



Effective Governance, or

The tussle between *structure* and *culture*, *rules* and *discipline*

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With every major corporate crisis comes a new wave of regulatory reform, yet seemingly incapable of preventing the next one



Regulation

- Incompleteness
- Imprecision
- Substitution
- Unintended consequences



Will who or what is fit to serve **serve well?**



More or less regulation?

Tussle between

- Self-correcting market forces
- Over-prescriptive regulation



Comply or explain



Comply or explain

- Companies are '*remarkably compliant*'
- 'Box-ticking' by *both* issuers *and* users



Explain and demonstrate

- Minimal guidance
- Learning as a disciplining mechanism and to combat obsolescence
- ‘*Corporate value*’ driven



Accountability is a precondition
for **responsibility**

Relevant information is the key
mechanism for *vigilant* stakeholders
to enforce accountability



UNCTAD

Disclosures should be shaped for
real use and **addressed directly**
to value



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The personal reporting on governance by chairmen as the leaders of boards might be a turning point in **attacking the fungus of 'boilerplate' which is so often the preferred and easy option in sensitive areas but which is dead communication**



Accounting risk v.
governance risk

or ...

the things **addressed directly**
to value



Regulators should be firm in their requirement for disclosure but restrained in their prescription

Users should be vigilant for credible disclosures and skeptical for merely cosmetic claims by issuers



Issuers with robust governance should embrace the opportunity to ‘**make their case**’ rather than to be subjected to ever more onerous, expensive rules



Complacency is the enemy

Discipline and ***learning*** are its
best repellants

Regulation should provide the first
without numbing the second



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