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GREEN PAPER ON CORPORATE GOVERNANCE REFORM

I am today publishing a green paper on corporate governance reform. A copy of the paper is enclosed, and I am also placing copies in the libraries of the House. Responses are invited by 17th February 2017.

The UK has a deserved reputation as a dependable and confident place in which to do business. Our legal system, our framework of company law and our standards of corporate governance have long been admired around the world but in order to maintain this it is important our corporate framework is kept up to date. In some cases we have seen that the actions of a very small number of businesses can undermine the reputation of British business generally. This green paper is designed to frame and stimulate a conversation with businesses, investors, employees, consumers and others, on what further steps may be taken to address these problems and maintain the UK's reputation for strong and transparent corporate governance.

In particular, the paper seeks views on options to update our corporate governance framework in the following areas:

- First, on shareholder influence over executive pay and wider transparency;
- Second, on how to increase the connection between boards of directors and other groups with an interest in corporate performance such as employees, customers and suppliers;
- Third, whether some of the features of corporate governance that have served us well with our listed companies should be extended to the largest privately-held companies.

I welcome the BEIS Select Committee's on-going inquiry into corporate governance which I know has already collected a breadth of evidence and comment from a wide range of interested parties. I hope it will be possible to align our timetables sufficiently so that the Government has the benefit of your findings and recommendations before any new policy proposals are finalised. My officials will consult with your clerks on timings and next steps following the end of our consultation period on the green paper.

THE RT HON GREG CLARK MP
Secretary of State for Business, Energy & Industrial Strategy

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