

European Commission
Directorate General Internal Market and Services

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CONSULTATION ON THE GREEN PAPER ON THE EU CORPORATE GOVERNANCE FRAMEWORK

The European Commission has launched a public consultation on the Green Paper on the EU corporate governance framework. Finland Chamber of Commerce submits the following statement.

Finland Chamber of Commerce welcomes the Commission's action to consult the different actors in this very topical issue. It is very important to hear the views of the market participants before taking any EU level measures. Competitiveness of the European market and European companies should be the decisive factor in the decision-making concerning possible regulatory needs. If companies feel that the European regulation is too demanding they may choose to move their seats elsewhere.

The nationality of a company is not nearly always the decisive factor behind investors' decisions. So we would like to urge the Commission to ensure that European corporate governance regulation will not cause unnecessary administrative burden to companies and to compare any possible legislative proposal to the regulatory framework of other main markets, the USA in particular. A thorough impact assessment is necessary before any binding legislation is considered.

Furthermore, Finland Chamber of Commerce finds the current corporate governance framework quite demanding. Considering all regulation imposed on listed companies, additional requirements would undoubtedly diminish the current low interest in stock exchange listing even further.

We would like to emphasize that compared to the current trend of extremely detailed regulation a principle-based regulation would serve the different market participants better. Legislation and rules concerning listed companies have obviously

been prepared with the view on the largest listed companies forgetting that at least in some Member States many main list companies are very small. In Finland, ca half of listed companies are small-cap companies. Many of these companies are very small, with market value e.g. 5 to 15 MEUR.

In the future it would be beneficial to refrain from too detailed legislation and to remember that one size does not fit all. Legislation should leave it to the discretion of companies and markets to decide how far companies should develop their practises into the direction of increasingly demanding obligations. Otherwise Europe will suffer from the absence of growth in the private sector.

Furthermore, company law and corporate governance regimes differ in the different Member States. In the Nordic countries strong minority protection and shareholders rights balance the possibility of having multiple-vote shares. Board structures differ considerably making it difficult to prepare detailed rules covering all the jurisdictions. As a result, a principle-based approach to corporate governance framework is the only feasible way forward.

As for shareholders, we would like to emphasize that there are various types of shareholders. Some shareholders are active, others are not. Some follow the principle of “invest and forget” while others act on short-term. Some choose old, traditional companies for their investments while others wish to invest in high-risk start-ups. These and other differences should be accepted and respected. We cannot support such requirements to be imposed on shareholders that would diminish the interest of different types of investors to invest in capital markets.

About the translation

The Finnish translation of the Green Paper uses the term *johtaja* for the English word director. While *johtaja* actually refers to a person in a company's management, it is not a suitable translation for the word director and may lead to misunderstandings. Instead, *hallituksen jäsen* should be used in the translation. This term correctly refers to board members, not managers of a company.

Answers to the questions of the Green paper

1. Should EU corporate governance measures take into account the size of listed companies? How? Should a differentiated and proportionate regime for small and medium-sized listed companies be established? If so, are there any appropriate definitions or thresholds? If so, please suggest ways of adapting them for SMEs where appropriate when answering the questions below.

The question of taking into account the size of listed companies is important but extremely difficult. We regret to see the increasing risk of over-regulation of the financial market and listed companies. In Finland, the IPO market has been almost non-existing for many years. There are of course many reasons for this regrettable development, but it is certain that the very demanding regulation of listed companies is an important factor.

We support all efforts to reduce the administrative burden of listed companies, particularly SMEs. SMEs have very limited legal resources. The current securities market regulation does not acknowledge the fact that some listed companies are among the largest companies in the world whereas others are actually quite small with very limited administrative resources. The market value of a large listed company may actually be over a thousand times higher than that of a small listed company. Therefore, there is a need for amendments of the rules governing listed companies. Otherwise, we cannot expect much interest in the securities markets among SMEs.

However, it may prove to be very complicated to create differing regimes for different sizes of listed companies. For example, what should be the threshold for less demanding regulation? A level playing field is crucial in the capital markets due to their international nature. It would not be acceptable to have different rules for different Member States. Furthermore, another question to be solved would be when and how often the threshold should be measured.

A threshold might also turn out to be a barrier to growth while companies would not choose to grow in order to avoid the more onerous regulation of large companies. This outcome would be very harmful for the European economy.

The low interest in stock exchange listing is at least partially caused by the current very demanding and detailed rules. The very detailed demands imposed on listed companies should be reduced. Instead of the current detailed regulation, a principle-based regulatory framework should be developed. This would give companies the possibility to choose their approach concerning the details of their corporate govern-

ance practises. Naturally, companies would have to follow the opinions of their shareholders and possible investors when making choices.

For example, legislation on quarterly reporting should be amended so that companies may opt to report quarterly but the binding requirement should be reduced to six or four months.

Some of the requirements of the Transparency Directive reduce the attractiveness of regulated markets for small and medium sized listed companies. It is noteworthy that many listed companies have expressed their dissatisfaction with current regulations. Partly the problem is caused by gold-plating in some Member States' legislation and stock exchange regulation.

We would like to emphasize that the small listed companies understand the importance of transparency and shareholder information. The issue in question is how much and how often information should be given. Due to the large amount of regulation, small listed companies may find it difficult to even understand all the requirements, not to speak of the cost of implementing the requirements. IFRS standards add considerably the challenges faced by small listed companies.

According to our experience, based on contacts with listed companies, by far the most criticized rule concerns quarterly reporting. It is self-evident that large international listed companies accept the duty of quarterly reporting. However, many small and medium sized listed companies have been in contact with us, stressing the importance of more flexibility. Companies should have the choice between reporting every three months, four months or six months. As said, part of the problem is caused by gold-plating in national regulation.

Actually, even large-cap companies in retail business have expressed their dissatisfaction with quarterly reporting, telling that they would prefer the option of four months' reporting. The reason for this is that in retail business, the first three months of the year are not always comparable due to the annual timing of Easter, sometimes in March (the first quarter) and other years in April (the second quarter). In addition, some retail companies have major campaigns during spring with a material financial impact, and again, in some years the campaigns fall in the first quarter while other years they fall in the second quarter. As quarterly reports are commonly compared with the previous year's corresponding quarter, the comparison may prove misleading when e.g. a company's major campaigns' timing does not match the previous year.

2. Should any corporate governance measures be taken at EU level for unlisted companies? Should the EU focus on promoting development and application of voluntary codes for non-listed companies?

We do not support binding or detailed EU level measures for unlisted companies. Unlisted companies are an extremely heterogenic group and one size definitely does not fit all. Consequently, it is not possible to give rules on corporate governance for all unlisted companies.

Finland Chamber of Commerce has been actively promoting good corporate governance of unlisted companies for years. In January 2006, we published a statement recommending that large and significant unlisted companies comply with Corporate Governance Code for Listed Companies. Several companies, including the largest pension funds, have followed the recommendation.

At the same time, Finland Chamber of Commerce issued the publication *Improving Corporate Governance of Unlisted Companies*. The publication can be found at http://www.cgfinland.fi/images/stories/pdf/asialuettelo_%20englanti_2006.pdf. We have experienced considerable interest in our work and more than 20.000 hard copies have been distributed among companies.

The only EU level measure that we support is a recommendation drawing Member States' attention to the importance of promoting good corporate governance of unlisted companies. Unlisted companies are a very heterogenic group. Furthermore, company laws of the Member States differ considerably. Consequently, it is impossible to give any binding or detailed EU level rules.

3. Should the EU seek to ensure that the functions and duties of the chairperson of the board of directors and the chief executive officer are clearly divided?

We find it recommendable that the functions of chairman of the board of directors and chief executive officer be separated. This recommendation is included in the Finnish Corporate Governance Code for Listed companies (recommendation 36). A binding rule might however not be appropriate considering all the different types of listed companies. There may even be a temporary need to combine these functions until a more lasting solution can be found. A flexible approach is necessary to give companies a possibility to function in different circumstances.

4. Should recruitment policies be more specific about the profile of directors, including the chairman, to ensure that they have the right skills and that the board is suitably diverse? If so, how could that be best achieved and at what level of governance, i.e. at national, EU or international level?

We find it important that directors have diverse expertise and that their individual skills complement other directors' skills. However, it is crucial that a board has a sufficient knowledge of the company's core business.

We do not think it is possible to define exactly how much diversity and how much experience a board needs. Corporate governance codes should address the issue of expertise and diversity in a suitable manner. Binding legislation will inevitably prove inflexible and unpractical. It would also lead to the question who would be the right person to define exactly what the adequate skills are.

It is important for companies to have a well-performing board. Consequently, companies and their shareholders do not undertake their search for board candidates in a frivolous manner. There is no real need for legislation in this area.

5. Should listed companies be required to disclose whether they have a diversity policy and, if so, describe its objectives and main content and regularly report on progress?

Finland Chamber of Commerce does not support binding EU-level measures on diversity policy. Taking into account the very different sizes and operations of listed companies, the same rules could not be applied to all listed companies. Some listed companies are very small, operating locally in their core business only whereas some companies are multinationals with their own HR policies created to suit their needs. It should be left to market participants to establish the need for specific diversity policies and reporting on its progress.

6. Should listed companies be required to ensure a better gender balance on boards? If so, how?

Until recently, boards consisted almost solely of men and too often of men with similar backgrounds. It is true that in some Member States little has changed despite the very positive development in some other countries.

In Finland the situation has changed considerably over the past five years without binding legislation. It has been acknowledged that the talent pool for boards is too limited if only men are considered suitable board members.

In 2004 the Finnish Government set a target of 40 per cent women board members in state-owned companies. This target was reached already in spring 2006.

The Finnish Corporate Governance Recommendation of 2003 was the first national code in the world to mention the sex of board members:

“It is imperative for the board’s work and its effective functioning that the board is composed of directors with versatile and mutually complementary capabilities and skills. The age mix and the proportions of both sexes can also be taken into account in the composition of the board.”

In 2008, an updated Finnish Corporate Governance Code was issued. Recommendation 9 stated as follows:

“Both genders shall be represented on the board.”

The Code was updated in June 2010 and the recommendation remained. If a company does not comply with the recommendation, it must account for and explain the departure from the Code.

The general experience in the Finnish market is that most companies are reluctant to depart from the Code due to the publicity of the departure. So there was confidence that a recommendation requiring an explanation if not complied with will have an effect. This confidence was not unfounded.

In 2008, when the Code was issued, only 51 per cent of Finnish listed companies had a female board member while 49 per cent of the companies had all-male boards. After the recommendation was given, the ratio soon started to change. In 2009, already 59 per cent of the companies had at least one female board member even though the recommendation had not entered into force. After the annual general meetings of spring 2010 when the recommendation had entered into force, 74 per cent of Finnish listed companies had at least one woman board member. In spring 2011, the figure rose to 78 per cent.

All large-cap companies fulfill the recommendation. The companies with all-male boards are mostly small-cap companies. When the recommendation was given in 2008, it was stated that this was a long-term goal for small listed companies. In the Code of 2010 this statement concerning the small companies was deleted.

The new Finnish statistics collected by Finland Chamber of Commerce reveal a significant pattern. Currently, large-cap listed companies have over 26 per cent women of their board members. In mid-cap companies, the figure is 19 per cent whereas small cap companies have 12 per cent women board members.

These new figures show that binding legislation would mostly concern small companies. It should be noted that small companies already suffer from the existing detailed and demanding corporate governance and securities market legislation. This is

a very serious issue when all of Europe is suffering from an insufficient number of IPO's and growth. Finland Chamber of Commerce opposes barriers to growth and stock-listings.

However, we understand the need to draw some Member States attention to the need of increasing women's participation in boards. This is necessary in order to secure a wide talent pool from which directors and business leaders are selected. As the Finnish example shows, a private sector initiative when taken seriously and ambitiously, can reach considerable results, and EU-level quota legislation is not needed. The Commission should consider giving a recommendation on the subject and follow its results in the Member States where the figures are not convincing. We find it important that inflexible binding legislation is not imposed on countries where progress has been made.

7. Do you believe there should be a measure at EU level limiting the number of mandates a non-executive director may hold? If so, how should it be formulated?

A board membership requires a considerable amount of time. If a director is engaged in a large number of board memberships, he or she may not be able to concentrate sufficiently on each task. However, we do not find it appropriate to set a general limit for board memberships. Some board members have a demanding job in addition to board memberships while others do not have a day-to-day job but only board memberships. Directors' personal skills and experience differ. Also, some people wish to dedicate all their time to board work while others value private life more. These simple examples should elaborate why a common limit for board memberships will not function properly.

However, a prerogative for being a board candidate is that the person has a sufficient amount of time to devote to board work. We find it essential that a listed company discloses its directors' simultaneous board memberships so that shareholders can estimate if the person has sufficient time to be a board member. The issue of sufficient time and disclosure should be dealt with in corporate governance codes.

E.g. the Recommendation 9 of the Finnish Corporate Governance Code states the following.

"A person to be elected to the board shall have the qualifications required by the duties and the possibility to devote a sufficient amount of time to the work."

Furthermore, board work is evaluated annually (Finnish CG Code, Recommendation 7). It is common practice that each board member's input is evaluated. We do not find multiple board memberships to cause problems in the Finnish environment.

8. Should listed companies be encouraged to conduct an external evaluation regularly (e.g. every three years)? If so, how could this be done?

We find it important that board performance is evaluated annually. This requirement is included in the Finnish Corporate Governance Code (Recommendation 7). However, requiring an external evaluator will cause administrative burden and costs especially for small companies.

If companies have positive experiences of external evaluation, the practice will spread, especially among larger companies. In the meanwhile, there may not be a sufficient number of service providers. Also, if external evaluation were mandatory, it would be questionable how professional and useful all evaluators in the market are.

We cannot support the disclosure of board evaluation results to shareholders. This would inevitably lead to superficial evaluations when companies would have to avoid internal affairs and trade secrets such as strategic goals from being published. Board evaluation should take the company strategy into account and the public disclosure of these issues would be harmful for the company.

9. Should disclosure of remuneration policy, the annual remuneration report (a report on how the remuneration policy was implemented in the past year) and individual remuneration of executive and non-executive directors be mandatory?

We find the recent development of disclosures on remuneration quite sufficient. For example, the Finnish Corporate Governance Codes dedicates a full chapter to remuneration. The chapter includes very detailed recommendations on remuneration, including full disclosure of board members' and CEO's remuneration. Furthermore, the Code includes the following recommendation on remuneration statements.

Recommendation 47: The company shall make available on its website a remuneration statement, which contains a description of the following entities:

Financial benefits

- Board of directors
 - o director's remuneration and other financial benefits
 - o the shares and share-based rights received by a that the director has received as remuneration
 - o the principles that are applied to the ownership of the shares that a director has received as remuneration
 - o the financial benefits pertaining to a possible employment relationship or service contract of the chairman of the board and director are described in the same manners as the financial benefits of the managing director

- Managing director
 - o salary and other financial benefits
 - o the shares and share-based rights received as remuneration
 - o retirement age and the criteria for the determination of the pension and additional pension
 - o period of notice, salary for the period of notice and the terms and conditions of other possible compensation payable based on termination
- Supervisory board, if any
 - o the corresponding information as of the board of directors

The decision-making process and central main principles of remuneration

- the decision-making process for the remuneration of the managing director and other executives
- the main principles for the remuneration of the managing director and other executives, such as the main points regarding the following issues
 - o the division of remuneration into long-term and short-term remuneration
 - o the division of the remuneration into a non-variable and variable components
 - o information on the determination of the variable components of the remuneration and the limits set for them
 - o the performance and result criteria and their impact on the company's long-term financial success as well as the manner in which the implementation of the performance and result criteria is monitored
 - o the earning and restriction periods included in the remuneration
 - o information on share and share-based remuneration schemes
 - o the principles that are applied to the ownership of the shares that the managing director has received as remuneration
 - o information on additional pensions

We find this level of disclosure quite sufficient. In fact, we have not been approached by any party requiring any more information to be published.

As for other management besides the CEO/managing director, we oppose any rules on individual disclosure. There is ample experience of the inflating factor of remuneration disclosure and we find it counterproductive to increase this factor any further among company management. Excessive disclosures may also lead to unhealthy competition between companies. It is possible that smaller companies with potential for growth might lose their key persons to larger companies if individual disclosure is demanded besides the CEO/managing director.

10. Should it be mandatory to put the remuneration policy and the remuneration report to vote by shareholders?

We already find the role of shareholders sufficiently strong considering remuneration issues. The current demanding disclosure rules combined with the demands to promote competitiveness and long-term financial success of the company and to contribute to the favorable development of shareholder value are adequate for the shareholder point of view. Finland as well as many other Member States has recently updated their corporate governance codes adding demanding recommendations on remuneration. Now we should have time to monitor the functioning of the new codes.

We would also like to point out that the organ appointing a person to a position should also have the right to decide on the remuneration. So it is natural that shareholders decide on board remuneration while they elect board members. Also, the board should have the right to decide on the remuneration of the CEO and managers whom it appoints.

11. Do you agree that the board should approve and take responsibility for the company's risk appetite' and report it meaningfully to shareholders? Should these disclosure arrangements also include relevant key societal risks?

We find it important that companies disclose major risks that the board is aware of. This is the common practice already in some jurisdictions. E.g. the Finnish Corporate Governance Code explicitly requires this (Recommendation 49). Furthermore, our legislation requires that the annual report by the board of directors contain an evaluation of the major risks and uncertainties. If this is not the case in some Member States, the Commission could issue a recommendation on the disclosure of major risks. However, we do not support a detailed approach. Depending on company size, operations etc, risks vary to a considerable extent and it is impossible to give a detailed rule suitable for all listed companies

12. Do you agree that the board should ensure that the company's risk management arrangements are effective and commensurate with the company's risk profile?

The current regime of the boards' role concerning risk management may vary considerably in the different Member States. In some Member States, the need for appropriate internal control and risk management systems as an integral part of the company's governance structure has a direct and explicit legal basis. For example according to German law (§ 91 (2) AktG), Aktiengesellschaften are obliged "to establish a system by which developments endangering the existence of the company can be detected from early on". According to Swedish law the Board shall ensure that the company's organization is structured so that accounting, cash management and the

company's business operation are controlled in a prudent manner (Limited Liability Companies Act, chpt. 8 section 4).

Furthermore, in certain jurisdictions such as Finland, the statutory control duties of the board expressly extend to the administration of the company, the appropriate organization of its operations and the appropriate arrangement of the control of the company's accounts and finances (Limited Liability Companies Act, chpt. 6, section 2). The Finnish Corporate Governance Code goes further and requires that listed companies disclose the principles along which risk management is organized (Recommendation 49) and the manner in which the internal audit function of the company is organized (Recommendation 50).

In some Member States risk management matters are largely left to national corporate governance codes. This does not mean that risk management is not organized in an appropriate manner in those Member States. If the Commission finds that there is some Member States where there are no sufficient rules on risk management, the Commission may issue a recommendation. Once again, it is very important to remain on principle-based lines and refrain from giving detailed rules not suitable for smaller companies. Although risk management is an important issue, companies should not be burdened with unnecessary new bureaucracy.

We would also like to refer to the obligation to issue corporate governance statements required by Directive 2006/46. Article 46a of Directive 78/660/EEC, as amended. These statements must include a description of the main features of the company's internal control and risk management systems in relation to the financial reporting process. We doubt that there isn't much need for further EU level action.

13. Please point to any existing EU legal rules which, in your view, may contribute to inappropriate short-termism among investors and suggest how these rules could be changed to prevent such behaviour.

We are not aware of any rules contributing to inappropriate short-termism.

14. Are there measures to be taken, and if so, which ones, as regards the incentive structures for and performance evaluation of asset managers managing long-term institutional investors' portfolios?

While understanding the Commission's concern, we have no suggestions for this. We would also like to point out that it is detrimental to Europe have strict rules in this area if other main markets do not have the same approach. We do not support

measures that encourage asset management companies to relocate to the USA or Asia.

15. Should EU law promote more effective monitoring of asset managers by institutional investors with regard to strategies, costs, trading and the extent to which asset managers engage with the investee companies? If so, how?

While understanding the Commission's concern, we question whether the issue can be solved through legislation. There is a lot of competition in the field of asset management and we believe that best practices will develop in time.

16. Should EU rules require a certain independence of the asset managers' governing body, or example from its parent company, or are other (legislative) measures needed to enhance disclosure and management of conflicts of interest?

Our understanding is that the issue in question is widely regulated on the national level in the Member States. Before taking any further action, it should be analysed if there is any real need to consider EU level measures.

17. What would be the best way for the EU to facilitate shareholder cooperation?

We are not aware of any barriers to shareholder cooperation. We do not support any rules requiring shareholders to cooperate. The issue should be left to the discretion of shareholders.

However, the Commission could study and analyze the custody chain and proxy solicitors / advisors in order to find out if there are any measures available to encourage their responsible actions to assist shareholders and issuers in an effective and cost efficient way to facilitate shareholders' participation in the decision-making of those companies in which they own shares. We believe that there is room for improvement of efficiency in today's custody chain as well as the proxy solicitor / advisor business.

18. Should EU law require proxy advisors to be more transparent, e.g. about their analytical methods, conflicts of interest and their policy for managing them and/or whether they apply a code of conduct? If so, how can this best be achieved?

First, we would like to point out the important and useful role of proxy advisors. They have contributed to increased cross-border shareholder participation in shareholders' meetings.

However, we support more transparency with respect to the evaluation methods used by proxy advisors. This could be achieved by issuing a recommendation on enhanced transparency.

19. Do you believe that other (legislative) measures are necessary, e.g. restrictions on the ability of proxy advisors to provide consulting services to investee companies?

We are not aware of a need to take legislative measures. However, we consider it as a best practice of a proxy advisor to disclose information of its business relations, including the approximate monetary value of such business relations, with the investee companies. The Commission could consider issuing a recommendation in this area.

20. Do you see a need for a technical and/or legal European mechanism to help issuers identify their shareholders in order to facilitate dialogue on corporate governance issues? If so, do you believe this would also benefit cooperation between investors? Please provide details (e.g. objective(s) pursued, preferred instrument, frequency, level of detail and cost allocation).

The most important thing is to have mechanisms that secure an efficient exercise of shareholder rights, a due implementation of dividend distribution, share issuance and other corporate actions as well as mechanisms to inform the shareholders of a general meeting and ways to use their voting rights.

However, we do not find it equally important to emphasize the need of a company to identify all its shareholders. Existing flagging requirements take care of the most important needs in this respect. Besides, many shareholders do not wish to be identified, at least not publicly. We are not aware of any material problems in this area.

21. Do you think that minority shareholders need additional rights to represent their interests effectively in companies with controlling or dominant shareholders?

The Nordic jurisdictions guarantee a very high level of minority protection in their company laws. If this is not the case in some Member States, the Commission should analyse the problem and consider issuing a recommendation in this area. However, we would like to emphasize once more that very detailed rules may not be suitable taking into account the material differences in the company laws of the different Member States.

22. Do you think that minority shareholders need more protection against related party transactions? If so, what measures could be taken?

Finnish company law ensures minority protection against related party transactions. If this is not the case in some Member States, the Commission should analyse the problem and consider issuing a recommendation dealing with this issue. However, we would like to emphasize once more that very detailed rules are not suitable taking into account the material differences in the company laws of the different Member States.

23. Are there measures to be taken, and if so, which ones, to promote at EU level employee share ownership?

We do not support EU level measures to promote employee share ownership, even though management ownership is often recommendable. Companies differ to a great extent and one size does not fit all. We would also like to point out that share ownership always includes risks. However, it is important not to have barriers to management or employees remuneration in the form of equity.

24. Do you agree that companies departing from the recommendations of corporate governance codes should be required to provide detailed explanations for such departures and describe the alternative solutions adopted?

According to the Finnish Corporate Governance Code, a company departing from an individual recommendation “must disclose such a departure and provide an explanation for doing so”. The Code also states that “A clear and extensive explanation will consolidate the trust in the decision made by the company and make it easier for the shareholders and investors to evaluate the departure.”

The Stock Exchange monitors the application of the Code. The Stock Exchange has been active in its work and disclosures have developed in a positive manner since the Comply or Explain principle was established in the Finnish CG Code of 2003.

Consequently, we do not see any need for further action at least in our jurisdiction. It may be that in some Member State the issue is not taken care of satisfactorily. If this is the case, the Commission may choose to issue a recommendation. Once again, we would like to remind the Commission that such a recommendation should not be too detailed and undermine the value of the ongoing work in many of the Member States.

25. Do you agree that monitoring bodies should be authorised to check the informative quality of the explanations in the corporate governance statements and require companies to complete the explanations where necessary? If yes, what exactly should be their role?

As said in the previous answer, we have experienced a very positive development in company practices since 2003. The Helsinki Stock Exchange has taken its role very seriously and CG practices of listed companies are rigorously monitored. We would also like to refer to some private sector initiatives, including studies and competitions that have led to a wide publicity of best practices and have also revealed some less successful practices.

All of this has lead and continues to lead to enhanced corporate governance. Thus, we cannot support undermining this positive environment and private sector approach to enhancing corporate governance. It might prove to be counterproductive if self-regulation and private sector initiatives were not appreciated enough to allow the current practices to develop further.

FINLAND CHAMBER OF COMMERCE

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