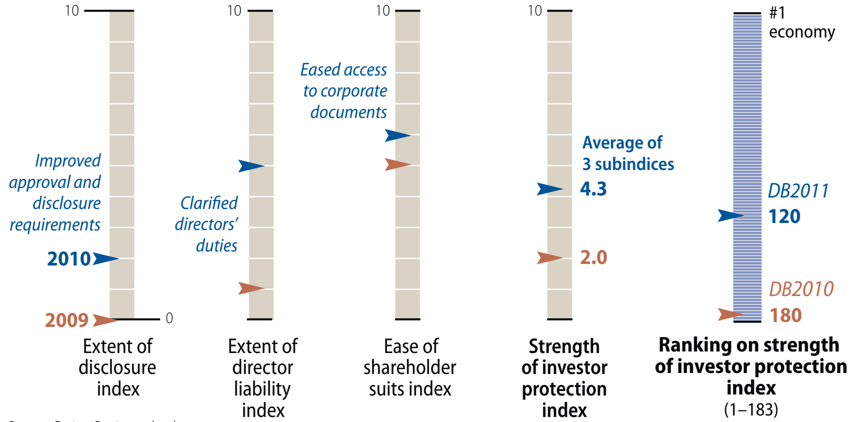
Protecting investors

FIGURE 7.1
Swaziland's new company act strengthened investor protections



Source: Doing Business database.

In 2007 the directors of CNOOC Ltd., a Chinese oil company incorporated in Hong Kong SAR (China) and listed on the Hong Kong Stock Exchange, wanted to deposit funds in its sister company CNOOC Finance Ltd. for 3 years.[1] The transaction represented more than 10% of CNOOC's net assets. Shareholders were concerned because the transaction was unsecured. If CNOOC Finance were to default or file for bankruptcy, CNOOC would be unable to recover the money. A shareholders meeting was called to approve the transaction. More than 52% of independent shareholders voted against it, forcing the company to recover the money already deposited with CNOOC Finance. Potential damage was prevented—thanks to the disclosure and approval requirements of the securities and company laws in Hong Kong SAR (China).

TABLE 7.1
Where are investors protected—and where not?

Most protected	RANK	Least protected	RANK
New Zealand	1	Guinea	174
Singapore	2	Gambia, The	175
Hong Kong SAR, China	3	Micronesia, Fed. Sts.	176
Malaysia	4	Palau	177
Canada	5	Vietnam	178
Colombia	6	Venezuela, RB	179
Ireland	7	Djibouti	180
Israel	8	Suriname	181
United States	9	Lao PDR	182
United Kingdom	10	Afghanistan	183

Note: Rankings are based on the strength of investor protection index. See Data notes for details.
Source: Doing Business database.

Legal provisions requiring disclosure and access to information allow minority investors to monitor the activities of companies and preserve firm value. These provisions matter for the ability of companies to raise the capital needed to grow, innovate, diversify and compete. One common way to raise capital is to obtain credit from banks—but with the global financial crisis, this has become increasingly challenging. Another way is to issue or sell company shares to equity investors. In return, investors ask for transparency and accountability from the company's directors and the ability to take part in major decisions of the company. If the laws do not provide such protections, investors may be reluctant to invest unless they become the controlling shareholders.[2]

One of the most important issues in corporate governance, and a particular concern for minority investors, is self-dealing, the use of corporate assets by company insiders for personal gain. Related-party transactions are the most common example. High ownership concentration and informal business relations can create the perfect environment for such transactions, which allow controlling shareholders to profit at the expense of the company's financial health—whether because company assets are sold at an excessively low price, assets are purchased at an inflated price or loans are given by the company to controlling shareholders on terms far better than the market offers.

To ensure transparency and prevent abuse, policy makers regulate related-party transactions. Research has found that companies can independently improve investor protections by adopting internal corporate governance codes. But these are no substitute for a good legal framework.[3] Strong regulations clearly define related-party transactions, promote clear and efficient disclosure re-

FIGURE 7.2
How well are minority shareholders protected against self-dealing in related-party transactions?

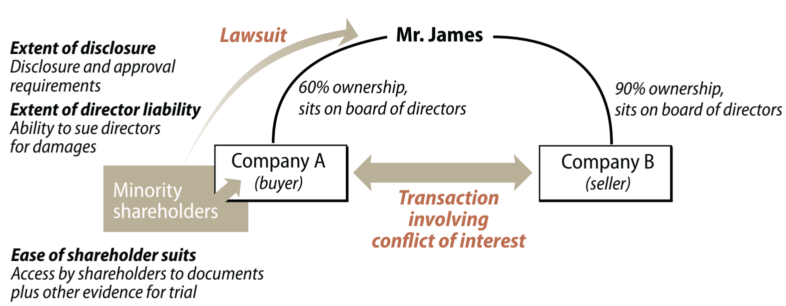


TABLE 7.2
Who strengthened investor protections in 2009/10—and what did they do?

Economy	Area	Some highlights
Chile	Approval of related-party transactions	An October 2009 amendment to the securities law requires stricter corporate disclosure and approval of transactions between interested parties. *Improved score on the extent of disclosure index by 1 point.*
Georgia	Access to internal corporate information	A November 2009 amendment to the civil procedure code allows parties to question their opponents during trial. The judge can interfere when the questions are inappropriate or irrelevant. *Improved score on the ease of shareholder suits index by 2 points.*
Kazakhstan	Disclosure of information	Amendments to the Joint Stock Company Law and the Law on Accounting and Financial Reports adopted in July 2009 require greater corporate disclosure in company annual reports. *Improved score on the extent of disclosure index by 1 point.*
Morocco	Disclosure of information	A decree was issued clarifying the interpretation of the company law with respect to the type of information in the report of the independent auditor who reviews related-party transactions. *Improved score on the extent of disclosure index by 1 point.*
Swaziland	Approval of related-party transactions	A new company act enacted in April 2010 requires approval by the board of directors for related-party transactions. The director with a conflict is allowed to participate in the voting. *Improved score on the extent of disclosure index by 1 point.*
	Disclosure of information	Directors are now required to immediately disclose their conflict of interest to the board of directors. *Improved score on the extent of disclosure index by 1 point.*
	Directors' liability	Directors found liable must now compensate the company for damages caused and disgorge profits made from prejudicial related-party transactions. *Improved score on the extent of director liability index by 4 points.*
	Access to internal corporate information	Minority investors holding 5% of company shares can now request the appointment of a government inspector if they suspect mismanagement of the company's affairs. *Improved score on the ease of shareholder suits index by 1 point.*
Sweden	Approval of related-party transactions	The NASDAQ Stockholm Stock Exchange adopted a new rulebook in January 2010 requiring approval of transactions between interested parties by a shareholders meeting. *Improved score on the extent of disclosure index by 1 point.*
	External review of related-party transactions	The rulebook also mandates an independent review of the terms of related-party transactions before approval by the shareholders. *Improved score on the extent of disclosure index by 1 point.*
Tajikistan	Disclosure of information	A January 2010 amendment to the Joint Stock Company Law requires detailed disclosure of transactions between interested parties in the annual report. *Improved score on the extent of disclosure index by 2 points.*
	Access to internal corporate information	The amended law grants minority shareholders access to all corporate documents. *Improved score on the ease of shareholder suits index by 1 point.*

Source: Doing Business database.

quirements, require shareholder participation in major decisions of the company and set clear standards of accountability for company insiders.

Doing Business measures the transparency of related-party transactions, the liability of company directors for self-dealing and the ability of shareholders to sue directors for misconduct. A higher ranking on the strength of investor protection index indicates that an economy's regulations offer stronger investor protections against self-dealing in the areas measured. The indicator does not measure all aspects related to the protection of minority investors, such as dilution of share value or insider trading. Nor does it measure the dynamism of capital markets or protections specific to foreign investors.

This year's ranking shows that New Zealand protects minority investors the most (table 7.1). Since 2005, 51 economies have strengthened investor protections as measured by *Doing Business*, through 68 legal changes. Seven did so in 2009/10 (table 7.2), slightly fewer than in previous years. Swaziland strengthened investor protections the most (figure 7.1). It adopted a new company act that requires greater corporate disclosure, higher standards of accountability for company directors and greater access to corporate information. After about 10 years of discussion and drafting, the new law came into force at the end of April 2010.

WHAT ARE THE TRENDS?

Over the past 6 years the most reforms to strengthen investor protections took place in OECD high-income economies and the fewest in South Asia. Eastern Europe and Central Asia was the second most active region. Progress was mixed in East Asia and the Pacific and in the Middle East and North Africa. Investor protection reforms started to pick up in Sub-Saharan Africa and in Latin America and the Caribbean (figure 7.3).

STRONGEST PROTECTIONS IN OECD HIGH-INCOME ECONOMIES

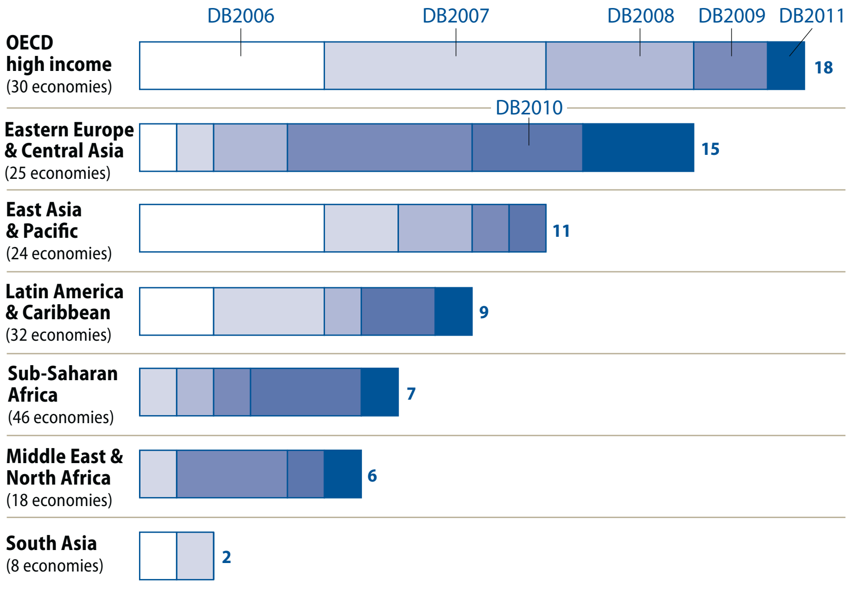
OECD high-income economies have on average the strongest protections of minority shareholder rights in the areas measured. Four economies stand out for their strict regulations on the transparency of related-party transactions, liability of company directors for self-dealing and ability of shareholders to sue directors for misconduct: Canada, New Zealand, the United Kingdom and the United States.

Others offer strong protections in some areas but not all. Fifteen of 30 economies, including Australia, France and Italy, clearly regulate approval and disclosure of related-party transactions. Seventeen economies, including Belgium, Japan and the United Kingdom, have clear provisions on director liability, allowing minority investors to sue directors for misuse of corporate assets. Only 4 economies, including France and Korea, limit the liability of directors to fraudulent transactions. Five economies offer easy access to corporate documents, both

FIGURE 7.3

Steady strengthening of investor protections in Eastern Europe and Central Asia

Number of *Doing Business* reforms strengthening investor protections by *Doing Business* report year



Note: A *Doing Business* reform is counted as 1 reform per reforming economy per year. The data sample for DB2006 (2005) includes 174 economies. The sample for DB2011 (2010) also includes The Bahamas, Bahrain, Brunei Darussalam, Cyprus, Kosovo, Liberia, Luxembourg, Montenegro and Qatar, for a total of 183 economies.
Source: Doing Business database.

directly and through a government inspector, including Hungary and Sweden.

In the past 6 years *Doing Business* recorded 18 reforms in investor protections in 14 of the 30 OECD high-income economies. These economies, including Iceland, Italy and Sweden, focused mainly on improving disclosure requirements for related-party transactions.

ACCELERATING CHANGE IN EASTERN EUROPE AND CENTRAL ASIA

In Eastern Europe and Central Asia *Doing Business* recorded 14 reforms in investor protections in 11 of the 25 economies. Most adopted new legislation. Examples are Albania and Tajikistan.[4] Policy makers emphasized stricter disclosure requirements and better standards for company directors. The region's average score on the extent of disclosure index rose from 4.9 to 6.3 between 2005 and 2010 (figure 7.4).

Thanks in part to these changes, approval requirements for related-party transactions are now well defined. Only 4 economies—Azerbaijan, Croatia, Cyprus and Lithuania—still allow directors with a conflict of interest to vote. Economies in the region have also moved toward defining clear standards and duties for directors. Only Bulgaria and Moldova still allow directors to waive their liability for misconduct.

MANY NEW LAWS IN SUB-SAHARAN AFRICA

Sub-Saharan Africa has had some of the most comprehensive investor protection reforms. Such economies as Botswana, Mozambique, Rwanda, Sierra Leone, Swaziland and Tanzania updated their company laws following global good practices (figure 7.5). Rather than modifying a few provisions, policy makers adopted entirely new laws. And more is expected. The 16 member countries of the Organization for the Harmonization of Business Law in Africa have started reviewing the Uniform Commercial Act. Burundi, Kenya, Malawi and Uganda are developing new commercial laws to improve corporate governance. Once these are adopted, almost half the region's economies will have adopted a new commercial law since 2005.

Doing Business recorded 7 reforms in investor protections in 7 of the region's 46 economies. Such efforts are worthwhile. More than half the region's economies still have poor provisions or none at all on disclosure and approval of related-party transactions, and regulations on the liability of company directors for mismanagement are often outdated.

MIXED PROGRESS IN EAST ASIA

Six of the 24 economies in East Asia and the Pacific implemented 11 investor protection reforms, aimed mostly at strengthening disclosure requirements and directors' duties. Regional competition for investment spurred legal changes in Indonesia and Thailand, inspired by neighboring Hong Kong SAR (China) and Singapore. These economies as well as Malaysia now offer strict protections for minority investors: regulated approval of related-party transactions, a high level of disclosure, clear duties for directors and easy access to corporate information.

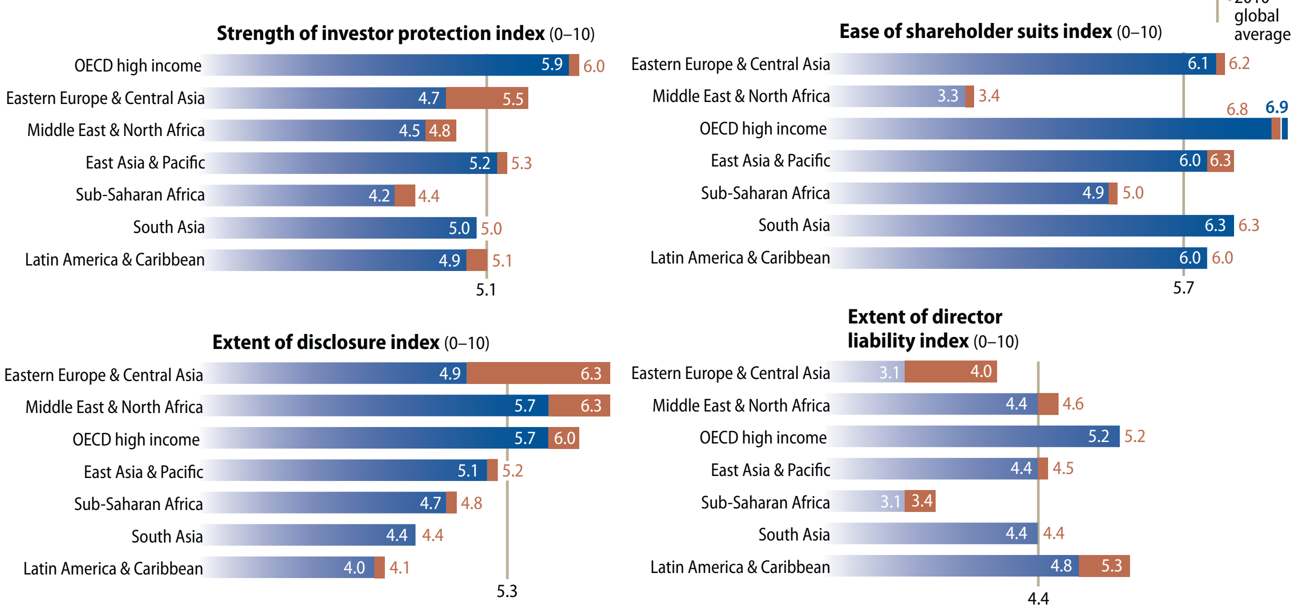
Others can still improve. The Lao People's Democratic Republic and the Federated States of Micronesia lack clear rules on disclosure and approval of related-party transactions. Holding directors liable can be difficult in some countries, including Vietnam. And Cambodia permits only limited access to corporate documents for minority investors.

MANY OUTDATED LAWS IN LATIN AMERICA

Investor protection reforms were sparse in Latin America and the Caribbean in the past 6 years, with a few exceptions. Colombia consistently improved its legislation in the past 4 years. The Dominican Republic adopted a new company law in 2009. Mexico adopted a new securities law in 2006.[5] Chile amended its securities law in December 2009. *Doing Business* recorded 9 reforms in investor protections in 7 of the region's 32 economies.

Rules governing self-dealing remain weak across the region. Clear provisions are often missing, particularly on disclosure and approval. Only Colombia and El Salvador require shareholder approval for related-party transactions. Bolivia, Hon-

FIGURE 7.4
Strongest investor protections in OECD high-income economies
Regional averages in protecting investors indicators



Note: The data sample for DB2006 (2005) includes 174 economies. The sample for DB2011 (2010) also includes The Bahamas, Bahrain, Brunei Darussalam, Cyprus, Kosovo, Liberia, Luxembourg, Montenegro and Qatar, for a total of 183 economies.
Source: Doing Business database.

duras and Panama require no disclosure.

Part of the reason might be outdated legislation. Most company laws in continental Latin America were adopted in the early 1970s. Nicaragua's dates to 1914, and Honduras's to 1948. The Caribbean islands updated their legislation in the 1990s and more strictly regulate conflicts of interest. One exception is Haiti, which still uses commercial legislation from the 19th century. The countries that brought their legal traditions to the region periodically update their laws, with Portugal last updating its securities regulations in 2008, France its commercial code in 2005 and Spain its civil procedure code in 2004.

PROTECTIONS OFTEN WEAK IN THE MIDDLE EAST AND NORTH AFRICA

In the Middle East and North Africa 6 investor protection reforms in 4 of the 18 economies have been recorded since 2005. When corporate governance reforms started in 2001, the first challenge was to find an Arabic equivalent for *corporate governance*. The reforms would not have been possible without an agreement about the meaning of the term in the local language and context. Thanks to a committee of linguists from across the region, *hawkamat al-sharikat,* meaning "the governance of companies," was agreed on after about a year.[6]

Despite recent improvements, legal protections in the region are often weak. Access to corporate information during a trial to establish director liability is often limited. Such access helps minority investors who suspect that the company has been run improperly to gather the evidence needed to prove their case. Four economies—Egypt, Morocco, Saudi Arabia and Tunisia—have started to focus more on regulating corporate disclosure and related-party transactions.

FEWEST INVESTOR PROTECTION REFORMS IN SOUTH ASIA

South Asia has been the least active in strengthening investor protections against self-dealing. *Doing Business* recorded 2 reforms in investor protections in 2 of the region's 8 economies—India and Pakistan. These 2, along with Bangladesh, have the strongest investor protections in the region.

WHAT HAS WORKED?

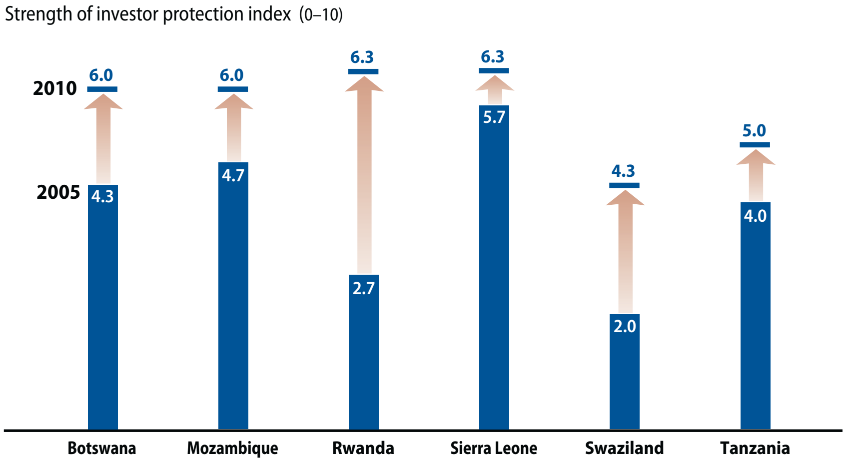
Economies with the strongest protections of minority investors from self-dealing require more disclosure and define clear duties for directors. They also have well-functioning courts and up-to-date procedural rules that give minority investors the means to prove their case and obtain a judgment within a reasonable time.

SETTING STRICT RULES OF DISCLOSURE

Thirty-seven of the 183 economies covered by *Doing Business* stand out for the strictest rules on disclosure of related-party transactions. These include New Zealand, Singapore, Albania and, thanks to investor protection reforms in 2009, Rwanda (table 7.3). The global financial crisis as well as earlier corporate scandals prompted governments around the world to strengthen disclosure requirements. This has been the most popular feature in investor protection reforms since 2005, accounting for 33 of the total.

Eight economies, including Croatia, Maldives and Panama, require no disclosure of related-party transactions. Austria and Switzerland have strict dis-

FIGURE 7.5
Stronger investor protections in Sub-Saharan African economies since 2005



Source: *Doing Business* database.

closure provisions—but only for "material" transactions not carried out "in the ordinary course of business." Since Austrian and Swiss law does not define "material" transactions outside the "ordinary course of business," even a related-party transaction representing 10% of the company's assets could be considered to be in the "ordinary course of business." This contrasts with Belgian and French law, which defines "ordinary course of business" as excluding transactions representing 10% or more of assets.

REGULATING APPROVAL OF RELATED-PARTY TRANSACTIONS

The more participation by shareholders—and the less by interested directors—in the approval of related-party transactions, the greater the protections. Fifty-seven economies require shareholder approval of large related-party transactions. Albania and Tajikistan adopted such rules in the past 5 years.

Such approval mechanisms work well only if the law does not allow many exceptions and if the approval is required at the time of the transaction. In Cameroon and Lebanon shareholders can vote on the transaction only at the annual meeting, after the transaction has already occurred. Greece and the Slovak Republic require shareholder approval only if the transaction does not take place "in the ordinary course of business"—without defining that concept.

In 21 economies, including Costa Rica, the Philippines and Spain, related-party transactions can be approved by the manager, director, chief executive officer or whoever is specified in the company statutes. In 44 economies, including the Czech Republic, Israel and the United States, these transactions are approved by the board of directors and interested parties are allowed to vote. Allowing interested parties to vote can open the door to abuse.

MAKING DIRECTORS LIABLE

Economies with the strongest protections regulate not only disclosure and approval of related-party transactions but also the liability of directors when such transactions turn out to be prejudicial. This can be done by adopting a clear catalogue of the rights and duties of directors or a special regime of liability for directors in the event of an abusive related-party transaction. The board of directors is responsible for monitoring managerial performance and achieving an adequate return for shareholders while preventing conflicts of interest and balancing competing demands on the corporation.[7] To fulfill their responsibilities effectively, directors need clear rules and independent judgment.

Forty-three economies have clear rules on the liability of company directors in case of abusive related-party transactions. These include Canada, Mexico and the United Arab Emirates, which have rules encouraging directors to be prudent in the company's day-to-day management. Thirty-seven economies, including Bulgaria, China and Kazakhstan, do not clearly regulate the liability of directors for abusive related-party transactions. There, as long as the interested parties comply with requirements for disclosure and approval of related-party transactions, they are not liable for any harm that results. The other 103 economies have rules on the liability of directors, but often with loopholes.

ALLOWING ACCESS TO EVIDENCE

Once a potentially prejudicial related-party transaction has occurred, what recourse do minority shareholders have in court? This depends in part on their access to documentary evidence before and during the trial. Without access to evidence, it is more difficult for minority investors to prove that directors have been managing the company's affairs improperly. Economies can have good laws, but if access to corporate information is limited and courts are inefficient, investors are unlikely to resort to the courts.

Only 15 of the 183 economies covered by *Doing Business*, including Israel and Japan, permit full access to documentary evidence both before and during the trial. More than 30, including Canada, the Dominican Republic and Hong Kong SAR (China), allow shareholders access to any corporate document before the trial. Cyprus, France and the United Kingdom allow shareholders to request the appointment of a government inspector with full powers to verify and obtain copies of any corporate document. Kazakhstan, New Zealand, Peru and South Africa require that all company documents related to the case be open for inspection during the trial. Mauritania, Syria and the Republic of Yemen permit limited or no access to evidence during the trial, making it virtually impossible for minority investors to prove their case.

TABLE 7.3

Who provides strong minority investor protections—and who does not?

***Extent of disclosure index** (0–10)*			
Most		**Least**	
Bulgaria	10	Afghanistan	1
China	10	Bolivia	1
France	10	Cape Verde	1
Hong Kong SAR, China	10	Croatia	1
Indonesia	10	Honduras	0
Ireland	10	Maldives	0
Malaysia	10	Micronesia, Fed. Sts.	0
New Zealand	10	Palau	0
Singapore	10	Sudan	0
Thailand	10	Switzerland	0
***Extent of director liability index** (0–10)*			
Most		**Least**	
Albania	9	Afghanistan	1
Cambodia	9	Belarus	1
Canada	9	Benin	1
Israel	9	Bulgaria	1
Malaysia	9	Zimbabwe	1
New Zealand	9	Marshall Islands	0
Rwanda	9	Micronesia, Fed. Sts.	0
Singapore	9	Palau	0
Slovenia	9	Suriname	0
United States	9	Vietnam	0
***Ease of shareholder suits index** (0–10)*			
Easiest		**Most difficult**	
Kenya	10	Lao PDR	2
New Zealand	10	Senegal	2
Colombia	9	Syrian Arab Republic	2
Hong Kong SAR, China	9	United Arab Emirates	2
Ireland	9	Venezuela, RB	2
Israel	9	Yemen, Rep.	2
Mauritius	9	Guinea	1
Poland	9	Morocco	1
Singapore	9	Djibouti	0
United States	9	Iran, Islamic Rep.	0

Source: Doing Business database.

WHAT ARE SOME RESULTS?

Corporate scandals have shown the consequences of inadequate transparency and weak investor protections. Investors take note. A study analyzing the effects of related-party transactions on companies listed on the Hong Kong Stock Exchange during 1998–2000 finds that they led to significant losses in value for minority shareholders. Indeed, the mere announcement of a related-party transaction led to abnormal negative stock returns. The study concludes that investors considered companies with a history of such transactions (even if not prejudicial) to be riskier investments than those with no such history.[8]

PAYOFFS IN PERFORMANCE

Empirical research shows that stricter regulation of self-dealing is associated with greater equity investment and lower concentration of ownership.[9] This is in line with the view that stronger legal protections make minority investors more confident about their investments, reducing the need for concentrated ownership to mitigate weaknesses in corporate governance. Both ex ante protections (extensive disclosure and approval requirements) and ex post measures against self-dealing (rights of action for minority shareholders) seem important. The 2 combined are associated with larger and more active stock markets, lower block premiums, more listed firms, higher market capitalization and higher rates of initial public offerings.

Most economies that strengthened investor protections did so as part of wider corporate governance programs—including Albania, Colombia, the Dominican Republic, FYR Macedonia, Mexico, Mozambique, Rwanda, Sierra Leone and Thailand. This is a good thing. Most research suggests a positive relationship between sound corporate governance systems and firms' performance as measured by valuation, operating performance or stock returns.[10] A Deutsche Bank study of the Standard & Poor's 500 shows that companies with strong or improved corporate governance structures outperformed those with poor or deteriorating governance practices by about 19% over a 2-year period.[11] There is room for more research to fully understand which corporate governance provisions are important for different types of firms and environments.[12]

BENEFITS FOR MORE INVESTORS

For legal protections to be effective, they must be applied. But pinning down the precise effect of specific legislative changes in an economy is difficult. Such changes generally apply to all firms at the same time, leaving no counterfactual to assess what would have occurred without them. But the experiences of several economies show how increased protections are benefiting greater numbers of investors thanks to growth in both the number of listed firms and the number of enforcement cases uncovering prejudicial transactions.

Thailand amended its laws in 2006 and in 2008. Since 2005 more than 30 new companies have joined its stock exchange, bringing the number of listed companies

TABLE 7.4
Good practices around the world in protecting investors

Practice	Economies[a]	Examples
Allowing rescission of prejudicial related-party transactions	69	Brazil, Mauritius, Rwanda, United States
Regulating approval of related-party transactions	57	Albania, France, United Kingdom
Requiring detailed disclosure	48	Hong Kong SAR (China), New Zealand, Singapore
Allowing access to all corporate documents during the trial	43	Chile, Ireland, Israel
Requiring external review of related-party transactions	38	Australia, Arab Republic of Egypt, Sweden
Allowing access to all corporate documents before the trial	30	Japan, Sweden, Tajikistan
Defining clear duties for directors	27	Colombia, Malaysia, Mexico, United States

a. Among 183 economies surveyed.
Source: Doing Business database.

to 523. Since 2005 more than 85 transactions that failed to comply with the disclosure standards have been suspended while the Thai regulator requests clarification. Thirteen of these were deemed to be prejudicial and were therefore canceled, in each case preventing damage to the company and preserving its value.[13]

In Indonesia, another economy that consistently improved its laws regulating investor protections, the number of firms listed on the Indonesia Stock Exchange increased from 331 to 396 between 2004 and 2009. Meanwhile, market capitalization grew from 680 trillion rupiah ($75 billion) to 1,077 trillion rupiah ($119 billion).[14] Malaysia and Singapore, both regional leaders in investor protections, have seen the number of listed firms rise by more than 100 since 2005. In that same period the Malaysian securities commission has sanctioned more than 100 companies for noncompliance with disclosure requirements and more than 20 for noncompliance with approval requirements for related-party transactions.[15]

Brazil's experience shows the value that investors place on strong corporate governance rules. For firms seeking equity funding in Brazil, 2002 and 2003 were tough years. The São Paulo Stock Exchange (BOVESPA) Index had fallen by 14% in U.S. dollar terms. But the market showed that it could recognize value in solid businesses that offered good governance.[16] In 2001 a special segment of the exchange, Novo Mercado, had been created for trading shares in companies that voluntarily adopted corporate governance practices that went beyond what was required under Brazilian law.[17] The assumption was that an investor perception of better corporate governance would boost share values.

Initially people had little faith in this possibility. But by 2004, for the first time in more than a decade, several leading companies decided to go public. Their initial public offerings, the first in Brazil since January 2002, signaled the beginning of a renaissance for the stock market. Toward the end of 2004 Novo Mercado had 7 new listings. By the end of 2007 it had 156 companies listed, representing 57% of BOVESPA's market capitalization, 66% of its trading value and 74% of the number of trades in the cash market.[18] By the end of 2009 Novo Mercado had 3 more new listings.[19] Imagine the benefits if its corporate governance rules applied to all companies.

1. OECD (2009).
2. Dahya, Dimitrov and McConnell (2008).
3. Klapper and Love (2004).
4. Lobet (2009).
5. Johns and Lobet (2007).
6. Anna Nadgrodkiewicz and Aleksandr Sckolnikov, "What's in a Word? Corporate Governance, Language and Institutional Change," *Development Blog,* March 2, 2010, http://www.cipe.org.
7. OECD (2004a).
8. Cheung, Rau and Stouraitis (2006).
9. Djankov, La Porta, López-de-Silanes and Shleifer (2008).
10. Cross-country studies include Klapper and Love (2004), Durnev and Kim (2005), Bauer, Guenster and Otten (2004) and Baker and others (2007).
11. Grandmont, Grant and Silva (2004).
12. Love (2010).
13. Information provided by the Securities and Exchange Commission of Thailand.
14. Indonesia Stock Exchange (2009).
15. Information provided by Securities Commission Malaysia.
16. IFC (2006).
17. *Doing Business* does not take into account the rules that apply in Novo Mercado because they are voluntary.
18. IFC (2008b).
19. BOVESPA (2010).