

Disclosure and Transparency in the State-Owned Enterprise Sector in Asia

Stocktaking of National Practices

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Foreword

This report provides an overview of national approaches to disclosure and transparency in the state-owned enterprise (SOE) sector in nine Asian economies (Bhutan, India, Kazakhstan, Korea, Malaysia, Pakistan, Philippines, Thailand and Viet Nam). It examines disclosure requirements and practices at the level of individual SOEs as well as measures taken by the state as an owner to report to the public on the operations and performance of SOEs.

The report is the result of the ongoing work of the OECD-Asia Network on Corporate Governance of State-Owned Enterprises, which provides a forum for policy makers in Asia to share good practices for improving the corporate governance of SOEs. The findings draw primarily on responses to a questionnaire shared with participants in the 9th meeting of the Asia SOE Network held in Seoul on 6-7 December 2016, which was hosted by the Korea Institute of Public Finance with the financial support of the Ministry of Strategy and Finance of Korea. The report was prepared by Korin Kane of the Corporate Affairs Division of the OECD Directorate for Financial and Enterprise Affairs.

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Acronyms

CAG	Comptroller and Auditor General, India
DPE	Department of Public Enterprises, India
GCG	Governance Commission for GOCCs, Philippines
GOCCs	Government-Owned and Controlled Corporations, Philippines
SOE	State-owned enterprise
SEPO	State Enterprise Policy Office, Thailand

1. Introduction

The internationally-agreed *OECD Guidelines on Corporate Governance of State-Owned Enterprises* (SOE Guidelines) set the standard for ensuring that SOEs operate efficiently, transparently and on equal footing with private companies. One of their fundamental policy tenets is that SOEs should be as accountable to the public as listed companies are expected to be towards their shareholders. They also call for the state – which exercises the ownership of SOEs on behalf of the general public – to be transparent to its citizens about the objectives, operations and performance of SOEs.

Since the SOE Guidelines were first developed in 2005, many countries around the world have instituted reforms leading to increased transparency in the state-owned enterprise sector, both at the level of individual SOEs and at the level of the state. Heightened disclosure practices have often occurred in tandem with other trends, such as SOEs' corporatisation and the listing of some SOEs on national stock exchanges. At the level of the state, some countries have begun producing aggregate reports that synthesise information on the performance of state-owned enterprises, contributing to a culture of greater accountability in the public administration. In most cases, such efforts have brought national practices closer to the aspirational standards for disclosure and transparency embodied in the SOE Guidelines (reproduced in Box 1).

This report sheds light on how national practices in Asia compare with both the standards of the SOE Guidelines and with prevailing practices in other regions of the world. Its findings draw on responses to a questionnaire shared with participants in the 9th meeting of OECD-Asia Network on Corporate Governance of State-Owned Enterprises (Asia SOE Network), held on 6-7 December 2016, in Seoul, Korea. Responses were received from the national authorities (or, in some cases, representatives of non-governmental or professional associations) of the following nine countries: Bhutan, India, Kazakhstan, Korea, Malaysia, Pakistan, Philippines, Thailand and Viet Nam. Some additional online research has been undertaken to verify the information contained herein, but the majority is based on self-reporting by questionnaire respondents. The report builds on similar work undertaken by the OECD Global Network on Corporate Governance of State-Owned Enterprises, notably its stocktaking report on transparency and disclosure measures for SOEs in 12 participating countries (OECD, 2016).

The report is structured as follows. Following this introduction, Section 2 provides a synthesis overview of national trends in the examined countries. It first describes the institutional arrangements for state ownership in the surveyed countries. It then summarises the reporting and disclosure requirements placed on SOEs, offering some observations on how SOEs' ownership arrangements and legal forms impact corporate disclosure practices. It then examines the extent to which the national authorities report to the general public on SOEs, either through annual aggregate reports on all SOEs, reporting on a portfolio of SOEs by the state holding company, or the development of web portals to maximise public accessibility of data on SOEs. Section 3 offers a synthesis of main findings, proposes a comparison with international good practices and suggests some issues for further investigation. Section 4 details the individual national approaches in the surveyed countries.

Box 1. Good practice standards for disclosure and transparency in the state-owned enterprise sector

The *OECD Guidelines on Corporate Governance of State-Owned Enterprises* (OECD, 2015) outline good practice standards for disclosure and transparency by both state-owned enterprises and the state as an owner. The text of Chapter VI on disclosure and transparency is reproduced below.

State-owned enterprises should observe high standards of transparency and be subject to the same high quality accounting, disclosure, compliance and auditing standards as listed companies.

- A. SOEs should report material financial and non-financial information on the enterprise in line with high quality internationally recognised standards of corporate disclosure, and including areas of significant concern for the state as an owner and the general public. This includes in particular SOE activities that are carried out in the public interest. With due regard to enterprise capacity and size, examples of such information include:
 1. A clear statement to the public of enterprise objectives and their fulfilment (for fully-owned SOEs this would include any mandate elaborated by the state ownership entity);
 2. Enterprise financial and operating results, including where relevant the costs and funding arrangements pertaining to public policy objectives;
 3. The governance, ownership and voting structure of the enterprise, including the content of any corporate governance code or policy and implementation processes;
 4. The remuneration of board members and key executives;
 5. Board member qualifications, selection process, including board diversity policies, roles on other company boards and whether they are considered as independent by the SOE board;
 6. Any material foreseeable risk factors and measures taken to manage such risks;
 7. Any financial assistance, including guarantees, received from the state and commitments made on behalf of the SOE, including contractual commitments and liabilities arising from public-private partnerships;
 8. Any material transactions with the state and other related entities;
 9. Any relevant issues relating to employees and other stakeholders.
- B. SOEs' annual financial statements should be subject to an independent external audit based on high-quality standards. Specific state control procedures do not substitute for an independent external audit.
- C. The ownership entity should develop consistent reporting on SOEs and publish annually an aggregate report on SOEs. Good practice calls for the use of web-based communications to facilitate access by the general public.

2. Synthesis overview of state-owned enterprise disclosure practices in Asia

2.1. Prevailing state ownership models in Asia

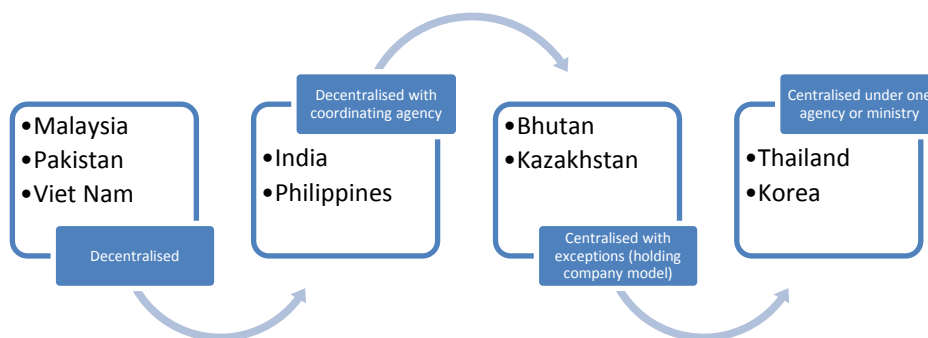
Most of the countries examined in this report have a predominantly decentralised state ownership model, although many have introduced some degree of policy coordination through the establishment of either a central coordinating body or a holding company responsible for overseeing a portfolio of strategic SOEs. State ownership arrangements have a non-trivial impact on the disclosure requirements placed on SOEs and, in many cases, the extent to which SOEs comply with those disclosure requirements. Generally speaking, countries with a greater degree of centralisation – including through centralised policy coordination without full centralisation – can be expected to apply more harmonised disclosure requirements across the SOE sector. However, even with elements of centralisation in place, the extent to which SOEs comply with disclosure requirements will depend in part on the enforcement power of the central coordinating entity. As shown in Figure 1, the surveyed countries can be divided into four broad groups:

- *Decentralised.* In three countries (**Malaysia, Pakistan and Viet Nam**), state ownership is exercised solely by the line ministries responsible for sectoral policy and regulation in the relevant markets. There is no apparent degree of SOE policy coordination¹.
- *Decentralised with coordinating agency.* Two countries (**India and the Philippines**) have introduced some degree of policy coordination through the establishment of central agencies responsible, among others, for developing and monitoring the implementation of governance and transparency standards addressed to ownership ministries and/or SOEs. These coordinating agencies are the Department of Public Enterprises (DPE) under the Ministry of Heavy Industries in India and the Governance Commission for Government-Owned and Controlled Corporations (GCG) in the Philippines.
- *Centralised with exceptions (holding company model).* Two countries (**Bhutan and Kazakhstan**) have placed a non-trivial portfolio of SOEs under the purview of holding companies, Druk Holding and Investments in Bhutan and Samruk-Kazyna in Kazakhstan.

¹ The proposed categorisation of national practices along the spectrum of state ownership models is by no means definitive. For example, while Malaysia is identified as having a decentralised model, it can be considered to have introduced some degree of policy coordination through a reform programme targeting the country's largest SOEs with the status of "Government-Linked Companies (GLCs)". For the purpose of this report, it is considered decentralised because of the relatively large number of SOEs outside of the reform programme.

- *Centralised under one agency or ministry.* Only two countries (**Korea** and **Thailand**) have a predominantly centralised ownership model, with dedicated units located in a single ministry responsible for exercising the state's ownership rights in all SOEs. These units are, respectively, the Public Institutions Policy Bureau under the Ministry of Strategy and Finance of Korea and the State Enterprise Policy Office (SEPO) under the Ministry of Finance of Thailand.

Figure 1. Spectrum of state ownership models in Asia



Source: OECD Secretariat classification based on information submitted by questionnaire respondents.

2.2. Disclosure requirements and practices at the enterprise level

General reporting and disclosure requirements

The reporting and disclosure requirements placed on SOEs will of course vary depending upon: (1) whether they are fully corporatised and thus subject to the same reporting requirements as private companies; (2) whether they are listed on the national stock exchange and subject to related listing requirements; and (3) the prevailing state ownership model in place. On the latter point, countries with elements of centralised ownership are generally more likely to subject SOEs to specific reporting requirements that either complement – or compensate for the absence of – other existing reporting requirements. This is to be expected, since the establishment of central coordinating agencies often goes hand in hand with broader efforts to harmonise the requirements placed on SOEs, improve monitoring of their activities and ultimately upgrade their performance. Concerning the general reporting and disclosure requirements placed on SOEs, the countries examined in this report can be placed into two broad groups, as follows.

Reporting requirements determined primarily by companies law and supplemented with SOE-specific standards

In a first group of countries (**Bhutan, Kazakhstan, India** and **Pakistan**), SOEs are as a general rule subject to the same reporting requirements as private companies (as set forth in the general companies law or other broadly applicable equivalent legislation) as well as additional, separate requirements placed upon the SOEs under the purview of the state ownership or coordinating agency. For example, SOEs in Kazakhstan are subject to the general reporting requirements set forth in the Law on Accounting and Financial Reporting. They are also called upon to respect the additional, optional disclosure-related provisions of Samruk Kazyna's corporate governance code, applicable to all state-owned joint stock companies in the holding company's portfolio. Similarly, in Pakistan, SOEs

(Public Sector Companies, or PSCs, in national nomenclature) are subject to the reporting requirements of the Companies Ordinance as well as additional (and, in some cases, parallel) requirements set forth in the 2013 Public Sector Companies (Corporate Governance) Rules. Indian SOEs are subject to the information disclosure requirements of the 2013 Companies Act and are also encouraged to implement DPE guidelines addressed to administrative ministries and Central Public Sector Enterprises (SOEs in national nomenclature). DPE notably elaborated Guidelines on Corporate Social Responsibility and Sustainability in 2013, which include a section dedicated to sustainability reporting and disclosure. In Bhutan, SOEs in the portfolio of Druk Holdings and Investments are subject to the information disclosure provisions of the Companies Act as well as additional requirements set forth in DHI's corporate governance code, which SOEs are required to implement on a comply-or-explain basis.

Reporting requirements developed specifically for SOEs

In a second group of countries (**Korea, the Philippines, Thailand and Viet Nam**) the state ownership or coordinating entity has developed distinct reporting and disclosure requirements applicable to all SOEs. (This does not mean that SOEs are not also subject to other broadly applicable reporting requirements, but simply that SOE-specific standards are apparently the dominant source of disclosure obligations). In Korea, this takes the form of an online reporting system, ALIO, through which SOEs are required to report annually on 39 items covering, among others, entity operations, financial performance and the results of internal and external evaluations. The Philippines has a somewhat similar arrangement, wherein all SOEs are subject to specific disclosure requirements outlined in the Ownership and Operations Manual and the Code of Corporate Governance for GOCCs. The Governance Commission for GOCCs (GCG) in the Philippines is also reportedly in the process of establishing an integrated reporting system which would contain elements similar to those of Korea's ALIO system and would notably result in public disclosure of all GOCCs' financial statements and corporate operating budgets. In Thailand, non-listed SOEs are subject to specific disclosure requirements elaborated by SEPO. This is supported by a 2011 Cabinet decision calling for all non-listed to face the same disclosure requirements as listed companies. In Viet Nam, the disclosure requirements applicable to all wholly-owned SOEs are set forth in a 2015 Cabinet decree, initiated by the Minister of Planning and Investment (Decree 81 ND-CP).

No SOE-specific disclosure requirements

Malaysia appears to be the only country among those surveyed where no SOE-specific reporting requirements or guidelines are applied to all SOEs. Publically listed SOEs are subject to the Bursa Malaysia listing requirements, fully corporatised SOEs to relevant provisions of the companies act, and statutory SOEs to individual reporting requirements.

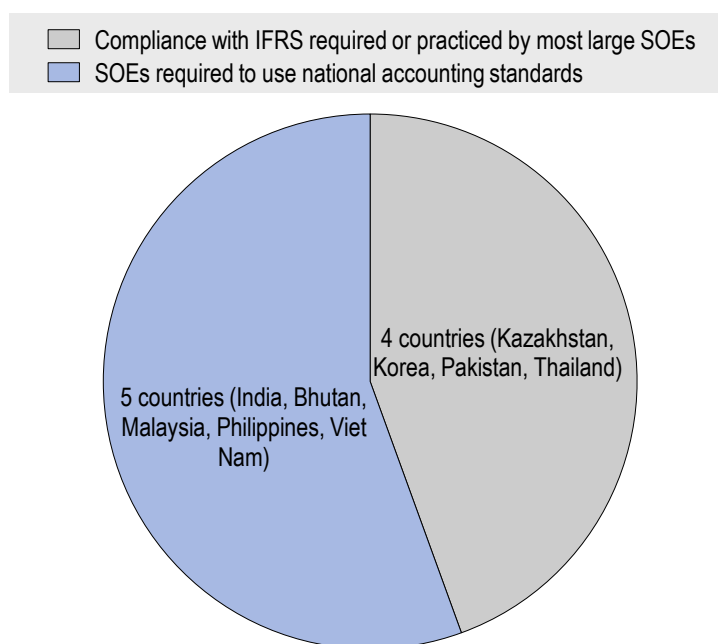
Accounting and auditing standards

Accounting standards

In about half of the countries surveyed, either the majority of SOEs are required to keep accounts in accordance with IFRS (Kazakhstan, Pakistan, Thailand) or the largest SOEs reportedly do so in practice (Korea). (Some questionnaire respondents limited reporting to fully corporatised SOEs, so there are no doubt exceptions to this finding, e.g. cases where

statutory SOEs keep accounts in accordance with public sector accounting standards). In the remaining countries, SOEs are required to keep accounts in accordance with national accounting standards (India, Bhutan, Malaysia, the Philippines and Viet Nam). India and Bhutan report that national accounting standards are broadly consistent with IFRS. This report makes no attempt to assess the extent to which SOEs comply with applicable accounting requirements, which is an obvious candidate for further investigation.

Figure 2. Accounting standards required for SOEs in surveyed countries



Source: Information provided by the national authorities of contributing countries.

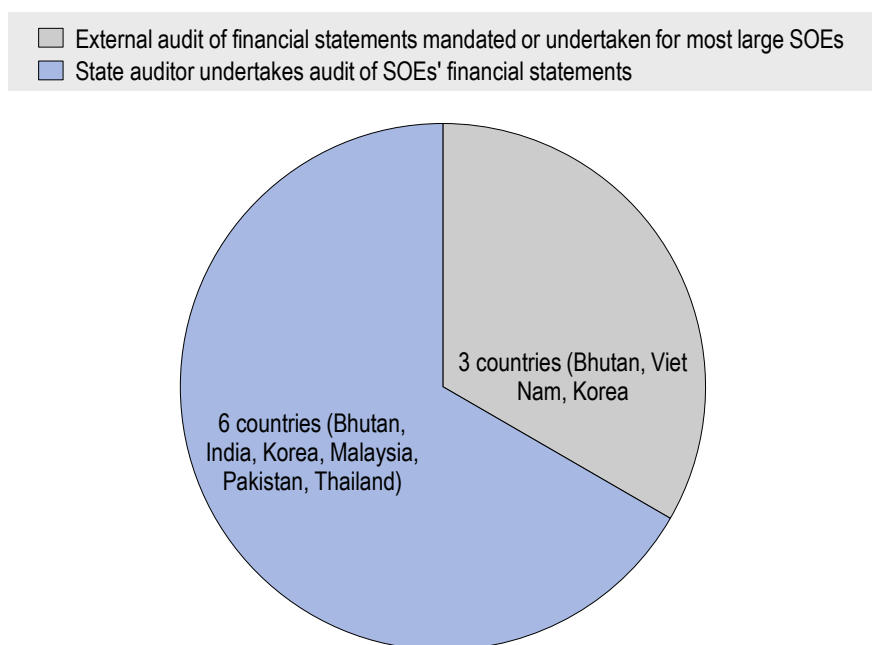
External audit

In only three countries, an independent external audit of SOEs' financial statements is either required (**Bhutan, Viet Nam**) or in practice undertaken for most large SOEs (**Korea**). Most countries do not systematically require that all SOEs subject their financial statements to an independent external audit.

State audit

In many cases, the absence of external audits reflects SOEs' weaker degree of corporatisation. SOEs that are essentially run as parts of the public administration are generally subject to oversight by the state audit body, which either assesses the soundness of SOEs' financial accounts, evaluates the use of public resources within SOEs, or both. In all of the surveyed countries, the state audit office or state comptroller undertakes some form of audit of SOEs. In a majority of countries, state audits assess the soundness of SOEs' financial statements (**Bhutan, India, Korea, Malaysia, Pakistan and Thailand**). In some cases, the state auditor oversees the work of the external auditor. This is the case, for example, in Bhutan, where the Royal Audit Authority oversees the work of SOEs' external auditors.

Figure 3. External or state audit of SOEs' financial statements in surveyed countries



Source: Information provided by the national authorities of contributing countries.

Internal audit function

In a majority of the surveyed countries, SOEs are either mandated to establish an internal audit function (**India, Philippines, Thailand and Viet Nam**) or encouraged to do so by the state holding company's corporate governance code (**Bhutan and Kazakhstan**). In India, the internal audit function is not a "corporate" organ, but part of the state's "central vigilance commission", which was set up to detect and prevent corrupt practices in government agencies. In **Korea**, large SOEs reportedly voluntarily establish an audit and inspection office which performs the role of an internal audit department. In two countries (**Malaysia and Pakistan**) the authorities do not systematically mandate that all SOEs establish an internal audit function, pointing to scope for further action in this domain. Assessing the effectiveness of SOEs' internal audit functions goes beyond the scope of this report.

This report makes no attempt to assess SOEs' compliance with the state's accounting or disclosure obligations. In Viet Nam, according to research undertaken by the Central Institute of Economic Management (CIEM), only 130 out of the 432 SOEs examined disclose information in accordance with Decree 81 (mentioned above). There are currently no penalties in cases of non-compliance. This is potentially an area which merits further investigation in other countries.

Table 1. Accounting and audit standards applicable to SOEs

	Accounting standards	External audit	State audit	Internal audit
Bhutan	Bhutanese Accounting Standards, reportedly based on IFRS.	Independent external audit mandated by both the Companies Act and the DHI corporate governance code. External auditor selected="selected="selected" by AGM upon recommendation of the state audit office.	Royal Audit Authority of Bhutan undertakes both audits on the use of public resources and annual audits of SOEs' financial statements. It supervises the work of external auditors.	Internal audit function mandated by DHI corporate governance code, which requires that it report to the board or its audit committee. In practice, the boards of most DHI SOEs have a standing audit committee.
India	Indian Accounting Standards, reportedly based on IFRS.	No independent external audit mandated.	SOEs' financial statements are audited by statutory auditors appointed by the Comptroller and Auditor General of India. In addition to financial audit, the CAG also conducts ad hoc "propriety" audits.	All SOEs are required to establish a Vigilance Department overseen by a Central Vigilance Officer who reports to the Central Vigilance Commission of the central government.
Kazakhstan	IFRS and Law on Accounting and Financial Reporting	Independent external audit encouraged by Samruk Kazyna's (optional) corporate governance code. In practice, portfolio companies reportedly submit financial statements to an independent audit firm.	Samruk Kazyna's portfolio companies undergo regular audits by the Accounts Committee for Control over Execution of the State Budget, which notably assesses the impact of entities' operations on national economic or sectoral development.	The establishment of an internal audit function encouraged by Samruk Kazyna's (optional) corporate governance code.
Korea	Majority of SOEs required to keep accounts in accordance with IFRS	SOEs' financial statements are subject to an independent external audit.	Board of Audit and Inspection reviews SOEs' financial statements and publishes an audit report.	Most large SOEs have an internal audit function that reports to a board audit committee. The establishment of an audit committee is mandatory for large SOEs.
Malaysia	Depends on legal form (non-listed, listed and statutory) but usually national accounting standards.	Independent external audit only mandated for fully corporatised, including listed, SOEs (as per companies law and listing requirements).	State auditor conducts audits of the financial statements of statutory SOEs.	Internal audit function not systematically mandated for all SOEs (only for listed and fully corporatised SOEs)
Pakistan	IFRS mandated for fully corporatised SOEs, as per the Companies Ordinance	External audit mandated for listed SOEs, as per PSC Rules and parallel requirement in the Companies Ordinance.	Auditor General conducts supplementary audits of fully corporatised SOEs' accounts. It also conducts ad hoc audits of the accounts of statutory SOEs.	Fully corporatised SOEs are required by PSC Rules to establish an internal audit function accountable to the board audit committee.
Philippines	Philippines Public Sector Accounting Standards	Independent external audit not mandated.	Audits of GOCCs undertaken by the Commission on Audit.	GOCCs mandated to establish an internal audit function, which reports to the board audit committee.
Thailand	IFRS mandated for all SOEs.	Independent external audit not mandated.	SOEs' financial statements are audited by the Auditor-General, which reports directly to the Prime Minister. State auditor also conducts ad hoc audits on economy, efficiency and effectiveness.	All SOEs required to establish an internal audit function that reports to the audit committee, as per Ministry of Finance regulations.
Viet Nam	National public sector accounting standards	Independent external audit mandated for all SOEs as per 2015 Cabinet decree	State auditor conducts periodic audits of SOEs (generally every three years, which includes audits of financial statements.	The majority of SOEs are required to establish an internal audit function to review expenditures and strengthen supervision over SOEs' operations.

Source: Information submitted by questionnaire respondents

Penalties and incentives to strengthen compliance

Penalties for non-compliance with reporting requirements

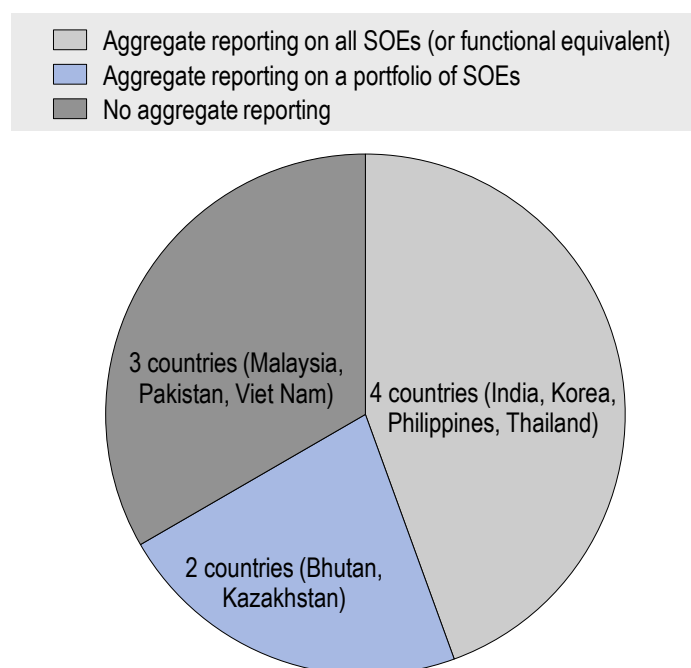
Most countries do not apply penalties in case of non-compliance with the state's disclosure requirements (beyond any sanctions provided for by other broadly applicable legislation, such as the companies law or listing requirements). The exceptions are **Korea, Pakistan** and **Thailand**. In Korea, SOEs (and other public institutions) are subject to penalties in case of negligent or false disclosure through the ALIO system. The concerned entities receive points for non-compliance, which are integrated into the annual performance evaluation and can eventually result in the entities being declared “negligent in disclosure” via the ALIO system. In **Pakistan**, the Public Sector Companies (Corporate Governance) Rules provide for penalties, including fines, in cases of non-compliance.

Incentives to reward strong reporting

A few countries have incentives in place to encourage better reporting by SOEs. These include, for example, awards for companies with high quality reporting and the inclusion of a reporting indicator in the annual performance evaluation, the results of which sometimes inform executive remuneration. These incentives are in some cases facilitated by professional associations, rather than state bodies. For example, in **Pakistan** the professional association of accountants gives awards to companies for strong sustainability reporting. In **Bhutan**, SOEs in DHI's portfolio are incentivised to produce sound reporting by the inclusion of “on time and accurate reporting” as an element of annual compacts with some SOEs, which form the basis for the performance evaluation and the subsequent determination of directors' bonuses. Similarly, in the **Philippines**, timely and accurate disclosure is one element taken into account in the annual performance evaluation, which informs performance-based bonuses accorded to GOCC executives. A similar practice is employed in Thailand, where non-compliance with SEPO's disclosure obligations can be reflected in SOEs' performance evaluations.

2.3. Disclosure at the level of the state

The majority of Asian countries surveyed engaged in some form of public reporting on the activities and performance of SOEs. National approaches to disclosure at the level of the state can be categorised as follows.

Figure 4. **Aggregate reporting practices in the surveyed countries**

Source: Information provided by the national authorities of contributing countries. Note: The categorisation of countries is by no means definitive and is based on OECD Secretariat judgment. For example, Malaysia (described as not undertaking any form of aggregate reporting) could arguably be considered to undertake aggregate reporting on a portfolio of SOEs, since Khazanah Nasional produces an annual report on the performance of its investment portfolio.

Aggregate reporting on the entire SOE sector

In three countries (**India, Philippines and Thailand**), the authorities produce an aggregate report on the entire SOE sector that is addressed to the public. In India, DPE publishes an Annual Public Enterprises Survey which provides an overview of the financial position, performance and operations of all SOEs. It also provides information on some individual SOEs. The report is available online in both English and Hindi and is presented to the parliament on a yearly basis. In the Philippines, the GCG prepares an annual report on the performance of GOCCs, which is submitted to the President and to Congress and made available online. In Thailand, SEPO publishes a number of annual reports which are functionally equivalent to an aggregate report on the SOE sector. The reports are entitled State Enterprise Reviews and include information on the implementation of state policies by SOEs, key performance indicators and financial ratios.

Online inventory functionally equivalent to an aggregate report

In **Korea**, while the authorities do not produce an annual aggregate report on SOEs *per se*, the contents of the ALIO disclosure system can be considered functionally equivalent to an aggregate report.

Aggregate reporting on a portfolio of SOEs

In two countries (**Bhutan** and **Kazakhstan**), annual reporting is undertaken by the state holding company and concerns the overall performance of its portfolio companies (Druk Holding and Investments in Bhutan and Samruk Kazyna in Kazakhstan)².

No aggregate reporting

Finally, three countries (**Malaysia**, **Pakistan** and **Viet Nam**) do not produce any form of regular reporting to the public on SOEs. These three countries have, however, all taken steps towards increased public disclosure on SOEs' performance. For example, in Malaysia, many of the Government-Linked Investment Companies (e.g. Khazanah Nasional) in practice produce reports on the performance of their portfolio companies. In Viet Nam, annual reports on SOEs are prepared by the Ministry of Planning and Investment and ultimately submitted to Parliament during mid-year sessions. In Pakistan, the Finance Division of the Government of Pakistan published a performance review of SOEs for the financial year 2013-14. The review provides information on the financial position and performance of 190 SOEs.

² Additionally, in Bhutan, the Ministry of Finance produces an aggregate report on SOEs which is presented to Parliament by the Prime Minister as part of the State of the Nation report.

3. Main findings and comparison with international good practice

A fundamental tenet of the SOE Guidelines is that the members of the general public are the ultimate “owners” of SOEs and that, as such, they should benefit from the same degree of transparency that shareholders expect of the listed companies in which they hold shares. As outlined in the introduction, the SOE Guidelines explicitly call for SOEs to “observe high standards of transparency and be subject to the same high quality accounting, disclosure, compliance and auditing standards as listed companies”.

This stocktaking report has shown that in the majority of the Asian countries surveyed, SOEs do not systematically report to the public in a manner consistent with the practices of listed companies. This is, however, by no means unique to Asia. Globally, SOEs are often subject to a weaker disclosure regime than that applicable to listed companies. This often reflects SOEs’ limited degree of corporatisation and/or the fact that their accounts are incorporated into the general government budget. It should also be kept in mind that the SOE Guidelines are an aspirational standard, which countries are encouraged to take steps towards implementing. Most of the countries surveyed herein have indeed taken steps to bring their national approaches closer to the good practice standards set forth in the SOE Guidelines. The following proposes a synthesis of main findings in the surveyed countries, a comparison with international “good practices” and some potential areas for further investigation.

3.1. The impact of state ownership arrangements on SOEs’ disclosure environment

State ownership arrangements necessarily impact SOEs’ disclosure environment and the degree to which related requirements are harmonised across enterprises. Most of the countries examined herein have predominantly decentralised state ownership models, leading to a somewhat fragmented disclosure landscape. However, most have also introduced some degree of policy coordination – including in the domain of disclosure – through the establishment of a central coordinating agency or a holding company overseeing a non-trivial portfolio of SOEs. In practice, these coordinating entities have in most cases developed disclosure requirements for SOEs that either complement – or compensate for the lack of – requirements established via other legislation.

The establishment of coordinating entities is considered good practice by the SOE Guidelines when a full centralisation of the state ownership function is not efficient or feasible. Such entities notably have the potential to centralise at least some ownership responsibilities, such as board nomination or, more germane to the topic of this report, performance monitoring and reporting. They can also contribute to greater separation of the state’s ownership and regulatory roles, if given adequate resourcing and institutional – or *de facto* – authority over state ownership decisions. In this regard, the enforcement powers of state coordinating entities in Asia, as well as the degree of implementation of their disclosure requirements, could be fruitful areas for future study.

Evolutions in state ownership arrangements in Asia can be considered somewhat in-step with international trends over the past decade, in the sense that there has been a move *towards* centralisation. This being said, most of the Asian countries surveyed herein still maintain predominantly decentralised ownership models, a situation which constitutes a non-trivial departure from what would be considered “good practice” in an average OECD country. In many cases, however, this reflects in part the large size of SOE portfolios in Asia and, in at least in some sectors, a lower degree of market liberalisation. In most OECD countries, the centralisation of state ownership models occurred in tandem with shrinking SOE portfolios, strengthened corporatisation and increased liberalisation of markets.

3.2. Persisting issues with the quality and credibility of corporate disclosure by SOEs

An overarching issue identified in this report relates to the quality and credibility of corporate disclosure by SOEs. In particular, the national authorities of most of the surveyed countries do not systematically require that SOEs keep accounts in accordance with international accounting standards. This finding is somewhat countered by the fact that, in most countries, large SOEs reportedly do so in practice and in many countries national accounting standards are reportedly broadly consistent with IFRS. The majority of countries do not require that SOEs’ financial statements undergo an independent external audit, as called for by the SOE Guidelines. Most countries appear to mandate some form of internal audit function, but further research would be warranted to shed light on the effectiveness of these corporate organs. Together, these findings point to significant scope for strengthening the accounting and audit environment for SOEs in Asia.

A few countries have sought to encourage better quality disclosure by SOEs through incentives or penalties, for example including a rating for quality and timeliness of disclosure in SOEs’ annual performance evaluations. The effectiveness of these compliance mechanisms could be an area for further investigation.

Overall, the countries surveyed herein appear to have taken important steps to strengthen and harmonise the disclosure requirements placed on SOEs, thus bringing approaches closer to international good practice. However, the fact that SOEs’ financial statements are not systematically subject to an external audit constitutes a departure from international good practice. This being said, in many cases the different audit practices reflect the low degree of corporatisation of SOEs in many Asian countries as well as their closeness to the public administration. As more SOEs are corporatised – and in some cases listed – the quality and credibility of disclosure can be expected to improve.

3.3. Steps taken to report to the public or its representative bodies

The majority of countries surveyed herein have taken steps to report to the public or its representative bodies on the activities and performance of SOEs. This takes various forms, including: aggregate reporting to the public on the entire SOE sector; aggregate reporting on a portfolio of SOEs (by the state holding company); and online disclosure systems that are functionally equivalent to aggregate reports. In those countries that do not engage in systematic aggregate reporting, all have taken steps to improve transparency, for example through *ad hoc* reports on SOEs or regular reporting to the parliament on the performance of SOEs. All of these measures constitute steps to bring

national practices closer to the standards of the SOE Guidelines. For the most part, aggregate reports are primarily focused on SOEs' financial performance. There appears to therefore be scope for broadening the coverage of aggregate reporting, for example by including more information on the composition and independence of SOEs' boards of directors.

Compared with international good practice, the quality and scope of aggregate reporting in the surveyed countries arguably merit some improvement. For example, in a few "good practice" OECD countries, notably in Scandinavia, aggregate reports include information on the implementation of the state ownership policy, the composition and qualifications of SOE boards of directors and detailed reporting on individual SOEs. In at least one OECD country (Norway), the state's latest aggregate report also includes information on the rationales for state ownership and the objectives of individual enterprises, in keeping with the standards of the SOE Guidelines. A promising development in a few Asian countries is the use of web portals to facilitate public access to information on SOEs, which is considered good practice by the SOE Guidelines.

4. Individual national approaches

4.1. Bhutan

Prevailing state ownership model

The prevailing state ownership model in Bhutan can be considered centralised with exceptions, since a central holding company exercises state ownership in a non-trivial number of SOEs. Druk Holding and Investments (DHI) oversees state investments in 14 majority- or wholly-owned SOEs and six minority-owned entities. Eight other SOEs are outside of the holding company's portfolio and are under the purview of the relevant line ministries. Most of the information contained in this report refers only to the disclosure requirements and practices applicable to DHI's portfolio companies, although information on other SOEs is highlighted as available.

Disclosure requirements and practices at the enterprise level

SOEs in Bhutan are subject to the information disclosure provisions of the Companies Act (2016) as well as the provisions of DHI's corporate governance code, which companies are expected to respect on a "comply-or-explain" basis. All companies, regardless of legal form, are required to prepare financial statements to be presented to (and adopted by) the AGM during the first or second quarter of the year following the financial year. Financial statements are then filed with the Registrar of Companies along with a directors' report.

In addition to the preparation of financial statements, the Companies Act requires that boards elaborate a director's report which includes information on: (1) the state of the company's affairs; (2) the amount, if any, which it proposes to transfer to reserves; (3) the amount, if any, recommended for dividend payment; (4) explanation or information regarding every reservation, qualification or adverse remark contained in the auditor's report; and (5) company policy on corporate governance and corporate social responsibility. DHI's corporate governance code details what should be included in companies' annual reports and corporate governance reports (which are in the annual reports). Box 2 lists those requirements. Concerning reporting of information beyond financial operations and performance, SOEs are notably also required to report on directors' remuneration, board composition and contingent liabilities arising from public-private partnerships.

According to information provided by the authorities of Bhutan, in practice SOEs' disclosure of financial information is reasonably uniform across the SOE sector, including for the SOEs outside of the holding company's portfolio. All SOEs publish annual reports, which generally include the company's profile, performance highlights, audited financial statements, basic information on the board of directors – including their remuneration – and a directors' report. Most SOEs under DHI's purview also report consistently on corporate governance and corporate social responsibility policies and

practices and maintain up-to-date websites. However, reporting on corporate governance is reportedly an area where improvements are warranted. In case of non-compliance with disclosure standards, the Companies Act allows for financial penalties applicable to the company and its directors. SOEs in DHI's portfolio are incentivised to produce sound reporting by the inclusion of "on time and accurate reporting" as an element of annual compacts with some SOEs, which form the basis for the performance evaluation and the subsequent determination of directors' bonuses.

Table 2. **Overview of mandatory and optional reporting requirements for SOEs: Bhutan**

	Financial information	Non-financial information
Mandatory	<ul style="list-style-type: none"> Audited accounts (statement of comprehensive income, statement of financial position, statement of cash flow position, statement of changes in equity, financial ratios, notes accompanying the accounts), audit report and management report 	<ul style="list-style-type: none"> Company profile, operational highlights, director's report, corporate governance report, composition and remuneration of boards of directors, CEO remuneration, corporate social responsibility report and information about auditors
Optional	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Projects in the pipeline, challenges and issues

Source: Information provided by the authorities of Bhutan

Box 2. Information disclosure requirements for SOEs in Bhutan: DHI corporate governance code

The corporate governance code of Druk Holding and Investments states that the annual reports of its portfolio companies shall include at minimum the following:

- a) The financial statements and operating results of the company;
- b) Share performance and dividend payments;
- c) Material transactions with related parties;
- d) A discussion of the factors affecting, or likely to affect, the company's activities and financial situation;
- e) Report on Corporate Social Responsibility (CSR) activities carried out or supported by the company; and
- f) A separate section on Corporate Governance Report

It also states that the corporate governance report, which is included in annual reports, shall include the following:

- a) A statement of compliance with the Code, including a full explanation of any deviation from the Code;
- b) Information on the company, subsidiaries and the names of directors at each level;
- c) Director's profiles (including other directorships), with independent, non-executive and executive directors clearly identified;
- d) The number of times in the year the board and each committee met, attendance details for each director and remuneration of each director;
- e) A statement on the company's risk management and internal control systems;
- f) Disclosure of material related party transactions between the company, its subsidiaries or associates or affiliates and a director or key management person; and
- g) The policies and practices for board evaluation.

Source: Information provided by the authorities of Bhutan (excerpt from the Corporate Governance Code of Druk Holding and Investments, edited for clarity).

Concerning accounting and auditing standards, all SOEs in Bhutan are required to keep accounts in accordance with Bhutanese Accounting Standards, which are based on IFRS. Until 2013, Bhutan based its national accounting standards on US GAAP and intends to convert to IFRS by 2021. All SOEs are required to have their financial statements audited by an independent external auditor. The Royal Auditing Authority of Bhutan maintains a panel of auditors from certified independent accounting firms and has the power to appoint and remove auditors from the panel. Auditors are appointed at each AGM, based on the recommendation of the Royal Audit Authority. The same auditor cannot be appointed for more than three consecutive years without the prior written approval of the Royal Audit Authority. The state audit office works closely with – and supervises the work of – the external auditors.

Following the external auditor’s financial audit, the state audit office conducts its own financial audit to assess whether financial statements reflect a true and fair view of SOEs’ financial operations. The Royal Audit Authority is mandated to conduct audits on economy, efficiency and effectiveness in the use of public resources. It also conducts *ad hoc* “propriety” audits of SOEs to assess whether transactions are in the public interest and to identify any irregular transactions. The findings of state audits are reported to the Public Account Committee of the Parliament and are also disseminated through the local media.

SOEs with DHI’s portfolio are required as per the DHI corporate governance code to establish an internal audit function that reports to the board or its audit committee. The internal audit function is mandated to regularly review the effectiveness of governance, risk management and internal control systems. In practice, the majority of DHI portfolio companies have established a board audit committee which determines the annual work programme of the internal audit function.

Disclosure at the level of the state

Annual aggregate reporting on SOEs takes place in Bhutan through (1) an aggregate report on SOEs produced by the Ministry of Finance and (2) DHI’s annual report on its portfolio companies. For the aggregate report produced by the Ministry of Finance, DHI is required to submit performance reports, including financial statements, on its portfolio companies, on a bi-annual basis. The same requirement applies to non-DHI SOEs. The Ministry of Finance uses this information to prepare an aggregate report with consolidated information on the performance of all SOEs. The aggregate report informs the formulation of the annual government budget as well as the State of Nation report, which presented to Parliament by the Prime Minister. Reporting on SOEs is also included in the Annual Financial Statements of the Royal Government of Bhutan. Related information concerns SOEs’ contribution to the state budget through taxes and dividends and an overview of the government’s equity share in individual SOEs.

The DHI annual report notably contains information on DHI’s board of directors and management team, key financial highlights of its portfolio companies, the auditor’s report on DHI’s accounts and operational highlights for each portfolio company. Information on planned investments or projects for individual SOEs is also highlighted in some cases. The report also includes information on the fulfilment of major public policy objectives where relevant, e.g. on rural electrification (Bhutan Power Corporation), mobile connectivity in rural areas (Bhutan Telecom Ltd.) and operation of domestic flights (Drukair Corporation Ltd.). Concerning the audience for disclosure, the Ministry of Finance’s aggregate report is submitted to the cabinet and to the Parliament. DHI’s

annual reports are presented to the public through a press conference and are available online. DHI's website also contains brief profiles of its portfolio companies, with links to their websites.

4.2. India

Prevailing state ownership model

India has a decentralised state ownership model with a coordinating agency. Administrative line ministries exercise *de facto* control over SOEs, but the Department of Public Enterprises (the coordinating agency) monitors their performance and formulates policies on SOE governance. Parliament has ultimate responsibility for SOE monitoring via the responsible administrative ministries. A number of other state bodies exercise oversight and develop guidelines or directives for SOEs in their areas of competence. This includes NITI Aayog, the Department of Public Enterprises, the Public Enterprises Selection Board, the Department of Investment and Public Asset Management (DIPAM), the Comptroller and Auditor General of India and the Central Vigilance Commission, among others.

Disclosure requirements and practices at the enterprise level

All SOEs in India are subject to the information disclosure requirements set forth in the Companies Act of 2013, which include the disclosure on company websites of financial statements and other information. Listed SOEs are additionally required to respect the disclosure requirements set by the Securities and Exchange Board of India. This includes disclosure of their financial statements as well as information on business operations, audit committee composition, compliance with accounting standards, remuneration of directors and compliance with the company code of conduct. In addition to reporting on their financial position, all SOEs are reportedly required to disclose information on compliance with applicable corporate governance standards, remuneration of directors and contingent liabilities arising from public-private partnerships.

Concerning accounting and audit requirements, all SOEs must prepare their accounts in accordance with Indian Accounting Standards, which are reportedly based on IFRS. SOEs' accounts are audited by statutory auditors appointed by the Comptroller and Auditor General of India. The Companies Act foresees penalties in case of non-compliance with its information disclosure requirements.

Disclosure at the level of the state

The Department of Public Enterprises, under the Ministry of Heavy Industry, publishes an Annual Public Enterprises Survey which provides an overview of the financial position, performance and operations of all SOEs. It also provides information on some individual SOEs. The annual aggregate reports consists of two volumes. Volume I presents an overall assessment of SOEs' financial position and performance, while Volume II contains more specific information including SOEs' balance sheets and income statements. The report is available online in both Hindi and English and is presented to the Parliament on a yearly basis. In addition to this, responsible administrative ministries generally publish information on the individual SOEs under their purview, including on their respective websites.

4.3. Kazakhstan

Prevailing state ownership model

The prevailing state ownership model in Kazakhstan can be considered “centralised with exceptions”. While some SOEs remain under the purview of their respective line ministries, a non-trivial number is overseen by one of three central holding companies. For the purpose of this report, all of the information concerns practices undertaken by one of those holding companies, JSC Samruk Kazyna. Samruk Kazyna was established in 2008 and is 100% owned by the Government of Kazakhstan. It manages investments of state capital in 545 portfolio companies, which are active in oil and gas, transportation and communication, the atomic industry, mining, electricity production and the chemicals industry.

Disclosure requirements and practices at the enterprise level

Disclosure requirements placed on SOEs in Kazakhstan are established via the Law on Accounting and Financial Reporting, applicable to all “organisations” (i.e. all separate legal entities, including companies), with exceptions for certain financial companies or organisations. The Law on Accounting and Financial Reporting notably requires all entities under its scope of applicability to prepare annual financial reports and make them available no later than 30 April of the year following the accounting year. Companies themselves are responsible for determining the content and form of financial reports. In addition to these general disclosure requirements applicable to all organisations, the companies in Samruk Kazyna’s portfolio are also called upon to respect optional disclosure standards set forth in Samruk Kazyna’s Corporate Governance Code, applicable to all portfolio companies that are at least majority-owned by the holding company and that have the legal form of joint stock company or limited liability partnership (Box 3). The Code was approved on 15 April 2015 by Decree No. 239 of the Government of the Republic of Kazakhstan. It notably encourages SOEs to “disclose information about all important aspects of their activities, including financial performance, operational results and the structure of ownership and governance (management)”. SOEs with exchange-traded bonds or shares are encouraged by the Code to respect higher standards of disclosure (e.g. “best practice” financial reporting and higher frequency of disclosure). SOEs with the legal form of joint stock companies are subject to the information disclosure requirements set forth in the Law on Joint Stock Companies, which *inter alia* requires reporting on the issuance of shares. In practice, all joint stock companies in Samruk Kazyna’s portfolio report on board composition in their annual reports.

Assessing the quality and credibility of SOE disclosure goes beyond the scope of this report, but in practice SOEs in Kazakhstan reportedly keep their accounts in accordance with international financial reporting standards and submit annual financial statements to an external auditor. The explanatory notes to the Corporate Governance Code applicable to Samruk Kazyna’s portfolio companies offer guidance for ensuring the independence of external auditors, including with respect to rotation of audit staff and avoiding conflicts of interest. The Code explicitly states that SOEs are only required to subject annual financial statements to an external audit if provided for in other legislation or internal documents of the company. The Law on Joint Stock Companies allows SOEs with such a legal form to establish an internal audit function, but this is not mandatory. The Corporate Governance Code of Samruk Kazyna, with which (as mentioned previously) compliance is optional, encourages the establishment of an internal audit function to evaluate the effectiveness of entities’ risk management, internal control and corporate governance practices.

Box 3. Optional disclosure requirements for SOEs in Kazakhstan

Chapter 7 of Samruk Kazyna's Corporate Governance Code (Samruk Kazyna, 2015), which is reproduced below, sets forth the state's expectations concerning the disclosure practices undertaken by both Samruk Kazyna and its portfolio companies.

1. To respect the interests of their Stakeholders, the Fund and the Organisations should promptly and fairly disclose information about all important aspects of their activities, including financial performance, operational results and the structure of ownership and governance (management).
2. The Fund and the Organisations must promptly disclose information in accordance with legislation of the Republic of Kazakhstan and their internal documents. The Fund and the Organisations should approve internal documents outlining the principles of and approaches to information disclosure and protection, and the information to be disclosed to the Stakeholders. The Fund and the Organisations determine the procedures for classifying information, the rules for its storage and use and the list of persons who may be granted access to commercially sensitive or officially secret information. The Fund and the Organisations should take measures to protect this information.
3. The Fund, Companies and Organisations whose shares or bonds are traded on a stock exchange should promptly publish on their corporate websites audited annual IFRS financial statements and IFRS financial statements for the first three months, six months and nine months of the reporting period. These entities are recommended to disclose information about their financial condition in addition to the IFRS financial statements.
4. The Fund and the Organisations should arrange audits of their annual financial statements by appointing an independent and qualified auditor to provide (as a third party) the Stakeholders with an objective opinion on the reliability and accuracy of the financial statements and their compliance with IFRS. The requirement to have annual financial statements audited only applies if it is set forth in legislation of the Republic of Kazakhstan and/or in internal documents.
5. The Fund, Companies and Organisations whose shares or bonds are traded on a stock exchange should prepare their Annual Reports in compliance with the provisions of the Code and best practice on information disclosure. Annual Reports shall be approved by the respective Boards of Directors.
6. The corporate website should be well structured, easy to navigate and should contain information that is necessary for Stakeholders to understand the activities of the Fund and the Organisations.

The companies in Samruk Kazyna's portfolio are furthermore required to undergo regular audits by the Accounts Committee for Control over Execution of the State Budget, which is essentially a state comptroller responsible for conducting state audits on the use and impact of state funds. The Committee is represented in Samruk Kazyna's board of directors through a permanent member with voting rights. It undertakes an assessment of the impact of the Fund's portfolio entities on national economic or sectoral development. The results of this state audit are communicated to Samruk Kazyna's board of directors as well as the Accounts Committee for Control over Execution of the State Budget.

Disclosure at the level of the state

Information submitted by Samruk Kazyna did not relate to disclosure at the level of the state. However, Samruk-Kazyna does publish an annual report on the performance of its portfolio.

4.4. Korea

Prevailing state ownership model

Korea has a predominantly centralised state ownership model, with the Ministry of Strategy and Finance responsible for exercising state ownership rights in all SOEs. This responsibility is explicitly established via the Act on Management of Public Institutions, which also addresses the overall governance of SOEs. The formulation and implementation of state policies regarding SOE governance and management practices are primarily undertaken by the Public Institutions Policy Bureau within the MoSF.

Disclosure requirements and practices at the enterprise level

All public institutions in Korea (including SOEs) are required to report detailed financial and non-financial information via an online disclosure system called ALIO. The content of reporting comprises 39 items covering *inter alia* entity operations, financial performance, results of internal and external evaluations and notifications addressed to the public, e.g. recent research reports produced by the entity and information for prospective job applicants. Table 3 details the 39 required reporting items. Concerning the content of disclosure that goes beyond operational and financial performance, SOEs are notably also required to submit via the ALIO system information on shareholder composition, board composition and average executive and employee remuneration levels. There are no requirements for reporting on board member remuneration policies or on any contingent liabilities connected with public-private partnerships.

The MoSF is responsible for imposing penalties on public institutions in case of negligent or false disclosure through the ALIO system. Depending on the severity of non-compliance, public institutions receive a score that feeds into an overall Evaluation of Public Corporations and Quasi-Governmental Institutions. If an entity accumulates 40 points in a given fiscal year, it is declared as “negligent in disclosure” on the ALIO system for a period of three months. Incentive systems were reportedly being debated at the time of writing.

According to information submitted by the Korean authorities, in addition to reporting via the ALIO system, the majority of SOEs also separately publish an annual report with financial statements. For large SOEs, the published financial statements are prepared in accordance with IFRS. SOEs undergo both an external audit of their financial statements and a state audit undertaken by the Board of Audit and Inspection. The audited financial statements and the state audit report are submitted to the Minister of Strategy and Finance, then to the Cabinet and then to the National Assembly. Concerning internal audit practices, large SOEs in Korea (those with an asset value of at least 2 trillion won) are required to establish an audit committee. In practice, large SOEs reportedly also establish an audit and inspection office, an internal organ under the remit of either the audit committee (if established) or the internal auditor(s).

Table 3. Reporting requirements for Korean SOEs through the ALIO disclosure system

Category	Item
I. General status	1. General status
II. Operation of institution	2. Number of executives and employees 3. Current status of executives 4. New employment and flexible hours arrangements 5. Annual salary of executives 6. Average monthly salary of employees and salaries of new employees 7. Business expenses spent by the head of institutions 8. Welfare expenses 9. Details of executives' overseas business trips 10. Current status of labour unions 11. Employment rules 12. Enforcement of disciplinary actions 13. Current status of lawsuits and attorney
III. Core businesses and management performance	14. Condensed balance sheet 15. Condensed income statement 16. Revenue and expenditure 17. Core businesses 18. Ongoing investments 19. Status of capital and shareholders 20. Short and long term borrowings 21. Investments and contributions 22. Annual endowments and grants 23. Other overhead costs 24. Tax payment status 25. Audit reports
IV. Internal and external evaluation	26. Feedback from the National Assembly 27. Feedback from the Board of Audit and Inspection of Korea and the competent ministry 28. Results of performance evaluation 29. Feedback from the results of performance evaluation 30. Results of customer satisfaction surveys 31. Results of auditor's job performance evaluation 32. Articles of association, minutes of directors' meetings and internal audit results
V. Notification	33. Management innovation practices 34. Information for job applicants 35. Bidding information 36. Research reports 37. Other information
VI. Current administration's policy framework for state-owned enterprises	38. Detailed information on the debt status of major overleveraged institutions 39. 8 items of employee benefits

Source: Information provided by the authorities of Korea

Table 4. Overview of mandatory and optional reporting requirements for SOEs: Korea

	Financial information	Non-financial information
Mandatory	• See items 5-8, 14-25, 38-39 in Table 3	• See items 1-4, 9-13, 26-37 in Table 3
Optional	• Additional information disclosed by SOEs on their websites	• Additional information disclosed by SOEs on their websites

Source: Information provided by the authorities of Korea.

Disclosure at the level of the state

The Korean authorities do not produce an annual aggregate report on SOEs *per se*, but the contents of the ALIO disclosure system can be considered functionally equivalent to an aggregate report. Reporting through ALIO results in a searchable and downloadable online database in Korean, which is publically available at www.alio.go.kr. The site provides an overview of the ALIO disclosure system and relevant laws.

4.5. Malaysia

Prevailing state ownership model

Malaysia has a predominantly decentralised state ownership model, with no single state institution responsible for exercising ownership rights in enterprises. Most of the information contained in this report relates to two types of SOEs: Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs). Box 4 provides details on how these two entities are defined. Government-Linked Investment Companies are investment companies that allocate all or a majority of their funds to Government-Linked Companies (GLCs). The majority of GLCs are owned through GLICs and not directly by the government.

Box 4. SOEs in Malaysia:

Government-Linked Companies and Government-Linked Investment Companies

Who are the GLCs? What is the definition of GLCs?

A: Government-Linked Companies (GLCs) are defined as companies that have a primary commercial objective and in which the Malaysian Government has a direct controlling stake. Controlling stake refers to the Government's ability (not just percentage ownership) to appoint board members, senior management, and/or make major decisions (e.g. contract awards, strategy, restructuring and financing, acquisitions and divestments etc.) for GLCs, either directly or through GLICs. Includes GLCs, where the Government of Malaysia controls directly through Khazanah, MoF Inc, KWAP, and BNM; or where GLICs and/or other federal government linked agencies collectively have a controlling stake. Includes companies where GLCs themselves have a controlling stake, i.e. subsidiaries and affiliates of GLCs.

16. Who are the GLICs?

A: Government-Linked Investment Companies (GLICs) are defined as Federal Government linked investment companies that allocate some or all of their funds to GLC investments. Defined by the influence of the Federal Government in: appointing/approving Board members and senior management, and having these individuals report directly to the Government, as well as in providing funds for operations and/or guaranteeing capital (and some income) placed by unit holders. This definition currently includes seven GLICs: Employees Provident Fund (EPF), Khazanah Nasional Bhd (Khazanah), Kumpulan Wang Amanah Pencen (KWAP), Lembaga Tabung Angkatan Tentera (LTAT), Lembaga Tabung Haji (LTH), Menteri Kewangan Diperbadankan (MKD), Permodalan Nasional Bhd (PNB).

Source : Excerpt from the Putrajaya Committee on GLC High Performance, "Frequently Asked Questions", accessed in February 2017, www.pcg.gov.my/faq.asp. Notes: KWAP = Kumpulan Wang Persaraan (Diperbadankan) or the Retirement Fund; BNM = Bank Negara Malaysia or the Central Bank of Malaysia.

Disclosure requirements and practices at the enterprise level

Disclosure requirements applicable to SOEs in Malaysia vary depending on their legal form. GLCs with shares listed on the national stock exchange are subject to periodic financial and non-financial reporting requirements outlined in Chapter 9 of the Bursa Malaysia Listing Requirements. Non-listed GLCs are subject to the reporting requirements of the Companies Act 125, which calls for an annual report on returns to be presented first to the AGM and then (no later than two months following the AGM) to the Registrar of Companies. Importantly, the Companies Act does not require reporting to the public, but annual reports can in principle be obtained for a fee through the Companies Commission Malaysia. SOEs that have the form of statutory bodies (applicable to four GLICs) are subject to the reporting provisions of the Statutory Bodies (Accounts and Annual Reports) Act 240. The Act notably requires that statutory SOEs submit an audited statement of accounts, an activities statement and the Auditor General's report (if undertaken) each year to the responsible minister, who then submits those documents to the Parliament.

Concerning accounting and auditing, requirements and practices also vary according to SOEs' legal form. Listed SOEs are required to report according to the Malaysian Financial Reporting Standards, which are apparently consistent with international accounting standards. Listed SOEs are also required as per the Bursa Malaysia Listing Requirements to establish an audit committee which is responsible for appointing an external auditor to the board. Criteria are outlined for the qualifications of the external auditor, but no requirements concerning periodic rotation of the audit firm are set forth. Listed SOEs are furthermore required to establish an internal audit function. Non-compliance with the listing requirements can lead to de-listing or suspension.

SOEs subject to the Companies Act are required to keep accounts in accordance with "internationally recognised accounting standards", determined as such by the Malaysian Accounting Standards Board, and to appoint an internal auditor. They are also required by the Companies Act to establish an internal control system which provides reasonable assurance that "(a) [the] assets of the company are safeguarded against loss from unauthorised use or disposition; and (b) all transactions are properly authorised and [...] recorded as necessary to enable the preparation of true and fair profit and loss accounts and balance sheets and to give a proper account of the assets". A penalty for non-compliance with this provision is set at RM 10 000, with the possibility of six months imprisonment.

Statutory SOEs are required by their applicable legislation to keep accounts "in accordance with generally accepted accounting principles" and to submit their financial statements to the Auditor General on an annual basis. There is no requirement for the financial statements of statutory SOEs to be audited by an independent external auditor. As per the Law on Audit, state audits may be undertaken by the Auditor General within any companies that receive loans or grants from the central or sub-national levels of government, either upon decision of the King or if the Minister of Finance considers it in the public interest. State audits comprise both an audit of financial accounts and an assessment of internal controls.

Disclosure at the level of the state

The Malaysian government does not produce an annual aggregate report on the operations and performance of all SOEs. However, the Treasury does produce an annual report on the financial position of 29 directly-owned SOEs (GLCs), which is available

online. This report includes information on aggregate revenues, operational expenditures, development expenditures (investments) and an aggregate balance sheet. There is no dedicated website with information on individual SOEs, but the “GLC Transformation Programme” website gives general information on a number of individual SOEs, available at www.pcg.gov.my/index.asp. Furthermore, the sovereign wealth fund Khazanah Nasional – whose portfolio includes a number of economically important SOEs – produces an annual report, including notably information on its portfolio’s financial performance, its investment strategy and corporate social responsibility initiatives.

4.6. Pakistan

Prevailing state ownership model

Pakistan has a predominantly decentralised state ownership model, with line ministries exercising ownership rights in the majority of SOEs. There are also elements of the dual model, given that the Ministry of Finance in practice plays a non-trivial role in SOE oversight. SOEs are categorised into three groups: Public Sector Companies (PSCs), Development Finance Institutions (DFI) and Federal Authorities (FA). There is no uniform state ownership policy in Pakistan and SOEs are subject to different regulations according to their legal form and categorisation. Public Sector Companies are notably subject to the Companies Ordinance (2016) and the Public Sector Companies (Corporate Governance) Rules (2013). The Companies Ordinance was amended in November 2016. Listed PSCs are also subject to the provisions of the Code of Corporate Governance. The information contained in this report relates primarily to the disclosure requirements placed on SOEs that have the legal form of PSCs.

Disclosure requirements and practices at the enterprise level

PSCs in Pakistan are subject to the disclosure requirements of the Companies Ordinance (2016) and additional requirements outlined in the Public Sector Companies (Corporate Governance) Rules (2013)³. The Companies Ordinance was revised in 2016 (from its previous 1984 version). No attempt is made in this report to assess implementation of its new provisions. The Companies Ordinance and the PSC Rules apparently contain a number of parallel requirements. This report does not attempt to specify for every requirement whether it is outlined in the PSC Rules, the Companies Ordinance, or both.

Table 5. Overview of mandatory and optional reporting requirements for SOEs: Pakistan

	Financial information	Non-financial information
Mandatory	<ul style="list-style-type: none"> Annual and interim financial statements, as per Rule 10 of PSC Rules 	<ul style="list-style-type: none"> Non-financial information specified in Rule 17 and 18 of the PSC Rules and section 227 of the Companies Ordinance. Information on related party transactions, board of directors and its committee meetings, board performance evaluation, shareholding structure, directors' report and statement of compliance with PSC Rules
Optional	None	None

Source: Information provided by the authorities of Pakistan.

³ The information on national practices in Pakistan draws on separate questionnaire responses submitted by the Securities and Exchange Commission of Pakistan and the Institute of Chartered Accountants of Pakistan. An effort has been made to synthesise the responses.

Concerning the content and frequency of disclosure, PSCs are notably required to publish annual financial statements and make them publically available through filing with the Company Registration Office of the Securities and Exchange Commission. Beyond disclosure of financial information, PSCs are also required to report on compliance with the PSC Rules and on CEO and directors' remuneration, including the board member remuneration policy. PSCs are not explicitly required to report on any contractual liabilities arising from public-private partnerships, but boards are required by the Companies Ordinance to disclose material risks and liabilities. PSCs are not explicitly required to report on control structures. In case of non-compliance with disclosure requirements, both the PSC Rules and the Companies Ordinance provide for penalties, including fines. There are no incentives to encourage better reporting practices specifically for SOEs, but some professional associations offer annual awards to high performing companies, e.g. awards for sustainability reporting and compliance with corporate governance standards.

Box 5. External auditor independence requirements for SOEs in Pakistan

1. The external auditors shall independently report to the shareholders in accordance with statutory and professional requirements. They shall also report to the Board and audit committee the matters of audit interest, as laid down in the International Standards on Auditing.
2. No Public Sector Company shall appoint as external auditors a firm of auditors which firm or a partner of which firm is non-compliant with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics, as applicable in Pakistan.
3. The external auditors shall observe applicable guidelines issued by the International Federation of Accountants with regard to restriction of non-audit services. The audit committee shall also ensure that the external auditors do not perform management functions or make management decisions, responsibility for which remains with the Board and management of the Public Sector Company.
4. No Public Sector Company shall appoint a person as its chief executive, chief financial officer, chief internal auditor or director who was a partner of the firm of its external auditors (or an employee involved in the audit of the Public Sector Company) at any time during the two year's preceding such appointment.

Source: Information provided by the authorities of Pakistan. Excerpt from Rule 23 of the Public Sector Companies (Corporate Governance) Rules.

Concerning accounting and auditing standards, the Companies Ordinance requires that PSCs report according to IFRS. The PSC Rules require external audits of financial statements for listed SOEs, reflecting a parallel requirement in the Companies Ordinance. They also provide guidance for ensuring the independence of external auditors (Box 5). External auditors must comply with the International Federation of Accountants' (IFAC) Guidelines on Code of Ethics. For listed SOEs in the financial sector, audit firm rotation is required every five years. Concerning state audits, the Auditor General's Ordinance allows for a supplementary audit of PSC's accounts. The Auditor General may also audit the accounts of statutory SOEs (those created by statute and not subject to the companies ordinance). PSCs are furthermore required by the PSC Rules to establish an internal audit

function. They stipulate that the head of the internal audit function is accountable to the board audit committee and should have unrestricted access to it.

Disclosure at the level of the state

According to available information, the government of Pakistan does not systematically produce an annual aggregate report on the operations and performance of SOEs and does not maintain a website dedicated to SOEs. However, the Finance Division of the Government of Pakistan has undertaken and published a performance review of state-owned entities for the financial year 2013-14. The report provides information on the financial position and performance of 190 SOEs, including those categorised as PSCs, Development Finance Institutions and key Federal Authorities. The report provides aggregate information on the performance of the SOE sector as a whole, their administrative landscape, legal structure and any funding provided by the Government of Pakistan. It also includes information on individual SOEs, including, *inter alia*, their ownership structure, board composition, balance sheet, income statement, number of employees and any funding provided by the government. The report is available in English only.

4.7. Philippines

Prevailing state ownership model

The Philippines has established a coordinating agency – the Governance Commission for Government-Owned or –Controlled Corporations (GCG) – which serves as a “central advisory, monitoring and oversight body, with authority to formulate, implement and coordinate policies” bearing on SOEs, as set forth in the 2011 GOCC Governance Act. The Act stipulates that the President of the Philippines is the primary representative of the state as owner of GOCCs and empowers the GCG, on behalf of the state, to: oversee SOE board nomination and selection processes; monitor and evaluate SOEs’ performance; rationalise the SOE sector, e.g. by undertaking corporate restructurings; and formulate remuneration standards with a view to attracting and maintaining talent. The GCG oversees 104 SOEs operating in eight broad sectors: Government Financial Institutions Sector; Trade, Area Development, and Tourism Sector; Educational and Cultural Sector; Gaming Sector; Energy and Materials Sector; Agriculture, Fisheries, and Food Sector; Utilities and Communications Sector; and Healthcare Services Sector.

Disclosure requirements and practices at the enterprise level

The general disclosure requirements applicable to GOCCs (SOEs) in the Philippines are outlined in the Ownership and Operations Manual (R.A. 10149), while more specific reporting requirements are detailed in the 2012 Code of Corporate Governance for GOCCs (GCG Memorandum Circular 2012-07). Table 7 provides an overview of the reporting requirements established by both documents. The GCG is in the process of establishing an Integrated Reporting System to notably collect and publish financial information about GOCCs, including their financial statements and corporate operating budgets. Concerning information beyond financial performance, GOCCs are required to report on board composition and committees; their company-specific corporate governance manual; and major development projects or contracts, including public private partnerships. Contingent liabilities arising from public-private partnerships are separately monitored by the Public-Private Partnership Centre of the Philippines (a government agency) and the Department of Finance. In case of non-compliance with

reporting requirements, there are no explicit penalties foreseen. However, timely and accurate disclosure is one element taken into account in the annual performance evaluation, which informs performance-based bonuses accorded to GOCC executives.

Concerning accounting and auditing standards, GOCCs are required to keep their accounts in accordance with the Philippines Public Sector Accounting Standards and to respect other guidelines outlined in the Government Accounting Manual issued by the Commission on Audit. Audits of GOCCs are undertaken by the Commission on Audit, which is mandated to audit and settle all accounts pertaining to the revenue, receipts of, expenditures or uses of funds under the custody of government entities, including GOCCs. The results of the state audit are taken into account when the GCG determines performance based bonuses for key executives. GOCCs are mandated to establish an internal audit function, which reports to the audit committee of the board.

Table 6. Overview of mandatory and optional reporting requirements for SOEs: Philippines

	Financial information	Non-financial information
Mandatory	<ul style="list-style-type: none"> • Latest annual audited financial and performance report within thirty days from receipt of such report; • Audited financial statements in the immediate past five years; • Quarterly, annual reports and trial balance; • Current corporate operating budget; • Local and foreign borrowings; • Government subsidies and net lending; • All borrowings guaranteed by the government; • Common Form Financial statements based on annual audited financial statements within thirty days from receipt of the report; • Dividend computations and payments in accordance with Republic Act No. 7656, also known as the Dividends Law; • Cash and Investment balances; • For GFIs, actual and projected statement of Cash Surplus/Deficit; • Capital Expenditure Program; • Statement of Financial Operations; • Acquisition and Disposition of Assets; • Off Balance Sheet transactions; Reports for the annual corporate budget call such as but not limited to the following: <ul style="list-style-type: none"> ○ Physical and Financial Performance reports (the immediately preceding three years); ○ Sources and Uses of Funds (the immediately preceding three years) and the proposal for the coming year. 	<ul style="list-style-type: none"> • For Chartered GOCCs, the latest version of their charter; • For Non-chartered GOCCs, latest General Information Sheet and brief company background including date of incorporation, history, functions and mandate; • Mission/Vision Statements; • Organisational Chart; • Manual of Corporate Governance; • CSR Statement; • Balance Scorecard; • List of Subsidiaries and Affiliates; • Government Corporation Information Sheet (GCIS) as mandated by the GCG in its Memorandum Circular No. 2012-01; • Complete listing of the Directors and Officers with attached resume and their membership in Board Committees; • Complete Compensation package of all the board members and officers, including travel, representation, transportation and any other form of expenses and allowances; • Information on Board Committees and their activities; • Attendance record of Directors in Board and Committee Meetings; • Any material risk factors and measures taken to manage such risks; • Performance Evaluation System (PES); • Performance scorecards and strategy maps; • Audit Observation Memorandum (AOM) issued by COA, and implementation of such audit recommendations, if any; • No Gift Policy; • Compliance with commitments on servicing loans to, and borrowings guaranteed by, the National Government.
Optional	Not applicable	Not applicable

Source: Information provided by the authorities of the Philippines.

Disclosure at the level of the state

The GCG prepares an annual report on the performance of GOCCs, which is submitted to the President and to Congress and made available online (<http://gcg.gov.ph/site/annualreports>). The report is usually composed of the following sections: (i) Highlight of the Achievements in the GOCC Sector found in the Message from the Chairman; (ii) an Executive Summary of the GOCC Operations; (iii) Report on the Assets, Liabilities, Net Worth, Net Income, Dividends and Other GOCC Remittances, (iv) Financial Support from the National Government (Subsidies, Equities, Net Lending), and (v) Consolidated Public Sector Financial Position and Contributions of the GOCCs. The content is based on GOCCs' submitted financial statements, as audited by the Commission on Audit. The report also highlights major reforms in the SOE sector and achievements of the GCG.

4.8. Thailand

Prevailing state ownership model

Thailand has a predominantly centralised state ownership model, with the Ministry of Finance responsible for exercising state ownership rights in SOEs, as per the Act on Reorganisation of Ministries, Ministerial Bureaus and Departments (B.E. 2545, 2002). Figure 2 provides an illustrative overview of the institutional arrangements for SOE ownership, oversight and regulation. The State Enterprise Policy Office (SEPO) within the Ministry of Finance is the main unit responsible for monitoring and overseeing implementation of state policies related to SOE governance. SEPO also acts as secretariat to the following two committees with SOE policy oversight and monitoring responsibilities.

(1) The **State Enterprise Policy Committee** (SEPC or Super Board) develops state policies concerning SOEs, notably by giving a statement of directions to each SOE. It has five sub-committees, with responsibilities in the following areas of focus: (1) corporate governance; (2) SOE strategies; (3) business rehabilitation plans for seven loss-making SOEs; (4) the Construction Sector Transparency Initiative; and (5) preparation for the establishment of an SOE holding company. The committee is also in charge of approving SOE board members prior to their official appointment by the entity that has board appointment rights in the concerned SOEs' statutory legislation. The SEPC is chaired by the Prime Minister and brings together all other relevant ministers (Defence, Finance, Transport, Science and Technology, Energy, Commerce, Interior and Labour), the Secretary-Generals of state bodies responsible for SOE policy improvement (the National Economic and Social Development Board and the Council of State) and a maximum of eight other qualified members. The Director-General of SEPO is the secretary of the committee.

(2) The **Performance Assessment Committee** is tasked with assessing the performance of SOE boards of directors and executives, according to the annual performance agreements established on the basis of the statement of direction made by the Super Board (the SEPC). This committee monitors three areas: (1) government policy implementation; (2) financial and non-financial performance; and (3) corporate governance. The committee is chaired by the Permanent Secretary of the Ministry of Finance. Permanent members include the Secretary-General of the National Economic and Social Development Board, the Director-General of the Bureau of the Budget, the Auditor-General, the Director-General of SEPO and 12 other members. The Director of the Performance Evaluation System Bureau (under SEPO) is the secretary of this committee.

Figure 5. Institutional arrangements for SOE oversight and regulation: Thailand

Policy maker	<ul style="list-style-type: none"> • Cabinet of Thailand • Minister of Finance (2 special committees) and 16 line ministries
Shareholder	<ul style="list-style-type: none"> • State Enterprise Policy Office (SEPO) under the Ministry of Finance
Operator	<ul style="list-style-type: none"> • 55 state-owned enterprises operating in 9 sectors
Regulators	<ul style="list-style-type: none"> • Bank of Thailand, Securities Exchange Commission, National Broadcasting and Telecommunications Commission, Energy Regulatory Commission, etc.
External auditor	<ul style="list-style-type: none"> • Office of the Auditor-General

Source: Information provided by the authorities of Thailand.

Disclosure requirements and practices at the enterprise level

Non-listed SOEs in Thailand are subject to the disclosure requirements established by SEPO, while listed SOEs are subject to those established by the Securities and Exchange Commission. Both bodies establish similar standards of disclosure, reflecting a December 2011 decision by the Cabinet of Thailand, according to which all SOEs are required to disclose information along the same standards as listed companies. Table 7 provides an overview of the disclosure requirements applicable to all SOEs. All SOEs are required to publish an annual report online. The majority of SOEs reportedly comply with this requirement in practice.

Concerning disclosure beyond financial position and performance, SOEs are required to disclose information on their shareholding structure, compliance with applicable corporate governance standards, remuneration of board members and information on public-private partnerships whose value exceeds 500 million baht. Penalties are foreseen for listed companies that do not comply with listing requirements, notably public announcements to investors, suspension of trading and eventually de-listing. While non-listed SOEs do not face penalties in case of non-compliance with disclosure requirements, non-compliance is reflected in their annual performance evaluation score which informs bonus levels. The government also incentivises compliance with a “Transparency and Disclosure Award”.

Concerning accounting and audit requirements, all SOEs are required to keep their accounts in accordance with IFRS. SOEs’ annual financial statements are audited by the Auditor-General of Thailand, which reports directly to the Prime Minister. An external audit of SOEs’ financial statements by an independent (private) external audit firm is not mandate. As such, there are no requirements concerning the rotation of audit firms. In addition to financial audits, the Auditor-General also conducts *ad hoc* audits on economy, efficiency and effectiveness and on the collection of taxes, fees and other incomes of the audited entities. All SOEs are required to establish an internal audit function as per Ministry of Finance regulations, which also require that the internal audit function report to the audit committee.

Table 7. Overview of mandatory and optional reporting requirements for SOEs: Thailand

	Financial information	Non-financial information
Mandatory	<p>Part 1: Business</p> <p>1. Business Overview</p> <p>1.1 Financial highlights</p> <p>2. Performance</p> <p>2.1 Performance analysis</p> <p>2.2 Financial Status analysis</p> <p>Part 2: Corporate governance</p> <p>1. Financial Report</p> <p>1.1 Responsibility report on correctness of financial statement</p> <p>1.2 Audit review</p> <p>1.3 Financial Statement</p>	<p>Part 1: Business</p> <p>1. Business Overview</p> <p>1.1 History</p> <p>1.2 Vision/Mission/Duty/Establishment Objective/Statement of Direction</p> <p>1.3 Nature of Business</p> <p>1.4 Location, number, fax number, website</p> <p>1.5 Information on subsidiaries (at least 25% owned): name, product and service, location, number, fax number</p> <p>1.6 Risk factors</p> <p>1.7 Future trends</p> <p>2. HR Management</p> <p>2.1 Management Structure</p> <p>2.2 Boards</p> <p>2.3 Executives</p> <p>2.4 Officer capacity and remuneration of all officers</p> <p>3. Capital structure</p> <p>3.1 Company's securities</p> <p>3.2 Liability structure</p> <p>3.3 Government budgets and dividend</p> <p>4. Important current and future investments</p> <p>4.1 Action plan/ projects</p> <p>4.2 Private partnership projects</p> <p>Part 2: Corporate governance</p> <p>1. Good governance policy implementation progress</p> <p>1.1 Corporate governance policies</p> <p>1.2 Roles of boards</p> <p>1.3 All appointed committees</p> <p>1.4 Remuneration of the company's board of directors and committees</p> <p>1.5 Remuneration of the executive officers (1st and 2nd Level)</p> <p>1.6 Conflict avoidance policies</p> <p>2. Committee reports</p> <p>2.1 Audit committee report</p> <p>2.2 Nominating committee report</p>
Optional	None	None

Source: Information provided by the authorities of Thailand.

Disclosure at the level of the state

SEPO publishes a number of annual reports which are functionally equivalent to an aggregate report on the operations and performance of all SOEs. The reports are entitled State Enterprise Reviews and take the form of either aggregate sector-level reports or reports on individual SOEs. SEPO obtains the information for the reports from the Government Fiscal Management Information System (GFMIS), where SOEs are required to submit periodic information, as well as from public sources and interviews. The reports include information on the implementation of state policies by the SOEs, key performance indicators and key financial ratios. They are available online in Thai on SEPO's website: www.sepo.go.th.

4.9. Viet Nam

Prevailing state ownership model

Viet Nam has a predominantly decentralised ownership model, with line ministries exercising ownership in many economically important SOEs (e.g. Vietnam Oil and Gas Group and Vietnam Electricity) and a number of other ministries involved in oversight and/or corporate decision-making. These include the Ministry of Finance, the Ministry of Interior and the Ministry of Labour. The Ministry of Finance is notably responsible for reviewing SOEs' financial statements and making decisions on dividend levels. The State Capital Investment Corporation (SCIC) under the Ministry of Finance acts as a state holding company, managing the investment of state capital in a portfolio of over 400 SOEs. As of late 2016, the authorities of Viet Nam were reportedly considering a partial centralisation of the state ownership function, through the creation of a ministerial agency with responsibility for SOE board nomination as well as a number of oversight powers.

Disclosure requirements and practices at the enterprise level

The disclosure requirements placed on SOEs in Viet Nam are outlined in Decree 81/2015/ND-CP (dated 18 September 2015), according to which SOEs are required to produce: annual and bi-annual financial reports; five-year business strategies; annual plans for business activities; annual management reports; annual salary reports and annual income reports. SOEs are also required to publish six-month and annual audited financial statements on their websites, prior to sending them to the responsible line ministry and the Ministry of Planning and Investment.

Table 8. Overview of mandatory and optional reporting requirements for SOEs: Viet Nam

	Financial information	Non-financial information
Mandatory	<ul style="list-style-type: none"> • Annual and bi-annual financial reports • Annual business and investment plans • Five-year business strategies 	<ul style="list-style-type: none"> • Information on management structure • Corporate social responsibility activities • Employee remuneration policy • Any changes in business licenses • Information on board member nomination or resignation
Optional	<ul style="list-style-type: none"> • Shareholding structure • Tax obligations • Majority shareholder transactions 	<ul style="list-style-type: none"> • New business contracts • Future planned investments

Source: Information provided by the authorities of Viet Nam.

In practice, SOEs' do not consistently comply with the state's disclosure requirements. According to research undertaken by the Central Institute of Economic Management (CIEM), only 130 out of the 432 SOEs examined disclose information in accordance with Decree 81 (mentioned above). There are currently no penalties in cases of non-compliance.

Disclosure at the level of the state

The Ministry of Planning and Investment produces an annual aggregate report on SOEs upon instruction from the Prime Minister. The report is not disclosed publicly, but is submitted by the Ministry of Planning and Investment to the Prime Minister and the

Cabinet, following which the Prime Minister presents the report to Parliament during mid-year sessions. The contents of the aggregate report include a general overview of business operations and performance, but no detailed assessments of individual SOEs. The report also includes information on SOEs' contributions to the economy (e.g. contribution to the national budget), the overall value and financial performance of SOEs, total employment in SOEs and information on board member remuneration.

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