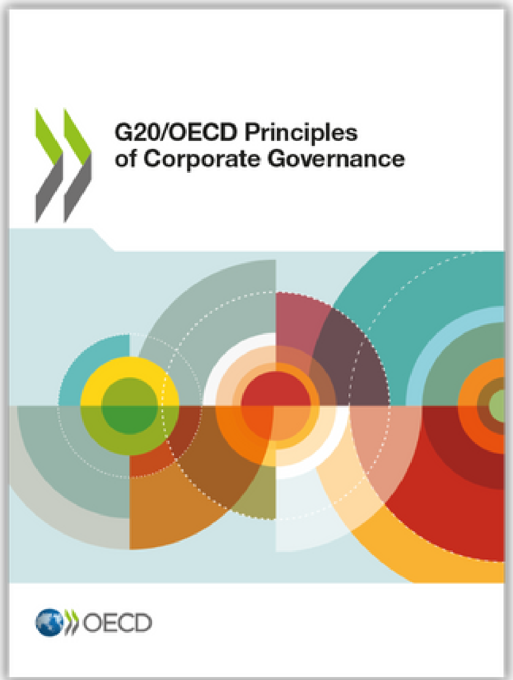
G20/OECD Principles of Corporate Governance



The G20/OECD Principles of Corporate Governance are the **international standard** for corporate governance.

The Principles aim to **help policy makers evaluate and improve** the legal, regulatory and institutional **framework for corporate governance**.

The Principles were first issued in 1999 and last **revised in 2023**. The revised Principles were adopted by OECD Ministers and endorsed by G20 Leaders. They are one of the Financial Stability Board's key standards for sound financial systems.

53 jurisdictions have adhered to the Principles, including all OECD, G20 and FSB members. They represent 95% of global market capitalisation.

The implementation of the Principles is overseen by the **OECD Corporate Governance Committee** in which G20 and FSB members participate.

STRATEGIC OBJECTIVES

- **Promote access to finance**
  Good corporate governance helps companies to access financing, particularly from capital markets, which promotes innovation, productivity and entrepreneurship, and fosters economic dynamism more broadly. It also ensures that those who provide capital can participate and share in the company's value creation.
- **Protect investors**
  Good corporate governance helps to protect investors, including households with invested savings. It also promotes the transparency and accountability of board members and executives to shareholders, which helps to build trust in markets.
- **Support corporate sustainability**
  Good corporate governance supports the sustainability and resilience of corporations which, in turn, contributes to the sustainability and resilience of the broader economy. It can also help companies recognise and respond to the interests of shareholders and stakeholders and contribute to their own long-term success.

6 PILLARS OF THE G20/OECD PRINCIPLES

1

Ensuring the basis for an effective corporate governance framework

The corporate governance framework should promote transparent and fair markets, and the efficient allocation of resources. It should be consistent with the rule of law and support effective supervision and enforcement.

2

The rights and equitable treatment of shareholders and key ownership functions

The corporate governance framework should protect and facilitate the exercise of shareholders' rights and ensure the equitable treatment of all shareholders, including minority and foreign shareholders.
All shareholders should have the opportunity to obtain effective redress for violation of their rights at a reasonable cost and without excessive delay.

3

Institutional investors, stock markets and other intermediaries

The corporate governance framework should provide sound incentives throughout the investment chain and provide for stock markets to function in a way that contributes to good corporate governance.

4

Disclosure and transparency

The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, sustainability, ownership, and governance of the company.

5

The responsibilities of the board

The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders.

6

Sustainability and resilience

The corporate governance framework should provide incentives for companies and their investors to make decisions and manage their risks, in a way that contributes to the sustainability and resilience of the corporation.

MORE INFORMATION

G20/OECD Principles of Corporate Governance

OECD Corporate Governance Factbook 2023
The Factbook complements the Principles by providing information on how 49 major economies implement the Principles.

https://www.oecd.org/corporate/ Business and Finance at the OECD @OECD_BizFin