

## Press release

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### **FSB launches peer review of the G20/OECD Principles of Corporate Governance and invites feedback from stakeholders**

The Financial Stability Board (FSB) has launched a peer review on the implementation of the [G20/Organisation for Economic Co-Operation and Development \(OECD\) Principles of Corporate Governance](#) (Principles). The overarching objective of the review is to take stock of how FSB member jurisdictions have applied the Principles to publicly listed, regulated financial institutions, identifying effective practices and areas where good progress has been made while noting gaps and areas of weakness. It will also inform work that is underway to revise the OECD's Assessment Methodology that is used by the World Bank as the basis for country assessments undertaken as part of its Corporate Governance Report of Standards and Codes initiative and will provide input to governance-related aspects of the FSB's broader work on conduct for financial institutions.

The summarised terms of reference, published on the FSB website, provide more details on the objectives, scope and process of this review. A questionnaire to collect information from national authorities has been distributed to FSB members. The responses will be analysed and discussed by the FSB later this year. The peer review report will be published in early 2017.

As part of this peer review, the FSB invites feedback from financial institutions, industry and consumer associations as well as other stakeholders on the areas covered by the peer review. This could include comments on:

- the design of corporate governance frameworks, including legal and regulatory powers, to promote transparent and fair markets, and the efficient allocation of resources;
- how the corporate governance framework should protect and facilitate the exercise of shareholders' rights and ensure the equitable treatment of all shareholders, including minority and foreign shareholders;
- ways in which the corporate governance framework can recognise the rights of stakeholders and encourage active co-operation between the financial institution and stakeholders in creating wealth, jobs, and the sustainability of financially firms;
- how the corporate governance framework can ensure that timely and accurate disclosure is made on all material matters regarding the financial institution, including its financial situation, performance, ownership, and governance; and
- how the corporate governance framework can ensure the strategic guidance of the financial institution, the effective monitoring of management by the board, and the board's accountability, including to the shareholders.

Feedback should be submitted by 9 September to [fsb@fsb.org](mailto:fsb@fsb.org) under the subject heading "FSB Peer Review on Corporate Governance." Individual submissions will not be made public.

## Notes to editors

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with 65 other jurisdictions through its six regional consultative groups.

The FSB began a regular programme of peer reviews in 2010, consisting of thematic reviews and country reviews. The peer review on the implementation of the G20/OECD Principles is the thirteenth thematic peer review conducted by the FSB. The objectives and guidelines for the conduct of these reviews are set forth in the *Handbook for FSB Peer Reviews*. All published peer review reports are available on the [FSB website](#).

Building more resilient financial institutions is one of the core elements of the FSB's agenda to address the weaknesses that contributed to the financial crisis. This is a multipronged effort, one element of which is work undertaken by the FSB and standard setting bodies to strengthen risk management practices at firms, including on governance.

The FSB places great importance on effective corporate governance as evidenced by the fact that the Principles have been designated as one of the [FSB key standards for sound financial systems](#). The Principles cover a range of areas, including governance frameworks, disclosure and transparency, and responsibilities of the board, to name just a few.

Effective corporate governance is critical to the proper functioning of the financial sector and financial stability more generally. In particular, it plays a key role in the resiliency of financial institutions and mitigating systemic risks. Recent experience has provided ample evidence of the impact that corporate governance failures can have on financial institutions and markets.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, [www.fsb.org](http://www.fsb.org)