



2019 Annual Report



EUROPEAN CORPORATE GOVERNANCE INSTITUTE

Leading Research with Global Impact

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| www.ecgi.global

| Brussels, Belgium

2019 ANNUAL REPORT

Reflecting on 2019 while in the midst of the Covid-19 pandemic is unusual. As with so many things, it amplifies the meaning and significance of our past achievements, gatherings and not least - research. In 2019, ECGI advanced its priorities around its three stated pillars of Research, Engagement, and Dissemination. The collective achievements of 2019 have put us in a good position to face the challenges that 2020 has since brought and also to grasp new opportunities.

Over a quarter of the 110 working papers in 2019 have been published in peer reviewed journals. The series featured the enduring research themes of regulation, company law, shareholders and ownership, along with a resurgence of themes such as activism, voting, control and institutional investors. New topics also established themselves in the series, as the scope of corporate governance and the interests of ECGI research members broadened to include environmental and technology issues. The work on ESG builds on an existing literature on corporate social responsibility which will take on a new significance from 2020. The politics of corporate governance was also reflected with studies about CEOs, directors, Brexit, capital markets, competition, family firms, venture capital and perhaps most notably with the sparking of debates in 2019 over shareholder primacy and corporate purpose. The two papers awarded prizes in 2019 provided insights on investor ideology and the role of passive funds.

Leveraging its research network in 2019, ECGI collaborated on corporate governance themed events in Oxford, Riga, Jerusalem, Frankfurt, London, Barcelona, Cambridge, Tokyo, Tel Aviv and New York, each producing useful material on important governance and stewardship issues. The Global Corporate Governance Colloquia (GCGC) held its fifth conference in Frankfurt. This partnership of twelve leading universities and two insightful practitioner partners, from Asia, Europe and the US, is cemented further with each successful colloquium. It is a strong example of ECGI's capacity to connect institutions and scholars who would be otherwise unlikely to interact.

The network continued to grow with the appointment of 17 new research members from Europe, North America and Asia, most of whom have already contributed to the working paper series. Recognising the significant contribution of the research members, the ECGI Fellows elected five new Fellows. ECGI is proud of the high standard of academic appointments across the global network, which is its strongest asset.

The addition of new institutional partners and a new patron member in 2019 are testament to the calibre of ECGI's network. Without the support of these members in particular, ECGI would be additionally constrained in its mission to improve corporate governance globally, for the benefit of all. The European Corporate Governance Research Foundation (ECGRF) provides the stability for ECGI to operate and deliver important research year after year.

In October 2019, Professor Hideki Kanda stepped down from the ECGI Board, having served for five years. The Board is grateful for his contribution, gentle wisdom and friendship during his time as a Director, wishing him well in his retirement.

As we embrace the challenges of 2020, the research, collaboration and engagement of ideas across the ECGI network are increasingly important and the progress achieved in 2019 and in previous years will stand to ECGI's resilience in such times.

Marco Becht
Executive Director

CONTENTS

1. Events in 2019	4
Global Corporate Governance Colloquium (GCGC) 2019	4
Annual Members' Meeting 2019	5
ECGI Roundtable Series	7
Other affiliated events in 2019	7
2. 2019 Announcements	13
3. Working Paper Prizes 2019	15
4. Research Member Appointments	16
5. Research	17
Company Law	17
Regulation	19
Activism	21
Voting	21
Venture Capital	22
Technology	23
Mergers & Acquisitions	23
Institutional Investors	24
ESG	25
Boards & CEOs	25
More...	27
6. Governance and Financial Statements 2019	29
7. Membership	32



1. EVENTS IN 2019

ECGI engages with its members and partners through wide-ranging events around the world. These take the form of academic conferences, roundtables, and practitioner-academic events. The aim of these events is to encourage discussion and debate across geographic, industry and disciplinary boundaries. In some cases, ECGI organises the events and in others it collaborates with partner organisations to deliver material and insights from events around the world. A full list of events is available at: <http://ecgi.global/content/event-list>

Global Corporate Governance Colloquium (GCGC)

7 - 8 June 2019, House of Finance, Goethe University Frankfurt

The Global Corporate Governance Colloquia (GCGC) is a global initiative to bring together the best research in law, economics and finance relating to corporate governance at a yearly conference held at 12 leading universities in the Americas, Asia and Europe. The 12 hosting institutions are: Columbia University, Goethe University Frankfurt, Harvard University, Imperial College London, National University of Singapore, Peking University, Seoul National University, Stanford University, Swedish House of Finance, University of Oxford, University of Tokyo and Yale University.

The fifth annual GCGC conference took place at the Research Center SAFE (Sustainable Architecture for Finance in Europe) at the House of Finance, Goethe University Frankfurt on 7 -8 June 2019. The event, hosted by the House of Finance and organised by ECGI was attended by over 70 leading academics from a range of disciplines including finance, law, and economics with the aim of sharing



corporate governance knowledge on important topics such as **Investor Ideology, Corporate Culture, Index Funds, Active Owners, Family Firms, Financial Regulation, Related Party Transaction and more**. In addition to the sharing of knowledge on current research, the GCGC conference series inspires new thought and important avenues of future research.

The two-day conference programme also included panel discussions with invited business professionals and academics on topics of current importance. Taking part in a panel discussion on **'Sustainable Finance'** were Carine Smith Ihenacho (Norges Bank Investment Management), Monica Mächler (Zurich Insurance Group Ltd), and Christian Thimann (Athora Insurance Holding). The panel was moderated by Marco Becht (Solvay Brussels School, ECGI). Speaking on the second panel, moderated by Uwe Walz (Goethe University Frankfurt), on the topic **'Banking'** were Ignazio Angeloni (European Central Bank) and Florian Drinhausen (Deutsche Bank).

Material from the event, including papers, slides, event summary report and videos, are available on www.gcgc.global



2019 Annual Members' Meeting

24 October 2019, IESE Business School, Barcelona

The 2019 ECGI Annual Members' Meeting took place at IESE Business School, Barcelona, bringing together international academics and practitioners in the field of corporate governance for a programme that included a general assembly, a lecture, a panel discussion, a prize-giving ceremony and a members dinner.

The annual lecture was delivered by Professor Paola Sapienza (Kellogg School of Management). Professor Sapienza's lecture, entitled **"The Economics of Firm Culture"**, concluded that corporate culture is widely held to be very important, especially by people in practice. The research found that economists have tried to integrate corporate culture in their models, but these models typically fail to capture how firm culture can differ across organisations, which creates the need for a new paradigm.

Following the lecture, the focus panel on **"Corporate Culture"**, moderated by March Becht (Solvay Brussels School, ECGI) and composed of Prof. Paola Sapienza (Kellogg School of Management) and Dr. Beatrice Engström-Bondy (Investor AB), further discussed the challenges and importance of corporate culture, given the significant influence of corporations on society.



The two sessions served to highlight the significance of corporate culture, noting its potential to provide intrinsic motivation, increased productivity and reduced costs, while highlighting the enormous risks when it is perceived to go awry. The endogeneity problem was underlined as the key challenge for empirical studies on the topic, as they seek to define positive or negative culture in an attempt to correlate this with performance and other outcomes. Some of the many factors contributing to corporate culture include local culture and the identity of workers, stated or taught values, hiring and training policies, and the influence of a leader with their own social identity. Some practical steps were also offered for fostering a positive corporate culture that can work across sectors, beliefs, and geography. These include creating a dialogue and a network along with a sense of pride and inclusivity across the group. It is also helpful to have an owner that employees can identify with, and a majority shareholder with a long-term view.

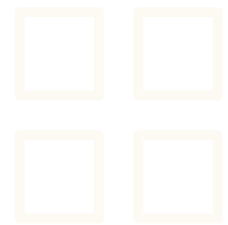
Following the lecture, ECGI awarded two research prizes for the best papers in the Finance and Law Working Paper Series' from the previous year (see Announcements section).

Speaking at the ECGI Members' dinner, Francisco Reynés Massanet (Naturgy) shared his personal experience, having been a member of various boards of directors in various countries. He reflected on the development of corporate governance over the years. According to him, corporate governance is about helping companies to last forever. This means that profitability is necessary, but not enough. A report from the event is available on the ECGI website: <https://ecgi.global/news/culture-ideology-and-stewardship-focus-2019-ecgi-members-meeting>

The Annual Members' Meeting preceded an academic conference on Corporate Governance and Ownership with Diverse Shareholders, also hosted by IESE and organised in collaboration with ECGI (see page 12).



ECGI ROUNDTABLE SERIES



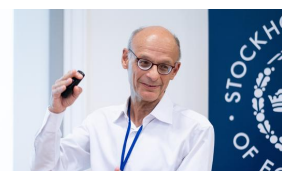
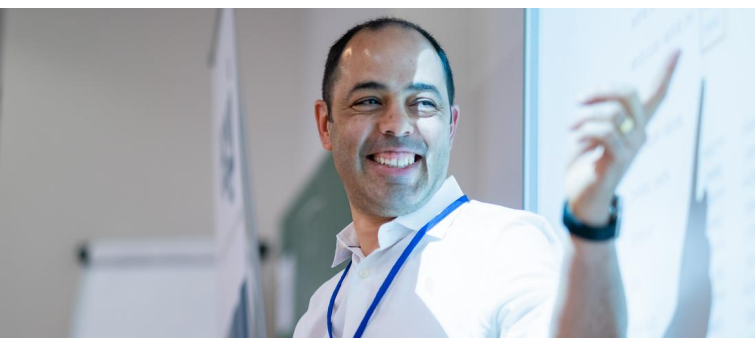
The ECGI Roundtable Series provides an engagement platform between ECGI Research Members and Institutional or Patron Members of ECGI. The topics are selected based on geographic relevance and the interests of the participating members. For queries about hosting or taking part in an ECGI Roundtable, contact Prof. Marco Becht, ECGI Executive Director.

“Why Are Fewer Companies Going Public?”

10 June 2019, Stockholm School of Economics in Riga

The Roundtable focused on the reasons and implications of fewer companies going public. The steep decline in initial public offerings in the U.S. has raised concerns about reduced opportunities for the general public to save for the future.

A summary report from the event is available on the ECGI website: <https://ecgi.global/news/event-report-why-are-fewer-companies-going-public>



For Whom is the Corporation Managed?

6 December 2019, NYU School of Law, USA

The Institute for Corporate Governance & Finance at NYU hosted a roundtable on the subject "For Whom is the Corporation Managed?" on Friday 6 December 2019. This topic continues to attract debate and interest from academia and business leaders into 2020 and many resources are available on the ECGI website.

OTHER AFFILIATED EVENTS IN 2019

ECGI also provided communication support to events organised by ECGI Research Members during the year. These included:

Corporate Governance and Stewardship Academic Day

11 February 2019, APG Group N.V., Amsterdam

On 11 February 2019, ECGI teamed up with the International Corporate Governance Network (ICGN) to present the Academic Day on Corporate Governance and Stewardship at the Amsterdam offices of the Dutch institutional investor APG Group N.V. It was a stimulating day of cross-fertilising discussion and debate between practitioners (mainly from the investor community) and academics doing research in governance. The conference examined four papers on three primary topics: common ownership, annual general meetings (AGMs) and the agenda on environmental, social and governance (ESG) issues and investor engagement.

A summary report from the event is available on the ECGI website:

<https://ecgi.global/news/investors-academics-and-corporates-share-views-important-issues>



Corporate Governance and ESG investing

2019 Academic & Practitioner Symposium on Mutual Funds and ETFs

22 February 2019, University of Virginia, Washington DC

The symposium, organised by ECGI Research Member Professor Pedro Matos (University of Virginia Darden School of Business), brought together practitioners, regulators and academics to discuss important issues in asset management and the focus this year was on **Corporate Governance and ESG investing**. The programme consisted of four invited academic papers (each with a practitioner and an academic discussant), two panel discussions and the lunch keynote speaker was Bill McNabb, former Chairman and CEO of Vanguard. Additional details about the conference can be found at:

<https://ecgi.global/content/corporate-governance-and-esg-investing>



Centros and European Company Law: Twenty Years of Living Dangerously

3rd Annual Conference of The Oxford Business Law Blog

15 March 2019, University of Oxford

March 2019 marked the twentieth anniversary of the landmark *Centros* case. It was the first of three judgments in which the (then) European Court of Justice affirmed companies' freedom of establishment, creating the conditions for (often-feared) regulatory arbitrage and competition in corporate law. Recognising its continued relevance for comparative company law, the editors of the Oxford Business Law Blog selected the case to be the focus of its third annual conference, held on March 15 at St Hugh's College, Oxford. The conference gathered leading experts to reflect on the decision and its impact, just a few days before Brexit's original date. The presentations and discussions revealed that *Centros*' influence extends far beyond European company law.

A summary report from the event is available at: <https://ecgi.global/news/debunking-centros-risks-after-twenty-years>

Investors, Firms and ESG

5 June 2019, Saïd Business School, University of Oxford

The role of ESG (Environmental, Social and Governance) considerations in the management of public companies and the investment priorities of asset managers has become a first order question in corporate governance across the developed world. In his much discussed 2018 Letter to CEOs, BlackRock CEO Larry Fink focused on it explicitly: 'Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.' With this, a new agenda and a new generation of conversations and questions around ESG were launched: What are investors looking for from firms and from funds? What are boards and companies hearing? And what is the legal context of ESG and fiduciary duty? In this conference, both investor and firm perspectives were discussed in addressing these questions in the UK context.

The Future of the Firm

The Impact of Technology, Innovation and Industrial Change

5 July 2019, University College London, Faculty of Laws

Speculation, caution, enthusiasm, prediction, and philosophy: an event on "The Future of the Firm" captured all of the aforementioned elements and made for an informed exchange of ideas on the likely impact of technology innovation and industrial change on the concept of the firm. The event was organised thematically around (i) firm governance and purpose; (ii) management and employment; (iii) the law-technology cycle; (iv) capital and regulation; and finally (v) technology and insolvency.

The conference reflected on current trends in technology, law, society and regulation, with the aim of speculating on the evolution of the firm in the coming years. Some of the opportunities highlighted, that could be made possible by technological advancements, included productivity gains, increased competitive advantages, reduced agency costs, self-driving companies, the automation of law, digital jurisdiction, cost efficient capital markets, direct shareholder involvement, and efficient insolvency arrangements. Wyoming's digital legal framework and proposals to provide rules for 'decentralised autonomous organisations' ('DAOs') in Germany were touted as two promising examples for the future. Blockchain was suggested as a tool through which governance rules themselves are self-enforcing, customisable, bureaucracy-free and transparent. Thus, it was posited that organisations of the future could be in a position to transcend a physical state jurisdiction in favour of operating through a 'digital jurisdiction'.

A summary report from the event is available at: <https://ecgi.global/news/event-report-future-firm>

Technology, Governance and Regulation

8-9 July 2019, Jerusalem School of Business Administration, The Hebrew University

The Technology, Governance and Regulation Conference in Jerusalem was hosted by the Jerusalem School of Business Administration at the Hebrew University and co-organised by ECGI research member Professor Yishay Yafeh of the Hebrew University and Professor Sharon Belenzon of Duke University.

Fourth Annual Cass Mergers and Acquisitions Research Centre Conference

19 August 2019, London

Organised by The Mergers & Acquisitions Research Centre at Cass Business School, The fourth Cass Mergers and Acquisitions Research Centre (MARC) Conference was held at Cass Business School on Monday 19 August 2019. The keynote speech was delivered by David Petrie, Head of the Corporate Finance Faculty at ICAEW. The conference was attended by academics, PhD students and alumni.

Global Shareholder Stewardship Conference

23-24 September 2019, King's College London

The Global Shareholder Stewardship Conference, which was held at King's College London on 23-24 September 2019, unpacked shareholder stewardship by looking at 19 different national stewardship codes/principles as well as the amended EU Shareholder Rights Directive (SRD II), the EFAMA stewardship code and the ICGN Global Stewardship Principles.

The conference brought together 38 academics, policymakers and market players to share experiences, enhance dialogue, disseminate good practice, guide scholarship, and shape future stewardship policy through evidence-based recommendations. During the conference, it became apparent that there are deeper issues relating to the adoption and practice of stewardship, such as the proliferation of stewardship codes around the world despite the widely different corporate governance systems and market structures and the diversity in stewardship practices despite the apparent, global convergence of stewardship codes, especially in terms of their form and content.

A summary report from the event is available on the ECGI website:

<https://ecgi.global/news/event-report-global-shareholder-stewardship-conference>



An Academic Life in Law and Finance Commemorating Brigitte Haar

24 September 2019, Goethe University Frankfurt

The conference remembered the late Professor Brigitte Haar who passed away much too early in spring 2019. Professor Haar was Professor of Private German, European, and International Business Law at the Goethe University Frankfurt and an ECGI Research Member.

Corporate Governance and Ownership with Diverse Shareholders

2019 IESE - ECGI Corporate Governance Conference

25-26 October 2019, IESE Center for Corporate Governance, Barcelona

ECGI and IESE Business School Center for Corporate Governance organised a conference on "Corporate Governance And Ownership With Diverse Shareholders", which took place in Barcelona on 25-26 October 2019. The conference consisted of eight sessions which allowed for rich discussions on the concept of capitalism and the concept of ownership, "enlightened shareholder value", the rise of passive investing and its consequences particularly in relation to engagement and competition, the influence of engagement on trading decisions, the behaviour of activist directors and market awareness, the increasing presence of mutual funds in unicorn investments, the links between short-termism and equity vesting, and the ongoing debate over common ownership; could it (does it) limit competition or improve efficiencies and innovation?

A summary report from the event is available at: <https://ecgi.global/news/event-report-ownership-diverse-shareholders>



Divest or Engage? Strategies for Responsible Investing

28 October 2019, University of Cambridge

The Centre for Endowment Asset Management (CEAM) at University of Cambridge organised and hosted the "Divest or Engage? Strategies for Responsible Investing" conference with the collaboration of ECGI, on 28 October 2019. The discussions highlighted the challenges for excluding undesirable assets from investment portfolios, how engagement can be a value-enhancing complementary tool, and also how the significant variances between data providers can have a fundamental impact on the ESG credentials of institutional portfolios.

A summary report from the event is available at: <https://ecgi.global/news/event-report-strategies-responsible-investing>



Governance Reforms from Comparative Perspectives

5-7 November 2019, Tokyo

Waseda Institute for Advanced Study (WIAS) conducted this 3-day international seminar which wrapped up past research activities and explored new issues to be challenged concerning this research project.



New Research on Executive Compensation and on Sustainability

16-17 December 2019, Bar-Ilan University, Ramat-Gan

This academic conference focused on the theme of Executive Compensation and Sustainability. It was organised by ECGI research member, Professor Beni Lauterbach, the Raymond Ackerman Family Chair in Israeli Corporate Governance, at Bar-Ilan University, Tel Aviv.



2. 2019 ANNOUNCEMENTS

In February, ECGI announced the appointment of Prof. Amir Licht as Editor of the ECGI Law Working Paper Series. Professor Licht was a member of the editorial board for several years and assumed the role of Editor on 15 March 2019. ECGI would like to acknowledge with gratitude the excellent stewardship of the Law Series for the previous six years under Professor Luca Enriques, while wishing Professor Licht success with the role.



In March, ECGI launched an independent engagement and collaboration platform open to all those with an interest in corporate governance. The ECGI Community is a forum for sharing announcements, events, articles and opinions. It is highly customisable, allowing users to control the number of notifications they receive and what information they share with others. The ECGI Community platform aims to stimulate interesting dialogue and collaboration across geographic and disciplinary boundaries. The Community Manager is Professor Marc Goergen (IE Madrid).

BlackRock

In May, ECGI were delighted to welcome the support of a new patron member. The global asset manager, BlackRock became the third patron member of ECGI through its commitment as a patron of the European Corporate Governance Research Foundation (ECGRF). The ECGRF was established in 2013 by the founding patrons, Investor AB and BP plc., making it possible for ECGI to develop its activities and operations in recent years. The patrons of ECGRF make philanthropic donations of EUR 50,000 annually in support of independent evidence-based research. They are awarded patron member status of ECGI.

Also in May, ECGI announced new Institutional Members and Academic Institutional Member that had joined the network. Eight new Institutional members joined ECGI in 2019.



In October, ECGI was proud to announce the appointment of five new Fellows to add to its distinguished ranks. The new Fellows, elected by their peers were drawn from academia in Europe and the United States. They are Philippe Aghion, Professor of Economics, London School of Economics and College de France; Marianne Bertrand, Chris P. Dialynas Distinguished Service Professor Of Economics, The University of Chicago Booth School of Business. Katharina Pistor, Edwin B. Parker Professor of Comparative Law, Columbia Law School; Edward Rock, Martin Lipton Professor of Law, NYU Law; Paola Sapienza, Professor of Finance Kellogg School of Management.

The Institute awards the title Fellow of ECGI to individuals who have demonstrated scientific excellence or other outstanding achievements in the area of corporate governance. Previously appointed Fellows include Nobel Laureates Jean Tirole, Oliver Hart and Bengt Holmström. Collectively, the new appointees have published their research in the top academic journals worldwide and have consulted for government institutions and numerous respected bodies while maintaining an impressive range of international credentials and appointments. Their work is commonly cited and has inspired new research in the field of corporate governance.



3. WORKING PAPER PRIZES 2019

In 2019, the Finance Series prize of EUR 5,000, sponsored by Aberdeen Standard Investments, the global fund manager, was awarded to Patrick Bolton (Columbia University and ECGI), Tao Li (University of Florida), Enrichetta Ravina (Northwestern University), Howard Rosenthal (New York University), for their paper on “Investor Ideology” (ECGI Finance Working Paper 557/2018).

The paper provides a new angle on understanding the voting behaviour of institutional investors. It draws on the notion that (institutional) investors are heterogeneous and have different ways of understanding and interpreting the corporate world. The paper innovates by drawing on research methods that political science researchers have developed to categorise and map the ideologies of political parties. It stands out because it examines an important aspect of corporate governance from a new angle. The jury was particularly enthusiastic about its innovativeness.

The Law Series prize of EUR 5,000, sponsored by Cleary Gottlieb Steen Hamilton Prize for the Best Paper in the ECGI Law Working Paper Series was awarded to Lucian Bebchuk (Harvard Law School, NBER, CEPR and ECGI), and Scott Hirst (Boston University, Harvard Law School) for their paper on “Index Funds and the Future of Corporate Governance: Theory, Evidence, and Policy” (ECGI Law Working Paper 433/2018).

This paper provides a comprehensive theoretical, empirical and policy analysis of passive investment funds, which have become a central player both in the US and elsewhere. Due to agency problems, the paper shows, the managers of passive funds have significant incentives to under-invest in stewardship, as well as to defer excessively to corporate managers, relative to what would best serve the funds’ beneficial investors. The paper also provides detailed evidence regarding the stewardship activities of passive funds, puts forward a number of policy proposals for improving these activities, and discusses the implications of its agency-costs analysis for key corporate governance debates. The jury's selection for the prize reflects the importance of this paper's contribution to one of the key debates in today's corporate governance.



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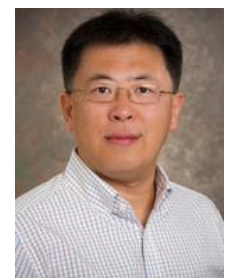
4. ECGI RESEARCH MEMBER APPOINTMENTS

Research Members play a special role in the governance of ECGI, they are the guardians of its scientific independence and integrity. With the support of ECGRF, 17 new research members were appointed to the European Corporate Governance Institute in April 2019.

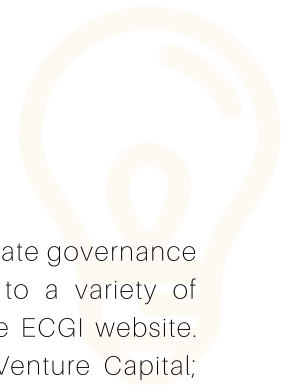
The new Research Members, who are drawn from academia in Europe, North America and Asia, were admitted on the quality of their academic work in the field of corporate governance.

Philippe Aghion
Jennifer Arlen
Ramin Baghai
Michal Barzuza
Alma Cohen
Robert M. Daines
Isil Erel
Nuno Fernandes
Sang Yop Kang
Kon Sik Kim
Nadya Malenko
Boris Nikolov
Øyvind Norli
Frederik Schlingemann
Steven Davidoff Solomon
Oliver Spalt
Fei Xie

London School of Economics and College de France
New York University School of Law
Stockholm School of Economics
UVA Law
Harvard Law School
Stanford Law School
Ohio State University
IESE Business School
Peking University, School of Transnational Law
Seoul National University School of Law
Boston College
University of Lausanne, Swiss Finance Institute
BI Norwegian Business School
Joseph M. Katz Graduate School of Business, University of Pittsburgh
University of California, Berkeley School of Law
University of Mannheim
University of Delaware, Lerner College of Business and Economics



5. RESEARCH



In 2019, ECGI's 277 research members published 110 ECGI Working Papers on corporate governance related topics. One of ECGI's main roles is to disseminate this research output to a variety of audiences using different formats and tools. All working papers are available on the ECGI website. Topics that featured include: Company Law; Regulation; Activism; Voting; Funds; Venture Capital; Technology; Mergers & Acquisitions; Institutional Investors; ESG; The following is a list of the papers published in the series in 2019:

Company Law

The Grip of Nationalism on Corporate Law

Mariana Pargendler (Fundação Getulio Vargas Law School, New York University and ECGI)
Law Working Paper 437/2019

Farewell to Fairness: Towards Retiring Delaware's Entire Fairness Review

Amir N. Licht (Interdisciplinary Center Herzliya and ECGI)
Law Working Paper 439/2019

Which Related Party Transactions Should Be Subject to Ex Ante Review? Evidence from Germany

Andreas Engert (Freie Universität Berlin and ECGI), Tim Florstedt (EBS Law School)
Law Working Paper 440/2019

Long-Term Bias

Michal Barzuza (University of Virginia and ECGI), Eric Talley (Columbia University and Millstein Center for Global Markets and Corporate Ownership)
Law Working Paper 449/2019

Regulatory competition in European company law. Where do we stand twenty years after Centros?

Stefano Lombardo (Free University of Bozen/Bolzano, CRELE and ECGI)
Law Working Paper 452/2019

Examining the Wates Principles for Large Private Companies as a Social Contract for Business-Society Relations

Roger M. Barker (University College London), Iris H-Y Chiu (University College London and ECGI)
Law Working Paper 453/2019

Centros, California's 'Women on Boards' Statute and the Scope of Regulatory Competition

Jill E. Fisch (University of Pennsylvania and ECGI), Steven Davidoff Solomon (University of California and ECGI)
Law Working Paper 454/2019

The Rise and Fall of Regulatory Competition in Corporate Insolvency Law in the European Union

Horst Eidenmueller (University of Oxford and ECGI)
Law Working Paper 456/2019

Comparative Company Law 2018

Klaus J. Hopt (Max Planck Institute for Comparative and International Private Law and ECGI)
Law Working Paper 460/2019

Corporate Control and the Limits of Judicial Review

Zohar Goshen (Columbia University and ECGI), Assaf Hamdani (Tel Aviv University and ECGI)
Law Working Paper 462/2019

Toward a Mission Statement for Mutual Funds in Shareholder Litigation

Sean J. Griffith (Fordham University and ECGI), Dorothy S. Lund (University of Southern California)
Law Working Paper 468/2019

Startups and Company Law: The Competitive Pressure of Delaware on Italy (and Europe?)

Paolo Giudici (Free University of Bozen-Bolzano and ECGI), Peter Agstner (Free University of Bozen-Bolzano)
Law Working Paper 471/2019

Centros and Defensive Regulatory Competition: Some Thoughts and a Glimpse at the Data

Martin Gelter (Fordham University and ECGI)
Law Working Paper 472/2019

Related Party Transactions in France - A Critical Assessment

Geneviève Helleringer (ESSEC Business School, University of Oxford and ECGI)
Law Working Paper 474/2019

Self-Driving Corporations?

John Armour (University of Oxford and ECGI), Horst Eidenmueller (University of Oxford and ECGI)
Law Working Paper 475/2019

Stakeholder Impartiality: A New Classic Approach for the Objectives of the Corporation

Amir N. Licht (Interdisciplinary Center Herzliya and ECGI)
Law Working Paper 476/2019

Extended Shareholder Liability for Systemically Important Financial Institutions

Alessandro Romano (Yale University), Luca Enriques (University of Oxford and ECGI), Jonathan R. Macey (Yale University and ECGI)
Law Working Paper 477/2019

Defined Contribution Plans and the Challenge of Financial Illiteracy

Jill E. Fisch (University of Pennsylvania and ECGI), Annamaria Lusardi (George Washington University and NBER), Andrea Hasler (George Washington University)
Law Working Paper 478/2019

The End of the Corporation

Mark Fenwick (Kyushu University), Erik P.M. Vermeulen (Tilburg University and ECGI)
Law Working Paper 482/2019

Controlling Shareholders in the Twenty-First Century: Complicating Corporate Governance Beyond Agency Costs

Mariana Pargendler (Fundação Getulio Vargas Law School, New York University and ECGI)
Law Working Paper 483/2019

The State as Owner - China's Experience

Curtis J. Milhaupt (Stanford University and ECGI)
Law Working Paper 487/2019

Irrelevance of Governance Structure

Zohar Goshen (Columbia University and ECGI), Doron Levit (University of Pennsylvania and ECGI)
Finance Working Paper 606/2019

Tunneling Through Group Trademarks

Martin Gelter (Fordham University and ECGI)
Finance Working Paper 624/2019

On Inference When Using State Corporate Laws for Identification

Holger Spamann (Harvard University and ECGI)
Finance Working Paper 644/2019

Regulation

When Shareholders Disagree: Trading After Shareholder Meetings

Sophia Zhengzi Li (Rutgers University), Ernst Maug (University of Mannheim and ECGI), Miriam Schwartz-Ziv (Hebrew University of Jerusalem and Michigan State University)
Finance Working Paper 594/2019

Why Do Auditors Fail? What Might Work? What Won't?

John C. Coffee (Columbia University and ECGI)
Law Working Paper 436/2019

The Data Standardization Challenge

Richard Berner (New York University), Kathryn Judge (Columbia University and ECGI)
Law Working Paper 438/2019

O Tell Me The Truth About Bail-In: Theory and Practice

Marco Ventoruzzo (Bocconi University, Max Planck Institute and ECGI), Giulio Sandrelli (Bocconi University)
Law Working Paper 442/2019

Who Falls Prey to the Wolf of Wall Street? Investor Participation in Market Manipulation

Andreas Hackethal (Goethe University Frankfurt), Christian Leuz (University of Chicago, NBER and ECGI), Steffen Meyer (University of Southern Denmark), Maximilian Muhn (Humboldt University), Eugene Soltes (Harvard University)
Law Working Paper 446/2019

The Death of a Regulator: Strict Supervision, Bank Lending and Business Activity

Joao Granja (University of Chicago), Christian Leuz (University of Chicago, NBER and ECGI)
Law Working Paper 447/2019

Network-Sensitive Financial Regulation

Luca Enriques (University of Oxford and ECGI), Alessandro Romano (Yale University), Thom Wetzer (University of Oxford)
Law Working Paper 451/2019

The Illusion of Motion: Corporate (Im-)mobility and the Failed Promise of Centros

Carsten Gerner-Beuerle (University College London and ECGI), Federico M. Mucciarelli (University of Modena, SOAS), Edmund Schuster (London School of Economics and Political Science), Mathias Siems (European University Institute, Durham University, and ECGI)
Law Working Paper 458/2019

Regulatory and Market Challenges of Initial Coin Offerings

Pablo de Andrés (Universidad Autónoma de Madrid and ECGI), David Arroyo (Institute of Physical and Information Technologies), Ricardo Correia (Universidad Autónoma de Madrid)
Alvaro Rezola (Universidad Autónoma de Madrid)
Law Working Paper 461/2019

The Limits of Limited Liability: Evidence from Industrial Pollution

Pat Akey (University of Toronto), Ian Appel (Boston College)
Finance Working Paper 611/2019

Litigating Innovation: Evidence from Securities Class Action Lawsuits

Elisabeth Kempf (University of Chicago), Oliver Spalt (University of Mannheim and ECGI)
Finance Working Paper 614/2019

Centros and the Internal Market

Anne-Lise Sibony (Université catholique de Louvain)
Law Working Paper 465/2019

The Politics of Capital Markets Union

Wolf-Georg Ringe (University of Hamburg, University of Oxford and ECGI)
Law Working Paper 469/2019

Addressing the Auditor Independence Puzzle: Regulatory Models and Proposal for Reform

Martin Gelter (Fordham University and ECGI), Aurelio Gurrea-Martínez (Singapore Management University)
Law Working Paper 479/2019

Abuse of Companies Through Choice of Incorporation?

Martin Gelter (Fordham University and ECGI), Lécia Vicente (Louisiana State University)
Finance Working Paper 623/2019

Implicit Communications and Enforcement of Corporate Disclosure Regulation

Ashiq Ali (University of Texas at Dallas), Jill Fisch (University of Pennsylvania and ECGI), Hoyoun Kyung (University of Missouri at Columbia)
Finance Working Paper 635/2019

When Shareholders Disagree: Trading After Shareholder Meetings

Sophia Zhengzi Li (Rutgers University), Ernst Maug (University of Mannheim and ECGI), Miriam Schwartz-Ziv (Hebrew University of Jerusalem and Michigan State University)
Finance Working Paper 594/2019

Activism

Activism Pressure and the Market for Corporate Assets

Ulrich Hege (Toulouse School of Economics and ECGI), Yifei Zhang (Toulouse School of Economics)
Finance Working Paper 596/2019

The Threat of Intervention

Vyacheslav Fos (Boston College and ECGI), Charles M. Kahn (University of Illinois at Urbana-Champaign)
Finance Working Paper 602/2019

Corporate Governance and Countervailing Power

Brian R. Cheffins (University of Cambridge and ECGI)
Law Working Paper 448/2019

Dancing with Activists

Lucian A. Bebchuk (Harvard Law School, NBER, CEPR and ECGI), Alon Brav (Duke University, NBER and ECGI), Wei Jiang (Columbia Business School, NBER and ECGI), Thomas Keusch (INSEAD)
Finance Working Paper 604/2019

The Importance of Climate Risks for Institutional Investors

Philipp Krueger (University of Geneva, GSEM, SFI and GFRI), Zacharias Sautner (Frankfurt School of Finance & Management), Laura T. Starks (University of Texas at Austin)
Finance Working Paper 610/2019

Shareholder activism in Germany

Andreas Engert (Freie Universität Berlin and ECGI)
Law Working Paper 470/2019

Managerial Response to Shareholder Empowerment: Evidence from Majority Voting Legislation Changes

Vicente Cuñat (London School of Economics and ECGI), Yiqing Lü (New York University Shanghai), Hong Wu (Hong Kong Polytechnic University)
Finance Working Paper 622/2019

Voting

Shareholder Engagement and Shareholder Voting Modes: Two of a Different Kind

Christoph Van Der Elst (Tilburg University, Ghent University and ECGI)
Law Working Paper 435/2019

Sticking around Too Long? Dynamics of the Benefits of Dual-Class Voting

Hyunseob Kim (Cornell University), Roni Michaely (University of Geneva and SFI)
Finance Working Paper 590/2019

Does Diversification of Share Classes Increase Firm Value?

Sojung Kim (Korea University Business School), Sunwoo Hwang (University of North Carolina), Woochan Kim (Korea University Business School and ECGI)
Finance Working Paper 597/2019

Picking Friends Before Picking (Proxy) Fights: How Mutual Fund Voting Shapes Proxy Contests

Alon Brav (Duke University, NBER and ECGI), Wei Jiang (Columbia Business School, NBER and ECGI), Tao Li (University of Florida), James Pinnington (Duke University)
Finance Working Paper 601/2019

Opt-In Stewardship: Toward an Optimal Delegation of Mutual Fund Voting Authority

Sean J. Griffith (Fordham University and ECGI)
Law Working Paper 463/2019

Bolstering Family Control: Evidence from Loyalty Shares

Emanuele Bajo (University of Bologna), Massimiliano Barbi (University of Bologna), Marco Bigelli (University of Bologna), Ettore Croci (Università Cattolica del Sacro Cuore Milan)
Finance Working Paper 619/2019

Trading and Shareholder Democracy

Doron Levit (University of Pennsylvania and ECGI), Nadya Malenko (Boston College, CEPR and ECGI), Ernst Maug (University of Mannheim and ECGI)
Finance Working Paper 631/2019

Retail Shareholder Participation in the Proxy Process: Monitoring, Engagement, and Voting

Alon Brav (Duke University, NBER and ECGI), Matthew D. Cain (University of California, Berkeley), Jonathon Zytznick (Columbia University, New York University School of Law)
Finance Working Paper 637/2019

Do Index Funds Monitor?

Davidson Heath (University of Utah), Daniele Macciocchi (University of Utah), Roni Michaely (University of Geneva and SFI), Matthew C. Ringgenberg (University of Utah)
Finance Working Paper 638/2019

Venture Capital

Cross-Border Venture Capital Investments: What Is the Role of Public Policy?

Wendy A. Bradley (Southern Methodist University), Gilles Duruflé (QCC Tech Innovation Platform), Thomas Hellmann (University of Oxford and ECGI), Karen E. Wilson (OECD and GV Partners)
Finance Working Paper 591/2019

Angels and Venture Capitalists: Substitutes or Complements?

Thomas Hellmann (University of Oxford and ECGI), Paul Schure (University of Victoria), Dan H. Vo (California Lutheran University)
Finance Working Paper 628/2019

Getting Tired of Your Friends: The Dynamics of Venture Capital Relationships

Qianqian Du (Hong Kong Polytechnic University), Thomas Hellmann (University of Oxford and ECGI)
Finance Working Paper 630/2019

Technology

Corporate Capture of Blockchain Governance

Daniel Ferreira (London School of Economics, CEPR and ECGI), Jin Li (Hong Kong University and CEP), Radoslaw Nikolowa (Queen Mary University of London)
Finance Working Paper 593/2019

A Sustainable Platform Economy & the Future of Corporate Governance

Mark Fenwick (Kyushu University), Erik P.M. Vermeulen (Tilburg University and ECGI)
Law Working Paper 441/2019

ICO Investors

Rüdiger Fahlenbrach (Ecole Polytechnique Fédérale de Lausanne, SFI and ECGI), Marc Frattaroli (Ecole Polytechnique Fédérale de Lausanne)
Finance Working Paper 618/2019

Tech, Regulatory Arbitrage, and Limits

Elizabeth Pollman (Loyola Marymount University)
Law Working Paper 455/2019

Corporate Technologies and the Tech Nirvana Fallacy

Luca Enriques (University of Oxford and ECGI), Dirk Zetzsche (University of Luxembourg and Heinrich-Heine-University Düsseldorf)
Law Working Paper 457/2019

Mergers & Acquisitions

Shadow Pills, Actual Pill Policy, and Firm Value

K. J. Martijn Cremers (University of Notre Dame and ECGI), Scott B. Guernsey (University of Cambridge), Lubomir P. Litov (University of Oklahoma), Simone M. Sepe (University of Arizona, IAST and ECGI)
Finance Working Paper 595/2019

The Intangibles Song in Takeover Announcements: Good Tempo, Hollow Tune

Zoran M. Filipovic (University of Lugano and SFI), Alexander F. Wagner (University of Zurich, Swiss Finance Institute, CEPR and ECGI)
Finance Working Paper 599/2019

Deal Insurance: Representation & Warranty Insurance in Mergers and Acquisitions

Sean J. Griffith (Fordham University and ECGI)
Law Working Paper 464/2019

Does Revlon Matter? An Empirical and Theoretical Study

Matthew D. Cain (University of California, Berkeley), Sean J. Griffith (Fordham University and ECGI), Robert J. Jackson, Jr. (New York University and ECGI), Steven Davidoff Solomon (University of California, Berkeley and ECGI)
Law Working Paper 466/2019

Institutional Investors

The Specter of the Giant Three

Lucian A. Bebchuk (Harvard Law School, NBER, CEPR and ECGI), Scott Hirst (Boston University and Harvard University)
Finance Working Paper 608/2019

Active Short Selling By Hedge Funds

Ian Appel (Boston College), Vyacheslav Fos (Boston College, CEPR and ECGI)
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The Private Use of Credit Ratings: Evidence from Mutual Fund Investment Mandates

Ramin P. Baghai (Stockholm School of Economics, CEPR, Swedish House of Finance and ECGI), Bo Becker (Stockholm School of Economics, CEPR and ECGI), Stefan Pitschner (Uppsala University)
Finance Working Paper 612/2019

Institutional Debt Holdings and Governance

Aneel Keswani (Cass Business School), Anh Tran (Cass Business School), Paolo Volpin (Cass Business School, CEPR and ECGI)
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The Systemic Governance Influence of Universal Owners: Evidence From an Expectation Document

Ruth V. Aguilera (Northeastern University), Vicente J. Bermejo (Universitat Ramon Llull), Javier Capapé (IE University), Vicente Cuñat (London School of Economics and ECGI)
Finance Working Paper 625/2019

The Wall Street Stampede: Exit as Governance with Interacting Blockholders

Dragana Cvijanovic (University of Warwick), Amil Dasgupta (London School of Economics, CEPR and ECGI), Konstantinos Zachariadis (Queen Mary University of London)
Finance Working Paper 632/2019

Corporate Governance Through Voice and Exit

Marco Becht (Université libre de Bruxelles, CEPR and ECGI), Julian Franks (London Business School, CEPR, and ECGI), Hannes F. Wagner (Bocconi University and ECGI)
Finance Working Paper 633/2019

Index Funds and Corporate Governance: Let Shareholders be Shareholders

Marcel Kahan (New York University and ECGI), Edward Rock (New York University and ECGI)
Law Working Paper 467/2019

Bond Funds and Credit Risk

Jaewon Choi (University of Illinois Urbana-Champaign and Yonsei University), Amil Dasgupta (London School of Economics, CEPR and ECGI), Ji Yeol Jimmy Oh (Hanyang University)
Finance Working Paper 639/2019

Singapore's Puzzling Embrace of Shareholder Stewardship: A Successful Secret

Dan W. Puchniak (National University of Singapore and CALS), Samantha Tang (National University of Singapore)

Law Working Paper 484/2019

Diversity of Shareholder Stewardship in Asia: Faux Convergence

Gen Goto (University of Tokyo), Alan K. Koh (Nanyang Technological University), Dan W. Puchniak (National University of Singapore and CALS)

Law Working Paper 485/2019

The Lost Decade for Hedge Funds: Three Threats

Joseph A. McCahery (Tilburg University and ECGI), F. Alexander De Roode (Robeco Asset Management)

Law Working Paper 486/2019

Environmental, Social & Governance(ESG)

Adoption of CSR and Sustainability Reporting Standards: Economic Analysis and Review

Hans B. Christensen (University of Chicago and NBER), Luzi Hail (University of Pennsylvania and ECGI), Christian Leuz (University of Chicago, NBER and ECGI)

Finance Working Paper 623/2019

Does Money Talk? Market Discipline through Selloffs and Boycotts

Nickolay Gantchev (Southern Methodist University, CEPR and ECGI), Mariassunta Giannetti (Stockholm School of Economics, CEPR and ECGI), Rachel Li (University of Alabama)

Finance Working Paper 634/2019

ESG Performance and Disclosure: A Cross-Country Analysis

Florencio Lopez-de-Silanes (SKEMA Business School and NBER), Joseph A. McCahery (Tilburg University and ECGI), Paul C. Pudschedl (Tilburg University)

Law Working Paper 481/2019

The Global Sustainability Footprint of Sovereign Wealth Funds

Hao Liang (Singapore Management University and ECGI), Luc Renneboog (Tilburg University, CentER and ECGI)

Finance Working Paper 647/2019

Boards & CEOs

The Politics of CEOs

Alma Cohen (Harvard Law School, Tel Aviv University, NBER, CEPR and ECGI), Moshe Hazan (Tel Aviv University and CEPR), Roberto Tallarita (Harvard Law School), David Weiss (Tel Aviv University)

Law Working Paper 450/2019

Shareholders and Stakeholders around the World: The Role of Values, Culture, and Law in Directors' Decisions

Amir N. Licht (Interdisciplinary Center Herzliya and ECGI), Renée Adams (University of Oxford ABFER, FIRN and ECGI)

Law Working Paper 459/2019

Shareholder Wealth Consequences of Insider Pledging of Company Stock as Collateral for Personal Loans

Ying Dou (Monash University), Ronald W. Masulis (University of New South Wales and ECGI), Jason Zein (University of New South Wales)

Finance Working Paper 592/2019

Firms' Rationales for CEO Duality: Evidence from a Mandatory Disclosure Regulation

Marc Goergen (IE Business School and ECGI), Peter Limbach (University of Cologne and Centre for Financial Research), Meik Scholz-Daneshgari (Karlsruhe Institute of Technology)

Finance Working Paper 598/2019

Private Benefits and Corporate Investment and Financing Decisions: The Case of Corporate Philanthropy

Ronald W. Masulis (University of New South Wales, ABFER and ECGI), Syed Walid Reza (State University of New York at Binghamton)

Finance Working Paper 603/2019

Selecting Directors Using Machine Learning

Isil Erel (Ohio State University NBER and ECGI), Léa H. Stern (University of Washington), Chenhao Tan (University of Colorado), Michael S. Weisbach (Ohio State University, NBER and ECGI)

Finance Working Paper 605/2019

Relative Performance Evaluation in CEO Compensation: A Talent-Retention Explanation

David De Angelis (Rice University), Yaniv Grinstein (IDC Herzliya, Cornell University and ECGI)

Finance Working Paper 615/2019

Is The Stock Market Biased Against Diverse Top Management Teams?

Alberto Manconi (Bocconi University and CEPR), A. Emanuele Rizzo (Nova School of Business and Economics), Oliver Spalt (Tilburg University, CentER and ECGI)

Finance Working Paper 616/2019

Does Board Gender Diversity Affect Renewable Energy Consumption?

Muhammad Atif (University of Essex), Mohammed Hossain (Gulf University for Science and Technology), Md. Samsul Alam (De Montfort University), Marc Goergen (IE Business School and ECGI)

Finance Working Paper 617/2019

Earnings Management around Founder CEO Re-appointments and Successions in Family Firms

Marc Goergen (IE Business School and ECGI), Svetlana Mira (Cardiff University), Iram Fatima Ansari (Sultan Qaboos University)

Finance Working Paper 620/2019

Value of Politically Connected Independent Directors: Evidence from the Anti-Corruption Campaign in China

Chang Zhang (University of Warwick)
Finance Working Paper 627/2019

Deadlock on the Board

Jason Donaldson (Washington University in St Louis and CEPR), Nadya Malenko (Boston College, CEPR and ECGI), Giorgia Piacentino (Columbia University, NBER, and CEPR)
Finance Working Paper 645/2019

More...

Survival and Pricing Puzzles

Michela Altieri (VU Amsterdam), Giovanna Nicodano (University of Torino and ECGI)
Finance Working Paper 600/2019

The Modern Corporation and Private Property Revisited: Gardiner Means and the Administered Price

William W. Bratton (University of Pennsylvania and ECGI)
Law Working Paper 443/2019

Rumours of the Death of the American Public Company are Greatly Exaggerated

Brian R. Cheffins (University of Cambridge and ECGI)
Law Working Paper 444/2019

Trust, Incomplete Contracting, and Corporate Innovation

Fei Xie (University of Delaware and ECGI), Bohui Zhang (The Chinese University of Hongkong), Wenrui Zhang (The Chinese University of Hongkong)
Finance Working Paper 607/2019

Chasing Lemons: Competition for Talent Under Asymmetric Information

Daniel Ferreira (London School of Economics, CEPR and ECGI), Radoslaw Nikolowa (Queen Mary University of London)
Finance Working Paper 621/2019

Teams and Bankruptcy

Ramin P. Baghai (Stockholm School of Economics, CEPR and ECGI), Rui C. Silva (London Business School), Luofu Ye (London Business School)
Finance Working Paper 626/2019

Be Careful What You Ask for: Fundraising Strategies in Equity Crowdfunding

Thomas Hellmann (University of Oxford and ECGI), Ilona Mostipan (University of Oxford, Analysis Group), Nir Vulkan (University of Oxford)
Finance Working Paper 629/2019

Equity Issuance Methods and Dilution

Mike Burkart (London School of Economics, CEPR and ECGI), Hongda Zhong (London School of Economics)
Finance Working Paper 636/2019

The New Mechanisms of Market Inefficiency

Kathryn Judge (Columbia University and ECGI)
Law Working Paper 480/2019

Public versus Private Equity

René M. Stulz (The Ohio State University, NBER, Wharton Financial Institutions Center and ECGI)
Finance Working Paper 640/2019

Feminist Firms

Benjamin Bennett (Tulane University), Isil Erel (Ohio State University, NBER, and ECGI), Léa (Stern University of Washington), Zexi Wang (Lancaster University)
Finance Working Paper 643/2019

The Sources of Financing Constraints

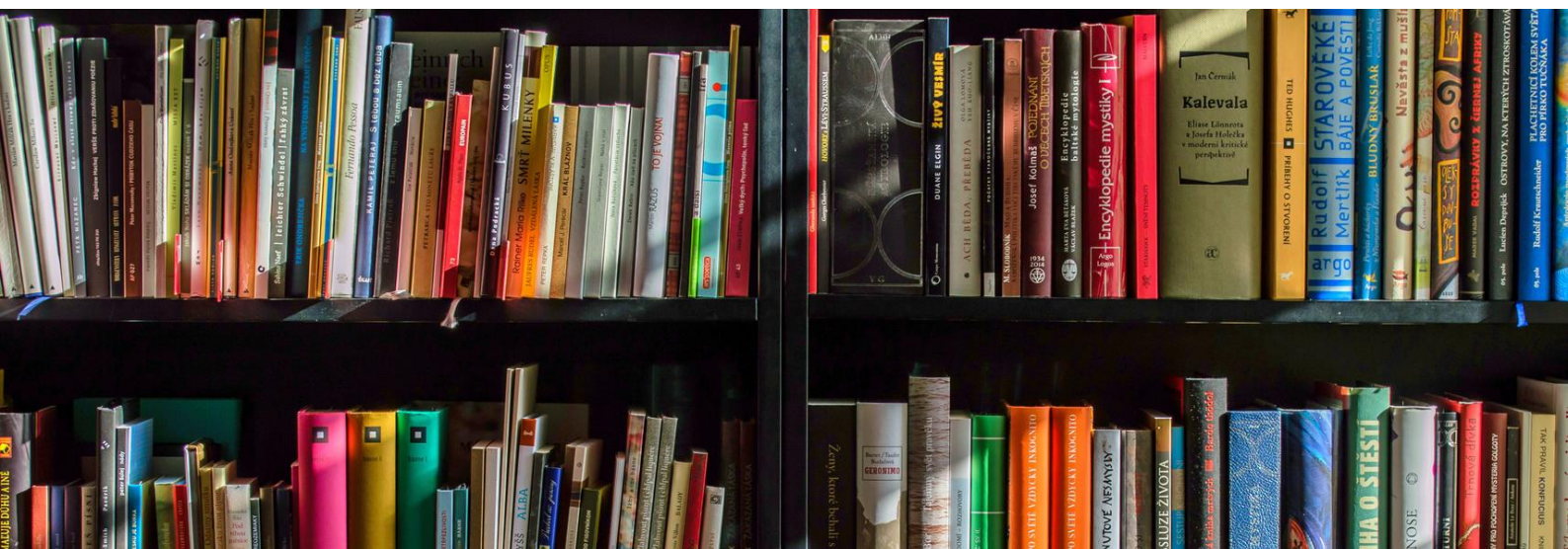
Boris Nikolov (University of Lausanne, SFI, and ECGI), Lukas Schmid (Duke University and CEPR), Roberto Steri (University of Luxembourg and SFI)
Finance Working Paper 641/2019

Growing Up Under Mao and Deng: On the Ideological Determinants of Corporate Policies

Hao Liang (Singapore Management University and ECGI), Rong Wang (Singapore Management University), Haikun Zhu (Erasmus University Rotterdam)
Finance Working Paper 642/2019

Shareholder Illiquidity and Firm Behavior: Financial and Real Effects of the Personal Wealth Tax in Private Firms

Janis Berzins (BI Norwegian Business School), Øyvind Bøhren (BI Norwegian Business School and ECGI), Bogdan Stacescu (BI Norwegian Business School)
Finance Working Paper 646/2019



6. GOVERNANCE AND FINANCIAL STATEMENTS



The ECGI Board ("The Board") convened five times in 2019 to discuss, review and debate pertinent matters to the financial, operational, and strategic stability of the Institute. The composition and powers of the Board are enshrined in the ECGI Statutes which are published on the ECGI website (<https://ecgi.global/content/ecgi-articles>).

In 2019 the Board consisted of nine Non-Executive Directors and an Executive Director. The Interim-Chair was Guy Jubb. Professor Hideki Kanda stepped down from the Board in October 2019 at the Annual Members' Meeting in Barcelona. The Board wishes to re-iterate its esteem and gratitude for Professor Kanda's contribution, insight, and friendship during his term on the Board.

Subsequent appointments to the Board in 2020 included Professors Lucrezia Reichlin and Yupana Wiwattanakantang. Professor Reichlin was appointed as Chair of the ECGI Board in April 2020 by co-option and later ratification by the ECGI members. She serves as current Chair of the Board. In addition, David Devlin will step down from the Board in October 2020. These composition changes will be further reflected in the 2020 Annual Report.

The ECGI Board in 2019



Guy Jubb (Interim Chair)
Practitioner Member
University of Edinburgh



Jill Fisch
Research Member
University of Pennsylvania Law School



Marco Becht (Executive Director)
Fellow
Solvay Brussels School, Université libre de Bruxelles



Hideki Kanda
Fellow
Gakushuin University Law School



Erik Berglöf
Fellow
London School of Economics



Colin Mayer
Fellow
Saïd Business School, University of Oxford



David Devlin
Practitioner Member
PwC (Retired)



Lisa Rabbe
Practitioner Member
Moody's



Luca Enriques
Fellow
University of Oxford, Faculty of Law



Daniela Weber-Rey
Practitioner Member
HSBC Trinkaus & Burkhardt and
Groupe FNAC DARTY

FINANCIAL STATEMENTS 2019

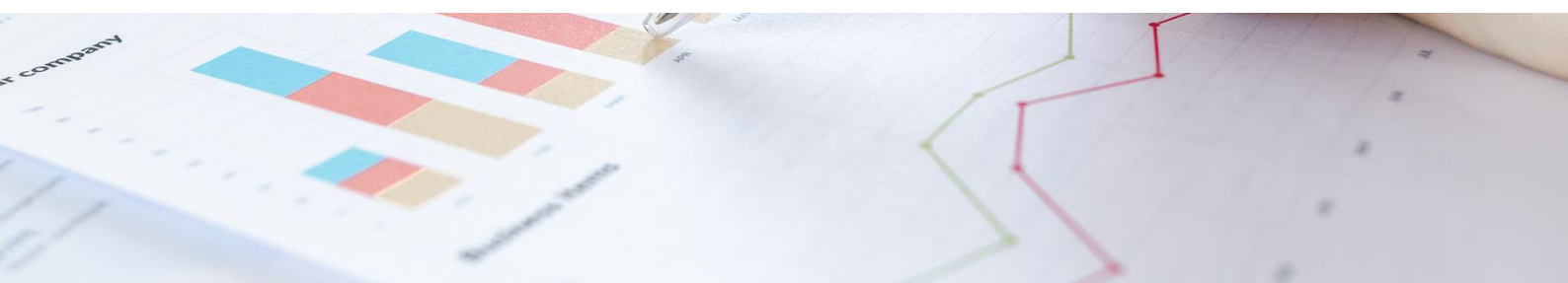


Since its inception in 2002, ECGI has operated on a modest budget with a spirit of collaboration and innovation. It has developed a global reputation for disseminating high quality research and also for organising top-class events on important topics, with highly knowledgeable speakers. In addition to the funds it invests in research related activities with the support of the European Corporate Governance Research Foundation (ECGRF), it also relies on collaborations and contributions from various research grants and centres which help to deliver the many activities throughout the year.

ECGI - BALANCE SHEET as at 31 December 2019

		Dec 31, 2019	Dec 31, 2018	Dec 31, 2017
		Euro	Euro	Euro
ASSETS				
Intangible assets		48,810	72,509	76,570
Cash at bank				
	Savings Accounts	32,694	34,687	22,802
	Current Accounts	362,921	314,188	323,998
	Total Current/Savings	395,614	348,875	346,800
Accounts Receivable		170,708	64,195	25,411
deferred charges		6,501	6,166	2,731
TOTAL ASSETS		621,633	491,744	451,512
Equity				
	Retained Earnings	444,316	401,194	338,219
	Net Income	68,580	43,122	62,975
		512,896	444,316	401,194
Current liabilities				
	Charges payable	102,274	39,243	49,880
deferred income		6,463	8,186	438
TOTAL LIABILITIES		621,633	491,744	451,512

The 2019 audit was conducted by Ghislain Dochen, Réviseur d'entreprises, whose offices are located in Belgium, Boulevard du Centenaire, 93, 1325 Dion-le-Val (Chaumont-Gistoux). A copy of the Audit Letter is available on request at admin@ecgi.org



FINANCIAL STATEMENTS 2019

ECGI Profit & Loss Account

	2019	2018	2017
	Euro	Euro	Euro
Income/Expense			
Income			
Subscriptions income	161,692	117,388	78,885
ECGRF Contribution	100,000	100,000	120,000
Project Income and Reimbursements	68,663 ¹	36,109	68,091
GCGC Income	34,618 ²	0	3,771
Sponsorship	0	0	0
Bank interest/exchange rate loss/gain	88	40	37
Total Income	365,061	253,537	270,784
Expenditure			
Administration			
Accounting & Fin. charges	-15,609	-24,192	-20,025
Administration Charge	-135,210	-60,157	-64,871
IT & Online Services	-7,213	-4,786	-7,095
Office Rental	-5,500	-5,500	-5,500
Office expenses	-2,619	-4,834	-1,239
Travel and representation	-9,492	-10,719	-10,432
AGM	-4,633	-7,971	-4,540
Miscellaneous	-397	-2,347	-799
Total Admin	-180,673	-120,506	-114,502
Research			
Annual Lecture & Prizes	-18,144	-15,998	-9,397
Conferences & Workshops	-2,193	-7,209	-28,948
Research & Academic Staff	-30,000	-16,000	-7,986
Research Communication	-1,072	-3,633	-2,560
Working papers	-17,223	-20,366	-16,740
Project Expenditure	0	0	-5,000
New Online Research Portal	-47,174 ³	-26,703	-22,676
Total Research	-115,807	-89,909	-93,307
Total Expenditure	-296,480	-210,415	-207,809
Net Total Income	68,580	43,122	62,975

1 GCGC invoiced services - Support and website (contracted fix costs)

2 GCGC overhead income - general contribution for additional costs (contracted variable cost - 15%)

3 Includes EUR 22,100 website maintenance + EUR 23,699 depreciation.

The future depreciation figures for the initial website investment are:

2020 EUR 23,699.43

2021 EUR 21,182.63

2022 EUR 3,927.77

2023 0

This schedule does not allow for new development which may also be capitalised during this period.

Note: The Covid-19 crisis has a direct impact imposed by the measures of confinement decided by the Belgian government, which has resulted in the generalisation of home working and the cancellation or postponement of certain activities, etc. The crisis will also have a future impact - which is not yet measurable in financial terms at this stage - on income, on payment terms, on cash flow, on working methods, on possible compensatory measures to which the association might be entitled, etc. The going concern assumption was furthermore confirmed by the Board of Directors of 1 April 2020, following the examination of the forecasts of results, solvency and cash flow over the next 12 months.

7. MEMBERSHIP

The European Corporate Governance Institute is the home for all those who have an active interest and involvement in corporate governance. At the core of ECGI are the research members who are appointed on the basis of their significant contribution to the field of corporate governance study and are selected on the basis of strict criteria by a designated committee. ECGI distributes the work of the research members through its extensive global network which comprises of practitioner, academic and institutional members.

ACADEMIC MEMBERSHIP

Open to individuals either employed by or engaged in full or part time study in any accredited university or educational institution. Academic members are eligible for election as an academic representative on the ECGI Board. The academic membership subscription is currently EUR 100 per annum.

INSTITUTIONAL MEMBERSHIP

Open to companies, institutions and enterprises such as stock exchanges, regulators, investors, companies, rating agencies, stock price index producers and law firms, whether based in Europe or elsewhere. The institutional membership subscription is currently EUR 2,500 per annum.

ACADEMIC INSTITUTIONAL MEMBERSHIP

Open to universities, business schools, or other academic bodies whether based in Europe or elsewhere. The institutional membership subscription is currently EUR 2,000 per annum.

PRACTITIONER MEMBERSHIP

Open to private individuals or those in companies, institutions and enterprises who wish to join in their own right. Practitioner members are eligible for election as a non-academic representative on the ECGI Board. The practitioner membership subscription is currently EUR 250 per annum.

PATRON MEMBERSHIP

Patron Members are legal entities or individuals interested in corporate governance and are Patrons of the European Corporate Governance Research Foundations (ECGRF). They are appointed in agreement with the boards of ECGI and ECGRF.

RESEARCH MEMBERSHIP

Research Members are individuals who have been appointed by ECGI. These include ECGI Fellows. Membership, which is for the duration of their appointment, is free.

ECGI is not responsible for, nor does it screen or certify the corporate governance policies or practices of its members. Membership of ECGI therefore should not be regarded or used as a sign or certification of corporate governance quality. However ECGI research members are appointed following appraisal by committee.

Prices exclude VAT (21%). Anyone who wishes to apply for membership of the Institute can do so on the ECGI website.

More information is available at: <https://ecgi.global/content/become-member>

CONTACT



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