Preface

by

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For more than twenty years, Chinese authorities have worked hard to build a stronger corporate governance framework as part of accelerated enterprise reform and capital market development. Indeed, since the stock market was established in 1990, the corporate governance framework has been transformed and capital markets have developed dynamically. New institutions have been created and many new laws and regulations have been adopted – and this process continues.

In this Self-Assessment, the Chinese Securities Regulatory Commission (CSRC) presents China’s laws and regulations by reference to the OECD Principles of Corporate Governance. The assessment documents how much has been accomplished, and points out the direction for further development. The report was thoroughly discussed by the OECD Corporate Governance Committee which was impressed by the breadth and depth of the legal and regulatory framework that has been developed by the Chinese authorities. All aspects of the Principles are addressed.

The Self-Assessment is an important and timely benchmarking exercise. The OECD is very pleased that it is being launched at the OECD Asian Roundtable on Corporate Governance in Shanghai, hosted by the CSRC and the Shanghai and Shenzhen Stock Exchanges. The Self-Assessment will contribute to better understanding and exchange of experience among all the jurisdictions in the region.

Going forward, China – like many other countries around the world – faces the challenge of ensuring that its laws and regulations are translated into changed corporate practice. This is a key issue for many authorities who seek to sustain capital market and corporate development and has become central to the OECD Committee’s work.

This report is a key output of the OECD-China Policy Dialogue on Corporate Governance that began in 2004 and has proven very successful in promoting mutual understanding and supporting China’s reform agenda. The OECD looks forward to continuing to deepen our partnership with China in improving corporate governance.

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