

**ecoDa welcomes UK proposal
for a code for large private business**



PRESS RELEASE
ecoDa

Brussels, August 30, 2017 – In its response to the Corporate Governance Green Paper, the British Government is pushing for a business-led development of a code designed for large privately-held businesses. As commented by Stephen Martin, Director General of the British Institute of Directors and board member of ecoDa: *“The IoD is particularly pleased that there will be a code for large private businesses, as the principles of good governance should extend beyond the companies listed on the stock market”*.

Already back in 2010 ecoDa introduced the first Guidance on Corporate Governance for unlisted companies. It has since been translated and spread throughout Europe as well as being acknowledged by the European Commission in the feedback statement of its 2012 Action plan on Corporate Governance framework.

The codes for listed companies provide a useful benchmark for unlisted companies. However, ecoDa is of the opinion that the underlying rationale of such best practice should be different to the one used for listed companies.

As stressed by Lutgart Van den Berghe, Chair of ecoDa Policy Committee, *“In contrast to listed companies, where the incentive for governance comes from external pressure and is compliance-focused, governance in unlisted companies has to be stimulated from within and should much more build upon the true value-drivers of governance, such as fostering continuity (over the generations), growth (opening towards external funding and new shareholders) and professionalism (checks & balances, objective decision-making rules, focus on the interest of the company, etc)”*.

For Irena Prijovic, ecoDa Chair, *“Given the great diversity within the universe of unlisted companies, it is important to avoid a one-size-fits-all approach and to focus on the largest private companies as the British Government plans to do”*. Irena Prijovic wishes success to the British IoD which will be involved in the drafting of this new Code.

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Contacts:

ecoDa:

Béatrice Richez-Baum, Secretary General, ecoDa:
contact@ecoda.org, Tel: 003222315811

Notes to editors

About the European Confederation of Directors Associations

The European Confederation of Directors Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Through its national institutes of directors (the main national institutes existing in Europe), ecoDa represents approximately 55,000 board directors from across the EU. ecoDa's member organisations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.