexico**, one-third in **Italy**) can request to postpone the voting on any matter for three to five days if they consider that they have not been sufficiently informed.

More than 70% of surveyed jurisdictions (35) have a provision requiring notices of general shareholder meetings to be sent directly to all shareholders, a 14% increase since 2015. In 2021-22, **Slovenia** established this requirement while **Poland** abolished it. Furthermore, almost all jurisdictions require multiple methods of notification which in addition to direct notification may also include use of a stock exchange or regulator's electronic platform, and publication on the company's website or in a newspaper (Table 3.1, Figure 3.2). For example, in **Latvia**, the notification for general meetings must be made through publication in the official electronic system (Central Storage of Regulated Information – ORICGS). In **Türkiye**, the notification and relevant documents are published in the Turkish Trade Registry Gazette, on the registered website of the company and on the Public Disclosure Platform (PDP), an electronic system and website currently operated by the Central Securities Depository of Türkiye to provide the notifications submitted and publicly disclosed by listed companies and other capital market entities.

Figure 3.2. Means of shareholder meeting notification



Note: Based on 49 jurisdictions. Jurisdictions may be counted in more than one category. See Table 3.1 for data.

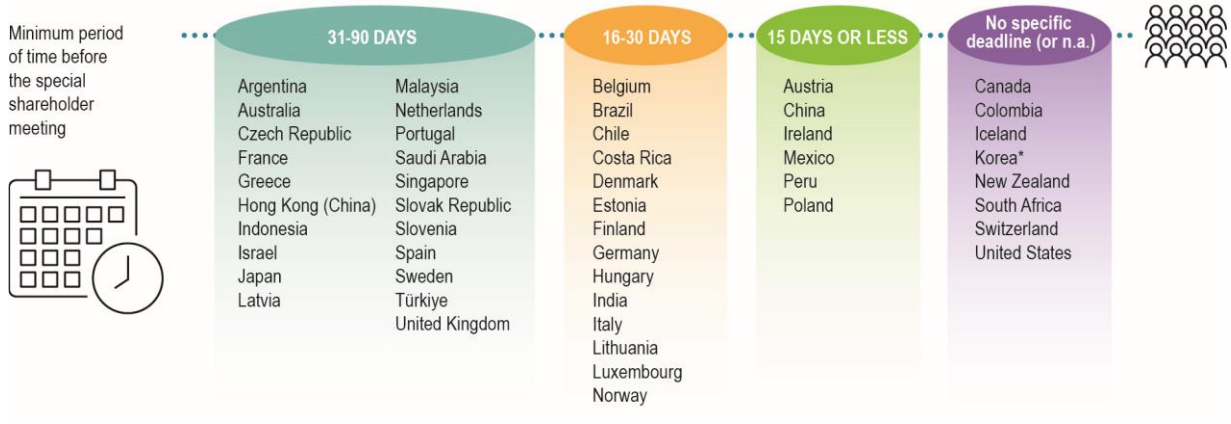
3.2. Shareholders' right to request a meeting and to place items on the agenda

Minority shareholder rights to engage by requesting extraordinary shareholder meetings or placing items on the agenda of the general meeting are commonly granted in surveyed jurisdictions. Overall, all but eight of the Factbook jurisdictions have set deadlines for convening special meetings at the request of shareholders, subject to specific ownership thresholds which vary from as low as 1% to a maximum of 25%. Most jurisdictions specify lower ownership thresholds for placing items on the agenda of the general meeting to enable discussions on topics deemed relevant by minority shareholders.

The ability for shareholders to request the convening of an extraordinary meeting and to place items on the agenda of the general meeting affects the degree of minority shareholders' participation in companies' discussions and decisions. Regarding a shareholder's right to request a shareholder meeting, 84% of jurisdictions require that the meeting takes place within a specific time period after the shareholder's request (Table 3.2, Figure 3.3). The most common minimum time period is between 31 and 60 days (20 jurisdictions). Two jurisdictions allow for longer periods: **Finland** sets a three-week minimum and a

three-month maximum and **Latvia** has a three-month period requirement. Conversely, 6 jurisdictions have shorter time limits of 15 days or less (**Austria**, **the People's Republic of China (hereafter 'China')**, **Ireland**, **Mexico**, **Peru**, and **Poland**).

Figure 3.3. Deadline for holding the meeting after shareholder request



Note: Based on 49 jurisdictions. When jurisdictions have specified a range of minimum and maximum times, they have been categorised based on the minimum time stipulated to hold the meeting. Italy's requirement that the meeting to be called "without delay" has been interpreted by courts as within 30 days. *Korea's requirement for "promptly" holding the meeting has been categorised as having no specific deadline. See Table 3.2 for data.

Eight of the Factbook jurisdictions do not have a specific deadline for requesting a shareholder meeting (although in **Korea** there is a non-specific requirement for "prompt" notification). **Italy** is considered to have a set timeframe for convening extraordinary meetings, based on a provision which requires the meeting to be convened "without delay" and on courts' interpretation of this provision, which has established 30 days as a fair term to call a meeting. Further, while **Switzerland** also has not established a specific deadline, shareholders may require a court to order that a general meeting be convened if the board of directors does not grant such a request within a reasonable time.

In other jurisdictions, courts or competent authorities may be involved in the process to ensure that shareholders' rights are protected or exercised in good faith and not abused. Some jurisdictions allow shareholders to convene the meeting by themselves if no action is taken by management, although the expense of calling and holding the meeting is then paid by the shareholders (e.g. **Australia**). In **Saudi Arabia**, on the other hand, if the board does not issue the invitation for the general assembly within 30 days from the date of a shareholders' request, shareholders representing 10% of the capital can request the competent authority to invite the general assembly, and the competent authority should issue the invitation for the general assembly.

Concerning the ownership threshold to request a meeting, all Factbook jurisdictions require that such requests be supported by shareholders holding a minimum percentage of shares or voting rights. The most common minimum threshold is 5%, established in approximately half of surveyed jurisdictions, while another 37% of jurisdictions set the threshold at 10%. **Colombia** and **Hungary** have lowered their thresholds to 10% and 1%, respectively, since 2020. Some jurisdictions (**Brazil** and the **Czech Republic** under certain conditions, as well as **Japan**, **Korea** and **Portugal**) have set thresholds below 5% to make it easier for shareholders to call extraordinary meetings. **Costa Rica** and **Peru** currently set a considerably higher threshold of 25% and 20%, respectively (Figure 3.4).

Often, the legal framework sets lower ownership thresholds to allow shareholders to request the addition of items to a meeting's agenda (Figure 3.4). More than 40% of surveyed jurisdictions either have no

threshold or a low threshold in the range of 0.1 to 2.5% for the addition of items to the agenda. Notably, **New Zealand** and **Norway** only require having one share, and **South Africa** does not set a threshold but allows any two shareholders to request an item to be added. In the **United States**, the SEC recently introduced a new and unique regime based on continued ownership for adding items to the agenda, which entered into force in January 2022. To exercise this right, a continuous ownership of at least (i) USD 2000 of the company's securities for at least three years; (ii) USD 15 000 of the company's securities for at least two years; or (iii) USD 25 000 of the company's securities for at least one year is required. **Switzerland** also recently amended its framework and now requires a very low threshold equal to at least 0.5% of shares, rather than a monetary threshold as under its previous regime. The most common minimum threshold for placing items on the agenda remains set at 5%, identical to that for requesting an extraordinary meeting, and is established in 19 jurisdictions, sometimes with some cumulative (e.g. 5% and three-month holding in **Austria**) or alternative requirements (such as in the **United Kingdom**, where the threshold is either at 5% or requires 100 shareholders who together own more than GBP 10 000 of shares). Only seven jurisdictions set minimum thresholds above 5%, with **Colombia** setting the highest legally required minimum threshold of 50% plus one vote.

Figure 3.4. Minimum shareholding requirements to request a shareholder meeting and to place items on the agenda

Minimum shareholding requirements to request a shareholder meeting	Minimum shareholding requirements for placing items on the agenda						
	No threshold or 1 share	0.1-2.5%	3-4%	5%		10%	25-50% +
1-2%		Brazil[2] Czech Republic[2] Hungary Portugal Korea[1]					
3%		Japan[1]	Brazil[2] Czech Republic[2]				
5%	Denmark Iceland New Zealand Norway	Canada[2] Hong Kong (China)[1] Israel Italy Switzerland	Ireland Spain	Argentina Australia[1] Austria Brazil[2] Canada[2]	Czech Republic[2] France Germany[1] Greece Latvia	Poland Slovak Republic Slovenia Türkiye United Kingdom[1]	
10%	Finland Sweden	Malaysia[1] South Africa United States[1]	Belgium China Netherlands	Indonesia Lithuania Luxembourg Singapore[1]		Chile Estonia India Mexico Saudi Arabia	Colombia
20%	Peru[2]						
25%							Costa Rica

Same threshold for placing items on the agenda and requesting an extraordinary meeting

Note: Based on 49 jurisdictions. See Table 3.2 for data. "1" denotes a jurisdiction with additional or alternative requirements other than a percentage of shareholding (e.g. minimum holding period, minimum number of shareholders, minimum value). "2" denotes a jurisdiction with more than one requirement.

3.3. Shareholder voting

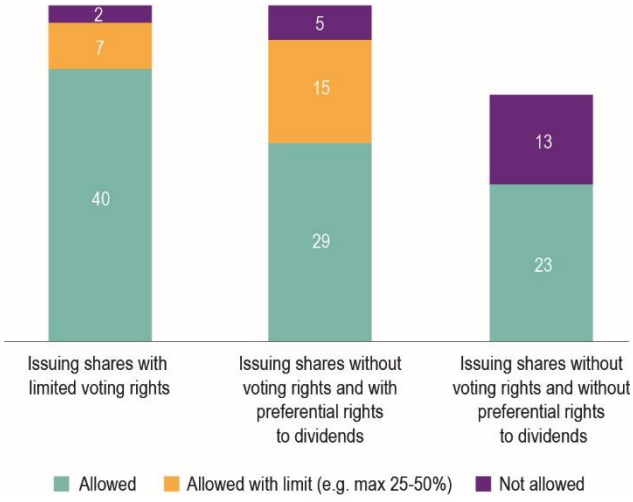
Almost all Factbook jurisdictions allow companies to issue shares with limited voting rights and only a few of them limit them to a certain percentage of the share capital. A growing number, more than half of jurisdictions, also allow the issuance of shares with multiple voting rights.

The *G20/OECD Principles* recommend that shareholders should have the right to engage in general meetings by participating and voting, and also foresee the possibility of having different classes of shares with different rights attached, for example shares with limited voting rights or preference shares which give right to a preference concerning a firm's dividends. When there are different classes of shares, the *G20/OECD Principles* underline that within the same series of a class, all shareholders should be treated in equal manner (Principle II.E).

In practice, only **Indonesia** and **Israel** prohibit listed companies from issuing shares with limited voting rights. Among those that allow such shares, seven have further restrictions as, while allowed, they may not represent more than a certain percentage of the share capital, ranging most commonly from 25% (in **Korea** and **Mexico**) to 50% (**Brazil**, **Italy**, **Japan**), or, as in **Australia**, they are only allowed for preference securities (Table 3.3).

Most jurisdictions (44) allow the issuance of shares without voting rights that grant preference with respect to dividends, so called "preferred" or "preference" shares. Of these jurisdictions, more than a third (15 out of 44) allow these shares subject to some limitations. For example, in **Colombia** they are allowed up to 50% of the share capital, and in the **Czech Republic** up to 90%. Overall, there is an upward trend in jurisdictions allowing shares with preferential rights to dividends, as 30 did so in 2015 (with eight of them imposing some limits to their issuance). On the other hand, legal frameworks are overall more stringent concerning the issuance of shares without voting and without preferential dividend rights, with a total of 13 jurisdictions prohibiting such type of shares (Figure 3.5).

Figure 3.5. Issuance of shares with limited or no voting rights



Note: Based on 49 jurisdictions. For the category "issuing shares without voting rights and without preferential rights" data is presented for the 36 jurisdictions which specify whether the category is allowed or not. See Table 3.3 for data.

In recent years, there has been a significant increase in Factbook jurisdictions that allow companies to issue multiple voting shares, deviating from the concept of "one share one vote".

Among the Factbook jurisdictions, 55% allow shares with multiple voting rights in their legal framework and 31% of jurisdictions explicitly prohibit them (Table 3.3). Since 2021, when multiple voting right shares were

allowed in 44% of jurisdictions and explicitly prohibited in 40%, five jurisdictions have amended their laws to allow companies to issue this type of shares – namely, **Brazil**, **Indonesia**, **Latvia**, **Portugal**, and **Spain**. In **Portugal**, for example, the Portuguese Securities Code was amended by Law No. 99-A/2021 and the legal framework introducing plural voting shares for listed companies entered into force on 30 January 2022. In **Brazil**, Law No. 14.195 of 26 August 2021 introduced plural voting shares and specifies that for the issuance of shares with plural voting rights, the decision shall be approved by shareholders representing at least half of the shares with voting rights; and at least half of the preferred shares without voting rights or with restricted voting rights, if issued, gathered at a specially convened meeting.

The growing number of jurisdictions revising their framework to grant companies the option of issuing shares with multiple voting rights goes in the same direction as a recent proposal contained in the European Listing Act. The proposed EU Directive on multiple-vote shares for SME listings, under discussion in the European Parliament, aims to encourage companies to list by allowing multiple voting share structures while safeguarding the interests of the company and of other shareholders.[1] The Directive currently targets firms that seek to list on SME growth market segments to harmonise an area of law in which Member States have often taken differing positions.

Some jurisdictions regulate other control enhancing mechanisms such as so called loyalty shares, which are often considered a tool to curb corporate short-termism and promote long-term engagement of shareholders. **France** is one of the jurisdictions that automatically grants double voting rights for shares held for at least two years by the same person, provided that the company does not opt out by prohibiting double-voting rights in its bylaws, following a two-thirds majority vote in a general shareholder meeting. **Spain** introduced a loyalty shares system in 2021 that allows companies to provide double voting rights for certain shareholders.

Lastly, voting caps, whereby a company limits the number of votes that a single shareholder may cast, are permitted in approximately half of the jurisdictions (24) and prohibited in 13 jurisdictions.

A growing majority of jurisdictions require listed companies to publish voting results promptly (within five days) after the general meeting, and to prescribe a formal procedure of vote counting.

Disclosure of the outcome of voting decisions for each agenda item is required in all surveyed jurisdictions except **New Zealand**. Timing requirements for disclosure are also becoming shorter, with 63% of jurisdictions now requiring disclosure immediately or within five days (Figure 3.6), a substantial increase from the 39% that did so in 2015. In most jurisdictions, the legal framework also requires that companies disclose the outcome as well as the number of votes expressed in favour or against a decision, including abstentions. Formal procedures for vote counting are also common among jurisdictions: 69% of jurisdictions have a formal procedure of vote counting (up from 49% in 2015) (Table 3.4).

Figure 3.6. Formal vote counting and disclosure of voting results

Note: Based on 49 jurisdictions. Jurisdictions with requirements for "prompt" or "immediate" disclosure are included within the category of up to five days. See Table 3.4 for data.

3.4. Virtual and hybrid shareholder meetings

In the last few years, as a result of restrictions imposed during the COVID-19 pandemic and of the shifting preferences of companies and shareholders, the manner for holding shareholder meetings has evolved. This evolution is captured in the legal framework of the Factbook jurisdictions, a large majority of which now allow and provide for virtual and/or hybrid meetings in their legal framework.

The *G20/OECD Principles of Corporate Governance*, as revised in 2023, include a new recommendation that acknowledge the growing relevance of remote participation in meetings as well as the need for legal frameworks to ensure equal access to information and opportunities for participation of all shareholders, regardless of how shareholder meetings are conducted. The new sub-Principle II.C.3 provides that **"**General shareholder meetings allowing for remote shareholder participation should be permitted by jurisdictions as a means to facilitate and reduce the costs to shareholders of participation and engagement. Such meetings should be conducted in a manner that ensures equal access to information and opportunities for participation of all shareholders."

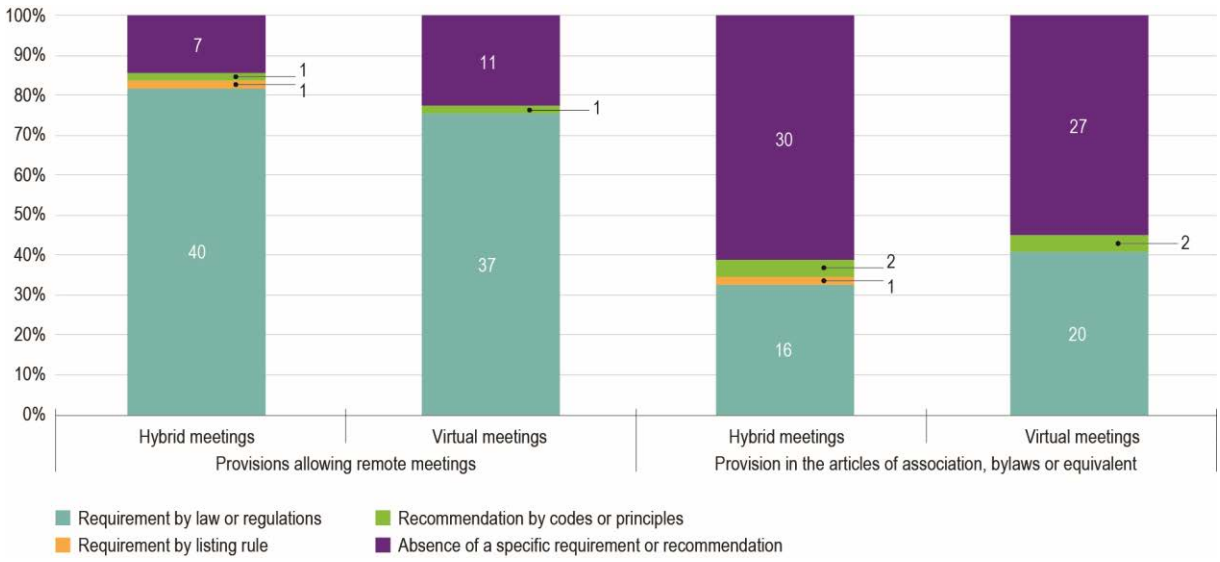
As of the end of 2022, virtual meetings (where all shareholders attend the meeting virtually) are allowed and regulated in approximately three-quarters of the surveyed jurisdictions (37). Hybrid meetings (where some shareholders attend the meeting physically and others virtually) are allowed in an even higher number of surveyed jurisdictions, with more than 80% having a provision in their laws or listing rules addressing hybrid meetings (Table 3.5, Figure 3.7).

These figures reveal a profound change in company practices and legal frameworks that go beyond the temporary measures adopted as a response to the COVID-19 pandemic (Denis and Blume, 2021[2]; OECD, 2020[3]). Interestingly, while some jurisdictions already had measures in place for remote meetings well before the outbreak, an example being **New Zealand** which adopted measures on virtual shareholder meetings in its 2012 Companies Act, the pandemic and practices put in place by companies to deal with it have given authorities the opportunity to update their legal frameworks with regards to remote participation in shareholder meetings and to adopt permanent provisions. Some jurisdictions, such as **Ireland** and **Italy**, have leveraged legislation enacted during the pandemic that allowed virtual and hybrid meetings by extending these temporary measures.

Importantly, the possibility of holding virtual or hybrid meetings is often at each company's discretion and subject to specific provisions in the company's articles of association or bylaws. While this raised concerns during the pandemic and prompted specific emergency legislation to address the situation and exceptionally allow remote meetings without specific company provisions (OECD, 2021[4]; World Bank Group, 2021[5]), over 40% of jurisdictions still require a provision in the articles of association or company bylaws to hold a virtual meeting and 35% require it to hold a hybrid meeting (Figure 3.7). **Canada**, for example, allows hybrid meetings by law but requires a specific provision in the company founding documents for a virtual meeting. **Denmark**, **Finland**, **Iceland**, **Japan**, **Latvia** and **Lithuania** require a provision in the company documents only for fully virtual meetings and not for hybrid ones, whereas **Italy**, **Slovenia** and **Sweden** require a provision for hybrid meetings, as their legal framework allows and regulates only hybrid meetings. **Germany**, in addition to requiring a provision in the company's articles of association, also imposes a time limit on the authorisation for holding virtual meetings, limiting it to a maximum of five years and requiring a new shareholder approval after five years.

Regarding the jurisdictions that impose some limitations on remote participation in shareholder meetings, **China** and **Türkiye** do not allow fully virtual meetings and only regulate hybrid meetings. Some other jurisdictions that did not have a framework for remote meetings in place as of the end of 2022 have more recently adopted one (**Hong Kong (China)**) or are planning to pass *ad hoc* provisions in the coming months (the **Netherlands**), which shows that legal frameworks continue to evolve to best capture company and investor preferences while upholding shareholder protections and ensuring their ability to effectively participate remotely in shareholder meetings.

Figure 3.7. Legal frameworks for virtual and hybrid shareholder meetings



Note: Based on 49 jurisdictions, see Table 3.5 for data. Virtual meetings are defined as those shareholder meetings in which all shareholders attend the meeting virtually whereas hybrid meetings are defined as those in which certain shareholders attend the meeting physically and others virtually.

The manner in which shareholder meetings are conducted should not come at the expense of shareholder engagement. New sub-Principle II.C.3 of the *G20/OECD Principles of Corporate Governance* states that "due care is required to ensure that remote meetings do not decrease the possibility for shareholders to engage with and ask questions to boards and management in comparison to physical meetings. Some jurisdictions have issued guidance to facilitate the conduct of remote meetings, including for handling shareholder questions, responses and their disclosure, with the objective of ensuring transparent consideration of questions by boards and management, including how questions are collected, combined, answered and disclosed. Such guidance may also address how to deal with technological disruptions that may impede virtual access to meetings."

More than 70% of the Factbook jurisdictions have laws, regulations or recommendations in their corporate governance codes to promote equal participation of all shareholders (Table 3.5). **Finland**, for example, has an explicit provision stating that shareholders participating remotely in a virtual or hybrid meeting must have the same participation rights as in a physical meeting, and the legal framework goes further by addressing how technical disruptions may impact the validity of decisions taken during remote meetings and under what conditions a meeting should be interrupted and reconvened. Other jurisdictions include specific safeguards to guarantee shareholders' identity (**Chile** and **Hungary**, for example) or specify that the technology used should allow for two-way real-time communication or other similar electronic means that can allow a shareholder that participates remotely to follow, speak and vote at the meeting on any resolutions that have been tabled (**Estonia**). Similar safeguards on electronic communications are also provided for in **India**, **Luxembourg** and **South Africa**. **Switzerland** provides a unique safeguard for the conduct of remote meetings, by allowing them only if an independent voting representative has been designated. These examples demonstrate the growing importance of the issue, as addressed in the revised *Principles*. Nevertheless, 12 jurisdictions that allow for remote participation in shareholder meetings still do not specifically address the need for ensuring equal participation in their legal framework.

New sub-Principle II.C.3 also recognises the role codes of conduct may have in providing guidance and ensuring proper engagement and equal treatment of shareholders during remote meetings. This is not yet a widespread practice, having been established in less than a quarter of jurisdictions. These jurisdictions

either require or recommend the adoption of a code of conduct at the jurisdiction's level (for example, adoption of a code is required by law in **Brazil** and recommended in **Israel** and **Singapore**). Less than 20% of jurisdictions rely on codes of conduct at the company level in addition or as an alternative to codes of conduct at the jurisdiction level. Among these, four jurisdictions, **China**, **Indonesia**, **Saudi Arabia**, and **Spain,** have codes of conducts at both the company and jurisdiction level (Table 3.5). **Argentina** is an example of a country relying solely on companies to establish their own procedures for remote meetings, including those related to shareholder voting rights and participation.

While regulatory frameworks are evolving, there is also a larger debate across jurisdictions on how to best ensure equal and effective shareholder participation in the different meeting formats, as well as on how to better serve different investor preferences. If, on one hand, it is well recognised that remote meetings can have positive spillover effects on engagement by facilitating attendance and reducing costs for investors to participate, on the other hand, some jurisdictions and companies also report that some investors prefer in-person participation and voting by proxies, which highlight the need to ensure the possibility of attending meetings in person, even if providing both options imply extra costs (Magnus and Blume, 2022[6]). This debate means that jurisdictions are currently striving to find the most appropriate balance between whether companies should be required to allow shareholders to attend meetings in person under hybrid formats, or whether it should be left to the company to decide on whether its shareholder meetings should be conducted fully in person, in a hybrid format, or fully remotely.

3.5. Related party transactions

Related party transactions and conflicts of interest pose risks and are therefore a recurrent feature in the legal and regulatory frameworks of Factbook jurisdictions, which address their complexity through a combination of targeted measures concerning immediate and periodic disclosure as well as approval processes by boards and/or shareholders.

While related party transactions may involve certain efficiency gains for companies, the conflicts of interest inherent in such transactions can increase risks related to the mismanagement and misuse of corporate assets and to the equal treatment of all shareholders. In this context, regulatory frameworks can provide safeguards to help ensure that related party transactions are duly monitored and carried out in the company's and shareholders' interests under appropriate conditions. For these reasons, related party transactions are generally not prohibited, with some relatively rare exceptions, such as certain transactions involving loans between a company and its directors.

Otherwise, jurisdictions prefer to place safeguards to ensure that related party transactions are duly considered and evaluated, through independent and external reviews and through multiple layers of approvals which generally exclude or seek to minimise the influence of directors and/or shareholders who bear a conflict of interest. The *G20/OECD Principles* address related party transactions in Chapter II, acknowledging how such transactions can pose risks for shareholder rights, particularly minority shareholders. Principle II.F states that "related party transactions should be approved and conducted in a manner that ensures proper management of conflicts of interest and protects the interests of the company and its shareholders."

Sub-Principle II.F.1 states that an effective framework for clearly flagging these transactions entails that clear definitions of a related party should be provided. All jurisdictions surveyed include definitions of what constitutes a related party in their company law, securities law or securities regulation, as well as corporate governance codes, while a few jurisdictions also reference their accounting laws or standards as relevant (Table 3.6).

Disclosure of related party transactions is among the most common safeguards across surveyed jurisdictions, usually involving a combination of both immediate and periodic disclosure

requirements in company annual financial statements in order to provide investors with timely and accurate information on such transactions. Requirements for immediate disclosure have substantially increased in recent years and are in effect in all but six of the surveyed jurisdictions, while periodic disclosure is now established for all jurisdictions.

Nearly all jurisdictions, growing year by year, now require immediate disclosure of material related party transactions in addition to their reporting in annual financial statements. A wave of reforms has been driven by the requirement to transpose the EU Shareholder Rights Directive 2017/828 (SRD II) among EU Member countries. The SRD II mandated that EU Member States implement requirements for companies to disclose material related party transactions with detailed information related to them when the transaction is concluded. The Directive allowed some flexibility for companies to set criteria for the materiality of such transactions, while requiring that these criteria include one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalisation, including equity, or turnover of the company, or that it takes into account the nature of the transaction and the position of the related party. Nevertheless, the pace of reforms in this area goes beyond the impact of the SRD II among EU Member States, as there are currently 88% of surveyed jurisdictions that require immediate disclosure – a notable increase compared to data in 2017 when only about half of jurisdictions required immediate disclosure for significant related party transactions.

Jurisdictions reported some variations in what constitutes immediate disclosure. For some, this imposes a real-time and prompt disclosure obligation, while for others it is required within a few days of the transaction. In **Hungary**, for example, listed companies are to publicly announce material transactions with related parties on their website at the latest at the time of the conclusion of the transaction. Similarly, in **Malaysia** non-recurrent related party transactions not falling within a specific exception have to be disclosed as soon as possible, after the terms of the transaction have been agreed. In **Brazil**, immediate disclosure is considered satisfied within seven business days (Table 3.7).

Jurisdictions' approaches and the information required to be disclosed when a material related party transaction is concluded vary substantially, but the common denominator across jurisdictions is that information to be publicly disclosed should allow shareholders to determine whether the transaction is fair and has been concluded at market price. In **Belgium**, for example, as in other EU Member countries, the Code on Companies and Associations provides that related party transactions are subject to a public announcement, at the latest when the decision is made or the transaction is concluded. Public disclosure should include at least (i) information on the nature of the relationship with the related party; (ii) the name of the related party; (iii) the date and the value of the transaction; and (iv) any other information necessary to assess whether the transaction is fair and reasonable from the point of view of the company and its non-related shareholders, including minority shareholders. In **Japan**, listed companies must immediately disclose a summary of the issues decided, future prospects, and other matters that are deemed to have material significance on investment decisions, including specifics on the conflict of interest.

All jurisdictions require reporting of related party transactions involving directors, senior executives, controlling shareholders or other large shareholders in annual financial statements, with jurisdictions following either International Accounting Standards (IAS24) or a local standard similar to IAS24 (Figure 3.8). The percentage of jurisdictions adopting IAS24 gradually increased from 71% in 2015 to 82% in 2018 and 84% in 2022.

The approval process for related party transactions is key to ensure they are concluded on an arm's length basis. Requirements for board approval of certain transactions have become widespread, with some variations in how such reviews are carried out. Specific safeguards include requirements for abstention from voting of the interested parties, review by independent board members and committees, and opinions from outside specialists as well as, ultimately, shareholder approval for certain transactions.

Figure 3.8. Immediate and periodic disclosure of related party transactions

Note: Based on data across 49 jurisdictions. See Table 3.7 for data.

The approval process and combination of safeguards is specific to each jurisdiction, with some common features across EU Member countries due to the SRD II. There is, however, an increasing trend among jurisdictions to adopt more safeguards when it comes to related party transactions, especially those considered material and outside the ordinary course of business.

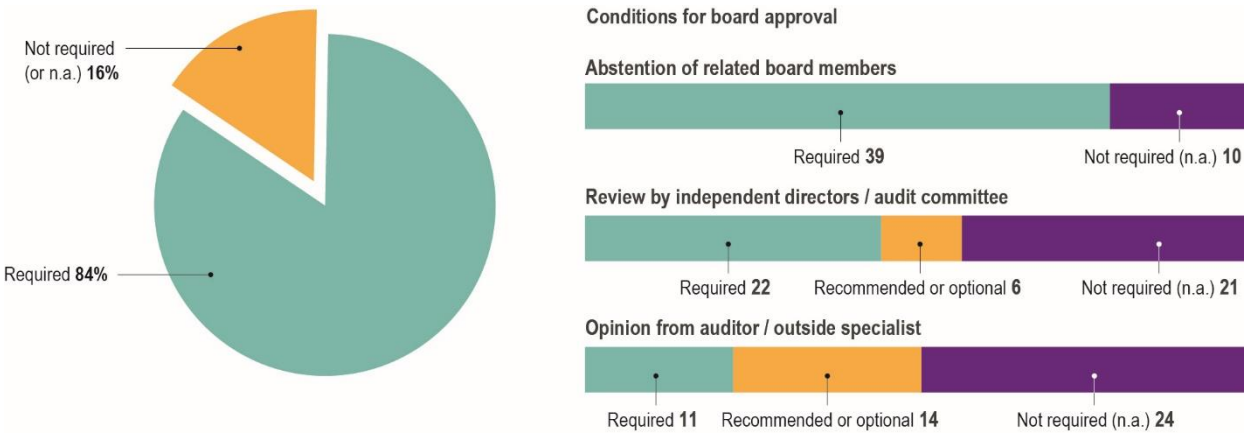
The number of Factbook jurisdictions requiring board approval of certain related party transactions has grown substantially. All but eight jurisdictions (84%) require it compared to 59% in 2017 and 54% in 2015. Further, in some jurisdictions, although not expressly required, board approval still occurs and derives from directors' fiduciary duties (**Brazil** and **Switzerland**). Requiring that related board members abstain from approving the transaction is also a more common practice, now explicitly required in 80% of jurisdictions (39), a continued increase since 2018 (50%) and 2015 (30%) (Figure 3.9).

Another common safeguard is provided by the involvement, in various forms, of independent members of the board or of the audit committee (e.g. in **Argentina**, **Malaysia** and **Portugal**). A review by these members, is required in 22 jurisdictions, and recommended or optional in six, a practice which is becoming more common, as in 2015 independent board members were required or recommended to have a role in the approval process in just 11 and three jurisdictions, respectively. An additional safeguard can be established to require or recommend that an auditor or other outside specialist provides an opinion on the fairness of the transaction. While a few more jurisdictions have established provisions concerning auditor or outside specialist opinions, the numbers remain relatively low, with only 11 jurisdictions requiring an opinion, four recommending one, and ten additional jurisdictions having such practice as optional (Table 3.8).

Shareholders are called to approve related party transactions in addition to or as an alternative to board approval in the majority of jurisdictions covered by the Factbook. This is mostly the case when related party transactions are above certain thresholds or not on market terms.

Shareholder approval is a mechanism established in 59% of surveyed jurisdictions and is generally triggered by specific conditions set out in the legal framework. Often, it is required when the related party transaction at issue is large, representing more than 5% or 10% of a company's total assets or other criteria, while in other cases it is prompted by non-approval by independent board members (like in **Türkiye**). In **Colombia**, **Greece**, **Latvia**, the **Netherlands**, **Peru**, and **Saudi Arabia**, shareholder approval is required for cases involving board member conflicts of interest, with some differences between these frameworks. In other jurisdictions, there are multiple criteria that require shareholder approval (Table 3.9, Figure 3.10).

Figure 3.9. Board approval for certain types of related party transactions

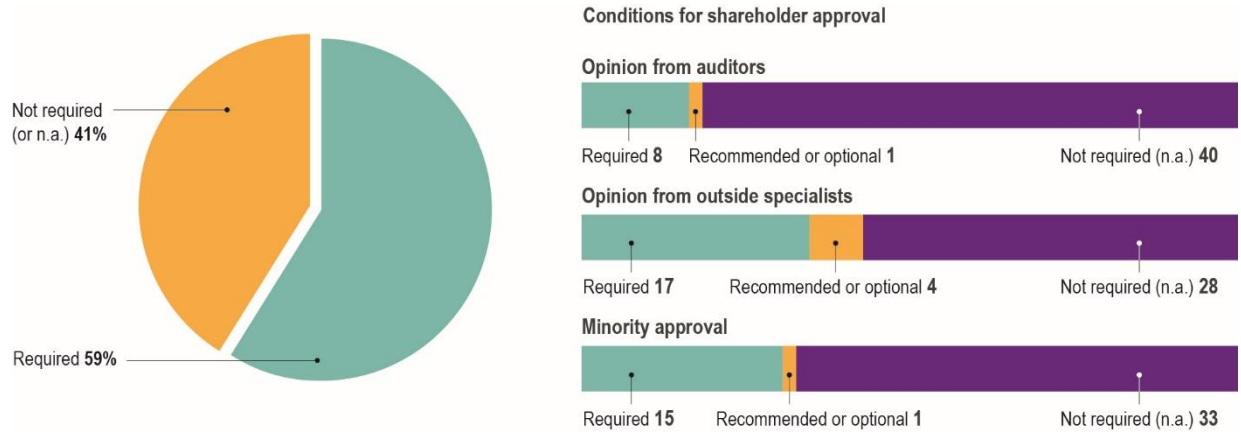


Note: Based on data for 49 jurisdictions. See Table 3.8 for data. In Italy, an opinion by an outside specialist is required if requested by independent directors and such practice has been characterised as "recommended or optional".

About half of the jurisdictions that require shareholder approval specify some additional requirements in terms of the approval required, often in the form of approval by non-interested shareholders or qualified majorities.

Fifteen jurisdictions require minority approval at least in certain cases, one jurisdiction (**Chile**) requires two-thirds majority approval, and six – while requiring a simple majority – preclude shareholders that are related parties from participating in the vote. In addition, **Slovenia** requires both a qualified majority of three-fourths and also precludes related parties from voting. Obtaining an opinion or evaluation from external auditors is a precondition for shareholder approval in eight jurisdictions, while 17 jurisdictions require an opinion from an outside specialist (Figure 3.10).

Figure 3.10. Shareholder approval for certain types of related party transactions



Note: Data based on 49 jurisdictions. See Table 3.9 for data. In Italy, an opinion by an outside specialist is required only if requested by independent directors and therefore such practice has been characterised as "recommended or optional".

3.6. Takeover bid rules

In framing mandatory takeover bid rules, four-fifths of jurisdictions take an *ex-post* approach.

Nearly all jurisdictions have regulations for takeover bids, but some allow for flexibility. For example, **Switzerland**'s law calls for a mandatory takeover bid to be triggered above 33 and one- third threshold of voting rights, but also allows individual companies to repeal the requirement or increase the threshold up to 49%. **Hong Kong (China)** addresses the issues in codes which are non-statutory in nature, but companies are required to fully comply with the codes. The **United States** is a notable exception in not imposing a requirement that a bidder conduct a mandatory tender offer, leaving it to the bidder's discretion as to whether to approach shareholders (Table 3.10). Among the 48 jurisdictions that have introduced a mandatory takeover provision, 39 take an *ex-post* approach, where a bidder is required to initiate a takeover bid after acquiring shares exceeding the threshold (i.e. after the control shift). The remaining nine jurisdictions take an *ex-ante* approach, where a bidder is required to initiative a takeover bid for acquiring shares which would exceed the threshold. These figures have not shifted substantially since 2015.

Approximately half of all jurisdictions establish multiple thresholds that can trigger takeover bid requirements. Approximately half have also established minimum thresholds of between 30-33%, where the calculation regularly includes all affiliated parties in the sum. Many of these jurisdictions have strict additional triggers for small increments above the minimum threshold. The smallest such increments range from 0.05% in **Ireland** to slightly larger increments in **Singapore** (1%), **Hong Kong (China)** and **Malaysia** (2%) and **Greece** (3%), while **Colombia, India** and **Italy** impose triggers for every 5% increase above the minimum.

Chile, with a two-thirds threshold, and **New Zealand**, which imposes a trigger for a mandatory bid at 90%, impose some of the least restrictive triggers. Several jurisdictions have established triggers at 50% or higher (Figure 3.11, Panel A), but in several cases (**Argentina**, **Estonia**, **Indonesia**, and **Türkiye**), these jurisdictions also impose a trigger if the shareholder or associated shareholders are able to control the appointment of a majority of the board, which typically can be achieved at a percentage well below 50%. The **Czech Republic, Mexico** and **Spain** also have a trigger of control over the company or board if this occurs at a level below the triggering quantitative threshold of 30%. At the other extreme, in two jurisdictions with *ex-ante* frameworks (**Japan** and **Korea**), acquisition of 5% of voting rights from a substantial number of shareholders within a certain period is prescribed as a trigger for tender offers.

In **Italy**, the law differentiates the mandatory triggering threshold according to the size of companies, where small and medium sized enterprises (SMEs) may establish in the bylaws a threshold in the range of 25-40% of voting rights, while for the others the threshold is 25% of voting rights provided that no other shareholder holds a higher stake.

Mechanisms to determine the minimum bidding price have been established in 88% of jurisdictions with mandatory takeover bid rules (Figure 3.11, Panel B). The minimum bidding price is most often determined by: a) the highest price paid by the offeror (3-12 months); b) the average market price (within 1-12 months); or a combination of the two (Table 3.10). Nevertheless, there are other mechanisms used less often, particularly in situations involving illiquid stocks, such as the price fixed by an appraiser firm (**Costa Rica**), taking into consideration book value (**India**) or value based on net assets divided by number of shares (**Latvia** and the **Slovak Republic**). Several jurisdictions have a mechanism for calculating the price by external experts under certain conditions (**Peru**, **Portugal**, and the **Slovak Republic**). Six jurisdictions, while having mandatory takeover bid rules, do not impose requirements for the minimum bidding price.

Figure 3.11. Requirements for mandatory takeover bids

Note: These figures show the number of jurisdictions in each category. Jurisdictions with several criteria are counted more than once. See Table 3.10 for data.

3.7. The roles and responsibilities of institutional investors and related intermediaries

Over the last decade, many OECD countries have experienced increases in institutional ownership of publicly listed companies. Significant discrepancies remain, however, with regard to the ability and incentives of institutional investors to engage in corporate governance.

The share of equity investments held by institutional investors such as mutual funds, pension funds, insurance companies and hedge funds has increased significantly over the last decade. According to OECD research covering almost 31 000 listed companies in 100 different markets, institutional investors held 44% of global market capitalisation at the end of 2022 (Chapter 1). These are mainly profit-maximising intermediaries that invest on behalf of their ultimate beneficiaries. The most important ones are mutual funds, pension funds and insurance companies. Institutional investors differ widely, including with respect to their ability to engage in corporate governance and interest in doing so. For some institutions, engagement in corporate governance is a natural part of their business model, while others may offer their clients a business model and investment strategy that does not include or motivate spending resources on active ownership engagement. Others may engage on a more selective basis, depending on the issue at stake (Isaksson and Çelik, 2013[7]). The *G20/OECD Principles of Corporate Governance* as revised in 2023 suggest that the corporate governance framework should facilitate and support institutional investors' engagement with their investee companies (Principle III.A.).

Many jurisdictions impose requirements for different types of institutional investors, and voluntary codes are also becoming increasingly common.

Rather than providing overarching corporate governance requirements, many jurisdictions impose different requirements for different types of institutional investors, such as pension funds, insurance funds or asset fund managers. Some countries also provide more stringent requirements for institutional investors with significant shares (of the assets under management) in their domestic markets. Stewardship codes have become increasingly common and may offer a complementary mechanism to encourage such engagement (Principle III.A of the *G20/OECD Principles*).

The *G20/OECD Principles* note that the effectiveness and credibility of the corporate governance framework and company oversight could depend in part on institutional investors' willingness and ability to make informed use of their shareholder rights and effectively exercise their ownership functions in their investee companies. However, if the institutional investors controlling the most significant number of shares in the market are foreign-based, requirements for enhancing corporate governance practices (e.g. managing conflict of interests with investee companies, monitoring the investee companies) may not be very effective if they only apply to domestic institutional investors. In this context, many jurisdictions are paying increasing attention to voluntary initiatives such as "comply or explain" stewardship codes which both foreign and domestic institutional investors can commit to follow. By the end of 2021, at least 22 jurisdictions had adopted stewardship codes in some form (Fukami, Blume and Magnusson, 2022[8]). **Spain** recently issued a voluntary stewardship code open to foreign investors, outlining seven principles (CNMV, 2023[9]). Signatories are required to explain in their annual report the extent to which these principles have been complied with or diverged from and why. Table 3.11, shows that investor stewardship codes or other guidelines promoted either by public authorities or industry association(s) (such as in **Singapore**) are becoming increasingly common.

Some jurisdictions oblige or encourage institutional investors to exercise their voting rights.

Several jurisdictions set forth legal requirements regarding the exercise of voting rights by some types of institutional investors. In the **United States**, for example, corporate pension funds are obligated to exercise their voting rights and vote their shares (OECD, 2011[10]). In **Israel**, institutional investors (including fund managers, pension funds, provident funds and insurance companies) must participate and vote on certain resolutions. **Switzerland** implemented the Ordinance against Excessive Compensation in 2014, requiring pension fund schemes to vote in the interest of their insured persons on specific matters, such as election of the members of the board of directors and compensation committee, and compensation to the board of directors and executive management.

On the other hand, some jurisdictions impose constraints on institutional investor voting. For example, in **Sweden**, AP7, one of the state-owned pension funds, which manages pension savings for more than 4 million Swedes, is, as a main rule, prohibited from voting its shares in Swedish companies, unlike the other pension funds (AP1-4).

Following the implementation of the EU SRD II, there has been a major increase in the number of jurisdictions requiring or recommending that institutional investors disclose voting policies and voting records.

The EU SRD II requires Member States to ensure that institutional investors and asset managers develop a policy on shareholder engagement, make the policy publicly available, disclose how they have implemented the policy and report annually on how they have voted at general meetings, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors, making this information available free of charge on their websites.

All but six out of 49 surveyed jurisdictions now require or recommend that some institutional investors disclose their voting policies. Figure 3.12 shows that 32 jurisdictions either have a legal requirement or a combination of legal requirements and code recommendations related to disclosure of voting policy, while ten jurisdictions rely solely upon code recommendations, and one jurisdiction establishes both code and self-regulatory requirements by industry association(s).

Although requirements or recommendations to disclose actual voting records have increased significantly from 34% in 2015 to 67% in 2022, they remain less common than voting policy disclosure. Twenty-five jurisdictions have legal requirements for such disclosure including six that have both legal requirements and code recommendations. While an additional eight jurisdictions recommend such disclosure in voluntary codes, a steadily declining number of jurisdictions (33%) have neither code recommendations nor legal requirements to disclose votes.

Figure 3.12. Disclosure of voting policies and actual voting records by institutional investors

Note: Based on 49 jurisdictions. N/A = no requirement or no available data. See Table 3.11 for data. The category "Code & Ind. Assoc. Req." refers to jurisdictions that possess both a code and a self-regulatory requirement by industry association(s) without comply or explain disclosure requirements.

All jurisdictions provide a framework for institutional investors to address conflicts of interest. Disclosure of policies to manage conflicts of interest and their implementation is also increasingly required or recommended, reaching 71% of jurisdictions in 2022, up from 64% in 2020.

In recent years, besides bans or legal requirements to manage some types of conflicts of interest, a number of jurisdictions have introduced professional codes of behaviour. Nearly all surveyed jurisdictions now require or recommend at least one type of institutional investor to have policies to manage conflicts of interest or prohibit specific acts. More than half of all surveyed jurisdictions now have legal requirements for disclosure (including ten with both legal requirements and code recommendations), while six jurisdictions rely upon code recommendations alone (Figure 3.13).

Figure 3.13. Existence and disclosure of conflicts of interest policies by institutional investors

Note: Based on 49 jurisdictions. N/A = no requirement or no available data. See Table 3.11 for data.

A growing number of jurisdictions provide specific requirements or recommendations with regard to various forms of ownership engagement, such as monitoring and constructive engagement with investee companies, maintaining the effectiveness of monitoring when outsourcing the exercise of voting rights, and engaging on matters related to sustainability.

Some jurisdictions go beyond requirements or recommendations to encourage voting, providing more specific requirements or guidance with regard to other forms of ownership engagement. In Europe, this tendency has been bolstered by the requirements set out in the EU SRD II. Requirements or recommendations that institutional investors monitor investee companies are most common (41 jurisdictions). Constructive engagement, generally involving direct dialogue with the board or management, is now required in 14 jurisdictions, while another 14 rely upon code recommendations. Thirty-two jurisdictions require or recommend that institutional investors maintain the effectiveness of supervision when outsourcing the exercise of voting rights to proxy advisors or other service providers (Figure 3.14). While the requirements or recommendations that apply directly to institutional investors do not appear to have changed significantly since 2019, many jurisdictions have introduced specific requirements with respect to the proxy advisors themselves.

Several jurisdictions also set forth requirements and recommendations regarding engagement on matters of sustainability. While this is a relatively new trend, it is now required in 12 jurisdictions, while another 13 rely upon code recommendations. Both **Japan** and the **United Kingdom** included sustainability considerations in the revisions to their stewardship codes in 2020.

Figure 3.14. Stewardship and fiduciary responsibilities of institutional investors

Note: Based on 49 jurisdictions. N/A = no requirement or no available data. See Table 3.12 for data.

In recent years, there have been important regulatory developments regarding proxy advisors and other advisory services.

Regulatory requirements related to proxy advisors have become increasingly common. The relevance of such requirements is reflected in the *G20/OECD Principles*, as revised in 2023, which recommend that proxy advisors, ESG rating and data providers and other service providers that provide analysis and advice relevant to investor decisions "disclose and minimise conflicts of interest that might compromise the integrity of their analysis or advice" (Principle III.D). Furthermore, the methodologies employed by service providers should be transparent and publicly available to clients and market participants.

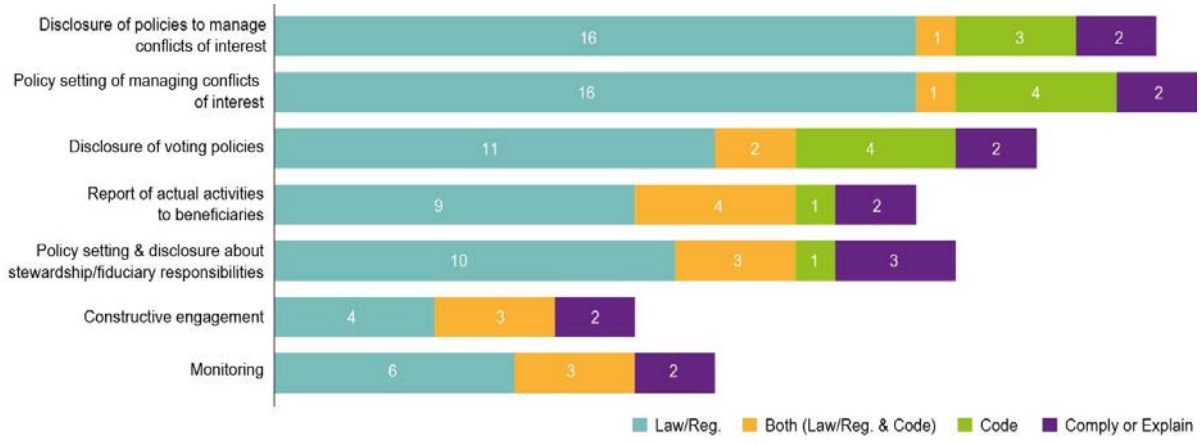
While requirements and recommendations for proxy advisors or other service providers may be similar to those for institutional investors, it must be noted that these requirements may also differ significantly. For example, institutional investors have a different type of fiduciary duty to the beneficiaries of their funds compared to proxy advisors, who serve in a capacity as advisors to institutional investors rather than to the beneficiaries of such funds. Nevertheless, there are also similarities in terms of the types of recommendations that apply to each group, for example, with respect to policies dealing with conflicts of interest, disclosure of such policies as well as activities related to investor engagement that proxy advisors may engage in on behalf of their institutional investor clients.

While the number of jurisdictions enacting regulations related to proxy advisors or other advisory services has increased in recent years, they remain far less common than for institutional investors (Figure 3.15**).**

The most common requirements involve policy-setting and disclosure related to conflicts of interest, required in 16 jurisdictions (33%). Seven jurisdictions have codes recommending that proxy advisors set conflicts of interest policies (including one with both a legal requirement and a code recommendation), while six have code recommendations for disclosure (again with one involving both types of provisions). A third common provision for proxy advisors (required or recommended in 19 jurisdictions) is to disclose their policies related to voting. Requirements or recommendations for proxy advisors to undertake constructive

engagement or monitoring of companies are rare, and typically would be undertaken on behalf of the institutional investors that they are representing.

Figure 3.15. Requirements and recommendations for proxy advisors



Note: Based on 49 jurisdictions. See Table 3.11 and Table 3.12 for data.

Jurisdictions have taken varying approaches to regulation of proxy advisors, with 49% overall reporting requirements or recommendations on the abovementioned topics.

In line with the *G20/OECD Principles*, a number of jurisdictions have established stand-alone laws or regulations specifically applicable to proxy advisors, in some cases supplemented by additional guidance. For example, the SRD II requires EU Member States to ensure that proxy advisors disclose reference to any code of conduct they comply with, report on the application of that code of conduct, explain any derogations from that code or explain why they do not comply with a code and indicate, where appropriate, any alternative measures adopted. They must also annually publish information related to the preparation of their research, advice and voting recommendations on their web site, and identify and disclose to their clients any actual or potential conflicts of interest that may influence the preparation of those recommendations, along with the actions taken to eliminate, mitigate or manage those conflicts. The **United States**' Investment Advisers Act of 1940 and regulation on Proxy Voting by Investment Advisors is supplemented by SEC guidance regarding the proxy voting responsibilities of investment advisers exercising proxy voting authority with respect to client securities, including examples to help investment advisers' compliance with their obligations in connection with proxy voting. On the other hand, **India** notes that its proxy advisors generally do not vote on behalf of their clients but are nevertheless required to formulate and disclose their voting recommendation policies to them. Some European jurisdictions, such as **Finland,** while not having enacted specific national implementing regulations with respect to SRD II proxy advisor provisions, nevertheless consider provisions to establish policies with respect to conflicts of interest to apply in their jurisdiction. **Canada** has implemented a soft-law approach to proxy advisor conduct guidance, while others (**Austria** and **Germany**) have transitioned to regulatory requirements over the past two years.

Some jurisdictions have established more integrated frameworks incorporating both institutional investors and their service providers, including proxy advisors, in the same regulation or code. For example, the **Malaysian** Code for Institutional Investors recommends that institutional investors encourage their service providers (which include proxy advisors) to apply the principles of the Code where relevant and to conduct their investment activities in line with the institutional investors' own approach to stewardship. Accordingly, service providers are also encouraged to be signatories of the Code. **Japan** takes a similar approach,

recommending in its stewardship code that service providers "contribute to the institutional investors' effective execution of stewardship activities." In the **United Kingdom,** the revised Stewardship Code 2020, provides a distinct set of principles for related intermediaries, holding them to a higher standard than regulatory requirements (Gibson Dunn, 2019[11]).

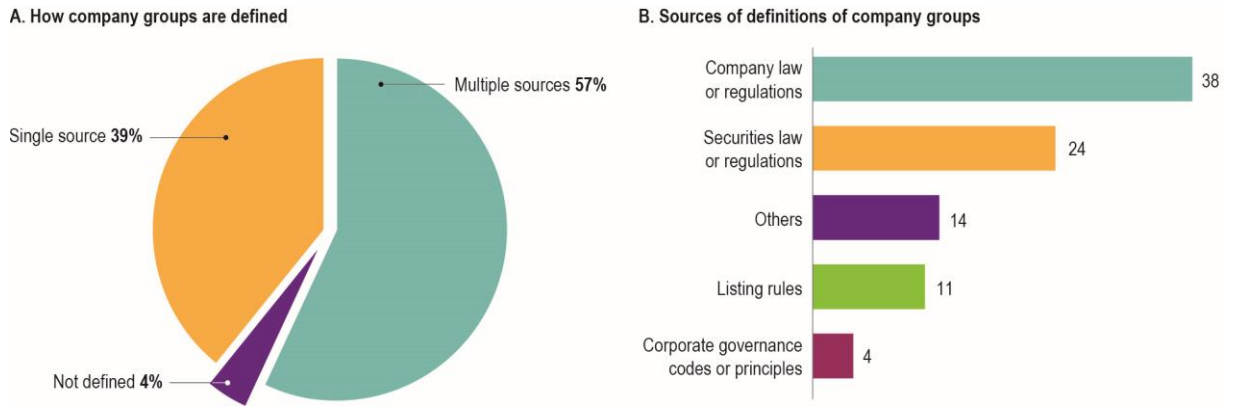
3.8. Company groups

Practically all jurisdictions (47) define company groups or their elements in multiple or single sources such as company law/regulations, securities law/regulations, national corporate governance codes, listing rules and others.

Company groups are a common feature of the global ownership landscape, with corporations – in particular listed ones – often serving as important owners of listed companies as part of company group structures (Medina, de la Cruz and Tang, 2022[12]). The *G20/OECD Principles*, as revised in 2023, include new recommendations aimed at improving the definition, oversight and disclosure of company groups. They recognise that well-managed company groups operating under adequate corporate governance frameworks can support economic growth and employment through economies of scale, synergies and other efficiencies, but that in some cases they may be associated with risks of inequitable treatment of shareholders and stakeholders. To address such risks, Principle I.H recommends that jurisdictions adopt clear regulatory frameworks including a practical definition and criteria for the effective oversight of publicly traded companies within company groups.

The definition of company groups can be explicitly provided in law or regulation, or the concept may be defined implicitly, by separately identifying the typical elements of a group, such as parent, subsidiary, affiliate or associate company. The majority of jurisdictions (28) define company groups or their elements in multiple sources such as company law/regulations, securities law/regulations, national corporate governance codes, listing rules and others. Nineteen jurisdictions have a single source for defining company groups. Only **Canada** and **China** do not have a definition of company groups. Company groups or their elements are mostly defined in company law/regulations (38 jurisdictions) and in securities law/regulations (24 jurisdictions).

Figure 3.16. Definitions of company groups



Note: Panels A and B are based on definitions applicable across 49 jurisdictions. Panel B adds up to more than 49 because some jurisdictions have multiple sources of definitions.

As shown in Panel B of Figure 3.16, a large majority of jurisdictions (38) define criteria for when a set of companies are regarded as constituting a group in company law/regulations. Securities law/regulations of 24 jurisdictions also provide a specific definition. Only 11 jurisdictions have listing rules that include a

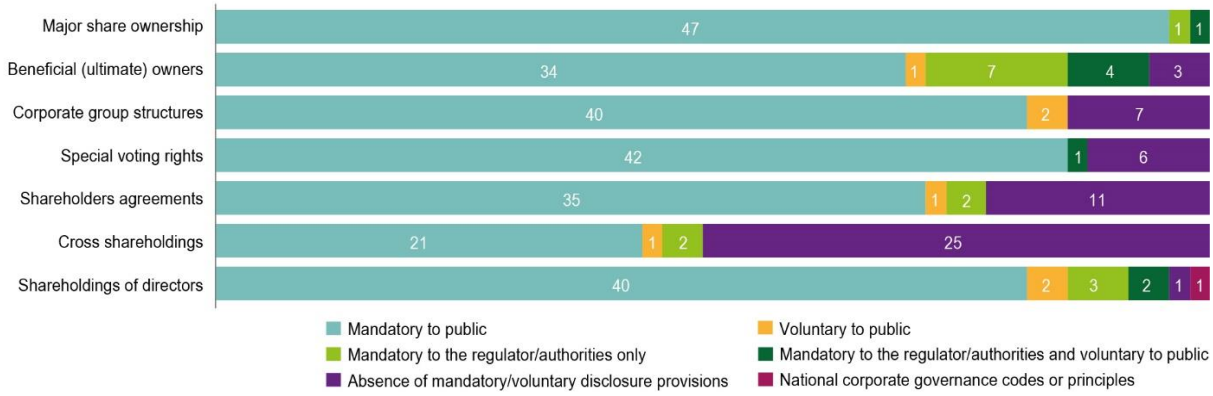
specific reference to company groups. In only four jurisdictions (**Colombia, Finland, Saudi Arabia** and **South Africa)** does the national corporate governance code include a definition of a company group.

Disclosure of important company group structures and intra-group activities for listed companies is required by over 80% of jurisdictions across a range of categories such as major share ownership, special voting rights, corporate group structures and shareholdings of directors. Such disclosure is less widespread in the case of beneficial ownership, shareholder agreements and cross-shareholdings.

The revised *Principles* recognise the fundamental importance of transparency of share ownership and corporate control. In particular, sub-Principle IV.A.3. establishes that "Disclosure should include, but not be limited to, material information on: Capital structures, group structures and their control arrangements." The key transparency requirements for company group structures and intra-group activities for listed companies in the Factbook jurisdictions are based on the consolidated financial statements based on IFRS and the disclosure of major shareholdings in annual reports. Despite this commonality, there is not a clear consensus on the level of specificity needed for, among others, the disclosure of ownership, relationships among key shareholders, group structures and governance policies. Major share ownership is disclosed publicly in all but two jurisdictions (Table 3.13). Only in the **Czech Republic** and in **South Africa** is this information disclosed to the regulator only. South Africa also allows for voluntary disclosure of major share ownership to the public.

Special voting rights in a company group provide specific shareholders of the group more voting power than a common shareholder. Special voting rights are required to be publicly disclosed in 42 jurisdictions, and six jurisdictions have no provision for such disclosure. Public disclosure of corporate group structures is mandatory in 40 jurisdictions, while there is no provision in seven (**Costa Rica, Ireland, Latvia, Singapore, South Africa, Sweden and Türkiye**). In **Australia** and **Japan** public disclosure of group structures is voluntary. It is mandatory to disclose the shareholdings of directors in 40 jurisdictions. In the **Czech Republic** and **Switzerland** public disclosure is voluntary, whereas in **Argentina, Brazil** and **Colombia** disclosure is to the regulator only. In the **Slovak Republic** and **South Africa,** the disclosure of directors' shareholdings to the regulator is required and public disclosure is voluntary.

Figure 3.17. Mandatory and/or voluntary disclosure provisions for all listed companies



Note: Based on 49 jurisdictions.

The disclosure of beneficial owners in company groups is particularly important as it facilitates the identification of related parties and therefore helps to address many of the agency issues around company groups. However, requirements for public disclosure of beneficial owners are not as widespread as for the other elements mentioned above. Thirty-four jurisdictions have a mandatory requirement to disclose

information on beneficial owners to the public, and in one jurisdiction this is voluntary. However, in some cases such as **Israel**, this mandatory requirement applies only to interested parties defined as shareholders with a minimum shareholding – 5% in the case of Israel. In 11 jurisdictions companies are required to disclose beneficial owners to the regulator only, and in four of them, **Costa Rica, Saudi Arabia,** the **Slovak Republic** and **South Africa**, they also have the option to disclose it to the public. The remaining jurisdictions have no provision on this issue.

Agreements between shareholders that describe how a company should be operated and outline shareholders' rights and obligations are also a common feature in company groups. In 35 jurisdictions shareholder agreements are disclosed to the public. In **Finland**, listed companies are liable to publish only shareholder agreements that are known to the company, and shareholders have an obligation to notify the offeree company and the supervisor when a shareholder has entered in such an agreement. In **Japan**, public disclosure of shareholder agreements is voluntary, whereas in **Greece** and the Slovak **Republic**, companies are obliged to disclose shareholder agreements to the regulator. However, in **Greece** the requirement applies only if the shareholder agreements lead to significant change in shareholders rights. In 11 jurisdictions (22%) there is no provision to disclose shareholder agreements.

Cross shareholdings, where one publicly traded company holds a significant number of shares of another publicly traded company, are also required to be disclosed, but to a lesser extent. Only 21 jurisdictions require disclosure of cross shareholdings to the public and only two jurisdictions mandate their disclosure to the regulator. One of these is **Greece**, and the requirement applies only if the cross shareholding leads to significant change in shareholders rights. In the **Slovak Republic,** public disclosure of cross shareholdings is voluntary. Importantly, in over half of the jurisdictions there is no requirement to disclose information on cross shareholdings.

Table 3.1. Means of notifying shareholders of the annual general meeting

Jurisdiction	Minimum period in advance	Provision to send a notification to all shareholders	Provisions for publication		
			Newspaper	Firm's website	Regulator's/ Exchange's website or Federal Gazette
Argentina	20-45 days	-	L	C	L
Australia	28 days	L			R
Austria	28 days	-	L	-	L
Belgium	30 days	-	L	L	L
Brazil	21 days	-	L	L	L
Canada	21-60 days	L			L
Chile	10 days	L	L	-	-
China	20 days	L	L	-	L
Colombia	15 days (30 days)	L, C	L	C	L
Costa Rica[1]	15 days	-	L	-	L
Czech Republic	30 days	L	-	L	-
Denmark	3 weeks	-	-	L/R	-
Estonia	3 weeks	L	L	L	R
Finland	3 weeks	L	-	L	L
France	15 days	L	L	-	L
Germany	30 days	L	L	L	L
Greece	20 days	-	-	L	L
Hong Kong (China)[2]	21 days (20 business days)	L, R	-	L, R	L, R
Hungary	30 days	L	-	L	R
Iceland	21 days	L	-	L	R
India	21 days	L	L	L	L
Indonesia	22 days	L	L	L	L
Ireland	21 days	L	L	L	-
Israel	21 days	L	L	L	L
Italy	30 days[3]	L	L	L	-
Japan	2 weeks	L		C	C
Korea	2 weeks	L	L	C	L
Latvia	30 days	-	-	L	L
Lithuania	21 days	L	L	L	L
Luxembourg	16 days	L	L		L
Malaysia	21 days (28 days)	L; R	R	R	R
Mexico	15 days[3]	-	-	-	L
Netherlands	42 days	L	-	L	-
New Zealand	10 working days	L	-	-	-
Norway	21 days	L		L	
Peru	25 days	L	L	C	L, R
Poland	26 days	-	-	L	-
Portugal	21 days	-	-	L	L
Saudi Arabia	21 days	L	L	L	L
Singapore	14 days (21 days for special resolutions)	L, R	-	-	R
Slovak Republic	30 days	L	L	L	-
Slovenia	30 days	L	L	L	L
South Africa	15 business days (public companies)	L	-	-	R
Spain	30 days	-	L	L	L
Sweden	4 weeks	-	L	L	L
Switzerland	20 days	L[4]	-	-	L

Jurisdiction	Minimum period in advance	Provision to send a notification to all shareholders	Provisions for publication		
			Newspaper	Firm's website	Regulator's/ Exchange's website or Federal Gazette
Türkiye	21 days	-	-	L	L
United Kingdom	21 days	L		L	
United States	10-60 days[5]	L	-	-	L

Key: **L** = requirement by the law or regulations; **R** = requirement by the listing rule; **C** and **( )** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation.

1. In **Costa Rica**, the notification for general meetings is by default 15 working days prior to the meeting, unless the company bylaws specify a different date or all the members agree to hold an assembly and expressly agree to waive the notification procedure.
2. For companies incorporated in **Hong Kong (China)**, the Companies Ordinance requires a minimum 21-day advance notice for annual general meetings. The Companies Ordinance allows notice to be given (i) in hard copy form or in electronic form; or (ii) by making the notice available on a website. The Listing Rules require notice of every annual general meeting to be published on the Exchange's website and the issuer's own website and require an issuer to send notices to all holders of its listed securities whether or not their registered address is in Hong Kong (China).
3. In some jurisdictions, shareholders with a certain shareholding (e.g. one-third in **Italy** and 10% in **Mexico**) can also request to postpone the voting on any matter for a few days. In **Italy**, they can request to postpone the meeting for a maximum of five days according to Art. 2 374 of the Civil Code if they consider that they have been insufficiently informed. Further, the minimum period in advance may vary in relation to the item on the agenda (40 days for board renewal, 21 days in specific cases such as the reduction of share capital).
4. In **Switzerland**, registered shareholders are notified of in writing, bearer shareholders by publication in the Swiss Official Gazette of Commerce (Art. 696 sect. 2 CO) and additionally in the form prescribed by the articles of association. Moreover, if provided in their articles of incorporation, companies can provide the information on newspapers and their websites.
5. In the **United States**, the obligation for corporations to distribute timely notice of an annual meeting is determined by a source of authority other than federal securities laws, and may vary within each of the individual 50 state jurisdictions. Generally, the written notice of any meeting shall be given not less than ten nor more than 60 days before the date of the meeting at which each stockholder is entitled to vote. For companies incorporated under Delaware law that elect to send a full set of proxy materials, they are subject to a minimum 10-day notice requirement. However, companies that choose to furnish proxy materials to shareholders by posting them on the Internet must provide 40 days' notice of the availability of their proxy materials on the Internet.

Table 3.2. Shareholder rights to request a shareholder meeting and to place items on the agenda

Jurisdiction	Request for convening shareholder meeting		Placing items on the agenda of general meetings		
	Shareholders	The firm	Shareholders		The firm
	Minimum shareholding	*Deadline for holding the meeting after the request*	*Minimum shareholding*	*Deadline for the request (before the meeting/ [ ]: after notice)*	*Accept and publish the request (before meeting)*
Argentina	5%	40 days	5%	-	-
Australia	5%	2 months	5% or 100 SHs	2 months	28 days
Austria	5% with 3 months holdings	14 days (3 weeks)	5% with 3 months holdings	7 or 14 days	-
Belgium	10%	3 weeks	3%	22 days	15 days
Brazil	1% / 2% / 3% / 4% / 5% depending on share capital	23 days	1% / 2% / 3% / 4% / 5% depending on share capital	35 or 45 days	30 days
Canada (federal)	5%	-	1% 5% for nominating a director	90-150 days before anniversary of previous meeting	21 days to notify of refusal
Chile	10%	30 days	10%	10 days	10 days
China	10%	10 days	3%	10 days	2 days
Colombia	10%[1]	-	50%+1 share	5 days after notice	15 days

Jurisdiction	Request for convening shareholder meeting		Placing items on the agenda of general meetings		
	Shareholders	The firm	Shareholders		The firm
	Minimum shareholding	*Deadline for holding the meeting after the request*	*Minimum shareholding*	*Deadline for the request (before the meeting/ [ ]: after notice)*	*Accept and publish the request (before meeting)*
Costa Rica	25%[2]	30 days	25%	-	-
Czech Republic	1% / 3% / 5% depending on share capital	50 days	1% / 3% / 5% depending on share capital	17 days	12 days
Denmark	5%	Minimum 3 weeks and maximum 7 weeks	-	6 weeks	
Estonia	10%	1 month	10%	15 days	-
Finland	10%	Minimum 3 weeks and maximum 3 months	-	4 weeks before notice	Required
France	5%	35 days	5%	25 days	-
Germany	5%	Without delay, minimum 30 days	5% or EUR 500 000	[30 days]	Promptly
Greece	5%	45 days	5%	15 days	13 days for listed companies
Hong Kong (China)	5%	49 days (21 for calling the meeting + 28 for holding the meeting after notice)	2.5% or 50 SHs	6 weeks	Promptly
Hungary	1%	30 days	1%	8 days	Promptly[3]
Iceland	5%	-	-	10 days	3 days
India	10% (of paid up share capital corresponding to voting power)	21 days	10% (of paid up share capital corresponding to voting power)	21-45 days	21 days from the date of receipt of requisition
Indonesia	10%	51 days	5%	28 days	21 days
Ireland	5%	14 or 21 days	3%	42 days	21 days
Israel	5%	56 days	1%	[21 or 32 days]	14 or 25 days
Italy	5%	Without delay[4]	2.5%	[10 days][5]	15 days
Japan	3% with 6 months holdings	8 weeks	1% or 300 voting rights with 6 months holdings	8 weeks	-
Korea	1.5% with 6 months holdings	Promptly	0.5% with 6 months holdings[6]	6 weeks	-
Latvia	5%	3 months	5%	[7 days]	14 days
Lithuania	10%	30 days	5%	14 days	10 days
Luxembourg	10%	1 month	5%	22 days	-
Malaysia	10%	42 days (14 for calling the meeting, 28 for holding the meeting after notice)	2.5% (or 50 shareholders with average paid-up capital of at least RM 500)	28 days	-
Mexico	10%	15 days	10%	-	15 days
Netherlands	10%	6 weeks	3%	60 days	42 days

Jurisdiction	Request for convening shareholder meeting		Placing items on the agenda of general meetings		
	Shareholders	The firm	Shareholders		The firm
	Minimum shareholding	*Deadline for holding the meeting after the request*	*Minimum shareholding*	*Deadline for the request (before the meeting/ [ ]: after notice)*	*Accept and publish the request (before meeting)*
New Zealand	5%	-	At least 1 share	20 days	5 days
Norway	5%	1 month	At least 1 share	7 + 21 days[7]	21 days
Peru	20%[8]	15 days	- [9]	-	-
Poland	5%	14 days	5%	21 days	18 days
Portugal	2%	60 days	2%	[5 days]	5 days if by letter; 10 days by publication
Saudi Arabia	10%	51 days (30 for invitation, 21 for holding a meeting)	10%	-	-
Singapore	10%	As soon as practicable, and no later than 2 months	5% (or 100 members with average paid-up capital of SGD 500)	6 weeks	14 days
Slovak Republic	5%	40 days	5%	20 days	10 days
Slovenia	5%	2 months	5%	[7 days]	14 days
South Africa	10%	-	Any 2 SHs	-	-
Spain	5%	2 months	3%	5 days after announcement	15 days
Sweden	10%	About 2 months	-	7 weeks	Required
Switzerland	5%	-[10]	0.5%	>20 days	>20 days
Türkiye	5%	45 days	5%	>3 weeks	>3 weeks
United Kingdom	5%	49 days	5% or 100 SHs holding together ≥GBP 10 000	7 weeks	
United States	10% (Model Business Corporation Act); Certificate of incorporation or bylaws (Delaware)		Continuous ownership thresholds of at least one to three years and USD 25 000 to 2000	Disclosed in previous year's proxy statement	Subject to exclusion based on certain criteria

Key: **[ ]** = requirement by the listing rule; **( )** = recommendation by code or principles; "**-**" = absence of a specific requirement or recommendation; **Promptly** = immediately or within five days of the AGM.

1. In **Colombia**, the Superintendent may also order the convening of extraordinary meetings or make it, directly, at the request of a group of shareholders whose percentage must be set in the bylaws (Art. 423 of the Commercial Code).
2. In **Costa Rica**, it is also possible for the owner of a single share to request the convening of a shareholder meeting and suggest items on the agenda when no meeting has been held for two consecutive financial years and when the meetings held at that time did not deal with ordinary matters, such as the discussion and approval of the financial reports, or the distribution of profits, among others.
3. In **Hungary**, the invitation for the general meeting shall be published on the company's website at least 30 days prior to the first day of the general meeting (Art. 3:272 paragraph (1) of the Civil Code) in case of public limited companies.
4. In **Italy**, while the Civil Code (Art. 2 367) requires the meeting to be convened "without delay", courts have established 30 days as a fair term to call the meeting, without setting a deadline for time required to hold the meeting.
5. In **Italy**, the default deadline is of 10 days, although a shorter deadline of five days applies to meetings called to resolve on measures to contrast a takeover or in case of particular losses in the company's share capital.

6. In **Korea**, more than six months shareholding is required for a shareholder of listed companies to qualify. The shareholding threshold of 1% to place items on the agenda applies to companies with equity capital valued under 100 billion won.
7. In **Norway**, a shareholder can request placing items on the agenda until seven days before the general meeting is convened. The time limit for written notice to all shareholders is 21 days before the company convenes the general meeting.
8. In **Peru**, a 20% threshold applies to any corporation with securities registered in the SMV and a 5% threshold only applies to a specific group of corporations with dispersed ownership.
9. In **Peru**, according to Principle 11 "Proposals for agenda items" of the Corporate Governance Code, corporations should include mechanisms in their general shareholders' meeting rule that allow shareholders to exercise the right to formulate proposals for agenda items to be discussed at the general shareholders' meeting.
10. In **Switzerland**, the law does not set forth a specific deadline. If the board of directors does not grant such a request within a reasonable time, the court must at the request of the applicant order that a general meeting be convened.

Table 3.3. Preferred shares and voting caps

Jurisdiction	Issuing a class of shares with:			Multiple voting rights	Voting caps
	Limited voting rights	Without voting rights			
			And without preferential rights to dividends		
Argentina	Allowed[1]	Allowed	Not allowed	Not allowed[2]	Allowed
Australia[3]	[Allowed for preference securities only]	[Not allowed]	[Not allowed]	[Not allowed]	[Not allowed]
Austria	Allowed	Allowed	Not allowed	Not allowed	Not allowed
Belgium	Allowed	Allowed	Allowed	Allowed (Double voting shares for listed companies)	Allowed
Brazil	Allowed: Max 50%	Allowed: Max 50%	Allowed[4]	Allowed	Allowed
Canada[5]	Allowed	Allowed	Allowed	Allowed	Allowed
Chile	Allowed	Allowed	Allowed	Not allowed	Allowed
China	Allowed	Allowed	Not allowed	Not allowed[6]	Not allowed
Colombia	Allowed	Allowed: Max 50%	Not allowed	Not allowed	Not allowed
Costa Rica	Allowed	Allowed[7]	Allowed	Not allowed	Allowed
Czech Republic	Allowed	Allowed: Max 90%	Allowed	Allowed	Allowed
Denmark	Allowed	Allowed	Allowed	Allowed	Allowed
Estonia	Allowed	Allowed	-	-	
Finland	Allowed	Allowed	Allowed	Allowed	Allowed
France	Allowed	Allowed: Max 25%	-	Allowed (Double voting shares with more than 2 years holding)[8]	Allowed
Germany	Allowed	Allowed: Max 50%	Not allowed	Not allowed	Not allowed
Greece	Allowed	Allowed	Allowed	Not allowed	-
Hong Kong (China)	Allowed for preference shares	Allowed for preference shares	-	[Allowed][9]	-
Hungary	Allowed	Allowed	Allowed	Allowed	Allowed
Iceland	Allowed	Allowed	Allowed	-	-
India[10]	Allowed	Allowed	Not allowed	Allowed with condition	Allowed
Indonesia[11]	Not allowed	Allowed	Allowed	Allowed with condition	Allowed
Ireland	Allowed	Allowed	Allowed	Allowed[12]	Allowed
Israel	Not allowed[13]		-	Not allowed	Not allowed

Jurisdiction	Issuing a class of shares with:			Multiple voting rights	Voting caps
	Limited voting rights	Without voting rights			
			And without preferential rights to dividends		
Italy	Allowed: Max 50% (cumulated for limited and non-voting shares)	Allowed: Max 50% (cumulated for limited and non-voting shares)		Allowed[14]	Allowed
Japan	Allowed: Max 50%	Allowed: Max 50%	Allowed	Not allowed	Not allowed
Korea	Allowed: Max 25% (cumulated for limited and non-voting shares)	Allowed: Max 25% (cumulated for limited and non-voting shares)	Allowed	Not allowed	Not allowed
Latvia	Allowed	Allowed	Allowed	Allowed	Not allowed
Lithuania	Allowed	Allowed: General provision that preference shares may not constitute more than 1/3 of the capital)[15]	-	-	-
Luxembourg	Allowed	Allowed: Max 50%			
Malaysia	Allowed	Allowed	-	-	-
Mexico	Allowed with approval: Max 25%[16]	Allowed with approval: Max 25%	Not Allowed	Allowed	Not allowed
Netherlands	Allowed	Not allowed	-	-[17]	Allowed
New Zealand	Allowed	Allowed	Allowed	Allowed	Allowed
Norway	Allowed[18]	Allowed		Allowed	Allowed
Peru[19]	Allowed	Allowed	Allowed	-	-
Poland	Allowed	Allowed	Not allowed	Allowed	-
Portugal	Allowed	Allowed: Max 50%	Allowed	Allowed	Allowed[20]
Saudi Arabia	Allowed	Allowed	Not allowed	Not allowed	-
Singapore[21]	Allowed	Allowed	-	[Allowed]	[Not allowed]
Slovak Republic	Allowed	Allowed[22]	-	-	Allowed
Slovenia	Allowed	Allowed: Max 50%	Not allowed	Not allowed	Not allowed
South Africa	Allowed	Allowed	Allowed	Allowed	Not allowed
Spain	Allowed	Allowed: Max 50%	Not allowed	Allowed [23]	Allowed
Sweden	Allowed	Not allowed	-	Allowed (1/10)	Allowed
Switzerland	Allowed[24]	Allowed	Allowed	Allowed	Allowed
Türkiye[25]	-	-	-	Allowed	Allowed
United Kingdom	Allowed	Allowed	Allowed	Allowed[26]	Allowed
United States[27]	Allowed	Allowed	Allowed	Allowed	Allowed

Key: **Allowed** = specifically allowed by law or regulation; **Not allowed** = specifically prohibited by law or regulation; **[ ]** = Requirement by the listing rule; **( )** = Recommended by the codes or principles; "**-**" = absence of a specific requirement or recommendation; **N/A** = not applicable.

1. In **Argentina**, shareholders with limited voting rights might recover their right to vote in special cases, such as a suspension of public offer (Section 217 of the General Companies Law).
2. In **Argentina**, privileged voting shares cannot be issued after the company has been authorised to make a public offer (Section 216 of the General Companies Law).
3. In **Australia**, ASX Listing Rule No. 6.9 requires ordinary securities to have one vote per fully paid security. Preference securities have more limited voting rights but must have preferential rights to dividends.

4. In **Brazil**, no voting right shares and limited voting right shares must have preferential rights to dividends, or if they do not have preferential rights to dividends, such shares must have tag-along-rights (the right to sell shares in cases of change of corporate control, usually on the same terms as the controlling shareholder).
5. In **Canada**, a public company may have, as part of its authorised capital, one or more classes of shares with differing voting entitlements (subject to certain requirements, including: prior shareholder approval of the multi-class structure, prescribed naming conventions that signal the restricted nature of the investment and supplementary disclosure requirements, and a requirement to include "coattail" provisions that protect shareholders with restricted voting rights in the event of a takeover bid.
6. In **China**, the Company Law does not permit shares with multiple voting rights or caps on such shares for listed companies. However, an exception has been granted for companies listed on the Science Technology Innovation Board of SSE or on the ChiNext Market of SZSE which may have multiple voting rights or caps in place under certain conditions: as a threshold, a shareholder with special voting stocks must own more than 10% of all issued voting stocks of the company. The number of voting rights for each special voting stock shall be the same and shall not exceed 10 times that of voting rights for each ordinary stock.
7. In **Costa Rica**, voting rights of preferred shareholders can be restricted in company statutes, but under no circumstance will their rights be limited in their right in extraordinary meetings to modify the duration or the purpose of the company, to agree on a merger with another company or to establish its registered office outside the territory of Costa Rica.
8. In **France**, double voting rights may be conferred on fully paid shares which have been in registered form for at least two years in the name of the same person, unless the issuer decides otherwise by a two-thirds majority shareholder vote.
9. In **Hong Kong (China)**, the Listing Rules contain a chapter which allows shares with multiple voting rights subject to specified conditions, for example, a ten to one voting cap.
10. In **India**, the total voting rights of shareholders with superior voting rights (including ordinary shares), post listing, shall not exceed 74%. Voting caps are allowed only with respect to banking companies.
11. In **Indonesia**, according to OJK Regulation No. 22/POJK.04/2021, implementation of classification with multiple voting rights for issuers are applied for issuers with innovation and high growth rates that conduct public offering in the form of shares. In addition, issuers regulated under this provision should meet certain criteria such as utilising a technology to increase productivity and economic growth, having shareholders who have significant contributions in the utilisation of technology, having minimum total assets of at least Rp. 2 Trillion (about USD 132 million), and others. Regarding the voting cap, it is only applied to multiple voting shares as stipulated in OJK Regulation No. 22/POJK.04/2021.
12. In **Ireland**, although legally permissible (Companies Act 2014, Section 66(3)), for shares in listed companies with a primary listing of equity shares on Euronext Dublin, all shares in a class that has been admitted to listing must carry an equal number of votes on any shareholder vote (LR 7.2.1).
13. In the case of **Israel**, shares with preference profits are allowed under certain conditions, but they may not restrict voting rights (in publicly traded companies).
14. In **Italy**, multiple voting rights are allowed for shareholders with more than two years holding ("Loyalty Shares": up-to double voting, according to the bylaws) and for newly-listed companies that issued such shares before listing ("Multiple Voting Shares": up-to three votes, according to the bylaws).
15. In **Lithuania**, as of 1 May 2023, preference shares without voting rights may not constitute more than 1/2 of the capital.
16. In **Mexico**, prior authorisation by the national authority (CNBV) is required when issuing limited right shares or shares without voting rights. This 25% corresponds to the stock capital publicly owned (Art. 54 Securities Markets Law). The CNBV can authorise a percentage higher than 25% as long as these are convertible into ordinary shares in a maximum period of five years.
17. In the **Netherlands**, while there is no explicit regulatory provision prohibiting or allowing multiple voting rights, a few companies have shares with such rights.
18. In **Norway**, the ministry has to approve shares with no or limited voting rights if the combined nominal value of the shares in the company shall make up more than half of the share capital in the company. In accordance with the articles of association, law or relevant regulations, companies are given discretion to refuse the exercise of voting rights, but only for a reasonable justification. The Code recommends that the company should only have one class of shares and equal voting rights.
19. In **Peru**, while different classes of shares with limited or no voting rights are legally permitted, according to the Corporate Governance Code, the company should not promote the existence of classes of shares without voting rights. When there are shares with equity rights other than ordinary shares, the company should promote and execute a policy of redemption or voluntary exchange of such shares for ordinary shares.
20. In **Portugal**, when the company is a credit institution, the maintenance of voting caps must be submitted to the vote of the shareholders at least once every five years. In case of failure to comply with the submission requirement such caps are automatically cancelled/revoked at the end of the relevant year. Additionally, Art. 21-D of the Portuguese Securities Code allows the possibility to issue shares with more than one voting right.
21. In **Singapore**, issuing a class of shares with multiple voting rights, carrying no more than ten votes per share, is allowed for Mainboard listed companies, subject to other restrictions [SGX Listing Rule 210(10)]. Under Section 64A of the Companies Act, shares in public companies may confer special, limited, or conditional voting rights. Such shares may also confer no voting rights.
22. In the **Slovak Republic**, voting rights to these shares might be recovered in special cases, such as resulting from a decision of the general meeting that the dividend will not be paid until the general meeting decides on the payment of such dividend.

23. In 2021, **Spain** established a system to allow loyalty shares (Articles 527 ter to 527 undecies of the Capital Companies Law). Loyalty shares have some key aspects: (i) they give only a double vote, not a multiple vote; (ii) they represent an opt-in system for companies; and (iii) for establishing these shares, the company needs approval by a qualified majority. Specifically, for a quorum of 50% (capital stock), a majority of 60% of the capital (attending personally or by representation, the meeting) is required; and for a quorum of 25% (capital stock), a majority of 75% of the capital. Furthermore, the articles of association which have provided for loyalty shares must be renewed every five years. However, to revoke this mechanism and erase the loyalty shares, companies only need a simple majority.
24. In **Switzerland**, the nominal value of the other shares must not exceed ten times the nominal value of the voting shares.
25. In **Türkiye**, the Capital Markets Board may authorise issues of shares without voting rights should the need arise.
26. In the **United Kingdom**, shares with multiple voting rights, while legally permitted, are not likely to be found in practice due to having insufficient liquidity to qualify for admission for listing. Companies are not permitted to have a Premium listing for shares that do not confer full voting rights.
27. In the **United States**, a company may have multiple voting rights or caps in place at the time that it goes public/lists its securities, and also is permitted to issue non-voting classes of securities. However, once a company has listed its securities, it may not disparately reduce or restrict the voting rights of existing shareholders through any corporate action or issuance (NYSE Listed Company Manual Section 313.00 and Nasdaq Listing Rule 5 640).

Table 3.4. Voting practices and disclosure of voting results

Jurisdiction	Formal procedure for vote counting	Disclosure of voting result for each agenda item		
		Deadline after GM	Issues to be disclosed	
			Outcome of vote	*Number or percentage of votes for, against and abstentions*
Argentina	Required	1 business day	Required	Required for each resolution
Australia	Required	Immediately	Required	Required for each resolution
Austria	Required	Promptly	Required	Required
Belgium	Required	15 days	Required	Required for each resolution
Brazil	-	Immediately	Required	Required for each resolution
Canada	-	Promptly[1]	Required	Required, if the vote was conducted by ballot
Chile	Required	10 days	Required	Required
China	Required	Immediately (SZSE) 2 business days (SSE&BSE)	Required	Required for each resolution
Colombia	-	Immediately	Required	Required
Costa Rica	Recommended	Immediately	Required	Recommended
Czech Republic	Required	15 days	Required	Required
Denmark	-	2 weeks	Required	Required upon shareholder's request
Estonia	-	7 days	Required	Required
Finland	Required	2 weeks	Required	Required (if a full account of the voting that has been carried out in the GM)
France		15 days	Required	Required
Germany		Promptly	Required	Required
Greece	Required	5 days	Required	Required
Hong Kong (China)	Required	Promptly[2]	Required	Required
Hungary	Required	Immediately (max. 1 working day)	Required	Required
Iceland	Required	15 days	Required	-
India	Required	Promptly[3]	Required	Required
Indonesia	Required	2 business days	Required	Required
Ireland	Required	15 days	Required	Required
Israel	Required	Promptly	Required	Required
Italy	Required	5 days[4]	Required	Required
Japan	Required	Promptly	Required	Required

Jurisdiction	Formal procedure for vote counting	Disclosure of voting result for each agenda item		
		Deadline after GM	Issues to be disclosed	
			Outcome of vote	*Number or percentage of votes for, against and abstentions*
Korea		Immediately	Required	(Required upon shareholder's request)
Latvia	Required	Promptly	Required	Required upon shareholder's request
Lithuania	Required	7 days	Required	Required
Luxembourg	-	ASAP	Required	
Malaysia	Required	Immediately	Required	Required (disclosure of votes 'for' and 'against')
Mexico	Required	Immediately	Required	Required
Netherlands	Required	15 days	Required	Required
New Zealand	Upon shareholder's request	-	-	-
Norway	-	15 days	Required	Required
Peru	Required	Immediately (if the act is approved in the General Meeting) / 10 days (otherwise)	Required	Required
Poland	Required	1 day	Required	Required
Portugal	-	15 days / Immediately (when qualifying as inside information)	Required	Required
Saudi Arabia	Required	Immediately	Required	Required
Singapore	Required	Immediately	Required	Required for each resolution
Slovak Republic	Required	15 days	Required	Required for each resolution
Slovenia	Required	2 days	Required	Required
South Africa	Required	Immediately	Required	Required
Spain	Required	15 days	Required	Required
Sweden	Upon shareholder's request	2 weeks	Required	Required upon shareholder's request
Switzerland	-	15 days	Required	Required
Türkiye	Required	Immediately	Required	Required
United Kingdom	Required	Immediately	Required	Recommended
United States	Required	4 days	Required	Required for each candidate and resolution

Key: **Immediately** = within 24 hours. **Promptly** = may be more than 24 hours after the AGM but no more than five days."**-**" = absence of a specific requirement or recommendation.

1. In **Canada**, the requirement to disclose voting results only applies to issuers listed on senior exchanges (e.g. the TSX).
2. In **Hong Kong (China)**, according to the Listing Rules (Rule 13.39(5)), the poll results of general meetings must be announced as soon as possible, but in any event at least 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day after the meeting.
3. In **India**, listed entities are required to disclose the voting results within 48 hours of conclusion of general meeting pursuant to submission of a report by the scrutinizer.
4. In **Italy**, listed companies are also required to publish the minutes of the shareholder meetings, including the details on shareholders attending such meetings and votes cast by each of them on all the items of the meeting's agenda.

Table 3.5. Virtual and hybrid shareholder meetings

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Other safeguards	Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -)[1]
	Hybrid meetings[2]	Virtual meetings[3]	Hybrid meetings	Virtual meetings		Code of conduct at jurisdiction level	Code of conduct at company level	
Argentina	L	L	L	L	-	-	L[4]	L
Australia	L	L	L	L	-	-	-	L[5]
Austria		L	-	-				
Belgium	L	L	-	-	-	-	-	L
Brazil	L	L	-	-		L	-	L
Canada	L			L		-	-	-
Chile	L	L	-	-	Guarantee shareholders' identity and voting systems that safeguard principles of simultaneity and secrecy of voting[6]	-	-	L
China	R	NP	R	NP	-	R	R	R
Colombia	L	L	-	-	-	-	-	L, C
Costa Rica	-	`-	C	C	-	-	-	L
Czech Republic	L	L	L	L	-	-	-	L
Denmark	L, C	L	-	L		-	-	-
Estonia	L	L	-	-		-	-	-
Finland	L	L	-[7]	L	Safeguards for malfunction in telecommunications or other technical issue which may affect the validity of the decisions[8]	-	L	L
France	L	L	L	L		-	-	L
Germany	L	L	L	L	Authorisation for virtual meeting may be granted for a maximum period of 5 years and is to be renewed by shareholders' meeting afterwards	L	-	L
Greece	L	L	-	-	-	-	-	L
Hong Kong (China)[9]	-	-	-	-	-	-	-	R[10]

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Other safeguards	Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -)[1]
	Hybrid meetings[2]	Virtual meetings[3]	Hybrid meetings	Virtual meetings		Code of conduct at jurisdiction level	Code of conduct at company level	
Hungary[11]	L, C	L, C	L, C	L, C	The AoA shall include the procedure for identifying Shareholders participating via telecommunication means to ensure their identification. mutual and unrestricted communication	-	-	L
Iceland	L	L	-	L		-	-	-
India	-	L	-	-	Virtual meeting should allow two way teleconferencing or webex for the ease of participation of the members.	-	-	L[12]
Indonesia	L	L	-	-	-	L	L	L, C
Ireland[13]	L	L	-	-	Data security and connectivity	-	-	L
Israel	L	L	-	-	Participants in the meeting can hear each other at the same time[14]	C	-	L
Italy	L	-	L[15]	-	Identification of shareholders and security of communications; confidentiality of votes cast in advance until the meeting	-	-	-
Japan	L	L	-	L	AoA based upon a shareholders meeting's resolution, prior to which receiving a confirmation by the authority	C	-	L
Korea[16]	C	C	C	C	Board's decision	-	-	-
Latvia	L	L	-	L	Virtual meeting decided by general meeting with agreement of all shareholders + provided in the AoA	-	-	L

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Other safeguards	Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -)[1]
	Hybrid meetings[2]	Virtual meetings[3]	Hybrid meetings	Virtual meetings		Code of conduct at jurisdiction level	Code of conduct at company level	
Lithuania	L	L	-	L	Virtual meeting decided by general meeting with agreement of all shareholders and have to be provided by AoA	-	L (+ board has to approve the rules of procedures for participation and voting in virtual meetings)	L
Luxembourg	L	L	L	L	-[17]	-	-	L
Malaysia	L	L	-	-		C	-	L, C
Mexico	-	-	-	-	-	-	-	-
Netherlands	L	L[18]	L	L	Questions submitted virtually to be answered during a hybrid meeting; decisions are considered invalid if legal provisions are not complied with[19]	-	-	L
New Zealand	L	L	-	-	Board approves shareholder participation by electronic means[20]	-	-	-
Norway	L	L	-	-	-	-	-	-
Peru	-	L	-	L		-	-	L
Poland	L	L	L	L	-	C	-	L
Portugal	L	L	-	-	Company must ensure the authenticity of the declarations and the security of the communications	-	-	L
Saudi Arabia	L	L	-	-	-	L	L	L
Singapore	L	L	-	-	-	C	-	C
Slovak Republic	-	-	L	L	Qualified electronic signature (for shareholder verification); subsequent confirmation of voting by electronic means by company	-	-	-
Slovenia	L	-	L	-	-	-	-	-

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Other safeguards	Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -)[1]
	Hybrid meetings[2]	Virtual meetings[3]	Hybrid meetings	Virtual meetings		Code of conduct at jurisdiction level	Code of conduct at company level	
South Africa	L, R	L, R	L, R	L, R	Listing requirements of exchange; Discretion of the Board of Directors in accordance with Companies Act; MOI	-	C (Company Policies)	L
Spain	L	L	-	-	-	L	L	L
Sweden	L	-	L	-	-	-	-	-
Switzerland	L	L	L	L	Virtual only if an independent voting representative has been designated	-	L	L
Türkiye	L	NP	L	NP	-	L		L
United Kingdom	L	-	-	-	-	-	-	C
United States[21]	L	L						

Key: **L** = specified by the law or regulations; **R** = specified by the listing rule; **C** = specified in recommendations by the codes or principles; "**-**" = absence of a specific requirement or recommendation; **NP** = not permitted.

1. **Equal participation** is intended to measure whether jurisdictions provide in their legal and/or regulatory framework any provision or recommendation concerning the possibility for shareholders to engage and participate regardless of how the meetings is held and how they choose to participate. Equal participation may include aspects such as the possibility for shareholders to engage with and ask questions to boards and management in comparison to physical meetings, provide comments and access information and, therefore, does not intend to measure the possibility for remote voting during remote shareholder meetings.

2. Hybrid meetings are defined as shareholder meetings in which certain shareholders attend the meeting physically and others virtually.

3. Virtual meetings are defined as shareholder meetings in which all shareholders attend the meeting virtually.

4. In **Argentina**, under Art. 29 of Section II, chapter II, Title II of CNV Rule No. 622/13 (Ordered Text 2013), companies must establish the procedures to hold remote meetings, including those related to shareholder voting rights and participation.

5. In **Australia**, all meetings regardless of how they are held must give the members as a whole a reasonable opportunity to participate. This includes holding the meeting at a reasonable time and place and using reasonable technology. Members are also able to exercise their rights to ask questions and make comments regardless of the format of the meeting.

6. In **Chile**, Article 108 of D.S. 702, Corporations Regulation, establishes, that "sociedades anónimas abiertas" will be subject to the regulation established by the CMF regarding the use of technological means for the participation in shareholders meetings for those who are not physically present. Further, general Rule No. 435 of 2020 of the CMF authorised the use of technological means to allow the participation of shareholders that are not physically present, along with remote voting mechanisms, as long as these systems guarantee the identity of these shareholders and safeguard the principle of simultaneity or secrecy of all votes. In addition, it establishes that the board of these companies shall be responsible to implement the systems or procedures necessary to verify: (i) the identity of remote participants in the assembly, (ii) the powers that allow them to act on behalf of the shareholder, if these are not acting by themselves, and (iii) the secrecy of remote votes.

7. In **Finland**, according to the Finnish Limited Liability Companies Act, a board of directors can decide that shareholders are allowed to participate with full shareholders' rights to a hybrid general meeting. However, the Act provides a possibility to limit or deny the use of hybrid general meetings in the articles of association of a company.

8. In **Finland**, shareholders participating remotely in a virtual or hybrid meeting must have the same participation rights as in a physical meeting, including the right to vote in real time and make proposals and questions. Moreover, if there is malfunction in a telecommunications or other technical means being used to hold a virtual or hybrid meeting, which may have an effect on the validity of the decisions and whose repair is expected to cause a considerable delay to the meeting, under certain conditions the chair of the general meeting may decide to interrupt the general meeting and resume it within four weeks of the opening of the general meeting according to the original convocation.

9. In **Hong Kong (China)**, the Companies (Amendment) Bill 2022 was passed on 18 January 2023 to expressly cater for the scenario of local companies holding fully virtual or hybrid general meetings without limiting them to physical venues. The Companies (Amendment) Bill 2022 was gazetted on 27 January 2023 and came into operation on 28 April 2023.

10. In **Hong Kong (China)**, the Core Shareholder Protection Standards (Appendix 3 to the Listing Rules) require that members of an issuer must have the right to speak and vote at a general meeting, except where the Listing Rules require a member to abstain from voting.
11. In **Hungary**, members may exercise their rights by means of electronic communications instead of personal attendance at the meeting of the supreme body, if the instrument of incorporation specifies the electronic communications equipment allowed to be used, as well as the condition and the mode of their use, in a manner that ensures the identification of members and their mutual and unrestricted communication (Civil Code 3:111§ (2)).
12. In **India**, the facility for virtual meeting should have a capacity to allow at least 1 000 members to participate on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairperson of the audit committee, nomination and remuneration committee and stakeholder's relationship committee, auditors, may be allowed to attend the meeting without restriction on account of first-come-first-served principle.
13 In **Ireland**, temporary measures introduced in the Companies (Miscellaneous Provisions) (COVID-19) Act 2020 have been extended to the end of 2023.
14. In **Israel**, ISA issued a regulation during the COVID-19 pandemic, which allows remote shareholder meetings and requires that all participants in the meeting can hear each other at the same time. In practice, issuers conduct remote meetings regardless of the COVID-19 restrictions.
15. In **Italy**, exceptional temporary measures adopted during the pandemic to, among other things, allow companies to hold virtual meetings and hold hybrid meetings regardless of bylaws provisions were extended until 31 July 2023.
16. In **Korea**, running a hybrid meeting depends on the board's decision or articles of association. However, virtual participants are not able to have a voice or right to vote at the ongoing meeting; e-notices and e-voting provisions are regulated in separate chapters.
17. In **Luxembourg**, if members are participating in the meeting by video conference or by telecommunication means permitting their identification, they are deemed present for the calculation of the quorum; such means shall satisfy technical characteristics which ensure an effective participation in the meeting whose deliberation shall be on-line without interruption, as per the provisions of the Law on commercial companies.
18. In the **Netherlands**, under COVID-19-regulations virtual meetings were permitted, provided that the legal and statutory regulations applying to regular (physical or hybrid where already statutorily admitted) meetings were met. This specific COVID-19-regulation ended on 6 February 2023. However, a proposal of law is being prepared that, if accepted, will enable companies to provide for (entirely) virtual shareholder meetings.
19. In the **Netherlands**, all questions submitted virtually must be answered during a hybrid meeting and remote participants must be able to participate; if legal provisions for meetings are not met, decisions are considered invalid.
20. In **New Zealand**, conditions may be imposed by the board in relation to participation by electronic means, e.g. conditions relating to the identity of the shareholder.
21. In the **United States**, state law, rather than federal law, governs the legality of corporations holding virtual or hybrid shareholder meetings. As of early 2023, the majority of the 50 US states permitted shareholder meetings to be held remotely.

Table 3.6. Sources of definition of related parties

Jurisdiction	Provision
Argentina	Law 26831, Sections 72 and 73 National Securities Commission Rules No. 622/13 (Ordered Text 2013): Section IV, chapter III, Title II.
Australia	Corporations Act2001, Volume 1, Part 1.2, Division 1, Section 9 & Part 2E.2, Section 228 ASX Listing Rules, Chapter 10 with the definition of related party contained in Listing Rule 19.12
Austria	Commercial Code (UGB), Section 238 Abs. 1 Z 12 Stock Corporation Act (AktG), Section 95a Abs. 3
Belgium	Art. 7:97, Section1 Code of Companies and Associations
Brazil	CVM Resolution No. 94/2022 - Annex A, Art. 9 (IAS 24)
Canada	Canada Business Corporations Act, Section 2(2)-(5); provinces and territories also have corporate statutes. For public companies, see also Section 1.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* as well as rules applicable to each stock exchange
Chile	Securities Market Law, Title XV, Art. 100 Articles 44 and 146 (Title XVI) of Law No.18.046
China	Company Law Art. 21 Code of Corporate Governance for Listed Companies in China 2018 Section 6, Articles 74-77 Administrative Measure for the Disclosure of Information of Listed Companies (Revised in 2021) Art. 62 Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in 2022) Art. 6.3.3 Rules Governing the Listing of Shares on Shenzhen Stock Exchange (Revised in 2022) Art. 6.3.3 Rules Governing the Listing of Shares on Beijing Stock Exchange (Trial) Art. 12.1.12. Rules Governing the Listing of Shares on the ChiNext Market of SZSE (2020 Revision) Articles 7.2.2-7.2.6. Rules Governing the Listing of Shares on the Star Market of SSE (2020 Revision) Art.15.1.14. Accounting standards for enterprises No.36 Guidelines for the implementation of related party transactions of Listed Companies in Shanghai Stock Exchange Articles 7-12

Jurisdiction	Provision
Colombia	Decree 2555 of 2010, Articles 2.6.12.1.15, 2.31.3.1.12, 5.2.4.1.3, 5.2.4.2.2, 5.2.4.2.3, 5.2.4.3.1 and 7.3.1.1.2 Num 2(b) Decree 1486 of 2018, Art.2.39.3.1.2
Costa Rica	Code of Commerce CONASSIF Corporate Governance Regulation
Czech Republic	Business Corporations Act No. 90/2012, Part 9, Articles 71-91 Capital Market Undertakings Act No. 256/2004, Part 9, Articles 121s-121v
Denmark	Danish Company Act, Art.139 d (8)
Estonia	Securities Market Act, Section 168
Finland	Accountancy Decree1339/1997 Chapter 2, section 7 b. Limited Liability Companies Act, Chapter 1, Section 12 Securities Market Act, Chapter 12, Section 5 and Chapter 8, Section 1a Finnish Corporate Governance Code, Rec. 27 (IAS 24)
France	Commercial Code, Book II, Title II, chapter V, Section 2, Articles L225-38 and L225-86
Germany	Stock Corporation Act (Aktiengesetz) Sections 15, 89, 111a-111c, 115, 291-318
Greece	Capital Market Commission Circular No. 45/2011 Law 4308/2014 on Greek Accounting Standards
Hong Kong (China)	Companies Ordinance (Cap. 622), Section 486 Main Board Listing Rules, LR 14A.06(7) GEM Listing Rules LR 20.06(7)
Hungary	Act C of 2000 on Accounting, Art. 3, Para. (2), Point 8; Act LXVII of 2019 on long-term shareholder engagement Art. 2, Point 4
Iceland	Public Limited Liability Companies Act No 2/1995, Art.95 a
India	Companies Act, 2013, Section 2(76) Indian Accounting Standard 24 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 2 (1) (zb)
Indonesia	Capital Market Law Art. 1 Number 1OJK Regulation Number 42/POJK.04/2020
Ireland	Companies Act 2014, Sections 1110L and 1110O
Israel	Companies Law 5759-1999, Part 1 Definitions
Italy	Civil Code, Art. 2391-bis / CONSOB Regulation 17221/2010, (making reference to IAS-IFRS)
Japan	Ordinance on Company Accounting (Enforcement of the Company Act), Art.112(4)
Korea	Commercial Act Article 398, Art.542-9
Latvia	Articles184.1 and 184.2 of the Company Law Articles1 (4) and 59.1 of the Financial Instrument Market Law Annual Accounting and Consolidated Annual Accounting Law, Sections 1 (3) and 53 (1) 14
Lithuania	Law on Companies (Art. 372) Law on Financial Reporting by Undertakings (Subparagraph 5 of the Paragraph 1 of the Art. 231)
Luxembourg	Companies Law, Articles 430-23 (3), 1711-1, 1790-2
Malaysia	Bursa Malaysia Main Market Listing Requirements, Part B Clause(s) 10.02 (j), (k), (l), 10.08, 10.09, Appendix 10C, Appendix 10D Capital Markets and Services Act2007, Clause 256U, Schedule 2, Section 4 Companies Act2016, Section 228 (1) (A)
Mexico	Securities Market Law, Art. 2, Section XIX Rules applicable to Issuers, Annex N, Section II, C) 4, b) (Disclosure approach)
Netherlands	Civil Code, Book 2, Art. 167, Civil Code, Book 2, Art. 381
New Zealand	Companies Act1993, Section 2(3) Companies Act1993, Section 291A NZX listing rules Part A
Norway	The Public Limited Company Act, Articles 1-5, 2-10 a, 3-8 to 3-19 and 8-7 to 8-11, The Accounting Act Art. 7-30b and The Securities Trading Act Articles 5-6 and 6-1
Peru	Securities Market Law. Title III, chapter I, Art. 51 Provisions for the application of literal c) of Art. 51 of the Securities Market Law, approved by Resolution SMV No. 029-2018-SMV/01
Poland	Code of Commercial Companies, Art. 4
	Act on Trading in Financial Instruments, Art. 3

Jurisdiction	Provision
	Accounting Act, Art. 3
Portugal	International Accounting Standards (IAS 24) Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) (Chapter II, Principle II.5.A) Portuguese Securities Code, Articles: 29S, 29T, 29U, 29V
Saudi Arabia	Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority Corporate Governance Regulations
Singapore	SGX Listing Manual, Chapter 9, Listing Rule 904 Companies Act, Chapter 50, Sections 5, 5A, 5B, 6, 7, 162(8) and 163(5) Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 Fourth Schedule - Definition of "interested person" for prospectus disclosure
Slovak Republic	Commercial Code, Section 59a and Section 196a for all Joint Stock companies and Section 220ga for publicly listed Joint Stock companies (Section 220ga is implemented on the basis of the EU Directive 2017/828)
Slovenia	Companies Act, Articles: 38a, 270a, 281b - 281d, 284a, 515a and 527-534
South Africa	Companies Act of 2008, Sections 1, 2, 3, 41, and 75 and Listing requirements and rules of the exchanges
Spain	Companies Act (Articles 529 vicies to 529 duovicies), Ministerial Order3050/2004 (Art. 2)
Sweden	Companies Act, Chapter 16, Section 2 and Chapter 16a; in relation to related party transactions – Securities Council's statement; additional definitions exist in other rules
Switzerland	Art. 718b CO (Contracts between the company and its representative)
Türkiye	Capital Markets Law Art. 17(3)
	CMB Communiqué II-17.1Art. 3
United Kingdom	Companies Act, Sections 252-256 FCA Listing Rules, LR 11.1.4 R FCA Disclosure Guidance and Transparency Rules DTR 7.3
United States	Securities Exchange Act of 1934, Rule 13e-3
	SEC Regulation S-K, Item 404
	Accounting Standards Codification Topic 850 and Rules 1-02(u) and 4-08(k) of Regulation S-X State Law: For example, Section 203 of the Delaware General Corporation Law

Table 3.7. Disclosure of related party transactions

Jurisdiction	Periodic disclosure		Immediate disclosure for specific RPTs
	Financial statement	Additional disclosure	
Argentina	IAS 24	Required	Required
Australia	AASB 124 incorporates IAS 24	AASB 124 has additional requirements identified with the prefix 'Aus'	Required for director's interests in company's securities
Austria	IAS 24	Required	Required
Belgium	IAS 24	Required	Required
Brazil	IAS 24	Required (intra-group)[1]	Required[2]
Canada	IAS 24		Required[3]
Chile	IAS 24	Required[4]	Required
China	Local standard	Required	Required[5]
Colombia	IAS 24	Required	Required
Costa Rica	IAS 24	Required	-
Czech Republic	IAS 24	Required (intra-group) [1]	Required
Denmark	IAS 24		Required
Estonia	IAS 24	Required	Required
Finland	IAS 24	Required[6]	Required
France	IAS 24	Required	Required
Germany	IAS 24	Required (intra-group)[1]	Required
Greece	IAS 24	Required	Required
Hong Kong (China)	IAS24 or Local standard	Required	Required[7]
Hungary	IAS 24	Required (intra-group)[1]	Required[8]
Iceland	IAS 24	Required	Required

Jurisdiction	Periodic disclosure		Immediate disclosure for specific RPTs
	Financial statement	Additional disclosure	
India[9]	Local standard	Required	Required
Indonesia	Local standard (PSAK)[10]	Required	Required
Ireland	IAS 24	Required	Required
Israel	IAS 24	Required	Required for SHs approval
Italy	IAS 24	Required	Required[11]
Japan	Local standard	Required	Required[12]
Korea	IAS 24	Required[13]	-
Latvia	IAS24 and Local standard	Required	Required
Lithuania	IAS 24	Required	Required
Luxembourg	IAS 24	-	-
Malaysia[14]	IAS 24	Required	Required
Mexico	IAS 24	Required	Required
Netherlands	IAS 24	-	Required
New Zealand	IAS 24	Required	Required
Norway	IAS 24	Required	Required[15]
Peru	IAS 24	Required	Required
Poland	IAS 24	Required	Required
Portugal	IAS 24	Required (intra-group)[1]	-
Saudi Arabia	IAS24	Required	Required
Singapore	IAS24 or Local standard	Required	Required[16]
Slovak Republic	IAS 24	-	Required
Slovenia	IAS 24	Required (intra-group)[1]	Required
South Africa	IAS 24	Required	Required
Spain	IAS 24	Required	-
Sweden	IAS 24	-	Required
Switzerland	IAS 24 or US GAAP or Local standard (Swiss GAAP FER or Accounting Rules for Banks [ARB]), Art. 13 f. Ordinance against Excessive Compensation for Listed Stock Corporations of 20 November 2013 (compensation report)	Required	Required
Türkiye	IAS 24	Required	Required
United Kingdom	IAS 24		Required
United States	US GAAP Item 404 of Regulation S-K, ASC 850 and Rules 1-02(u) and 4-08(k) of Regulation S-X	Required	-

1. In the jurisdictions which have adopted the "German model" for the treatment of company groups (**Brazil, the Czech Republic, Germany, Hungary, Portugal** and **Slovenia**), the negative impact of any influence by the parent company must be disclosed, audited and compensated in certain prescribed cases.
2. In **Brazil**, companies must report material related party transactions (RPTs) within seven business days (Art. 33, XXXII, of CVM Resolution No. 80/2022, as amended). Material RPTs are defined as those exceeding (i) BRL 50 million or (ii) 1% of the issuer's total assets. CVM regulation also establishes specific disclosure requirements regarding loans granted by the issuer to a related party.
3. In **Canada**, if a material change report is required for a RPT, it must contain information prescribed in Section 5.2 of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (MI 61-101). When minority approval is required under MI 61-101, information prescribed in Section 5.3 of MI 61-101 must be circulated prior to approval.
4. In **Chile**, Corporations Law requires the disclosure of all RPTs in the next general meeting, with the exception of (a) those regarding a non-relevant amount, (b) the ones involving a subsidiary whose equity is controlled by 95% or more, (c) and those considered ordinary according to the routine operations policy approved by the board. General Rule No. 30 establishes what information may be considered as essential and should be disclosed immediately to the public, which includes RPTs under certain conditions.
5. In **China**, a listed company should issue a prompt announcement of material connected transactions that exceed certain *de minimis* thresholds. Apart from disclosing such matters promptly, a listed company is required, in the cases where it makes significant transactions meeting certain requirements, to obtain opinions from independent directors, arrange for an intermediary institution qualified to conduct securities and futures businesses to conduct the audit and evaluation of the transaction target and submit the transaction to the shareholders general meeting.
6. In **Finland**, the Corporate Governance Code imposes an obligation to define the principles for the monitoring and evaluation of RPTs. The company must report these principles once a year in the Corporate Governance Statement and maintain a list of its related- parties.

7. In **Hong Kong (China)**, the Listing Rules require listed companies to issue an announcement of material connected transactions that exceed certain *de minimis* thresholds as soon as practicable after their terms have been agreed.
8. In **Hungary,** companies publicly announce material transactions with related parties on their website at the latest at the time of the conclusion of the transaction. The announcement shall contain at least: information on the nature of the relationship, the name of the related party, the date and the value of the transaction and other information necessary to assess whether or not the transaction is fair and reasonable from the perspective of the company and of the shareholders who are not a related party, including minority shareholders. (Art. 23 (1) of Act LXVII of 2019 on long-term shareholder engagement).
9. In **India**, listed entities are required to disclose RPTs on a half-yearly and annual basis, in the format specified in the relevant accounting standards. Further, RPTs, i.e. transactions which exceed a certain minimum threshold require shareholder approval. In such cases, the notice to the shareholder agenda includes relevant disclosures of such transactions. Disclosure on approval of such transactions by the shareholders is also required. RPTs that are material events e.g. amalgamation, etc. need immediate disclosure.
10. In **Indonesia**, there is a local standard which comprises optional provision either for convergence with IAS 24 or full adoption of IAS 24 to be implemented by public listed companies.
11. **Italy** takes a proportionate approach differentiating between material and immaterial transactions: prompt disclosure is required for material transactions, i.e. those exceeding materiality thresholds (5% or 2.5% for pyramids) of the listed company's capitalisation or total assets.
12. In **Japan**, a listed company that has a controlling shareholder shall, in the cases where it makes significant transactions with a controlling shareholder, obtain an opinion from an independent entity and disclose it timely. This opinion shall ensure that any decision on the matters will not undermine the interests of minority shareholders of such listed company.
13. In **Korea**, under Art. 11-4 of the Monopoly Regulation And Fair Trade Act, when a member company included in a business group subject to disclosure (the Fair Trade Commission designates a business group with combined total assets equal to or more than five trillion won presented on the balance sheet as of the end of the previous business year) has total assets of 10 billion or more for the immediately preceding business year, it shall regularly disclose the status of transactions with affiliated persons.
14. In **Malaysia**, under the Listing Requirements (LR), listed issuers must disclose particulars of the material contracts and loans involving the interests of the directors, chief executive or major shareholders in their annual report. Further, a listed issuer must file an immediate announcement of non-recurrent RPTs as soon as possible after the terms of the transaction have been agreed, if any of the percentage ratios defined in paragraph 10.02 of the LR is 0.25% or more. The immediate announcement must contain the information prescribed in Appendix 10A and Appendix 10C of the LR. However, this does not apply to transactions below RM500 000 or recurrent RPTs.
15. In **Norway**, the board of directors shall ensure that a report regarding RPTs is prepared as per the Public Limited Liability Companies Act, Articles 3-14(1). The report is attached to the notice of the general meeting, and shall without delay be sent to the Register of Business Enterprises for disclosure. A notice about the transaction shall be published without delay on the company's webpage.
16. In **Singapore**, an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets. They are also required to disclose all transactions (regardless of transaction value) if the cumulative transaction with that interested person and its associates is above a 3% threshold. Interested person transactions exceeding the 5% materiality threshold must be subject to independent shareholders' approval. However, this does not apply to any transaction below SGD 100 000, or to certain types of transactions.

Table 3.8. Board approval for related party transactions

Jurisdiction	Board approval for non-routine RPTs	Abstention of related board members	Review by independent directors / audit committee	Opinion from outside specialist
Argentina	Required	Required	Required[1]	Optional
Australia	Required	Required	-	-
Austria	Required	Required		
Belgium	Required	Required	Required	Optional
Brazil	-[2]	Required	-	-
Canada	Required	Required	Recommended[3]	Required[4]
Chile	Required	Required	Required	Recommended[5]
China	Required[6]	Required	Required	-
Colombia	Required	Required	Recommended	-
Costa Rica	Required	Required	-	-
Czech Republic	-[7]	-	-	-
Denmark	Required	Required	-	-
Estonia	Required	-	Recommended	-
Finland	Required	Required	Required[8]	Optional
France	Required	Required	-	Required
Germany	Required[7]	Required	Optional	Optional
Greece	Required	Required	Required	Required

Jurisdiction	Board approval for non-routine RPTs	Abstention of related board members	Review by independent directors / audit committee	Opinion from outside specialist
Hong Kong (China)	Required	Required	Required	-
Hungary	Required[7]	-	-	-
Iceland	Required	Required	-	-
India	Required	Required	Required	Optional
Indonesia	-	-	Required[9]	Required
Ireland	Required	Required	-	Required
Israel	Required	Required	Required	-
Italy	Required	Required (in addition, veto power by a committee of independent directors)	Required	Required if requested by independent directors
Japan	Required	Required	Recommended	-
Korea	Required[11]	-	-	-
Latvia	Required	Required	Required	Optional
Lithuania	Required	Required	Required	-
Luxembourg	Required	Required	-	-
Malaysia	-[12]	Required	Required	Required
Mexico	Required	Required	Required	Required[13]
Netherlands	Required (supervisory board)	-	-	-
New Zealand	-	-	-	-
Norway	Required	Required	-	Required
Peru	Required[14]	Required	-	Required
Poland	Required	Required	-	-
Portugal	Required[7]	Required	Required[15]	-[16]
Saudi Arabia	Required	Required	Required	-
Singapore	Required	Required	Required[17]	Required[18]
Slovak Republic	Required (supervisory board)	-	-	-
Slovenia	Required[7]	Required	Required	Optional[19]
South Africa	Required	Required	Required	Optional
Spain	Required	Required	Required	Optional
Sweden	-	-	-	Optional
Switzerland	[2]	Required	-	Recommended [20]
Türkiye[21]	Required	Required	Required	Required
United Kingdom	-	-	-	-
United States	Required	-	Recommended	Recommended[22]

1. In **Argentina**, the board or any members thereof shall request a ruling from the audit committee on whether the terms of a transaction may be reasonably deemed adapted to regular and usual market conditions (the committee must decide within five days). Notwithstanding the consultation with the audit committee, a resolution may be adopted by the company on the basis of a report from two independent evaluation companies, which shall express their opinion on the same matter and other terms of the transaction.
2. In **Brazil** and **Switzerland**, approval of material related party transactions (RPTs) by the board is expected based on their fiduciary duties.
3. In **Canada**, the use of a special committee of independent directors is recommended for all material RPTs.
4. In **Canada**, Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions requires the provision of a valuation prepared by an independent valuator for certain categories of RPTs, subject to the availability of an exemption.
5. In **Chile**, RPTs must be approved by the majority of the directors with no interest in the transaction, or by two-thirds of the extraordinary general meeting. In this event, the board shall appoint at least one independent evaluator. The directors' committee, and/or the non-interested directors, may also appoint an additional independent evaluator, in case of disagreement with the evaluator appointed by the board.
6. In **China**, any guarantee provided to a listed company's related party shall be subject to board approval and shareholder approval at a general meeting, irrespective of the amount thereof.
7. In some jurisdictions which follow the "German model" with respect to company groups (**Czech Republic**, **Germany**, **Hungary**, **Portugal** and **Slovenia**), the board of the controlled entity must prepare a report on relations with the controlling entities (including the negative impact of any influence by the controlling entities).

8. In **Finland**, according to the Companies Act, the audit committee (or, in absence of audit committee, the board of directors) must monitor and assess how agreements and other legal acts between the company and its related parties meet the requirements of ordinary activities and are at arm's-length terms.
9. In **Indonesia**, according to OJK Regulation No. 42/POJK.04/ 2020 review statement is made by the directors and the boards, that include independent directors are needed to make sure that the affiliated transaction has no conflict of interest and all the material information have been disclosed and are not misleading.
10. In **Italy**, the general procedure for transactions below the materiality threshold (e.g. 5% of the market capitalisation) requires that a committee of unrelated directors comprising a majority of independent ones gives its advice on the company's interest in entering into the transaction and on its substantial fairness. The opinion of the committee is not binding for the body responsible to approve the RPT. The involvement of independent directors is stronger when the RPT is material. First, a committee of unrelated independent directors must be timely involved in the negotiations: they have to receive adequate information from the executives and may give them their views. Second, the committee has a veto power over the transaction: material RPTs can only be approved by the whole board upon the favourable advice of the committee of independent directors.
11. In **Korea**, board approval for non-routine RPTs is required for listed firms with book value of assets of more than 2 trillion won.
12. In **Malaysia**, RPTs are subject to shareholders' approval based on Section 228(1)(A) of Companies Act 2016. In addition, Paragraph 3 under Appendix 10C of the Listing Requirements (LR) requires the audit committee (AC) to state its views, along with the basis for such views on whether a RPT is (i) in the best interest of the listed issuer; (ii) fair, reasonable and on normal commercial terms; and (iii) not detrimental to the interest of the minority shareholders. Further, a listed issuer is required to appoint an independent adviser for transactions with a certain percentage ratio of 5% or more.
13. In **Mexico**, according to the CNBV Issuers' Provisions (CUE) Article 71, firms planning to undertake RPTs, simultaneously or successively, which could be considered as a single transaction due to their characteristics in the course of one business year, valued at least at 10% of total consolidated assets of the firm, should obtain an opinion on the fairness of the prices and the market conditions of the transaction from an independent specialist designated by the Corporate Practices Committee, prior to the approval by the board of directors.
14. In **Peru**, the acts or contracts that involve at least 5% of the assets of the issuing corporation with natural or legal persons related to their directors, managers or shareholders that directly or indirectly represent more than 10% of the corporation's capital, require the prior approval of the board of directors, excluding the related director(s). In transactions wherein the issuing corporation's controlling shareholder also exercises control of the legal person participating as a counterparty in the corresponding act or contract subject to prior approval by the board of directors, it is required that the terms of such transaction are reviewed by an entity external to the issuer.
15. In **Portugal**, review by the audit committee is required for non-routine RPTs, i.e. those that are not conducted in the issuer's ordinary course of business nor performed in accordance with market conditions.
16. In **Portugal**, an opinion to shareholders from an independent auditor is required for certain purchases of goods before, simultaneously or within two years of incorporation or share capital increase.
17. In **Singapore,** the Listing Manual requires the audit committee to announce whether it is of the view that the interested person transaction is on normal commercial terms, and is not prejudicial to the interests of the issuer and its minority shareholders or if it would obtain an opinion from an independent financial adviser before forming its view.
18. In **Singapore**, an opinion of an independent financial adviser is required for RPTs that meet the requisite materiality threshold requiring shareholders' approval. However, this is not required for (i) issue of listed securities for cash; or (ii) purchase or sale of any real property, where the consideration for the purchase or sale is in cash, and an independent professional valuation has been obtained for the purpose of the purchase or sale of such property and disclosed in the shareholders' circular.
19. In **Slovenia**, if the audit committee does not approve a transaction with a related party, the supervisory board can approve it only if an independent third party produces a report assessing whether the transaction is fair and reasonable.
20. In **Switzerland**, an opinion from an outside specialist (auditor) is recommended for verification of the compensation report, according to Article 17 of the Swiss Code of Best Practice for Corporate Governance.
21. In **Türkiye**, the majority of independent directors must have voted in favour of non-routine RPTs. In case the majority of independent directors haven't approved the RPT in the voting, this shall be disclosed to public and the RPT shall be discussed and resolved by the general assembly. In such general assembly meeting, the related parties and other relevant persons shall abstain from voting. If such principles are not followed, the board and general assembly resolutions on the RPT shall be void.
22. In the **United States**, to the extent that a company or an affiliate is a party to, or otherwise engaged in, such transaction and security holders will lose the benefits of public ownership by taking the class of equity private, Rule 13e-3 also requires disclosure on whether: the transaction is fair to unaffiliated security holders; the transaction was approved by a majority of directors not employed by the issuer; and the transaction is structured to require that at least a majority of the unaffiliated security holders approve.

Table 3.9. Shareholder approval for related party transactions (non-equity)

Jurisdiction	Shareholder approval for individual RPT		Opinion from		Type of shareholder voting requirement
	Requirement	RPTs for shareholder approval	Auditors	Outside specialists	
Argentina	Yes	If classified as not reasonably appropriate to the market by the audit committee or assessment firms	Optional	Optional	-
Australia	Yes[1]	Not on arm's length terms. Listed entities need to seek approval for certain transactions with persons in a position of influence (whether or not on arm's length terms)	-	Required for Listing Rule 10.1 transactions: LR 10.1.2	Simple majority with related parties or their associates precluded from voting
Austria	No	-	-	-	-
Belgium	No	-	-	-	-
Brazil	No	-	-	-	-
Canada	Yes	Required subject to the availability of an exemption	-	Required[2]	Minority approval
Chile	Yes	If not approved by the majority of the board members with no conflict of interest. If disinterested board members are less than the majority they must approve unanimously.	-	Required	2/3 majority
China	Yes	When more than CNY 30 million, accounting for more than 5% of total value of the latest audited net assets.	Required (when more than CNY 30 million, accounting for more than 5% of total value of the latest audited net assets)	Required (when more than CNY 30 million, accounting for more than 5% of total value of the latest audited net assets)	Minority approval
Colombia	Yes	When a board member has conflicts of interest	-	-	-
Costa Rica	No	-	-	-	-
Czech Republic	Yes	RPTs exceeding 10% of the company assets in the last accounting period and not on arm's length terms (with some exceptions).	-	-	Simple majority
Denmark	No	-	-	-	-
Estonia	No	-	-	-	-
Finland	No[3]	-	-	-	-
France	No[4]	-	Required	-	-
Germany	No	-	-	-	Optional
Greece	Yes	In case of conflict of interests or following a request by the minority shareholders	Required	Required	Minority approval
Hong Kong (China)	Yes	>5% ratios (except profit ratio)	-	Required	Minority approval
Hungary	Yes	Substantial property transactions (>10% of equity) within two years from the company's registration, except when the property is transferred under a contract of ordinary magnitude, by virtue of official resolution or by official auction, or in connection with stock exchange transactions	-	-	Simple majority
Iceland	No	-	-	-	-

Jurisdiction	Shareholder approval for individual RPT		Opinion from		Type of shareholder voting requirement
	Requirement	RPTs for shareholder approval	Auditors	Outside specialists	
India[5]	Yes	Material transactions (individually or taken together with previous transactions during a financial year, exceeding rupees 1 000 crores or 10% of the annual consolidated turnover of the listed entity, whichever is lower)	-	Optional	Minority approval
Indonesia	Yes	i) Transaction with employees and board members; ii) Conflict of interest transactions (>0.5% of paid capital); iii) Material transactions (>50% of equity)); iv) transaction that might have negative impact to the companies' going concern.	-	Required[6]	Simple majority for i) and Independent shareholder meeting approval for ii), iii) and iv)
Ireland	Yes	Substantial property transactions, loans, credit transactions, guarantees and the provision of security	-	Required	Simple majority
Israel	Yes	Either of the following: Not on market terms; Material; Not on regular business activity	-	-	Minority approval
Italy	Yes[7]	If disapproved by the committee of independent directors	-	Required if requested by independent directors	Minority approval
Japan	No	-	-	-	-
Korea	No	-	-	-	-
Latvia	Yes	Conflict of interest transactions (all of the board members are the interested parties)	-	-	Simple majority with related parties or their associates precluded from voting
Lithuania	No	-	-	-	-
Luxembourg	No	-	-	-	-
Malaysia	Yes	If equal to or >5% of the relevant percentage ratio stipulated under Paragraph 10.02 of the Listing Requirements (Percentage Ratio)	Not required	Required if equal to or >5% of the relevant Percentage Ratio – appointment of an independent advisor	Simple majority of those eligible to vote8
Mexico	Yes	For all transactions that represent >20% of consolidated assets of the company	-	Required	Minority approval
Netherlands	Yes	In case of conflict of interests of the entire supervisory board	-	-	Minority approval
New Zealand	Yes[1, 9]	>10% of market cap	-	Required	Minority approval
Norway	Yes	For transactions that represent > 2.5% of the balance sum at the last approved annual financial statement.	Required	-	Simple majority[10]
Peru	Yes	For contracts/acts that involve at least 5% of the assets of the issuer with natural or legal persons related to the directors, managers, or shareholders of the issuer. For contracts/acts in which the issuer´s controlling shareholder is also the controlling shareholder of the legal entity that participates as counterpart.[11]	-	Required	-

Jurisdiction	Shareholder approval for individual RPT		Opinion from		Type of shareholder voting requirement
	Requirement	RPTs for shareholder approval	Auditors	Outside specialists	
Poland	No (optional in company statutes)	-	-	-	-
Portugal	Yes	Certain purchases of goods to shareholders before, simultaneously or within 2 years of incorporation or share capital increase	Required	-	Minority approval
Saudi Arabia	Yes	For transactions in which board members have an interest	Required	Required	-
Singapore	Yes	≥5% of latest audited consolidated net tangible assets[12]	-	Required	Minority approval
Slovak Republic	Yes	For all material transactions (above 10% of the share capital)[13]			Simple majority with related parties precluded from taking part as well as voting in General Meetings
Slovenia	Optional	In case the Supervisory Board refuses to give consent, the Management Board can request that the General Meeting decide on the consent.	-	-	3/4 majority, related parties or their associates precluded from voting
South Africa	Yes	Approval requirements apply according to the type of related party transaction.	Required in Audited Financial Statements	Required[14]	Simple majority
Spain	Yes	10% of company's assets	Required	Optional	Minority approval
Sweden	Yes	Material transactions (1% of market cap)	-	Required	Simple majority (shareholder may not vote if related party)
Switzerland	No	-	-	-	-
Türkiye	Yes	If disapproved by majority of independent directors	-	Required	Minority approval
United Kingdom	Yes[15]	Non-routine transactions	-	-	Minority approval
United States	Yes[16]	Non-routine transactions	-	-	-

1. In **Australia** and **New Zealand**, the regulator (ASIC) or stock exchange (NZX) must be given an opportunity to comment on or approve the proposed resolution. In **Australia**, there are additional requirements for entities listed on ASX if the transaction is covered by Listing Rule 10.1.
2. In **Canada**, an issuer must not carry out a related party transaction (RPT) unless it has obtained minority approval, subject to the availability of an exemption. The exemptions from this requirement are set out in Section 5.7 of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions and include circumstances where: the fair market value of the subject matter and the consideration for the RPT, insofar as it involves interested parties, does not exceed 25% of the issuer's market capitalisation; the RPT is a distribution of securities for cash whose fair market value is not more than USD 2.5 million; the RPT is a purchase or sale in the ordinary course of business; and the RPT is a loan obtained from a related party on reasonable commercial terms and is not convertible into equity or voting securities of the issuer.
3. In **Finland**, according to the Companies Act, the board of directors may submit a matter within the general competence of the board of directors or the managing director to be decided by the general meeting. in such cases, a shareholder who is a related party of a listed company may not take part in a vote on a contract or another transaction to which he or she or a person in a related party relationship to him or her is a party and the transaction is outside the ordinary course of business of the company or it is not concluded on normal market terms.
4. In **France**, while shareholder votes on RPTs are required, those that are not approved by shareholders can nevertheless be entered into. When a given transaction does not receive the shareholders' approval, however, the interested party can be held liable for any detrimental consequences that the transaction may have had on the company (Commercial Code Articles L225-41 §2 and L225-89 §2).
5. In **India**, in the case of listed entities, all entities falling under the definition of related parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.
6. In **Indonesia,** related to the transaction with employees and board members are excluded in case the transaction is applied for all directors, board commissioners, and employees such as special benefits that are part of the remuneration.
7. In **Italy**, companies may provide that a transaction can still be entered into despite the negative advice of independent directors, provided that it is submitted to the vote of the shareholder meeting and a majority of unrelated shareholders approve it (the whitewash). Internal procedures adopted by companies may also provide that for the majority of unrelated shareholders to block the transaction, the unrelated shareholders represented at the meeting must hold a minimum percentage of outstanding shares, no higher than 10%.

8. In **Malaysia**, pursuant to Paragraph 10.08(7) of the Listing Requirements, a related party with any interest, direct or indirect, must not vote on the resolution in respect of the related party transaction.
9. In **New Zealand**, the issuer can avoid the requirement to obtain the approval of the ordinary resolution provided that either the person is not a related party at the time of the transaction, or the transaction is not material. Under the Companies Act 1993, if a transaction in which a company is interested in is entered into, it can be avoided by the company at any time before the expiration of three months after the transaction is disclosed to all shareholders, however a transaction cannot be avoided under the Companies Act 1993 if the company receives fair value under it.
10. In **Norway**, when voting, voting rights connected to shares owned by a related party or another company in the same company group as the related party, cannot be exercised.
11. In **Peru**, Art. 133 of the General Corporation Law establishes that the right to vote at a shareholders' meeting cannot be exercised by anyone who has, on their own account or on behalf of a third party, an interest in conflict with that of the company.
12. In **Singapore**, for the purposes of determining the 5% threshold, transactions entered into with the same related party during the same financial year must be aggregated, while a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
13. In the **Slovak Republic**, "material transaction" is defined as a performance or provision of a security under a contract if provided by a public joint stock company in favour of a person related to the public joint stock company and the value of the performance or security exceeds 10% of the share capital of the public joint stock company. This 10% threshold also applies to the aggregated value of such performances or securities provided in an accounting period or during 12 months in favour of one related party.
14. In **South Africa**, for RPTs including transactions not subjected to shareholder approval, the disclosure requirements remain applicable, and are required if a positive fairness opinion is obtained.
15. In the **United Kingdom**, under the Listing Rules, Premium listed companies must obtain shareholder approval for RPTs above a 5% materiality threshold, or in the case of smaller transactions in excess of a 0.25% threshold obtain written confirmation from an approved sponsor that the terms of the proposed transaction are fair and reasonable. Aggregation rules also apply. In the case of the shareholder approval process, the related party and its associates may not vote on the proposal.
16. In the **United States**, a company's organisational documents, state corporate law and exchange rules set forth the specific types of transactions that are required to be approved by shareholders, including certain RPTs. A company's board of directors may require approval of a majority of the minority of shareholders in order to support its reliance on the business judgment rule under state law jurisprudence. Not all RPTs, however, are required to be submitted to shareholders for approval regardless of whether such transactions could be considered non-routine.

Table 3.10. Takeover bid rules

Jurisdiction	Institutions in charge of takeover bids	Key thresholds of mandatory takeover bids	Key requirements for the minimum bidding price M: Mandatory takeover bids V: Voluntary takeover bids	
Argentina	CNV	*ex-post*: (a) 50% or more of voting rights + 1 share; (b) less than 50% of voting rights based on control to establish corporate policy at regular shareholders' meetings or to appoint or revoke the appointment of a majority of directors or members of the supervisory committee	M	a) Highest price the offeror has provided or agreed to provide in the 12 months preceding the bid; b) Average market price of the last 6 months prior to the announcement of takeover.
Australia	ASIC, Takeovers Panel	*ex-ante*: From less than 20% to more than 20%; from more than 20% to less than 90%	M	Highest price the offeror has provided or agreed to provide in the 4 months preceding the bid
Austria	Takeover Commission	*ex-post:* 30% of voting rights	M	a) Highest price paid by offeror within last 12 months; b) Average market price of last 6 months
Belgium	FSMA	*ex-post:* 30% of voting rights	M	a) Highest price paid by offeror within last 12 months; b) Average market price of last 30 days
Brazil	CVM	*ex-post:* Sale of control	M	At least 80% of the price paid to the controlling entity.
			V	Same price paid to the controlling entity.[1]
Canada (Provinces e.g. Ontario)	OSC, other provincial regulators[2]	*ex-post:* 20% of voting rights	M	All holders of the same class of securities must be offered identical consideration; Pre-bid integration requirements apply to acquisitions of the same class of securities made within 90 days before the start of the bid.

Jurisdiction	Institutions in charge of takeover bids	Key thresholds of mandatory takeover bids	Key requirements for the minimum bidding price M: Mandatory takeover bids V: Voluntary takeover bids	
Chile	CMF	*ex-post:* two-thirds of voting rights	M	Price not lower than the market price.
China	CSRC	*ex-post:* 30% of issued shares	M	Highest price paid by offeror within last 6 months
Colombia	SFC	*ex-ante:* 25% of voting rights; 5% acquisition by SH with 25%	M	a) Highest paid by offeror within last 3 months; b) Highest price set in a previous agreement, if any; c) Price fixed by an appraiser firm for delisting takeover bids and other takeover bids such as indirect offers; d) Otherwise, the price is voluntary set by the offeror.
Costa Rica	SUGEVAL	*ex-ante:* 25% of voting rights	M	Price fixed by an appraiser firm (just for delisting takeover bids).
Czech Republic	CNB	*ex-post:* 30% of voting rights; control over the board	M	a) Highest price paid by offeror within last 12 months; b) Average market price of last 6 months.
Denmark	DFSA	*ex-post:* 33% of voting rights	M	Highest price paid by offeror within last 6 months
Estonia	EFSA	*ex-post:* 50% of voting rights; control over the board	M	Highest price paid by offeror within last 6 months
Finland	FIN-FSA	*ex-post:* 30% or 50% of voting rights	M, V	a) Highest price paid by offeror within last 6 months;
			M	b) Weighted average market price of last 3 months
France	AMF	*ex-post:* 30% of voting rights	M	Highest price paid by offeror within last 12 months
Germany	BaFin	*ex-post:* 30% of voting rights	M, V	a) Highest price paid by offeror within last 3 months; b) Average market price of last 3 months
Greece	HCMC	*ex-post:* 33% of voting rights; 3% acquisition by the SH with 33-50% (within 6 months)	M	a) Highest price paid by offeror within last 12 months; b) Weighted average market price of last 6 months c) Valuation[3]
Hong Kong (China)[4]	SFC	*ex-post:* 30% of voting rights; 2% acquisition by the SH with 30-50% (within a year)	M	Highest price paid by offeror within last 6 months;
			V	Not lower than 50% discount to the lesser of the latest market price on the day of announcement and average market price of the last 5 days prior to that day
Hungary	CBH	*ex-ante:* 33% or 25% (if no other SH with more than 10%) of voting rights	M	a) Highest price paid by offeror within last 180 days; b) Weighted average market price of last 180 days (or, if available, 360 days)
Iceland	CBI	*ex-post:* 30% of voting rights	M	a) Highest price paid by offeror or related parties within last 6 months and; b) At least equal to last price paid on the day before offer or announcement of offer

Jurisdiction	Institutions in charge of takeover bids	Key thresholds of mandatory takeover bids	Key requirements for the minimum bidding price M: Mandatory takeover bids V: Voluntary takeover bids	
India	SEBI	*ex-ante:* 25% of voting rights; 5% acquisition by SH with 25% (within a year)	M	a) Highest negotiated price per share for any acquisition under the agreement attracting the obligation to make a mandatory takeover offer; b) Volume-weighted average price paid or payable for acquisitions by the acquirer during 52 weeks; c) Highest price paid or payable for any acquisition by the acquirer during 26 weeks; d) Volume-weighted average market price of such shares for a period of 60 trading days; (e) where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary.
Indonesia	IFSA (OJK)	*ex-post:* 50% of voting rights; control over the board; direct or indirect control and/or decide policies over the company	M	Average of the highest daily price of last 90 days or its takeover price, which one is the highest.[5]
Ireland	Irish Takeover Panel	*ex-post:* 30% of voting rights acquiring control or acquisition of 0.05%[6] consolidating control	M	Highest price paid by offeror within last 12 months
Israel	ISA	*ex-ante:* 25% of voting rights; 45% of voting rights; 90% of voting rights	-	-
Italy	CONSOB	*ex-post:* 25% of voting rights (30% for SMEs); 5% acquisition by SH with 30-50% (within a year)[7]	M	Highest price paid by offeror within last 12 months
Japan	FSA	*ex-ante:* 33% of voting rights; 5% of voting rights from more than 10 SHs (within 60 days)	-	-
Korea	FSC	*ex-ante:* 5% acquisition from 10 or more SHs[8]	-	-
Latvia	LVB	*ex-post:* 30% of voting rights[9]	M	a) Highest price paid by offeror within last 12 months; or b) Average market price of last 12 months; or c) value of a share calculated by dividing the net assets of the target company with the number of issued shares.
Lithuania	LB	*ex-post*: 1/3 of voting rights	M	a) Highest price paid by offeror within last 12 months and weighted average market price regulated market and MTF of last 6 months; b) where the highest price may not be established and the securities concerned have not been traded, – the value established by the asset valuator by not less than two viewpoints
Luxembourg	CSSF	*ex-post*: 33% or 1/3 voting rights	M	Highest price paid by offeror (or persons acting in concert) within last 12 months
Malaysia	SCM	*ex-post*: Over 33% of voting rights; acquisition of more than 2% by SH with 33%-50% (within 6 months)	M V	Highest price paid by offeror during the offer period and within last 6 months; Highest price paid by offeror during the offer period and within last 3 months
Mexico	CNBV	*ex-ante:* 30% of voting rights or control over the company	-[10]	-
Netherlands	AFM	*ex-post:* 30% of voting rights	M	Highest price paid by offeror within last 12 months

Jurisdiction	Institutions in charge of takeover bids	Key thresholds of mandatory takeover bids	Key requirements for the minimum bidding price M: Mandatory takeover bids V: Voluntary takeover bids	
New Zealand	Takeovers Panel	*ex-post:* 90%	-	-
Norway	OSE	*ex-post:* 33%, 40% or 50% of voting rights	M	Highest price paid by offeror within last 6 months
Peru	SMV	*ex-post:* 25%,50%,60% of social capital of the company (only if its shares are listed in the stock exchange)	M	Calculated by a specialised entity
Poland	KNF	*ex-post:* 50% (mandatory call) or 95% (mandatory takeover) of voting rights	V/M	Average market price of last 6 months
Portugal	CMVM	*ex-post:* 33% or 50% of voting rights	M	a) Highest price paid by offeror within last 6 months; b) Weighted average market price of last 6 months; c) value defined by an independent expert under certain conditions.[11]
Saudi Arabia	CMA	*ex-post:* 50% of voting rights	M	Highest price paid by the Offeror, or persons acting in concert, for shares of that class during the Offer period and within 12 months prior to its commencement
Singapore	Securities Industry Council	*ex-post:* 30% of voting rights; acquisition of more than 1% by SH with 30-50% (within 6 months)	M	Highest price paid by offeror or any person acting in concert with the offeror during the offer period and within last 6 months
			V	Highest price paid by offeror or any person acting in concert with the offeror during the offer period and within last 3 months
Slovak Republic	NBS	*ex-post:* at least 30% of voting rights attached to the shares of a single offeree company	M	a) Highest price paid by offeror within last 12 months; b) Average market price of last 12 months (in case of listed shares) c) price stipulated by the expert opinion d) the net value per share of the business assets, including the value of intangible assets, of the offeree company, according to the most recent financial statements audited before the takeover bid became mandatory
Slovenia	ATVP	*ex-post:* 1/3 of voting rights	M, V	Highest price paid by offeror within last 12 months
South Africa	Takeover Regulation Panel	*ex-post:* 35% of voting rights	-	-
Spain	CNMV	*ex-post:* 30% of voting rights; control over the board; appointing a number of directors who represent more than one half of the members of the management body of the company within 24 months	M, V	Highest price paid by offeror within last 12 months
Sweden	FI/SFSA, Swedish Securities Council	*ex-post:* 30% of voting rights	M, V	a) Highest price paid by offeror within last 6 months b) (if not a) 20 days trading average prior to disclosure (only applies to mandatory bids)
Switzerland	Swiss Takeover Board	*ex-post:* 33 1/3% (can be raised to up to 49% or can be repealed completely by company) of voting rights	M, V	a) Stock exchange price (i.e. volume-weighted average price of the last 60 trading days) or evaluation by audit firm (if listed equity securities are not liquid); b) Highest price paid by offeror within last 12 months

Jurisdiction	Institutions in charge of takeover bids	Key thresholds of mandatory takeover bids	Key requirements for the minimum bidding price M: Mandatory takeover bids V: Voluntary takeover bids	
Türkiye	CMB	*ex-post:* 50% of voting rights; or regardless of such percentage, acquiring privileged shares enabling their holder to elect or to nominate simple majority of total number of the BoDs	M	a) Highest price paid by offeror within last 6 months; b) the arithmetical average of daily adjusted weighted average market price of last 6 months
United Kingdom	Panel on Takeovers and Mergers	*ex-post:* 30% of voting rights; acquisition by SH with 30-50%	M,	a) Highest price paid by offeror during the offer and within last 12 months prior to this announcement;
			V	b) Highest price paid by offeror during the offer and within the 3 months before offer period. If offeror has bought more than 10% of offeree's shares for cash during the offer period and the previous 12 months, highest price paid by offeror in that period.
United States	SEC	No mandatory takeover bids[12]	-	-

1. In **Brazil**, some of the special listing segments of B3 require the new controlling shareholder to offer in the mandatory tender offer the same price per share paid to the previous controlling shareholder.
2. In **Canada**, takeover bids are subject to applicable provincial securities law, including the rules in National Instrument 62-104 Take-Over Bids and Issuer.
3. In **Greece**, the valuation is required under certain conditions.
4. In **Hong Kong (China)**, the Codes on Takeovers and Mergers and Share Buy-backs are issued pursuant to the Securities and Futures Ordinance. Although the codes are non-statutory in nature, full compliance with the codes is required.
5. In **Indonesia**, if within more than 90 days before the announcement it has not been traded, the lowest share price is set at the average of the highest daily price in the Stock Exchange within the last 12 months or its takeover price, whichever is the highest.
6. In **Ireland**, no mandatory bid obligation applies for a single holder of securities who already controls more than 50% of the securities.
7. In **Italy**, the mandatory triggering threshold is differentiated according to the size of companies: for small & medium sized enterprises (SMEs) the first mandatory triggering threshold is 30%, unless a threshold in the range 25%-40% of voting rights is established in the bylaws; for larger companies, the first mandatory triggering threshold is 25% of voting rights provided that no other shareholder holds a higher stake and, in this case, the first mandatory triggering threshold remains at 30%. The mandatory bid thresholds are calculated based on the total number of voting rights, and the obligation is triggered both by acquisition of shares and increased voting rights through loyalty shares (except for the 25% threshold which is triggered only in case of acquisition of shares).
8. In **Korea,** the 5% threshold establishes a requirement to make a tender offer bid but does not mandate takeover of the company through the purchase of remaining shares.
9. **Latvia** enacted a law in June 2016 reducing the ex-ante takeover threshold from 50% to 30%, but existing listed firms with shareholders owning between 30% and 50% are grandfathered in to allow them to maintain their shares but must initiate a takeover bid if they increase their shareholdings.
10. In **Mexico**, compensation should be the same and no premia or surcharges should be paid, according to Articles 98, 99 and 100 of the Securities Markets Law.
11. In **Portugal**, conditions are: i) If the higher price has been set through an agreement between the acquirer and the seller through private negotiation; ii) If the securities in question have reduced liquidity compared to the regulated market in which they are admitted to trading; iii) If it has been established based on the market price of the securities in question and that market or the regulated market in which they are admitted has been affected by exceptional events.
12. In the **United States**, neither statutes nor rules impose a requirement that a bidder conduct a mandatory tender offer, leaving it to the bidder's discretion as to whether to approach shareholders, whether on an unsolicited basis without the prior approval of the target, or, alternatively, pursuant to a private agreement between the bidder and the target that has been reached following a negotiation.

Table 3.11. Roles and responsibilities of institutional investors and regulated intermediaries: Exercise of voting rights and management of conflicts of interest

Jurisdiction	National framework (Public / private / mixed initiative)	Target institutions	Exercise of voting rights		Management of conflicts of interest	
			Disclosure of voting policy	Disclosure of actual voting records	Setting of policy	Disclosure of policy
Argentina	Public: Law No. 24083 Title V, chapter II, Section IV, Article 16. Title V, chapters II (Section VII), V, VI, VII, VIII y IX CNV Rules.	Open-end funds Closed-end funds Resolution covers 10 types of funds including mutual funds, other investment funds, insurance, banks, the national pension fund and different types of public funds	-	-	(L: specific bans)	L
Australia	Private: FSC Standards Public: Superannuation (Industry) Supervision Act1993; Corporations Act2001	FSC members: Investment funds, pension funds, life insurance, etc.	I, L	I, L	I, L	I, L
Austria	Public: Investment Funds Act 2011	Investment funds	-	-	L	-
	Public: Austrian Stock Exchange Act 2018	Institutional investors, asset managers, proxy advisors	L	-	L	L
	Private: Code of conduct to be drawn up by the proxy advisors themselves (comply or explain)	Proxy advisors	C	-	C	C
Belgium	Private: BEAMA Code of Conduct BEAMA Code of Conduct (pdf)	Asset managers	C	-	C	C
	Public: Law of 28April 2020	Institutional investors, asset managers and proxy advisors	L	L	L	L
Brazil	Public: CVM Instruction 555/2014	Investment funds	L	L	L	L
	Public: CVM Resolution 21/2021 Private: ANBIMA's Self-regulation Code for Portfolio Administration Additional Rules and Procedures of ANBIMA's Self-regulation Code for Portfolio Administration	Asset managers	I	I	L, I	L, I
Canada	Public: Provincial Securities Acts and associated rules; e.g.: British Columbia Securities Act, Ontario Securities Act; NI 81-106 Investment Fund Continuous Disclosure; NI 81-107 Independent Review Committee for Investment Funds	Investment funds	L	L	L	-
	National Policy 25-201 Guidance for Proxy Advisory Firms	Proxy advisors	C	-	C	C
Chile	Public: Decree Law No. 3.500 of 1980	Pension funds	L	L	L	L
China	Public: Code of Corporate Governance for listed companies of 2018	National social security funds, Pension funds Insurance funds, Public offering funds, etc.	C	C	-	-
	Public: Guidelines for the voting rights of the fund managers	Investment funds	I	I	I	I
Colombia	Public: Decree 2555 of 2010 / CBJ, Part II, Title III, chapter IV, # 3	Pension funds	L	L	L	L

Jurisdiction	National framework (Public / private / mixed initiative)	Target institutions	Exercise of voting rights		Management of conflicts of interest	
			Disclosure of voting policy	Disclosure of actual voting records	Setting of policy	Disclosure of policy
Costa Rica	Public: CONASSIF Governance Regulation Public: Worker Protection Law (Law 7 983); Financial Assets management regulation for Pension Funds Public: Regulatory Law of the Securities Market (Law 7 732); Investment Funds Regulation	Institutional Investors	L	-	L	-
Czech Republic	Public: Act on Management Companies and Investment Funds, No 240/2013 Coll Public: Capital Market Undertakings Act, No 256/2004 Coll.	Investment funds, mutual funds; institutional investors and asset managers	L	L	L	L
	Public: Capital Market Undertakings Act, No 256/2004 Coll.	Proxy advisors	L	-	L	L
Denmark[1]	Public: Law No. 369 of 2019	Institutional Investors	L	L	L	L
Estonia	Public: Securities Market Act Ch 22[1]	Investment funds, asset managers, insurers, pension funds	L	L (excluding insignificant votes)	L	L
	Public: Securities Market Act Ch 22[1]	Proxy advisors	L	-	L	L
Finland	Public: Organisation and code of conduct of investment funds and asset managers	Investment funds and asset managers	-[2]	-	L	-
France	Public: Code monétaire et financier	Investment funds and asset managers	L	L	L	-
	Public: Code monétaire et financier	Proxy advisors	-	-	L	L
Germany	Public: German Stock Corporation Act; German Capital Investment Code Private: Corporate Governance Code for Asset Management Companies; BVI code of conduct	Investment funds, asset managers	L, C	L	L, C	L, C
	Public: German Stock Corporation Act Private: Code of conduct to be drawn up by the proxy advisors themselves (comply or explain)	Proxy advisors	L	-	L	L
Greece	Public: HCMC rule 15/633/2012	Mutual funds	-	-	L	-
Hong Kong (China)	Public: Code of Conduct for Persons Licensed by or Registered with the SFC[3]	Investment funds and asset managers	-	-	- (Requirement for management of conflicts of interest)	- (Requirement for disclosure of conflicts of interest)
	Public: Principles of Responsible Ownership	Investment funds and asset managers	C	-	C	-
Hungary	Public: Act on the Capital Market; Act XVI of 2014 on Collective Investment Trusts and Their Managers, and on the Amendment of Financial Regulations; Act LXVII of 2019 on long-term shareholder engagement	Investment funds and asset managers	L	L	L	L
	Public: Act LXVII of 2019 on long-term shareholder engagement	Proxy advisors	-[4]	-	L	L

Jurisdiction	National framework (Public / private / mixed initiative)	Target institutions	Exercise of voting rights		Management of conflicts of interest	
			Disclosure of voting policy	Disclosure of actual voting records	Setting of policy	Disclosure of policy
Iceland	Public: Act on pension funds	Pension funds	-	-	-	-
India	Public: Circulars. SEBI/IMD/CIR.No.18/198647/2010 CIR/IMD/DF/05/2014 SEBI/HO/IMD/DF2/CIR/P/2016/68 CIR/CFD/CMD1/168/2019 SEBI/HO/IMD/DF4/CIR/P/2021/29	Mutual funds Alternative Investment Funds	L	L	(L: Specific bans)	L
	Public: Guidelines on Stewardship Code for Insurers in India	Insurers	L	L	L	L
	Public: Common Stewardship Code	Pensions funds	L	L	L	L
	Public: SEBI (Research Analysts) Regulations, 2014 Circular – SEBI/HO/IMD/DF1/CIR/P/2020/147	Proxy advisors	L[5]	-	L	L
Indonesia	Public: OJK Regulation 17/POJK.04/2022	Fund Managers	-	-	L	(L: Disclosure of conflicts of interest)
	Public: OJK Regulation 10/POJK.04/2018	Investment managers	L[6]	L[6]	L	L
	Public: OJK Regulation 73/POJK.05/2016	Insurance companies	-	-	L	L
	Public: OJK Regulation 15/POJK.05/2019	Pension funds	-	-	L	L
Ireland	Public and Private: Funds Regulation	Investment funds and asset managers	-	-	L	L
	Companies Act 2014, Chapter 8b[7]	Institutional investors, asset managers and proxy advisors	L	-	L	L
Israel	Public: Joint Investment Trust Law Supervision of Financial Services Regulations (Provident Funds) (Participation of Managing Company in General Meeting), 2009	Mutual funds, fund managers (including ETFs), provident funds, pension funds and insurance companies	L	L	L	L
Italy	Public: Consolidated Law On Finance and Bank of Italy-CONSOB regulations Private: Italian Stewardship Principles	Pension funds, insurance companies and asset managers	L, CE	L, CE	L, CE	L, CE
	Public: Consolidated Law On Finance and Bank of Italy-CONSOB regulations Best Practices Principles for Shareholder Voting Research	Proxy advisors	L, CE		L, CE	L, CE
Japan	Public: Principles for Responsible Institutional Investors: Japan's Stewardship Code	Institutional investors and service providers for institutional investors including proxy advisors	CE	CE	CE	CE
Korea	Public: Financial Investment Services and Capital Markets Act	Institutional investors	L	- (L if holding equities more than a certain level)	L	-
	Private: Stewardship Code Principle on the Stewardship Responsibilities of Institutional Investors	Institutional investors	CE	CE	CE	CE

Jurisdiction	National framework (Public / private / mixed initiative)	Target institutions	Exercise of voting rights		Management of conflicts of interest	
			Disclosure of voting policy	Disclosure of actual voting records	Setting of policy	Disclosure of policy
Latvia	Public: The Law On Private Pension Funds and The Law On Investment Management Companies	Pension funds and investment funds	L	-	L	L
	Financial instruments Market Law	Proxy advisors	L	-	L	L
Lithuania	Public: Law on Collective Investment Undertakings Public: Law on Collective Investment Undertakings Intended for Informed Investors Public: Law on Managers of Alternative Collective Investment Undertakings Public: Law on the Supplementary Voluntary Accumulation of Pensions Public: Bank of Lithuania regulations	Investment Funds and Asset Managers, Pension Funds	(L: to clients)	(L: to clients upon request)	L	- (although they are required to disclose sufficient information)
	Public: Law on Markets in Financial Instruments	Proxy advisors	-	-	L	L
Luxembourg	Private: ALFI Code of Conduct for Luxembourg Investment Funds	ALFI members: Investment funds	C	C	C	-
Malaysia	Private: Malaysian Code for Institutional Investors (MCII)	Asset owners, asset managers and service providers (including proxy advisors)	CE[8]	CE	CE	CE
Mexico	Public: General financial provisions for pension funds systems Public: Securities Markets Law Public: Investment Fund Law	Pension funds, institutional investors, asset managers, fund managers	L	-	L	-
Netherlands	Public: Act on Financial Supervision Mixed: Dutch corporate governance code Chapter 4	Institutional investors (pension funds, life insurance companies), asset managers and proxy advisors	L, CE	L, CE	L	L
	Private: Eumedion Dutch Stewardship Code	Institutional investors (pension funds, life insurance companies), asset managers	C	C	C	C
New Zealand	Public: Financial Markets Conduct Act 2013	Fund managers (including proxy advisors)	C	-	C	-
Norway	Private: VFF recommendation on exercising ownership rights	VFF members: Investment funds and asset managers	C	C to clients upon request	C	-
Peru	Public: Regulation of the Pension Fund System Law; Law N° 861 Securities Market Law; Law N° 862 Investment Fund Law; Regulation of Insurance Companies	Pension funds; Mutual Funds; Investment Funds; Insurance Companies	L[9]	L	L	L
Poland	Private: Code of Good Practices of Institutional Investors	IZFiA members: Institutional investors	CE	CE	CE	-
	Public: Polish Code of Commercial Companies[10]	Proxy advisors in joint stock companies	-	-	L	L

Jurisdiction	National framework (Public / private / mixed initiative)	Target institutions	Exercise of voting rights		Management of conflicts of interest	
			Disclosure of voting policy	Disclosure of actual voting records	Setting of policy	Disclosure of policy
Portugal	Public: Decree Laws on pension funds, General Framework for Collective Investment Undertakings, Insurance and Pension Funds Supervisory Authority (ASF) Regulatory Norms and CMVM regulations / recommendations / Commercial Company Act / Portuguese Securities Code / Law n.º 50/2020 of 25August	Institutional investors and asset managers	L/C	- (L: Applicable to collective investment undertakings in case of divergence from voting policy)	- (L: Specific bans)	L
		Proxy advisors	L	-	L	L
Saudi Arabia	Public: Companies law Corporate governance regulations Capital market law Investment Funds Regulation	Investment Funds-	-	-	L	L
Singapore	Private: Singapore Stewardship Principles IMAS Guidelines on Corporate Governance	Institutional investors, including asset owners and asset managers IMAS members: Investment funds and asset managers	I	-	I	C
Slovak Republic	Public: Act on Collective Investments	Mutual funds and asset managers	L to clients	-	- (L: Specific bans)	-
	Mixed: Corporate Governance Code	Institutional investors (including proxy advisors)	C	-	C	C
	Public: Securities and Investment Services Act	Investment firms	L	-	L	L
	Public: Act No 203/2011 Coll. on collective investment	Investment funds and asset managers	L	-	L	L
	Public: Act No 39/2015 Coll. on insurance	Insurance companies	L	-	L	L
	Public: Act No 483/2001 Coll. on banks	Banks	L	-	L	L
	Public: Act No 43/2004 Coll. on the old-age pension saving scheme	Pension Funds	L	-	L	L
	Public: Act No 650/2004 Coll. on the supplementary pension scheme	Supplementary pension funds	L	-	L	L
Slovenia	Public: Market in Financial Instruments Act and Investment Funds and Management Companies Act	Investment funds	-	-	L	-
	Public: Companies Act	Institutional investors, asset managers	L	L	L	L
South Africa	Public: General Code of Conduct for Authorised Financial Services Providers and their Representatives issued under the Financial Advisory and Intermediary Services Act, 2002, Section 3A	Pension funds and asset managers, including financial institutions as defined in financial sector law	-	-	L	L
	Private: Code for Responsible Investing for South Africa		C	C	C	C
	Private: ASISA Guidelines for personal account trading policy		C	C	C	C

Jurisdiction	National framework (Public / private / mixed initiative)	Target institutions	Exercise of voting rights		Management of conflicts of interest	
			Disclosure of voting policy	Disclosure of actual voting records	Setting of policy	Disclosure of policy
Spain	Public: Securities Market Act and Collective Investment Institutions Act	Investment funds and asset managers	- (L for those cases in which the value of shares is quantitatively significant and "temporarily stable")	-	L	(L for those cases in which the value of shares is quantitatively significant and "temporarily stable")
Sweden	Public: National Pension Insurance Funds Act	Public pension funds (AP1, AP2, AP3, AP4 and AP7)	- (L: Policy setting for AP1-4)	-	- (L: Specific bans for AP1-4)	-
	Public: Act on safeguarding pension commitments, Investment Funds Act, Securities Market Act, Insurance Business Act, Alternative Investment Fund Managers Act	Institutional Investors	L	L	L	L
	Public: Act on voting advisers, Regulation on voting advisers	Proxy advisors	L	-	L	L
Switzerland	Public: Federal Act on Collective Investment Schemes and Swiss Code of Obligations, Private: Guidelines for institutional investors	Institutional investors	CE	(L: on certain issues: e.g. board election, remuneration)	L	- (CE: Disclosure of unavoidable conflicts of interest)
Türkiye	Public: Communiqué on Principles of Investment Funds No. III-52.1; Communiqué on Principles for Securities Investment Companies No. III-48-5; Regulation on Principles Regarding Establishment and Activities of Pension Funds Communiqué on Portfolio Management Companies and Activities of Such Companies No. III-55.1.	Institutional investors and asset management companies	-	-	L	-
United Kingdom	Public: The UK Stewardship Code 2020	Asset managers, asset owners and service providers	C	C	C	C
	Public: Financial Conduct Authority (FCA) Conduct of Business Sourcebook and Senior Management Arrangements, Systems and Controls	Asset managers and insurers	L	L	L	L
	Public: The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019	Pension Funds	L	L	L	L
	Public: FCA Handbook Proxy Adviser Regulations 2019	Proxy Advisers	L		L	L

Jurisdiction	National framework (Public / private / mixed initiative)	Target institutions	Exercise of voting rights		Management of conflicts of interest	
			Disclosure of voting policy	Disclosure of actual voting records	Setting of policy	Disclosure of policy
United States	Public: Investment Company Act of 1940 Enhanced Reporting of Proxy Votes by Registered Management Investment Companies; Reporting of Executive Compensation Votes by Institutional Investment Managers Disclosure of Proxy Voting Policies and Proxy Voting Records by Registered Management Investment Companies	Registered Management Investment Companies	L	L	L	L
	Public: The Employee Retirement Income Security Act of 1974	Private pension funds	-	-	-	-
	Public: Investment Advisers Act of 1940; Proxy Voting by Investment Advisers	Registered investment advisers[11]	L (must describe voting policies and provide a copy to clients upon request)	L (must disclose how clients can obtain voting records)	L	L

Key: **L** = requirement by the law or regulations; **I** = self-regulatory requirement by industry association without comply or explain disclosure requirement; **C** = recommendation by codes or principles without comply or explain disclosure requirement; **CE** = recommendation including comply or explain disclosure requirement overseen by either a regulator or by the industry association; "**-**" = absence of a specific requirement or recommendation.

Jurisdictions were asked to include industry, association or institutional investor stewardship codes only if they have official status and their use is endorsed or promoted by the relevant regulator. Targeted institutions shown in the table may include different types of institutional investors as well as advisory services/proxy advisors. Where requirements or recommendations concerning proxy advisors differ significantly from those of other institutional investors, they are specified in a separate line with footnote if necessary.

Note: European Fund and Asset Management Association (EFAMA) provides "EFAMA Code for external governance – Principles for the exercise of ownership rights in investee companies"; International Corporate Governance Network (ICGN) provides "ICGN Statement of Principles for Institutional Investor Responsibilities".

1. In **Denmark**, the investment fund, asset manager, insurer or pension fund may choose not to comply with the requirements of the legislation if they publish a clear and reasoned explanation of why they have chosen not to comply.

2. In **Finland**, although proxy advisers are not required to disclose their conflict of interest policies to the public, they are required under the EU Shareholder Rights Directive to take all appropriate measures to identify and prevent conflicts of interest and, in the event of such conflicts, treat the client in accordance with good practice. If a conflict of interest cannot be avoided, the proxy adviser shall clearly inform the client in sufficient detail of the nature of the conflict and its causes and of the measures taken to reduce the risk to the client's interests before giving advice or recommendation on the exercise of voting rights.

3. In **Hong Kong (China)**, the "Code of Conduct for Persons Licensed by or Registered with the SFC" applies to all licensed or registered persons carrying on the regulated activities for which they are licensed or registered. To the extent such persons' business involves the management of collective investment schemes (whether authorised or unauthorised) and/or discretionary accounts (in the form of an investment mandate or pre-defined model portfolio), such person is also subject to the Fund Manager Code of Conduct.

4. In **Hungary**, Section 15 of the Act LXVII of 2019 on long-term shareholder engagement requires proxy advisors to disclose certain key information relating to the preparation of their research, advice and voting recommendations and any actual or potential conflicts of interests that may influence the preparation of the research, advice and voting recommendations.

5. In **India**, proxy advisors give voting recommendations to their clients (institutional investors) and generally do not vote on behalf of their clients. Proxy advisors in India are required to formulate and disclose the voting recommendation policies to their clients.

6. In **Indonesia,** in OJK Regulation No 10/POJK.04/2018 (Section 53) provides that Investment Managers are encouraged to disclose voting policy and actual voting records.

7. In **Ireland**, the Companies Act, 2014 as amended implements the EU's Shareholders Rights Directive II requiring institutional shareholders and asset managers to disclose an engagement policy and an explanation of the most significant votes taken but all on a comply or explain basis. Similarly, proxy advisors are required to have such policies on a comply or explain basis as well.

8. In **Malaysia**, the Malaysian Code for Institutional Investors (MCII) adopts the "apply and explain" approach where signatories are encouraged to explain how they have applied the principles of the MCII, and where there are departures, to highlight the same, along with the measures to address the departures, and the time frame required to apply the relevant principles.
9. In **Peru**, in the case of Pension Funds, the management companies must appoint representatives that protect the rights and obligations related to Funds' investments. In consequence, the representatives must pronounce on the matters that are submitted for discussion, record their vote in the respective documents, and inform to the pension fund management company the results of their management. These companies must keep those reports for any request of the Superintendence of Banking, Insurance and Pension Funds Management Companies. On the other hand, the main institutional investors, such as Private Pension Funds Management Companies, Insurance Companies, Mutual Funds Management Companies and Investment Funds Management Companies must give priority to the interests of their affiliates and investors, in the event of possible conflicts of interest regarding their own incentives or from third parties. The aforementioned fiduciary duties must be included in internal documents and policies, such as Internal Rules of Conduct.
10. In **Poland**, proxy advisor firms are regulated in the Polish Code of Commercial Companies (law). The Code requires such advisor to immediately inform its clients about any conflicts of interest and to publish its conflict of interest policy every year.
11. In the **United States**, the Securities and Exchange Commission has issued guidance regarding the proxy voting responsibilities of investment advisers exercising proxy voting authority with respect to client securities, including examples to help investment advisers' compliance with their obligations in connection with proxy voting. See Commission Guidance Regarding Proxy Voting Responsibilities of Investment Advisers; Supplement to Commission Guidance Regarding Proxy Voting Responsibilities of Investment Advisers.

Table 3.12. Roles and responsibilities of institutional investors and related intermediaries: Stewardship / fiduciary responsibilities

Jurisdiction	Target groups	Stewardship / fiduciary responsibilities					
		Specific requirements				Setting of voting policy	Report of actual activities to clients / beneficiaries
		Monitoring	Constructive engagement[1]	Engagement on sustainability issues[2]	Maintaining effectiveness of supervision when outsourcing[3]		
Argentina	-	-	-	-	-	-	-
Australia	FSC members, investment funds, pension funds, life insurance, etc.	I, L	I	I	L	I	L
Austria	Investment funds	L	-		L	-	-
	Institutional investors, asset managers	L	L		L	L	L
	Proxy advisors	L, C	L, C		L, C	L, C	L, C
Belgium	Institutional investors	L	L		L	L	-
	Asset managers	L	L		L	L	L
	Proxy advisors	-	-		-	L	-
Brazil	Investment funds and asset managers	L	C	C	L	L	-
Canada	Investment funds	-	-	-	-	L	L
	Pension funds, investment funds, asset managers, etc.	C	C	-	C	C	-
	Proxy advisors	-	-	-	-	C	C
Chile	Pension funds	L	L	L[4]	L	L	L
China	Institutional investors	-	-	-	-	I	-
Colombia	Pension funds	L	L	L	L	L	-
Costa Rica	Institutional Investors	L	-	L	-	-	-
Czech Republic	Institutional investors, asset managers and proxy advisors	-	-	-	-	L	-

Jurisdiction	Target groups	Stewardship / fiduciary responsibilities					
		Specific requirements				Setting of voting policy	Report of actual activities to clients / beneficiaries
		Monitoring	Constructive engagement[1]	Engagement on sustainability issues[2]	Maintaining effectiveness of supervision when outsourcing[3]		
Denmark	Investment funds, asset managers, insurers and pensions funds[5]	L	L	-	-	L	L
Estonia	Investment funds, asset managers, insurers, pension funds	L	-	L[6]	L	L	L
Finland	Investment funds, asset managers and pension funds	L	C	C[7]	-	L	L
France	Investment funds and asset managers	L	L	L	-	L	L
	Proxy advisors	-	-	-	-	-	L
Germany	Investment funds and asset managers	L	L	C	L, C	L	L
	Proxy advisors	L	L			L	L
Greece	Mutual funds	-	-	-	-	-	-
Hong Kong (China)	Investment funds and asset managers	C	C	C	-	C	C
Hungary	Investment funds and asset managers	L	-	-	L	L	L
Iceland	Institutional investors	-	-	-	-	-	-
India	Mutual funds and Alternative Investment Funds	L	L	L	L	L	L
	Insurers	L	L	L	L	L	L
	Pension funds	L	L	L	L	L	L
	Proxy advisors	-	L	-	-	L	-
Indonesia	Fund Managers, Pension Funds and Insurance Companies	L	L	C	L	L	L
Ireland[8]	Institutional investors and asset managers	L	L	L	-	L	L
Israel	Mutual funds managers	L	L	-[9]	L	L	L
	Insurance companies, provident and pension funds	L	L	L	L	L	L
Italy	Investment funds	L, CE	CE	CE	CE	CE	L
	Proxy advisors	-	-		CE	CE	L, CE
Japan	Institutional investors and service providers for institutional investors including proxy advisors	CE	CE	CE	CE	CE	CE
Korea	Institutional investors	CE	CE	-	CE	CE	CE
Latvia	Investment funds and asset managers, pension plans and pension funds, insurance companies	L	-	-	L	L	L
	Proxy advisors	-	-		-	-	L
Lithuania	Investment Funds and Asset Managers, Pension Funds,	L	-	L	L	L (except insurance	L

Jurisdiction	Target groups	Stewardship / fiduciary responsibilities					
		Specific requirements				Setting of voting policy	Report of actual activities to clients / beneficiaries
		Monitoring	Constructive engagement[1]	Engagement on sustainability issues[2]	Maintaining effectiveness of supervision when outsourcing[3]		
	Insurance Companies					companies)	
	Proxy advisors	L	-	-	-	L	L
Luxembourg	ALFI members: Investment funds	C	-	C	-	-	-
Malaysia	Asset owners, asset managers and service providers	CE	CE	CE	CE	CE	CE
Mexico	Institutional investors, asset managers, fund managers	L	-	L	-	-	-
Netherlands	Institutional investors (pension funds, life insurance companies) and asset managers	L	L	-	L	L	L
	Proxy advisors[10]	L	L	-	L	L	L
	Eumedion Code: Institutional investors and asset manager	C	C	-	C	C	C
New Zealand	Fund Managers, Statutory Supervisors, Custodians and proxy advisors	L	-	-	L	-	L
Norway	VFF members: Investment funds and asset managers	C	-	-	C	C	-
Peru	Pension funds; Mutual Funds; Investment Funds; Insurance Companies	L	L	-	L	-	L
Poland	IZFiA members: Institutional investors	-	-	-	CE	CE	-
Portugal	Institutional investors, asset managers and proxy advisors	L/C	L/C	L	-	L/C	L/C
Saudi Arabia[11]	-	-	-	-	-	-	-
Singapore	IMAS members: Investment funds and asset managers	I	I	I	-	I	I
Slovak Republic	Mutual funds and asset managers	-	-	-	-	L	-
	Institutional investors	-	-	-	-	-	-
	Proxy advisors	-	-	-	-	L	L
Slovenia	Investment funds	-	-		-	-	-
	Institutional investors, asset managers, proxy advisors	L	L	L	L	L	L
South Africa	Pension funds, Collective Investment Schemes and investment funds	L, I	L, C	C	L, I	C	L, I
Spain	Investment funds and asset managers	L	-	-	L	L	L
Sweden	Public pension funds (AP1, AP2, AP3, AP4 and AP7)	-	-	L	-	(L: Policy setting for AP1-4)	-
	Insurance companies	L	L	-	L	L	-
	Institutional investors	L	L	L	L	L	-
	Proxy advisors	-	-	-	-	L	-

Jurisdiction	Target groups	Stewardship / fiduciary responsibilities					
		Specific requirements				Setting of voting policy	Report of actual activities to clients / beneficiaries
		Monitoring	Constructive engagement[1]	Engagement on sustainability issues[2]	Maintaining effectiveness of supervision when outsourcing[3]		
Switzerland	Institutional investors	CE	-	-	CE	CE	CE
Türkiye	Institutional investors and asset managers	L	-	-	L	-	L
United Kingdom	Institutional investors and proxy advisors	L/C	L/C	L/C	L/C	L/C	L/C
United States	Registered Management Investment Companies	L	-	-	L	L	L
	Private pension funds	-	-	-	L	L	-
	Registered investment advisors (proxy voting)	L	-	-	L	L	L

Key**: L** = requirement by the law or regulations; **I** = self-regulatory requirement by industry association without comply or explain disclosure requirement; **C** = recommendation by codes or principles without comply or explain disclosure requirement; **CE** = recommendation including comply or explain disclosure requirement overseen by either a regulator or by the industry association; "**-**" = absence of a specific requirement or recommendation.

Note: This table shows information on institutional investors with significant shares in the domestic market based on either legal requirements, industry association requirements or code recommendations. Advisory services/proxy advisors may be included among the target groups as applicable but are shown on a separate line if the requirements or recommendations differ significantly from those of other institutional investors.

1. "Constructive engagement" in the top row means purposeful dialogues with investee companies on matters such as strategy, performance, risk, capital structure and corporate governance.

2. "Engagement on sustainability issues" refers to regulatory or code provisions going beyond the governance topics cited in the prior column and footnote on constructive engagement to explicitly address environmental or social issues including, for example climate-related concerns.

3. Maintaining effectiveness of supervision when outsourcing" refers to whether the institutional investors which outsource some of the activities associated with stewardship to external service providers (e.g. proxy advisors and investment consultants) remain responsible for ensuring those activities being carried out in a manner consistent with their own approach to stewardship (UK Stewardship Code).

4. In **Chile**, the Superintendence of Pensions issued the General Rule No. 276, which incorporates Climate Risk and ESG factors in investment and risk management policies of Pension Fund Managers.

5. In **Denmark**, the investment fund, asset manager, insurer or pension fund may choose not to comply with the requirements of the legislation if they publish a clear and reasoned explanation of why they have chosen not to comply.

6. In **Estonia**, according to the Accounting Act Section 24(6), a large undertaking which is a public interest entity with more than 500 employees must set out information on the environmental and social impacts resulting from its activities, and issues concerning the human resource management, the observation of human rights and anticorruption efforts in the management report to a necessary extent.

7. In **Finland**, the Responsible Investing Guide by Finland's Sustainable Investment Forum (Finsif), which is a Finnish registered association. The members of the association have engaged to apply the Guide.

8. In **Ireland**, institutional shareholders and asset managers may choose not to comply with the statutory requirement if they provide a clear explanation.

9. In **Israel**, according to new regulation that has entered into force in June 2023, mutual funds have an obligation by law to monitor and create constructive engagement (mainly on corporate governance) by participation and voting in the shareholders meeting.

10. In the **Netherlands**, a statutory obligation requires proxy advisors to make publicly available the procedures put in place to ensure quality of the research, advice and voting recommendations and qualifications of the staff involved. Furthermore, a statutory obligation requires proxy advisors to report whether purposeful dialogues with investee companies take place.

11. In **Saudi Arabia**, there are no regulations setting specific legal requirements for institutional investors in particular. However regulations do mention and guarantee investor rights in voting. Moreover, there are not any specific regulations that regulate the institutional investors in the matter of conflicts of interest, unless they are board members or representatives.

Table 3.13. Disclosure related to company groups

Jurisdiction	Source(s) of definition of company groups	Mandatory and/or voluntary disclosure provisions for all listed companies						
		Major share ownership	Beneficial (ultimate) owners	Corporate group structures	Special voting rights	Shareholder agreements	Cross shareholdings	Shareholdings of directors
Argentina	CL, SL, O	MP	MR	MP	MP	MP	-	MR
Australia	CL, R	MP	MP,[1] MR	VP	MP	-	MR[2]	MP
Austria	CL	MP	MR	MP	MP	-	-	MP
Belgium	CL	MP	MP	MP	MP	MP	-	MP
Brazil	CL	MP	MP	MP	MP	MP	-	MR
Canada	-	MP	MP	MP	MP	MP	MP	MP
Chile	SL	MP	MP	MP	MP	MP	-	MP
China	-	MP	MP	MP	MP	MP	-	MP
Colombia	CL, C	MP	MR	MP	MP	MP	MP	MR
Costa Rica	SL, O	MP	MRVP	-	-	MP	-	MP
Czech Republic	CL	MR	MR	MP	MP	-	-	VP
Denmark	CL, O	MP		MP	MP	-	-	C
Estonia	CL, O	MP	MP	MP	MP	MP	MP	MP
Finland	CL, SL, R, C, O	MP	MP	MP	MP	MP[3]	-	MP
France	CL	MP	MP	MP	-	MP	-	MP
Germany	CL	MP	MP	MP	MP	MP	MP	MP
Greece	CL, SL, O	MP	MR	MP	-	MR[4]	MR[5]	MP
Hong Kong (China)	CL, SL, R	MP	MP	MP	MP	-	-	MP
Hungary	CL, SL	MP	MP	MP	MP	MP	MP	-
Iceland	CL	MP	MR	MP	MP	MP	-	MP
India	CL, SL	MP	MP	MP	MP	MP	MP	MP
Indonesia	SL	MP	MP	MP	MP[6]	-	-	MP
Ireland	CL, O	MP	MP	-	MP	MP	MP	MP
Israel	SL, O	MP	MP[7]	MP	-	MP	MP	MP
Italy	CL	MP	MP	MP	MP	MP	MP	MP
Japan	CL, SL, R	MP	VP	VP	MP	VP	MP	MP
Korea	CL, R, O	MP	MP	MP	MP	MP	MP	MP
Latvia	O	MP	MP	-	MP	MP	-	MP
Lithuania	O	MP	MP	MP	MP	MP	-	MP
Luxembourg	CL	MP	MP	MP	-	-	-	MP
Malaysia	CL, SL	MP	MP	MP	-	-	-	MP
Mexico	SL	MP	MP	MP	MP	MP	MP	MP
Netherlands	CL	MP	MP	MP	MP	MP	-	MP
New Zealand	CL, SL, R	MP	MP	MP	MP	MP	MP	MP
Norway	CL, SL	MP	MP	MP	MP	MP	MP	MP
Peru	SL	MP	MP	MP	MP	MP[8]	MP	MP
Poland	CL, SL, O	MP	-	MP	MP	MP	MP	MP
Portugal	CL, SL	MP	MP	MP	MP	MP	MP	MP
Saudi Arabia	CL, SL, R, C	MP	MRVP	MP	MP	MP	-	MP
Singapore	CL, SL, R	MP	MP	-	MP	MP	MP	MP
Slovak Republic	CL, SL	MP	MRVP	MP	MRVP	MR	VP	MRVP
Slovenia	CL, O	MP	MP	MP	MP	MP	MP	MP
South Africa	CL, R, C	MRVP	MRVP	-	MP	MP	-	MRVP
Spain	CL, SL, O	MP	MP	MP	MP	MP	-	MP
Sweden	CL	MP	MR	-	MP	-	MP	MP
Switzerland	CL	MP	MP	MP	MP	-	-	VP
Türkiye	CL	MP	-	-	MP	-	-	MP

Jurisdiction	Source(s) of definition of company groups	Mandatory and/or voluntary disclosure provisions for all listed companies						
		Major share ownership	Beneficial (ultimate) owners	Corporate group structures	Special voting rights	Shareholder agreements	Cross shareholdings	Shareholdings of directors
United Kingdom	CL, SL, R	MP	MP	MP	MP	MP	-	MP
United States	SL, R	MP	MP	MP	MP	MP	MP	MP

Key: Sources of definitions: **CL** = Company law or regulations; **SL** = Securities law or regulations; **R** = Listing rules; **C** = National corporate governance codes or principles; **O** = Others; "**-**" = absence of a specific requirement or recommendation.
Mandatory and/or voluntary disclosure provisions for all listed companies: **MP** = Mandatory to public; **VP** = Voluntary to public; **MR** = Mandatory to the regulator/authorities only; **MRVP** = Mandatory to the regulator/authorities and voluntary to public; "**-**" = Absence of mandatory/voluntary disclosure provisions.
1. In **Australia**, there are general provisions applicable to listed companies in Chapter 6C of the Corporations Act 2001. These provisions require disclosure to the market by persons who have a 'relevant interest' in securities of the listed company amounting to a 'substantial holding'. They also enable listed companies or ASIC (either of its own volition or on request of a shareholder) to direct a person to disclose if they have a 'relevant interest' in securities of the listed company (the 'tracing provisions'). A 'relevant interest' is broadly defined in the Corporations Act and is centred around whether a person holds or has power to control voting or disposal of the securities, so will often capture beneficial ownership. Under the tracing provisions there is no minimum holding required before the direction can be issued. Once this information is obtained from a direction by ASIC it may be provided to the listed company. The listed company must record the information about the relevant interest in a register within two business days of receipt. This register is available for inspection by any person.
2. In **Australia**, cross-shareholding may be disclosable under the substantial holding disclosure provisions in Section 671B of the Corporations Act 2001, where a subsidiary has a 'relevant interest' in securities representing more than 5% in its parent.
3. In **Finland**, listed companies are liable to publish only such shareholder agreements that are known to the company. A shareholder shall have an obligation to notify the offeree company and the Financial Supervisory Authority when a shareholder has, on the basis of a security (including shareholder agreements or other such arrangements) the right to obtain shares of the offeree company amounting to that the proportion of voting or proprietary rights reaches or exceeds or falls below 5, 10, 15, 20, 25, 30, 50 or 90% or two-thirds of the voting rights or the number of shares of the offeree company. The said obligation to notify applies also to shareholder agreements on the transfer and use of voting rights pertaining to such shares (Finnish Securities Markets Act (746/2012), Chapter 9, Sections 5, 6, 6a, 6b and 10).
4. In **Greece**, disclosure of shareholder agreements to the regulator is required only if they lead to significant change in shareholders rights.
5. In **Greece**, cross shareholdings must be disclosed to the regulator only if they lead to significant change in shareholders rights.
6. In **Indonesia**, it is mandatory for the specific regulated issuers that allowed to have multiple voting rights which have innovation and high growth rates that conduct public offering in the forms of shares. In addition, issuers regulated in this provision should meet the certain criteria such as utilising the technology to innovate product that increase productivity and economic growth, having shareholders who have significant contributions in the utilisation of technology, having minimum total assets of at least Rp. 2 trillion (or about USD 132 million), and others as promulgated by Art. 3 OJK Regulation No. 22/POJK.04/2021.
7. In **Israe**l, mandatory discovery provision regarding beneficial owners applies only to interested parties defined as shareholders with at least 5% shareholding.
8. In **Peru**, in question V.4 of the Report on Compliance with the Code of Good Corporate Governance for Peruvian Corporations, issuers are required to indicate whether there are agreements or pacts between shareholders, and if so, indicate what matters are dealt with by each of the aforementioned agreements or pacts in force.

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Note

[1] The Proposal for a Directive of the European Parliament and of the Council on multiple-vote share structures in companies that seek the admission to trading of their shares on an SME growth market of 8 December 2022 is available here. The proposal is part of the measures under the Listing Act package and was submitted by the European Commission on 7 December 2022 to the Council and the European Parliament, and is undergoing its first reading within the European Parliament. The Council adopted its position on 19 April 2023 ("negotiating mandate") on the proposed directive on multiple-vote share structures.

4 The corporate board of directors

The *G20/OECD Principles of Corporate Governance* recommend that the corporate governance framework ensures the strategic guidance of the company by the board and its accountability to the company and the shareholders. Chapter 4 provides information on regulatory frameworks on board structures, board independence and board-level committees, as well as risk management and implementation of internal controls, including new information on the establishment of a separate sustainability committee. The chapter also includes a section on auditor independence, accountability and oversight, with new information on audit firm and audit partner rotation. The chapter also covers board nomination and election, executive remuneration, and gender diversity on boards and in senior management.

4.1. Basic board structures and independence

One-tier board structures are favoured in 23 jurisdictions compared to eight for two-tier boards, but a growing number of jurisdictions allow both structures.

Different models of board structures are found around the world. Among the 49 surveyed jurisdictions, one-tier boards, whereby executive and non-executive board members may be brought together in a unitary board system, are most common (in 23 jurisdictions). Nine jurisdictions have exclusively two-tier boards that separate supervisory and management functions. In such systems, the supervisory board typically comprises non-executives board members, while the management board is composed entirely of executives. However, there are variations in how these board structures are applied across jurisdictions, as detailed in Table 4.2 and Table 4.3 (and some footnotes of Table 4.1). Overall, a growing number of jurisdictions (15), mainly from within the European Union, offer the choice of either single or two-tier boards, consistent with EU regulation for European public limited-liability companies (Societas Europaea) (Council Regulation (EC), 2001) (Table 4.1). In addition, three jurisdictions (**Italy**, **Japan**, and **Portugal**) have hybrid systems that each allow for three options and provide for an additional statutory body mainly for audit purposes (Table 4.4).

Most Factbook jurisdictions impose minimum limits on board size, usually ranging from three to five members.

Ninety percent of surveyed jurisdictions require or recommend a minimum board size most commonly set at three members, regardless of board structures. Limits on the maximum size for boards are rare and exist in only nine out of 49 jurisdictions, ranging from five in **Brazil** under its two-tier system to 21 in **Mexico**. In some jurisdictions, minimum board size requirements vary depending on the company's market capitalisation and the size of its voting shareholder base (**Chile** and **India**). For management boards in two-tier systems, only the **People's Republic of China** (hereafter '**China**') (19) and **France** (seven) establish a maximum size requirement, while 18 jurisdictions set a minimum size requirement, usually in the range of one to three members.

All but nine of the 49 surveyed jurisdictions have established maximum terms of office for board members before re-election, with three-year terms being the most common practice, and annual re-election for all board members being required or recommended in six jurisdictions.

The maximum term of office for board members before re-election varies from one to six years, with the largest number (13) requiring or recommending that it be set at three years. Annual re-election for all board members is required or recommended in seven jurisdictions (**Canada**, **Denmark**, **Finland**, **Japan**, **Sweden**, **Switzerland**, and the **United Kingdom**). In some of the other jurisdictions, a number of companies have moved to require that their directors stand for re-election annually. For instance, in the **United States**, while Delaware law and exchange rules permit a company to have a classified board which typically has three classes of directors serving staggered three-year board terms, many companies have adopted annual re-election, and the classified board system has become less prevalent. In **France**, it is recommended that the terms of office of the board members be staggered. In **Hong Kong (China)**, each director should be subject to retirement from office by rotation at least once every three years.

Despite differences in board structures, almost all jurisdictions have introduced a requirement or recommendation with regard to a minimum number or ratio of independent directors. The most common requirement is for two to three board members (or at least 30% of the board) to be independent, while the most common recommendation is for boards to be composed of at least 50% of independent directors.

Figure 4.1. Maximum term of office for board members before re-election

Note: The figure refers to both 1-tier and 2-tier boards, with requirements for 2-tier boards applying to the supervisory board. "Japan (A), (S) and (C)" denote a company with statutory auditors model, audit and supervisory committee model, and three committees model respectively. No maximum term in Colombia, Costa Rica, the Czech Republic, Iceland, Ireland, Israel, Mexico, New Zealand, and South Africa. See Table 4.5 for data.

Principle V.E of the *G20/OECD Principles* calls for boards to exercise objective independent judgement on corporate affairs, while sub-Principle V.E.1 further specifies that "[b]oards should consider assigning a sufficient number of independent board members capable of exercising independent judgement to tasks where there is a potential for conflicts of interest" (OECD, 2023[1]). All but two of the surveyed jurisdictions (**Luxembourg** and the **Slovak Republic**) require or recommend a minimum number or ratio of independent directors. Six jurisdictions have established binding requirements for 50% or more independent board members for at least some companies (**Hungary**, **India**, **Korea**, **Portugal**, **South Africa**, and the **United States**). By contrast, a much larger group of 20 jurisdictions have established code recommendations for a majority of the board to be independent on a "comply or explain" basis, including eight jurisdictions with one-tier boards, seven jurisdictions with two-tier boards, and five with both systems (Table 4.6, Figure 4.2). Fifteen jurisdictions have established minimum independence requirements for at least two to three board members and/or at least 30% of the board. Many jurisdictions have at least two standards: a legally mandated minimum requirement for independent board members usually coupled with a more ambitious voluntary recommendation for high numbers (including **Brazil**, **Greece**, **Israel**, **Italy**, **Japan**, **New Zealand**, and **Norway**).

Six of the surveyed jurisdictions link board independence requirements or recommendations with the ownership structure of a company (Table 4.7). In four of these jurisdictions (**Chile**, **France**, **Israel** and the **United States)**, companies with more concentrated ownership are subject to less stringent requirements or recommendations. The role of independent directors in controlled companies is different than in dispersed ownership companies, since the nature of the agency problem is different (i.e. in controlled companies the vertical agency problem between ownership and management is less common and the horizontal agency problem involving controlling and minority shareholders greater). In **Italy**, a stricter requirement for a majority of independent directors is imposed in cases involving integrated company groups with pyramid structures that may contribute to more concentrated control. In addition, a large number of jurisdictions have established more specific provisions to help ensure that minority shareholders have the possibility to elect at least one director in companies with controlling shareholders, as detailed in Table 4.15.

Figure 4.2. Minimum number or ratio of independent directors on the (supervisory) board

Black denotes Rule/regulation
Blue italic denotes Code

		Minimum number		Minimum ratio		
	No threshold	**1 person**	**2-3 persons**	**20-25%**	**30-49%**	**50%+**
One-tier board		Chile	Canada Costa Rica Greece Hong Kong (China) Israel Korea Malaysia New Zealand Saudi Arabia Spain *Türkiye*	Colombia Mexico	*Greece* Hong Kong (China) India *Israel* Malaysia *Peru* Saudi Arabia Singapore *Türkiye*	*Australia* *Canada* India *Ireland* *Israel* Korea *New Zealand* *Singapore* South Africa *Sweden* *United Kingdom* United States
One-tier board or two tier board (supervisory)	Luxembourg Slovak Republic		Belgium Norway	Brazil *Czech Republic*	*Brazil* *France* Lithuania	*Denmark* *Finland* *France* Hungary *Netherlands* *Norway* *Slovenia* *Switzerland*
Two-tier board (supervisory)		*Germany*	*Germany* *Poland*		China Indonesia	*Argentina* *Austria* *Estonia* *Iceland* *Latvia*
Hybrid multiple options		Italy Japan	*Italy* *Japan*		*Japan*	Portugal

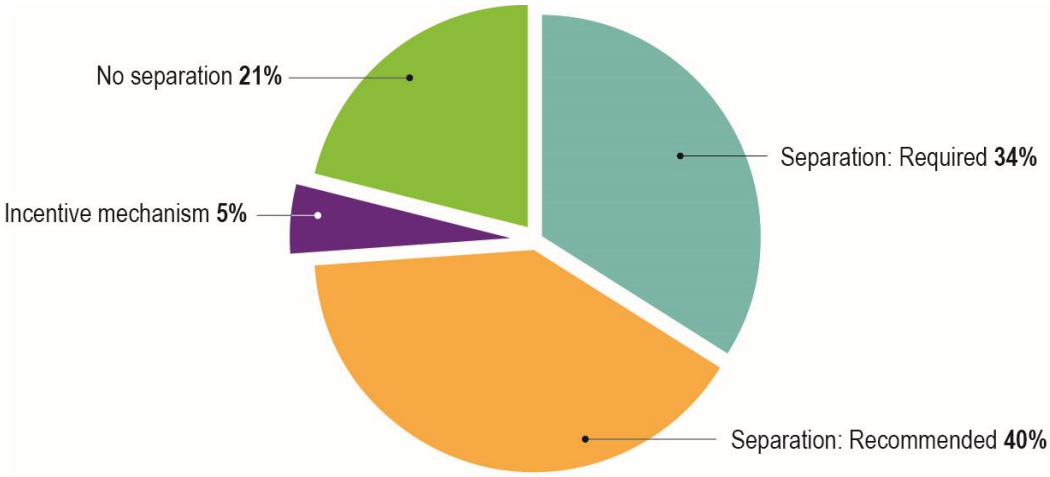
Note: The United States requirement applies to listed companies without a controlling majority. See Table 4.6 for data.

While only 34% of jurisdictions with one-tier board systems require the separation of the functions of board chair and CEO, an additional 40% encourage it through code recommendations or incentive mechanisms.

Thirteen of 38 jurisdictions with one-tier board systems require and 15 such jurisdictions recommend the separation of the functions of board chair and CEO in “comply or explain” codes. In addition, **India** and **Singapore** encourage the separation of the two functions through an incentive mechanism by requiring a higher minimum ratio of independent directors (50% instead of 33%). For two-tier board systems, the separation of the functions is assumed to be required as part of the usual supervisory board/management board structure.

National approaches to defining the ‘independence’ of independent directors vary considerably, particularly with regard to maximum tenure and independence from a significant shareholder. Many jurisdictions also establish a maximum tenure for board members to be considered independent.

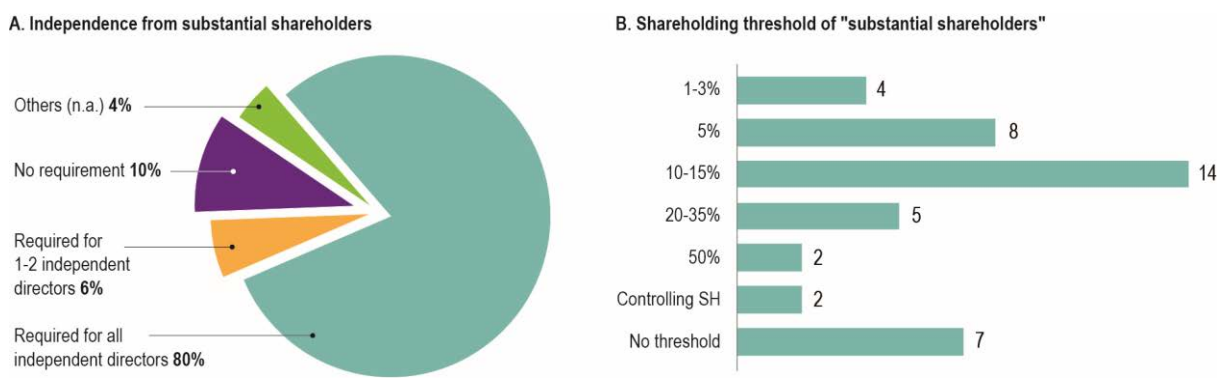
Figure 4.3. Separation of CEO and chair of the board in one-tier board systems



Note: Based on 38 jurisdictions with on-tier board systems. The two jurisdictions denoted as "Incentive mechanism" set forth a higher minimum ratio of independent directors on boards where the chair is also the CEO. See Table 4.6 for data.

Principle V.E. of the *G20/OECD Principles of Corporate Governance*, as revised in 2023, states that "[w]hile national approaches to defining independence vary, a range of criteria are used, such as the absence of relationships with the company, its group and its management, the external auditor of the company and substantial shareholders, as well as the absence of remuneration, directly or indirectly, from the company or its group other than directorship fees." The legal or regulatory approaches vary among jurisdictions, particularly with regard to independence from a significant shareholder and maximum tenure. While the large majority of jurisdictions' definitions of independent directors include requirements or recommendations that they be independent of substantial shareholders (86%), the threshold for substantial shareholding ranges from 2% to 50%, with 10-15% the most common share (in 14 jurisdictions).

Figure 4.4. Requirements for the independence of directors and their independence from substantial shareholders



Note: Based on data from 49 jurisdictions. These figures show the number of jurisdictions and percentages in each category. See Table 4.6 for data.

There are also significant differences concerning maximum tenure. Twenty-eight jurisdictions set a maximum tenure for independent directors, ranging from 5 to 15 years (with eight to ten years being the most common length). Twenty-two jurisdictions require or recommend that these directors no longer be

considered as independent at the end of their tenure, and seven jurisdictions that an explanation be provided regarding their independence (Figure 4.5). A number of jurisdictions have introduced or strengthened requirements and recommendations for maximum term limits. For example, **Costa Rica** introduced new criteria for independence to take effect by the beginning of 2026 that will phase in a maximum tenure of nine years within a 12-year period. In **Malaysia**, a mandatory 12-year maximum tenure for independent directors was introduced as a listing rule and took effect on 1 June 2023, in addition to the shorter nine-year limit that applies as a recommendation. The listing rule requires that if an individual has cumulatively served as an independent director of a company or its related companies for more than 12 years and observed the requisite three-year cooling off period, the company must provide a statement to justify the nomination of the person as an independent director and explain why there is no other eligible candidate.

Figure 4.5. Definition of independent directors: Maximum tenure

Note: See Table 4.6 for data.

Only China and some European countries have requirements for employee representation on the board.

No jurisdiction prohibits publicly listed companies from having employee representatives on the board. Ten European countries and **China** have established legal requirements regarding the minimum share of employee representation on the board, which varies from one member to half of board members, with one-third the most common share. In **Denmark** and **Sweden**, there is no requirement for employee board representation but there is a statutory right for employees to appoint up to two to three representatives depending on the size of the company (Table 4.8).

4.2. Board-level committees

All but five jurisdictions require the establishment of an audit committee with provisions to promote their independence. Nomination and remuneration committees are not mandatory in most jurisdictions, but most jurisdictions at least recommend that they be established and often that they be comprised wholly or largely of independent directors.

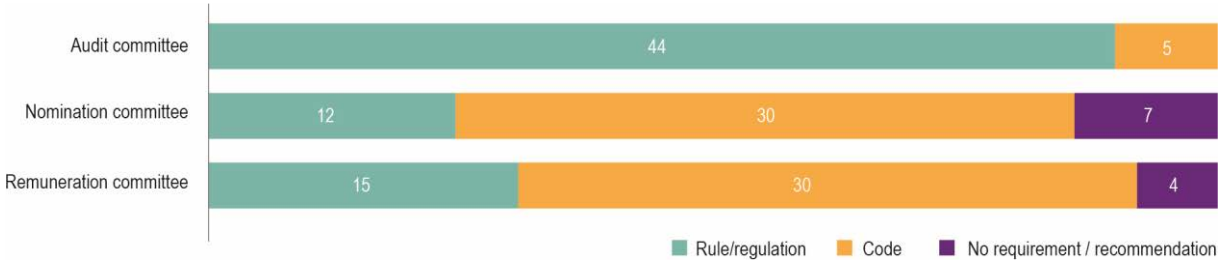
Audit committees have traditionally been a key component of corporate governance regulation. The *G20/OECD Principles of Corporate Governance*, as revised in 2023, emphasises the important role of audit committees by stating that "[b]oards should consider setting up specialised committees to support the full board in performing its functions, in particular the audit committee – or equivalent body – for overseeing disclosure, internal controls and audit-related matters" (sub-Principle V.E.2). The roles of the

audit committee as further elaborated in the *Principles* also include oversight of the internal audit activities (IV.C) and may include support for the board's oversight of risk management (V.D.2).

All surveyed jurisdictions require or recommend listed companies to establish an independent audit committee. Forty-four jurisdictions have binding rules for audit committees and five recommend them on a "comply or explain" basis. Some jurisdictions (**Brazil, Finland** and **Sweden**) are considered as requiring the establishment of audit committees although they allow some flexibility for alternative arrangements (in **Brazil**, fiscal councils can be used to carry out most audit committee functions, while in **Finland** and **Sweden** the functions of the audit committee are explicitly required but may be carried out by the full board). In the **United States**, the Sarbanes-Oxley Act of 2002 requires exchanges to adopt rules requiring independent audit committees to oversee a company's accounting and financial reporting processes and audits of a company's financial statements. These rules require independent audit committees to be directly responsible for the appointment, compensation, retention and oversight of the work of external auditors engaged in preparing or issuing an audit report, and the issuer must provide appropriate funding for the audit committee.

With regard to nomination and remuneration committees, the revised *G20/OECD Principles* provide for more flexibility by stating that "[o]ther committees, such as remuneration, nomination […] may provide support to the board depending upon the company's size, structure, complexity and risk profile (Sub-Principle V.E.2)." The majority (61%) of jurisdictions have code recommendations to establish these committees, while nomination committees are mandatory in only 24% of jurisdictions and remuneration committees in 31%.

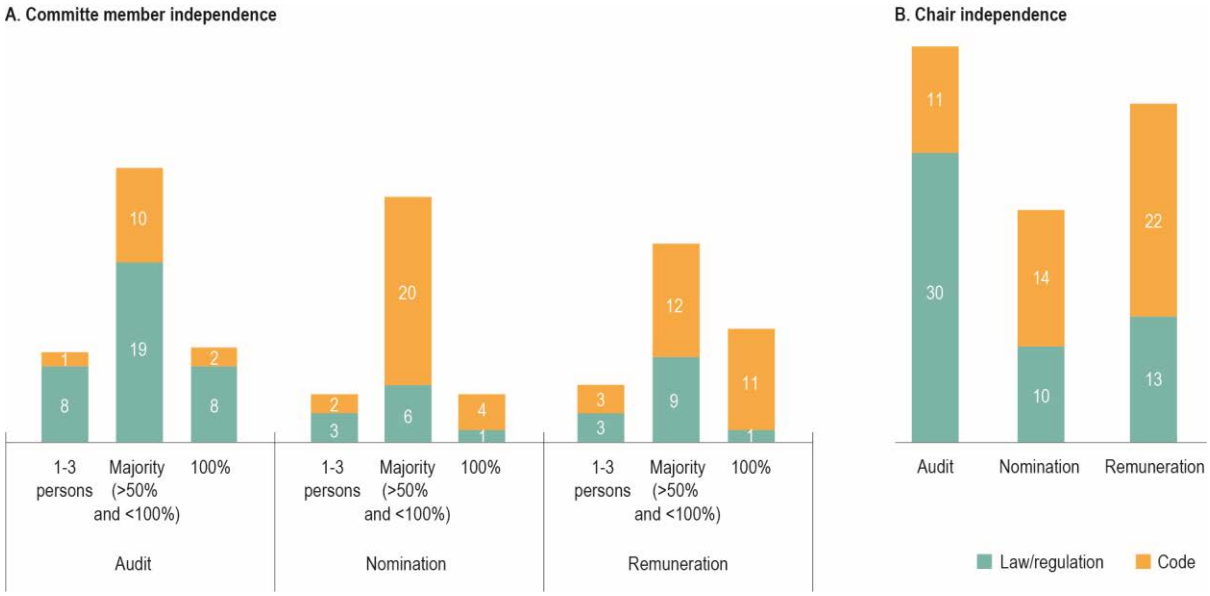
Figure 4.6. Board-level committees by category and jurisdiction



Note: Based on 49 jurisdictions. See Table 4.9 for data.

Full or majority independent membership is required or recommended for all three committees in most of the jurisdictions. A majority of jurisdictions (55%) require the audit committee to have at least a majority of independent directors, while 24% recommend such independence in their codes. Eight jurisdictions set a requirement for the minimum number of independent directors, from one to three members. Code recommendations are more common than legal requirements to encourage nomination and remuneration committees to have at least a majority of independent members (49% and 47% respectively). Concerning the independence of committee chairs, requirements are also most common for audit committees (in 61% of jurisdictions), and it is more frequently a code recommendation for nomination and remuneration committees.

Figure 4.7. Independence of the chair and members of board-level committees

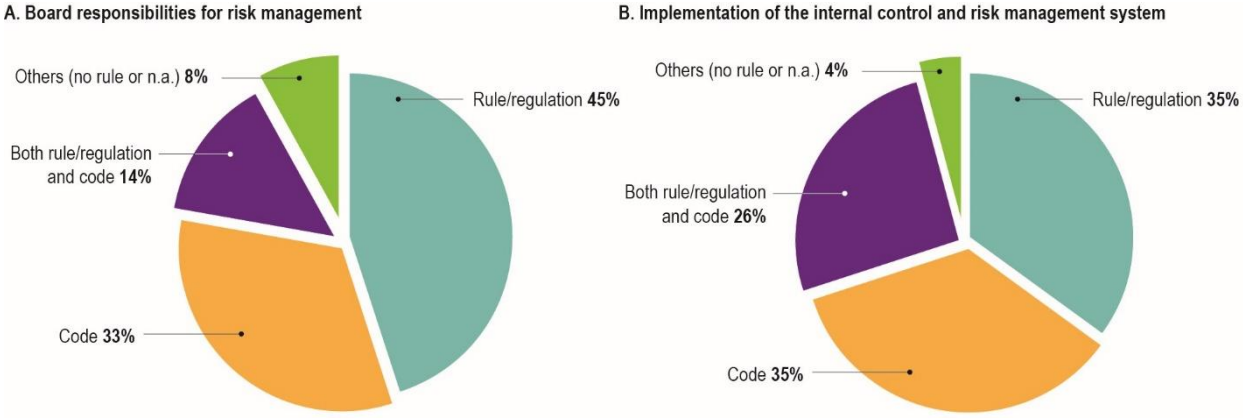


Note: Based on 49 jurisdictions. See Table 4.9 for data.

More than 90% of jurisdictions require or recommend assigning a risk management role to the board. Provisions for internal control and risk management systems are also required or recommended in the majority of jurisdictions, a significant evolution since 2015.

Explicit legal requirements or recommendations on risk management grew significantly after the 2008 financial crisis. The revised *G20/OECD Principles* have a new sub-Principle V.D.2 on the board's responsibility for reviewing and assessing risk management policies and procedures. Approximately 60% of jurisdictions now have requirements regarding the board's responsibilities with respect to risk management in the law or regulations (including 14% that have both rules and code provisions), while another 33% recommend it solely in codes (similar to 2020 levels). Nearly all surveyed jurisdictions (96%) require or recommend implementing an enterprise-wide internal control and risk management system (beyond ensuring the integrity of financial reporting) (Figure 4.8).

Figure 4.8. Risk management and implementation of internal controls



Note: Based on 49 jurisdictions. See Table 4.10 for data.

A large majority of jurisdictions now require or recommend board-level committees to play a role in risk management oversight. The revised *G20/OECD Principles* (Sub-Principle V.E.2) point out that "[w]hile risk committees are commonly required for companies in the financial sector, a number of jurisdictions also regulate risk management responsibilities of non-financial companies, requiring or recommending assigning this role to either the audit committee or a dedicated risk committee. The separation of the functions of the audit and risk committees may be valuable given the greater recognition of risks beyond financial risks, to avoid audit committee overload and to allow more time for risk management issues." Taking into account both requirements and recommendations, the audit committee is the preferred choice for risk oversight in 38 jurisdictions, while risk committees are required or recommended in 16 jurisdictions (Figure 4.9).

On sustainability, the revised *Principles* outline that "the board should ensure that material sustainability matters are considered" (V.D.2). The *Principles* also note that "[s]ome boards have created a sustainability committee to advise the board on social and environmental risks, opportunities, goals and strategies, including related to climate" (V.D.2). In terms of regulatory frameworks, **South Africa** is the only jurisdiction that requires this type of committee; listed companies are required to establish a social and ethics committee that is tasked to review sustainability issues. Another five jurisdictions recommend establishing a separate sustainability committee (**Chile**, **France**, **Italy**, **Luxembourg**, and **Malaysia**), while the remaining 43 jurisdictions do not have requirements or recommendations for a stand-alone sustainability committee. However, some jurisdictions address sustainability matters in other board-level committees. For example, in **India**, the role of the risk management committee includes formulation of a detailed risk management policy which includes a framework for identification of sustainability risks.

Figure 4.9. Board-level committee for risk management

Note: Based on 49 jurisdictions. See Table 4.10 for data.

4.3. Auditor independence, accountability and oversight

The *G20/OECD Principles of Corporate Governance* recognise the importance of the quality of a company's financial reporting, supported by an independent external audit, to ensure market confidence, accountability and good corporate governance. In particular, Principle IV.C outlines that "[a]n annual external audit should be conducted by an independent, competent and qualified auditor in accordance with internationally recognised auditing, ethical and independence standards in order to provide reasonable assurance to the board and shareholders on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework."

While the shareholders have the primary responsibility for appointing and/or approving the external auditor in the majority of Factbook jurisdictions, the board is often required to recommend suitable candidates for shareholder's final approval.

All jurisdictions require that an external auditor be appointed to perform an audit of the financial statements of publicly listed companies, including assessing compliance with applicable federal/state or industry-

specific regulations, laws, and standards. In 42 jurisdictions, the shareholders have the primary responsibility for appointing and/or approving the external auditor. In the remaining seven jurisdictions, the board has the primary responsibility (**Brazil**, **Costa Rica**, **Korea**, **Mexico**, **New Zealand**, **Poland**, and the **United States**). Among the jurisdictions where shareholders are primarily responsible for appointing/approving an external auditor, a number also require the involvement of the board in the process to assist the shareholders' decision. For example, in 19 jurisdictions, the board is required to recommend appropriate candidates for shareholders' appointment/approval. Furthermore, some jurisdictions also provide for the board to appoint the auditor in certain cases, for example where the shareholders fail to do so, or where the position remains vacant within a given period of a company's registration (**Australia**, **Canada**, **Ireland**, **Israel, Singapore**, and the **Netherlands**). In **Indonesia**, the board of commissioners can be the party that appoints the external auditor if shareholders mandate it to do so.

The audit committee is required or recommended to play a role in the selection and removal process of the auditor as well as in reviewing the audit's scope and adequacy in nearly all jurisdictions, while its role is less commonly required or recommended in setting audit fees.

The *G20/OECD Principles*, as revised, state that it is good practice that external auditors be recommended by an audit committee independent of the board (IV.D). In 48 out of the 49 surveyed jurisdictions, the audit committee is required or recommended to play a role in the selection and appointment or removal process of the external auditor of listed companies. In the **United Kingdom**, legislation requires all companies with securities traded on regulated markets, as well as all deposit holders and insurers, to have an audit committee to select the auditor for the board to recommend to the shareholders. For the largest public companies, the board must accept the audit committee's recommendation, and for others, the shareholders must be informed of any departure by the board from the recommendation. Reviewing the audit's scope and adequacy is also a major role that the audit committee plays, and it is required or recommended in 92% of jurisdictions. Requirements and recommendations concerning the involvement of the audit committee in setting the audit fees is less common (53%).

Figure 4.10. Role of the audit committee in relation to the external audit

Note: Based on 49 jurisdictions. See Table 4.11 for data.

In order to promote the independence and accountability of external auditors for publicly listed companies, jurisdictions have adopted provisions such as mandating auditor rotation, and prohibiting or restricting external auditors from providing non-audit services such as tax services to their audit clients.

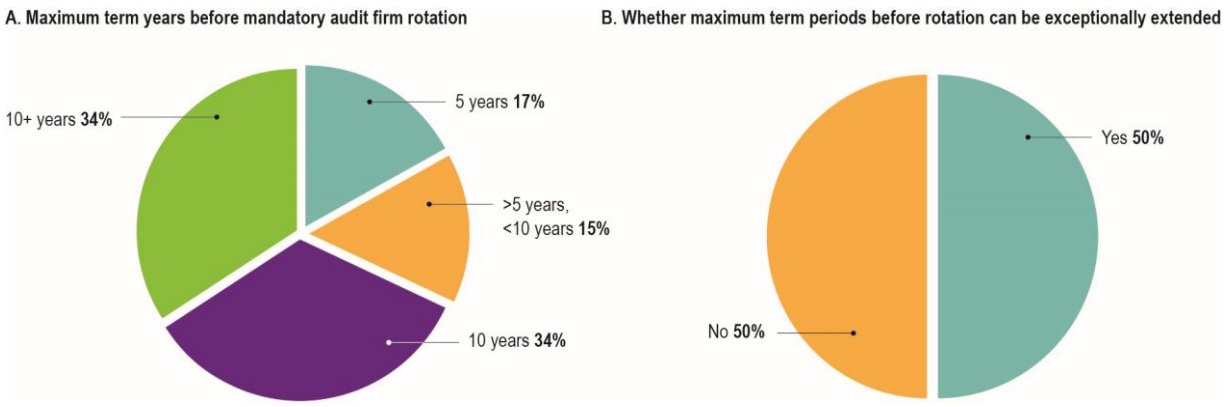
Two-thirds of Factbook jurisdictions have requirements for listed companies to rotate their external audit providers after a given period and three have code recommendations, while provisions for audit partner rotation have been established in all but four jurisdictions.

For the 36 jurisdictions that have established requirements or recommendations for the rotation of their external audit providers, the maximum term duration before rotation is required ranges between five to 24 years, with 68% of these jurisdictions requiring rotation after ten years or more. In half of the jurisdictions with a maximum term duration before rotation, the term can be exceptionally extended. This is in line with

the rules introduced by the 2014 European Audit Regulation, which requires public interest entities to rotate their audit providers at least every ten years, with a possibility to extend this period to a maximum of 20 years where a public tender is held after ten years, or 24 years for joint audits. Overall, many jurisdictions subject to the European Audit Regulation have set the initial duration of engagement at ten years, and are using the option to allow extensions of the term. Among jurisdictions outside of the EU, the most common approach to rotation of audit firms is to have shorter limits, in the five to ten-year range.

All but four jurisdictions have provisions requiring or recommending audit partner rotation after a given period. Some jurisdictions set a maximum term duration before audit partner rotation, mostly between five to seven years and often accompanied by a cooling-off period. For example, in **Singapore**, audit partners can be appointed for a maximum of five years before rotation with a minimum two-year period before they can be re-appointed by the same issuer. Indonesia has a shorter maximum period of three consecutive years. In the **United States**, while lead and concurring partners (or engagement quality reviewers) are required to rotate off an engagement after a maximum of five years and must be off the engagement for five consecutive years, other audit partners are subject to rotation after seven years on the engagement and must be off the engagement for two consecutive years.

Figure 4.11. Maximum term years before mandatory audit firm rotation



Note: Based on 36 jurisdictions with requirements or recommendations for audit firm rotation. See Table 4.12 for data.

The revised *G20/OECD Principles* put additional emphasis on the importance of audit oversight and audit regulation, stating that "a system of audit oversight and audit regulation plays an important role in enhancing auditor independence and audit quality. Consistent with the Core Principles of the International Forum of Independent Audit Regulators (IFIAR), the designation of an audit regulator, independent from the profession, and who, at a minimum, conducts recurring inspections of auditors undertaking audits of public interest entities, contributes to ensuring high quality audits that serve the public interest" (Principle IV.C).

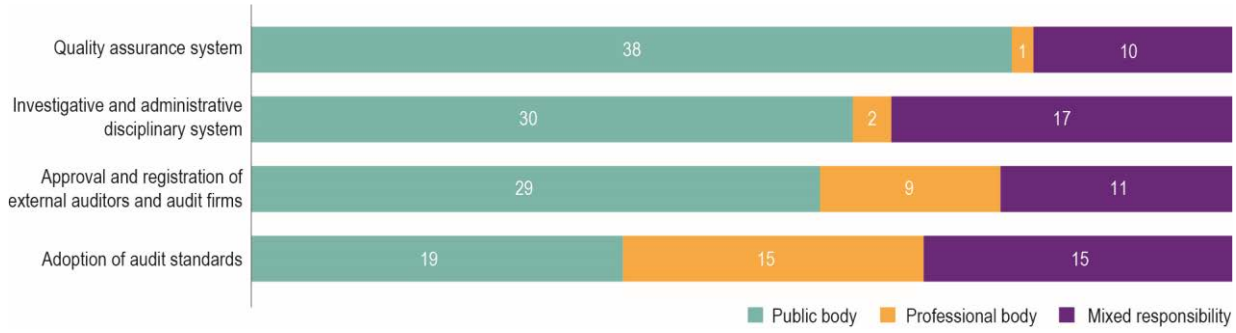
Funding is a relevant aspect for the independence of the public oversight body from the audit profession. Public oversight bodies for audit most frequently are financed via fees levied on the audit profession or audited entities (in 21 jurisdictions), while public oversight bodies rely on both fees and government funding in 14 jurisdictions. Oversight bodies rely exclusively on the government budget to fund their operations in only 11 jurisdictions (Table 4.13).

In most jurisdictions (38), the public oversight body is in charge of supervising or directly carrying out quality assurance reviews or inspections for audits of all listed entities that prepare financial reports. These responsibilities are split between the professional and public body in ten jurisdictions, while assigning such responsibility exclusively to a professional accountancy bodies is quite rare (one jurisdiction). The public

oversight body is also responsible for carrying out investigative and disciplinary procedures for professional accountants in a majority of jurisdictions (30), while the responsibility is split between the professional and public body in 17 surveyed jurisdictions.

Compared to the responsibilities described above, more jurisdictions rely on delegation to professional accountancy bodies for the approval and registration of auditors and audit firms (nine) and the adoption of audit standards (15). However, in most jurisdictions public bodies take on these roles either exclusively or as a shared responsibility (for details see Figure 4.12). These figures have not changed significantly since first reported in the 2021 edition of the Factbook.

Figure 4.12. Audit oversight



Note: Based on 49 jurisdictions. See Table 4.13 for data.

4.4. Board nomination and election

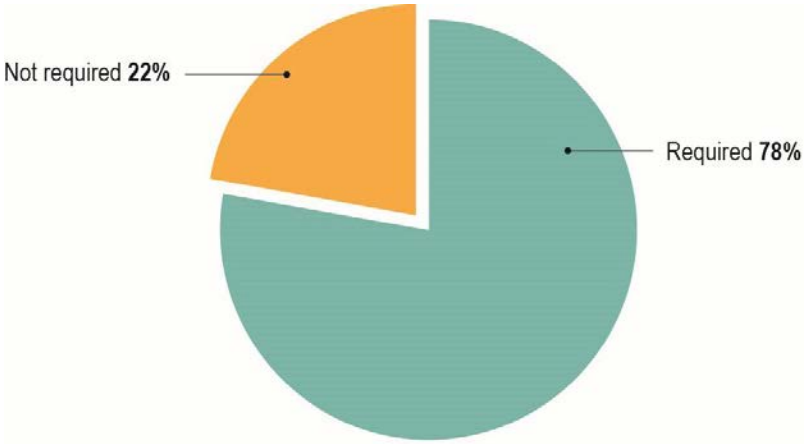
In almost all jurisdictions, shareholders can nominate board members or propose candidates. The number of jurisdictions that have established majority voting requirements has nearly doubled since 2015.

Shareholders can generally nominate board members or propose candidates. Some jurisdictions set a minimum shareholding requirement for a shareholder to nominate, usually at the same level as the shareholders' right to place items on the agenda of general meetings (Table 3.2, Figure 3.4).

Regarding board elections, a substantial majority of jurisdictions have established majority voting requirements for board elections (78%, up from 39% in 2015), in most cases for individual candidates (i.e. not for a slate) (Table 4.14, Figure 4.13). In the **United States**, the Delaware Law's default rule is plurality voting, although companies may provide for cumulative voting.

More than half of the jurisdictions (26) allow cumulative voting for electing members of the board, of which three allow it with limitations (Figure 4.14). Although a majority of jurisdictions allow cumulative voting, it has not been widely used by companies in jurisdictions where it is optional. Only two jurisdictions require cumulative voting, **China** and **Saudi Arabia**. In **China**, besides the election of directors, a cumulative voting system is required in the election of supervisors if a listed company whose single shareholder and its person acting in concert hold 30% or more shares.

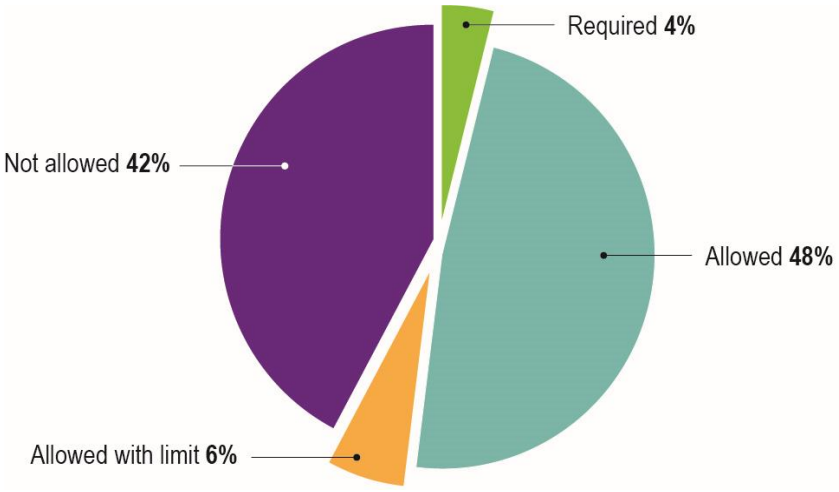
Figure 4.13. Majority voting requirement for board election



Note: Based on 49 jurisdictions. See Table 4.14 for data.

Regarding the qualifications of candidates, 36 jurisdictions (73%) set a requirement or recommendation for qualifications for all board members while some of these and some additional jurisdictions (14) set more specific requirements or recommendations for the qualifications of at least some board appointees (e.g. independent directors, audit committee members). While most jurisdictions have established general requirements or recommendations for the qualifications of all board candidates, some jurisdictions give more emphasis to the balance of skills, experience and knowledge of the board, rather than to the qualifications of individual board members.

Figure 4.14. Cumulative voting

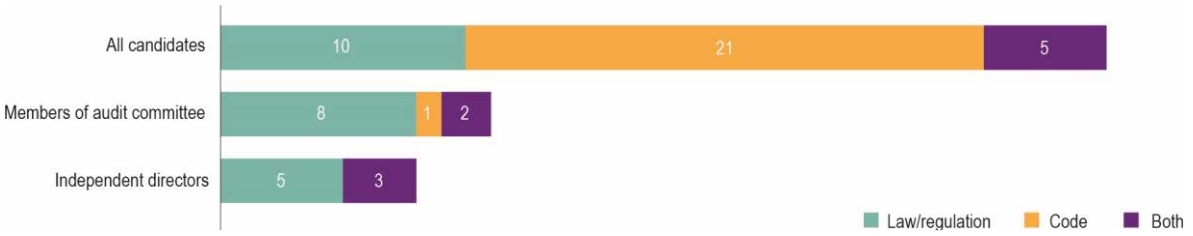


Note: Based on 48 jurisdictions. See Table 4.14 for data.

For example, **Singapore**'s code states that the board should comprise directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. Some jurisdictions set a requirement or recommendation only for certain board members, such as members of audit committees (11 jurisdictions) or independent directors (8 jurisdictions) (Table 4.16, Figure 4.15).

Nearly two-thirds of jurisdictions (32) require or recommend that some of the candidates go through a formal screening process, such as approval by the nomination committee (Table 4.16). In most cases, such screening processes are recommended as good practice in national codes. For example, in the **United Kingdom**, it is recommended that nomination committees evaluate the balance of skills, experience, independence and knowledge on the board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

Figure 4.15. Qualification requirements for board member candidates



Note: Based on 49 jurisdictions. See Table 4.16 for data.

A much smaller number of jurisdictions have established legal or listing requirements for screening processes, including in several Asian jurisdictions (**China**, **India**, **Indonesia** and **Malaysia**). Other jurisdictions with such requirements include **Chile**, where the Corporations Law requires that candidates for an independent director provide an affidavit stipulating their compliance with the legal requirements in the same article, and **Türkiye**, where large listed companies must prepare a list of independent board member candidates based on a report from the nomination committee and submit this list to the securities regulator for review. **China** has established a listing requirement for the stock exchange to review independent board member candidates' qualifications. If the exchange raises an objection to a candidate, the board of directors of the listed company shall not propose that person as an independent director candidate for vote at the shareholders' general meeting.

The number of jurisdictions requiring or at least recommending disclosure of relevant information to shareholders about board candidates has continued to increase.

The number of jurisdictions requiring or recommending disclosure of information on candidates' qualifications more than doubled between 2015 and 2022, from 41% to 91% of reporting jurisdictions. Twenty-five jurisdictions establish this requirement in law/regulation, 13 recommend it in a code and five have it in both. The number of jurisdictions requiring disclosure of information on the candidate's relationship with the firm has also more than doubled over the same period, from 37% of reporting jurisdictions in 2015 to 88% in 2022. Twenty-five jurisdictions establish this requirement in law/regulation, 11 recommend it in a code and six have it in both. All 48 jurisdictions surveyed have a requirement or recommendation to provide the names of candidates. This is a major change from 2015, when 11 jurisdictions lacked such requirements or recommendations. (Figure 4.16).

Figure 4.16. Information provided to shareholders regarding candidates for board membership

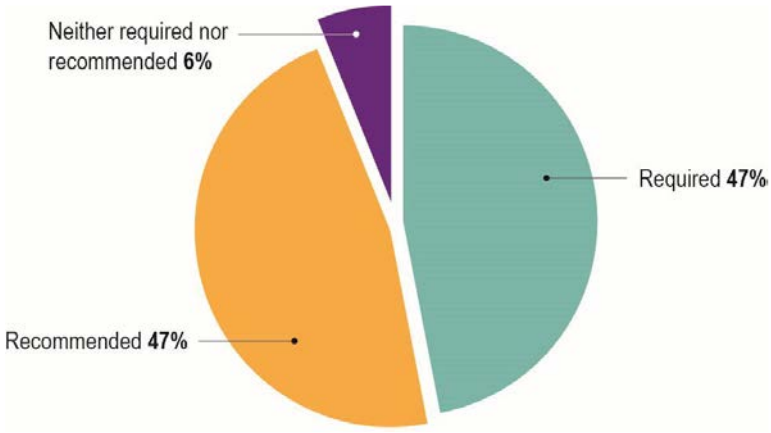
Note: Based on 48 jurisdictions for name of candidate and candidate's relationship with the firm. Based on 47 jurisdictions for candidate qualifications. See Table 4.16 for data.

4.5. Board and key executive remuneration

Nearly all jurisdictions have introduced mechanisms for normative controls on remuneration, most often through the "comply or explain" system.

Since the 2008 financial crisis, much attention has been paid to the governance of the remuneration of board members and key executives. Besides measures to improve firm governance via independent board-level committees, 94% of jurisdictions have introduced general criteria on the structure of remuneration. Provisions tend to provide companies with substantial flexibility, with 47% establishing recommendations through the "comply or explain" system, and requirements often providing broad guidance (Figure 4.17).

Figure 4.17. Criteria for board and key executive remuneration



Note: Based on 49 jurisdictions. See Table 4.17 for data.

For example, **China**'s code recommends the use of long-term incentive mechanisms such as equity incentives, employee stock option plans, etc., while articles related to severance of payments "should be fair and without prejudice to the legitimate rights of listed companies." In the **European Union**, where a company awards variable remuneration, the remuneration policy shall set clear, comprehensive and varied criteria for the award of the variable remuneration. It shall indicate the financial and non-financial performance criteria, including, where appropriate, criteria relating to corporate social responsibility, and explain how they contribute to the company's business strategy and long-term interests and sustainability (Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending

Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement). The **Norwegian** Code recommends that the company should not grant share options to board members, and that their remuneration not be linked to the company's performance. **Türkiye**'s code recommends that independent director remuneration should not be based on profitability, share options or company performance.

A majority of jurisdictions with general criteria also set forth some more specific measures in their laws, rules or codes. Long-term incentive mechanisms are most common, required or recommended in 33 jurisdictions (67%). These may set two-to-three year time horizons and may involve stock options or equity incentives. In addition, provisions to limit or cap severance pay are required in 11 jurisdictions (22%) and are recommended in an additional six jurisdictions (12%) (Figure 4.18). In **Australia**, recommendations state that severance payments are not be provided to board members (specifically, non-executive directors). Only two jurisdictions have set maximum limits on remuneration. **Saudi Arabia** establishes a SAR 500 000 (Saudi Riyal) (USD 133 000) upper limit for board member remuneration. In **India**, if the aggregate pay for all directors exceeds 11% of profits or other specific limits in cases where the company does not have profits, then the director pay must be approved not only by shareholders but also by the government. Requirements or recommendations for ex post risk adjustments (including, provisions on golden parachutes, malus and/or clawback provisions) are rare for non-financial listed companies around the world.

Most jurisdictions now give shareholders a say on remuneration policy and pay levels, with 88% having provisions for binding or advisory shareholder votes on remuneration policy. Binding votes on remuneration levels are a requirement in over half of jurisdictions (51%), with another 27% requiring or recommending advisory votes. Besides the distinction between binding and advisory, there are wide variations in "say on pay" mechanisms in the scope of approval.

Figure 4.18. Specific requirements or recommendations for board and key executive remuneration

Note: Based on 49 jurisdictions. See Table 4.18 for data.

Many jurisdictions have adopted rules on prior shareholder approval of equity-based incentive schemes for board members and key executives. Twenty-five jurisdictions require a binding vote on remuneration policy, one jurisdiction recommends a binding vote, and five allow choosing between shareholder approval or alternative mechanisms determined through a company's articles of association. **Norway** requires a binding vote only if the company chooses to use incentive pay, while **China**'s requirement for a shareholder vote only applies to directors. In **Costa Rica**, remuneration policy for the board and key executives should always be approved by shareholders if it includes variable performance-based bonuses in company shares.

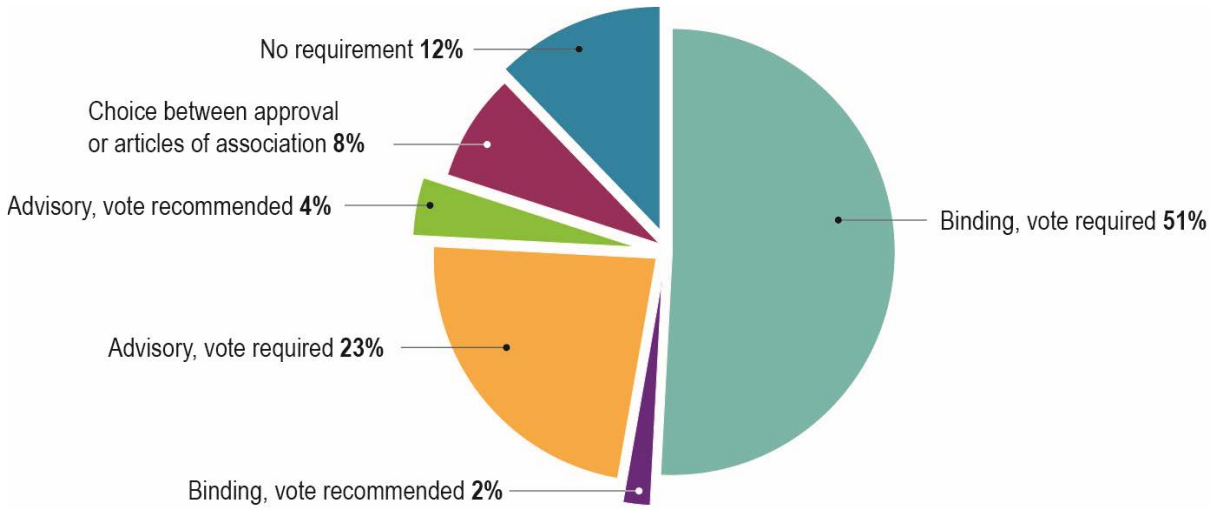
Another 11 jurisdictions require or recommend advisory shareholder votes (Figure 4.19). In **Colombia**, the recommendation is that the remuneration policy for the board should always be approved by shareholders; for key executives the remuneration policy should always be approved by the board of directors. In **Singapore**, the Listing Manual states that issuers' articles of association must contain a provision stating

that fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting.

Jurisdictions also have a mix of provisions with respect to requirements or recommendations for shareholder approval of the level and/or amount of remuneration (Figure 4.20). In addition to the distinction between binding and advisory votes, there is a wide diversity of "say on pay" mechanisms in terms of the scope of approval, mainly with regard to two dimensions: voting on the remuneration policy (its overall objectives and approach) and/or total amount or level of remuneration; and voting on the remuneration for board members (which typically include the CEO) and/or the remuneration for key executives. Since 2020, the number of jurisdictions with requirements for binding votes remains high at 51% compared to just 4% who recommend it (Table 4.18).

The extent to which remuneration disclosure is now required marks a major transformation of legal and regulatory frameworks since the early 2010s. An OECD survey of listed companies in 35 jurisdictions carried out in 2010 (OECD, 2011[2]) found that disclosure of individual remuneration in all listed companies was taking place in only seven jurisdictions (20%) and in a substantial majority of listed companies (80% or above) in only 15 jurisdictions (43%). Disclosure of the total individual remuneration is now a requirement in 94% of jurisdictions. These requirements usually apply to all board members and a certain number of key executives, although in some cases apply only above a certain income threshold. Only three jurisdictions do not require or recommend it (**Colombia**, **Costa Rica**, and **Mexico**).

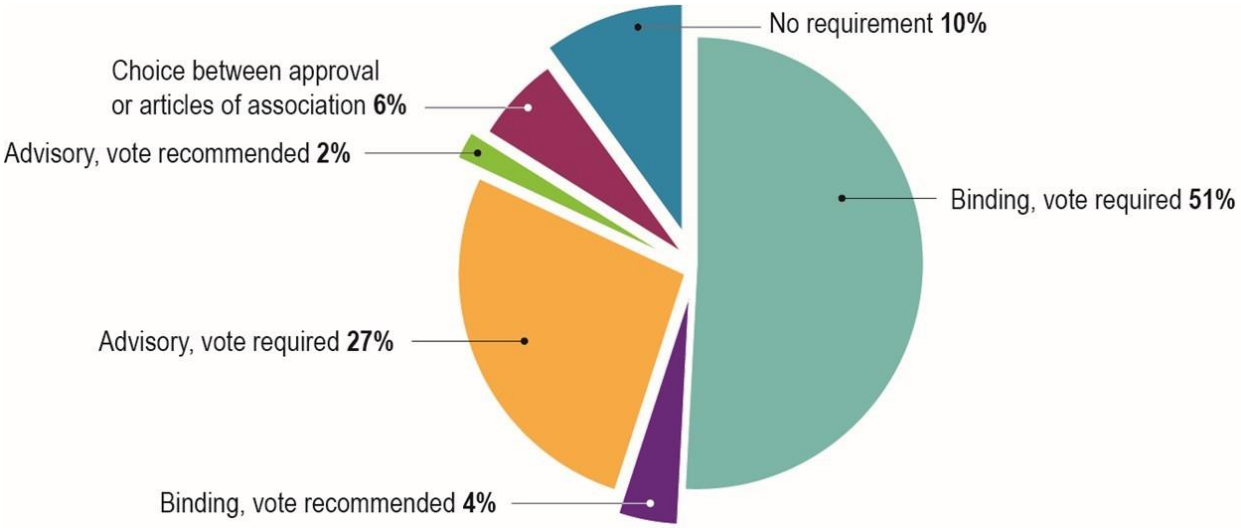
Figure 4.19. Requirement or recommendation for shareholder approval on remuneration policy



Note: Based on 49 jurisdictions. See Table 4.18 for data.

The increasing attention given to remuneration by shareholders has benefited from, and has also contributed to, enhanced disclosure requirements. All jurisdictions now require or recommend that companies disclose remuneration policy, and nearly all jurisdictions require or recommend the disclosure of total aggregate remuneration.

Figure 4.20. Requirement or recommendation for shareholder approval of level/amount of remuneration

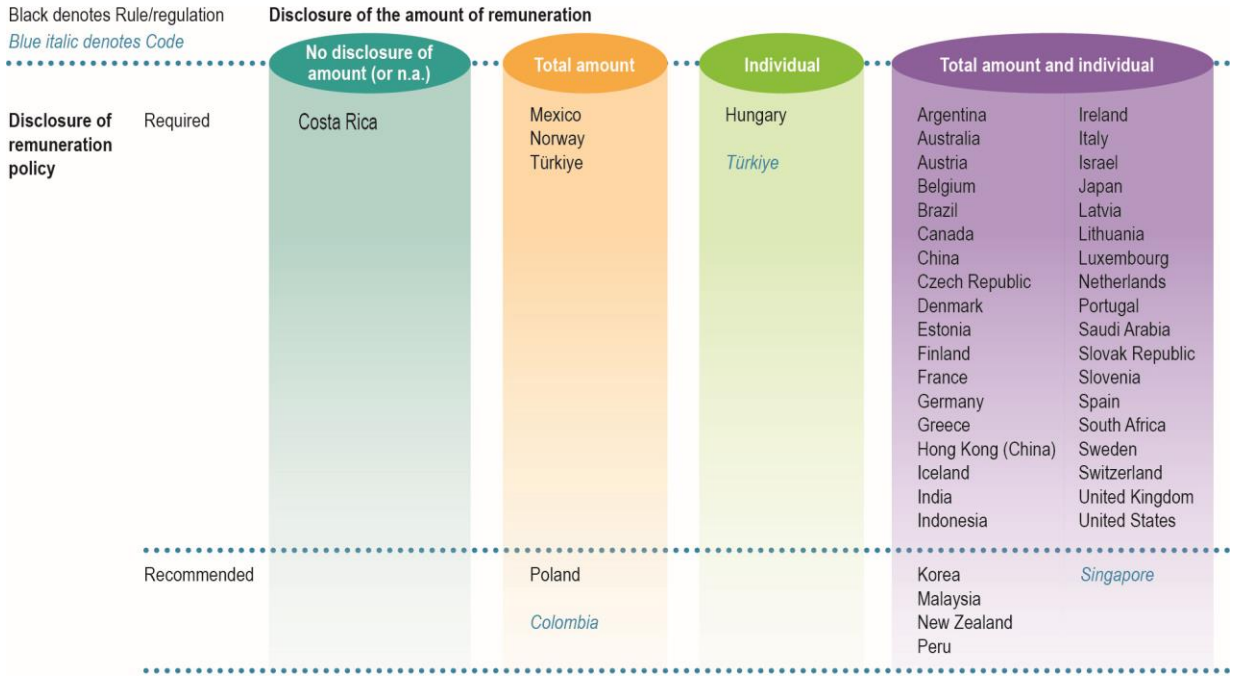


Note: Based on 49 jurisdictions. See Table 4.18 for data.

New Zealand has one of the most transparent remuneration disclosure policies, requiring it for all directors and employees earning above NZD 100 000 (USD 63 500). Some jurisdictions take a more nuanced approach. For example, in **Hong Kong (China)**, the listing rules require issuers to disclose the remuneration of the five highest paid individuals in aggregate and by band in their annual reports, unless any of them are directors of the issuers and in that case, the identities and emoluments of each of these directors must be disclosed.

Some jurisdictions limit required reporting at the individual level. For example, in **Brazil**, only the highest, lowest and the average paid to directors is required. In the **United States**, the requirement concerns all directors, the CEO, CFO and the three most highly compensated officers other than the CEO and CFO (and above USD 100 000). In **Malaysia**, the recommendation is for listed issuers to disclose the remuneration component of the top five senior management in bands of RM 50 000 (USD 11 355) and to fully disclose the detailed remuneration of every senior management personnel. **Japan** has an amount threshold (above JPY 100 million; USD 760 000), as does **Korea** – directors above KRW 500 million (USD 395 900) and five employees above KRW 500 million (USD 395 900).

Figure 4.21. Disclosure of the policy and amount of remuneration



Note: See Table 4.18 for data.

4.6. Gender composition on boards and in senior management

The *G20/OECD Principles*, as revised in 2023, recognise in sub-Principle V.E.4 the importance of bringing a diversity of thought to board discussions, and suggest in this regard that "[t]o enhance gender diversity, many jurisdictions require or recommend that publicly traded companies disclose the gender composition of boards and of senior management. Some jurisdictions have established mandatory quotas or voluntary targets for female participation on boards with tangible results. Jurisdictions and companies should also consider additional and complementary measures to strengthen the female talent pipeline throughout the company and reinforce other policy measures aimed at enhancing board and management diversity." The *Principles* also recommend that boards regularly evaluate "whether they possess the right mix of background and competences, including with respect to gender and other forms of diversity."

Since 2018, more jurisdictions have adopted measures to encourage women's participation on corporate boards and in senior management, most often via disclosure requirements and regulatory measures such as mandated quotas and/or voluntary targets.

With regards to disclosure requirements, 60% of the 49 surveyed jurisdictions have mandatory provisions on the gender composition of boards of listed companies, whereas only 27% mandate disclosure of the gender composition of senior management (see Figure 4.22). Directive (EU) 2022/2381 on improving the gender balance among directors of listed companies and related measures is expected to have a sweeping impact, as it requires that countries mandate listed companies to provide competent authorities with information annually about the gender composition of their boards. If the Directive's targets (described further below) are not being met, companies will need to explain how they plan to meet these objectives, including through more transparency in the qualification criteria and the selection process for directors. In the **United States,** a 2020 amendment to a US Securities and Exchange Commission regulation requires public companies to provide a description of their human capital resources to the extent that they are material to the company's business (SEC, 2020[3]).

Argentina has a mixed approach, with companies required to disclose board composition to the securities regulator at the time of board election, while a recent change in the Corporate Governance Code also recommends companies to disclose board composition diversity on an ongoing basis. **Hong Kong (China)** recently introduced a requirement that listed companies disclose and explain in the corporate governance section of their annual report how and when gender diversity on boards will be achieved, including targets and timelines, as well as how a pipeline of potential board candidates to achieve gender diversity is being developed. **Korea** has also recently introduced mandatory disclosure for listed companies. In **Singapore**, listed companies are required to disclose board diversity policies in their annual reports as well as their targets for achieving diversity, including plans and timelines.

Figure 4.22. Provisions to disclose data on the gender composition of boards and of senior management

Note: This Figure shows the percentage of jurisdictions applying either a law/regulation, recommendation, or no provision. N/A = information not available. See Table 4.19 for data.

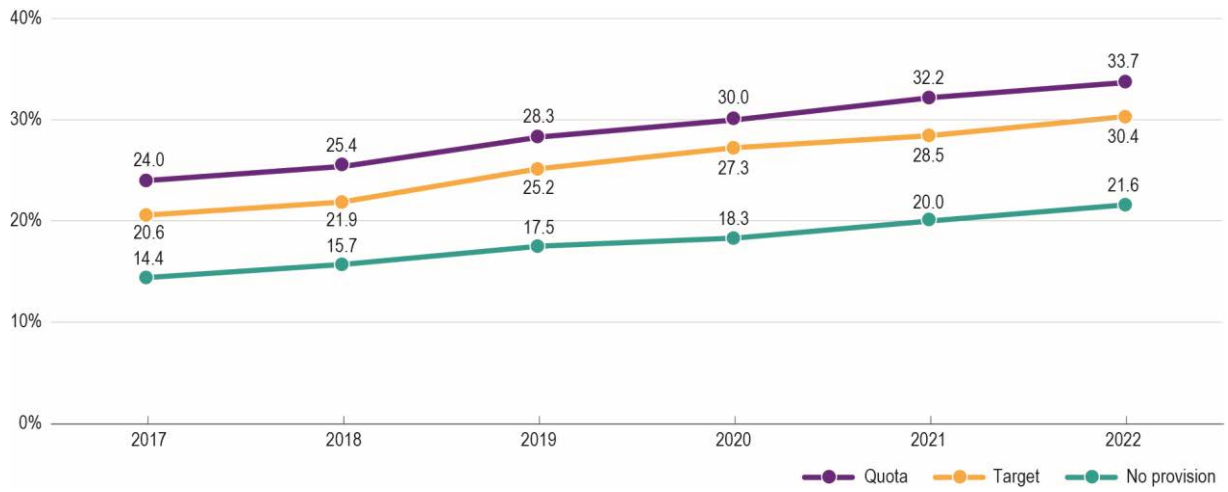
Fifteen of the 49 jurisdictions have established mandatory quotas for women's participation on boards of listed companies. Four jurisdictions require at least 40% of women on boards (**France**, **Iceland**, **Italy** and **Norway**), six require between 20-35%, and five mandate "at least one" female director (**Finland**, **India**, **Israel**, **Korea** and **Malaysia**). Requirements for specific companies vary across jurisdictions, with criteria commonly applicable to companies above a certain threshold which may take account of company size, number of employees or board members and/or level of assets. Sanctions for non-compliance exist in almost all jurisdictions with quotas, and take various forms, such as warning systems, fines, board seats remaining vacant, void nominations and delisting for non-compliant companies.

A significant boost is expected with the new EU Directive to improve gender balance amongst directors of listed companies, setting quotas for large, listed EU companies (more than 250 employees). At least 40% of the under-represented sex among non-executive board members or 33% among all directors will be required by 30 June 2026. Member states have two years to transpose the Directive's provisions into national law. In addition, large listed companies will also have to undertake individual commitments to reach gender balance among their executive board members. Companies that fail to meet this objective will have to report the reasons and the measures they are taking to address this shortcoming. Member states will be required to set up a penalty system that is effective, proportionate, and dissuasive for companies that fail to meet the new standards by 2026 (European Commission, 2012[4]).

Fourteen of the 49 jurisdictions have introduced recommended targets for listed companies or require listed companies to set their own numerical targets either in their corporate governance codes, applicable on a comply-or-explain basis, or in legislation. Six jurisdictions have set targets at 40% of women on boards, compared to four that have set mandatory quotas at the same level. Based on data comparing a subset of the largest listed companies in each jurisdiction, the average participation of women on boards across all 49 jurisdictions reached 27% in 2022, a significant increase from 19% in 2017.

Jurisdictions have adopted a range of approaches to promote greater gender diversity on boards. Notwithstanding the policy approach, significant progress has been achieved by many jurisdictions since 2017, even in those without quotas or targets. While binding quotas have yielded the highest levels of gender diversity on average over the last six years (as seen in Figure 4.23 below), jurisdictions applying targets or adopting other measures to encourage gender diversity have experienced a similar rate of growth in levels of gender diversity, while starting from a lower base. The progress achieved in jurisdictions with no quota or target in place shows that alternative and complementary measures ranging from shareholder initiatives in support of greater diversity to promoting a more enabling environment for the advancement of women on boards and in leadership positions can also play an important role in achieving results.

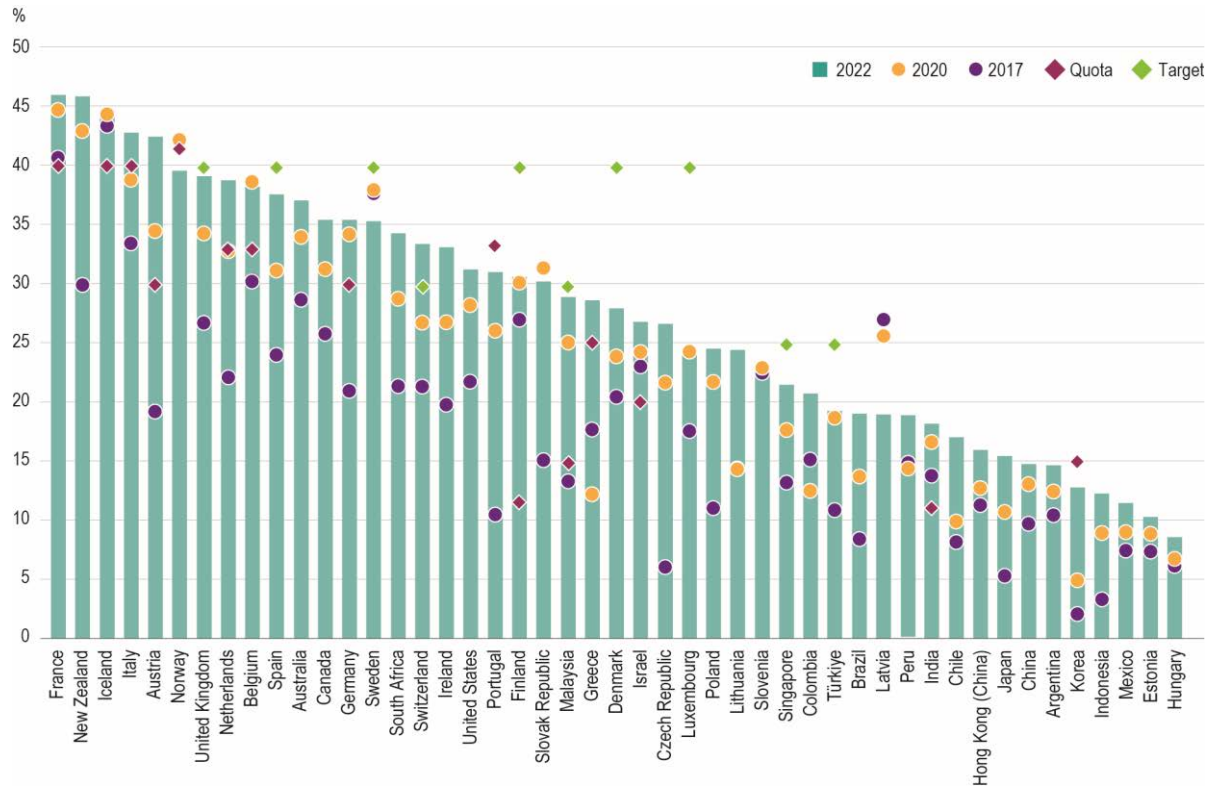
Figure 4.23. Aggregate change in the percentage of women on boards



Note: Average percentage of women on boards was calculated for the three categories relevant to the figure above, namely, jurisdictions with quotas, targets or no provision. Finland, Germany, Malaysia and the Netherlands are counted twice due to their implementation of both a quota and a target. Data from 2017–19 was obtained from OECD (2021[5]). Costa Rica is not included due to lack of data for the full time period covered. See Table 4.20 for data and description of data sources.

In terms of outcomes, the largest and most actively traded companies in eight jurisdictions with quotas met or exceeded their prescribed quotas in 2022, while this was the case in only a few jurisdictions with targets. Among the jurisdictions that have yet to achieve their quotas, one was very recently introduced.

Figure 4.24. Share of women on boards of largest listed companies (in 2017, 2020, and 2022) with reference to implemented quotas & targets, percentage



Note: In instances of an "at least one" quota (Finland, India, Israel, Korea and Malaysia), average board size of the relevant jurisdiction was used to calculate an average percentage for the applicable quota in the Figure above. Norway's quota is dependent upon board size and may range from 33% to 50%; for the Figure above, the average between the smallest and highest quota was used. Japan set a target at 12% for listed companies on the First section of the Tokyo Stock Exchange by the end of 2022. It is not shown in the Figure because of a substantial difference between the coverage of companies, etc. to which the target applies and the data that the Figure covers. Lithuania's datapoints for 2017 and 2020 are identical, these markers were adjusted so both could be observed. Data from 2017–19 were obtained from OECD (2021[5]) See Table 4.20 for data.
Source: MSCI Women on Boards: Progress Report 2022 (except as otherwise noted for 13 jurisdictions referenced in footnotes of Table 4.20).
For **Finland**, average board size data for 2022 may be found here.
For **India**, average board size data for 2020 may be found here.
For **Israel**, average board size data for 2022 was provided by the Israeli Securities Authority (ISA).
For **Korea**, average board size data for 2022 may be found here.
For **Malaysia**, average board size data for 2022 was provided by the Securities Commission (SC Malaysia).

Of particular note, ten jurisdictions (**Austria**, **Brazil**, **Chile**, **Indonesia**, **Japan**, **Korea**, **Malaysia**, **Poland**, **Portugal**, and the **Slovak Republic**) have at a minimum doubled since 2017 the percentage of women participating on boards (for **Korea**, the increase is six-fold). Another notable case is **New Zealand,** a jurisdiction without a quota or target, which nevertheless had one of the highest shares of women on boards in 2022. New Zealand's progress may have been supported by advocacy initiatives by associations and independent bodies. Institutional investor pressure, including votes against the re-election of directors in companies that fail to encourage diversity, has also had an important influence in some jurisdictions without quotas or targets (OECD, 2020[6])). For instance, in the **United States,** firms where the three largest institutional investors were categorised as having comparatively higher ownership stakes increased gender diversity on boards following pressure through voting strategies and influential campaigns (Gormley et al., 2023[7]).

Complementary initiatives also exist in jurisdictions where quotas have been adopted. For example, the Israel Securities Authority established in October 2021 Forum +35 to promote gender diversity on boards of reporting corporations and other entities supervised by the ISA. The Forum's objective is to have female directors comprise at least 35% of the boards of all supervised entities by 2026. The Forum includes representatives from the public, private and NGO sectors who contribute a broad perspective on this issue, and voluntary representatives of supervised entities whose boards have at least 35% of female directors.

With regards to women in management, as defined by the International Labour Organization, while the average of women in management (34%) exceeded the average of women on boards (27%) in 2022, the **percentage of women on boards has grown by 8 percentage points since 2017, whereas the percentage of women in management has only grown by 2 percentage points**.

Some jurisdictions are also extending mandatory quotas or targets to senior executives. For example, in **France** companies with more than 1 000 employees will have to meet 30% and then 40% quotas for more equal gender representation among senior executives and management committee members. From 2022, companies must publish annually on their websites an analysis of gender representation for their senior executive roles and management committee membership. From 2026, companies will have two years to ensure that women hold 30% or more of senior executive roles and management committee seats, and to negotiate corrective measures or implement measures in the absence of an agreement. From 2029, companies will have two years to comply with the 40% quota, and sanctions for non-compliance will take effect in 2031. **Switzerland** also started to require at least 20% of women on the management board beginning in 2021 (in addition to its 30% quota for women on boards). Furthermore, **Germany** is requiring listed companies to set individual targets for the executive board and the two management levels below the board. If the executive board of a listed company consists of four or more persons, at least one woman shall be appointed as a member of the board.

Table 4.1. Basic board structure: Classification of jurisdictions

One-tier system (23)	Two-tier system (8)	Optional for one-tier and two-tier system (15 + EU)	Multiple option with hybrid system (3)
Australia	Austria	Argentina[1]	Italy
Canada	China	Belgium	Japan
Chile	Estonia	Brazil	Portugal
Colombia	Germany	Czech Republic	
Costa Rica	Iceland[2]	Denmark	
Greece	Indonesia	Finland	
Hong Kong (China)	Latvia	France	
India	Poland	Hungary	
Ireland		Lithuania	
Israel		Luxembourg	
Korea		Netherlands	
Malaysia		Norway[3]	
Mexico		Slovenia	
New Zealand		Slovak Republic	
Peru		Switzerland	
Saudi Arabia		European Public LLC[4]	
Singapore			
South Africa			
Spain			
Sweden			
Türkiye			
United Kingdom			
United States			

1. In **Argentina**, companies falling within the scope of public offering regulations are required to have an Audit Committee (Comité de Auditoría) with oversight functions. It is designated and integrated by members of the Board (majority independent). In this sense, the Audit Committee is generally considered a sub-organ of the Board. On the other hand, companies in Argentina have also another body (distinct from the board) with oversight functions, the Statutory Auditors Committee (Comisión Fiscalizadora) and Supervision Council (Consejo de Vigilancia). In that sense, the Capital Market Law foresees that companies making public offering and having established an Audit Committee may dispense with a Statutory Auditors' Committee.
2. In **Iceland**, the board in its supervisory function is composed of non-executive directors only. In national law, the board appoints and delegates the executive powers to a single person, the CEO (not a member of the supervisory board). The CEO is the chair of the management board, which is composed of executive directors.
3. In **Norway**, both supervision and management of the operations of the company are the responsibility of the board of directors. In companies with more than 200 employees, a corporate assembly shall be elected. The corporate assembly's tasks are limited to and consist of electing the members and the chairman of the board of directors, supervising the board of directors' and general manager's administration of the company, and issuing opinions to the general meeting as to whether the board of directors proposal for income statements and balance sheets should be adopted and as to the board of directors' proposal for the employment of the profit or coverage of losses. At the proposal of the board of directors, the corporate assembly may adopt resolutions regarding certain investments, efficiency measures or alterations of the company's operations that will entail a major change or reallocation of the labour force. Lastly, the corporate assembly may adopt recommendations to the board of directors.
4. The EU regulation (EC/2157/2001) stipulates that European public limited liability company (Societas Europaea) shall have the choice of a one-tier system (an administrative organ) or a two-tier system (a supervisory organ and a management organ).

Table 4.2. One-tier board structures in selected jurisdictions

Jurisdiction	Description of board structure
Australia	• Australian listed companies commonly have a mixed one-tier board – a one-tier board comprised of both executive and non-executive directors. • There are usually between 8 to 12 directors on the boards of large (top 100) listed companies, with the board structure generally conforming to the pattern: non-executive chairman + several other non-executive directors + chief executive.

Jurisdiction	Description of board structure
Finland	• Listed companies use a one-tier governance model, which, in addition to the general meeting, comprises the board of directors and the managing director. According to the Limited Liability Companies Act, a company may also have a supervisory board. Only four Finnish listed companies have supervisory boards, whereas 128 companies do not have supervisory boards. • The boards of listed companies mainly consist of non-executive directors. In seven companies, the managing director is a member of the board. The typical board consists of approximately five to eight directors.
India	• In India, listed entities have a combination of executive and non-executive directors on their boards, with at least one woman director and not less than 50% of the board of directors comprising of non-executive directors. Further, the top 1 000 listed entities (by market capitalisation) are required to have at least one woman independent director. • The quorum for every meeting of the board of directors of the top 2000 listed entities is one-third of its total strength, or three directors, whichever is higher, including at least one independent director. • The board of directors is required to lay down a code of conduct for all members of the board and senior management of the listed entity, incorporating the duties of independent directors.
Mexico	• According to Article 28 of the Securities Markets Law, the board of directors is responsible, among other functions, for setting the general strategies for the business and the subsidiaries that it controls. • The directors of the board of listed companies have the duty of loyalty and due care not only for the company but also for the subsidiaries and firms where the listed firm has significant influence (more than 20% of equity). • In practice, it is common to have directors in several boards, as well as directors participating in more than one company within a company group.
New Zealand	• NZX-listed companies are required to have a minimum of three directors. It is recommended in the NZX Corporate Governance Code, that a majority of the board should be independent directors. • NZX recommends the chair be independent, if the chair is not independent, the chair and CEO should be different people. They also recommend that the board should have a formal written charter setting out their roles and responsibilities, and those of directors, including formal delegations to management. • A director's duties include determining and implementing policies and making decisions, preparing and filing statutory documents, maintaining records and calling meetings including an annual meeting of shareholders.
South Africa	• The Companies Act, 2008 provides for a one tier board system as a minimum standard and requirement (although 2-tier boards are also permitted). • King IV Code on Corporate Governance for listed companies recommends a 1-tier board, and distinguishes between governing body and management. Principle 7 of the Code provides for the Chief Executive Officer and at least one executive to be appointed to the governing body for interaction with management. The other executive can be the Chief Financial Officer (CFO).
Sweden	• The Companies Act recognises a board and a CEO (company body/person). The Corporate Governance Code recommends a maximum of one executive to sit on the board. • Under the Companies Act the CEO (if not a board member) has the right to attend (but not vote at) all board meetings unless otherwise decided by the board of directors in any specific case. • About one-third of Swedish listed companies have one executive on the board, which is the CEO in nearly all cases.
Switzerland	• In form, the Swiss board concept follows the one-tier board model. • However, in case of a delegation of management authorities to individual members of the board, a two-tier board results. • Furthermore, among banks and insurers a two-tier approach is common and is expected by the regulator.
United States	• Delaware corporate law mandates that the responsibility for the oversight of the management of a corporation's business and affairs is vested in its board of directors. • The boards for listed companies are generally one-tier which may be comprised of both executive and non-executive directors and the maximum and minimum number of directors is fixed in the company's governing documents. • Delaware corporate law also permits the board of directors to appoint committees having a broad range of powers and responsibilities, and to select the company's executive officers consistent with its bylaws.

Table 4.3. Two-tier board structures in selected jurisdictions

Jurisdiction	Description of board structure
Brazil	**Supervisory body (optional except for state-owned enterprises)**
	• The Fiscal Council is a board that reports to the shareholders, independent from the administrators, and is established by decision of the general meeting with the purpose of supervising the regularity of management's activities. Brazil's Securities Commission (CVM) therefore considers it equivalent to a supervisory board. Some of its responsibilities are similar to an audit committee such as reviewing company financial reports while also having some broader responsibilities related to ensuring that directors and managers do not extract private benefits and that they comply with all provisions of the Companies Law. However, the Fiscal Council is not responsible for issues related to strategy, investment decisions or succession planning.
	• Brazilian Corporate Law prevents administrators and employees (and their close relatives) of the company, or of a company in the same group, to be appointed to the Fiscal Council.
	• Members of the Fiscal Council have the power to act individually, despite the collective nature of the body.
	• According to a KPMG Survey based on data from Brazil's 2021 Reference Forms, 61% of listed companies have a Fiscal Council and 40% of members are appointed by minority shareholders.
	• For the 39% of listed companies without a Fiscal Council, the management body as described below serves as a single-tier board.
	Management body (executive and non-executive board)
	• According to Brazilian Corporate Law, both supervision and management of the operations of the company are the responsibility of the board of directors.
	• The board of directors consists of executive and non-executive managers (the former up to the limit of one-third of the members).
	• According to a KPMG Survey based on data from Brazil's 2016 Reference Forms, 8% of directors on the boards are executive managers, 56% are outside directors and 36% are independent directors.
China	• In Chinese listed companies, a supervisory board and a board of directors are appointed by the shareholders.
	• The supervisory board is comprised of shareholder representatives and employee representatives, employee representatives account for at least one-third of the supervisory board. It is a permanent supervisory body and exercises its supervisory power over the board of directors, management and the whole company independently. Independent directors and the supervisory board both act as a company's internal supervision mechanisms.
	• The board of directors is comprised of directors and independent directors, and independent directors shall account for more than one-third of the board in a listed company. A listed company must also set up an audit committee which is comprised of directors and majority is independent directors. Manager teams are selected by the board of directors and responsible for the daily operating of the company.
Estonia	**Supervisory body**
	• Public limited liability companies are required to have a supervisory board with at least three members. An advisory board is also obligatory for public limited companies.
	• The supervisory board plans the activities and organises the management of the company and supervises the activities of the management board. The supervisory board must notify the general meeting of the results of a review.
	• In practice, the majority of listed companies have four to six members on the supervisory board.
	Management body
	• Public limited liability companies are required to have a management board which may comprise only one member. The management board is responsible for the daily representation and management of the company.
	• In practice, the majority of listed companies have two to four members in the management board. 6 listed companies (of the total 18) were reported to have only one member in the management board.
Germany	**Supervisory body**
	• A Supervisory Board (Aufsichtsrat) consists of non-executive board members.
	• *Companies subject to co-determination:* Listed companies with 501 – 2000 employees must have a supervisory board that consists of one-third of employee representatives. Companies with more than 2000 employees must have a supervisory board that is equally composed of shareholder representatives and employee representatives.
	• *Companies not subject to co-determination:* The supervisory board should usually consist of 3 members. The articles of association may establish a higher number of board members which, commensurate with the registered capital of the company concerned, may amount to a maximum of 9, 15, or 21 members.
	• The typical board of a listed company has a mixed structure. In many cases, the board consists of former CEOs and experts, particularly financial experts, such as auditors or accountants.
	Management body
	• A Management Board (Vorstand) consists of executive board members.

Jurisdiction	Description of board structure
Indonesia	**Supervisory body**
	• The board of commissioners is defined as the company organ with the task of supervising and giving advice to the board of directors, which is the management body of the company.
	• The members are elected at the general meeting of shareholders.
	Management body
	• The board of directors is defined as the company organ with full authority and responsibility for the management of the company.
	• The members are elected at the general meeting of shareholders. The board of commissioners is not endowed to appoint and/or dismiss the directors.
	• The board of commissioners is endowed to temporary dismissal of the directors upon the approval by the general meeting of shareholders.

Table 4.4. Examples of a hybrid board structure

Jurisdiction	Structure			
Italy	[T] The "**traditional**" model[1]	-	Board of directors	A **board of directors** and a **board of statutory auditors** (*collegio sindacale*) both appointed by the shareholders' meeting; the board of directors may delegate day-to-day managerial powers to one or more executive directors, or to an executive committee.
		-	Board of statutory auditors	
	[2] The "**two-tier**" model (*dualistico*)	-	Supervisory board	A **supervisory board** appointed by the shareholders' meeting and a **management board** appointed by the supervisory board, unless the bylaws provide for appointment by the shareholders' meeting; the supervisory board is not vested with operative executive powers, but, in the by-laws, it may be entrusted with "high level" management powers.
		-	Management board	
	[1] The "**one-tier**" model (*monistico*)	-	Board of directors	A **board of directors** appointed by the shareholders' meeting and a **management control committee** made up of non-executive independent members of the board; the board may delegate day-to-day managerial powers to one or more managing directors, or to an executive committee.
		-	Management control committee	
Japan	**[A]** "**Company with statutory auditors**" model	-	Board of directors	There must be at least one executive director and may be non-executive directors as well. Where this model is adopted, there is a separate organ of the company called the "**statutory auditors**" (*Kansayaku*[2]), which has the function of auditing the execution of duties by the directors.
		-	Statutory auditors	
	[C] "**Company with three committees**" model	-	Board of directors	The company must establish **three committees** (nomination, audit and remuneration committees), with each committee composed of three or more directors, and a majority must be outside directors.
		-	Three committees	
	[S] "**Company with an audit and supervisory committee**" model	-	Board of directors	The company must establish an **audit and supervisory committee** composed of more than three directors, the majority being outside directors. The committee has mandates similar to that of the statutory auditors, as well as those of expressing its view on the board election and remuneration at the shareholder meeting.
		-	Audit and supervisory committee	
Portugal[3]	[2C] The "**traditional**" model	-	Board of directors	A board of directors and a supervisory board (*conselho fiscal*) appointed by the shareholders; the board of directors may delegate managerial powers to one or more executive directors or to an executive committee; members of the supervisory board cannot be directors and, in case of listed companies, the majority must be independent.
		-	Supervisory board (*conselho fiscal*)	
	[2A] The "**one-tier**" model	-	Board of directors	A board of directors and a supervisory board (*comissão de auditoria*) appointed by the shareholders; the board of directors may delegate managerial powers to one or more executive directors or to an executive committee; members of the supervisory board must be non-executive directors and, in case of listed companies, the majority must be independent.
		-	Supervisory board (*comissão de auditoria*)	
	[2G] The "**two-tier**" model	-	Executive board of directors	A board of directors and a supervisory board (*conselho geral e de supervisão*); members of the board of directors are appointed by the

Jurisdiction	Structure			
		-	Supervisory board (*conselho geral e de supervisão*)	supervisory board (unless the articles of association provide for appointment by shareholders); members of the supervisory board cannot be directors and are appointed by shareholders and, in case of listed companies, the majority must be independent. Listed companies are also required to set up a financial affairs committee (*comissão para as matérias financeiras*) which is a specialised committee of the supervisory board composed by a majority of independent members.

1. In **Italy**, the traditional model, where the general meeting appoints both a board of directors and a board of statutory auditors, is the most common board structure. The board of statutory auditors functions as an internal auditing board.
2. In **Japan**, statutory auditors (Kansayaku) are different from external auditors. Statutory auditors are appointed by shareholders meetings and their principal role is to audit activities of directors from a legal viewpoint. Statutory auditors include both internal ones and external ones (external statutory auditors are those who have not worked for the company as executive directors or employees.). The Companies Act requires certain large companies to have committees of statutory auditors and half or more of the members of such committees shall be external statutory auditors.
3. In **Portugal**, all three models comprise two boards (a board of directors and a supervisory board), and a statutory auditor although subject to different rules. Portugal no longer has the concept of external auditor: since the transposition/implementation of the European audit legislation (2014) there is only the statutory auditor, which can perform the tasks once reserved to the external auditor. Notwithstanding, some national companies prefer to appoint a different auditor to issue the audit report as well as to carry out audit services with a broader scope than statutory audits, provided that the integrity of the functions and the liability regime of the statutory auditor are not compromised.

Table 4.5. Board size and director tenure for listed companies

Jurisdiction	Tier(s)	Board of directors (Supervisory board for 2-tier board)			Management board (two-tier system)			
		Size		Appointment	Size		Appointment	
		Minimum	*Maximum*	*Maximum term years*	*Minimum*	*Maximum*	*Maximum term years*	*By*
Argentina	2	3	-	3 to 5	3	-	3 to 5	GSM
Australia	1	3	-	3[1]				
Austria	2	3		5	-			SB
Belgium	2	3	-	6	3		6	SB
Brazil	1	3	-	3 [2]				
	2	3	5	-	3	-	3[2]	GSM
Canada	1	3	-	1[2][1]				
Chile	1	5 or 7	-	3				
China	2	3	-	3	5	19	3	GSM
Colombia	1	5	10	-				
Costa Rica	1	3	-	-				
Czech Republic	1+2	(3)		-	(3)		-	GSM, SB
Denmark	1+2	3		4 (1)	1			SB
Estonia	2	3		5	1	-	5	SB
Finland	1+2	-		(1)			(1)	(GSM)
France	1+2	3	18	6 (4)	1	7	6	SB
Germany	2	3	21	5	1-2	-	5	SB
Greece	1	3	15	6				
Hong Kong (China)	1	[3][3]	-	(3)				
Hungary	1+2	(3)[4]	-	(5)	3	-	-	GSM
Iceland	2	3	-	-	-	-	-	SB
India[5]	1	3/6	15	3 to 5				
Indonesia	2	2	-	5	2	-	5	GSM
Ireland	1	2		-				
Israel	1	4[6]	-	-				

Jurisdiction	Tier(s)	Board of directors (Supervisory board for 2-tier board)			Management board (two-tier system)			
		Size		Appointment	Size		Appointment	
		Minimum	*Maximum*	*Maximum term years*	*Minimum*	*Maximum*	*Maximum term years*	*By*
Italy	T+1	-		3				
	2	3	-	3	2	-	3	SB
Japan	C+S	3	-	1				
	A	3	-	2				
Korea	1	3 (smaller for SMEs)	-	3				
Latvia	2	5	20	5	3	-	5	SB
Lithuania	1+2	3	15	4	3	-	4	SB/GSM[7]
Luxembourg	1+2	3		6	-	-	6	SB/GSM
Malaysia	1	2	-	3[8]				
Mexico	1	3 (3)	21 (15)	-				
Netherlands	1+2	-		(4)	-		(4)	GSM
New Zealand	1	-		-				
Norway	1	3	-	4 (2)				
	2	12	-	4 (2)	5	-	-	SB
Peru	1	3[9]	-	3				
Poland	2	5	-	5	1	-	5	SB
Portugal	2C+2A+2G	-		4	-		4	SB/GSM[10]
Saudi Arabia	1	3	-	4				
Singapore	1	3	-	3				
Slovak Republic	1+2	3	-	5	1	-	5	GSM/SB
Slovenia	1+2	3	-	6	1	-	6	SB
South Africa	1	-	-	-	-	-	-	GSM
Spain	1	3	-	4				
Sweden	1	3	-	4 (1)				
Switzerland	1+2	1	-	1				SB
Türkiye	1	5	-	3[11]				
United Kingdom[12]	1	2	-	(1)				
United States[13]	1	[3]	-	3				

Key: **[ ]** = requirement by the listing rules; **( )** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation; **SB** = Supervisory board; **GSM** = General Shareholder Meeting. For definitions of tiers for Italy, Japan and Portugal, see Table 4.4.

1. In **Australia**, directors may be re-appointed for successive terms. This includes independent directors.
2. In **Canada**, the Canada Business Corporations Act requires annual elections of directors for distributing corporations.
3. In **Hong Kong (China)**, the Main Board Listing Rules do not contain any requirements for minimum board size but they require at least three independent non-executive directors and they must represent at least one-third of the board.
4. In **Hungary,** in the case of a one-tier system, there cannot be less than five members.
5. In **India**, while the minimum number of directors on the board of a public company is three, the boards of the top 2 000 listed entities, based on market capitalisation, are required to comprise not less than six directors. Furthermore, the maximum number of directors (15) may be increased by a special resolution of the shareholder meeting.
6. In **Israel,** the minimum board size is underpinned by the requirement for the membership of audit committees. In addition, according to the Israeli company law, there is a limited term for certain types of directors such as an external director.
7. In **Lithuania**, the board shall be elected by the supervisory board. If the supervisory board is not formed, the board shall be elected by the general meeting of shareholders.
8. In **Malaysia**, a director's retirement is based on one-third rotation at every annual general meeting where the longest serving director in the office (since the last election) shall retire. A retiring director shall be eligible for re-election.

9. In **Peru**, the corporation's bylaws must establish a fixed number or a maximum and minimum number of directors. When the number of directors is variable, the shareholder´s meeting, before the election, must decide on the number of directors to be elected for the corresponding period. The number of directors shall not be less than three.
10. In **Portugal**, when a company adopts the "two-tier" model, the number of members of the supervisory board must be higher than that of the executive board of directors. Furthermore, in the "two-tier" model, members of the executive board are appointed by the supervisory board, unless the articles of association provide that they are appointed by the shareholders. In the remaining two models, members of the board of directors are elected by the shareholders.
11. In **Türkiye**, directors may be re-appointed unless otherwise stated in the company's articles of association. Independent directors may also be re-appointed. However, independence criteria set forth under the Corporate Governance Principles requires the independent director not to have served as a board member for six years in the company within the previous 10 years. Therefore, it would be possible to re-appoint an independent director successively for a second term only.
12. In the **United Kingdom** it would be possible for two executive directors to be the sole members of a board. However it is recommended that there should also be an independent chair and independent board members. Independent board members have to be re-appointed each year but the UK Corporate Governance Code recommends that they do not stay in post beyond a total of nine years.
13. In the **United States**, NYSE and Nasdaq rules require companies to have an audit committee of at least three members. The maximum term of three years would apply to companies listed on the NYSE with classified boards of directors.

Table 4.6. Board independence requirements for listed companies

Jurisdiction	Tier(s)	Board independence requirements		Key factors in the definition of independence			
		Separation of the CEO and Chair of the board (as applicable to 1-tier boards)	Minimum number or ratio of independent directors	Term Maximum term of office & effect at the expiration of term		Independence from "substantial shareholders"	
						Requirement	Shareholding threshold of "substantial shareholders" for assessing independence
Argentina	2	-	(66%)	10	No independence	Yes	5%
Australia	1	Recommended	(>50%)	-	-	(Yes)	5%
Austria	2	-	(50%)	-	-	No	-
Belgium	1+2	Recommended	3	12	No independence	Yes	10%
Brazil[1]	1+2	Required	20% (33%)	-	-	(Yes)	(50%)
Canada	1	-	2 (>50%)[2]	-	-		
Chile	1	Required	1[3]	-	-	Yes	10%
China	2	-	33%	6	No independence	Yes	(5%); rank in top 5 shareholders
Colombia	1	Required	[25%]	-	-	[Yes]	[<50%]
Costa Rica[4]	1	Recommended	2	9	No independence	Yes	10%
Czech Republic	1+2	Recommended	(>25%)	-	-	(Yes)	-
Denmark	1+2	Required	(50%)	(12)	(No independence)	(Yes)	(20%)
Estonia	2		(50%)[5]	10	(No independence)	Yes	-
Finland	1+2	Recommended	(>50%)	-[6]	-	(Yes for 2)	(10%)
France	1+2	-	(50% or 33%)	(12)	(No independence)	(Yes)	(10%)
Germany[7]	2	-	(Appropriate number with further specifications)	(12)	Indication for non-independence	(Yes)	-
Greece	1	Required	2 (1/3)	9	(No independence)	No	-

Jurisdiction	Tier(s)	Board independence requirements		Key factors in the definition of independence			
		Separation of the CEO and Chair of the board (as applicable to 1-tier boards)	Minimum number or ratio of independent directors	Term Maximum term of office & effect at the expiration of term		Independence from "substantial shareholders"	
						Requirement	Shareholding threshold of "substantial shareholders" for assessing independence
Hong Kong (China)	1	Recommended	[3 and 33%]	(9)	(Explain)[8]	Yes	10%
Hungary	1+2	-	50%	(5)	(No independence)	Yes[9]	30%
Iceland	2		(50%)	-	(Explain)	Yes for 2	10%
India	1	-[10]	[33% or 50%]	10[11]	No independence for 3 years	Yes	2%
Indonesia	2	-	[30%]	10[12]	[Explain]	[Yes]	[20%]
Ireland	1	Recommended	(>50%)	(9)	(Explain)	No	-
Israel	1	Required[13]	2 (50% or 33%)	9	No independence, leaves board[14]	Yes	5%
Italy	T+1+2	-[15]	1 (or 2 if the board>7 members)[16]	(9)	(Explain)	Yes	-
Japan[17]	A	-	[1] and (2)	-	-	Yes	10%
	C, S	-	Majority of each committee, [1] and (2)				
Korea	1	-	>50% and at least 3[18]	-	-	Yes	Largest or all >10%
Latvia	2	-	(50%)	10	(No independence)	Yes	-
Lithuania	1+2	Required	33%	10	No independence	Yes	20%
Luxembourg	1+2	-	-	12	No independence	Yes	10%
Malaysia	1	Recommended	[1/3 or 2]	(9)	(Explain)[19]	Yes	10% or more of total number of voting shares in the corp.; or 5% or more of number of voting shares where such person is largest sh of corp.
Mexico	1	-	25%	-	-	Yes	20%
Netherlands	1+2	Required	(>50%)	-	-	Yes	10%
New Zealand	1	Recommended	2 required, majority recommended	-	-	(Yes)	5%
Norway	1+2	Required	2 (>50%)	-	-	Yes	10%
Peru[20]	1	Recommended	(33%)	(10)	(No independence)	(Yes)	(1%)
Poland	2		(2)	(12)	(No independence)	(Yes)	(5%)

Jurisdiction	Tier(s)	Board independence requirements		Key factors in the definition of independence			
		Separation of the CEO and Chair of the board (as applicable to 1-tier boards)	Minimum number or ratio of independent directors	Term Maximum term of office & effect at the expiration of term		Independence from "substantial shareholders"	
						Requirement	Shareholding threshold of "substantial shareholders" for assessing independence
Portugal	BoD	-	(Adequate proportion)	(12)	(No independence)	(Yes)	(Controlling SH or company in group relationship)
	SB	-	[>50% including the Chair]	2 re-elections, up to a max. of 4 years each (total of 12 years)	No independence	Yes	2%
Saudi Arabia	1	Required	33% or 2	(9)	No independence	Yes	5%
Singapore[21]	1	Recommended	(Majority)	[9]	Explain	(Yes)	5%
		Recommended	[1/3]				
Slovak Republic	1+2	Recommended	-	-		No	-
Slovenia	1+2	Required	(50%)	(12)	(No independence)	Yes	(Controlling SH)[22]
South Africa	1	Required	Majority of non-executives	-	Conduct a review of the independence of the Director every 10 years.	Yes	-
Spain	1	Recommended	2	12	No independence	Yes	3%
Sweden	1	Required	(>50%)	-	-	Yes for 2	10%
Switzerland	1+2	Recommended[23]	(>50%)	-	-	No	-
Türkiye[24]	1	Recommended	(33% and 2)	6	No independence	Yes	Controlling SH
United Kingdom	1	Recommended	(50%)	9	Explain	No	-
United States	1	-	[>50%][25]	-	-		

Key: **[ ]** = requirement by the listing rules; **( )** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation. For 2-tier boards, separation of the Chair from the CEO is assumed to be required as part of the usual supervisory board/management board structure unless stated otherwise.

1. In **Brazil**, according to CVM Resolution No. 80/2022 (Annex K, Article 5º), the participation of independent members on the board of directors is mandatory for listed companies registered in category A with outstanding shares or certificated of deposit of shares.
2. In **Canada**, National Policy 58-201 Corporate Governance Guidelines provides that there should be a majority of independent directors.
3. In **Chile**, a mandatory independent board member is required for a listed company only if it has listed equity above 1, 500, 00 inflation linked units (approx. USD 61.5 million as of Dec. 2022) and at least 12.5% of its shares with voting rights are owned by shareholders who do not individually own or control more than 10% of such shares.
4. In **Costa Rica**, the Corporate Governance Regulation was reformed to adopt a new regulatory requirement with multiple criteria for board independence that took effect on 1 January 2023, including a transitionary measure for the provision setting 9 years within a 12-year period as the maximum to be considered independent to be phased in gradually by 2026.
5. In **Estonia**, if there is an uneven number of board members, there may be one independent director less than dependents to comply with the code recommendation.
6. In **Finland**, pursuant to the Corporate Governance Code, the board of directors may, based on an overall evaluation, determine that a director is not independent of the company or a significant shareholder if the director has served as a director for more than 10 consecutive years. The effect of a director's long service history (in excess of 10 consecutive years) on his/her independence shall be evaluated at regular intervals as part of the overall evaluation, i.e. at least once a year.

7. In **Germany**, according to the German Corporate Governance Code, the supervisory board shall include an appropriate number of independent members (regarding the members appointed by the shareholders). The Code contains further specifications (see Table 4.7). Also, not more than two former members of the management board shall be members of the supervisory board.
8. In **Hong Kong (China)**, pursuant to the Corporate Governance Code, if an independent non-executive director has served more than nine years, such director's further appointment should be subject to a separate resolution to be approved by shareholders and the relevant shareholder circular should state why the board (or the nomination committee) believes that the director is still independent and should be re-elected.
9. In **Hungary**, according to Section 3:286 (3) of the Civil Code, controlled companies are not subject to this independence requirement.
10. In **India**, as per Companies Act, 2013, the separation of the CEO and chair of the board is mandatory unless the company does not carry multiple businesses or if the articles of the association of the company provide otherwise. This requirement applies to public companies, whether listed or not, above a certain size threshold. Further, where the chairperson of the board is a non-executive director, at least one-third of the board is required to be comprised of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board must be independent. However, where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of the board or at one level below the board, at least half of the board of the listed entity must be independent.
11. In **India**, independent directors can be appointed for a term up to a period of 5 years and are eligible for re-appointment on passing of special resolution by the company for another term of up to 5 years. They can present themselves for reappointment as independent directors, after a cooling off period of three years.
12. In **Indonesia**, the maximum term of office for independent supervisory board members (called commissioners) is two periods of the board term. Independent commissioners can be appointed for more than two periods as long as they explain why they consider themselves independent at the General Shareholder Meeting.
13. In **Israel**, a separation of the Chair and CEO may be waived (for a 3-year term) subject to the approval of the majority of those shareholders who do not have 'personal interest' in the decision and/or do not hold control of the company or if no more than 2% of those shareholders objected to such nomination.
14. In **Israel,** following nine years as an independent board member, the director's tenure on the board ends and he or she is not allowed to serve as an officer, an employee, or to provide services to the company, whether directly or indirectly, for two years.
15. In **Italy**, the Corporate Governance Code does not recommend explicitly the separation of the chair and the CEO, but at the same time requires, in case of the concentration of offices, the appointment of a Lead Independent Director.
16. In **Italy**, the Corporate Governance Code sets other independence criteria and recommends a different minimum number of independent directors in the board (33% in controlled or 50% in non-controlled large companies; at least two independent directors for all the other listed companies).
17. In **Japan**, the Companies Act was amended in 2019 to require certain types of companies to appoint at least one outside director, eliminating an exception that allowed them to avoid appointing an outside director by explaining the reason. In addition, Japan's Corporate Governance Code indicates that companies listed on the Prime Market of TSE should appoint at least one-third of their directors as independent directors (two directors if listed on other markets), although, if a company listed on the Prime Market of TSE in its own judgement believes it needs to appoint the majority of directors (at least one-third of directors if listed on other markets) as independent directors, it should appoint a sufficient number of independent directors.
18. In **Korea**, the requirement for more than 50% and at least 3 independent directors applies to the largest listed companies. Listed companies with equity capital valued less than 2 trillion won must elect at least 25% independent directors.
19. In **Malaysia**, the 12-year tenure limit prescribed under the Listing Requirements took effect from 1 June 2023 onwards. Further, Practice 5.3 of the Malaysian Code on Corporate Governance recommends that the tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain the independent director beyond nine years, the board should seek annual shareholders' approval through a two-tier voting process.
20. In **Peru**, the independent director cannot have more than 10 continuous or alternate years during the last 15 years as an independent director of the company or of any company of its economic group.
21. In **Singapore**, a majority of independent directors is recommended for companies if the chair is not independent. Furthermore, The SGX Listing Rules previously required the appointment of independent directors who have served beyond nine years to be subject to a two-tier vote requiring approval by the majority of (i) all shareholders; and (ii) all shareholders excluding shareholders who also serve as directors or the CEO and their associates. These rules were amended on 11 January 2023. Under the new regime, the SGX Listing Rules require independent directors to be subject to a nine-year tenure limit. Independent directors who have served beyond such limit must be redesignated as non-independent within a prescribed time limit.
22. In **Slovenia**, the threshold for assessing independence is in relation to a "controlling shareholder". A shareholder is considered to be a controlling shareholder if they hold the majority of voting rights, if they control the company based on an enterprise contract or if it controls the company in practice through other reasons.
23. In **Switzerland**, the separation of the CEO and the chair of the board is required for banks and insurers. The code recommends that the audit committee and the compensation committee consist of independent members of the board. The chairperson of the board should not also be the chairperson of the audit committee; respectively non-executive and independent members (Articles 22 and 37 of the Swiss Code of Best Practice for Corporate Governance (economiesuisse) 2014).

24. In **Türkiye**, in case the same person is appointed as the CEO and the chair of the board, this shall be disclosed to the public along with its justification. On the other hand, the CEO and the chair of the board cannot be the same person for banks and insurers. The number of independent directors shall not be less than 1/3 of the total director number, while smaller companies shall have a minimum of two independent directors. Also, the independent director cannot hold more than 5% of capital in the company or its controlling shareholder.
25. In the **United States**, controlled companies are not subject to this independence requirement.

Table 4.7. Requirement or recommendation for board independence depending on ownership structure

Jurisdiction	Provision for independent board depending on ownership structure		
		Factors influencing the independent board requirement	
Chile	Minority shareholders	A mandatory independent board member is required for a listed company, **only if it has listed equity above 1 500 000 inflation linked units** (approx. USD 61.5 million as of December 2022) **and at least 12.5%** of its shares with voting rights **are owned by shareholders** who **do not individually own or control more than 10%** of such shares. Board independence is defined not only in relation to shareholders but also in relation to material business relationships.	
France	Controlling shareholders	*Companies **without controlling shareholders**:*	- **The code recommends that a majority** of the directors should be independent.
		*Companies **with controlling shareholders**:*	- **At least one-third** of the directors should be independent.
		For small and medium listed companies, Middlenext's corporate governance code recommends that the board should include **at least two independent directors.** This number may be reduced to one member when the board has five members or less. This may be increased on boards with a large number of members.	
Germany	Controlling shareholders	*Companies **without controlling shareholders**:*	- According to the recommendation of the German Corporate Governance Code, more than half of the members of the supervisory board shall be independent from the company and the executive board (regarding the members appointed by the shareholders).
		*Companies **with controlling shareholders**:*	- Additionally, in case the supervisory board has six or less members, at least one, in other cases at least two members, shall be independent from the controlling shareholders (regarding the members appointed by the shareholders).
Israel	Controlling shareholders	*Companies **with dispersed shareholding**:*	- **A majority** of the directors should be independent.
		*Companies **with controlling shareholders**:*	- **At least one-third** of the directors should be independent.
Italy	Pyramidal and integrated group structures	Companies belonging to an integrated group which are controlled by another listed company (pyramid) **must have a board with a majority of independent directors** as a listing requirement (For the purpose of such provisions independent directors cannot serve in the parent company's board).	
	Controlling shareholder	*Large companies without controlling shareholders:*	- The Corporate Governance Code recommends that a majority of the directors should be independent.
		Large companies with controlling shareholders:	- At least one-third of the directors should be independent.
United States	Controlling shareholders	A listed company of which more than **50% of the voting power** for the election of directors is held by an individual, a group or another country is **not required** to comply with the majority independent board requirement.	

Table 4.8. Employees on the board

Jurisdiction	Tier	Minimum number of employees	Minimum requirement	Maximum allowance
Argentina	2	-	-	-
Australia	1	-	-	-
Austria	2	300	33%	-
Belgium	1	-	-	-
Brazil	1	-	-[1]	-
Canada	1	-	-	-
Chile	1	-	-	-
China	2	-	33%[2]	-
Colombia	1	-	-	-
Costa Rica	1	-	-	-
Czech Republic	2	500	33%	50%
Denmark[3]	1+2	35	2	50%
Estonia	2	-	-	-
Finland	1+2	150[4]	-	
France[5]	1+2	1000 or 5000	1 or 2	33% or 5
Germany[6]	2	2001	50%	50%
		501-2000	33%	-
Greece	1	-	-	-
Hong Kong (China)	1	-	-	-
Hungary	1+2	200	33%	-
Iceland[7]	2	-	-	-
India	1	-	-	-
Indonesia	2	-	-	-
Ireland[8]	1	-	-	-
Israel	1	-	-	-
Italy	T+1+2	-	-	-
Japan	C+A+S	-	-	-
Korea	1	-	-	-
Latvia	2	-	-	-
Lithuania	1+2	-	-	-
Luxembourg	1+2	1000	33%	33%
		1000	-	33%
Malaysia	1	-	-	-
Mexico	1	-	-	-
Netherlands	1+2	100	-	33%[9]
New Zealand	1	-	-	-
Norway	1+2[10]	31, 51 and 201	1 for lowest category; 33% min. 2 for middle category, and 33% min. 3 for largest category	-
Peru	1	-	-	-
Poland	2	-	-	-
Portugal	2C+2A+2G	-	-	-
Saudi Arabia	1	-	-	-
Singapore	1	-	-	-
Slovak Republic	1+2	50	33%	50%
Slovenia	1+2	500	1/3	50%
South Africa	1	-	-	-
Spain	1	-	-	-
Sweden	1	1000	3[11]	50%
		25-999	2	50%
Switzerland	1+2	-	-	-

Jurisdiction	Tier	Minimum number of employees	Minimum requirement	Maximum allowance
Türkiye	1	-	-	-
United Kingdom	1	-	-	-
United States	1	-	-	-

Key: Minimum number of employees: Refers to the minimum company size threshold under which a requirement for employee board members applies; Minimum requirement: refers to the minimum requirement (number or percentage) of employees on the board; Maximum allowance: Refers to the maximum limit (number or percentage) of employees on the board.

1. In **Brazil**, federal state-owned enterprises with at least 200 employees (including listed SOEs) must have one employee representative on the board of directors.
2. In **China**, the proportion of employee representatives on the supervisory board shall not be less than one-third, and the specific proportion shall be stated in the company's articles of association.
3. In **Denmark**, there is no requirement for employee board representation but a statutory right for employees to appoint representatives (depending on the size of the board).
4. In **Finland**, employee representation in the administration of companies may be implemented as agreed between the employer and the personnel. If no agreement is reached on personnel representation, the personnel shall have the right to nominate their representatives to one administrative body, which shall be selected by the company from among a) supervisory board, b) board of directors, or c) similar bodies that together cover the profit units of the company. In cases where employees are appointed to the board, the minimum number of employee representatives is one and maximum allowance is four or 25%.
5. In **France**, employee representatives must be appointed to the board of directors or to the supervisory board when a company employs over two consecutive years at least 1 000 permanent employees, either directly or through subsidiaries located in France, or at least 5 000 employees, either directly or through subsidiaries worldwide. In that case, there must be at least one employee representative when the board consists of 12 members or fewer, and at least two employee representatives otherwise (commercial code Articles L. 225-27-1 and L225-79-2).
Furthermore, in **France**, employee representatives may be appointed to the board of directors within a certain limit (five persons or one-third of board members whichever is smaller for the companies whose shares are allowed to be traded in the regulated market) if the company's articles so permit. In companies with a 2-tier structure, the maximum number of employee representatives on the supervisory board is four persons or one-third of members.
6. Large **German** companies (with more than 2 000 German-based employees) subject to co-determination must have employees and union representatives filling 50% of the seats on the supervisory board but with the chair having the casting vote.
7. In **Iceland**, the board in its supervisory function is composed of non-executive directors only; therefore no employee representatives nor executives on the supervisory board.
8. In **Ireland**, worker participation legislation requires board representation in certain state-owned enterprises.
9. In large companies in the **Netherlands** (those in the "structure regime" required for companies with more than EUR 16 million in capital and at least 100 employees based in the Netherlands), the Works Council (representing company employees) may recommend candidates to the supervisory board for nomination that are then subject to election by the shareholders. One-third of the recommended candidates will be nominated by the supervisory board for election, unless the supervisory board deems the candidate(s) unfit, in which case the supervisory board needs to go to the Enterprise Chamber of the Amsterdam Court of Appeal.
10. In **Norway**, one-third of the corporate assembly members with deputy members are elected by and amongst the employees.
11. In **Sweden**, there is no requirement for employee board representation but a statutory right for employees to appoint up to three representatives (depending on the size of the company).

Table 4.9. Board-level committees

Jurisdiction	Audit committee			Nomination committee			Remuneration committee		
	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members
Argentina	L	C	66%	C	C	(66%)	C	C	(100%)
Australia[1]	R	C/R	(>50%)	C	C	(>50%)	C/R	C	(>50%)
Austria	L	L	1 or 2	C	-	-	C	-	(50%)
Belgium	L	-	1	C	-	(>50%)	L	-	>50%
Brazil	C[2] R	C	(>50%) 33%	-	-	-	C	C	(100%)
Canada	L	L	100%	C	C	(100%)	C	C	(100%)
Chile	L	L	50%	-	-	-	L[3]	L	50%

Jurisdiction	Audit committee			Nomination committee			Remuneration committee		
	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members
China	L	L	(>50%)	C	C	(>50%)	C	C	(>50%)
Colombia	L	L	2	C	C	(100%)	C	C	(1)
Costa Rica	L	L	1	C	C	(1)	C	C	(1)
Czech Republic	L	-	(>50%)	C	-	(>50%)	C	-	(>50%)
Denmark	L	L	50%	C	-	(50%)	C	-	(50%)
Estonia	L	L	>50%	-	-	-	-	-	-
Finland[4]	L, C	C	(>50%)	C	-	(>50%)	C	-	(>50%)
France	L	-	(66%)	C	-	(50%)	C	C	(50%)
Germany	L	C	1	C	C	(100%)	-	C	-
Greece	L	L	>50%	L	L	2/ >50%	L	L	2/ >50%
Hong Kong (China)[5]	R	R	>50%	R	R	>50%	R	R	>50%
Hungary	L	L	100%	C	-	(50%)	C	-	(50%)
Iceland	L	-	(>50%)	C	Not member of BOD	(>50%)	C	-	(>50%)
India	L	L	66%	L	L	66%	L	L	66%
Indonesia[6]	L	L	100%	L	L	(33%)	L	L	(33%)
Ireland	L	L	(>50%)	C	C	(50%)	C	C	(100%)
Israel	L	L	>50%	-	-	-	L	L	>50%
Italy	L	L	100%	C	-	(>50%)	C	C	(>50% with independent Chair)
Japan[7]	L	-	>50%	L/C	-	>50%	L/C	-	>50%
Korea[8]	L	L	>50%	L	C	>50%	C L for financial institutions with few exceptions)	C	(100%)
Latvia	L	L	>50%	-	-	-	-	-	-
Lithuania	L	L	>50%	C	-	-	C	-	-
Luxembourg	C	-	(50%)	C	-	-	C	-	-
Malaysia	R	R	>50%	R; L (financial institution s)	L (financial institution s)	>50%	C; L (financial institutions)	L (financi al instituti ons)	>50%
Mexico	L	L	100%	-	-	-	C[9]	L, C	(>50%)
Netherlands	L	L	>50%	C	C	(>50%)	C	C	(>50%)
New Zealand	R		>50%	C	-	(>50%)	C	-	(>50%)
Norway	L	-	1	C	-	(50%)	C	C	(100%)
Peru[10]	C	C	(Chair)	C	C	(Chair)	C	C	(Chair)
Poland	L	L	>50%	-	-	-	-	-	-
Portugal	L	L	>50%	C	-	(>50%)	C	C	(100%)
Saudi Arabia	L	C	1[11]	L	L	1	L	L	1
Singapore[12]	L R	R	>50% (>50%)	R	R	(>50%)	R	R	(>50%)
Slovak Republic	C	C	>50%	C	-	-	L (financial institution)	-	(100%)
Slovenia	L	L	100%	C	C	(100%)	C	C	(100%)
South Africa	L, R, C	C	3	C	-	(>50%)	C[13]	C	-
Spain	L	L	>50%	L	L	(2)	L	L	(2)

Jurisdiction	Audit committee			Nomination committee			Remuneration committee		
	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members	Establi-shment	Chair indepe-ndence	Minimum number or ratio of independent members
Sweden	L[14]	-		C	C	(>50%)	C	-	All except chair
Switzerland	C	C	(100%)	C	-	(>50%)	L	C	(100%)
Türkiye	L	L	100%	L	L	The chair	L	L	The chair
United Kingdom	C	C	(100%)	C	-	(>50%)	C	C	(100%)
United States	L/R	L/R	100%	R	R	100%	L/R	L/R	100%

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles; **( )** = recommended by the codes or principles; "**-**" = absence of a specific requirement or recommendation.

1. In **Australia**, the ASX Corporate Governance Principles and Recommendations recommend that the chair of the audit committee is independent. For the top 300 listed companies, this recommendation becomes a requirement under the Listing Rules. Similarly, it is recommended that listed entities have a Remuneration committee, which becomes a requirement for the top 300 listed companies under the Listing Rules. See Listing Rule 12.

2. In **Brazil**, the audit committee is optional, but, when in place, and in accordance with CVM Resolution No. 23/2021, it enables firms to rotate independent auditors every 10 years instead of every year.

3. In **Chile**, the directors' committee (with equivalent functions to an audit committee) is comprised by three members of the board, most of whom must be independent. The directors' committee is a requirement for corporations that have a stock market equity equal to or greater than the equivalent of 1 500 000 development units (approx. USD 61.5 million as of Dec. 2022) and at least 12.5% of its shares issued with voting rights are held by shareholders who individually control or own less than 10% of such shares.

4. In **Finland** the tasks of the audit committee are established by law but the committee itself is voluntary and the tasks can instead be handled by the full board. The Corporate Governance Code recommends an audit committee to be established, if the extent of the company's business requires that the preparation of the matters pertaining to financial reporting and control be done by a body smaller than the entire board of directors. Neither the managing director nor executive directors should be members of the nomination or remuneration committee.

5. In **Hong Kong (China)**, an issuer with a Weighted Voting Rights structure must establish a corporate governance committee which must be comprised entirely of independent non-executive directors, one of whom must act as the chairman (Main Board Listing Rules 8A.30 and 8A.31). The nomination committee can be chaired by the board chairman or an independent non-executive director (Main Board Listing Rule 3.27A).

6. In **Indonesia**, according to POJK No 34/POJK.04/2014 Article 3, listed companies and public companies are required to have an independent chair member from their independent commissioners in the committee on nomination and remuneration. Other members might come from commissioners, an independent external party, and person who is under the board of directors in the human resources division. Moreover, members of the committee from the human resources division should not be a majority.

7. In **Japan** the establishment of a board-level audit committee is mandatory for a company with the three committees model (C) and for a company with an audit and supervisory committee model (S), and, in both cases, the majority of members should be outside directors. The establishment of a nomination and remuneration committee is mandatory only for a company with the three committees model, and, in that case, the majority of members should be outside directors. For companies listed on the Prime Market, it is required that the majority of members of each committee be independent, and to disclose the committees' mandates and roles, as well as the policy regarding the independence of the composition.

8. In **Korea**, the establishment of a board-level audit committee and nomination committee is mandatory for listed companies with total assets valued at two trillion won or more as of the end of the latest business year. Every financial company shall establish a board-level audit committee, nomination committee, risk management committee, and a remuneration committee. However, the remuneration committee need not be established for a financial company if the audit committee deliberates on matters related to remuneration, amongst other aspects.

9. In **Mexico**, the Corporate Practices Committee is mandated by law to review information regarding remuneration for executives (Securities Market Law, Art. 25; Articles 41, 42 and 43, I, c). In addition, the Corporate Governance Code, Practice 18 requires the establishment of a committee in charge of remuneration.

10. In **Peru**, the Corporate Governance Code recommends that the audit committee, risk committee and remuneration committee for listed companies should be chaired by independent directors. Furthermore, the Code recommends that the number of committees depend on the size of the company and the nature of its business. However, financial entities, insurance companies and pension fund management companies, which are required to be listed companies, are obliged to set up an audit committee, a risk committee and a remuneration committee.

11. In **Saudi Arabia**, members of the audit committee shall be composed of shareholders or others, including at least one independent director, and it is recommended to have half of the members independent. Executive Directors are not allowed to be members of the audit committee.

12. In **Singapore**, where a listed company adopts a dual class share structure, the majority of each of the committees, including the respective chairmen, must be independent.

13. In **South Africa**, the requirement to have a remuneration committee is limited to issuers listed on the Main Board of the Johannesburg Stock Exchange.

14. In **Sweden**, the tasks of the audit committee are established by law but the committee itself is voluntary and the tasks can instead be handled by the full board. Neither the company chair nor any other member of the board may chair the nomination committee.

Table 4.10. Governance of internal control and risk management, including sustainability

Jurisdiction	Board responsibilities for risk management	Implementation of the internal control and risk management system	Board-level committees related to risk, including sustainability			Chief risk officers
			Risk management role of audit committee[1]	Establishment of separate risk committee	Establishment of separate sustainability committee	
Argentina	C	C	L/R	C	-	C
Australia	C, L[2]	C, L	C	C	-	-
Austria	L/C	L	L/C	-	-	-
Belgium	L	L	L	-	-	-
Brazil	-	-[3]	C/R	-	-	-
Canada	L	L	-	-	-	
Chile	C	C	-	-	C	-
China	L	L[4]	C	C	-	-
Colombia[5]	L	L	L	C	-	C
Costa Rica	L	L	-	C	-	C
Czech Republic	C	C	C	C	-	-
Denmark	L	L, C	L	-	-	-
Estonia	-	L	L	-	-	-
Finland	L/C	L/C	L/C	-	-	-
France	L	C	L	C	C	C
Germany	L/C	L/C	L/C	-	-	-
Greece	L	L	L	-	-	-
Hong Kong (China)	C	C	C	-	-	-
Hungary	C	C	-	-	-	C
Iceland	L	L	L	-	-	-
India[6]	L	L	L	L	-	-
Indonesia	L	L	L	-[7]	-	L
Ireland	C	C	C	-	-	-
Israel	L	L	-	-	-	L[8]
Italy	C	L/C	L	C	C[9]	-
Japan	L/C	L/C	-	-	-	-
Korea[10]	C	C	-	-	-	-
Latvia	C	C	L	-	-	-
Lithuania	C	C	C	-	-	-
Luxembourg			C		C	
Malaysia	L; C	L; C	-	C	C	-
Mexico	L	L	L, C	-	-	-
Netherlands	C	C	C	-	-	-
New Zealand	C	C	C	C	-	-
Norway	C	L/C	L	-	-	-
Peru[11]	C	C	C	C	-	-
Poland	-	L/C	L (surveillance)	-	-	-
Portugal[12]	L	L	-	-	-	-
Saudi Arabia	L	L/C	-	C	-	-
Singapore	R	R/C	R	C	-	-
Slovak Republic	L	L	L		-	L
Slovenia	L	C	L	-[13]	-	-
South Africa	L, R, C	L, R, C	C	C	L, C[14]	-
Spain	L	L/C	L/C	-	-	-
Sweden	C	C	L	-	-	-
Switzerland	L	C	C	-	-	-
Türkiye	L	L	-	L	-	-

Jurisdiction	Board responsibilities for risk management	Implementation of the internal control and risk management system	Board-level committees related to risk, including sustainability			Chief risk officers
			Risk management role of audit committee[1]	Establishment of separate risk committee	Establishment of separate sustainability committee	
United Kingdom	C	C	C[15]	-	-	-
United States	R[16]	L/R	L/R	-	-	-

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation; **N/A** = not applicable.

This table does not incorporate references to regulations and recommendations applying specifically to financial institutions, while they may be mentioned in a footnote.

1. Risk management role of audit committee: Indicates that risk management is explicitly included in the role of audit committee.
2. In **Australia,** entities that provide financial services under an Australian financial services licence are required under legislation to have in place adequate risk management systems. Directors' duties of care and diligence and good faith under the Corporations Act 2001 are also a source of board responsibility for risk management.
3. In **Brazil**, listed companies are required to disclose if they have a formal risk management policy in their Reference Form (shelf document). They also have to disclose its characteristics and the adequacy of the operational structure and of the internal controls for the verification of the risk management policy adopted.
4. In **China**, a listed company shall establish internal control and risk management systems, and set up a special department or designate an internal department to be responsible for risk management, such as inspection and supervision of the company's important operations, control over subsidiary companies, disclosure of financial information and compliance with the laws and regulations, etc.
5. In **Colombia**, establishment of a risk committee is mandatory for financial issuers, but for non-financial issuers it is voluntary. If the company has a complex and diverse structure for business and transactions, the Colombian national code recommends the establishment of a CRO. In the case of company groups or control configurations, it is recommended that the CRO has faculties over the conglomerate at large.
6. In **India**, the requirements specified above apply to listed entities. Further, the establishment of a separate risk management committee is mandatory for the top 1 000 listed entities by market capitalisation, and is voluntary for other listed entities under the Listing Regulations. The role of the risk management committee includes formulation of a detailed risk management policy which shall include a framework for identification of sustainability risks (particularly, ESG related risks).
7. In **Indonesia**, listed companies from the bank industry are obligated to establish a separate risk committee.
8. In **Israel**, internal auditors are in charge of risk management. The board of directors of a listed company is required to appoint an internal auditor, in charge of examining, inter alia, the propriety of the company's actions, in terms of compliance with the law and proper business management.
9. In **Italy**, the Code does not require the committee to be necessarily comprised by board members only but leaves it to the company to choose what composition is best for the committee that supports the board in pursuing the sustainable success of the company.
10. In **Korea**, every financial company shall establish a risk management board, however where a financial holding company has formulated risk management standards for its subsidiaries, subsidiaries do not need to formulate risk management standards.
11. In **Peru**, according to the Corporate Governance Code, the board of directors of any corporation establishes, among its members, special committees that focus on the analysis of the most relevant aspects for the performance of the corporation, such as audit, nomination and remuneration, risks, corporate governance, among others. The number of committees established depends on the size of the corporation and the nature of its businesses, having at least a nomination and remuneration committee and audit committee.
12. In **Portugal**, the duty to supervise the effectiveness of risk management systems, commonly attributed to audit committees, is performed, in any of the governance models admitted in the country, by the supervisory board.
13. In **Slovenia**, the establishment of a separate risk management committee has been made mandatory for banks and is voluntary for the rest of the companies.
14. In **South Africa**, public companies and public interest companies must have a Social and Ethics Committee, which is tasked with reviewing sustainability issues.
15. In the **United Kingdom**, although the Code recommends that audit committees cover risk management, it allows for the use of risk committees and for splitting the function across separate audit and risk committees.
16. In the **United States**, this is applicable only for NYSE-listed companies.

Table 4.11. Appointment of external auditors

Jurisdiction	Approval (appointment) of an external auditor		Role of the audit committee in relation to the external audit:		
	By the board	By the shareholders	Recommendation or nomination of external auditor	Setting audit fees	Reviewing the audit's scope and adequacy
Argentina[1]	*	L	C, L	-	C
Australia	L[2]	L	C	C	C
Austria[3]	*	L	L	L	L
Belgium	*	L	L	-	L
Brazil	L	-	L	-	L
Canada	-	L	L[4]	-	-
Chile	*	L	L[5]	-	L
China	*	L	L	-	L
Colombia	*	L/C	C	-	-
Costa Rica	L[6]	-	L	L	L
Czech Republic	N/A	L	L	-	L
Denmark	*	L	L	-	-
Estonia	*	L	L[7]	-	L
Finland	-	L	L	L[8]	L
France	*	L	L[9]	L	L[10]
Germany	*	L	L	L[11]	L
Greece	-	L	L	-	C
Hong Kong (China)	-	L, R	C	C	C
Hungary	L*	L	L[12]	L	L
Iceland	*	L	L	-	L
India	*	L[13]	L	L	L
Indonesia[14]	L	L	L	L	L
Ireland	L[15]	L	L[16]	-	L
Israel	-[17]	L	L[18]	L	L
Italy	-	L	L	-	L
Japan	-	L	L/C	-	-
Korea[19]	L	-	L	L	L
Latvia	-	L	L, C	-	L
Lithuania	-	L	L	L	L
Luxembourg	-	L	L	L	L
Malaysia[20]	*	L	R	C	R
Mexico	L[21]		L, C	L	L, C
Netherlands	*	L	L, C		L, C
New Zealand	R	-	R	R	R
Norway		L	L		L
Peru	L,*[22]	L, C	-	-	C
Poland	L	-	L[23]	-	L
Portugal	-	L	L	C	L/C
Saudi Arabia	*	L[24]	L	L	L
Singapore[25]	-	R, C	C	C	C
Slovak Republic[26]	-	L	L	-	L
Slovenia	-	L	L	L	L
South Africa	L	L	L, C	L, C	L
Spain	-	L	L	L	L
Sweden	L/C*	L	L	-	L
Switzerland	*[27]	L	C	C[28]	C
Türkiye	-	L	L	-	L
United Kingdom[29]	*	L	L	L (largest PLCs)	L (largest PLCs)

Jurisdiction	Approval (appointment) of an external auditor		Role of the audit committee in relation to the external audit:		
	By the board	By the shareholders	Recommendation or nomination of external auditor	Setting audit fees	Reviewing the audit's scope and adequacy
United States	L/R	-	L/R	L/R	L/R

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation; "*****" = board recommendation or approval for submission to shareholders' final approval, ratification or certification; **N/A** = not applicable. Please note that the provisions related to the internal audit and control function are covered under Table 4.1.

1. In **Argentina**, while Law 26 831 contains provisions establishing requirements for the approval and review of external auditor appointment, the new Corporate Governance Code recommends that the audit committee gives an opinion on the board's proposal for the appointment of external auditors.
2. In **Australia**, under s327A of the Corporations Act 2001, the directors of a public company must appoint an auditor of the company within one month after the day on which a company is registered as a company unless the company at a general meeting has appointed an auditor. Directors may also replace a casual vacancy in the office of auditor under Section 327C. In both situations, the auditor holds office until the company's first (or next) AGM.
3. In **Austria**, the audit committee is responsible for overseeing the audit of the financial statements, examining and monitoring the independence of the auditor, reporting to the supervisory board on the result of the audit and implementing the procedure for selecting the auditor (taking into account the appropriateness of the fee) including a recommendation on his appointment to the supervisory board.
4. In **Canada**, Section 2.3(2) of National Instrument 52-110 Audit Committee provides that an audit committee must recommend to the board of directors: (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer; and (b) the compensation of the external auditor.
5. In **Chile**, powers and duties of the directors' committee (with functions equivalent to an audit committee) include: a) proposing to the board of directors names for the external auditors that will be suggested to the shareholders' meeting, b) examining the reports of the external auditors and pronouncing an opinion on them prior to the presentation to the shareholders for their approval, and c) informing the board of directors regarding the convenience of hiring or not the external audit company for services that are not part of the external audit, when they are not prohibited, with attention to whether the nature of such services may generate a risk of loss of independence, among others. A new law also gives the directors' committee the power to provide an opinion regarding the company's ordinary related party transaction policy.
6. In **Costa Rica**, according to Article 4 of the Regulation of External Auditors (CONASSIF Agreement 01-10), the board must appoint the external auditor.
7. In **Estonia**, according to Article 98 of the Auditors Activities Act, the function of an audit committee is to monitor and analyse the process of auditing of annual accounts or consolidated accounts. In particular, an audit committee is required to give an overview of the results of the statutory audit and their work to the body that elected or the person that appointed its members and make proposals regarding the appointment or removal of an audit firm.
8. In **Finland**, according to the Companies Act, the annual general meeting decides on the appointment and remuneration of the auditor. According to the Finnish Corporate Governance Code, the board of directors can establish an audit committee to, among other things, prepare the appointment of the company's auditor. If there is no audit committee, the preparation of these tasks is the responsibility of the entire board or of another committee appointed by the board. In practice, the audit committee prepares the board's proposal for the auditor and the auditor's fee and the annual general meeting may, for example, decide that the auditor's fee is to be paid according to the auditor's invoice, in accordance with the procurement principles approved by the audit committee.
9. In **France**, the audit committee recommends a choice of auditors for election by the general assembly.
10. In **France**, through tender offers.
11. In **Germany** the supervisory board can delegate the setting of fees to the audit committee.
12. In **Hungary**, Section 3:291 (1) of the Civil Code requires setting up an audit committee to assist the supervisory board or management board in the selection of the auditor and in its co-operation with the auditor.
13. In **India**, in the case of state-owned companies, appointment of the statutory auditor is done by the Comptroller and Auditor General of India whereas for other companies, appointment is by shareholders. For listed entities, the role of the Audit Committee with regard to external auditors, inter-alia, includes the following: (i) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity, and (ii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
14. In **Indonesia**, according to OJK Regulation No. 13/POJK.03/2017, the audit committee provides a recommendation to the board of commissioners (BOC) on the appointment/removal of the external auditor, as well as on the audit fees and the scope of audit. The board of commissioner could be the party who appoint the external auditor if the shareholder through AGM mandate it to the board of commissioners based on a recommendation from the audit committee.
15. In **Ireland**, the board may appoint the auditors in certain cases including to fill a vacancy (Companies Act, Section 384).
16. In **Ireland**, the audit committee submits a recommendation to the directors for the appointment of external auditors.
17. In **Israel**, the shareholders have the primary responsibility to appoint an external auditor. However, the board may appoint the first external auditor at any time before the first annual general meeting.

18. In **Israel**, the general meeting appoints and removes the external auditor, and approves the audit fees. However, in public companies, when removal of the external auditor or non-renewal of his appointment is on the general meeting's agenda, the audit committee is required to express its position on this matter, after giving the external auditor a reasonable opportunity to present his position to it. In addition, the audit committee (both in public and private companies) is required to examine the audit fees, to review the audit's scope, and to present its recommendations on those matters to the annual meeting or to the board if the general assembly has authorised it to make decisions in this regard.
19. In **Korea**, for listed companies with total assets valued at two trillion won or more, the audit committee shall appoint an accounting corporation or audit team. For other listed companies, the appointment shall be made by either the audit committee, the auditor, the company, or the general meeting of employees depending on the size, type, etc. of the company. When the company appoints an auditor, it shall report such fact to the regular general meeting of shareholders convened after the appointment or shall notify or publicly announce such fact to the shareholders.
20. In **Malaysia**, the audit fees may be determined by the board, as provided for under the Companies Act 2016. Guidance 9.3 of the Malaysian Code on Corporate Governance (MCCG) recommends that the audit committee in assessing the suitability, objectivity and independence of the external auditor should consider among others, the appropriateness of the audit fees.
21. In **Mexico**, provisions regarding the appointment of external auditors by the board are stated in Articles 28, 42 and 43 of the Securities Markets Law. Besides, criteria for selection, monitoring, and removal are provided by the Auditors' Provisions. In addition, the Corporate Governance Code encourages the audit committee to recommend to the board the candidates for external auditors, the conditions of employment and the scope of professional work and monitor their compliance. Similarly, the Code recommends the approval of those additional services to those of audit that will be provided by the external auditors.
22. In **Peru**, according to Article 114 of the General Corporation Law, the general shareholders' meeting designates the external auditor or delegates to the board their appointment. Also, in accordance with Principle 27 of the Code of Good Corporate Governance, the general shareholders' meeting, at the board's proposal, designates the external auditor. In practice, in companies having established an audit committee as recommended in the Code, said committee can give an opinion and/or participate in the appointment process of the external auditor.
23. In **Poland**, the audit committee prepares the selection procedures of the external auditor and makes recommendations.
24. In **Saudi Arabia**, according to Art. 78 of the Corporate Governance Regulation, the General Assembly appoints the Company's external auditor based on a recommendation from the Board, provided that the following requirements are met: i) the nomination shall be based on a recommendation from the audit committee; ii) the external auditor shall be authorised by the Competent Authority; iii) the external auditor's interests shall not conflict with the interests of the Company; and iv) the number of nominees shall not be less than two.
25. In **Singapore**, the board of directors must, within three months after incorporation of the company, appoint an external auditor who will hold office until the conclusion of the first shareholders annual general meeting. The appointment of external auditors will be approved at the annual general meeting by shareholders subsequently. Furthermore, the Listing Rules require a change in auditing firm to be approved by shareholders in a general meeting. The Code of Corporate Governance also recommends that the audit committee should make recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors. The Practice Guidance of the Code of Corporate Governance further recommends that for appointments and re-appointments of external auditors, the audit committee should evaluate the performance of the external auditor, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority (ACRA).
26. In the **Slovak Republic**, in accounting entities that have an audit committee established or in which the supervisory board performs the functions of the audit committee, the board of directors submits to the general meeting or members' meeting a proposal for the approval or dismissal of the auditor based on the recommendation of the audit committee or supervisory board. If the accounting entity does not have a board of directors, a general meeting or a members' meeting, the procedure for approving and recalling the auditor of the accounting entity shall be established by a special regulation.
27. In **Switzerland**, the responsibility for the proposal for (re-)election to the general meeting lies with the entire board of directors.
28. In **Switzerland**, the audit committee should assess the performance and the fees charged by the external auditors and ascertain their independence, critically assess the appropriateness of the external audit engagement period on a recurring basis, as well as examine the compatibility of the auditing responsibilities with any consulting mandates. See FAOA Audit Committee Guide, 2nd Edition.
29. In the **United Kingdom**, legislation requires all companies with securities traded on regulated markets, as well as all deposit holders and insurers, to have an audit committee to select the auditor for the board to recommend to the shareholders. An exemption from having an audit committee is available for subsidiaries of other companies subject to the same framework. For the largest public companies, the board must accept the audit committee's recommendation, and for others, the shareholders must be informed of any departure by the board from the recommendation. For the largest public companies, the board is also bound by the audit committee's recommendation of the auditor's fees and decision as to the scope of the audit, though, for all companies, the fees must be recommended to the shareholders.

Table 4.12. Provisions to promote external auditor independence and accountability

Jurisdiction	Provisions for audit firm rotation	Time period for audit firm rotation and re-appointment				Provision for audit partner rotation (Yes, No)	Provisions on non-audit services	
		Maximum term years before rotation	Exceptions allowed (Yes, No)	Public tender (Yes, No)	Minimum years before re-appointment of the same auditor		Prohibitions or restrictions on non-audit services	Role of the audit committee in pre-approving allowed non-audit services
Argentina	-	-	No	No	-	Yes	-	-
Australia		-	-	No	-	Yes[1]	-	C
Austria	L	10	Yes	Yes	4	Yes	L	L
Belgium	L	9+9	Yes	Yes	4	Yes	L	L
Brazil	L	5	Yes		3	Yes	L	-
Canada[2]	-	-	N/A	N/A	-	Yes	L	L[3]
Chile[4]	-	-	-	-	-	-	L	L
China	C	5	Yes[5]	No	2	Yes	-[6]	-
Colombia	C	5/10[7]	No	No	-	Yes	L	-
Costa Rica	L	10	No		3	Yes	L	-
Czech Republic	L	10+10	-	Yes	4	Yes	L	L
Denmark	L	10+10	Yes	Yes	3	Yes	L	L
Estonia	L	10+10	No	No	4	Yes	L	L
Finland	L	10+10	Yes	Yes	4	No	L	L
France	L	10+6	Yes	Yes	4	Yes	L	L
Germany	L	10	Yes	Yes	4	Yes	L	L
Greece	L	5	No	No	2	Yes	L	L
Hong Kong (China)[8]	-	-	-	-	-	Yes	C	C
Hungary	L	10	No	No	4	Yes[9]	L	L
Iceland	L	10	Yes	Yes	1	Yes	L	L
India[10]	L	10	No	No	5	Yes	L	L
Indonesia	-	-	-	-	-	Yes[11]	L	-
Ireland	L	10	Yes		4	Yes	L	L
Israel	-	-	No	No	-	-	L, C	C
Italy	L	9[12]	Yes	No	4	Yes	L	L
Japan	-	-	-	-	-	Yes	L	C[13]
Korea	L	6	No	No	3	Yes	L	L
Latvia	L	10+10+2	No	Yes	4	Yes	L	L, C
Lithuania	L	10	No	No	4	Yes	L	L
Luxembourg	L	10+10	Yes	Yes	-	Yes	-	-
Malaysia[14]	-	-			-	Yes	-	C
Mexico	L, C	5	No	No	2	Yes[15]	L	L
Netherlands	L	10	No	No	5	Yes	L	-
New Zealand	-	-	-	-	-[16]	Yes	C	C
Norway	L	10+10	No	Yes	2	-	L	
Peru[17]	C	-			-	Yes	-	-
Poland	L	10	Yes	Yes	4	Yes	L	L
Portugal[18]	L	8 / 9 / 10	Yes	No	4	Yes	L, C	L, C
Saudi Arabia	L	7	Yes	No	3	Yes	L	L
Singapore	-	-			-	Yes[19]	L[20]	R, C
Slovak Republic[21]	L	10 + 10	Yes	Yes	4	Yes	L	L
Slovenia	L	7	No	No	2	Yes[22]	L	L
South Africa	L	5	No	No	5	Yes	L	L

Jurisdiction	Provisions for audit firm rotation	Time period for audit firm rotation and re-appointment				Provision for audit partner rotation (Yes, No)	Provisions on non-audit services	
		Maximum term years before rotation	Exceptions allowed (Yes, No)	Public tender (Yes, No)	Minimum years before re-appointment of the same auditor		Prohibitions or restrictions on non-audit services	Role of the audit committee in pre-approving allowed non-audit services
Spain	L	10	Yes	Yes	3	Yes	L	L
Sweden	L	(10+10)	No	Yes	4	Yes	L	L
Switzerland[23]	-	-	N/A	N/A	-	Yes[24]	L	C
Türkiye	L	7	No	No	3	Yes[25]	L	-
United Kingdom	L	20	Yes	Yes	4	Yes	L	L
United States	-	-	N/A	N/A	-	Yes[26]	L	L

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles;"**-**" = absence of a specific requirement or recommendation; **N/A** = not applicable.

Provisions for auditor rotation refer to the requirements or recommendations for listed companies to rotate their external audit providers after a given period. This table captures auditor rotation requirements applicable to audit firms and not lead or partner auditors or others on the audit team. Time periods shown in the table do not include additional periods provided for joint audits except as specified in footnotes.

Provisions for audit partner rotation refers to the requirements or recommendations for listed companies to rotate specifically the audit partner after a given period.

Prohibitions or restrictions on non-audit services refer to the rules prohibiting or restricting a statutory audit firm/external auditor from providing non-audit services to any listed company for which it is the statutory auditor (e.g. tax services).

Role of the audit committee in pre-approving allowed non-audit services refers to the rules allowing a statutory audit firm/external auditor to provide any non-audit service that is not explicitly prohibited to the audited listed company, based on the approval of the audit committee following an assessment of the threats to the audit firm/auditor's independence and the safeguards in place to mitigate those threats.

European Audit Regulation requires public interest entities to rotate their audit providers at least every 10 years, with a possibility to extend this period to a maximum of 20 years where a public tender is held after 10 years, or 24 years for joint audits.

1. In **Australia**, an individual can play a significant role in the audit of a particular listed company (as an individually appointed auditor, lead auditor or review auditor) for five successive years or five out of seven successive financial years (the 5/7 rule). The period may be extended either through regulatory relief or by the Board. The Board may extend an eligibility term by no more than two successive years. For listed companies, which are required to have an audit committee under the Listing Rules, this must be in accordance with a recommendation provided by the audit committee.
2. In **Canada**, Section 162 of the Canada Business Corporations Act, requires auditors to be appointed at each annual meeting.
3. In **Canada**, Section 2.3(4) of National Instrument 52-110 Audit Committee states that an audit committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer's external auditor.
4. In **Chile**, it is presumed that the partners of the external audit company lack independence of judgment with respect to an audited corporation, when they conduct the audit of the entity for a period that exceeds five consecutive years. Furthermore, the directors' committee, among its duties and powers, should inform the board of directors about the convenience of hiring or not hiring the external audit company for the provision of other services, provided that those services are not among the ones that the Securities Market Law explicitly establishes as incompatible with the external audit service for the same entity.
5. In **China**, the Code of Ethics issued by the CICPA provides for a cooling-off period under different circumstances, with a minimum of two years.
6. In **China**, restrictions on non-audit services are prescribed in the Code of Ethics for Professional Accountants released by CICPA.
7. In **Colombia**, regarding a Statutory Auditor-natural person without contract with any auditing firm, the maximum contract term is five years. Recommendation 29.10 further states that within the maximum contract term, halfway through it, the corporation promotes the turnover of the auditing-firm associates and the work teams assigned to it. At the end of such term, turnover of the firm itself must obligatorily take place.
8. In **Hong Kong (China)**, rotation requirements for individuals acting as engagement partner, responsible for the engagement quality control review and/or acting in any other key audit partner role are provided by the Hong Kong Institute of Certified Public Accountants' Code of Ethics for Professional Accountants. The maximum term before rotation is seven years, and the cooling off period before re-appointment is two years.
9. In **Hungary**, the maximum is for seven years.
10. In **India**, listed entities cannot appoint an individual as auditor for more than one term of five consecutive years and an audit firm as auditor for more than two terms of five consecutive years. Shareholders of a company may resolve to provide that in the audit firm appointed by it, the auditing partner and his team shall be rotated at such intervals as may be resolved by the shareholders. In case of audits of listed entities, the auditing partner should be rotated after a pre-defined period, normally not more than seven years.
11. In **Indonesia**, according to POJK regulation No. 13/POJK.03/2017, audit services on annual historical financial information from the same Audit Partner shall be limited to a maximum audit period of three consecutive accounting years. The restriction of usage of audit services is also required for Audit Partner that is associated party, that is, an Audit Partner who does not sign the independent auditors' report but was directly involved in the provision of audit services of annual historical financial information. Audit services from the same Audit Partner can only be

re-used after a cooling off period of two consecutive accounting years. Regarding the prohibition or restriction on non-audit services, the Audit Firm and its Audit Partner should not give assurance and non-assurance services in the same period or book year.

12. In **Italy**, audit firms must rotate every nine years, and key audit partners must rotate every seven years. In the case of an appointment of a statutory auditor (natural person), the term for rotation is seven years.

13. In **Japan**, when an audit firm provides non-assurance services in addition to audit services to Public Interest Entities, the following points are required under the Code of Ethics of the Japanese Institute of Certified Public Accountants (JICPA): (i) audit firms should provide information on non-guaranteed services to the company auditors etc. of Public Interest Entities that intend to provide such services; (ii) non-guaranteed business cannot be provided unless consented to by the Audit & Supervisory Board Members, etc.

14. In **Malaysia**, the Malaysian Institute of Accountant By Laws imposes a cooling off period of five years for the engagement audit partner after serving the company for seven years. For the provision of non-audit services, while there is no specific prohibition or restriction on such services, the Listing Requirements prescribe that a listed issuer shall disclose the amount of fees for the non-audit services rendered by the listed issuer's auditor, and where the fees are significant, the nature of the non-audit services rendered. Further, Guidance 9.3 of the Malaysian Code on Corporate Governance recommends that the audit committee establish policies and procedures that address among others, the requirement for non-audit services to be approved by the audit committee before they are rendered by the auditor.

15. In **Mexico**, the Auditors' Provisions state in Article 7 the maximum term for the partner in charge of the audit of a listed company/financial entity, for the revisor of the quality control and the lead auditor in charge of the audit of a listed company/financial entity, as well as for the cooling off period. In addition, the Corporate Governance Code states in Practice 27 that the partner and his/her team should rotate every five years, at the most. Additionally, Article 28, Section III of the Securities Markets Law establishes that the board is responsible for contracting of the legal entity that provides the external audit services and, where appropriate, of additional or complementary services to those of external audit.

16. In **New Zealand**, cooling-off periods are based on the *PES 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* adopted standard which outlines different cooling-off periods: five years for an engagement partner, 3-years for an individual responsible for the engagement quality control review, and two years for other key audit partners.

17. In **Peru**, the Corporate Governance Code recommends that the company should maintain a renewal policy for its independent auditor or its audit firm. The audit firm's work team must rotate at most every five years. In addition, the Corporate Governance Code indicates that the board of directors may agree to hire the audit firm or the independent auditor to perform other services different from those of the audit of accounts.

18. In **Portugal,** the auditor may be appointed for a maximum of two or three terms of office, depending on if they are of four or three years, respectively. This maximum period (eight or nine years) may be extended up to 10 years, if approved by the general meeting of shareholders under proposal of the supervisory body. The cooling-off period is four years for audit firms and three years for the key audit partner(s) responsible for carrying out the statutory audit.

19. In **Singapore**, the Listing Manual requires audit partners to be appointed for a maximum of five years by an issuer before rotation ("time on period") and a minimum two-years period before they are re-appointed by the same issuer ("cooling-off period"). The ACRA Code of Professional Conducts and Ethics for Public Accountants and Accounting Entities ("ACRA Code") also prescribes a time on period and cooling-off period for audit partners of public interest entities of seven years and five years respectively. As the stricter of the two requirements apply, the time on and cooling-off period for audit partners for listed companies is effectively five years each.

20. In **Singapore**, the Listing Manual does not prohibit or restrict the use of non-audit services. However, the aggregate amount of fees paid to auditors, broken down into audit and non-audit services, must be disclosed in the annual report. The audit committee must also confirm that it has reviewed all non-audit services provided by the auditors and that they would not, in the audit committee's opinion, affect the independence of the auditors. The Practice Guidance of the Code of Corporate Governance also recommends the audit committee assesses the independence and objectivity of the external auditors, taking into consideration the aggregate and respective fees paid for audit and non-audit services.

21. In the **Slovak Republic**, unless otherwise stipulated by a special regulation, a statutory auditor and an audit firm that carry out statutory audit in a public-interest entity shall conclude an audit contract with the public-interest entity for a period of at least two years and maximum of three years if the audit contract is concluded with the entity for the first time. The maximum duration of every next concluded audit contract with the public-interest entity may be no more than three years if the statutory auditor is approved by the general meeting of shareholders, general meeting of members or any other body of the audited entity which is approving and dismissing the statutory auditor.

22. In **Slovenia**, Article 45(2) of the Auditing Act provides that a certified auditor shall be prohibited from auditing an individual legal person, if he/she has, as key audit partner, audited the financial statements of a legal person for seven consecutive years following the date of his/her first appointment, and if following the last audit, two years have not passed for which another key audit partner audited the financial statements.

23. In **Switzerland**, the provisions for auditor rotation deal with the obligation of internal rotation with respect to the Lead Engagement Partner (individual auditor). It is not to be understood as external rotation (i.e. audit firm rotation). The Lead Engagement Partner is appointed for a period of one up to three financial years. Its term of office ends on the adoption of the annual accounts for the final year. Re-appointment is possible. (Art. 730a para. 1 Code of Obligations). The Audit Committee is also recommended to examine the compatibility of the auditing responsibilities with any consulting mandate (economiesuisse, Swiss Code of Best Practice for Corporate Governance, 2016, para. 24).

24. In **Switzerland**, the person who manages the (ordinary) audit may exercise his/her mandate for seven years at most. He/she may only accept the same mandate again after an interruption of three years (Art. 730a para. 2 Code of Obligations).

25. In **Türkiye**, CMB's audit communique refers to the Turkish Commercial Law No. 6 102 and Public Oversight Accounting and Auditing Standards Authority (KGK) regulations with regard to audit rotation. According to the relevant KGK's 'Audit Regulation', both audit firm and auditor are subject to the same rotation rules. Thus, the auditor should not provide any audit services to the same customer for which he/she provides audit services for seven years within the past ten-year period. The auditor's maximum service period to the same customer is calculated regardless of the audit firm she/he worked for.

26. In the **United States**, partner rotation, but not audit firm rotation, is required as is originally provided in Section 203 of the Sarbanes-Oxley Act of 2002 (now provided by statute in the Securities Exchange Act of 1934 Section 10A(j)) and Rule 2-01(c)(6) of Regulation S-X). While lead and concurring partners (or engagement quality reviewers) are required to rotate off an engagement after a maximum of five years and must be off the engagement for five consecutive years, other audit partners are subject to rotation after seven years on the engagement and must be off the engagement for two consecutive years. In addition the role of an audit committee in pre-approving allowed non-audit services is set forth in laws and regulations and is not based on a threats and safeguards approach.

Table 4.13. Audit oversight

Jurisdiction	Professional auditor/ accountancy body	Public oversight body	Funding resources of the public oversight body		Institutions in charge			
			Levies on audit fees	State budget	Approval and registration of external auditors and audit firms	Adoption of audit standards	Quality assurance system	Investigative and administrative disciplinary system
Argentina	Argentine Federation of Professional Councils of Economic Sciences (FACPCE)	Central Bank (BCRA), National Securities Commission (CNV), Superintendence of Insurance (SSN)	X	X	FACPCE / BCRA, CNV, SSN	FACPCE / BCRA, CNV, SSN	FACPCE / BCRA, CNV, SSN	FACPCE / CNV
Australia[1]	Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia, Institute of Public Accountants (IPA)	Australian Securities and Investments Commission (ASIC)	X	X	ASIC	ASIC,CA ANZ, CPA, IPA	ASIC, CA ANZ, CPA, IPA	ASIC, Companies Auditors Disciplinary Board (CADB), CA ANZ, CPA, IPA
Austria	Chamber of Tax Advisers and Auditors (KSW) / Institute for Austrian Certified Public Accountants (IWP)	Audit Oversight Body of Austria (APAB)	X		APAB	APAB / KSW	APAB	APAB / KSW
Belgium	Institute of Registered Auditors (IBR-IRE)	Belgian Audit Oversight College (CSR-CTR)	X[2]		IBR-IRE / CSR-CTR	IBR-IRE / High Council of the Economic Professions (CSPE-HREB) / Belgian Minister of Economy	CSR-CTR	CSR-CTR
Brazil	Federal Council of Accounting (CFC)	Securities and Exchange Commission of Brazil (CVM)		X[3]	CFC / CVM	CFC	CVM / CFC	CVM / CFC
Canada	Chartered Professional Accountants of Canada (CPA)	Canadian Public Accountability Board (CPAB)	X		CPAB	CPA	CPAB	CPAB
Chile		Financial Market Commission		X	CMF	CMF	CMF	CMF

Jurisdiction	Professional auditor/ accountancy body	Public oversight body	Funding resources of the public oversight body		Institutions in charge			
			Levies on audit fees	State budget	Approval and registration of external auditors and audit firms	Adoption of audit standards	Quality assurance system	Investigative and administrative disciplinary system
China	The Chinese Institute of Certified Public Accountants (CICPA)	Ministry of Finance of the PRC (MOF)	-[4]		MOF	MOF	MOF / CICPA	MOF / CICPA
Colombia	-	Central Board of Accountants (CBA)[5]		X	CBA	Technical Council for Accounti ng (TCA)	CBA / TCA	CBA
Costa Rica	Chamber of Certified Public Accountants (CCPCR)	General Superinten-dency of Securities (SUGEVAL), General Superintendency of Financial Entities (SUGEF), General Superintendency of Insurance (SUGESE) and Superintendency of Pensions (SUPEN)	X[6]	X	CCPCR / SUGEVAL/ SUGEF/ SUGESE / SUPEN	CCPCR	CCPCR	CCPCR / SUGEVAL / SUGEF / SUGESE / SUPEN
Czech Republic	The Chamber of Auditors of the Czech Republic (KACR)	Public Audit Oversight Board (RVDA)		X	KACR	KACR	RVDA	RVDA
Denmark	Danish Auditors (FSR)	Danish Business Authority (DBA)	X	X	DBA	FSR/DBA	DBA	DBA
Estonia	Estonian Auditors' Association (EAA)	Auditing Activities Oversight Board (AAOB)	X	X	AAOB	AAOB	AAOB	AAOB
Finland	Finnish Association of Auditors (FAA)	Finnish Patent and Registration Office, Auditor Oversight Unit (PRH)	X		PRH	FAA	PRH	PRH
France	National Association of Statutory Auditors (CNCC)	High Council for Statutory Audit (H3C)	X		H3C	H3C / CNCC	H3C	H3C
Germany	Institute of Public Auditors (IDW) / Chamber of Public Accountants (WPK)	Auditor Oversight Body (APAS)	X	X	WPK	IDW	APAS	APAS
Greece	Institute of Certified Public Accountants in Greece (SOEL)	Hellenic Accounting and Auditing Standards Oversight Board (HAASOB)	X[7]		HAASOB / SOEL	HAASOB	HAASOB	HAASOB
Hong Kong (China)	Hong Kong Institute of Certified Public Accountants (HKICPA)	Accounting and Financial Reporting Council (AFRC)[8]	X	X	AFRC	HKICPA	AFRC	AFRC
Hungary	Hungarian Chamber of Auditors (MKVK)	Auditors' Public Oversight Authority (KKH)	X	X	MKVK	MKVK	KKH	KKH MKVK

Jurisdiction	Professional auditor/ accountancy body	Public oversight body	Funding resources of the public oversight body		Institutions in charge			
			Levies on audit fees	State budget	Approval and registration of external auditors and audit firms	Adoption of audit standards	Quality assurance system	Investigative and administrative disciplinary system
Iceland	Institut of State Authorized Public Accountants (FLE)	Audit Oversight Board (AOB)	X		AOB	AOB	AOB	AOB
India	Institute of Chartered Accountants of India (ICAI)	National Financial Reporting Authority (NFRA)		X	ICAI	NFRA / ICAI	NFRA / ICAI	NFRA / ICAI
Indonesia	Indonesian Institute of Certified Public Accountants (IAPI) / Institute of Indonesia Chartered Accountants (IAI)	Finance Professions Supervisory Centre (PPPK) – Ministry of Finance and Indonesia Financial Services Authority (OJK)		X[9]	PPPK/OJK	IAPI	PPPK/OJK	IAPI / PPPK/OJK
Ireland	Recognised Accountancy Bodies (RABs)[10]	Irish Auditing and Accounting Supervisory Authority (IAASA)	X	X	RABs / IAASA	IAASA	IAASA	IAASA / RABs
Israel	Israel Auditors' Council (IAC) Institute of Certified Public Accountants in Israel (ICPAI)	Israel Peer Review Institute (IPRI)[11]	X		IAC	ICPAI	IPRI	IAC
Italy		Italian Securities and Exchange Commission (CONSOB)	X		Ministry of Economy and Finance (MEF)	MEF/CONSOB[12]	CONSOB	CONSOB
Japan	Japanese Institute of Certified Public Accountants (JICPA)	Certified Public Accountants and Auditing Oversight Board (CPAAOB) established within the Financial Services Agency (FSA)		X	FSA	FSA (Business Accounting Council)	CPAAOB / JICPA	CPAAOB / FSA
Korea	The Korean Institute of certified public accountants (KICPA)	Financial Services Commission (FSC), Financial Supervisory Service (FSS)	X	X	FSC/FSS	FSC	FSC/FSS	FSC/FSS
Latvia	Latvian Association of Sworn Auditors (LASA)	Ministry of Finance (MoF)		X	LASA	LASA	MoF	MoF
Lithuania	Lithuanian Chamber of Auditors (LAR)	Authority of audit, accounting, property valuation and insolvency management (AVNT)		X	LAR	AVNT / LAR	AVNT	AVNT
Luxembourg	Institute of Statutory Auditors (IRE)	Financial Supervisory Commission (CSSF)	X		CSSF	CSSF	CSSF	CSSF
Malaysia	Malaysian Institute of Accountant (MIA)	Audit Oversight Board (AOB)	-[13]	-	AOB	MIA	AOB and MIA	AOB and MIA

Jurisdiction	Professional auditor/ accountancy body	Public oversight body	Funding resources of the public oversight body		Institutions in charge			
			Levies on audit fees	State budget	Approval and registration of external auditors and audit firms	Adoption of audit standards	Quality assurance system	Investigative and administrative disciplinary system
Mexico	Mexican Institute of Public Accountants (IMCP)	Comisión Nacional Bancaria y de Valores (CNBV) General Administration of Fiscal Audit Federal Tax Administration Service		X	IMCP General Administration of Fiscal Audit Federal Tax Administration Service	IMCP / CNBV	IMCP / CNBV	IMCP
Netherlands	Royal the Netherlands Institute of Chartered Accountants (NBA)	Authority for Financial Markets (AFM)	X		AFM / NBA	NBA / approval of standards by the Ministry of Finance	AFM	AFM
New Zealand	New Zealand Institute of Chartered Accountants (NZICA)	Financial Markets Authority (FMA)		X	NZICA	XRB	FMA	NZICA/FMA
Norway	Norwegian Institute of Public Accountants (NIPA)	Financial Supervisory Authority of Norway (FSAN)	X		FSAN	NIPA	FSAN	FSAN
Peru	Peruvian Public Accountants Associations (PPAA)	Superintendence of Securities Market (SMV)[14]	-[15]	-	PPAA	SMV	SMV	PPAA/SMV
Poland	Polish Chamber of Statutory Auditors (PIBR)	Polish Agency for Audit Oversight (PANA)	X[16]		PIBR / PANA	PIBR / PANA	PANA	PANA
Portugal	Portuguese Statutory Audit Institute (OROC)	Portuguese Securities Market Commission (CMVM)	X		CMVM / OROC	OROC	CMVM	CMVM / OROC
Saudi Arabia	Saudi Organization for Certified Public Accountants (SOCPA)	Capital Market Authority (CMA)	X[17]	-	CMA	SOCPA	SOCPA / CMA	SOCPA / CMA
Singapore	Institute of Singapore Chartered Accountants (ISCA)	Accounting and Corporate Regulatory Authority (ACRA)	-[18]	-	ACRA	ACRA	ACRA	ACRA
Slovak Republic	Slovak Chamber of Auditors (SKAU)	Auditing Oversight Authority (UDVA)	X	X	UDVA	SKAU/ UDVA	UDVA	UDVA
Slovenia	Agency for Public Oversight of Auditing (ANR)	Agency for Public Oversight of Auditing (ANR)	X	X	ANR	ANR	ANR	ANR
South Africa	South African Institute of Chartered Accountants (SAICA)	Independent Regulatory Board for Auditors (IRBA)	X	X	SAICA/ IRBA	IRBA	IRBA	IRBA
Spain	Institute of Chartered Accountants of Spain (ICJCE)	Accounting and Auditing Institute (ICAC)	X		ICAC	ICAC / Professional bodies	ICAC	ICAC

Jurisdiction	Professional auditor/ accountancy body	Public oversight body	Funding resources of the public oversight body		Institutions in charge			
			Levies on audit fees	State budget	Approval and registration of external auditors and audit firms	Adoption of audit standards	Quality assurance system	Investigative and administrative disciplinary system
Sweden	Institute for the Accountancy Profession in Sweden (FAR)	Swedish Inspectorate of Auditors (RI)	X		RI	RI / FAR	RI	RI
Switzerland [19]	EXPERTsuisse/ Treuhand | suisse / Veb.ch	Federal Audit Oversight Authority (FAOA)	X		FAOA	EXPERT suisse / FAOA	FAOA	FAOA
Türkiye[20]	Union of Chambers of Certified Public Accountants of Türkiye	Public Oversight Accounting and Auditing Standards Authority (KGK) / Capital Markets Board (CMB)	X	X	KGK / CMB	KGK	KGK / CMB	KGK / CMB
United Kingdom	Recognised Supervisory Bodies (RSBs) / Recognised Qualifying Bodies (RQBs)[21]	Financial Reporting Council (FRC)	X		RSBs	FRC	FRC	FRC
United States	Public Company Accounting Oversight Board (PCAOB), and State Boards for Public Accountancy.	SEC	X[22]	N/A	PCAOB	SEC/ PCAOB	PCAOB	SEC/ PCAOB

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation; **N/A** = not applicable.

Professional accountancy body refers to the professional body responsible for providing regulation and oversight over individuals and firms operating in the accountancy industry.

Public oversight body refers to the public body responsible for supervising the audit profession and monitoring compliance with requirements for auditors' independence and conduct.

Quality assurance system refers to the quality assurance reviews or inspections carried out for audits of all listed entities that prepare financial reports.

Investigative and administrative disciplinary system refers to investigative and disciplinary procedures carried out for professional accountants.

1. In **Australia**, each year, the government publishes a legislative instrument setting out ASIC's regulatory costs for the previous financial year and how they are allocated. ASIC then issues levy notices to recover most of its regulatory costs from regulated entities. Regulatory costs are also recovered through fees for service pursuant to the Corporations (Fees) Regulations 2001.

2. In **Belgium**, the costs supported by the FSMA for the functioning of the CSR-CTR as well as the costs for the functioning of the sanctions committee of the FSMA as regards the audit profession are covered by fees from the profession. It is a legal obligation for the members of the profession to contribute via their fees.

3. In **Brazil**, the CVM generates its own revenues charging fees and fines from capital market participants and collecting resources from legal settlements under the Securities Act's consent decree clause. However, all resources must be sent to the central government to be included in the federal annual budget.

4. In **China**, according to the chapter of CICPA, the financial resources of the CICPA come from membership dues, donations, subsidies from the government, revenue from the operating activities and services provided by the Institute and other revenues.

5. In **Colombia**, the Central Board of Accountants (CBA) is supported by the Technical Council for Accounting (TCA) on topics related to the adoption of law and standards.

6. In **Costa Rica**, SUGEVAL's budget is 80% funded by the Central Bank and 20% funded by compulsory contributions of regulated entities. However, an amendment to the Law Regulating the Securities Market and other related laws, achieved by Law 9 746 (adopted in October 2019), changed the financing to a 50% – 50% split. Starting in 2024, compulsory contributions of regulated entities will increase by 7.5% annually until the 50% is achieved in 2027.

7. In **Greece**, if the levied fees are not sufficient to cover HAASOB's operating costs, then HAASOB is subsidised by the state budget.
8. In **Hong Kong (China)**, since 1 October 2022, the Financial Reporting Council has been renamed as the Accounting and Financial Reporting Council (AFRC) to oversee the accounting profession. The AFRC is vested with the statutory functions to issue practicing certificates to certified public accountants, register practice units and public interest entity auditors and deal with matters regarding inspection, investigation and discipline of the accounting profession.
9. In **Indonesia**, the PPPK is funded from the state budget, while the OJK is funded from registration, annual fees of auditors, and accounting firm fees based on a certain percentage of engagement, and/or state budget.
10. In **Ireland**, Recognised Accountancy Bodies (RABS) refer to the professional bodies which are approved by the Companies Act 2014 and monitored by the IAASA as responsible for licensing their members to perform audits: the Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Accountants in Ireland (ICAI) and the Institute of Certified Public Accountants in Ireland (CPA).
11. In **Israel**, the IPRI is a subsidiary of the ICPAI.
12. In **Italy**, the MEF adopts audit standards having heard the opinion of CONSOB.
13. In **Malaysia**, the AOB is funded primarily from the registration fees of audit firms and individual auditors. In addition, the AOB also receives funding from the Securities Commission Malaysia.
14. In **Peru**, according to Article 1 of SMV´s Organic Law, the SMV supervises compliance with international auditing standards by auditing firms authorised by any of the Peruvian public accountants associations and hired by natural or legal persons subject to SMV oversight. The SMV may issue general provisions consistent with international auditing standards and require any information or documentation to verify such compliance.
15. In **Peru**, SMV's Organic Law includes the possibility of obtaining funding resources from the Central Government and fines from wrongdoers; nevertheless, the main source of resources of the SMV is the income from the contributions of issuers and supervised entities.
16. In **Poland**, PANA is directly funded from fees paid by audit firms. It may also be funded from the state budget, if needed.
17. In **Saudi Arabia**, the Capital Market Law (CML) states that government funds may be used as a source of financial resources for the CMA. However this has not been the case in practice and the CMA remains fully self-funded from fees for services and commissions charged by the authority and fines and financial penalties imposed on violators.
18. In **Singapore**, ACRA is a self-funded regulatory agency. Its main sources of income are from statutory fees payable under the Acts administered by ACRA (e.g. company, business, public accountant and corporate service provider registration and related fees) and fees from provision of information services related to such entities.
19. In **Switzerland**, the FAOA is funded by fees levied off registered individuals and firms (for its decisions, inspections and services). To cover the oversight costs that are not covered by fees, the FAOA charges an annual oversight levy to audit firms under state oversight on the basis of the costs incurred in the accounting year in question (see Art. 21 Auditor Oversight Act and Art. 37 Auditor Oversight Ordinance). Furthermore, the professional body EXPERTsuisse issues auditing standards. However, the FAOA has the competence to approve, amend or derogate existing auditing standards or to adopt its own standards. This competence is limited to standards applying to financial audits of Public Interest Entities (Art. 16a para. 2 Auditor Oversight Act).
20. In **Türkiye**, KGK is in charge of authorising and registering external auditors. However, external auditors shall also be authorised by the CMB to be able to audit public companies. In this respect, the CMB may inspect and impose administrative fines to external auditors if necessary.
21. In the **United Kingdom**, professional bodies which are approved and monitored by the FRC as responsible for supervising the work of their member auditors and audit firms include: the Association of Chartered Certified Accountants (ACCA), Chartered Accountants Ireland (ICAI), the Institute of Chartered Accountants in England and Wales (ICAEW), the Institute of Chartered Accountants of Scotland (ICAS).
22. In the **United States**, funding for the PCAOB is specified by law and regulation and is derived from fees levied on issuers, brokers and dealers, and audit firms.

Table 4.14. Voting practices for board election

Jurisdiction	Majority requirement for board election	Voting for: Individual candidate/list of candidates	Cumulative voting
Argentina	-	Individual candidate	Allowed
Australia	Required	Individual candidate	-
Austria	Required	(Individual candidate)	
Belgium	-	-	Allowed
Brazil	-	-	Allowed
Canada	Required[1]	Individual candidates	Allowed
Chile	-	Individual candidate	Allowed
China	Required	Individual candidate	Allowed/Required if one SH and its person acting in concert hold ≥ 30% of the voting shares[2]
Colombia	Required	List	-
Costa Rica	Required	Individual candidate	Allowed
Czech Republic	Required	Individual candidate	Allowed

Jurisdiction	Majority requirement for board election	Voting for: Individual candidate/list of candidates	Cumulative voting
Denmark	Required	(Individual candidate)	Allowed
Estonia	Required	Individual candidate	Allowed
Finland	Required[3]	Individual candidate	Allowed
France	Required	Individual candidate	-
Germany	Required	(Individual candidate)	Allowed
Greece	Required	Individual candidate / List	-[4]
Hong Kong (China)	Required	Individual candidate	-
Hungary	Required	(Individual candidate)	-
Iceland	Required	Individual candidate	-
India	Required	Individual candidate	Allowed
Indonesia	Required	Individual candidate	-
Ireland	Required	Individual candidate	-
Israel	Required	Individual candidate	-
Italy	-[5]	List	-
Japan	Required	Individual candidate	Allowed but limited
Korea	Required	Individual candidate	Allowed but limited
Latvia	-	Individual candidate	Allowed
Lithuania	Required	Individual candidate	Allowed
Luxembourg	Required	Individual candidate	-
Malaysia	Required	Individual candidate	-
Mexico	Required	Individual candidate	Allowed (1 board member for each 10%)
Netherlands	-	-	Allowed but limited
New Zealand	Required	Individual candidate	Allowed
Norway	-	(Individual candidate)	Allowed
Peru	-	Individual candidate	Allowed
Poland	Required	Individual candidate	Allowed
Portugal	Required[6]	List of candidates[7]	-
Saudi Arabia	Required	Individual candidate	Required
Singapore	Required	Individual candidate	-
Slovak Republic	Required	Individual candidate	Allowed
Slovenia	Required	Individual candidate	Allowed
South Africa	Required	Individual candidate	-
Spain	Required	Individual candidate	-
Sweden	-	Individual candidate	-
Switzerland	Required	Individual candidate	Allowed
Türkiye	Required	Individual candidate	-
United Kingdom	Required	Individual candidate	-
United States	-	Individual candidate	Allowed

Key: **Required** = specifically required by law or regulation. Otherwise "**optional**" or "**recommended**" are used; **( )** = recommendation; "**-**" = not required or not allowed.

1. In **Canada**, the majority requirement applies with respect to publicly-traded companies in uncontested elections, through the operation of federal legislation as well as provincial securities exchange rules.
2. In **China**, besides the election of directors, a cumulative voting system is required in the election of supervisors if a listed company whose single shareholder and its person acting in concert hold 30% or more shares.
3. In **Finland**, in an election, the person receiving the most votes shall be elected. In practice, the general meeting decides before the election if a majority of votes is required for the election.
4. In **Greece**, a shareholder can directly appoint one or more board members, provided that they do not exceed 2/5 of the total number of members comprised within the board of directors.
5. Under **Italy**'s use of a list voting system, all board seats except those reserved to minority shareholders are elected from the list receiving the most votes (an absolute majority is not required).

6. In **Portugal**, a company's articles of association can establish that if a minority of shareholders holding at least 10% of the voting rights votes against the proposed list of candidates, it has the right to appoint at least one member of the board of directors. In such a case, the election shall be by a majority of said shareholders.
7. In **Portugal**, a company's articles of association can allow that a maximum of 1/3 of the board of directors is appointed by groups of shareholders, provided that none of these groups holds shares representing more than 20% and less than 10% of the voting rights.

Table 4.15. Board representation of minority shareholders

Jurisdiction	Requirement / recommendation	
	Required for re-election	
Brazil	Allowed	**One or two** members of the board may be elected separately by minority shareholders, pursuant to the following rules: - Minority shareholders holding voting shares that represent 15% or more of the voting capital are entitled to appoint one member for the board; and - Minority shareholders holding non-voting preferred shares or preferred shares with limited voting rights that represents 10% or more of the total capital stock are entitled to appoint one member to the board; - if neither the holders of shares with voting rights nor the holders of preferred shares without voting rights or with restricted voting rights achieve the percentages mentioned above, they are allowed to aggregate their shares in order to jointly elect a member for the board of directors, as long as their shares represent at least 10% of share capital; and - in the case of state-owned enterprises, minority shareholders have the right to elect one representative for the Board with no minimum share capital requirement.
India	Allowed	Companies Act, 2013 provides for nomination of one director by small shareholders. In this context, a small shareholder is someone holding shares of nominal value of not more than 20 thousand rupees.
Israel	Required	**At least two** outside directors must be approved or appointed by a majority of the minority.
Italy	Required	**At least one** board member must be elected from the slate of candidates presented by shareholders owning a minimum threshold of the company's share capital. His/her appointment is not a necessary condition for the valid composition of the board (i.e. the board composition is still valid if only one slate has been presented and the board is consequently made up of only directors elected from that slate). The bylaws may reserve a higher number of board seats to minority shareholders.
Mexico		According to Article 144 of the Companies Law at least one board member must be elected from shareholders representing at least 10% of the share capital.
Peru	Required	According to Article 164 of the General Corporation Law, corporations are obliged to constitute their board of directors with representation of the minority. To this end, each share gives the right to as many votes as directors must be elected and each voter can accumulate their votes in favour of a single person or distribute them among several. The corporation bylaws may establish a different system of election, provided that the minority representation is not lower.
Portugal	Required	The articles of association of public listed companies must provide that: i.) a **maximum of one-third** of board members are appointed within candidates proposed by a group of shareholders holding between 10 and 20% shareholding; or ii) that minority shareholders representing at least 10% of the share capital appoint **at least one** director.
Spain	Allowed	Shares that are voluntarily grouped to constitute share capital amounting to or exceeding the sum resulting from dividing the capital by the number of members of the board of directors, shall be entitled to designate the number of members deduced from the proportion of share capital so grouped, rounding any fractions. In other words, depending on the number of directors, shareholders can pool their shares in order to appoint a number of directors to the board in proportion to the share capital they hold in accordance with the proportional representation system. For instance, if minority shareholders possess 100 shares and the board has 12 members, they may pool the 100 shares divided by 12 in order to designate a member of the board.
Türkiye	Allowed	The minority shareholders (holding 5% of the equity capital for listed companies) may be given the right to be represented at the board (**maximum half** of the members of the board can be elected in this way, provided that the articles of association of the company allow.)

Jurisdiction	Requirement / recommendation	
	Required for re-election	
United Kingdom	Required for premium listed companies with controlling shareholders	Premium listed companies with controlling shareholders must ensure that their constitutions provide for the election of independent directors by a **dual voting structure**. This structure requires that **independent directors must be separately approved both by the shareholders as a whole and the independent shareholders** as a separate class.

Table 4.16. Governance of board nomination

Jurisdiction	Information provided to shareholders regarding the candidates for board membership			Requirement or recommendation for board nomination	
	Name of candidate	Qualifications of candidates	Candidate's relationship with the firm	Qualification of candidates [e.g. only for non-executive directors (NED), independent directors (ID) or members of audit committee (AC)]	Formal screening process (e.g. approval by the nomination committee)
Argentina	L, C	L, C	L, C	L, C	C
Australia	L	C	C	C	C: NED
Austria	L	L	L	C	-
Belgium	L		-	C, L: AC	C
Brazil	L	L	L	L	-
Canada	L	L	L	-	-
Chile	L	C	C	L: ID, C	L: ID
China	L	L	L	L	R: ID[1]
Colombia	L	C	C	C, L: ID, AC	C
Costa Rica	L	C	C	C	C
Czech Republic	L	C	-	C	C
Denmark	L, C	L, C	L, C	C	C
Estonia	L	-	-	C	-
Finland	C	C	C	C, L (AC)	-
France	L	L	L	C	C
Germany	L	L, C	L, C	C	C
Greece	L	L	L	L	C
Hong Kong (China)	R	R	R	R: ID, AC	C
Hungary	C	C	L, C	L, C: AC	-
Iceland	L	L	L	L	C
India	L	L	L	L	L
Indonesia	L	L	L[2]	L: NED, AC	L
Ireland	L	-	-	C	C
Israel	L	L	L	L	-
Italy	L	L	L	C	C[3]
Japan	L	L	L	R: ID; L: Outside directors	L/C
Korea	L	L	L	-	-
Latvia	L, C	C	C	C	C
Lithuania	C	C	C	L, C	C
Luxembourg				-	-
Malaysia	R	R	R	R	R; C
Mexico	L	L	L	L: ID; AC; C: ID, AC	-
Netherlands	L, C	L, C	L, C	C: Supervisory board	-
New Zealand	R	R	R	C	C
Norway	C	C	C	L: AC, C	-
Peru	L, C	L, C	L, C	L[4]: ID, C: ID	-
Poland	L	-	-	-	-
Portugal	L	L	L	C	C
Saudi Arabia	L	L	L	L	-

Jurisdiction	Information provided to shareholders regarding the candidates for board membership			Requirement or recommendation for board nomination	
	Name of candidate	Qualifications of candidates	Candidate's relationship with the firm	Qualification of candidates [e.g. only for non-executive directors (NED), independent directors (ID) or members of audit committee (AC)]	Formal screening process (e.g. approval by the nomination committee)
Singapore[5]	R	R	R	R, C	C
Slovak Republic	C	C	-		
Slovenia	L	L	C	C	-
South Africa	L	L	L	L, C	L, C
Spain	L	L	L	L: ID	L
Sweden	L	C	C	R; L: AC	C
Switzerland	L	C	C	C	C
Türkiye	L	L	L	L: ID, AC C: AC	L: ID[6]
United Kingdom	C	-	L	C	C
United States	L	L	L	L/R: AC, R: Members of remuneration and nomination committees	R

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation.

1. In **China**, Listing Rules require a listed company to state in the announcement that the proposal on the independent directors is subject to the approval of the Exchange and file with the Exchange the relevant materials of the candidates when giving notice of the shareholder's general meeting for the election of independent directors.
2. In **Indonesia**, the information on the relationship of the candidate with the firm is required to oversee the independence of the commissioner.
3. In **Italy**, before board appointments occur, companies provide to their shareholders recommendations on the professional skills needed, as emerged in the self-evaluation process. The nomination committee, which supports the board in the self-evaluation process, is also in charge of succession planning, of proposing candidates if directors have to be nominated during the mandate and, in general, advising the board on its optimal composition (also in case the board presents a list of candidates for the subsequent board appointment).
4. In **Peru**, the SMV approved the "Qualification on Independent Directors Guidelines", with the purpose that companies with securities registered in the Securities Market Public Registry use the same criteria for their disclosures to the market on the independent condition of their directors. The Guidelines provide input to the issuers for their responses to the "Report on Compliance with the Code of Good Corporate Governance for Peruvian Companies" questions about independent directors and when a director is qualified as such.
5. In **Singapore**, the SGX Listing Manual provides that any appointment of a director must be announced by the issuer, providing information including the director's name, working experience, relationship with the issuer, shareholding interest in the issuer and other specified information. The Listing Manual requires directors to have appropriate experience and expertise to manage the group's business. A director without prior experience as a director of an issuer must undergo training as prescribed by the Exchange. If the nominating committee is of the view that training is not required as the director has other relevant experience, the basis of their assessment must be disclosed.
6. In **Türkiye**, Corporate Governance Principles require the independent director candidates to be first evaluated by the nomination committee and afterwards reported to the board. For a certain group of companies (relatively higher market capitalisation and shares in free float), the short list of candidates shall be notified to the Capital Markets Board 60 days prior to the general assembly meeting.

Table 4.17. Requirements or recommendations for board and key executives remuneration

Jurisdiction	General criteria	Specific requirement or recommendation
		e.g. *Long term incentive mechanism for variable remuneration (LTIM); Severance payment cap (SPC)*
Argentina	L	LTIM, SPC
Australia	C	SPC (applicable for board only)[1]
Austria	L	LTIM (3 years); SPC (2 years)
Belgium	L	LTIM (3 years); SPC (12-18 months)
Brazil	C	LTIM
Canada	-[2]	-
Chile	C	-
China	C	LTIM; (equity incentive, employee stock option plans etc.). The articles about severance payments should be fair and without prejudice to the legitimate rights of listed companies
Colombia	C	LTIM

Jurisdiction	General criteria	Specific requirement or recommendation e.g. *Long term incentive mechanism for variable remuneration (LTIM); Severance payment cap (SPC)*
Costa Rica	C	-
Czech Republic	C	LTIM, SPC
Denmark	C	LTIM (3 years); SPC (2 years)
Estonia	C	LTIM, SPC
Finland	C	LTIM[3]
France	C	LTIM
Germany	L, C	LTIM, SPC (2 years)
Greece	L	LTIM
Hong Kong (China)	R, C	-
Hungary	L	LTIM (credit institutions, investment firms, UCITs, AIF fund managers and insurance companies)
Iceland	L	LTIM (credit institutions, investment firms, UCITs, AIF fund managers and insurance companies)
India[4]	L	-
Indonesia	L	LTIM
Ireland	C	LTIM
Israel	L	LTIM, SPC
Italy	L C	Variable remuneration, if awarded, is based on clear, comprehensive and varied performance criteria, taking into account, where relevant, corporate and social responsibility. LTIM (3 years); SPC (the company should clearly define a limit for severance payments)
Japan	C	LTIM
Korea	C	LTIM
Latvia	L	SPC (2 years)
Lithuania	C	LTIM, SPC (2 years)
Luxembourg	C	-
Malaysia	-	-
Mexico	L	-
Netherlands	L	LTIM; SPC (1-2 years)
New Zealand	C	-
Norway	L	Variable remuneration, if awarded, shall be based on clear, comprehensive and varied criteria. It shall indicate the financial and non-financial performance criteria, including, where appropriate, criteria relating to corporate social responsibility and sustainability, and explain how they contribute to the company's business strategy and long-term interests and sustainability
Peru	C	LTIM
Poland	C	-
Portugal	C/L	LTIM (C – 3 years; or L – 5 years for credit institutions)
Saudi Arabia	L	LTIM, Maximum limit: 500 000 Saudi Riyal (for board members)
Singapore	C	LTIM
Slovak Republic	L	LTIM (2 years); SPC (6 months)
Slovenia	L	(LTIM), SPC (for SOEs only)
South Africa	L, C	LTIM, SPC, Policies of the Entity, MOI
Spain	L	LTIM (3 years)
Sweden	C	LTIM (3 years), SPC (2 years)
Switzerland	L	SPC (Prohibition of contractually agreed severance payments)
Türkiye	C	Independent director remuneration cannot be based on profitability, share options or company performance
United Kingdom	C	LTIM
United States	-	-

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation.

1. In **Australia**, recommendations state that severance payments are not to be provided to board members (specifically, non-executive directors). There is no quantitative SPC for management, rather severance pay is addressed by a requirement relating to member approval in prescribed circumstances, and recommendations that severance payments be agreed in advance and that there should be no payment for removal for misconduct.

2. In **Canada**, legislative provisions on board and key executives' remuneration have been enacted but are not yet in force.

3. In **Finland**, the remuneration of the Board and CEO must be based on the remuneration policy reviewed by the Annual General Meeting (advisory decision).
4. In **India**, the Companies Act requires that the remuneration of all directors taken together should not exceed 11% of net profits of the company (if the company does not have profits, there are absolute rupee limits specified under the Companies Act). If the remuneration exceeds the limits specified, the same will require shareholder approval.

Table 4.18. Disclosure and shareholder approval of board and key executives remuneration

Jurisdiction	Remuneration policy		Level / amount of remuneration		
	Disclosure	Approval by shareholders	Disclosure		Approval by shareholders
			Total	*Individual*	
Argentina	L	SoP/AA	L	All directors	SoP/AA
Australia	L	L (Advisory)	L	Key management personnel	L (Advisory)
Austria	L	L (Advisory)	L	L	L (Advisory)
Belgium	L	L (Binding)	L	CEO and members of board of directors	L (Advisory)
Brazil	L	L (Binding)	L	Highest, lowest and average paid to directors	L (Binding)
Canada	L	C (Advisory) (Once in force)[1]	L	L	C (Advisory)
Chile	-	L (Binding for board members)	L	Board members by name and key executives all together	L (Binding for board members)
China	L	L (For directors)	L	L	L (For directors)
Colombia	C	C (Binding)[2]	C	-	C
Costa Rica	L	L (Binding)[3]	-	-	-
Czech Republic	L	L (Binding)	L	Board members, CEO and his/her deputy	L (Advisory)
Denmark	L	L (Binding)	L	L	L (Advisory)
Estonia	L	L (Advisory)[4]	L	L	-
Finland	L	L (Advisory)[5]	L	L (CEO and members of the board of directors and supervisory board where applicable) C (Key executives)	L (Advisory)
France	L	L (Advisory)	L	L	L (Binding)
Germany	L	L (Advisory)	L	L	L (Advisory)
Greece	L	L (Binding)	L	L	L (Binding)
Hong Kong (China)[6]	R	-	R	All directors by name and senior management by band	-
Hungary	L	L (Advisory)		L (Board members CEO and his/her deputy)	L (Advisory)
Iceland	L	L (Binding)	L	L (CEO and key management)	L (Binding)
India	L	-	L[7]	L	L (Binding)
Indonesia	L	L(Binding)	L	L	L(Binding)
Ireland	L	L (Advisory)	L	R	SoP/AA
Israel[8]	L	L (Binding)	L	Top 5	L (Binding)
Italy	L	L (Binding)	L	L: Directors, statutory auditors and general managers	L (Binding) for directors[9]
Japan	L	SoP/AA	L	Above JPY 100 million	SoP/AA
Korea	C		L	Directors above KRW 500 million and 5 employees above KRW 500 million[10]	L (Binding)
Latvia	L	L (Binding)	L	L	L (Binding)
Lithuania	L	L (Binding)	L	L	C (Binding)[11]
Luxembourg	L	L (Advisory)	L	L	L (Advisory)
Malaysia	C	-	R	R (All directors) C (Top 5 senior management in bands of RM 50 000)[12]	L (Binding for directors)
Mexico	L	L (Binding)	L	-	L (Binding)
Netherlands	L, C	L (Binding)	L	L	L (or AA)
New Zealand	C	-	L	All directors and employees above NZD 100 000	R (Binding)[13]

Jurisdiction	Remuneration policy		Level / amount of remuneration		
	Disclosure	Approval by shareholders	Disclosure		Approval by shareholders
			Total	*Individual*	
Norway	L	L (Binding*)	L	L – All directors and CEO	L (Binding)
Peru	C	L (Binding)	L	All members of the board of directors	L (Binding)
Poland	L	L	L	L	L
Portugal	L	L (Binding)	L	All members of the board of directors and supervisory board	L (Binding)
Saudi Arabia	L	L (Binding)	L	All directors and top 5 key executives	-
Singapore	R[14]	-	R C	All directors and CEO Top 5 key executives (who are not directors or CEO), employees who are substantial shareholders (defined as 5% and above shareholdings) or immediate family members of a director, CEO or substantial shareholder and whose remuneration exceeds SGD 100 000 during the year.	R (Binding for directors)[14]
Slovak Republic	L	L	L	L (all members of board)	L
Slovenia	L	SoP/AA	L	L	-
South Africa	L, C	L, C (Advisory)	L	All directors	L, C (Advisory)
Spain	L	L (Binding)	L	All members of the management board and directors	L (Binding)
Sweden	L	L (Binding)	L	All directors and CEO	L (Binding for directors)
Switzerland	L/R	C (Advisory)	L	All directors and CEO	L (Binding)
Türkiye	L	SoP/AA	L	C (Board members and all directors)	L (Binding) for directors
United Kingdom	L	L (Binding)	L	All directors	L (Advisory)
United States	L	L (Advisory)	L	All directors and CEO, CFO and 3 most highly compensated executive officers other than the CEO and CFO (≥ USD 100 000)	L (Advisory)

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** = recommendation by the codes or principles; "**-**" = absence of a specific requirement or recommendation; **N/A** = not applicable.
SOP/AA = choice between shareholder approvals or articles of association.
Advisory/Binding = Irrespective of whether a shareholder vote is required or recommended, these terms set out whether such votes are advisory or binding with respect to remuneration policies or amounts.
Binding* = * indicates binding approval only required if a company uses incentive pay.
1. In **Canada**, an advisory vote will be required once the provision comes into force, on a date to be fixed by order of the Governor in Council. The provision was enacted but is not yet in force.
2. In **Colombia**, the recommendation is that the remuneration policy for the board should always be approved by shareholders. For key executives, the remuneration policy should always be approved by the board of directors.
3. In **Costa Rica**, in accordance with the Corporate Governance Regulation, remuneration policy for board and key executives should always be approved by shareholders if it considers variable performance-based bonuses in company shares.
4. In **Estonia**, the resolution of shareholders is advisory for the supervisory board, unless otherwise provided by the articles of association.
5. In **Finland**, approval by shareholders is only applicable for members of the Board and Supervisory Board.
6. In **Hong Kong (China)**, the Listing Rules require issuers to disclose the aggregate remuneration of the five highest paid individuals in their annual reports. It is not necessary to disclose the identity of the highest paid individuals unless any of them are directors of the issuers. The Code recommends disclosure of any remuneration payable to members of senior management, on an individual and named basis, in issuers' annual reports.
7. In **India**, remuneration of every director is subject to shareholders' approval. Accordingly, companies disclose remuneration to the public as part of this process. Further, the Companies Act 2013 specifies caps with respect to overall and individual remuneration of directors. For listed entities, shareholders' approval is required when the annual remuneration payable to a single non-executive director exceeds 50% of the total annual remuneration payable to all non-executive directors.
8. In **Israel**, binding approval for the level and amount of remuneration is required if it is not within the remuneration policy and for the CEO (in any case). The remuneration policy is subject to the shareholders' approval.
9. In **Italy**, the general meeting is in charge of approving the total remuneration (basis compensation) of the members of the board of directors and, if any, of the executive committee. Moreover, the remuneration of executive board members falls within the scope of authority of the board of directors, unless the bylaws provide otherwise.
10. In **Korea**, according to the Article 159 (Submission of Business Report, etc.) of the Financial Investment Services and Capital Markets Act, a corporation subject to business reporting shall state in its business report the remuneration of each executive officer and detailed standards for and methods of calculation thereof (limited to when the remuneration of an executive officer is not less than the amount prescribed by Presidential Decree, which shall not exceed 500 million won). According to Article 388 (Remuneration for Directors) of the Commercial Act, if

the amount of remuneration to be received by directors has not been determined by the articles of incorporation, such amount shall be determined by a resolution of a general meeting of shareholders.

11. In **Lithuania**, according to the Corporate Governance Code, the general meeting of shareholders should approve both the amount of remuneration to members of the supervisory board in relation to their participation in supervisory board meetings, and the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.

12. In **Malaysia**, Practice 8.2 of the Malaysian Code on Corporate Governance (MCCG) recommends that listed issuers disclose the remuneration component of the top five senior management in bands of RM 50 000. Step-up Practice 8.3 of the MCCG further recommends listed issuers to fully disclose the detailed remuneration of each senior management personnel.

13. In **New Zealand**, the NZX Listing Rules applying to listed issuers impose an additional requirement for directors' remuneration to be approved by ordinary resolution of the shareholders. That requirement does not apply to remuneration of executive directors in their capacity as executives.

14. In **Singapore**, Principle 8 of the Code of Corporate Governance requires companies to be transparent on its remuneration policies. Listing Rule 710 requires compliance with the principles of the Code. The Listing Manual states that an issuers' articles of association must contain a provision stating that fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Table 4.19. Provisions to achieve gender diversity in leadership positions

Jurisdiction	Requirement to disclose statistics on gender composition		Provisions to achieve gender diversity on boards		Sanctions for non-compliance with mandatory provisions
	Of boards	*Of senior management*	*Quota (mandatory)*	*Target (voluntary)*	
Argentina	L/C[1]	L	-	-	No
Australia[2]	C	C	-	C[3]	
Austria	L	L	30%	L	Yes
Belgium	-	-	33%		Yes
Brazil	L	L	-	-	No
Canada	L[4]		-		
Chile	L	L	-	-	Yes (non-compliance with disclosure requirement)
China[5]	-	-	-	-	
Colombia			30% for SOEs	-	
Costa Rica	-	-	50% for SOEs[6]	-	-
Czech Republic	L	-	-	-	-
Denmark	L	L		40%/60% of either gender for large companies, listed companies and SOEs	Yes
Estonia	-	-	-		
Finland	R,C[7]		At least one for listed companies [C] / 40% for SOEs[8]	40% for listed companies	
France	L		40%		Yes
Germany[9]	L	L	30%	L	Yes
Greece	L	-	25%[10]	-	Yes
Hong Kong (China)	R[11]	R	-	R	Yes
Hungary	-	-	-	-	-
Iceland	L	-	40% /60% of either gender for SOEs	-	-
India	L		At least one[12]		Yes
Indonesia	-	-	-	-	-
Ireland	L			40% for SOEs	
Israel	C	-	At least one	50% for SOEs[13]	Yes[14]
Italy	L	-	40%[15]	-	Yes

Jurisdiction	Requirement to disclose statistics on gender composition		Provisions to achieve gender diversity on boards		Sanctions for non-compliance with mandatory provisions
	Of boards	*Of senior management*	*Quota (mandatory)*	*Target (voluntary)*	
Japan	L	C[16]	-	12% for listed companies on the First section of the Tokyo Stock Exchange by 2022[17]	
Korea[18]	L		At least one	-	No
Latvia	-	-	-	-	-
Lithuania	-	-	-	-	-
Luxembourg	-			40%[19]	
Malaysia	R	R	At least one	30%	-
Mexico	L	L	-	C	Yes
Netherlands	L	L	33.3%	L, C	Yes
New Zealand	C	C		50% of public sector boards and committees by 2021	
Norway	L		33-50% depending on number of board members[20]		Yes
Peru[21]	L	-	-	-	-
Poland	C	C	-	-	-
Portugal	L	L	20% since 2018 and 33.3% after 2020		Yes
Saudi Arabia	-	-	-	-	-
Singapore	R, C[22]			20% by 2020; 25% by 2025; and 30% by 2030 for top 100 listed companies	
Slovak Republic	C				
Slovenia	L	-		40% for SOEs	Yes
South Africa	-	-	-	-	-
Spain	L	L	-	40% by 2022	No
Sweden	L	L		40% by 2020	
Switzerland	-	-	40% for SOEs	30%[23]	-
Türkiye	L	-	-	Min. 25%	-
United Kingdom	L	C		40%	
United States	L, R[24]	-	-[25]	-[26]	-

Key: **L** = requirement by law or regulations; **R** = requirement by the listing rules; **C** and **( )** = recommendation by the codes or principles; "**-**" = absence of a specific requirement, recommendation, quota or target; **N/A** = not applicable.

1. In **Argentina**, the Corporate Governance Code approved by General Resolution 797/2019 recommends that companies disclose the diverse composition of their boards. However, at each opportunity to elect directors, companies must disclose board composition through the CNV's website.
2. In **Australia,** the Workplace Gender Equality Act 2012 applies to non-public sector employers with 100 or more employees in Australia. The Act requires such employers to make annual filings with the Workplace Gender Equality Agency disclosing their "Gender Equality Indicators". These reports are filed annually covering the 12-month period ending 31 March.
3. In **Australia**, the Corporate Governance Principles and Recommendations do not set a numerical target, but recommend that each company should set its own numerical target.
4. In **Canada**, securities regulations in most provinces and territories require disclosure relating to the representation of women; for federally-incorporated companies, disclosures include the representation of women, visible minorities, Indigenous and disabled persons.
5. In **China,** the Code of Corporate Governance of Listed Companies (2018 Revision) encourages the diversification of members of the board of directors.
6. In **Costa Rica**, Constitutional Court jurisprudence has interpreted national law and international commitments on the matter as summarised in Vote 13885-2015 from 5 September 2015 "(…) opportunities for men and women shall be equal, therefore, the right to non-discrimination, sheltered by Article 33 of the Constitution, imposes upon the Administration the duty of appointing as equal as possible a number of women to public positions, which obviously includes politically appointed positions."
7. In **Finland**, a company listed in Helsinki Nasdaq SE has to follow the CG code according to the listing rules. According to the CG code a listed company has to have at least one board member of both genders. The target of 40% of both genders in listed companies' boards is based on the government's "equality programme 2020-23" according to which the government follows the progress in companies before possible other tools are used (e.g. possible quota legislation etc.).

8. In **Finland**, the progress of the equality goals of the decision-in-principle is monitored annually in the government's reports to parliament.
9. In **Germany**, listed or co-determined companies are required to set individual targets for the executive board, the supervisory board, and the two management levels below the board. In companies, that are listed and subject to equal co-determination, a 30% minimum quota applies to supervisory boards. These companies are still required to set individual targets for the executive board and the two management levels below the board. If the executive board of a listed and equally co-determined company consists of four or more persons, at least one woman shall be appointed as a member of the board.
10. In **Greece**, Law 4706/2020 on Corporate Governance introduced mandatory quotas of 25%, and binding diversity criteria for the selection of directors.
11. In **Hong Kong (China)**, the Listing Rules require the nomination committee (or the board) of a listed company to have a policy concerning diversity of board members, and to disclose the policy on diversity or a summary of the policy in the corporate governance report in the annual report. The Hong Kong Stock Exchange does not consider diversity to be achieved for a single gender board and has introduced a Listing Rule requirement effective from 1 January 2022. A three-year transition period is in place for existing listed issuers with a single gender board, who will have to appoint at least a director of a different gender on the board no later than 31 December 2024.
A listed company is also required to disclose and explain in the corporate governance report in the annual report (i) how and when gender diversity will be achieved with respect to the board, the numerical targets and timelines set for achieving gender diversity on the board and what measures it has adopted to develop a pipeline of potential successors to the board to achieve gender diversity, as well as (ii) the gender ratio in the workforce (including senior management), any plans or measurable objectives that it has set for achieving gender diversity and any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant. Listing applicants with a single gender board are not accepted. Listing applicants should at the time of their listing applications at least identify a director of a different gender, whose appointment should be effective upon listing.
12. In **India**, every listed company and every other public company having paid – up share capital of 100 crore rupees or more or turnover of 300 crore rupees or more shall appoint at least one female director. Further, the top 1 000 listed entities (by market capitalisation) are required to have at least one female independent director.
13. In **Israel**, for SOEs, the government Companies Law sets a target of appropriate representation for both genders on the board of directors. Until this goal is reached, the law provides that preference shall be given to directors of the other gender that is not yet suitably represented, to the extent possible under the circumstances.
14. In **Israel**, the regulator has the power to impose monetary fines on regulated persons and entities in certain circumstances, including when a company fails to nominate directors of both genders.
15. In **Italy**, Law 160/2019 increased the gender quota (from 33% to 40%, effective starting from 2020) and extended its application (six subsequent board nominations, i.e. nearly 18 years).
16. In **Japan**, employers with no less than 101 regularly employed workers must select one or more items from the list decided by law and disclose the statistical data about the achievement of the women's active engagement in the company, and "the ratio of female workers in managerial position" is included as one of the disclosure items. The employers, which announce the ratio of female workers in managerial position on their homepages and/or the government database, are also required to write down the information in their Annual Securities Report from the fiscal year ending in March 2023.
17. In **Japan**, the Tokyo Stock Exchange restructured its stock market into three new market segments and abolished the First section in April 2022. The target after the market restructuring is to be set in 2023.
18. In **Korea**, under the Financial Investment Services and Capital Markets Act, disclosure on gender composition of boards in their business report is mandated for listed companies. Meanwhile, listed companies with total assets valued at two trillion won or more as of the end of the latest business year shall not have a board of directors made up of just one gender.
19. In **Luxembourg**, sustained efforts are maintained to continue improving gender diversity on boards. A National Plan of Action on Gender Equality for all companies has been implemented by the government.
20. In **Norway,** the requirement depends on the number of board members, and varies between 33 and 50%.
21. In **Peru**, a new Report on Compliance with the Good Corporate Governance Code for Peruvian Corporations was approved by Resolution SMV No. 014-2022, which incorporates some additional questions that seek to complete the scope of evaluation of the principles and include trending issues in corporate governance, such as participation of women in corporation boards.
22. In **Singapore**, the Listing Rules require listed companies set and disclose a board diversity policy in their annual reports, with gender specified as an aspect of diversity that should be encapsulated within issuer's board diversity policy. The Listing Rules also require listed companies to disclose in their annual reports their targets for achieving the stipulated diversity, accompanying plans and timeline for achieving the targets.
23. In **Switzerland**, the thresholds for listed companies are set at 30% for women on the board of directors and 20% for women on the management board. If these thresholds are not met, companies will have to explain why in their compensation report and indicate the measures planned to remedy the situation. The remuneration report will have to mention this information as of 1 January 2026 for the board of directors and as of 1 January 2031 for the management board.
24. In the **United States**, in addition to director diversity disclosure requirements under the federal securities laws and for companies listed on the Nasdaq Stock Market, LLC, a number of states, such as Illinois, Maryland and New York\ have disclosure mandates that require certain corporations to report to the state the gender composition of the board.
25. In the **United States**, although there are no federal quotas or voluntary targets, in 2018, California enacted a law that requires any corporation with its principal executive offices in California that has shares listed on a major US stock exchange to have by 31 December 2021 a minimum of two women board members on any board of directors with five directors and at least three women board members on any board of directors with six or more directors.

This law applies to publicly-held domestic or foreign corporations whose principal executive offices are in California, as disclosed in the corporation's annual report on Form 10-K. Failure to comply with the law could lead to the imposition of fines by the California Secretary of State. On 2 June 2022, the Superior Court of the State of California held that this law was unconstitutional. This decision is currently on appeal. In 2020, Washington enacted a law that requires certain public companies with shares listed on a major US stock exchange and formed under the Washington Business Corporation Act to have at least 25% of the directors be women by 1 January 2022, or the company must provide a board diversity discussion and analysis to its shareholders.

26. In recent years, other **US** states, such as Colorado, Illinois, Massachusetts, Pennsylvania and Maryland have passed non-binding resolutions encouraging public companies to have women on the board of directors.

Table 4.20. Gender composition of boards and management

Jurisdiction	Women's participation in managerial positions[1]			Average annual growth rate for women's participation in managerial positions (2020-22)	Women's participation on boards of directors in publicly listed companies[2, 3]			Average annual growth rate for women's participation on boards of directors in publicly listed companies (2020-22)
	% as of 2020	% as of 2021	% as of 2022		% as of 2020	% as of 2021	% as of 2022	
Argentina[4]	33	32.7	-	-0.9%	12.4	14.3	14.7	9.1%
Australia	40	39.7	-	-0.7%	34	34.8	37.2	4.6%
Austria	32.8	35.5	33.4	1.2%	34.5	37.7	42.6	11.1%
Belgium	34.5	35.4	36.4	2.7%	38.7	36.1	38.3	-0.3%
Brazil	36.8	38.8	39.3	3.4%	13.7	16.9	19.1	18.2%
Canada	35.8	35.6	-		31.3	32.9	35.5	6.5%
Chile	27.4	30.4	29.6	4.2%	9.9	15.2	17.1	33.0%
China	-	-	-	N/A	13	13.8	14.8	6.7%
Colombia	35	35.3	43.5	12.0%	12.5	12.9	20.8	32.2%
Costa Rica[5]	59.4	40.2	46	-8.9%	11	13	13	9.1%
Czech Republic	27.8	28.4	26.8	-1.7%	21.7	25.8	26.7	11.2%
Denmark[6]	27.9	28.2	29.2	2.3%	23.9	26	28	8.2%
Estonia	37.4	41.2	40.2	3.9%	8.8	9.1	10.3	8.3%
Finland[7]	37.5	36.5	36.3	-1.6%	30.1	29.3	30.7	1.1%
France	35.5	37.8	39.9	6.0%	44.8	45.3	46.1	1.4%
Germany	28.9	29.2	28.9	0.0%	34.2	34.1	35.5	1.9%
Greece	29.3	29.6	31.4	3.6%	12.2	28.6	28.7	67.4%
Hong Kong (China)	37	38.4	38.3	1.8%	12.7	13.5	16	12.4%
Hungary	39.2	36.6	37.5	-2.1%	6.7	9.1	8.6	15.2%
Iceland	38.6	37.6	39.6	1.4%	44.4	47.1	44.8	0.6%
India	17.2	16.6	15.9	-3.9%	16.6	17.1	18.2	4.7%
Indonesia	32.6	32.4	31.7	-1.4%	9	12.2	12.3	18.2%
Ireland	36.3	38	38.2	2.6%	26.8	31	33.2	11.4%
Israel	28	29	-	3.6%	24.3	26.7	26.9	5.3%
Italy[8]	27.3	28.6	27.9	1.2%	38.8	41.2	42.9	5.2%
Japan	13.1	13.2	12.9	-0.8%	10.7	12.6	15.5	20.4%
Korea	15.6	16.3	14.6	-3.0%	4.9	8.7	12.8	62.3%
Latvia	46.9	45.9	45	-2.0%	25.6	22.2	19	-13.8%
Lithuania	37.9	37	38.6	1.0%	14.3	22.3	24.5	32.9%
Luxembourg	26.3	21.9	25.5	-0.1%	24.2	24.7	24.6	0.8%
Malaysia[9]	24.9	-	-	N/A	25.1	25	29	7.8%
Mexico	38.4	38.5	38.9	0.3%	9	10.6	11.5	13.1%
Netherlands	26.2	26	28.4	4.2%	32.8	34.7	38.9	8.9%

Jurisdiction	Women's participation in managerial positions[1]			Average annual growth rate for women's participation in managerial positions (2020-22)	Women's participation on boards of directors in publicly listed companies[2, 3]			Average annual growth rate for women's participation on boards of directors in publicly listed companies (2020-22)
	% as of 2020	% as of 2021	% as of 2022		% as of 2020	% as of 2021	% as of 2022	
New Zealand	-	-	-	N/A	43	43.5	46	3.5%
Norway	34	33.5	33.2	-1.2%	42.3	40.8	39.7	-3.1%
Peru	34.7	35.4	35.8	1.6%	14.3	18.8	18.8	15.7%
Poland	43.3	43	42.9	-0.5%	21.7	22.4	24.6	6.5%
Portugal	35.7	38	36.8	1.6%	26	31.1	31.1	9.8%
Saudi Arabia	15.4	16.7	19.5	12.6%	2.1	2.2	3.5	31.9%
Singapore[10]	37.2	38.1	-	2.4%	17.6	18.9	21.5	10.6%
Slovak Republic	35.5	38	38	3.5%	31.4	27.7	30.3	-1.2%
Slovenia	40.1	34	34.8	-6.4%	22.9	19.4	23.1	1.9%
South Africa	-	-	-	-	28.8	34	34.4	9.6%-
Spain	35	33.3	34.7	-0.3%	31.2	34.1	37.7	9.9%
Sweden	42.3	43	41.7	-0.7%	38	38.3	35.4	-3.4%
Switzerland	33.1	31.5	30.7	-3.7%	26.7	30	33.5	12.0%
Türkiye[11]	18.2	19.7	-	4.1%	18.7	18.8	19.3	1.6%
United Kingdom	-	-	-	N/A	34.3	37	39.2	6.9%
United States	41.1	41.4	41	-0.1%	28.2	29.7	31.3	5.4%

Women's participation in managerial positions: Data on the female share of employment in managerial positions conveys the number of women in management as a percentage of employment in management.

Women's participation on boards of directors: 'Board members' refers to all members of the highest decision-making body in the given company, such as the board of directors for a company in a unitary system, or the supervisory board in the case of a company in a two-tier system.

The average annual growth rate for women's participation in managerial positions and on boards is provided only based on the years for which data are available.

1. Source: International Labour Organization, ILOSTAT database. Employment in management is defined based on the International Standard Classification of Occupations. The measure presented here refers to total management (category 1 of ISCO-08 or ISCO-88). This indicator is calculated based on data on employment by sex and occupation. For further information, see the SDG Indicators Metadata Repository or ILOSTAT's indicator description.

2. Source: MSCI Women on Boards: Progress Report 2022 (except as otherwise noted below for 13 jurisdictions referenced in subsequent footnotes). MSCI data refer to the proportion of seats held by women on boards for companies covered by the MSCI ACWI index: an index of 2 765 large- and mid-cap firms from developed and emerging economies (as of November 2022).

3. Source: Data on the gender composition of boards for **Estonia**, **Iceland**, **Latvia**, **Lithuania**, the **Slovak Republic**, and **Slovenia** were obtained from: European Institute for Gender Equality (EIGE) Gender Statistics Database for the largest 50 members of the primary blue-chip index in the country concerned (including only those companies that are registered in the given country). These countries are not covered by the MSCI ACWI index.

4. For **Argentina**, data on women on boards are based on gender reports on boards of directors in publicly listed companies carried out in 2020, 2021 and 2022 by the CNV, which calculated women's participation on boards of directors in all listed companies during those years (see the reports in Spanish).

5. In **Costa Rica**, data on women's participation on boards of directors in publicly listed companies was provided by SUGEVAL.

6. For **Denmark**, the Danish Business Authority publishes an annual report on the gender composition of the supreme governing body of the company in the largest Danish companies. The numbers in the column "Women's participation on boards of directors in publicly listed companies" includes members chosen at the General Assembly and by the employees (see here in Danish).

7. For **Finland**, data comes from the Finland Chamber of Commerce, and cover all Finnish companies listed on the main market of the Helsinki Stock Exchange.

8. For **Italy**, data on gender composition of corporate boards come from statistics published by the Italian securities regulator within the Report on Corporate Governance (various years found here) and Annual Report. Such data refer to all listed companies.

9. For **Malaysia**, data on women on boards was provided by the Securities Commission (SC Malaysia).

10. For **Singapore**, data on women's participation on boards come from 2022 data from the Council of Board Diversity, available here. These data are for the top 100 primary listed companies by market capitalisation on Singapore Exchange.
11. In **Türkiye**, companies are not required to publicly disclose the data on women participation in managerial positions.

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The *OECD Corporate Governance Factbook* provides easily accessible and up-to-date information on the institutional, legal and regulatory frameworks for corporate governance across 49 jurisdictions worldwide. Issued every two years, the Factbook complements the G20/OECD Principles of Corporate Governance and serves as a useful tool to track how the Principles are being implemented. It is also actively used by governments, regulators and other stakeholders to compare national frameworks and obtain information on latest trends.

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PRINT ISBN 978-92-64-72564-5
PDF ISBN 978-92-64-47967-8

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