

OECD Corporate Governance Factbook 2025



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Preface

Two years have passed since the revision of the *G20/OECD Principles of Corporate Governance*. Since then, the corporate governance landscape has evolved rapidly as a result of shifting macroeconomic conditions and geopolitical risks, as well as complex challenges related to sustainability and digitalisation.

In response, policy makers and regulators have undertaken important efforts to ensure that their regulatory frameworks remain effective and resilient. At a time of uncertainty and disruption, a common understanding of sound corporate governance grounded in a globally recognised standard like the *G20/OECD Principles of Corporate Governance* is more essential than ever to build trust in capital markets and support their resilience.

The *OECD Corporate Governance Factbook* provides an up-to-date overview of legal, regulatory and institutional frameworks across 52 jurisdictions. Published every two years since 2015, the Factbook serves as a key reference on how jurisdictions have implemented the *G20/OECD Principles of Corporate Governance*, while also tracking major evolutions in corporate governance over the past decade.

Strong corporate governance plays a major role in supporting market confidence, financial stability and long-term value creation. Given that business operations and financial flows are increasingly global and that companies face a growing array of risks, comprehensive, comparable and reliable data can help policy makers and regulators to navigate this increasingly complex environment. The Factbook and new Country Notes aim to provide just that.

The 2025 edition highlights progress in corporate governance in a number of areas. For example, with institutional investors now owning nearly half of all listed equity, nearly all Factbook jurisdictions have established provisions to address their potential conflicts of interest (98%) and the disclosure of their voting policies (88%), an increase of about one-third over the past decade. Jurisdictions have also made strides in sustainability reporting. Ninety percent now require listed companies to disclose sustainability-related information, while 60% have established requirements for sustainability assurance. Shareholder participation in general meetings has also been facilitated, with a growing number of jurisdictions allowing virtual-only shareholder meetings (85%), and even more accepting hybrid meetings (94%). This may improve shareholder engagement and the protection of their rights.

By offering comparable information across jurisdictions, the Factbook also contributes to a shared understanding of good corporate governance practices worldwide. It reflects the continued commitment of the OECD and its Corporate Governance Committee to fostering transparent and resilient capital markets, and to supporting the implementation of the *G20/OECD Principles of Corporate Governance* as a driver of economic growth and financial stability.



Jean-Paul Servais

Chair, OECD Corporate Governance Committee

Foreword

The *OECD Corporate Governance Factbook* (Factbook) supports the implementation of sound corporate governance practices by providing easily accessible and up-to-date information on corporate governance frameworks and policies. By comparing institutional, legal and regulatory frameworks across jurisdictions, it offers policy makers and regulators a practical tool to benchmark their own frameworks with those of other countries and to learn from specific policies and practices that have been adopted elsewhere. It is also a valuable resource for market participants and analysts, providing insights into how corporate governance frameworks differ across jurisdictions and how they evolve over time.

The Factbook focuses on frameworks applicable to publicly traded companies. First published in 2014, it is updated every two years, making this the seventh edition. This edition covers provisions enacted through the end of 2024 across a range of issues addressed in the *G20/OECD Principles of Corporate Governance*. New content includes sections on equity markets for growth companies and the conduct of general shareholder meetings, as well as a chapter on sustainability-related disclosure, governance and assurance frameworks.

The 2025 Factbook compiles information from the 52 jurisdictions that participate in the OECD Corporate Governance Committee, which are referred to in the report as “Factbook jurisdictions”. It covers all OECD members, all non-OECD G20 and Financial Stability Board members (Argentina, Brazil, the People’s Republic of China (hereafter ‘China’), Hong Kong (China), India, Indonesia, Saudi Arabia, Singapore and South Africa), as well as Malaysia and Peru. This edition includes three new countries: Bulgaria, Croatia and Romania.

For the first time, the Factbook is complemented by Country Notes which aim to provide an easily accessible overview of each jurisdiction and how its framework compares to that of other jurisdictions covered by the Factbook. The Country Notes, which are available separately on-line, also summarise recent developments in each jurisdiction through mid-2025. The first set of Country Notes are published at the same time as the Factbook, providing a global representation of the jurisdictions covered. The other Country Notes will be published on-line in phases before the end of 2025.

The main information in the Factbook derives from OECD thematic reviews on how jurisdictions address major corporate governance issues and core functions such as the conduct of general shareholder meetings; related party transactions and minority shareholder rights; the role of institutional investors; company groups and disclosure; board member nomination and election; board practices including remuneration; frameworks for risk management and audit; and supervision and enforcement of corporate governance frameworks. Additional sections address the capital market landscape, including ownership patterns; stock exchanges and their market activities; and the institutional and regulatory landscape.

This report has been developed by the Capital Markets and Financial Institutions Division of the OECD Directorate for Financial and Enterprise Affairs. It was prepared by Takashi Sudo with Tiziana Londero, Manjuni Fernando, Sebastian Abudoj, Valentina Cociancich, Caio De Oliveira, Fianna Jurdant, Alejandra Medina, Hitesh Tank and Yunus Emre Yildirim under the supervision of Daniel Blume, Head of the Corporate Governance Unit, and Serdar Çelik, Head of Division. Delegates to the OECD Corporate Governance Committee provided input, and Thomas Dannequin, Adriana De La Cruz, Greta Gabbarini, Azusa Shiraishi and Iris Tensen from the Division also contributed.

Table of contents

Preface	3
Foreword	4
Abbreviations and acronyms	9
Executive summary	11
1 Global public markets and corporate ownership	15
1.1. Trends in the use of market-based financing	17
1.2. Corporate ownership structure	29
References	35
Annex 1.A. Methodology for data collection and classification	36
Notes	39
2 The corporate governance and institutional framework	41
2.1. The legal and regulatory framework for corporate governance	43
2.2. The main public regulators of corporate governance	47
References	73
3 The rights of shareholders and key ownership functions	75
3.1. Notification of general meetings and information provided to shareholders	77
3.2. Voting eligibility and proxy voting frameworks	78
3.3. Shareholders' right to request a meeting and to place items on the agenda	79
3.4. Different share classes and voting caps	82
3.5. Voting practices and disclosure of voting results and minutes	85
3.6. Framework for virtual and hybrid shareholder meetings	86
3.7. Shareholders' right to pose questions	88
3.8. Related party transactions	89
3.9. Takeover bid rules	93
3.10. The roles and responsibilities of institutional investors and related intermediaries	95
3.11. Company groups	99
References	149
Notes	149
4 The board of directors	151
4.1. Basic board structures and independence	153
4.2. Board-level committees	158

4.3. Auditor independence, accountability and oversight	161
4.4. Board nomination and election	164
4.5. Board and key executive remuneration	166
4.6. Gender composition on boards and in senior management	170
References	219

5 Corporate sustainability	221
5.1. Sustainability-related disclosure	223
5.2. Sustainability disclosure content coverage	225
5.3. Corporate sustainability governance	226
5.4. ESG rating agencies and index providers	228
5.5. Sustainability assurance frameworks	229
References	252

FIGURES

Figure 1.1. Capital raised from public markets by non-financial corporations	17
Figure 1.2. Universe of listed companies, 2024	18
Figure 1.3. Trends in newly listed and delisted companies	19
Figure 1.4. Initial public offerings, non-financial companies	20
Figure 1.5. Top 20 jurisdictions by number of non-financial company IPOs between 2015 and 2024	21
Figure 1.6. Secondary public offerings by non-financial corporations	22
Figure 1.7. Universe of listed companies on growth markets in 2023	23
Figure 1.8. The size of companies on equity growth markets, end-2023 (USD millions)	24
Figure 1.9. Top 3 industries in equity growth and main markets, end-2023	25
Figure 1.10. New issuance of non-financial corporate bonds	27
Figure 1.11. Credit profile of non-financial corporate bonds	28
Figure 1.12. Outstanding amount of non-financial corporate bonds	28
Figure 1.13. Investors' public equity holdings, end-2024	29
Figure 1.14. Ownership concentration of the three largest shareholders, 2024	30
Figure 1.15. Ownership concentration at the company level, end-2024	31
Figure 2.1. Implementing mechanisms for corporate governance codes and regulations	43
Figure 2.2. Custodians of corporate governance codes	45
Figure 2.3. Frequency of publication of national corporate governance reports	46
Figure 2.4. National reporting on adherence to corporate governance codes	46
Figure 2.5. Issuing body of national corporate governance reports	47
Figure 2.6. Regulators of corporate governance	48
Figure 2.7. Regulator funding model	49
Figure 2.8. Board size of regulators	50
Figure 2.9. Term of office for board members/heads of the regulator	51
Figure 3.1. Means of shareholder meeting notification	78
Figure 3.2. Record date and cut-off date frameworks	79
Figure 3.3. Issuance of shares with limited or no voting rights	83
Figure 3.4. Issuance of shares with a different number of votes per share, 2020-24	84
Figure 3.5. Formal vote counting, disclosure of voting results and meeting minutes	86
Figure 3.6. Legal frameworks for virtual and hybrid shareholder meetings	87
Figure 3.7. Framework for questions submitted before AGMs	89
Figure 3.8. Immediate and periodic disclosure of related party transactions	90
Figure 3.9. Board approval for certain types of related party transactions	91
Figure 3.10. Shareholder approval for certain types of related party transactions	92
Figure 3.11. Requirements for mandatory takeover bids	94
Figure 3.12. Organisations responsible for takeover bids	94
Figure 3.13. Stewardship and fiduciary responsibilities of institutional investors in 2014 and 2024	97
Figure 3.14. Stewardship and fiduciary responsibilities of institutional investors	97
Figure 3.15. Requirements and recommendations for proxy advisors	99
Figure 3.16. Definitions of company groups	100

Figure 3.17. Mandatory and/or voluntary disclosure provisions for all listed companies	101
Figure 4.1. Minimum number or ratio of independent directors on the (supervisory) board	155
Figure 4.2. Separation of CEO and chair of the board roles in one tier board systems	156
Figure 4.3. Requirements for the independence of directors and their independence from substantial shareholders	156
Figure 4.4. Definition of independent directors: Maximum tenure	157
Figure 4.5. Board-level committees by category and jurisdiction	158
Figure 4.6. Independence of the chair and members of board-level committees	159
Figure 4.7. Risk management and implementation of internal controls in 2014 and 2024	160
Figure 4.8. Board-level committee for risk management	161
Figure 4.9. Role of the audit committee in relation to the external audit	162
Figure 4.10. Maximum term years before mandatory audit firm rotation	163
Figure 4.11. Audit oversight	164
Figure 4.12. Majority voting requirement for board election	164
Figure 4.13. Cumulative voting	165
Figure 4.14. Qualification requirements for board member candidates	166
Figure 4.15. Information provided to shareholders regarding candidates for board membership	166
Figure 4.16. Criteria for board and key executive remuneration	167
Figure 4.17. Specific requirements or recommendations for board and key executive remuneration	168
Figure 4.18. Requirement or recommendation for shareholder approval on remuneration policy	169
Figure 4.19. Requirement or recommendation for shareholder approval of level/amount of remuneration	169
Figure 4.20. Provisions to disclose data on the gender composition of boards and of senior management	170
Figure 4.21. Aggregate change in the percentage of women on boards	172
Figure 4.22. Share of women on boards of largest listed companies (in 2020, 2022, and 2024) with reference to implemented quotas and targets, percentage	173
Figure 5.1. Sustainability-related disclosure frameworks	224
Figure 5.2. Flexibility for smaller listed companies, the approval process for sustainability disclosure and the primary users of sustainability-related disclosure	225
Figure 5.3. Metrics for sustainability-related goals, and the disclosure of transition planning and value chain information	226
Figure 5.4. Factbook jurisdictions with provisions on corporate sustainability governance	227
Figure 5.5. Board responsibilities for sustainability-related policies and oversight of lobbying activities and/or political donations	228
Figure 5.6. Sustainability assurance requirements and assurance service providers	230
Figure 5.7. Scope of assurance requirements	231
Figure 5.8. Phasing in requirements across jurisdictions	232

INFOGRAPHICS

Infographic 1.1. Key facts and figures on global public markets and corporate ownership	16
Infographic 2.1. Key facts and figures on the corporate governance and institutional framework	42
Infographic 3.1. Key facts and figures on the rights of shareholders and key ownership functions	76
Infographic 4.1. Key facts and figures on the board of directors	152
Infographic 5.1. Key facts and figures on corporate sustainability	222

TABLES

Table 1.1. Comparison between main markets and growth markets, 2023	25
Table 1.2. Ownership structure of listed companies, 2024	32
Table 1.3. The largest stock exchanges	33
Table 2.1. The main elements of the regulatory framework: Laws and regulations	51
Table 2.2. The main elements of the regulatory framework: National codes and principles	55
Table 2.3. The custodians of national codes and principles	59
Table 2.4. National reports on corporate governance	61
Table 2.5. The main public regulators of corporate governance	64
Table 2.6. Budget and funding of the main public regulator of corporate governance	65

Table 2.7. Size and composition of the governing body/head of the main public regulator of corporate governance	68
Table 2.8. Terms of office and appointment of the governing body/head of the main public regulator of corporate governance	70
Table 3.1. Minimum public notice period for general shareholder meetings and requirements for sending notification to all shareholders	77
Table 3.2. Deadline for holding the meeting after shareholder request	80
Table 3.3. Minimum shareholding requirements to request a shareholder meeting and to place items on the agenda	82
Table 3.4. Stewardship codes	95
Table 3.5. Means of notifying shareholders of the annual general meeting and identification of shareholders eligible for voting	101
Table 3.6. Shareholder rights to request a shareholder meeting and to place items on the agenda	104
Table 3.7. Preferred shares and voting caps	108
Table 3.8. Voting practices and disclosure of voting results and minutes	111
Table 3.9. Virtual and hybrid shareholder meetings	113
Table 3.10. Questions before and during shareholder meetings	116
Table 3.11. Sources of definition of related parties	117
Table 3.12. Disclosure of related party transactions	119
Table 3.13. Board approval for related party transactions	122
Table 3.14. Shareholder approval for related party transactions (non-equity)	125
Table 3.15. Takeover bid rules	129
Table 3.16. Roles and responsibilities of institutional investors and related intermediaries: Exercise of voting rights and management of conflicts of interest	134
Table 3.17. Roles and responsibilities of institutional investors and related intermediaries: Stewardship / fiduciary responsibilities	142
Table 3.18. Disclosure related to company groups	147
Table 4.1. Maximum term of office for board members before re-election	153
Table 4.2. Board structure	173
Table 4.3. One-tier board structures in selected jurisdictions	174
Table 4.4. Two-tier board structures in selected jurisdictions	176
Table 4.5. Examples of a hybrid board structure	178
Table 4.6. Board size and director tenure for listed companies	179
Table 4.7. Board independence requirements for listed companies	181
Table 4.8. Requirement or recommendation for board independence depending on ownership structure	185
Table 4.9. Employees on the board	186
Table 4.10. Board-level committees	188
Table 4.11. Governance of internal control and risk management, including sustainability	190
Table 4.12. Appointment of external auditors	192
Table 4.13. Provisions to promote external auditor independence and accountability	196
Table 4.14. Audit oversight	199
Table 4.15. Voting practices for board election	205
Table 4.16. Board representation of minority shareholders	207
Table 4.17. Governance of board nomination	208
Table 4.18. Requirements or recommendations for board and key executives remuneration	210
Table 4.19. Disclosure and shareholder approval of board and key executives remuneration	211
Table 4.20. Provisions to achieve gender diversity in leadership positions	214
Table 4.21. Gender composition of boards and management	217
Table 5.1. Sustainability-related disclosure	232
Table 5.2. Sustainability disclosure content coverage	240
Table 5.3. Corporate sustainability governance	242
Table 5.4. ESG rating agencies and index providers	245
Table 5.5. Sustainability assurance frameworks	247
Annex Table 1.A.1. Categories of owners defined and used in the report	38

Abbreviations and acronyms

AGM	Annual General Shareholder Meeting
AMF	Autorité des marchés financiers (France)
ASSA	Australian Standard on Sustainability Assurance
ASX	Australian Stock Exchange
BoD	Board of Directors
BSE	Budapest Stock Exchange
BVB	Bucharest Stock Exchange
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission (South Africa)
CONASSIF	National Council of Supervision of the Financial System (Costa Rica)
COVID-19	Coronavirus Disease 2019
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
FCA	Financial Conduct Authority (United Kingdom)
FINMA	Swiss Financial Market Supervisory Authority
FRC	Financial Reporting Council (United Kingdom)
FSA	Financial Services Agency (Japan)
G20	Group of Twenty
GDP	Gross Domestic Product
GHG	Greenhouse Gas
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering
ISA	Israel Securities Authority
ISAE	International Standard on Assurance Engagements
ISIN	International Securities Identification Number
ISSA	International Standard on Sustainability Assurance
ISSB	International Sustainability Standards Board
KOSDAQ	Korea Exchange
LAC	Latin America and Caribbean
LSEG	London Stock Exchange Group
LTIM	Long Term Incentive Mechanisms
MCA	Ministry of Corporate Affairs (India)
MTF	Multilateral Trading Facility
n.a.	Not Available

NASDAQ	National Association of Securities Dealers Automated Quotations
NYSE	New York Stock Exchange
NZD	New Zealand Dollar
NZX	New Zealand Stock Exchange
OECD	Organisation for Economic Co-operation and Development
ORICGS	Central Storage of Regulated Information in Latvia
OTC	Over The Counter
REIT	Real Estate Investment Trust
RPT	Related Party Transaction
SB	Supervisory Board
SC Malaysia	Securities Commission (Malaysia)
SEBI	Securities and Exchange Board of India
SEC	Securities and Exchange Commission (United States)
SER	SIX Exchange Regulation AG (Switzerland)
SFC	Financial Superintendence of Colombia
SME	Small and Medium-sized Enterprise
SPAC	Special Purpose Acquisition Company
SPC	Severance Payment Cap
SPO	Secondary Public Offering
SRD II	EU Shareholder Rights Directive II
SWF	Sovereign Wealth Fund
TCFD	Task Force on Climate Related Financial Disclosures
TRBC	The Reference data Business Classification
UK	United Kingdom
US	United States
USD	United States Dollar

ISO Codes

ARG	Argentina	DNK	Denmark	ISR	Israel	PRT	Portugal
AUS	Australia	ESP	Spain	ITA	Italy	ROM	Romania
AUT	Austria	EST	Estonia	JPN	Japan	SAU	Saudi Arabia
BEL	Belgium	FIN	Finland	KOR	Korea	SGP	Singapore
BGR	Bulgaria	FRA	France	LTU	Lithuania	SVK	Slovak Republic
BRA	Brazil	GBR	United Kingdom	LUX	Luxembourg	SVN	Slovenia
CAN	Canada	GRC	Greece	LVA	Latvia	SWE	Sweden
CHE	Switzerland	HKG	Hong Kong (China)	MEX	Mexico	THA	Thailand
CHL	Chile	HRV	Croatia	MYS	Malaysia	TUR	Türkiye
CHN	People's Republic of China	HUN	Hungary	NLD	Netherlands	TWN	Chinese Taipei
COL	Colombia	IDN	Indonesia	NOR	Norway	USA	United States
CRI	Costa Rica	IND	India	NZL	New Zealand	VNM	Viet Nam
CZE	Czechia	IRL	Ireland	PER	Peru	ZAF	South Africa
DEU	Germany	ISL	Iceland	POL	Poland		

Executive summary

Well-designed corporate governance policies can play an important role in contributing to the achievement of broader economic objectives. First, they help companies to access financing, particularly from capital markets, which in turn can promote innovation, productivity and entrepreneurship, and economic dynamism more broadly. Second, well-designed corporate governance policies provide a framework to protect investors, which include households with invested savings. Third, well-designed corporate governance policies also support the sustainability and resilience of corporations and, in turn, may contribute to the sustainability and resilience of the broader economy.

These are the three public policy objectives of the *G20/OECD Principles of Corporate Governance*, in which the *OECD Corporate Governance Factbook* is anchored. The 2025 edition monitors how jurisdictions worldwide have implemented the G20/OECD Principles over the last two years, including the new recommendations introduced in the 2023 revision. It highlights progress in a number of areas, including shareholder rights, board independence and accountability, and sustainability disclosure.

Capital market growth is led by already listed companies

At the end of 2024, there were approximately 44 000 listed companies worldwide, with a combined market capitalisation of USD 125 trillion. While the number of listed companies remained stable compared to 2022, market capitalisation increased by 28% over the period. However, since 2005, more than 35 000 companies have delisted from public stock markets globally. Further, the steady growth in secondary public offerings (SPOs) has shifted the funding balance globally, with SPOs raising 2.5 times more capital than initial public offerings (IPOs) between 2014 and 2024.

Institutional investors now hold 47% of global listed equity, up from 44% in 2022. New issuance of non-financial corporate bonds has surged, reaching USD 27 trillion during 2014-24, a 57% increase over the previous decade. Considering these shifts and the importance of capital markets globally, the Factbook provides a useful tool for policy makers and regulators to track how the corporate governance of listed companies is adapting to these evolutions.

Corporate governance frameworks are regularly updated

The quality of the institutional, legal and regulatory framework is an essential condition for sound corporate governance policies. Nearly two-thirds of Factbook jurisdictions updated their corporate governance frameworks in 2023-24. Corporate governance codes also play an important role. Almost all jurisdictions have a national corporate governance code or equivalent instrument, with varied approaches for implementing them. Seventy-three percent of Factbook jurisdictions publish a national report on companies' adherence to these codes, with the majority of these reports spanning all listed companies and all code provisions, and their number nearly doubling over the past decade.

All but three jurisdictions have established governing bodies to oversee their market supervisors, generally with specific criteria for appointments and term limits.

Shareholder rights are continuing to evolve

A key component of a sound corporate governance framework is that it should protect and facilitate the exercise of shareholder rights and ensure equitable treatment of all shareholders. Concerning related party transactions (RPTs), which involve the transfer of resources between a company and a related party, 87% of jurisdictions require board approval, up from 54% a decade earlier, and 94% require immediate RPT disclosure. Another significant trend is that 60% of jurisdictions now allow companies to issue shares with a different number of votes per share, up from 44% in 2020.

Many temporary provisions that were enacted during the COVID-19 pandemic to allow shareholder meetings to take place virtually have become permanent. Virtual-only meetings are now permitted in 85% of jurisdictions, and hybrid meetings in 94%. These figures have increased by around 10 percentage points since 2022.

The rise in institutional investor ownership (47% of global equity) is reflected in the increasing use of stewardship codes. A large majority of jurisdictions now require or recommend that institutional investors disclose their voting policies and address conflicts of interest. By contrast, frameworks for proxy advisors remain less common, with 52% of jurisdictions having measures in place to manage their conflicts of interest.

Progress has also been made on strengthening board independence and accountability

Corporate governance frameworks should also ensure the strategic guidance of the company by the board and its accountability to the company and the shareholders. Explicit provisions to strengthen board independence and accountability have been increasing in recent years. Seventy-six percent of jurisdictions require or encourage the separation of the roles of CEO and board chair, up from 44% in 2014. Board responsibility for risk management has also expanded, with 92% of jurisdictions now having provisions to this effect, compared to 62% in 2014.

Regarding board nomination and remuneration, 88% of jurisdictions now require or recommend the disclosure of board candidates' qualifications, a significant increase from 61% in 2014. Shareholder approval of remuneration policies is required or recommended in most jurisdictions, and 54% have mandatory remuneration criteria. Further progress is being made on gender diversity, with 65% of jurisdictions requiring listed companies to disclose the gender composition of their boards, and women holding an average of 29% of board positions in Factbook jurisdictions, up from 22% five years earlier.

Sustainability disclosure and assurance provisions are taking shape

Corporate governance frameworks can also incentivise companies to make decisions that will contribute to their sustainability and resilience. The Factbook shows that sustainability-related disclosure is required by law or regulations in 79% of jurisdictions, and 65% name multiple stakeholders as the primary users of sustainability disclosures. Sixty-two percent require transition planning.

Regarding the reliability of sustainability-related information, 60% of jurisdictions have established requirements for the assurance of such information, and an additional 17% are considering it. Different approaches exist regarding the types of entities allowed to provide sustainability assurance, including statutory auditors and other assurance service providers. Many jurisdictions are also phasing in limited or

reasonable assurance. Furthermore, 71% require or recommend disclosure of board responsibilities for sustainability, and 54% have regulatory frameworks for ESG rating and index providers.

These findings and many others in the report highlight how corporate governance frameworks and practices worldwide are improving in line with the *G20/OECD Principles of Corporate Governance*. These evolutions and their impact on the corporate sector will help strengthen market confidence, financial stability, and long-term value creation.

1 Global public markets and corporate ownership

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 equity segments that are dedicated to smaller companies, and provides trends in the use of corporate bonds in global capital markets.

Infographic 1.1. Key facts and figures on global public markets and corporate ownership

GLOBAL LANDSCAPE

44 000

Listed companies
(end-2024)



Market capitalisation

USD 125 trillion

(end-2024)

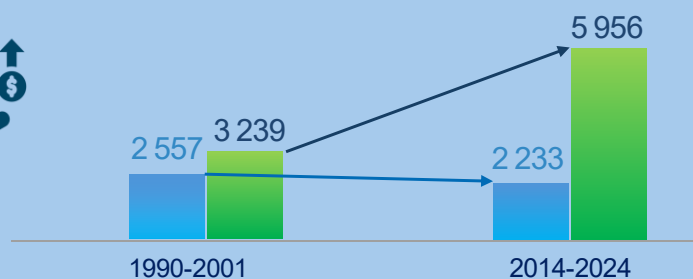
35 000

Delisted companies
since 2005



CAPITAL RAISED

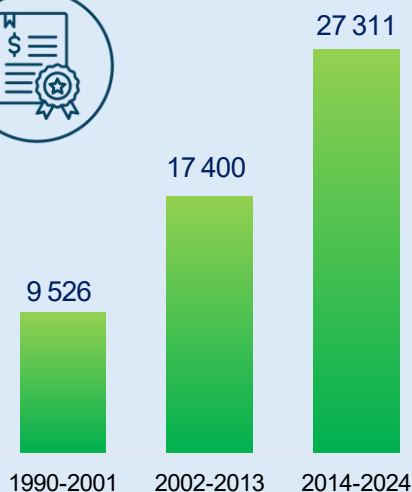
By non-financial companies via **IPOs** and **SPOs** (2024 USD, billion)



NEW ISSUANCE OF NON-FINANCIAL CORPORATE BONDS

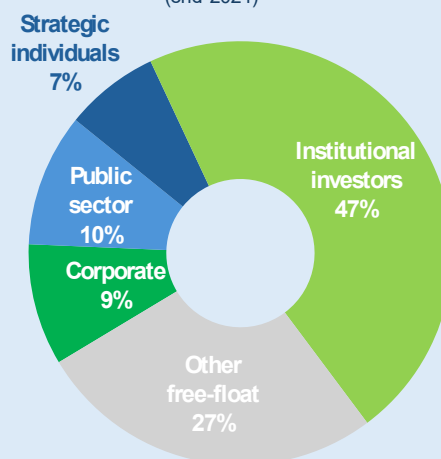


(2024 USD, billion)



CORPORATE OWNERSHIP STRUCTURE

Total equity holdings
(end-2024)



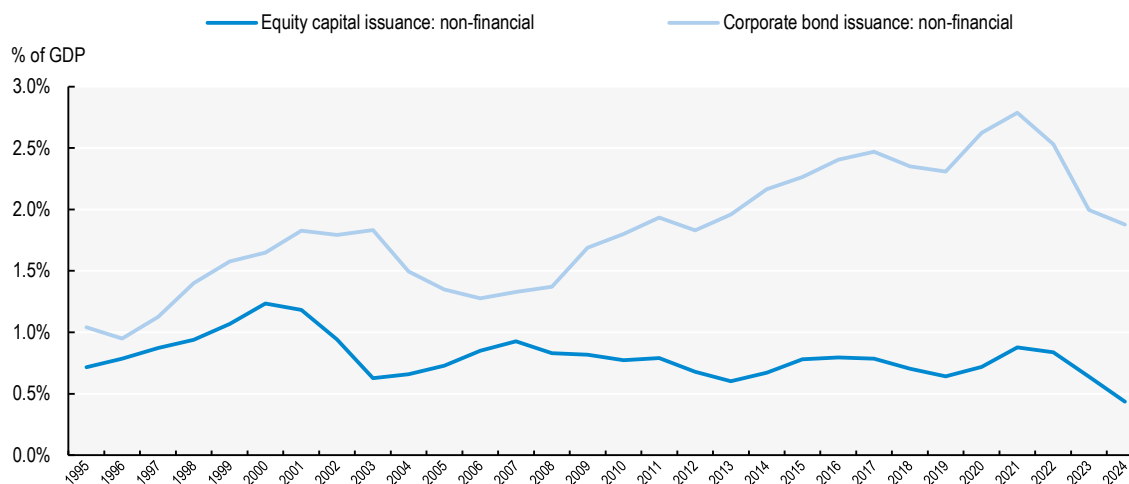
1.1. Trends in the use of market-based financing

Market-based financing - defined as the funding raised by corporations through public equity and corporate bond markets - has grown significantly over the past few decades. By the end of 2023, its total size was equivalent to 116% of global GDP, compared to 71% for credit to non-financial corporations. Much of this growth has been driven by the expansion of corporate bond markets (Figure 1.1). By contrast, the amount of capital raised by non-financial companies through initial and secondary public equity offerings has declined over time as a share of GDP.

Following the dot-com bubble, public equity markets contracted in the early 2000s, limiting companies' access to capital. Although stock markets began to recover in 2004, peaking in 2007, equity issuance has since trended downward as a share of GDP. Meanwhile, a prolonged period of low interest rates after the global financial crisis spurred a steady rise in corporate bond issuance by non-financial firms.

However, the sharp shift in monetary policy since 2021 has significantly affected companies' ability to raise funds in both bond and equity markets. Since then, the total capital raised through public equity and corporate bonds has declined, both in nominal terms and relative to GDP.

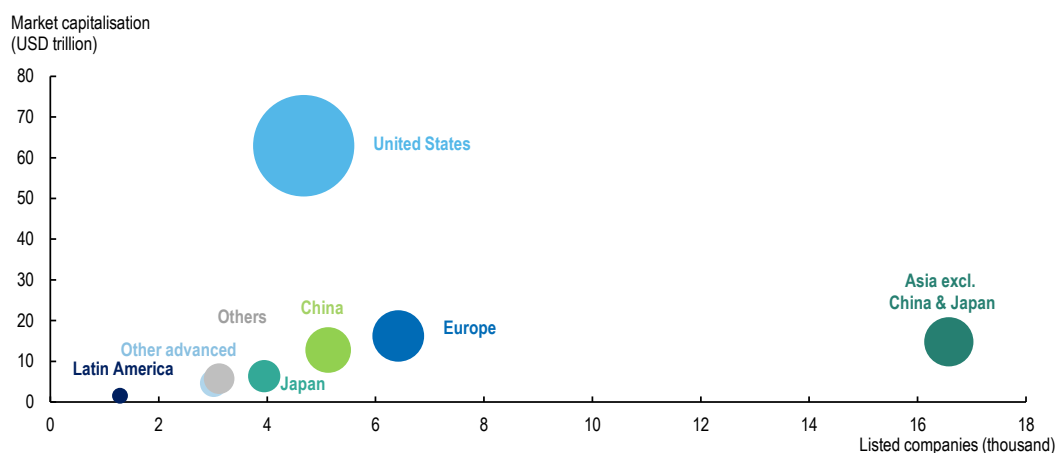
Figure 1.1. Capital raised from public markets by non-financial corporations



Source: OECD Capital Market Series dataset, IMF,
https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD

Despite this decline in the use of public equity markets, they remain the largest asset class available to retail investors and provide them with an opportunity to share in corporate value creation. By the end of 2024, approximately 44 000 listed companies were listed worldwide, with a total market capitalisation of USD 125 trillion. The United States remained the largest market by capitalisation, accounting for half of the global total (Figure 1.2). Asia followed, with 27% of global market capitalisation and 58% of listed companies (OECD, 2025^[1]). Europe had nearly 6 500 companies, accounting for 13% of global market capitalisation.

Figure 1.2. Universe of listed companies, 2024



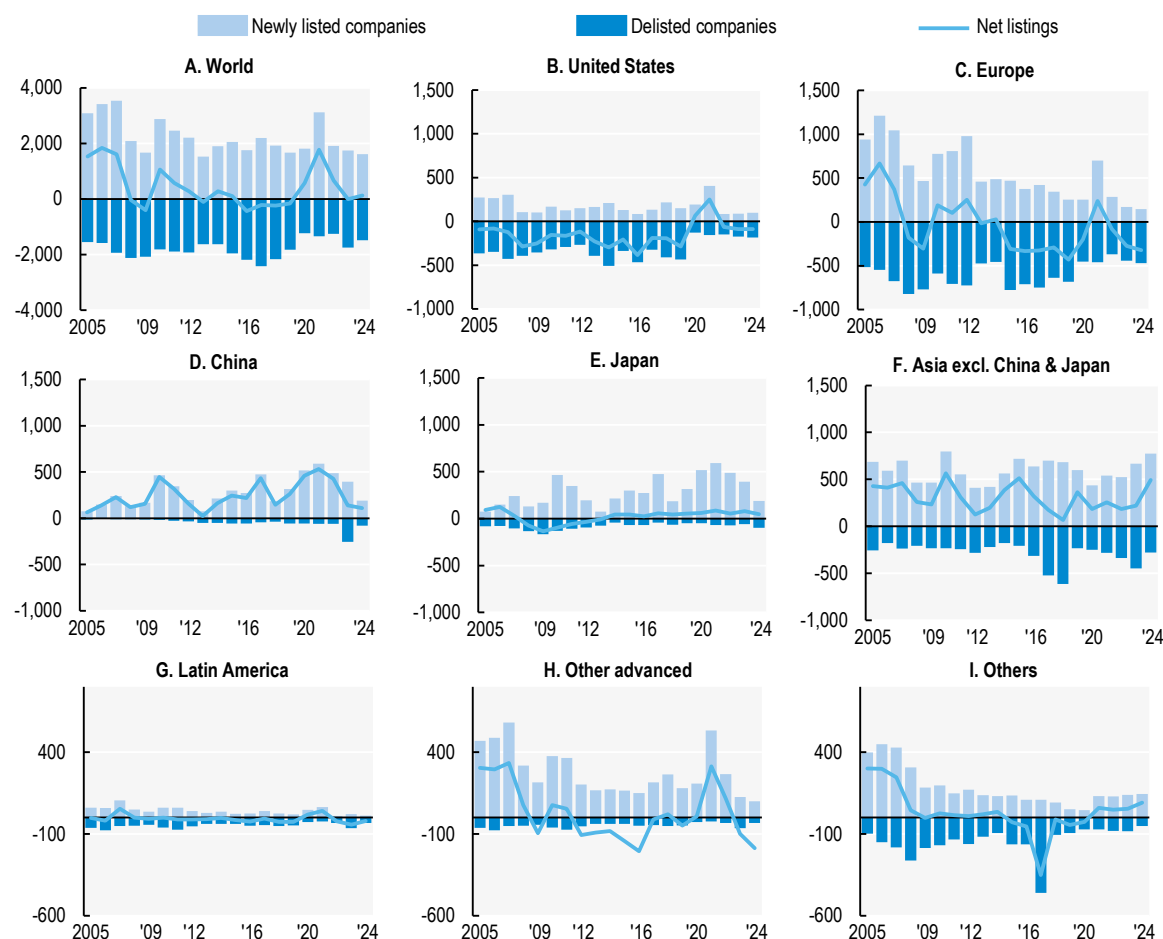
Note: The figure shows the market capitalisation and number of listed companies for the 44 152 listed companies in 98 economies, and the bubble size represents their share in global market capitalisation. Table 1.2 provides an overview of the total market capitalisation and number of listed companies across the 52 Factbook jurisdictions, including OECD, G20 and Financial Stability Board members. Table 1.3 provides a breakdown of the largest stock exchanges in each jurisdiction and their characteristics. See Annex 1.A for more detailed information. Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

The declining number of companies listed on stock exchanges, which limits the number that can benefit from access to public equity markets, is a major concern in a number of developed economies. Since 2005, more than 35 000 companies have delisted from public stock markets globally (Figure 1.3). Approximately 12 000 companies delisted in Europe (about one-third of the total), 5 000 in the United States and 1 600 in Japan.

In both the United States and Europe, delistings have outpaced new listings, resulting in a net decline in the number of listed companies. The United States saw a net loss of listed companies in 18 out of the 20 years since 2005, while Europe experienced net losses in 12 years. Conversely, net listing has substantially increased in Asia, leading to a change in the global repartition of listed companies. Japan recorded positive net listings in 14 years out of the 20 since 2005. In China, fewer than 50 companies delisted per year on average, contributing to a significant net increase in the total number of listed companies.

Since the peak in listing activity of 2021, initial public offering (IPO) activity has weakened across most regions. The exception has been Asia (excluding China and Japan), where net listings have continued to rise and remained positive over 2022-24 (Panel F).

Figure 1.3. Trends in newly listed and delisted companies



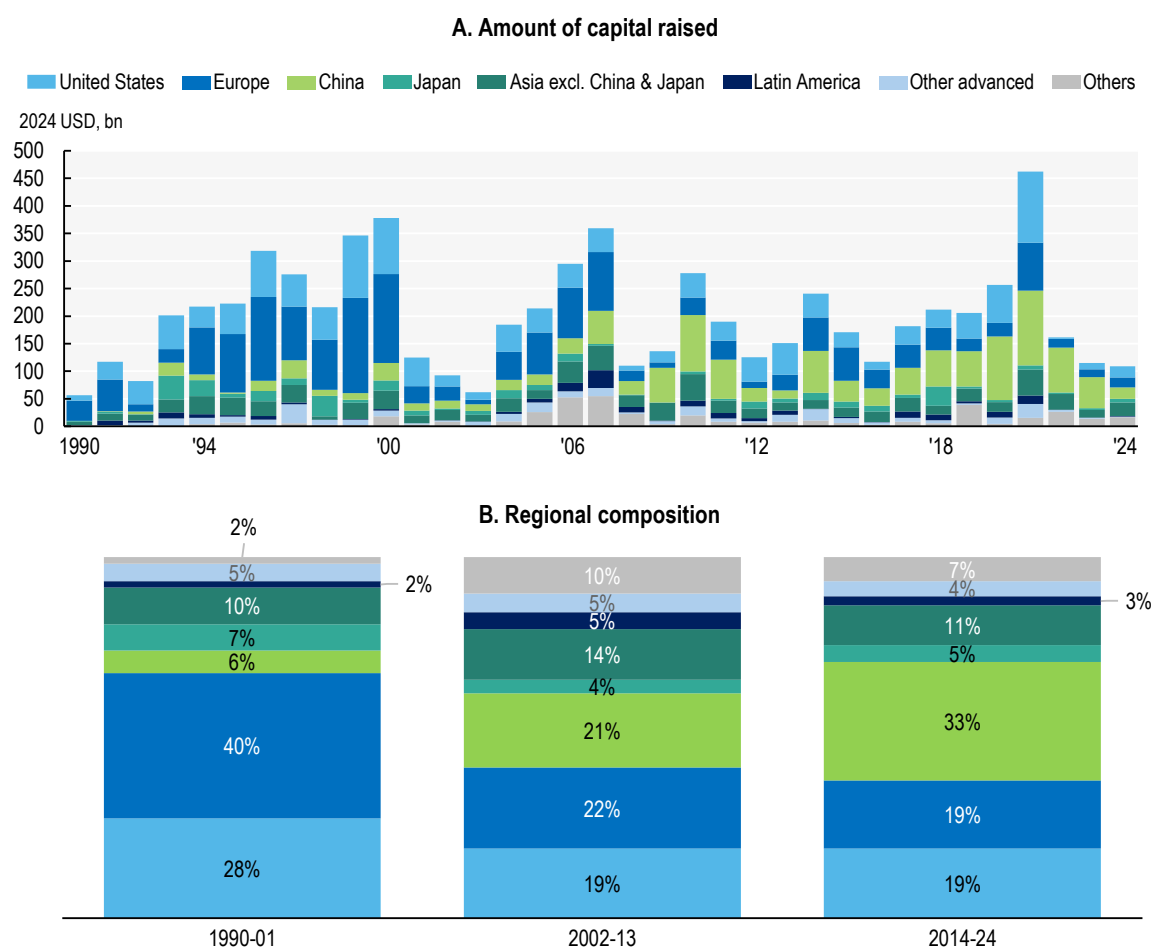
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

1.1.1. Trends in initial public offerings

Equity markets offer companies access to the risk-willing, long-term capital they need to invest and innovate and ultimately contribute to economic growth. They also offer a continuous source of financing for companies after their initial listing. One way that equity markets contribute to the broader resilience of our economies is by providing financing in times of crisis. When bank lending contracts, equity markets continue offering capital – this was the case during the global financial crisis and the COVID-19 induced crisis. Equity markets are also the largest asset class available to households, offering them an opportunity to manage their savings and share in corporation value creation.

The public equity market landscape has undergone important changes in recent decades. One important development has been the increasing use of public equity markets by Asian companies. Between 1990 and 2001, European non-financial companies – mainly from the United Kingdom, Germany, France and Italy – played a leading role globally in terms of initial public offerings (IPOs), accounting for 40% of all capital raised, with 3 471 listings. Since then, European IPOs have declined both in absolute and relative terms. European non-financial companies raised only 22% of the total equity capital raised via IPOs during the 2002-13 period, dropping to 19% between 2014 and 2024 (Figure 1.4).

Figure 1.4. Initial public offerings, non-financial companies



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 IPOs. See Annex 1.A for more detailed information.

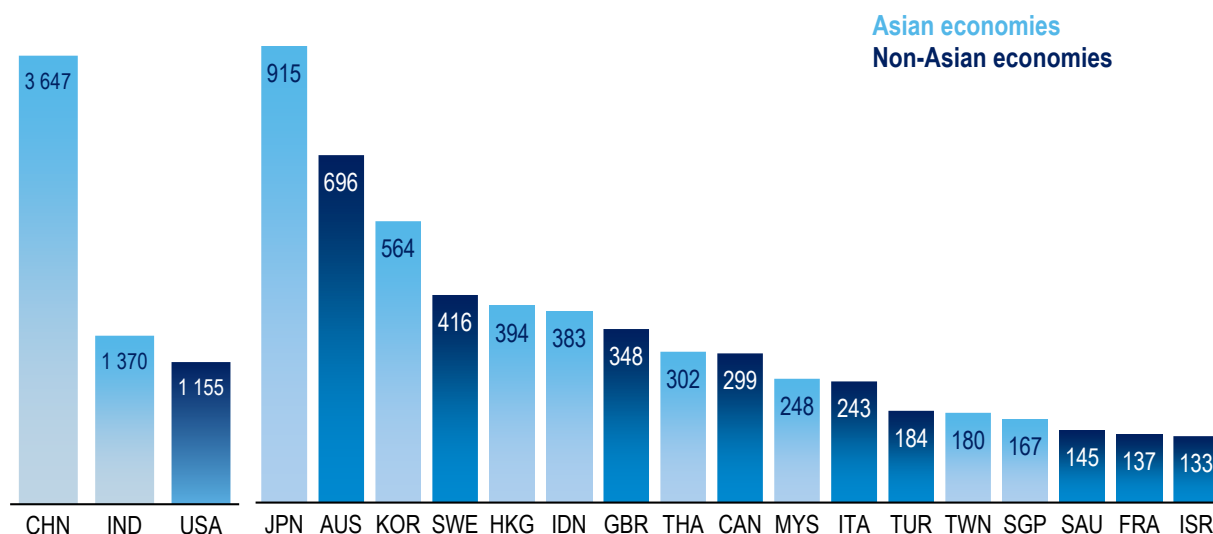
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

At the same time, Asian companies have significantly increased their participation in global equity markets, from raising 23% of global IPO proceeds during the 1990-2001 period to 48% in 2014-24. 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 which more than tripled between 1990-01 and 2014-24, a period during which they accounted for one-third of the global proceeds. The Japanese market, after a decline in total IPO proceeds in 2002-13 compared to the 1990s, saw a 23% increase during 2014-24 period, also contributing to the rise of Asian equity markets during the last decade. While the share of global capital raised through IPOs increased in China and Japan during the 2014-24 period, the share of the rest of Asia declined by 22%. The participation of Latin American companies in global capital markets has declined, with their amount of capital raised via IPOs contracting by 45% between 2002-13 and 2014-24.

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 2025, 58% of the world's listed companies were listed on Asian stock exchanges, together representing 27% of the market capitalisation of the world's listed companies (OECD, 2025^[1]).

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 1.5). Other Asian markets - Hong Kong (China), India, Japan and Korea - also rank among the top ten IPO markets globally. Importantly, several emerging Asian markets such as Indonesia, Malaysia and Thailand, rank higher in terms of IPOs than most non-Asian advanced economies. Only one EU country - Sweden - is in the top ten.

Figure 1.5. Top 20 jurisdictions by number of non-financial company IPOs between 2015 and 2024



Note: Companies are recorded by their domicile, not where they list. See Annex 1.A for more detailed information.

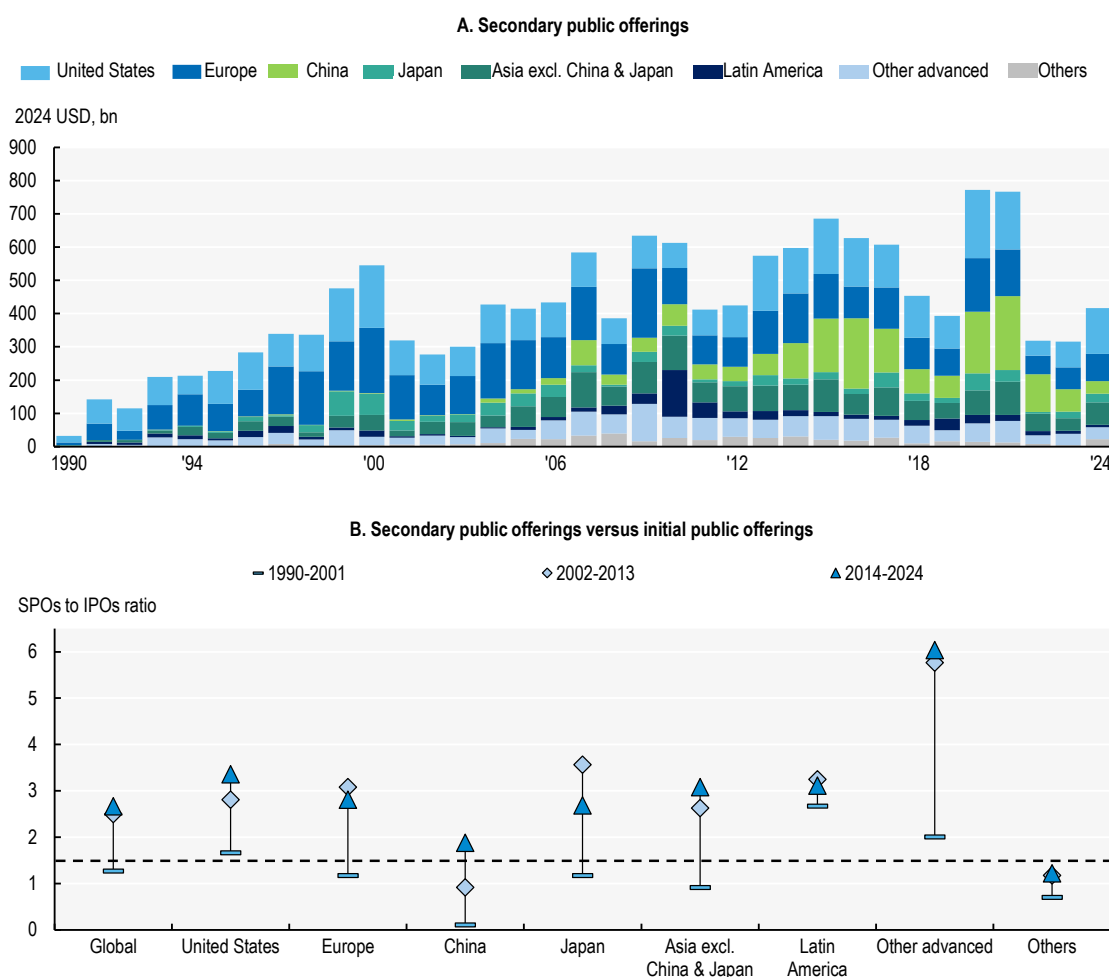
Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

1.1.2. Trends in secondary public offerings

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, including to 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 and during the COVID-19 crisis.

The use of SPOs as a source of financing has surpassed that of IPOs since the 1990s. In 2020, non-financial companies raised a record USD 772 billion via SPOs. The proceeds raised between 2014 and 2024 worldwide totalled USD 5.9 trillion, almost twice the amount raised between 1990 and 2001. All regions experienced an increase in the use of SPOs (Figure 1.6). Europe and the United States were the dominant regions in terms of capital raised via SPOs until 2014. Since 2015, China has led the use of SPOs. While the use of SPOs was marginal in China during the 1990s, Chinese companies raised USD 1.4 trillion in equity through SPOs between 2014 and 2024, which represents 23% of the total equity raised in the world through SPOs during that period.

Figure 1.6. Secondary public offerings by non-financial corporations



Note: 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. See Annex 1.A for more detailed information.

Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

The steady growth in SPOs worldwide has also changed the balance of funds raised via SPOs and IPOs. In the 1990s, the global amount of capital raised in SPOs was only 27% higher than the amount raised via initial public offerings (Panel B). That has changed since, and in 2014-24 the amount raised via SPOs was 2.5 times higher than the amount raised via IPOs. The picture varies between regions. For example, in the 1990s, China had SPO levels below that of IPOs, but since 2014 they more than doubled. Another example is Latin America where markets for secondary public offering were dynamic in the 1990s but have not expanded much since. While the United States and Europe have both experienced a decrease in IPOs since the early 2000s, secondary public offerings have remained strong. The increasing needs of already listed companies for capital to continue expanding partly explain the growth in SPOs. In addition, listed companies in these markets regularly acquire smaller non-listed companies, and these acquisitions can be financed through SPOs.

1.1.3. Equity markets for growth companies

While the focus of the Factbook has historically been on companies that issue equity on the regulated or main markets, this edition also looks at markets dedicated to smaller growth companies because of their

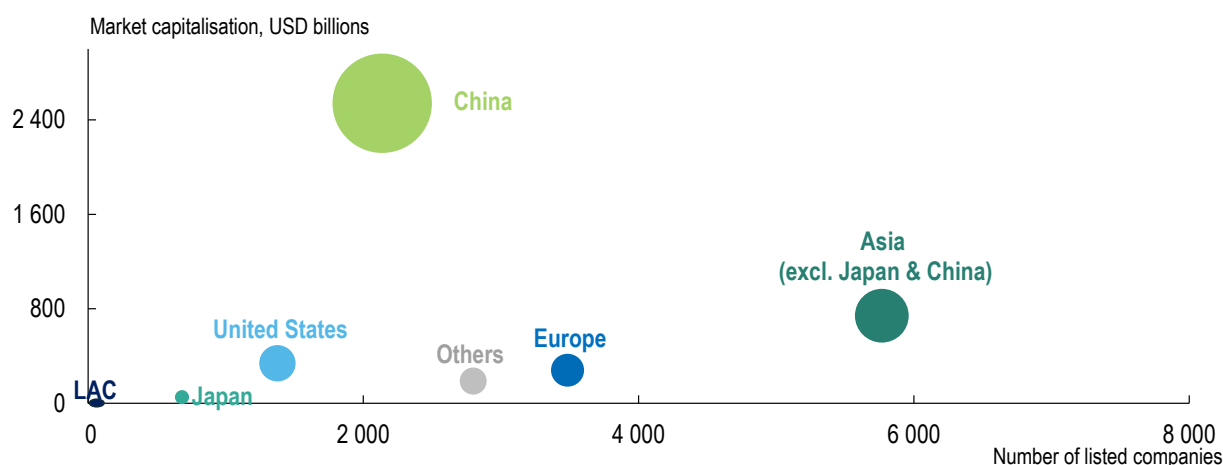
growing importance. The analysis in this section is based on the findings of the report *Equity Markets for Growth Companies* (OECD, 2025^[2]).

Equity markets for growth companies, also called alternative markets or SME markets, are becoming popular around the world. These segments normally refer to those platforms or segments established on or managed by stock exchanges which aim to provide access to equity financing to small and growth companies. In some countries, these markets are accessible to retail investors while in others they are only accessible to qualified investors.

Growth companies often face challenges when funding projects due to limited financial history, lack of collateral and unstable cash flows, which are typically prerequisites for bank loans. These markets intend to fill this gap by facilitating access to patient and risk-willing capital.

At the end of 2023, 16 247 growth companies were listed in 59 jurisdictions worldwide¹, with a total market capitalisation of USD 4 trillion (OECD, 2025^[2]). While important in number, their market capitalisation is less than 4% of total market capitalisation. This suggests that these markets are listing much smaller companies. Asia leads by hosting 8 586 growth companies with a total market capitalisation of USD 3.3 trillion, accounting for over half of all listed growth companies and around 80% of their market capitalisation. This dynamic ecosystem for growth companies is in large part a result of the rapid development of equity markets for larger companies in the region, as the two are closely interconnected. China alone is home to over 2 000 growth companies, with a combined market capitalisation of USD 2.5 trillion. Meanwhile, Asia excluding China and Japan lists around 5 700 growth companies which collectively represent 18% of global growth market capitalisation (Figure 1.7).

Figure 1.7. Universe of listed companies on growth markets in 2023



Note: Differently from the analysis in the rest of the chapter, this section uses data at the end of 2023. The exercise of identifying growth market companies on each stock exchange website was done using the 2023 sample. The figure shows the regional distribution of 16 247 companies listed on growth markets in 59 jurisdictions. The bubble size represents the share of the market capitalisation in total global market capitalisation. LAC stands for Latin America and Caribbean. Over-the-counter companies are not included in the category of growth companies. See Annex 1.A for more detailed information.

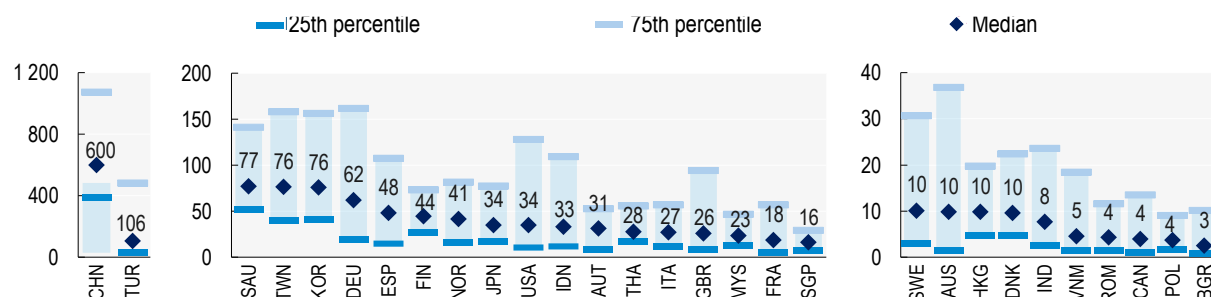
Source: OECD Capital Market Series dataset, LSEG.

In comparison, growth markets in the United States and Europe are smaller in size. The growth market in the United States is home to 1 376 companies with a total market capitalisation of USD 339 billion, representing less than one-tenth of global growth company market capitalisation. These companies are mainly listed on the NASDAQ Capital Market and the NYSE MKT (formerly NYSE American). The growth market in the United States is significantly smaller than the main markets, which have a total market capitalisation of USD 51 trillion.

Europe hosts 3 414 small and growth companies with a total market capitalisation of USD 226 billion. The region has several key markets. One of the pioneering European markets catering to small and growth companies is AIM in the United Kingdom, currently listing 787 companies. Euronext offers two primary segments for growth companies: Euronext Growth, a second-tier market, and Euronext Access, a third-tier market. Both segments support growth companies' access to equity financing across six markets, Belgium, France, Ireland, Italy, Norway and Portugal. In addition, Euronext Expand Oslo in Norway and Euronext Star Milan in Italy also provide dedicated platforms for growth companies. Collectively, Euronext's growth segments host over 800 growth companies. Meanwhile, the First North Growth Market operating in Denmark, Estonia, Finland, Iceland, Latvia, Lithuania and Sweden collectively lists more than 500 growth companies.

In most markets, the majority of growth companies have a market capitalisation around or below USD 75 million (Figure 1.8). An outlier is China, with a median size of USD 600 million. Türkiye's growth market also has large companies, with a median size of USD 106 million. In contrast, several markets, such as Australia, Denmark, Hong Kong (China), India and Sweden, have a median market capitalisation of USD 10 million or less. This shows that even very small companies in these jurisdictions have access to equity markets. It is also important to note that the size of companies varies significantly within markets (e.g. China, Germany and Türkiye). In most other jurisdictions, however, growth markets are primarily composed of smaller companies.

Figure 1.8. The size of companies on equity growth markets, end-2023 (USD millions)

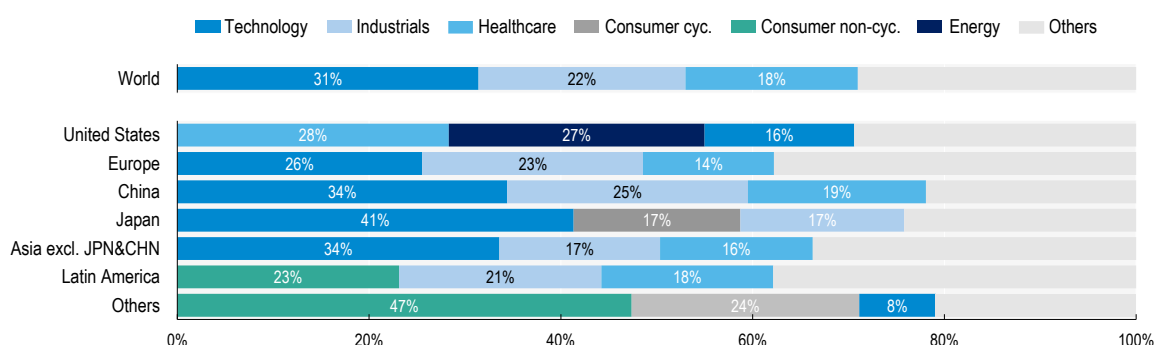


Note: The analysis only includes markets with over twenty listed growth companies. See Annex 1.A for more detailed information.

Source: OECD Capital Market Series dataset, LSEG.

Growth markets are particularly crucial in an era in which intangible technologies drive economic growth., whereas traditional lending models rely more on tangible assets as collateral. This is clear from the industry composition of listed growth companies. The industry breakdown shows that the technology, industrials and healthcare sectors dominate growth markets worldwide, together accounting for more than two-thirds of total market capitalisation (Figure 1.9). The technology sector alone accounts for nearly one-third of capitalisation and is the largest in Europe, China, Japan and the rest of Asia. The industrials sector also has a significant presence in growth markets, representing over one-fifth of market capitalisation in Europe, China and Latin America. The healthcare sector is among the top three sectors across most growth markets.

Figure 1.9. Top 3 industries in equity growth and main markets, end-2023



Note: The shares are calculated over market capitalisation. "Others" includes all industries not listed among the top three. Financial companies are excluded from the analysis. See Annex 1.A for more detailed information.

Source: OECD Capital Market Series dataset, LSEG.

Table 1.1. Comparison between main markets and growth markets, 2023

Jurisdiction	Main markets			Growth markets		
	Number of listed companies	Market capitalisation (USD, million)	Median market capitalisation (USD, million)	Number of listed companies	Market capitalisation (USD, million)	Median market capitalisation (USD, million)
Australia	1 849	1 767 798	23	55	3 167	10
Austria	53	134 286	972	21	806	31
Belgium	98	329 210	360	13	354	10
Brazil	369	979 273	405	15	207	45
Bulgaria	63	6 044	52	131	1 479	3
Canada	701	2 371 583	233	2 418	62 459	4
Chile	185	174 922	198	4	16	2
China	3 206	9 237 584	896	2 137	2 540 791	600
Czechia	13	34 488	211	12	376	15
Denmark	119	722 231	217	41	695	10
Estonia	20	5 391	84	11	85	4
Finland	130	286 266	257	48	5 042	44
France	326	3 226 287	602	393	31 671	18
Germany	674	2 320 147	84	118	20 808	62
Greece	128	79 425	64	14	498	29
Hong Kong (China)	2 096	2 746 386	88	326	7 437	10
Hungary	42	37 725	68	19	962	19
Iceland	24	15 804	432	4	65	6
India	4 586	4 367 257	15	546	10 400	8
Indonesia	470	652 572	138	434	104 653	33
Ireland	12	94 741	6 987	10	3 040	122
Italy	218	815 009	437	200	9 076	27
Japan	3 353	6 158 725	174	682	51 619	34
Korea	810	1 647 807	204	1 742	327 833	76
Latvia	8	642	38	5	176	48
Lithuania	25	5 052	78	3	38	11
Luxembourg	9	16 918	484	8	367	51

Jurisdiction	Main markets			Growth markets		
	Number of listed companies	Market capitalisation (USD, million)	Median market capitalisation (USD, million)	Number of listed companies	Market capitalisation (USD, million)	Median market capitalisation (USD, million)
Malaysia	777	367 635	60	213	8 186	23
Norway	202	385 358	334	119	9 008	41
Poland	393	210 823	48	355	3 015	4
Portugal	37	90 941	181	9	355	10
Romania	81	47 016	39	270	3 337	4
Saudi Arabia	212	2 990 621	676	78	12 830	77
Singapore	373	418 521	68	182	4 825	16
South Africa	195	317 308	191	20	299	2
Spain	116	739 510	803	58	5 319	48
Sweden	344	977 196	427	642	27 577	10
Switzerland	220	2 021 299	1 053	13	1 382	37
United Kingdom	542	2 976 294	555	787	93 868	26
United States	3 373	51 244 520	1 611	1 376	338 586	34
Other jurisdictions	9 174	7 738 618	-	2 715	395 177	-

Note: Differently from the analysis in the rest of the chapter, this section uses data at the end of 2023. The exercise of identifying growth market companies on each stock exchange website was done using the 2023 sample. The table compares jurisdictions that have a growth market with available public information at the end of 2023. Jurisdictions that have a growth market but that are not covered in the Factbook are included under the category “Other jurisdictions”.

Source: OECD (2025^[2]), *Equity Markets for Growth Companies*, <https://doi.org/10.1787/bbfd4f7-en>.

1.1.4. Trends in corporate bond financing

While the means and processes that bondholders have to define the boundaries of corporate action and monitor corporate performance differ from those of shareholders, they still play an important role. 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.

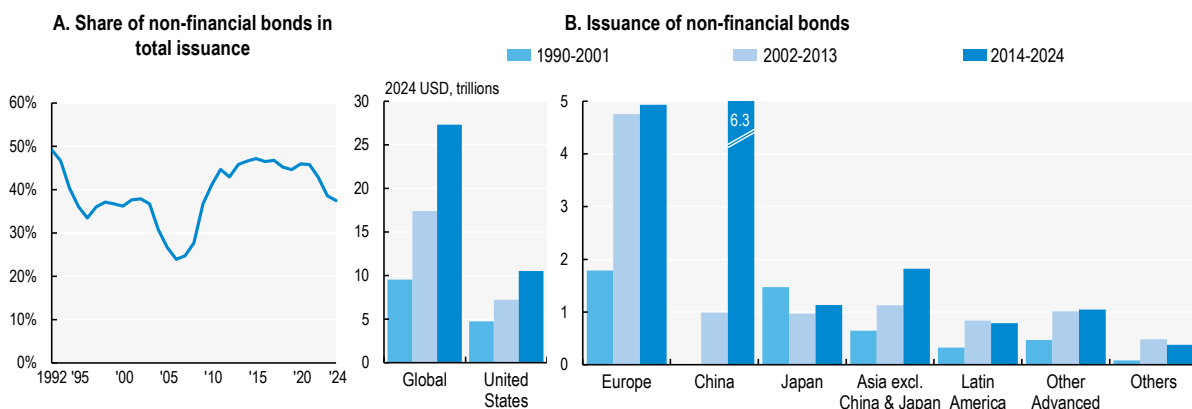
Since the 2008 financial crisis, corporate bonds have become both an important source of financing for non-financial corporations and an important asset class for investors. The low cost of debt resulting from sustained periods of expansive monetary policy has incentivised more, and riskier, issuers to borrow, using both corporate bonds and other instruments. The share of non-financial corporate bonds has risen since 2007 from representing 24% of all bonds issued to a peak of 47% in 2017. Since then, it has decreased to 37% in 2024 (Figure 1.10). However, as shown in Figure 1.1, the amount of financing to non-financial corporations has surpassed that of public equity markets. Even during crisis episodes, corporate bond markets have supported the corporate sector. In 2020, at the onset of the COVID-19 pandemic, non-financial companies rushed to tap corporate bond markets, issuing a record USD 3.5 trillion. In 2021, total issuance declined to USD 2.8 trillion, and in 2022 and 2023, a tighter monetary policy environment increased the cost of debt, causing issuance to fall to a total of USD 1.8 trillion and USD 1.9 trillion respectively. The amount issued recovered in 2024 to USD 2.4 trillion as many central banks started easing the cost of debt (OECD, 2025^[3]).

Annual corporate bond issuance almost doubled from an average of USD 1.5 trillion during the 2002-13 period to USD 2.5 trillion during the 2014-24 period (Figure 1.10). 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 2014 they have grown significantly. In Europe, issuances since

2014 have almost tripled compared to the amounts issued between 1990 and 2001. In the United States, more than double the amount of corporate bonds were issued by non-financial corporations in the 2014-24 period compared to between 1990 and 2001.

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 38% of total issuances between 2014 and 2024. Over the same period, Chinese and European corporate bond issuances accounted for 25% and 18% of global issuances respectively.

Figure 1.10. New issuance of non-financial corporate bonds



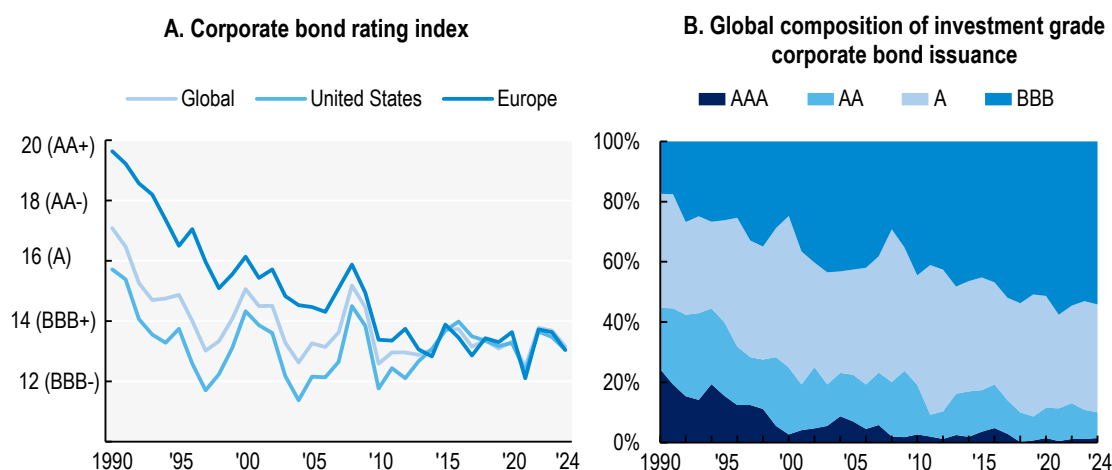
Note: See Annex 1.A for more detailed information.

Source: OECD Capital Market Series dataset, Refinitiv.

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 (Figure 1.11). This has been partly driven by the decline in overall corporate bond quality within the investment grade category. The share of BBB rated bonds, which is the lowest quality of bonds that are included in the investment grade category, increased from an average of 39% over the 2000-07 period to an average of 46% in the 2008-21 period. In 2021, 58% of all issuance in the investment grade category had the lowest rating BBB. However, with increasing cost of financing, the issuance of BBB declined during the last three years. 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%.

Figure 1.11. Credit profile of non-financial corporate bonds

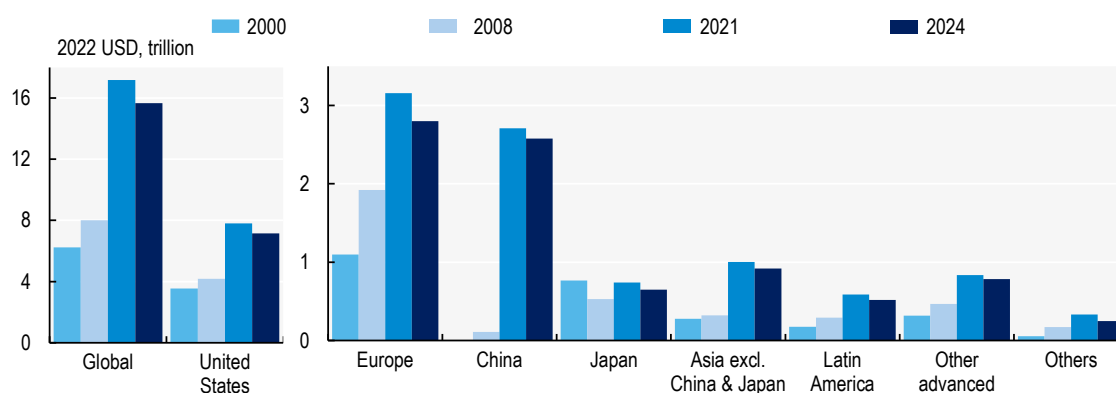


Note: See Annex 1.A for more detailed information.

Source: OECD Capital Market Series dataset, LSEG.

The global outstanding amount of non-financial corporate bonds reached a record level in 2021, amounting to USD 17.1 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 16 trillion in 2022 as a result of the contraction in new issuances that year. Almost 46% of the outstanding amount of non-financial corporate bonds corresponds to US bonds, followed by European and Chinese bonds representing 18% and 17% of the total outstanding amount respectively. The outstanding amount of bonds issued by non-financial companies in Asia (excluding China and Japan) and Other advanced represented 6% and 5% of the total outstanding amount respectively. Other regions' outstanding amounts represented less than 5% of the total in 2024 (Figure 1.12).

Figure 1.12. Outstanding amount of non-financial corporate bonds



Note: See Annex 1.A for more detailed information.

Source: OECD Capital Market Series dataset, LSEG.

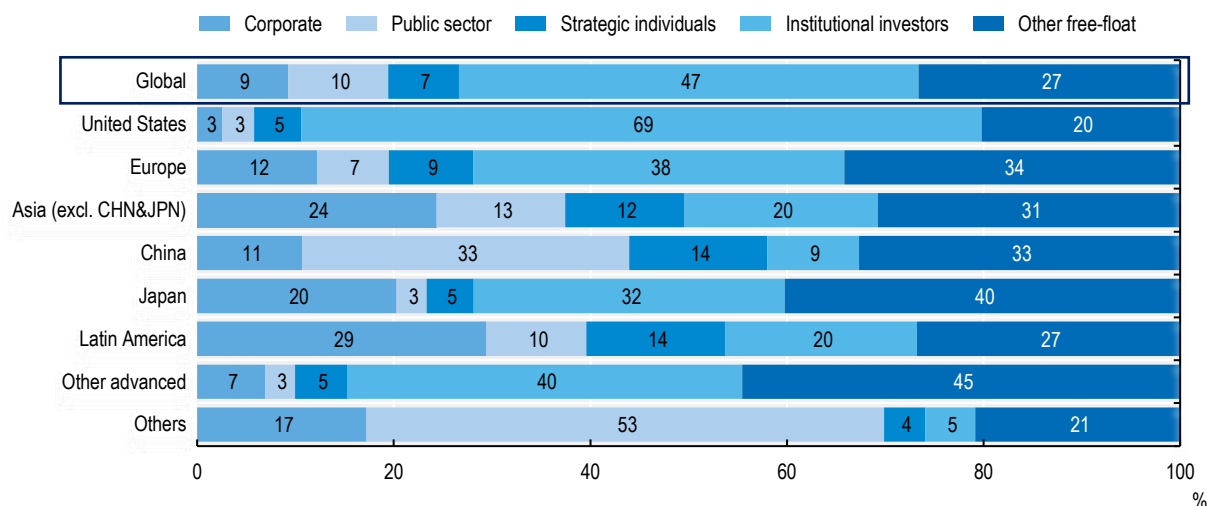
1.2. Corporate ownership structure

Equity markets are characterised by strong ownership concentration in listed companies and a wide variety of ownership structures around the world. 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.

The results presented in Figure 1.13 build on firm-level ownership information from 46 086 listed companies in 98 different markets. Together, these companies represent 99% of global stock market capitalisation. Using ownership information for each company, investors were classified into the five following categories: private corporations, public sector, strategic individuals, institutional investors and other free-float (De La Cruz, Medina and Tang, 2019^[4]).

Figure 1.13. Investors' public equity holdings, end-2024



Note: The figure shows the overall ownership share by market capitalisation of the categories of owners for 46 086 listed companies in 98 economies for which there is firm-level ownership information. See Table 1.2 and Annex 1.A for more detailed information including by country. Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

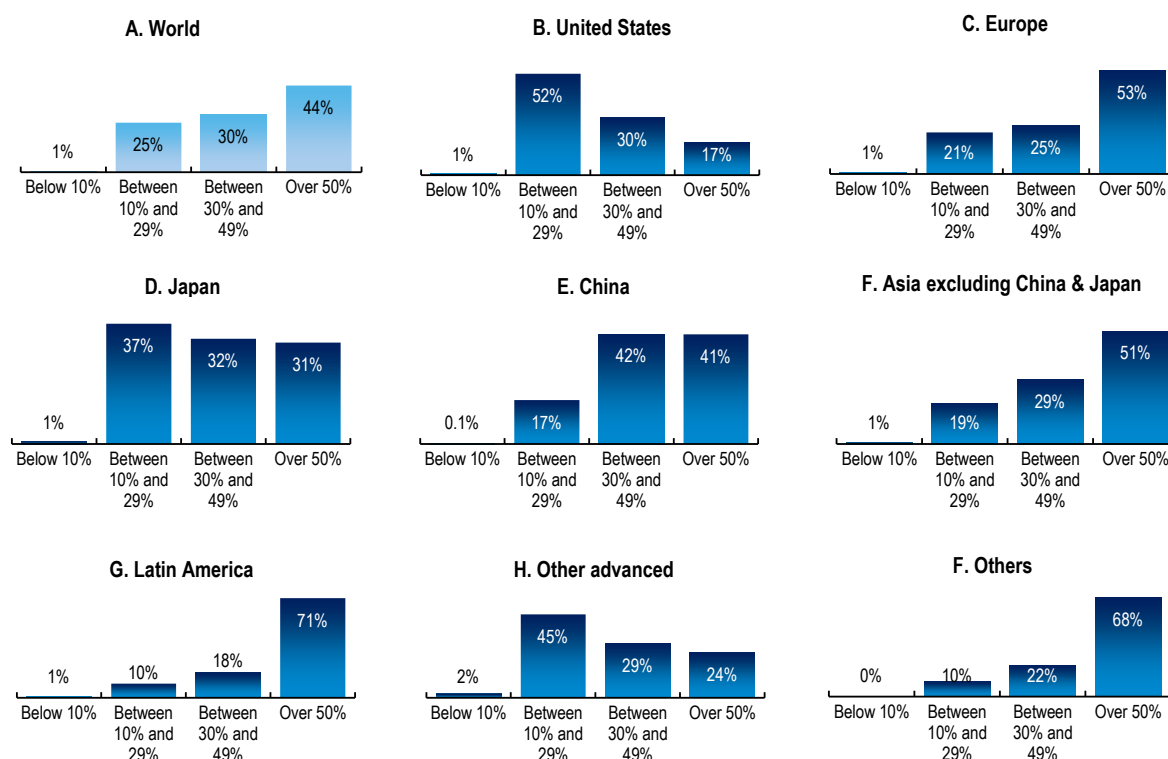
Today, the ownership structure of listed companies worldwide is characterised by the dominance of institutional investors. Institutional investors are the largest category of investors globally, with 47% of total equity holdings at the end of 2024 (Figure 1.13). Their dominant position globally is largely driven by their

major importance in the largest market – the United States – where they hold 69% of the listed equity. This share is considerably lower in Asia excluding China and Japan (20%), China (9%), Latin America (20%) and Others (5%). Corporations are also major owners of public equity in some parts of the world, reflecting the prominent role of company group structures. This is the case in Asia excluding China and Japan, Japan, Latin America and Others. In Asia excluding China and Japan, their holdings account for 24% of total listed equity, while globally, this figure stands at 9%. The ownership share of the public sector is significantly higher in China and Others (over one-third of market capitalisation) compared to other regions. Strategic individuals are also important owners in Asia (excluding China and Japan), in China and in Latin America.

1.2.1. 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 call for additional focus on the relationship between controlling owners and non-controlling owners, as the ownership structure in most markets is today characterised by a fairly high degree of concentration at the company level (Medina, de la Cruz and Tang, 2022^[5]). In 44% of listed companies globally, the combined holding of the three largest shareholders is over 50% of the listed equity. Conversely, the largest 3 shareholders own less than 1% of the equity in only 0.7% of listed companies (Figure 1.14).

Figure 1.14. Ownership concentration of the three largest shareholders, 2024



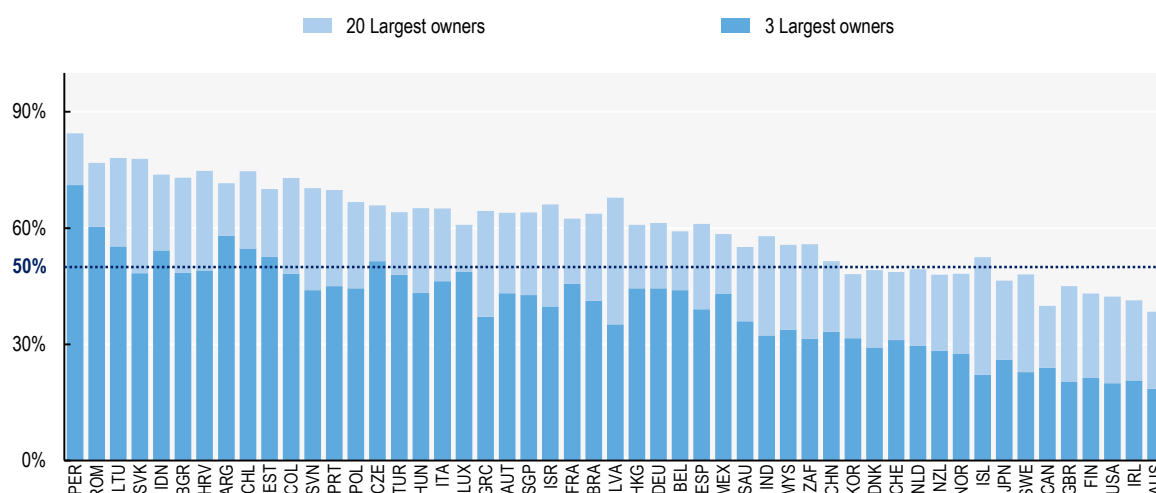
Note: The figures show the share of companies with different levels of ownership for the three largest shareholders at the company level. For example, globally, the three largest shareholders at the company level own over 50% of the equity in 44% of listed companies.

Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

The level of concentration differs significantly across markets. In the United States, for example, the three largest owners hold between 10% and 29% of the equity in more than half of the listed companies (53%) while their holdings exceed 50% in just 17% of companies. The pattern is similar in Japan and in Other advanced. In Asia (excluding China and Japan), China, Europe, Latin America and Others, the picture is somewhat reversed. The share of companies is increasing in the levels of concentration. In Asia excluding China and Japan, the three largest owners hold between 10% and 29% of the equity in 19% of the companies (China 17%) and over 50% in 51% of listed companies (China 42%). The pattern in Europe is similar with the three largest owners holding between 10% and 29% of the equity in 21% of the companies and over 50% in 53% of listed companies. Concentration levels are much higher in Latin America and Others where the three largest owners hold over 50% of the equity in 71% and 68% of the companies respectively. The distribution worldwide is largely influenced by the distribution in Asian companies, as they represent 58% of the world's listed companies.

A closer look at ownership concentration at the company level in each market shows high levels of concentration. In 34 out of 51 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, Ireland, the United States, Finland** and the **United Kingdom**, where the three largest shareholders nonetheless still own a significant average combined holding, ranging between 32% and 36% of the company's equity capital. Moreover, in all these jurisdictions, the 20 largest shareholders own on average between 52% and 61% of the company's capital (Figure 1.15).

Figure 1.15. Ownership concentration at the company level, end-2024



Note: The figure shows ownership concentration at the company level for each market. It shows the average combined holdings of the 3 and 20 largest owners respectively across 51 out of the 52 jurisdictions covered by the Factbook. Costa Rica has been excluded since it has less than ten companies with ownership information. See Table 1.2 and Annex 1.A for more detailed information including by country.

Source: OECD Capital Market Series dataset, FactSet, Refinitiv, Bloomberg.

1.2.2. Supporting information

The table below provides an overview of the number of listed companies and the market capitalisation in each market (Table 1.2). The table includes, in each market, listed companies with available information for their ownership structure. It provides a comparison of ownership concentration across the Factbook's 52 jurisdictions based on the percentage of companies where the three largest shareholders own at least 50% of the shares. In 34 of the jurisdictions, the three largest owners hold more than 50% of the equity

capital in at least half of all listed companies. Table 1.3 shows detailed information about the largest stock exchanges, their legal and listing status.

Table 1.2. Ownership structure of listed companies, 2024

Jurisdiction	Market size (based on ownership information availability)		Ownership by investor category (%)					Ownership concentration
	Total market capitalisation (USD Million)	No. of listed companies	ILs	PS	SI	PC	OFF	(% of companies where 3 largest shareholders own >50%)
Argentina	85 947	65	13	22	13	23	29	83%
Australia	1 664 437	1 693	32	2	6	5	55	16%
Austria	128 035	55	25	21	3	22	28	64%
Belgium	328 177	97	41	3	6	23	27	59%
Brazil	659 142	350	25	14	8	25	28	61%
Bulgaria	6 541	99	7	8	23	40	22	75%
Canada	2 550 418	1 917	46	3	4	7	40	21%
Chile	163 097	167	13	1	14	50	21	79%
China	12 785 666	5 301	9	33	14	11	33	42%
Colombia	71 935	61	14	29	14	32	12	66%
Costa Rica	690	1	-	-	-	-	-	-
Croatia	28 776	68	11	15	5	49	20	69%
Czechia	34 258	12	6	44	4	21	26	92%
Denmark	643 451	125	38	5	2	19	36	36%
Estonia	5 055	27	4	18	34	16	28	78%
Finland	255 712	171	37	11	8	5	40	19%
France	2 953 367	552	29	5	16	14	36	63%
Germany	2 357 131	547	31	8	7	17	37	62%
Greece	84 589	134	20	8	12	24	35	69%
Hong Kong (China)	3 050 494	2 303	18	12	17	17	35	69%
Hungary	40 132	44	24	2	2	36	36	73%
Iceland	13 958	27	43	8	11	19	20	30%
India	5 173 972	4 952	22	16	12	29	20	52%
Indonesia	760 552	923	7	12	13	49	19	88%
Ireland	82 800	19	59	6	4	2	29	11%
Israel	286 970	435	37	1	19	18	25	68%
Italy	843 399	381	33	12	11	8	36	72%
Japan	6 380 869	4 038	32	3	5	20	40	31%
Korea	1 550 779	2 499	17	9	10	27	37	34%
Latvia	553	13	5	0	25	44	25	62%
Lithuania	4 920	24	5	26	6	43	20	83%
Luxembourg	14 966	8	42	5	1	9	43	75%
Malaysia	447 776	1 018	10	31	11	24	24	50%
Mexico	403 614	106	19	1	26	20	34	62%

Jurisdiction	Market size (based on ownership information availability)		Ownership by investor category (%)					Ownership concentration
	Total market capitalisation (USD Million)	No. of listed companies	IIs	PS	SI	PC	OFF	(% of companies where 3 largest shareholders own >50%)
Netherlands	980 979	94	41	4	6	16	34	44%
New Zealand	90 248	96	20	15	4	7	53	35%
Norway	330 143	287	28	31	9	10	23	36%
Peru	84 960	140	5	8	5	73	9	85%
Poland	197 684	697	30	13	11	22	24	74%
Portugal	70 987	36	22	12	14	27	25	72%
Romania	45 164	313	9	35	6	21	29	91%
Saudi Arabia	2 543 836	269	2	79	3	4	12	54%
Singapore	473 520	526	17	16	10	16	41	67%
Slovak Republic	3 092	17	1	-	0	88	12	88%
Slovenia	10 108	14	10	34	5	9	42	79%
South Africa	334 279	189	29	18	4	13	37	48%
Spain	779 831	157	25	7	18	11	38	57%
Sweden	964 173	774	38	5	13	13	31	27%
Switzerland	1 934 909	217	33	7	6	7	47	41%
Türkiye	358 472	465	8	18	14	36	24	74%
United Kingdom	3 065 055	1 171	61	6	3	6	24	20%
United States	62 869 282	4 440	69	3	5	3	20	17%

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 and the market capitalisation in each market correspond to those companies with available information for their ownership structure, therefore the numbers presented in this table may differ from the total number of listed companies. Moreover, the OECD methodology excludes from the number of listed companies investment funds, ETFs and real estate investment trusts (REITs). Companies that list more than one class of shares are considered as one company and only its primary listing is considered. Jurisdictions not covered in the Factbook are not shown in this table, however are used for global and regional calculations. See Annex 1.A for more detailed information.

Source: OECD Capital Market Series dataset, FactSet, LSEG, Bloomberg.

Table 1.3. The largest stock exchanges

Jurisdiction	Largest stock exchange		Group	Legal status	Self-listing
Argentina	ByMA	Bolsa y Mercados Argentinos (ByMA)	-	Joint stock company	Yes
Australia	ASX	Australian Securities Exchange	Domestic (ASX Ltd)	Joint stock company	Yes
Austria		Wiener Börse	Wiener Börse Group	Joint stock company	No
Belgium		Euronext Brussels	Euronext	Joint stock company	(Holding)
Brazil	B3	B3 - Brasil Bolsa Balcão S.A.	-	Joint stock company	Yes
Bulgaria	SOFIX	Bulgarian Stock Exchange	-	Joint stock company	Yes
Canada	TMX	Toronto Stock Exchange	TMX	Joint stock company	Yes
Chile	BOLSASTGO	Santiago Stock Exchange	Holding Bursátil Regional S.A ¹	Joint stock company	Yes
China	SSE	Shanghai Stock Exchange	-	State-controlled ²	No

Jurisdiction	Largest stock exchange		Group	Legal status	Self-listing
	SZSE	Shenzhen Stock Exchange	-	State-controlled	No
	BSE	Beijing Stock Exchange	-	State-controlled	No
Colombia	BVC	Bolsa de Valores de Colombia	BVC ¹	Joint stock company	Yes
Costa Rica	BNV	Bolsa Nacional de Valores	-	Private corporation or association	No
Croatia	CROBEX	Zagreb Stock Exchange	-	Joint stock Company	Yes
Czechia	PSE	Prague Stock Exchange	Wiener Börse	Joint stock company	No
Denmark		NASDAQ Copenhagen A/S	NASDAQ Nordic LTD ³	Private corporation or association	(NASDAQ)
Estonia	TSE	Nasdaq Tallinn AS	NASDAQ Nordic LTD ³	Joint stock company	(NASDAQ)
Finland	OMXH	NASDAQ Helsinki	NASDAQ Nordic LTD ³	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 Hong Kong Limited	-	Private corporation or association	Yes
Hungary	BSE	Budapest Stock Exchange	-	Joint stock company	Yes
Iceland		NASDAQ OMX Iceland	NASDAQ Nordic LTD ³	Private corporation or association	(NASDAQ)
India ⁴	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 ³	Joint stock company	(NASDAQ)
Lithuania	OMXV	Nasdaq Vilnius	NASDAQ Nordic LTD ³	Private corporation or association	(NASDAQ)
Luxembourg	LSE	Luxembourg Stock Exchange	-	Private corporation or association	No
Malaysia		Bursa Malaysia	-	Private corporation	Yes
Mexico	BMV	Bolsa Mexicana de Valores	Domestic (Grupo BMV)	Joint stock company	Yes
	BIVA	Bolsa Institucional de Valores	Domestic	Joint stock company	No
Netherlands	AMS	Euronext Amsterdam	Euronext	Joint stock company	(Holding)
New Zealand	NZX	New Zealand Exchange	-	Joint stock company	Yes
Norway	OSE	Oslo Stock Exchange	Euronext	Joint stock company	(Holding)
Peru	BVL	Bolsa de Valores de Lima (BVL)	Holding Bursatil Regional S.A ¹	Joint stock company	Yes (Holding)
Poland	GPW	Warsaw Stock Exchange	GPW Group	Joint stock company	Yes
Portugal	ELI	Euronext Lisbon	Euronext	Joint stock company	(Holding)
Romania	BVB	Bucharest Stock Exchange	BSE	Joint stock company	Yes
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

Jurisdiction	Largest stock exchange		Group	Legal status	Self-listing
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
Sweden		Nasdaq Stockholm	NASDAQ Nordic LTD ³	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	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: "-" = information not applicable or not available. () = holding company listing.

1. The stock exchanges of **Chile**, **Colombia** and **Peru** merged into a group called "Holding Bursátil Regional S.A" as part of a project of market integration (NUAM) in 2023. In 2023, most shares of the stock exchanges of Chile, Colombia and Peru were transferred to a single parent company "Holding Bursátil Regional S.A". However, they continue to operate as three independent infrastructures within their respective jurisdictions, under the same holding company.

2. 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.

3. 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.).

4. 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.

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Annex 1.A. Methodology for data collection and classification

Country categories

In this report, the category “Asia excl. China and Japan” includes all jurisdictions in the continent excluding China and Japan. “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).

Listed company information

The information on the number of listed companies and their market capitalisation is based on LSEG Screener and the following criteria are used to clean the data:

- security type classified as “units” and “trust” are excluded
- for firms with multiple listings, only primary listings are kept
- for firms with multiple observations but different countries of domicile, their true country of domicile is manually checked to remove the duplicates
- firms trading on over-the-counter (OTC) markets and those listed on multilateral trading facilities (MTFs) or SME/growth markets are excluded. SME/growth markets included in the analysis are: Korea Exchange (KOSDAQ), New York Stock Exchange (NYSE) and Nasdaq Capital Market (NASDAQ)
- special Purpose Acquisition Companies (SPACs) are excluded
- investment funds are excluded
- real Estate Investment Trusts (REITs) are excluded.

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 LSEG (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 IPOs and SPOs 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.

Growth market classification and relevant information

The figures on equity growth markets are based on OECD calculations using company-level information from LSEG and the websites of stock exchanges. All data on equity growth markets refers to end of 2023. The identification of equity markets for growth companies is based on whether the regulatory authorities or the stock exchange governing the market segment designate it as being for growth companies and/or small and medium-sized enterprises (SMEs). Using this classification of growth markets, companies are categorised as either listed on the main market or growth market. Where available, segment information from LSEG is used to determine the listing segment of each company. However, as LSEG data often only indicate the exchange on which a company is listed without specifying the segment, additional manual verification was conducted.

For the manual verification, information on each listed company was collected directly from stock exchange websites. Company identifiers, such as ISINs, are used to match the LSEG data with stock exchange information. Where company identifiers are missing, name matching is used to accurately assign each company to the correct market segment on the exchange.

Ownership data

The ownership figures for publicly listed companies are based on OECD calculations using firm-level information from the FactSet Ownership database. The data are complemented and verified using LSEG and Bloomberg. Data are collected at the end of 2024 in current USD, thus no inflation adjustment is needed. Market information for each company is collected from LSEG. The dataset includes the records of owners for 46 086 companies listed across 98 countries covering 99% 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 records of owners are collected for each company. Some companies have up to 5 000 records in their list of owners. Each record contains the name of the institution, the percentage of outstanding shares owned, the investor type classification, the origin country of the investor, the ultimate parent name, among other things.

The table below presents the five categories of owners defined and used in this report following De La Cruz, Medina and Tang (2019^[4]). Different types of investors are grouped into these five categories of owners. In many cases, when the ultimate owner is identified as a government, a province or a city and the direct owner was not identified as such, ownership records are reclassified as public sector. For example, public pension funds that are regulated under public sector law are classified as public sector, and sovereign wealth funds (SWFs) are also included in that same category.

Annex Table 1.A.1. Categories of owners defined and used in the report

Investor category	Categories of owners	
	Investor type	
Private corporations and holding companies	Business association	Operating division
	Employee stock ownership plan	Private company
	Holding company	Public company
	Joint venture	Subsidiary
	Non-profit organisation	
Public sector	Government	Regional governments
	Sovereign wealth manager	Public pension funds
Strategic individuals and family members	Individual (Strategic owners)	Family office
Institutional investors	Bank investment division	Mutual fund manager
	Broker	Other
	College/University	Pension fund
	Foundation/Endowment manager	Pension fund manager
	Fund of funds manager	Private banking/Wealth management
	Fund of hedge funds manager	Private equity fund/Alternative investments
	Hedge fund	Real estate manager
	Hedge fund manager	Research firm
	Insurance company	Stock borrowing/Lending
	Investment adviser	Trust/Trustee
	Market maker	Umbrella fund
	Mutual fund-closed end	Venture capital/Private equity
Other free-float including retail investors	Shares in the hands of investors that are not required to disclose their holdings. It includes the direct holdings of retail investors who are not required to disclose their ownership and institutional investors that did not exceed the required thresholds for public disclosure of their holdings.	

Corporate bonds

Data presented on corporate bond issues are based on OECD calculations using deal-level data obtained from LSEG on new issues of corporate bonds that are underwritten by an investment bank. The database provides detailed information for each corporate bond issue, including the identity, nationality and sector of the issuer; the type, interest rate structure, maturity date and rating category of the bond; and the amount of proceeds obtained from the issue and intended uses thereof.

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. Industry classifications are based on The Reference data Business Classification (TRBC) from LSEG. Yearly issuance amounts initially collected in USD were adjusted by 2024 USD Consumer Price Index.

Given that a significant portion of bonds are issued internationally, it is not possible to systematically assign issues to a certain country of issue. For this reason, the country breakdown is carried out based on the country of domicile of the issuer. The advanced/emerging market classification is based on IMF country classifications.

Rating data

Rating information is based on OECD calculations using data obtained from LSEG that provides rating information from three leading rating agencies: Fitch, Moody's and S&P. For each bond that has rating information in the dataset, a value of 1 is assigned to the lowest credit quality rating (C) and 21 to the highest credit quality rating (AAA for Fitch and S&P; and Aaa for Moody's). There are 11 non-investment grade categories: five from C (C to CCC+); and six from B (B- to BB+). There are ten investment grade categories: three from B (BBB- to BBB+); and seven from A (A- to AAA).

If ratings from multiple rating agencies are available for a given issue, their average is used. Some issues in the dataset, on the other hand, do not have rating information. For such issues, the average rating of all bonds issued by the same issuer in the same year (t) is assigned. If the issuer has no rated bonds in year t, year t-1 and year t-2 are also considered, respectively. This procedure increases the number of rated bonds in the dataset and hence improves how representative the rating-based analysis is. When differentiating between investment and non-investment grade bonds, the final rating is rounded to the closest integer and issuances with a rounded rating less than or equal to 11 are classified as non-investment grade.

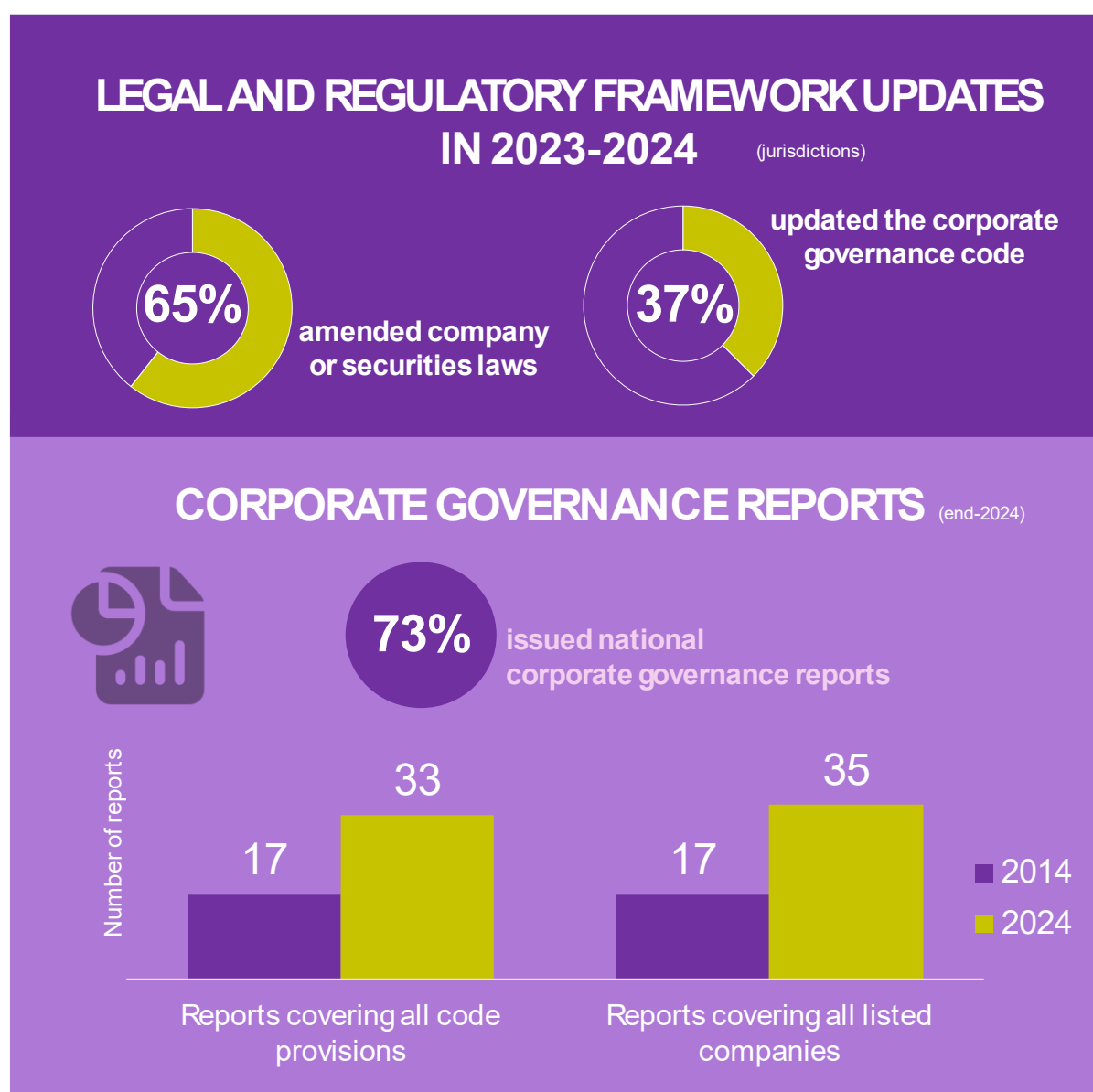
Notes

¹ Some additional jurisdictions claim to have listing segments for growth companies, but due to data constraints, the OECD Capital Market Series dataset covers growth markets in 59 jurisdictions worldwide.

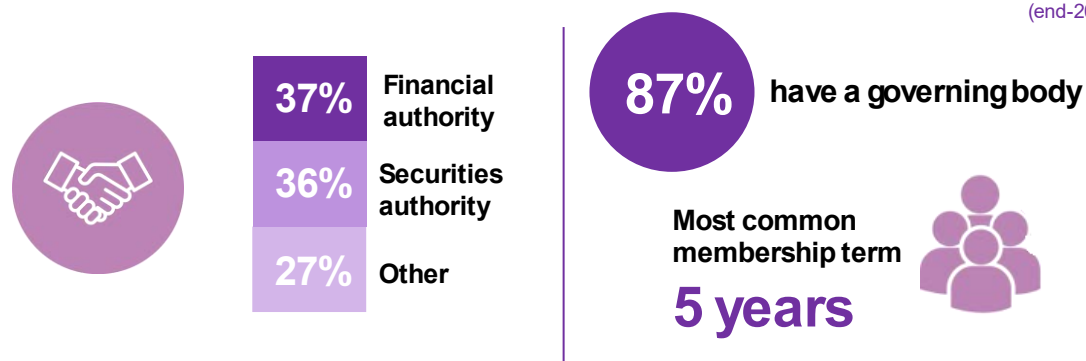
2 The corporate governance and institutional framework

The quality of the institutional, legal and regulatory framework is an important foundation for implementing the G20/OECD Principles. Chapter 2 provides insights on the legal and regulatory framework for corporate governance, revealing the frequency of legislative reforms, 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 to ensure effective supervision and enforcement that market participants can rely on. The chapter also offers information on the lead regulatory institution for corporate governance of listed companies in each jurisdiction, and on mechanisms to ensure their independence.

Infographic 2.1. Key facts and figures on the corporate governance and institutional framework



PUBLIC REGULATORS OF CORPORATE GOVERNANCE (end-2024)



2.1. The legal and regulatory framework for corporate governance

Corporate governance frameworks continue to adapt to a changing environment. During 2023-24, nearly two-thirds of Factbook jurisdictions amended their company law and/or securities law. Over one-third of Factbook jurisdictions updated their national corporate governance codes or equivalent instruments. The balance between formal regulation and a “comply or explain” approach in the corporate governance framework varies across jurisdictions.

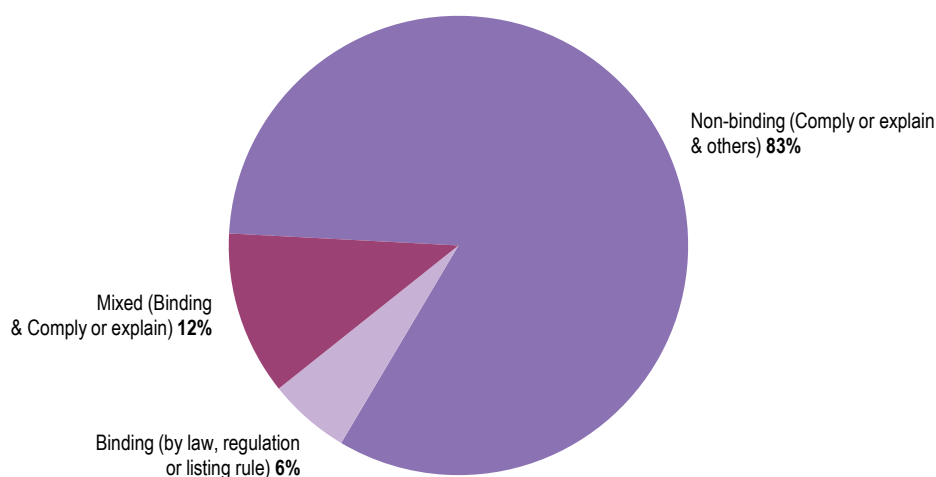
Traditionally, Factbook jurisdictions have used different combinations of laws, regulatory instruments, codes and principles to inform oversight of corporate governance matters. In all jurisdictions, the corporate governance framework is set forth by company laws and securities or capital markets laws. Generally, company laws detail the default option for corporate structures, while securities and capital markets laws detail binding requirements for listed companies, contributing to regulators’ enforceability of shareholder protection. In most jurisdictions, the corporate governance framework is complemented by additional binding regulations, often included in listing rules issued by the stock exchange or specific regulations issued by the main public regulator 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. These complementary mechanisms provide publicly traded companies with the flexibility to develop and improve fit-for-purpose practices, particularly for emerging corporate governance issues.

Over 80% of the Factbook jurisdictions have a corporate governance code that follows a non-binding soft law “comply or explain” or similar approach. Some of these countries, including **Argentina, Malaysia** and **South Africa**, have opted for specific variations of the “comply or explain” approach (see Box 2.1 for more examples).

Conversely, 18% of countries have either binding or partly binding instruments, which has remained on par since 2022. Six jurisdictions (**Costa Rica, Hong Kong (China), Israel, Mexico, Saudi Arabia, 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 52 jurisdictions. See Table 2.2 for data. Due to rounding, the total is 101%. Non-binding approaches fall within the “Non-binding (Comply or explain & others)” category, including those named “Apply or explain”, “Apply or explain an alternative”, “Apply and explain” and “Apply or not, and explain”.

Only three countries adopt a legally binding approach. **India** and the **United States** rely upon their laws, regulations and listing rules as their legal corporate governance framework. China has adopted a binding corporate governance code.

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

A few countries have developed systems for promoting implementation of national corporate governance codes that do not strictly follow the “comply or explain” approach but are also categorised as non-binding soft law approaches.

In **Argentina**, the Corporate Governance Code follows an “apply or not, explain” approach to recognise heterogeneity within industries and across companies. Companies that decide to omit a recommendation may still be in compliance with the Code as long as the justification for the omission is aligned with the principles of the Code.

In **Costa Rica**, it is mandatory for listed companies to implement the National Council of Supervision of the Financial System (CONASSIF) Corporate Governance Regulation based on a “comply and explain” rule. This has 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 Code to establish and disclose their own codes and additional information.

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 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) adopted by the Institute of Directors in South Africa 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.

National corporate governance codes or equivalent instruments are updated regularly. During 2023-24, one-third of Factbook jurisdictions updated their codes (Table 2.3). More than two-thirds revised their code or equivalent instrument between 2020-24.

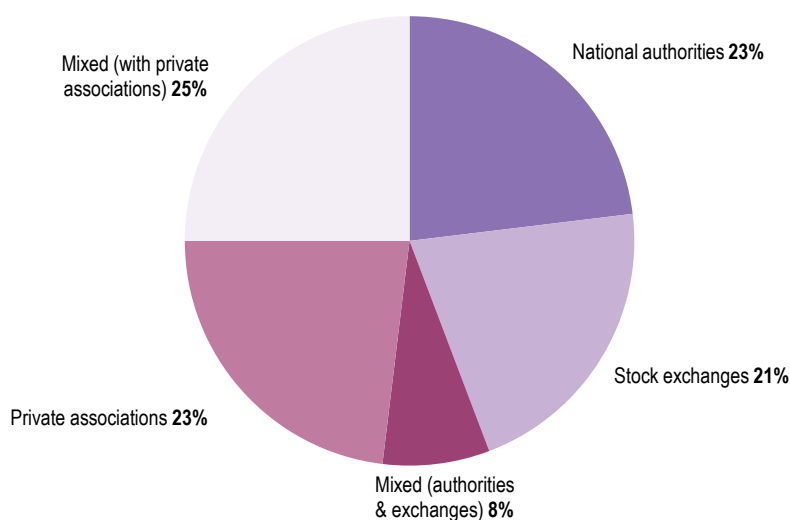
In most jurisdictions, national authorities and/or stock exchanges have taken the lead in establishing or revising corporate governance codes. In some of these jurisdictions, codes are devised and updated by a group of institutions representing different market segments, such as the ASX Corporate Governance Council in **Australia**, or by both public and private actors, such as the Corporate Governance Advisory Board in **Latvia**, which is managed by the Ministry of Justice and includes corporate governance experts from the public and private sectors.

The most common approach adopted for overseeing corporate governance codes by Factbook jurisdictions is a mixed public-private sector model. This involves either joint oversight exercised by

national authorities together with a mix of private sector groups (25%) or of national authorities and stock exchanges (8%). National authorities have played a growing role as the formal and sole custodian of codes and their updates, increasing from 17% to 23% of jurisdictions between 2015-24.

Stock exchanges and private associations also play an important role as the sole custodian in 21% and 23% of Factbook jurisdictions respectively (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 the BSE's board of directors.

Figure 2.2. Custodians of corporate governance codes



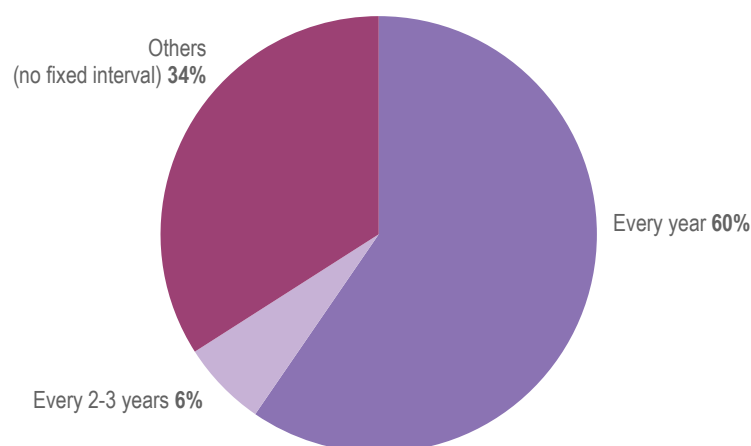
Note: Based on 52 jurisdictions. See Table 2.3 for data.

2.1.1. Aggregate reporting on compliance with national codes

To support effective disclosure and implementation of non-binding “comply or explain” corporate governance codes, 73% of Factbook jurisdictions publish a national report on compliance with the code, a notable increase from 2014 when 59% of jurisdictions published such reports.

The *G20/OECD Principles of Corporate Governance* highlight the importance of clear definitions in terms of coverage, implementation, compliance and sanctions of corporate governance codes to strengthen their effectiveness for companies. Forty-two percent of jurisdictions publish a national report on corporate governance every year. Responsibility for publishing such reports is split between governmental authorities, stock exchanges, and private sector or stakeholder groups.

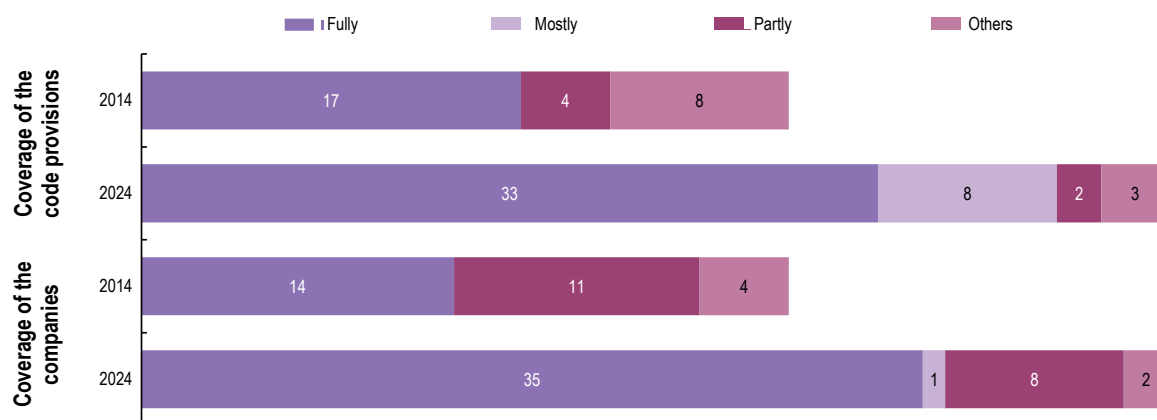
Figure 2.3. Frequency of publication of national corporate governance reports



Note: Based on 47 reporting institutions in 38 jurisdictions. See Table 2.4 for data.

Among Factbook jurisdictions, 47 institutions (in 38 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 nine countries (**Belgium, Canada, Denmark, France, Italy, Lithuania, Mexico, Portugal, Slovenia**). Sixty percent of institutions issue national reports annually (Figure 2.3), which usually cover all listed companies and all code recommendations. Between 2014-24, the number of national reports covering all code provisions increased from 59% in 2014 to 72% in 2024. The number of national reports on corporate governance that cover all listed companies has also increased over the same period, from 48% reports in 2014 to 76% national reports in 2024 (Table 2.4, Figure 2.4).

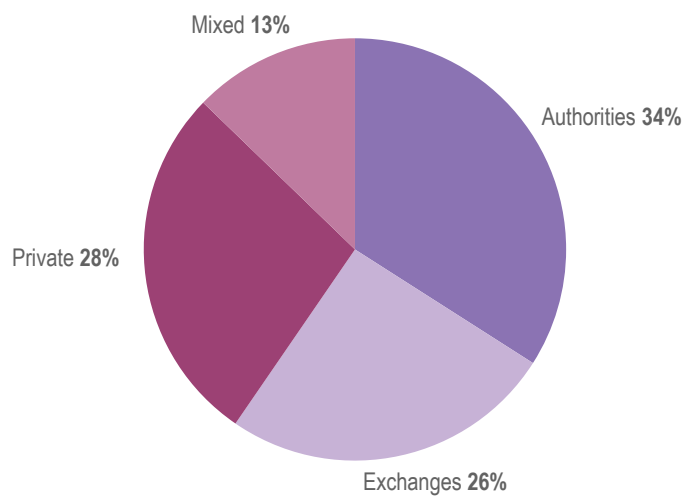
Figure 2.4. National reporting on adherence to corporate governance codes



Note: For 2024, based on 47 reporting institutions in 38 jurisdictions. See Table 2.4 for data. For 2014, based on 29 reporting institutions in 24 jurisdictions.

During 2023-24, in five countries (**Bulgaria, Chile, Greece, India, Romania**), initiatives were introduced for national reporting on adherence to the corporate governance code.

Figure 2.5. Issuing body of national corporate governance reports



Note: Based on 47 reporting institutions in 38 jurisdictions. See Table 2.4 for data. Due to rounding, the total is 101%.

Overall, national regulators review listed companies' adherence to codes and publish reports in one-third of Factbook jurisdictions, while stock exchanges review and publish them in a quarter. In jurisdictions that have started publishing a national report in the past two years, the reports have been developed by differing bodies. These include the national regulator (e.g. Hellenic Capital Market Commission in **Greece**), stock exchange (e.g. Bucharest Stock Exchange (BVB) in **Romania**), or private groups (e.g. Institute of Directors of **Chile**). Exchanges and private groups comprise over half of bodies responsible for publishing reports on listed companies' adherence to codes, a proportion that has not varied significantly over the past decade (Figure 2.5).

2.2. The main public regulators of corporate governance

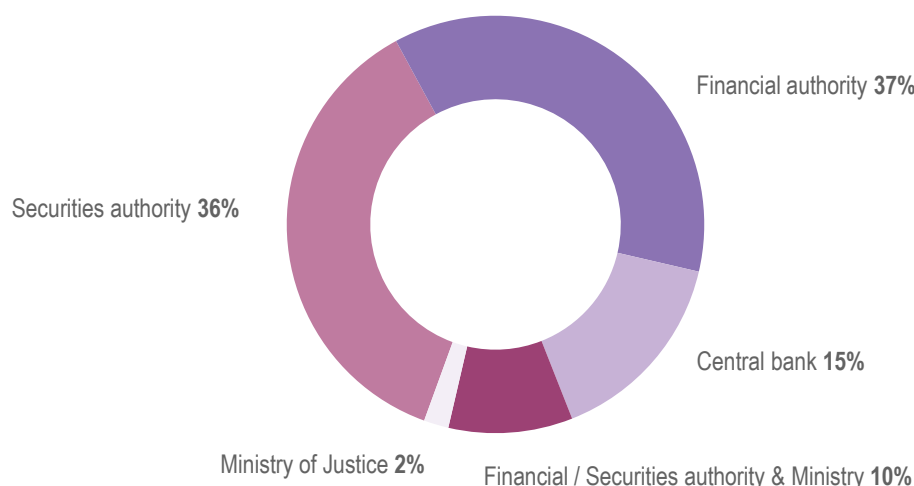
In all Factbook jurisdictions, public regulators have the authority to supervise and enforce the corporate governance practices of listed companies. Securities or financial regulators generally play the key role in most jurisdictions. Sixty percent of these regulators are funded fully by fees from regulated entities or by a combination of fees and fines.

Public regulators have the authority to supervise and enforce corporate governance practices of listed companies in all Factbook jurisdictions. Securities regulators, financial regulators or a combination of the two play the lead or at least a shared role in 83% of all jurisdictions (Figure 2.6). Central banks play the lead role in an additional eight jurisdictions (15%).

A few countries 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 **Switzerland**, SIX Exchange Regulation AG (SER), the securities market regulator, issues, supervises and enforces regulation on corporate governance matters. The Swiss Financial Market Supervisory Authority (FINMA) approves and supervises the respective SER regulations. In some countries, such as **Czechia**, **Luxembourg**, the **Netherlands**,

Romania, 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. Since 2015, the authority of corporate governance regulators has remained stable.

Figure 2.6. Regulators of corporate governance



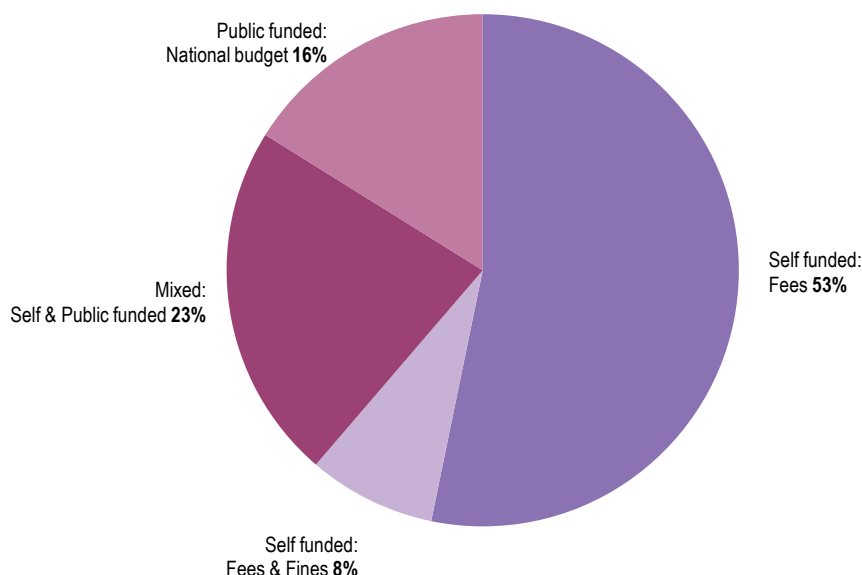
Note: Based on 52 jurisdictions. See Table 2.5 for data.

In some countries, 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 (and in turn is overseen by the Financial Sector Conduct Authority). 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 (FCA). In the **United States**, state law is the primary source of corporate governance law, but the federal securities regulator, the Securities and Exchange Commission (SEC), and exchanges regulate certain governance matters.

Autonomy over regulators' budget can reinforce their operational independence. The *G20/OECD Principles* state that "supervisory, regulatory and enforcement authorities should have the authority, autonomy, integrity, resources and capacity to fulfil their duties in a professional and objective manner" (Principle I.E.). Most regulators (33 institutions in 29 jurisdictions) are fully self-funded by fees. Other regulators (5 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 (14 institutions in 12 jurisdictions). Only 10 regulatory institutions rely exclusively on government funding for their budget (Figure 2.7).

The *G20/OECD 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 *G20/OECD Principles* also 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 2.7. Regulator funding model



Note: Based on 62 regulatory institutions across 52 jurisdictions. Jurisdictions with more than one main regulator are counted more than once. See Table 2.6 for data.

2.2.1. Governance structure of public regulators

Independence of regulators is addressed through the creation of a formal governing body or governing head. The most common size for governing bodies across Factbook jurisdictions is 5 to 7 members, but it ranges from as low as 2 members (Austria) to as high as 17 (Switzerland).

The *G20/OECD Principles* note that 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.).

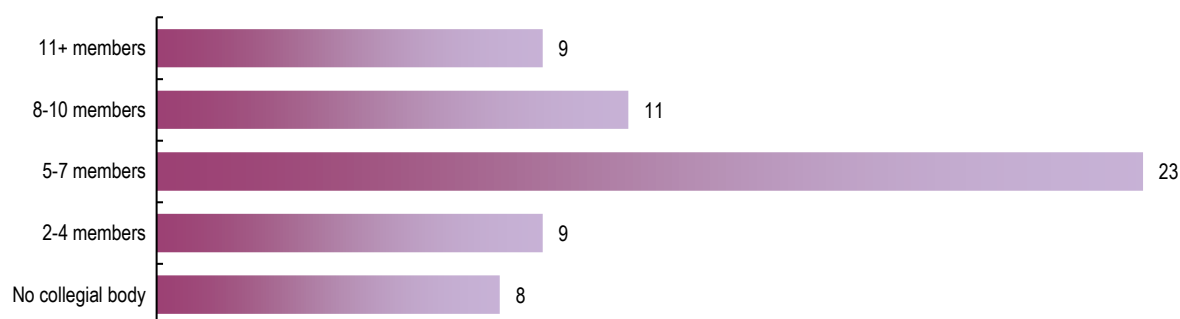
In line with the recommendations of the *G20/OECD Principles*, 87% of the regulatory institutions established by Factbook jurisdictions have established a formal governing body (e.g. a board, council or commission) (Table 2.7). **Colombia, Korea and Slovenia** are the only regulators without a governing body for any of their regulatory institutions responsible for the supervision of corporate governance requirements. Instead, these jurisdictions have assigned responsibility to a governing head (e.g. a Superintendent (**Colombia**), Minister (**Korea**) or Director (**Slovenia**)). Four additional countries (**India, Japan, Saudi Arabia, South Africa**), which have more than one regulator, report a mixed approach with at least one regulatory institution maintaining a governing head instead of a governing body.

The most common size for governing bodies is 5 to 7 members, but it ranges from as low as 2 members (**Austria**) to as high as 17 (**Switzerland**) (Figure 2.8). Seats on these governing bodies are sometimes reserved for representatives from specific institutions, such as central banks (in 19 governing bodies across 19 jurisdictions), government (in 18 governing bodies across 16 jurisdictions), other public institutions (in 15 governing bodies across 14 jurisdictions) or from the private sector (in 15 governing bodies across 14 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 (U.S. Securities and Exchange Commission, 2025^[1]). In **France**, the Autorité des marchés financiers (AMF) has one of the largest boards with 16 members,

including judges from supreme courts (Cour de Cassation and Conseil d'État) (Autorité Des Marchés Financiers, 2025^[2]). In **Switzerland**, SIX Exchange Regulation AG (SER) is overseen by a 17-member board spanning backgrounds such as banking, law, business and academia (SIX Exchange Regulation AG, 2025^[3]).

Figure 2.8. Board size of regulators



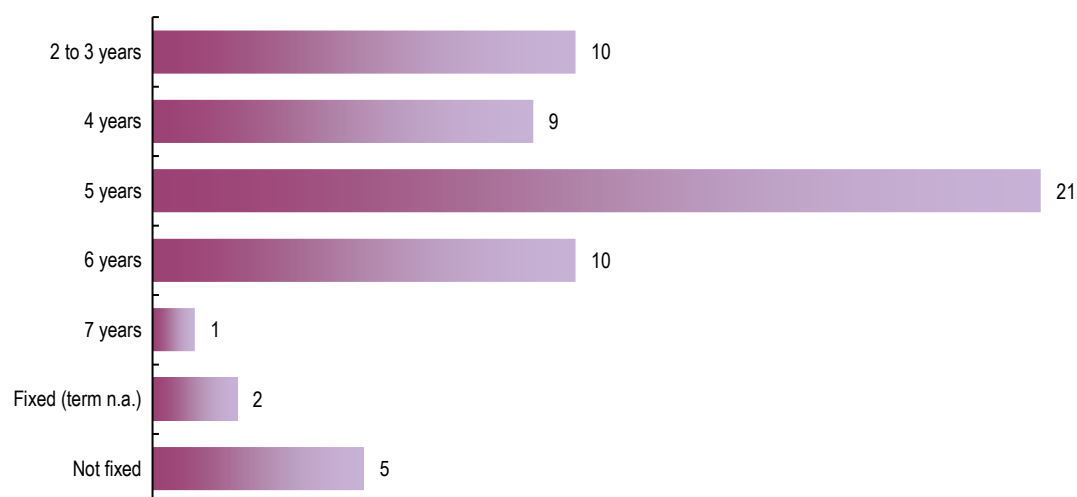
Note: Based on 60 institutions in 52 jurisdictions. Jurisdictions with more than one main regulator are counted more than once. See Table 2.7 for data.

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

Members of a governing body or a regulatory head such as a commissioner or superintendent are appointed for fixed terms in 55 out of 60 institutions. Of the 52 Factbook jurisdictions, only 5 do not make fixed term appointments (SFC's Superintendent in **Colombia**, 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 seven years, and are most commonly set at five years (for 21 institutions) (Figure 2.9).

The re-appointment of members is allowed in all countries that set fixed terms except for **Brazil**, **Italy**, **Peru** and **Portugal**. The re-appointment of the chairperson is not allowed in **France** and is allowed once in **Hungary** for the Governor of the Financial Stability Board. The number of reappointments is limited to one in seven countries (**Costa Rica**, **Czechia**, **France**, **Iceland**, **Ireland**, **Saudi Arabia**, **Spain**) and to two in one country (the **Netherlands**).

Figure 2.9. Term of office for board members/heads of the regulator



Note: Based on 60 institutions for 52 jurisdictions reporting data. Jurisdictions with more than one main regulator are counted more than once. 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	2018	Rule No. 622/13 (Ordered Text 2013 CNV)
Australia	Corporations Act 2001		2024				Listing rules
Austria ¹	Commercial Code	2024		Stock Corporation Act	2023		Listing rules Prime Market
Belgium ¹	Code of Companies and Associations	2019		Law of 2 August 2002	2022	2013	The 2020 Belgian Code on Corporate Governance
Brazil	Corporation Act	2022	2001	Securities Act	2022	2002	CVM Resolution No. 80/2022 ; B3 Special Segments
Bulgaria	Commercial Act	2024	2018	Public Offering of Securities Act	2024	2024	
Canada	Federal (<i>Canada Business Corporations Act</i>) or provincial statutes	2024 (federal)	2024 (federal)	Provincial securities laws (e.g. Securities Act in Ontario)	-		Canada Business Corporations Regulations (federal) plus provincial regulations
Chile	Corporations Law	2023		Securities Market Law	2023		Practices for Corporate Governance. General Rule (GR) No.385 Contents of Corporate Annual Report. GR No.30 amended by GR No. 461 and No. 519 of CMF

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
China	The Company Law of the People's Republic of China	2023	-	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	-	
Croatia	Corporate Governance Code	2024		Capital Market Act	2024		Accounting Act Audit Act
	Companies Act	2024					
Czechia	Business Corporations Act	2020	2012	Capital Market Undertakings Act	2022	2020	
Denmark	Company Act	2024	2021	Capital Markets Act		2017	Listing rules by Nasdaq Copenhagen: Rules for issuers of shares
	Financial Statements Act	2024					
Estonia	Commercial Code	2024	2024	Securities Market Act	2024	2024	Listing rules of Nasdaq Baltic Tallinn
Finland	Limited Liability Companies Act	2024	2022	Securities Markets Act	2024	2013	Listing rules by Nasdaq Helsinki Nordic Main Market Rulebook for Issuers of Shares Corporate Governance Code
France	Code de Commerce	2020	2013	Code monétaire et financier	2020	2010	
Germany ¹	Stock Corporation Act	2024	2023	Securities Trading Act	2020	2018	-
Greece	Law 4548/2018	2024	-	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	2024	2024	Securities and Futures Ordinance	2024	2024	Main Board and GEM Listing Rules
	Companies (Winding Up and Miscellaneous Provisions) Ordinance	2024	2024				
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				

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
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 as amended by Law Number 4 Year 2023 on Financial Sector Development and Strengthening (P2SK)	1995 2023	1995	OJK Regulations IDX Listing Rules
Ireland	Companies Act	2024	2024	Securities Markets Regulations		2024	Regulations Listing Rules
				Funds Regulation		2019	
Israel	Companies Law	2018	2011	Securities Law	2017	2017	Securities Regulations (ISA), Companies Regulations Ministry of Justice (MOJ)
Italy	Civil Code	2024	-	Consolidated Law on Finance	2024	2024	Regulations (Consob)
Japan	The Companies Act	2019	2022	Financial Instruments and Exchange Act	2024	2022	Regulations (FSA) Securities Listing Regulations (TSE)
Korea	Commercial Act	2020	2018	Financial Investment Services and Capital Markets Act	2024	2023	Act on Corporate Governance of Financial Companies
Latvia	Company Law	2024	2023	Financial Instrument Market Law	2024	2023	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	2023	-	Law on markets in financial instruments	2023	-	
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)
				Capital Markets and Services Act	2024	2024	Guidelines on Conduct for Capital Market Intermediaries (issued in 2021)
Mexico	General Law of Mercantile Corporations (Companies' Law)	2023	-	Securities Market Law	2024		Rules applicable to Issuers (CNBV) Rules applicable to Simplified Issuers (CNBV) Stock Exchanges Internal Rules & Regulations

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
Netherlands	Netherlands Civil Code	2024		Act on Financial Supervision	2024		
				Act on the Supervision of Financial Reporting	2023		
New Zealand	Companies Act 1993		2014	Financial Markets Conduct Act 2013		2021	Financial Markets Conduct Regulations
Norway	Public Limited Liability Companies Act	2024	2014	Securities Trading Act	2014	2014	Securities Trading Regulations Listing Rules
Peru	General Corporation Law	2021	-	Securities Market Law	2020	2017	Guidelines for Qualification of Independent Directors Report on Compliance with the Code of Good Corporate Governance for Peruvian Corporations
Poland	Code of Commercial Companies	2024	-	Act on Trading in Financial Instruments Act on Public Offer of Financial Instruments	2024	-	-
Portugal	Companies Code	2023		Securities Law	2023	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					
Romania	Companies Law no. 31/1990	2024	-	Law no. 24/2017 on issuers of financial instruments and market operators ³	2024	-	ASF Regulation no. 5/2018 on issuers of financial instruments and market operators
Saudi Arabia	Companies Law	2022	-	Capital Market Law	2019	2019	Corporate Governance Regulation issued by the CMA Implementing Regulation of the Companies Law for Listed Joint Stock Companies Rules on the offer of securities and continuing obligations
Singapore	Companies Act		2018	Securities and Futures Act		2024	SGX Listing Manual; Corporate governance regulations for banks, insurers and financial market infrastructures
Slovak Republic	Commercial Code	2024	-	Act on Securities	2022	-	Act on Accounting
				Act on Stock Exchange	2024		
Slovenia ¹	Companies Act	2024	-	Market in Financial Instruments Act	2024	-	The Corporate Governance Code for Listed Companies, 2024, Listing Rules for Prime Market
South Africa	Companies Act	2008	2011	Financial Markets Act	2012	2012	

Jurisdiction	Company Law			Securities Law			Other relevant regulations on corporate governance
		Latest update			Latest update		
		Original language	English		Original language	English	
Spain	Capital Companies Act	2025		Securities Market Law	2021		Regulations (CNMV) Good Governance Code of Listed Companies
Sweden	Companies Act	2024		The EU Market Abuse Regulation	2024	2024	Self-regulation (Rulebook for issuers, Corporate Governance Code, Securities Council's statements) SFSA's regulations
				Securities Market Act	2024	2024	
				Financial Instruments Trading Act	2023	2023	
				The Securities Market (Market Abuse Penalties) Act	2020	2020	
Switzerland	The Code of Obligations (CO)	2024	2024	Financial Market Infrastructure Act	2024	2024	Laws Ordinances Circulars Self-regulation
				Regulations of the Swiss Stock Exchange	2023	2023	
Türkiye	Turkish Commercial Code No. 6102 (TCC)	2024	-	Capital Market Law No. 6362	2024	2020	Communiqués (CMB)
United Kingdom	Companies Act of 2006		2006	Financial Services and Markets Act 2000		2023	UK Listing Rules, Prospectus Regulation Rules, Disclosure Guidance and Transparency Rules (FCA)
United States	State corporate laws		-	Securities Act of 1933		2022	NYSE Listed Company Manual
				Securities Exchange Act of 1934		2022	Nasdaq Rulebook

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

Note: Blank cells indicate that no information is available. The same applies to the tables below.

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 for Capital Market Intermediaries were updated on 1 October 2024 to ensure that capital market intermediaries (CMI) and their representatives cultivate a corporate culture and business conduct.
3. In Romania, the updated consolidated English version of Law 24/2017 will be available shortly on the ASF's website. Currently, the English version available does not reflect modifications brought to the law.

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

Jurisdiction	Key national corporate governance codes and principles	Implementation mechanism			
		Basis for framework	Approach ¹	Disclosure in annual company report	Surveillance
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
Bulgaria	National Code for Corporate Governance	Law or regulation	Comply or explain	Required	The National Corporate Governance Committee
Canada	Corporate Governance: Guide to Good Disclosure	Law or regulation	Comply or explain	Required	Stock exchange
Chile	Practices for Corporate Governance, GR No.385	Law or regulation	Comply or explain	Other	Securities regulator
	Contents of Corporate Annual Report, GR No.30 amended by GR No. 461 and No. 519 of CMF³	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	Código País 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
Croatia	Corporate Governance Code	Law or regulation	Comply or explain	Required	Securities regulator
Czechia	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 Middenext corporate governance code designed for listed small and medium listed companies (VaMPs)	Law or regulation	Comply or explain	Required	Private & Securities regulator
Germany	Germany Corporate Governance Code (General Overview)	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) ⁶	Corporate Governance Code (Appendix C1 to the Main Board Listing Rules / Appendix C1 to 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

Jurisdiction	Key national corporate governance codes and principles	Implementation mechanism			
		Basis for framework	Approach ¹	Disclosure in annual company report	Surveillance
					Committee & Stock Exchange
Iceland	Corporate Governance Guidelines	Listing rule	Comply or explain	Required	Stock exchange
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 ⁷	Irish Corporate Governance Code	Listing rule	Comply or explain	Required	Stock exchange
Israel ⁸	Code of recommended corporate governance embedded in Companies Law	Law or regulation	Binding & 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 ⁹	Code of Best Practices for Corporate Governance/ Disclosure Rules on KOSPI Market Governance	Listing rule	Comply or explain	Other ⁸	Stock exchange
Latvia	Corporate Governance Code	Law or regulation, Listing rule	Comply or explain	Required	Stock exchange Securities regulator
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 ¹⁰	Code of Principles and Best Practices in Corporate Governance (Corporate Governance Code)	Law or regulation, Listing rule	Partly binding	Required	Securities regulator & Stock exchange
Netherlands	Dutch Corporate Governance Code 2022	Law or regulation	Comply or explain	Required	Securities regulator
New Zealand	NZX Corporate Governance Code	Listing rule	Comply or explain	Required	Stock exchange
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
Romania	BVB Code of Corporate Governance	Law or regulation	Comply or explain	Required	Stock exchange
Saudi Arabia	Corporate Governance Regulations	Law or	Partly Binding	Required	Securities regulator

Jurisdiction	Key national corporate governance codes and principles	Implementation mechanism			
		Basis for framework	Approach ¹	Disclosure in annual company report	Surveillance
		regulation			
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)
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 ¹¹	Swiss Code of Best Practice for Corporate Governance	Voluntary	Comply or explain	-	-
	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 good practices.

3. In **Chile**, the CMF issued General Rules No. 461 and 519, amending General Rule No. 30 to incorporate Sustainability and Corporate Governance into corporate annual reports. Disclosure of corporate governance practices will be phased in from 2022 to 2025 based on entity type and size. Until 2025, these requirements will be in the General Rule No. 385 report and the annual report, after which Rule No. 385 will be repealed.

4. In **Colombia**, the Código Pais 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 Pais 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.

6. In **Hong Kong**, updates to the Corporate Governance Code under the Listing Rules issued by The Stock Exchange of Hong Kong Limited on 19 December 2024 came into effect on 1 July 2025 ([Appendix C1 to the Main Board Listing Rules](#) / [Appendix C1 to the GEM Listing Rules](#)).

7. In **Ireland**, Irish companies listed on Euronext Dublin are subject to the new Irish Corporate Governance Code 2024 from 1 January 2025. Companies with a dual-listing in both Ireland and the United Kingdom may follow the UK Corporate Governance Code instead. From 2003 until the introduction of the Irish Corporate Governance Code, Irish listed companies were subject to the UK Corporate Governance Code.

8. In **Israel**, the corporate governance code has both binding and voluntary recommendations embedded in its Companies Law. The implementation of certain corporate governance principles must be reported in the annual report. Additionally, the Israel Securities Authority recommends reporting on certain mandatory and recommended provisions through a corporate governance questionnaire attached to the annual report.

9. In **Korea**, KOSPI listed companies with total assets of more than KRW 0.5 trillion are required to disclose a stand-alone corporate governance report annually no later than last day of May. All KOSPI-listed companies are required to do so starting in 2026.

10. In **Mexico**, listed companies must disclose their degree of adherence to the Code to both the stock exchange and investors. The fourth revision of the [Code of Principles and Best Practices in Corporate Governance \(Corporate Governance Code\)](#) came into effect on 1 January 2025.

11. 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		First code	Updates	
	(Public/private/stock exchange/mixed initiative)			No.	Latest
Argentina	Comisión Nacional de Valores (CNV)	Public	2007	1	2019
Australia	ASX Corporate Governance Council	Mixed	2003	4	2019
Austria	Austrian Working Group for Corporate Governance	Private	2002	12	2023 ¹
	Federal Ministry of Finance (BMF)	Public			
Belgium	Corporate Governance Committee	Mixed	2004	3	2020
Brazil	Brazilian Institute of Corporate Governance (IBGC)	Private	2016	-	2016
Bulgaria	The National Corporate Governance Committee (NCGC)	Private	2007	4	2024 ²
Canada	Provincial stock exchanges, e.g. Toronto Stock Exchange (TMX)	Exchange	2005	2	2014
Chile	Financial Market Commission (CMF)	Public	2012	3	2024
China	China Securities Regulatory Commission (CSRC)	Public	2002	1	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
Croatia	Croatian Financial Services Supervisory Agency (Hanfa)	Public	2011	1	2024
	Zagreb Stock Exchange (ZSE)	Private			
Czechia	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	1	2006
	NASDAQ Tallinn	Exchange			
Finland	Securities Market Association	Private	1997	5	2020 ³
France	Association Française des Entreprises Privées (AFEP)	Private	2003	9	2022
	Mouvement des Entreprises de France (MEDEF)				
	Middlenext				
Germany	Commission of the German Corporate Governance Code	Mixed	2002	15	2022
Greece	Hellenic Corporate Governance Council (HCGC)	Private	2013	2	2021
Hong Kong (China)	The Stock Exchange of Hong Kong Limited (SEHK)	Exchange	2005	7	2024 ⁴
Hungary	Corporate Governance Committee (of the Budapest Stock Exchange	Exchange	2004	2	2023

Jurisdiction	Custodians		First code	Updates	
	(Public/private/stock exchange/mixed initiative)			No.	Latest
	Plc				
Iceland	Iceland Chamber of Commerce	Private	2004	6	2021
	SA Confederation of Icelandic Enterprises	Private			
	Nasdaq CSD Iceland	Exchange			
India	Securities and Exchange Board of India (SEBI)	Public	2000	18	2020
	Recognised Stock Exchanges	Exchange			
	International Financial Services Centres Authority (IFSCA)	Public	2019		
Indonesia	Indonesia National Committee on Governance Policy (KNKG)	Public	2015	-	2015
	Indonesia Financial Services Authority (OJK)				
Ireland	Euronext Dublin	Exchange	2003		2024 ⁵
Israel	Ministry of Justice (MOJ)	Public	1999	37	2024
	Israel Securities Authority (ISA)				
Italy	Corporate Governance Committee	Mixed	1999	7	2020
Japan	Tokyo Stock Exchange (TSE) and other local stock exchanges	Exchange	2015	2	2021
Korea	Korea Exchange (KRX)	Exchange	1999	5	2024
	Korea Institute of Corporate Governance and Sustainability (KCGS)				
Latvia	Corporate Governance Advisory Board	Mixed	2005	-	2020
Lithuania	Nasdaq Vilnius	Exchange	2006	2	2019
Luxembourg	Luxembourg Stock Exchange (LuxSE)	Exchange	2006	4	2024
Malaysia	Securities Commission Malaysia (SC)	Public	2000	4	2021
Mexico	Business Coordinating Council (Consejo Coordinador Empresarial) (CCE)	Private	1999	3	2018 ⁶
Netherlands	Monitoring Committee Corporate Governance Code	Mixed	2003	3	2022
New Zealand	New Zealand Exchange (NZX)	Exchange ⁷	2003	-	2023
	Financial Markets Authority (FMA)	Public	2004	-	2018
Norway	Norwegian Corporate Governance Board (NCGB)	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
Romania	The Bucharest Stock Exchange (BVB)	Exchange	2001	3 ⁸	2024
Saudi Arabia	Capital Market Authority (CMA)	Public	2006	4	2023
Singapore	Monetary Authority of Singapore (MAS)	Public	2001	3	2018
	Singapore Exchange (SGX)	Exchange			
Slovak Republic	Slovak Association of Corporate Governance (SACG)	Mixed	2002	2	2016
Slovenia	Ljubljana Stock Exchange (LJSE)	Exchange	2004	8	2024

Jurisdiction	Custodians		First code	Updates	
	(Public/private/stock exchange/mixed initiative)			No.	Latest
	Slovenian Directors' Association (SDA)	Private	2004		2024
South Africa	Institute of Directors (IoDSA)	Private	1994	4	2016 ⁹
Spain	National Securities Market Commission (CNMV)	Public	1998	5	2020
Sweden	Swedish Corporate Governance Board	Private	2005	7	2024
Switzerland	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	3	2024
United States	Nasdaq	Exchange	2003		2024
	New York Stock Exchange (NYSE)	Exchange	2003		2024

1. In **Austria**, the 13th revision to the Austrian Code of Corporate Governance came into effect on 1 January 2025.
2. In **Bulgaria**, the National Code for Corporate Governance and any update thereof have to be approved by the FSC. The fourth update of the National Code for Corporate Governance of 2024 is currently under review by the FSC. The last update, which was approved by the FSC, is the third revision of the National Code of 2021.
3. In **Finland**, the sixth revision of the Finnish Corporate Governance Code came into effect on 1 January 2025.
4. In **Hong Kong (China)**, updates to the Corporate Governance Code under the Listing Rules issued by The Stock Exchange of Hong Kong Limited on 19 December 2024 came into effect on 1 July 2025.
5. In **Ireland**, the Irish Corporate Governance Code 2024 came into effect on 1 January 2025. From 2003 until the introduction of the Irish Corporate Governance Code, Irish listed companies were subject to the UK Corporate Governance Code.
6. In **Mexico**, the fourth revision of the Code of Principles and Best Practices in Corporate Governance (Corporate Governance Code) came into effect on 1 January 2025.
7. In **New Zealand**, the NZX Corporate Governance Institute (NZX CGI) assists NZX by providing advice in relation to the development of the NZX Corporate Governance Code and rule settings that apply to the corporate governance practices of issuers on the NZX Main Board.
8. In **Romania**, the current Code was issued in 2024 and came into effect on 1 January 2025.
9. In **South Africa**, a public consultation was launched on an updated King V Code in February 2025.

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	-	-	-	-	-	-	-
Belgium	R	FSMA	1	2019	Yes	Fully	Partly
	P	GUBERNA and FEB	1	2020	Yes	BEL20, mid & small	Fully
Brazil	P	KPMG	1	2024	Yes	Mostly	Fully
Bulgaria	P	The National Corporate Governance	1	2022	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
		Committee					
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	P	Institute of Directors of Chile “Report of Business Fairness and Corporate Governance”	-	2024	Yes	-	-
China	M	CAPCO	Occasional ¹	2023	Yes	Partly	Mostly
Colombia	R	SFC	1	2024	Yes	Fully	Fully
Costa Rica	-	-	-	-	-	-	-
Croatia	R	Hanfa	1	2024	Yes	Fully	Fully
Czechia	-	-	-	-	-	-	-
Denmark ²	M	NASDAQ Copenhagen A/S and Committee on Corporate Governance	1	2024	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	2024	Yes	Fully	Fully
France	R	AMF	1	2024	Yes	Partly (50)	Fully
	P	AFEP and MEDEF (via a High Committee on Corporate Governance, HCGE)	1	2024	Yes	SBF 120	Fully
Germany	P	Berlin Center of CG	Occasional	2021	Yes	Fully	Fully
Greece	R	Hellenic Capital Market Commission (HCMC)	2 ³	2024	Yes	Fully	Mostly
Hong Kong (China)	S	SEHK	2-3	2023	Yes	Partly (400 companies)	Fully
Hungary	S	Corporate Governance Committee	1	2023	Yes	Fully	Fully
Iceland	-	-	-	-	-	-	-
India		NSE-CFA Institutes -The Current State of BRSR at Corporate India	-	2024	Yes	Partially (300 companies)	Partial
Indonesia	-	-	-	-	-	-	-
Ireland ⁴		Euronext Dublin					
Israel	-	-	-	-	-	-	-
Italy	R	Consob	1	2024	Yes	-	-
	M	Corporate Governance Committee	1	2024	Yes	Fully	Fully
	P	Assonime	1	2024	Yes	Fully	Fully
Japan	S	TSE	2	2023	Yes	Fully	Fully
Korea	S	KRX	1	2024	Yes	Fully; partly for KOSPI listed	Fully
Latvia	S	Nasdaq Riga	-	2020	Yes	Fully	Mostly

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
Lithuania	R	Bank of Lithuania (LB)	Occasional	2020	Yes	Fully	Mostly
	S	Nasdaq Vilnius	Occasional	2021	Yes	Fully	Fully
Luxembourg	S	Luxembourg Stock Exchange	-	2018 ⁵	Yes	Fully	Fully
Malaysia	R	Securities Commission Malaysia	1	2024	Yes	Fully	Fully
Mexico	M	BMV BIVA Business Coordinating Council (Consejo Coordinador Empresarial)		2025 ⁶	Yes	Fully	Fully
Netherlands	M	Monitoring Committee	1	2022	Yes	Fully	Fully
New Zealand	-	-					
Norway	-	-	-	-	-	-	-
Peru	R	SMV	1	2024	Yes	Fully	Fully
Poland	S	Warsaw Stock Exchange (GPW)	1	2024	Yes	Fully	Fully
Portugal	R	Portuguese Securities Market Commission (CMVM)	1	2023 ⁷	Yes	Fully	Fully
	P	Portuguese Institute of Corporate Governance (IPCG)	1	2022	Yes	Fully	Fully
Romania	S	BVB	1	2024	Yes	Fully	Fully ⁸
Saudi Arabia	R	CMA	1	2024	-	Fully	Mostly
Singapore	S	SGX	-	2022	Yes	Fully	Fully
Slovak Republic	P	SACG			-	Partly	Partly
Slovenia	P	Slovenian Directors' Association (SDA)	-	2021	Yes	Fully	Fully
	S	Ljubljana Stock Exchange (LJSE)	-	2021	Yes	Fully	Fully
South Africa	P	Institute of Directors/King Committee	Ad hoc	2022	Yes	Fully	Fully
Spain	R	CNMV	1	2023	Yes	Fully	Fully
Sweden	P	Swedish Corporate Governance Board	1	2024	Yes	Fully	Fully
Switzerland	-	-	-	-	-	-	-
Türkiye	R	CMB	-	2020 ⁹	Yes	Partly ¹⁰	Mostly
United Kingdom	R	FRC	1	2024	Yes	Fully ¹¹	Mostly
United States							

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

1. In **China**, the report on corporate governance of listed companies was first publicly released in 2014. In 2023, it was internally circulated among the members of CAPCO, without being made available in a published format.

2. 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. The Nasdaq report is published every year, but has included information regarding corporate governance only three times in the last 12 years.

3. In **Greece**, the Hellenic Capital Market Commission issues every two years a report on the implementation status of the Corporate Governance Framework. It provides an overview of the compliance of the listed companies to the main provisions of law 4706/2020 and law 4449/2017. The first report was issued in April 2024 with reference date 31 December 2023.

4. In **Ireland**, Euronext Dublin plans to conduct a regular review of adherence to the new 2024 Code and the quality of reporting in respect of the Code. Additionally, it established in 2025 a Corporate Governance Advisory Panel inter alia to oversee the review and make recommendations to amend the Code or the manner in which it is applied.

5. In **Luxembourg**, the analysis is prepared internally on an annual basis but has not been published.

6. In **Mexico**, the 2025 report corresponds to 2024 information.

7. 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.

8. In **Romania**, the publication in 2024 has reflected compliance with certain provisions of the Code (e.g. the report reflected top 10 most complied provisions in 2022 vs 2023, top 10 least complied provisions in 2022 vs 2023). It is envisaged that the following publications reflect compliance with all provisions of the Code adopted in 2024.

9. 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).

10. 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.

11. In the **United Kingdom**, the report covers listed companies in the commercial companies and closed ended investment funds categories regardless of where they are incorporated.

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
Bulgaria	FSC	Financial Supervision 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
Croatia	Hanfa	Croatian Financial Services Supervisory Agency
	MFIN ³	Ministry of Finance
Czechia	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	Securities and Futures Commission
	SEHK	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

Jurisdiction	Main public regulators	
Japan	FSA	Financial Services Agency
	SESC	Securities and Exchange Surveillance Commission
Korea	MOJ ²	Ministry of Justice
Latvia	LVB	Bank of Latvia
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
New Zealand	FMA	Financial Markets 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
Romania	ASF	Romanian Financial Supervisory Authority
Saudi Arabia ³	CMA	Capital Market Authority
	MC	Ministry of Commerce
	SAMA	Saudi Central Bank
	IA	Insurance Authority
Singapore	MAS ¹	Monetary Authority of Singapore
	ACRA ¹	Accounting and Corporate Regulatory Authority
Slovak Republic	NBS	National Bank of Slovakia (Central Bank)
Slovenia	ATVP	Securities Market Agency
South Africa	CIPC	Companies and Intellectual Property Commission
	FSCA	Financial Sector Conduct Authority
	JSE	Johannesburg Stock Exchange
Spain	CNMV	National Securities Market Commission
Sweden	FI/SFSA ¹	Swedish Financial Supervisory Authority (Financial Reporting)
Switzerland	SER ⁴	SIX Exchange Regulation AG
Türkiye	CMB	Capital Markets Board of Türkiye
United Kingdom	FCA	Financial Conduct Authority
United States	SEC	Securities and Exchange Commission

1. In **Czechia**, **Luxembourg**, the **Netherlands**, **Singapore** and **Sweden**, the public regulator is concerned with matters relating 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 Commercial Act is also substantially responsible for the enforcement of corporate governance issues.

3. In **Saudi Arabia**, the Capital Market Authority is responsible for the rules of the offer of securities and continuous obligations, corporate governance regulations, and the implementing regulations of the companies' law for listed joint stock companies). The Ministry of Commerce is responsible for company law, the Saudi Central Bank (SAMA) is responsible for the Principles of Corporate Governance for Banks Operating in Saudi Arabia 2024, and the Insurance Authority is responsible for the Insurance Corporation Governance Regulation 2025.

4. In **Switzerland**, SIX Exchange Regulation AG (SER) is independent from the stock exchange (SIX Exchanges). SER issues, supervises and enforces regulation on corporate governance matters. The Swiss Financial Market Supervisory Authority (FINMA) approves and supervises the respective SER regulations.

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

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
Austria	FMA	Public & Self	●	-	-	Not required	Not required
Belgium	FSMA	Self	-	-	●	Not required	Not required
Brazil	CVM	Public	●	-	-	Required	Required
Bulgaria	FSC	Public & Self ¹	●	-	●	Required	Required
Canada (Provinces e.g. Ontario)	OSC	Self	-	-	●	Not required	Not required
Chile ²	CMF	Public	●	-	●	Required	Required
China	CSRC	Public	●	-	-	Required	
Colombia	SFC	Self	-	●	●	Required	Required
Costa Rica	SUGEVAL	Public & Self ³	●	-	●	Not required	Not required
Croatia	Hanfa	Self	-	-	●	Not required	Not required
	MFIN ⁴	Public	●	-	-	Required	Required
Czechia	CNB	Self	-	-	●	Not required	Not required
Denmark	DFSA	Public & Self	●	-	●	Not required	Required
	DBA	Public & Self	●	-	●	Not required	Required
Estonia	EFSA	Self	-	-	●	Not required	Not required
Finland	FIN-FSA	Self	-	-	●	Not required	Not required
France	AMF	Self	-	-	●	Not required	Not required
Germany	BaFin	Self	-	-	●	Required	Not required
Greece	HCMC	Self	-	-	●	Required	Not required
Hong Kong (China)	SFC	Self	-	-	●	Required	Required
	SEHK	Self	-	-	●	Not required	Not required
Hungary	CBH	Self ⁵	-	-	●	Not required	Not required
India	SEBI	Self	-	(to NB)	●	Not required	Not required
	MCA	Public	●	-	-		
Indonesia	IFSA (OJK)	Self & Public ⁶	●	●	●	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

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
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	Required
Peru	SMV	Self ⁷	-	-	●	Required	Required
Poland	KNF	Self	-	-	●	Required	Required
Portugal	CMVM	Self	-	-	●	Required	Required
Romania	ASF	Self	-	-	●	Not required	Not required
Saudi Arabia	CMA	Public & Self ⁸	-	●	●	Not required	N/A
	MCI	Public	●	-	-	Required	N/A
	SAMA	Public & Self	-	●	●	Not required	N/A
	IA						
Singapore	MAS	Self	-	-	●		
	ACRA	Self	-	-	●		
Slovak Republic	NBS	Self ⁹	-	-	●	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
Sweden	FI/SFSA	Public & Self	●	-	●	Required	Not required
Switzerland	SER	Self	-	-	●	Not required	Not required
Türkiye	CMB	Self	- ¹⁰	- ¹¹	●	Required	Required
United Kingdom	FCA	Self	-	-	●	Not required	Not Required
United States	SEC	Public ¹²	●	-	●	Required	Required

Key: "●" = presence of funding in the category; "-" = absence of funding in the category.

1. In **Bulgaria**, the FSC is primarily self-funded, with public funding envisaged only to cover any potential shortfalls.

2. In **Chile**, per Art. 33 of the 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. Supervisory fees are fully transferred to the Chilean Treasury and yearly budget is endowed by the Chilean Budget Office.

3. In **Costa Rica**, a 2019 amendment to the Law Regulating the Securities Market and other related laws, enacted in Law 9746, changed SUGUEVAL'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.

4. In **Croatia**, the Ministry of Finance is designated as the competent authority for audit market supervision in accordance with the Audit Act and Regulation (EU) No. 537/2014 as well as for non-financial supervision in accordance with the Accounting Act.

5. In **Hungary**, according to the Central Bank Act, if the amount of equity capital remains below the subscribed capital for any extended period of time, it shall be supplemented, covered by the central budget and credited to the retained earnings directly, within a reasonable time period to ensure that the equity capital of the Magyar Nemzeti Bank reaches the level of the subscribed capital for the purpose of compliance with the principle of financial independence.

6. In **Indonesia**, the primary source of funding for IFSA is self-funding. Government Regulation Number 41 of 2024 concerning the Work Plan and Budget of the Financial Services Authority and Levies in the Financial Services Sector stipulates that, if necessary, the Financial Services Authority may propose the use of funding from public sources.

7. 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.

8. In **Saudi Arabia**, the financial resources of the Capital Market Authority (CMA) shall consist of the following: (1) fees for services and commissions charged by the Authority in accordance with the provisions of this Law and the regulations and instructions issued in pursuance thereof; (2) charges against using its facilities, returns on its funds and proceeds of the sale of its assets; (3) fines and financial penalties imposed on violators of the provisions of this Law; (4) funds provided by the government to the Authority; and (5) any other resources determined by the Board.

9. 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.

10. 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.

11. 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).

12. 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 (4)	●	-	-	-
Australia	ASIC	Commission	3-8 (5)	-	-	-	-
Austria	FMA	Executive Board	2				
Belgium	FSMA	Management Committee	4	-	-	-	-
Brazil	CVM	Board of Commissioners	5	-	-	-	-
Bulgaria	FSC	Board	5 (3)	-	-	-	-
Canada (Provinces e.g. Ontario)	OSC ¹	Commission or Board of Directors	9-16 (9)	-	-	-	-
Chile	CMF	The Board	5	- ²	-	-	-
China	CSRC	Commission	5	●	-	-	-
Colombia	SFC	Superintendent Minister of Finance and Public Credit	-	-	-	-	-
Costa Rica	SUGEVAL	CONASSIF (Board of Directors)	7	●	●	-	●
Croatia	Hanfa	The Board	5	-	-	-	-
Czechia	CNB	Bank Board	7	-	●	-	-
Denmark	DFSA/DBA	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	16	-	-	-	-
	SEHK	Board of Directors	5	-	-	-	-
Hungary	CBH	Financial Stability Board ³	3-10	-	●	-	-
Iceland	CBI	Financial Supervision Committee	6	●	●	-	-

Jurisdiction	Key regulators	Governing body/head	Composition				
			Members incl. Chair (current)	Representatives from specific bodies			
				Government	Central Bank	Others public	Others private
India	SEBI	The Board	8	●	●	-	-
	MCA	The Minister	-	-	-	-	-
Indonesia	IFSA (OJK)	Board of Commissioners	11	●	●	●	-
Ireland	CBI	Commission	10	●	●	-	-
Israel	ISA	Commissioners	5-13 (8)	-	●	●	●
Italy	CONSOB	Commission	5	-	-	-	-
Japan	FSA	Commissioner	-	-	-	-	-
	SESC	Commission	3	-	-	-	-
Korea	MOJ	Minister	-	-	-	-	-
Latvia	LVB	Council	6	-	-	-	-
Lithuania	LB	Board	5	-	● ⁴	-	-
Luxembourg	CSSF	Board and Executive Board	12	●	-	-	●
Malaysia	SCM	Board of Commission	6 ⁵	●	-	-	●
Mexico	CNBV	Governing Board	13	●	●	●	-
Netherlands	AFM	Executive Board	3-5 (4)	-	-	-	-
New Zealand	FMA	Board ⁶	5-9 (9)	-	-	-	-
Norway	NFSA	Board ⁷	5	-	-	-	-
Peru	SMV	Board of Directors ⁸	5	●	●	●	●
Poland	KNF	Commission	13	●	●	●	-
Portugal	CMVM	Management Board	5	-	-	-	-
Romania	ASF	Board	9	-	-	-	-
Saudi Arabia	CMA	Board of Commissioners	5	-	-	-	-
	MCI	Minister	-	-	-	-	-
	SAMA	Board of Directors	5	-	●	-	●
	IA	Board of Directors					
Singapore	MAS	Board	11	●	●	●	●
	ACRA	Board	14	●	-	●	●
Slovak Republic	NBS	Bank Board	6 (3)	-	-	-	-
Slovenia	ATVP	Director ⁹	-	-	-	-	-
South Africa	CIPC	Commissioner	-	●	-	-	-
	FSCA	Executive Committee ¹⁰	-	-	-	-	-
Spain	CNMV	Board	8	●	●		
Sweden	FI/SFSA	Board	8	-	-	●	●
Switzerland	SER	Regulatory Board	17	-	-	-	●
Türkiye	CMB	Board	7	-	-	-	-
United Kingdom	FCA	Board	10	-	●	●	●
United States	SEC	Commission	5	-	-	-	-

Key: "●" = presence of representative in the category; "-" = absence of representative in the category.

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 4 (which includes the Chair and CEO).

2. In **Chile**, although there is no representative of the Government, the Chairperson of the Financial Market Commission (CMF) is directly nominated by the President, whereas the Commissioners are proposed by the President and need the Senate's ratification (see Table 2.8).

3. 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.

4. In **Lithuania**, the Law on the 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.

5. In **Malaysia**, the number of board commissioners increased to seven, effective 15 January 2025.

6. In **New Zealand**, the FMA's Board comprises five to nine members and up to five associate members. An associate member may be appointed, attend meetings and vote only in relation to a matter or a class of matters to be specified in the member's notice of appointment.

7. In **Norway**, the Parliament has adopted a new Financial Supervision Act that will change the function of the Board of the NFSA. The act has not yet entered into force. When it does, the NFSA will still have a board, but it will have a changed area of responsibility and seven members. The members are appointed by the Government for a period of up to 4 years. Members may be reappointed for a total period of up to 12 years. The NFSA will be managed by the director general. The director general is appointed for a period of 6 years. The director general may be reappointed for a period of up to 6 years.

8. 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.

9. In **Slovenia**, the Director of the ATPV 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.

10. 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	Not required
Australia	ASIC	Commission	Up to 5	Allowed	Governor-General	Not required
Austria	FMA	Executive Board	5	Allowed	Nomination by government, appointment by the Federal President	Not required
Belgium	FSMA	Management Committee	6	Allowed	Royal Decree	Not required
Brazil	CVM	Board of Commissioners	5	Not allowed	President	Required
Bulgaria	FSC	FSC Board	6	Allowed	Members of Parliament nominate the Chair of FSC, who is then elected by the National Assembly. The other members of the FSC Board are elected by the National Assembly on a nomination by the Chair.	Required
		Deputy Chair of FSC heading the Supervision of Investment activities Department				
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 (Commissioners)	Allowed	President with Senate's ratification (except for Chair)	Required
China	CSRC	Commission	5	Allowed	The State Council	Not required
Colombia	SFC	Superintendent	Not Fixed	-	President	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
Costa Rica	SUGEVAL	CONASSIF (Board of Directors)	5	Only once	Board of the Central Bank nominates five members (Chair is appointed, among them) President nominates the other two members (Minister of Finance and President of the Central Bank)	Not required
Croatia	Hanfa	Board	6	Allowed	Croatian Government	Croatian Parliament
Czechia	CNB	Bank Board	6	Only once	President	Not required
Denmark	DFSA/DBA	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
Finland	FIN-FSA	Board	3	Allowed	Parliamentary Supervisory Council	Not required
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	Not required
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	Not required
	SEHK	Board	Not fixed	Allowed	HKEX (as the SEHK's sole member)	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	3-5	Allowed once	Minister of Economic Affairs (three members) Central Bank of Iceland (three members)	Not required
India	SEBI	The Board ³	5	Allowed	Central Government	Not required
	MCA	The Minister				
Indonesia	IFSA (OJK)	Board of Commissioners	5	Allowed	A member of Board of Commissioners nominated by President and appointed by parliament.	Required
Ireland	CBI	Commission	3-5	Allowed once	Governor (chair) is nominated by Government and appointed by President. Other members (not incl. three CBI & Department of Finance members) appointed by Minister of Finance	

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
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	Council	6	Allowed	Governor is nominated by the government. Council is elected by the Parliament.	Required
Lithuania	LB	Board	5 (Chair) 6 (Other board members)	Allowed ⁴	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	Not required
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	Required
New Zealand	FMA	Board	5	Allowed	Governor-General	Not required
Norway	NFSA	Board	4	Allowed	King in Council	Not required
					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	Not required
Portugal	CMVM	Board of Directors	6	Not allowed	Council of Ministers' Resolution	Required ⁵
Romania	ASF	Board	5	Allowed	Parliament	Required
Saudi Arabia	CMA	Board of Commissioners	5	Only once	Royal Order	Not required
	MCI	Minister	4	Allowed	Royal Order	
	SAMA	Board of Directors	4 (Governor and Vice-Governor) 5 (other members)	Allowed	Royal Order	
	IA					

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
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	Nominated by the Government, appointed by the President	Required for the governor and deputy governors
Slovenia	ATVP	Director	6	Allowed	Government	Required
South Africa	CIPC	Commissioner	5	Allowed	Minister of Industry, Trade and Competition	Not required
	FSCA	Executive Committee	5	Allowed	Minister of Finance	Not required
Spain	CNMV	Board	4	Only once	Government	Not required
					Ministry of Economic Affairs and Digital Transformation	
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 Central Bank of Hungary.
3. In **India**, the Chairperson and every whole-time member shall hold office for such period, not exceeding five years, as may be specified in the order of appointment, and the Chairperson shall be eligible for re-appointment, provided that no person shall hold office as the Chair or a whole-time member after attaining the age of 65 years.
4. In **Lithuania**, the Chair may be appointed to this position for an unlimited number of terms. The Vice-Chairs and other members of the Board may be appointed to these positions for a maximum of two consecutive terms.
5. 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.

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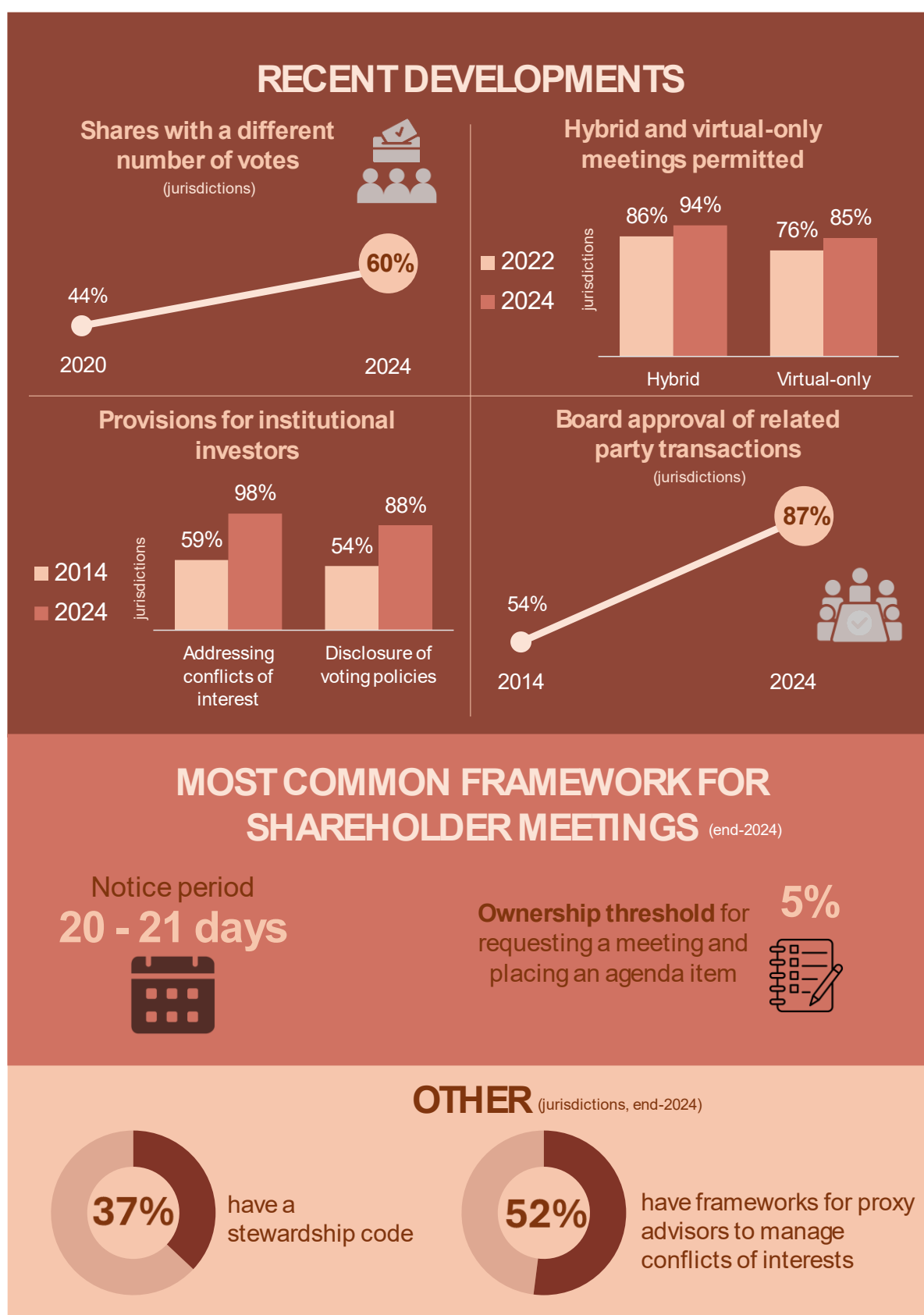
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3

The rights of shareholders and key ownership functions

The G20/OECD Principles of Corporate Governance recommend that the corporate governance framework protects and facilitates the exercise of shareholder rights and ensure equitable treatment of all shareholders. Chapter 3 provides detailed information on frameworks for general shareholding meetings, including their format, shareholder rights to request meetings, place items on the agenda and vote. It includes new data on voting eligibility and proxy voting frameworks, rights to pose questions and propose shareholder resolutions before and during shareholder meetings, as well as meeting minutes disclosure. The chapter also covers frameworks for the review of related party transactions, triggers and mechanisms for corporate takeover bids, frameworks for the responsibility of institutional investors and proxy advisors, and company groups.

Infographic 3.1. Key facts and figures on the rights of shareholders and key ownership functions



3.1. Notification of general meetings and information provided to shareholders

All Factbook jurisdictions require publicly traded 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.

In line with the recommendations of Chapter II of the *G20/OECD Principles of Corporate Governance*, the corporate governance frameworks of all Factbook jurisdictions provide for dates and methods for notifying shareholders of general shareholder meetings to ensure they receive information in advance.

One-third of jurisdictions do not require the shareholder meeting notice to be sent to all shareholders. The remainder include this requirement in their laws and regulations (Table 3.1, Table 3.5). Minimum notice periods for notifying general shareholder meetings vary. Since 2015, a growing number of jurisdictions have amended their frameworks to guarantee longer notice periods, including in response to the EU Shareholder Rights Directive which requires a period of at least 21 days for annual general shareholder meetings (AGMs).¹ During 2023-24, only two countries amended their notice period: **Latvia** shortened it from 30 to 21 days, while **Luxembourg** extended it from 16 to 30 days.

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

Fewer than 20 days	20-21 days	22-28 days	> 28 days
REQUIRED TO SEND TO ALL SHAREHOLDERS (36)			
Chile Colombia** France Japan Korea** Mexico New Zealand Singapore South Africa	China Estonia Finland Hong Kong (China) Iceland India Ireland Israel Lithuania Malaysia** Norway Saudi Arabia Switzerland United Kingdom	Australia Indonesia Peru	Canada* Czechia Germany Hungary Italy Luxembourg Netherlands Slovak Republic Slovenia United States
NOT REQUIRED TO SEND TO ALL SHAREHOLDERS (16)			
Costa Rica	Brazil Denmark Greece Latvia Portugal Türkiye	Austria Poland Sweden	Argentina Belgium Bulgaria Croatia Romania Spain

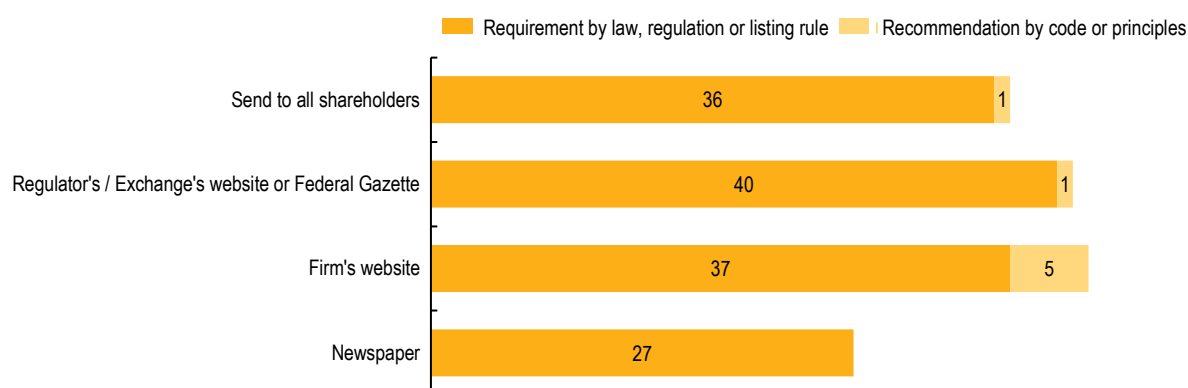
Note: Based on 52 jurisdictions, see Table 3.5 for data. * Canada and the United States are classified in the category above 28 days but actual notice periods vary depending on state and provincial jurisdictions. ** Colombia, Korea, Malaysia and New Zealand are classified based on the shorter notice period required by law, but their corporate governance codes recommend longer notice periods.

Overall, 38% of Factbook jurisdictions require a notice period of 20 or 21 days before the meeting takes place. While 31% adopt longer notice periods above 28 days and 12% have notice periods between 22 and 28 days, 19% adopt shorter notice periods under 20 days, which most commonly are set at 14 or 15 days prior to the shareholder meeting (Table 3.1, Table 3.5). Voluntary code recommendations are used as a way of supporting longer notice periods. **New Zealand**, for example, has one of the shortest notice periods, at 10 days set by law, but the NZX Corporate Governance Code recommends companies to provide a

longer notice of at least 20 working days or otherwise explain the reasons for a shorter notice in companies' compliance report against the NZX Code. **Colombia's** code recommends a notice period of 30 days, twice as long as the 15-day notice period set by law. In some cases, such as in **Italy**, the minimum notice period changes depending on the item on the agenda, whereby 40 days are required for board renewal, but 21 days are sufficient for a reduction of the share capital.

Almost all Factbook jurisdictions require one or more methods of notification for general shareholder meetings. Notices can be circulated by direct notification, through a stock exchange or regulator's electronic platform, as well as publication on the company's website or in a newspaper (Figure 3.1). For example, in **Latvia**, companies notify shareholders of general meetings by publishing the information in the official electronic system, called the Central Storage of Regulated Information (ORICGS).

Figure 3.1. Means of shareholder meeting notification



Note: Based on 52 jurisdictions. Jurisdictions may be counted in more than one category. See Table 3.5 for data.

3.2. Voting eligibility and proxy voting frameworks

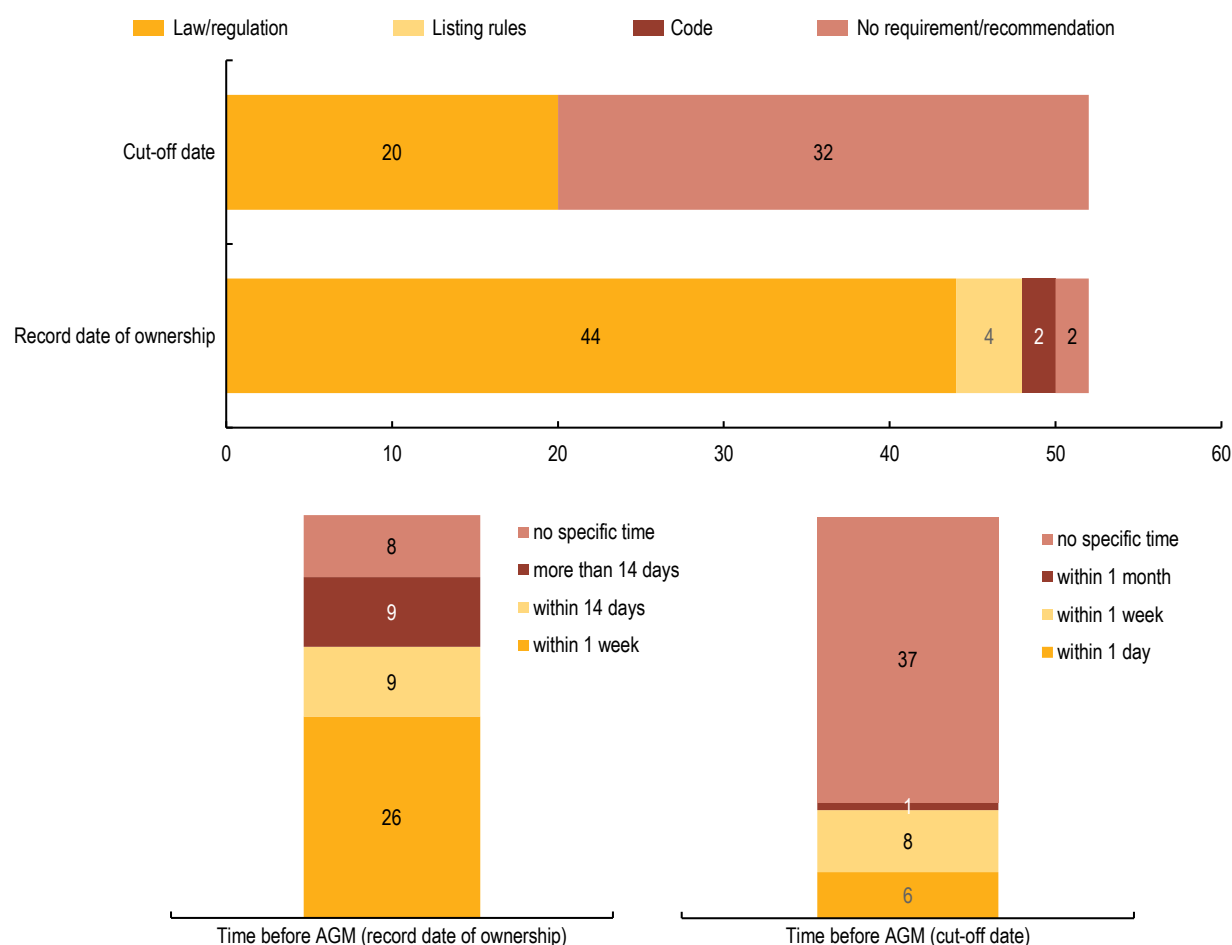
Eighty-eight percent of jurisdictions establish record dates in law or regulations and the majority set it within a week of the general meeting of shareholders. Sixty-two percent of jurisdictions do not provide cut-off dates, giving custodians and companies more discretion to set them. Only 12% of jurisdictions establish cut-off dates within one day of the shareholder meeting, allowing shareholders more time to cast an informed vote. Share blocking is not imposed in 62% of Factbook jurisdictions, while 35% do not expressly regulate or address the issue in their framework.

Record dates represent the deadline by which shareholders are to be registered and identified to be eligible for voting. New data in this edition show that 48 countries have a law or regulations setting the record date of ownership (or a range of dates), of which four (**Australia, Canada, Malaysia, South Africa**) also provide further specifications in their listing rules. Only **Hong Kong (China)** and **Switzerland** have non-binding recommendations on the record date of ownership. **Brazil** and **Costa Rica** have no framework for setting a record date (Figure 3.2, Table 3.5).

Share blocking refers to the practice of restricting shareholders from selling, transferring or lending their shares for a specific period before a general shareholder meeting in order to be eligible to vote, most commonly after the record date deadline. The legal framework of 32 jurisdictions specifically allows disposing of shares after the record date. **Argentina** and **Mexico** explicitly prohibit by law the sale of shares after the record date and 18 jurisdictions do not have a specific framework.

Cut-off dates mark the deadline for shareholders to provide proxy voting instructions before the AGM. Intermediaries and custodians may set voting deadlines significantly in advance of the AGM, which can hinder investors from voting with the most up-to-date information (ICGN, 2024^[1]). To ensure shareholders can cast informed votes, they should be given enough time to review proxy materials between the moment they receive them and the cut-off dates. Thirty-two jurisdictions leave cut-off dates to intermediaries, custodians and companies' discretion, whereas 20 jurisdictions regulate them by law. When cut-off dates are provided by law, only six countries set them within one day of the AGM (**France, Indonesia, Israel, Italy, Latvia, Türkiye**) and eight within seven days (Figure 3.2, Table 3.5). The recent OECD report *Shareholder Meetings and Corporate Governance: Trends and Implications* includes detailed data on voting frameworks in 50 markets and analysis of different approaches adopted (OECD, 2025^[2]).

Figure 3.2. Record date and cut-off date frameworks



Note: Based on 52 jurisdictions. See Table 3.5 for data. When jurisdictions indicated the use of working days, trading or market days, five working days were considered equivalent to one week. Switzerland has a code recommendation for the record date deadline and the record date is counted in the category "No specific time" as the recommendation specifies that it should occur within a few days.

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

In all Factbook jurisdictions, minority shareholders have the right to request an extraordinary shareholder meeting subject to specific ownership thresholds. These vary from as low as 1% to a maximum of 25%. All but nine countries set a specific timeframe to convene and hold the meeting.

Shareholder proposals are growing and focus on a variety of issues. All Factbook jurisdictions have either provisions or recommendations for minority shareholders' right to request the addition of agenda items. Ownership thresholds for requesting the addition of shareholder proposals to a meeting agenda are lower than for requesting a meeting in most jurisdictions and are often coupled with additional or alternative requirements. New shareholder resolutions during meetings are allowed with more stringent ownership thresholds or in many cases limited to topics listed on the agenda.

For minority shareholders' request for an extraordinary shareholder meeting, 84% of jurisdictions require that the meeting takes place within a specific time period after the shareholders' request (Table 3.2). The most common minimum time period ranges between 31 and 90 days (26 jurisdictions). Three countries allow for longer periods: **Finland** sets a three-week minimum and a three-month maximum and **Bulgaria** and **Latvia** have a three-month period requirement. Conversely, only three countries (**Mexico**, **Peru**, **Poland**) have time limits of 15 days or less.

Table 3.2. Deadline for holding the meeting after shareholder request

15 days or less	16-30 days	31-90 days	No specific deadline (or n.a.)
Mexico Peru Poland	Belgium Brazil Chile Costa Rica Denmark Estonia Finland Germany Hungary India Italy Lithuania Luxembourg Norway	Argentina Australia Bulgaria China Czechia France Greece Hong Kong (China) Indonesia Ireland Israel Japan Latvia Malaysia Netherlands Portugal Romania Saudi Arabia Singapore Slovak Republic Slovenia Spain Sweden Switzerland Türkiye United Kingdom	Austria Canada Colombia Croatia Iceland Korea* New Zealand South Africa United States

Note: Based on 52 jurisdictions, see Table 3.6 for data. 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 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

Nine 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" notifications). During 2023-24, **Switzerland** established a 60-day period to grant the meeting request, **Brazil** extended it from 23 to 29 days and **China** from 10 days to 2 months.

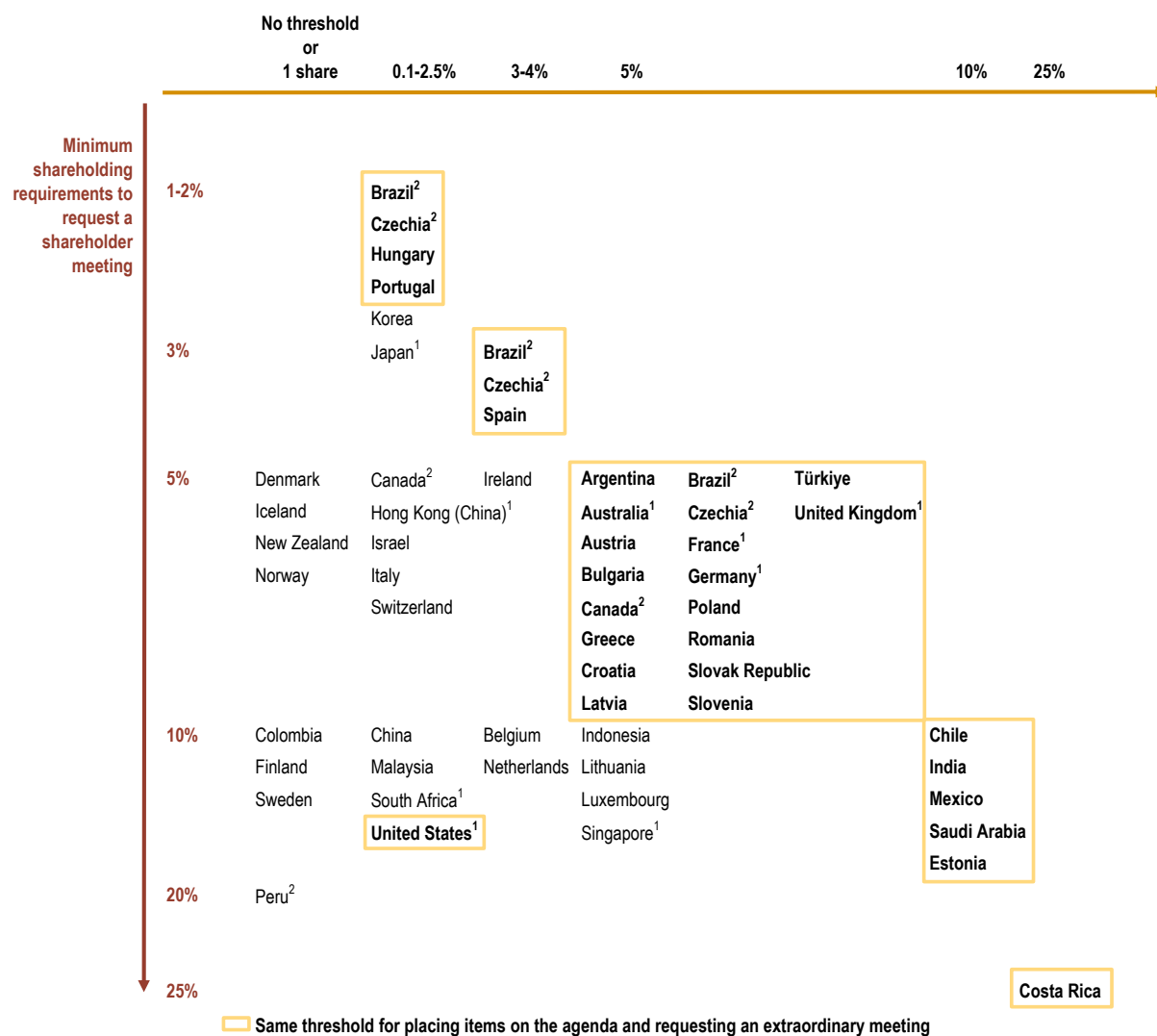
All Factbook jurisdictions apply an ownership threshold to shareholders for requesting a meeting. The most common minimum threshold is 5%, established in 25 jurisdictions, while 7 jurisdictions set it lower. Twenty countries have thresholds above 5%, most commonly set at 10%, with the exception of **Costa Rica** and **Peru** which require a 25% and 20% share ownership, respectively.

The thresholds for requesting an extraordinary meeting and placing items on the agenda are the same in 28 jurisdictions (Table 3.3). Twenty-one jurisdictions set lower thresholds below 5% of shares for requesting the addition of an agenda item. Among these, **New Zealand** and **Norway** subject it to owning only one share. Additional specific conditions also apply in some cases. **Austria** and **Korea** have specific and minimum share ownership requirements: 5% ownership with three months holding in **Austria** and 0.5% ownership with 6 months of continuous holding in **Korea**. **Brazil**, **Czechia** and **France** have ownership thresholds ranging from 1% to 5%, depending on the company share capital. **China** recently lowered the threshold from 3% to 1% with the reform of its Company Law which entered into force in July 2024. Only six countries set minimum thresholds above 5%, with **Costa Rica** setting the highest legally required minimum threshold of 25% (Table 3.3).

In more than three-quarters of Factbook jurisdictions, the company has a timeline to accept and publish the shareholder proposal request prior to the meeting. A few jurisdictions specify the grounds for which companies can refuse to include shareholder proposals for the addition of new agenda items, for example in **Canada** and the **United States**.

New data on the right to propose shareholder resolutions during a meeting show that in most cases, more stringent conditions apply to this shareholder right to protect absentee shareholders or shareholders who may have cast their vote in advance. In nine countries, the right to propose new resolutions during a meeting requires 100% agreement of the share capital. In 14 jurisdictions, the possibility of submitting new proposals is limited to items already on the meeting agenda. In four countries, the scope of new resolutions is not limited to agenda items and is not subject to any ownership threshold (**Canada**, **Colombia** (70% share ownership required only for extraordinary shareholder meetings), **Finland**, **Sweden**) (Table 3.6).

Table 3.3. Minimum shareholding requirements to request a shareholder meeting and to place items on the agenda



Note: Based on 52 jurisdictions, see Table 3.6 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.

3.4. Different share classes and voting caps

Ninety percent of Factbook jurisdictions allow companies to issue shares with no voting rights (except for limited items) and only a few of them limit them to a certain percentage of the share capital. Ninety-two percent of countries also permit listed companies to issue shares with preferential rights to dividends.

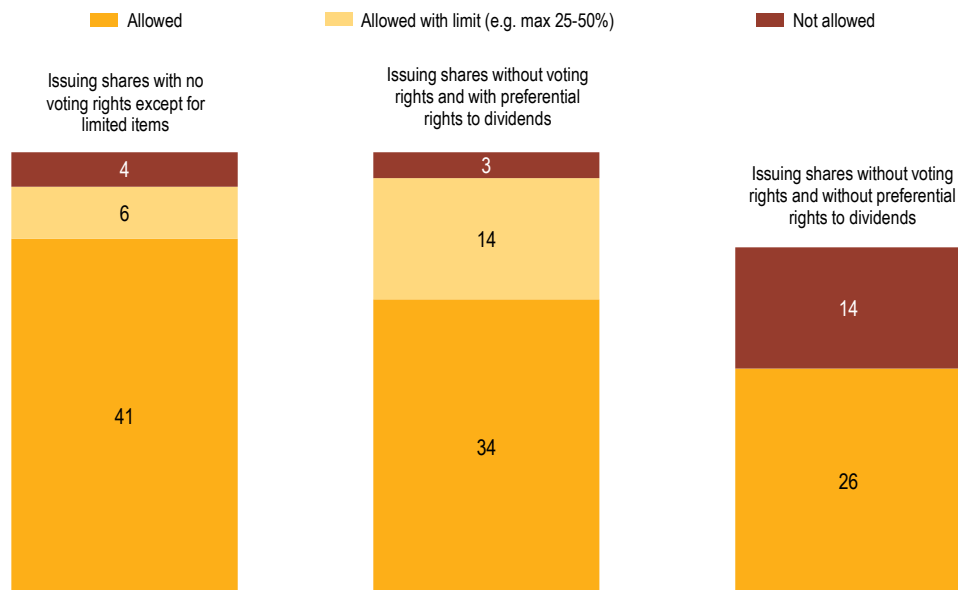
Furthermore, since 2020, there has been a significant increase in Factbook jurisdictions that allow companies to issue shares with a different number of votes per share, deviating from the concept of “one share one vote”. Sixty percent of Factbook jurisdictions allow these shares and 13% do not have a specific framework in place.

The *G20/OECD Principles* recognise the possibility for companies of having different classes of shares with different rights attached, and recommend that, within the same series of a class, all shareholders should be treated in an equal manner (Principle II.E.). Classes of shares may provide no voting rights (except for limited items) with or without preferential rights to dividends, or give shareholders a different number of votes per share (multiple voting rights or fractional shares).

Germany, Indonesia, Israel and Romania prohibit listed companies from issuing shares with no voting rights except for limited and specific items, and **Türkiye** does not have a framework for this issue. Among jurisdictions that allow shares with voting rights for limited items, further restrictions apply in six: these shares are limited to 25% of the share capital in **Korea**; 50% in **Brazil, Italy and Japan**; or are only allowed for preference securities in **Australia and Hong Kong (China)**.

All but four countries (**Australia, the Netherlands, Sweden, Türkiye**) permit preference shares (shares without voting rights that grant a preferential right to dividends). Compared to 2014, when 30 jurisdictions allowed preference shares (with 8 of them imposing some limits to their issuance), the number has grown over the years, to 47 jurisdictions (with 14 imposing limits) as of end of 2024. Among the 14 imposing limitations, 3 countries (**France, Korea, Romania**) allow them only up to 25% of the share capital, 9 countries allow them up to 50% and **Czechia** allows them up to 90%. Three countries removed their restrictions on the issuance of preference shares during 2023-24: **Lithuania, Luxembourg and Mexico**. Half of Factbook jurisdictions prohibit or do not have a framework for shares without voting rights and without preferential dividend rights (Figure 3.3, Table 3.7). In 2023-24, **China, Mexico and Saudi Arabia** made changes to their framework to permit this share class.

Figure 3.3. Issuance of shares with limited or no voting rights



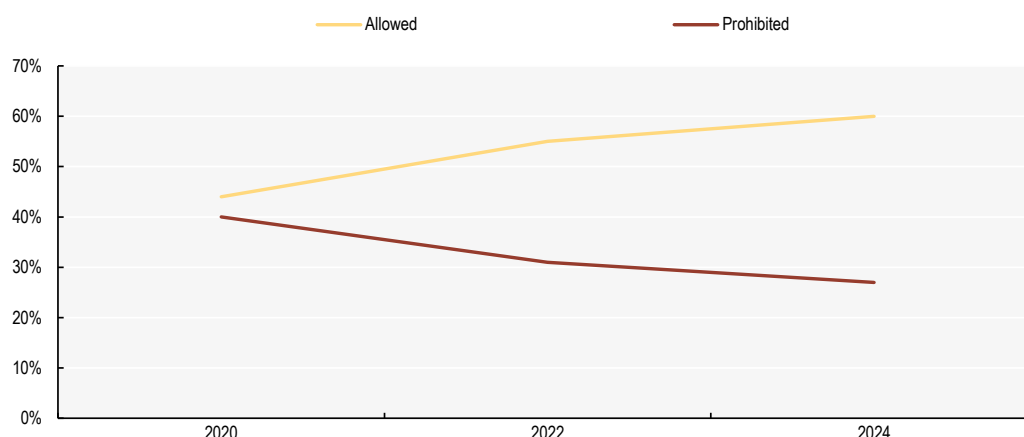
Note: Based on 52 jurisdictions. For the category “Issuing shares with no voting rights except for limited items” data are presented for the 51 jurisdictions which specify whether the category is allowed or not. For the category “Issuing shares without voting rights and with preferential rights to dividends” data are presented for 51 jurisdictions which specify whether the category is allowed or not for the category “Issuing shares without voting rights and without preferential rights to dividends” data are presented for the 40 jurisdictions that specify whether the category is allowed or not. See Table 3.7 for data.

The share of Factbook jurisdictions allowing multiple voting rights or fractional shares (shares with a different number of votes per share, which do not follow the one-share-one-vote principle), has continued

to grow. In 2024, 60% of jurisdictions allow these shares, compared to 55% in 2022 and 44% in 2020 (Figure 3.4, Table 3.7). For example, **China** and **Saudi Arabia** updated their frameworks in 2023-24 to allow these shares. In **China**, the revised Company Law allows listed companies to have class shares with special voting rights or class shares with restricted transferability, when these were issued prior to the public offering. **Italy** revised its framework in 2024 to allow multiple voting shares of up to ten votes (previously the maximum was three) for companies that issued them before listing. The **United Kingdom** also revised the UK Listing Rules in July 2024, including its framework for classes of equity shares with enhanced voting rights.

Other countries impose specific limits or conditions on the use of these share classes. For example, **Sweden** limits them to one-tenth of the share capital and **Germany** allows multiple voting rights shares only for registered shares. The number of jurisdictions explicitly prohibiting such shares decreased from 40% in 2020, to 31% in 2022 and 27% in 2024 (Figure 3.4, Table 3.7). For example, in 2023, **Mexico** removed the prohibition to issue multiple voting rights shares from the Securities Market Law. Thirteen percent of jurisdictions do not have an express framework for shares with a different number of votes per share. For example, in the **Netherlands**, although there is no explicit provision, companies can provide for multiple voting rights shares in their articles of association,² generally dual class shares or loyalty voting structures. Based on case law, loyalty voting shares are allowed if they meet a proportionality criteria test. Other jurisdictions with loyalty shares schemes, which aim to curb corporate short-termism and promote long-term engagement of shareholders, are **France**, **Italy** and **Spain**.

Figure 3.4. Issuance of shares with a different number of votes per share, 2020-24



Note: The data are for 52 jurisdictions in 2024, 49 in 2022 and 50 in 2020. See Table 3.7 for data. “Allowed” includes jurisdictions where shares with a different number of votes per share are allowed upon condition. In 13% of jurisdictions there is no express framework.

Source: OECD (2021^[3]), OECD Corporate Governance Factbook 2021, <https://doi.org/10.1787/783b87df-en>; OECD (2023^[4]), OECD Corporate Governance Factbook 2023, <https://doi.org/10.1787/6d912314-en>.

As part of the broader European Listing Act, which came into force in December 2024, the EU approved the Multiple-Vote Share Structures Directive to be implemented by December 2026. This EU Directive aims to harmonise member countries’ regulatory frameworks for companies that seek admission to trading on multilateral trading facilities and to reduce instances of regulatory arbitrage between different frameworks on the issue of multiple voting share rights. Furthermore, it provides safeguard measures for shareholders that do not hold multiple voting share rights.³

Voting caps, whereby a company limits the number of votes that a single shareholder may cast, are permitted in 56% of Factbook jurisdictions and prohibited in 21%.

3.5. Voting practices and disclosure of voting results and minutes

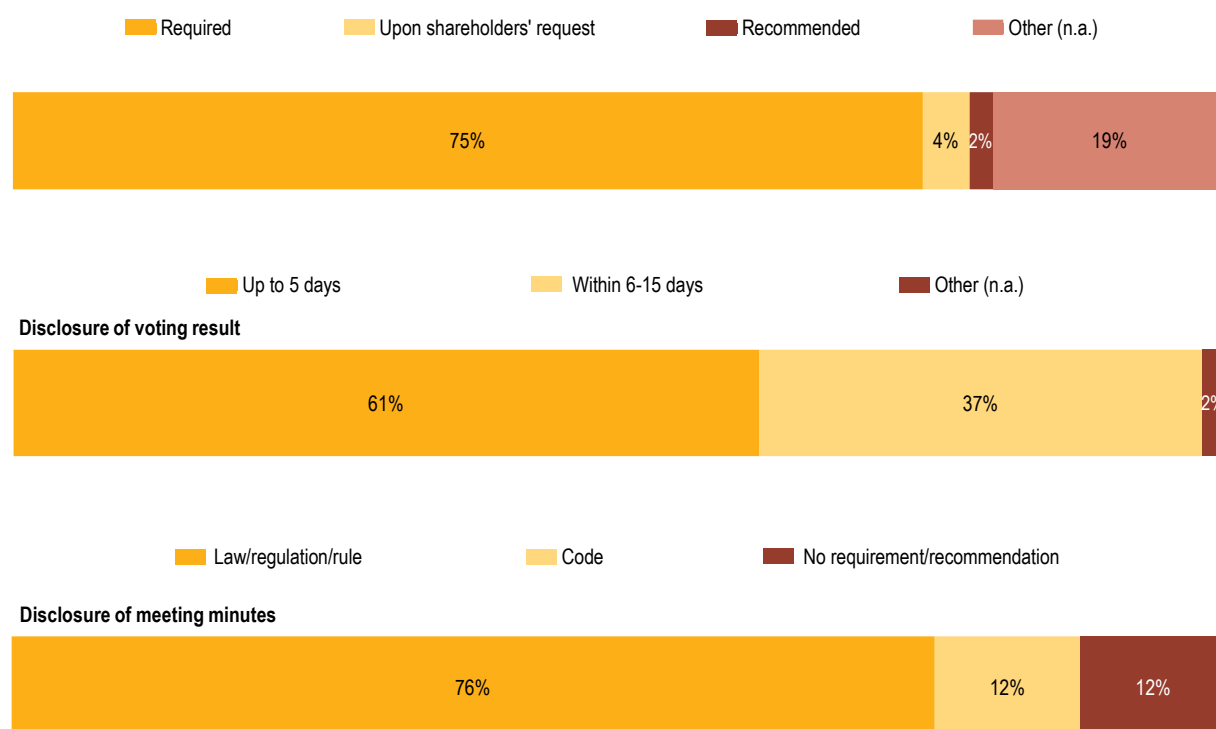
A growing majority of jurisdictions require listed companies to publish voting results promptly (within five days) after the general meeting. Seventy-five percent prescribe a formal procedure of vote counting and 4% subject vote counting to a shareholder request. A similar trend is observed for the disclosure of the number or percentage of votes for, against and abstentions, which is required in 88% of Factbook jurisdictions and conditional upon shareholder request in 4%. Seventy-seven percent of jurisdictions require disclosure of minutes of general shareholder meetings to the public by law and 12% have a code recommendation.

Seventy-five percent of Factbook jurisdictions have formal procedures for vote counting, up from 49% in 2014. Two jurisdictions (**New Zealand** and **Sweden**) provide formal vote counting upon shareholder request, while only **Costa Rica** recommends such a process. The OECD report *Shareholder Meetings and Corporate Governance: Trends and Implications* includes data on vote counting methods in 50 jurisdictions. Jurisdictions adopt different practices, but the designation of an independent party to count and audit voting results is the most common practice, established by law in 14 jurisdictions and in listing rules in 3. Such a practice is not required or recommended in 33 jurisdictions. End-to-end confirmation of voting is required by law in 18 jurisdictions and in listing rules in 2 countries (**Malaysia** and **Singapore**), while it is recommended in **Indonesia** (OECD, 2025^[2]).

All Factbook jurisdictions except **New Zealand** require disclosure of the outcome of voting decisions for each agenda item. Thirty-two jurisdictions require disclosure immediately or within 5 days of the AGM and 19 have a timeframe of between 6 and 15 days (Figure 3.5). In 46 jurisdictions, the legal framework requires that companies disclose the number of votes expressed in favour or against a decision and abstentions in addition to a vote's outcome. In addition, in two more countries (**Denmark**, **Sweden**), this disclosure is conditional to shareholder request, while in **Canada** it is required if the vote was conducted by ballot (Table 3.8).

New data in this Factbook show that 76% of jurisdictions require public disclosure of meeting minutes, 10% of which also have a recommendation in their code in addition to the requirement (**Hong Kong (China)**, **Lithuania**, **Malaysia**, **United Kingdom**). Twelve percent of countries address the disclosure of meeting minutes only through a non-mandatory code recommendation and another 12% do not have a framework (Figure 3.5, Table 3.8).

Figure 3.5. Formal vote counting, disclosure of voting results and meeting minutes



Note: Based on 52 jurisdictions. Jurisdictions with requirements for “prompt” or “immediate” disclosure are included within the category of up to five days. See Table 3.8. for data.

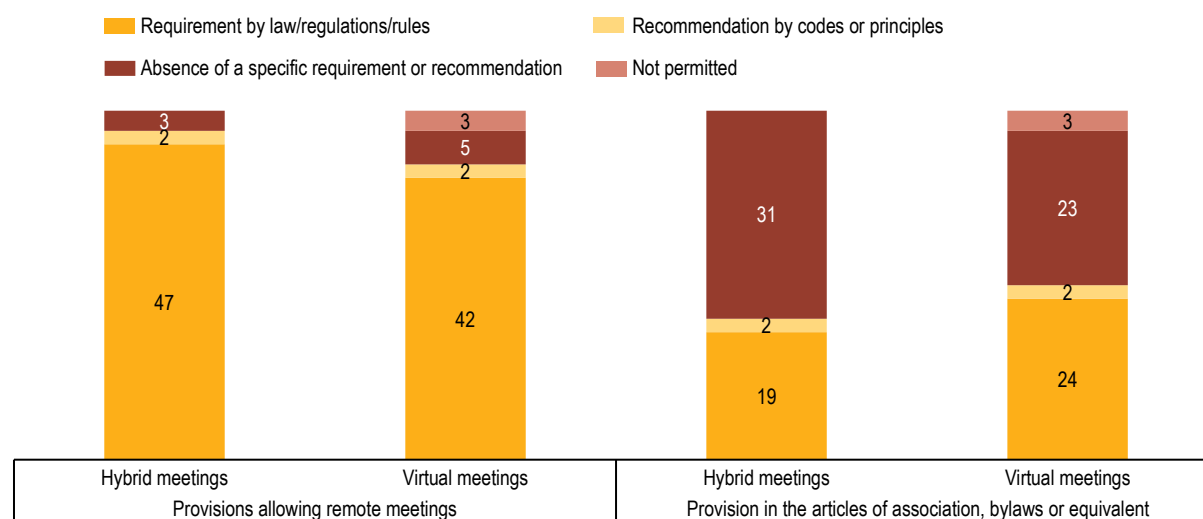
3.6. Framework for virtual and hybrid shareholder meetings

During 2023-24, the share of Factbook jurisdictions allowing virtual-only shareholder meetings increased from 76% to 85%, while those allowing hybrid meetings rose from 86% to 94%. With the growing popularity of remote meeting formats, 83% of Factbook jurisdictions now address in their framework the issue of equal participation of shareholders, up from 70% in 2022. Conversely, 42% of Factbook jurisdictions lack a framework for managing digital security risks and 48% provide no protection for shareholders in the event of meeting disruptions.

The *G20/OECD Principles* recommend that legal frameworks ensure equal access to information and opportunities for participation of all shareholders, regardless of how shareholder meetings are conducted. The trend since 2022 is of an increase in the number of jurisdictions allowing remote and hybrid formats. As of the end of 2024, 85% of jurisdictions allow virtual meetings (where all shareholders may attend the meeting and exercise certain rights virtually), often subject to a provision in the company articles of association, up from 76% in 2022, and 94% permit companies to hold hybrid meetings (where some shareholders attend the meeting and exercise their rights physically and others virtually), up from 86% (Figure 3.6). A number of countries have adopted or are considering reforms; for example, **Ireland** amended the Companies Act 2014 in December 2024 to allow virtual meetings on a more permanent basis, after extending the emergency framework enacted during the pandemic, and **Korea** and the **Netherlands** have proposed amendments pending adoption (OECD, 2025^[2]).

Twenty-three Factbook jurisdictions allow or recommend hybrid meetings to be held only subject to specific provisions in the company's articles of association or bylaws. Half of the jurisdictions require or recommend a provision in the articles of association for virtual-only meetings (Figure 3.6, Table 3.9). Shareholders' approval of the inclusion of such provisions in the company's articles of association is considered an important safeguard by shareholders, and is often coupled with specific time limits (as in **Germany**) or the inclusion of specific conditions. As of the end of 2024, virtual-only shareholder meetings are not permitted in **China**, the **Netherlands**, and **Türkiye**, although all three countries allow hybrid meetings. For example, in **China**, according to the Listing Rules, shareholder meetings must be convened through a combination of on-site meeting at a physical venue and electronic voting. **Malaysia** amended the Bursa Malaysia Main Market Listing Requirements to prohibit virtual-only meetings starting from March 2025 and require listed companies to hold either in-person or hybrid general meetings.

Figure 3.6. Legal frameworks for virtual and hybrid shareholder meetings



Note: Based on 52 jurisdictions, see Table 3.9 for data. Virtual meetings are defined as shareholder meetings where all shareholders may attend the meeting and exercise certain rights virtually whereas hybrid meetings are defined as shareholder meetings in which certain shareholders may choose to attend the meeting and exercise their rights physically and others virtually.

Different shareholder meeting formats and remote participation are leading to the adoption of guidance at the jurisdiction and company level. Sub-Principle II.C.3. recognises the role that codes of conduct may have in providing guidance and ensuring proper engagement and equal treatment of shareholders during remote meetings. The 2025 OECD report on shareholder meetings found that 29 out of 50 jurisdictions have adopted corporate governance code recommendations or other specific guidance on remote participation in AGMs (OECD, 2025^[2]). Amongst Factbook jurisdictions, only 15% require companies to adopt a code of conduct and one country recommends it (**South Africa**).

Forty-three Factbook jurisdictions have requirements or recommendations to promote equal participation in meetings of all shareholders. **Australia**, for example, clarifies in the law that all meetings, regardless of their format, must give shareholders a reasonable opportunity to participate, ask questions and make comments. **New Zealand** addresses equal participation in the NZX Corporate Governance Code, which recommends that issuers design shareholder meeting arrangements to encourage shareholder participation and provide shareholders the option to receive communications from the issuer electronically.

Twenty-three Factbook countries address the management of digital security risks arising from remote meeting formats by law, while **China** addresses it by listing rules. Six jurisdictions (**Costa Rica**, **Hong**

Kong (China), Hungary, Lithuania, Malaysia, Singapore) have a code recommendation. The main safeguards concern shareholder identification but also address the issues of staff skills and the management of confidential and sensitive information (Table 3.9) (OECD, 2025^[2]).

Forty-eight percent of jurisdictions have requirements or recommendations on shareholder protections in case of digital disruptions during shareholder meetings. More than half of Factbook jurisdictions leave this to companies' discretion and do not provide shareholders with explicit safeguards if disruptions occur. In some countries, the board is responsible for running the meeting and ensuring that there are no disruptions. In **Indonesia** and **Türkiye**, the responsibility lies with the agency running the platform. In other cases, the framework specifies that shareholders bear the risk of disruptions if they choose to attend remotely, or specifies remedies, like postponement of the meeting or specific technical support in case problems arise (OECD, 2025^[2]).

3.7. Shareholders' right to pose questions

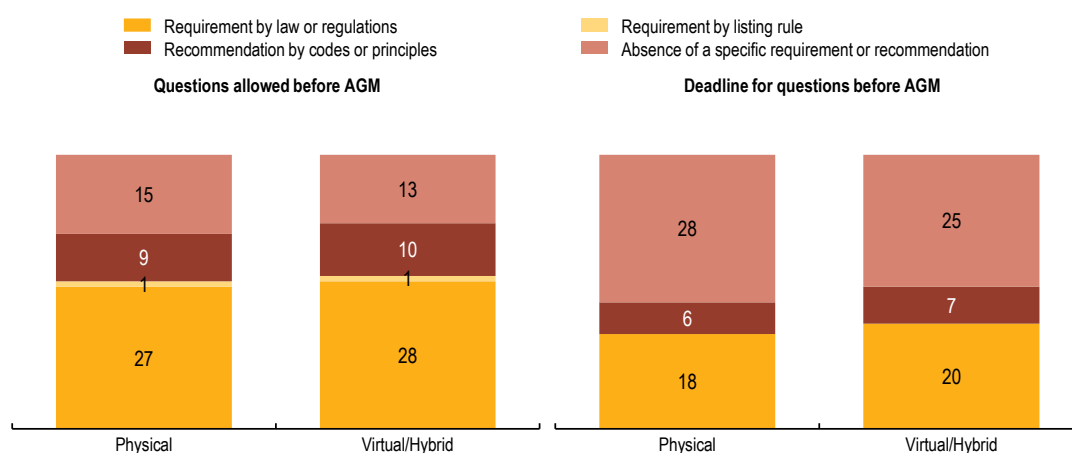
While shareholder questions prior to general shareholder meetings are allowed in most Factbook jurisdictions, in 62% of jurisdictions there is no requirement or recommendation to answer questions submitted before meetings for all meeting formats. Only one-third provide a specific deadline for submitting questions and less than one-quarter recommend a deadline.

A majority of Factbook jurisdictions require companies to answer shareholder questions during meetings. Recommendations to answer all questions at the meeting are more common for remote meetings than in-person ones. In 56% of jurisdictions shareholders are allowed by law or recommendation to pose questions to the external auditor during AGMs.

Sub-Principle II.C.3. of the *G20/OECD Principles* recommends that shareholders should have equal opportunities to participate in general shareholder meetings regardless of the format adopted. With certain markets and companies experiencing disruptions during shareholder meetings, the clarity of the framework for posing questions, along with guidance on how to chair meetings, has become increasingly important. This is analysed in detail in the OECD peer review on shareholder meetings (OECD, 2025^[2]).

Shareholder questions before general shareholder meetings are regulated by law in the majority of jurisdictions, regardless of meeting formats. Less than 20% of Factbook jurisdictions have code recommendations for questions prior to shareholder meetings. Even among the countries that provide a rule or recommendation on questions before the meeting, only one-third provide a clear deadline for submitting questions in the law and less than one-quarter in a code recommendation (Figure 3.7, Table 3.10). In **Italy**, further to the Capital Market Law of 2024, meetings can be held behind closed doors only with a shareholder representative.⁴ Therefore, in this meeting format, shareholders only have the right to send questions ahead of the AGM, which have to be answered by the board at least three days before the meeting. Sixty-two percent of Factbook jurisdictions do not have a requirement or recommendation that companies answer questions received before the general meeting.

Figure 3.7. Framework for questions submitted before AGMs



Note: Based on 52 jurisdictions, see Table 3.10 for data.

During remote meetings, shareholder questions may be posed in person or remotely via audio/video or in writing via chat. Having the possibility to see other questions posed in real-time can improve the transparency of shareholder dialogue as well as engagement during meetings. Only 15 jurisdictions have a provision that allows shareholders to send and see other questions during the meeting and 4 have a recommendation. Thirty-three jurisdictions do not have a framework.

One-third of Factbook jurisdictions do not require or recommend companies to answer all questions during meetings in either in person or remote formats. More than one-half have a provision requiring that all questions posed be answered during the meeting. Fifteen percent of Factbook jurisdictions have recommendations for answering all questions during shareholder meetings in remote format and a slightly lower share of 10% have recommendations for in-person shareholder meetings.

Shareholder meetings also represent an opportunity to question the external auditor. Nineteen countries allow by law shareholder questions to the external auditor, one by listing rule (**Singapore**), and nine have a code recommendation. Twenty-three countries do not have a framework for questions to the external auditor.

3.8. Related party transactions

All Factbook jurisdictions have a framework for related party transactions, with a definition for “related party”. Factbook jurisdictions address risks posed by such transactions through a combination of targeted measures concerning immediate and periodic disclosure as well as approval processes by boards and/or shareholders.

Disclosure of related party transactions is among the most common safeguards across Factbook jurisdictions, usually involving a combination of both immediate and periodic disclosure requirements in order to provide investors with timely and accurate information on such transactions. Requirements for immediate disclosure continue to increase and are in effect in all but three Factbook jurisdictions, while periodic disclosure is established in all.

Related party transactions can produce efficiency gains for companies but carry inherent conflicts of interest that may increase risks of asset mismanagement and unequal treatment of shareholders. To

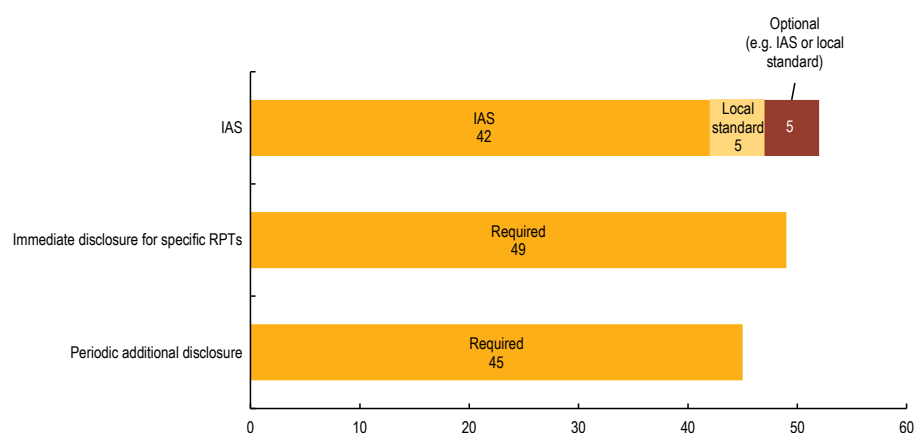
address these risks, regulatory frameworks generally establish safeguards to ensure that such transactions are properly monitored and conducted in the best interests of the company and its shareholders. These measures often include independent and external reviews, along with multiple layers of approval that exclude or minimise the influence of directors and shareholders with conflicts of interest. As a result, related party transactions are generally allowed, except in rare cases, such as certain loans between a company and its directors.

All Factbook jurisdictions provide a definition of “related party” in their frameworks. This is in line with Sub-Principle II.F.1. that calls for conflicts of interest inherent in related party transactions to be addressed. Definitions are contained in sources ranging from law and regulations to code recommendations and accounting standards (Table 3.11). All jurisdictions require periodic disclosure in financial statements, following either International Accounting Standards (IAS24) or a local standard similar to IAS24 (Figure 3.8). The percentage of jurisdictions adopting IAS24 or that allow choosing between IAS24 and a similar local standard gradually increased from 71% in 2014 to 82% in 2018, 84% in 2022 and 90% (47 jurisdictions) in 2024. Additional periodic disclosure requirements apply in 87% (Table 3.12).

Ninety-four percent of Factbook jurisdictions require immediate disclosure of material related party transactions, an increase from 88% in 2022 and 50% in 2016, with the transposition of the EU Shareholder Rights Directive II (SRD II) among EU Member countries accounting for a large part of it.⁵ During 2023-24, **Korea, Luxembourg** and **Portugal** specified this requirement. Countries apply the obligation for immediate disclosure of related party transactions in different ways. Some jurisdictions impose a real-time disclosure obligation, while others require it within a few days of the transaction. In **Luxembourg**, for example, listed companies must publicly announce material transactions with related parties at the latest at the time of the conclusion of the transaction, whereas in **Brazil**, disclosure must occur within seven business days.

Required disclosures for related party transactions vary widely across jurisdictions. However, 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**, 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. The disclosure should include the name and relationship with the related party, the date and the value of the transaction, and other information necessary to assess the transaction. In **Japan**, listed companies must immediately disclose a summary of the decision, its anticipated impact, and any other information considered materially significant for investment decisions, including relevant details on the conflict of interest.

Figure 3.8. Immediate and periodic disclosure of related party transactions



Note: Based on data across 52 jurisdictions. See Table 3.12 for data.

3.8.1. Approval processes

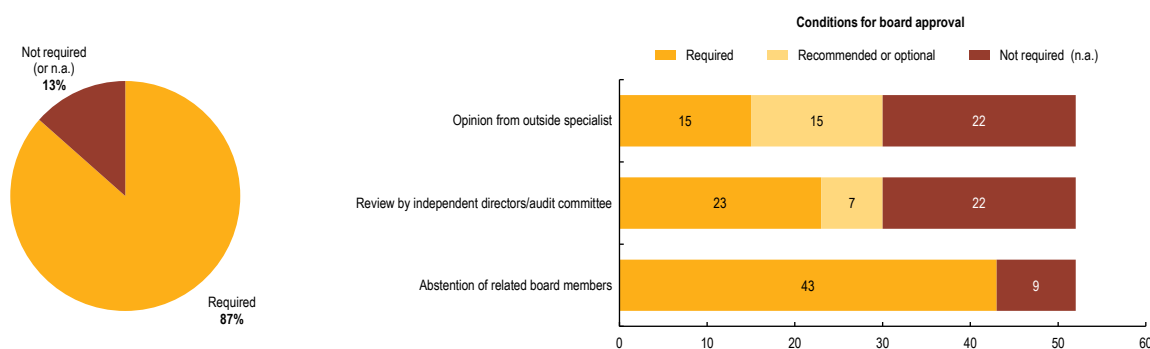
The approval process for related party transactions is key to ensuring that they are concluded on an arm's length basis. Requirements for board approval of significant or non-routine related party transactions apply in 87% of jurisdictions, a significant increase compared to 54% in 2014. Approval processes include safeguard requirements for abstention from voting of the interested parties in 83% of jurisdictions, a review by independent board members and committees in 44%, and opinions from outside specialists in 29%.

The approval process for related party transactions often provides for one or a combination of safeguards. The number of Factbook jurisdictions requiring board approval of certain related party transactions has grown substantially. Eighty-five percent of jurisdictions require it compared to 54% in 2014. Furthermore, in some countries, although not expressly required, board approval still occurs and derives from directors' fiduciary duties (**Brazil** and **Switzerland**). Abstention of related board members from approving the transaction is an increasingly common safeguard, now required in 83% of jurisdictions compared to 80% in 2022, 50% in 2018 and 30% in 2014 (Figure 3.9). The involvement of independent board members or the audit committee is now a widely adopted safeguard: required in 23 jurisdictions, recommended in 6, optional in **Germany**. In 2014, independent board members were required or recommended to have a role in the approval process in just 11 and 3 jurisdictions, respectively. A requirement or recommendation for a review of the fairness of the transaction by the external auditor or another outside specialist is less widespread, with 15 jurisdictions requiring an opinion and another 15 recommending or having such practice as optional. Twenty-two countries have no framework for outside expert opinions (Table 3.13).

The **United Kingdom** revised its Listing Rules in July 2024, simplifying its related party transactions regime and raising the ownership threshold for being considered a related party from 10% to 20%. The requirement for a shareholder vote for large, related party transactions exceeding 5% has been removed. Instead, such transactions must be approved by the board, excluding related parties, supported by an expert opinion from a sponsor on the transaction's terms. The updated framework also provides detailed guidance on which related party transactions can be considered part of the ordinary course of business.

In 40% of jurisdictions, board approval, abstention of related parties from the decision and a review by independent board members or the audit committee are cumulatively required for significant related party transactions. Only 11% also impose a review by an external specialist or auditor.

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



Note: Based on data for 52 jurisdictions. Table 3.13 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".

Two-thirds of Factbook jurisdictions require shareholders to approve related party transactions above certain thresholds or not on market terms in addition to or as an alternative to board

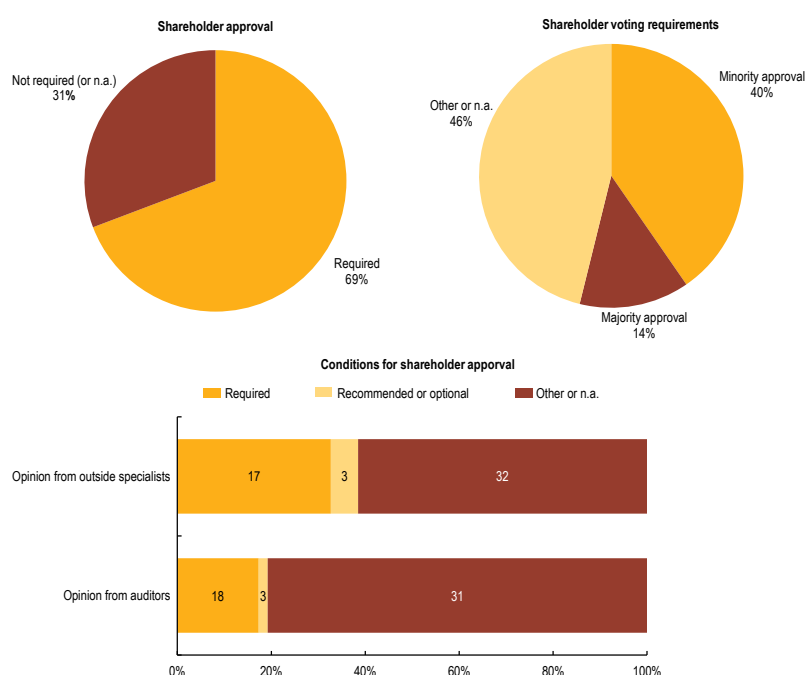
approval. Almost one-half of the jurisdictions that prescribe shareholder approval specify some additional requirements in terms of the approval required, often in the form of approval by non-interested shareholders or majority requirements. A less widespread practice is to call for an external auditor opinion or outside specialist opinion on the related party transaction's fairness prior to its approval.

Shareholder approval is a mechanism established in 36 jurisdictions and is generally triggered by specific conditions set out in the legal framework. During 2023-24, **Brazil** and **Germany** specified this requirement, while the **United Kingdom** removed it. In some countries, shareholder approval is conditional upon the non-approval by the board or supervisory board (**Brazil, Germany, Slovenia**) or if independent directors previously disapproved the transaction (**Italy, Türkiye**). In **Colombia, Greece, Indonesia, Latvia, the Netherlands, Peru** and **Saudi Arabia**, shareholder approval is required for cases involving board members' conflicts of interest, with some differences between these frameworks (Figure 3.10).

Fourteen jurisdictions require minority approval at least in certain cases and 11 have majority approval requirements. **Chile** requires two-thirds majority approval, and six countries require a simple majority while precluding shareholders that are related parties from participating in the vote. Among these, **Slovenia** requires both a qualified majority of three-fourths and also precludes related parties from voting.

Obtaining an opinion or evaluation from the external auditor is a precondition for shareholder approval in 9 jurisdictions, while 17 jurisdictions require an opinion from an outside specialist (Figure 3.10, Table 3.14). In 2024, **Ireland** revised its listing rules and removed the requirement for an outside specialist review of related party transactions.

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



Note: Data based on 52 jurisdictions. See Table 3.14 for data. Jurisdictions that have a simple majority requirement and exclude interested parties from voting (Australia, Latvia, Malaysia, Slovak Republic, Norway) are categorised as "Minority approval". Indonesia and Slovenia have special approval requirements and are categorised as "Others or n.a." For the conditions for shareholder approval, 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".

3.9. Takeover bid rules

In framing mandatory takeover bid rules, four-fifths of jurisdictions take an *ex post* approach, while the remainder apply an *ex ante* approach. Nearly half of the jurisdictions have established minimum thresholds between 30% and 33%, and 86% set minimum bidding price requirements.

More than 35 000 companies have delisted worldwide since 2005 and in this context, takeover bid frameworks can play an important role. As delistings may accompany or follow takeover bids, these frameworks can be particularly relevant for ensuring that minority shareholders are treated fairly.

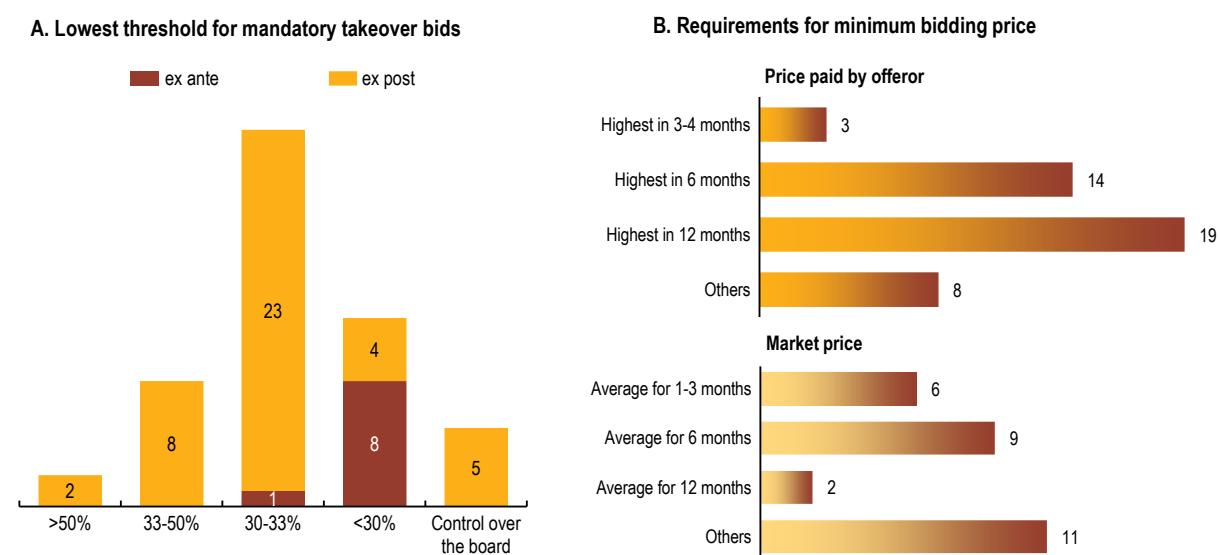
All Factbook jurisdictions but one have regulations for takeover bids, but some allow for flexibility. For example, **Switzerland** allows individual companies to repeal the requirement or increase the threshold. Among the 51 jurisdictions that have a mandatory takeover provision, 42 take an *ex post* approach, where a bidder is required to initiate a takeover bid after acquiring shares exceeding the threshold. The remaining nine countries take an *ex ante* approach, where a bidder is required to initiate a takeover bid for acquiring shares that would exceed the threshold (Table 3.15).

Approximately half of the jurisdictions establish multiple thresholds that can trigger mandatory takeover bid requirements, including small increments above the minimum threshold. Around half fall within the 30-33% range, with calculations typically including all affiliated parties. **Chile** and **New Zealand** apply some of the least restrictive triggers, setting the threshold at two-thirds and 90%, respectively. Several countries have established triggers at 50% or higher, but in some cases (**Argentina, Estonia, Indonesia, Türkiye**), jurisdictions also impose a trigger if a shareholder or associated shareholders are able to control the appointment of a majority of the board (Figure 3.11, Panel A). In practice, even when a bidder does not exceed the thresholds, voluntary bids, which are typically subject to flexible conditions, are often initiated based on the strategic considerations of acquiring companies.

In addition to takeover bids, many jurisdictions provide a squeeze-out provision which allows a bidder acquiring a very high percentage of shares to force the buyout of remaining shareholders at a fair price, enabling the bidder to take full control of the company. In the EU, the Takeover Bids Directive provides for a squeeze-out once a bidder reaches a threshold between 90% and 95%, depending on each Member State.

Requirements for the minimum bidding price have been established in 86% of jurisdictions with mandatory takeover bid rules, while others do not impose specific requirements, leaving the price to be determined by market mechanisms. The minimum bidding price is often determined by: a) the highest price paid by the offeror (within 3-12 months); b) the average market price (within 1-12 months); or c) a combination of the two (Figure 3.11, Panel B).

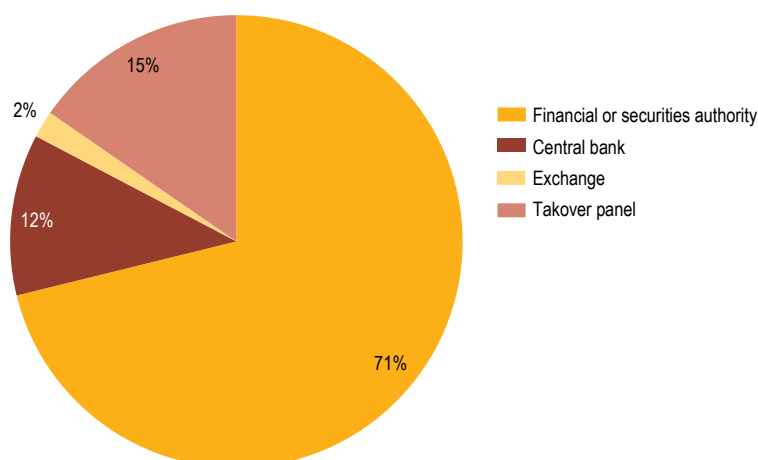
Figure 3.11. Requirements for mandatory takeover bids



Note: These figures show the number of jurisdictions in each category. See Table 3.15 for data.

Most organisations responsible for takeover bids are financial authorities or securities authorities and they are generally also the public regulators of corporate governance. However, eight countries (**Australia, Austria, Ireland, New Zealand, Singapore, South Africa, Switzerland, the United Kingdom**) have established a takeover panel to oversee takeovers (Figure 3.12). These panels typically consist of financial market specialists, including lawyers, and their main role is to ensure takeover bids are conducted fairly and in accordance with a set of rules, thereby protecting shareholders' rights throughout the process.

Figure 3.12. Organisations responsible for takeover bids



Note: When both a securities regulator and a takeover panel are responsible for the takeover bids in a country, the country is categorised as a takeover panel. See Table 3.15 for data.

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

The frameworks for institutional investors and related intermediaries vary across jurisdictions and are formed by a mix of laws, codes, self-regulatory requirements, guidance and other mechanisms.

Institutional investors own a large share of global market capitalisation, accounting for 47% at the end of 2024 (Chapter 1). Although they are mainly profit-maximising intermediaries that invest on behalf of their ultimate beneficiaries, institutional investors differ in their strategy for engaging in corporate governance. For some active investors, engagement in corporate governance is a natural part of their business model. For other investors, including most passive investors, the offer to their clients does not include active engagement.

3.10.1. Stewardship code

An increasing number of jurisdictions have established stewardship codes.

Many jurisdictions impose different requirements for different types of institutional investors, such as mutual funds, pension funds, insurance companies and hedge funds. However, if the institutional investors controlling a significant number of shares in a market are foreign-based, requirements for enhancing corporate governance practices 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 a stewardship code, which both foreign and domestic institutional investors can commit to follow. Nineteen Factbook jurisdictions have a stewardship code or principles with features similar to such a code. While the majority of codes have been developed by industry-led organisations, public authorities have also taken the lead in several jurisdictions (**Hong Kong (China), India, Japan, Malaysia, Spain, Türkiye, the United Kingdom**) (Table 3.4). Signatories of the code may be required to explain in their annual reports the extent to which they have complied with or deviated from its principles, and some public authorities publish a list of signatories. For example, as of March 2025, there are 340 signatories to **Japan's** Stewardship Code and 297 to the **United Kingdom's** Stewardship Code (FSA, 2025^[5]; FRC, 2025^[6]).

Table 3.4. Stewardship codes

2010	2011	2014	2016	2017	2022	2023	2024
<i>Canada</i> <i>Germany</i> <i>United Kingdom</i>	<i>Netherlands</i> <i>South Africa</i>	<i>Italy</i> <i>Japan</i> <i>Malaysia</i>	<i>Brazil</i> <i>Denmark</i> ¹ <i>Hong Kong (China)</i> <i>Korea</i> <i>Singapore</i>	<i>Australia</i> <i>India</i> <i>United States</i>	<i>New Zealand</i>	<i>Spain</i> <i>Switzerland</i>	<i>Türkiye</i>

Note: In countries shown in blue italics, stewardship codes have been established by private organisations, while in countries shown in black, they have been established by public authorities. The table includes codes or principles with features similar to stewardship codes, irrespective of their official names.

1. Denmark passed legislation regarding stewardship and thereby made 6 of the 7 stewardship principles mandatory. The Stewardship Code was therefore applicable until January 2019.

3.10.2. Institutional investors

Over the past decade, more and more jurisdictions have established frameworks that oblige or encourage institutional investors to disclose voting policies and voting records as well as to address conflicts of interest. The majority of jurisdictions have established specific requirements

or recommendations with regard to engagement, although regulatory tools vary across jurisdictions.

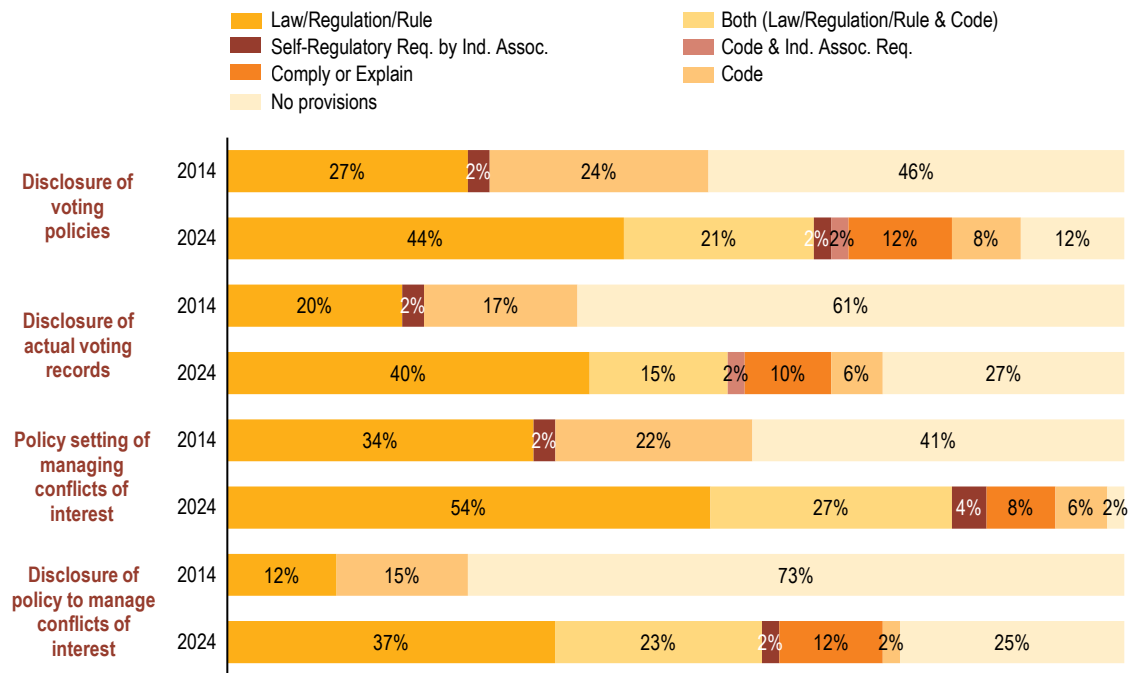
Several jurisdictions set forth legal requirements regarding the exercise of voting rights by some types of institutional investors. For instance, in **Israel**, institutional investors must participate and vote on certain resolutions. Other jurisdictions impose constraints on institutional investor voting. For example, in **Sweden**, AP7, one of the state-owned pension funds, is, as a main rule, prohibited from voting its shares in Swedish companies, unlike the other pension funds (AP1-4).

Although the past two years have not seen any major changes globally in stewardship frameworks for institutional investors, there has been an important shift in the long term. Following the implementation of the EU Shareholder Rights Directive II (SRD II), the number of jurisdictions with a framework for voting increased markedly. Eighty-eight percent of jurisdictions now require or recommend that some institutional investors disclose their voting policies, compared to 54% in 2014. Similarly, 73% of jurisdictions now require or recommend disclosure of actual voting results, up from only 39% in 2014. In addition to requiring institutional investors to report annually on how they have voted at general meetings, SRD II also requires EU Member States to ensure that institutional investors develop a policy on shareholder engagement, make the policy publicly available, and disclose how they have implemented the policy.

Almost all jurisdictions provide a framework for institutional investors to address conflicts of interest. A requirement or recommendation to establish such policies exists in 98% of jurisdictions, up from 59% in 2014. Frameworks for such disclosure have increased to 75% of jurisdictions, compared to 27% in 2014. Regarding conflicts of interest, laws and regulations are the most commonly used tools, with 81% of Factbook jurisdictions having requirements for setting policy on conflicts of interest policies (including countries with both legal and code-based provisions) and 60% requiring their disclosure. In comparison, code-based recommendations and self-regulatory requirements are used in 18% of jurisdictions for setting policies and in 16% for disclosure of policies (Figure 3.13).

Many jurisdictions go beyond provisions to encourage voting and address conflicts of interest by providing more specific guidance on other forms of ownership engagement. Over 40 jurisdictions have frameworks in place to monitor investee companies and establish policies and disclosure requirements regarding stewardship responsibilities. Reporting of actual engagement activities to beneficiaries is included in the framework in 38 jurisdictions, and maintaining the effectiveness of oversight when outsourcing voting rights to proxy advisors is included in the framework in 34 jurisdictions. The number of jurisdictions with frameworks on constructive engagement, typically involving direct dialogue with the board or management, has steadily increased and is now required or recommended in 30 jurisdictions. While requirements and recommendations regarding engagement on sustainability issues are less common than the provisions mentioned above, 15 jurisdictions now impose such legal requirements, and another 14 include them as part of code-based recommendations or self-regulatory rules (Figure 3.14).

Figure 3.13. Stewardship and fiduciary responsibilities of institutional investors in 2014 and 2024



Note: Based on 41 jurisdictions for 2014 and 52 jurisdictions for 2024. See Table 3.16 for data. The category “Law/Regulation/Rule & Code” includes the jurisdictions that have both Law/Regulation/Rule and self-regulatory requirement by industry association(s). 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. Due to rounding, totals do not equal 100% for some items.

Figure 3.14. Stewardship and fiduciary responsibilities of institutional investors



Note: Based on 52 jurisdictions. The category “Law/Regulation/Rule & Code” includes the jurisdictions that have both Law/Regulation/Rule and self-regulatory requirement by industry association(s). See Table 3.17 for data.

3.10.3. Proxy advisors

Jurisdictions use different approaches to frameworks for proxy advisors, with around half adopting requirements or recommendations.

Proxy advisors analyse resolutions presented at general shareholder meetings and provide voting recommendations to institutional investors, which are sometimes tailored to an investor's specific preferences across a range of issues. Some proxy advisors also offer secondary services, such as consulting to listed companies. The regulatory environment surrounding institutional investors may, in part, put pressure on them to exercise their voting rights, thereby increasing demand for proxy advisory services.

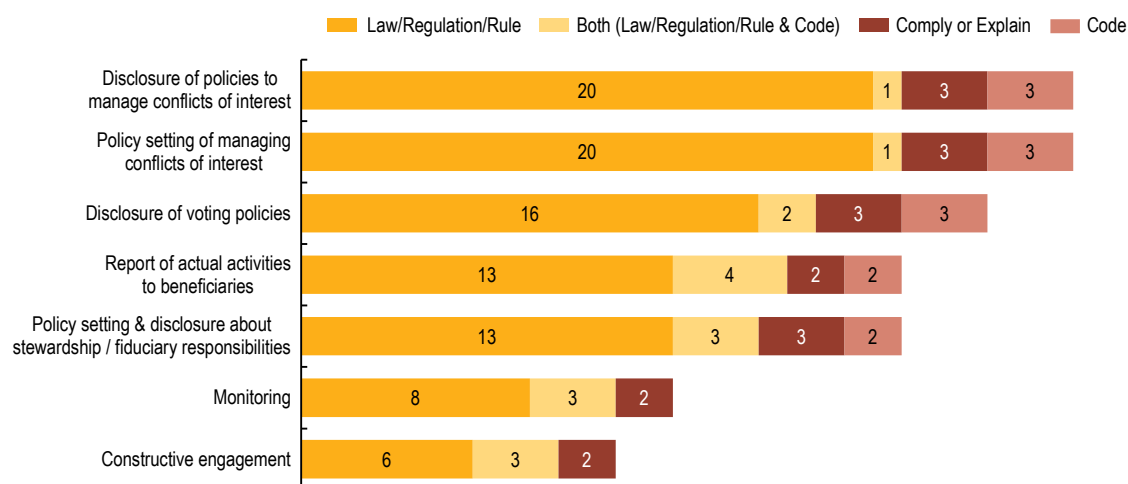
Regulatory requirements for proxy advisors have become increasingly common. While the requirements and recommendations for proxy advisors often resemble those for institutional investors, such as policies addressing conflicts of interest and related disclosure, they may differ in some ways. For instance, institutional investors have fiduciary duties to the beneficiaries of their funds, whereas proxy advisors serve as advisors to institutional investors and not directly to beneficiaries.

The most common frameworks relate to the setting and disclosure of policies for managing conflicts of interest, which are required or recommended in 27 jurisdictions. Twenty-one countries regulate this through law or regulation, and an additional 6 rely on code-based recommendations. Disclosure of voting policies comes third, with 24 jurisdictions adopting such measures, followed by frameworks for reporting actual engagement activities to beneficiaries and setting policies for fiduciary responsibilities, adopted by 21 countries. Requirements or recommendations to monitor investee companies or to undertake constructive engagement are less common and are typically carried out on behalf of the institutional investors they support (Figure 3.15).

Some jurisdictions offer more specific requirements. For example, in the EU, the SRD II requires EU Member States to ensure that proxy advisors disclose any code of conduct they comply with, report on the application of the code of conduct and explain any derogations from it. They must also publish annually information related to the preparation of their research, advice and voting recommendations on their website, identify and disclose to their clients any conflicts of interest, along with the actions taken to manage these conflicts.

Some jurisdictions have established more integrated frameworks incorporating both institutional investors and proxy advisors in the same regulation or code. For example, the **Malaysian** Code for Institutional Investors recommends that institutional investors encourage their proxy advisors to apply the principles of the Code where relevant. **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 Financial Reporting Council (FRC) updated the UK Stewardship Code in June 2025, which includes specific Principles for proxy advisors.

Figure 3.15. Requirements and recommendations for proxy advisors



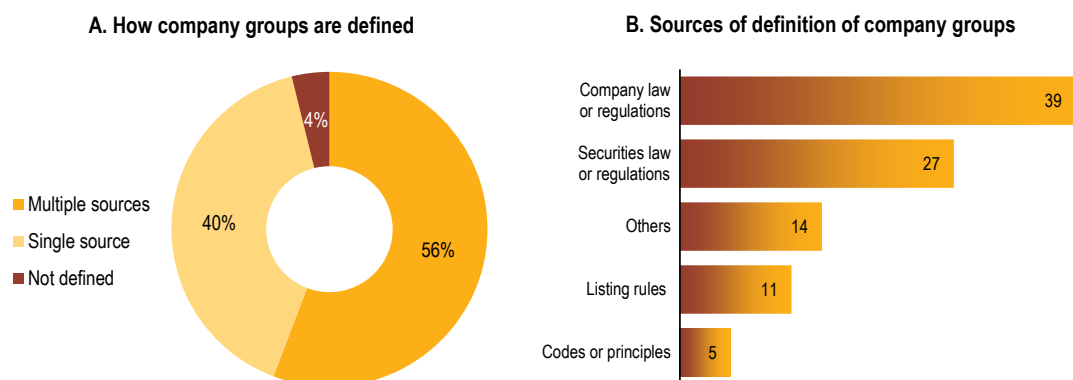
Note: Based on 52 jurisdictions. See Table 3.16 and Table 3.17 for data.

3.11. Company groups

All but two jurisdictions define company groups in sources such as law, regulations, listing rules and corporate governance codes. All jurisdictions require listed companies to disclose certain elements that are relevant for the oversight of company groups, such as major share ownership and special voting rights.

The definition of “company group” 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. Fifty-six percent of jurisdictions define company groups or their elements in multiple sources, while 40% have a single source for definition. Only **Canada** and **China** do not have a definition of company group (Figure 3.16, Panel A). Typically, the definition is anchored in company law (39 jurisdictions), often complemented by securities law (24 jurisdictions) that further clarifies when a set of companies is considered a group. Fourteen jurisdictions address the issue of company groups through other laws. For example, in **Korea**, the Fair Trade Act requires domestic affiliates of company groups to disclose specific information about the groups, such as the status of debt guarantees between affiliates and the exercise of voting rights. Company groups are also referenced in listing rules in 11 jurisdictions and code recommendations in 5 jurisdictions (Figure 3.16, Panel B).

Figure 3.16. Definitions of company groups



Note: Panels A and B are based on definitions applicable across 52 jurisdictions. Panel B adds up to more than 52 because some jurisdictions have multiple sources of definitions. See Table 3.18 for data.

The *G20/OECD Principles* recognise the importance of transparency of share ownership and corporate control for all listed companies. Such transparency is even more essential to understand the complex ownership structures of company groups. The key disclosure requirements for company group structures and intra-group activities for listed companies in Factbook jurisdictions are primarily based on the consolidated financial statements in accordance with accounting standards such as IFRS. Despite this commonality, there is not a clear consensus on the level of specificity needed for the disclosure.

Disclosure of major share ownership is mandatory in all but two jurisdictions (**Czechia** and **South Africa**). The second most common requirements are the disclosure of corporate group structures and special voting rights, which grant certain shareholders more voting power than ordinary shareholders. These are required to be disclosed in 45 jurisdictions. In 2023, **Latvia** implemented reforms to make shareholder information publicly available, aiming to enhance transparency in corporate ownership structures. In 2025, an EU Directive expanding the use of digital tools in company law was adopted, providing that information about groups of companies in EU Member States should be made available through the Business Register Interconnection System.

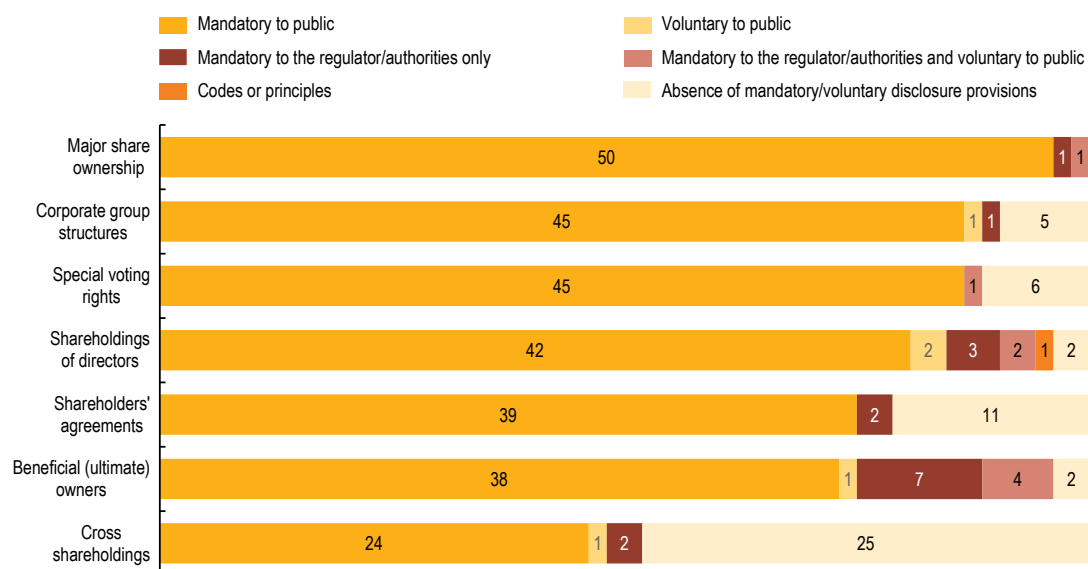
Disclosure of shareholdings of directors is required in 42 jurisdictions, while the remainder take different approaches. In **Czechia** and **Switzerland**, public disclosure is voluntary, whereas in **Argentina**, **Brazil** and **Colombia**, disclosure is to the regulator only. In the **Slovak Republic** and **South Africa**, disclosure to the regulator is required and public disclosure is voluntary, while **Denmark** recommends public disclosure through its code.

Shareholder agreements, which describe how a company should be operated and set out shareholders' rights and obligations, are a common feature in company groups. Thirty-nine jurisdictions have disclosure requirements related to such agreements. The disclosure of beneficial owners in company groups is important as it facilitates the identification of related parties and therefore helps to address many of the agency issues around company groups. Thirty-eight jurisdictions have a mandatory requirement to disclose information on beneficial owners. However, in some cases, this requirement applies only to interested parties defined as shareholders with a minimum shareholding. In **Türkiye**, the names, number and ownership ratios of individual shareholders holding more than 5% of shares must be disclosed and updated every six months.

Disclosure of cross shareholdings, where a listed company holds a significant number of shares of another listed company, is less common. Nearly half of the jurisdictions (24) require public disclosure, while two countries (**Australia** and **Greece**) mandate disclosure to the regulator. **Japan** strengthened cross

shareholding disclosure in 2023 by requiring companies to disclose related business partnerships or transactions when the shareholding is intended to secure such benefits. Furthermore, the classification between pure investment and cross-shareholding was tightened by introducing additional disclosure requirements in 2025. Roughly the same number (25) have no such disclosure requirement (Figure 3.17, Table 3.18).

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



Note: Based on 52 jurisdictions. See Table 3.18 for data.

Table 3.5. Means of notifying shareholders of the annual general meeting and identification of shareholders eligible for voting

Jurisdiction	Minimum period in advance	Provision to send a notification to all shareholders	Provisions for publication			Record date of ownership ¹		Sale of shares after record date (Allowed/ No)	Cut-off date ²	
			Newspaper	Company' s website	Regulator' s/ Exchange' s website or Federal Gazette		Time before AGM			Time before AGM
Argentina	20-45 days	-	L	C	L	L	At least 3 business days	No	-	-
Australia	28 days	L			R	L, R	Maximum 48 hours	Allowed	-	-
Austria	28 days	-	L	L	L	L	10 days	-	-	-
Belgium	30 days	-	L	L	L	L	14 days		L	6 days (1 day for electronic voting)
Brazil	21 days	-	L	L	L	- ³	-	-	L	4 days
Bulgaria	30 days	-	L	L	L	L	14 days	Allowed	-	-
Canada	21-60 days	L	-	-	L	L, R	21-60 days	Allowed	L	48 hours
Chile	10 days	L	L	L	L	L	5 days	Allowed	-	-
China	20 days	L	L	-	L	L	Maximum 7 business days	-	-	-

Jurisdiction	Minimum period in advance	Provision to send a notification to all shareholders	Provisions for publication			Record date of ownership ¹		Sale of shares after record date (Allowed/No)	Cut-off date ²	
			Newspaper	Company's website	Regulator's/Exchange's website or Federal Gazette		Time before AGM			Time before AGM
Colombia	15 days (30 days)	L, C	L	C	L	L		-	L	-
Costa Rica ⁴	15 days	-	L	-	L	-	-	Allowed	-	-
Croatia	30 days	-	L	L	L	L	21 days	-	-	-
Czechia	30 days	L	-	L	-	L	7 days	Allowed	-	-
Denmark	3 weeks	-	-	L, R	-	L	1 week	Allowed	-	-
Estonia	3 weeks	L	L	L	R	L	7 days	-	-	-
Finland	3 weeks	L	-	L	L	L	8 business days	Allowed	-	-
France	15 days	L	L	-	L	L	2 days	Allowed	L	1 day
Germany	30 days	L	-	L	L	L	6 days	Allowed	-	-
Greece	20 days	-	-	L	L	L	Up to 5 days	-	-	-
Hong Kong (China)	21 days ⁵	L, R	-	L, R	L, R	C ⁶	-	-	L	Max. 48 hours ⁷
Hungary	30 days	L	-	L	R	L	2 business days	Allowed	L	2 business days
Iceland	21 days	L	-	L	R					
India	21 days	L	L	L	L	L	Maximum 7 days	Allowed	-	-
Indonesia	22 days	L	L	L	L	L	22 working days	-	L	1 working day
Ireland	21 days	L	L	L	-	L	48 hours ⁸	Allowed	L	48 hours
Israel	21 days	L	L	L	L	L	Minimum 4 days and maximum 21 days	Allowed	L	4 hours ⁹
Italy	30 days ¹⁰	L	L	L	-	L	7 market days ¹¹	Allowed	L	1 day for electronic and mail voting only
Japan	2 weeks	L		C	C	L	Within 3 months	Allowed	L	- ¹²
Korea	2 weeks (28 days)	L	L	C	L	L	Within 3 months	Allowed	-	-
Latvia	21 days	-	-	L	L	L	5 business days	Allowed	L	1 day
Lithuania	21 days	L	L	L	L	L	5 business days	Allowed	-	-
Luxembourg	30 days	L	L	L	L	L	14 days	Allowed	-	-
Malaysia	21 days (28 days)	L, R	R	L, R	R	L, R	3 market days	-	-	-
Mexico	15 days	L	-	-	-	L	5 business days	No	-	-
Netherlands	42 days	L	-	L	-	L	28 days	Allowed	L	28 days
New Zealand	10 working days (20 working days)	L	-	-	-	-	-	-	L	-
Norway	21 days	L	-	L	-	L	5 days	Allowed	-	-
Peru	25 days	L	L	C	L, R	L	2 days	-	-	-
Poland	26 days	-	-	L	-	L	16 days	Allowed	-	-
Portugal	21 days	-	-	L	L	L	5 trading days	Allowed	-	-
Romania	30 days	-	L	L	L	L	Minimum 48 hours and maximum 30 days	Allowed	L	48 hours or term set by AoA
Saudi Arabia	21 days	L	-	L	L	L	End of trade session prior to AGM	Allowed	L	-
Singapore	14 days	L, R	-	-	R	L	72 hours	Allowed	L	72 hours

Jurisdiction	Minimum period in advance	Provision to send a notification to all shareholders	Provisions for publication			Record date of ownership ¹		Sale of shares after record date (Allowed/ No)	Cut-off date ²	
			Newspaper	Company' s website	Regulator' s/ Exchange' s website or Federal Gazette		Time before AGM			Time before AGM
	(21 days for special resolutions)									
Slovak Republic	30 days	L	L	L	-	L	3 days	Allowed	L	-
Slovenia	30 days	L	L	L	L	L	7 days	-	-	-
South Africa	15 business days (public companies)	L	-	-	R	L, R	10 business days	Allowed ¹⁴	-	-
Spain	30 days	-	L	L	L	L	5 days	Allowed	-	-
Sweden	4 weeks	-	L	L	L	L	6 business days, allowing nominees to make final registrations no later than 4 business days prior to the AGM	Allowed ¹⁴	-	Voting normally takes place at the AGM, either in person or via a nominee. For practical reasons, issuers allowing postal voting normally set a deadline for postal voting a few days before the AGM.
Switzerland	20 days	L	-	R	L	C	Few days	-	-	-
Türkiye	21 days	-	-	L	L	L	1 day	Allowed	L	1 day
United Kingdom	21 days	L		L		L	48 hours	-	-	-
United States	10-60 days ¹⁵	L	-	-	L	L ¹⁶	-	-	-	- ¹⁷

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

1. Record date of ownership is defined as the deadline for shareholders to be registered and identified to be eligible for voting.

2. Cut-off date is defined as the deadline of proxy voting before the AGM.

3. In **Brazil**, public companies can request the prior deposit of the shareholder's documents mentioned in the notice. However, shareholders attending in person can participate and vote as long as they present their identification documents up to the scheduled meeting time. In order to participate and vote virtually by electronic systems during virtual or hybrid general meetings, the company may require shareholders to deposit identification documents up to two days before the meeting. To vote for the election of a board member without the participation of the controlling shareholder, shareholders must prove uninterrupted ownership of the required stake of shares for at least three months immediately prior to the holding of the general meeting.

4. 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 shareholders agree to hold an assembly and expressly agree to waive the notification procedure.

5. 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).

6. In **Hong Kong (China)**, an updated Listing Rule requiring issuers to set a record date to determine the identity of security holders eligible to attend and vote for general meetings became effective on 1 July 2025.

7. In **Hong Kong (China)**, the Companies Ordinance provides that a provision of the company's articles of association is void in so far as it would have the effect of requiring the appointment of a proxy or document necessary to show the validity of or relating to the appointment of a proxy to be received by the company or another person earlier than 48 hours before the time for holding the general meeting or adjourned general meeting (section 598(2)(a)).

8. In **Ireland**, the record date is 72 hours in the case of uncertified securities (1087G (1) CA).

9. In **Israel**, the Israel Securities Authority may set an earlier voting deadline, but no more than 12 hours before the general meeting begins.

10. 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. 2374 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).

11. In **Italy**, shareholders holding the shares at the record date shall ask – via the last intermediary to the issuer - registration to the AGM until two market days after the record date (Art. 42 of the Consob/Bank of Italy Post-trading Regulation).

12. In **South Africa**, the last day to trade (LDT) is three days before record date. The LDT is used to determine the record date and the register, but it does not prevent trading shares after the record date.

13. In **Japan**, the cut-off date for electronic proxy voting is the time set by the company, which is either the end of business hours of the day before the AGM or the day after two weeks have passed from the day on which the notice of the AGM was issued.

14. In **Sweden**, the record date is the date when the shareholder must be recorded as a shareholder in the presentation of the share register of the company. From a legal perspective, the shareholder may divest its positions and still be able to vote at the AGM provided that the shareholder must be recorded in the share registered as of the record date.

15. 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.

16. In the **United States**, U.S. state corporate law generally governs the setting of a record date for purposes of identifying shareholders that are eligible to vote at a shareholder meeting. The U.S. state law in which the company is organised generally would prescribe the deadline and whether shares must be held until the meeting.

17. In the **United States**, there is no such provisions under the U.S. federal securities laws. However, in practice, the deadline is typically shortly before the annual shareholder meeting (e.g. midnight before the meeting).

Table 3.6. 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			Right to propose a resolution during AGM	
	Shareholders	Company	Shareholders		Company	Scope (Any topic, Related to agenda item)	% of share
	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%	-	-	Any	100%
Australia	5%	2 months	5% or 100 shareholders	2 months	28 days	-	-
Austria	5% with 3 months holdings	-	5% with 3 months holdings	21 days before the meeting (19 days before EGMs)	14 days (21 days for EGMs)	Related to agenda item	Any
Belgium	10%	3 weeks	3%	22 days	15 days	-	-
Brazil	1% / 2% / 3% / 4% / 5% depending on share capital	29 days	1% / 2% / 3% / 4% / 5% depending on share capital	25 or 45 days	21 or 30 days	-	-
Bulgaria ¹	5%	3 months	5%	15 days	The end of the workday following the receipt of request of the shareholders	-	-
Canada (federal)	5%	-	1% 5% for nominating a director	90-150 days before anniversary of previous meeting	21 days to notify of refusal	Any	-

Jurisdiction	Request for convening shareholder meeting		Placing items on the agenda of general meetings			Right to propose a resolution during AGM	
	Shareholders	Company	Shareholders		Company	Scope (Any topic, Related to agenda item)	% of share
	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)		
Chile	10%	30 days	10%	10 days	-	-	-
China	10%	2 months	1%	10 days	2 days	-	-
Colombia	10%	-	-	(5 days after notice)	15 days	Any	No threshold for AGM, 70% for EGM
Costa Rica	25% ²	30 days	25%	-	-	Related to agenda	-
Croatia	5%	-	5%	24 days	Promptly	-	-
Czechia	1% / 3% / 5% depending on share capital	50 days	1% / 3% / 5% depending on share capital	17 days	12 days	Related to agenda	-
Denmark	5%	Minimum 3 weeks and maximum 7 weeks	-	6 weeks		Any	100%
Estonia	10%	1 month	10%	15 days	-	Any	20%
Finland	10%	Minimum 3 weeks and maximum 3 months	-	4 weeks before notice	Required	Any	No threshold
France	5%	35 days	5% or less, depending on the amount of the company's share capital	25 days	-	Director removal	-
Germany	5%	Without delay, minimum 30 days	5% or EUR 500 000	30 days	Promptly	Related to agenda	No threshold
Greece	5%	45 days	5%	15 days	13 days for listed companies	Any	5%
Hong Kong (China)	5%	49 days (21 for calling the meeting + 28 for holding the meeting after notice)	2.5% or 50 shareholders	6 weeks	Promptly	-	-
Hungary	1%	30 days	1%	<8 days>	Promptly ³	Related to agenda	1%
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	Any	100%

Jurisdiction	Request for convening shareholder meeting		Placing items on the agenda of general meetings			Right to propose a resolution during AGM	
	Shareholders	Company	Shareholders		Company	Scope (Any topic, Related to agenda item)	% of share
	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)		
Ireland	5%	2 months ⁴	3%	42 days	21 days	-	-
Israel	5%	56 days	1%	<21 or 32 days>	14 or 25 days	-	-
Italy	5%	Without delay ⁵	2.5%	<10 days> ⁶	15 days	Related to agenda	1 share
Japan	3% with 6 months holdings	8 weeks	1% or 300 voting rights with 6 months holdings	8 weeks	3 weeks	Related to agenda	No threshold
Korea	1.5% with 6 months holdings	Promptly	0.5% with 6 months holdings ⁷	6 weeks	-	Related to agenda	-
Latvia	5%	3 months	5%	15 days	14 days	- ⁸	-
Lithuania	10%	30 days	5%	14 days	10 days	Any	100%
Luxembourg	10%	1 month	5% ⁹	22 days	Publication of revised agenda no later than 15 days before the meeting	Related to the agenda ¹⁰	5%
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	Any	100%
New Zealand	5%	-	At least 1 share	20 days	5 days	-	-
Norway	5%	1 month	At least 1 share	7 + 21 days ¹¹	21 days	Any	100%
Peru	20% ¹²	15 days	- ¹³	-	-	-	-
Poland	5%	14 days to call	5%	21 days	18 days	Any	100% (Any)/ No threshold (related to agenda items)
Portugal	2%	60 days	2%	<5 days>	5 days if by letter, 10 days by publication		
Romania	5% (or less if the AoA allow it)	60 days if the request includes provisions falling within the competence of	5%	15 days after notice	Before reference date and at least 10 days before meeting	Directors liability ¹⁴	-

Jurisdiction	Request for convening shareholder meeting		Placing items on the agenda of general meetings			Right to propose a resolution during AGM	
	Shareholders	Company	Shareholders		Company	Scope (Any topic, Related to agenda item)	% of share
	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)		
		the meeting					
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 shareholders with average paid-up capital of SGD 500)	6 weeks	14 days	-	-
Slovak Republic	5%	40 days	5%	20 days	10 days	Related to agenda	100%
Slovenia	5%	2 months	5%	<7 days>	14 days	Related to agenda	No threshold
South Africa	10%	-	Any 2 shareholders	-	-	-	-
Spain	3%	2 months	3%	5 days after announcement	15 days	Related to agenda	-
Sweden	10%	About 2 months	-	7 weeks	Required	Any	No threshold
Switzerland	5%	60 days to grant the request	0.5%	>20 days	>20 days	Related to agenda	No threshold
Türkiye	5%	45 days	5%	>3 weeks	>3 weeks	-	-
United Kingdom	5%	49 days	5% or 100 shareholders holding together ≥GBP 10 000	6 weeks	As soon as reasonably practicable after it gives notice of the meeting	-	-
United States ¹⁵	10% (Model Business Corporation Act);		Continuous ownership thresholds of at least one to three years and USD 25 000 to 2 000	Disclosed in previous year's proxy statement	Subject to exclusion based on certain criteria		
	Certificate of incorporation or bylaws (Delaware)						

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

1. In **Bulgaria**, shareholders may request court authorisation to convene a general meeting directly, without intervention from the company. In this case, the usual timeframe of holding the meeting not earlier than 30 days after the publication of the notification applies.
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.
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 **Ireland**, the directors must "forthwith proceed duly to convene" the meeting and if they do not hold a meeting within two months, the requisitionists (or any of them representing more than 50% of the total voting rights of all of them) may convene a meeting which must be held less than three months after the requisition date (Section178(5)).

5. In **Italy**, while the Civil Code (Art. 2367) 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.
6. 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.
7. In **Korea**, more than six months of 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 KRW 100 billion.
8. In **Latvia**, in civil law there is the principle “what is not prohibited, is permitted”; the law does not prohibit shareholders to propose a resolution for a vote during the meeting. Therefore, in practice, there are cases when resolutions are being proposed during a meeting. However, the shareholders must comply with the threshold set by the Commercial Law, that consists of shareholders who represent at least one-twentieth of the equity capital of the company. This is equally feasible in physical and virtual/hybrid shareholder meetings.
9. In **Luxembourg**, Law of 10 August 1915 on commercial companies also allows shareholders holding at least 10% of the subscribed capital to request additional items on the AGM agenda by sending a registered mail request to the company’s registered office at least five days before the meeting.
10. In **Luxembourg**, moreover, the articles of association could allow such possibility. Recommendation 10.6 of the X Principles of Corporate Governance states that companies “shall acknowledge the right of any shareholder or group of shareholders holding at least 5% of the capital to ask for items to be included in the agenda for the general meeting, and to lodge draft resolutions concerning the items on the agenda of the general meeting.”
11. In **Norway**, a shareholder can request placing items on the agenda until 7 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.
12. 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.
13. 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.
14. In **Romania**, no decisions may be adopted on items that are not on the agenda or have not been published in accordance with the law, unless all shareholders were present/represented and none of them opposed or contested this decision. However, when the general meeting decides on the annual financial statement, it may decide regarding the liability of directors or managers, even if not on the agenda.
15. In the **United States**, state law, rather than federal law, governs the deadline, if any, for holding a shareholder meeting after the request and the right to propose a resolution during the annual general meeting.

Table 3.7. Preferred shares and voting caps

Jurisdiction	Issuing a class of shares with:			Issuing multiple classes of shares with a different number of votes per share	Voting caps
	No voting rights except for limited items	Without voting rights			
		With preferential right to dividends	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	Allowed
Belgium	Allowed	Allowed	Allowed	Allowed ⁴	Allowed
Brazil	Allowed: Max 50%	Allowed: Max 50%	Allowed ⁵	Allowed	Allowed
Bulgaria	Allowed	Allowed ⁶	-	Not allowed	- ⁷
Canada ⁸	Allowed	Allowed	Allowed	Allowed	Allowed
Chile	Allowed	Allowed	Allowed	Not allowed	Allowed
China	Allowed	Allowed	Allowed	Allowed ⁹	-
Colombia	Allowed	Allowed: Max 50%	Not allowed	Not allowed	Not allowed
Costa Rica	Allowed	Allowed ¹⁰	Allowed	Not allowed	Allowed
Croatia	Allowed	Allowed: Max 50%	Allowed	Not allowed	Not allowed
Czechia	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 ¹¹	Allowed
Germany	Not allowed	Allowed: Max 50%	Not allowed	Allowed ¹²	Not allowed
Greece	Allowed	Allowed	Allowed	Not allowed	-

Jurisdiction	Issuing a class of shares with:			Issuing multiple classes of shares with a different number of votes per share	Voting caps
	No voting rights except for limited items	Without voting rights			
		With preferential right to dividends	And without preferential rights to dividends		
Hong Kong (China)	Allowed for preference shares	Allowed for preference shares	-	Allowed ¹³	-
Hungary	Allowed	Allowed	Allowed	Allowed	Allowed
Iceland	Allowed	Allowed	Allowed	-	-
India ¹⁴	Allowed	Allowed	Not allowed	Allowed with condition	Allowed
Indonesia ¹⁵	Not allowed	Allowed	Allowed	Allowed with condition	Allowed
Ireland	Allowed	Allowed	Allowed	Allowed ¹⁶	Allowed
Israel	Not allowed	Allowed ¹⁷	Not allowed	Not allowed	Not allowed
Italy	Allowed: Max 50% (cumulated for limited and non-voting shares)	Allowed: Max 50% (cumulated for limited and non-voting shares)	Not allowed	Allowed ¹⁸	Allowed
Japan	Allowed: Max 50%	Allowed: Max 50%	Allowed	Allowed with condition ¹⁹	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 ²⁰	Not allowed
Latvia	Allowed	Allowed	Not allowed	Allowed	Allowed
Lithuania	Allowed	Allowed ²¹	-	-	-
Luxembourg	Allowed	Allowed	-	-	-
Malaysia	Allowed	Allowed	-	-	-
Mexico	Allowed ²²	Allowed	Allowed	Allowed	Not allowed
Netherlands	Allowed	Not allowed	-	- ²³	Allowed
New Zealand	Allowed	Allowed	Allowed	Allowed	Allowed
Norway	Allowed ²⁴	Allowed		Allowed	Allowed
Peru ²⁵	Allowed	Allowed	Allowed	-	-
Poland	Allowed	Allowed	Not allowed	Allowed	-
Portugal	Allowed	Allowed: Max 50%	Allowed	Allowed	Allowed ²⁶
Romania	Not allowed	Allowed: Max 25%	Not allowed	Not allowed	Allowed ²⁷
Saudi Arabia	Allowed	Allowed	Allowed	Allowed	-
Singapore ²⁸	Allowed	Allowed	-	[Allowed]	[Not allowed]
Slovak Republic	Allowed	Allowed ²⁹	Not allowed	Not allowed	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 ³⁰	Allowed
Sweden	Allowed	Not allowed	-	Allowed (1/10)	Allowed
Switzerland	Allowed ³¹	Allowed	Allowed	Allowed	Allowed
Türkiye ³²	-	-	-	Allowed	Allowed
United Kingdom	Allowed	Allowed	Allowed	Allowed ³³	Allowed
United States ³⁴	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 **Belgium**, listed companies can grant in their articles of association double voting rights ("loyalty shares") to shareholders who have held their shares for an uninterrupted period of at least two years.
6. In **Bulgaria**, non-voting preference shares are included in the face value of the equity capital and shall be no more than one-half of the total company shares. The non-voting shares with a dividend preference obtain voting rights in case the dividend the shares are entitled to is not paid out within one year after the year for which the dividend is due.
7. In **Bulgaria**, although not explicitly forbidden, no practice of imposition of voting caps through inclusion of such in the articles of association or in another internal company by-law have ever emerged.
8. 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).
9. In **China**, the revised Company Law permits class shares for listed companies. However, listed companies shall not issue class shares with special voting rights or class shares with restricted transferability, except for those issued prior to the public offering. And according to the Listing Rules, the number of voting rights of special voting shares shall be the same and shall not exceed 10 times the number of voting rights per ordinary share.
10. 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.
11. 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.
12. In **Germany**, pursuant to Section 135a of the German Stock Corporation Act, multiple voting rights can only be provided for registered shares.
13. 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.
14. 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.
15. 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 IDR 2 trillion and others. Regarding the voting cap, it is only applied to multiple voting shares as stipulated in OJK Regulation No. 22/POJK.04/2021.
16. In **Ireland**, multiple voting rights are legally permissible (Companies Act 2014, Section 66(3)). A restriction on such rights in the Listing Rules was removed in 2024.
17. In the case of **Israel**, shares with preference profits are allowed under certain conditions. For example, it must have been one year since the issuer's shares were first listed for trading.
18. In **Italy**, multiple voting rights are allowed for newly-listed companies that issued such shares before listing ("Multiple Voting Shares": up-to ten votes, according to the bylaws) and, in companies already listed, for shareholders with multiple years holding ("Loyalty Shares": up-to double voting for shareholders with at least two-year holding according to the bylaws and possible opt-in for an enhanced loyalty shares system granting an additional vote for every subsequent year of holding up to ten votes per share).
19. In **Japan**, while the issuance of shares with multiple voting rights per share is not explicitly permitted under the Companies Act, unlisted companies may structure their share classes using the unit share system and class shares to achieve similar effects. When such companies become listed, these structures may exceptionally be allowed to remain if they meet the requirements for protecting minority shareholders and are approved by the stock exchange.
20. In **Korea**, the issuance of dual-class shares with multiple voting rights is only permitted to the founder of an unlisted venture business under certain conditions. After the business is listed, such shares would remain outstanding for only three years from the date of listing, after which they would be converted into common shares.
21. In **Lithuania**, general provision that preference shares without voting rights may not constitute more than one-half of the capital.
22. In **Mexico**, modifications to the regime of listed companies in 2023 allows issuance of shares with differentiated rights, eliminating the limits that were previously established in the Securities Market Law. The objective is to allow founders or controlling shareholders to maintain control and continuity of fundamental business decisions, promoting the entrance of new companies to equity financing.
23. In the **Netherlands**, while there is no explicit regulatory provision prohibiting or allowing multiple voting rights, a few companies have shares with such rights.
24. 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 one-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.
25. 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.

26. 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.

27. In **Romania**, the general legal rule is that each share equals to one vote. The articles of association may limit the number of votes belonging to shareholders. Companies may issue preferred shares (priority dividend without voting rights). They confer the holder the right to a priority dividend and the rights recognised to ordinary shares, including the right to participate in the meeting without the right to vote. Shares with priority dividend, but without voting rights, may not exceed one-quarter of the share capital and will have the same nominal value as ordinary shares.

28. 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.

29. 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.

30. In **Spain**, [Articles 527 ter to 527 undecies of the Capital Companies Law](#) allow loyalty shares. 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.

31. In **Switzerland**, the nominal value of the other shares must not exceed ten times the nominal value of the voting shares.

32. In **Türkiye**, the Capital Markets Board may authorise issues of shares without voting rights should the need arise.

33. In the **United Kingdom**, shares with multiple voting rights are legally permitted. However, for listed companies such share structures should be in place at the time of listing and the class of shares providing enhance voting rights are likely to remain an unlisted share class in practice. This is because listed securities must be freely transferable and a class of equity shares admitted to the commercial companies category must carry an equal number of votes on any shareholder vote.

34. 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 5640).

Table 3.8. Voting practices and disclosure of voting results and minutes

Jurisdiction	Formal procedure for vote counting	Disclosure of voting result for each agenda item			Disclosure of AGM minutes
		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	L
Australia	Required	Immediately	Required	Required for each resolution	L
Austria	Required	Promptly	Required	Required	L
Belgium	Required	15 days	Required	Required for each resolution	L
Brazil	-	Immediately	Required	Required for each resolution	L
Bulgaria	Required	3 business days	Required	Required for each resolution	L
Canada	-	Promptly ¹	Required	Required, if the vote was conducted by ballot	L
Chile	Required	10 days	Required	Required	L, R
China	Required	Promptly (within the allotted time) (SSE) Immediately (SZSE) 2 business days (BSE)	Required	Required for each resolution	-
Colombia	-	Immediately	Required	Required	L
Costa Rica	Recommended	Immediately	Required	Recommended	L ²
Croatia	Required	Immediately	Required	Required	L
Czechia	Required	15 days	Required	Required	C
Denmark	-	2 weeks	Required	Required upon shareholder's request	L
Estonia	-	7 days	Required	Required	L

Jurisdiction	Formal procedure for vote counting	Disclosure of voting result for each agenda item			Disclosure of AGM minutes
		Deadline after GM	Issues to be disclosed		
			Outcome of vote	Number or percentage of votes for, against and abstentions	
Finland	Required	2 weeks	Required	Required (if a full account of the voting that has been carried out in the GM)	L
France	-	15 days	Required	Required	L
Germany	-	Promptly	Required	Required	L
Greece	Required	5 days	Required	Required	L
Hong Kong (China)	Required	Promptly ³	Required	Required	L, C
Hungary	Required	Immediately (max. 1 working day)	Required	Required	C
Iceland	Required	15 days	Required	-	L
India	Required	Promptly ⁴	Required	Required	L
Indonesia	Required	2 business days	Required	Required	L
Ireland	Required	15 days	Required	Required	L
Israel	Required	Promptly	Required	Required	L
Italy	Required	5 days	Required	Required	L ⁴
Japan	Required	Without delay	Required	Required	L
Korea		Immediately	Required	Required	C
Latvia	Required	14 days	Required	Required	L
Lithuania	Required	7 days	Required	Required	R, C
Luxembourg	Required	15 days	Required	Required for each resolution	C
Malaysia	Required	Immediately	Required	Required (disclosure of votes 'for' and 'against')	R, C
Mexico	Required	Immediately	Required	Required	L
Netherlands	Required	15 days	Required	Required	C
New Zealand	Upon shareholder's request	-	-	-	R
Norway	-	15 days	Required	Required	-
Peru	Required	Immediately (if the act is approved in the General Meeting) / 10 days (otherwise)	Required	Required	L
Poland	Required	1 day	Required	Required	-
Portugal	-	15 days / Immediately (when qualifying as inside information)	Required	Required	L
Romania	Required	Immediately	Required	Required ⁶	-
Saudi Arabia	Required	Immediately	Required	Required	L
Singapore	Required	Immediately	Required	Required for each resolution	R
Slovak Republic	Required	15 days	Required	Required for each resolution	-
Slovenia	Required	2 days	Required	Required	L
South Africa	Required	Immediately	Required	Required	C
Spain	Required	15 days	Required	Required	L
Sweden	Upon shareholder's request	2 weeks	Required	Required upon shareholder's request	L
Switzerland	Required	15 days	Required	Required	L
Türkiye	Required	Immediately	Required	Required	L
United Kingdom	Required	Immediately	Required	Required	R, C
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. **L** = Requirement by law or regulations. **R** = Requirement by the listing rule. **C** = Recommended by the codes, principles, or other guidance, including frameworks set by the regulator or stock exchange following a “comply or explain” approach. “-” = 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 **Costa Rica**, only shareholders may request minutes of the shareholder meetings.
3. 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.
4. 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 scrutiniser.
5. In **Italy**, the minutes of the shareholder meetings include details on shareholders attending such meetings and votes cast by each of them on all the items of the meeting's agenda.
6. In **Romania**, the issuer must establish for each decision at least the number of shares for which valid votes were cast, the proportion of the share capital represented by those votes, the total number of valid votes cast, the number of votes cast «for» and «against» and, if applicable, the number of abstentions. Within a maximum of 15 days from meeting, the company is required to publish the voting results on its website.

Table 3.9. Virtual and hybrid shareholder meetings

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -) ¹	Management of digital security risks	Protection of shareholders for issues with access to digital platform / digital disruptions
	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	-	L, C
Austria	L	L	L	L	-	-	L	L	L
Belgium	L	L	-	-	-	-	L	-	L
Brazil	L	L	-	-	L	-	L	L	-
Bulgaria	L	L	L	L	-	-	L	L	-
Canada	L	-	-	L	C-	-	L	-	-
Chile	L	L	-	-	-	-	L	L	L
China	L	NP ⁶	L	NP	R	R	R	R	R
Colombia	L	L	-	-	-	-	L, C	-	-
Costa Rica	C	C	C	C	-	-	L	C	-
Croatia	L	L	L	L	-	L	L	-	-
Czechia	L	L	L	L	-	-	L	-	-
Denmark	L, C	L	-	L	-	-	-	L	L
Estonia	L	L	-	-	-	-	-	-	-
Finland	L	L	- ⁷	L	-	L	L	L	L
France	L	L	L	L	-	-	L	-	-
Germany	L	L	L	L	-	-	L	L	L
Greece	L	L	-	-	-	-	L	-	-
Hong Kong (China)	L, C	L, C	L	L	-	-	L, R ⁸ , C	C	C
Hungary ⁹	L, C	L, C	L, C	L, C	-	-	L	C	-
Iceland	L	L	-	L	-	-	-	L	L
India	-	L	-	-	-	-	L ¹⁰	-	-
Indonesia	L	L	-	-	L	L	L, C	L	L
Ireland	L	L	-	-	-	-	L	L	L
Israel	L	L	-	-	L	-	L	L	L
Italy	L	- ¹¹	L	-	-	-	-	L	-
Japan	L	L	-	L	C	-	L	L	L
Korea ¹²	C	C	C	C	-	-	-	L, C	-

Jurisdiction	Provisions allowing remote meetings (L, R, C, -, NP)		Provision in the articles of association, bylaws or equivalent		Code of conduct for remote meetings (L, R, C, -)		Equal participation of all shareholders (L, R, C, -) ¹	Management of digital security risks	Protection of shareholders for issues with access to digital platform / digital disruptions
	Hybrid meetings ²	Virtual meetings ³	Hybrid meetings	Virtual meetings	Code of conduct at jurisdiction level	Code of conduct at company level			
Latvia	L	L	-	L	-	-	L	L	-
Lithuania	L	L	-	L	-	L (+ board to approve rules of procedures for participation and voting in virtual meetings)	L, C	C	C
Luxembourg	L	L	L	L	-	-	L	-	L
Malaysia ¹³	L, R	L	-	-	C	-	L, R, C	C	C
Mexico	L	L	L	L	-	-	L	-	L
Netherlands	L	NP	L	NP ¹⁴	-	-	L	-	-
New Zealand	L	L	-	-	-	-	C ¹⁵	-	-
Norway	L	L	-	-	-	-	-	L	L
Peru	-	L	-	L	-	-	L	-	-
Poland	L	L	-	-	L	L	L	-	-
Portugal	L	L	-	-	-	-	L	L	-
Romania	L ¹⁶	-	-	-	-	-	L	-	-
Saudi Arabia	L	L	-	-	L	-	L	-	-
Singapore ¹⁷	L, R	L	-	-	C	-	R	C	L, R
Slovak Republic	-	-	L	L	-	-	-	L	-
Slovenia	L	L	L	L	-	-	-	L	L
South Africa	L, R	L, R	L, R	L, R	-	C (Company Policies)	L	-	-
Spain	L	L	-	-	L	L	L	L	C
Sweden ¹⁸	L	L	-	L	-	-	L	L	L
Switzerland	L	L	-	L	-	L	L	L	L, C
Türkiye	L	NP	L	NP	L	-	L	L	L
United Kingdom	L	-	-	-	-	-	C	-	-
United States ¹⁹	L	L	-	-	-	-	-	-	-

Key: **L** = specified by the law or regulations; **R** = specified by the listing rules; **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 meeting 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 may choose to attend the meeting and exercise their rights physically and others virtually.

3. Virtual meetings are defined as shareholder meetings where all shareholders may attend the meeting and exercise certain rights 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 shareholders as a whole a reasonable opportunity to participate. This includes holding the meeting at a reasonable time and place and using reasonable technology. Shareholders are also able to exercise their rights to ask questions and make comments regardless of the format of the meeting.
6. In **China**, the revised Company Law stipulates that shareholder meetings may be conducted by means of electronic communication, unless otherwise provided in the company's articles of association (Article 24). However, according to the Listing Rules, shareholder meetings of listed companies shall set up a venue and be convened by a combination of on-site meeting and internet voting.
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 **Hong Kong (China)**, the Core Shareholder Protection Standards (Appendix A1 to the Listing Rules) require that shareholders must have the right to speak and vote at a general meeting, except where the Listing Rules require a shareholder to abstain from voting. In August 2024, The Stock Exchange of Hong Kong Limited proposed that issuers be required to ensure their constitutional documents enable general meetings to be held virtually, with the use of technology enabling shareholders to cast votes electronically. The Stock Exchange of Hong Kong Limited published the relevant consultation conclusions in January 2025, adopting the proposal with effect from 10 February 2025. Listed issuers have a transitional period until their next annual general meeting held after 1 July 2025 to amend their constitutional documents. In addition, the Companies Ordinance requires that the virtual meeting technology used for holding a virtual or hybrid general meeting must allow a person to listen, speak and vote at the meeting without being physically present (Section 547(1)). This requirement is also set out in the "Guidance Note – Good Practice on Holding Virtual or Hybrid General Meetings" issued by the Companies Registry.
9. In **Hungary**, shareholders 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 shareholders and their mutual and unrestricted communication (Civil Code Section 3:111 (2)).
10. In **India**, the facility for virtual meeting should have a capacity to allow at least 1 000 shareholders 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.
11. 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 December 2024.
12. In **Korea**, listed companies to be specified in the enforcement decree should operate the hybrid meeting according to the amended Commercial Act in 2025 and for other listed companies, running a hybrid meeting depends on the board's decision or articles of association.
13. In **Malaysia**, following the amendments to the Bursa Malaysia Main Market Listing Requirements (LR), from 1 March 2025 all listed issuers in Malaysia are required to hold in-person or hybrid general meetings. Listed companies will be also required to ensure all shareholders are accorded with similar rights to speak and vote at the general meeting.
14. In the **Netherlands**, a bill enabling companies to hold fully virtual meetings is currently in parliament. The bill requires a provision in the articles of association.
15. In **New Zealand**, the NZX Corporate Governance Code recommends that issuers design shareholder meeting arrangements to encourage shareholder participation and provide shareholders the option to receive communications from the issuer electronically.
16. In **Romania**, if electronic participation is allowed, the meeting notice must outline the procedures for online attendance and voting. Listed companies may hold meetings by any means, including electronic means, with the board approving the specific procedures and format of participation.
17. In **Singapore**, listed companies are only allowed to hold fully physical or hybrid meetings according to Practice Note 7.5 in the SGX Listing Manual. The Practice Note also states that shareholders have the right to participate fully in general meetings, regardless of the format of the meeting. These rights include the right to attend, ask questions, communicate their views, appoint proxies or vote at general meetings.
18. In **Sweden**, virtual general shareholders meetings are allowed provided that this follows from the articles of association. However, the Swedish Corporate Governance Code requires (under the principle comply or explain) that shareholders be offered the possibility to participate physically.
19. In the **United States**, state law, rather than federal law, governs the legality of corporations holding virtual or hybrid shareholder meetings.

Table 3.10. Questions before and during shareholder meetings

Jurisdiction	Allowing questions before AGM		Deadline for questions before AGM		Answering questions received before AGM		Allowing remote shareholders to send and see other questions during AGM	Allocating a block of time for questions during the AGM		Answering all questions during AGM		Questions to external auditor/audit committee
	Physical	Virtual/ Hybrid ²	Physical	Virtual/ Hybrid	Physical	Virtual/ Hybrid		Physical	Virtual/ Hybrid	Physical	Virtual/ Hybrid	
Argentina	C	C	C	C	C	C	-	-	-	-	-	-
Australia	-	-	-	-	-	-	- ³	L	L	-	-	L
Austria	-	L	-	L	-	-	L	-	-	L	L	-
Belgium	L	L	L	L	L	L	L	-	-	L, C	L, C	L
Brazil	-	-	-	-	-	-	L	-	-	-	-	L
Bulgaria	L	L	L	L	-	-	-	-	-	L	L	L
Canada	L	C	L	C	-	-	-	-	C	-	C	L
Chile	-	-	-	-	-	-	-	-	-	-	-	-
China	L	L	L	L	L	L	R	L	L	R	R	L
Colombia	L	L	C	L	C	C	L, C	L	L	L	C	L
Costa Rica	-	-	-	-	-	-	L	L	L	L	L	-
Croatia	L	L	L	L	-	-	-	L	L	-	-	-
Czechia	L	L	-	-	-	-	-	-	-	L	L	-
Denmark	C	C	-	-	-	-	-	-	-	-	-	-
Estonia	L	L	L	L	-	-	-	L	-	L	L	L
Finland	L	L	-	-	-	-	L	L	L	L	L	L
France	L	L	L	L	-	-	-	-	-	L	L	-
Germany	-	L	-	L	-	L	L	-	-	L	L	L
Greece	-	-	-	-	-	-	-	-	-	C	C	-
Hong Kong (China)	-	C	-	C	-	C	C	-	-	-	C	C
Hungary	L	L	L ⁴	L	L	L	-	-	-	C	C	C
Iceland	L	L	-	-	-	-	-	-	-	-	-	-
India	C	C	-	-	-	-	-	-	-	C	C	C
Indonesia	L	L	-	-	-	-	L	L	L	L	L	-
Ireland	L	L	-	-	-	-	-	-	-	L	L	-
Israel	L	L	L	L	-	-	-	-	-	-	-	-
Italy	L	L	L	L	L	L	-	-	-	L	L	-
Japan	L	L	-	-	-	-	-	-	-	-	-	L
Korea	-	-	-	-	-	C	-	-	-	C	C	L, C
Latvia	L	L	L	L	L	L	-	C	C	L	L	L
Lithuania	L	L	L	L	L	L	L	L	L	L	L	L
Luxembourg	L	L	-	-	-	-	L	-	-	L	L	-
Malaysia	C	C	-	-	-	-	-	-	-	C	C	C
Mexico	L	L	L	L	-	-	L	-	-	-	-	-
Netherlands	C	C	-	-	C	C	-	-	-	L	L	C
New Zealand	L	L	-	-	-	-	-	-	-	-	-	C ⁵
Norway	L	L	L	L	-	-	-	-	-	-	-	L
Peru	L	L	L	L	-	-	-	-	-	L	L	-
Poland	-	-	-	-	-	-	-	-	-	L	L	-
Portugal	C	C	C	C	C	C	C	L	L	L	L	L
Romania	L	L	L	L	-	-	-	-	-	L	L	-

Jurisdiction	Allowing questions before AGM		Deadline for questions before AGM		Answering questions received before AGM		Allowing remote shareholders to send and see other questions during AGM	Allocating a block of time for questions during the AGM		Answering all questions during AGM		Questions to external auditor/audit committee
	Physical	Virtual ¹ / Hybrid ²	Physical	Virtual/ Hybrid	Physical	Virtual/ Hybrid		Physical	Virtual/ Hybrid	Physical	Virtual/ Hybrid	
Saudi Arabia	-	-	-	-	-	-	-	-	-	L	L	L
Singapore	R	R	C	C	R	R	C	C	C	R	R	R
Slovak Republic	C	-	-	-	C	-	-	-	-	-	-	C
Slovenia	L	L	L	L	L	L	-	-	-	-	-	-
South Africa	-	-	-	-	-	-	L	-	-	-	-	C
Spain	L	L	L	L	L	L	-	-	-	L	L	-
Sweden	-	-	-	-	-	-	-	-	-	L	L	-
Switzerland	C	C	C	C	C	C	L	C	C	-	-	L
Türkiye	-	-	-	-	L	L	L	L	L	L	L	L
United Kingdom	C	C	C	C	C	C	C	-	-	L	L	C
Unites States	-	-	-	-	-	-	-	-	-	-	-	-

Note: **Key:** **L** = requirement by the law or regulations; **R** = requirement by the listing rule; **C** = Recommended by the codes, principles, or other guidance, including frameworks set by the regulator or stock exchange following a “comply or explain” approach; “-” = absence of a specific requirement or recommendation.

1. Virtual meetings are defined as shareholder meetings where all shareholders may attend the meeting and exercise certain rights virtually.
2. Hybrid meetings are defined as shareholder meetings in which certain shareholders attend the meeting physically and others virtually.
3. In **Australia**, remote shareholders have the right to send questions during an AGM, but there is no right to see other questions.
4. In **Hungary**, regarding items on the agenda of the AGM, at the shareholders' written request submitted at least eight days before AGM, the board of directors answers the questions at least three days before (Section 3:258 (1) of the Civil Code).
5. In **New Zealand**, the NZX Corporate Governance Code recommends that issuers ensure the external auditor attends AGMs and is available to answer questions from investors relevant to the audit.

Table 3.11. 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 Act 2001, 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, Section 1 Code of Companies and Associations
Brazil	CVM Resolution No. 94/2022 - Annex A, Art. 9 (IAS 24)
Bulgaria	Art. 114 and 114a of the Public Offering of Securities Act
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 General Banking Act, article 84 No 2.

Jurisdiction	Provision
China	Company Law Art. 22, 265 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 2024) Art. 6.3.3 Rules Governing the Listing of Shares on Shenzhen Stock Exchange (Revised in 2024) Art. 6.3.3 Rules Governing the Listing of Shares on Beijing Stock Exchange (Trial) Art. 12.1.13 Rules Governing the Listing of Shares on the ChiNext Market of SZSE (2024 Revision) Articles 7.2.2-7.2.6 Rules Governing the Listing of Shares on the Star Market of SSE (2024 Revision) Art. 15.1.15 Accounting standards for enterprises No.36
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
Croatia	Company Act, Art. 263.a
Czechia	Business Corporations Act No. 90/2012, Part 9, Articles 71-91 Capital Market Undertakings Act No. 256/2004, Part 9, Articles 121s-121v
Denmark	Selskabsloven
Estonia	Securities Market Act, Section 168
Finland	Accountancy Decree 1339/1997 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 89, 111a-111c, 115
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	Act of annual accounts no 2/2008, definition No. 41
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 10/JK 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) Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, Ar. 15-4
Korea	Commercial Act Article 398, Art.542-9
Latvia	Articles 184.1 and 184.2 of the Company Law Articles 1 (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. 37-2) The Law on Reporting by Undertakings and by Groups of Undertakings of the Republic of Lithuania (Subparagraph 5 of Paragraph 1 of Art. 24)
Luxembourg	Law of 24 May 2011 on the exercise of certain shareholders' rights at general meetings of listed companies, Art. 7 quater and Commercial companies Law Article 1712-19
Malaysia	Bursa Malaysia Main Market Listing Requirements, Part A Paragraph 1.01, Part B Paragraph(s) 10.02 (j), (k), (l), Part E Paragraph 10.08, 10.09, Appendix 10C, Appendix 10D Capital Markets and Services Act 2007, Section 256U, Paragraph 4, Part 2 of Schedule 2 Companies Act 2016, Section 228 and 229

Jurisdiction	Provision
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 Act 1993, Section 2(3) Companies Act 1993, 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 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
Romania	International Accounting Standards (IAS 24) Related party transactions reporting requirement in the national legislation (transposition of the EU Directive 2017/828) – Art. 108 of Law 24/2017 regarding issuers of financial instruments and market operations
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 1967 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	Articles 228, 229.1.a), 230.2) and 529.ter.1.h of Capital Companies Act, Ministerial Order 3050/2004 (Art. 2)
Sweden	Companies Act, Chapter 16 and Chapter 16a ; in relation to related party transactions – Securities Council's statement 2019:25 and 2021:09 ; (supplemented by other statements), additional definitions exist in other rules
Switzerland	Art. 718b CO (Contracts between the company and its representative) , Art. 19 and 20 Swiss Code of Best Practice for Corporate Governance
Türkiye	Capital Markets Law Art. 17(3) CMB Communiqué II-17.1Art. 3
United Kingdom	Companies Act, Sections 252-256 FCA UK Listing Rules, UKLR 8.1.7R and UKLR 8.1.8G, UKLR 8.1.11R 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 3.12. 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; ISA 24 or local standard (Section 238	Required	Required

Jurisdiction	Periodic disclosure		Immediate disclosure for specific RPTs
	Financial statement	Additional disclosure	
	para. 1 no. 12 Commercial Code (UGB) (in conjunction with section 221 para. 3 last sentence UGB))		
Belgium	IAS 24	Required	Required
Brazil	IAS 24	Required (intra-group) ¹	Required ²
Bulgaria	IAS 24	Required	Required ³
Canada	IAS 24	-	Required ⁴
Chile	IAS 24	Required ⁵	Required
China	Local standard	Required	Required ⁶
Colombia	IAS 24	Required	Required
Costa Rica	IAS 24	Required	-
Croatia ⁷	IAS 24	Required	Required
Czechia	IAS 24	Required (intra-group) ¹	Required
Denmark	IAS 24	-	Required
Estonia	IAS 24	Required	Required
Finland	IAS 24	Required ⁸	Required
France	IAS 24	Required	Required
Germany	IAS 24.3	Required (intra-group) ¹	Required
Greece	IAS 24	Required	Required
Hong Kong (China)	IAS24 or Local standard	Required	Required ⁹
Hungary	IAS 24	Required (intra-group) ¹	Required ¹⁰
Iceland	IAS 24	Required	Required
India ¹¹	Local standard	Required	Required
Indonesia	Local standard (PSAK) ¹²	Required	Required
Ireland	IAS 24	Required	Required
Israel	IAS 24	Required	Required for shareholder approval
Italy	IAS 24	Required	Required ¹³
Japan	IAS 24 or US GAAP or Local standard	Required	Required ¹⁴
Korea	IAS 24	Required	Required ¹⁵
Latvia	IAS 24 and Local standard	Required	Required
Lithuania	IAS 24	Required	Required
Luxembourg ¹⁶	IAS 24	-	Required
Malaysia ¹⁷	IAS 24	Required	Required
Mexico	IAS 24	Required	Required
Netherlands	IAS 24	-	Required
New Zealand	IAS 24	Required	Required
Norway	IAS 24	Required	Required ¹⁸
Peru	IAS 24	Required	Required
Poland	IAS 24	Required	Required
Portugal	IAS 24	Required (intra-group) ¹	Required
Romania	IAS 24	Required ¹⁹	Required
Saudi Arabia	IAS 24	Required	Required
Singapore	IAS 24 or Local standard	Required	Required ²⁰
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. 734 f. Code of Obligations (compensation report)	Required	Required
Türkiye	IAS 24	Required	Required

Jurisdiction	Periodic disclosure		Immediate disclosure for specific RPTs
	Financial statement	Additional disclosure	
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, Czechia, 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 **Bulgaria**, an issuer must make an immediate announcement due to Art. 17 Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and Art. 116b(4) Public Offering of Securities Act.

4. 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.

5. 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; and (c) 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, whereas [General Rule No. 501](#) establishes the minimum content that routine operations policies should have.

6. In **China**, a listed company should issue a prompt announcement of material connected transactions that exceed certain *de minimis* thresholds. Apart from promptly disclosing such matters, 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 general meeting.

7. In **Croatia**, the Corporate Governance Code defines as principle that no transactions involving members of the management or supervisory boards and the company (or persons related to either party) can be made without prior approval of the supervisory board. The supervisory board should ensure that procedures are in place for approving and publicly reporting such transactions.

8. 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.

9. 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.

10. 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).

11. In **India**, listed companies 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, need immediate disclosure.

12. 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.

13. **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.

14. 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.

15. In **Korea**, under Art. 26 of the Monopoly Regulation And Fair Trade Act (MRFTA), when domestic affiliates of a business group subject to disclosure intends to engage in any of the funds, assets, securities, products, services, and other similar trading worth more than KRW 10 billion or 5% of the larger amount of capital-total equity (KRW 500 million if the relevant amount is less than KRW 500 million) with or for a related party, it shall disclose such trading after prior resolution by the board of directors. In this context, “a business group subject to disclosure” refers to a group of companies with a total asset value exceeding KRW 5 trillion in the previous fiscal year, as designated annually by the Korea Fair Trade Commission.

16. In **Luxembourg**, companies shall publicly announce material transactions with related parties at the latest at the time of the conclusion of the transaction.

17. 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 RM 500 000 or recurrent RPTs.

18. 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.

19. In **Romania**, in case significant transactions have been concluded, at the end of each semester, the financial auditor/audit firm shall analyse the transactions reported during the semester and prepare, within 30 days from the end of the reporting period, a report which assesses whether the transaction is correct and justified, including whether its price, in conjunction with the rights and obligations assumed by the parties, are correct in relation to other offers existing on the market. The company is required to publish the report within a maximum of 24 hours from receiving it.

20. 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 equals to or 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 3.13. 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	-	-
Bulgaria	Required	Required	-	Optional/Required ³
Canada	Required	Required	Recommended ⁴	Required ⁵
Chile	Required	Required	Required	Recommended ⁶
China	Required ⁷	Required	Required	-
Colombia	Required	Required	Recommended	-
Costa Rica	Required	Required	-	-
Croatia	Required	Required	Required	Required
Czechia	8	-	-	-
Denmark	Required	Required	Recommended	-
Estonia	Required	-	Recommended	-
Finland	Required	Required	Required ⁹	Optional
France	Required	Required	-	Required
Germany	Required ⁸	Required	Optional	Optional
Greece	Required	Required	Required	Required
Hong Kong (China)	Required	Required	Required	Required ¹⁰
Hungary	Required ⁸	Required	-	-
Iceland	Required	Required	-	-
India	Required	Required	Required	Optional
Indonesia	-	-	Required ¹¹	Required
Ireland ¹²	Required	Required	-	-
Israel	Required	Required	Required	-
Italy ¹³	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 ¹⁴	-	-	-
Latvia	Required	Required	Required	Optional

Jurisdiction	Board approval for non-routine RPTs	Abstention of related board members	Review by independent directors / audit committee	Opinion from outside specialist
Lithuania	Required	Required	Required	-
Luxembourg	Required	Required	-	-
Malaysia	- ¹⁵	Required	Required	Required
Mexico	Required	Required	Required	Required ¹⁶
Netherlands	Required (supervisory board)	-	-	-
New Zealand	-	-	-	-
Norway	Required	Required	-	Required
Peru	Required ¹⁷	Required	-	Required
Poland	Required	Required	-	-
Portugal	Required ⁸	Required	Required ¹⁸	- ¹⁹
Romania ²⁰	Required	Required	-	Required
Saudi Arabia	Required	Required	Required	Required from external auditor
Singapore	Required	Required	Required ²¹	Required ²²
Slovak Republic	Required (supervisory board)	-	-	-
Slovenia	Required ⁸	Required	Required	Optional ²³
South Africa	Required	Required	Required	Optional
Spain	Required	Required	Required	Optional
Sweden	-	-	-	Optional
Switzerland	- ²	Required	-	Recommended ²⁴
Türkiye ²⁵	Required	Required	Required	Required
United Kingdom	Required ²⁶	Required ²⁷	-	Required ²⁸
United States	Required	-	Recommended	Recommended ²⁹

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 **Bulgaria**, certain RPTs, as laid out in Article 114a(6) of the Public Offering Of Securities Act, must be carried out at a value determined by an independent assessor.

4. In **Canada**, the use of a special committee of independent directors is recommended for all material RPTs.

5. 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.

6. 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.

7. 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.

8. In some jurisdictions which follow the "German model" with respect to company groups (**Czechia, Germany, Hungary, Portugal, 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).

9. 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.

10. In **Hong Kong (China)**, the Listing Rules require a listed issuer to appoint an independent financial adviser to provide an opinion on any connected transaction that requires shareholders' approval.

11. In **Indonesia**, according to OJK Regulation No. 42/POJK.04/ 2020, a review statement is made by the directors and the boards, that includes 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.

12. In **Ireland**, the Companies Act (Section 1110O(2)(d)) requires disclosure of "any other information necessary to assess whether or not the transaction is fair and reasonable from the perspective of the traded PLC and of the shareholders who are not a related party, including minority shareholders."

13. 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.

14. In **Korea**, under the Monopoly Regulation and Fair Trade Act (MRFTA), if domestic affiliates of a business group subject to disclosure engages in a large-scale internal transaction, it must be approved by the board of directors and must be disclosed within three business days for listed companies and seven business days for unlisted companies.

15. 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.

16. In **Mexico**, according to the Issuers' Provisions Article 71, companies 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.

17. 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.

18. 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.

19. 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.

20. In **Romania**, significant RPTs are approved by the board of directors or by the supervisory board based on procedures that prevent a related party from taking advantage of its position and that provide adequate protection of the issuer and shareholders. The related party may not participate in the process, under penalty of nullity. When such transactions are concluded, at the end of the semester, the financial auditor/audit firm shall analyse them and draw up a report in which it assesses whether they are correct and justified. This report is then made public.

21. 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.

22. 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.

23. 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.

24. In **Switzerland**, an opinion from an outside specialist (auditor) may be necessary if required be advisable for verification of the RPT, according to Article 19 of the Swiss Code of Best Practice for Corporate Governance.

25. In **Türkiye**, the majority of independent directors must have voted in favour of non-routine RPTs. In case the majority of independent directors have not 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 a 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.

26. In the **United Kingdom**, companies with UK-listed equity shares in the commercial company category must seek board approval for larger related party transactions (>5%) that is outside the ordinary course of business before it is entered into.

27. In the **United Kingdom**, companies with UK-listed equity shares in the commercial company category should ensure that any director who is, or an associate of whom is, the related party, or who is a director of the related party, does not take part in the board's consideration of the transaction or arrangement and does not vote on the relevant board resolution for a larger, non-routine related party transaction.

28. In the **United Kingdom**, companies with UK-listed equity shares in the commercial company category must also, before entering into the larger related party transaction or arrangement, obtain written confirmation from a sponsor (a firm approved by the FCA that advises the issuer) that the terms of the proposed transaction or arrangement with the related party are fair and reasonable as far as the security holders of the listed company are concerned.

29. 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 3.14. 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 under Listing Rule 10.1	Simple majority with related parties or their associates precluded from voting
Austria	No	-	-	-	-
Belgium	No	-	-	-	-
Brazil	Yes	In publicly traded companies, approval by the General Shareholders Meeting (GSM) is required if the value of the operation corresponds to more than 50% of the value of the company's total assets, according to the last approved balance sheet (Art. 122, X, Corporate Law 6.404).	-	-	-
Bulgaria	Yes ²	RPTs with value exceeding 2% of the lower amount of the value of the assets of the company pursuant to the last two available annual financial statements. For transactions that result in indebtedness of the related party towards the company – when the amount of the debt taken by the related party exceeds 1% of the value of the assets determined as described hereinabove.	-	Required for certain RPTs	Minority approval
Canada	Yes	Required subject to the availability of an exemption	-	Required ³	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. (Mainboard of SSE and SZSE & ChiNext Market of SZSE); When more than CNY 30 million, accounting for more than 2% of total value of the latest audited net assets (STAR Market of SSE); When more than CNY 30 million, accounting for more than 1% of total value of the latest audited net assets (BSE).	Required (if requiring shareholder approval)	Required (if requiring shareholder approval)	Minority approval
Colombia	Yes	When a board member has conflicts of interest	-	-	-
Costa Rica	No	-	-	-	-
Croatia	Yes	If the supervisory board denies prior consent to the business with related persons	-	-	Simple majority

Jurisdiction	Shareholder approval for individual RPT		Opinion from		Type of shareholder voting requirement
	Requirement	RPTs for shareholder approval	Auditors	Outside specialists	
Czechia	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 ⁴	-	-	-	-
France	No ⁵	-	Required	-	-
Germany	Yes ⁶	-	-	-	Simple majority
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	-	-	-	-
India ⁷	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 ⁸	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	-	-	Simple majority
Israel	Yes	Either of the following: Not on market terms; Material; Not on regular business activity	Required	-	Minority approval
Italy	Yes ⁹	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	-	-	-	-

Jurisdiction	Shareholder approval for individual RPT		Opinion from		Type of shareholder voting requirement
	Requirement	RPTs for shareholder approval	Auditors	Outside specialists	
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 vote ¹⁰
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, 11}	>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 ¹²
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. ¹³	-	Required	-
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
Romania	Yes	10% of company's assets ¹⁴	-	-	-
Saudi Arabia	Yes	For transactions in which board members have an interest	Required	-	-
Singapore	Yes	≥5% of latest audited consolidated net tangible assets ¹⁵	-	Required	Minority approval
Slovak Republic	Yes	For all material transactions (above 10% of the share capital) ¹⁶	-	-	Simple majority (shareholder may not vote nor take part in the GM if related party)
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 ¹⁷	Simple majority
Spain	Yes	10% of company's assets	Required	Optional	Minority approval
Sweden	Yes	Material transactions (> 1 000 000 SEK and 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	No	-	-	-	-

Jurisdiction	Shareholder approval for individual RPT		Opinion from		Type of shareholder voting requirement
	Requirement	RPTs for shareholder approval	Auditors	Outside specialists	
United States	Yes ¹⁸	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 **Bulgaria**, certain RPTs, as laid out in Article 114a(6) of the Public Offering Of Securities Act, must be carried out at a value determined by an independent assessor.

3. 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.

4. 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, shareholders who are a related party of a listed company may not take part in a vote on a contract or another transaction to which they or a person in a related party relationship to them 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.

5. 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).

6. In **Germany**, in case the supervisory board has rejected the approval, the executive board can require the shareholder approval.

7. 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.

8. 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.

9. 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%.

10. 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.

11. 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.

12. 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.

13. 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.

14. In **Romania**, unless otherwise provided by the articles of association, directors may transfer/acquire assets in their own name to or from a company with a value of more than 10% of the net assets of the company, only after extraordinary shareholder approval. For listed companies, the legal framework provides that any acts acquiring, alienating, exchanging or lodging as collateral certain assets included in the category of the issuer's non-current assets, whose value exceeds, individually or cumulatively, over a fiscal year, 20% of the total non-current assets, except for long-term receivables, shall be concluded only after is approved by the extraordinary shareholder meeting.

15. 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.

16. 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.

17. 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.

18. 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 3.15. 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	<i>ex post</i> : If any of the following apply: 1) 50% or more of voting rights + 1 share; 2) 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; 3) when the controlling shareholder becomes the owner of 95% of the shares if a minority shareholder encourages the controlling shareholder to make a takeover bid.	M, V	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; c) In cases where the controlling shareholder acquires ownership of 95% of the shares, special conditions apply ¹
Australia	ASIC, Takeovers Panel	<i>ex ante</i> : 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	<i>ex post</i> : 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	<i>ex post</i> : 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	<i>ex post</i> : Sale of control	M	At least 80% of the price paid to the controlling entity
			V	Same price paid to the controlling entity ²
Bulgaria	FSC	<i>ex post</i> : If any of the following apply: 1) more than one-third of the voting rights, unless there is a shareholder with a direct or indirect holding in excess of 50%; 2) more than 50% of the voting rights; 3) more than two-thirds of the voting rights, unless the concerned shareholder held more than 50% of the voting rights and the surpassing of the two-thirds threshold is due to an increase of the registered capital	M	The offered price shall be determined by applying commonly accepted valuation methods. In case the shares of the target company are actively traded, the market price is also taken in consideration

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	
Canada (Provinces e.g. Ontario)	OSC, other provincial regulators ³	<i>ex post</i> : 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
Chile	CMF	<i>ex post</i> : two-thirds of voting rights	M	Price not lower than the market price
China	CSRC	<i>ex post</i> : 30% of issued shares	M	Highest price paid by offeror within last 6 months
Colombia	SFC	<i>ex ante</i> : 25% of voting rights; 5% acquisition by shareholders 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	<i>ex ante</i> : 25% of voting rights	M	Price fixed by an appraiser firm (just for delisting takeover bids)
Croatia	Hanfa	<i>ex post</i> : 25% of voting rights	M, V	a) Highest price paid by offeror within last 12 months; b) Average market price of last 6 months; c) Fair price determined by the report on the fair value assessment of the target company's shares, audited by an independent auditor (in case price cannot be determined in the manner specified under a) and b))
Czechia	CNB	<i>ex post</i> : 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	<i>ex post</i> : 33% of voting rights	M	Highest price paid by offeror within last 6 months prior to approval of offer document
Estonia	EFSA	<i>ex post</i> : 50% of voting rights; control over the board	M	Highest price paid by offeror within last 6 months
Finland	FIN-FSA	<i>ex post</i> : 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	<i>ex post</i> : 30% of voting rights	M	Highest price paid by offeror within last 12 months
Germany	BaFin	<i>ex post</i> : 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	<i>ex post</i> : 33% of voting rights; 3% acquisition by the shareholders with one-third up to 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 ⁴
Hong Kong (China) ⁵	SFC	<i>ex post</i> : 30% of voting rights; 2% acquisition by the shareholders 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	<i>ex ante</i> : 33% or 25% (if no other shareholders 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	<i>ex post</i> : 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	<i>ex ante</i> : 25% of voting rights; 5% acquisition by shareholders 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)	<i>ex post</i> : 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, whichever one is the highest ⁶
Ireland	Irish Takeover Panel	<i>ex post</i> : 30% of voting rights acquiring control or acquisition of 0.05% ⁷ consolidating control	M	Highest price paid by offeror within last 12 months
Israel	ISA	<i>ex ante</i> : 25% of voting rights; 45% of voting rights; 90% of voting rights	-	-
Italy	CONSOB	<i>ex post</i> : 25% of voting rights (30% for SMEs); 5% acquisition by shareholders with 30-50% (within a year) ⁸	M	Highest price paid by offeror within last 12 months
Japan	FSA	<i>ex ante</i> : 1/3 of voting rights; 5% of voting rights from more than 10 shareholders (within 60 days) ⁹	-	-
Korea	FSC	<i>ex ante</i> : 5% acquisition from 10 or more shareholders ¹⁰	-	-
Latvia	LVB	<i>ex post</i> : 30% of voting rights	M	a) Highest price paid by offeror within last 12 months; b) Average market price of last 12 months; c) Value of a share calculated by dividing the net assets of the target company with the number of issued shares
Lithuania	LB	<i>ex post</i> : One-third 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	<i>ex post</i> : 33% or one-third voting rights	M	Highest price paid by offeror (or persons acting in concert) within last 12 months
Malaysia	SCM	<i>ex post</i> : Over 33% of voting rights; acquisition of more than 2% by shareholders with 33%-50% (within 6 months)	M	Highest price paid by offeror during the offer period and within last 6 months
			V	Highest price paid by offeror during the offer period and within last 3 months
Mexico	CNBV	<i>ex ante</i> : 30% of voting rights or control over the company	- ¹¹	-

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	
Netherlands	AFM	<i>ex post</i> : 30% of voting rights	M	Highest price paid by offeror within last 12 months
New Zealand	Takeovers Panel	<i>ex post</i> : 90%	-	-
Norway	OSE	<i>ex post</i> : 33%, 40% or 50% of voting rights	M	Highest price paid by offeror within last 6 months
Peru	SMV	<i>ex post</i> : 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	<i>ex post</i> : 50% (mandatory call) or 95% (mandatory takeover) of voting rights	M, V	Average market price of last 3 and 6 months
Portugal	CMVM	<i>ex post</i> : 33% or 50% of voting rights	M	a) Highest price paid or agreed to pay 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 ¹²
Romania	ASF	<i>ex post</i> : 33 % of voting rights	M	At least equal to the highest price paid by the offeror or by the persons with whom he acts in concert during the period of 12 months preceding the date of submission to ASF of the takeover bid documentation ¹³
			V	At least equal to the highest price among certain values ¹⁴
Saudi Arabia	CMA	<i>ex post</i> : 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	<i>ex post</i> : 30% of voting rights; acquisition of more than 1% by shareholders 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	<i>ex post</i> : at least 33% 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	<i>ex post</i> : One-third of voting rights	M, V	Highest price paid by offeror within last 12 months
South Africa	Takeover Regulation Panel	<i>ex post</i> : 35% of voting rights	-	-
Spain	CNMV	<i>ex post</i> : 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

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	
Sweden	FI/SFSA, Swedish Securities Council	<i>ex post</i> : 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	<i>ex post</i> : One-third (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
Türkiye	CMB	<i>ex post</i> : 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 board of directors	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	<i>ex post</i> : 30% of voting rights; acquisition by shareholders with 30-50% ¹⁵	M	Highest price paid by offeror or a person acting in concert during the offer and within last 12 months prior to its announcement
			V	Highest price paid by offeror or a person acting in concert during the offer and within the 3 months before offer period. If offeror or a person acting in concert 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 ¹⁶	-	-

1. In **Argentina**, in cases where the controlling shareholder acquires ownership of 95% of the shares, the minimum bidding price should not be lower than followings: i) The highest price that the offeror or persons acting in concert with it may have paid or agreed for the marketable securities object of the offer during the 12 months prior to the intimation or the unilateral declaration or withdrawal request agreement in the case of Article 98 of this law; ii) The average price of the marketable securities subject to the offer during the six months immediately preceding the intimation or the unilateral declaration or agreement requesting the withdrawal in the case of Article 98 of this law or from the date on which the offer is to be made; iii) The net worth of the shares; iv) The value of the company valued according to discounted cash flow criteria and/or indicators applicable to comparable companies or businesses; v) The liquidation value of the company. It is established that the equitable price may in no case be lower than the highest of those indicated in paragraphs i) and ii) of this section.

2. 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.

3. In **Canada**, takeover bids are subject to applicable provincial securities law, including the rules in [National Instrument 62-104 Take-Over Bids and Issuer](#).

4. In **Greece**, the valuation is required under certain conditions.

5. 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.

6. 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 trading prices on the Stock Exchange within the last 12 months, counted backward from the last trading day or the suspension date; or the takeover price that has been executed, whichever is higher.

7. In **Ireland**, no mandatory bid obligation applies for a single holder of securities who already controls more than 50% of the securities.

8. In **Italy**, the mandatory triggering threshold is differentiated according to the size of companies: for small and 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).

9. In **Japan**, the main mandatory triggering threshold is one-third of voting rights, but this threshold will decrease to 30%, commencing from 2026.

10. 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.

11. 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. In addition, Article 101 stipulates that members of the board of directors must reveal to investors their opinion regarding the bidding price and any potential conflicts of interest; an opinion by an independent expert hired by the issuer may also be disclosed.

12. 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; or 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.

13. In **Romania**, there are situations in which the general rule does not apply (i.e. if the offeror or the persons with whom it acts in concert have not acquired shares of the company subject to the takeover during the 12-month period preceding the date of submission, if the deadlines for submitting the documentation are not met, or if ASF considers that there are aspects which put under question the correctness of the price determination method), in which the price is determined based on a number of factors and may be determined by an authorised evaluator.

14. In **Romania**, the price in the context of voluntary public takeover bids is at least equal to the highest price among: a) the highest price paid by the bidder or by persons acting in concert with them in the 12-month period preceding the submission date of the bid documentation to the A.S.F.; b) the weighted average trading price for the 12 months prior to the submission date of the bid documentation to the A.S.F.; c) the price resulting from dividing the net asset value of the company by the number of shares in circulation, according to the latest audited financial statements of the issuer.

15. In the **United Kingdom**, the thresholds for a mandatory takeover are calculated including the shares held by persons acting in concert.

16. 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 3.16. Roles and responsibilities of institutional investors and related 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 CNV Rules Title V, Chapter II, Section IV, Article 19 (6.3 and 6.4) CNV Rules Title V, Chapter II, Section VII CNV Rules	Open-end funds, Closed-end funds	-	-	(L: specific bans)	L
Australia	Private: FSC Standards Public: Superannuation (Industry) Supervision Act 1993 Public: Corporations Act 2001	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: 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 28 April 2020	Institutional investors, asset managers, proxy advisors	L	L	L	L
Brazil	Public: CVM Resolution No. 175/2022	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
Bulgaria	Public: Article 75a (voting) and 76 (conflict of interest) of Markets in Financial Instruments Act	Investment firms (broker/dealers) that provide portfolio management services for portfolios including shares in companies that are admitted to trading on a regulated	L, CE	L, CE	L, CE	L, 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
		market in an EU Member State				
	Public: Article 105 and 105a of The Act on the activities of the undertakings for collective investment in transferable securities and of other undertakings for collective investment and Article 130 of Ordinance No. 44 of FSC	Asset management companies that provide portfolio management services for undertakings for collective investment and portfolio managements services when invest in shares of companies that are admitted to trading on a regulated market in an EU Member State	L, CE	L, CE	L, CE	L, CE
	Public: Article 219a of The Act on the activities of the undertakings for collective investment in transferable securities and of other undertakings for collective investment and Article 37 of Delegated Regulation 231/2013	Licensed alternative investment fund managers that provide portfolio management services for alternative investment funds and portfolio managements services when invest in shares of companies that are admitted to trading on a regulated market in an EU Member State	L, CE	L, CE	L, CE	L, CE
	Public: Article 116a of Public offering of securities Act	Proxy advisors	L	-	L	L
	Public: Article 197a and 197b of the Insurance Code	Life insurers and life reinsurers that invest in shares in companies that are admitted to trading on a regulated market in an EU Member State	L, CE	L, CE	L, CE	L, CE
	Public: Art. 123f, par. 4, item 6, sub-item g, Art. 175a and Art. 251c of the Social Insurance Code Art. 3, items 3 and 5 of Ordinance 56 of the FSC (in Bulgarian) ¹	Pension funds	L	-	L	-
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	-
	Public: 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
	Public: Law No. 20712 General Rule No. 424 General Rule No. 507 General Rule No. 461	Fund managers	-	-	L, CE	L, CE
China	Public: Code of Corporate Governance for listed companies of 2018	National social security funds, pension funds, insurance funds, public offering funds	C	C	-	-
	Public: Guidelines for the voting rights of the fund managers	Investment funds	I	I	I	I
Colombia	Public: Decree 2555 of 2010 C.B.J. Part II, Title III, Chapter IV #3	Pension funds	L	L	L	L
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	Institutional investors	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
	Regulation					
Croatia	Public: Mandatory Pension Funds Act Public: Voluntary Pension Funds Act Public: Ordinance on organisational requirements for pension companies managing mandatory pension funds Public: Ordinance on organisational requirements for pension companies managing voluntary pension funds	Pension funds	L	L	L	-
	Public: Companies Act Public: Act on Open-Ended Investment Funds with Public Offering Public: Alternative Investment Funds Act Public: Ordinance on organizational requirements for UCITS management companies²	Investment funds, institutional investors, asset managers	L	L	L	L
Czechia	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, asset managers	L	L	L	L
	Public: Capital Market Undertakings Act, No 256/2004 Coll	Proxy advisors	L	-	L	L
Denmark ³	Public: Act no. 718 of June 13, 2023 Public: Consolidated act no. 1013 of August 21, 2024 Public: Consolidated act no. 232 of March 1st, 2024	Institutional Investors, asset managers	L	L	L	L
Estonia	Public: Securities Market Act Chapter 22.1	Investment funds, asset managers, insurers, pension funds	L	L (excluding insignificant votes)	L	L
		Proxy advisors	L	-	L	L
Finland	Public: Organisation and code of conduct of investment funds and asset managers	Investment funds and asset managers	-	-	L	-
	Public: Finnish Securities Market Act	Proxy advisors	L	-	L	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 SFC⁴ Public: Fund Manager Code of Conduct	Investment funds and asset managers	-	-	C	- (Requirement for disclosure of material 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
	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	L ⁵	-	L	L
Iceland	Public: Act on pension funds	Pension funds	-	-	-	-
India	Public: Circular 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 Master Circular	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 & SEBI/HO/IMD/DF1/CIR/P/2020/256	Proxy advisors	L ⁶	-	L	L
Indonesia	Public: OJK Regulation 17/POJK.04/2022	Investment managers	-	-	L	(L: Disclosure of conflicts of interest)
	Public: OJK Regulation 10/POJK.04/2018	Investment managers	L ⁷	L ⁷	L	L
	Public: OJK Regulation 73/POJK.05/2016 Public: Company Law	Insurance companies	L	L	L	L
	Public: OJK Regulation 15/POJK.05/2019	Pension funds	L	L	L	L
Ireland	Public and Private: Funds Regulation	Investment funds and asset managers	-	-	L	L
	Public: Companies Act 2014, Part 17 Chapter 8b⁸	Institutional investors, asset managers, proxy advisors	L	-	L	L
Israel	Public: Joint Investment Trust Regulations (Participation of Fund Manager in Holders' Meetings) -2015 Public: Regulatory Circular on the Management of Investment Assets Public: 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, asset managers	L, CE	L, CE	L, CE	L, CE
	Public: Consolidated Law On Finance and Bank of Italy-CONSOB regulations	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)	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
				more than a certain level)		
	Private: Stewardship Code Principle on the Stewardship Responsibilities of Institutional Investors	Institutional investors	CE	CE	CE	CE
Latvia	Public: The Law On Private Pension Funds Public: The Law On Investment Management Companies	Pension funds and investment funds	L	-	L	L
	Public: 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 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, service providers (including proxy advisors)	CE ⁹	CE	CE	CE
Mexico	Public: Securities Markets Law Public: Investment Fund Law Public: Pensions Savings Systems Law	Pension funds, institutional investors, asset managers, fund managers	L	-	L	-
Netherlands	Public: Act on Financial Supervision Mixed: Dutch Corporate Governance Code 2022 (English translation) (refer Chapter 4) Private: Eumedion Dutch Stewardship Code	Institutional investors (pension funds, life insurance companies), asset managers, proxy advisors Institutional investors (pension funds, life insurance companies), asset managers	L, CE C	L, CE C	L C	L C
New Zealand	Public: Financial Markets Conduct Act 2013 Stewardship Code Aotearoa New Zealand	Fund managers (including proxy advisors)	CE	CE	CE	CE
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 ¹⁰	L	L	L
Poland	Private: Code of Good Practices of Institutional Investors Public: Polish Code of Commercial Companies ¹¹	IZFiA members: Institutional investors Proxy advisors in joint stock companies	CE -	CE -	CE 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, Asset Management Framework , Insurance and Pension Funds Supervisory Authority (ASF) Regulatory Norms and CMVM regulations / recommendations / Portuguese Companies Code / Portuguese Securities Code	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
Romania	Public: Art. 101 of Law 24/2017 regarding issuers of financial instruments and market operations	Institutional investors, asset managers, proxy advisors	L	L ¹²	L	L
Saudi Arabia	Public: Companies law Public: Corporate governance regulations Public: Capital market law Public: Investment Funds Regulation	Investment funds	-	-	L	L
Singapore	Private: Singapore Stewardship Principles Private: 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	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: Investment Funds and Management Companies Act	Investment funds, asset managers	L	L (abstract)	L	-
	Public: Pension and Disability Insurance Act	Pension Funds	L	-	-	-
	Public: Companies Act	Institutional investors, asset managers, proxy advisors	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 advisers	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 Public: Communiqué on Principles for Securities Investment Companies No. III-48-5 Public: Regulation on Principles Regarding Establishment and Activities of Pension Funds Public: Communiqué on Portfolio Management Companies and Activities of Such Companies No. III-55.1 Public: Stewardship Codes for Mutual Funds	Institutional investors and asset management companies	CE	CE	L, CE	CE
United Kingdom	Public: UK Stewardship Code 2026	Asset managers, asset owners, service providers ¹³	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
	Public: The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016	Local government pension schemes	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 ¹⁴	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: Best Practice Principles Group (BPPG) provides “Best Practice Principles for Shareholder Voting Research Providers”; 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 **Bulgaria**, Ordinance No. 56 of 04.01.2018 on the minimum contents of the investment policies of the supplementary pension funds.
2. For **Croatia**, amendments to the laws are available in the following links: [Companies Act Amendments1](#), [Companies Act Amendments2](#), [Companies Act Amendments3](#), [Companies Act Amendments4](#) relevant, [Companies Act Amendments5](#), [Companies Act Amendments6](#), [Companies Act Amendments7](#), [Companies Act Amendments8](#), [Companies Act Amendments9](#) relevant, [Companies Act Amendments10](#), [Act on Open-Ended Investment Funds with Public Offering Amendments1](#), [Act on Open-Ended Investment Funds with Public Offering Amendments2](#), [Act on Open-Ended Investment Funds with Public Offering Amendments3](#), [Act on Open-Ended Investment Funds with Public Offering Amendments4](#), [Alternative Investment Funds Act Amendments1](#), [Alternative Investment Funds Act Amendments2](#), [Alternative Investment Funds Act Amendments3](#), [Alternative Investment Funds Act Amendments4](#) and [Ordinance on organizational requirements for UCITS management companies Amendments](#)
3. 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.
4. 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](#).
5. 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.
6. 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.
7. 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.

8. In **Ireland**, the Companies Act 2014 as amended implements the EU's Shareholder Rights Directive II requiring institutional investors 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 apply a Code of Conduct on a comply or explain basis. Some Irish entities voluntarily sign up to the UK Stewardship Code.

9. 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.

10. 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.

11. 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.

12. In **Romania**, according to Law 24/2017, institutional investors and asset managers are required, among others, to publish annually information on how they have cast their votes in the general meetings of issuers in which they hold shares, except for votes that have been cast secretly in accordance with legal provisions. This information may exclude votes that are insignificant in view of the issues put to the vote or the shareholding that the shareholder has in the issuer. This information shall be available free of charge on the website of the institutional investor or the asset manager. Where an asset manager implements the engagement policy, including voting, on behalf of an institutional investor, the institutional investor shall indicate where the asset manager has published the information about that vote.

13. In the **United Kingdom**, the UK Stewardship Code is voluntary although its principles operate on an apply or explain basis. In June 2025, the Financial Reporting Council published the UK Stewardship Code 2026 to supersede the 2020 code, following a public consultation. The 2026 Code will take effect from 1st January 2026.

14. In the **United States**, the Securities and Exchange Commission has issued guidance regarding the proxy voting responsibilities of investment advisors exercising proxy voting authority with respect to client securities, including examples to help investment advisors' 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 3.17. 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 and 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	L
	Asset managers	L	L	-	L	L	L
	Proxy advisors ⁴	-	-	-	-	L	L
Brazil	Investment funds and asset managers	L	C	C	L	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		
Bulgaria ⁵	Investment firms (broker/dealers)	-	-	-	L	L	L
	Asset managers and investment funds	L	-	L	L	L	L
	Proxy advisors	-	-	-	-	L	-
	Life insurers and life reinsurers	-	-	-	-	L, CE	L, CE
	Pension funds	L	-	-	-	L	-
Canada	Investment funds and Investment fund managers	C	C	C	L	L	L
	Pension funds etc.	C	C	-	C	C	-
	Proxy advisors	-	-	-	-	C	C
Chile	Pension funds	L	L	L ⁶	L	L	L
	Fund managers	L ⁷	-	C ⁸	-	L ⁹	-
China	Institutional investors	-	-	-	-	I	-
Colombia	Pension funds	L	L	L	L	L	-
Costa Rica	Institutional Investors	L	-	L	-	-	-
Croatia	Pension funds Principles of corporate governance in companies in which pension funds' assets are invested	I	-	-	-	L	L
Czechia	Institutional investors, asset managers, proxy advisors	-	-	-	-	L	-
Denmark	Investment funds, asset managers, insurers, pensions funds ¹⁰	L	L	L	-	L	L
Estonia	Investment funds, asset managers, insurers, pension funds	L	-	L ¹¹	L	L	L
	Proxy advisors	-	-	-	-	C	C
Finland	Investment funds, asset managers, pension funds	L	C	C ¹²	-	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 (L for Large Fund Managers on material	C	C	C

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		
				climate-related risks)			
Hungary	Investment funds and asset managers	L	-	-	L	L	L
	Proxy advisors ¹³	L	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, insurance companies	L	L	C	L	L	L
Ireland ¹⁴	Institutional investors and asset managers	L	L	L	-	L	L
Israel	Mutual funds managers	L	L ¹⁵	L ¹⁶	L	L	L
	Insurance companies and 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, asset managers, pension plans, pension funds, insurance companies	L	-	-	L	L	L
	Proxy advisors	-	-		-	-	L
Lithuania	Investment funds and asset managers, pension funds, insurance companies	L	-	L	L	L (except insurance companies)	L
	Proxy advisors	L	-	-	-	L	L
Luxembourg	ALFI members: Investment funds	C	-	C	-	-	-
Malaysia	Asset owners, asset managers, service providers	CE	CE	CE	CE	CE	CE
Mexico	Institutional investors, asset managers, fund managers	L	-	-	-	-	-
Netherlands	Institutional investors (pension funds, life insurance companies) and asset managers	L	L	-	L	L	L
	Proxy advisors ¹⁷	L	L	-	L	L	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		
	Eumedion Code: Institutional investors and asset manager	C	C	-	C	C	C
New Zealand	Fund managers, statutory supervisors, custodians, 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	-
	Proxy advisors	-	-	-	-	-	L
Portugal	Institutional investors, asset managers, proxy advisors	L, C	L, C	L	-	L, C	L, C
Romania	Institutional investors, asset managers, proxy advisors	L	L	-	-	L	L
Saudi Arabia ¹⁸	-	-	-	-	-	-	-
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, 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, AP7)	-	-	L	-	(L: Policy setting for AP1-4)	-
	Insurance companies	L	L	-	L	L	-
	Institutional investors	L	L	L	L	L	-
	Proxy advisors	-	-	-	-	L	-
Switzerland	Institutional investors	CE	-	-	CE	CE	CE
Türkiye	Institutional investors and asset managers	L, CE	CE	CE	L, CE	CE	L, CE
United Kingdom	Institutional investors and proxy advisors	L, C	L, C	L, C	L, C	L, C	L, C
	Investment consultants	C ¹⁹	C	C	-	-	C
United States	Registered management	L	-	-	L	L	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		
	investment companies						
	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 **Belgium**, the Belgian Companies Code requires proxy advisors to report to their clients conflicts of interests or business relations that could influence their advice.

5. In **Bulgaria**, the proxy advisors are required to disclose whether a monitoring is carried out thereby (inclusive the description of the manner of the monitoring) on the market conditions, the legislative requirements and the conditions, which are specific for each investee company. They are also required to disclose whether a communication is maintained thereby with the investees companies, inclusive the scope and the character of the communication. In Bulgaria, life insurers and reinsurers are required to disclose the monitoring of the respective aspects in the activities of the investee companies including strategy, financial and nonfinancial results, capital structure, social impact, environmental impact and corporate governance, or to explain publicly why it does not comply with any of the requirements envisaged.

6. 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.

7. In **Chile**, [Articles 17 and 56 of Funds' Law](#) establish the responsibilities of Fund Managers to aim the investment targets and comply with the internal regulation of each Fund.

8. In **Chile**, [Santiago Stock Exchange](#) and the [Association of Investment Fund Managers](#) have published guidance on sustainable investment.

9. In **Chile**, [General Rule No. 365](#) establishes the minimum contents that Fund Internal Prospects should contain; these include the Voting Policy.

10. 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.

11. 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, the issues concerning the human resource management, the observation of human rights and anticorruption efforts in the management report to a necessary extent.

12. 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 in applying the Guide.

13. In **Hungary**, Section 15 of the Act LXVII of 2019 on long-term shareholder engagement requires proxy advisors to publicly disclose the procedures put in place to ensure quality of the research, advice, voting recommendations, qualifications of the staff involved, the essential features of the voting policies they apply for each market, and whether they have dialogues with the companies which are the object of their research, advice or voting recommendations, as well as with the stakeholders of the company, and, if so, the extent and nature thereof.

14. In **Ireland**, according to Companies Act 2014, Part 17 Chapter 8b, institutional shareholders and asset managers may choose not to comply with the statutory requirement on engagement policies if they provide a clear explanation. In the context of their engagement reporting, they should disclose how they use proxy advisors for the purpose of their engagement activities.

15. 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.

16. In **Israel**, in 2023, the Israel Securities Authority (ISA) issued a directive aimed at fund managers and large license holders, requiring them to consider Environmental, Social and Governance (ESG) factors in their decision-making processes. Although the directive does not mandate the integration of ESG factors, it does require entities to assess these considerations and disclose their approach.

17. 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.

18. 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 on the institutional investors in the matter of conflicts of interest, unless they are board members or representatives.

19. In the **United Kingdom**, see footnote 13 under Table 3.16 regarding the UK Stewardship Code.

Table 3.18. 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
Bulgaria	SL, CL, C	MP, MR	-	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
Croatia	CL	MP	MP	MP	MP	MP	MP	MP
Czechia	CL	MR	MP	MR	MP	-	-	VP
Denmark	CL	MP	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 ⁶	-	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 ⁷	-	-	MP
Ireland	CL, O	MP	MP	MP	MP	MP	MP	MP
Israel	SL, O	MP	MP ⁸	MP	-	MP	MP	MP
Italy	CL	MP	MP	MP	MP	MP	MP	MP
Japan	CL, SL, R	MP	VP	MP	MP	MP	MP	MP
Korea	CL, R, O ⁹	MP	MP	MP	MP	MP	MP	MP
Latvia	O	MP	MP	MP	MP	MP	-	MP
Lithuania	O	MP	MP	MP	MP	MP	-	MP
Luxembourg	O	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 ¹⁰	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
Poland	CL, SL, O	MP	-	MP	MP	MP	MP	MP
Portugal	CL, SL	MP	MP	MP	MP	MP	MP	MP
Romania	SL	MP	MP	MP	MP	-	MP	-
Saudi Arabia	CL, SL, R, C	MP	MRVP	MP	MP	MP	-	MP
Singapore	CL, SL, R	MP	MR	-	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, SL	MP	MP ¹¹	-	MP	-	MP	MP
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** = 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. This 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 **Hong Kong (China)**, Listing Rules require an issuer to disclose any shareholder voting agreements or arrangements in its listing document or circular.

7. In **Indonesia**, specific regulated issuers which have innovation and high growth rates may issue shares with multiple voting rights through a mandatory public offering. Issuers regulated in this provision should meet certain criteria such as utilising technology to innovate products that increase productivity and economic growth, having shareholders who have significant contributions in the utilisation of technology, having minimum total assets of at least IDR 2 trillion (about USD 132 million), and others as promulgated by Art. 3 OJK Regulation No. 22/POJK.04/2021.

8. In **Israel**, mandatory discovery provision regarding beneficial owners applies only to interested parties defined as shareholders with at least 5% shareholding.

9. In **Korea**, under Art. 28 of the Monopoly Regulation and Fair Trade Act (MRFTA), domestic affiliates of a business group subject to disclosure are required to disclose specific information about the business group. This includes the general status of the group, status of shareholdings, status of its domestic affiliates that are not holding companies, status of cross shareholding/circular shareholding, status of debt guarantees between affiliates, whether voting rights are exercised, status of trading with related parties, etc. Furthermore, under Art. 27 of the MRFTA, among domestic affiliates of a business group subject to disclosure, unlisted companies with total assets of KRW 10 billion or more at the end of the previous fiscal year shall disclose any of the important matters related to ownership and governance structure, financial structure, and management activities within seven business days from the date of occurrence.

10. 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.

11. In **Türkiye**, except for the corporations specified in Article 2 of II-17.1 Communiqué On Corporate Governance, shareholding structure of the corporation, names, number and ratio of shares, and privileges of real person shareholders who have more than 5% shareholding cleared from indirect relations and cross ownership relations, shall be disclosed by being updated at least every six months.

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Notes

¹ Per the EU Shareholders Rights Directive (Directive 2007/36/EC), a company may call a general meeting (other than its AGM) with at least 14 days' notice if it uses electronic voting and at a previous general meeting, at least two-thirds of voting shareholders approved the shorter notice period.

² Article 92 of the Dutch Civil Code Book 2 on legal entities states that "Unless otherwise provided in the articles of association, all shares are subject to equal rights and obligations in proportion to their amount. The public limited company must treat shareholders or certificate holders who are in similar circumstances in the same manner. The articles of association may provide that shares of a certain class are subject to special rights as described in the articles of association regarding control in the company."

³ Safeguards include: (i) qualified majority shareholder approval of multiple voting share rights; (ii) a maximum ratio of the number of votes attached to multiple vote shares to the number of votes attached to shares with the lowest voting rights or, alternatively, certain requirements for decisions in general meetings subject to a qualified majority of the votes cast. Member countries have also the possibility, when implementing the Directive, to adopt additional safeguards, such as sunset clauses upon a specific event, transfer of shares or after a certain timeframe has passed.

⁴ The temporary regime allowing a closed door shareholder meeting format without an amendment to the company's articles of association applied until 31 December 2024.

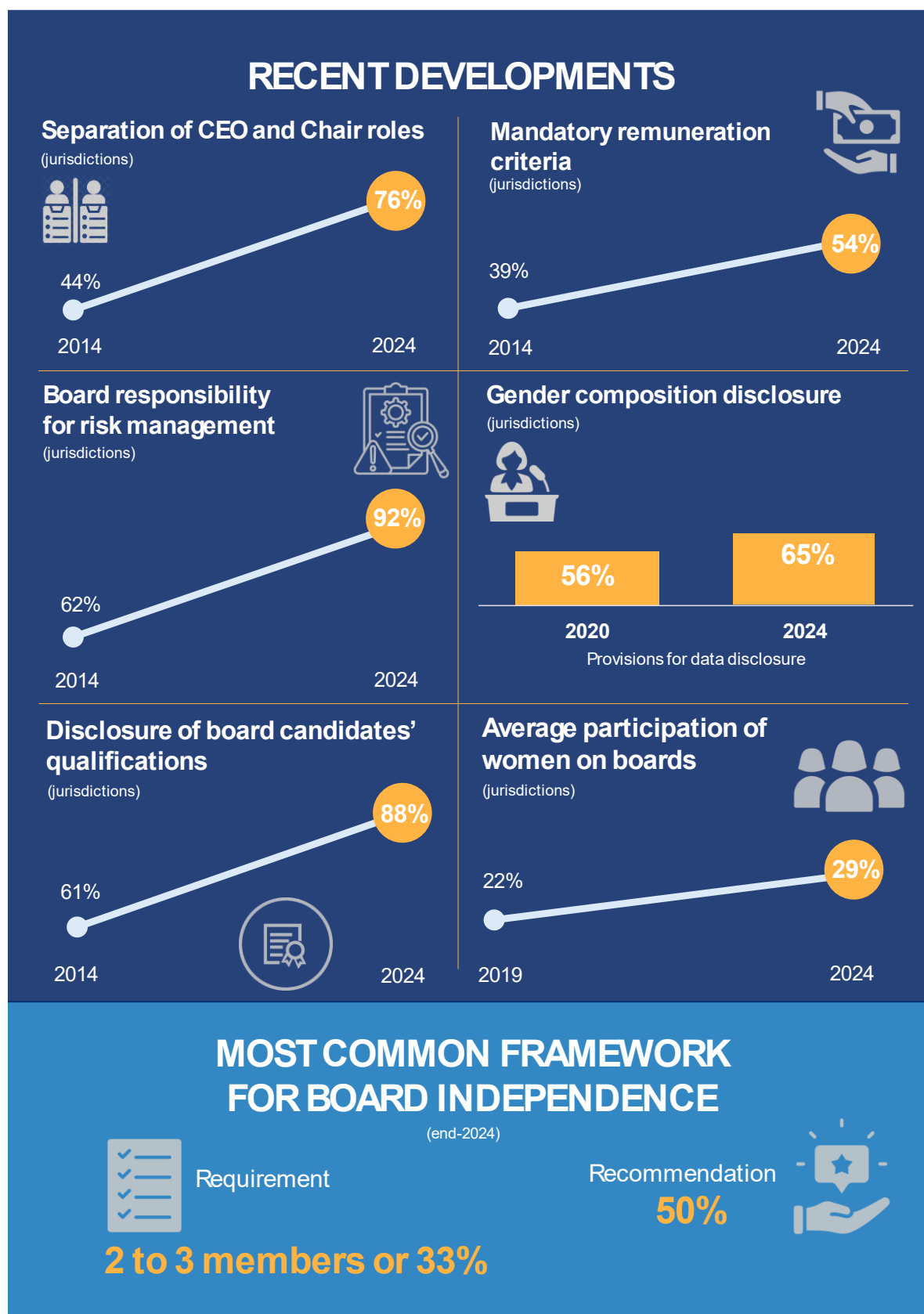
⁵ The SRD II (Directive (EU) 2017/828) mandated that EU Member States implement requirements for companies to disclose material related party transactions with detailed information related to them when the transaction is concluded. The Directive allowed some flexibility for Member States to set criteria 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.

4

The board of directors

The G20/OECD Principles of Corporate Governance recommend that the corporate governance framework ensure 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 for board structures, board independence and board-level committees, including audit, remuneration, nomination and specialised committees, as well as risk management and implementation of internal controls. It also includes a section on auditor independence, accountability and oversight, covering audit firm and audit partner rotation. The chapter also covers board nomination and election, board and key executive remuneration and gender diversity on boards and in senior management.

Infographic 4.1. Key facts and figures on the board of directors



4.1. Basic board structures and independence

One-tier board structures are favoured in 24 jurisdictions, while 7 favour two-tier boards. A growing number (18 jurisdictions) allow both structures, and 3 have adopted hybrid systems. A minimum board size is most commonly set at three members and the maximum term of office for board members is typically three years.

Twenty-four Factbook jurisdictions have one-tier boards, whereby executive and non-executive board members may be brought together in a unitary board system. Seven jurisdictions have two-tier boards that separate supervisory and management functions. In such systems, the supervisory board typically comprises non-executive board members, while the management board is composed entirely of executives. China revised its Company Law in 2023 to shift from a two-tier to a one-tier system for listed companies. Under the new framework, listed companies are required to establish a board audit committee, replacing the supervisory board. Eighteen countries allow both one-tier and two-tier boards. In addition, **Italy**, **Japan** and **Portugal** have hybrid systems that permit three options and provide for an additional statutory body mainly for audit purposes (Table 4.2, Table 4.3, Table 4.4, Table 4.5).

While 48 jurisdictions require or recommend a minimum board size, which is most commonly set at three members, only 13 jurisdictions place limits on the maximum size of boards, ranging from 5 in **Brazil** to 21 in **Croatia** and **Mexico** (Table 4.6). The maximum term of office for board members is set in all but nine jurisdictions, most commonly at three years. Annual re-election for all board members is required or recommended in seven jurisdictions (Table 4.1). **France** recommends that the terms of office of the board members be staggered. In **Hong Kong (China)**, each director is subject to retirement from office by rotation at least once every three years.

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

1 year	2 years	3 years	4 years	5 years	6 years
Canada	Japan (A)	Argentina	Croatia	Austria	Belgium
Japan (C) (S)	<i>Norway</i>	Australia	Denmark	Bulgaria	France
Switzerland		Brazil	Lithuania	Estonia	Greece
<i>Denmark</i>		Chile	Norway	Indonesia	Luxembourg
<i>Finland</i>		China	Portugal	Latvia	Slovenia
<i>Sweden</i>		India	Romania	Poland	<i>Ireland</i>
<i>United Kingdom</i>		Italy	Saudi Arabia	Slovak Republic	
		Korea	Spain	<i>Germany</i>	
		Malaysia	Sweden	<i>Hungary</i>	
		Peru	<i>France</i>		
		Singapore	<i>Netherlands</i>		
		Türkiye			
		<i>Hong Kong (China)</i>			

Note: Country names shown in black text denote law or regulations in place, and blue italic denotes the use of codes. The table refers to both one-tier and two-tier boards, with requirements for 2-tier boards applying to the supervisory board. "Japan (C), (S) and (A)" denote a three committees model, an audit and supervisory committee model and a statutory auditors model respectively. See for Table 4.6 data.

4.1.1. Independence of the board

The most common requirements for a minimum number or ratio of independent directors are for two to three board members (13 jurisdictions) or at least a third of the board (9 jurisdictions), while the most common recommendation is for boards to be composed of at least 50% of independent directors (20 jurisdictions). Over the past decade, there has been a significant increase in frameworks that require or recommend board independence, particularly regarding the separation

of the roles of CEO and board chair, independence from substantial shareholders, and maximum tenure limits for independent directors.

All but two jurisdictions (**Luxembourg** and the **Slovak Republic**) require or recommend a minimum number or ratio of independent directors. Six jurisdictions (**Hungary, India, Korea, Portugal, South Africa, the United States**) have established binding requirements for 50% or more of independent board members for at least some companies. 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 (Table 4.7, Figure 4.1). Nine countries have at least two standards, which set a mandated minimum requirement for independent board members usually coupled with a more ambitious voluntary recommendation. Given these provisions for promoting independent directors, it is also relevant to support their professional development and ensure that they possess the skills and competencies essential for good corporate governance.

Six jurisdictions link board independence requirements or recommendations with the ownership structure of a company (Table 4.8). In three of these (**France, Israel, the United States**), companies with more concentrated ownership are subject to less stringent requirements or recommendations. The role of independent directors in controlled companies differs from their role in companies where ownership is dispersed, since the nature of the agency problem is different (i.e. in controlled companies, the vertical agency problem between ownership and management may be less acute and the horizontal agency problem involving controlling and minority shareholders more apparent). In addition, many jurisdictions have established 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 4.16.

Figure 4.1. Minimum number or ratio of independent directors on the (supervisory) board

One-tier board	No threshold	Minimum number		Minimum ratio		
		1 person	2-3 persons	20-30%	33%	50%+
Australia						○
Canada			●			○
Chile		●				
China					●	
Colombia				●		
Costa Rica			●			
Greece			●		●	
Hong Kong (China)			●		●	
India					●	●
Ireland						○
Israel			●		○	○
Korea			●			●
Malaysia			●		●	○
Mexico				●		
New Zealand			●			○
Peru					○	
Saudi Arabia			●		●	
Singapore					●	○
South Africa						●
Spain			●			
Sweden						○
Türkiye			○		○	
United Kingdom						○
United States						●

Hybrid multiple options	No threshold	Minimum number		Minimum ratio		
		1 person	2-3 persons	20-30%	33%	50%+
Italy		●	○			
Japan		●	○		○	●
Portugal (BoD)		●	●			○
Portugal (SB)						●

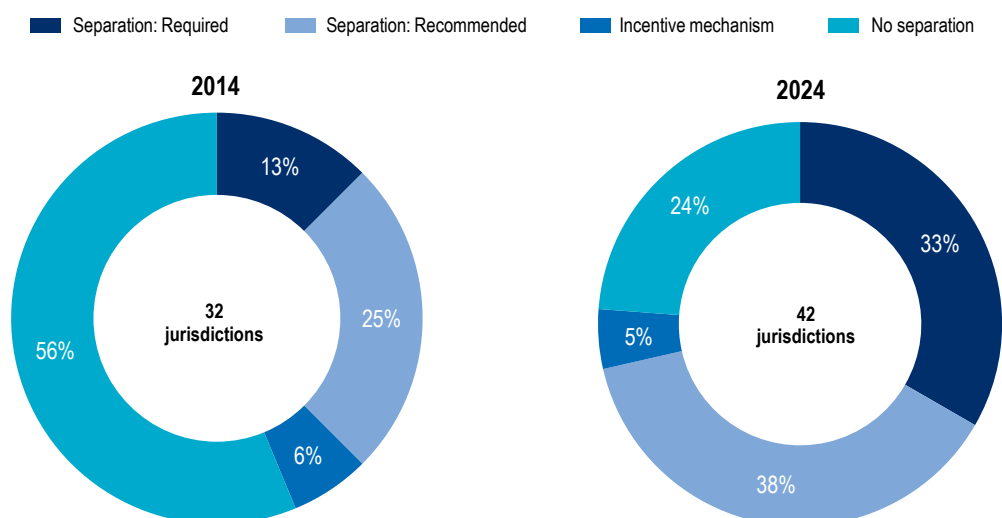
One-tier board or two-tier board (supervisory)	No threshold	Minimum number		Minimum ratio		
		1 person	2-3 persons	20-30%	33%	50%+
Argentina			●			
Belgium			●			●
Brazil				●	○	
Bulgaria					●	
Croatia	●	●				
Czechia				○		
Denmark					●	○
Finland						○
France					○	○
Hungary						●
Lithuania					●	
Luxembourg	●					
Netherlands						○
Norway			●			○
Romania					○	
Slovak Republic	●					
Slovenia						○
Switzerland						○

Two-tier board (supervisory)	No threshold	Minimum number		Minimum ratio		
		1 person	2-3 persons	20-30%	33%	50%+
Austria			●			○
Estonia						○
Germany		○	○	●	●	
Iceland						○
Indonesia	●			●		
Latvia						○
Poland			○		●	●

Note: While filled circles denote law, regulations or listing rules, empty circles denote codes. Portugal's (BoD) and (SB) denote board of directors and supervisory board. The United States requirement applies to listed companies without a controlling majority. See Table 4.7 for data.

One-third of jurisdictions with a one-tier board system require the separation of the functions of board chair and CEO, and an additional 38% encourage it through code recommendations. These figures represent a significant increase from 2014, when 13% of jurisdictions had a requirement and 25% had a recommendation. India and Singapore encourage the separation of the two functions through an incentive mechanism that requires a higher minimum ratio of independent directors (50% instead of 33%) (Figure 4.2). In total, 76% of jurisdictions either require or encourage the separation of the roles of CEO and board chair, up from 44% in 2014. For two-tier board systems, the separation of the functions is assumed to be required as part of the usual supervisory board and management board structure.

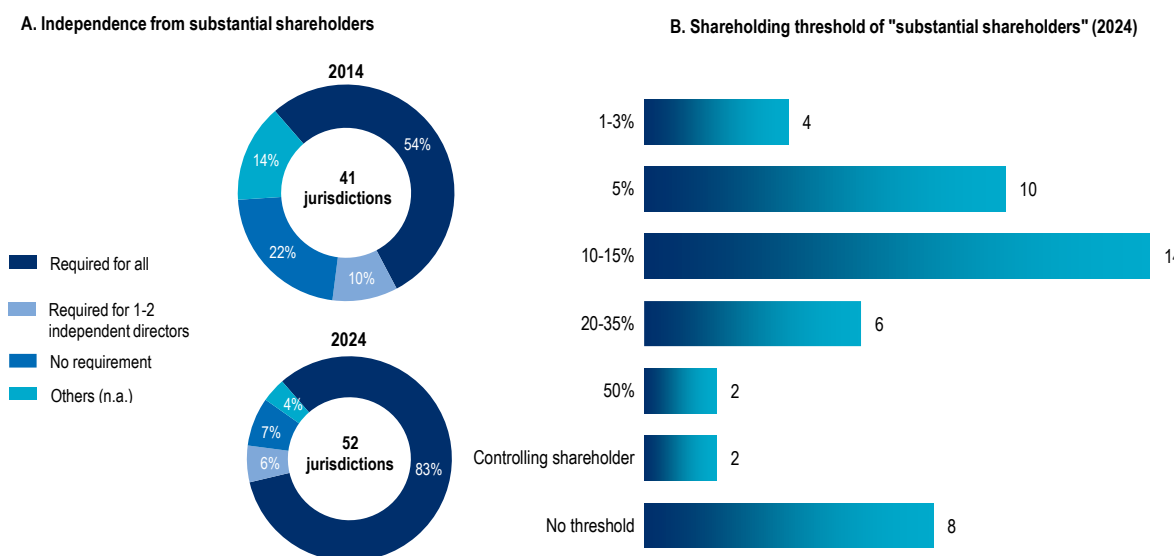
Figure 4.2. Separation of CEO and chair of the board roles in one tier board systems



Note: Based on data from jurisdictions that adopt one-tier board systems or allow an option between one-tier and two-tier systems. They are of 32 jurisdictions in 2014 and 42 in 2024. The two jurisdictions denoted as “Incentive mechanism” set forth a higher minimum ratio of independent directors on boards when the chair is also the CEO. See Table 4.7 for data.

National approaches to defining the independence of independent directors vary considerably. Many jurisdictions also establish a maximum tenure for board members to be considered independent. Most jurisdictions (89%) have now established requirements defining the independence of directors in relation to substantial shareholders, a significant increase from 64% in 2014. However, the threshold for substantial shareholding varies widely from 1% to 50%, with 10-15% being the most common share (Figure 4.3).

Figure 4.3. Requirements for the independence of directors and their independence from substantial shareholders



Note: Based on data for 41 jurisdictions in 2014 and 52 jurisdictions in 2024. See Table 4.7 for data.

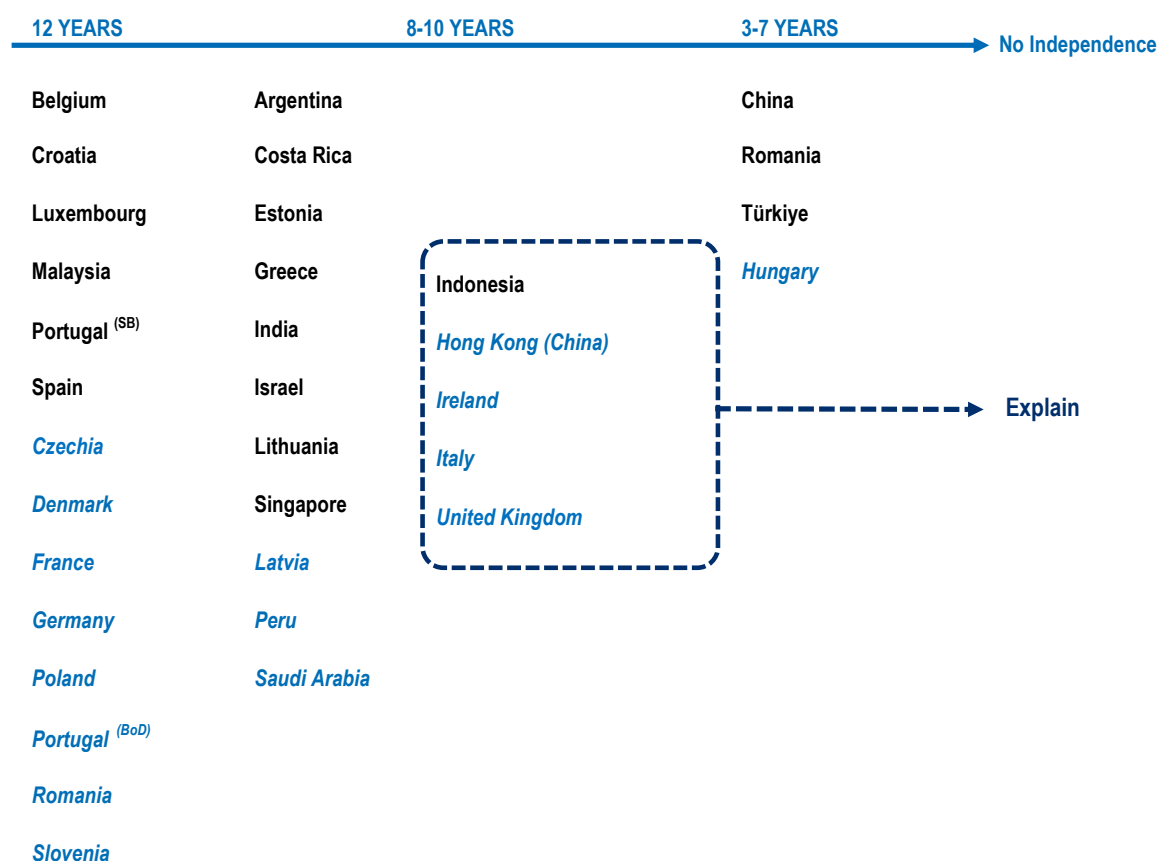
There are also significant differences in the maximum tenure board members may serve before no longer being considered independent. Sixty-three percent of the jurisdictions set a maximum tenure for independent directors, up from 51% in 2014. The maximum tenure ranges from 3 to 12 years, with 12 years being the most common length, followed by 9 years. Of 52 Factbook jurisdictions, just over half of the jurisdictions require or recommend that directors no longer be considered as independent at the end of the specified period, and 10% require that an explanation be provided regarding their independence (Figure 4.4).

Eleven European countries and **China** have established legal requirements regarding the minimum share of employee representation on the board, which varies from one to half of board members, with one-third being 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 two to three representatives depending on the size of the company (Table 4.9).

Figure 4.4. Definition of independent directors: Maximum tenure

Black denotes Rule/regulation

Blue italic denotes Code



Note: While black denotes law, regulations or listing rules, blue italic denotes codes. Portugal's BoD and SB denote board of directors and supervisory board. See Table 4.7 for data.

4.2. Board-level committees

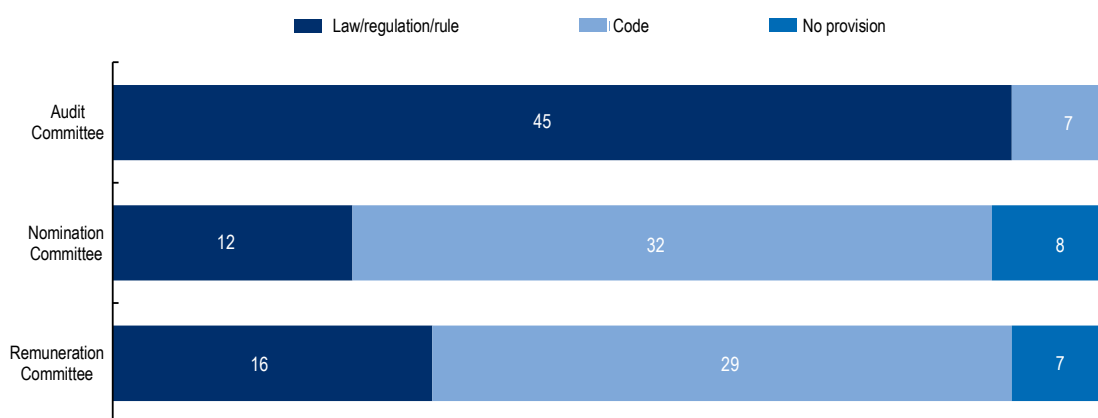
All jurisdictions require or recommend the establishment of an audit committee with provisions to promote its independence. While most jurisdictions do not mandate nomination and remuneration committees, the majority at least recommend their establishment, often with mostly or entirely independent directors. While less common, a growing number of jurisdictions have started requiring or encouraging the establishment of other specialised committees.

The three traditional committees (audit, nomination and remuneration committees) are predominantly justified from the standpoint of dealing with principal-agency problems and managing conflicts of interest, while specialised committees tend to focus more on providing advice on specific areas of expertise (Rey, 2022^[1]).

4.2.1. Traditional committees

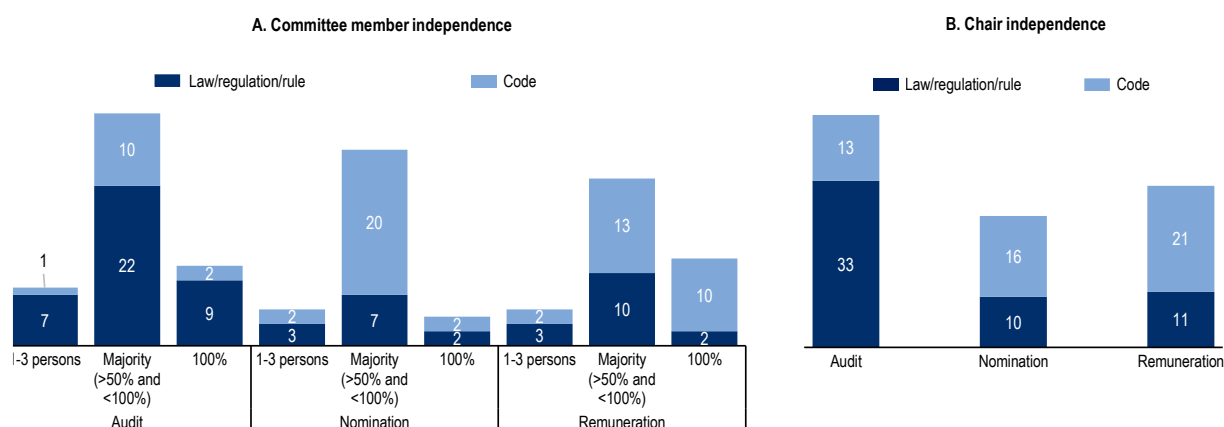
All surveyed jurisdictions require or recommend that listed companies establish an independent audit committee. Some jurisdictions (**Brazil, Finland, Sweden**) require audit committees but also allow some flexibility for alternative arrangements (in **Brazil**, fiscal councils can be used to carry out most audit committee functions, and in **Finland** and **Sweden**, the functions of the audit committee are explicitly required but may be carried out by the full board). The majority of jurisdictions encourage the establishment of nomination and remuneration committees through code recommendations, while nomination committees are mandatory in 12 jurisdictions and remuneration committees in 16 (Figure 4.5).

Figure 4.5. Board-level committees by category and jurisdiction



Note: Based on 52 jurisdictions. See Table 4.10 for data.

Figure 4.6. Independence of the chair and members of board-level committees



Note: Based on 52 jurisdictions. In panel B, jurisdictions that have both law/regulation/rule and code are counted under law/regulation/rule. See Table 4.10 for data.

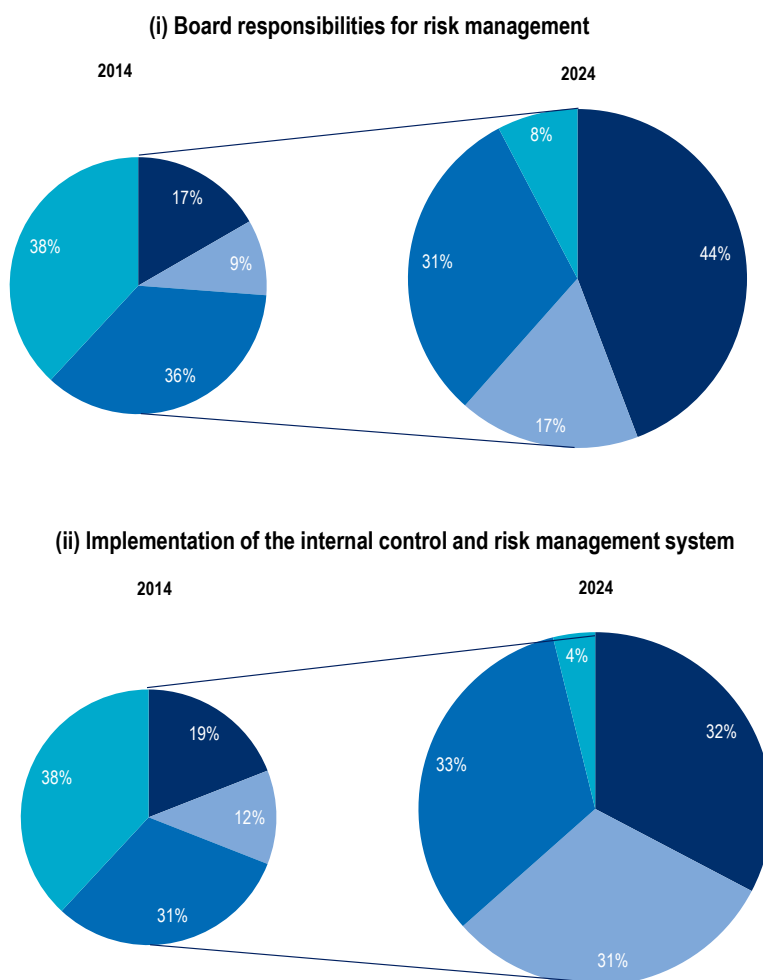
To address conflicts of interest, full or majority independent membership is required or recommended for all three committees in most jurisdictions. Thirty-one jurisdictions require the audit committee to have at least a majority of independent directors, while 12 countries recommend such independence in their codes. For nomination and remuneration committees, code recommendations are the preferred approach to encourage companies to appoint at least a majority of independent members, recommended in 22 and 23 jurisdictions, respectively. Concerning the independence of committee chairs, requirements are most common for audit committees, with 33 jurisdictions mandating it. For nomination and remuneration committees, independence is again more commonly encouraged through code recommendations rather than set as a legal requirement (Figure 4.6).

4.2.2. Risk management and other committees

Sixty-one percent of jurisdictions require assigning a risk management role to the board, with another 31% recommending this in their codes, up from 26% and 36%, respectively, in 2014. Enterprise-wide internal control and risk management systems are also required in 63% of countries, with an additional one-third having recommendations, a significant evolution since 2014 (Figure 4.7).

Figure 4.7. Risk management and implementation of internal controls in 2014 and 2024

■ Law/regulation/rule ■ Both law/regulation/rule and code ■ Code ■ No provision or n.a

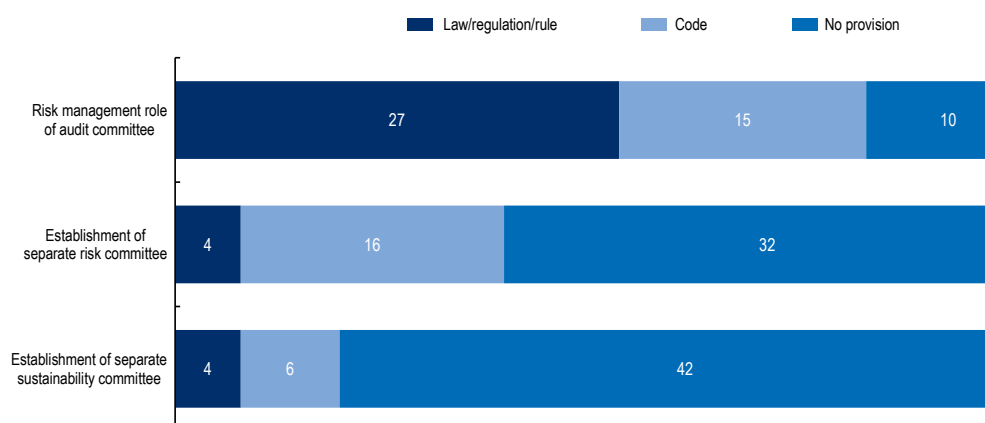


Note: The data is based on 42 jurisdictions in 2014 and 52 jurisdictions in 2024. In 2014, "No provision" includes jurisdictions that did not provide an answer. See Table 4.11 for data.

A large majority of jurisdictions (42) require or recommend that audit committees also play a role in risk management oversight. In addition, 20 jurisdictions require or recommend separate risk committees (Figure 4.8). Provisions to appoint chief risk officers are not common, with four jurisdictions mandating them and five providing recommendations (Table 4.11).

Companies establish other committees to support certain tasks and address specific issues. Although law or regulations regarding the establishment of sustainability committees are not widespread, their use is gradually increasing, from one country in 2022 to four (**Bulgaria, Croatia, Czechia, the Slovak Republic**) in 2024 (Figure 4.8). There has also been a growing trend towards voluntary establishment of other board-level committees. Common examples include compliance committees. In addition, with the rise of artificial intelligence as an increasingly important issue, a growing number of companies are forming technology committees. For instance, in 2024, 13% of S&P 500 companies had a technology committee (EY, 2024^[2]).

Figure 4.8. Board-level committee for risk management



Note: Based on 52 jurisdictions. See Table 4.11 for data.

4.3. Auditor independence, accountability and oversight

In most jurisdictions, shareholders are required to appoint and approve the external auditor. Audit committees recommend suitable candidates for shareholders' final approval.

Shareholders are responsible for appointing and/or approving the external auditor in 47 Factbook jurisdictions. In 10 jurisdictions, this responsibility is shared with the board. In 41 of the 47 jurisdictions where shareholders have appointment powers, the audit committee is required to recommend appropriate candidates. In some jurisdictions, such as **Indonesia** and **Ireland**, the board is allowed to appoint the auditor if shareholders fail to do so, or if the position remains vacant during a given period following a company's registration. In four countries (**Brazil**, **Korea**, **Mexico**, the **United States**), directors can appoint or approve the external auditor without shareholder intervention.

All jurisdictions but one require or recommend that the audit committee plays a role in the external auditor's selection, appointment, or removal process. For example, in the **United Kingdom**, the audit committee must select the auditor for the board's subsequent recommendation to shareholders. For large public companies, the board must accept the choice. A review of the audit's scope and adequacy is required or recommended in all but three jurisdictions. In **India**, the audit committee monitors the auditor's independence and performance and the effectiveness of the audit process. The involvement of the audit committee in setting audit fees is required in 19 jurisdictions, with an additional 7 recommending this practice (Figure 4.9).

Figure 4.9. Role of the audit committee in relation to the external audit



Note: Based on 52 jurisdictions. See Table 4.12 for data.

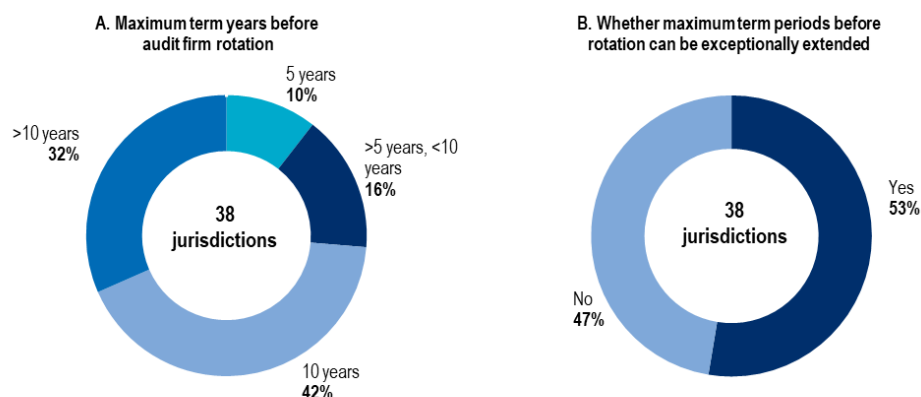
Over two-thirds of Factbook jurisdictions require that listed companies rotate their external audit providers after a specified period, typically after ten or more years of engagement. Nearly all jurisdictions have provisions for the rotation of audit partners.

Among the 38 jurisdictions that require audit firm rotation and set a maximum term before rotation, 42% set the term at ten years. The term can be exceptionally extended in roughly half of those jurisdictions (Figure 4.10). Between 2022 and 2024, the number of jurisdictions requiring rotation after ten years grew from 68% to 74% while those requiring a shorter period of between five to ten years decreased from 32% to 26%.

In the European Union, the 2014 European Audit Regulation requires audit providers of public interest entities to rotate at least every 10 years, with a possible extension up to 20 or 24 years. Subsequently, EU members have generally set the initial duration of engagement at 10 years and allow for term extensions. For example, **Bulgaria** extended the initial term from 7 to 10 years in 2024.

All but three jurisdictions (**Finland, Israel, Norway**) require or recommend the rotation of an audit partner after a specified period. 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 4.10. Maximum term years before mandatory audit firm rotation

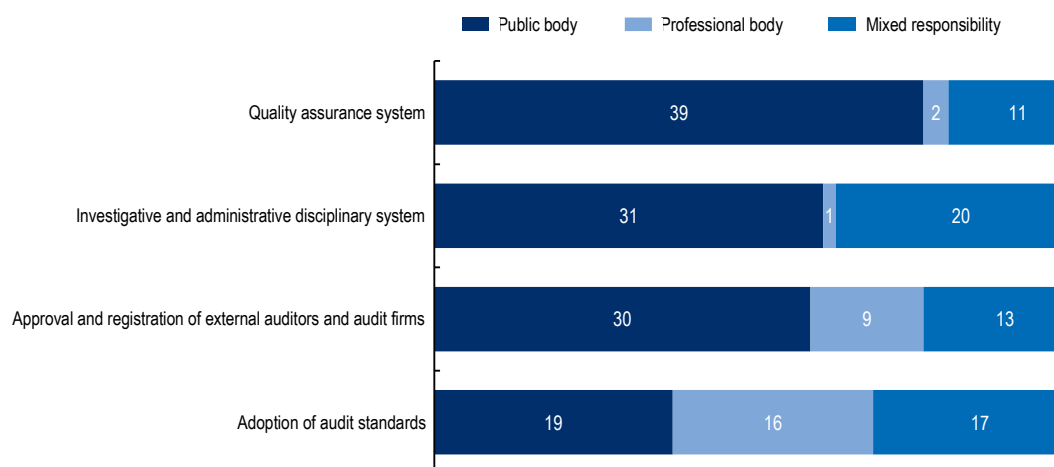


Note: Based on 38 jurisdictions for maximum term years before audit firm rotation. Based on 38 jurisdictions for whether maximum term periods before rotation can be exceptionally extended. See Table 4.13 for data.

In all but two jurisdictions, the public audit oversight body is responsible for supervising or carrying out quality assurance reviews or inspections of audits of all listed entities. However, in 11 of these jurisdictions, these responsibilities are split between the professional and public audit bodies. The public oversight body is also exclusively responsible for carrying out investigative and disciplinary procedures for professional accountants in 31 jurisdictions and for the approval and registration of external auditors in 30 jurisdictions, while they share these responsibilities with the professional body in most other jurisdictions. The responsibility for adopting auditing standards is more evenly split between public oversight bodies and professional associations (Figure 4.11).

Funding is an important factor to consider in relation to the independence of the public oversight body. Levying fees on the audit profession or audited entities remains the most widely used funding method, with 69% of jurisdictions applying it. In one-third of jurisdictions, both the government and audit profession entities serve as sources of funding for the public oversight body, while the government is the exclusive funding source in 23% of jurisdictions (Table 4.14).

Figure 4.11. Audit oversight



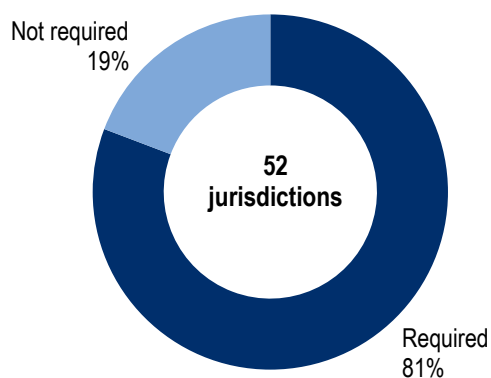
Note: Based on 52 jurisdictions. See Table 4.14 for data.

4.4. Board nomination and election

Shareholders can nominate or propose board members in nearly all jurisdictions. Directors are usually elected by obtaining a majority of shareholders' votes, in most cases allowing shareholders to vote for individual candidates.

Majority voting for board elections is required in 81% of jurisdictions, double the figure in 2014 (Figure 4.12). While shareholders can vote for individual candidates in most jurisdictions (88%), three jurisdictions (**Colombia, Italy, Portugal**) require voting for a list but provide some mechanism to ensure consideration of minority shareholder votes. For example, in **Portugal**, the articles of association of listed companies must include one of two options aimed at ensuring that minority shareholders can appoint at least one member of the board. In **Greece**, both individual and list voting are considered for board elections.

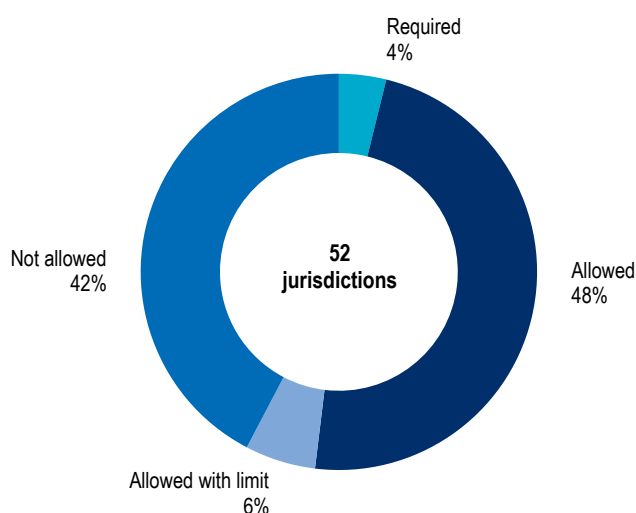
Figure 4.12. Majority voting requirement for board election



Note: Based on 52 jurisdictions. See Table 4.15 for data.

Some jurisdictions strengthen minority shareholders' influence on board elections by allowing them to cast all their votes for one candidate when there are multiple options ("cumulative voting"), instead of restricting their votes per share to each candidate contest. **Saudi Arabia** is the only country that mandates it, and **China** requires it to elect supervisors only in specific cases. Although 48% of jurisdictions allow electing board members in this manner, it is not widely used (Figure 4.13). In the **United States**, Delaware Law's default rule is plurality voting, although companies may provide for cumulative voting.

Figure 4.13. Cumulative voting



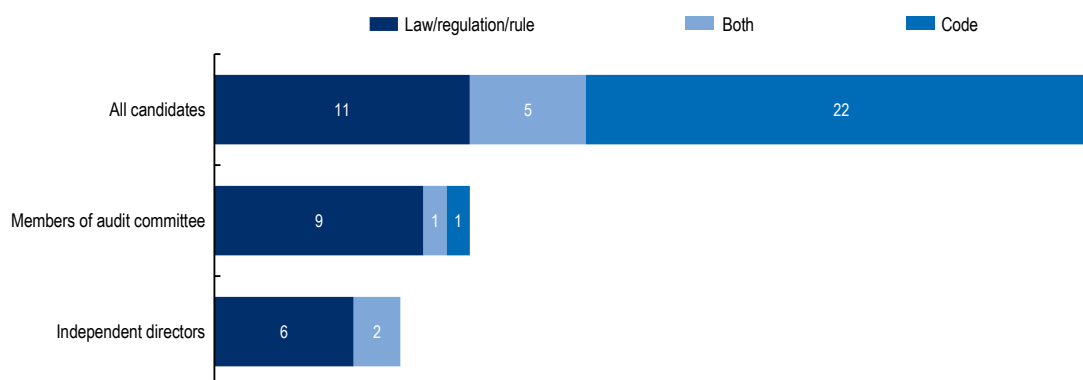
Note: Based on 52 jurisdictions. See Table 4.15 for data.

While qualification standards for board candidates and screening processes are widely defined, criteria for audit committee members and independent directors are required in only a few jurisdictions.

In nearly 75% of jurisdictions, all board candidates are expected to meet qualification standards. Fewer jurisdictions set qualification standards for audit committee candidates (11) and independent directors (8) (Figure 4.14). Some jurisdictions use different combinations regarding scope and conditions. For example, **Türkiye** recommends standards for all candidates but requires certain conditions for audit committee members and independent directors. In **Chile**, all directors must meet some qualification requirements, while independent directors must comply with additional legal and procedural conditions.

Nine jurisdictions require candidates to undergo a formal screening procedure for board nomination, while an additional 22 jurisdictions recommend such a procedure. The **United Kingdom** recommends that a nomination committee assess the balance of skills, experience, independence and knowledge necessary for board membership. In **China**, a nomination committee is responsible for selecting and reviewing candidates for director positions, including their qualifications.

Figure 4.14. Qualification requirements for board member candidates

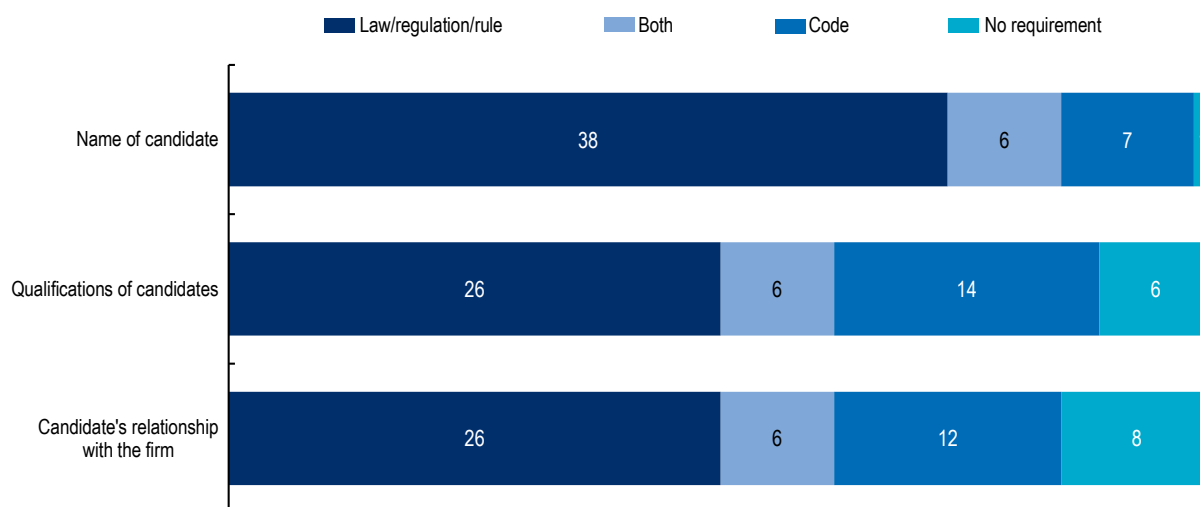


Note: Based on 52 jurisdictions. "Both" refers to jurisdictions that have both a law/regulation/rule and a code. See Table 4.17 for data.

All jurisdictions but one require or recommend the disclosure of candidates' names to shareholders. Requirements are more prominent than code recommendations for disclosing candidates' qualifications and their relationship with the firm.

The disclosure of candidates' names is required by 44 jurisdictions. During 2014-24, the percentage of jurisdictions requiring or recommending the disclosure of candidates' qualifications and of their relationship with the firm increased from 61% to 88% and from 51% to 85% respectively (Figure 4.15).

Figure 4.15. Information provided to shareholders regarding candidates for board membership



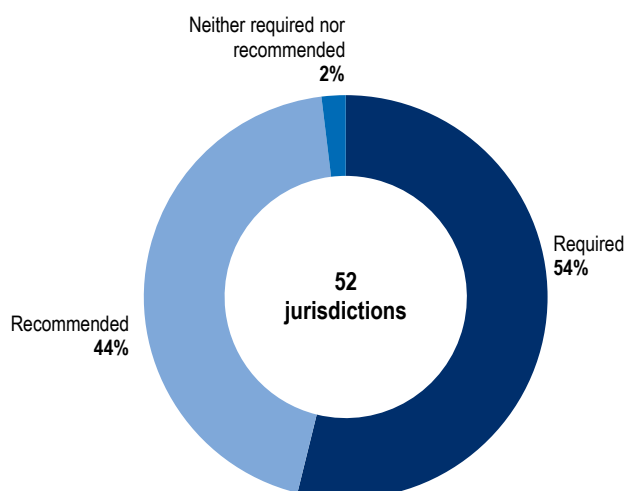
Note: Based on 52 jurisdictions. "Both" refers to jurisdictions that have both a law/regulation/rule and a code. See Table 4.17 for data.

4.5. Board and key executive remuneration

Nearly all jurisdictions establish general criteria for directors' and executives' remuneration. A majority include specific schemes, with long-term incentive mechanisms (LTIM) the most common scheme.

All jurisdictions but one (the **United States**) have set general criteria for the structure of directors' and executives' remuneration. The number of jurisdictions with mandatory remuneration criteria further increased between 2022 and 2024, from 45% to 54%, and up from 39% in 2014 (Figure 4.16). However, trends vary between jurisdictions. On the one hand, around half have not changed their regulation since 2014. Within this group, the split between mandatory and recommended criteria is nearly even. For example, **Finland, Ireland** and **Poland** provide recommendations, while **Germany, Greece** and the **Slovak Republic** set criteria in law. On the other hand, within the jurisdictions that have changed their regulatory framework since 2014, a majority have moved from recommendations to mandatory requirements. However, this trend has not been uniform, with differences among EU jurisdictions. For instance, while **Denmark, Estonia** and **France** shifted from requirements to recommendations, **Italy, Portugal** and **Spain** have adopted legislation.

Figure 4.16. Criteria for board and key executive remuneration



Note: Based on 52 jurisdictions. See Table 4.18 for data.

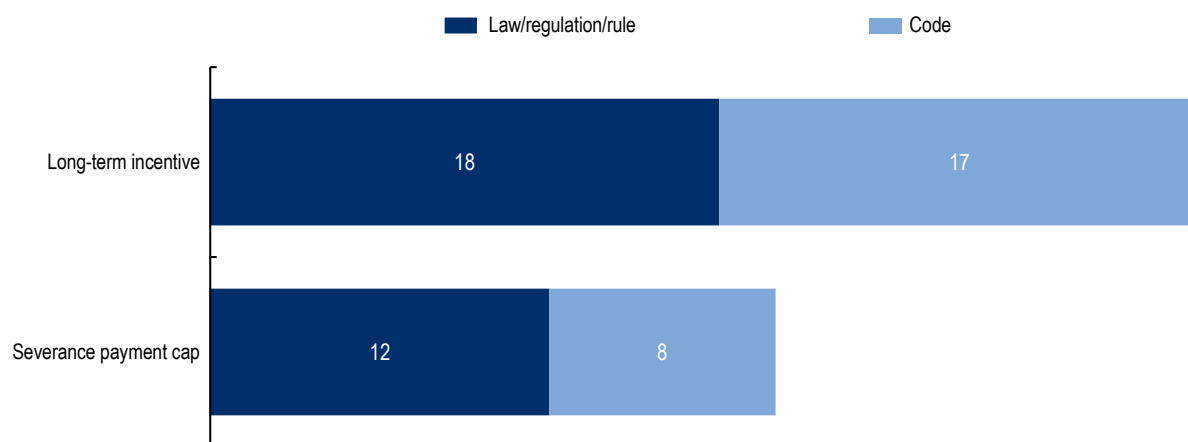
Forty-one jurisdictions have a specific requirement or recommendation on remuneration schemes. Long-term incentive mechanisms (LTIM) are required or recommended in 35 of these jurisdictions, making them the most common type of scheme. These may span from two to three years and involve stock options or equity incentives. Requirements or recommendations to limit or cap severance pay (SPC) are required or recommended in over one-third of all Factbook jurisdictions (Figure 4.17). While LTIMs are established evenly as either a requirement or a recommendation, SPCs are primarily a requirement. Seventeen jurisdictions implement a combination of LTIMs and SPCs. Some jurisdictions, including **Bulgaria, Colombia, Germany** and **Romania**, have introduced provisions to require or encourage sustainability-related metrics in their remuneration policies.

The scope, conditions and combinations of criteria implemented vary between jurisdictions. In **Australia**, recommendations stipulate that board members, specifically non-executive directors, should not be provided with severance payments. **Türkiye** recommends that the remuneration of independent directors should not be based on profitability, share options or company performance.

While countries have generally not established specific quantitative limits on executives' or directors' pay in their regulatory frameworks, **India** sets a maximum limit on the aggregated remuneration of all directors at 11% of profits. A different limit is established if the company does not produce a profit. However, these

limits can be exceeded if approved by the shareholders. In 2023, **Saudi Arabia** replaced salary limits with remuneration criteria.

Figure 4.17. Specific requirements or recommendations for board and key executive remuneration



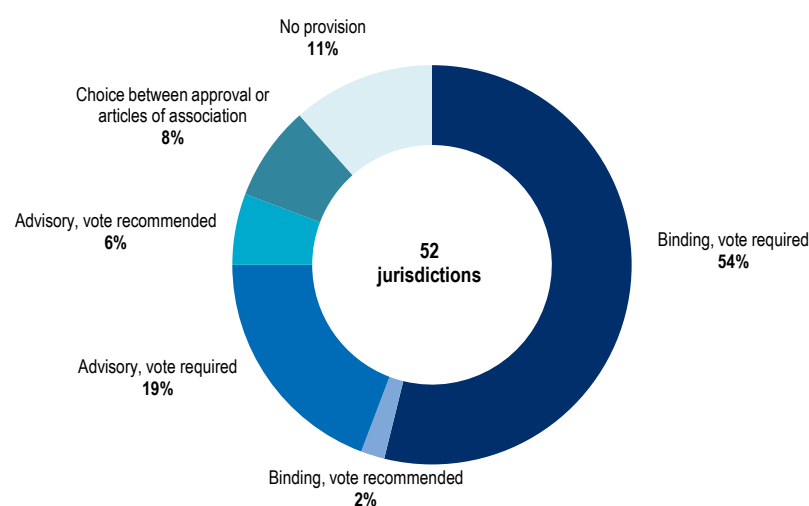
Note: Based on 52 jurisdictions. See Table 4.18 for data.

Approximately three-fourths of jurisdictions require a binding or advisory shareholder vote on the remuneration policy and on the payment level or amount, with various “say on pay” mechanisms. Nearly all jurisdictions require or recommend the disclosure of the remuneration policy and payment conditions.

Shareholders must approve the remuneration policy and the level or amount of payment packages in over half of the jurisdictions. Advisory shareholders’ resolutions on the remuneration policy are required in 19% of jurisdictions, and in 27% for the level or amount of remuneration (Figure 4.18, Figure 4.19).

Jurisdictions provide different “say on pay” schemes when establishing the scope of shareholder approval. In **Italy**, while the general meeting must approve the total remuneration of board and executive committee members, the board may also have to approve the remuneration of executive members. In **Costa Rica**, the remuneration policy for the board and key executives should always be approved by shareholders if it includes variable performance-based bonuses in company shares. In **Singapore**, listing rules require that the articles of association contain a provision stating that fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting.

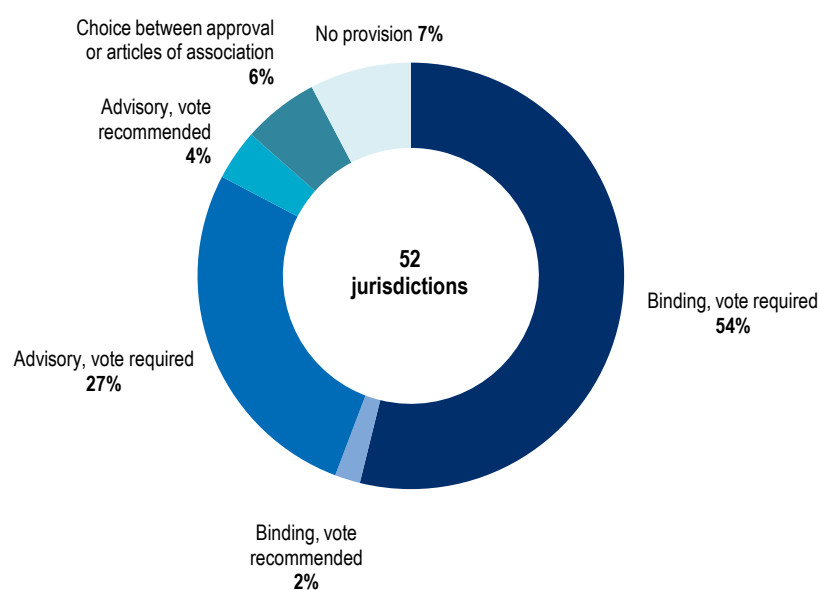
Figure 4.18. Requirement or recommendation for shareholder approval on remuneration policy



Note: Based on 52 jurisdictions. See Table 4.19 for data.

The increasing attention given to remuneration by shareholders has contributed to enhancing disclosure requirements. All jurisdictions but one now require or recommend that companies disclose their remuneration policies (Table 4.19). The extent to which remuneration disclosure is now required represents a significant evolution in legal and regulatory frameworks.

Figure 4.19. Requirement or recommendation for shareholder approval of level/amount of remuneration



Note: Based on 52 jurisdictions. See Table 4.19 for data.

In a 2010 OECD survey of listed companies in 35 jurisdictions, individual remuneration was disclosed by all companies in only one-fifth of the jurisdictions and by most companies in roughly another one-fifth (OECD, 2011^[3]). Today, disclosure of individual remuneration amounts is required or recommended for all or some directors and executives in 49 out of 52 jurisdictions, while disclosure of the total amount of remuneration is required in 50 jurisdictions (Table 4.19). **New Zealand** has one of the widest scopes for disclosure, requiring it for all directors and employees earning above NZD 100 000. Conversely, **Australia** only requires individual disclosure for key management personnel. In the **United States**, the law requires that all directors, the CEO, CFO and the three most highly compensated officers other than the CEO and CFO (if compensation is above USD 100 000) disclose their remuneration packages.

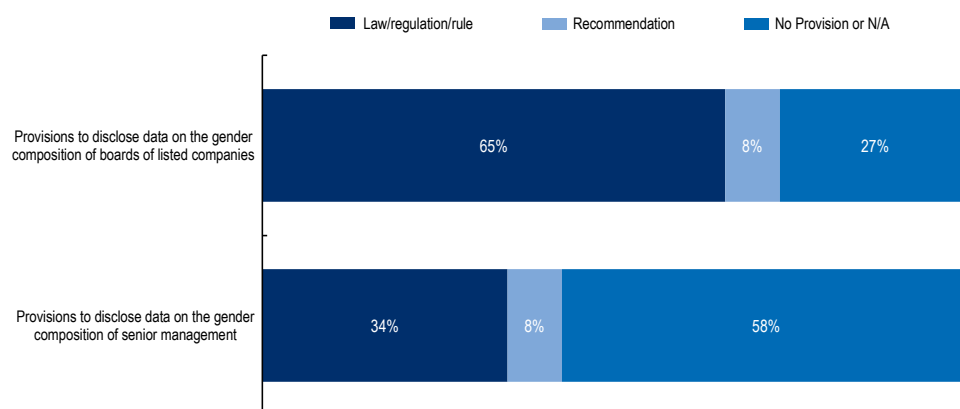
4.6. Gender composition on boards and in senior management

Many jurisdictions have adopted measures to encourage women's participation on corporate boards and in senior management, most often via disclosure requirements and other measures such as quotas and voluntary targets.

With regards to disclosure requirements, 65% of Factbook jurisdictions mandate listed companies to disclose the gender composition of boards, whereas only 34% mandate disclosure of the gender composition of senior management (Figure 4.20). This marks an increase from 2020, when the figures stood at 56% for boards and 22% for senior management. The EU Directive on improving the gender balance among directors of listed companies has had an important impact. Beyond requiring large, listed companies to apply transparent procedural requirements for board selection aimed at enhancing the share of women on boards, it also mandates EU countries to require large listed companies to provide competent authorities with information annually about the gender composition of their boards.

In **Japan**, since 2023, listed companies have been required to disclose the proportion of female managers in their annual securities reports (FSA, 2024^[4]). In **Luxembourg**, the most recent update to the X Principles of Corporate Governance, issued in January 2024, recommends that companies disclose the gender composition of both their supervisory and management boards on a comply-or-explain basis. In **China**, the largest listed companies must report the gender composition of their entire workforce under newly implemented sustainability disclosure requirements (KPMG, 2024^[5]).

Figure 4.20. 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 4.20 for data.

Regarding women's participation on boards of listed companies, 35% of jurisdictions have now established mandatory quotas, up from 24% in 2020. Five jurisdictions require large publicly listed companies to have at least 40% of the underrepresented sex on boards (**Finland, France, Iceland, Italy, Norway**), eight require between 20-35%, and five mandate "at least one" female director (**Hong Kong (China), India, Israel, Korea, Malaysia**). Specific requirements companies vary across jurisdictions, with criteria applicable commonly including company size, number of employees or board members, and/or size of assets. Almost all jurisdictions impose sanctions for non-compliance, and they take various forms, such as warning systems, fines, board seats remaining vacant, void nominations and delisting for non-compliant companies.

Although companies in EU Member States are not required to comply until June 2026, the EU Directive appears to have reinforced progress across the EU since its adoption in 2022. The average share of women on boards of large listed companies rose from 32.3% in 2022 to 34.7% in 2024 (EIGE, 2024^[6]). The Directive sets quantitative objectives for large listed EU companies (at least 250 employees), requiring that at least 40% of the non-executive board positions or 33% of all director positions be held by individuals of the under-represented sex. In addition, large publicly listed companies might also have to undertake individual commitments to reach gender balance among their executive board members. Listed companies that will fall short of the targets by June 2026 are mandated to implement the procedural requirements ensuring the transparency of the selection process and report on the measures taken or planned to achieve gender-balanced representation on their boards. These requirements are enforceable by penalties (EC, 2025^[7]).

Over a third of jurisdictions (35%) either set voluntary targets for listed companies or require listed companies to set their own numerical targets, as recommended by the jurisdiction's comply-or-explain corporate governance code or mandated by legislation, an increase from 30% in 2020. Five countries (**Denmark, Finland, Spain, Sweden, the United Kingdom**) have set the target at 40% of women on boards. Some jurisdictions where targets have been adopted have complementary measures. For example, the **Australian** Corporate Governance Code does not set a specific target but recommends that companies establish their own. Each company's target and progress should be published by the Workplace Gender Equality Agency Australia (WGEAA). Companies that fail to meet these targets may be deemed ineligible for Australian Government procurement contracts (BlandsLaw, 2025^[8]).

A growing number of jurisdictions extend mandatory quotas or targets to senior executives. In **France**, companies with more than 1 000 employees will have to meet 30% gender representation among senior executives and management committee members by 2027, increasing to 40% by 2030. Since 2022, these companies have also been obliged to publish an annual report analysing gender representation. In **Switzerland**, the corporate law reform that took effect in 2023 requires companies with more than 250 employees to have at least 20% of women on their management boards, starting from 2031 (Mondaq, 2025^[9]). If companies fail to meet this target, they are required to explain the shortfall and outline the measures they are taking to address the gender imbalance. **Germany** requires listed companies to set targets for the executive board and the two management levels below the board. In 2023, **Japan** approved "The Basic Policy on Gender Equality and Empowerment of Women 2023", aiming for women to hold over 30% of executive positions in companies listed on the Tokyo Stock Exchange's Prime Market by 2030. As an interim goal, these companies are encouraged to appoint at least one female board member by 2025 (JPX, 2023^[10]).

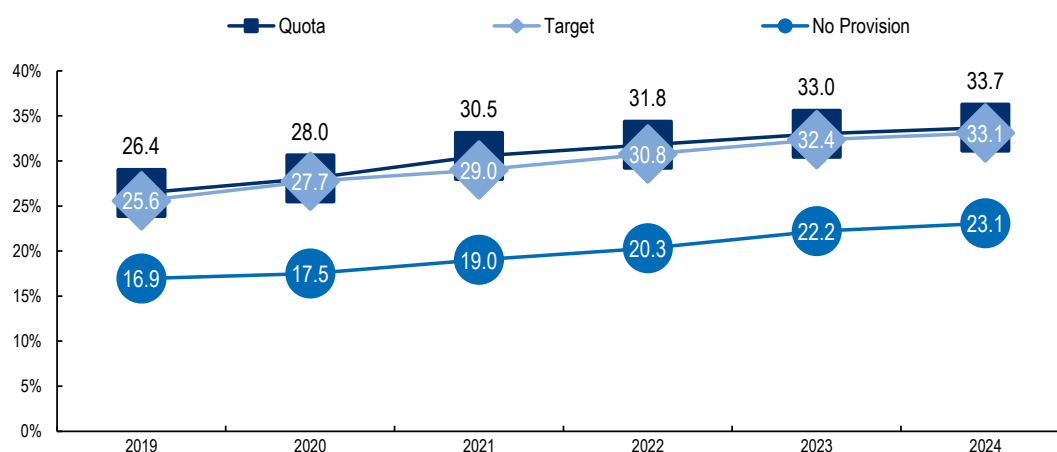
4.6.1. Participation of women on boards

The average participation of women on boards across the 52 Factbook jurisdictions reached 29% in 2024, a significant increase from 22% in 2019.

Since 2019, jurisdictions with quotas and those with voluntary targets have achieved comparable levels of women representation on boards, increasing from an average of 26% in 2019 to 33-34% in 2024

(Figure 4.21). The percentage of women on boards in jurisdictions with no quotas or targets is significantly lower at 23%, but the increase from 17% in 2019 shows that alternative measures can also help achieve results. Such measures can include shareholder initiatives, training, networking, mentorship programmes and strong commitment from the company management to promoting a more enabling environment for the advancement of women on boards.

Figure 4.21. 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. Austria, Croatia, Finland, Germany, Hong Kong (China), Malaysia and the Netherlands are counted twice due to their implementation of both a quota and a target. Data from 2019–21 was obtained from OECD. See Table 4.21 for data and description of data sources.

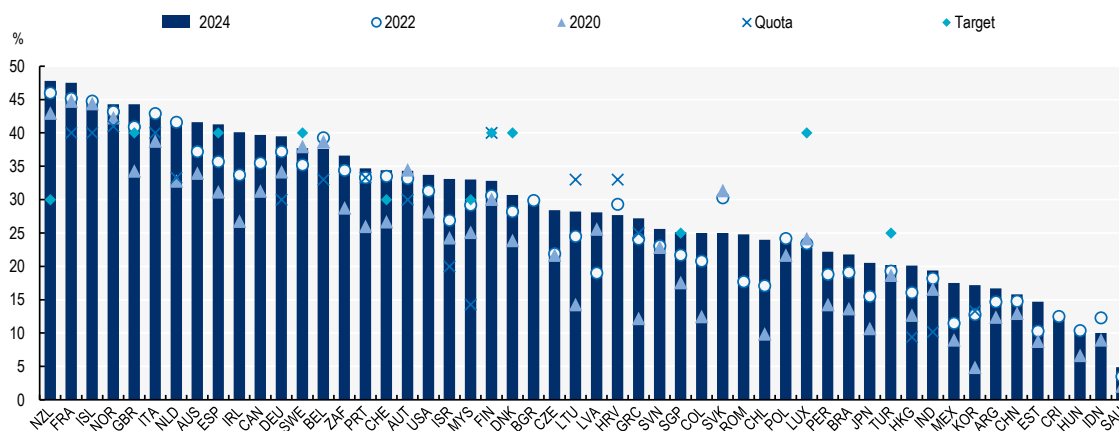
Among the jurisdictions that have set voluntary targets, the average share of women on boards of listed companies has reached or exceeded the target level in nearly all of them. In 2024, out of the ten jurisdictions that had 40% or more of women on boards, five (**France, Iceland, Norway, Italy, the Netherlands**) had mandatory quotas, and four (**Australia, New Zealand, Spain, the United Kingdom**) had voluntary targets. **Ireland** also had more than 40% of women on boards despite having neither formal quotas nor targets for listed companies (Figure 4.22). Eight countries (**Chile, Czechia, Greece, Japan, Korea, Lithuania, Mexico, Saudi Arabia**) have at least doubled the share of women on boards since 2019.

In **Czechia**, private sector-led initiatives, such as the Czech Diversity Charter, have contributed to the increase in the number of women on corporate boards (Diversity Charter, 2025^[11]). In **Saudi Arabia**, progress has been driven by government-led initiatives aimed at supporting women's entry into the labour market, with a target of increasing female workforce participation from 22% to 30% by 2030 (KSA, 2025^[12]). In **Korea**, several global asset management firms have encouraged companies to develop ESG strategies that include enhancing gender diversity on their boards (Glass Lewis, 2023^[13]).

While the share of women on boards has been increasing, their representation in senior leadership positions is lagging. In 2024, only 10% of large, listed companies in Factbook jurisdictions had a female board chair, a small rise from 9% in 2022. Companies in only five countries **New Zealand, Latvia, the Slovak Republic, Poland, and Italy** had more than 20% (MSCI, 2025^[12]; EIGE, 2024^[4]). A recent study finds that, globally, women most commonly participate in audit committees, followed by remuneration and nomination committees. Furthermore, the highest proportion of female committee chairs is on

remuneration committees (32%), followed by audit (31%) and nomination committees (27%) (MSCI, 2025^[14]).

Figure 4.22. Share of women on boards of largest listed companies (in 2020, 2022, and 2024) with reference to implemented quotas and targets, percentage



Note: In instances of an “at least one” quota (Hong Kong (China), 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 30% for listed companies on the First section of the Tokyo Stock Exchange by the end of 2030. 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.

Source: Data from 2020 was obtained from OECD. See Table 4.21 for data.

For **Hong Kong (China)**, average board size data for 2023 may be found [here](#).

For **India**, average board size data for 2024 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 2023 may be found [here](#).

For **Malaysia**, average board size data for 2022 was provided by the Securities Commission (SC Malaysia).

With regards to women in management, as defined by the International Labour Organization (ILO), the average share reached 35% in 2024, slightly up from 33% in 2022, and higher than the 29% average on boards. The percentages of women in management and on boards have grown at a similar pace since 2022.

However, at the highest levels of management, women served as CEOs in only 8% of the largest listed companies in Factbook jurisdictions on average, a slight increase from 7% in 2022. **Lithuania** and **New Zealand** are the only countries where more than 20% of CEOs in these companies are female (MSCI, 2025^[14]; EIGE, 2024^[6]).

Table 4.2. Board structure

One-tier system (24)	Two-tier system (7)	One-or two-tier system (optional) (18 + EU)	Multiple options with hybrid system (3)
Australia	Austria	Argentina ¹	Italy
Canada	Estonia	Belgium	Japan
Chile	Germany	Brazil	Portugal
China ²	Iceland ³	Bulgaria	
Colombia	Indonesia	Croatia	

One-tier system (24)	Two-tier system (7)	One-or two-tier system (optional) (18 + EU)	Multiple options with hybrid system (3)
Costa Rica	Latvia	Czechia	
Greece	Poland	Denmark	
Hong Kong (China)		Finland	
India		France	
Ireland		Hungary	
Israel		Lithuania	
Korea		Luxembourg	
Malaysia		Netherlands	
Mexico		Norway ⁴	
New Zealand		Romania	
Peru		Slovenia	
Saudi Arabia		Slovak Republic	
Singapore		Switzerland	
South Africa		European Public LLC ⁵	
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 **China**, according to CSRC transitional rules and the revised Company Law, listed companies shall establish a board audit committee (replacing the supervisory board) by 1 January 2026, while non-listed companies may adopt this structure per their articles of association (Articles 69 & 121 of the revised Company Law). Although China has shifted from a two-tier board structure to a one-tier board structure, supervisory boards may exist in listed companies until 1 January 2026. Therefore, Tables 4.6, 4.7, and 4.9 include information on supervisory boards under the two-tier board structure.

3. 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.

4. 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.

5. 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 4.3. 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.
Bulgaria	The Commercial Act states that the company is managed and represented by a board of directors.

Jurisdiction	Description of board structure
	- The board of directors meets regularly at least once every 3 months. - The board of directors assigns the management of the company to one or more executive members chosen from among its members. Executive members must be fewer than the non-executive council members. In practice the boards of all public companies have empowered some of the members thereof as key executives. - Each of the executive members shall immediately report to the chairman of the board on developments that have occurred which are essential for the company. Each member of the council may request the chairman to convene a meeting to discuss individual issues.
Chile	- Article 31 of the Corporations Act establishes that corporate management is run by a board elected by the shareholders. - Corporate bylaws should establish a number of directors. The minimum number of directors for listed companies is five or seven. - A mandatory independent board member is required for a listed company only if it has listed equity above 1.5 million inflation linked units (approx. USD 58 million as of Dec. 2024) 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.
China	- Listed companies must have a board of directors of more than three persons and at least one-third of board members must be independent directors, including at least one accounting professional. - At the incorporation of a company, the information of the identities of each member of the board of directors must be registered with the commercial registry. The names of board members of a company can be found in the nationwide company registration search system. - According to Article 12 of the Provisions of the State Council on the Implementation of the Regulatory System for the Registration of Registered Capital under the Company Law of the People's Republic of China, listed companies, in accordance with the Company Law and the State Council's regulations, shall stipulate in their articles of association that an audit committee shall be established in the board of directors and set out the composition, powers and functions of the audit committee and other matters. - According to Articles 69 and 121 of the Company Law, employee representatives from members of the board of directors may become members of the Audit Committee. For companies limited by shares, the Audit Committee of a joint-stock limited company shall comprise no fewer than three members. A majority of members shall hold no position within the company other than directorship and shall maintain independence (i.e. no material relationship affecting impartial judgment). Each member shall have one vote, exercisable individually. Resolutions of the Audit Committee shall be passed by a majority vote of its members. The deliberation methods and voting procedures of the Audit Committee shall be governed by the company's articles of association, unless otherwise prescribed by law.
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 4 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, requiring at least one woman 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 2 000 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	- Listed companies will have their administration entrusted to a board of directors and a general director. The board of directors will be made up of a maximum of 21 directors, of which at least 25% must be independent. - The board of directors will have the assistance of one or more committees established for this purpose. The committee or committees that develop the activities regarding corporate and audit practices will be made up of independent directors and a minimum of three members appointed by the board itself, at the proposal of the president of the board of directors. - 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 and that 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.

Jurisdiction	Description of board structure
South Africa	- The Companies Act, 2008 provides that a listed public company must have a board of directors consisting of a minimum of three directors and must appoint an external auditor. - The Listing Requirements make aspects of the King IV Code mandatory. In particular, they require that listed companies have a CEO and Chairperson, that the CEO and Chairperson may not be the same person, and that the chairperson must either be an independent non-executive director or otherwise that there must be a lead independent director on the Board. The Listing Requirements also call for an executive financial director. Directors must be designated as executive, non-executive or independent. It is common practice in South Africa that CEOs are also directors. - The King IV Code recommends that the majority of directors should be non-executive.
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, who 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 is required (Art. 16 of the Banking Ordinance and Art. 20 of the Insurance Supervisory Ordinance for banks and insurers).
Türkiye	- Under Turkish law both listed and non-listed companies have a one-tier board structure. - In Türkiye listed companies have a mixed one-tier board – a one-tier board composed of both executive and non-executive directors. There are at least five directors on the boards.
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 composed 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 4.4. 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 2023 Reference Forms, 67% of listed companies have a Fiscal Council and 42% of members are appointed by minority shareholders.
	For the 33% 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 2023 Reference Forms, 8% of directors on the boards are executive managers, 52% are outside directors and 40% are independent directors.
Bulgaria	Supervisory body
	The supervisory board cannot participate in the management of the company. The supervisory board represents the company only in the relations with the management board.

Jurisdiction	Description of board structure
	- The members of the supervisory board are elected by the general meeting. - The supervisory board meets at regular meetings at least once every three months. - The management board reports on its activities at least once every three months to the supervisory board. - The management board shall immediately notify the chairman of the supervisory board of all developments that are essential for the company. - The supervisory board has the right at any time to request the management board to submit information or a report on any matter affecting the company. - The supervisory board can make the necessary investigations in the performance of its duties, and its members have access to all the necessary information and documents. For this purpose, the supervisory board can use external experts.
	Management body
	1. The company is managed and represented by a management board, which carries out its activities under the scrutiny of a supervisory board.
	2. The members of the management board are elected by the supervisory board and may replace them at any time.
	3. A person cannot be a member of the company's management and supervisory board at the same time.
	Supervisory body
	- The supervisory board has at least three members. By statute, a larger number of members of the supervisory board can be determined, provided that their number is odd. - The largest number of members of the supervisory board for a company with a share capital of up to EUR 1.5 million is 9 members between EUR 1.5 million and EUR 10 million, 15 members; over EUR 10 million, 21 members.
	Management body
	A Management Board consists of executive board members.
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 on the management board. Six listed companies (out of a total 18) were reported to have only one member on the management board.
Germany	Supervisory body
	- A Supervisory Board (Aufsichtsrat) consists of non-executive board members. <i>Companies subject to co-determination:</i> Companies with 501 – 2 000 employees must have a supervisory board that consists for one-third of employee representatives. Companies with more than 2 000 employees must have a supervisory board that is equally composed of shareholder representatives and employee representatives. <i>Companies not subject to co-determination:</i> 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.
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 cannot appoint or dismiss the directors.

Jurisdiction	Description of board structure
	The board of commissioners is endowed to temporary dismiss of the directors upon the approval by the general meeting of shareholders.

Table 4.5. 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 (<i>collegio sindacale</i>) 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 (<i>dualistico</i>)	-	Supervisory board	A supervisory board appointed by the shareholder meeting and a management board appointed by the supervisory board, unless the bylaws provide for appointment by the shareholder 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 (<i>monistico</i>)	-	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 there may be non-executive directors as well. Where this model is adopted, there is a separate organ of the company called the “ statutory auditors ” (<i>Kansayaku</i> 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 those of the statutory auditors, as well as those expressing their 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 (<i>conselho fiscal</i>) 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 the case of listed companies, the majority must be independent.
		-	Supervisory board (<i>conselho fiscal</i>)	
	[2A] The “ one-tier ” model	-	Board of directors	A board of directors and a supervisory board (<i>comissão de auditoria</i>) 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 the case of listed companies, the majority must be independent.
		-	Supervisory board (<i>comissão de auditoria</i>)	
	[2G] The “ two-tier ” model	-	Executive board of directors	A board of directors and a supervisory board (<i>conselho geral e de supervisão</i>); members of the board of directors are appointed by the 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 (<i>comissão para as matérias financeiras</i>) which is a specialised committee of the supervisory board composed by a majority of independent members.
		-	Supervisory board (<i>conselho geral e de supervisão</i>)	

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 shareholder meetings and their principal role is to audit the activities of directors from a legal viewpoint. Statutory auditors can be both internal and external (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, who can perform the tasks once reserved to the external auditor. However, 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 4.6. Board size and director tenure for listed companies

Jurisdiction	Tier(s)	Board of directors (Supervisory board for two-tier board)			Management board (two-tier system)			
		Size		Appointment	Size		Appointment	
		Minimum	Maximum	Maximum term (years)	Minimum	Maximum	Maximum term (years)	By
Argentina	1+2	3	-	3 to 5	3	-	3 to 5	GSM
Australia	1	3	-	3 ¹				
Austria	2	3	20	5	1	-	5	SB
Belgium	1+2	3	-	6	3	-	6	SB
Brazil	1	3	-	3 [2]	1	-	3	SB
	2	3	5	-	3	-	3 [2]	GSM
Bulgaria	1+2	3	7 (9) ²	5	3	9	5	SB
Canada	1	3	-	1 ³ [1]				
Chile	1	5 or 7	-	3				
China	1+2	3	-	3	3	-	3	GSM
Colombia	1	5	10	-				
Costa Rica	1	3	-	-				
Croatia	2	3	21	4	1	-	5	SB
Czechia	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] ⁴	-	(3)				
Hungary	1+2	(3) ⁵	-	(5)	3	-	-	GSM
Iceland	2	3	-	-	-	-	-	SB
India ⁶	1	3 or 6	15	3 to 5				
Indonesia	2	2	-	5	2	-	5	GSM
Ireland	1	2	-	(9) ⁷				
Israel	1	4 ⁸	-	-				
Italy	T+1	-	-	3				
	2	3	-	3	2	-	3	SB
Japan	C+S	3	-	1				
	A	3	-	2				
Korea	1	3 ⁹	-	3				
Latvia	2	5	20	5	3	-	5	SB
Lithuania	1+2	3	15	4	3	-	4	SB, GSM ¹⁰
Luxembourg	1+2	3	-	6		-	6	SB, GSM

Jurisdiction	Tier(s)	Board of directors (Supervisory board for two-tier board)			Management board (two-tier system)			
		Size		Appointment	Size		Appointment	
		Minimum	Maximum	Maximum term (years)	Minimum	Maximum	Maximum term (years)	By
Malaysia	1	2	-	3 ¹¹				
Mexico	1	3 (3)	21 (15)	-				
Netherlands	1+2	-	-	(4)	-	-	(4)	GSM
New Zealand	1	[3]	-	-				
Norway	1	3	-	4 (2)				
	2	12	-	4 (2)	5	-	-	SB
Peru	1	3 ¹²	-	3				
Poland	2	5	-	5	1	-	5	SB
Portugal	2C+2A+2G	-	-	4	-	-	4	SB, GSM ¹³
Romania ¹⁴	2	3	11	4	3	-	4	SB
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	1	-	-	SB
Türkiye	1	5	-	3 ¹⁵				
United Kingdom ¹⁶	1	2	-	(1)				
United States ¹⁷	1	[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. In the Tier(s) column, 1 = one-tier board; 2 = two-tier board; 1+2 = optional for one-tier and two-tier system. For definitions of tiers for Italy, Japan and Portugal, see Table 4.5.

1. In **Australia**, directors may be re-appointed for successive terms. This includes independent directors.
2. In **Bulgaria**, the supervisory board can have a maximum of seven members, while the board of directors in the one-tier system can consist of up to nine members.
3. In **Canada**, the Canada Business Corporations Act requires annual elections of directors for distributing corporations.
4. 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 who must represent at least one-third of the board.
5. In **Hungary**, in the case of a one-tier system, there cannot be less than five members.
6. 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 no less than six directors. Furthermore, the maximum number of directors (15) may be increased by a special resolution of the shareholder meeting.
7. In **Ireland**, the Corporate Governance Code provides that the Chair should not remain in post beyond nine years.
8. In **Israel**, the minimum board size is underpinned by the requirement for the membership of audit committees. In addition, according to Israeli company law, there is a limited term for certain types of directors such as an external director.
9. In **Korea**, the minimum size of the board of directors is smaller for SMEs.
10. 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.
11. In **Malaysia**, a director's retirement is based on one-third rotation at every annual general meeting where the longest serving director in office (since the last election) shall retire. A retiring director shall be eligible for re-election.
12. 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.
13. 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 (traditional model and one-tier model), members of the board of directors are elected by the shareholders.

14. In **Romania**, the Companies Law provides that for one-tier companies, the administrators are appointed by the ordinary general meeting of shareholders, except for the first administrators, who are appointed by the articles of association. For two-tier companies, the appointment of the members of the management board is the responsibility of the supervisory board, which also assigns one of them the position of chairman of the board of directors. The members of the supervisory board are appointed by the general meeting of shareholders, except for the first members, who are appointed by the articles of association. The data regarding the numbers of the members of the board (minimum 3 and maximum 11) are applicable in the case of the two-tier system.

15. 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 ten years. Therefore, it would be possible to re-appoint an independent director successively for a second term only.

16. 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 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 independent board members do not stay in post beyond a total of nine years.

17. In the **United States**, NYSE and Nasdaq rules require companies to have an audit committee of at least three members.

Table 4.7. 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	Maximum term of office & effect at the expiration of term		Independence from "substantial shareholders"	
						Requirement	Shareholding threshold of "substantial shareholders" for assessing independence
Argentina ¹	1+2	-	2	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 ²	1+2	Required	20% (33%)	-	-	(Yes)	(50%)
Bulgaria	1+2	-	1/3 ³	-	-	Yes	25%
Canada	1	-	2 (>50%) ⁴	-	-	-	-
Chile	1	Required	1 ⁵	-	-	Yes	10%
China	1+2	-	33%	6	No independence	Yes	[5%]
Colombia	1	Required	[25%]	-	-	[Yes]	[<50%]
Costa Rica ⁶	1	Recommended	2	9	No independence	Yes	10%
Croatia ⁷	1+2	-	1	12	No independence	Yes	5%
Czechia	1+2	Required ⁸	(>25%)	(12)	(No independence)	(Yes)	-
Denmark	1+2	Required	(50%)	(12)	(No independence)	(Yes)	(20%)
Estonia	2	-	(50%) ⁹	10	(No independence)	Yes	-
Finland	1+2	Recommended	(>50%)	- ¹⁰	-	(Yes for 2 directors)	(10%)
France	1+2	-	(50% or 33%)	(12)	(No independence)	(Yes)	(10%)
Germany ¹¹	2	-	(Appropriate number with further specifications)	(12)	Indication for non-independence	(Yes)	-
Greece	1	Required	33%, minimum 2	9	(No independence)	No	-
Hong Kong (China)	1	Recommended	[3 and 33%]	(9)	(Explain) ¹²	Yes	10%
Hungary	1+2	-	50%	(5)	(No independence)	Yes ¹³	30%
Iceland	2	-	(50%)	-	(Explain)	Yes for 2 directors	10%
India	1	- ¹⁴	[33% or 50%]	10 ¹⁵	No independence for 3 years	Yes	2%
Indonesia	2	-	[30%]	10 ¹⁶	[Explain]	[Yes]	[20%]
Ireland	1	Recommended	(>50%)	(9)	(Explain)	[Yes] ¹⁷	-

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	Maximum term of office & effect at the expiration of term		Independence from "substantial shareholders"	
						Requirement	Shareholding threshold of "substantial shareholders" for assessing independence
Israel	1	Required ¹⁸	2 (50% or 33%)	9	No independence, leaves board ¹⁹	Yes	5%
Italy	T+1+2	- ²⁰	1 (or 2 if the board > 7 members) ²¹	(9)	(Explain)	Yes	-
Japan ²²	A	-	[1] and (2 or 1/3)	-	-	Yes	10% ²²
	C, S	-	Majority of each committee, [1] and (2 or 1/3)				
Korea	1	Recommended	>50% and at least 3 ²³	-	-	Yes	Largest or all >10% ²⁴
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] (at least half)	[12], (9)	(Explain) ²⁵	Yes	10% or more of total number of voting shares in the corporation; or 5% or more of number of voting shares where such person is the largest shareholder of the corporation.
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 ²⁶	1	Recommended	(33%)	(10)	(No independence)	(Yes)	(1%)
Poland	2	-	(2)	(12)	(No independence)	(Yes)	(5%)
Portugal ²⁷	BoD	-	(1/3 of the non-executive directors)	(12)	(No independence)	(Yes)	(Controlling shareholder or company in group relationship or 5%)
	SB	-	[>50% including the Chair]	2 re-elections, up to a max. of 4 years each (total of 12 years)	No independence	Yes	2%
Romania	1+2	(Recommended)	(1/3)	[3 mandates] (12)	No independence	Yes	10%
Saudi Arabia	1	Required	33% or 2	(9)	No independence	Yes	5%
Singapore ²⁸	1	Recommended	(Majority)	[9]	No independence	(Yes)	5%
		Recommended	[1/3]				

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	Maximum term of office & effect at the expiration of term		Independence from "substantial shareholders"	
						Requirement	Shareholding threshold of "substantial shareholders" for assessing independence
Slovak Republic	1+2	Recommended	-	-	-	No	-
Slovenia	1+2	Required	(50%)	(12)	(No independence)	Yes	(Controlling SH) ²⁹
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 directors	10%
Switzerland	1+2	Recommended ³⁰	(>50%)	-	-	No	-
Türkiye ³¹	1	Recommended	(33% and 2)	6	No independence	Yes	Controlling SH
United Kingdom	1	Recommended	(50%)	(9)	Explain	Yes ³²	-
United States	1	-	[>50%] ³³	-	-	.. ³⁴	-

Key: [] = requirement by the listing rules; () = recommendation by the codes or principles; "-" = absence of a specific requirement or recommendation. For two-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. In the Tier(s) column, 1 = one-tier board; 2 = two-tier board; 1+2 = optional for one-tier and two-tier system. For definitions of tiers for Italy, Japan and Portugal, see Table 4.5.

1. In **Argentina**, regulations stipulate that at least two directors must meet the criteria for independence. Furthermore, these regulations mandate a minimum of three directors on the Board. In companies offering shares to the public, the Board of Directors is required to appoint the members of the Audit Committee (Comité de Auditoría) from among its own members, at least 66% of whom must be independent.

2. In **Brazil**, according to CVM Resolution No. 80/2022 (Annex K, Article 5°), 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.

3. In **Bulgaria**, the required ratio of independent board members applies to the board of directors for one-tier companies and to the supervisory board for companies with a two-tier structure.

4. In **Canada**, National Policy 58-201 Corporate Governance Guidelines provides that there should be a majority of independent directors.

5. In **Chile**, 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 58 million as of Dec. 2024) 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.

6. 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 transitional 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.

7. In **Croatia**, the term of office of a member of the management board is 6 years and 4 years for a member of the supervisory board. Both can be re-elected. Pursuant to the Companies Act (Article 255 Paragraph 6), if a member of the supervisory board was a member of the supervisory board of the company for more than 12 years, that member is not considered as independent. In a one-tier structure, this requirement applies accordingly to the members of the management board.

8. In **Czechia**, according to the longstanding jurisprudence, the CEO and Chair of the board serve separately.

9. In **Estonia**, if there is an uneven number of board members, there may be one independent director less than dependent directors to comply with the code recommendation.

10. 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. Whether the independence was influenced by a director's long service history (in excess of 10 consecutive years) shall be evaluated at regular intervals as part of the overall evaluation, i.e. at least once a year.

11. 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. Also, not more than two former members of the management board shall be members of the supervisory board.

12. 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. With effect from 1 July 2025, it is a listing rule requirement that a board of directors must not include an independent non-executive director who has served on the board as an independent non-executive director for a period of nine years or more, subject to a phased transitional arrangement ending at the first AGM held on or after 1 July 2031. The Corporate Governance Code provision regarding the explanation and re-election of an independent non-executive director who has served more than nine years will therefore be repealed after 30 June 2031. In addition, under the Listing Rules, a person/entity holding 10% or more of the company's share is a "substantial shareholder", and a candidate that is or was connected with a substantial shareholder within two years immediately prior to the date of his proposed appointment would not be considered "independent". A candidate holding 5% or more of the company's shares will normally not be considered independent.

13. In **Hungary**, according to Section 3:286 (3) of the Civil Code, controlled companies are not subject to this independence requirement.

14. 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. Where the listed entity does not have a regular non-executive chairperson, at least one-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 one-half of the board of the listed entity must be independent.

15. In **India**, independent directors can be appointed for a term up to a period of five years and are eligible for re-appointment on passing of a special resolution by the company for another term of up to five years. They can stand for reappointment as independent directors, after a cooling-off period of three years.

16. 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 can explain why they consider themselves independent at the General Shareholder Meeting.

17. In **Ireland**, a director who "represents a significant shareholder" will not be considered independent unless, as with the other factors such as recent employment, close family ties etc., the board explains why they are considered independent.

18. 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.

19. In **Israel**, the tenure on the board ends after directors have been an independent board member for nine years. After this period, they are not allowed to serve as an officer, an employee or to provide services to the company, whether directly or indirectly, for two years.

20. In **Italy**, the Corporate Governance Code does not recommend explicitly the separation of the chair and the CEO. Instead it requires, in case of the concentration of offices, the appointment of a Lead Independent Director.

21. 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 and at least two independent directors for all the other listed companies).

22. In **Japan**, the Companies Act requires certain types of companies to appoint at least one outside director, eliminating an exception that allows companies 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). If a Prime Market listed company, 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.

23. In **Korea**, the requirement for more than 50% and at least three independent directors applies to listed companies with total assets of KRW 2 trillion or more; and at least 1/3 independent directors to other listed companies.

24. In **Korea**, the disqualification criteria for independent directors are as follows: 1) shareholders who own more than 10% of the shares or exercise de facto influence on major management matters of a listed company, such as the appointment and dismissal of directors, executive officers, and auditors ("major shareholders"); 2) the spouses and direct ascendants and descendants of the persons described in 1); and 3) in the case where the number of shares owned by the principal and the special related person is the largest, the principal and the special related person.

25. In **Malaysia**, 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.

26. 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 the group.

27. In **Portugal**, the threshold for accessing independence depends on the type of situation indicated in the recommendations as determining non-independence.

28. In **Singapore**, a majority of independent directors is recommended for companies if the chair is not independent. Furthermore, 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.

29. 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 they control the company in practice through other mechanisms.

30. In **Switzerland**, the separation of the CEO and the chair of the board is required by law for banks and insurers. The Swiss Code recommends in addition the separation of the CEO and the chair of the board of listed companies (article 18 Swiss Code of Best Practice for Corporate Governance). The Swiss 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 (Articles 22 and 37 of the Swiss Code of Best Practice for Corporate Governance (economiesuisse) 2023).

31. 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 a justification. As an exception, 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 one-third 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.

32. In the **United Kingdom**, companies with UK-listed equity shares in the commercial company category must be able to demonstrate that, despite having a controlling shareholder (any person who exercises or controls on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the company), the applicant is able to carry on its main business activity independently from such controlling shareholder at all times. This is disapplied where a company has a sovereign-controlling shareholder.

33. In the **United States**, controlled companies are not subject to this requirement for a majority of the board to be independent.

34. In the **United States**, to be considered independent, a member of the audit committee of a listed issuer may not be an affiliate of the issuer or any of its subsidiaries.

Table 4.8. Requirement or recommendation for board independence depending on ownership structure

Jurisdiction	Provision for independent board depending on ownership structure		
		<i>Factors influencing the independent board requirement</i>	
Chile	Minority shareholders	A mandatory independent board member is required for a listed company, only if it has listed equity above 1.5 million inflation linked units (approx. USD 58 million as of December 2024) 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	<i>Companies without controlling shareholders:</i>	- The code recommends that a majority of the directors should be independent.
		<i>Companies with controlling shareholders:</i>	- At least one-third of the directors should be independent.
		For small and medium listed companies, Mittennext'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	<i>Companies without controlling shareholders:</i>	- 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).
		<i>Companies with controlling shareholders:</i>	- 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	<i>Companies with dispersed shareholding:</i>	- A majority of the directors should be independent.
		<i>Companies with controlling shareholders:</i>	- At least one-third of the directors should be independent.

Jurisdiction	Provision for independent board depending on ownership structure		
		<i>Factors influencing the independent board requirement</i>	
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	<i>Large companies without controlling shareholders:</i>	- The Corporate Governance Code recommends that a majority of directors should be independent.
		<i>Large companies with controlling shareholders:</i>	- 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 4.9. Employees on the board

Jurisdiction	Tier	Minimum number of employees	Minimum requirement	Maximum allowance
Argentina	1+2	-	-	-
Australia	1	-	-	-
Austria	2	5	33%	-
Belgium	1+2	-	-	-
Brazil	1	-	- ¹	-
Bulgaria	1+2	-	-	-
Canada	1	-	-	-
Chile	1	-	-	-
China	1+2	300	1 (Management board)	-
		-	33% (Supervisory board for 2-tier board)	-
Colombia	1	-	-	-
Costa Rica	1	-	-	-
Croatia	1+2	-	1	-
Czechia	2	500	33%	50%
Denmark ²	1+2	35	2	50%
Estonia	2	-	-	-
Finland	1+2	150 ³	-	-
France ⁴	1+2	5 000	2	5
		1 000	1	33%
Germany ⁵	2	2 001	50%	50%
		501-2 000	33%	-
Greece	1	-	-	-
Hong Kong (China)	1	-	-	-
Hungary	1+2	200	33%	-
Iceland ⁶	2	-	-	-
India	1	-	-	-
Indonesia	2	-	-	-
Ireland ⁷	1	-	-	-
Israel	1	-	-	-
Italy	T+1+2	-	-	-
Japan	C+A+S	-	-	-
Korea	1	-	-	-
Latvia	2	-	-	-
Lithuania	1+2	-	-	-
Luxembourg	1+2	1000	33%	33%

Jurisdiction	Tier	Minimum number of employees	Minimum requirement	Maximum allowance
		1000	-	33%
Malaysia	1	-	-	-
Mexico	1	-	-	-
Netherlands	1+2	100	-	33% ⁸
New Zealand	1	-	-	-
Norway	1+2 ⁹	201	33% and 3	-
		51	2	-
		31	1	-
Peru	1	-	-	-
Poland	2	-	-	-
Portugal	2C+2A+2G	-	-	-
Romania	1+2	-	-	-
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 ¹⁰	50%
		25-999	2	50%
Switzerland	1+2	-	-	-
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. In the Tier(s) column, 1 = one-tier board; 2 = two-tier board; 1+2 = optional for one-tier and two-tier systems. For definitions of tiers for Italy, Japan and Portugal, see Table 4.5.

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 **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).

3. 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%.

4. 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 located in France, either directly or through subsidiaries, or at least 5 000 employees worldwide, either directly or through subsidiaries. In that case, there must be at least one employee representative when the board consists of 12 members or less, and at least 2 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 two-tier structure, the maximum number of employee representatives on the supervisory board is four persons or one-third of members.

5. 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.

6. In **Iceland**, the board in its supervisory function is composed of non-executive directors only; there are no employee representatives nor executives on the supervisory board.

7. In **Ireland**, worker participation legislation requires board representation in certain state-owned enterprises.

8. 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 who 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.

9. In **Norway**, one-third of the corporate assembly members with deputy members are elected by and amongst the employees.

10. In **Sweden**, there is no requirement for employee board representation but a statutory right for employees to appoint up to three representatives and their deputies (depending on the size of the company).

Table 4.10. Board-level committees

Jurisdiction	Audit committee			Nomination committee			Remuneration committee		
	Establishment	Chair independence	Minimum number or ratio of independent members	Establishment	Chair independence	Minimum number or ratio of independent members	Establishment	Chair independence	Minimum number or ratio of independent members
Argentina	L	C	66%	C	C	(33%)	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%	-	-	-	-	-	-
Bulgaria ³	L	L	66%	-	-	-	C	-	-
Canada	L	L	100%	C	C	(100%)	C	C	(100%)
Chile	L	L	≥50%	-	-	-	L ⁴	L	≥50%
China	L	L	(>50%)	C	C	(>50%)	C	C	(>50%)
Colombia	L	L	2	C	C	(>50%)	C	C	(>50%)
Costa Rica	L	L	1	C	C	(1)	C	C	(1)
Croatia	C	C	>50%	C	C	>50%	C	C	>50%
Czechia	L	L	(>50%)	C	-	-	C	-	-
Denmark	L	L	50%	C	-	(50%)	C	-	(50%)
Estonia	L	L	>50%	-	-	-	-	-	-
Finland ⁵	L, C	C	(>50%)	C	-	(>50%)	C	-	(>50%)
France	L	-	(66%)	C	-	(50%)	C	C	(50%)
Germany ⁶	L	C	100%	C	C	100%	-	C	100%
Greece	L	L	>50%	L	L	>50% minimum 2	L	L	>50% minimum 2
Hong Kong (China) ⁷	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 ⁸	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 ⁹	L	-	>50%	L, C	-	>50%	L, C	-	>50%
Korea ¹⁰	L	L	>50% ¹¹	L	C	>50%	C, L ¹²	C	(100%)
Latvia	L	L	>50%	-	-	-	-	-	-
Lithuania	L	L	>50%	C	-	-	C	-	-
Luxembourg	C	C	(50%)	C	-	-	C	-	-
Malaysia	R, C	R	>50%	R, C	C	>50%	C	-	(>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
Mexico	L	L	100%	-	-	-	⁻¹³	-	-
Netherlands	L	L	>50%	C	C	(>50%)	C	C	(>50%)
New Zealand	R	C	>50%	C	-	(>50%)	C	-	(>50%)
Norway	L	-	1	C	-	(50%)	C	C	(100%)
Peru ¹⁴	C	C	(Chair)	C	C	(Chair)	C	C	(Chair)
Poland	L	L	>50%	⁻¹⁵	-	-	⁻¹⁵	-	-
Portugal	L	L	>50%	C	-	(>50%)	C	C	(100%)
Romania	L, C	L, C	>50%	C ¹⁶	C	(>50%)	C	C	(>50%)
Saudi Arabia	L	C	1 ¹⁷	L	L	1	L	L	1
Singapore ¹⁸	L R	R	>50% (>50%)	R	R	(>50%)	R	R	(>50%)
Slovak Republic	C	C	>50%	C	-	-	⁻¹⁹	-	(100%)
Slovenia	L	L	100%	C	C	(100%)	C	C	(100%)
South Africa	L, R, C	C	3	C	-	(>50%)	C ²⁰	C	-
Spain	L	L	>50%	L	L	(2)	L	L	(2)
Sweden	L ²¹	-		C	C	(>50%)	C	-	All except chair
Switzerland	C	C	(100%)	C	-	(>50%)	L	C	(100%)
Türkiye	L	L	100%	L	L	Chair	L	L	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.

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

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 **Bulgaria**, there is not such a structure as fiscal councils.

4. In **Chile**, the directors' committee (with equivalent functions to an audit committee) is comprised of 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 (approximately USD 58 million as of December 2024) and at least 12.5% of these shares issued with voting rights are held by shareholders who individually control or own less than 10% of such shares.

5. 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.

6. In **Germany**, the committees consist of members of the supervisory board. Due to the two-tier system, all members of the supervisory board are therefore independent of the executive board.

7. 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).

8. 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 selected from among 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.

9. 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). 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.

10. In **Korea**, the establishment of a board-level audit committee and nomination committee is mandatory for listed companies with total assets valued at KRW 2 trillion 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.

11. In **Korea**, the Corporate Governance Best Practices 2.6.2 states: "Committees within the board of directors must be composed of a majority of outside directors. However, it is recommended that the audit committee, compensation committee, internal transactions committee and outside director nomination committee be composed entirely of outside directors."

12. In **Korea**, financial institutions are required to establish a remuneration committee with few exceptions.

13. In **Mexico**, although the establishment of a nomination or remuneration committee is not mandated by law, the board is responsible for approving, with the opinion of the relevant committee, the appointment, election and, where applicable, removal of the company's CEO and their total compensation, as well as the policies for the appointment and total compensation of other key executives (LMV Art. 28, III, d). Also, the corporate practices committee must report annually to the board on the compensation of the CEO and key executives (LMV Art. 43, I, c).

14. 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 depends 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.

15. In **Poland**, although no general requirements exist, there are sectoral provisions in Banking Act of 29 August 1997, making Remuneration and Nomination committees obligatory for "significant banks" (Articles 9cb and 9cd respectively). Significant banks are those that are either recognised as such by the Polish Financial Supervision Authority or that meet at least one of the requirements listed in Article 4, paragraph 35 (e.g. being listed or having significant participation in the sector assets).

16. In **Romania**, according to the BVB Code of Corporate Governance: "The Boards of Premium Tier companies should set up a Nomination and Remuneration Committee formed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Board may also establish a separate nomination committee and a separate remuneration committee if the board composition accommodates it and if this is justified given the company's size and the complexity of its business and governance structures.

17. 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 that half of the members are independent. Executive Directors are not allowed to be members of the audit committee.

18. In **Singapore**, where a listed company adopts a dual class share structure or is a special purpose acquisition company, the majority of each of the committees, including the respective chairmen, must be independent.

19. In the **Slovak Republic**, financial institutions are required to establish a remuneration committee.

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

21. 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 4.11. 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	Board committee responsible for sustainability	
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	-	-	-
Bulgaria	L	-	-	-	L	-
Canada	L	L	-	-	-	-
Chile	C ⁴	C	-	-	-	-
China	L	L ⁵	C	C	C	-
Colombia	L	L	L, C	L, C	-	L, C

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	Board committee responsible for sustainability	
Costa Rica	L	L	-	C	-	C
Croatia	C	C	C	C	L	-
Czechia	C	C	C	C	L ⁶	-
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 ⁷	L	L	L	L	-	-
Indonesia	L	L	L	L ⁸	-	L
Ireland	C	C	C	-	L ⁹	-
Israel	L	L	-	-	-	L ¹⁰
Italy	C	L, C	L	C	C ¹¹	-
Japan	L, C	L, C	-	-	-	-
Korea ¹²	C	C	C	C	-	C
Latvia	C	C	L	-	-	-
Lithuania	C	C	C	-	-	-
Luxembourg	-	-	C	-	C	-
Malaysia	L, R, C	L, R, C	-	C	C	-
Mexico	L	L	L, C	-	-	-
Netherlands	C	C	C	-	-	-
New Zealand	C	C	C	C	-	-
Norway	C	L, C	L	-	-	-
Peru ¹³	C	C	C	C	-	-
Poland	-	L, C	L (surveillance)	-	-	-
Portugal ¹⁴	L	L	-	-	-	-
Romania ¹⁵	L, C (digital)	L, C (digital)	L, C	-	-	-
Saudi Arabia	L	L, C	L	C	-	-
Singapore	R	R, C	R	C	-	-
Slovak Republic	L	L	L	-	-	L
Slovenia	L	C	L	- ¹⁶	-	-
South Africa	L, R, C	L, R, C	C	C	L, C ¹⁷	-
Spain	L	L, C	L, C	C	C	-
Sweden	L, C	L, C	L	-	-	-
Switzerland	L	C	C	-	-	-
Türkiye	L	L	-	L	-	-
United Kingdom	C	C	C ¹⁸	-	-	-
United States	R ¹⁹	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. In the “Board responsibilities for risk management” and “Implementation of the internal control and risk management system” columns, if the framework requires or recommends companies to manage a specific risk, this is noted in parentheses.

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 the audit committee.

2. In **Australia**, entities that provide financial services under an Australian financial services licence are required by 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 **Chile**, General Rules No. 385 and No. 30 establish that companies should disclose several aspects of risk management, such as the frequency of board meetings with risk management, internal audit and social responsibility units, as well as the policies established by the board on risk management, including sustainability.
5. 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.
6. In **Czechia**, an audit committee (mandatory for listed companies) oversees the sustainability and risk management issues.
7. In **India**, the requirements specified in the table apply to listed entities. The establishment of a separate risk management committee is mandatory for the top 1 000 listed entities by market capitalisation, but 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).
8. In **Indonesia**, listed companies from the bank industry, insurance and financing companies, are obligated to establish a separate risk committee.
9. In **Ireland**, the responsibilities of the audit committee include responsibilities in relation to assurance of sustainability reporting (Companies Act, Section 1616 – introduced by the Corporate Sustainability Reporting Regulations 2024).
10. 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, among others, the propriety of the company's actions, in terms of compliance with the law and proper business management. In addition, under Israeli disclosure regulations, listed companies are required to disclose the appointment of the individual responsible for managing market risks.
11. 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.
12. In **Korea**, every listed financial company shall establish a risk management committee in the board of directors, with the total asset valued KRW 2 trillion or more. However, where a financial holding company has formulated risk management standards for its subsidiaries, the subsidiaries do not need to formulate risk management standards.
13. 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, and corporate governance. The number of committees established depends on the size of the corporation and the nature of its businesses, with at least a nomination and remuneration committee and audit committee.
14. 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 accepted in the country, by the supervisory board.
15. In **Romania**, according to the BVB Code of Corporate Governance, the Company is recommended to establish a risk management function responsible for ensuring accurate, complete and timely identification of the risks, ensuring that adequate and feasible risk control measures are in place and monitoring the risk management procedures. The risk management function, through the Chief Risk Officer (CRO), where present, should have a direct communication and functional reporting to the board and audit committee (if there is no separate risk committee).
16. 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.
17. In **South Africa**, public companies and public interest companies must have a Social and Ethics Committee, which is tasked with reviewing sustainability issues.
18. 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.
19. In the **United States**, the listing requirement establishing board responsibilities for risk management is applicable only for NYSE-listed companies.

Table 4.12. 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	Recommending or nominating the external auditor	Setting audit fees	Reviewing the audit's scope and adequacy
Argentina ¹	*	L	L, C	-	C
Australia	L ²	L	C	C	C

Jurisdiction	Approval (appointment) of an external auditor		Role of the audit committee in relation to the external audit:		
	By the board	By the shareholders	Recommending or nominating the external auditor	Setting audit fees	Reviewing the audit's scope and adequacy
Austria ³	*	L	L	L	L
Belgium	*	L	L	-	L
Brazil	L	-	L	-	L
Bulgaria	*	L	L	-	L
Canada	-	L	L ⁴	-	-
Chile	*	L	L ⁵	-	L
China	*	L	L	L	L
Colombia	*	L, C	C	L, C	L, C
Costa Rica	L ⁶	-	L	L	L
Croatia	*	L	L	-	L
Czechia	* ⁷	L	L	-	L
Denmark	*	L	L	-	-
Estonia	*	L	L ⁸	-	L
Finland	-	L	L	L ⁹	L
France	*	L	L ¹⁰	L	L ¹¹
Germany	*	L	L	L ¹²	L
Greece	-	L	L	-	C
Hong Kong (China)	L ¹³	L, R	C	C	C
Hungary	L*	L	L ¹⁴	-	L
Iceland	*	L	L	-	L
India	*	L ¹⁵	L	L	L
Indonesia ¹⁶	L	L	L	L	L
Ireland	L ¹⁷	L	L ¹⁸ , C	C	L, C
Israel	- ¹⁹	L	L ²⁰	-	L
Italy	-	L	L	-	L
Japan	-	L	L, C	-	-
Korea ²¹	L	-	L	L	L
Latvia	-	L	L, C	-	L
Lithuania ²²	-	L	L	-	L
Luxembourg	-	L	L	L	L
Malaysia ²³	*	L	R, C	C	R
Mexico	L ²⁴	-	L, C	L	L, C
Netherlands	*	L	L, C	-	L, C
New Zealand	L	L	R	L	C
Norway	-	L	L	-	L
Peru	L* ²⁵	L, C	-	-	C
Poland	L	L	L ²⁶	-	L
Portugal	-	L	L	C	L, C
Romania	*	L	L	-	L, C ²⁷
Saudi Arabia	*	L ²⁸	L	L	L
Singapore ²⁹	-	L	C	C	C
Slovak Republic ³⁰	-	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	* ³¹	L	C	C ³²	C
Türkiye	-	L	L	-	L
United Kingdom ³³	*	L	L	L (largest PLCs)	L (largest PLCs)
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. Please note that the provisions related to the internal audit and control function are covered under Table 4.2.

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 Section 327A 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 the auditor’s 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 **Czechia**, according to Section 43(2) of the Auditors Act, the external auditor is recommended by the supervisory board, taking into account the suggestion of the audit committee.

8. 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.

9. 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.

10. In **France**, the audit committee recommends a choice of auditors for election by the general assembly.

11. In **France**, the audit committee’s role in the selection of the external auditor is undertaken through tender offers.

12. In **Hong Kong (China)**, according to the Companies Ordinance, the directors of a company may appoint the auditor of the company for its first financial year at any time before the annual general meeting (section 395(2)). The directors may also appoint an auditor to fill a casual vacancy in the office of auditor of the company (section 397(1)).

13. In **Germany**, the supervisory board can delegate the setting of fees to the audit committee.

14. 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.

15. 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, includes, inter-alia: i) making recommendations 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.

16. 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 commissioners may appoint the external auditor if the shareholders mandate the board of commissioners through the AGM to do so based on a recommendation from the audit committee.

17. In **Ireland**, the board may appoint the auditors in certain cases including to fill a vacancy (Companies Act, Section 384).

18. In **Ireland**, the audit committee submits a recommendation to the directors for the appointment of external auditors (Companies Act, Sections 1551(8) and 1513).

19. 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.

20. 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.
21. In **Korea**, for listed companies with total assets valued at KRW 2 trillion 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 it to the regular general meeting of shareholders convened after the appointment or shall notify or publicly announce it to the shareholders.
22. In **Lithuania**, the audit committee is tasked with overseeing the audit of the financial statements, evaluating and monitoring the auditor's independence, reporting the audit results to the supervisory board, and implementing the auditor selection procedure (considering the appropriateness of the fee), which includes a recommendation for the auditor's appointment to the supervisory board.
23. 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.
24. 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.
25. In **Peru**, according to Article 114 of the General Corporation Law, the general shareholder meeting designates the external auditor unless it chooses to delegate the appointment to the board. Also, in accordance with Principle 27 of the Code of Good Corporate Governance, the general shareholder 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.
26. In **Poland**, Article 130 of the Act on Statutory Auditors of 11 May 2017 requires the audit committee to prepare the policies/framework of selection procedures of the external auditor. The committee also prepares recommendations for the selecting body, including preferred choice (at least two viable choices should be recommended, one of them as reasoned preference according to Article 16 of the EU regulation 537/2014. The preferred auditor should then take part in the selection as one of the options).
27. In **Romania**, the Bucharest Stock Exchange CGC provides that the audit committee should monitor the independence and objectivity of the external auditor. The Committee should approve a policy on non-audit services permitted by the external auditor and ensure its implementation. The Committee's findings on the independence should be made public in the annual report. The audit committee should discuss the annual work plan with the external auditor, covering the scope and materiality of the activities to be audited. The audit committee should meet with the external auditor whenever necessary to discuss the issues identified and to monitor the quality of the services provided.
28. 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.
29. 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 subsequently be approved at the annual general meeting by shareholders. Furthermore, the Listing Rules require a change in auditing firm to be approved by shareholders at 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).
30. 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.
31. In **Switzerland**, the responsibility for the proposal for (re)election to the general meeting lies with the entire board of directors.
32. 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](#).
33. 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 4.13. 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	-	-	-	-	-	Yes	-	-
Australia		-	-	-	-	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	-
Bulgaria	L	10 ²	No	-	5	Yes	L	-
Canada ³	-	-	-	-	-	Yes	L	L ⁴
Chile ⁵	-	-	-	-	-	Yes	L	L
China	L	8+2 ⁶	Yes ⁶	Yes	-	Yes	L	L
Colombia	C	5/10	No	No	-	Yes	L	-
Costa Rica	L	10	No	No	3	Yes	L	-
Croatia	L	7	No	No	4	Yes	L	L
Czechia	L	10+10	No	Yes	4	Yes	L	L
Denmark	L	10+10/14	Yes	Yes	4	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	10	No	No	2	Yes	L	L
Hong Kong (China) ⁷	-	-	-	-	-	Yes	C	C
Hungary	L	10	Yes	Yes	4	Yes ⁸	L	L
Iceland	L	10	Yes	Yes	1	Yes	L	L
India ⁹	L	10	No	No	5	Yes	L	L
Indonesia	-	-	-	-	-	Yes ¹⁰	L	-
Ireland	L	10	Yes		4	Yes	L	L
Israel	-	-	-	-	-	No	L, C	C
Italy	L	9 ¹¹	Yes	No	4	Yes	L	L
Japan	-	-	-	-	-	Yes	L	C ¹²
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 ¹³	-	-	-	-	-	Yes	-	C
Mexico	L, C	5	No	No	2	Yes ¹⁴	L	L
Netherlands	L	10	No	No	5	Yes	L	-
New Zealand	-	-	-	-	- ¹⁵	Yes	R	C
Norway	L	10+10	No	Yes	2	-	L	-
Peru ¹⁶	C	-	-	-	-	Yes	-	-
Poland	L	10	Yes	Yes	4	Yes	L	L
Portugal ¹⁷	L	8 / 9 / 10	Yes	No	4	Yes	L, C	L, C
Romania ¹⁸	L	10	Yes	-	-	Yes	-	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

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
Slovenia	L	10	No	No	2	Yes ²²	L	L
South Africa	L	5	No	No	5	Yes	L	L
Spain	L	10	Yes	Yes	3	Yes	L	L
Sweden	L	(10+10)	No	Yes	4	Yes	L	L
Switzerland ²³	-	-	-	-	-	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	-	-	-	-	-	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.

Provisions for auditor rotation refers 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 refers 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 **Bulgaria**, since September 2024, the maximum term before rotation of the audit firm is seven to ten years, in accordance with the same extension provided by an amendment of Regulation (EU) No. 537/2014.

3. In **Canada**, Section 162 of the Canada Business Corporations Act, requires auditors to be appointed at each annual meeting.

4. 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.

5. 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.

6. In **China**, in principle, the consecutive engagement of the same accounting firm by a state-owned enterprise shall not exceed eight years; the engagement period may be appropriately extended, provided that the consecutive engagement period shall not exceed ten years.

7. 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 at least two years.

8. In **Hungary**, the maximum is for seven years.

9. 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 the team shall be rotated at such intervals as may be resolved by the shareholders. In the case of audits of listed entities, the auditing partner should be rotated after a pre-defined period, normally not more than seven years.

10. In **Indonesia**, partner rotation, but not audit firm rotation, is required by OJK regulation No. 9/POJK.03/2023. Audit services for annual historical financial information from the same Audit Partner shall be limited for seven cumulative years. The restriction on the use of audit services also applies to the audit partner of the audit firm acting as the engagement partner, who must have a cooling-off period of five consecutive reporting years. The Audit Partner of audit firm acting as the person responsible for the quality control review of the engagement must have a cooling-off period of three consecutive reporting years; and other audit engagement partners must have a cooling-off period of two consecutive reporting years.

11. 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.

12. In **Japan**, when an audit firm provides non-assurance services in addition to audit services to Public Interest Entities, the following elements 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.

13. In **Malaysia**, the Malaysian Institute of Accountant By Laws imposes a cooling off period of five years for the engagement of the 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.

14. 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 the 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.

15. 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) which outlines different cooling-off periods: five years for an engagement partner, three years for an individual responsible for the engagement quality control review, and two years for other key audit partners.

16. 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.

17. 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 ten 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.

18. In **Romania**, the financial auditor or key audit partner shall not take on a key position in the management of the audited entity, including non-executive member in the administrative/supervisory body and a member of the audit committee or of a body with equivalent powers before the expiry of a period of at least one year (two years, in the case of statutory audits of public interest entities) from the termination of his activity. Key audit partners shall cease their participation in the statutory audit of the audited entity within a maximum of seven consecutive years from the date of appointment. They may participate again in the statutory audit of the audited entity only after three years have passed since the cessation.

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-year 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 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 that 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 subsequent 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(4) of the Auditing Act provides that a certified auditor shall be prohibited from auditing an individual legal person, if, as key audit partner, the certified auditor has audited the financial statements of a legal person for a maximum of seven consecutive years following the date of 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 (economieuisse, Swiss Code of Best Practice for Corporate Governance, 2022, para. 23).

24. In **Switzerland**, the person who manages the (ordinary) audit may exercise the mandate for seven years at most. The same mandate may only be accepted 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 "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 the auditor provides audit services for seven years within the past ten-year period. Auditors' maximum service period to the same customer is calculated regardless of the audit firm they 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 4.14. 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) and the Professional Councils of Economic Sciences (CPCE), Affiliated with the 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)	Audit Oversight Body of Austria (APAB)	X	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	CSR-CTR	CSR-CTR

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
						(CSPE-H REB) / Belgian Ministry of Economy		
Brazil	Federal Council of Accounting (CFC)	Securities and Exchange Commission of Brazil (CVM)	X	X ³	CFC / CVM	CFC	CVM / CFC	CVM / CFC
Bulgaria	-	Commission for Public Oversight over Registered Auditors (CPORA)	-	X	CPORA	CPORA	CPORA	CPORA
Canada	Chartered Professional Accountants of Canada (CPA)	Canadian Public Accountability Board (CPAB)	X		CPAB	CPA	CPAB	CPAB
Chile	Chilean Association of Accountants (Contach)	Financial Market Commission (CMF)		X	CMF	CMF	CMF	CMF
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 Accountin g (TCA)	CBA / TCA	CBA
Costa Rica	Chamber of Certified Public Accountants (CCPCR)	General Superintendency 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
Croatia	Croatian Audit Chamber (CAC)	Ministry of Finance (MFIN)		X	MFIN	CAC	MFIN	MFIN
Czechia	The Chamber of Auditors of the Czech Republic (KACR)	Public Audit Oversight Board (RVDA)		X	KACR	KACR	RVDA	RVDA
Denmark	Danish Auditors	Danish Business	X	X	DBA	FSR /	DBA	DBA

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
	(FSR)	Authority (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	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)	X	X	AFRC	HKICPA	AFRC	AFRC
Hungary	Hungarian Chamber of Auditors (MKVK)	Auditors' Public Oversight Authority (KKH)	X	X	KKH MKVK	KKH MKVK	KKH MKVK	KKH MKVK
Iceland	Institute 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, Indonesia Financial Services Authority (OJK)		X ⁸	PPPK/OJK	IAPI	PPPK/OJK	IAPI / PPPK/OJK
Ireland	Recognised Accountancy Bodies (RABs) ⁹	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) ¹⁰	X		IAC	ICPAI	IPRI	IAC
Italy		Italian Securities and Exchange Commission (CONSOB)	X		Ministry of Economy and Finance (MEF)	MEF/CONSOB ¹¹	CONSOB	CONSOB

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
Japan	Japanese Institute of Certified Public Accountants (JICPA)	Certified Public Accountants and Auditing Oversight Board (CPAFOB) established within the Financial Services Agency (FSA)		X	FSA	FSA (Business Accounting Council)	CPAFOB / JICPA	CPAFOB / 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 ¹²	AVNT	AVNT
Luxembourg	Institute of Statutory Auditors (IRE)	Financial Supervisory Commission (CSSF)	X	-	CSSF	CSSF	CSSF	CSSF
Malaysia	Malaysian Institute of Accountants (MIA)	Audit Oversight Board (AOB)	⁻¹³	-	AOB	MIA	AOB	AOB
Mexico	Mexican Institute of Public Accountants (IMCP)	National Banking and Securities Commission (CNBV) General Administration of Fiscal Audit of the Federal Tax Administration Service (SAT)		X	IMCP General Administra- tion of Fiscal Audit of the Federal Tax Administra- tion Service (SAT)	IMCP / CNBV	IMCP / CNBV	IMCP / CNBV
Netherlands	The Royal 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	XR ¹⁴	FMA/XR	NZICA/FMA
Norway	Norwegian Institute of Public Accountants (NIPA)	Financial Supervisory Authority of Norway (FSAN)	X		FSAN	NIPA	FSAN	FSAN

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
Peru	Peruvian Public Accountants Associations (PPAA)	Superintendence of Securities Market (SMV) ¹⁵	.. ¹⁶	-	PPAA	SMV	SMV	PPAA/SMV
Poland	Polish Chamber of Statutory Auditors (PIBR)	Polish Agency for Audit Oversight (PANA)	X ¹⁷		PIBR / PANA	PIBR / PANA	PANA	PANA
Portugal	Portuguese Statutory Audit Institute (OROC)	Portuguese Securities Market Commission (CMVM)	X		CMVM / OROC	OROC	CMVM	CMVM / OROC
Romania	Authority for the Public Supervision of Statutory Audit Activity (ASPAAS) ¹⁸	ASPAAS	X	X	ASPAAS	ASPAAS	ASPAAS	ASPAAS
Saudi Arabia	Saudi Organization for Certified Public Accountants (SOCPA)	Capital Market Authority (CMA)	.. ¹⁹	-	CMA	SOCPA	CMA	SOCPA / CMA
Singapore	Institute of Singapore Chartered Accountants (ISCA)	Accounting and Corporate Regulatory Authority (ACRA)	.. ²⁰	-	ACRA	ACRA	ACRA	ACRA
Slovak Republic	Slovak Chamber of Auditors (SKAU)	Auditing Oversight Authority (UDVA)	X	X	UDVA	SKAU/UDVA	UDVA	UDVA
Slovenia	Slovenian Institute of Auditors	Agency for Public Oversight of Auditing (APOA)	X	X	APOA	APOA	APOA	APOA
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 / Pro-fessional bodies	ICAC	ICAC
Sweden	Institute for the Accountancy Profession in Sweden (FAR)	Swedish Inspectorate of Auditors (RI)	X		RI	RI / FAR	RI	RI
Switzerland ²¹	EXPERTsuisse/ Treuhand suisse / Veb.ch	Federal Audit Oversight Authority (FAOA)	X		FAOA	EXPERT suisse / FAOA	FAOA	FAOA
Türkiye ²²	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 (RQB) ²³	Financial Reporting Council (FRC)	X		RSBs	FRC	FRC	FRC

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
United States	Public Company Accounting Oversight Board (PCAOB), and State Boards for Public Accountancy	SEC	X ²⁴	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 the CICPA, its financial resources 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. **Costa Rica** is transitioning from 80% central bank funding and 20% from regulated entities prior to 2024 to a 50/50 split to be achieved by 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 **Indonesia**, the PPPK is funded from the state budget, while the OJK is self-funded (levies from financial institutions and entities under its supervision and fines and/or state budget. If self-funded are insufficient to meet the OJK expenditures, the deficit can be financed by the state budget.

9. 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).

10. In **Israel**, the IPRI is a subsidiary of the ICPAI.

11. In **Italy**, the MEF adopts audit standards having heard the opinion of CONSOB.

12. In **Lithuania**, audits are carried out in accordance with international auditing standards.

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 **New Zealand**, the External Reporting Board (ERB) is an Independent Crown Entity that develops and issues reporting standards on accounting, audit and assurance, and climate, for entities across the private, public and not-for-profit sectors.

15. 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.

16. In **Peru**, SMV’s Organic Law includes the possibility of obtaining funding 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.

17. In **Poland**, PANA is directly funded from fees paid by audit firms. It may also be funded from the state budget, if needed.

18. In **Romania**, ASPAAS is a public institution, with legal personality, with the role of ensuring the supervision of the statutory audit in the public interest and operates under the subordination of the Ministry of Finance.

19. 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.

20. 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.

21. 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).

22. 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.

23. 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), and the Institute of Chartered Accountants of Scotland (ICAS).

24. 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 4.15. Voting practices for board election

Jurisdiction	Majority requirement for board election	Voting for: Individual candidate/list of candidates	Cumulative voting
Argentina	Required	Individual candidate	Allowed
Australia	Required	Individual candidate	-
Austria	Required	Individual candidate	-
Belgium	-	-	Allowed
Brazil	-	-	Allowed
Bulgaria	Required	Individual candidate	Allowed
Canada	Required ¹	Individual candidates	Allowed
Chile	-	Individual candidate	Allowed
China	Required	Individual candidate	Allowed / Required if one shareholder and its related persons acting in concert hold $\geq 30\%$ of the voting shares ²
Colombia	Required	List	-
Costa Rica	Required	Individual candidate	Allowed
Croatia	Required	Individual candidate	-
Czechia	Required	Individual candidate	Allowed
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 of candidates	- 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	-

Jurisdiction	Majority requirement for board election	Voting for: Individual candidate/list of candidates	Cumulative voting
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 (one 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	-
Romania	Required ⁸	Individual candidate	Allowed
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 two-fifths of the total number of board members.

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 (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 one-third 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.

8. In **Romania**, for the first convocation of the ordinary general shareholder meeting, the quorum required is at least one-quarter of the total number of voting rights, with decisions by majority of votes. Articles of association may provide for higher quorum and majority. If the conditions for the first meeting are not met, the general shareholder meeting will meet at a second convocation regardless of the quorum, with decisions by majority of votes. Articles of association may not provide for minimum quorum or a higher majority.

Table 4.16. 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 of the board; and - minority shareholders holding non-voting preferred shares or preferred shares with limited voting rights that represent 10% or more of the total capital stock are entitled to appoint one member to the board; and - 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 of 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 of the Board with no minimum share capital requirement.
India	Allowed	The 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 INR 20 000.
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. The 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. In case the outgoing board presents a slate of candidates receiving most votes, board seats reserved to minority shareholders are at least 20% of the board.
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 from candidates proposed by a group of shareholders holding between 10% and 20% shareholding; or ii) 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 one-half of the members of the board can be elected in this way, provided that the articles of association of the company allow).
United Kingdom	Required for companies with UK-listed equity shares in the commercial company category with controlling shareholders	Companies with equity shares in the commercial company category that have 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. If the independent shareholders do not approve the election of the independent director, another vote on that proposed director cannot be held within 90 days. At that stage, a further vote would need to be held within

Jurisdiction	Requirement / recommendation	
	Required for re-election	
		30 days but could be passed by a simple majority of shareholders (the rules thereby operate as a delaying mechanism rather than a full veto).

Table 4.17. 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 candidate	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	-
Bulgaria	L	L	L	L	-
Canada	L	L	L	-	-
Chile	L	C	C	C L: ID	L: ID
China	L	L	L	L	L ¹
Colombia	L	C	C	C L: ID, AC	C
Costa Rica	L	C	C	C	C
Croatia	L, C	L, C	L, C	L, C	-
Czechia	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	C	C	L	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	L: ID
Italy	L	L	L	C	C ³
Japan	L	L	L	R: ID L: outside directors	L, C
Korea	L	L	L	L: ID, AC	L, C
Latvia	C	C	C	C	C
Lithuania	C	C	C	L, C	C
Luxembourg	-	-	-	C	C
Malaysia	R	R	R	R	R, C
Mexico	L	L	L	L: ID, AC	-

Jurisdiction	Information provided to shareholders regarding the candidates for board membership			Requirement or recommendation for board nomination	
	Name of candidate	Qualifications of candidate	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)
				C: ID, AC	
Netherlands	L, C	L, C	L, C	C: Supervisory board	-
New Zealand	R	R	R	C	C
Norway	C	C	C	C L: AC	-
Peru	L, C	L, C	L, C	L ⁴ : ID C: ID	-
Poland	L	-	-	-	-
Portugal	L	L	L	C	C
Romania ⁵	L, C	L, C	-	-	-
Saudi Arabia	L	L	L	C: Board member L: AC	-
Singapore ⁶	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 ⁷
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**, the nomination committee of the board of directors of the listed company is responsible for selecting and reviewing the candidates for directors and their qualifications and making recommendations to the board of 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 their shareholders with recommendations on the professional skills identified through 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, of 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 "Guidelines for Qualification of Independent Directors", 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 qualifies as such.

5. In **Romania**, according to the BVB Code of Corporate Governance, the Board, through its Nomination and Remuneration Committee, if established, should monitor the nomination process of candidates for the position of board member. The nomination and remuneration Committee should, among others: i) review and recommend to the Board the size and composition of the Board and lead the development and ongoing review of the Board profile; ii) identify individuals qualified to become board members and members of the executive management, if requested; evaluate the candidates for executive management roles; and iii) evaluate the candidates proposed by the shareholders or by Board members for a director role and inform the general shareholder meeting accordingly.

6. In **Singapore**, the SGX Listing Manual provides that where a candidate is proposed to be appointed for the first time or re-elected to the board, the issuer must provide information including the director's name, working experience, relationship with the issuer, shareholding interest in the issuer and other specified information. An announcement must be made when a director is appointed with the same 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.

7. In **Türkiye**, the 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 4.18. Requirements or recommendations for board and key executives remuneration

Jurisdiction	General criteria	Specific requirement or recommendation
		E.g. <i>Long-term incentive mechanism for variable remuneration (LTIM); Severance payment cap (SPC); Sustainability-Linked Compensation (SLC)</i>
Argentina	L	LTIM, SPC
Australia	C	SPC (applicable for board only) ¹
Austria	L, C	LTIM (3 years), SPC (2 years)
Belgium	L	LTIM (3 years), SPC (12-18 months)
Brazil	C	LTIM
Bulgaria	L	LTIM, SPC – depends on the principles/policy of the firm
Canada	L	-
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. According to listing rules, related listed companies should disclose sustainability-related incentives and assessment systems in their sustainability reports.
Colombia	C	LTIM, SLC
Costa Rica	C	-
Croatia	L	LTIM, SPC
Czechia	C	LTIM, SPC
Denmark	C	LTIM (3 years), SPC (2 years)
Estonia	C	LTIM, SPC
Finland	C	LTIM ²
France	C	LTIM
Germany	L, C	LTIM (L), SPC (2 years) (C), SLC (L)
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 ³	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	R, C	-
Mexico	L, C	-
Netherlands	L	LTIM, SPC (1-2 years)
New Zealand	C	- ⁴
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

Jurisdiction	General criteria	Specific requirement or recommendation
		E.g. <i>Long-term incentive mechanism for variable remuneration (LTIM)</i> ; <i>Severance payment cap (SPC)</i> ; <i>Sustainability-Linked Compensation (SLC)</i>
Poland	C	-
Portugal	C, L	LTIM (C – 3 years; or L – 5 years for credit institutions)
Romania	L, C	SLC ⁵
Saudi Arabia	L	LTIM
Singapore	C	LTIM
Slovak Republic	L	LTIM (2 years), SPC (6 months)
Slovenia	L, C	LTIM, SPC
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 **Finland**, the remuneration of the board and CEO must be based on the remuneration policy reviewed by the Annual General Meeting (advisory decision).

3. 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). Any remuneration exceeding the limits require shareholder approval.

4. In **New Zealand**, the NZX Corporate Governance Code recommends that an issuer has a remuneration policy for executives which outlines the relative weightings of remuneration components and relevant performance criteria.

5. In **Romania**, the remuneration policy shall be presented for approval to the general shareholder meetings. Levels of remuneration for executive management members and key performance indicators for variable (performance-based) part of the remuneration should be set in advance, be measurable and appropriate in relation to the strategy and risk appetite, the economic environment and the pay and conditions of employees within the Company. In particular, they should include indicators related to non-financial performance and appropriate sustainability objectives.

Table 4.19. 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)
Bulgaria	L	L	L	CEO and members of board of directors	L (Binding for board members)
Canada ¹	L	C (Advisory) (once in force) ²	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) ³	L, C	-	C

Jurisdiction	Remuneration policy		Level / amount of remuneration		
	Disclosure	Approval by shareholders	Disclosure		Approval by shareholders
			Total	Individual	
Costa Rica	L	L (Binding) ⁴	-	-	-
Croatia	L	L	L	L	L
Czechia	L	L (Binding)	L	Board members, CEO and their deputy/deputies	L (Advisory)
Denmark	L	L (Binding)	L	L	L (Advisory)
Estonia	L	L (Advisory) ⁵	L	L	-
Finland	L	L (Advisory) ⁶	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 (Binding)	L	L	L (Advisory)
Greece	L	L (Binding)	L	L	L (Binding)
Hong Kong (China) ⁷	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 ⁸	L	L (Binding)
Indonesia	L	L (Binding)	L	L	L (Binding)
Ireland	L	L (Advisory unless made mandatory by constitution)	L	L (Directors, former directors, CEO, Deputy CEO)	(Advisory) ⁹
Israel ¹⁰	L	L (Binding)	L	Top 5	L (Binding)
Italy	L	L (Binding)	L	L (Directors, statutory auditors and general managers)	L (Binding) for directors ¹¹
Japan	L	SoP/AA	L	Above JPY 100 million	SoP/AA
Korea	C	C (advisory)	L	Directors above KRW 500 million and 5 employees above KRW 500 million ¹²	L (Binding)
Latvia	L	L (Binding)	L	L	L (Binding)
Lithuania	L	L (Binding)	L	L	C (Binding) ¹³
Luxembourg	L	L (Advisory)	L	L	L (Advisory)
Malaysia	C	-	R	R (All directors and CEO) C (All directors; Top 5 senior management in bands of RM 50 000) ¹⁴	L (Binding for directors)
Mexico ¹⁵	L	-	L	-	L (Binding)
Netherlands	L, C	L (Binding)	L	L	L (or AA)
New Zealand	C	-	L, R	All directors and employees above NZD 100 000	R (Binding) ¹⁶
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 ¹⁷	L	L (Binding)	L	L	L (Binding)
Portugal	L	L (Binding)	L	All members of the board of directors and supervisory board	L (Binding)
Romania	L	L (Binding)	L	All directors and key executives	L (Binding for directors)
Saudi Arabia	L	L (Binding)	L	All directors and top 5 key executives ¹⁸	-
Singapore	R ¹⁹	-	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 are immediate family members of a director, CEO or substantial shareholder and whose remuneration exceeds SGD 100 000 during the year.	R (Binding for directors) ¹⁹
Slovak Republic	L	L (Binding)	L	L (all members of board)	L
Slovenia	L	SoP/AA	L	L	L, C (Advisory)
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)

Jurisdiction	Remuneration policy		Level / amount of remuneration		
	Disclosure	Approval by shareholders	Disclosure		Approval by shareholders
			Total	Individual	
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.

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**, disclosure requirements related to the remuneration policy are written in legislation, but not yet in force.

2. 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.

3. 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.

4. 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.

5. In **Estonia**, the resolution of shareholders is advisory for the supervisory board, unless otherwise provided by the articles of association.

6. In **Finland**, approval by shareholders is only applicable for members of the Board and Supervisory Board.

7. 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.

8. 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.

9. In **Ireland**, shareholders vote annually on the remuneration report which contains details of directors' pay.

10. 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 shareholder approval.

11. 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.

12. In **Korea**, according to 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 KRW 500 million). 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.

13. 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.

14. In **Malaysia**, Practice 8.1 of the Malaysian Code on Corporate Governance (MCCG) recommends detailed disclosure on name basis of the remuneration of individual directors, and 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 MYR 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.

15. In **Mexico**, listed companies must disclose in the annual report the total amount of all types of benefits received by the board members, key executives, and related individuals of the issuer and its subsidiaries during the last fiscal year. Additionally, the total amount allocated or accrued for pension, retirement or similar plans for these individuals must be provided. A description of the types of compensation and benefits they receive collectively should also be included. Furthermore, any agreements or programmes allowing board members, key executives or employees to participate in the issuer's equity must be disclosed, detailing their rights and obligations, including the mechanism for share distribution and the pricing method. (Issuers' Provisions, Annex N pp. 14 - 15)

16. 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.

17. In **Poland**, in the case of banks, investment fund management companies and brokerage houses, the remuneration policy and levels are prepared by the management and approved by the supervisory board (the approval is binding).

18. In **Saudi Arabia**, a description of the necessary details with respect to the remunerations and compensations granted to each of the following, separately: a) board members; b) five senior executives who have received the highest remuneration from the company, provided that the chief executive officer and chief financial officer are among them; c) members of committees.

19. 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. The Listing Manual requires the annual report to contain the names, amounts and breakdown of remuneration paid to each individual director and the chief executive officer.

Table 4.20. 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
	<i>Of boards</i>	<i>Of senior management</i>	<i>Quota (mandatory)</i>	<i>Target (voluntary)</i>	
Argentina	C ¹	-	-	-	No
Australia ²	C	C	-	C ³	
Austria	L	L	30%	L	Yes
Belgium	-	-	33%	-	Yes
Brazil	L	L	-	-	No
Bulgaria	- ⁴	-	-	-	No
Canada	L ⁵	L	-	-	No
Chile	L	L	-	-	Yes (non-compliance with disclosure requirement)
China ⁶	-	-	-	-	
Colombia	-	-	30% for SOEs	-	-
Costa Rica	-	-	50% for SOEs ⁷	-	-
Croatia ⁸	L, C	L	33%	L, C	Yes
Czechia	L	-	-	-	-
Denmark	L	L	-	40%/60% of either gender for large companies, listed companies and SOEs	Yes
Estonia	-	-	-	-	-
Finland	L, R, C ⁹	-	40% for large listed companies ¹⁰	40% for all listed companies	-
France	L	-	40%	-	Yes
Germany ¹¹	L	L	30%	L	Yes (Judicial enforcement)
Greece	L	-	25% ¹²	-	Yes
Hong Kong (China)	R ¹³	R	At least one director of either gender on the board	R	Yes
Hungary	-	-	-	-	-
Iceland	L	-	40% /60% of either gender for SOEs	-	-
India	L	L	At least one ¹⁴		Yes

Jurisdiction	Requirement to disclose statistics on gender composition		Provisions to achieve gender diversity on boards		Sanctions for non-compliance with mandatory provisions
	<i>Of boards</i>	<i>Of senior management</i>	<i>Quota (mandatory)</i>	<i>Target (voluntary)</i>	
Indonesia	L ¹⁵	L	-	-	-
Ireland	L	-	-	40% for SOEs ¹⁶	Yes
Israel	L	-	At least one ¹⁷	50% for SOEs ¹⁸	Yes ¹⁹
Italy	L	-	40% ²⁰	-	Yes
Japan	L	C ²¹	-	For companies listed on the Prime Market: at least one female officer by 2025 / percentage of female officers at least 30% by 2030 ²²	
Korea ²³	L	-	At least one	-	No
Latvia	-	-	-	-	-
Lithuania	L	-	33% ²⁴	-	Yes
Luxembourg	-	-	-	40% ²⁵	-
Malaysia	R	R	R, at least one director is a woman	C, 30%	-
Mexico	L	L	-	-	Yes
Netherlands	L	L	33.3%	L, C	Yes
New Zealand	R	R		At least 30% male and at least 30% female for issuers in the S&P/NZX 20 Index.	
Norway	L	-	33-50% depending on number of board members	-	Yes
Peru ²⁶	L	-	-	-	-
Poland	C	C	-	-	-
Portugal	L	L	33.3% for listed companies and SOEs		Yes
Romania ²⁷	-	-	-	-	-
Saudi Arabia	-	-	-	-	-
Singapore	R ²⁸			20% by 2020; 25% by 2025; and 30% by 2030 for top 100 listed companies	
Slovak Republic	C				
Slovenia	L	-	33% or 40% for large listed companies from 2026 and large SOEs from 2028		No
South Africa	-	-	-	-	-
Spain	L	L	-	40%	No
Sweden	L	L	-	40%	-
Switzerland	-	-		30% ²⁹	-
Türkiye	L	-	-	≥ 25%	-
United Kingdom	L	C		40%	
United States	.. ³⁰	-	.. ³¹	.. ³²	-

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, 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 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 **Bulgaria**, in 2024, a Draft Law of the Law on Equality between Women and Men was published for public discussion. The proposed draft law implements the provisions of Directive (EU) 2022/2381. The Draft Act is expected to be adopted by the National Assembly in 2025.
5. In **Canada**, securities regulations in most provinces and territories require disclosure relating to the representation of women; for federally-incorporated companies, disclosures follow a “comply or explain” model and include the representation of women, visible minorities, Indigenous and disabled persons.
6. In **China**, the Code of Corporate Governance of Listed Companies encourages the diversification of members of the board of directors. Listing rules require large listed companies to disclose gender composition of employees in sustainability reports.
7. 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.”
8. In **Croatia**, every five years, the supervisory board should set and publish gender diversity targets for the supervisory and management boards, with a plan and annual progress updates. Amendments to the Corporate Governance Code, applicable from 1 January 2025, set target to “at least” 40% of members of the underrepresented gender on the supervisory board or across the supervisory and management boards.
9. In **Finland**, a company listed on Nasdaq Helsinki SE has to follow the Corporate Governance code according to the listing rules. According to the CG code, balanced representation of women and men must be reached in listed companies no later than 30 June 2026 (comply or explain). Until then, Recommendation 8 of Corporate Governance Code 2020 applies, according to which both genders shall be represented in the board of directors.
10. In **Finland**, according to the Finnish Limited Liability Companies Act, members of the underrepresented sex shall hold at least 40% of the board positions of a large, listed company by 30 June 2026.
11. 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 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 to the board.
12. In **Greece**, Law 4706/2020 on Corporate Governance introduced mandatory quotas of 25%, and binding diversity criteria for the selection of directors. Greece adopted the provisions of Directive (EU) 2022/2381 with Law 5178/14.02.2025. The effective date for mandatory quota of 33% for listed companies that fulfil the criteria of the Directive (EU) 2022/2381 is 30 June 2026.
13. In **Hong Kong (China)**, the latest enhancements to the Corporate Governance Code (in Appendix C1 of the Listing Rules) came into effect on 1 July 2025. Currently, the Listing Rules require a listed company to have a policy(ies) concerning diversity of board members and the diversity of its workforce (including senior management), and to disclose such policy(ies) in the corporate governance report. The Stock Exchange of Hong Kong Limited requires listed issuers to appoint at least one director of a different gender on the board. A listed company is also required to disclose and explain (i) its measurable objectives (e.g. targets, timelines) and succession measures to achieve gender diversity within the board, together with the results of its annual review of the implementation of the board diversity policy (including progress towards the listed company's objectives); as well as (ii) the gender ratio of senior management and the workforce (excluding senior management), respectively, and any plans or measurable objectives (and progress on achieving such objectives). A listed company may also disclose any mitigating factors or circumstances which make achieving gender diversity across the workforce more challenging or less relevant. Listing applicants with a single gender board are not accepted and must appoint at least one director of a different gender before listing.
14. In **India**, every listed company and every other public company having paid – up share capital of INR 1 billion or more or turnover of INR 3 billion 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.
15. In **Indonesia**, there is no law or regulation that governs the proportion of board diversity in terms of gender quota. OJK Circular letter No. 16/SEOJK.04/2021, as an implementing Rule of OJK Regulation No. 29/POJK.04/2016 Concerning Annual Report on Issuers or Public Companies, requires Issues and Public Companies to disclose about the gender diversity covering gender composition in the Board of Directors, Board of Commissioners and employees.
16. In **Ireland**, Directive 2022/2381 on Gender Balance had not been transposed by the end of December 2024. It was transposed in May 2025 (S.I. No. 215 of 2025) and companies will be required by 30 June 2026 to comply with the 40% target set by the Directive in relation to non-executive directors. The optional target of 33% among all directors was not included.
17. In **Israel**, the gender representation requirement applies specifically to the appointment of external directors, and only when all board members who are not the controlling shareholder or their relatives are males.
18. 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.
19. 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.
20. In **Italy**, Law 160/2019 establishes the gender quota (40%) and mandates its application over six subsequent board nominations, spanning nearly 18 years).

21. 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 positions" is included as one of the disclosure items. The employers, which disclose the ratio of female workers in managerial positions on their homepages and/or the government database, are also required to include the information in their Annual Securities Report.
22. In **Japan**, in addition to board members, auditors and executive officers, the aforementioned female officers may include non-statutory executive officers and their equivalents.
23. 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 KRW 2 trillion or more as of the end of the latest business year shall not have a board of directors made up of just one gender.
24. In **Lithuania**, by 30 June 2026, large companies must ensure that under-represented genders in the management and supervisory bodies of large companies account for at least 33% (but no more than 49%) of the company's management, board members and supervisory board.
25. 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. Moreover, the X Principles of Corporate Governance established by the Luxembourg Stock Exchange establish in Recommendation 4.1 that "At least 40% of the underrepresented gender among non-executive directors or 33% among all directors should be represented in the Board."
26. In **Peru**, the Report on Compliance with the Good Corporate Governance Code for Peruvian Corporations incorporates some questions addressing the participation of women in corporation boards.
27. In **Romania**, according to the Bucharest Stock Exchange CGC, the board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence for it to effectively perform its duties and responsibilities. The board should have a policy in place on board and executive management diversity and should incorporate diversity requirements in the nomination policy.
28. In **Singapore**, the Listing Rules require listed companies to 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 their targets in their annual reports for achieving the stipulated diversity, accompanying plans and timeline.
29. 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 remuneration 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.
30. In the **United States**, 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. Companies listed on the Nasdaq Stock Market, LLC had also been subject to director diversity disclosure requirements, but the rules were struck down by a federal court on 11 December 2024.
31. In the **United States**, although there are no federal quotas or voluntary targets, in 2018, California enacted a law that required 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. In 2023, a federal court held that this law was unconstitutional. Washington State Legislature enacted a 2020 law that requires certain public companies to have at least 25% of the directors be women, or the company must provide a board diversity discussion and analysis to its shareholders.
32. In recent years, other **US** states, such as Colorado, Illinois, Maryland, Massachusetts and Pennsylvania, have passed non-binding resolutions encouraging public companies to have women on the board of directors.

Table 4.21. 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 (2022-24)	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 (2022-24)
	2022	2023	2024		2022	2023	2024	
Argentina ⁴	33.6	34.7	-	3.3%	14.7	15.6	16.7	6.6%
Australia	40.4	41.1	41.7	1.6%	37.2	40.8	41.6	5.8%
Austria	33.4	35.3	36.2	4.1%	33.2	33.6	34.3	1.6%
Belgium	36.5	33.8	34.2	-3.1%	39.3	38.8	37.6	-2.2%
Brazil	39.3	39.8	39.4	0.1%	19.1	22.7	21.8	7.4%
Bulgaria ⁵	39.8	41.5	40.2	0.6%	29.9	30.3	29.5	-0.7%
Canada	-	-	-	N/A	35.5	38.2	39.7	5.8%
Chile	29.6	31.2	29.9	0.6%	17.1	21.0	24.0	18.5%
China	-	-	-	N/A	14.8	15.7	15.8	3.4%
Colombia	43.5	44.0	44.4	1.0%	20.8	25.0	25.0	10.1%
Costa Rica ⁶	46.0	44.3	49.1	3.6%	12.5	12.7	12.5	0.0%

Jurisdiction	Women's participation in managerial positions ¹ (%)			Average annual growth rate for women's participation in managerial positions (2022-24)	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 (2022-24)
	2022	2023	2024		2022	2023	2024	
Croatia	21.9	23.9	27.6	12.3%	29.3	31.8	27.7	-2.2%
Czechia	26.0	27.5	28.6	4.9%	21.9	24.6	28.4	13.9%
Denmark ⁷	29.3	31.8	28.2	-1.4%	28.2	29.5	30.7	4.3%
Estonia	40.2	34.4	39.7	0.5%	10.3	12.0	14.7	19.5%
Finland ⁸	36.0	38.4	37.8	2.6%	30.6	32.6	32.8	3.6%
France	39.9	38.9	39.5	-0.5%	45.2	46.1	47.5	2.5%
Germany	28.9	28.6	29.0	0.2%	37.2	38.7	39.5	3.0%
Greece	31.3	30.6	34.8	5.7%	24.1	26.8	27.2	6.3%
Hong Kong (China) ⁹	38.3	38.0	37.7	-0.8%	16.1	17.4	20.1	11.8%
Hungary	37.5	37.2	40.5	4.0%	10.4	10.5	10.2	-0.9%
Iceland	39.6	36.8	39.2	-0.3%	44.8	42.4	44.9	0.3%
India	15.9	12.6	11.7	-13.9%	18.2	19.0	19.4	3.3%
Indonesia	31.7	33.1	-	4.4%	12.3	12.0	10.0	-9.6%
Ireland	37.9	37.9	39.4	2.0%	33.7	37.4	40.1	9.1%
Israel	31.8	30.7	-	-3.5%	26.9	31.7	33.1	11.1%
Italy ¹⁰	27.9	28.0	27.9	0.0%	42.9	43.1	43.2	0.3%
Japan	13.3	14.6	16.3	10.7%	15.5	18.0	20.5	15.0%
Korea	14.6	16.3	17.5	9.5%	12.8	16.3	17.2	16.4%
Latvia	45.3	43.0	43.4	-2.1%	19.0	23.9	28.1	21.7%
Lithuania	38.6	36.8	38.3	-0.3%	24.5	25.3	28.2	7.4%
Luxembourg	26.6	19.5	35.8	28.4%	23.4	23.5	22.8	-1.3%
Malaysia ¹¹	-	-	-	N/A	29.2	30.9	33.0	6.3%
Mexico	39.2	38.8	38.0	-1.5%	11.5	14.7	17.5	23.4%
Netherlands	28.5	28.8	30.2	3.0%	41.6	41.0	41.8	0.3%
New Zealand	-	-	-	N/A	46.0	46.3	47.8	1.9%
Norway	33.9	33.7	35.3	2.1%	43.2	43.6	44.3	1.3%
Peru	31.3	37.2	35.9	7.7%	18.8	25.0	22.2	10.9%
Poland	42.9	42.5	41.8	-1.3%	24.2	27.2	23.8	-0.1%
Portugal	38.6	37.8	38.0	-0.8%	33.3	34.9	34.7	2.1%
Romania	33.0	33.4	33.9	1.4%	17.7	21.8	24.8	18.5%
Saudi Arabia	19.5	15.1	13.4	-16.9%	3.5	3.9	4.9	18.5%
Singapore ¹²	40.3	39.6	40.1	-0.2%	21.7	23.7	25.1	7.6%
Slovak Republic	38.0	33.3	32.6	-7.2%	30.3	25.0	25.0	-8.7%
Slovenia	34.8	35.0	33.7	-1.6%	23.1	23.5	25.6	5.3%
South Africa	32.9	33.3	35.5	3.9%	34.4	35.3	36.6	3.1%
Spain	34.7	35.2	34.4	-0.4%	35.7	39.5	41.3	7.6%
Sweden	42.0	43.7	44.4	2.8%	35.2	36.6	37.7	3.5%
Switzerland	30.9	32.4	35.5	7.2%	33.5	35.4	34.4	1.4%
Türkiye	18.4	19.1	19.6	3.2%	19.3	20.5	20.2	2.4%
United Kingdom	38.8	40.2	40.9	2.7%	40.9	42.5	44.3	4.1%
United States	41.0	42.6	42.9	2.3%	31.3	32.4	33.7	3.8%

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 is available.

1. Source: International Labour Organisation, [ILOSTAT database](#), [SDG indicator 5.5.2 - Proportion of women in managerial positions \(%\) - Annual](#). Employment in management is defined based on the International Standard Classification of Occupations. This series 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 indicator metadata](#) or [ILOSTAT's indicator description](#).
2. Source: Data on the gender composition of boards for Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Iceland, Ireland, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom was obtained from [European Institute for Gender Equality \(EIGE\)](#). The companies covered are members (up to 50) of the primary blue-chip index, which is maintained by the stock exchange and represents the largest firms based on market capitalisation and/or trading volume. For further information, see the [metadata](#).
3. Source: Data on the gender composition of boards for Australia, Brazil, Canada, Chile, China, Colombia, India, Indonesia, Israel, Japan, Korea, Mexico, New Zealand, Peru, Saudi Arabia, South Africa, Switzerland, Türkiye, and the United States was obtained from [MSCI Women on Boards and Beyond 2024](#). MSCI data refers to the proportion of seats held by women on boards for companies covered by the MSCI ACWI index: an index of large- and mid-cap firms from developed and emerging economies (as of November 2024). For further information, see the [MSCI ACWI Index](#).
4. For **Argentina**, data provided by the National Securities Commission of Argentina (CNV), covering 199 issuers of equity and debt securities under the general public offering regime. Issuers under the SME regime are excluded.
5. For **Bulgaria**, data provided by the Financial Supervision Commission (FSC), covering all companies listed on the main market.
6. For **Costa Rica**, data provided by the Securities Commission of Costa Rica (SUGEVAL), based on 10 listed companies on the main market.
7. For **Denmark**, data provided by the Danish Business Authority, covering companies listed on the main market.
8. For **Finland**, data provided by the Ministry of Justice, covering all companies listed on the regulated market. Companies on alternative markets (MTF or SME Growth Market) are excluded.
9. For **Hong Kong (China)**, data was obtained from [HKEX Board Diversity Statistics](#). The data covers all listed companies on the HKEX.
10. For **Italy**, data provided by the Italian Companies and Exchange Commission (CONSOB), covering all companies listed on the regulated market.
11. For **Malaysia**, data provided by the Securities Commission Malaysia (SC), covering the 100 largest listed companies by market capitalisation.
12. For **Singapore**, data was obtained from [Singapore Board Diversity Review 2025](#), published by Council for Board Diversity. The data covers the 100 largest listed companies by market capitalisation.

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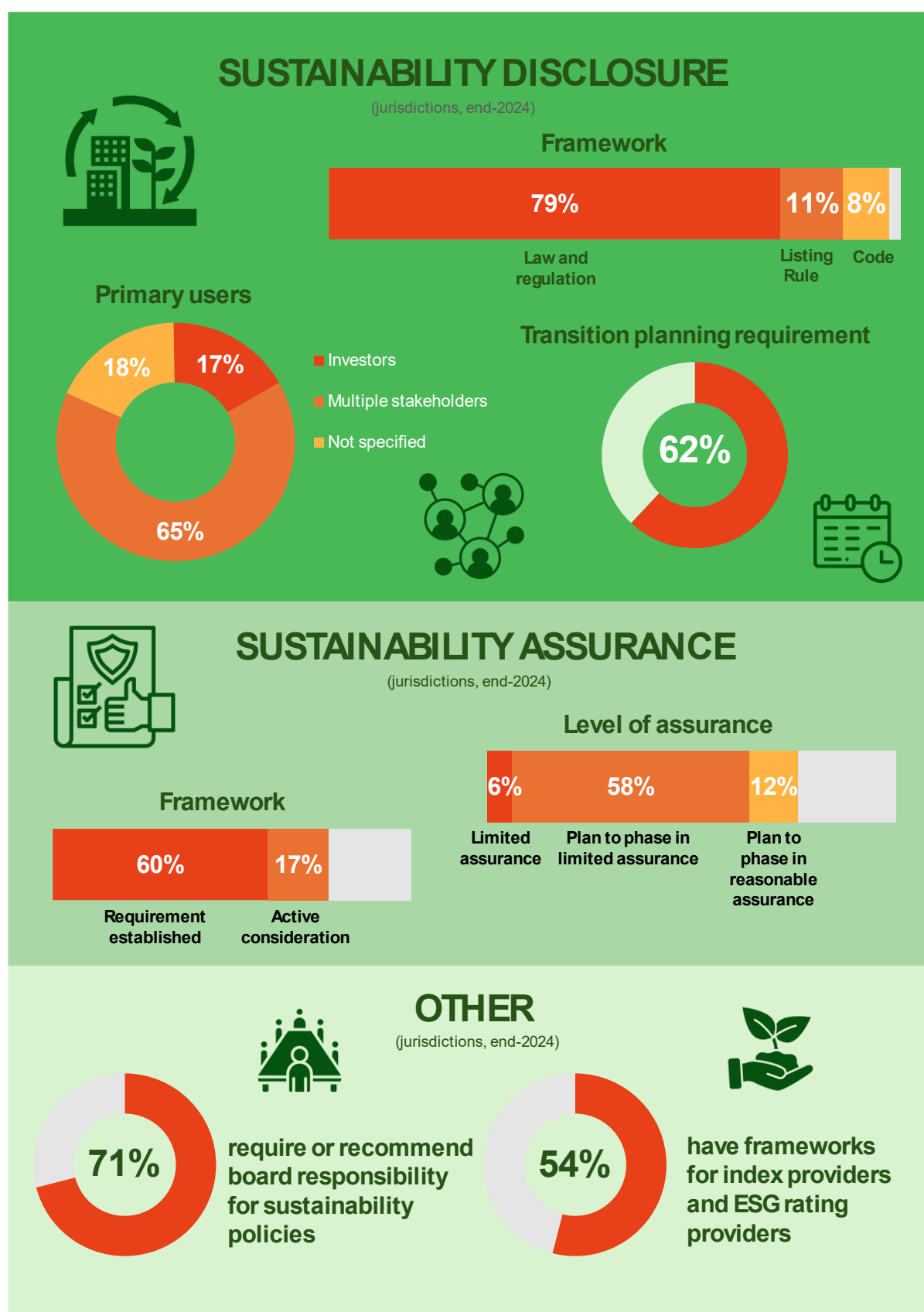
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5 Corporate sustainability

This new chapter analyses corporate sustainability frameworks in line with the G20/OECD Principles of Corporate Governance. Chapter 5 covers information on sustainability-related disclosure requirements and recommendations, as well as the coverage of sustainability disclosures in relation to transition planning and value chain information. The chapter also outlines board responsibilities for sustainability policies, the regulatory frameworks for ESG rating agencies and index providers, and the assurance of sustainability-related information.

Infographic 5.1. Key facts and figures on corporate sustainability



5.1. Sustainability-related disclosure

Nearly all Factbook jurisdictions have established regulatory or voluntary provisions pertaining to sustainability-related disclosure, largely grounded in internationally recognised standards. Sixty-three percent of the relevant requirements and recommendations apply to both listed and non-listed companies, while 71% of jurisdictions offer flexibility for smaller listed companies. In most cases, companies' approval processes for sustainability disclosures align with those of financial reporting. In 65% of Factbook jurisdictions, sustainability disclosures are primarily intended to serve multiple stakeholders and not just investors.

The *G20/OECD Principles of Corporate Governance* (hereafter "G20/OECD Principles") were revised in 2023 to include a new chapter on corporate sustainability and resilience. This new chapter reflects the growing challenges corporations face in managing climate-related and other sustainability risks and opportunities. The Factbook includes a corresponding new chapter on corporate sustainability, which covers a range of policies related to recommendations from the G20/OECD Principles 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.

5.1.1. Sustainability-related disclosure requirements and disclosure standards

As investors have considered disclosures about how companies assess, identify and manage material sustainability-related risks and opportunities, jurisdictions have increasingly introduced sustainability-related disclosure requirements. While 79% of Factbook jurisdictions require sustainability-related disclosure in their law or regulations, 11% set requirements in their listing rules, and 8% recommend sustainability-related disclosure in codes or principles (hereafter "recommendations") (Figure 5.1, Panel A). This compares to nearly two-thirds of jurisdictions that had a legal or regulatory requirement, 8% with requirements in listing rules, and 24% that included sustainability-related disclosure as a recommendation at the end of 2022.

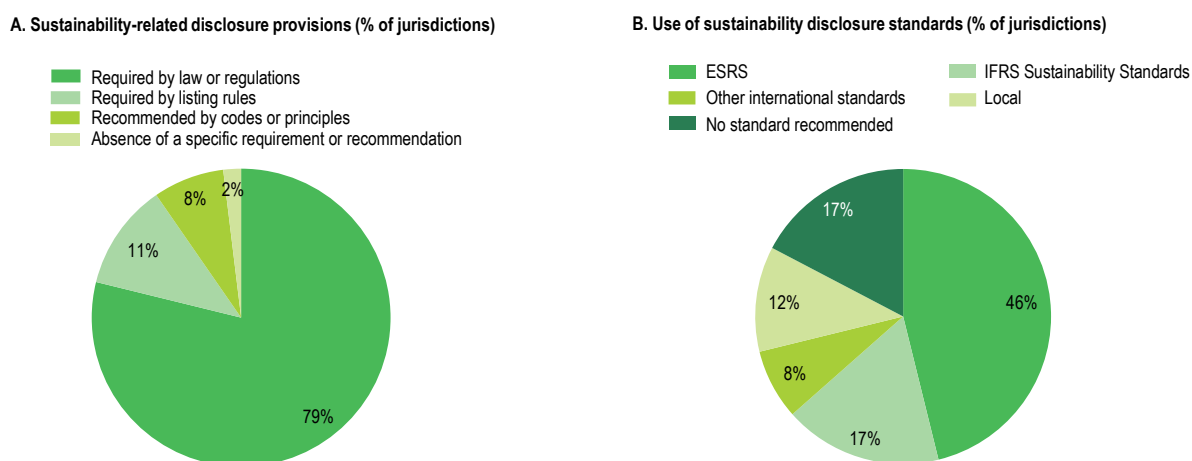
As recommended in sub-Principle VI.A.2., sustainability-related disclosure frameworks should be consistent with internationally recognised standards that aid comparability across markets. In line with sub-Principle VI.A.2., 71% of Factbook jurisdictions use either the European Sustainability Reporting Standards (ESRS), International Financial Reporting Standards (IFRS) Sustainability Standards or other standards such as the Task Force on Climate Related Financial Disclosures (TCFD) (Figure 5.1, Panel B), up from 12% of jurisdictions using internationally recognised standards at the end of 2022.

As of the end of 2024, the most frequently adopted standard, at 46%, was the ESRS. The EU's Corporate Sustainability Reporting Directive (CSRD) requires companies to report against the ESRS, which was developed by EFRAG and subsequently adopted by the European Commission (EU, 2022^[1]). The ESRS consists of cross-cutting standards – applicable to listed and non-listed companies – and topical standards covering environmental, social and governance issues. However, in February 2025, the EU announced an Omnibus Package, which seeks to ease reporting requirements for companies. The Omnibus proposes to revise the ESRS to reduce the number of required data points, clarify unclear provisions, and remove the requirement for sector-specific ESRS.

The second most commonly used sustainability standard among Factbook jurisdictions was the International Financial Reporting Standards (IFRS) Sustainability Standards at 17%. In June 2023, the International Sustainability Standards Board (ISSB) issued its inaugural IFRS Sustainability Disclosure Standards – *General Requirements for Disclosure of Sustainability-related Financial Information* and *Climate-related Disclosures* (IFRS Foundation, 2023^[2]; 2023^[3]). Among the Factbook jurisdictions that reported the adoption of IFRS Sustainability Standards, three (**Australia, Canada, Türkiye**) are creating their own local sustainability reporting standards based on the IFRS Sustainability Standards (Table 5.1).

Four Factbook jurisdictions (**Colombia, Costa Rica, New Zealand, the United Kingdom**) have adopted other international sustainability standards, such as the Task Force on Climate-Related Financial Disclosure (TCFD) Recommendations. Finally, while 12% of Factbook jurisdictions (**China, Germany, Hong Kong (China), India, Peru, Saudi Arabia**) have developed local standards, 17% of Factbook jurisdictions do not establish a sustainability disclosure standard to be followed by companies (Table 5.1).

Figure 5.1. Sustainability-related disclosure frameworks



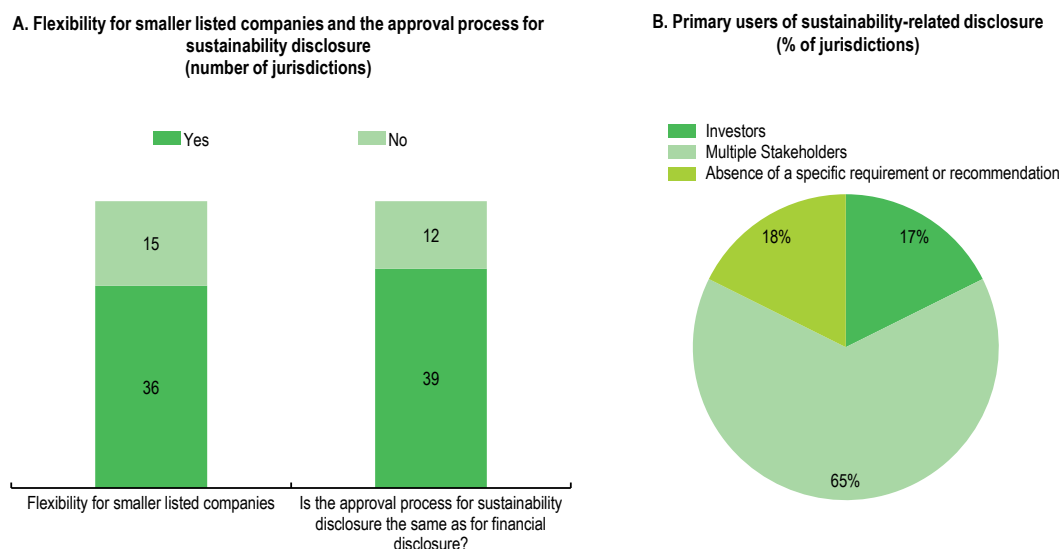
Note: Panels A and B are based on 52 jurisdictions. The category “IFRS Sustainability Standards” in Panel B includes both jurisdictions that have adopted integrally the IFRS Sustainability Standards and jurisdictions that have developed local standards largely based on IFRS Sustainability Standards. See Table 5.1 for data.

5.1.2. Coverage of companies, approval process for sustainability disclosure and users of sustainability information

Sixty-three percent of Factbook jurisdictions’ sustainability disclosure frameworks apply to both listed and non-listed companies while the remaining cover listed companies only (Table 5.1). In addition, 71% of Factbook jurisdictions provide flexibility for smaller companies (Figure 5.2, Panel A). Sub-Principle VI.A.3 promotes the connection between the disclosures of sustainability-related and financial information. In 76% of Factbook jurisdictions, companies’ approval process for sustainability disclosure is the same as for financial disclosure (Figure 5.2, Panel A). This effectively means that, in a substantial majority of jurisdictions, the same corporate body (e.g. the shareholder meeting or the board of directors) approves both the financial and sustainability disclosures.

The primary intended users of sustainability-related disclosures among Factbook jurisdictions are multiple stakeholders at 65%, including EU member states, while investors are the only primary users in 17% of jurisdictions and 18% of jurisdictions do not specify an intended primary user (Figure 5.2, Panel B). The identification of primary users is directly related to the scope of the information that the company must disclose: if multiple stakeholders are the primary users, the company will likely need to disclose more datapoints and qualitative information than if only investors were the main intended users.

Figure 5.2. Flexibility for smaller listed companies, the approval process for sustainability disclosure and the primary users of sustainability-related disclosure



Note: Panels A and B are based on 51 jurisdictions. The United States is excluded from the analysis due to the absence of any sustainability disclosure provisions that are requirements or recommendations. See Table 5.1 for data.

5.2. Sustainability disclosure content coverage

Eighty-five percent of Factbook jurisdictions require or recommend the disclosure of metrics related to sustainability-related goals, while 60% require or recommend the disclosure of transition planning. Another 10% reported undertaking public consultation or actively considering introducing such provisions. Value chain disclosure is required or recommended in 71% of jurisdictions. Reporting relates to all material sustainability matters in 85% of Factbook jurisdictions, while two only require reporting on climate-related matters.

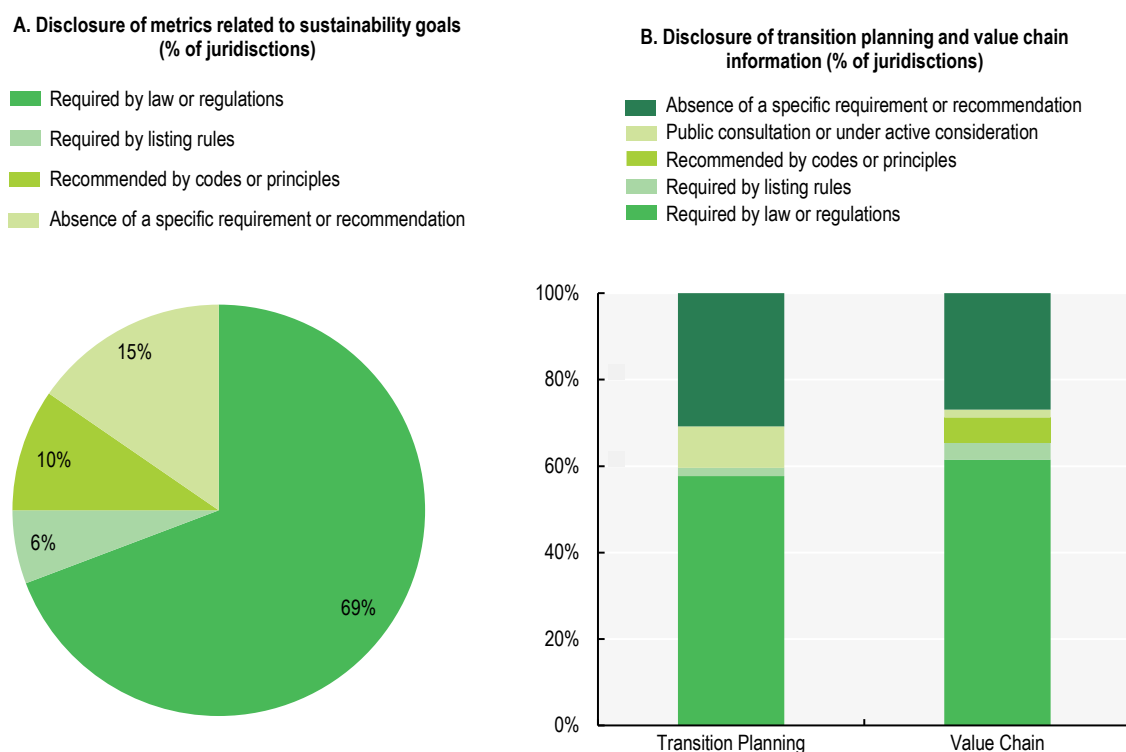
In recent years, an increasing number of companies have set sustainability-related goals. If companies publicly set sustainability-related goals, from a market efficiency and investor protection perspective, the disclosure framework should ensure sufficient, consistent, comparable and reliable information and metrics. This allows investors to assess the credibility of the announced goal and management's progress towards meeting it, as articulated in sub-Principle VI.A.4.

In 85% of Factbook jurisdictions, there is a requirement or recommendation to disclose metrics related to sustainability-related goals (Figure 5.3, Panel A), an increase from 53% in 2022. Specifically, 69% of the jurisdictions require the disclosure of metrics related to sustainability-related goals by law or regulation. In three jurisdictions (**China, Malaysia, Singapore**), it is a requirement via the listing rules to disclose metrics related to sustainability-related goals while it is recommended in five jurisdictions.

Transition planning is a legal or regulatory requirement in 58% of Factbook jurisdictions, and 2% require transition planning based on their listing rules. **Iceland, Japan, Korea, the Netherlands and the United Kingdom** are undertaking public consultation or actively considering introducing requirements. Twenty-nine percent of Factbook jurisdictions do not have such a provision nor were they actively considering adopting one as of end of 2024 (Figure 5.3, Panel B).

The disclosure of value chain information is required by law or regulations in 62% of Factbook jurisdictions. **China** and **Singapore** require value chain information in their listing rules, and **Canada**, **Iceland** and **Korea** suggest this information in their recommendations. Twenty-seven percent of Factbook jurisdictions do not have any requirements regarding value chain information (Figure 5.3, Panel B). Additionally, 85% of jurisdictions require or recommend reporting on all material sustainability matters, while **New Zealand** and the **United Kingdom** only require reporting on climate-related matters (Table 5.2).

Figure 5.3. Metrics for sustainability-related goals, and the disclosure of transition planning and value chain information



Note: Panels A and B are based on 52 jurisdictions. See Table 5.2 for data.

5.3. Corporate sustainability governance

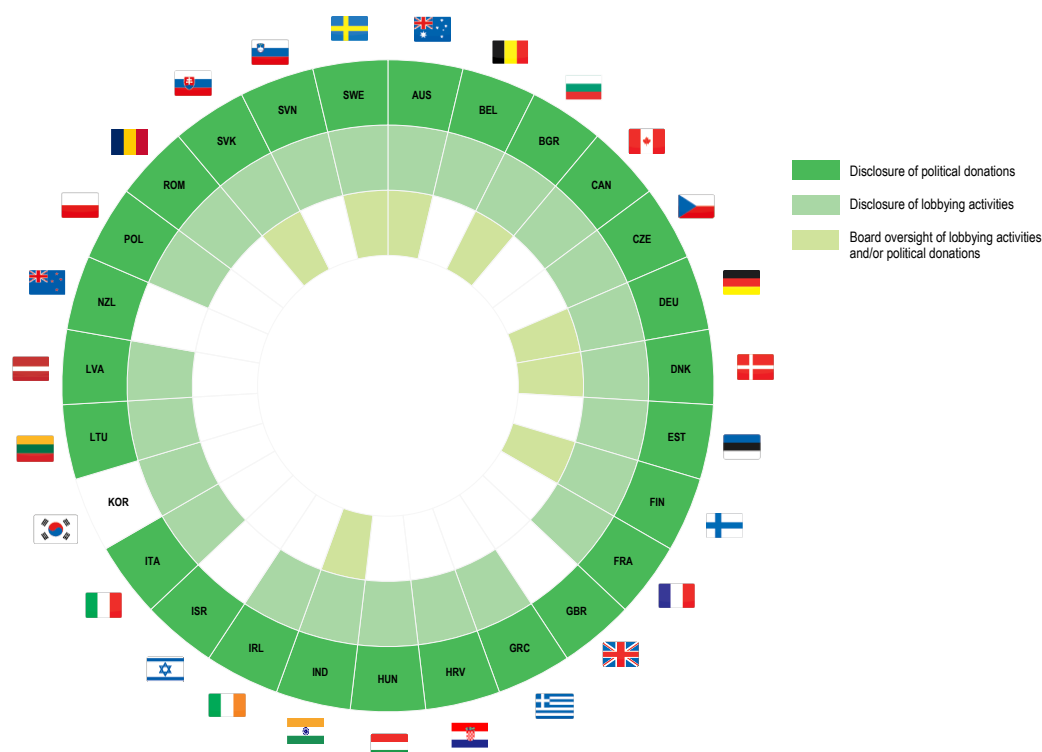
In more than two-thirds of Factbook jurisdictions, boards are explicitly required or recommended to approve policies on sustainability matters. However, requirements or recommendations for boards to supervise lobbying activities and/or political donations are infrequent. Half of the jurisdictions do not set specific requirements or recommendations for the disclosure of lobbying activities and political donations.

Principle VI.C. recommends that the corporate governance framework should ensure that boards adequately consider sustainability risks and opportunities that may impact the company's long-term value creation. Consistent with this, 71% of Factbook jurisdictions explicitly require or recommend that the board approve policies on sustainability matters (Figure 5.5, Panel A), an increase from 51% at the end of 2022. For example, in **Indonesia**, issuers' sustainability reports must include a statement from the board of directors outlining the company's sustainability strategies and policies, and how they address the

challenges of implementing such strategies. Jurisdictions that require boards to adopt sustainability-related policies through laws or regulations account for 38%, while 23% of jurisdictions recommend it. In 10% of the jurisdictions (**China, Hong Kong (China), Singapore, South Africa, Sweden**), it is a requirement through the listing rules for boards to have responsibility for sustainability-related policies. In 29% of the jurisdictions, there is no formal requirement or recommendation for boards to have responsibilities for sustainability policies.

Sub-Principle VI.C.1. states that “boards should ensure companies’ lobbying activities are coherent with their sustainability-related goals and targets.” In some jurisdictions, boards have a role in overseeing their companies’ political donations and lobbying activities (Figure 5.4). While over four-fifths of Factbook jurisdictions do not set explicit requirements or recommend boards to have an oversight of lobbying activities and/or political donations, 15% of jurisdictions set requirements by law or regulations (Figure 5.5, Panel B). For example, in **India**, the Companies Act enables a company to contribute to any political party, but the conditions are that the contribution should (i) be authorised by the board, (ii) not be made in cash, and (iii) be disclosed in the company’s income statement.

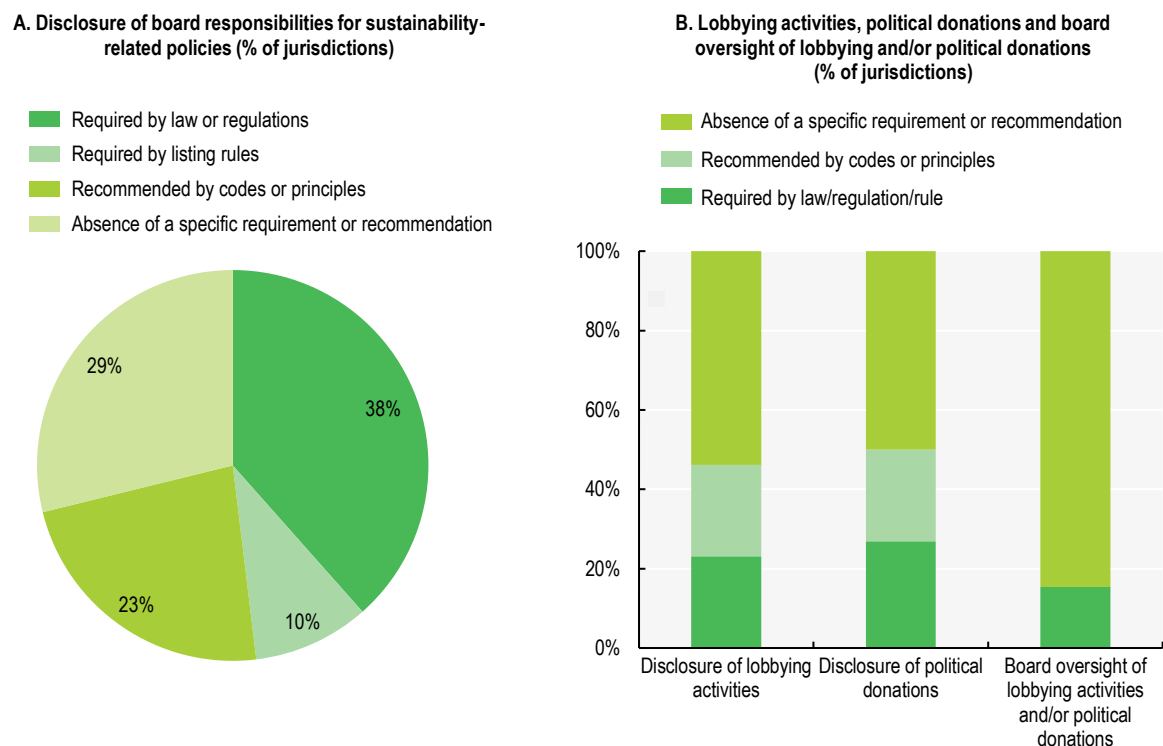
Figure 5.4. Factbook jurisdictions with provisions on corporate sustainability governance



Note: The figure displays Factbook jurisdictions that require or recommend the disclosure of lobbying activities and/or political donations, as well as the related responsibilities of the boards. White denotes no provision. See Table 5.3 for data.

For the disclosure of lobbying activities, 23% of Factbook jurisdictions explicitly require or recommend disclosure by law or regulations and 23% set requirements through recommendations (Figure 5.5, Panel B). For the disclosure of political donations, 27% of Factbook jurisdictions set requirements by law or regulations and 23% set recommendations (Figure 5.5, Panel B). No jurisdiction sets requirements for the disclosure of lobbying activities and political donations through listing rules.

Figure 5.5. Board responsibilities for sustainability-related policies and oversight of lobbying activities and/or political donations



Note: Panels A and B are based on 52 jurisdictions. See Table 5.3 for data

5.4. ESG rating agencies and index providers

Frameworks for ESG rating agencies and index providers are still limited to a few jurisdictions outside the EU. Among non-EU Factbook jurisdictions with such frameworks, approaches vary in combining laws, regulations and voluntary codes of conduct. In jurisdictions with frameworks for ESG rating agencies only, most adopt a principles or code-based non-mandatory approach. Only three jurisdictions outside the EU (Australia, China and Norway) have frameworks for index providers.

The *G20/OECD Principles* recognise that the investment chain in today's global capital markets relies on many service providers that support institutional investors for analysis and advice. In particular, ESG rating and index providers can have significant impact on companies' governance and sustainability policies and practices given their rating methodologies and index inclusion criterion. As such, Principle III.D. advocates for the disclosure and minimisation of conflicts of interest and that the methodologies used by service providers be publicly available.

In 2021, the International Organization of Securities Commissions (IOSCO) published a report on ESG ratings and data providers, highlighting key challenges and proposing ten recommendations for regulators and market participants (IOSCO, 2021^[4]). In 2022, IOSCO issued a Call for Action, promoting good practices such as robust and transparent methodologies, conflict management, protection of non-public information, efficient data collection, and clear communication with rated entities (IOSCO, 2022^[5]). In response, **Hong Kong (China), Japan, Singapore** and the **United Kingdom** have since introduced codes of conduct based on these recommendations.

One-third of Factbook jurisdictions do not have any frameworks for ESG rating and index providers. Among the 54% that do have frameworks for both types of providers, all require or recommend the disclosure of methodologies and the management of conflicts of interest (Table 5.4). These jurisdictions are primarily EU member states, which are subject to the Benchmarks Regulation and the ESG Ratings Regulation (EU, 2016^[6]; EU, 2024^[7]).

Outside of the EU, **India**, **Japan** and **the United Kingdom** have frameworks for both ESG rating agencies and index providers, which all require or recommend the disclosure of methodologies and the management of conflicts of interest (Table 5.4). However, each of these jurisdictions have different approaches. **India** takes a regulation-based approach to ESG rating agencies and index providers, addressing key issues such as conflict of interest and methodology transparency. In the **United Kingdom**, ESG rating agencies are currently overseen based on a code of conduct, although the UK government published draft legislation in 2024 with the goal to bringing ESG rating providers into a formal regulatory regime. Index providers in the **United Kingdom** are regulated through the Benchmarks Regulations, which have been retained after the country left the EU (HM Treasury, 2024^[8]). In **Japan**, ESG rating agencies and index providers may follow recommendations in a code of conduct.

Of the four Factbook jurisdictions (**Costa Rica**, **Hong Kong (China)**, **Korea**, **Singapore**) that only have frameworks for ESG rating agencies, all except Costa Rica have voluntary provisions through a code of conduct. In **Costa Rica**, a law or regulation-based approach is taken to the management of conflicts of interest whereas there are no requirements regarding the disclosure of methodologies (Table 5.4). **Australia**, **China** and **Norway** have frameworks for index providers only (Table 5.4). In **China**, while index providers operate within a framework, there are no requirements for disclosing their methodologies or managing conflicts of interest.

5.5. Sustainability assurance frameworks

Sixty-two percent of Factbook jurisdictions require or recommend sustainability assurance frameworks and 17% are actively considering introducing such a policy. Fifty-eight percent of jurisdictions require assurance on all sustainability information whereas 13% of jurisdictions limit assurance to certain sustainability information such as GHG emissions. Of the jurisdictions that seek to phase in assurance requirements, the majority plan to introduce limited assurance while reasonable assurance is less common.

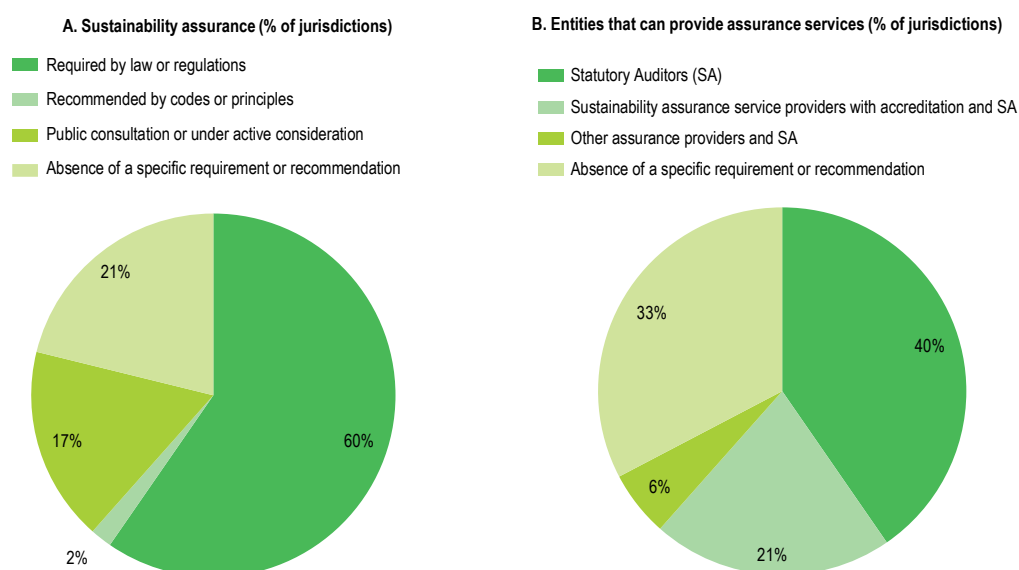
5.5.1. Sustainability assurance frameworks and assurance service providers

The majority of Factbook jurisdictions require or recommend sustainability assurance frameworks (Figure 5.6, Panel A). Sixty percent require sustainability assurance through the law or regulations while **Argentina** recommends sustainability assurance via a code. Seventeen percent of Factbook jurisdictions are undertaking public consultations or actively considering introducing sustainability assurance frameworks. For example, in December 2024, **Hong Kong (China)** published a roadmap for the development of a comprehensive ecosystem to support sustainability disclosure, which encompasses sustainability assurance.

The scope of information subject to assurance in 58% of Factbook jurisdictions is all sustainability information (Figure 5.7). However, as suggested in sub-Principle VI.A.5, where high quality assurance for all disclosed sustainability-related information may not be possible or is too costly, mandatory assessment for the most relevant sustainability-related metrics or disclosures, such as GHG emissions, may be considered. For example, **New Zealand** limits assurance to scope 1, 2 and 3 GHG emissions while **Singapore** and **Spain** limit assurance to scope 1 and 2 GHG emissions.

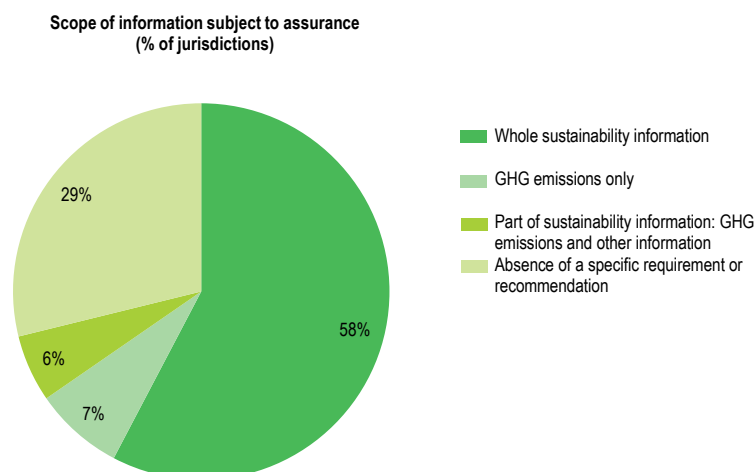
Where sustainability assurance frameworks are in use or will be phased in over time, assurance providers play an important role in enhancing investors' confidence in the information disclosed and the possibility to compare sustainability-related information between companies and markets. However, jurisdictions take different approaches regarding which entities can provide sustainability assurance. In 40% of Factbook jurisdictions, only statutory auditors, which are permitted to audit financial statements, may provide sustainability assurance services. One-fifth of jurisdictions allow both statutory auditors and other assurance service providers with accreditation by a public organisation to provide sustainability assurance services (Figure 5.6, Panel B). In **Korea** and **New Zealand**, assurance providers without an accreditation and statutory auditors may also provide sustainability assurance services.

Figure 5.6. Sustainability assurance requirements and assurance service providers



Note: Panels A and B are based on 52 jurisdictions. See Table 5.5 for data.

Figure 5.7. Scope of assurance requirements



Note: The figure is based on 52 jurisdictions. See Table 5.5 for data.

5.5.2. Assurance standards

Under the EU's CSRD, companies are required to obtain independent assurance over their sustainability disclosures, starting with limited assurance. For the initial limited assurance phase, EU member states may allow the use of national assurance standards, provided they are aligned with international best practices. The European Commission is developing EU-wide assurance standards for limited assurance, expected to be adopted by 2026. However, as part of the EU Omnibus Package, the proposal removes the possibility for the European Commission to decide on moving from a limited assurance to a reasonable assurance requirement.

Across Factbook jurisdictions, 38% reported that phasing in of assurance requirements was not under active consideration. Conversely, 62% of jurisdictions plan to phase in assurance requirements, of which 30 countries plan to phase in limited assurance and 6 plan to phase in reasonable assurance (Figure 5.8). Three countries (**New Zealand, Norway, Türkiye**) have already introduced limited assurance as the end of 2024. "Reasonable assurance" is the level typically required in the external auditing of financial statements, while "limited assurance", as the name suggests, involves a less detailed review.

Of the 26 jurisdictions that have adopted an assurance standard, 9 disclosed the use of ISAE 3000. ISAE 3000 (Revised) is an international assurance standard issued by the International Auditing and Assurance Standards Board (IAASB) for assurance engagements other than audits or reviews of historical financial information. It is widely used for non-financial reporting, including sustainability disclosures, and provides a framework for both limited and reasonable assurance.

Furthermore, five countries (**Brazil, Estonia, Greece, Malaysia, Spain**) reported the adoption of ISSA 5000, a new standard for assurance of sustainability information issued by the IAASB in November 2024. ISSA 5000 is neutral with respect to the accounting standard used by the issuer, applicable to both limited and reasonable assurance engagements, and is designed to enhance consistency and quality across global sustainability assurance practices.

Five countries (**Belgium, Bulgaria, Hungary, Lithuania, Singapore**) allow the use of multiple assurance standards, while five (**Australia, Ireland, Mexico, Poland, Türkiye**) have the intention to adopt international standards or develop assurance standards with reference to international standards. For

Australia	L	Local standards (based on IFRS Sustainability Standards)	Listed and non-listed companies	Yes	Yes	2025-2028	Investors	Corporations Act 2001 Part 2M.3
Austria	L	-	Listed and non-listed companies	Yes	-	-	-	Commercial Code (UGB) § 243b
Belgium	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Code of companies and associations Law 2 2024 (CSRD transposed)
Brazil	L, C ⁵	IFRS Sustainability Standards	Listed companies only / Listed and non-listed companies	No	No / Yes	2024 to 2026 voluntary / mandatory as of 2026	Multiple stakeholders	CVM Rule No. 80 / CVM Resolution N° W193
Bulgaria	L, R, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Independent Financial Audit and Assurance of Sustainability Reporting Act Accountancy Act (CSRD transposed)
Canada	C	Local standards (based on IFRS Sustainability Standards ⁶)	Listed companies	Yes	-	-	Multiple stakeholders	National Instruments 51-102 and 58-101 Canadian Securities Administrators Staff Notice 51-333 , 51-358 , 51-354
Chile	L	Local standards (based on GRI, TCFD, Integrated Reporting, SASB metrics and IFRS Sustainability Standards ⁷)	Listed companies and other entities supervised by CMF	Yes	Yes	2026	Investors	General Rule (GR) No. 30 , amended by GR No. 461 and No. 519 of CMF
China ⁸	R, C	Local	Listed and non-listed companies	No	No	2026	Multiple stakeholders	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Continuous Supervisory Guidelines No. 11 for Companies Listed on Beijing Stock Exchange—Sustainability Report (For Trial

								Implementation Corporate Sustainability Disclosure Standards—Basic Standards (Trial)
Colombia	L	TCFD, SASB	Listed companies only	Yes	Yes	-	Investors	External Circular No. 31-2021
Costa Rica	C	GRI, IR, SASB, TCFD	Listed companies only	No	-	-	Investors	Voluntary Guidelines to disclose ESG information for issuing companies
Croatia	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Accounting Act (CSRD transposed)
Czechia	L	ESRS	Listed and non-listed companies ⁹	Yes	Yes	2025-2029 ³	Multiple stakeholders	Act No. 349/2023 Coll. (CSRD transposed)
Denmark	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Act 480 of 22 May 2024 (CSRD transposed)
Estonia	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Accounting Act § 24(6) (CSRD transposed)
Finland	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Accounting Act 605/2024), (CSRD transposed)
France	L	ESRS	Listed and non-listed companies	Yes	Yes	-	Multiple stakeholders	Article L225-102-1 of the Commercial Code (CSRD transposed)
Germany	L, C	Local	Listed companies only	Yes	Yes	-	Investors	German Commercial Code (Section 289b to 289e) German Corporate Governance Code
Greece	L, L, L, L, C, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Law 3556/2007 Law 4548/2018 Law 4449/2017 Law 5164/2024 (CSRD transposed) ATHEX ESG Reporting Guide and Corporate Governance Code
Hong Kong (China) ¹⁰	R	Local	Listed companies only	No	No	-	-	Main Board: Environmental, Social and Governance Reporting Guide GEM Board: Environmental, Social and Governance Reporting Guide
Hungary	L, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Act C of 2000 on Accounting Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors Recommendation No 12/2023 (XI.27.) of the

								Magyar Nemzeti Bank on climate-related and environmental risks and the consideration of environmental sustainability aspects in the activities of insurers Recommendation No 10/2022. (VIII.2.) of the Magyar Nemzeti Bank on climate-related and environmental risks and the integration of environmental sustainability considerations into the activities of credit institutions (CSRD transposed)
Iceland	L, C	-	Listed and non-listed companies	No	Yes	-	-	Act on annual accounts, Art. 66d ESG Reporting Guide 2.0
India	L	Local	Listed companies only ¹¹	Yes	No	-	Multiple stakeholders	Listing Obligations and Disclosure Requirements Regulations, 2015 Circular on Business Responsibility and Sustainability Reporting (BRSR) by listed entities BRSR Core
Indonesia	L	-	Listed and non-listed companies	No	No	2019-2025 ¹²	Multiple stakeholders	OJK Regulation Number 51/POJK.03/2017 and OJK Regulation Number 29/POJK.04/2016 OJK Circular No 16/SEOJK.04/2021
Ireland	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Corporate Sustainability Reporting Regulations 2024 c (CSRD transposed)
Israel	L, C	- ¹³	Listed companies only	No	Yes	-	Multiple stakeholders	Disclosure of Corporate Social Responsibility (CSR) and Environmental Social and Governance (ESG) Risks - A Proposed Outline
Italy	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Legislative Decree No. 125/ 2024 (CSRD transposed)
Japan ¹⁴	L, C	Local standards (based on TCFD, IFRS Sustainability Standards)	Listed and some non-listed companies	No	Yes	-	-	Cabinet Office Order on Disclosure of Corporate Affairs, Japan's Corporate Governance Code
Korea ¹⁵	C	-	Listed companies only	No	No	2026	-	Code of Best Practices for ESG Disclosure Rules on KOSPI Market
Latvia	L	ESRS	Listed and non-listed	Yes	Yes	2025-2029 ³	Multiple stakehol	Financial instruments market law and

			companies				ders	Law on Governance of Capital Shares of a Public Person and Capital Companies Law on Sustainability Disclosure (CSRD transposed) Law on Audit Services
Lithuania	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	The Law on Reporting by Undertakings and by Groups of Undertakings of the Republic of Lithuania (CSRD transposed)
Luxembourg	L, C	ESRS	Listed companies only	No	Yes	-	Multiple stakeholders	Law of 23 July 2016 as regards the disclosure of non-financial and diversity information by certain large companies and groups The X Principles of Corporate Governance (X Principles) of the Luxembourg Stock Exchange
Malaysia	R	IFRS Sustainability Standards	Listed and non-listed companies ¹⁶	Yes	Yes	2025	Investors	Practice Note 9 and Practice Note 9A of the Main Market Listing Requirements Guidance Note 11 and Guidance Note 11A of the ACE Market Listing Requirements
Mexico	L	IFRS Sustainability Standards	Non-Financial Listed companies only	-		2026	Multiple stakeholders	Regulatory amendment to the issuer's provisions related to sustainability reporting¹⁷
Netherlands	L, C	ESRS	Large listed companies only	No	No	-	-	Decree on the disclosure of non-financial information and Dutch Corporate Governance Code 2022
New Zealand	L, R	Local standards (based on TCFD)	Listed and non-listed companies ¹⁸	No	Yes	-	Investors	Financial Markets Conduct Act, Part 7A, Climate standards and NZX Corporate Governance code
Norway ¹⁹	L	ESRS Local	Listed and non-listed companies	Yes	Yes	2025-2029	Multiple stakeholders	Accounting Act Securities Trading Act
Peru	L	Local	Listed companies only	Yes	Yes ²⁰	-	Investors	Resolution 18/2020-SMV/02 on Corporate Sustainability Report
Poland	L, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Act of 6 December 2024 amending the Accounting Act Best Practice for GPW Listed Companies 2021 (CSRD transposed)
Portugal	L	ESRS	Listed and non-listed	Yes	Yes	-	Multiple stakehol	Portuguese Companies Code

			companies				ders	
Romania	L, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Ministry of Finance Orders (Order No. 1802/2014 and No. 2844/2016) (CSRD transposed) ASF Norm No. 39/2015
Saudi Arabia	C	Local	Listed companies only	Yes	Yes	-	Investors	ESG Guidelines
Singapore	R	IFRS Sustainability Standards (for climate reporting)	Listed companies only	Yes	Yes	2026 2027 ²¹	Multiple stakeholders	SGX Climate Reporting Rules
Slovak Republic	L, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Measure of the Ministry of Finance of the Slovak Republic No. MF/009347/2024-74 Act No. 105/2024 (CSRD transposed) Corporate Governance Code
Slovenia	L, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Act Amending and Supplementing the Auditing Act Act Amending and Supplementing the Companies Act Act Amending and Supplementing the Market in Financial Instruments Act Companies Act Corporate Governance Code
South Africa	R, C	-	Listed companies only	No	- ²²	-	-	JSE Listing Requirements and King Code of Corporate Governance
Spain	L	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Code of Commerce (Article 49.5 and 49.6)
Sweden	L, C	ESRS	Listed and non-listed companies	Yes	Yes	2025-2029 ³	Multiple stakeholders	Public: The Annual Accounts Act Private: The Swedish Corporate Governance Code (CSRD transposed)
Switzerland	L	-	Listed and non-listed companies	Yes	Yes	-	-	Code of obligations, Art. 964a to 964c Ordinance on the report on climate issues
Türkiye ²³	L, C	Local standards (based on IFRS Sustainability Standards)	Listed companies (C) Listed companies and financial market institutions (L)	Yes	Yes	2024	Multiple stakeholders	Communique on Corporate Governance Principles Public Oversight Authority – Sustainability

United Kingdom	R, L	TCFD	Listed and non-listed companies ²⁴	No	Yes	-	-	FCA's Climate related Disclosure Regime: UK Listing Rules UKLR 6.6.6(8) , UKLR 14.3.24 , UKLR 16.3.23 and UKLR 22.2.24 UK Companies Act requirements for companies and for LLPs
United States	-	-	SEC-registered public companies	Yes	-	-	-	Regulation S-K (17 CFR Part 229) ²⁵

Key: L = requirement by the law or regulations; R = requirement by the listing rules; C = 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.

1. 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.

2. “**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, number of employees or market capitalisation. 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”.

3. The EU’s 2022 [Corporate Sustainability Reporting Directive \(CSRD\)](#) generated some important changes in EU member countries’ regulatory frameworks. One of the most relevant innovations brought by the CSRD is that companies subject to the Directive have to disclose sustainability-related information according to the EU Sustainability Reporting Standards (ESRS). The application of the Directive takes 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; and (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. As of the end of December 2024, some EU member states had transposed CSRD into their respective laws which is reflected in Table 5.1 under “key sources(s)” as “[\(CSRD transposed\)](#)”. It is also important to note that in February 2025, the European Commission proposed the [EU Omnibus Package](#) which, among other areas, aims to streamline corporate sustainability reporting to boost Europe’s competitiveness.

Note: In June 2023, the **International Sustainability Standards Board (ISSB)** issued its first two IFRS Sustainability Disclosure Standards, [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#) and [IFRS S2 Climate-related Disclosures](#). IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. Both fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Some jurisdictions are creating their own local sustainability reporting standards with some changes but they are mainly based on IFRS Sustainability Standards as reflected in Table 5.1.

4. 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. 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.

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

6. In **Canada**, the Canadian Sustainability Standards Board (CSSB) standards are voluntary until mandated by provincial and territorial regulators.

7. In **Chile**, General Rule No. 30 aligns with international standards, requiring the reporting of SASB indicators and, from 2026, the adoption of IFRS S1 and S2. Implementation began in 2022 with the largest entities and will conclude with the 2026 Annual Reports, when IFRS S1 and S2 become mandatory. The rule was updated in 2024 to include these ISSB requirements and introduce flexibility for smaller entities. Specifically, entities with average consolidated assets below 1 000 000 inflation-indexed units (approx. USD 39 million) over the past two years are exempt from preparing an Integrated Annual Report and may submit a Simplified Annual Report instead, though voluntary adoption of the full standard is permitted.

8. In **China**, both the listing rules of the stock exchanges and the codes of the Ministry of Finance have provisions regarding sustainability-related disclosure. The listing rules are applicable to listed companies, whereas the codes apply to all enterprises. Consequently, some cells in Table 5.1, Table 5.2 and Table 5.3 include multiple inputs. In such cases, the former denotes the listing rules, and the latter denotes the codes. In **China**, the standards of the listing rules are local standards with no direct alignment with international frameworks, while the standards (trial) of the code are based on IFRS Sustainability Standards.
9. In **Czechia**, only large listed companies over 500 employees and large banks and insurers are covered in the first phase.
10. In **Hong Kong (China)**, there is no flexibility for smaller listed issuers under the current regime. However, the Main Board and GEM Board ESG reporting guides were revised and issued as Environmental, Social and Governance Reporting Code with effect from 1 January 2025 (Main Board: [Environmental, Social and Governance Reporting Code](#) and GEM Board: [Environmental, Social and Governance Reporting Code](#)). The Environmental, Social and Governance Reporting Code contains new climate disclosure requirements developed based on IFRS S2 Climate-related Disclosures and are implemented in phases: (1) all Main Board issuers will disclose on a “comply or explain” basis from 1 January 2025; (2) large-cap issuers will disclose on a mandatory basis from 1 January 2026; and (3) GEM issuers may disclose voluntarily. A phased approach is adopted for the implementation of the new climate requirements.
11. In **India**, the sustainability-related disclosure requirement applies to the top 1000 listed entities by market capitalisation.
12. In **Indonesia**, reporting periods are set as follows: 2019 for larger commercial banks (BUKU 3, BUKU 4) and foreign banks; 2020 for smaller commercial banks (BUKU 1, BUKU 2), various financing, insurance and public companies; 2022 for larger financial services institutions (BPRKU 3), rural banks (BPRS) with equivalent core capital, securities companies administering customer accounts and medium-scale issuer companies; 2024 for smaller financial services institutions (BPRKU 1, BPRKU 2), corresponding BPRS, small-scale issuer companies, certain securities, mortgage and securitisation companies; and 2025 for pension fund companies with at least IDR 1 trillion in assets.
13. In **Israel**, the Israel Securities Authority recommends that reporting corporations that choose to publish an annual CSR report draft the report in accordance with generally accepted international standards.
14. In **Japan**, the Sustainability Standards Board of Japan (SSBJ) finalised its sustainability disclosure standards, which are functionally aligned with the ISSB, in March 2025. The Financial Services Agency (FSA) plans to make these standards mandatory through a phased approach, starting from fiscal years beginning April 2026 with companies listed on the Prime Market and a market capitalisation of JPY 3 trillion or more. In **Japan**, all listed companies are recommended to develop a basic policy and disclose initiatives on the company’s sustainability. However, companies listed on the Prime Market should also enhance the quality and quantity of climate-related disclosure based on TCFD recommendations or equivalent international frameworks.
15. In **Korea**, KOSPI-listed companies with total assets over KRW 500 billion must disclose a corporate governance report. From 2026, this requirement will extend to all KOSPI-listed companies. The report must state whether the company complies with key principles of the Korea Institute of Corporate Governance and Sustainability’s Code of Best Practices, which includes sustainability-related recommendations, and explain any non-compliance. The KOSPI index comprises Korea’s largest companies by capitalisation. The Korean Sustainability Standards Board (KSSB) are developing the local disclosure standards based on the ISSB standards. However, the KSSB standards are currently only in the draft stage, therefore, listed companies in Korea are voluntarily disclosing sustainability information to the Korea Exchange by referencing various international standards including ISSB, TCFD, SASB and GRI.
16. In **Malaysia**, non-listed companies (NLCos) with annual revenue of MYR 2 billion and above. The threshold is calculated based on consolidated group revenue of MYR 2 billion or more for two consecutive financial years preceding the current financial year. The disclosure requirements for NLCos will take effect from 1 January 2027 and will be mandated through amendments of relevant legislation. In **Malaysia**, under the new requirement, listed issuers on the Main Market with market capitalisation of below MYR 2 billion, as well as those listed on the ACE Market are provided with a longer period to comply with the new reporting requirements (i.e. 2026 and 2027 respectively).
17. In **Mexico**, public offer prospectuses and annual reports must include relevant sustainability information, particularly on environmental matters. Disclosures must cover climate risks, the impact of environmental laws and related policies or certifications. Annual reports must also include social data such as unionised and temporary workers. From 2026, non-financial issuers must submit a Sustainability Report aligned with ISSB standards, covering 2025. Foreign issuers may report under IFRS S1 and S2 or their home country’s applicable regulations. The regulatory amendments were published in the Federal Gazette on January 28, 2025, following public consultation.
18. 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).
19. In **Norway**, in addition to the Accounting Act, an Act relating to enterprises’ transparency and work on fundamental human rights and decent working conditions was enacted in 2021. 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. Further, Norway’s implementation of the EU Corporate Sustainability Reporting Directive (CSRD) follows a phased approach, with the first reports due in 2025. These initial disclosures apply to large public-interest entities—such as listed companies, banks and insurance firms—with more than 500 employees, based on their fiscal year 2024 data. In 2026, the reporting obligation extends to all large companies that meet at least two of the following criteria: more than 250 employees, a balance sheet total exceeding NOK 290 million, or net turnover above NOK 580 million, based on fiscal year 2025. By 2027, listed small and medium-sized enterprises (SMEs), small and non-complex credit institutions, and captive insurance undertakings will be required to report based on their 2026 fiscal year. However, listed SMEs have the option to defer reporting until 2029, based on fiscal year 2028.

20. In **Peru**, the Corporate Sustainability Report (CSR) is an annex to the Annual Report that issuers must submit during the first quarter of each year, along with their audited financial statements. In this regard, the approval of the audited financial statements and the Annual Report (which includes the CSR and the Report on Compliance with the Code of Good Corporate Governance for Peruvian Corporations as annexes) is carried out at the General Shareholders' Meeting, which companies are required by law to hold within three months of the end of the fiscal year.

21. In **Singapore**, the Listing Rules require all issuers to start reporting Scope 1 and Scope 2 greenhouse gas (GHG) emissions beginning with FY 2025 with first disclosures due in 2026. Their climate-related disclosures must also start to incorporate the climate-related requirements in the IFRS Sustainability Disclosure Standards. SGX RegCo will review issuers' experience and readiness before establishing the implementation roadmap for reporting Scope 3 GHG emissions. The current plan is to prioritise larger issuers by market capitalisation with the intention that they report Scope 3 GHG emissions from FY 2026 with first disclosures due in 2027.

22. In **South Africa**, the King Code on Corporate Governance provides that the governing body should oversee reports such as sustainability reports on an "apply or explain" basis.

23. In **Türkiye**, the "IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information" and "IFRS S2 Climate-related Disclosures" standards published by ISSB were translated into Turkish by the KGK (Public Oversight Accounting and Auditing Standards Authority) as "TSRS 1 Provisions on Disclosure of Sustainability-related Financial Information" and "TSRS 2 Climate-related Disclosures" and these standards came into force upon publication in the Official Gazette dated 29.12.2023 / numbered 32414. In **Türkiye**, listed companies on the Sub Market, Main Market and Star Market are subject to the Capital Markets Board's (CMB) Sustainability Principles Compliance Framework, effective from 2020 Annual Reports. Disclosures follow a voluntary "comply or explain" approach, requiring companies to state whether they comply and, if not, why. Separately, in December 2023, the Public Oversight Authority (KGK) issued the Turkish Sustainability Reporting Standards (TSRS), aligned with ISSB standards. From reporting periods starting 1 January 2024, listed companies and financial institutions must apply TSRS if they exceed two of the following in two consecutive years: TRY 500 million in assets, TRY 1 billion in net sales or 250 employees. Banks are included regardless of thresholds.

24. In the **United Kingdom**, coverage applies to listed equity issuers as well as certain UK registered companies and Limited Liability Partnerships (LLPs).

25. 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. On 4 April 2024, the U.S. Securities and Exchange Commission (SEC) issued an order staying the climate-related disclosure rules it adopted on 6 March 2024. As a result, the effective date of those rules is stayed pending judicial review of the rulemaking.

Table 5.2. Sustainability disclosure content coverage

Jurisdiction	Disclosure of metrics for sustainability-related goals	Transition planning	Value chain information	Sustainability matters
Argentina	-	-	-	-
Australia	L	L	L	-
Austria	C	-	-	-
Belgium	L	L	L	All material sustainability matters
Brazil	L	L	L	All material sustainability matters
Bulgaria	L	L	L	All material sustainability matters
Canada	C ¹	-	C ¹	All material sustainability matters
Chile	L	L	L	All material sustainability matters
China	R, C	R, C	R	All material sustainability matters
Colombia	L	-	-	All material sustainability matters
Costa Rica	C	-	-	All material sustainability matters
Croatia	L	L	L	All material sustainability matters
Czechia	L	L	L	All material sustainability matters
Denmark	L	L, C	L	All material sustainability matters
Estonia	L	L	L	All material sustainability matters
Finland	L	L	L	All material sustainability matters
France	L	L	L	All material sustainability matters
Germany	-	-	-	-
Greece	L, C	L	L	All material sustainability matters
Hong Kong (China)	C ²	-	-	All material sustainability matters
Hungary	L	L	L	All material sustainability matters

Jurisdiction	Disclosure of metrics for sustainability-related goals	Transition planning	Value chain information	Sustainability matters
Iceland	L, C	PC	C	All material sustainability matters
India	L	-	L	All material sustainability matters
Indonesia	-	-	-	-
Ireland	L	L	L	All material sustainability matters
Israel	-	-	-	All material sustainability matters
Italy	L	L	L	All material sustainability matters
Japan	L	PC	3	All material sustainability matters
Korea	-	PC	C	All material sustainability matters
Latvia	L	L	L	All material sustainability matters
Lithuania	L	L	L	All material sustainability matters
Luxembourg	L	L	L	All material sustainability matters
Malaysia	R	-	-	All material sustainability matters ⁴
Mexico ⁵	L	L	L	All material sustainability matters
Netherlands	-	PC	PC	All material sustainability matters
New Zealand	L	L	L	Only climate-related matters
Norway	L	L	L	All material sustainability matters
Peru	L	-	L	All material sustainability matters
Poland	L	L	L	All material sustainability matters
Portugal	L	L	L	All material sustainability matters
Romania	L	L	L	All material sustainability matters
Saudi Arabia	-	-	-	All material sustainability matters
Singapore ⁶	R	-	R	All material sustainability matters
Slovak Republic	L, C	L	L	All material sustainability matters
Slovenia	L	L	L	All material sustainability matters
South Africa	C	-	-	All material sustainability matters
Spain	L	L	L	All material sustainability matters
Sweden	L	L	L	All material sustainability matters
Switzerland	L	L	L	All material sustainability matters
Türkiye ⁷	L, C	L, C	L, C	All material sustainability matters
United Kingdom	L, R	PC	-	Only climate-related matters ⁸
United States	-	-	-	-

Key: **PC** = public consultation or under active consideration; **L** = requirement by the law or regulations; **R** = requirement by the listing rule; **C** = recommendation by the codes or principles; **"-"** = absence of a specific requirement or recommendation.

Note: The **EU's** CSRD and the ESRS require the disclosure of transition plans, value chain information and all material sustainability matters. However, as of the end of December 2024, some EU member states had not transposed CSRD into their respective national laws which may reflect the differences across EU members in Table 5.2.

1. In **Canada**, the CSSB standards are voluntary until mandated by provincial and territorial regulators.

2. In **Hong Kong (China)**, listed issuers have been required to disclose certain sustainability metrics on a "comply-or-explain" basis in accordance with the Environmental, Social and Governance reporting guides. Effective 1 January 2025, listed issuers are required to disclose certain climate-related information such as their climate-related metrics and targets, transition plans and effects of climate-related risks and opportunities on value chain pursuant to the Environmental, Social and Governance Reporting Code (see footnote 10 under Table 5.1 for further information on the phased implementation of the new climate disclosure requirements).

3. In **Japan**, the SSBJ finalised its sustainability disclosure standards, which require the disclosure of sustainability information related to the value chain, in March 2025.

4. In **Malaysia**, the National Sustainability Reporting Framework (NSRF) adopts a phased approach, allowing in-scope companies to begin with climate-related disclosures (IFRS S2) and focus on principal business segments for 2–3 years. Additional time is provided for complex areas like Scope 3 emissions under NSRF. Large Main Market issuers (market cap ≥ MYR 2 billion) start reporting from January 2025, followed by other Main Market issuers in 2026, and ACE Market issuers and large NLCOs in 2027. However, the Listing Requirements for Main Market and ACE Market have been updated since December 2024 to align with the NSRF/ISSB requirements. The requirement for ACE Market listed issuers to produce a basic plan to transition towards a low carbon economy has been removed.

5. In **Mexico**, the Issuers' Provisions will require an annual Sustainability Report aligned with ISSB standards, covering metrics, transition plans, value chain data (including Scope 3 GHG), and other relevant sustainability matters. The amendments were published in the Federal Gazette on 28 January 2025, following public consultation.

6. In **Singapore**, sustainability reports must disclose material sustainability matters on a 'comply or explain' basis. Climate-related disclosures will be mandatory from FY 2025 with disclosures due in 2026, with all other key components required from FY 2026 with disclosures due in 2027. In March 2024, SGX RegCo encouraged issuers to consider transition plans, though these are not yet mandated.

7. In **Türkiye**, listed companies on the Sub, Main and Star Markets must disclose against the CMB's Sustainability Principles Compliance Framework on a "comply or explain" basis, effective from 2020 Annual Reports.

8. In the **United Kingdom**, in addition to TCFD-related reporting, certain entities are also required to disclose information on environmental matters (including the impact of the company's business on the environment), the company's employees, and social, community and human rights issues.

Table 5.3. Corporate sustainability governance

Jurisdiction	Board responsibilities for sustainability-related policies	Key resources for board responsibilities for sustainability-related policies	Disclosure of lobbying activities	Disclosure of political donations	Board oversight of lobbying activities and/or political donations
Argentina	-	-	-	-	-
Australia ¹	-	-	L, R	L	L
Austria	L	Section 243b and Section 267b Austrian Commercial Code ; Section 96 and Section 258 Stock Corporation Act;	-	-	-
Belgium	L	Code of companies and associations	C	C	-
Brazil	-	-	-	-	-
Bulgaria	L	Accountancy Act , Public Offering of Securities Act	C	C	L
Canada ²	-	-	L	L	-
Chile ³	-	-	-	-	-
China	R, C	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation) Continuous Supervisory Guidelines No. 11 for Companies Listed on Beijing Stock Exchange—Sustainability Report (For Trial Implementation) Corporate Sustainability Disclosure Standards—Basic Standards (Trial)	-	-	-
Colombia	C ⁴	Sustainable Finance Website Circular Externa 100-000002 Stewardship Code – Ministry of Finance	-	-	-
Costa Rica	-	-	-	-	-
Croatia	-	-	C	C	-
Czechia	-	-	C	C	-
Denmark	L, C	European Sustainability Reporting Standards	L, C	L, C	L, C
Estonia	L	Accounting Act § 24(6)	C	C	-
Finland	- ⁵	-	L, C	C	L
France	L	Article L. 225-35 of the French Commercial Code	C	C	-
Germany	C	-	L	L	L
Greece	L	Law 5164/2024 Law 4706/2020	L, C	L, C	-

Jurisdiction	Board responsibilities for sustainability-related policies	Key resources for board responsibilities for sustainability-related policies	Disclosure of lobbying activities	Disclosure of political donations	Board oversight of lobbying activities and/or political donations
Hong Kong (China)	R	Environmental, Social and Governance Reporting Guide (effective up to 31 Dec 2024): (Part A, paragraphs 10 and 13 of Appendix C2 to the Main Board Listing Rules / Appendix C2 of the GEM Listing Rules) Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework	-	-	-
Hungary	L	Section 23 of Act CVIII of 2023 (ESG Act)	C	C	-
Iceland	L, C	ESG Reporting Guide 2.0	-	-	-
India ⁶	L	-	L	L	L
Indonesia	L ⁷	-	-	-	-
Ireland	L ⁸	Companies Act 2014, S.1590	-	-	-
Israel	-	-	-	L ⁹	-
Italy	C	Italian Corporate Governance Code	L, C	L, C	- ¹⁰
Japan	C	Corporate Governance Code	-	-	-
Korea	C	Code for Best Practices for Corporate Governance	C	-	-
Latvia	L ¹¹	Accounting Law Law on Sustainability Disclosure	C	C	-
Lithuania	-	-	C	C	-
Luxembourg	L, C	Law of 23 July 2016 as regards the disclosure of non-financial and diversity information by certain large companies and groups The X Principles of Corporate Governance (X Principles) of the Luxembourg Stock Exchange Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting	-	-	-
Malaysia	C ¹²	Malaysian Code on Corporate Governance, Practice 4.1	-	-	-
Mexico	-	-	-	-	-
Netherlands	C	Dutch Corporate Governance Code 2022 (English translation)	-	-	-
New Zealand	C	NZX ESG Guidance Note Stewardship Code Aotearoa New Zealand	-	L	-
Norway	L, C ¹³	Norwegian Code of Practice for Corporate Governance Transparency Act (human rights only)	-	-	-
Peru ¹⁴	-	-	-	-	-
Poland	L	Act on Accounting Act on Statutory Auditors, Audit Firms and Public Supervision	L, C	L, C	-
Portugal	L ¹⁵	-	-	-	-
Romania	C ¹⁶	Code of Corporate Governance BVB 2025	L, C	L, C	-
Saudi Arabia	C	ESG Guidelines Page 13	-	-	-
Singapore	R ¹⁷	SGX Listing Rules	-	-	-
Slovak Republic	L	Accounting Act No. 431/2002 Commercial Code No. 513/1991	L, C	L, C	L
Slovenia	C	Corporate Governance Code for Listed Companies	C	C	-
South Africa	C, R ¹⁸	-	-	-	-

Jurisdiction	Board responsibilities for sustainability-related policies	Key resources for board responsibilities for sustainability-related policies	Disclosure of lobbying activities	Disclosure of political donations	Board oversight of lobbying activities and/or political donations
Spain	L	Law 11/2018 "Law on non-financial information" Spanish Corporate Governance Code	-	-	-
Sweden	R	CSRD standards	L, C	L, C	L
Switzerland	L	Code of obligations, Art. 964a to 964c	-	-	-
Türkiye	C	Communique on Corporate Governance Principles Sustainability Principles Compliance Outline	-	-	-
United Kingdom	-	-	-	L	-
United States	-	-	-	-	-

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

Note: The European Sustainability Reporting Standards (ESRS) are the EU's mandatory framework for sustainability reporting under the CSRD. They consist of cross-cutting standards, which apply to all companies, and topical standards, which are subject to a company's double materiality assessment. One topical standard, ESRS G1 (Business Conduct), includes disclosures on lobbying activities, political donations and board oversight of these areas. Companies are only required to report against ESRS G1 if these topics are deemed material. If they are not considered material, reporting is not required—though companies must still disclose the outcome and process of their materiality assessment. Therefore, in Table 5.3, "C" has been entered in the columns for "disclosure of lobbying activities," and "disclosure of political donations" for countries that had transposed the CSRD by December 2024. In the EU, the European Directive on Corporate Sustainability Due Diligence imposes a duty on very large companies to identify and address adverse human rights and environmental impacts in their own operations, those of their subsidiaries and, with some limitations, in their value chains. In addition to sustainability due diligence, the Directive also requires companies to adopt a transition plan for climate change mitigation. EU Member States will need to transpose the Directive, i.e. bring their national laws in line its requirements, by July 2027 but, depending on their size, companies will have additional time to comply with it.

1. In **Australia**, companies must disclose lobbying activities done on behalf of third parties. Companies must also disclose political donations above the disclosure threshold (\$16,900) to the Australian Electoral Commission, which maintains a public register of donations. Directors' duties under the Corporations Act 2001 and common law are a source of board responsibility for compliance with these disclosure obligations.

2. In **Canada**, the fiduciary duty in Section 122 of the Canada Corporations Act permits boards to consider non-shareholder interests in their decision-making. The Canada Lobbying Act regulates the lobbying of public office holders.

3. In **Chile**, current legislation establishes that legal persons are not allowed to make donations to parties or campaigns, whereas the Lobby Law requires respective officials targeted by these actions ("passive subjects") to report lobbying activities.

4. In **Colombia**, the Financial Superintendency has outlined industry-specific expectations regarding the incorporation of ESG factors in the Governance, Strategy, Risk Management and Disclosure policies and processes.

5. 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 préparatoires* 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.

6. In **India**, Section 182 of Companies Act, 2013 (Companies Act) enables an Indian company to contribute to any political party. The conditions are that the contribution should (i) be authorised by the Board; (ii) not be made in cash; and (iii) be disclosed in the Company's P&L account. Principle 7 of the BRSR Core sets disclosure requirement, stating that "Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent."

7. In **Indonesia**, OJK Regulations (OJK Regulation Number 51/POJK.03/2017, OJK Regulation Number 29/POJK.04/2016, SEOJK 16/2021) require issuers' sustainability reports to include a statement from the board of directors about sustainability strategies and policies for responding to challenges of implementing company sustainability.

8. In **Ireland**, the Corporate Sustainability Reporting Directive (EU) 2022/2464 amends the Companies Act 2014 and requires that directors describe the company's policies in relation to sustainability matters in the annual report (Companies Act 2014 Section 1590(2)(d)).

9. In **Israel**, under disclosure regulations, listed companies are required to disclose their donation policies. However, these regulations do not explicitly cover political donations.

10. In **Italy**, Law 231/2001 requires companies to adopt a model to prevent crimes, including corruption. Within this model, companies should also consider the risks of crimes that could arise from lobbying activities.

11. In **Latvia**, while not explicitly required, board approval of sustainability-related policies is implied under the Accounting Law and the Sustainability Disclosure Law. The Sustainability Disclosure Law (Article 4, Paragraph 2) requires certain companies to include a sustainability report as part of their annual statement. Under the Accounting Law (Article 31, Paragraph 2, Clause 1 and Article 1, Paragraph 1, Clause 5), the head of the company must issue and ensure compliance with accounting organisation documents, which define procedures for maintaining accounting records, preparing and handling source documents, conducting inventories, and preparing annual and other financial statements.

12. 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.

13. In **Norway**, the Norwegian Code of Practice for Corporate Governance applies to companies listed on regulated markets while the provisions on Human Rights under the Transparency Act apply to larger enterprises that are resident in Norway and that offer goods and services in or outside Norway.

14. In **Peru**, company directors and executives must consider risk management, environmental impact and climate change in their roles. Issuers must disclose in their Corporate Sustainability Report whether they have board-approved environmental policies or management systems, including risk and impact assessments; labour and human rights policies; stakeholder risk plans; third-party certifications or reports on GHG emissions and water footprint; and whether annual evaluations of these policies are conducted and reported to the board. Although there is no explicit recommendation at the level of law or code, if an issuer receives political donations and these qualify as a relevant fact, in accordance with the Relevant Facts and Reserved Information Regulation, approved by Resolution SMV No. 005-2014, the issuer is obliged to inform and disclose said event to the market as soon as such event occurs or the issuer becomes aware of it, and in no case beyond the day on which it occurred or was known.

15. 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.

16. In **Romania**, under the BVB Corporate Governance Code, companies must have an internal control and risk management framework aligned with their strategy, size and risk profile, including environmental and social impacts. The Board should define the risk appetite and ensure policies for identifying, managing and monitoring key risks, including sustainability and cybersecurity. Additionally, sustainability must be integrated into strategy and operations, with oversight from the Board and a dedicated committee to address environmental and social impacts.

17. 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.

18. In **South Africa**, the Companies Act and its regulations require a listed public company to have a Social and Ethics Committee comprising at least three directors, one of which must be independent. The Social and Ethics Committee must report to the Board and shareholders at the Annual General Meeting. The Committee is responsible for monitoring the company's activities regarding social and economic development (including environmental considerations), good corporate citizenship, environmental, health and safety matters, consumer relationships, and labour and employment matters. Sustainability matters, policies and performance are reviewed by the Social and Ethics Committee of most listed companies. Sustainability reporting is addressed in the King IV Code, as part of the integrated reporting approach advocated by the code. The Listing requirements apply integrated reporting on a "comply or explain" basis.

Table 5.4. ESG rating agencies and index providers

Jurisdiction	ESG rating agencies and index providers			
	Framework	Disclosure of methodologies	Management of conflicts of interest	
			Setting the policy	Disclosure of policy
Argentina	No ¹	-	-	-
Australia	Yes (index providers only) ²	L	L	L
Austria	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Belgium	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Brazil	No	-	-	-
Bulgaria	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Canada	No	-	-	-
Chile	No	-	-	-
China	Yes (index providers only)	-	-	-
Colombia	No	-	-	-
Costa Rica	Yes (ESG rating providers only)	-	L	L
Croatia	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Czechia	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Denmark	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Estonia	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Finland	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)

Jurisdiction	ESG rating agencies and index providers			
	Framework	Disclosure of methodologies	Management of conflicts of interest	
			Setting the policy	Disclosure of policy
France	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Germany	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Greece	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Hong Kong (China)	Yes (ESG rating providers only)	C ³	C	C
Hungary ⁴	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Iceland	No	-	-	-
India ⁵	Yes	L, L	L, L	L, L
Indonesia	No	-	-	-
Ireland	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Israel	No	-	-	-
Italy	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Japan	Yes ⁶	C	C	C
Korea ⁷	Yes (ESG rating providers only)	C	C	C
Latvia	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Lithuania	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Luxembourg	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Malaysia	No	-	-	-
Mexico	No	-	-	-
Netherlands	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
New Zealand	No	-	-	-
Norway	Yes (index providers only)	L	L	L
Peru	No ⁸	-	-	-
Poland	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Portugal	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Romania	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Saudi Arabia	No	-	-	-
Singapore ⁹	Yes (ESG rating providers only)	C	C	C
Slovak Republic	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Slovenia	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
South Africa ¹⁰	No	-	-	-
Spain	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Sweden	Yes	L (index), L (ESG rating)	L (index), L (ESG rating)	L (index), L (ESG rating)
Switzerland	No	-	-	-
Türkiye	No ¹¹	-	-	-
United Kingdom	Yes ¹²	L (index), C (ESG rating)	L (index), C (ESG rating)	L (index), C (ESG rating)
United States	-	-	-	-

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

Note: The [Benchmarks Regulation](#) and the [ESG Ratings Regulation](#) set requirements for the disclosure of methodologies and the management of conflicts of interest which reflects “L (index), L (ESG rating)” in the last three columns of Table 5.4 for all EU member countries.

1. In **Argentina**, credit rating agencies that evaluate sustainable bonds are regulated and supervised by the securities regulator (CNV).
2. In **Australia**, the regulatory framework for index providers falls under Section 5 of the ASIC Corporations (Significant Financial Benchmarks) Instrument which includes the S&P/ASX 200 Index.
3. In **Hong Kong (China)**, the Hong Kong Code of Conduct for ESG Ratings and Data Products Providers was published in October 2024 by an industry-led working group. SFC [supported and sponsored](#) the development of the Code for voluntary adoption by ESG ratings and data products providers offering products and services in Hong Kong.
4. In **Hungary**, the ESG Act (Act CVIII of 2023) regulates conflicts of interest rules, stating that “...a rating provider may not provide ESG rating services to a company or its subsidiaries if it provides ESG consultancy services to the company or subsidiaries regarding the specific financial year” (Section 35(4) of ESG Act). The ESG Act does not require ESG rating providers to define or disclose a conflicts of interest policy.

5. In **India**, regulations for ESG Rating Providers (ERPs) set out registration requirements, general obligations, inspection procedures and a code of conduct. Separate index provider regulations establish a governance framework to promote transparency and accountability in the administration of indices in the securities market.
6. In **Japan**, [the Code of Conduct](#) is not composed of laws or regulations that uniformly require actions of parties concerned, but designed to be a voluntary code on a “comply or explain” basis.
7. In **Korea**, the consultative body of ESG ratings providers released the *Guidance for ESG Ratings Providers* (on 1 September 2023). The guidance recommends the disclosure of evaluation methodologies, internal controls and related aspects in accordance with the Guidance. Institutions that are members of the consultative body should follow the Guidance, and if not, they are required to explain the reason for non-compliance under the comply-or-explain principle.
8. In **Peru**, SMV-authorized risk rating agencies may assess ESG factors when relevant to credit ratings.
9. In **Singapore**, the [Code of Conduct for ESG Rating and Data Product Providers](#) was published in December 2023. The Singapore Code aims to establish baseline industry standards for transparency in methodologies and data sources, governance, and management of conflicts of interest that may compromise the reliability and independence of the products. It builds upon the International Organization of Securities Commissions’ (“IOSCO”) recommendations for good practices for such providers.
10. **South Africa** has recently published a second draft Benchmark regulation.
11. In **Türkiye**, the CMB has regulatory power on capital market rating activities according to Capital Markets Law No. 6362 clauses 1, 62, 63 and 128. Although the 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; or 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. In November 2024, HM Treasury published [draft legislation and the consultation response](#) on bringing ESG ratings providers into regulation in the United Kingdom. The FCA will work with the Government on next steps and plans to consult on the proposed regulatory regime once legislation is finalised in 2025.

Table 5.5. Sustainability assurance frameworks

Jurisdiction	Framework	Key source(s)	Assurance service providers	Scope	Application year(s)			Assurance Standard ¹
					Phasing in implementation	Limited assurance	Reasonable assurance	
Argentina	C	Handbook for voluntary reporting and disclosure of ESG information	-	-	No	-	-	-
Australia	L	Auditing and Assurance Standards Board	A	PO (Scope 1 and 2) ²	Yes	2025 - 2030	2028 - 2033	ASSA 5010 (ISSA 5000)
Austria	L, PC	Report of the Chamber of Tax Advisors and Auditors KFS/PE 28 Drittlandunternehmen-Berichterstattungsgesetz: Nachhaltigkeitsberichtsgesetz – NaBeG (4/ME) Parlament Österreich	A	W	No	-	-	ISAE 3000
Belgium	L	Code of companies and associations	A	W	Yes	2025 - 2029	-	ISAE 3000 ISAE 3400 (ISSA 5000)
Brazil	L	Resolution CVM 193	A	W	Yes	2024 - 2025	2026	ISSA 5000

Jurisdiction	Framework	Key source(s)	Assurance service providers	Scope	Application year(s)			Assurance Standard ¹
					Phasing in implementation	Limited assurance	Reasonable assurance	
Bulgaria	L	Independent Financial Audit and Assurance of Sustainability Reporting Act Accountancy Act	A, S	W	Yes	2025 - 2029	-	ISAE 3000 (ISSA 5000)
Canada	-	-	-	-	No	-	-	-
Chile	- ³	-	-	-	No	-	-	-
China	-	-	-	-	No	-	-	-
Colombia	PC	Public consultation Proyecto Normativo No. 04_2025 Document and Annex	-	W	Yes	2025 - 2026	2026 - 2027	-
Costa Rica	-	-	-	-	No	-	-	-
Croatia	L	Accounting Act Audit Act	A	W	Yes	2025 - 2029	-	ISAE 3000
Czechia	L	Act No 93/2009 Coll., on Auditors Act No. 349/2023 Coll.	A	W	Yes	2025 - 2029	-	ISAE 3000
Denmark	L	Danish legal information system	A, S	W	Yes	2025 - 2029	-	-
Estonia	L	Auditors Activities Act Accounting Act § 24(6)	A	W	Yes	2025 - 2029	-	ISSA 5000
Finland	L	Accounting Act (1336/1997) Accounting Act (605/2024) Auditing Act (1141/2015)	A, S	W	Yes	2025 - 2029 -	-	-
France	L	Articles L232-6-3 and L233-28-4 of the French Commercial Code	A, S	PO	Yes	2025 - 2028	-	Limited assurance guidelines of the French High Authority for Audit (English version)
Germany ⁴	PC	Richtlinie (EU) 2022/2464	S	W	Yes	2025 - 2029	-	-
Greece	L	Law 4449/2017 , Law 5164/2024	A, S	W	Yes	2025 - 2029	-	ISSA 5000
Hong Kong (China) ⁵	PC	HKSAR Government's Roadmap on Sustainability Disclosure in Hong Kong	-	-	No	-	-	-

Jurisdiction	Framework	Key source(s)	Assurance service providers	Scope	Application year(s)			Assurance Standard ¹
					Phasing in implementation	Limited assurance	Reasonable assurance	
Hungary	L	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	A	W	Yes	2025 - 2029	-	ISAE 3000 (ISSA 5000)
Iceland	PC	Public Consultation on plans to implement CSRD	-	-	No	-	-	-
India	L	Listing Obligations and Disclosure Requirements Regulations, 2015 BSBR Core	A, S	PO (Scope 1 and 2) ⁶	Yes	2024 - 2025 ⁷	2027 - 2028 ⁷	-
Indonesia	-	-	-	-	No	-	-	-
Ireland	L	Corporate Sustainability Reporting Regulations 2024 (amending Companies Act 2014)	A ⁸	W	Yes	2025 - 2029	-	(ISAE 3000)
Israel	-	-	-	-	No	-	-	-
Italy	L	Legislative Decree No. 125/2024	A	W	Yes	2025 - 2029	-	ISAE 3000
Japan	PC	The Working Group on Disclosure and Assurance of Sustainability-related Financial Information	-	-	No	-	-	-
Korea	PC	Korean Sustainability Disclosure Standards	O	W	No	-	-	.. ⁹
Latvia	L	Law on Sustainability Disclosure Law on Audit Services	A	W	Yes	2025 - 2029	-	ISAE 3000
Lithuania	L	Law on audit of financial statements and other assurance services	A, S	W	Yes	2025 - 2029	-	ISSA 5000 ISAE 3000
Luxembourg	L	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting	A	W	Yes	2025 - 2029	-	-

Jurisdiction	Framework	Key source(s)	Assurance service providers	Scope	Application year(s)			Assurance Standard ¹
					Phasing in implementation	Limited assurance	Reasonable assurance	
Malaysia	PC	National Sustainability Reporting Framework	A, O	PG (Scope 1,2) ¹⁰	Yes	-	2027 2028 2029	ISSA 5000
Mexico	L	Regulation (Issuers' Rules)	A	W	Yes	2027	2028	(ISSA 5000)
Netherlands	PC	Decree on the disclosure of non-financial information Dutch Corporate Governance Code 2022	A	W	Yes	2025 - 2029	-	-
New Zealand	L	Financial Markets Conduct Act 2013	O	PG	No	2024	-	NZ SAE 1: Assurance Engagements over Greenhouse Gas emissions Disclosure
Norway	L	Public Limited Liability Companies Act	A	W	No	2024	-	-
Peru	-	-	-	-	No	-	-	-
Poland	L	Act on Statutory Auditors	A	W	Yes	2025 - 2029	-	(MSUA 3002PL)
Portugal	L	-	A	W	Yes	2025 - 2029	-	ISAE 3000
Romania	L	Emergency Ordinance no. 137/2024 amending and supplementing Law No. 162/2017 on the statutory audit of annual financial statements and consolidated annual financial statements Ministry of Finance Order No. 2844/2016	A	W	Yes ¹¹	2025 - 2029	-	-
Saudi Arabia	-	-	-	-	No	-	-	-

Jurisdiction	Framework	Key source(s)	Assurance service providers	Scope	Application year(s)			Assurance Standard ¹
					Phasing in implementation	Limited assurance	Reasonable assurance	
Singapore	PC	Public consultation and response paper	A, S	PG (Scope 1, 2)	Yes	2027 - 2029	-	(a) A Singapore standard equivalent to ISSA 5000; or (b) Singapore Standard ISO 14064-3
Slovak Republic	L	Act on Accounting Act on Statutory Audit No. 423/2015	A	W	Yes	2025 - 2029	-	ISAE 3000R
Slovenia	L	Companies Act Audit act Act Amending and Supplementing the Auditing Act Act Amending and Supplementing the Companies Act	A	W	Yes	2025 - 2029	-	ISAE 3000
South Africa	-	-	-	-	No	-	-	-
Spain	L	Ley 11/2018	A, S	PG (scope 1,2)	Yes	2025 - 2027	2027 - 2030	ISSA 5000
Sweden	L	The Annual Accounts Act	A	W	Yes	2025 - 2029	-	ISAE 3000
Switzerland	L	Art. 964a et seq. CO	PC ¹²	W	Yes	-	-	-
Türkiye	L	General Information on Sustainability Turkish Audit Standards 2024	S ¹³	W	Yes	2024	-	(ISAE 3000) (ISAE 3410)
United Kingdom	-	-	-	-	No	-	-	-
United States	-	-	-	-	No	-	-	-

Key: **PC** = public consultation or under active consideration; **L** = requirement by the law or regulations; **R** = requirement by the listing rule; **C** = recommendation by the codes or principles; **"-"** = absence of a specific requirement or recommendation.

Key: **A** = statutory auditors; **S** = sustainability-related assurance service providers with accreditation by a public organisation; **O** = assurance service providers without any accreditation by a public organisation.

Key: **W** = whole sustainability information; **PG** = part of sustainability information: only GHG emissions; **PO** = part of sustainability information: GHG emissions and other information. The parentheses indicate which scopes of GHG emissions are subject to assurance.

1. For assurance standards, the international standards in parentheses indicate that the regulator announced the intention to adopt the international standards or develop domestic assurance standards with reference the international standards.

Note: Under the **EU's** Corporate Sustainability Reporting Directive (CSRD), companies are required to obtain limited independent assurance over their sustainability disclosures. The requirements for limited assurance follows those of the sustainability-related disclosure and will be phased in: (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; and (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. Assurance can be provided by statutory auditors or, subject to national rules, by other independent assurance service providers, provided they meet the required standards of independence and professional competence.

EU member states may allow the use of national assurance standards, provided they are aligned with international best practices. The European Commission is developing EU-wide assurance standards for limited assurance, expected to be adopted by 2026.

2. In **Australia**, requirements commence with limited assurance of governance, strategy and Scope 1 and 2 emissions (PO) for a company's first sustainability report, moving to reasonable assurance of the entire sustainability report (W) for a company's fourth and subsequent reports.
3. In **Chile**, while sustainability assurance is not mandatory, General Rule No. 30 requires supervised entities to disclose in their annual report whether ESG information has undergone independent assurance, specifying the scope of the review and the standard applied.
4. In **Germany**, the limited assurance standard is going to be applied until the European Commission has adopted standards to obtain reasonable assurance for the assurance of the sustainability report. The standards for obtaining limited assurance have not yet been adopted. An alignment with international standards has not yet been officially announced.
5. In **Hong Kong (China)**, the Government published a roadmap on sustainability disclosure in Hong Kong (China) in December 2024, setting out the approach for adopting the ISSB Standards and the development of a comprehensive ecosystem (including sustainability assurance) to support the sustainability framework.
6. Under **India's** BRSR Core framework, in-scope companies are required to disclose nine ESG attributes including: GHG footprint (Scope 1 and 2 only), water footprint, energy footprint, embracing circularity, details related to waste management by the entity, employee wellbeing and safety, enabling inclusive development, fairness in engaging with customers and suppliers, and the openness of business.
7. In **India**, limited assurance will apply to the top 150 listed companies with first disclosures due in 2024–25. In **India**, reasonable assurance will apply to the top 1 000 listed companies with first disclosures due in 2027–28.
8. In **Ireland**, the responsible individual at the statutory auditor responsible for the sustainability assurance work must be approved as a sustainability assurance service provider by a recognised accountancy body.
9. In **Korea**, there is currently no specific framework for sustainability assurance. However, various sustainability assurance institutions (e.g. consulting firm, law firm, accounting firm) offer assurance services to companies. Relevant framework and standards for sustainability assurance will be developed in the future.
10. In **Malaysia**, the framework for sustainability assurance is subject to consultation with stakeholders. The proposed approach is for reasonable assurance on Scope 1 and 2 GHG emissions to be phased in the following order: 2027 (main market listed issuers with market cap. of MYR 2 billion and above), 2028 (other main market listed issuers) and 2029 (ACE market listed issuers and non-listed companies with annual revenue of MYR 2 billion and above).
11. In **Romania**, the obligation to prepare the sustainability report (for which the assurance opinion is issued) applies starting in 2024, as follows: (i) in 2024 by large entities that have over 500 employees; (ii) in 2025 by large entities other than those previously mentioned; and (iii) in 2026 by small and medium-sized entities that have securities admitted to trading.
12. In **Switzerland**, it is anticipated that statutory auditors and independent assurance providers will be allowed to conduct sustainability assurance. Provisions on limited assurance are currently under public consultation.
13. In **Türkiye**, sustainability assurance must be conducted by auditors authorised for independent audits and possessing relevant expertise. Since September 2024, the KGK has been holding exams to certify auditors for this purpose.

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