



# ICGN

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**25 June 2010**

**ICGN PRESS RELEASE**

**For immediate release**

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## **Shareholders Call for Strengthened Rights in Financial Market Reform**

The International Corporate Governance Network (ICGN) calls on the G20 leaders to strengthen shareholder rights as part of market reform in the aftermath of the global financial crisis. In letters sent today to Prime Minister Stephen Harper of Canada and Prime Minister Chung Un-Chan of the Republic of Korea, the ICGN strongly encourages the G20 leaders to recognise the integral role of institutional investors in financial market reform. Improved shareholder rights world-wide must be part of the solution to the global financial crisis.

In the letters, sent together with the ICGN's Second Statement on the Financial Crisis, ICGN Chairman Christianna Wood argues that *"in order to improve corporate accountability, shareholders must both have rights and exercise them responsibly. In jurisdictions where rights are weak, they should be strengthened. In all jurisdictions, shareholders must be encouraged to exercise them responsibly. The ICGN is focused on making our own efforts more effective and part of our mission is to campaign for greater shareholder responsibility. We now believe it is right for world leaders to focus on equipping shareholders with adequate rights and invite them to participate in strengthening the global governance framework."*

In recognition of criticism cast over the investment community in the immediate aftermath of the banking crisis, the ICGN has acted to strongly encourage its membership of global investors representing US\$9.5 trillion in global assets, to step up to their ownership responsibilities. This is evident in the following initiatives:

- Revision of the ICGN Global Corporate Governance Principles with a new section on the responsibilities of shareholders;
- Publication of a new set of guidelines concentrating on non-executive director remuneration; and
- The development of guidelines on the role of shareholders in assessing the effectiveness of boards in fulfilling their risk oversight responsibilities, due to be launched later this year.

Carl Rosen, ICGN's Executive Director comments, *"the oversight of a robust banking industry is not, and should not be, restricted to regulators and legislators - investors in financial institutions also have a significant role to play and can be very influential in holding management to account. We welcome dialogue with leaders of the G20 to bring the investment community alongside corporate and regulatory communities to help ensure the long term sustainability and growth of global capital markets."*

The letters to the Canadian Prime Minister and Rep of Korean Prime Minister are attached, together with the ICGN's second statement on the financial crisis.

**ENDS**

## **EDITORS' NOTES**

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The ICGN is a global membership organisation of over 500 institutional and private investors, corporations and advisors from 50 countries. Our investor members are responsible for global assets of US\$9.5 trillion. The mission of the ICGN is to contribute meaningfully to the continuous improvement of corporate governance best practices through the exchange of ideas and information across borders. Information about the ICGN, its members, and its activities is available on our website: [www.icgn.org](http://www.icgn.org).