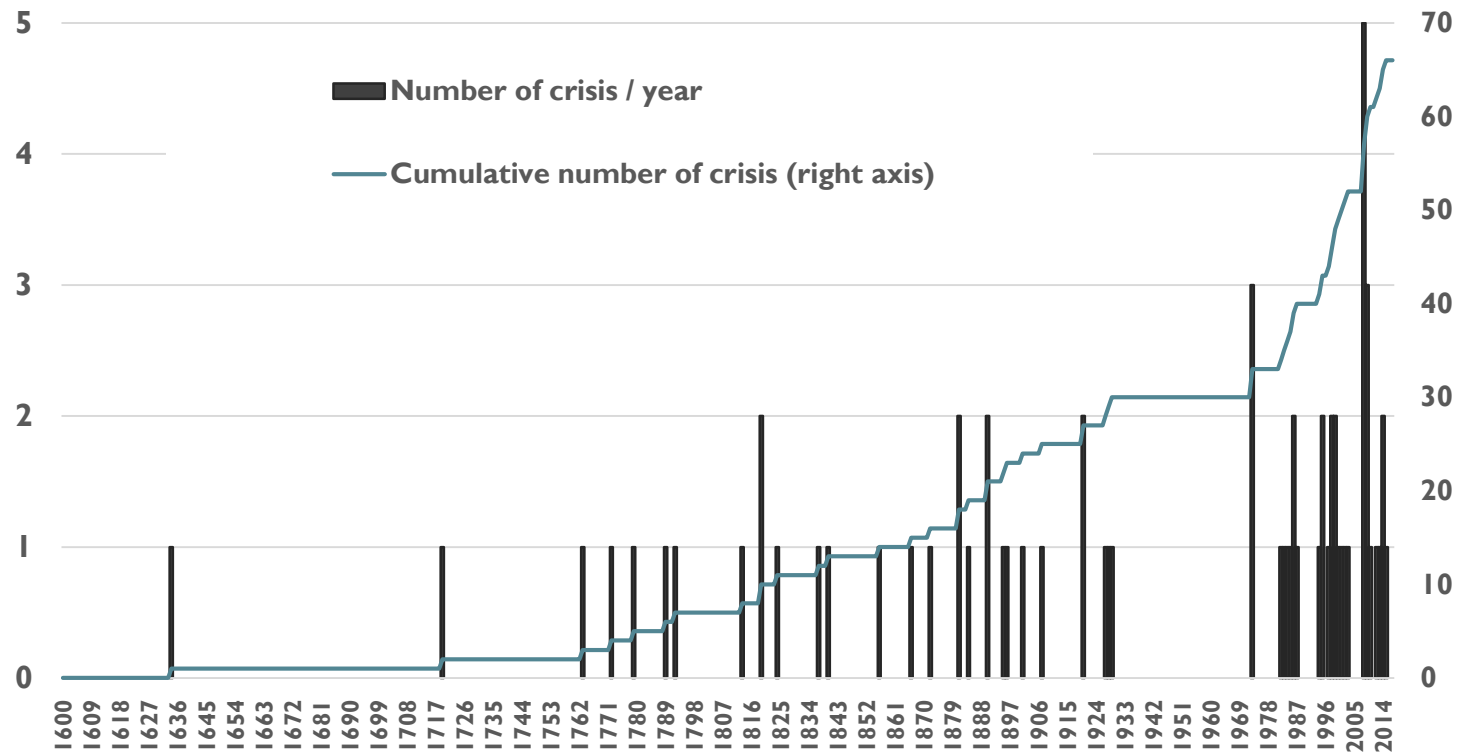


Corporate governance

in today's world?

Vedat Akgiray
Center for Corporate Governance
Boğaziçi University
Istanbul, Turkey

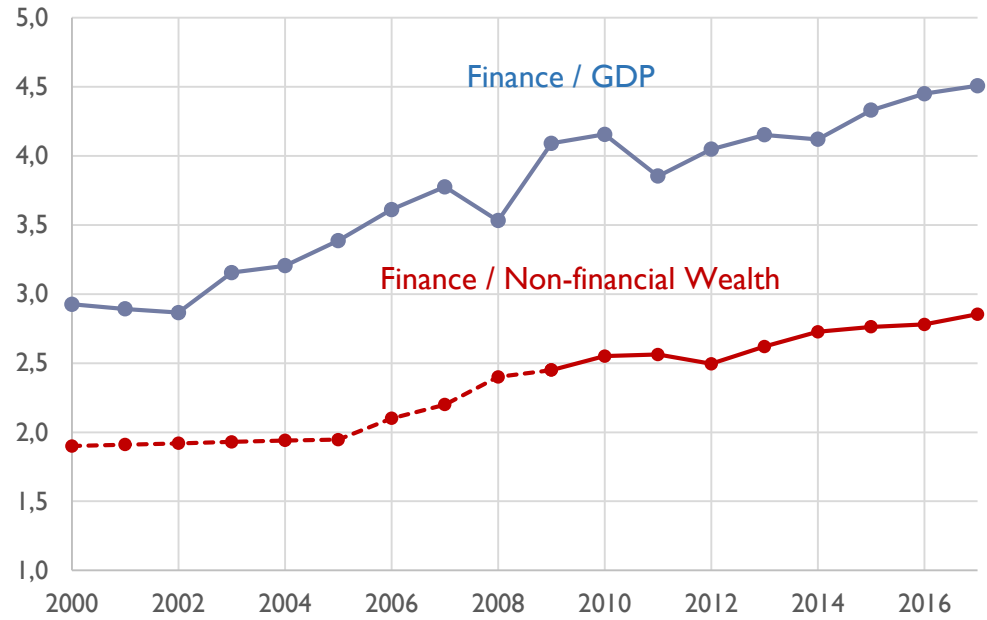
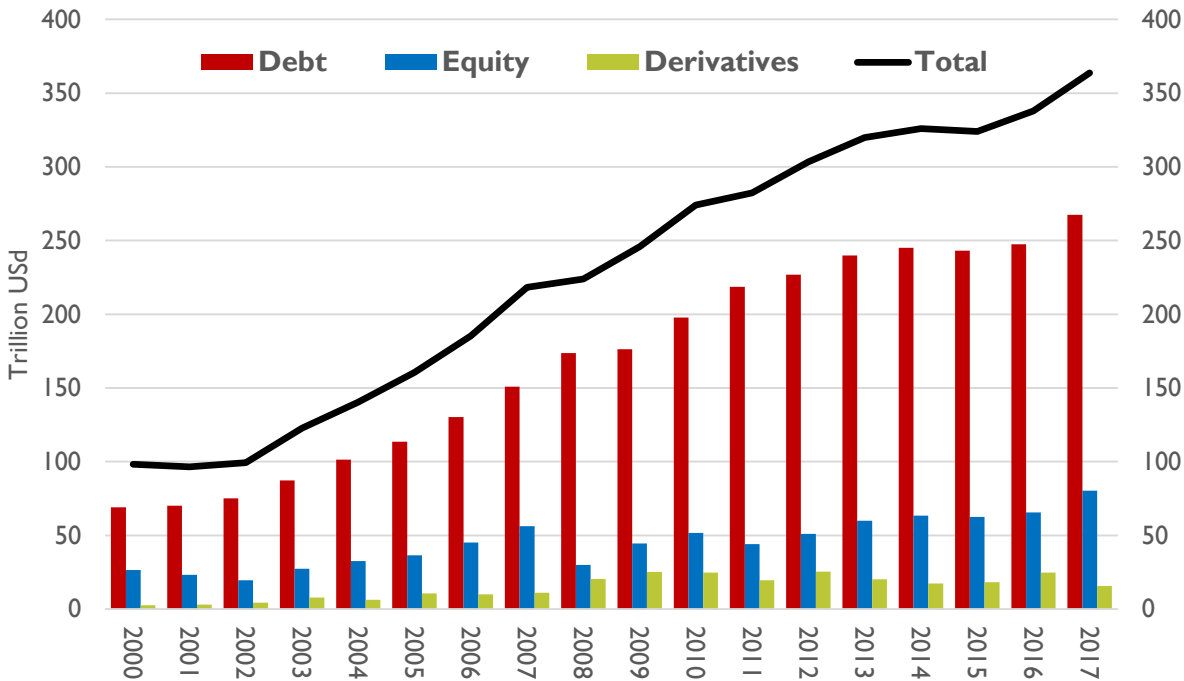
World of financial crises



- 31 events between 1600 and 1980
- 37 events since 1980

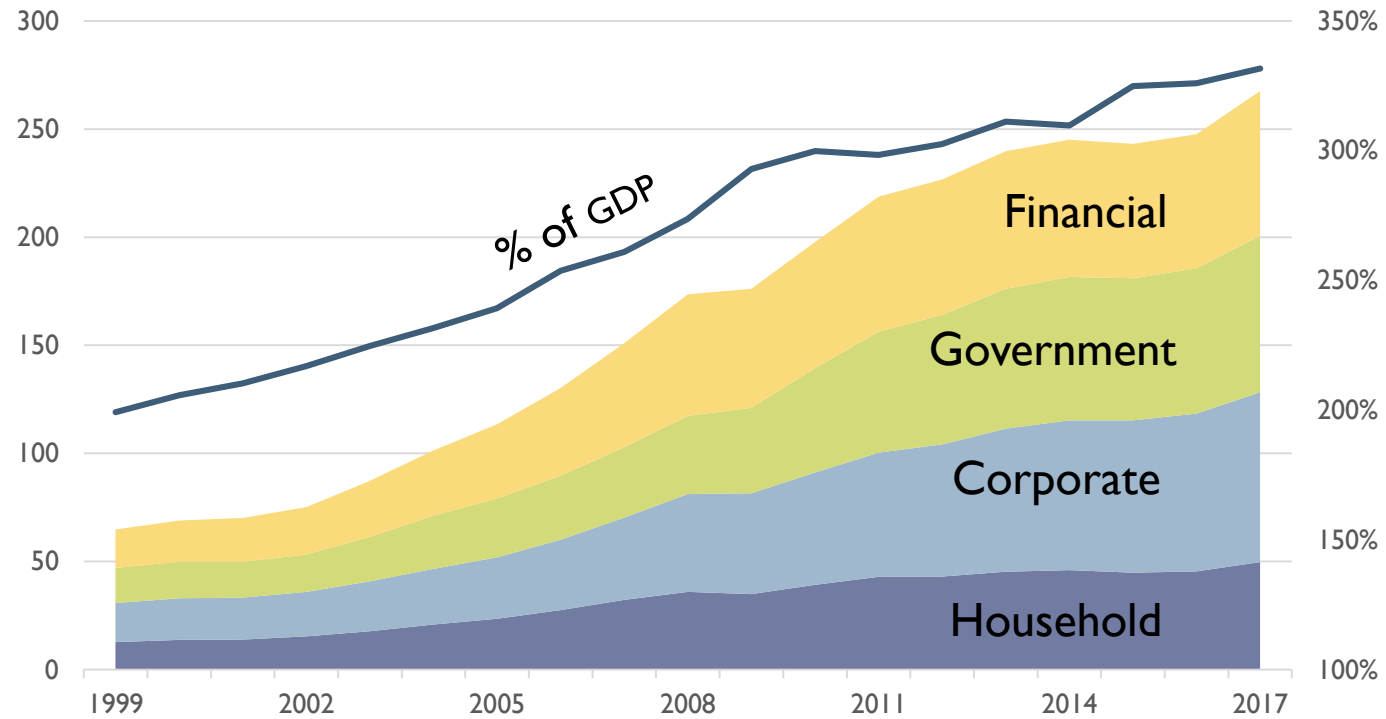
- IMF counts 396 banking / currency crises between 1980 and 2012

World of too much finance

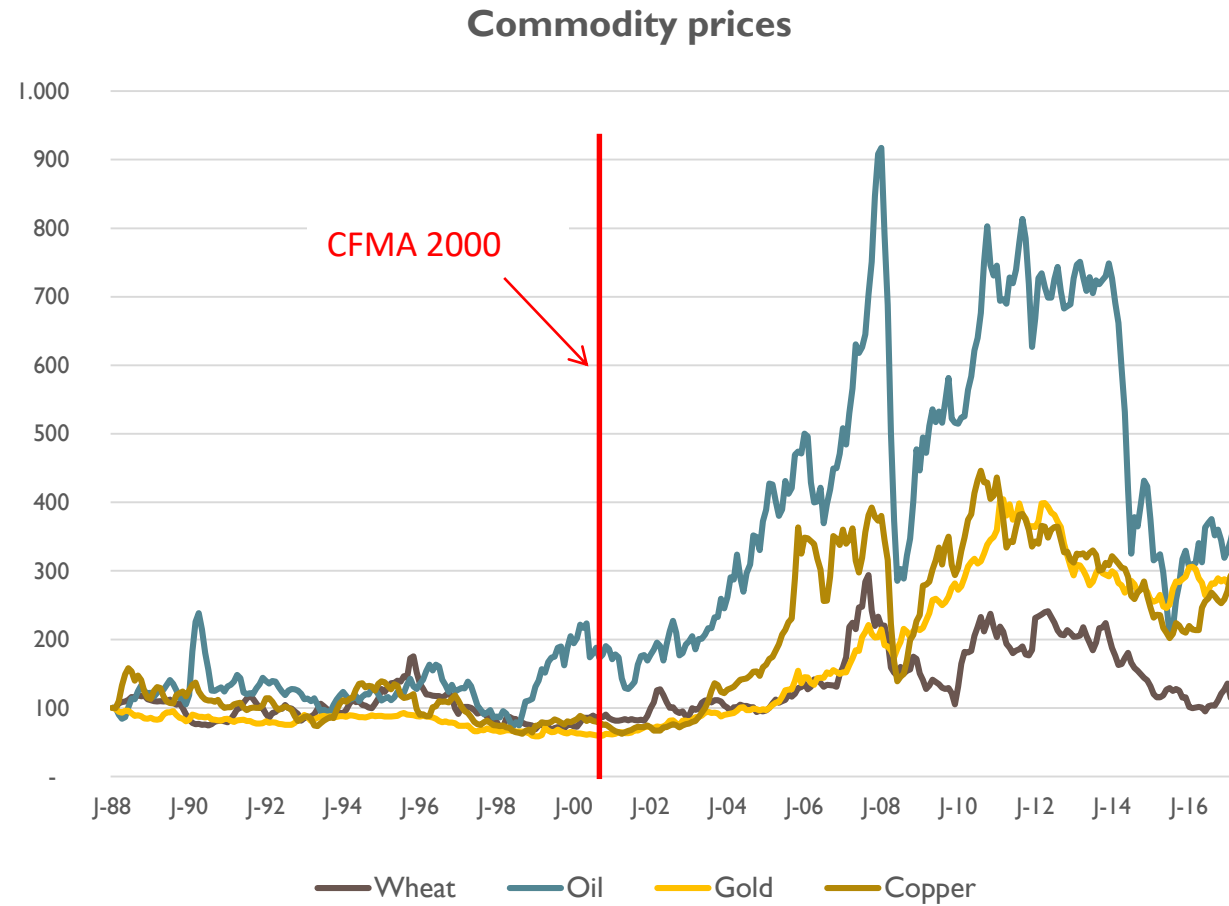


Where is all the money?

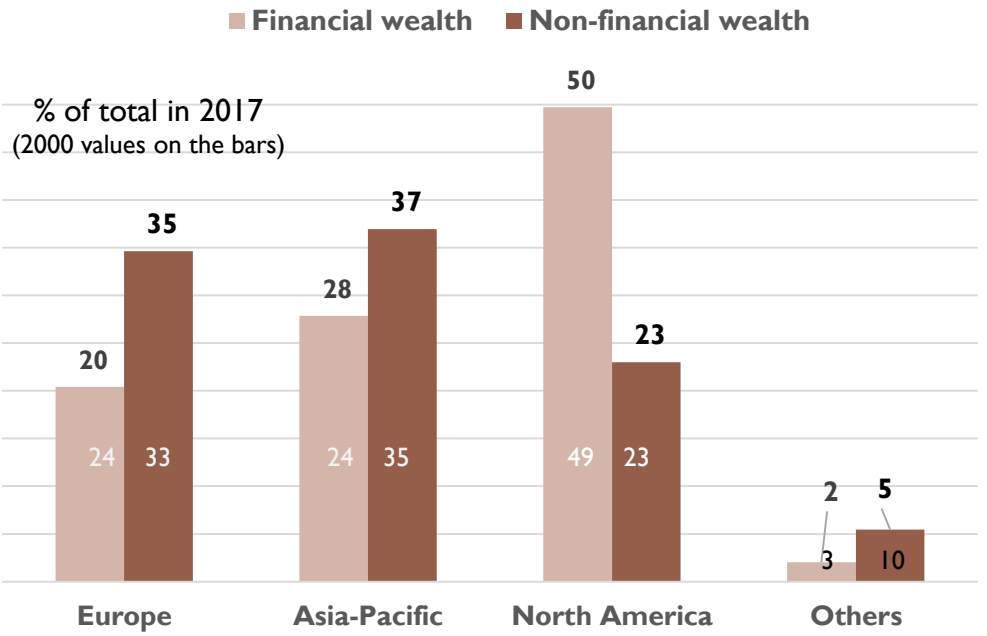
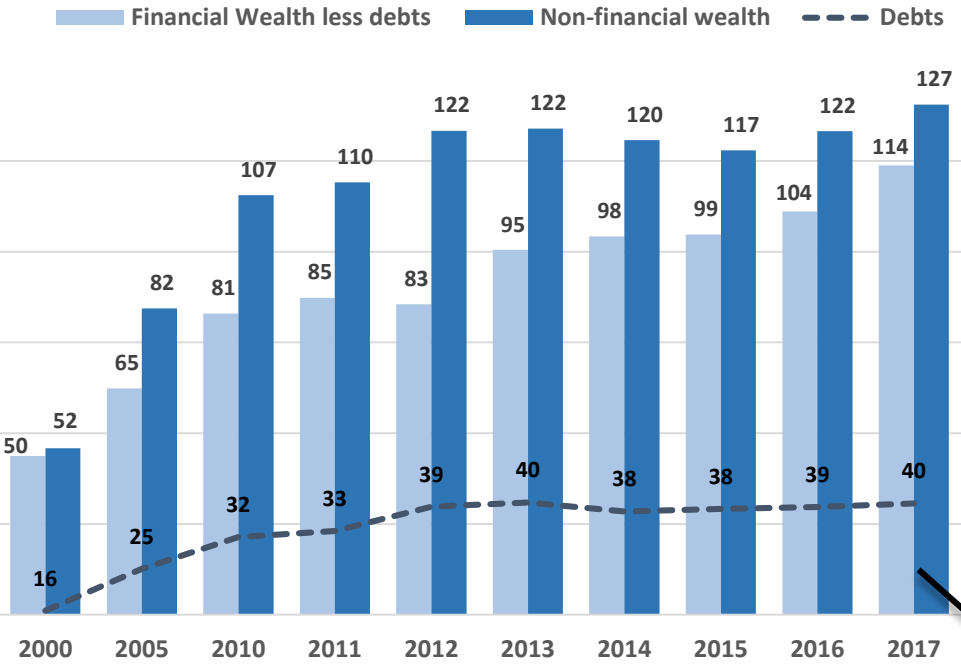
World of debt



World of volatility

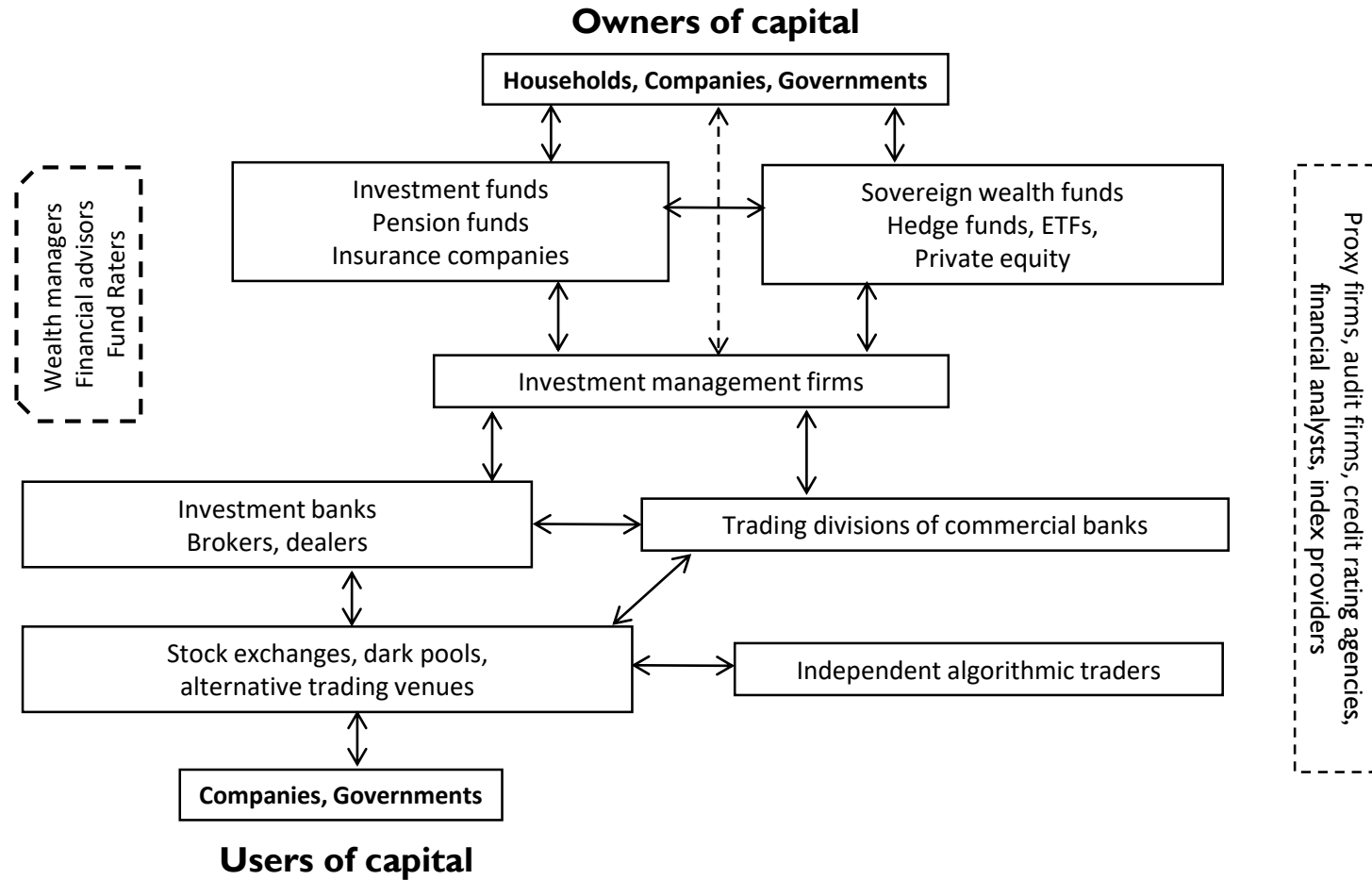


World of inequality



Wealth of richest 85 people > wealth of poorer 3.5b people

World of complexity



World of disruptions

- ▶ Computers are the new market-makers – who will determine value?
- ▶ New technologies such as blockchains and digital currencies
 - ▶ New business models and global value chains
 - ▶ Boards are too old to adapt
- ▶ Chaotic global political order after 2008
 - ▶ New sources of risk and uncertainty
 - ▶ Loss of trust in financial industry and governments' fairness
 - ▶ Finance has become an end in itself

Corporate governance has become so much more difficult to implement but also so much more important to promote

Some good news and a question

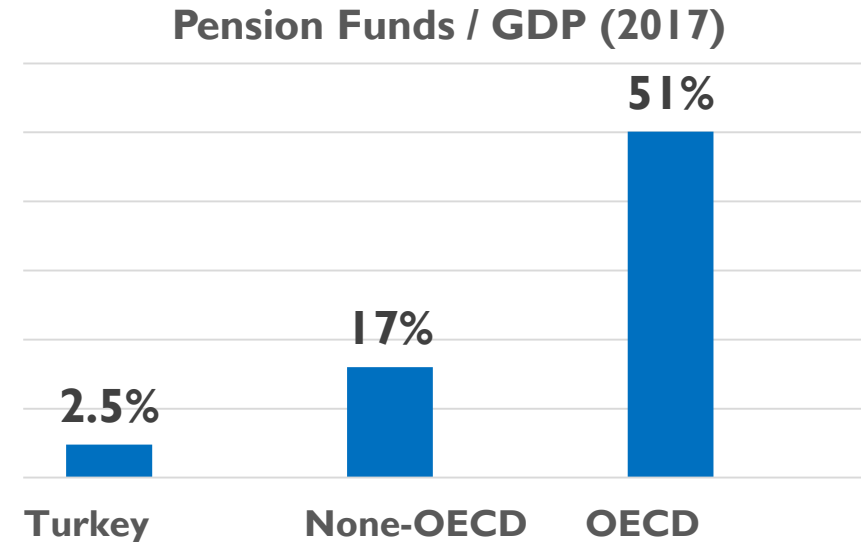
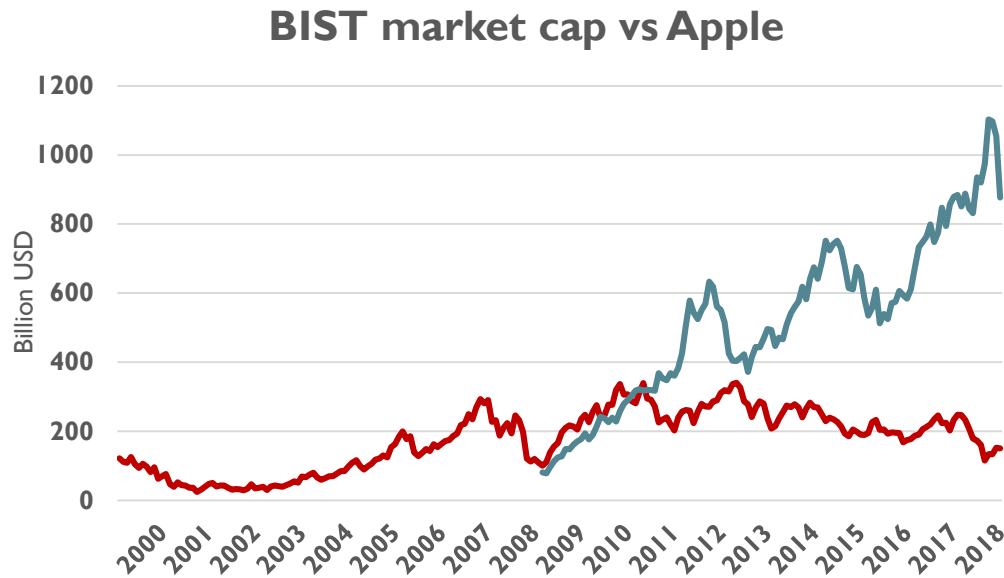
- ▶ Blockchain can be a powerful tool for stakeholder engagement
 - ▶ Transparency of ownership
 - ▶ Efficient and fair shareholders' meetings
 - ▶ Real-time accounting with minimal need for auditing and verification

Complexity of the investment chain is a major reason for the ineffectiveness of corporate governance rules, and it is largely due the presence of a complex web of intermediaries on the untraceable distance between households and corporations

- ▶ Blockchain's promise to eliminate some or all intermediaries is therefore great news

Can the principles of corporate governance be the guide to adapt financial regulatory paradigms to new technologies?

Two words on Turkish capital markets



- ▶ Small equity markets
- ▶ Small funds market
- ▶ Start-up enthusiasim



Chance to do things right