OECD Corporate Governance Factbook 2021

Chapter 1: The global market and ownership landscape

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Preface

Good corporate governance and well-functioning capital markets are always important, but perhaps even more critical now, both to support the recovery from the COVID-19 crisis and to further strengthen resilience to possible future shocks.

This 2021 edition of the *OECD Corporate Governance Factbook* offers a comprehensive account of how the *G20/OECD Principles of Corporate Governance* are implemented around the world. With comparative information across 50 jurisdictions including all OECD, G20 and Financial Stability Board members, the Factbook supports informed policy-making by providing up-to-date information on the ways in which different countries translate the Principles' recommendations into their national legal and regulatory frameworks.

Access to systematic and comparable information across all jurisdictions that adhere to the *G20/OECD Principles of Corporate Governance* has never been more important. The OECD's Corporate Governance Committee has initiated a process of reviewing and updating these Principles. It is crucial that this review is based on a clear understanding of existing institutional and legal frameworks, and draws on the recent experiences and challenges highlighted by the COVID-19 pandemic, such as risk and crisis management (including health, supply chain and environmental risks) as well as issues related to audit quality, increased ownership concentration and complex company group structures. The Factbook provides information on this changing market context and how regulatory frameworks are adapting to it.

In the context of rebuilding our economies in the wake of the COVID-19 crisis and promoting stronger, cleaner and fairer economic growth, good corporate governance plays an essential role. It fosters an environment of market confidence and business integrity that supports capital market development. The quality of a country's corporate governance framework is decisive for the dynamism and the competitiveness of its business sector and the economy at large. It will also support the corporate sector to manage environmental, social and governance (ESG) risks and better harness the contributions of different stakeholders, be it shareholders, employees, creditors, customers, suppliers, or adjacent communities, to the long-term success of corporations.

This latest edition of the Factbook confirms that regulatory frameworks related to corporate governance have been evolving substantially. For example, since the Principles were last updated in 2015, 90% of the jurisdictions have amended either their company law or securities law, or both. Governments have had to adapt their regulatory frameworks significantly to respond to the circumstances imposed by the COVID-19 pandemic by, for example, accommodating virtual shareholder meetings and remote electronic voting. Stricter requirements for both companies and institutional investors to disclose voting results, and for companies to improve their disclosure of related party transactions, have reinforced accountability of shareholders and companies.

In this unique recovery context for the global economy, where capital markets and corporations continue to evolve and new and evolving challenges arise, the Factbook provides an essential tool for helping policy makers and regulators stay abreast of the changing corporate governance landscape, and for sharing how policies and practices can be adapted to remain effective under new circumstances. The Factbook will play a vital role in informing the ongoing review of the *G20/OECD Principles of Corporate Governance*, taking place at the OECD with the participation of all G20 countries. As the leading international standard in the field of corporate governance they will also continue to inform other instruments, such as those on sustainable finance advanced by the G20 and related fora.

I count on us collectively making the most of this important tool and wish to thank the Corporate Governance Committee and all participating jurisdictions for making this information available in such a timely, succinct and comprehensive fashion.

Mathias Cormann

OECD Secretary-General

Foreword

The *OECD Corporate Governance Factbook* supports the implementation of good corporate governance practices by providing an easily accessible and up-to-date, factual underpinning to help understand countries' institutional, legal and regulatory frameworks. Governments may use the Factbook to compare their own frameworks with those of other countries or to obtain information about policies and practices in specific jurisdictions. It also serves as a useful reference for market participants and analysts seeking to understand how such frameworks vary across different jurisdictions, and how they have been evolving.

The core information in the Factbook is taken from OECD thematic reviews on how OECD, G20 and Financial Stability Board member jurisdictions address major corporate governance challenges such as board practices (including remuneration); the role of institutional investors; related party transactions and minority shareholder rights; board member nomination and election; supervision and enforcement; and risk management. Additional sections address the corporate governance landscape, including ownership patterns, data on stock exchanges and their market activities; and the institutional and regulatory landscape. First published in 2014, the Factbook is updated every two years.

In addition to updating provisions enacted across all issue areas through to end-2020, this year's edition provides a wealth of new information. A new chapter analyses the global market and corporate ownership landscape, taking account of developments related to the COVID-19 crisis. New or expanded sections cover frameworks for the regulation and supervision of external audit, the regulation of proxy advisors and trends related to the gender composition of boards and senior management.

The Factbook is divided into four main chapters: 1) the global market and corporate ownership landscape; 2) the corporate governance and institutional framework; 3) the rights of shareholders and key ownership functions; and 4) the corporate board of directors. Each chapter offers a narrative overview with figures, which helps to provide an overall picture of main tendencies and variations in approaches taken by different jurisdictions. This is further supported by 63 figures and 42 tables, providing comparative information on all 38 OECD members (now including the most recent new member Costa Rica), and all G20 and Financial Stability Board members including Argentina, Brazil, the People's Republic of China, Hong Kong (China), India, Indonesia, the Russian Federation, Saudi Arabia, Singapore and South Africa. Two additional jurisdictions that actively participate in the OECD Corporate Governance Committee -- Malaysia and Peru -- are also covered in this latest edition.

The Factbook compiles information gathered from 50 jurisdictions participating in the work of the OECD Corporate Governance Committee. It is the collective achievement of the Committee and the individual efforts of the delegates from all jurisdictions, who diligently reviewed and updated the information to ensure accuracy. The Factbook was prepared by Daniel Blume, Emeline Denis and Katrina Baker under the supervision of Serdar Çelik, with additional support from Alejandra Medina and the Corporate Governance and Finance Division team within the OECD Directorate for Financial and Enterprise Affairs.

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Executive summary

The 2021 edition of the *OECD Corporate Governance Factbook* contains comparative data and information across 50 jurisdictions including all G20, OECD and Financial Stability Board members. The information is presented and commented in 63 figures and 42 tables covering a broad range of institutional, legal and regulatory provisions. The Factbook provides an important and unique tool for monitoring the implementation of the *G20/OECD Principles of Corporate Governance* (the "G20/OECD Principles"). Issued every two years, it is actively used by governments, regulators and other stakeholders for information about implementation and latest trends. It is divided into four chapters addressing:

1) the global market and corporate ownership landscape;
2) the corporate governance and institutional framework;
3) the rights of shareholders and key ownership functions; and
4) the corporate board of directors.

This edition provides substantially new material. It contains a new first chapter covering global trends in stock markets and the corporate landscape, including data on the impact of the COVID-19 crisis on the functioning of capital markets. The remaining three chapters have been substantially updated throughout to reflect changes in jurisdictions' institutional, legal and regulatory frameworks since the Factbook was last issued in 2019. In addition, as part of the third chapter, new coverage on requirements for proxy advisors has been added. Within the fourth chapter addressing the responsibilities of the board of directors, this edition also includes a new section covering provisions underpinning auditor independence, accountability and oversight, as well as new data to reflect trends in the gender composition of boards and senior management.

The global market and corporate ownership landscape

Effective design and implementation of corporate governance policies requires a good empirical understanding of the ownership and business landscape to which they will be applied. The first chapter of the Factbook therefore provides a global overview of developments related to stock markets, including their size, activities and ownership characteristics. It also provides insights into lessons from the COVID-19 crisis and its impact on the functioning of capital markets.

Overall, stock markets play a key role in providing companies with equity capital that gives them the financial resilience to overcome temporary downturns, as evidenced in the aftermath of the 2008 financial crisis whereby publicly listed non-financial companies raised a record USD 511 billion in new equity. This pattern re-emerged during the 2020 COVID-19 pandemic when listed non-financial companies raised a record of USD 626 billion in new equity. While the United States remained the largest market measured by market capitalisation as of end 2020, Asia as a region comprised the highest number of listed companies, with Asian companies having raised 47% of all global IPO proceeds between 2009 and 2020.

The growth of Asian markets is mainly driven by a surge in the number of Chinese IPOs, which has more than tripled between the 1990s and the post-2008 period. Overall, the shift towards Asia has been even more pronounced with respect to IPOs by non-financial companies.

However, despite recent growth in overall global market capitalisation, almost 30 000 companies have delisted from the stock markets globally since 2005, resulting in a net loss of listed companies in the OECD area every single year between 2008 and 2019. In particular, the substantial and structural decline in listings of smaller growth companies in some advanced markets has distanced a large portion of these companies from ready access to public equity financing.

These trends have raised concerns that stock markets increasingly have become a source of funding for fewer and larger companies. While this can be partly explained by the lower cost of debt financing and better access to private capital, other developments have led to structural weaknesses in the capital market ecosystem. These include the shift from retail direct investments to large institutional investors; changes in the business model of stock exchanges since the mid-1990s; high underwriting fees discouraging companies from going public; and systematic acquisitions of smaller growth companies – especially by large technology companies – contributing to drying up the IPO pipeline of smaller independent companies.

The increase in institutional ownership stands as one of the most significant changes in the ownership structure of the world's listed companies. At global aggregate level, institutional investors represent the largest investor category by holding 43% of the world market capitalisation, followed by private corporations holding 11%, the public sector holding 10%, and strategic individuals owning 9%. The relative importance of the different investor categories varies across markets. Institutional investors represent the largest shareholder category in the United States, Europe, Japan and other advanced markets, while they represent the smallest category in China where the public sector accounts for the largest investor category, holding almost 30% of all shares. Asian listed companies also have a significant portion of their shares held by other corporations.

Another less recognised development is the increase in ownership concentration at the company level – which is important not only for the relationship between owners and managers, but also for the relationship between controlling and non-controlling owners. In 28 of 45 surveyed markets, the three largest shareholders hold on average more than 50% of the company's equity capital. Conversely, the markets with the least ownership concentration, measured as the combined holdings of the three largest shareholders, are the United States, Australia, Finland, Canada, Iceland and the United Kingdom, where the three largest shareholders still hold a significant average combined share, ranging between 33% and 36% of the company's capital. Overall, while the degree of ownership concentration at the company level still differs between markets and companies, no jurisdiction systematically features the kind of atomistic dispersed ownership structure that still influences much of the corporate governance debate.

The corporate governance and institutional framework

The quality of the legal and regulatory framework stands as an important foundation for implementing the *G20/OECD Principles*, in line with the rule of law in supporting effective supervision and enforcement. Against this background, Chapter 2 provides information on who serves as the lead regulatory institution for corporate governance of listed companies in each jurisdiction, as well as issues related to their independence. In all surveyed jurisdictions, public regulators have the authority to supervise and enforce the corporate governance practices of listed companies – with securities regulators, financial regulators or a combination of the two playing the key role in 82% of surveyed jurisdictions, and the Central Bank playing the key role in 16%. The issue of the independence of regulators is commonly addressed (among 86% of regulatory institutions) through the creation of a formal governing body such as a board, council or commission, usually appointed to fixed terms ranging from two to eight years. In a majority of cases, independence from the government is also promoted by establishing a separate budget funded by fees assessed on regulated entities or a mix of fees and fines. On the other hand, 21% of the regulatory institutions surveyed are funded by the national budget.

Since 2015 when the *G20/OECD Principles* were last updated, 90% of the 50 surveyed jurisdictions have amended either their company law or securities law, or both. Nearly all jurisdictions also have national codes or principles that complement laws, securities regulation and listing requirements. Nearly two-thirds of jurisdictions have revised their national corporate governance codes over the past four years, and 94% of them follow a "comply or explain" approach or a variation of this. A growing percentage of jurisdictions – 62% – now issue national reports on company implementation of corporate governance codes. National authorities serve as custodians of the national corporate governance code in 26% of the 47 jurisdictions that have such codes, while they exercise this role jointly with stock exchanges in another 9%.

The rights of shareholders and key ownership functions

The *G20/OECD Principles* state that the corporate governance framework shall protect and facilitate the exercise of shareholders' rights and ensure equitable treatment of all shareholders. Chapter 3 therefore provides detailed information related to rights to obtain information on shareholder meetings, to request meetings and to place items on the agenda, and voting rights. The chapter also covers frameworks for review of related party transactions, triggers and mechanisms related to corporate takeover bids, and the roles and responsibilities of institutional investors and related intermediaries.

All jurisdictions require companies to provide advance notice of general shareholder meetings. A majority establish a minimum notice period of between 15 and 21 days, while another 36% of jurisdictions provide for longer notice periods. More than two-thirds of surveyed jurisdictions require such notices to be sent directly to shareholders, while all but two jurisdictions require multiple methods of notification, which may include use of a stock exchange or regulator's electronic platform, publication on the company's web site or in a newspaper.

All but eight of the surveyed jurisdictions (84%) have established specific deadlines of up to 60 days for convening special meetings at the request of shareholders, subject to specific ownership thresholds. This is an increase from 73% in 2015. Most jurisdictions (54%) set the ownership threshold for requesting a special shareholder meeting at 5%, while another 34% set the threshold at 10%. Compared to the threshold for requesting a shareholder meeting, many jurisdictions set lower thresholds for placing items on the agenda of the general meeting. With respect to the outcome of the shareholder meeting, 92% of jurisdictions require the disclosure of voting decisions on each agenda item, including 64% that require such disclosure immediately or within 5 days, compared to only 39% in 2015. Overall, requirements related to voting in shareholder meetings evolved significantly during 2020 to facilitate remote shareholder participation and voting as part of the response to the COVID-19 pandemic.

The *G20/OECD Principles* state that the optimal capital structure of the company is best decided by the management and the board, subject to approval of the shareholders. This may include the issuing of different classes of shares with different rights attached to them. In practice, all but two of the 50 surveyed jurisdictions allow listed companies to issue shares with limited voting rights, with a growing number of jurisdictions allowing such shares to give preference with respect to the receipt of the firm's profits.

Related party transactions are typically addressed through a combination of measures, including board approval, shareholder approval, and mandatory disclosure. Provisions for board approval are common; nearly three quarters of jurisdictions surveyed require or recommend board approval of certain types of related party transactions. Shareholder approval requirements are applied in 60% of jurisdictions, but are often limited to large transactions and those that are not carried out on market terms. In addition to requirements to report related party transactions in annual financial statements, a growing and substantial majority of jurisdictions (80%) require immediate disclosure of related party transactions, with 82% requiring use of International Accounting Standards (IAS24), while an additional 8% allow flexibility to follow IAS 24 or the local standard.

The Factbook provides extensive data on frameworks for corporate takeovers. Among the 49 jurisdictions that have introduced a mandatory bid rule, 80% take an *ex-post* approach, where a bidder is required to initiate the bid after acquiring shares exceeding the threshold. Nine jurisdictions take an *ex-ante* approach, where a bidder is required to initiate a takeover bid for acquiring shares which would exceed the threshold. More than 80% of jurisdictions with mandatory takeover bid rules establish a mechanism to determine the minimum bidding price. These figures have not shifted substantially since 2015.

Considering the important role played by institutional investors as shareholders of listed companies, all jurisdictions have established regulations which may vary depending on the category of institutional investor concerned (such as pension and investment funds or insurance companies). Provisions to address conflicts of interest are most common, with all jurisdictions imposing at least some requirements. Following the implementation of the EU's Shareholder Rights Directive II, there has been a major increase in the number of jurisdictions requiring or recommending that institutional investors disclose voting policies – from 49% of surveyed jurisdictions in 2015, to 88% in 2020. Although requirements or recommendations to disclose actual voting records have also been increasing from 34% in 2015 to 62% in 2020, they remain less common than voting policy disclosure. Stewardship and industry association codes provide a complementary means to encourage investor engagement.

This edition provides data for the first time on requirements or recommendations for proxy advisors to disclose policies related to voting, management of conflicts of interest and disclosure thereof, and various measures related to investor engagement. While such regulations are increasing, they remain far less common than for institutional investors. The most common reported requirements involve policy-setting and disclosure related to conflicts of interest, required in 15 jurisdictions (30%).

The corporate board of directors

The *G20/OECD Principles* recommend that the corporate governance framework ensures the strategic guidance of the company by the board and its accountability to the company and its shareholders. The most common board structure is the one-tier board, which is favoured in twice as many jurisdictions as those that apply two-tier boards (supervisory and management boards). A growing number of jurisdictions allow both types.

Despite differences in board structures, nearly all jurisdictions (92%) require or recommend a minimum number or ratio of independent directors. The recommendation for boards to be composed of at least 50% of independent directors is the most prevalent voluntary standard, while two to three board members (or at least 30% of the board) are more commonly subjected to legal requirements for independence.

Definitions of independent directors have also been evolving in recent years: 80% of jurisdictions now require directors to be independent of significant shareholders in order to be classified as independent, up from 64% in 2015. The shareholding threshold determining whether a shareholder is significant ranges from 2% to 50%, with 10% to 15% being the most common (in 12 jurisdictions). The share of jurisdictions requiring or recommending the separation of the board chair and the CEO has also risen sharply in recent years to 76%, compared to just 36% reported in 2015.

Nearly all jurisdictions (90%) require an independent audit committee. Nomination and remuneration committees are mandatory in only 24% and 32% of jurisdictions respectively, although an additional 60%

of jurisdictions at least recommend these committees to be established and often to be comprised wholly or largely of independent directors.

Risk management has been one of the most dynamic fields for market regulation in recent years. Provisions for companies to assign a risk management role to board level committees have grown from 62% of jurisdictions in 2015 to 90% by the end of 2020. Provisions for internal control and risk management systems have grown even more sharply since 2015, from 62% to 96%.

A new section of the Factbook on the oversight of audit finds that all jurisdictions require an external auditor to be appointed to perform an audit of the financial statements of listed companies. While the shareholders have the primary responsibility for appointing and/or approving the external auditor in most jurisdictions (86%), almost all jurisdictions (98%) also require or recommend the audit committee to play a role in the selection and appointment or removal process of the auditor. Almost all jurisdictions (96%) also require or recommend listed companies to rotate their external audit providers after a given period.

In the aim of safeguarding the independence of the external auditor of listed companies, 86% of jurisdictions prohibit or restrict the auditor from providing non-audit services to any listed company for which it is the external auditor, while 58% allow it based on the assessment and approval of the audit committee. The public oversight body is in charge of supervising or directly carrying out quality assurance reviews or inspections for audits of all listed entities that prepare financial reports in 78% of jurisdictions, as well as for carrying out investigative and disciplinary procedures for professional accountants in 64% of jurisdictions. On the other hand, many surveyed jurisdictions rely on professional accountancy bodies for the approval and registration of auditors and audit firms (24%) and the adoption of audit standards (30%).

While remuneration of management is a key board function, a majority of jurisdictions have a requirement or recommendation for a binding or advisory shareholder vote on remuneration policy for board members and key executives. And nearly all jurisdictions surveyed now require or recommend the disclosure of the remuneration policy and the level/amount of remuneration at least at aggregate levels. Disclosure of individual remuneration levels is required or recommended in 88% of jurisdictions.

Since the last biennium, a growing number of jurisdictions have adopted measures to promote women's participation on corporate boards and in senior management. Three-fifths of jurisdictions have established requirements to disclose gender composition of boards, up from 49% as of the end of 2018. Just 28% of jurisdictions have such disclosure requirements with regards to senior management, a slight increase from 22% in 2018. About one-fourth have adopted mandatory quotas for listed companies requiring a certain percentage of board seats to be filled by women, while a slightly higher and growing share (30%) rely on more flexible mechanisms such as voluntary goals or targets, and 8% have introduced a combination of both. In addition, 12 jurisdictions have established sanctions in case mandatory provisions are not met. In practice, women account for a much higher share of senior management positions than of board members.

1. The global market and corporate ownership landscape

1.1. Introduction

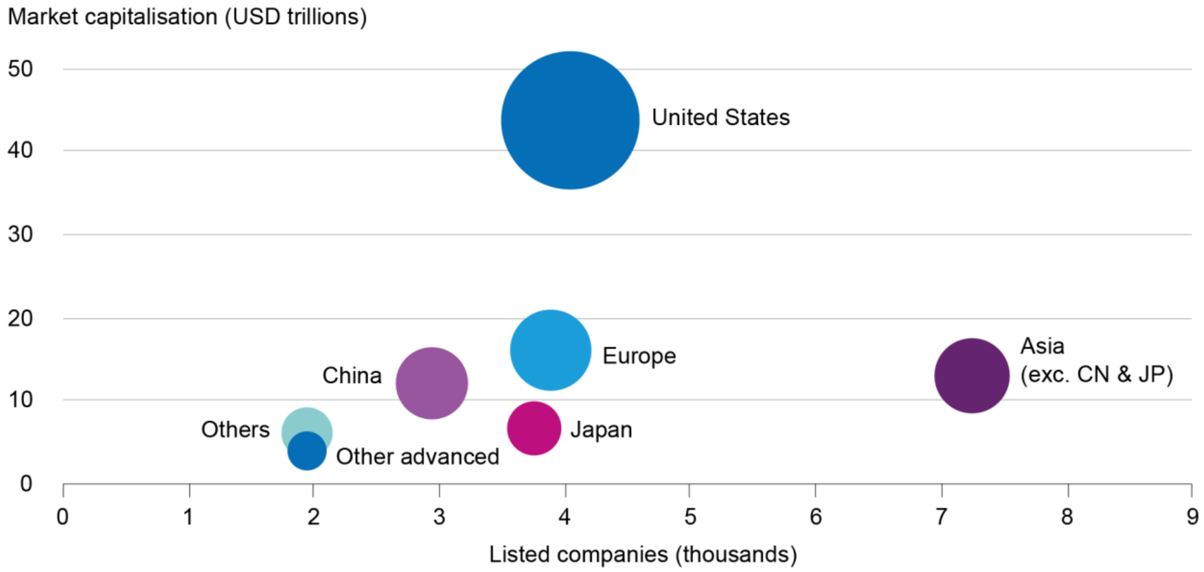
This chapter provides an overview of developments related to stock markets worldwide, including their size, activities and ownership characteristics of their listed companies. It is based substantially upon excerpts of findings from the OECD 2021 publication "*The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis",* as well as from updated data originally reported in "*Owners of the World's Listed Companies"* (De La Cruz, Medina and Tang, 2019). The chapter thus provides context for the information reported by the 50 jurisdictions covered in the Factbook.

1.2. Global trends in stock markets and listed company landscape

Stock markets play a key role in providing companies with equity capital that gives them the financial resilience to overcome temporary downturns, while meeting their obligations to employees, creditors and suppliers. For example, in the wake of the 2008 financial crisis, when bank credit became inaccessible, publicly listed non-financial companies raised a record USD 511 billion in new equity through the stock market. This pattern seemed to repeat itself during the 2020 COVID-19 pandemic, when already listed non-financial companies raised a record of USD 626 billion in new equity.

Figure 1.1 provides a picture of the relative size of the key markets and regions according to the number of listed companies and market capitalisation. The United States remains the largest market measured by market capitalisation, but Asia as a region dominates in the number of listed companies. Table 1.1 provides an overview of the total market capitalisation and number of listed companies across the 50 jurisdictions surveyed for this Factbook, which include all OECD, G20 and Financial Stability Board members plus Malaysia and Peru as additional active participants in the OECD Corporate Governance Committee. Characteristics related to categories of shareholders and extent of ownership concentration across different companies is also presented in Table 1.1 and discussed further below.

Figure 1.1 Universe of listed companies, as of end 2020



Note: The figure shows the market capitalisation and number of listed companies for 25 766 listed companies from 92 markets and the bubble size represents their share in global market capitalisation.
Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

Despite recent growth in overall global market capitalisation from USD 84 trillion in 2017 to USD 105 trillion by the end of 2020, the net number of listed companies continued to decline from approximately 41 000 in 2017 to slightly over 40 000 in 2020. Since 2005, almost 30 000 companies have delisted from the stock markets globally, notably, in the United States and Europe, which host some of the world's largest stock markets. These delistings have not been matched by new listings, and the result has been a net loss of listed companies every single year between 2008 and 2019 in the OECD area. While many companies were able to instantly, and at relatively low cost, tap into equity markets after the 2008 crisis to overcome financial difficulties, this time several thousand fewer companies have been able to do so.

Moreover, the stock market's ability to readily provide listed companies with new equity in times of crisis does not necessarily apply equally to new and smaller companies. In many advanced markets, there has been a substantial and structural decline in listings of smaller growth companies, distancing a larger portion of these companies from ready access to public equity financing.

These trends have raised concerns that the stock markets increasingly have become a source of funding for fewer and larger companies. Part of the explanation is the lower cost of debt financing and better access to private capital. However, other developments have also led to structural weaknesses in the capital market ecosystem. First, the shift from retail direct investments to large institutional investors has created a bias towards large listed companies. As is shown in the OECD report on *The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis*, in all advanced markets, the average share of institutional ownership in large listed companies is significantly higher than their ownership in smaller companies.

Second, stock exchanges have undergone profound structural changes since the mid-1990s. In advanced economies, stock exchanges were traditionally established as member-owned organisations, government institutions or special statutes. Since the mid-1990s, however, most stock exchanges have been transformed into privately owned for-profit corporations. As may be seen in Table 1.2, today, nearly all major stock exchange operators in advanced economies have their shares listed and traded on their exchanges, while the mutual form based on brokers' membership has almost disappeared. In addition, many of these exchanges have been consolidated into international groups, with the NASDAQ OMX Group now accounting for exchanges across eight jurisdictions, Euronext accounting for five, and the London Stock Exchange Group spanning two jurisdictions, which may have implications for cross-listing practices. A small number of exchanges remain under state ownership or control, including in the People's Republic of China (hereafter, "China"), Poland, Russia, Turkey and Saudi Arabia.

The changes in the ownership structure of stock exchanges, as well as the structural changes that followed from M&A activities have been accompanied by a shift in stock exchanges' revenue structures. As shown in the OECD 2016 report "*Changing business models of stock exchanges and stock market fragmentation*", the share of revenues from listing new companies and issuer services, which consists of new listing fees – including from exchange-traded funds (ETFs) – and fees paid by existing listed companies dropped from 14% in 2004 to 8% in 2014. During the same period, the share of revenues from derivatives trading and over-the-counter (OTC) markets increased by almost half and represented 22% of total revenues in 2014. This makes income from trading (cash, capital markets, derivatives and OTC) the largest source of revenue with a total share of 48% in 2014. This heavy reliance on income from trading and related information/data services encourages a focus on large companies with liquid stocks. As a result, investors' attention has been diverted away from smaller growth companies that in turn have been discouraged from going public. The lack of interest in smaller companies in the stock market is illustrated by the fact that in most markets, also trading volume is highly concentrated in large companies.

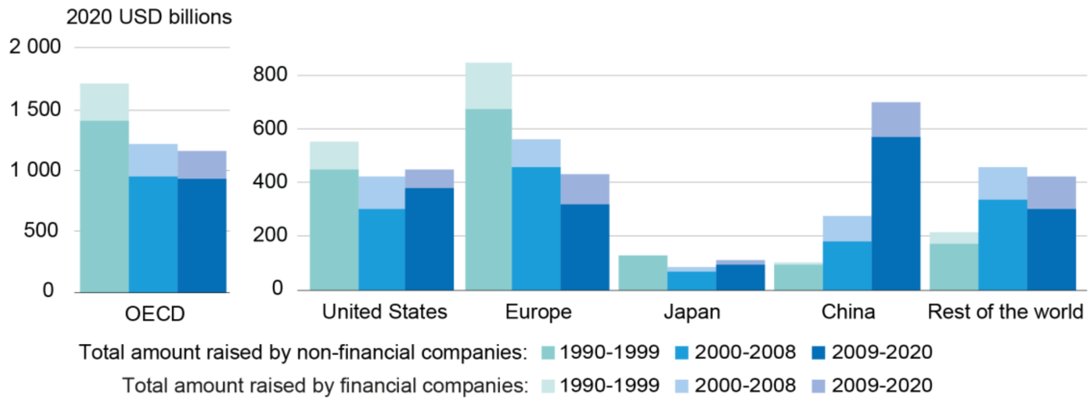
Third, companies have been discouraged from going public by high underwriting fees and stock price discounts that investment banks apply to their valuations before the public offerings. Fourth, it has also been suggested that systematic acquisitions of smaller growth companies – especially by large technology companies – have also contributed to drying up the IPO pipeline of smaller independent companies that may potentially increase competition and challenge the status quo.

1.3. Initial public offerings (IPOs) trends

Since the mid-1990s, the public equity market landscape has undergone some important changes. One important development has been an increased use of public equity markets by Asian companies. In the 1990s, European companies – mainly from the United Kingdom, Germany, France and Italy – dominated the global scene in terms of initial public offerings (IPOs) and accounted for 42% of all capital raised with almost 3 000 listings during the decade. Since then, European IPO activity has declined in both absolute and relative terms. And during the past decade leading up to the COVID-19 crisis, the amount of public equity capital raised by European non-financial companies was below both US and Chinese companies (Figure 1.2).

Between 2009 and 2020, Asian companies raised 47% of all global IPO proceeds. This is a marked increase from 22% during the 1990s. The growth of Asian markets is mainly the result of a surge in Chinese IPOs. The number of Chinese IPOs more than tripled between the 1990s and the post-2008 period, when it represented almost one third of the global proceeds. The Japanese market, which in 2000-2008 experienced a relative decline in the total IPO proceeds with respect to the 1990s, saw a 36% increase during the 2009-2020 period, which also contributed to the increased importance of Asian equity markets during the past decade.

Figure 1.2 Initial public offerings (IPOs), total amount raised

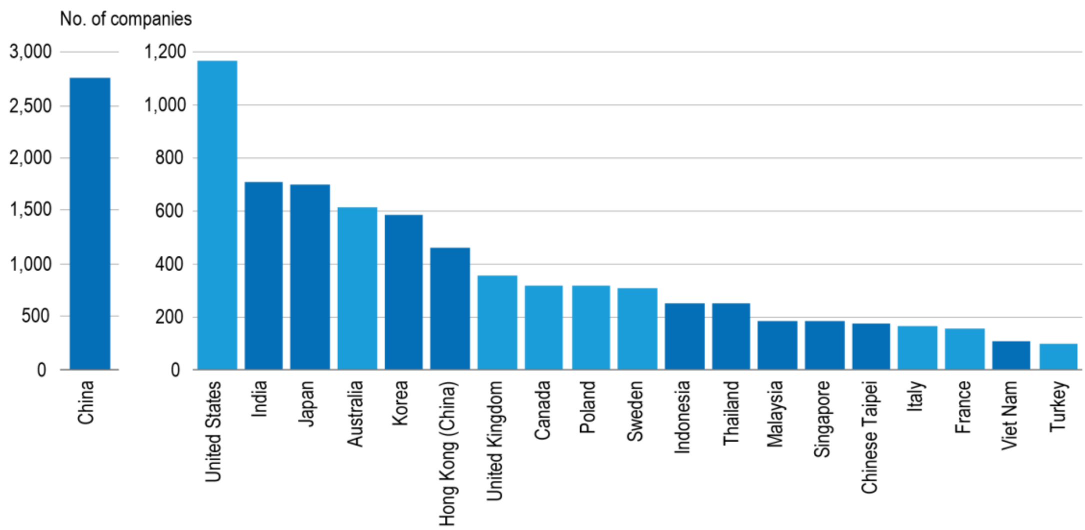


Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

As a result of the surge in IPOs, there has also been an increase in the global share of Asian listed companies. At the beginning of 2021, over half of the world's listed companies were listed on Asian stock exchanges that together represented 32% of the market value of the world's listed companies.

The shift towards Asia has been even more pronounced with respect to the number of IPOs by non-financial companies. As seen in Figure 1.3, Chinese non-financial companies have been the world's most frequent users of IPOs during the past decade, with about two and a half times as many IPOs as the United States. Moreover, other Asian markets – India; Japan; Korea and Hong Kong (China) – also rank among the top 10 IPO markets globally. Importantly, several Asian emerging markets (shown in blue in Figure 1.3), such as Indonesia, Thailand and Malaysia, rank higher in terms of IPOs than most advanced non-Asian economies (shown in light blue). Among the EU member states, there is only one country among the top 10.

Figure 1.3 Top 20 jurisdictions by number of non-financial company IPOs during last 10 years



Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

The change in the global public equity market landscape has not only been driven by a shift in the number of new listings towards Asian markets. Another contributing factor is an increasing number of companies that have delisted from the stock markets outside of Asia. As noted above, since 2005, over 30 000 companies have delisted from the public stock market globally. In particular, there were almost 8 000 delistings of European companies over the 2005-2019 period, over 5 000 delistings of US companies and around 1 300 Japanese companies. For the United States and Europe, these delistings were larger than the number of new listings, resulting in a net decrease in listed companies every single year between 2008 and 2019 (Figure 1.4). In Japan on the other hand, net listings were positive in nine out of the 15 years shown in Figure 1.4. In China, there were on average less than 30 delistings per year, resulting in a considerable net increase in the total number listed companies.

Figure 1.4 Newly listed and delisted companies

Source: OECD Capital Market Series dataset, see OECD (2021), “The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis” for details.

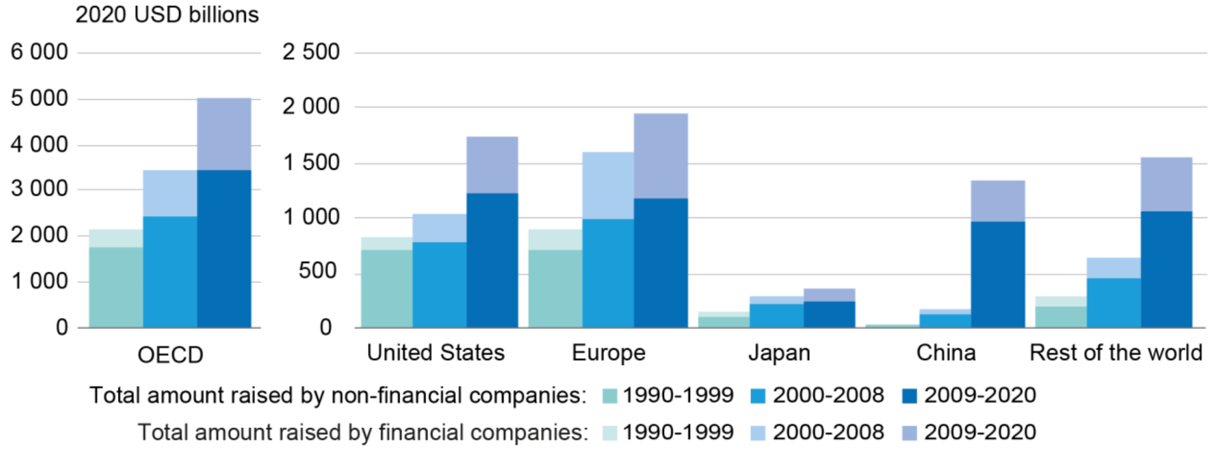
1.4. Increased importance of secondary offerings

Secondary public offerings (SPOs or follow-on offerings) allow companies that are already listed to continue raising equity capital on primary markets after their IPO. The proceeds from the SPO may be used for a variety of purposes and can also help fundamentally sound companies to bridge a temporary downturn in economic activity such as the current crisis caused by the COVID-19 pandemic. In this regard, SPOs played an important role in providing the corporate sector with equity in the wake of the 2008 financial crisis as well as during the COVID-19 crisis.

The use of SPOs as a source of funding has gained momentum over recent decades. In 2020, non-financial companies raised via SPOs a peak of USD 626 billion. The total proceeds raised between 2009 and 2020 worldwide amounted to USD 8 trillion, which is more than three times the amount raised through SPOs during the 1990s. The increase in the use of SPOs is true for all regions, as illustrated in Figure 1.5. In

Europe and the United States – the dominant regions in terms of SPO volume – the proceeds doubled from 1990-1999 to 2009-2020. In Japan the use of SPOs in the post-2008 period was two times higher than in the 1990s and in China, the use of SPOs was marginal during the 1990s. From 2009 to 2020, however, Chinese companies raised USD 1.33 trillion in equity through SPOs, which is equal to 17% of all equity raised in the world through SPOs during that period.

Figure 1.5 Secondary public offerings (SPOs), total amount raised



Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

The steady growth of SPOs worldwide has also shifted the importance of public equity financing from IPOs to SPOs with respect to total funds raised. While in the 1990s, SPOs accounted for half of the proceeds raised in the public equity markets (IPOs and SPOs combined), in the last decade their share reached a historical amount of nearly 80% of the total proceeds. In addition, whereas the United States and Europe saw a decreasing trend in the companies' use of IPOs over time, there is an increasing use of SPOs instead. This together with a decrease in the listings of smaller growth companies discussed above raises an issue as to whether stock markets increasingly have become a source of equity funding for fewer but larger companies and company groups, sometimes using the proceeds from equity and corporate bond markets to acquire smaller growth companies to complement and further expand their operations.

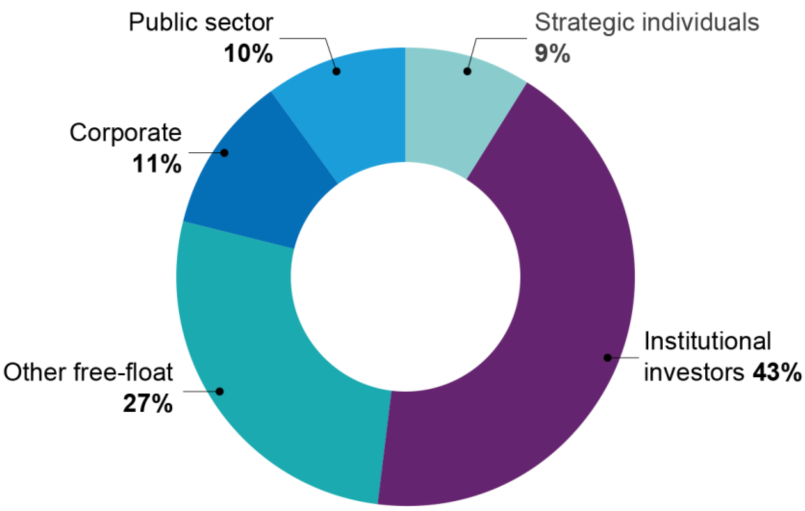
1.5. Changes in the corporate ownership and investor landscape

Ongoing changes in the global equity market landscape and the functioning of capital markets have also translated into changes in the ownership structure of the world's listed companies. These developments have important consequences for the premises on which corporate governance regulations are best designed and implemented. One of the most important developments in this respect is the increase in institutional ownership, which was analysed and addressed during the review of the *G20/OECD Principles of Corporate Governance* in 2015. Since then, the use of indexed investment vehicles, for example exchange-traded funds, has further nurtured the discussion about how the different business models and/or political dependence of large institutional investors influence their ability and incentives to exercise their ownership function. Another less recognised development is the increase in ownership concentration at the company level. While this is a global development, there are important country and regional differences with respect to the different categories of shareholders that make up the largest shareholders at the company level; differences that again have implications for the focus of regulatory considerations and priorities.

This section provides a global overview of how listed companies are owned with respect to both the different categories of investors and the degree of ownership concentration at the company level. Table 1.1 provides a breakdown of these categories among the 50 jurisdictions covered in the Factbook. Findings presented in Figure 1.6 build on firm-level ownership information from more than 25 000 listed companies from 92 different markets as of end 2020. Together, these companies make up 98% of the global stock market value. Using the records of owners for each company, the investors were classified into five categories: private corporations, public sector, strategic individuals, institutional investors and other free-float.

Figure 1.6 shows the distribution of shareholdings among these five different investor categories. At global aggregate level, the largest investor category is institutional investors, which hold 43% of the world market capitalisation, followed by private corporations holding 11% and the public sector holding 10%. Strategic individuals rank fourth owning 9% of the world's listed equity. The remaining 27% free-float is held by shareholders that do not reach the threshold for mandatory disclosure of their ownership records and retail investors that are not required to do so.

Figure 1.6 Investors' public equity holdings, as of end 2020

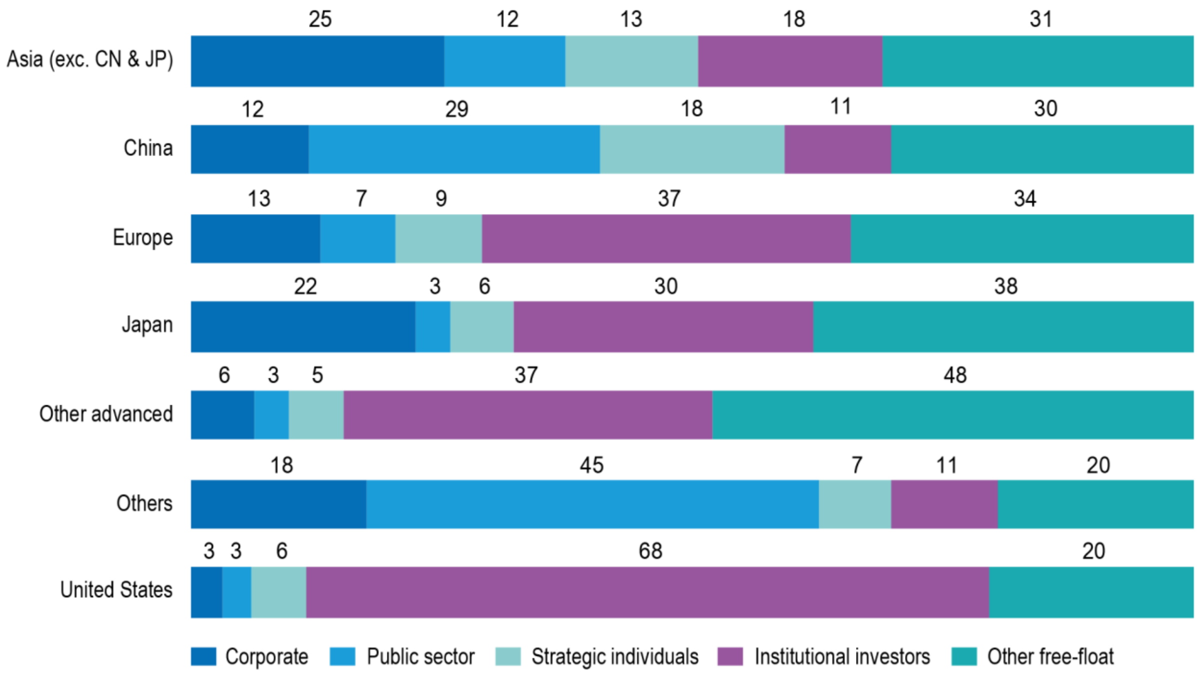


Note: The figure shows the overall ownership share by market value of the categories of owners.
Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

Figure 1.7 shows how the relative importance of the different investor categories varies across markets. Institutional investors is by far the most dominant shareholder category in the United States, holding at least 68% of the equity and with some of the unreported free-float also likely to be held by institutions. Institutional investors is also the single largest category in Europe, Japan and other advanced markets. In China, institutional investors is the smallest category, holding around 11% of market capitalisation. Instead, the largest investor category in China is the public sector, which holds almost 30% of all shares. The public sector is also a significant owner in other Asian markets (excluding China and Japan) with a 12% ownership. Asian listed companies also have a significant portion of their shares held by other corporations.

This is particularly pronounced in Asia (excluding China and Japan) where corporations hold 25%, and in Japan where they hold 22% of the market capitalisation. Together with engagement by strategic individuals, these data confirm the presence of private corporations and holding companies as an important category of owners in listed companies and in many cases also the presence of group structures.

Figure 1.7 Ownership landscape at the regional level, as of end 2020 (% share)



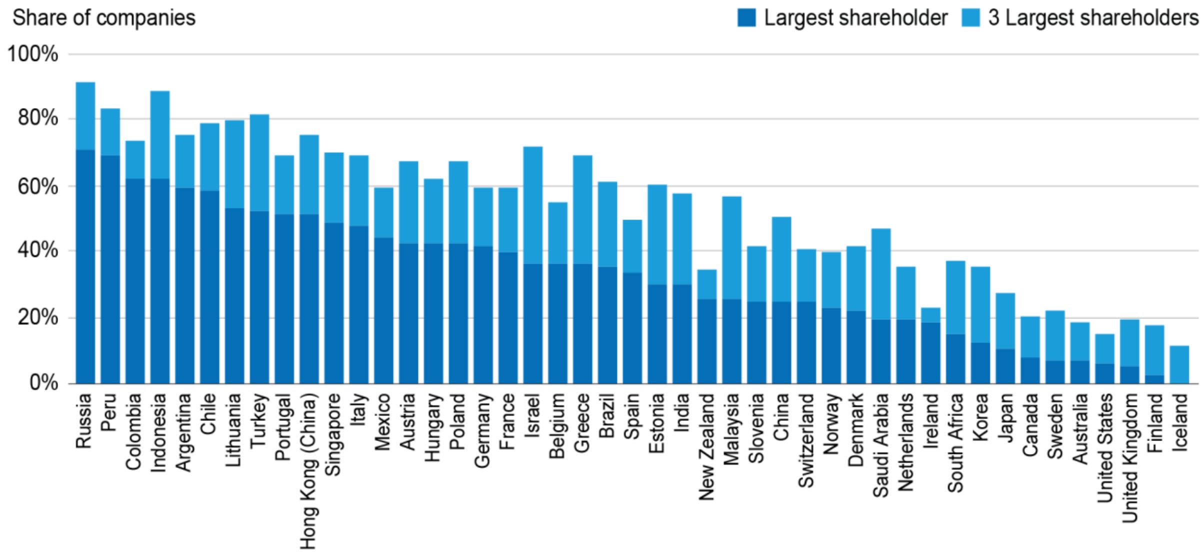
Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

1.6. The prevalence of concentrated ownership

The degree of ownership concentration in an individual company is important not only for the relationship between owners and managers. It may require additional focus on the relationship between controlling owners and non-controlling owners. The ownership structure in most markets is today characterised by a fairly high degree of concentration at the company level. Ownership concentration can be measured in many different ways, and the OECD publication *Owners of the World's Listed Companies* (De La Cruz, Medina and Tang, 2019) provides a detailed look at this issue across investor categories including the percentage of companies in each market held by the largest, three largest and 20 largest shareholders.

Figure 1.8 shows the share of companies in each jurisdiction where the single largest and the three largest shareholder(s) own more than 50% of the company's equity capital. In half of the markets shown in the figure, at least one third of all listed companies have a single owner holding more than 50% of the equity capital. In Russia, Peru, Colombia and Indonesia, more than 60% of the companies have a single shareholder holding more than half of the equity capital.

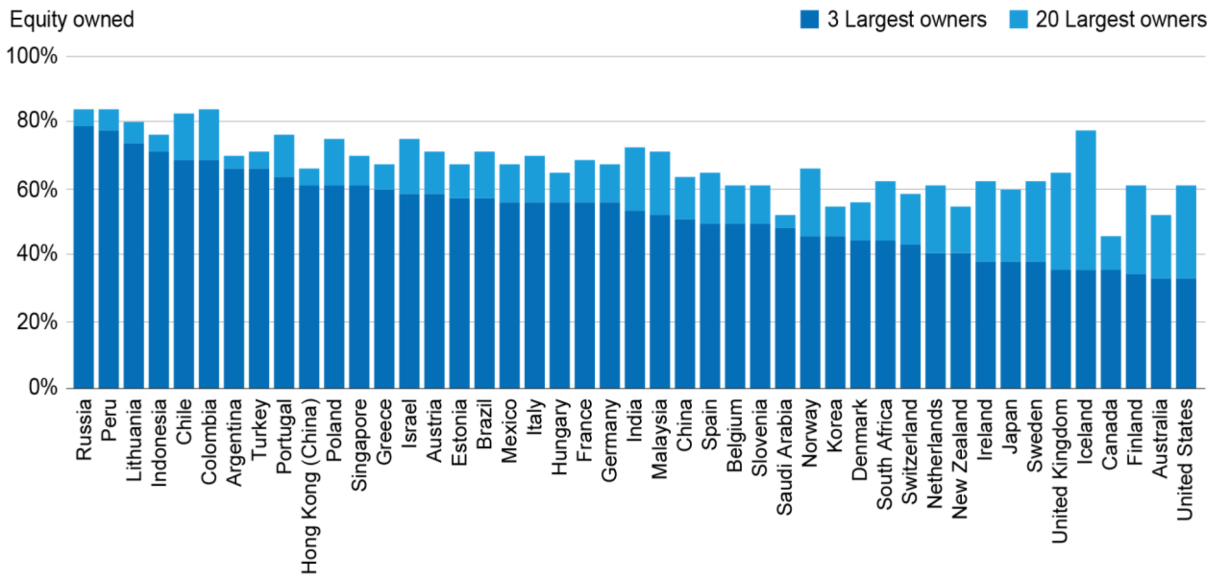
Figure 1.8 Ownership concentration by market, as of end 2020



Note: The figure presents the number of companies where the largest and 3 largest shareholder(s) hold more than 50% of the equity as share of the total number of listed companies in each market across 45 jurisdictions. Jurisdictions with less than 10 companies with ownership information are excluded from the figure: Costa Rica, Czech Republic, Latvia, Luxembourg and Slovak Republic.
Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

Figure 1.9 provides a closer look at ownership concentration at the company level in each market by showing the average combined holdings of the three largest and 20 largest shareholders. A look at the data reveals that in 28 of the 45 jurisdictions, the three largest shareholders hold on average more than 50% of the company's equity capital. The markets with the least ownership concentration, measured as the combined holdings of the three largest shareholders, are the United States, Australia, Finland, Canada, Iceland and the United Kingdom, where the three largest shareholders still hold a significant average combined share, ranging between 33% and 36% of the company's capital. Moreover, in all of these jurisdictions the 20 largest shareholders, on average, hold between 46% and 77% of the company's capital. Consequently, while the degree of ownership concentration at the company level still differs between markets and companies, no jurisdiction systematically features the kind of atomistic dispersed ownership structure that still influences much of the corporate governance debate.

Figure 1.9 Ownership concentration at the company level, as of end 2020



Note: The figure shows ownership concentration at the company level for each market. It shows the average combined holdings of the three and 20 largest owners respectively across 45 jurisdictions. Jurisdictions with less than 10 companies with ownership information are excluded from the figure: Costa Rica, Czech Republic, Latvia, Luxembourg and Slovak Republic.
Source: OECD Capital Market Series dataset, see OECD (2021), "The Future of Corporate Governance in Capital Markets Following the COVID-19 Crisis" for details.

Table 1.1 of the Factbook provides a comparison of ownership concentration across the Factbook's 50 jurisdictions based on the percentage of companies where the three largest shareholders own at least 50% of the shares. The three largest owners hold more than 50% of the equity capital in at least one third of all listed companies across 40 of these jurisdictions. On the other hand, the five least concentrated jurisdictions in the table with fewer than 20% of companies maintaining a level of ownership concentration above 50% of the equity capital among the three largest shareholders include Australia, Finland, Iceland, the United Kingdom and the United States.

1.7. The growing importance of corporate bond financing

While the means and processes differ from those of shareholders, bondholders play an important role in defining the boundaries of corporate actions and the monitoring of corporate performance. This is particularly salient in times of financial distress, which many corporations are facing under the COVID-19 crisis. Like equity, bonds typically provide longer-term financing than ordinary bank loans and serve as a useful source of capital for companies that want to diversify their capital base.

In the aftermath of the 2008 financial crisis, global corporate bond markets saw a significant and lasting increase in issuance. Annual corporate bond issuance doubled from USD 890 billion during the 2000-2007 period to USD 1.87 trillion in the period between 2008 and 2020. In many countries the increased use of corporate bonds has been supported by regulatory initiatives aimed at stimulating the use of corporate bonds as a viable source of long-term funding for non-financial companies. The increase in bond usage has also been consistent with the objectives of the expansionary monetary policy and related unconventional measures by major central banks.

This surge in the use of corporate bond financing has further highlighted the role of corporate bonds in corporate governance. Covenants for example, which are clauses in a bond contract that are designed to protect bondholders against actions that issuers can take at their expense, have a strong influence on the governance of issuer companies. Covenants may range from specifying the conditions for dividend payments to clauses that require issuers to meet certain disclosure requirements.

When the COVID-19 crisis hit, there were already widespread concerns about the declining quality of the outstanding stock of corporate bonds. In each year from 2010 to 2020, with the exception of 2018, more than 20% of the total amount of all bond issues was non-investment grade. In 2019, almost one-quarter of all corporate bond issuances were non-investment grade. This was the longest period in the past 40 years that the non-investment grade ratio has remained this high before a significant increase in default rates. Importantly, over the last four years, the portion of BBB rated bonds – the lowest investment grade rating – accounted for 52% of all investment grade issuance. During the period 2000-2007, the portion was just 39%.

Since the outbreak of the COVID-19 crisis, the bond market has continued to be a significant source of capital for non-financial companies. Despite some initial decrease in the appetite for non-investment grade issuers at the onset of the crisis, especially for those with lower ratings, for 2020 as a whole, a record amount of USD 2.9 trillion of corporate bonds was issued globally by non-financial companies. As a result of this surge in corporate bond issuance, by the end of 2020 the global outstanding stock of non-financial corporate bonds had reached USD 14.8 trillion, up from USD 13.7 trillion at the end of 2019.

Table 1.1 Market and ownership characteristics, 2020

Jurisdiction	Market size		Ownership coverage		Ownership by investor category (%)*					Ownership concentration
	Total market capitalisation [USD-Million]	No. of listed companies	Total market capitalisation (%)	No. of listed companies (%)	IIs	PS	SI	PC	OFF	(% of companies where 3 largest shareholders own >50%)
Argentina	27 033	73	82	51	10	17	17	25	31	76
Australia	1 767 837	1 805	91	46	27	2	6	5	60	19
Austria	123 727	55	100	89	23	23	6	21	27	67
Belgium	347 993	108	96	74	35	3	7	26	29	55
Brazil	954 874	308	100	83	27	10	8	29	27	61
Canada	2 100 898	1 231	97	67	46	4	4	6	40	21
Chile	177 704	175	99	74	12	1	13	54	19	79
China	13 029 553	4 166	94	70	11	29	18	12	30	51
Colombia	103 894	48	98	71	16	35	3	32	15	74
Costa Rica	1579	6	-	-	-	-	-	-	-	-
Czech Republic	26 609	12	98	75	20	36	0	19	24	89
Denmark	616 909	123	100	71	36	10	2	10	42	41
Estonia	3 350	17	96	59	11	17	14	35	23	60
Finland	319 259	123	100	85	31	17	9	5	38	18
France	2 870 369	397	97	84	27	6	14	20	33	60
Germany	2 421 821	801	99	58	30	7	10	15	39	59
Greece	49 138	142	96	41	16	11	14	25	34	69
Hong Kong (China)	4 783 387	2 348	98	71	18	11	19	22	30	75
Hungary	27 073	33	99	64	32	5	6	21	37	62
Iceland	11 932	19	97	95	66	1	7	9	17	11
India	2 573 728	4 309	99	27	22	12	11	33	22	58
Indonesia	493 269	701	99	74	8	17	10	43	22	89
Ireland	94 015	24	100	92	49	8	4	6	33	23
Israel	210 435	398	94	51	31	1	19	19	30	72
Italy	730 529	227	100	87	29	11	11	13	36	69
Japan	6 778 005	3 815	100	99	30	3	6	22	38	27
Korea	2 173 366	2 364	98	77	18	10	10	23	38	36
Latvia	822	18	90	33	13	23	17	38	9	100
Lithuania	5 464	25	96	60	2	43	10	27	17	80
Luxembourg	16 695	10	92	70	24	1	7	44	25	86
Malaysia	436 929	923	96	53	10	35	10	25	20	56
Mexico	385 966	124	95	78	20	2	34	19	26	60
Netherlands	1 110 264	96	99	80	40	3	4	20	32	35
New Zealand	132 058	118	95	69	20	19	5	6	50	35
Norway	325 605	210	99	80	30	29	9	10	21	40
Peru	77 438	80	97	61	7	4	5	75	8	84

Jurisdiction	Market size		Ownership coverage		Ownership by investor category (%)*					Ownership concentration
	Total market capitalisation [USD-Million]	No. of listed companies	Total market capitalisation (%)	No. of listed companies (%)	IIs	PS	SI	PC	OFF	(% of companies where 3 largest shareholders own >50%)
Poland	175 912	400	98	51	35	14	14	17	20	68
Portugal	85 155	38	100	76	22	13	10	37	19	69
Russia	686 884	203	92	66	11	31	17	18	23	91
Saudi Arabia	2 424 647	187	96	71	1	87	2	2	9	47
Singapore	448 603	567	98	49	12	11	11	30	36	71
Slovak Republic	3 169	22	92	18	0	-	4	85	11	100
Slovenia	8 949	32	91	38	8	34	0	14	44	42
South Africa	460 188	241	87	60	31	15	3	20	31	37
Spain	686 833	159	100	80	25	7	16	13	39	50
Sweden	1 053 344	555	99	56	38	6	12	12	32	22
Switzerland	1 933 137	233	98	89	33	6	6	6	49	40
Turkey	230 954	333	97	65	9	25	9	38	19	82
United Kingdom	3 195 019	1 424	98	81	60	6	4	6	25	19
United States	44 509 526	4 407	99	92	68	3	6	3	20	15

*__Key:__ Ownership by investor category: IIs: Institutional investors; PS: Public Sector; SI: Strategic Individual; PC: Private Corporation; OFF: Other free float.

Note: The number of listed companies is based on comparable figures excluding investment funds and real estate investment trusts (REITs) prepared as part of the OECD's work on "Owners of the World's Listed Companies" and updated with 2020 data. Companies that list more than one class of shares are considered as one company and only its primary listing is considered. Only companies listed on the regulated or main segments of the stock exchange are included here.
Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see De La Cruz, Medina and Tang (2019) "Owners of the World's Listed Companies" for details.

Table 1.2 The largest stock exchanges

Jurisdiction	Largest stock exchanges		Group	Legal status	Self-listing
Argentina	MerVal	Bolsas y Mercados Argentinos (ByMA)[1]	Domestic	Private corporation or association	Yes
Australia	ASX	Australian Securities Exchange	-	Joint stock company	Yes
Austria		Wiener Börse	CEESEG	Private corporation or association	No
Belgium		Euronext Brussels	Euronext	-	(Holding)
Brazil	B3	B3 – Brasil Bolsa Balcão S.A.	-	Joint stock company	Yes
Canada	TMX	Toronto Stock Exchange	TMX	Joint stock company	Yes
Chile		Santiago Stock Exchange	-	Joint stock company	Yes
China	SSE	Shanghai Stock Exchange	-	State-controlled [2]	No
	SZSE	Shenzhen Stock Exchange	-	State-controlled [2]	No
Colombia	BVC	Bolsa de Valores de Colombia	BVC	Joint stock company	Yes
Costa Rica	BNV	Bolsa Nacional de Valores	-	Private corporation or association	No
Czech Republic	PSE	Prague Stock Exchange	Wiener Börse	Joint stock company	No
Denmark		NASDAQ Copenhagen A/S	NASDAQ Nordic LTD[3]	Private corporation or association	(NASDAQ)
Estonia	TSE	Nasdaq Tallinn AS	NASDAQ Nordic LTD[3]	Joint stock company	(NASDAQ)
Finland	OMXH	NASDAQ Helsinki	NASDAQ Nordic LTD[3]	Private corporation or association	(NASDAQ)
France	-	Euronext Paris	Euronext	Joint stock company	(Holding)
Germany		Deutsche Börse	-	Joint stock company	Yes
Greece	ATHEX	Athens Exchange	-	Joint stock company	(HELEX)
Hong Kong (China)	SEHK	The Stock Exchange of Hong Kong Limited	-	Private corporation or association	Yes
Hungary	BSE	Budapest Stock Exchange	-	Joint stock company	No
Iceland		NASDAQ OMX Iceland	NASDAQ Nordic LTD[3]	Private corporation or association	(NASDAQ)
India[4]	NSE	National Stock Exchange	-	Joint stock company	No
	BSE	Bombay Stock Exchange	-	Joint stock company	No
Indonesia	IDX	Indonesia Stock Exchange	-	Private corporation or association	No
Ireland	ISE	Euronext Dublin	Euronext	Joint stock company	(Holding)
Israel	TASE	Tel Aviv Stock Exchange	-	Joint stock company	Yes
Italy		Borsa Italiana	LSEG[5]	Joint stock company	(LSEG)
Japan	TSE	Tokyo Stock Exchange	JPX	Joint stock company	(JPX)

Jurisdiction	Largest stock exchanges		Group	Legal status	Self-listing
Korea	KRX	Korea Exchange	-	Joint stock company	No
Latvia	XRIS	Nasdaq Riga	NASDAQ Nordic LTD[3]	Joint stock company	(NASDAQ)
Lithuania		Nasdaq Vilnius	NASDAQ Nordic LTD[3]	Private corporation or association	(NASDAQ)
Luxembourg	LSE	Luxembourg Stock Exchange	-	Private corporation or association	No
Malaysia	KLSE	Bursa Malaysia	-	Private corporation	Yes
Mexico[6]	BMV	Bolsa Mexicana de Valores	Domestic	Joint stock company	Yes
Netherlands	AMS	Euronext Amsterdam	Euronext	Joint stock company	(Holding)
New Zealand	NZX	New Zealand Exchange	-	Joint stock company	Yes
Norway	OSE	Oslo Stock Exchange	-	Joint stock company	No
Peru	BVL	Bolsa de Valores de Lima (BVL)	Domestic (Grupo BVL)	Joint stock company	Yes
Poland	WSE	Warsaw Stock Exchange	GPW Group	State-controlled joint stock company	Yes
Portugal	ELI	Euronext Lisbon	Euronext	Joint stock company	(Holding)
Russia	MOEX	Moscow Exchange	Moscow Exchange	State controlled (Central Bank) joint stock company	Yes
Saudi Arabia	TASI	Saudi Stock Exchange Tadawul	-	State-controlled joint stock company	No
Singapore	SGX	Singapore Exchange	-	Joint stock company	Yes
Slovak Republic	BSSE	Bratislava Stock Exchange	-	Joint stock company	No
Slovenia	LJSE	Ljubljana Stock Exchange		Joint stock company	No
South Africa	JSE	Johannesburg Stock Exchange Limited	JSE Limited	Joint stock company	Yes
Spain	BME	Bolsas y Mercados Espanoles	BME (Six Group Ltd)	Joint stock company	Yes
Sweden		Nasdaq Stockholm	NASDAQ Nordic LTD [3]	Private corporation or association	(NASDAQ)
Switzerland	SIX	SIX Swiss Exchange	SIX Group Ltd	Joint stock company	No
Turkey	BIST	Borsa Istanbul	-	State-controlled joint stock company [7]	No
United Kingdom	LSE	London Stock Exchange	LSEG	Joint stock company	Yes
United States	NYSE	New York Stock Exchange	Intercontinental Exchange, Inc.	Joint stock company	Yes
	Nasdaq	The Nasdaq Stock Market LLC	NASDAQ	Joint stock company	Yes

Key: SOE = state-owned enterprise, - = information not applicable or not available. () = holding company listing

Notes:

[1] In **Argentina**, ByMA is a continuation of the activity of the Stock Market of Buenos Aires S.A., with the particularity that in the constitution of the new entity the Stock Exchange of Buenos Aires has been incorporated as a shareholder.

[2] In **China**, the law (Law of the People's Republic of China on Securities, Article102) provides that a stock exchange is a legal person performing self-regulatory governance which provides the premises and facilities for centralised trading of securities, organizes and supervises such securities trading and that the establishment and dissolution of a stock exchange shall be subject to decision by the State Council.

[3] In 7 jurisdictions (**Denmark**, **Estonia**, **Finland**, **Iceland**, **Latvia**, **Lithuania** and **Sweden**), the largest stock exchange is 100% owned by NASDAQ Nordic Ltd (which is 100% owned by the NASDAQ Inc.).

[4] In **India**, there are three nation-wide stock exchanges: NSE, BSE and Metropolitan Stock Exchange of India. Both NSE and BSE have been included in this table since NSE is largest in terms of volume of trading and BSE is largest in terms of number of entities listed on the stock exchange.

[5] In **Italy**, effective April 2021, Borsa Italiana was acquired by Euronext Group.

[6] In **Mexico**, a second exchange, Bolsa Institucional de Valores (BIVA) started trading in July 2018.

[7] In **Turkey**, in line with the Council of Ministers resolution 2017/9756 published in the Official Gazette dated 5 February 2017, the shares owned by the Treasury in Borsa Istanbul were transferred to the Turkish Wealth Fund Management, which is ultimately owned by the state

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The *OECD Corporate Governance Factbook* is a unique publication that provides a basis for all OECD, G20 and Financial Stability Board members to compare in detail how they are addressing various corporate governance challenges in their regulatory frameworks. It will be an important reference for the upcoming review of the G20/OECD Principles of Corporate Governance. This year's Factbook includes new material on the global market landscape, including how capital markets have evolved during the COVID-19 pandemic, new coverage of the oversight of audit, proxy advisory services, gender balance on boards, as well as significant updates across many other issue areas, reflecting dynamic changes to regulatory and institutional frameworks around the world.

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