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Organisation de Coopération et de Développement Économiques
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English - Or. English

COUNCIL

Council

DRAFT RESOLUTION OF THE COUNCIL RENEWING AND REVISING THE MANDATE FOR THE CORPORATE GOVERNANCE COMMITTEE

(Note by the Secretary-General)

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1. The Steering Group on Corporate Governance was created by the Council in 2000 with the terms of reference set out in [DAFFE/CA/CG/M\(2000\)1](#). It was renamed the Corporate Governance Committee (hereafter the “Committee”) in February 2010 [[C\(2010\)17](#)]. The mandate was due to expire on 31 December 2014 [[C\(2010\)17](#)] and was extended by the Council until 31 December 2016 [[C\(2014\)100](#)] in order to allow the results of a second IDE [[C\(2016\)158](#)] to inform the revision of the mandate. The mandate of the Committee’s Working Party on State-owned Enterprises and Privatisation Practices (WPSOPP) was similarly prolonged by the Committee.

2. The Committee considered that its current mandate has provided an effective guide to the Committee’s work and its main elements remain entirely relevant. In particular, its two legal instruments were revised in 2015. The Committee will continue to support policy makers, regulators and market participants in identifying and responding to market developments that may influence the effectiveness and relevance of existing corporate governance policies and practices.

3. Corporate governance is more important than ever to help build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth and more inclusive societies. Following the endorsement of the Principles of Corporate Governance by G20 Leaders in November 2015, another important development for the Committee’s work is the increased integration of the G20 and FSB economies in the work of the Committee.

4. Whereas no changes are suggested as regards the substance of the mandate, the Committee proposes that, following the in-depth evaluation, the focus on co-operation and collaboration with other relevant bodies of the OECD on cross-cutting issues related to corporate governance be further strengthened, and that the Committee’s working methods include a reference to dissemination and communication of its work.

5. This is reflected in the revised mandate through a call for *active* collaboration with other relevant bodies of the OECD on cross-cutting issues related to corporate governance [section III b], and through the addition of *dissemination and communication* to the Committee’s working methods [section II d]. References have also been updated in the Preamble as regards the Revised Resolution of the Council on Partnership in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)], and in section I.1. as regards the two legal instruments revised in 2015.

6. In accordance with Rule 21 c) of the Rules of Procedure, the Committee, when reviewing its mandate, also reviewed its substructure, composed of a single subsidiary body: the Working Party on State Ownership and Privatisation Practices (WPSOPP) . The Committee considers that the WPSOPP continues to be relevant for the Committee and is well suited to advance work in its field. In the light of this review, the Committee agreed to maintain its substructure.

7. The Committee approved the revised mandate and substructure review on 16 November 2016 [[DAF/CA/CG/M\(2016\)2](#)]. It is proposed that the revised mandate, as set out in the draft Resolution in the Annex hereto, will remain in force for a period of five years, until 31 December 2021, unless the Council decides otherwise. The draft Resolution would supersede all previous provisions concerning the mandate of the Committee. The Committee would return to the Council to propose a revision to its mandate should there be any major developments that warrant such a change..

Proposed Action

8. In the light of the preceding, the Secretary-General invites the Council to adopt the following draft conclusions:

THE COUNCIL

- a) noted document [C\(2016\)165](#);
- b) adopted the draft Resolution of the Council revising the mandate of the Corporate Governance Committee as set out in the Annex to document [C\(2016\)165](#), which will enter into force on 1 January 2017.

ANNEX

DRAFT RESOLUTION OF THE COUNCIL RENEWING AND REVISING THE MANDATE FOR THE CORPORATE GOVERNANCE COMMITTEE

THE COUNCIL,

Having regard to the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

Having regard to the Rules of Procedure of the Organisation;

Having regard to the Revised Resolution of the Council on Partnerships in OECD Bodies [[C\(2012\)100/REV1/FINAL](#)];

Having regard to the creation of the Steering Group on Corporate Governance [[DAFFE/CA/CG/M\(2000\)1](#)], which became the Corporate Governance Committee in 2010 [[C\(2010\)17](#)], whose mandate was last renewed in 2014 [[C\(2014\)100](#)];

Having regard to the results of the In-depth Evaluation of the Corporate Governance Committee [[C\(2016\)158](#)];

Having regard to the proposed revision of the mandate of the Corporate Governance Committee [[C\(2016\)165](#)];

Considering the OECD's responsibility as standard setter and the importance of corporate governance for sustainable growth, sound financial markets and good corporate practices;

Recognising the importance of an ongoing policy dialogue, effective implementation of corporate governance initiatives in Members and Partners, and the inherently cross-cutting nature of corporate governance issues.

DECIDES:

A. The Corporate Governance Committee (hereafter the "Committee") is renewed with the following revised mandate:

I. Objectives

9. The overarching objective of the Corporate Governance Committee is to contribute to economic efficiency, sustainable growth and financial stability by improving corporate governance policies and supporting good corporate practices, in Members and Partners. Further, the Corporate Governance Committee should aim to effectively fulfil its responsibilities as an international standard setter in corporate governance, including with respect to the Recommendation of the Council on Principles of Corporate Governance [[C\(2015\)84](#)], which is one of the Financial Stability Board's twelve key standards, and the Recommendation of the Council on Guidelines on Corporate Governance of State-Owned Enterprises [[C\(2015\)85](#)].

10. Mid-level objectives include:

- a) To improve the capacity of policy makers, regulators and market participants to develop and implement efficient and cost effective corporate governance rules and policies.
- b) To improve the capacity of policy makers, regulators and market participants to identify and respond to market developments that may influence the effectiveness and relevance of existing corporate governance policies and practices.
- c) To improve corporate governance of state owned enterprises and practices for implementing privatisation policies.

II. Working Methods

11. To achieve these objectives, the Committee shall:

- a) Provide an effective system to monitor implementation and effectiveness of agreed corporate governance standards and initiatives at national, regional and global level.
- b) Identify market developments that may influence the effectiveness and relevance of existing corporate governance policies and practices, and provide timely policy advice.
- c) Serve as a forum for a policy dialogue among policy makers, regulators, market participants and other stakeholders.
- d) Use effective means and fora for dissemination and communication of its work.

III. Co-operation arrangements

12. The Committee shall:

- a) Promote co-ordination of all work carried out within the Organisation in the field of corporate governance, and present proposals for this purpose to other Committees or to Council.
- b) Actively collaborate with other relevant bodies of the OECD on cross-cutting issues related to corporate governance.
- c) Engage with Partners and co-operate with the World Bank and other international organisations and bodies to support improvements in corporate governance globally.
- d) Consult and share information, as appropriate, with BIAC and TUAC, as well as other stakeholders.

B. The mandate of the Corporate Governance Committee shall remain in force until 31 December 2021.