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Critical Appraisal of Limited North European Corporate Governance Standards after Global Crisis, Corporate Scandals and Market Manipulation

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ABSTRACT

This paper mainly analyzes principles and standards of some international and North European corporate governance frameworks which are issued during or after the global crisis. First, it looks at the United Nation Good corporate governance practices and analyzes its strengths and impacts on corporate governance model of a company. Second, it compared the UN standards to generally accepted governance standards of Sovereign Wealth Funds. The paper finds out that during the global crisis time 207-2008, despite taking care of risk management, there still lacks of certain governance standards in these 2 Codes. Then, it analyzes some relative good corporate governance standards in a few North European countries including: Norway and Finland. Third, this paper provides with a short summary of evaluation of these above 2 corporate governance principles in 2 groups which can enable corporations to compare to their current codes. Last but not least, it aims to realize a limited general set of standards of corporate governance and give proper recommendations to relevant governances. Additionally, it includes a section for recommending corporate governance for developing countries including Viet Nam.

Keywords: Corporate Governance Standards; Financial Crisis; Corporate Scandal; Market Manipulation; Internal Audit.

1.0 Introduction

There are, in fact, three (3) main periods which are signaling the improvements made in the worldwide countries' corporate governance policies. The first period is the time during 1999-2003 after the Asian financial crisis taking place in 1997-1998, the second period is years from 2005-2008, and the third period is the current time, after the financial crisis 2007-2009 with impacts from US and Europe large economies. OECD and ICGN also offered good recommendations on corporate governance standards for most of countries in the world. This research paper is trying to take an implementation – oriented writing style and focus on some international corporate governance practices and issues during and after impacts from scandals and crises. They are United Nation (UN) and Sovereign Wealth Funds (SWF) governance practices in 2006 and 2008. Furthermore, The Norwegian Code 2010 also tried to provide good corporate governance to enhance confidence in companies. Besides, this research paper aims to provide a writing style to adapt to an understandable reading to most of readers in academic field who is both familiar and not familiar to the corporate governance subject.

2.0 Research Literature Review

Until now, there are many researches in corporate governance field. Berle and Means (1932) identified that the problem of governance of managers comes from the ownership separation to a disciplinary function and a decision-making function. The Russian Code (2002) stated corporate governance influences economic entities and their ability to attract capital. Cremers and Nairs (2003) finds external governance, i.e., market of corporate control, and internal governance, i.e., shareholder monitoring, are strong complements. Gerard Chareaux (2004) said the objective of corporate governance theory is not about how managers govern, but about how they are governed. Malek Lashgari (2004) mentions corporate governance is concerned with managing the relationship among various corporate stakeholders, and common stockholders have the right to elect members of the Board. Abu-Tapanjeh (2008) pointed corporate governance has different meaning to different organizations. Li Wei An (2008) in a research of corporate governance said it is urgent matter to seek which governance model is more suitable for the governance environment where Chinese listed companies survive. Haslinda., & Benedict (2009) stated the corporate governance theory began with agency theory, transaction cost and ethics related theories.

As Kirkpatrick, Grant., (2009) pointed out that even OECD corporate governance, short-called CG, principles needed to be review in key areas, including boar composition and competencies, remuneration issues, etc., after the financial crisis. Lambert, Caroline., and Sponem, Samuel., (2010) research in France with a conclusion that management controllers play an important role in profit manipulation and the shareholder pressure influence the nature of the management controller's task such as reporting and budgetary control. Last but not least, Thomas Wuil Joo (2010) explains "corporate governance" is mainly concern the internal governance of corporation, i.e., the relationship among participants in the enterprise. A short summary or evaluation of a few global governance Codes has not been done yet.

3.0 Theory of Corporate Governance, Scandal and Market Manipulation

3.1 Theory of manipulation

Aggarwal, Rajesh K., Wu, Guonzu (2003) found out that potential manipulators can be corporate insiders, brokers, underwriters, large shareholders and market makers and stock prices rise throughout the manipulation period, prices higher when liquidity greater, and then fall in the postmanipulation period despite unclear evidence. They found that in a market with manipulators, more information seekers makes it easier for a manipulator to enter the market and potentially worsen the market efficiency.

Besides, Mei, Jianping., Wu, Guojun., and Zhou, Chunsheng (2004) shown the manipulator is a large investor who is a price setter, rather than a price taker. He or she can pump the stock price by a series of buying orders, then, dumps the stock to make profit.

3.2 Theory of corporate governance and financial crisis

For simplicity, corporate governance is a set of processes, customs, policies, rules directing and controlling an organization. Allen, Franklin., and Gale, Douglas., (2002) identify that Good corporate governance in US and UK means firms pursuing the shareholders' interests while it involves pursuing the interests of all company's stakeholders including customers and employee as well as shareholders, in Japan, France and Germany.

Moreover, Grant Kirkpatrick (2009) states in the OECD CG report that the financial crisis, for example 2007-2009, can be an important factor to failures of the CG system and the OECD CG principles need to be reviewed.

3.3 Theory of corporate scandals

Cadette (2002), Madrick (2003) and Schwartz (2003) indicate that to gaudy earnings, options created outrage when top management or executives allow manipulation on quarterly report, resulted in short-term movements in stock prices, allowing sizeable personal profits despite probable future restatements of company earnings. In scandal examples of Enron, Qwest, many executives sold their stock when its price is high, while employees could not do so, because of access to privileged performance information.

Hence, corporate scandals may derive partially from false actions or manipulations of management or executives. In the scandal examples of Xerox or Worldcom, false accounting practices were taken into account when recognizing booking earnings for counterfeit transactions. Or in the case of Arthur Andersen, one of the Big Five, the auditing technique and procedures and professional responsibilities are main issues which cause failures in auditing Enron Corp which is filed for bankruptcy in 2001.

4.0 Research Methodology

First, we select 2 international corporate governance practices including: 1) UN governance standards; and 2) SWF governance practices; we call this is group 1.

We also use international standards of corporate governance for reference such as: OECD and ICGN's corporate governance principles and standards.

Then, we choose Norway and Finland which are representative for a limited North European group to analyze these countries' governance standards. We call this is group 2 "a relative group".

Second, we perform a qualitative analysis on each group code, then build general standards for corporate governance in two (2) above groups. These standards represent common understanding and principles in each group.

Third, we compare and provide a short summary of evaluation of the 2 groups' standards.

Finally, we make a suggestion on what socalled a short general corporate governance principles for Russia and a few North European nations.

Additionally, it can be considered as the recommendation to relevant countries' government and other relevant organizations for further steps, public policy and necessary evaluation.

5.0 Empirical Findings

5.1 Findings on corporate governance issues after financial crisis, corporate scandals and market manipulation

First of all, we found out that there is a lack of code of ethics or code of conduct.

The second important corporate governance issue is that the corporate governance mechanisms is not complete and perfect in the aspect that some codes mention mainly certain sides of governance such as disclosure and omit other sides.

Third, in the company, who has the right and how to prevent and control the manipulation actions which may come from either manipulators or executives and management team?

Last but not least, one major corporate governance issue exsiting as the main cause to corporate scandals of these companies is that who are qualified board members or management team members.

5.2 Findings on ways of manipulation during corporate scandals

Several Manipulation Techniques found out during corporate scandals involve, but not limit to:

5.2.1 The manipulation techniques in the income statement

The use of inappropriate companies to inflate the company's revenues with a hope to inflate the company's stock price is done by a family corporation such as Adelphia in the late 1990s, which leads to its collapse in 2002. Another case, Livedoor co. in Japan, shows us that the management cooks its book and transfer profits from its consumer – related firm; so, the firm has earnings, not loss, and manipulate stock price.

5.2.2 The manipulation techniques in both the income statement and balance sheet

The technique is used by the famous company in Japan, Xerox, in the year 2001-2002. It manipulates its revenues or earnings by inappropriately classifying equipment rentals as long –term leases, by which it could accelerate the revenues instead of spreading out the rent. By manipulating its earnings, Xerox overstated its revenues up to \$2 billion. During the period 1997-1999, the firm has experienced the effect of the manipulation while its stock price increased up to a peak of \$60 per share, then, falling down.

5.2.3 The manipulation techniques relevant to international accounting practice code

We can refer here the case of Nortel Co. in Canada, in which the co. has violated the Canadian GAAP and changed its revenues recognizing policy. This helps the firm to manipulate its books. It also violated the Principle of Conservatism of GAAP by overstating the post-dot com earnings.

5.2.4 The manipulation techniques not relevant to all the above

We can refer here the famous case of AOL Time Warner fraud, in which the top executives of the firm used the money of the corporation for affecting stock price collapse, i.e., trick transactions, and then get large benefits by liquidating their shares in 2000-2001.

5.3 Findings on actions to prevent or control negative market manipulation

Among proper actions to prevent and control negative market manipulation is taking from the example of Olympus Co. in Japan. This case shows us that if the firm has had the qualified internal auditing, it could avoid the accounting fraud.

Moreover, The Corporation, generally, might consider changing its management team or executives. Once the management cooks its books and reports inappropriate profit figures, the team can be replaced. Last but not least, the company might consider using GAAP principles of recognizing revenues or of conservatism, and of recognizing longterm leases for avoiding negative manipulation in accounting and in the stock market.

5.4 Findings on construction of a limited general corporate governance standards

These findings will be shown in a detailed analysis of a model indicated in the later sessions.

5.4.1 Group 1 – Some international corporate governance standards

5.4.1.1 The united nation governance standards analysis

One of major different features in the 2006 UN Code is that it identified independent leadership of Board of management and focus on many aspects of information disclosure.

Besides, the Code emphasizes the two tier system of the Board organization including Board of management and Board of supervisors.

Additionally, The Code pays a lot of attention on disclosure roles and functions of the Board, which forms a new term 'corporate governance disclosure'.

Table 1: United Nation Corporate Governance General Standards (a Short Summary Evaluation)

Subjct s or partie s	Main quality factors	Sub qualit y factors	Respon sibilities	Objec tives	Not e
Audit commi ttee	Not mentio ned clearly in the Code	Vary depend s on size, comple xity of the firm;	Review fair value computa tion; Can be used for preparat ory	In conjun ction with interna l audit;	Fro m the Co de;

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Disclo sure and transp arency	How shareho lders exercis e their control rights; Control structur e; compre hensive ;	Nature, type and elemen ts of related -party transac tions;	Consoli dation require ments on F.S are conduct ed; Disclose significa nt relate- party transacti ons; procedu res of M&A	Equali ty of disclos ure; "subst ance over form";
Shareh olders and Minori ty Stockh older	One share one vote;	Equita ble treatme nt of shareh olders;	Aware of type, number, duties of outside manage ment position s held by individu al director; Judge ability of directors ;	Not mentio ned clearly in the Code
Financ ial reporti ng standa rds	Used Internat ional Financi al Reporti ng Standar ds (IFRs); true and fair view;	Based on general ly accepte d accoun ting princip les;	BD gives further explanat ions in MDA section;	Appro priatel y follow ed;

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5.4.2 SWF governance standards analysis

In Oct 2008, SWF or Santiago (Chile) principles of governance were published after the meeting of 26 IMF country members. They agree on generally accepted principles and practices (GAPP).

Besides, the 2008 SWF Code points the needed disclosure of legal

relationship b.t SWF and bodies such as central bank, other enterprises.

Additionally, The SWF governance principles had paid attention to the organization of SWF (funds) and relevant public disclosure.

Despite of more details in investment governance, the SWF principles cover limited issues, compared to the UN Code.

Table 2: SWF Corporate Governance GeneralStandards (A Short Summary Evaluation)

Subje cts or partie s	Main qualit y factor s	Sub quality factors	Respons ibilities	Objecti ves	Not e
Audit comm ittee	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Might be included in the governa nce structure ;	appropr iate and effectiv e division of oversig ht, decision making, and operatio nal	Un der sto od Fro m the Co de;

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					ix;
Disclo sure and transp arency	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Publicly disclosu re of general approac hes to RM; Disclose policy purpose of SWF; legal relations hip b.t SWF and state bodies;	Not mention ed clearly in the Code	
Share holder s and Minor ity Stock holder	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Exercise their ownersh ip rights to protect financial value;	Not mention ed clearly in the Code	
Finan cial reporti ng standa rds	Audite d annual ly;	In timely fashion ;	Audited annually complie d with intl. or national standard s;	Not mention ed clearly in the Code	
Emplo yee	approp riately qualifi ed and well- trained ;	Profess ional ethical standar ds;	Code of conduct formed;	Not mention ed clearly in the Code	
Note	works r	needed to b	art is describ e done for r means Risk	elevant sub	jects

5.5 Comparison between UN and SWF corporate governance standards

Based on the above information, we can see the UN Code shows a lot of information on disclosure such as disclosure of Board and of selection of external auditors, as well as scope of work of internal audit function.

While, the SWF Code, many times, confirm

the roles of risk management and control activities in SWF. Another advantage in the UN Code is the consideration of Internet voting in meetings of shareholders. The Code encourages some voting technologies. Last but not least, one different point in The SWF Code, compared to the UN Code, is that it connects risk management functions with investment activities. It means that, the Code specifies roles of risk management in more details.

5.6 Establishment of a so-called limited international corporate governance standards

With the selection of UN and SWF as two governance codes which represent in the construction of general corporate governance principles and standards, we build the below table with the following criteria:

Firstly, it should have some attributes which enable the corporation or its Board to share and disclose better information with its stakeholders and shareholders.

Secondly, it focuses on risk management functions and roles.

Thirdly, it includes contents that enable corporations to identify gaps or differences with their existing codes.

Therefore, the below table D.1 is trying to summarize what are short general corporate governance standards. It is also constructed in the way that being the better understandable criteria.

 Table 3: A Summary of A Limited International

 Corporate Governance Standards

Subjects or parties	Main quality factors	Sub quality factors
Audit committee	Vary depends on size, complexity of the firm;	Might be included in the governance structure;
CEO and The Chair	Roles can be combined;	The Chair can be supported by Vice Chairman;
Corporate Secretary	N/A (for further research and implementation)	N/A (for further research and implementation)
Compliance officer	"Comply or explain" mechanism;	Sound legal framework;
Board of Directors	Independent leadership;	Two tier system;
Independent	Attend committee	May from

director	and Board meetings;	private sector;
	Form a governance	,
Supervisory	structure, together	N/A (for further
board to the	with Board of	research and
Management	Directors and	implementation)
	Management;	1 ,
Supervisory		Can compose of
to the Board	Can be independent	government
of Directors	external advisers;	authorities;
	Identify risk bearing	Used by The
Internal	capacity, risk	Board to
control	tolerance level:	mitigate risks;
	Board determines	
Internal	scope and duties of	Audit internally
audit	I.A;	activities;
		Duration of
	Independence;	current auditors;
External	Integrity;	Avoid interest
audit	Competency;	conflicts in non-
	competency,	audit services:
		Information
Disclosure	How shareholders	equally
and	exercise their control	available to all
transparency	rights;	shareholders;
		,
		Aware of type, number, duties
	Dontigingto	of outside
Shareholders	Participate effectively in general	
Shareholders		management
	meetings;	positions held
		by individual
	• <i>i</i> 1	director;
E1	appropriately qualified and well-	Professional
Employee	•	ethical
T	trained;	standards;
The	maximize the long-	Can have ethics
corporation	term	committee;
as a whole	return to shareholders	Senior ethics
entity		officer;
	Promote long term	Existence of
	sustainability of the	Code of ethics;
The Code	enterprise; clear and	high level of
	effective division of	integrity;
	roles and duties;	8,,

5.7 Group 2 – Relative north european corporate governance standards

5.7.1 Norwegian code of practice for corporate governance 2010

One advantage of the Code is that it pays attention to duties of the nomination committee. For example, it stated the committee should note the Board's report on performance. Furthermore, it also shows the connection b.t the Code and the Public Company Act (PCA) or Securities Trading Act or Auditing and Auditors Act. For example, the 21-day notice deadline in PCA for general meeting. Also, while the relevant regulation allows 4-year term for Board, the Code suggests max 2 years term.

In the Norwegian Code 2010, it specifies that the Code may a little more restrictive than the Public Company Act in a sense that it allows 1 class, whereas the Act permits different classes of share. This can be considered as another advantage.

However, it would be better if the Code mentions more about qualities of CEO and compliance officer or secretary.

Table 4: Norwegian Corporate Governance Code	
2010 (a Short Summary Evaluation)	

Subjec ts or parties	Main qualit y factor s	Sub quality factors	Responsi bilities	Obje ctives	Not e
Audit commi ttee	Ensure the greates t indepe ndence for Board;	can be formed in smaller firms;	Present at the general meeting; receives plan from auditors annually;	Not menti oned clearl y in the Code	
Nomin ation commi ttee	Duties guided by the genera 1 meetin g; at least 1 memb er not in the Board; avoid conflic ts of interes t b.t candid ates and	Chair , membe rs elected by GM; indepe ndence ; compo sition reflects shareh olders' interest s	Present at the general meeting; present recomme ndations, answers; give informati on of members on web; elect candidate s not proposed by board; use firm's	Not menti oned clearl y in the Code	

	memb		resources		
	ers;		; advice		
	,		from		
			outside;		
Compe nsation or Remun eration commi ttee	Not mentio ned clearly in the Code	Remun eration reflects boards' experti se, duties, time;	Set absolute remunera tion limit for executive ; remunera tion guideline s for executive ;	Not menti oned clearl y in the Code	
CEO	Not mentio ned clearly in the Code	Not in the nomina tion commi ttee; not be a Board membe r;	May not make a decision at the expense of other sharehold ers;	Not menti oned clearl y in the Code	
The Chair	The Chair of the board elected by corpor ate assem bly;	Indepe ndent chairm an for GM; have chairm an for nomina tion commi ttee;	The chairman of board elected by general meeting; ensure well- organized Board jobs; holding training for Board;	Not menti oned clearl y in the Code	
CEO and The Chair relatio nship	Not mentio ned clearly in the Code	Tasks may be delegat ed by Board;	Attend general meeting;	Not menti oned clearl y in the Code	
Corpor	Not	Not	Not	Not	
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Interna 1 audit	Not mentio ned clearly in the Code	annuall y review ed by board;	auditors with proposals for improve ment; Board receives routine report;	Not menti oned clearl y in the Code	
Extern al audit	Not mentio ned clearly in the Code	Knowl edge, experie nce;	Present at the general meeting; once a year review internal control procedur es;	Not menti oned clearl y in the Code	Fro m the cod e;
Disclos ure and transpa rency	Inform ation publis hed to provid e predict ability to shareh olders;	Firm inform ation in both Norwe gian and Englis h consid ering shareh olders;	Report CG in annual report; disclose dividend policy; Give informati on to nominate a candidate for a board on web;	Not menti oned clearl y in the Code	
Shareh olders and Minori ty Stockh older	Equal treatm ent; the firm only has 1 class of share; 21 day notice prior the	The firm explain s the justific ation from waivin g the pre- emptio n rights; at least	Can value whether the firm follows good CG; can anticipate the firm scopes; exercise rights as many as possible;	Not menti oned clearl y in the Code	Un der sto od fro m the cod e and pub lic co. act;

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5.7.2 Finish code of corporate governance 2010

One of its distinctions is mentioning information on board and committees and supervisory board that a firm needs to disclose in 5 years. Besides, the Code addressed its view of taking 2 statements: CG and remuneration statements of the company. It emphasizes the web disclosure on these. But, it still needs more information on corporate secretary or compliance officer.

Table 5: Finish Corporate Governance Code 2010 (a Short Summary Evaluation)

Subje cts or partie s	Main quality factors	Sub qualit y factor s	Respon sibilitie s	Obje ctives	N ot e	
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Non- execut ive direct or	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
Indepe ndent direct or	Not mentio ned clearly in the Code	Hold the majori ty of board;	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
CFO	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
Mana gemen t team	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code
Super visory board	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Remun eration , compos ition and operatio n disclose d;	Not menti oned clearl y in the Code
Intern al contro	Not mentio ned	risk MGT a part	Monitor ed by audit	Ensur e profit

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	distrib ution;	aticall y and reliabl y organi zed;	disclose contract benefits of managi ng	the Code	
			director ; disclose major risks and uncertai nties;		
Share holder s and Minor ity Stock holder	Not mentio ned clearly in the Code	Equal treatm ent; GM held after 6 month of fiscal year;	Extra GM organiz ed if at least shareho lders with 10% shares demand ; ask questio ns in GM; elect board and auditors ;	Not menti oned clearl y in the Code	
Financ ial reporti ng standa rds	Not mentio ned clearly in the Code	Done by audito r;	Not mention ed clearly in the Code	Not menti oned clearl y in the Code	
Emplo yee	Not mentio ned clearly in the Code	Not mentio ned clearly in the Code	Not mention ed clearly in the Code	Not menti oned clearl y in the Code	
Note	The un	derlined p	art is descr	ibing sor	ne

more works needed to be done for
relevant subjects and parties.

5.8 The Establishment of a relative north european corporate governance standards

5.8.1 Comparison between the norwegian and finish corporate governance principles

Different from other Codes, there is some information on the corporate assembly in the Norwegian Code 2010. For example, its composition has 12 members elected by shareholders and employee. Besides, the independence of Board members also involves the meaning in which family or business not affect his/her decisions.

On the other hand, the Finish Code considers many descriptive information of the firm need to be disclosed.

After making comparison, the following table is constructed in the way that creates the better understandable criteria, or at least a few.

Table 6: A summary of A Relative NorthEuropean Corporate Governance Standards

Subjects or parties	Main quality factors	Sub quality factors
Audit committee	opinions on errors of business and risks; Meeting at least once a month;	Unlimited access to firm information; Meeting at least once a month;
CEO	Day to day management; Tasks may be delegated by Board;	Present at shareholder meeting; resolve all corporate conflict matters not within authorities of BD; Not the chairman of the board;
The Chairman	Professional reputation; Perform a considerable amount of job; Tasks may be delegated by	organize work of committee; nominating boar members for committee;

	Board;	
Corporate Secretary	Knowledge for proper performance and functions; not be affiliated person of firm and officers;	receive notice from CEO, managerial board if any conflicts of company interests;
Compliance officer	Not mentioned clearly in the Code	Not mentioned clearly in the Code
Board of Directors	at least 2 directors independent of significant shareholders	Set clear, predictable dividend policy; have liability insurance; not disclose insider information;
Independent director	Involved in board;	Not serve as member of managerial board; not a representative of the government;
Supervisory board to the Management	Can be board of directors;	Not mentioned clearly in the Code
Supervisory to the Board of Directors	The corporate assembly supervises the board and executive management;	Remuneration , composition and operation disclosed; Use independent expert in take- overs valuation and explanation to public;
Internal control	main features reviewed by Audit Committee; Define principles of internal control and risk MGT; risk valued by board;	Risk MGT a part of internal control; annually reviewed by board and on shortcomings; reviewed by auditors with proposals for improvement;

Internal audit	Monitored by audit committee; instructions approved by audit committee;	Board receives routine report;
External audit	disclose deficiencies in financial activity;	audit and non- audit service fees disclosed; Honesty, competence; once a year review internal control procedures;
Disclosure and transparency	Information published to provide predictability to shareholders;	disclose shareholders' information with 20% or >5% shares;
Insider information	Insider information controlled by the firm;	Not allow operations based on confidential information;
Shareholders	Give objective opinion in GM;	Not allow harm the rights of other shareholders; not misuse their rights;
Employee	Workplace healthcare, safety, labor efficiency mentioned in ethical standards;	Their rights included in CSR;
Candidates in nomination	Competence, capacity and independence, education, business experience;	information given to shareholders before meeting;
The corporation as a whole entity	Define guidelines for CSR; set corporate values; create transparent	Define scope of business, objectives, strategies; appropriate equity for objectives,

	1	
	mechanism	strategy, risk;
	for dividend	
	payment;	
The Code	Have a	
	separate	"Comply or
	corporate	explain" approach
	governance	explain approach
	statement;	

5.8.2 1st Establishment of so-called limited north european corporate governance standards

5.8.2.1 Comparison of corporate governance standards between<D.1> and <D.2> group

Before we come to set up a set of general limited standards of corporate governance, we need to review the standards combined in the previous two (2) groups:

The advantages of Group 1, but not limited to, disclosure standards, shareholders and supervisory board, though it still works more on duties of corporate secretary.

On the contrary, the Group 2 including 3 above countries has certain strong features. For example, the Russian code considered the company as a whole which could establish the easy to understand dividend payment policy for shareholders. Whereas the Finnish Code 2010 needs the company issues its own CG statement on matters such as: information on managing directors and duties, etc...Generally, both groups need more information on Supervisory board to management.

Based on the above analysis, we consider building comparative standards as below.

Table 7: A Summary of A Limited North European Corporate Governance Standards

Subjects or parties	Main quality factors	Sub quality factors
Audit committee	opinions on errors of business and risks; Meeting at least once a month;	Vary depends on size, complexity of the firm;
Nominating committee	elect candidates not proposed by	Use external advisers to find new directors;

	board; use	Can be used for		
	firm's	preparatory		
	resources;	work of the		
		Board;		
		Attract skilled		
		experts;		
	Remuneration	evaluate		
Numeration or	reflects boards'	performance of		
Compensation		BD and		
Committee	expertise,	managerial		
	duties, time;	board; have		
		remuneration		
		statement;		
	Present at	,		
	shareholder			
	meeting;			
	resolve all	Day to day		
	corporate	management;		
	conflict	Not in the		
CEO	matters not	nomination		
	within	committee; not		
	authorities of	be a Board		
	BD; Not the	member;		
	chairman of			
	the board;			
	the board,	The Chair can		
	organize work			
	of committee;	be supported		
The Chair	nominating	by Vice		
	boar members	Chairman;		
	for committee;	professional		
		reputation;		
CEO & The	Roles can be	Tasks may be		
Chair	combined;	delegated by		
		Board;		
	Not mentioned	Not mentioned		
CFO	clearly in the	clearly in the		
	Code	Code		
	Knowledge for	receive notice		
	proper	from CEO,		
	performance	managerial		
Corporate	and functions;	board if any		
Secretary	not be	conflicts of		
	affiliated	company		
	person of firm	interests;		
	and officers;	micresis,		
Compliance	"Comply or	Sound logal		
Compliance	"Comply or explain"	Sound legal		
Compliance officer		Sound legal framework;		

		-	T			
Directors	predictable	system; at least			activity;	services;
	dividend	2 directors			How	Information
	policy; have	independent of		Disclosure	shareholders	published to
	liability	significant		and	exercise their	provide
	insurance; not	shareholders		transparency	control rights;	predictability to
	disclose insider				control rights,	shareholders;
	information;				Insider	Not allow
Management	develop	Have sufficient		Insider	information	operations
team	guidelines of	time;		information	controlled by	based on
team	operations;	time,		mormation	the firm;	confidential
		Not serve as			uie min,	information;
		member of				Not allow harm
		managerial			Participate	the rights of
Independent	Involved in	board; not a		Shareholders	effectively in	other
director	board;	representative		Shareholders	general	shareholders;
unector	board,	of the			meetings;	not misuse
		government;				their rights;
		May from			Disclose	Pay attention to
		private sector;			shareholders'	Public
Supervisory	Can be board	Not mentioned		Stakeholders	information	Company Act,
board to the	of directors;	clearly in the		Stakenoiders	with 20% or	Securities
Management	of directors,	Code				trading Act,
	The corporate	Use			>5% shares;	etc
	assembly	independent			Information	disclose
	supervises the	expert in take-		A (1.11)	equally	information on
Supervisory to	board and	overs valuation		Accountability	available to all	independent
the Board of	executive	and explanation			shareholders;	director;
Directors	management;	to public; Can			In accordance	
	Can compose	be independent			with generally	Audited
	of government	external		Financial	accepted	annually
	authorities;	advisers;		reporting	accounting	complied with
	main features	annually		standards	standards and	intl. or national
	reviewed by	reviewed by			actual	standards;
	Audit	board and on			situation;	
Internal	Committee;	shortcomings;			Board takes	CEO and
control	Define	reviewed by		Leadership	independent	Chairman in
	principles of	auditors with			leadership;	charge;
	internal control	proposals for			Workplace	
	and risk MGT;	improvement;			healthcare,	
	Monitored by		1		safety, labor	
	audit				efficiency	Follow ethical
	committee;	Decili			mentioned in	guidelines to
Internal audit	instructions	Board receives		Employee	ethical	communicate
	approved by	routine report;			standards;	with Board;
	audit				appropriately	,
	committee;				qualified and	
	disclose	Avoid interest	1		well-trained;	
External audit	deficiencies in	conflicts in		Candidates in	Give	Competence,
	financial	non-audit		nomination	information to	capacity and
L	I		L			enpuerty und

	nominate a	independence,
	candidate for a	education,
	board on web;	business
		experience;
	avoid conflicts	Board members
3rd parties and	of interest b.t	holding some
conflicts of	candidates and	appointments
interests	board	note conflicts
	members;	of interest;
The corporation as a whole entity	Define guidelines for CSR; set corporate values;	Can have ethics committee; Senior ethics officer;
The Code	Promote long term sustainability of the enterprise; clear and effective division of roles and duties;	Have a separate corporate governance statement; "Comply or explain" approach

5.0 Conclusions

In efforts to prevent failures and control the corporate governance issues after crisis, the 2006 UN Code and the 2008 SWF Governance Principles were formed. Both Codes describes many aspects of disclosure.

As analyzed, the UN Code gives more information on committees and supervisory boards.

On the other side, SWF Code has a detailed description of recommendations to risk management in investment field. On the other hand, in group 2, the Norwegian Code 2010 pays attention to take-overs and relevant duties of corporate employee.

In general, both Codes of 2 groups promote long term sustainable value for the corporation and emphasizes roles of audit committee and internal control.

In consideration of corporate governance issues analyzed in the previous sessions, we proposed the main and sub quality factors in this paper a set of general limited North European corporate governance standards in a limited global model with selected 2 above groups of Codes. It has some implications for further research and proper recommendations to relevant government and organizations.

The above incorporated standards need to be re-evaluated before any organization in emerging markets including Viet Nam wants to use them for their own operation. It means that these standards are flexible, not strict. And they have to pay attention to quality factors relating to employee, management, and the company.

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