

Ownership and Governance of State-Owned Enterprises 2026



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Please cite this publication as:

OECD (2026), *Ownership and Governance of State-Owned Enterprises 2026*, OECD Publishing, Paris,
<https://doi.org/10.1787/b72bf04c-en>.

ISBN 978-92-64-61399-7 (print)
ISBN 978-92-64-58791-5 (PDF)
ISBN 978-92-64-35880-5 (HTML)

Ownership and Governance of State-Owned Enterprises
ISSN 3136-9391 (online)

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Preface

State-owned enterprises play an important role in the global economy. The 33 800 companies covered in the OECD's new Global State-Owned Enterprises Dataset held USD 141 trillion in assets and employed 43 million people in 2024. They deliver essential services, manage critical infrastructure and invest in strategic sectors. Strong governance can help these enterprises perform better, while safeguarding public resources and supporting fair competition.

This year's edition of *Ownership and Governance of State-Owned Enterprises* brings fresh evidence to help governments strengthen governance, improve enterprise performance and deliver better outcomes from state ownership. It combines firm-level data with a comparative assessment of national policies and practices. Across the six industries examined, state-owned enterprises were less profitable overall, more leveraged and generally invested less than comparable private companies between 2013 and 2024. While these patterns vary across sectors and regions, they point to opportunities to improve performance and economic outcomes.

The foundations of sound state-owned enterprise governance include clear mandates, measurable objectives and transparent funding. Compensation for public service obligations that is proportionate to net costs helps companies fulfil their objectives while supporting fair competition. Regularly assessing both commercial performance and public policy outcomes can guide improvements and inform future ownership decisions.

Many governments are already taking steps towards more professional and better co-ordinated ownership, but there are significant opportunities to go further: clearly separating the state's ownership function from regulatory and policy roles, ensuring boards have the skills, independence and authority to provide effective oversight, and being transparent with citizens about performance and state support. These arrangements enable informed decisions, strengthen accountability and build trust.

Together with the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*, this report provides evidence and practical direction for reform. By drawing on these insights, governments can ensure that state ownership supports productive investment and creates lasting value for citizens.

A handwritten signature in blue ink, consisting of a stylized 'M' followed by a 'C'.

Mathias Cormann,

OECD Secretary-General

Foreword

This report examines the ownership and governance practices of state-owned enterprises (SOEs) across 58 jurisdictions, including OECD Members and partner economies. Released periodically since 2018, it is underpinned by the *OECD Guidelines on Corporate Governance of State-Owned Enterprises* (the SOE Guidelines), the leading international standard that helps policymakers evaluate and improve the legal, regulatory and institutional frameworks for the ownership and governance of SOEs. The report is based primarily on information provided by participating jurisdictions through the OECD Working Party on State Ownership and Privatisation Practices (WPSOPP), the custodian of the SOE Guidelines. Covering all thematic areas of the Guidelines, it brings together comparative evidence and analysis to highlight key developments, emerging trends and evolving practices in SOE ownership and governance.

For the first time, this edition draws on the OECD Global State-Owned Enterprises Dataset, providing comparative analysis on the scale, performance and economic significance of SOEs globally and complementing the analysis of ownership and governance practices covered by the report. In the dataset, an enterprise is classified as an SOE if the aggregate direct and indirect equity holdings of domestic or foreign state entities amount to at least 25%. The analysis in the report also builds on OECD country reviews and other relevant data and analysis, as well as publicly available information and selected external sources.

The report is organised into seven chapters. Following an overview of the global SOE landscape in Chapter 1, the subsequent chapters examine: professional and active state ownership; ensuring a level playing field; disclosure, transparency and accountability; the composition and responsibilities of SOE boards; and sustainability and state ownership. This edition also includes a thematic chapter on anti-corruption and integrity, drawing on the *OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises* and recent monitoring of the implementation of related measures across the SOE sector.

This report was developed by Nina Chitaia, Karoline Irmischer, Suzannah Hewson and Alba Ruiz Casas, with inputs from Jorge Gálvez Méndez, under the guidance of Sara Sultan, Head of the SOE Unit, and Serdar Çelik, Head of the OECD Capital Markets and Financial Institutions Division. Chapter 1 and the OECD Global SOE Dataset were developed by Alejandra Medina, Head of the Financial Economics Unit, and Gülgün Arıkan of the same unit. This report benefited from the invaluable contributions of delegates to the WPSOPP and partner organisations.

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Abbreviations and acronyms

ACI Guidelines	OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises	LLC	Limited liability company
AIH	Azerbaijan Investment Holding	MNE Guidelines	OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
ALIO	Korea's integrated public institution disclosure platform	NTER	National Tax Equivalent Regime (Australia)
APE	Agence des participations de l'État (France)	ÖBAG	Österreichische Beteiligungs AG (Austria)
BRI	Belt and Road Initiative	OECD	Organisation for Economic Co-operation and Development
CCE	Corporate Commonwealth Entities (Australia)	ORBIS	Moody's ORBIS database
CEO	Chief executive officer	p.p.	Percentage points
CSR	Corporate social responsibility	PPO	Public policy objective
CSRD	Corporate Sustainability Reporting Directive (European Union)	PSO	Public service obligation
DIPRES	Public Budget Office (Chile)	R&D	Research and development
EDF	Électricité de France	RBC	Responsible business conduct
EEP	Établissements et Entreprises Publics (Morocco)	ROE	Return on equity
EIA	U.S. Energy Information Administration	RoR	Rate of return
ESG	Environmental, social and governance	RPT	Related party transaction
EU	European Union	RTVE	Spanish public broadcaster
FMO	Dutch state-owned development bank	SAI	Supreme Audit Institution
GDP	Gross domestic product	SASAC	State-owned Assets Supervision and Administration Commission of the State Council (China)
HCAP	Hellenic Corporation of Assets and Participations (Growthfund, Greece)	SSH	Slovenian Sovereign Holding
IAS	International Accounting Standards	SGEI	Services of general economic interest
IASB	International Accounting Standards Board	SOE	State-owned enterprise
IFRS	International Financial Reporting Standards	SOE Guidelines	OECD Guidelines on Corporate Governance of State-Owned Enterprises
ILO	International Labour Organization	USD	United States dollar
JSC	Joint-stock company	VAT	Value added tax
KPI	Key performance indicator	WTO	World Trade Organization
LAC	Latin America and the Caribbean		

Executive summary

State-owned enterprises are playing a growing role in the global economy, with the assets of large non-financial SOEs nearly doubling in real terms over the past decade.

In 2024, approximately 33 800 SOEs covered in the OECD Global SOE Dataset held combined assets of USD 141 trillion, equivalent to 126% of global GDP. Financial SOEs represented nearly a quarter of all SOEs and accounted for over 70% of total assets, reflecting their role in channelling capital and financing investment. By contrast, non-financial SOEs represented around three-fourths of all SOEs and of total SOE employment. SOEs are concentrated in emerging economies, which account for 80% of global SOE assets and 83% of SOE employment, and are prominent in mining, manufacturing, energy and utilities.

SOEs are broadly comparable to non-SOEs in terms of median size, sales and employment, but differ in financial performance, leverage and investment. SOEs are less profitable overall, with their median return on equity over 2013-2024 averaging 4.7%, compared with 6.4% among non-SOEs across the six industries examined. SOEs tend to be more highly leveraged and rely more heavily on non-debt liabilities. They generally invest less in R&D and have weaker capital accumulation, although patterns vary across regions and industries. Given SOEs' growing economic footprint, these differences can have broader implications for productivity, competitiveness and growth.

Countries are professionalising ownership, but fragmented ownership frameworks and blurred institutional boundaries can weaken accountability.

Governments are increasingly professionalising ownership through stronger co-ordination, improved oversight and greater transparency. However, fewer than half of countries (43%) have a single government-wide ownership policy defining the state's objectives and rationales as an owner. In many others, these remain dispersed across multiple legal, regulatory and policy instruments. This fragmentation can result in less clearly articulated objectives and responsibilities and contribute to inconsistent ownership practices. Ownership models are becoming more co-ordinated, helping to strengthen oversight and strategic steering across SOE portfolios. At the same time, overlaps between ownership, policymaking and regulatory functions remain widespread, with only 42% of countries reporting separation of these functions.

Although SOEs are increasingly expected to compete on market terms, legal exemptions and public service compensation arrangements can undermine a level playing field.

Only 57% of countries apply the same legal frameworks as private firms to SOEs. Where exemptions exist, they often concern areas such as bankruptcy, public procurement, competition and regulatory rules, potentially giving SOEs different operating conditions. At the same time, subsidies, capital injections and other forms of state support remain common, often reflecting public policy mandates, while disclosure practices do not always provide a comprehensive picture of the support received. Public service obligations are also widespread, but only around half of countries tie compensation directly to the costs incurred and require separate accounts, while others use less transparent or more indirect arrangements. Formal dividend policies are also uneven, with 49% setting broad guidance and 32% minimum payout requirements. This underscores the need for transparent and well-defined arrangements that support policy goals and safeguard competitive neutrality.

SOE reporting and audit frameworks are increasingly aligned with international standards, particularly for larger and listed SOEs, but gaps in transparency around governance and control arrangements remain.

Nearly all countries require at least some SOEs to prepare financial statements in accordance with internationally recognised accounting standards or equivalent national frameworks. Disclosure requirements extend beyond financial reporting to cover material risks, risk-management systems, related-party transactions, board and executive remuneration, and commercial and non-commercial objectives. Disclosure of major shareholdings (89%) and corporate group structures (73%) is common, but less consistent for control arrangements such as special voting rights and shareholder agreements. Audit and control requirements are also widespread, with some or all SOEs subject to independent external audit in 93% of countries. Minority shareholder protections are widespread, with over 90% of countries guaranteeing voting rights, access to information and legal recourse, including in non-listed SOEs.

While the importance of board effectiveness has grown, the authority and independence of SOE boards remain uneven across countries.

Requirements aimed at strengthening SOE board independence and effectiveness vary across countries. Only 54% of countries require that boards have a minimum number of independent directors, while 45% prohibit political office holders from serving on SOE boards, highlighting the importance of safeguards to prevent undue political influence. Board authority also differs, as SOE boards have full authority to define corporate strategy in only 43% of countries, while in 47% boards develop the strategy subject to approval by the state shareholder. Audit committees are the most formalised board committee, with around three-fourths of countries requiring them by law or regulation and often applying specific independence requirements. Board evaluations are also widely used, often through self-evaluation mechanisms.

Sustainability expectations for SOEs are becoming more formalised, with further efforts needed to support their integration into risk management, due diligence and reporting.

Most countries set sustainability-related expectations for SOEs through laws, regulations or overarching policy frameworks. In 73% of countries, some or all SOEs are required to report on sustainability. However, their integration into due diligence, risk-management and reporting requirements remains uneven and applies primarily to larger or listed SOEs. Around 60% also integrate sustainability information in aggregate reporting on their SOE portfolios, although the scope and depth of reporting vary.

While anti-corruption and integrity safeguards are established for SOEs, more could be done to strengthen their monitoring and implementation.

Most countries have introduced core safeguards for SOEs, including whistleblower protection mechanisms, restrictions on political contributions, integrity requirements and formal appointment procedures. Reporting on compliance, anti-corruption or integrity matters is common, though only around one-third of ownership entities surveyed systematically monitor the information received from SOEs. Accountability mechanisms are less developed, particularly in the areas of follow-up on audit findings, stakeholder engagement and formal documentation of interactions between the state and SOEs.

1 The global SOE landscape

SOEs have a substantial global footprint, though their scale, sectoral presence and importance vary across economies. Based on the OECD Global SOE Dataset, this chapter maps the global SOE landscape and shows recent trends among non-financial SOEs. It examines their performance, financing structures and investment patterns, while also comparing SOEs with private companies to assess their relative market position, financial performance and contribution to economic activity.

State-owned enterprises (SOEs) play a key role in many economies, with their global footprint expanding significantly over the past decade. Between 2013 and 2024, both the number of SOEs and the value of their total assets roughly doubled in real terms, underscoring the growing scale and importance of the sector and the need to better understand the evolving role of SOEs in the global economy. This chapter reviews the global SOE landscape, examining trends in the size and sector composition, performance, financing structure and investment of SOEs, and their economic significance across regions and over time. The chapter also benchmarks SOEs against privately held companies along several dimensions which can give important insights into SOEs' broader implications for productivity, competitiveness and growth. Drawing on the OECD Global State-Owned Enterprises Dataset, the analysis highlights several key findings:

- *SOEs represent a significant and growing component of the global economy.* The Global SOE Dataset covers 33 834 financial and non-financial SOEs worldwide, with combined assets of USD 141 trillion, equivalent to 126% of global GDP, and total employment of 43 million people in 2024. Between 2013 and 2024, the number of large non-financial SOEs increased from 9 584 to 26 068, while their assets nearly doubled in real terms.
- *Emerging markets account for the majority of SOEs and an even larger share of their economic footprint.* In 2024, 62% of financial SOEs and 72% of non-financial SOEs were domiciled in emerging markets, accounting for more than 80% of SOE employment and assets. The People's Republic of China (hereafter "China") has the largest SOE sector, accounting for 56% of non-financial SOEs globally, 61% of their employment and 62% of their assets. Across most regions, mining, utilities and manufacturing account for the largest share of SOE sales.
- *SOE profitability has improved in Africa and Latin America and the Caribbean (LAC) but weakened in China.* SOEs in Africa and LAC recorded the strongest improvements in performance, accompanied by declines in the share of loss-making firms, although much of this was driven by mining companies. By contrast, profitability weakened in China, alongside a rise in loss-making firms, while Asia excluding China showed mixed trends. Compared with non-SOEs across six industries (construction, manufacturing, mining, real estate, services and wholesale trade), SOEs remain less profitable overall, with median ROE averaging 4.7% between 2013 and 2024, compared with 6.4% for non-SOEs. Mining is a notable exception, with SOEs consistently outperforming non-SOEs.
- *SOEs have become more leveraged and rely heavily on non-debt liabilities.* Leverage increased across all regions except China, with particularly strong increases in Africa and LAC, while more than a third of SOEs in Asia excluding China and other jurisdictions recorded leverage ratios above 75% of assets. Non-debt liabilities remained the largest component of SOE balance sheets in most regions, pointing to differences in financing structures and access to formal debt markets. Compared with non-SOEs across six industries (see earlier bullet), SOEs are also more leveraged overall, with median leverage averaging around 62% of assets compared with 58% for non-SOEs. They rely more heavily on non-debt liabilities, while Europe is the only region where financial debt accounts for a larger share of SOE liabilities than for non-SOEs.
- *Chinese SOEs lead in research and development (R&D) intensity, though SOEs generally invest less compared to non-SOEs.* Chinese SOEs recorded the highest R&D intensity between 2013 and 2023, while manufacturing remained the largest contributor to global SOE R&D spending. Many SOEs, however, continue to invest less than the depreciation of their existing assets, potentially eroding productive capacity. China broadly maintained its capital base even among lower-investment SOEs, while Europe recorded the highest net investment levels. Compared with non-SOEs across the six industries observed (see earlier bullet), SOEs generally invest less in R&D and fixed assets. China is the main exception, with Chinese SOEs' R&D intensity twice that of non-SOEs, while SOEs also outperform in construction and mining. In most other industries,

non-SOEs invest more and exhibit stronger capital accumulation, with the largest investment gap observed in Europe.

1.1. The global landscape of state-owned enterprises

State-owned enterprises (SOEs) are important actors in the global economy, with a significant presence across countries and sectors. They operate in strategically important sectors, including energy, transport, finance, telecommunications and infrastructure, where their activities can have far-reaching implications for economic development, productivity and the delivery of essential goods and services. Given the prominent role they play in many markets, the governance, performance and investment decisions of SOEs can influence public finances, competition and broader economic outcomes. This chapter provides an overview of the scale, sectoral composition and geographical distribution of SOEs worldwide to help assess their role in the global economy and inform effective ownership and corporate governance policies.

Based on the OECD Global State-Owned Enterprises Dataset, in 2024 there were 33 834 large SOEs worldwide, employing around 43 million people and holding combined assets of nearly USD 141 trillion.¹ Non-financial SOEs accounted for 77% of all SOEs by number, compared with 23% for financial SOEs, but their relative importance differs considerably in terms of employment and assets. Non-financial SOEs employ 33.7 million people, compared with 9.7 million in financial SOEs. By contrast, financial SOEs hold USD 102 trillion in assets, compared with USD 38.9 trillion for non-financial SOEs. As a result, financial SOEs account for less than one-third of the employment of non-financial SOEs, while holding 2.6 times as many assets (Figure 1.1) (Arikan, Medina and Ruiz Casas, 2026^[1]).

The geographical distribution of SOEs is uneven, with China accounting for a particularly large share. In 2024, China had 17 588 SOEs, more than the combined number in Europe, Asia excluding China, Latin America and the Caribbean (LAC) and Africa. Europe had the second-largest number, with 9 290 SOEs, followed by Asia excluding China (3 279), other jurisdictions (2 795), LAC (490) and Africa (392). Overall, emerging markets account for around 70% of SOEs worldwide by number and an even larger share of SOE employment (83%) and assets (80%).

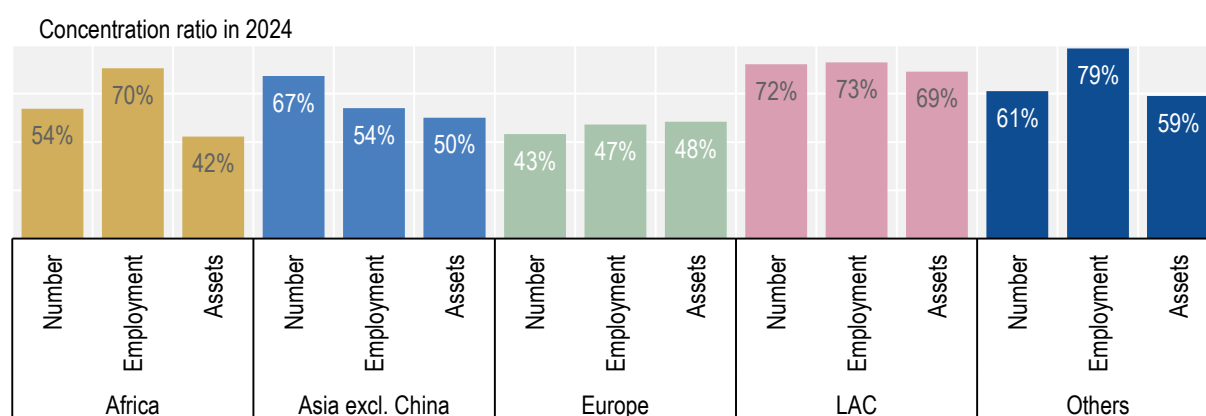
Figure 1.1. Overview of SOEs

Region	Number of SOEs (in 2024)		Employment (thousand) (in 2024)		Total assets (USD tn) (in 2024)	
	Financial	Non-financial	Financial	Non-financial	Financial	Non-financial
Africa	212	180	119	491	1	0.4
Asia excl. China	1 359	1 920	1 616	2 390	11	3
China	3 048	14 540	5 773	20 675	65	24
Europe	2 041	7 249	1 284	6 113	14	7
LAC	212	278	114	162	2	0.8
Others	894	1 901	768	3 838	9	4
Total	7 766	26 068	9 674	33 668	102	39
OECD	2 331	5 435	1 578	5 752	20	8
Advanced	2 933	7 186	1 521	5 757	21	8
% of total	38%	28%	16%	17%	20%	20%
Emerging	4 833	18 882	8 153	27 911	81	31
% of total	62%	72%	84%	83%	80%	80%

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

In terms of concentration, the top three countries in Europe and LAC account for roughly similar shares of SOEs, employment and assets. By contrast, there is more divergence between the concentration of SOEs and their economic weight in other regions (Figure 1.2). In Africa, the top three countries, Libya, Morocco and South Africa, account for 54% of SOEs and 70% of employment, but only 42% of assets, indicating that SOEs in these economies are comparatively more labour-intensive, while a relatively larger share of assets is held elsewhere in the region. A similar pattern is observed in the “Others” category, where the top three countries account for a larger share of employment than of either SOEs or assets. In “Others”, the top three countries account for 61% of firms but 79% of employment and 59% of assets. Europe is the least concentrated region by number of SOEs and employment, with Germany, France and Italy constituting 43% of SOEs, 47% of employment and 48% of assets. In LAC, Argentina, Brazil and Colombia, the three countries with the largest number of SOEs represent 72% of all SOEs in the region, a similar 73% of regional SOE employment and a slightly lower 69% of assets.

Figure 1.2. Concentration of SOE number, employment and assets in top 3 countries by region



Note: The concentration ratio measures the share of the regional total held by the top three countries by number of SOEs.

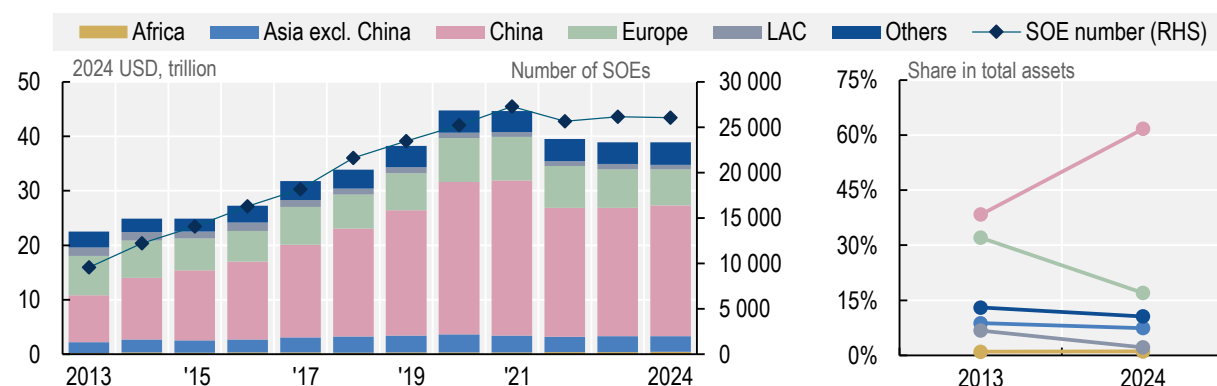
Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

1.2. Trends in non-financial state-owned enterprises

Given the distinct nature of financial institutions and the limited comparability of their balance sheets and financial indicators with those of non-financial firms, this section focusses on non-financial SOEs.

The number and total assets of non-financial SOEs have increased substantially (Figure 1.3). Globally, the number of large non-financial SOEs increased from 9 584 in 2013 to 26 068 in 2024, while their assets almost doubled in real terms. The growth in the total number of SOEs has been more pronounced than that of large non-financial companies globally. SOEs' share in the total number of large, non-financial companies has more than doubled over the same period, while their share in total assets remained broadly unchanged. The growth of SOEs has been driven predominantly by China – while it already accounted for the largest share of non-financial SOE assets in 2013 (34%), its share increased by nearly 30 percentage points (p.p.), reaching 62% in 2024. Europe, by contrast, has seen a decline in its share of total assets from 32% to 17%. The shares of Asia excluding China, LAC, Africa and other regions have remained comparatively small. These changes may partly reflect the expansion of sample coverage over time and variation in regional coverage, rather than solely changes in the composition of the SOE sector (Arikan, Medina and Ruiz Casas, 2026^[1]).

Figure 1.3. Evolution of non-financial SOEs by number and asset size



Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

SOEs' sectoral contribution has also evolved over time. Across regions, mining, utilities and manufacturing continue to account for a large share of SOE sales, but their relative importance has changed (Figure 1.4).

In Africa, mining's share of SOE sales fell sharply from 83% in 2013 to 41% in 2024, reflecting the absence of some large mining companies from the 2024 sample and a sales contraction due to disruptions to oil production in North Africa (U.S. Energy Information Administration (EIA), 2024^[2]). At the same time, the shares of utilities and manufacturing increased from 8% to 24% and from 5% to 16%, respectively.

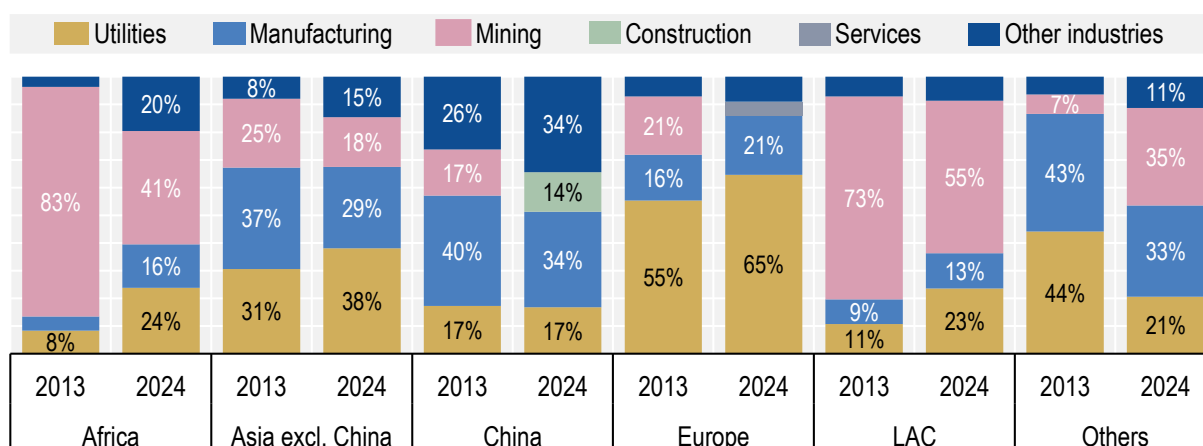
In Asia excluding China, the sectoral composition remained comparatively stable. Utilities increased their share of sales from 31% to 38%, while manufacturing and mining declined from 37% to 29% and from 25% to 18%, respectively. The rise in utilities stems largely from the inclusion of long-established infrastructure operators not previously captured, state-linked groups expanding internationally and firms whose inclusion reflects changes in ownership (PSA International, 2026^[3]; Kim, 2022^[4]). Wholesale trade also contributed to the increase in the "Other industries" category, from 8% to 15%.

China shows a distinct pattern. Manufacturing remained the largest industry by SOE sales, although its share declined from 40% to 34%, while construction reached 14% in 2024. The latter is consistent with the prominent role of Chinese SOEs in infrastructure and construction, supported by public investment and activity related to the Belt and Road Initiative (BRI) (Mordor Intelligence, 2025^[5]). BRI-related projects are often executed by Chinese SOEs (Patel, 2025^[6]). Mining dropped out of China's top three industries and is now included within the "Other industries" category, which, together with wholesale trade, helps explain the rise of "Other industries".

In Europe, utilities further increased their dominant share of SOE sales, from 55% to 65%, while manufacturing rose from 16% to 21%. Mining, which accounted for 21% in 2013, dropped out of the top three, although this largely reflects changes in the classification of major firms in the sample. In LAC, mining remained the largest industry despite its share declining from 73% to 55%, while utilities increased from 11% to 23% and manufacturing from 9% to 13%.

Overall, these shifts reflect a combination of changes in SOE activity, sample composition, database coverage and state ownership, and should therefore not be interpreted solely as changes in sectoral economic performance.

Figure 1.4. Leading non-financial SOE industries by sales across selected regions



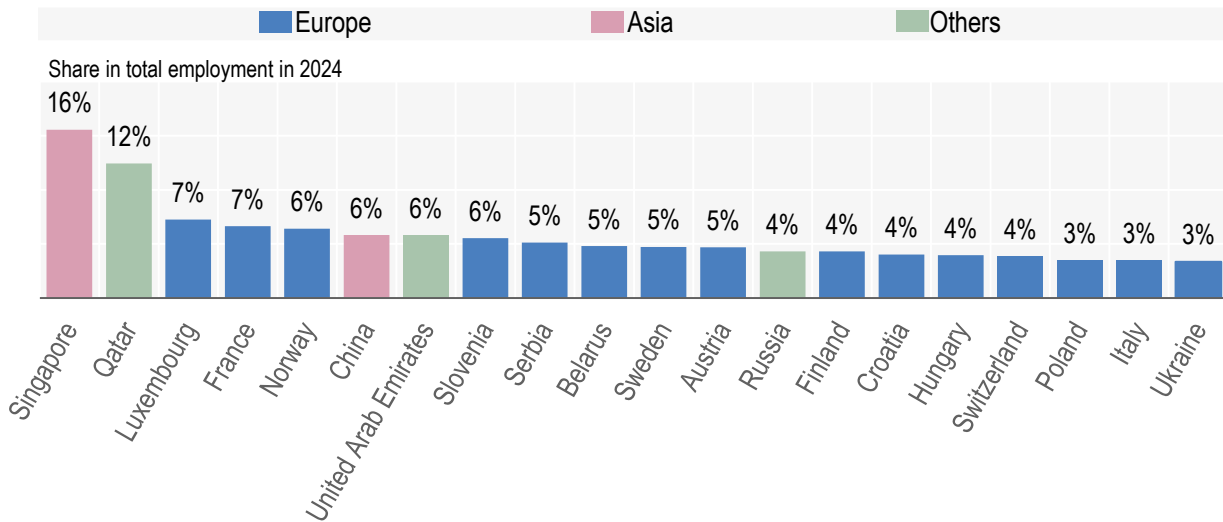
Note: The figure shows non-financial SOEs. Data for "Others" should be interpreted with caution due to low data coverage for sales.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

In addition to measuring the commercial scale of the SOE sector, analysing SOE employment provides insights into its broader economic and social footprint, including the importance of SOEs as employers and their contribution to national labour markets. SOEs' contribution to employment varies significantly across countries (Figure 1.5). Non-financial SOE employment accounts for over 16% of total domestic employment in the highest-ranked country, compared with around 3% at the lower end of the top 20. Singapore and Qatar stand out, with shares of 16% and 12%, respectively. In Singapore, this partly reflects a relatively small domestic workforce and the presence in Temasek's portfolio of large state-linked companies in aviation, port operations and utilities (U.S. Department of State, 2024^[7]). In Qatar, the high share is driven by a small number of large, labour-intensive SOEs, notably Qatar Airways, which employs staff globally (Qatar Airways, 2026^[8]). SOE employment may include employees of foreign subsidiaries, while total employment in the denominator is measured domestically based on formal employment.

Employment contribution by SOEs is more uniform in the remaining top 20 countries. In the next five countries (Luxembourg, France, Norway, China and the United Arab Emirates), SOEs account for 6-7% of domestic employment each, before declining to approximately 3% among the rest. China presents a contrasting scenario. Although Chinese SOEs account for 61% of global SOE employment, SOE employment constitutes only 6% of total employment in China.

Figure 1.5. Top 20 countries by share of non-financial SOE employment

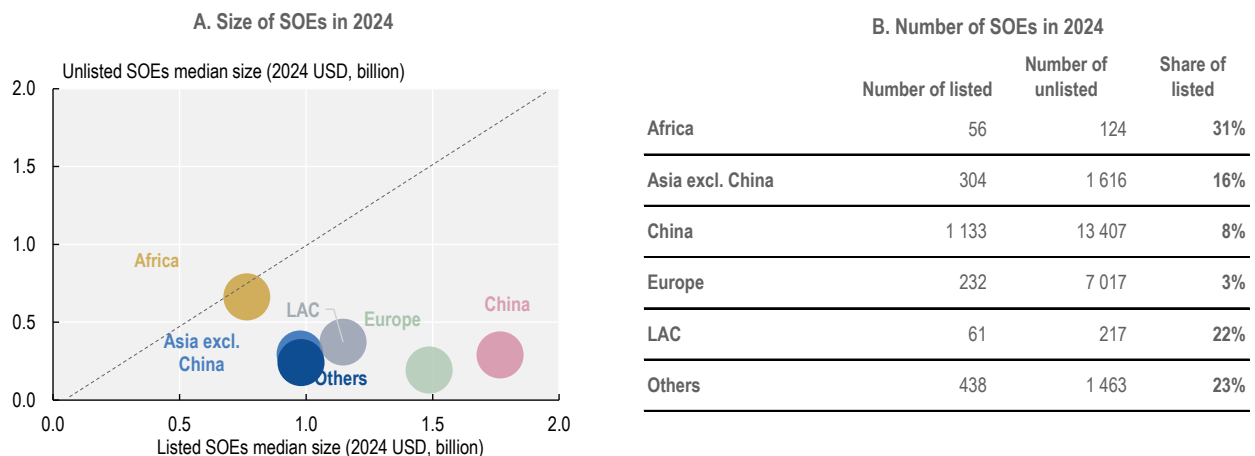


Note: The numbers in the figure should be interpreted with caution since the share of total employment by SOEs in each jurisdiction could also include employment generated abroad through their foreign subsidiaries or direct operations.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details; ILO (2025^[9]), <https://ilostat.ilo.org/data/bulk/>; World Bank (2025^[10]), <https://databank.worldbank.org/metadataglossary/world-development-indicators/series/SL.EMP.WORK.ZS>.

Across regions, unlisted SOEs far outnumber listed SOEs, with 23 844 non-financial unlisted SOEs compared with 2 224 listed SOEs globally (Figure 1.6). Listed SOEs are generally larger, except in Africa, where median assets are similar. The share of listed SOEs varies from 3% in Europe to 31% in Africa, with LAC at 22%, “Others” at 23%, Asia excluding China at 16% and China at 8%. China has the largest number of listed SOEs (1 133) and the highest median assets (USD 1.77 billion). Size differences tend to be greater where listing is less common, with listed SOEs nearly eight times larger than unlisted SOEs in Europe, compared with 1.2 times in Africa. However, it is worth noting that, in Africa, coverage is highly concentrated among larger firms, which explains both the higher share of listed firms and the relatively small size gap between listed and unlisted SOEs.

Figure 1.6. Size and number of listed and unlisted non-financial SOEs

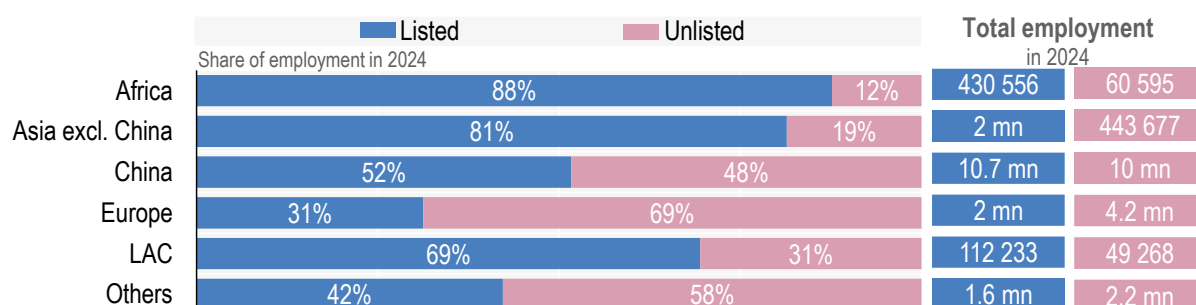


Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

Listed non-financial SOEs represent the majority of employment in Africa, Asia excl. China, China and LAC. Listed SOEs in Africa account for 88% of SOE employment, followed by Asia excluding China (81%) and LAC (69%). Europe sits at the opposite end, with only 31% of employment in listed SOEs (Figure 1.7).

In absolute terms, China accounts for by far the largest SOE employment, with 10.7 million people employed by listed SOEs and 10 million by unlisted SOEs, exceeding the combined total of the other five regions. Europe follows, with 2 million employees in listed SOEs and 4.2 million in unlisted SOEs. Employment in Africa, Asia excluding China and LAC is considerably lower, ranging from around 60 000 to 2 million.

Figure 1.7. Employment by listed and unlisted non-financial SOEs



Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

1.3. Performance, financing structure and investment of non-financial SOEs

This section focusses on analysing how profitable SOEs are and how performance varies across regions and industries; how they finance their operations; and how much they invest. Together, these dimensions provide a more comprehensive picture of the SOE sector beyond its size.

1.3.1. Performance of SOEs

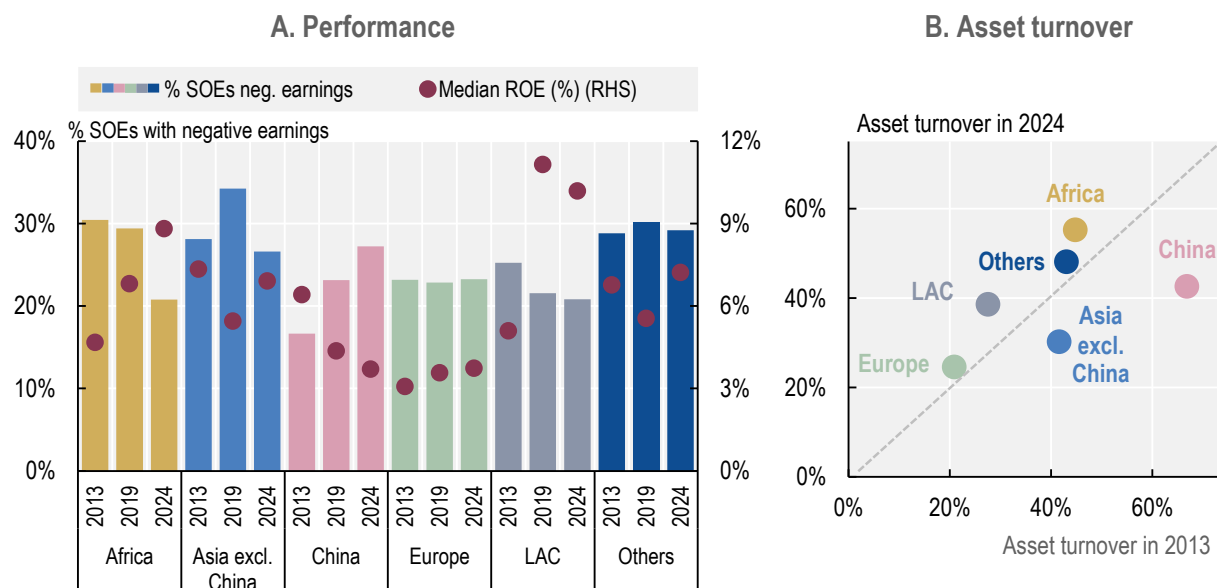
Assessing performance may be challenging when SOEs are expected to pursue broader public policy objectives, such as ensuring service provision, safeguarding employment or securing strategic supply, which may not always align with efficiency or profitability. Financial performance may also be shaped by differences in market structures, regulatory environments and exposure to economic conditions.

Given the different regional industry composition of SOEs, performance varies across regions and over time. African SOEs show the most pronounced improvement in performance. This includes an increase in the median return on equity (ROE) and a decline in the share of loss-making SOEs (Panel A, Figure 1.8). This trend is reinforced by an increase in asset turnover between 2013 and 2024, a measure of how much revenue SOEs generate relative to their asset base (Panel B). A similar trend is observed in LAC, where the share of SOEs reporting negative earnings declined from 25% in 2013 to around 21% in 2024, while median ROE doubled from 5% to around 10%. Asset turnover shows a similar positive trend. Strong SOE performance in LAC and Africa is heavily influenced by mining companies (Arikan, Medina and Ruiz Casas, 2026^[11]), while reforms in LAC have sought to strengthen governance, oversight and state ownership arrangements to improve financial and economic performance (OECD, 2021^[11]; Inter-American Development Bank, 2015^[12]).

In contrast, Chinese SOEs exhibit a deterioration in performance and in their asset turnover ratios. The share of loss-making SOEs went from 17% in 2013 to 27% in 2024, while median ROE declined from 6% to 4% and asset turnover went from 67% to 43%. This is consistent with broader evidence of declining

corporate profitability in China and persistent financial vulnerabilities among SOEs, partly reflecting weaker sales relative to assets and intensifying market competition (International Monetary Fund, 2024^[13]). Asia excluding China shows a more mixed pattern, with the share of loss-making SOEs slightly improving while return on equity and asset turnover have deteriorated. SOEs in Europe and in the “Others” region have shown a more stable performance but a low asset turnover in both years, consistent with the capital-intensive nature of their SOE base. The differences in SOE performance become more pronounced when looking across industries and regions (for details see (Arikan, Medina and Ruiz Casas, 2026^[11])).

Figure 1.8. Performance of SOEs



Note: Performance is measured by median return on equity (dots, right axis), calculated as net income divided by total equity. Bars (left axis) show the share of SOEs reporting negative net income.

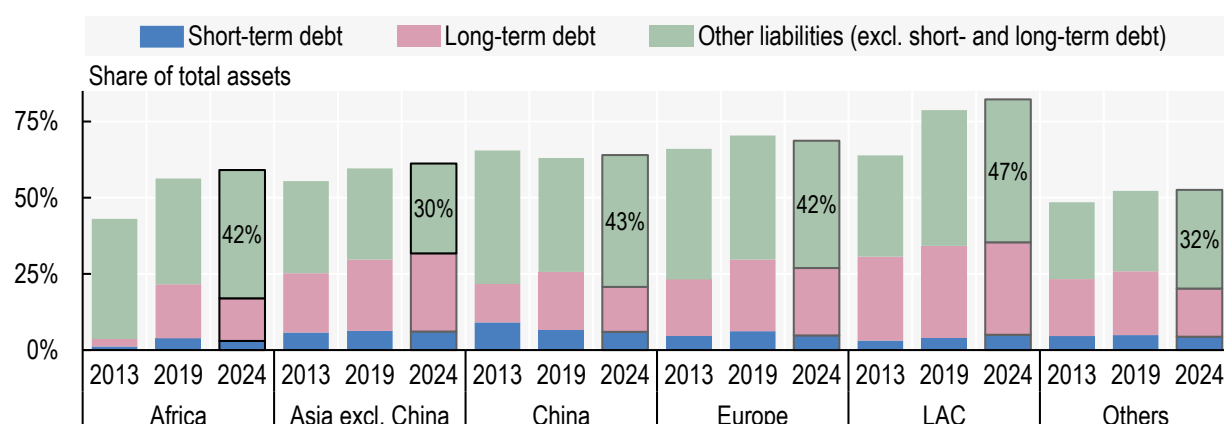
Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

1.3.2. Financing structure of SOEs

SOE financing structure reflects the share of assets financed through liabilities rather than equity. Higher leverage can support investment but also increases financial vulnerability, particularly when earnings or cash flows weaken.

Broadly, leverage (liabilities over assets) has slightly increased across regions between 2013 and 2024. Aggregate leverage in African and Latin American SOEs has increased by 16 and 18 p.p. respectively (Figure 1.9). In Asia excluding China, Europe and in Other jurisdictions the aggregate leverage increased between 3-6 p.p. By contrast, in China aggregate SOE leverage decreased by 1 p.p. over the analysed period, indicating that leverage levels remained broadly stable.

Figure 1.9. Leverage of non-financial state-owned enterprises



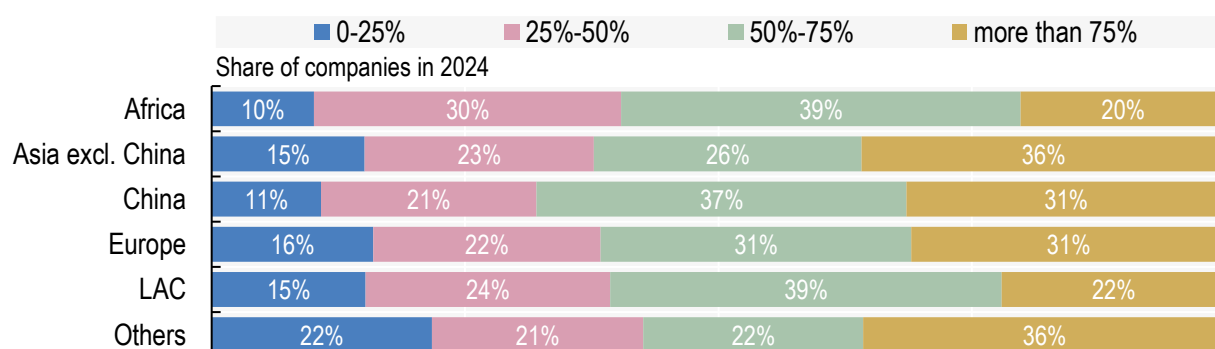
Note: The figure shows the aggregate leverage ratio, calculated as total liabilities divided by total assets.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

While leverage increased across most regions between 2013 and 2024, this was generally driven by growth in non-debt liabilities (such as accounts payable, tax liabilities and deferred revenue) rather than financial borrowing. In LAC, for example, the increase in leverage was driven almost entirely by rising non-debt liabilities, which increased from 33% to 47% of assets. Africa presents a different pattern, with the increase in leverage resulting primarily from higher long-term debt, which expanded from 2% to 14% of assets. Asia excluding China stands out as the only region where financial debt became the largest liability category, reaching 31.7% of assets in 2024, though it only slightly exceeded non-debt liabilities (30% of assets).

At the company level, leverage also shows great variation. In Other jurisdictions and Asia excluding China, SOEs show great dispersion in their leverage levels. Thirty-six per cent of firms record leverage above 75% of their assets and 15% have low leverage. SOEs in China and LAC show distributions with a higher share in the 50-75% leverage range, while Africa has the lowest share of highly leveraged firms (20%). In Europe, 62% of firms have leverage above 50% (Figure 1.10).

Figure 1.10. Distribution of companies by leverage ratio



Note: Leverage ratio is calculated as total liabilities over total assets.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

1.3.3. Investment by SOEs

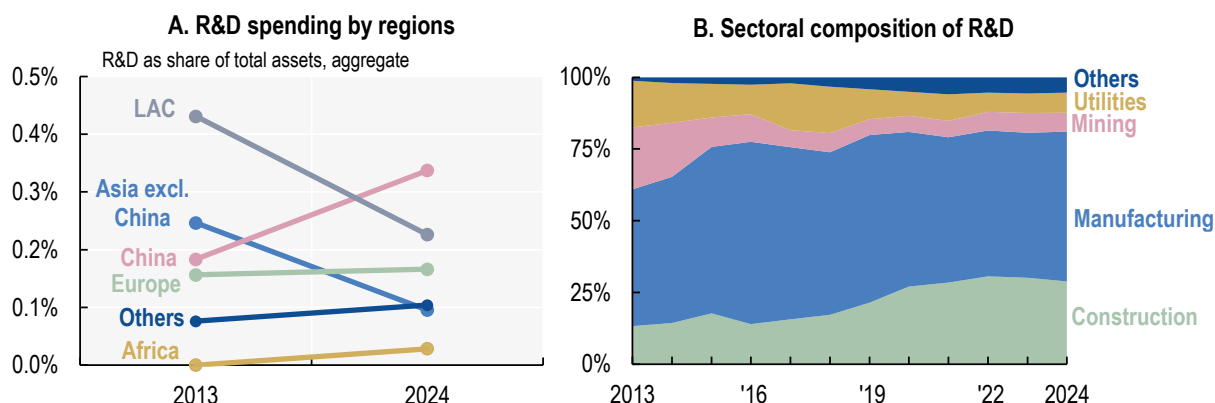
Investment shapes SOEs' capacity to provide essential services, enhance productivity and support broader innovation objectives. They invest in intangible assets, such as research and development (R&D) in new technologies and knowledge accumulation, as well as in long-term physical assets, such as equipment and infrastructure.

Overall, R&D spending by SOEs increased over the 2013-2024 period, particularly in China and, to a lesser extent, in Africa, Europe and Others. In 2024, Chinese SOEs recorded the highest level of R&D investment, accounting for 0.34% of their total assets, followed by SOEs from LAC and Europe at 0.23% and 0.17%, respectively (Panel A, Figure 1.11). African SOEs showed the lowest level of R&D investment, at around 0.03% of their assets. SOEs' R&D investment declined substantially in LAC and Asia excluding China, which were the two regions with the highest levels in 2013.

The rapid increase in Chinese SOEs' R&D is partially attributable to ongoing efforts by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) to promote R&D expenditures through its performance assessment framework for SOE managers. Since 2019, new measures allow R&D spending to be treated as realised profit within the performance evaluation metrics (SASAC, 2019^[14]). Further efforts include the "One Profit and Five Ratios" system that introduced a more holistic approach in SOE performance evaluation, recognising the value of R&D spending as one of the key indicators to be evaluated (Ashare Insights, 2026^[15]).

In terms of the sectoral composition, manufacturing SOEs account for the largest share of R&D investment between 2013 and 2024, steadily increasing their share from 48% in 2013 to 53% in 2024. This reflects the R&D-intensive nature of manufacturing industries, including sectors such as automotive, aerospace, semiconductors, pharmaceuticals and chemicals. SOEs in the construction sector recorded the sharpest expansion, more than doubling their share of R&D spending, from 13% in 2013 to 29% in 2024. R&D expenditure in the construction sector may include the development and testing of new materials, construction methods, digital and automation technologies, energy-efficient and low-carbon solutions, structural and infrastructure innovations, and technologies to improve safety, resilience and circularity.

Figure 1.11. Research and development by non-financial SOEs



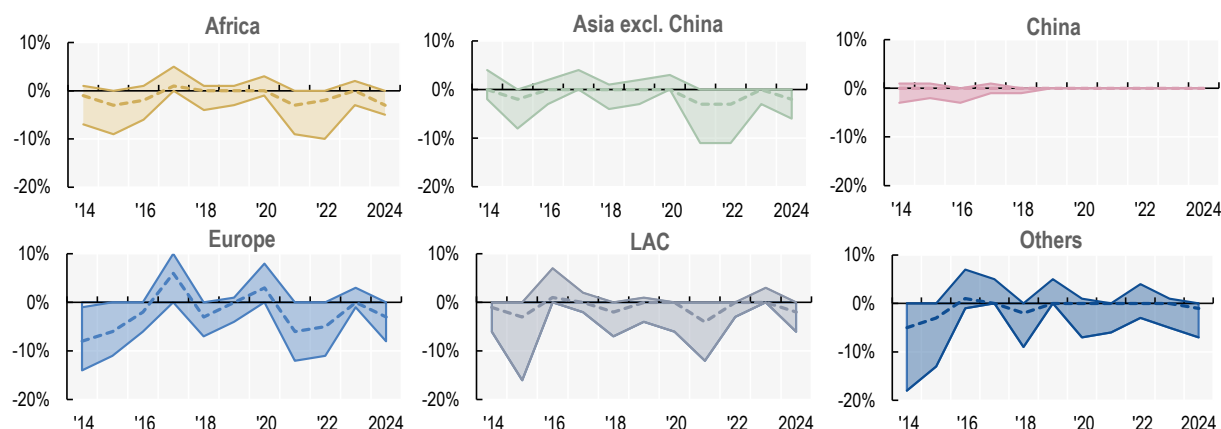
Note: Panel A shows R&D spending by regions. Panel B shows non-financial SOEs' total R&D spending by sectors.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

SOEs in Europe and in Other jurisdictions show greater investment, but with volatility over time. Overall, investment in fixed capital shows that many SOEs have low levels of investment. SOEs at the lower end of the investment distribution (25th percentile) invest less than the depreciation of their existing assets, meaning that the new fixed assets added are insufficient to fully replace the capital being depreciated,

potentially implying a gradual deterioration in the quality or productive capacity of their asset base. It is worth highlighting that the quality of information on capital expenditure – the usual proxy for investment – is poor; therefore, investment is calculated as the annual variation in fixed assets over total assets at the end of the period (Figure 1.12).

Figure 1.12. Investment of non-financial SOEs by regions



Note: Investment is proxied as the year-on-year change in fixed assets, expressed as a share of total assets at the end of the period. The figure shows median net investment, with the shaded band showing the 25th and 75th percentiles.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

1.4. Comparing SOEs against privately held companies

SOEs often operate alongside privately held companies in the same markets, but differences in their objectives, governance and financing structures can affect how they make corporate decisions. Given their significant presence across economies and industries, differences in how SOEs operate and perform relative to private firms can also have broader implications for competition, market outcomes and the allocation of capital in the economy.

Beyond commercial objectives, SOEs may be expected to pursue non-commercial objectives, including provision of strategic goods and services, operating in capital intensive or commercially less attractive sectors, providing employment and mitigating market failures. These broader mandates can be accompanied by specific advantages, including government guarantees, preferential access to finance or other forms of state support (OECD, 2024^[16]). At the same time, state ownership may also expose SOEs to political influence or weaker managerial incentives, potentially affecting their efficiency and financial performance (OECD, 2024^[17]).

The following analysis uses a sample of companies from the OECD Global SOE Dataset and a corresponding sample of non-SOEs operating in broadly comparable market settings. The analysis focusses on non-financial firms operating in six non-regulated industries, including construction, manufacturing, mining, real estate, services and wholesale trade, where sufficient cross-country coverage is available, allowing for meaningful comparisons between SOEs and non-SOEs. Consistent data cleaning and selection criteria are applied across both groups, including adjustments for inflation and exchange-rate differences, the exclusion of non-profit entities, and the application of a minimum asset threshold (following (Arikan, Medina and Ruiz Casas, 2026^[11])). The resulting panel dataset comprises 17 441 SOEs and 64 807 non-SOEs and spans between 2013 and 2024. Overall, the SOE and non-SOE groups are broadly comparable in terms of firm size, sales and employment (Figure 1.13).

Figure 1.13. Overview of SOEs and non-SOEs

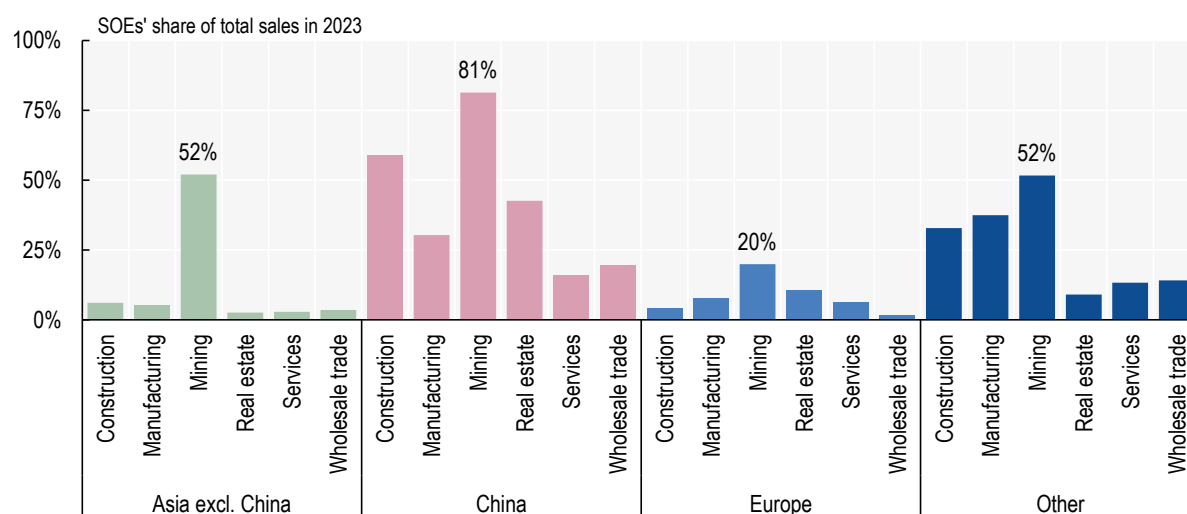
Industry	Number of firms (in 2024)		Assets, USD mn (in 2024)		Sales, USD mn (in 2024)		Employment (in 2024)	
	SOEs	Non-SOEs	SOEs	Non-SOEs	SOEs	Non-SOEs	SOEs	Non-SOEs
Construction	2 249	4 912	262	218	77	119	202	210
Manufacturing	5 124	25 625	330	255	224	206	737	737
Mining	1 192	1 629	382	329	169	223	607	448
Real estate	3 277	8 872	233	199	21	23	31	14
Services	3 314	15 133	259	236	62	114	150	281
Wholesale trade	2 285	8 636	258	203	266	296	82	284

Note: The figure shows median values in each sector for assets, sales and employment. Comparisons between SOEs and non-SOEs are made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs or 50 non-SOEs are excluded due to small sample size.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

Differences in SOE presence across industries and regions can affect market concentration and competition. Evidence from Europe suggests that greater SOE presence within an industry is generally associated with lower productivity levels among privately owned companies, but in utility sectors, such as electricity, gas and transportation, they can benefit from positive spillovers stemming from more affordable or reliable services (Merlevede and Muylle, 2026^[18]). A high concentration of SOEs may also create barriers to entry for non-SOEs, particularly where the preferential access to finance or other forms of state support gives SOEs an advantage over non-SOEs (World Bank, 2023^[19]; OECD, 2024^[16]).

Figure 1.14. SOE presence across industries



Note: Africa and LAC are excluded from the analysis due to low data coverage.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

SOEs represent a significant share of total sales across most sectors in China, while in other regions, their presence is particularly pronounced in mining (Figure 1.14). In 2023, SOEs accounted for 81% of total mining sector sales in China, compared with 52% in Asia excluding China and 52% in Other jurisdictions.

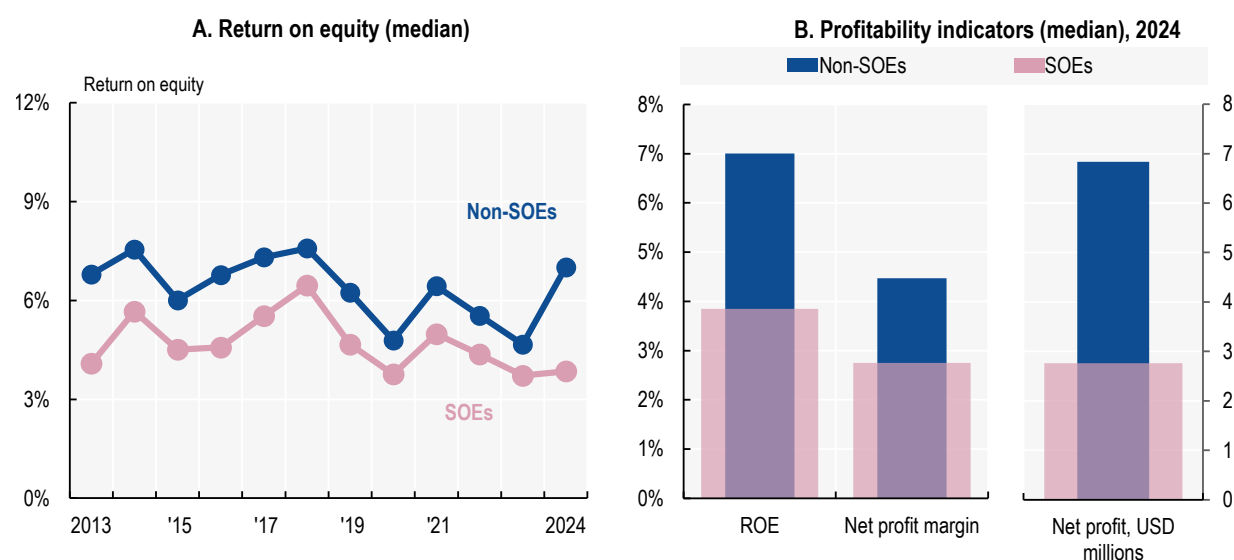
This reflects the strategic importance of the mining sector and the historically prominent role of the state in natural resource ownership and exploitation. Europe is the exception, with SOEs accounting for only 20% of mining sector sales and no industry showing a high degree of SOE presence. Outside mining, SOE presence is also relatively limited in Asia excluding China, while other jurisdictions show a more substantial SOE share in manufacturing (37%) and construction (33%).

1.4.1. Performance of SOEs and non-SOEs

State ownership can shape firm performance through managerial incentives, corporate governance and mandates to pursue broader policy objectives. Evidence from European SOEs shows that SOEs tend to employ more workers than their privately owned counterparts, while incurring higher labour costs (Merlevede and Muylle, 2026^[18]). Political influence and weaker market discipline may further affect SOEs' efficiency and profitability.

OECD evidence shows that SOEs were less profitable than non-SOEs between 2013-2024 (Figure 1.15). During this period, the median return on equity of SOEs was on average around 4.7%, compared with approximately 6.4% for non-SOEs, with the profitability gap varying between 1-3 p.p. throughout the period. Other profitability indicators show a similar pattern. In 2024, the median net profit margin was 2.7% for SOEs, compared with 4.5% for non-SOEs, while the median net profit of non-SOEs (USD 6.8 million) was more than twice that of SOEs (USD 2.8 million).

Figure 1.15. Performance indicators of SOEs versus non-SOEs

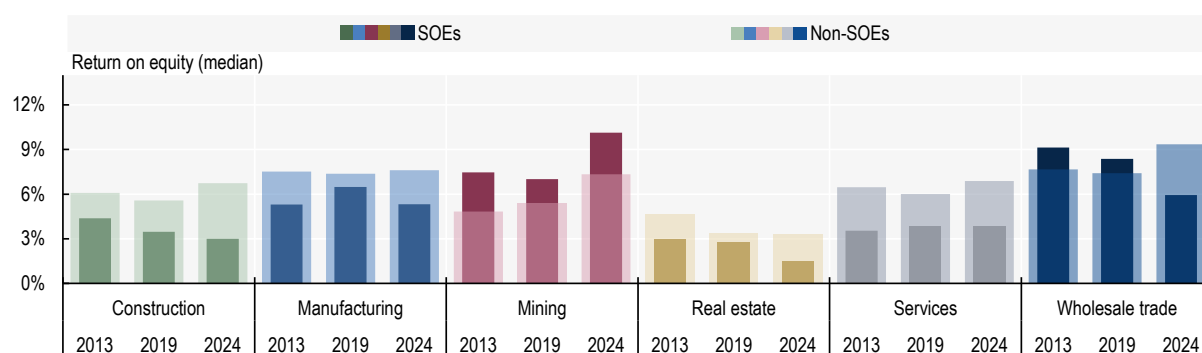


Note: Comparison between SOEs and non-SOEs is made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs or 50 non-SOEs are excluded due to small sample size.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

Across most industries, SOEs also record lower return on equity than non-SOEs. The largest profitability gaps are observed in services and construction, where the median ROE of non-SOEs exceeds that of SOEs by around 3 p.p. on average (Figure 1.16). SOEs operating in the real estate sector exhibit the lowest profitability for both groups, with median ROE remaining at around 2.4% for SOEs and 3.8% for non-SOEs over time.

Figure 1.16. Performance of SOEs and non-SOEs across industries



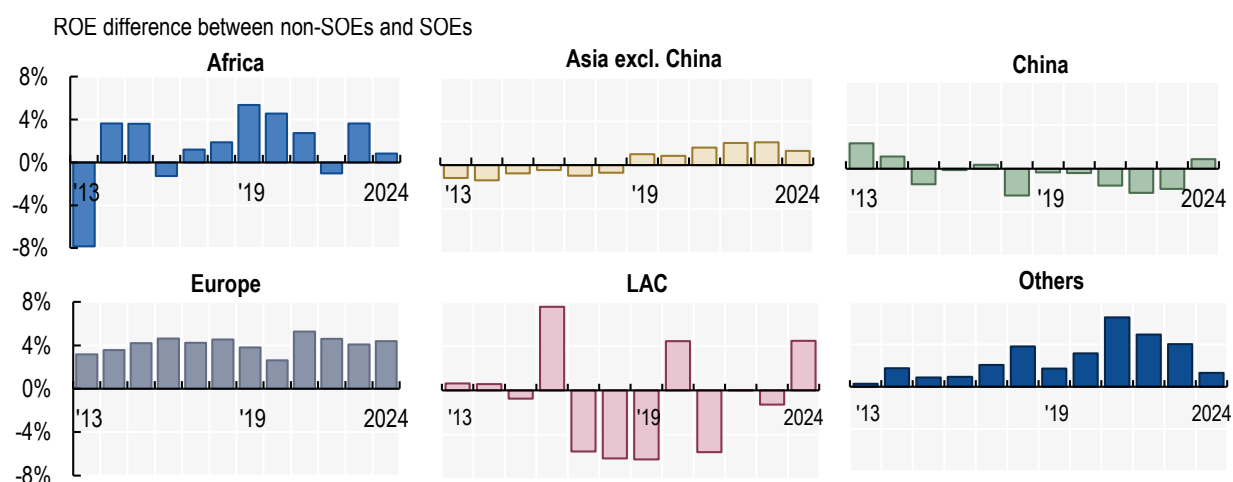
Note: Comparison between SOEs and non-SOEs is made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs or 50 non-SOEs are excluded due to small sample size.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

By contrast, in mining, SOEs consistently outperform their private sector counterparts, with median ROE reaching 10% in 2024, compared with 7% for non-SOEs. This is partially attributable to the strategic nature of the mining sector, where government ownership and SOE concentration within the industry remain significant (see Figure 1.14), allowing SOEs to operate at greater scale and to benefit from privileged access to reserves and licences. Wholesale trade SOEs also show higher ROE than non-SOEs, although this reversed in 2024. SOEs operating in the wholesale trade sector may benefit from preferential trading arrangements, including exclusive rights over the import or export of certain products (WTO, 2026^[20]). This might, in turn, strengthen SOEs' market position relative to private competitors and support higher profitability.

Non-SOEs record generally higher profitability than SOEs in Europe and in Other jurisdictions (Figure 1.17). In these regions, non-SOEs outperform SOEs by around 4 and 3 p.p. on average, respectively. In Asia the performance gap is small, and in some years SOEs outperform their privately held counterparts. In Africa and LAC the difference in performance is greater and more volatile, owing to the large exposure to the mining sector in these regions as well as greater exposure to macroeconomic and political cycles. It is also worth highlighting that a relatively small number of SOEs and non-SOEs in the sample for these regions may also contribute to greater volatility in the observed profitability trends.

Figure 1.17. Performance gap between non-SOEs and SOEs across regions



Note: The figure shows the difference between median ROEs. Comparisons between SOEs and non-SOEs are made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs are excluded due to small sample size.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

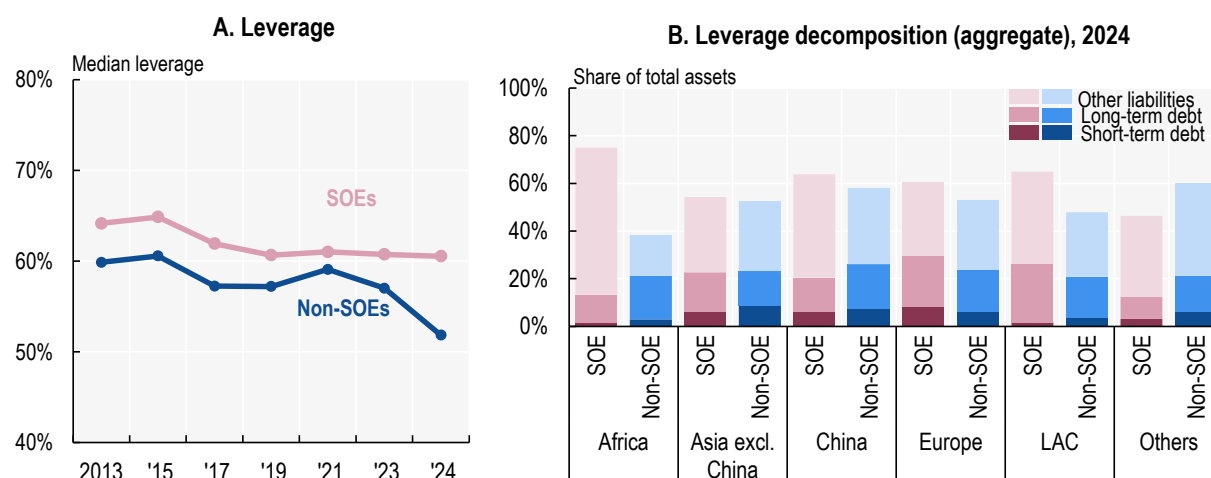
1.4.2. Financing structures of SOEs and non-SOEs

The financing structure of SOEs often differs from that of privately owned firms, reflecting differences in their objectives and access to funding. In general, SOEs tend to be more leveraged than non-SOEs, partly due to implicit – and sometimes explicit – government guarantees that can facilitate their access to debt financing. Limited reliance on equity further reinforces this pattern. The median leverage of SOEs stands at around 62% of total assets, compared to 58% for non-SOEs, with 2024 figures at 61% versus 52%, respectively (Panel A, Figure 1.18).

SOEs generally rely more on “other liabilities” than on financial debt (short- or long-term) compared to non-SOEs. Other liabilities arise from operational activities, as opposed to traditional market-based borrowing, and include deferred payments, trade credits, tax payables or intra-group borrowing. While these forms of financing may provide SOEs with greater flexibility and access to funding, a high reliance on other liabilities may also reflect limited access to market-based sources of finance or an accumulation of obligations to other parties.

SOEs’ greater reliance on other liabilities is most pronounced in Africa, where they derive 82% of their leverage from other liabilities and only 18% from financial debt, whereas non-SOEs have 45% other liabilities and 55% financial debt (Panel B). Europe is the only region where the share of financial debt in total liabilities for SOEs (49%) is higher compared to non-SOEs (45%). This partly reflects Europe’s deeper debt markets and utilities’ greater access to debt financing.

Figure 1.18. Leverage of SOEs and non-SOEs

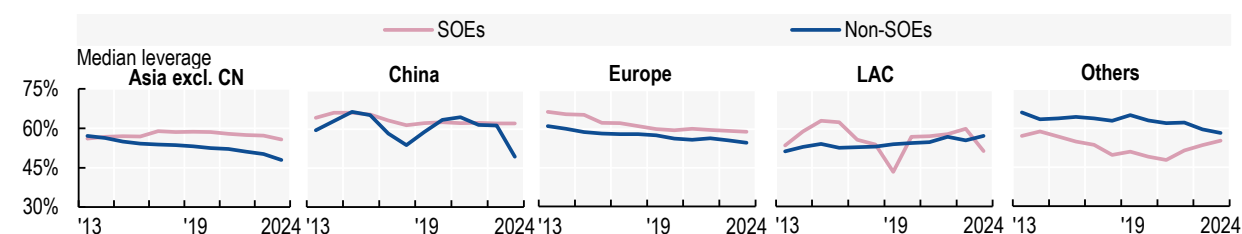


Note: Leverage is calculated as total liabilities divided by total assets. Comparison between SOEs and non-SOEs is made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs are excluded due to small sample size. Companies with negative equity are excluded in the analysis.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

SOEs show more leverage than non-SOEs in most years, with the exception of Other jurisdictions. Between 2013 and 2024, China and Europe recorded the highest median SOE leverage levels, averaging around 64% and 62% of total assets, respectively (Figure 1.19). SOEs in Other jurisdictions are the least leveraged, at roughly 53% of total assets, whereas non-SOEs are, on average, 9 p.p. more leveraged than SOEs.

Figure 1.19. Leverage of SOEs and non-SOEs by region



Note: Africa is excluded due to small sample size. Leverage is calculated as total liabilities divided by total assets. Comparison between SOEs and non-SOEs is made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs are excluded due to small sample size. Companies with negative equity are excluded in the analysis.

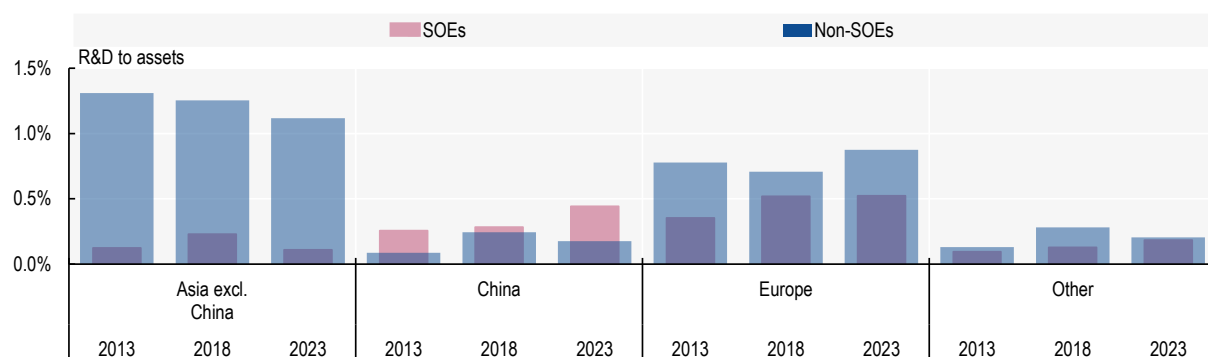
Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

1.4.3. Investment by SOEs and non-SOEs

Investment by SOEs can differ from non-SOEs in size, cost, time horizon and underlying drivers, as SOEs may undertake investment to support strategic or broader public policy objectives. Their link to the state can also provide them with easier access to financing for investments, as they can often benefit from public support, preferential financing or special regulatory treatment (Bortolotti et al., 2019^[21]; OECD, 2024^[16]). Non-SOEs, on the other hand, have stronger incentives to undertake commercially attractive investment opportunities and generally respond more directly to expected profitability and market conditions, but may be affected more by financing constraints.

According to the Global SOE Dataset, SOEs invest less in R&D than their private counterparts in most regions, except in China (Figure 1.20). In 2023, the largest investment gap between non-SOEs and SOEs was observed in Asia excluding China. European SOEs also invest less in R&D than non-SOEs, although their overall investment level is the highest across regions, at 0.5% of total assets in 2023. In other jurisdictions, SOEs and non-SOEs exhibit broadly similar investment patterns, with non-SOEs investing slightly more. China is the exception. In 2023, Chinese SOEs' total R&D investment amounted to 0.4% of total assets, twice the corresponding share for non-SOEs.

Figure 1.20. R&D investment by SOEs and non-SOEs by region



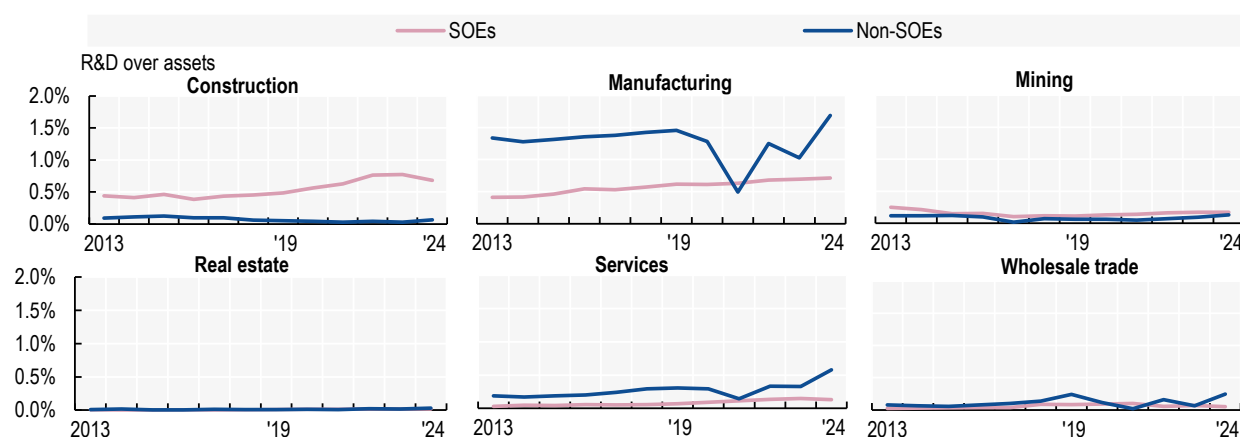
Note: The figure shows aggregate R&D spending over aggregate assets in each region. Africa and LAC are excluded due to low data coverage. Comparison between SOEs and non-SOEs is made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs are excluded due to small sample size.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

The investment behaviour of SOEs and non-SOEs also varies substantially across sectors and over time, reflecting differences in their respective roles within the economy and sectoral investment needs. In construction, SOEs have significantly higher R&D investment as a share of total assets than non-SOEs, with an average gap of 0.5 p.p. between 2013 and 2024 (Figure 1.21). This gap potentially reflects SOEs' involvement in large-scale infrastructure projects and related engineering and technological activities. Similarly, mining SOEs also consistently invest a higher share of their total assets in R&D than non-SOEs, although the gap is considerably narrower.

By contrast, non-SOEs invest a higher share of their total assets in R&D across all other sectors, with the highest levels observed in manufacturing. Between 2013 and 2024, non-SOEs in manufacturing invested on average 1.3% of their assets in R&D, compared with 0.6% for SOEs. This is primarily driven by differences in the types of manufacturing activities undertaken by the two groups, with non-SOEs being more concentrated in R&D-intensive segments, while SOEs are concentrated in mature, process-based industries where technological upgrading is largely driven by capital expenditures rather than R&D. For example, petroleum refining accounts for 24% of total SOE sales in manufacturing, compared with just 5% for non-SOEs. Petroleum refining is classified as a low-to-medium R&D-intensity sector (Galindo-Rueda and Verger, 2016^[22]). Conversely, SOEs have a considerably smaller presence in pharmaceuticals, a high R&D-intensity sector, with SOE sales amounting to around half the share observed for non-SOEs.

Figure 1.21. R&D investment by SOEs and non-SOEs by industry



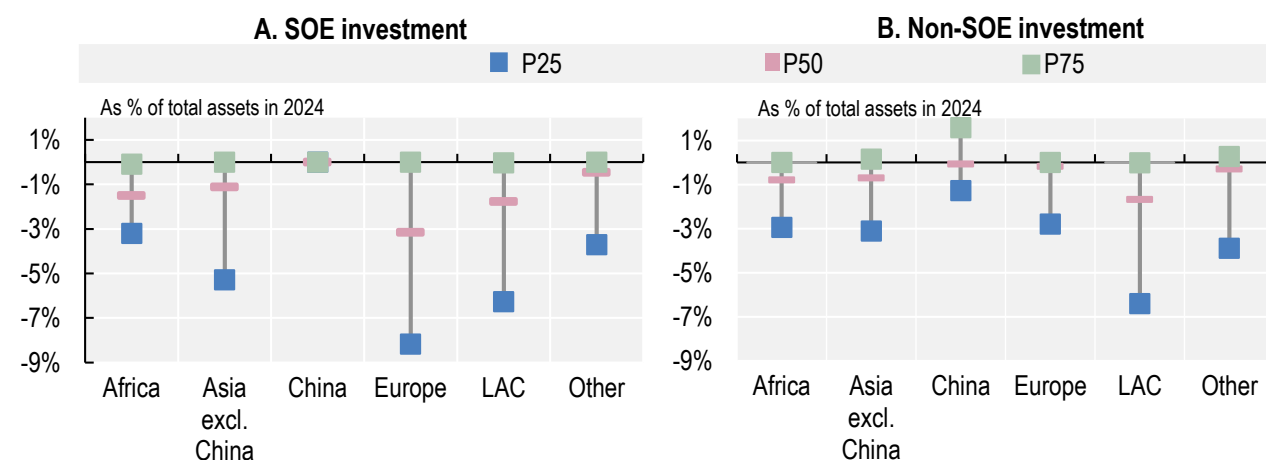
Note: The figure shows aggregate R&D investment over aggregate assets in each sector.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

Patterns are similar in the service sector, as non-SOEs invest more in R&D compared to SOEs, with the difference widening especially after 2021. R&D investment is lowest for both SOEs and non-SOEs in real estate and wholesale trade. These sectors are categorised as low R&D intensive, as companies generally have less need for research and innovation activities (Galindo-Rueda and Verger, 2016^[22]).

As discussed in Section 1.3, investment in fixed assets is calculated as the annual variation in fixed assets over total assets. SOEs generally tend to invest less than non-SOEs. In other words, SOEs are investing less than their private counterparts to maintain their asset base. The largest gap is between SOEs and non-SOEs in Europe. At the bottom quartile, where net investment is not sufficient to offset depreciation, European SOEs' investment is 5.4 p.p. lower than that of non-SOEs (Figure 1.22). A similar, albeit narrower, gap is observed in Asia excluding China. At the top quartile, non-SOEs across all regions record positive net capital accumulation, with Chinese non-SOEs showing the highest net investment at 1.6% of total assets.

Figure 1.22. Investment by SOEs and non-SOEs



Note: Comparison between SOEs and non-SOEs is made across six industries: construction, manufacturing, mining, real estate, services and wholesale trade. Countries with fewer than 30 SOEs are excluded due to small sample size. P denotes percentile.

Source: OECD Global State-Owned Enterprises Dataset, ORBIS, see Annex for details.

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Notes

¹ The OECD Global SOE Dataset identifies large SOEs using ORBIS ownership data and OECD ownership classifications, capturing economically significant enterprises with direct or indirect state ownership across commercial sectors. Detailed definitions, ownership thresholds, sectoral coverage and the jurisdiction-level list of large SOEs are presented in Annex A of the report. For more information, please also see Arian, G., A. Medina and A. Ruiz Casas (2026^[1]), “Building a global dataset on state-owned enterprises”, *OECD Corporate Governance Working Papers*, No. 29.

2 SOE ownership arrangements

A core element of SOE governance is how the state exercises its role as a professional and active owner, including through clear rationales for state ownership, institutional and ownership arrangements, and separation between ownership, policy and regulatory functions. This chapter examines the evolution of these arrangements and efforts to strengthen the co-ordination and professionalisation of state ownership. It further considers how governments oversee and report on their SOE portfolios, with a view to promoting transparency and accountability across the sector.

Corporate governance of SOEs is shaped largely by how states, as owners, organise and exercise their ownership responsibilities. Practices observed across the 58 economies covered by this report vary, though they reveal important trends and provide a basis for understanding how practices are evolving relative to the SOE Guidelines. This chapter examines institutional and ownership arrangements, as well as efforts to strengthen the co-ordination and professionalisation of state ownership, and how governments oversee and report on their SOE portfolios. Key findings include:

- *Although state ownership policies and legal frameworks are common, they are not always consolidated and may contribute to fragmentation in the exercise of ownership responsibilities.* Based on the survey, only 43% of countries have consolidated their SOE policy frameworks into a single ownership policy document or overarching SOE law. In many cases, ownership rationales, roles and governance expectations are dispersed across multiple laws, regulations and policy instruments, potentially reducing clarity, consistency and accountability in how ownership rights are exercised.
- *Ownership arrangements are becoming increasingly co-ordinated, reflecting efforts to strengthen the state ownership function.* While fully centralised ownership entities remain relatively uncommon (10%), nearly two-thirds of participating jurisdictions have adopted co-ordinated, dual, twin-track or portfolio-based ownership models. These arrangements can help reinforce oversight and strategic steering, including through more consistent performance monitoring, board nomination processes and expectation-setting across SOE portfolios.
- *Overlaps between ownership, policymaking and regulation remain prevalent, underscoring the importance of safeguards and clear institutional boundaries.* Among respondents, a majority report some degree of overlap between the ownership function and other state functions. In 33% of jurisdictions, ownership entities perform policymaking functions, while in 11% they undertake regulatory functions, with only 42% of countries reporting separation of these functions. In some cases, the extent of overlap depends on the sector in which SOEs operate. Such arrangements may create conflicting objectives, blur accountability and affect competitive neutrality, highlighting the continued need for clearly defined mandates, transparent institutional arrangements and effective safeguards against conflicts of interest.
- *Annual aggregate reports are becoming more common and remain an important tool for disclosure, accountability and public oversight of SOE portfolios.* Financial information remains the most widely disclosed category, while reporting on governance, sustainability, employment, board composition and public policy objectives remains less systematic. However, compared to past years, reporting frameworks have continued to evolve, with jurisdictions increasingly expanding the scope of disclosure beyond financial performance to encompass broader governance and public policy considerations.

2.1. Legal and regulatory environment

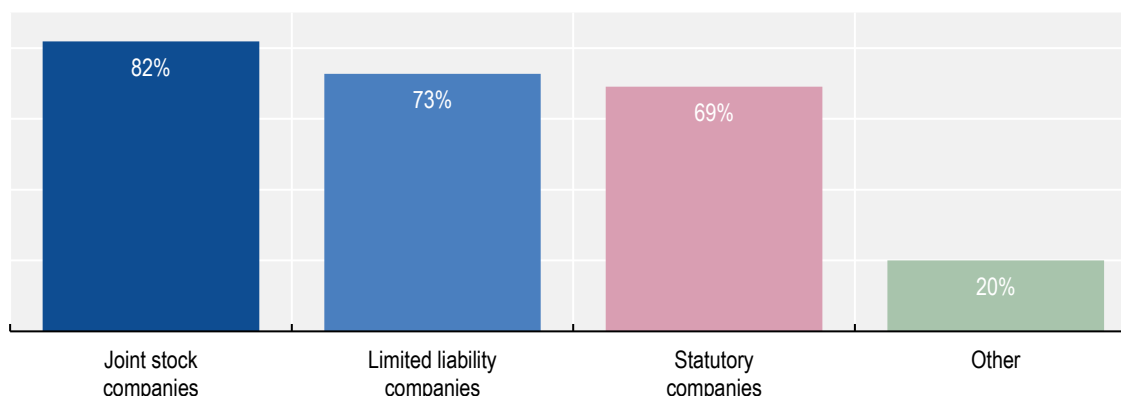
To better understand how these trends materialise in practice, this chapter first examines the legal and regulatory frameworks underpinning state ownership, as a well-designed framework provides the foundation for the effective exercise of the state's ownership role. Key considerations include whether legal and regulatory frameworks exist that apply specifically to SOEs, whether SOE corporate forms are standardised, and whether ownership expectations are clearly defined. Such clarity can help create a more predictable operating environment and reduce ambiguity in the exercise of state ownership and support more professional ownership practices, such as the articulation and regular review of the rationales for state ownership.

In 86% of reporting jurisdictions, SOEs are governed by a combination of general company law and SOE-specific legislation. General company law typically provides the foundational framework, covering

legal personality, board structures, fiduciary duties and minimum disclosure requirements. SOE-specific legislation may introduce additional expectations related to public mandates, ownership objectives and governance arrangements. In some cases, SOE-specific legislation may override or take precedence over general company law, particularly where tailored governance arrangements are required. These frameworks are important where SOEs fall outside standard company law, as they help standardise governance requirements across SOEs of different legal forms, clarify the state's role as owner, and strengthen transparency and accountability.¹ In a few cases (e.g. Norway and Sweden), SOEs generally operate under general company law, complemented by a state ownership policy rather than dedicated SOE legislation. In others, arrangements may differ depending on the level of government concerned. For example, in the United States, arrangements for state-level entities may differ from those applying at the federal level.

SOEs are generally established as joint-stock companies (JSCs), limited liability companies (LLCs) (and their national equivalents), or statutory companies (Figure 2.1). Their legal form is relevant for their governance arrangements, reporting obligations and access to capital markets. JSCs are often suitable for equity listings and allow for fully tradable shares, while LLCs typically face limits on public equity issuance and rely more on debt instruments. Statutory companies are created by specific statute or public law, with their own legal personality and mandate, and often fall outside standard company law and commonly used corporate forms. They often cannot access market-based financing without undergoing corporatisation, which can be a substantial process, often requiring restructuring of governance and ownership arrangements. In some cases, the choice of legal form may reflect an enterprise's mandate. For example, SOEs entrusted with public policy functions are more likely to take the form of statutory companies, while those with commercial activities are generally established under company law.

Figure 2.1. Legal forms of SOEs in surveyed economies



Note: The sample comprises 55 jurisdictions (Chile, France and Hungary not included). Multiple responses were allowed.
Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

While most commercially oriented SOEs have been corporatised, many jurisdictions continue to rely on statutory companies, particularly for public policy-oriented SOEs, which are often established by specific legislation or structured under bespoke or special-purpose legal forms. Examples include:

- *Business foundations.* Sweden has “business foundations” (*affärsdrivande stiftelser*), including some cultural or research institutions with state involvement, though these are not always classified strictly as SOEs.
- *Public or administrative entities with commercial functions.* For example, in Chile and in India, SOEs may include departmental enterprises, autonomous bodies, trusts and co-operative societies.

- *Function-specific entities and categories.* Some jurisdictions maintain bespoke arrangements linked to specific policy or economic functions, including distinct legal forms such as Indonesia's *Perum* (fully state-owned entities without share capital), Norway's *Statsforetak* and Mexico's State Productive Enterprises. Other jurisdictions employ statutory categories that define the scope of the state's ownership and oversight framework, such as Morocco's *Établissements et Entreprises Publics* (EEP) and Australia's Corporate Commonwealth Entities (CCE).
- *Hybrid or other types of corporate forms.* In the United States, these include public benefit corporations and federally chartered entities, some of which operate on a non-profit basis.

2.2. State ownership rationales and policies

2.2.1. State ownership rationales

While legal and institutional frameworks define the formal environment in which SOEs operate, effective state ownership depends on clearly articulated rationales for owning SOEs. Clearly defined rationales help ensure that SOEs remain focussed on their intended functions and on their core business, thereby ensuring they continue to deliver long-term value for society. Broadly, these rationales should inform decisions to establish, acquire, maintain, restructure or divest SOEs. They can also be translated into objectives and expectations for individual SOEs, providing a basis for monitoring performance, guiding boards and management, and sending predictable signals to markets and investors (OECD, 2024^[2]).

Among countries surveyed, the most frequently cited rationales include the provision of essential public services, such as water, electricity and transport, and the safeguarding of national security or strategic interests, often covering defence activities and the protection of critical infrastructure. Other commonly cited rationales include supporting economic or industrial policy objectives, controlling natural resources or key infrastructure, correcting market failures and fulfilling social or environmental goals (Table 2.1). By contrast, less frequently cited rationales include revenue generation, market stabilisation, legacy factors, and employment and regional development objectives, which points to state ownership being shaped by a combination of context-specific circumstances and needs.

Table 2.1. Rationales for SOE ownership

Rationales	Share of respondents
Providing essential public services (e.g. water, electricity, transport)	93%
Safeguarding national security or strategic interests	84%
Supporting national economic development or industrial policy objectives	74%
Controlling natural resources or critical infrastructure	72%
Correcting market failures or ensuring competition in key sectors	72%
Fulfilling social or environmental policy goals	68%
Generating fiscal revenues or dividends for the state	51%
Providing market stability (e.g. in times of economic crisis)	49%
Legacy reasons (e.g. historical ownership not yet restructured)	44%
Preserving employment or supporting specific regions/communities	42%
Other	14%

Note: The sample comprises 57 jurisdictions (Canada not included). Multiple responses were allowed.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

2.2.2. State ownership policies

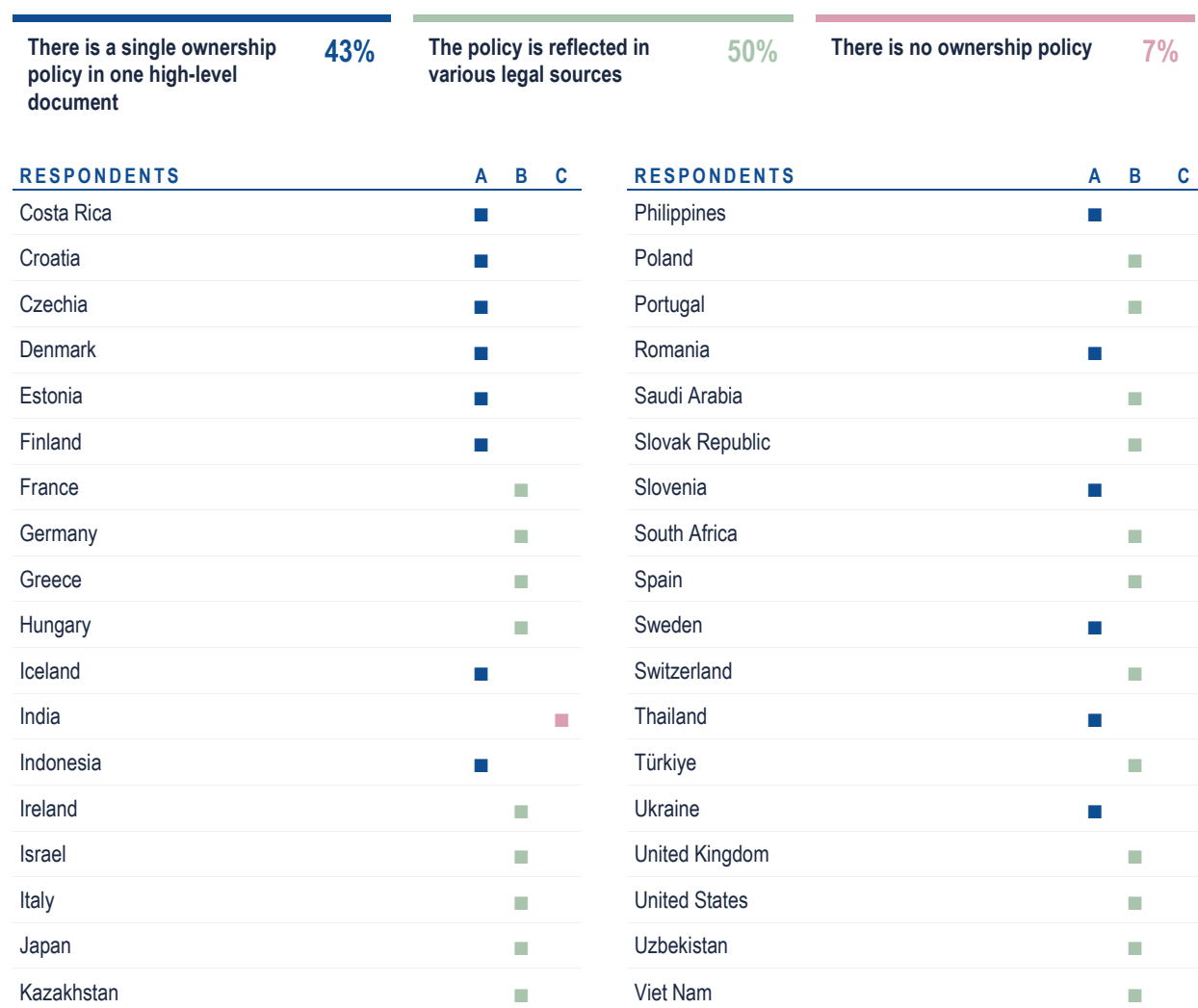
As SOEs are maintained or established to fulfil specific purposes that vary across jurisdictions and may operate under a range of legal forms, a clear ownership policy can help define why the state owns enterprises, what it expects from them, and how ownership responsibilities should be exercised. As a high-level document, it sets out the overall aims, principles and responsibilities related to state ownership, helping to ensure coherence across the SOE portfolio despite differences in legal form, mandates or institutional arrangements (OECD, 2024^[2]).² A robust policy would:

- Articulate the overall rationales for state ownership and associated objectives, whether explicitly in a single document or implicitly across multiple sources, and covering social, economic and strategic goals.
- Clarify the state's role as owner and the responsibilities of government institutions, including how different public bodies involved in SOE oversight interact.
- Improve transparency and predictability by clarifying expectations, governance arrangements and accountability mechanisms.

Among those surveyed, 43% have developed a single ownership policy document (Table 2.2). These are often issued as government policy statements or white papers, or, in some cases, embedded in a comprehensive legal instrument that performs a similar function. These frameworks provide a clear and coherent reference point for the exercise of ownership rights. In recent years, several jurisdictions have undergone reforms aimed at formalising and consolidating ownership policy frameworks. For example, Croatia, Morocco, Peru and Ukraine have developed such frameworks. In Chile, since 2026, the Ministry of Finance, the Public Budget Office (DIPRES) and Sistema de Empresas (SEP) have been implementing a strengthened ownership policy covering all 28 SOEs, which extends the financial planning horizon to 2035, monitors investment programmes, capitalisation needs and contingent liabilities at a portfolio level, and reviews dividend policies company by company (DIPRES, 2026^[3]).

Table 2.2. State ownership policies: breakdown by jurisdiction

There is a single ownership policy in one high-level document				43%				The policy is reflected in various legal sources				50%				There is no ownership policy				7%			
RESPONDENTS				A	B	C	RESPONDENTS				A	B	C	RESPONDENTS				A	B	C			
Argentina						■	Korea						■	Latvia							■		
Australia						■	Lithuania						■	Luxembourg							■		
Austria						■	Malaysia							Mexico							■		
Azerbaijan						■	Morocco							Netherlands							■		
Belgium						■	New Zealand							Norway							■		
Brazil						■	Peru							Poland							■		
Bulgaria						■	Portugal							Romania							■		
Canada						■	Slovakia							Slovenia							■		
Chile						■	Spain							Sweden							■		
China						■	Switzerland							Tajikistan							■		
Colombia						■	Turkey							Ukraine							■		



Note: The sample comprises 58 jurisdictions.

KEY

■ A There is a single ownership policy in one high-level document

■ B The policy is reflected in various legal sources

■ C There is no ownership policy

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

By comparison, half of the respondents rely on a more fragmented approach, where the objectives, rationale and governance of state ownership are dispersed across a range of legal, regulatory or policy instruments. The prevalence of this approach often reflects underlying institutional and historical factors as, in many cases, state ownership frameworks have developed incrementally over time, resulting in layered legislation and policy instruments. Even in the absence of a single policy document, states as owners often rely on legal anchors and supporting instruments that guide ownership practices. While these do not constitute a formal or unified ownership policy and need to be interpreted collectively, they often define key elements such as the state's role, governance expectations and accountability mechanisms. In particular, these include:

- *Core legal frameworks.* These include constitutional provisions, SOE framework laws, public finance legislation or company law, which define the legal basis and general conditions for state ownership (e.g. Italy's Consolidated Act on Companies with Public Participation (Government of

Italy, 2016^[4]); Brazil's SOE Law (Government of Brazil, 2016^[5]); Spain's Law 40/2015 on the Legal Regime of the Public Sector (Government of Spain, 2015^[6])).

- *Governance codes and guidelines.* For example, these entail corporate governance codes, ownership guidelines or administrative manuals that clarify how ownership should be exercised in practice (e.g. Germany's Principles of Good Corporate Governance of Federal Holdings (Federal Ministry of Finance of Germany, 2024^[7]); Ireland's Code of Practice for the Governance of State Bodies (Government of Ireland, 2016^[8]); Australia's Resource Management Guide No. 126 (Government of Australia, 2023^[9])).
- *Strategic and planning documents.* Notably, these include portfolio strategies, sectoral plans or government programmes that set performance expectations and strategic priorities (Azerbaijan's AIH charter and strategic framework, alongside sectoral legislation; Türkiye's Decree Law No. 233 on State Economic Enterprises, alongside development plans, medium-term programmes and annual SOE reports) (OECD, 2026^[11]).
- *Institutional mandates.* In particular, these include the roles and responsibilities assigned to central ownership entities or holding companies, which embed ownership objectives and co-ordination functions (e.g. Greece's HCAP/Growthfund (Growthfund, n.d.^[10]); Kazakhstan's Samruk-Kazyna sovereign wealth fund (Government of Kazakhstan, 2012^[11])).

A number of jurisdictions have no clearly defined ownership policy, either explicit or implicit, with limited articulation of the state's objectives as owner. While uncommon, in such cases SOEs may operate under general legislation without a clearly established ownership rationale or strategic direction.

At the same time, reforms remain under way in some jurisdictions. Argentina and New Zealand, for example, are developing ownership policy frameworks. Such efforts often form part of broader governance and economic reform agendas aimed at strengthening SOE oversight, improving performance and reinforcing the state's role as an active and informed owner. A recent OECD study sets out key considerations for jurisdictions developing or revising an ownership policy, including the rationale for ownership, the allocation of responsibilities and the institutional arrangements needed to support effective implementation, as set out in Box 2.1 (OECD, 2026^[12]).

Box 2.1. Developing a state ownership policy: key steps

Developing an ownership policy entails a collaborative and inclusive process, extending beyond the responsibility of the state ownership entity. Such a process involves consultations with a wide range of public bodies and stakeholders and helps ensure that the policy reflects diverse perspectives and strengthens its legitimacy and effectiveness. Key steps include:

- Defining the rationales for state ownership and establishing clear justifications for maintaining state participation in specific enterprises or sectors.
- Conducting stakeholder consultations to gather input, build consensus and enhance transparency. Key stakeholders include line ministries, state-owned holding companies (where relevant), parliamentary or legislative committees, the supreme audit institution, sectoral regulators, and other relevant stakeholders.
- Drafting or revising the policy, incorporating feedback and ensuring coherence with national priorities.
- Obtaining high-level political endorsement and formal approval to secure legitimacy and commitment at the highest level of government.
- Publicly disclosing the ownership policy, ensuring transparency and accountability to citizens and market participants.

- Monitoring implementation and revising the policy as needed to assess effectiveness and adapt to evolving circumstances.

While the overall rationales for state ownership should remain stable to ensure consistency and predictability, they may evolve over time in response to changing economic, social, or political priorities. In such cases, the ownership policy should be reviewed and updated accordingly to remain relevant and aligned with current objectives.

Source: OECD (2026^[12]), Good practices for strengthening state ownership, <https://doi.org/10.1787/b5afe67e-en>.

2.2.3. Reviewing the state ownership policy

Regular review and updating of state ownership policies is important to keep ownership rationales, objectives and oversight practices aligned with evolving priorities. It also enables improved oversight tools to inform decisions, such as on future acquisitions or divestments. Sixty per cent of countries surveyed report that their ownership policy or related legal instruments have been revised at some point, with the majority of those revisions taking place within the last five years (Table 2.3). For those that lack a single policy framework, or have newly introduced their ownership policies, systematic review is generally not applicable.

Where ownership policies exist, revisions are often focussed on strengthening governance frameworks. For example:

- Estonia updated its ownership policy in 2025, which sought to reinforce the state's approach to shareholding governance and clarify strategic objectives across the portfolio (Government of Estonia, 2025^[13]).
- Sweden revised its ownership policy in 2025, which further clarifies the rationale for public ownership, reinforces expectations of commercial performance, and integrates considerations such as sustainability, resilience and long-term value creation (Government of Sweden, 2025^[14]).
- Korea amended the Act on the Management of Public Institutions in 2024, which further strengthened performance management and oversight mechanisms (Government of Korea, 2024^[15]).
- Slovenia adopted the Ordinance on the Strategy for the Management of State Assets in 2025, providing a more structured basis for defining and periodically revisiting ownership objectives (Government of Slovenia, 2025^[16]).
- Thailand updated its Corporate Governance Guidelines in 2025, introducing a stricter “comply or explain” approach and reinforcing expectations for SOE governance practices (Government of Thailand, 2025^[17]).

In jurisdictions without a single consolidated ownership policy, the state ownership approach may evolve through changes of varying scope and form. For example, an ownership framework may remain broadly relevant over the longer term, as in Australia, or be periodically reviewed through established mechanisms, as in Switzerland and the United Kingdom. In some cases, ownership frameworks may evolve through targeted or incremental updates, such as recent revisions to ownership guidance or governance standards in Austria and Ireland, or continuous legal and institutional adjustments in Spain.

Reporting jurisdictions have also noted more substantial reform – Argentina, Greece and Viet Nam have recently introduced significant legislative and institutional changes affecting the objectives, allocation or exercise of state ownership functions. More general, ongoing government reforms – such as recent initiatives related to digitalisation, transparency and data management in Saudi Arabia and the Slovak Republic – may also indirectly shape state ownership practices (OECD, 2026^[11]).

Table 2.3. When the SOE ownership policy was last reviewed

	1-2 years ago	3-5 years ago	6+ years ago	Not applicable
There is a single ownership policy in one high-level document	Estonia, Indonesia, Korea, Romania, Slovenia, Sweden, Thailand, Ukraine	Bulgaria, Chile, Costa Rica, Czechia, Finland, Iceland, Lithuania, the Netherlands, Norway	Colombia, Denmark, Philippines	Belgium, Croatia, Morocco, Peru
The policy is reflected in various legal sources	Argentina, China, Germany, Viet Nam	Austria, Greece, Ireland, Latvia, Saudi Arabia, Spain, Uzbekistan	Australia, France, Poland, Portugal	Azerbaijan, Brazil, Hungary, Israel, Italy, Japan, Kazakhstan, Mexico, the Slovak Republic, South Africa, Switzerland, Türkiye, the United Kingdom, the United States
There is no ownership policy				India, Luxembourg, Malaysia, New Zealand

Note: The sample comprises 57 jurisdictions (Canada not included). Some jurisdictions, such as New Zealand, are currently developing ownership policies. Others have recently adopted ownership policies which have not yet been reviewed (e.g. Croatia, Morocco and Peru). Ukraine's policy, also recently adopted, is already under review.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

2.3. Ownership in practice

2.3.1. Ownership models

While ownership policies define the state's objectives and roles, their effectiveness ultimately depends on how ownership is organised and exercised in practice. An effective ownership framework requires a delineation of responsibilities for exercising the state's shareholder role, alongside a strict separation from policymaking and regulatory functions. In the absence of coherent institutional arrangements, SOEs may face overlapping instructions, inconsistent expectations, or conflicts of interest for their oversight.

To mitigate these risks, it is important to have a clearly identified ownership entity, whether located within a central ministry, such as a ministry of finance or economy, established as a separate administrative or corporate entity, or situated within a specific sector ministry. The ownership entity exercises the power, responsibility, or steering ability to appoint boards of directors; sets and monitors objectives; and/or votes on the company shares on behalf of the government. Importantly, it should have the ability to act as an active and informed owner, with the mandate, capacity and professional expertise necessary to fulfil its responsibilities effectively.

While different ownership models exist, centralised approaches can help ensure that ownership responsibilities are concentrated in a single entity, provided that it is sufficiently well resourced and its operations are protected from irregular practices. Its relationships with other public bodies should be transparent, well-defined, and subject to appropriate accountability mechanisms. Where full centralisation is not feasible, strong co-ordination arrangements, typically led by a clearly mandated entity, are essential to ensure a coherent whole-of-government approach. Alternative models may include corporatised holding structures or shared ownership frameworks, such as dual or twin-track arrangements distributing responsibilities across multiple entities (Figure 2.2).

Figure 2.2. State ownership models

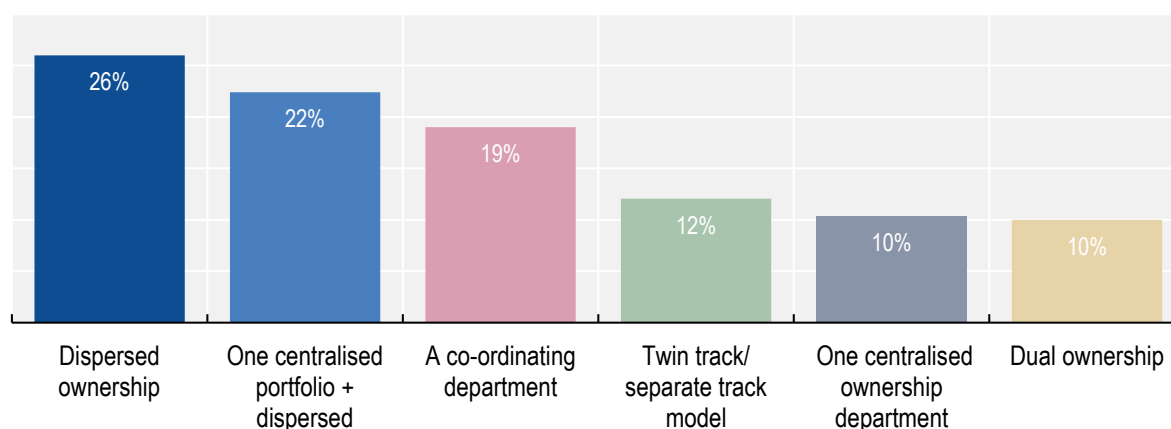
CENTRALISED A single central body exercises the state's ownership rights for all SOEs, including setting objectives, monitoring performance and providing key input on board appointments.	PORTFOLIO + DISPERSED A central holding company or portfolio body exercises ownership rights for a subset of SOEs, while the remaining SOEs continue to be overseen by line ministries or other public institutions.	CO-ORDINATING DEPARTMENT A central agency advises shareholding ministries and monitors SOE performance, while formal ownership rights remain with ministries or departments.
DUAL OWNERSHIP Two ministries or public authorities share ownership responsibilities for individual SOEs, typically with one setting financial objectives and the other leading sector policy priorities.	TWIN TRACK Two or more ownership units operate side by side, each exercising exclusive ownership functions for its designated SOE portfolio.	DISPERSED No single institution is responsible for the ownership function. Each SOE is overseen by its relevant line ministry or public institution.

Note: Definitions are based on the OECD *Ownership and Governance of State-Owned Enterprises 2024* report and the ownership model categories used in the 2026 Survey on State Ownership and Corporate Governance.

Source: OECD (2024_[18]), *Ownership and Governance of State-Owned Enterprises 2024*, <https://doi.org/10.1787/395c9956-en>; OECD (2026_[11]), *OECD Survey on State Ownership and Corporate Governance*.

Survey responses indicate that while 26% of jurisdictions continue to rely on dispersed ownership arrangements, the majority have introduced some form of co-ordination. Portfolio-based models, including holding companies, are the most common (22%), followed by co-ordinating departments that support alignment across institutions exercising ownership responsibilities (19%). Fully centralised ownership entities remain relatively rare, accounting for around 10% of respondents (Figure 2.3). Examples of ownership arrangements are depicted in Table 2.4.

Figure 2.3. State ownership entity types across respondents



Note: The sample comprises 58 jurisdictions. Percentages may not sum to 100% due to rounding.

Source: OECD (2026_[11]), *OECD Survey on State Ownership and Corporate Governance*.

While the overall distribution of ownership models remains similar to that in the 2024 survey, country-level developments point to a gradual shift towards stronger central co-ordination and greater professionalisation of the state ownership function (OECD, 2024_[18]). In several jurisdictions, this takes the form of reinforced central oversight mechanisms. Brazil and Indonesia, for example, have introduced

institutional arrangements that strengthen central oversight over SOEs, while India, despite maintaining a formally dispersed system, relies on a central body to set governance guidelines and monitor performance across the portfolio. Some also illustrate a shift towards more structured ownership arrangements, including in systems previously classified as dispersed. Morocco, for example, has established a dedicated state ownership agency. In Croatia and Kazakhstan, institutional arrangements are better understood as twin-track models, with state holding companies operating alongside line ministries, as applicable.

More broadly, recent developments point to growing interest in centralised or corporatised holding entities that group SOEs into portfolios managed with a more commercial and strategic orientation. Austria's ÖBAG and Slovenian Sovereign Holding (SSH) are among the more established examples of this approach. More recently, Indonesia's Danantara has adopted a similar model, while South Africa's 2024 National State Enterprises Bill (B1-2024) proposes the creation of a centralised holding company to strengthen SOE governance and oversight (Government of Indonesia, 2025^[19]; Danantara, n.d.^[20]; The Parliament of South Africa, 2024^[21]). While these models can support more coherent and professional ownership, their effectiveness depends on how well they are established and governed, notably through clear mandates and separation between ownership, policymaking and regulatory functions, fit-for-purpose boards and operational independence.

Table 2.4. State ownership entities by category

Jurisdiction	Entity	Jurisdiction	Entity
CENTRALISED		TWIN TRACK	
Colombia	Ministry of Finance	Azerbaijan	Azerbaijan Investment Holding; other holdings, line ministries
Israel	Government Companies Authority (GCA)	Belgium	Federal Holding and Investment Company (SFPI-FPIM); line ministries
Italy	Ministry of Economy and Finance	China	State-owned Assets Supervision and Administration Commission (SASAC); Ministry of Finance; local authorities
Korea	Ministry of Finance and Economy	Croatia	Government of Croatia; Centre for Restructuring and Sale (CERP)
Morocco	National Agency for Strategic Management of State Shareholdings (ANGSPE)	Greece	HCAP/Growthfund; Ministry of Finance and line ministries
Sweden	Ministry of Finance – Division for State-Owned Enterprises	Kazakhstan	Samruk-Kazyna; Baiterek; line ministries
		Saudi Arabia	Public Investment Fund (PIF); Council of Economic and Development Affairs (CEDA); line ministries
PORTFOLIO + DISPERSED		CO-ORDINATING DEPARTMENT	
Austria	Austrian State Holding Company (ÖBAG); line ministries	Brazil	Secretariat for Co-ordination and Governance of State-Owned Enterprises (SEST); Interministerial Commission for Corporate Governance (CGPAR); line ministries
Chile	Sistema de Empresas (SEP); line ministries	Bulgaria	Public Enterprises and Control Agency (PECA); line ministries
Finland	Ownership Steering Department (Prime Minister's Office); line ministries	Costa Rica	Council of Government; Presidential Advisory Unit; line ministries
France	Agency for State Shareholdings (APE)	Estonia	Ministry of Finance; line ministries
Hungary	Hungarian National Asset Management Inc. (MNV Zrt.)		
Iceland	Ministry of Finance and Economic Affairs	Indonesia	Supervisory Agency of State-Owned Enterprises (BP BUMN); Danantara
Netherlands	Ministry of Finance; line ministries	Latvia	State Chancellery; line ministries
Norway	Ownership Department (Ministry of Trade); line ministries	Lithuania	Governance Co-ordination Centre; line ministries

Peru	National Fund for Financing State Business Activity (FONAFE)
Poland	Ministry of State Assets; line ministries
Portugal	Technical Unit for Monitoring State-Owned Enterprises (UTAM)
Slovenia	Slovenian Sovereign Holding (SSH)
Spain	Sociedad Estatal de Participaciones Industriales (SEPI); line ministries
DUAL OWNERSHIP	
Australia	Ministry for Finance; line ministries
Czechia	Ministry of Finance; line ministries
Switzerland	Federal Council; Ministry of Finance; sector departments
Thailand	Ministry of Finance; line ministries
Türkiye	Ministry of Treasury and Finance; Presidency of Strategy and Budget; Türkiye Wealth Fund; line ministries
Uzbekistan	State Assets Management Agency; line ministries

Philippines	Governance Commission for Government-Owned or Controlled Corporations (GCG)
Romania	Agency for Monitoring and Evaluation of Public Enterprises (AMEPIP); line ministries
United Kingdom	UK Government Investments; HM Treasury; line ministries
Viet Nam	Ministry of Finance; line ministries

DISPERSED

Ownership is exercised through line ministries in jurisdictions, including: Argentina, Denmark, Germany, Japan, Luxembourg, Malaysia, Mexico, the Slovak Republic, South Africa and Ukraine.

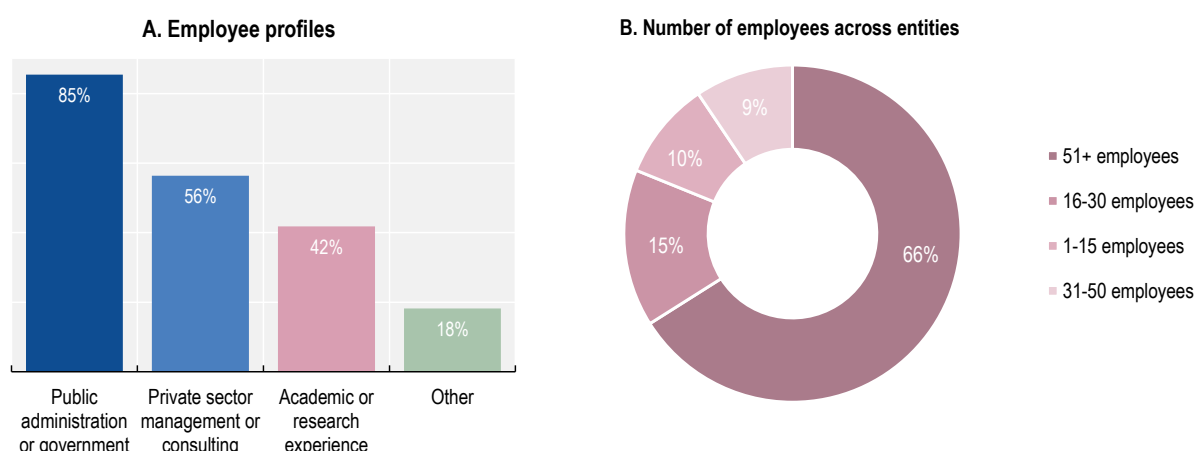
Specific bodies: Canada (portfolio ministries; central agencies); India (Department of Public Enterprises; line ministries); Ireland (NewERA, line ministries); New Zealand (shareholding ministries, such as the Ministry of Finance, supported by the Treasury in its ownership, governance, performance and commercial advisory role); United States (federal agencies).

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

2.3.2. Resourcing and staffing

The effectiveness of the ownership function also depends on the resources and staffing available to support it. Ownership entities require sufficient capacity and technical expertise to set ownership expectations, monitor SOE performance, support board nomination processes, develop guidance and ensure consistent implementation of the state's ownership policy. Survey responses indicate that two-thirds of ownership entities have 51 employees or more. Staffing levels vary across jurisdictions, reflecting the relative size of their SOE portfolios and ownership arrangements.

Figure 2.4. Employee profiles and numbers in state ownership entities



Note: Panel A covers 55 jurisdictions (Hungary, Luxembourg and Malaysia not included), while Panel B covers 52 jurisdictions (Bulgaria, Hungary, Luxembourg, Malaysia, New Zealand and Uzbekistan not included). For Panel A, multiple responses were allowed. Results are reported at the jurisdiction level. Where multiple ownership entities are present, staffing arrangements and profiles may vary across entities.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

In terms of staff profiles, 85% report that employees are expected to have experience in public administration or government, consistent with earlier findings on the importance of institutional knowledge and public sector expertise (OECD, 2024^[18]). The 2026 results also reveal a growing emphasis on mixed profiles, including private-sector management or consulting experience (Figure 2.4).

Consistent with previous survey rounds, the majority of countries continue to resource their ownership entities through government budget appropriations (nearly two-thirds of surveyed jurisdictions). A smaller share of jurisdictions report mixed funding arrangements that combine public funding with self-financed mechanisms, while fully self-funded arrangements, relying primarily on dividends or other revenue streams, remain uncommon (Table 2.5).

While aggregate data provide an overview of ownership arrangements across jurisdictions, a closer examination may reveal variation in governance structures, resourcing, staffing and funding arrangements across ownership entities operating under different institutional models. For example, in Greece, some SOEs are owned through the Ministry of National Economy and Finance, while others form part of the HCAP/Growthfund portfolio and, as a result, differences may arise in areas such as staffing levels and funding models. Notably, the ministry relies primarily on government budget appropriations, whereas HCAP/Growthfund is financed largely through its own revenues (OECD, 2026^[1]).

Table 2.5. Funding mechanisms for ownership entities

Answer	Jurisdiction	Total: 57
Government budget	Australia, Brazil, Chile, China, Colombia, Costa Rica, Czechia, Denmark, Estonia, Finland, France, Germany, Iceland, India, Indonesia, Ireland, Israel, Italy, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Sweden, Switzerland, Thailand, Türkiye, Ukraine, the United States, Uzbekistan	36
Self-funded (e.g. dividends, fees)	Belgium, Peru, Romania	3
Both	Argentina, Austria, Azerbaijan, Canada, Croatia, Greece, Hungary, Japan, Kazakhstan, Malaysia, Morocco, Saudi Arabia, the Slovak Republic, Slovenia, South Africa, Spain, the United Kingdom, Viet Nam	18

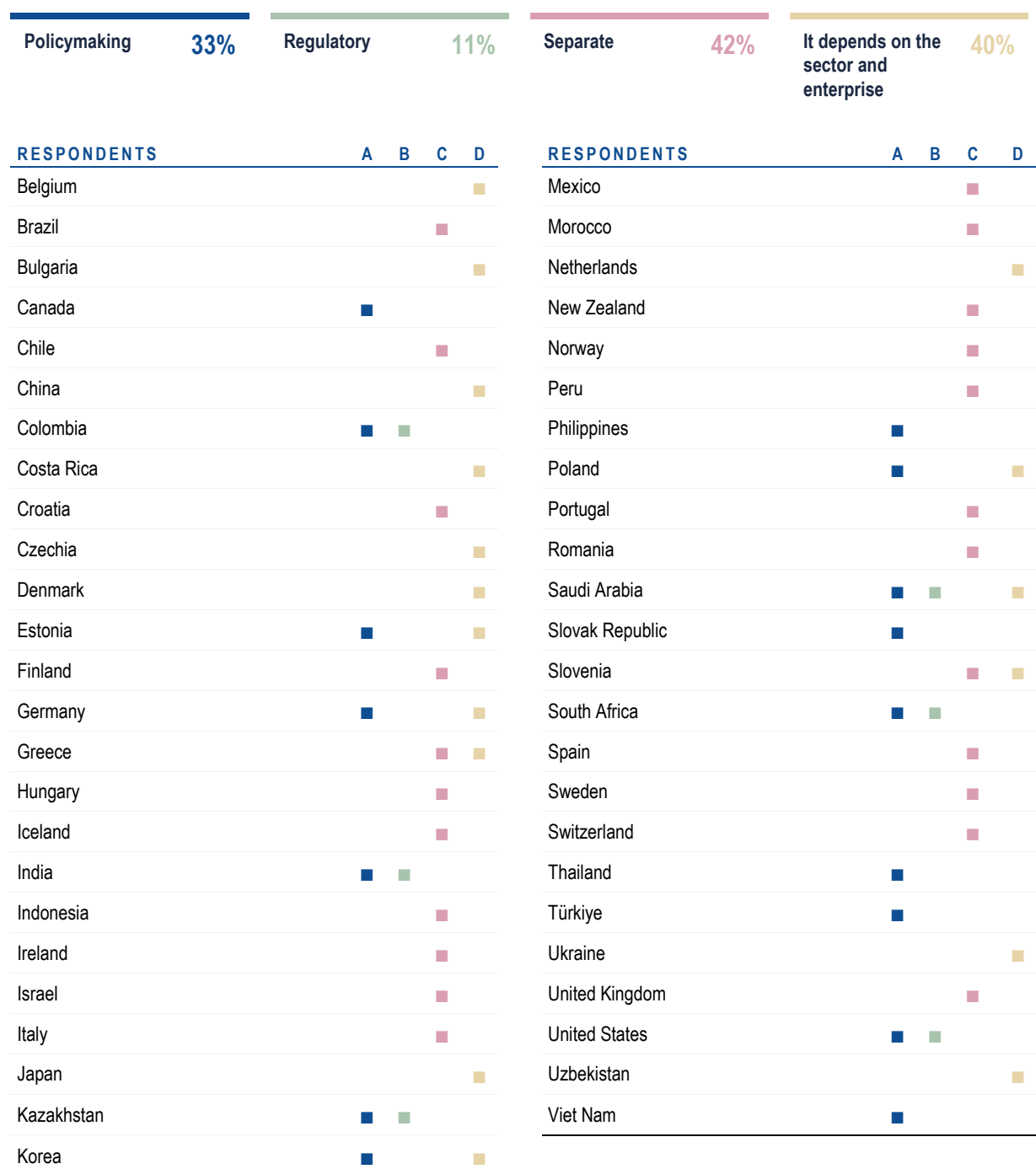
Note: The sample comprises 57 jurisdictions (Bulgaria not included). Results are presented in aggregate form at the jurisdiction level. In some jurisdictions, ownership responsibilities are shared across multiple entities with different functions and funding arrangements. For example, ownership units within ministries are often funded through government budgets, whereas holding companies may rely partly or entirely on their own revenues, including dividends and fees.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

2.3.3. Separation of ownership from policymaking and regulatory functions

Table 2.6. Co-existence of policymaking and regulatory responsibilities in an ownership entity

Policymaking 33%					Regulatory 11%					Separate 42%					It depends on the sector and enterprise 40%				
RESPONDENTS					A	B	C	D		RESPONDENTS					A	B	C	D	
Argentina					■					Latvia									■
Australia								■		Lithuania							■		
Austria								■		Luxembourg					■				■
Azerbaijan								■		Malaysia					■				■



Note: The sample comprises 57 jurisdictions (France not included). Multiple responses were allowed. In some jurisdictions, ownership responsibilities are exercised by multiple entities, and reported arrangements may vary across institutions, sectors or enterprises.

KEY

■ A Yes, the ownership entity (or entities) also performs sectoral policymaking functions (e.g. setting national energy policy while owning energy SOEs)

■ B Yes, the ownership entity also performs regulatory functions (e.g. setting tariffs, issuing licences, or overseeing competition in the same sector as the SOEs it owns)

■ C No, the ownership entity is functionally separate from policymaking and regulatory bodies

■ D It depends on the sector and enterprise

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

While these ownership models define how responsibilities are allocated, their effectiveness depends on the extent to which the state's ownership role is clearly separated from its policymaking and regulatory functions. This separation helps prevent conflicts of interest, promote competitive neutrality, and ensure transparent and accountable governance. In practice, however, ownership and policy functions may still overlap, even under centralised or co-ordinated arrangements, and sector ministries may retain ownership roles while regulating the same sectors. Such arrangements can potentially create conflicting mandates, blur accountability, and give rise to perceptions of preferential treatment, highlighting the importance of clear institutional design, well-defined roles and independent regulation.

Survey responses indicate that overlaps between ownership and other state functions remain common, with over half of the respondents reporting some degree of overlap (Table 2.6). The extent and nature of these overlaps depend in part on how the ownership function is organised. In more centralised, portfolio-based or strongly co-ordinated systems, clearer delineation of roles is generally easier to achieve (Table 2.7). Some economies, such as Chile, Finland, Israel, Norway, Sweden and the United Kingdom illustrate this pattern – while overlaps may occur, they tend to be limited, structured and mitigated through clear mandates, internal separation or independent regulatory functions. By contrast, in some systems, such as Colombia and Korea, overlaps may occur on a case-by-case basis (OECD, 2026^[11]).

In dispersed or dual ownership systems, line ministries may simultaneously exercise ownership, policymaking and, in some cases, regulatory functions, leading to more intertwined arrangements, with an increased risk of conflicts of interest and reduced clarity in the state's different roles. These risks can be mitigated through independent regulators and through internal organisational arrangements that clearly separate potentially conflicting functions. Denmark illustrates this approach – ownership and regulatory roles are located within the same ministry but handled by different divisions (OECD, 2026^[11]).

Table 2.7. Policy and regulatory functions across ownership entities

Ownership → Functions ↓	Centralised	Portfolio	Co-ordinating	Dual	Twin track	Dispersed
Yes, also makes sector policy	Colombia, Korea	Poland	Estonia, Philippines, Viet Nam	Thailand, Türkiye	Kazakhstan, Saudi Arabia	Argentina, Canada, Germany, India, Luxembourg, Malaysia, the Slovak Republic, South Africa, the United States
Yes, also regulates	Colombia				Kazakhstan, Saudi Arabia	India, South Africa, the United States
It depends on sector and enterprise	Korea	Austria, the Netherlands, Poland, Slovenia	Bulgaria, Costa Rica, Estonia, Latvia	Australia, Czechia, Uzbekistan	Azerbaijan, Belgium, China, Greece, Saudi Arabia	Denmark, Germany, Japan, Luxembourg, Malaysia, Ukraine
No, functionally separate	Israel, Italy, Morocco, Sweden	Chile, Finland, Hungary, Iceland, Norway, Peru, Portugal, Spain	Brazil, Indonesia, Lithuania, Romania, the United Kingdom	Switzerland	Croatia, Greece	Ireland, Mexico, New Zealand

Note: The sample comprises 57 jurisdictions (France not included). Multiple responses were allowed, including across ownership entities, and some jurisdictions may appear more than once. Results are presented at the jurisdiction level and may not fully reflect variations across sectors, enterprises or ownership entities within the same jurisdiction.

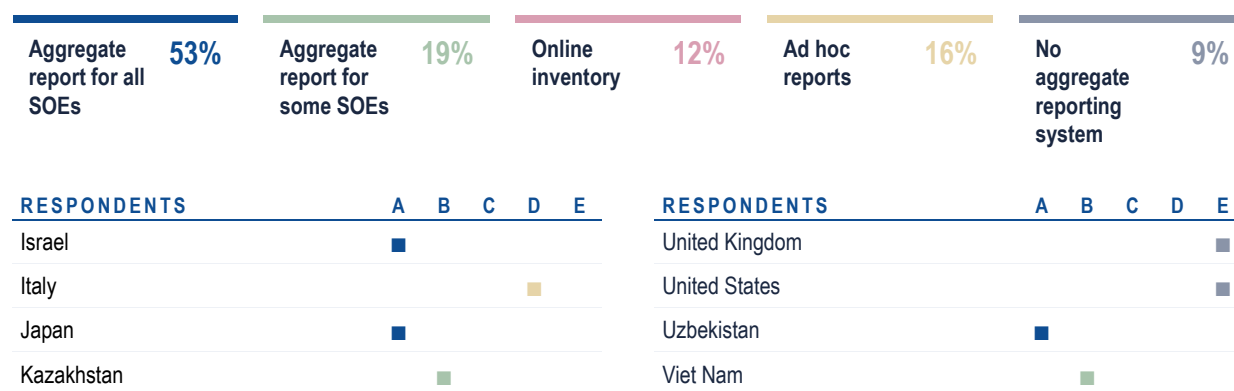
Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

2.4. Aggregate reporting

To support effective ownership, governments increasingly rely on structured reporting tools to monitor performance and ensure accountability. Annual aggregate reports remain the most common mechanism, providing a consolidated view of the SOE portfolio, including financial and non-financial performance, governance arrangements and achievement of ownership objectives. Survey responses indicate that over half of respondents use aggregate reports covering the full SOE portfolio. Findings also suggest that reporting mechanisms are often complementary rather than substitutive. New tools, such as inventories, dashboards and digital platforms, are increasingly used alongside traditional reporting (Table 2.8).

Table 2.8. SOE portfolio reporting practices across jurisdictions

Aggregate report for all SOEs53%						Aggregate report for some SOEs19%					Online inventory12%					Ad hoc reports16%					No aggregate reporting system9%				
RESPONDENTS						A	B	C	D	E	RESPONDENTS						A	B	C	D	E				
Argentina											Korea														
Australia											Latvia														
Austria											Lithuania														
Azerbaijan											Luxembourg														
Belgium											Malaysia														
Brazil											Mexico														
Bulgaria											Morocco														
Canada											Netherlands														
Chile											New Zealand														
China											Norway														
Colombia											Peru														
Costa Rica											Philippines														
Croatia											Poland														
Czechia											Portugal														
Denmark											Romania														
Estonia											Saudi Arabia														
Finland											Slovak Republic														
France											Slovenia														
Germany											South Africa														
Greece											Spain														
Hungary											Sweden														
Iceland											Switzerland														
India											Thailand														
Indonesia											Türkiye														
Ireland											Ukraine														



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. The entries should not necessarily be interpreted as equivalent or directly comparable, as reported mechanisms may in some cases cover only a subset of SOEs, rather than the sector as a whole. The underlying inventories may also differ in scope, including in their coverage of central and subnational enterprises. *Ukraine's SOE reporting system has been suspended, and a new reporting framework is currently being developed.

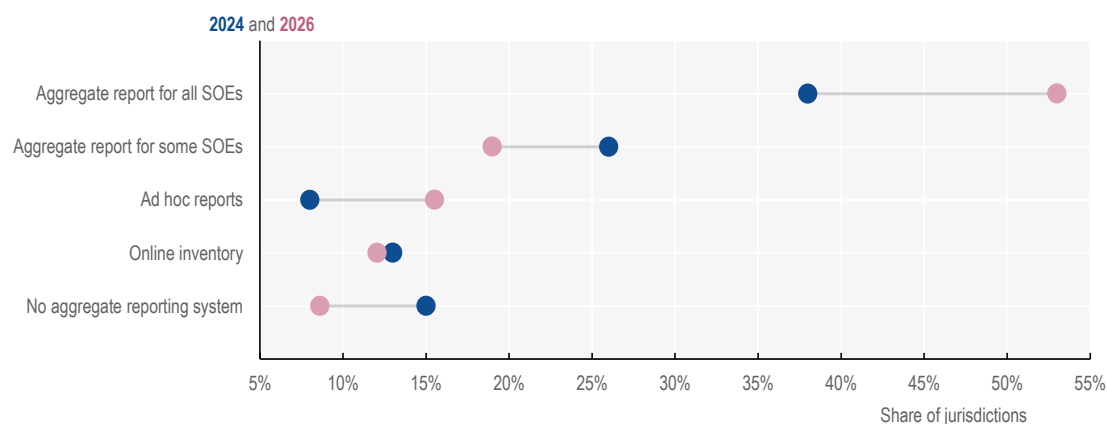
KEY

- A Aggregate report for all SOEs
- B Aggregate report for some SOEs
- C Online inventory
- D Ad-hoc reports
- E No aggregate reporting system

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Compared with 2024, several jurisdictions report broader or more developed aggregate reporting practices (Figure 2.5). For example, Argentina, Malaysia, the Slovak Republic and Thailand have introduced *ad hoc* reporting where no system was previously in place; Brazil and the Philippines maintain online inventories; and some, such as Croatia, Morocco and Romania produce aggregate reports. These findings should nevertheless be interpreted with caution, as the reported practices may cover only SOE portfolios within a particular oversight remit, even when described as applying to all SOEs. The Netherlands is the only jurisdiction reporting a shift in the opposite direction, from reporting on all SOEs in 2024 to ad hoc reporting.

Figure 2.5. Production of aggregate reports of the SOE sector, 2024 vs. 2026



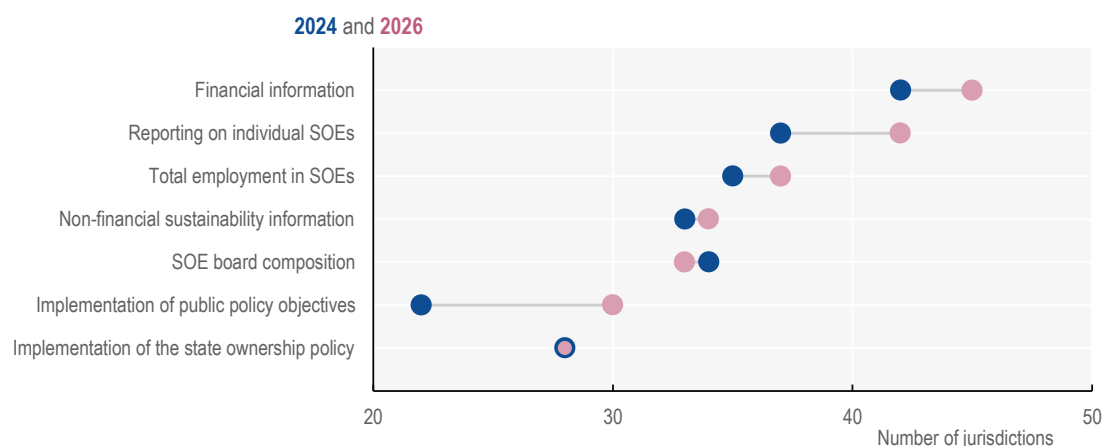
Note: The 2026 survey covers 58 jurisdictions, compared with 53 jurisdictions in the 2024 sample. As some jurisdictions reported using multiple mechanisms to disclose aggregate information on state-owned enterprises, totals may exceed the number of surveyed jurisdictions.

Source: OECD (2024^[18]), Ownership and Governance of State-Owned Enterprises 2024, <https://doi.org/10.1787/395c9956-en>; OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

The quality of aggregate reporting depends not only on whether reporting takes place, but also on what information is disclosed. Overall, reporting practices in 2026 remain broadly consistent with those observed

in 2024, with only limited variation across categories. Among respondents with some form of aggregate reporting in place, financial information remains the most consistently reported element, followed by information on individual SOEs (Figure 2.6). Although non-financial disclosures remain less systematically reported than financial information, the scope of aggregate reporting nevertheless appears to be broadening. The growing use of more comprehensive reporting reflects increasing recognition that systematic and comparable information is essential for accountability, performance monitoring and informed decision making across the SOE sector.

Figure 2.6. Key information featured in aggregate reports, 2024 vs. 2026



Note: The 2026 survey covers 57 jurisdictions (excluding the Netherlands), while 2024 results are drawn from the *Ownership and Governance of State-Owned Enterprises 2024*, comprising 43 jurisdictions. For comparability, categories introduced in the 2026 questionnaire, including "Other" and "Not applicable", are not shown.

Source: OECD (2024^[18]), *Ownership and Governance of State-Owned Enterprises 2024*, <https://doi.org/10.1787/395c9956-en>; OECD (2026^[11]), *OECD Survey on State Ownership and Corporate Governance*.

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[21]

Notes

¹ Statutory companies are often created by specific legislation or public law, with their own legal personality and mandate. They typically operate under enterprise-specific legislative frameworks rather than general company law, in some cases reflecting deliberate policy choices related to their mandate, functions or public policy objectives. As a result, they may not always fall within the scope of definitions, reporting frameworks or governance requirements that apply to corporatised enterprises.

² In some cases, differences in institutional arrangements may reflect policy choices, taking into account factors such as an enterprise's mandate, functions, size, risk profile or specific public policy objectives. Accordingly, variations across the portfolio may, in certain circumstances, be justified by the distinct characteristics and requirements of individual SOEs.

3

SOEs in the marketplace

As SOEs operate at the intersection of the state and markets, governments face the challenge of balancing public policy objectives with the need to ensure a level playing field. This chapter examines the regulatory and tax treatment of SOEs, as well as state support and financing arrangements, and how these affect competitive neutrality. It also considers how public service obligations and dividend policies apply to SOEs and shape the relationship between SOEs and the state in its capacity as shareholder.

SOEs play a significant and growing role in the global marketplace, operating in competitive markets alongside private companies, making the conditions under which they compete an important determinant of market outcomes and fair competition. While governments legitimately provide SOEs with specific mandates, support or legal arrangements to pursue public policy objectives, these measures can also influence competitive conditions if they are not well designed. This chapter seeks to examine how jurisdictions balance commercial and non-commercial objectives by analysing the regulatory, financial and governance frameworks that shape the market environment in which SOEs operate. In this context, several cross-country trends can be observed:

- *Regulatory and tax advantages for SOEs remain in some jurisdictions.* Only 57% of respondents report that SOEs are subject to the same regulatory and other legal requirements as private firms, compared to 71% reporting the same tax treatment. Exemptions concern areas such as bankruptcy, public procurement, competition and regulatory rules, and they are typically linked to sector-specific mandates or the fulfilment of public service obligations. Insolvency frameworks are an exception, with some providing tailored arrangements or additional protections to safeguard the continuity of essential services.
- *Commercial SOEs rely extensively on market-based financing, while government subsidies and other forms of state support may also be provided.* Commercial SOEs are predominantly financed through retained earnings, commercial lending and capital market instruments, while many jurisdictions also provide targeted forms of support, including capital injections and government subsidies, often linked to public policy mandates. Although broad disclosure frameworks exist in many jurisdictions, they do not always provide clear information on the more detailed or indirect forms of state support, which can make it difficult to identify the volume of support and mechanisms in place, and to help maintain a level playing field.
- *Public service obligations (PSOs) are supported by a range of mandates and compensation arrangements, though implementation remains uneven.* Approximately half of respondents calculate compensation on the basis of incurred costs, helping to improve transparency and reduce the risk of distortive cross-subsidisation. However, compensation arrangements are not always governed by formal or clearly defined mechanisms, with some continuing to rely on indirect forms of support or other approaches to financing PSOs.
- *Dividend policies, capital structures and rate-of-return targets vary in their design and application across jurisdictions, which may affect SOE level playing field considerations.* Most jurisdictions have established dividend policies, while 32% apply minimum payout requirements. A smaller group (16%) explicitly links dividend decisions to capital structure considerations, balancing returns to the state with SOEs' investment needs and long-term financial sustainability. Nearly half of jurisdictions report that SOEs are not subject to rate-of-return targets, though where they apply, they are more often set by the state (36%) or approved by it (18%), rather than being determined by SOE boards.

3.1. Regulatory treatment of SOEs and tax exemptions

3.1.1. Regulatory treatment of SOEs

A central element of competitive neutrality is ensuring that SOEs operate under regulatory conditions comparable to those faced by private firms. Survey results indicate that many participating jurisdictions aim to achieve this in practice. However, only 57% report that SOEs are generally not granted exemptions from competition law, including antitrust rules and merger control, as well as insolvency law, procurement, bankruptcy procedures, or related regulatory frameworks (Table 3.1). Where exemptions exist, they most often relate to the specific roles or functions performed by SOEs. In particular, they cluster around sector-specific responsibilities and may be designed to be ownership-neutral. For example, in Austria, India, Indonesia,

Morocco and Spain, regulatory exemptions are associated with the provision of universal service obligations or other sector-specific mandates, but these apply in markets where SOEs play a dominant role.

A slightly different pattern emerges in the area of insolvency and bankruptcy, where exemptions are linked to national security considerations or broader strategic interests that underpin state ownership. This is particularly evident in jurisdictions where SOEs operate in defence, critical infrastructure, energy, or transport sectors, including Croatia, Israel and Poland. In Israel, for example, certain SOEs providing essential or security-sensitive services may be subject to restrictions on liquidation or restructuring, with state approval required to safeguard national interests. Similarly, in Poland, entities carrying out statutory public tasks or operating in strategic sectors may benefit from modified insolvency arrangements under sector-specific legislation.

Comparable considerations apply where SOEs provide critical or essential services, for which the application of standard bankruptcy rules could risk service continuity. In some cases, this results in explicit legal exclusions from bankruptcy frameworks. For example, Brazilian bankruptcy law excludes SOEs from bankruptcy proceedings. When an SOE becomes commercially unviable, the courses of action available to the state may include, among others: (i) providing budgetary transfers, which may result in the SOE being treated as dependent on the National Treasury; (ii) winding up and liquidating the entity; or (iii) proceeding with privatisation. These alternatives are not prescribed by the bankruptcy law itself. Selected examples of exemptions across different areas of law are summarised in Table 3.2.

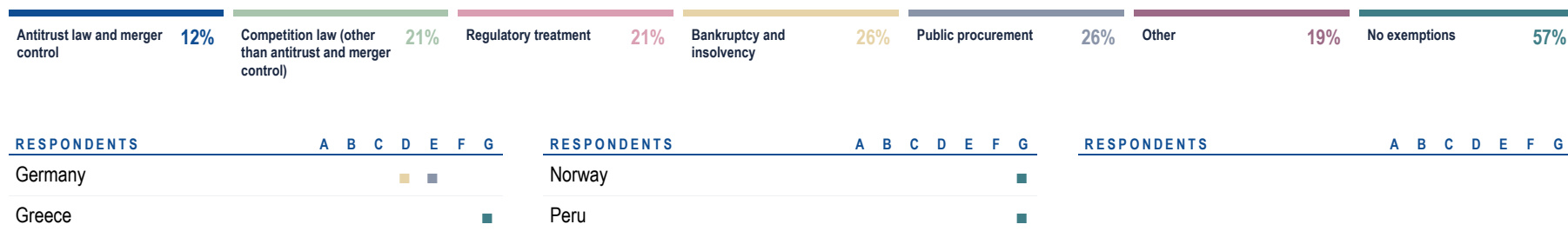
More broadly, these exemptions can often be linked to the pursuit of specific public policy obligations assigned to SOEs (further discussed in Section 3.3). In such contexts, differentiated or tailored regulatory treatment may be necessary. For example:

- When SOEs deliver essential public services or maintain critical infrastructure, applying insolvency or bankruptcy procedures could cause abrupt service interruptions and threaten continuity of supply, even when such services may not be commercially viable.
- When SOEs operate under statutory obligations, such as universal service or guaranteed access mandates (ensuring universal access to key utilities, postal and telecommunications services), they may require legal provisions different from those governing private firms.

While exemptions may be justified in defined circumstances, they also involve well-known risks. Exemptions from insolvency or bankruptcy can weaken hard budget constraints. They may reduce managerial discipline and create expectations of state support. These effects can distort markets and may create fiscal risks for the state. Transparent and well-designed arrangements are essential to maintain competitive neutrality.

Table 3.1. Regulatory and other legal exemptions

Antitrust law and merger control12%		Competition law (other than antitrust and merger control)21%		Regulatory treatment21%		Bankruptcy and insolvency26%		Public procurement26%		Other19%		No exemptions57%											
RESPONDENTS								RESPONDENTS								RESPONDENTS							
	A	B	C	D	E	F	G		A	B	C	D	E	F	G		A	B	C	D	E	F	G
Argentina							■	Hungary							■	Philippines		■				■	■
Australia			■			■		Iceland							■	Poland				■			
Austria			■					India	■		■		■			Portugal							■
Azerbaijan		■		■	■	■		Indonesia		■				■		Romania							■
Belgium							■	Ireland						■		Saudi Arabia		■	■	■		■	■
Brazil				■				Israel					■			Slovak Republic							■
Bulgaria				■		■		Italy						■		Slovenia							■
Canada			■	■				Japan						■		South Africa							■
Chile							■	Kazakhstan		■	■	■	■	■	■	Spain							■
China	■	■	■	■	■			Korea							■	Sweden							■
Colombia							■	Latvia							■	Switzerland				■			■
Costa Rica		■	■	■	■	■		Lithuania							■	Thailand		■	■	■	■	■	■
Croatia		■	■	■	■	■		Luxembourg							■	Türkiye							■
Czechia							■	Malaysia		■						Ukraine				■	■		
Denmark							■	Mexico		■	■	■	■	■		United Kingdom							■
Estonia					■			Morocco						■		United States		■	■	■	■		
Finland							■	Netherlands							■	Uzbekistan							■
France							■	New Zealand							■	Viet Nam		■			■		



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. In some cases (e.g. Switzerland), responses may span otherwise mutually exclusive categories, reflecting differences in the treatment of specific SOEs. The categories distinguish between different areas in which SOEs may be exempted from rules or receive differential treatment: antitrust law and merger control refers specifically to exemptions from rules governing anti-competitive conduct (e.g. cartels, abuse of dominance or market sharing) and the review of mergers, acquisitions and joint ventures; competition law captures broader exemptions from the general competition framework that are not specifically covered by antitrust or merger control; the regulatory environment concerns exemptions or preferential treatment under other general or sector-specific rules governing firms' market activities, rather than competition law itself; bankruptcy and insolvency laws concern differential treatment when an SOE experiences financial distress, including exemptions from ordinary insolvency procedures or protection through soft budget constraints; public procurement concerns differential treatment specifically in the rules and procedures governing participation in, and the award of, public contracts; and other favourable treatment captures advantages not falling within any of the preceding legal or regulatory categories, such as preferential or subsidised access to energy, water, land or other inputs.

KEY

- A Antitrust law and merger control
- B Competition law (other than antitrust and merger control)
- C Regulatory treatment
- D Bankruptcy and insolvency
- E Public procurement
- F Other
- G No exemptions

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Table 3.2. Selected examples of regulatory and other exemptions

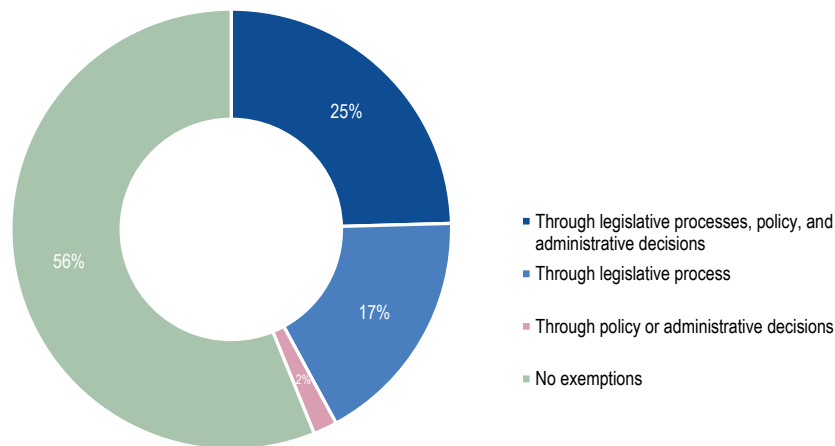
Criteria	Jurisdiction	Notes
Competition law <i>Other than antitrust and merger control</i>	Malaysia	Activities regulated under sector-specific laws (e.g. energy or telecoms) are excluded from the Competition Act 2010.
	Saudi Arabia	Wholly state-owned utilities granted statutory exclusivity can be excluded from the application of competition law.
	Thailand	SOEs performing activities necessary for national security or public utilities are exempt from competition law under Section 4 of the Trade Competition Act (2017).
Bankruptcy and insolvency	Brazil	Brazilian SOEs are legally excluded from bankruptcy proceedings under Law No. 11.101/2005.
	Bulgaria	Statutory SOEs are protected from bankruptcy under Article 612(1) of the Commercial Act, particularly in constitutionally designated monopoly sectors.
	Canada	Crown corporations benefit from Crown immunity and have not been subject to normal bankruptcy proceedings.
	Croatia	Bankruptcy proceedings against certain defence-related SOEs require prior ministerial approval and may not proceed without it.
	Mexico	Some SOEs fall outside standard insolvency procedures, with only a few subject to the general bankruptcy regime.
	Ukraine	During martial law, SOEs are subject to a moratorium on bankruptcy proceedings, effectively suspending insolvency rules.
Public procurement	Azerbaijan	SOEs under the Azerbaijan Investment Holding, including entities in the energy, finance, and waste management sectors, may use direct contracting or simplified procurement procedures.
	Costa Rica	Contracts between public entities, including SOEs, may be exempt from standard competitive procurement procedures under Law No. 9986.
	Estonia	Public authorities may award contracts directly to SOEs under the “in-house” exemption in the Public Procurement Act (§12).
	Germany	Contracts between public entities and SOEs can be exempt from procurement rules under “in-house” provisions (GWB §108).
	Kazakhstan	SOEs may benefit from single-source procurement exemptions.
	Philippines	Government-owned corporations may avoid public tender requirements in procurement and use alternative procedures.

Note: For definitions of the criteria, see the notes to Table 3.1.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Among the jurisdictions that do grant exemptions, whether linked to the provision of a specific PSO or for other reasons, a substantial share adopt these exemptions through both legislative processes and administrative decisions (44% overall) (Figure 3.1). Establishing exemptions through a clear legal basis, coupled with sufficient public accessibility, helps ensure that they are subject to appropriate scrutiny and are transparent and accountable to other market participants. It can also limit administrative discretion and reduce the risk that exemptions are granted on an ad hoc basis, thereby supporting greater predictability and a more level playing field. In Morocco, for example, exemptions are subject to review by independent oversight bodies to ensure compatibility with competition law principles. By contrast, Saudi Arabia relies exclusively on administrative decisions to implement such exemptions.

Figure 3.1. Nature of regulatory exemptions



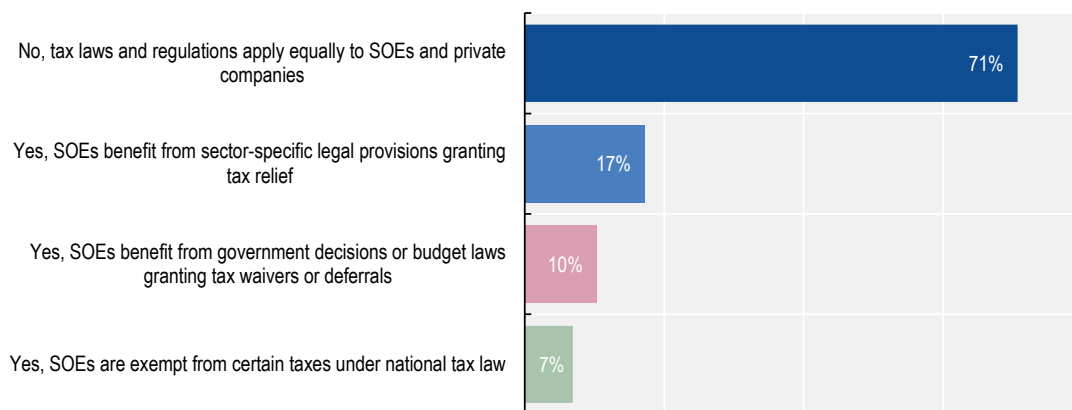
Note: The sample comprises 57 jurisdictions (Chile not included). Percentages may differ slightly due to rounding.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

3.1.2. SOE tax exemptions

Similar to regulatory exemptions, explicit tax exemptions for SOEs are relatively uncommon. Survey results indicate that most SOEs are subject to the general corporate income tax regime (Figure 3.2). Ownership-based exemptions are rare, but advantages may still arise through other channels. As the survey responses show, these can be grouped into three main categories: (i) sector- or activity-based tax provisions, (ii) compensation for PSOs, and (iii) institutional or legal-form-related treatment.

Figure 3.2. SOEs with tax advantages not available to private companies



Note: The sample comprises 58 jurisdictions. Those reporting tax advantages for SOEs may be represented in more than one category.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

SOEs may benefit from sector-specific provisions that provide tax relief in sectors such as energy, transport and utilities. These measures are typically embedded in sector legislation and their design varies across jurisdictions. For example, in the energy sector, relief may include excise or VAT exemptions on inputs used for electricity generation, district heating or strategic reserves. In transport, common measures include reduced VAT rates for passenger services, duty-free treatment of fuel for international aviation and shipping,

and exemptions from registration or stamp duties for essential services. In utilities, measures may include property tax abatements for network assets, accelerated depreciation for safety or environmental investments, and exemptions from local levies for universal service infrastructure.

Sector-specific provisions are generally available to all operators in the sector and are neutral in design. However, where SOEs dominate specific markets, they may capture a disproportionate share of the benefits. Exemptions may be justified in cases of overriding public policy objectives, especially where there may be market failures or other public interest objectives (e.g. energy access or social goals) (OECD, 2025^[21]). This is observed, for example, in Thailand, where renewable energy projects are eligible for a range of incentives, including corporate income tax exemptions. Given the prominent role of state-owned companies such as the national electricity producer Electricity Generating Authority of Thailand and its subsidiaries in the power sector, they may benefit alongside private developers from these measures.

Differences in tax treatment may also reflect the institutional characteristics or legal form of SOEs. In some jurisdictions, certain SOEs operate outside the corporate income tax system due to their legal status. For example, in the United Kingdom, corporation tax generally applies to government-owned entities that are legally separate from the Crown, while bodies that form part of the Crown may fall outside its scope. In Australia, many SOEs are similarly exempt due to their close link to government. To address potential distortions, Australia has introduced a National Tax Equivalent Regime (NTER), which applies a tax-equivalent framework to ensure that commercial SOEs operate on a comparable basis with private firms (Box 3.1).

Box 3.1. Australia's tax equivalent regime

Overview

Australia's NTER is a framework applied to state and territory SOEs to ensure they face tax obligations comparable to those of private sector firms. While participating SOEs do not pay federal income tax directly to the Australian Taxation Office, they calculate a tax-equivalent liability under federal income tax rules and pay the equivalent amount to the relevant state or territory government. The primary objective of the NTER is to promote competitive neutrality by ensuring a broadly uniform application of income tax laws between SOEs and their privately held counterparts.

Legal and administrative framework

The NTER is based on two core components:

- federal income tax laws, which provide the baseline rules
- targeted modifications, set out in the NTER Manual, to reflect the specific characteristics of public sector entities (e.g. government ownership, historical tax treatment and unique activities).

These modifications ensure that the regime is both consistent with national tax principles and adaptable to the public sector context.

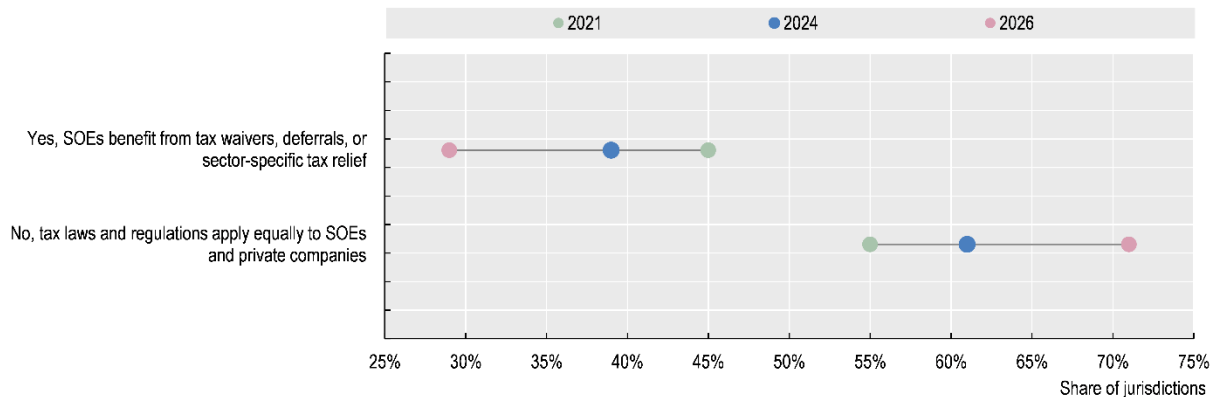
Compliance requirements

SOEs must comply with the NTER Manual under relevant state or territory legislation or instruments. They are required to calculate taxable income using tax law principles rather than accounting profit models.

Source: Australian Taxation Office (2025^[31]), Manual for the National Tax Equivalent Regime, <https://www.ato.gov.au/law/view/pdf/rmp/nter0001.pdf>.

Despite such indirect differences in tax treatment, there is greater alignment among jurisdictions in terms of how tax regulations apply (Figure 3.3). Since 2021, more respondents have removed tax advantages for SOEs, while improving consistent application of tax law to both SOEs and private companies. In part, this shift may be explained through responding jurisdictions allowing fewer exceptions and waivers to be made on an ad hoc basis, and by exceptions being more commonly codified in the above-mentioned sectoral policy or legal frameworks related to the fulfilment of specific service obligations.

Figure 3.3. Changes in tax advantages



Note: The sample comprises 58 jurisdictions in 2026, 55 in 2024 and 53 in 2021. Differences in category classifications may partly reflect changes in the response options across survey editions. Although jurisdictions could select multiple options in the 2026 sample (Figure 3.2), the results are presented here as mutually exclusive categories.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance; OECD (2024^[4]), Ownership and Governance of State-Owned Enterprises 2024, <https://doi.org/10.1787/395c9956-en>.

3.2. State support and SOE financing

3.2.1. SOE financing

The pursuit of state-defined mandates by SOEs can lead to market distortions where financing of such mandates or related state support is provided in a disproportionate or non-transparent manner. Survey results indicate that state ownership continues to influence the financial conditions under which SOEs operate, although the extent and nature of this influence vary significantly across jurisdictions. The findings suggest that SOEs draw on a broad mix of market-based financing and other sources, and that disclosure practices related to state support are uneven. These patterns highlight ongoing efforts in many jurisdictions to strengthen transparency and align SOE financial arrangements with market-based principles, while also underscoring areas where practices remain fragmented or where further clarification of expectations may be required.

SOEs draw on a broad range of financing sources (Table 3.3). Almost all respondents encourage SOEs to rely on their balance sheet earnings and internal cash flows. Market-based financing mechanisms are also widely used, including issuing debt on bond markets and obtaining commercial bank loans. In jurisdictions with well-developed capital markets, commercial and larger SOEs may also be listed on stock exchanges to facilitate access to equity capital and broaden the investor base.

However, state ownership can also provide access to financing channels that are not available to private companies. Among the surveyed jurisdictions, approximately two-thirds provide SOEs with government subsidies (or other forms of state support), typically to support PSOs and in line with domestic regulations and legislation. While state support measures, such as subsidies, may be granted to both SOEs and private

companies alike, SOEs benefit from the stability associated with the state as a long-term owner, which may result in both implicit and explicit advantages. Implicit or explicit state backing can materially affect SOEs' funding costs (e.g. through lower interest rates) and risk-taking by creating expectations of state guarantees, especially for systemically important enterprises. Moreover, state support, notably recapitalisations and government guarantees on loans, may soften hard-budget constraints and distort competition if not provided on market-consistent terms.

Table 3.3. Main sources of financing for commercial SOEs

Sources of financing	Share of respondents
Loans from commercial banks	93%
Retained earnings or internal cash flow	93%
Equity from the state	89%
Debt issued on public capital markets (e.g. listed bonds)	88%
Government subsidies	67%
Equity from private investors (e.g. through IPOs or private placements)	53%
Other	23%

Note: The sample comprises 57 jurisdictions (France not included). Multiple responses were allowed.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

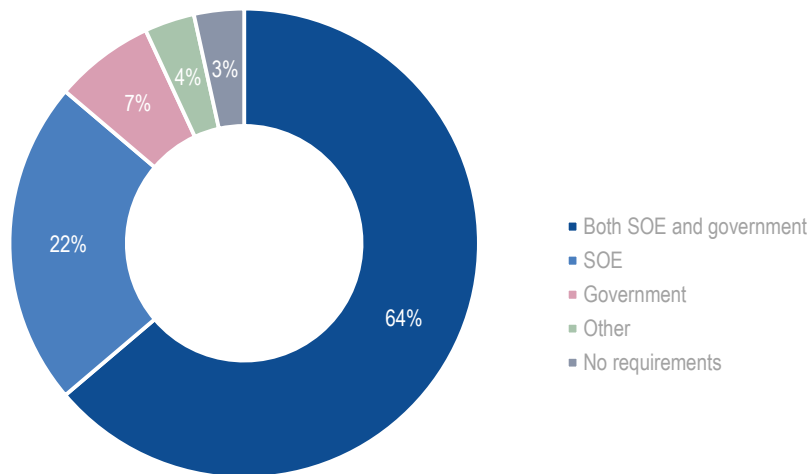
In the European Union (EU), member states must comply with EU state aid rules, which prohibit preferential support to SOEs that could distort competition in the internal market. Capital injections or other forms of support are permitted only when they qualify as compensation for services of general economic interest (SGEI) and are assessed on a case-by-case basis. For example, the Spanish public broadcaster RTVE receives annual public funding that is evaluated under the state aid framework as compensation for delivering public broadcasting services.

3.2.2. Disclosure of state support

Disclosure of state support remains uneven across jurisdictions, although a general trend towards more systematic reporting is emerging. Among the respondents (Figure 3.4), approximately two-thirds report that both the state and the SOE provide such disclosure. In a further 22% of jurisdictions, state support is disclosed exclusively in SOE financial statements.

Where disclosure is made at the SOE level, the applicable requirements often depend on the accounting standards used by the enterprise. SOEs may report under the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) or a national accounting standard that closely aligns with IFRS. In particular, IAS 20 (*Accounting for Government Grants and Disclosure of Government Assistance*) provides guidance on the recognition, measurement and presentation of government grants, including subsidies, forgivable loans, and grants related to income or assets. Where SOEs apply IFRS or an aligned national accounting standard, such assistance is disclosed in line with these standards.

Figure 3.4. Entity required to disclose state support



Note: The sample comprises 58 jurisdictions.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

OECD data indicate that state support, including indirect forms such as below-market borrowings, relative to firm revenue tends to increase with the extent of state ownership, with SOEs generally receiving more support than their private competitors (OECD, 2024^[5]). A few respondents indicate that the government discloses grants or other financial transfers to SOEs as part of fiscal budget reporting. Disclosure of state support is typically made as part of a budget annex, a public asset register or an annual aggregate report on the SOE portfolio. However, some forms of support may be more challenging to measure and may remain unreported, particularly indirect support channelled to or via SOEs (e.g. where SOEs benefit from or provide below-market financing, guarantees or other below-cost inputs to other SOEs or firms).

3.3. Public policy objectives and public service obligations

Because PSOs reflect the policy rationales underpinning state ownership, they can influence how SOEs operate and are treated in the marketplace. PSOs represent essential services that may be delivered by SOEs, but also by other service providers such as government agencies, the private sector or specialised entities (Figure 3.5). Since PSOs are generally not sufficiently supplied by the market, their fulfilment (whether by SOEs, government agencies, or other service providers) requires appropriate compensation.

Figure 3.5. Defining PPOs and PSOs in the SOE Guidelines

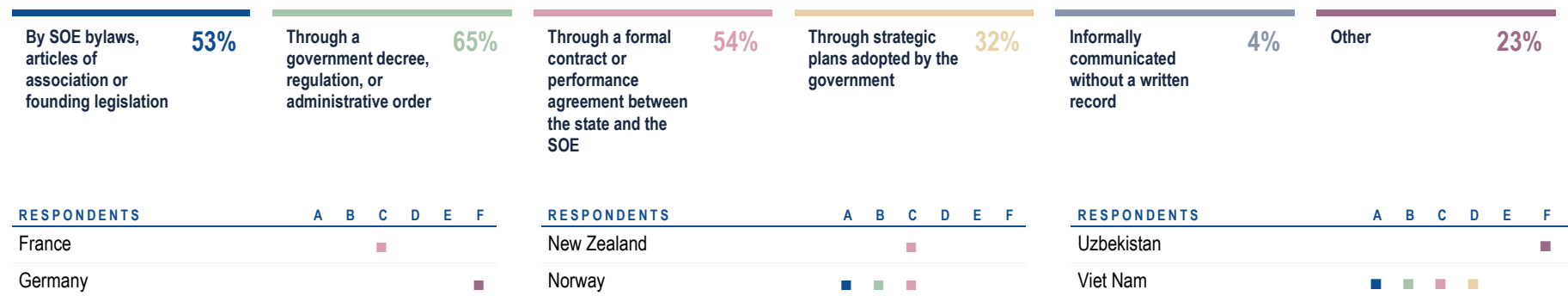
Public policy objectives (PPOs) <i>Broader objectives pursued in the public interest</i> PPOs are objectives benefitting the public interest within the jurisdiction concerned. These could include the carrying out of public service obligations as well as other special obligations undertaken in the public interest which can be set in addition to financial performance objectives. In many cases, public policy objectives might otherwise be achieved via government agencies, but have been assigned to an SOE for efficiency or other reasons.	Public service obligations (PSOs) <i>Access obligations where the market falls short</i> PSOs are obligations placed upon providers of public services in order to ensure the intended users' appropriate access to essential economic or social services, which would not be provided by the market, or in a manner sufficient to fulfil the PSO, under commercial considerations. While the design and mechanisms for the implementation of PSOs can vary greatly amongst jurisdictions, PSOs may for example consist of universal service and/or affordability requirements imposed on providers of public services.
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Source: OECD (2024^[6]), OECD Guidelines on Corporate Governance of State-Owned Enterprises, <https://doi.org/10.1787/18a24f43-en>.

Jurisdictions communicate PSOs to SOEs through a range of mechanisms. The most common channels include government decrees, regulations or administrative orders; formal contracts or performance agreements between the state and the SOE; and provisions contained in the SOE's founding legislation or bylaws. A smaller share of respondents set expectations on their PPOs and PSOs through high-level national strategic or development plans. Among those respondents who choose an "Other" channel to communicate objectives and obligations, a number use letters of expectations. Letters of expectations are sometimes disclosed on SOE webpages, as is the case for Romania, while in other jurisdictions they are not always publicly accessible. Such letters are also frequently used to communicate more specific key performance indicators (KPIs) (OECD, 2026^[7]). A per-country breakdown of information can be found in Table 3.4.

Table 3.4. PSO communication mechanisms by jurisdiction

[illegible]



Note: The sample comprises 57 jurisdictions (Hungary not included). Multiple responses were allowed.

KEY

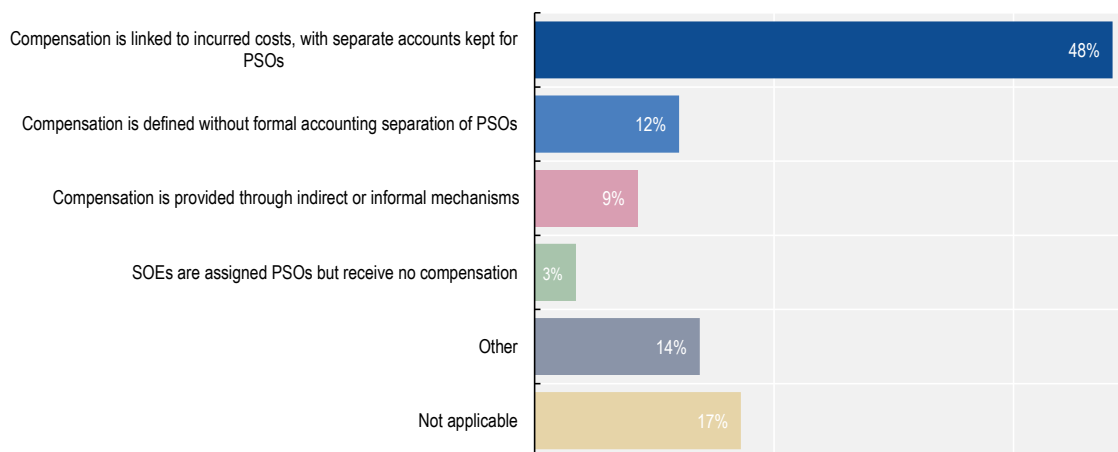
- A By SOE bylaws, articles of association or founding legislation
- B Through a government decree, regulation, or administrative order
- C Through a formal contract or performance agreement between the state and the SOE
- D Through strategic plans adopted by the government
- E Informally communicated without a written record
- F Other

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

3.3.1. PSO compensation

Overall, accounting separation for public service obligations (PSOs) is common but not universal. The largest group indicates that SOEs maintain fully separate accounts for their commercial and non-commercial activities, while the remainder report no accounting separation. Compensation arrangements are more varied. Roughly half of respondents report having a direct compensation mechanism between the state and SOEs delivering PSOs. In such cases, compensation is determined using clear and formal costing methodologies, generally based on SOE financial reports and the net costs incurred in fulfilling the PSO. By contrast, 9% rely on indirect or informal arrangements, such as tax rebates, reduced dividend payments or cross-subsidisation from profit-making to loss-making activities (Table 3.5 and Figure 3.6).

Figure 3.6. PSO compensation mechanisms



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Several jurisdictions continue to face difficulties in applying accounting separation systematically across the SOE sector. This remains a challenge even in EU member states, where government support to SOEs must comply with EU state aid rules and be assessed against its potential impact on the single market. Without separate accounts, determining and monitoring the actual cost of PSOs becomes more difficult, increasing the risk of inaccurate compensation and cross-subsidisation between commercial and non-commercial activities (OECD, 2026^[71]). In particular, the absence of accounting separation may lead to compensation being based on estimated, rather than the actual costs of delivering PSOs, resulting in over- or under-compensation and potentially distorting the level playing field.

Table 3.5. Accounting separation and PSO compensation

Compensation type ↓ / Accounting separation →	Yes, accounts are fully separated	There is no accounting separation
Compensation linked to incurred costs, with separate accounts kept for PSOs	Austria, Belgium, Bulgaria, Chile, Croatia, Denmark, Estonia, Finland, France, Greece, Hungary, Iceland, Ireland, Italy, Korea, Lithuania, Luxembourg, the Netherlands, Norway, Peru, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden, the United Kingdom, Viet Nam	
Compensation is defined without formal accounting separation of PSOs		Argentina, Australia, Azerbaijan, New Zealand, Saudi Arabia, Thailand
Compensation is provided through indirect or informal mechanisms	Colombia, Japan	China, Malaysia, Türkiye
SOEs are assigned PSOs but receive no compensation	Germany, Switzerland	
Other	Indonesia, Switzerland, the United States	India, Latvia, Morocco, Thailand, Ukraine
Not applicable	Brazil, Czechia, Poland, Uzbekistan	Costa Rica, Israel, Kazakhstan, Mexico, Philippines, South Africa

Note: Canada is not included. In some jurisdictions, compensation arrangements vary across SOEs, sectors or types (e.g. in Switzerland and Thailand), and more than one compensation type may be applicable. Not applicable applies where, based on the reported practices, no requirements exist to compensate SOEs for fulfilling PSOs. Other applies where such requirements exist but the compensation arrangements do not fit the specified response categories.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

3.4. Dividend policies

Dividends represent an important source of fiscal revenue for governments, especially against the background of constrained public finances. However, given the volatility of corporate profits and different long-term enterprise investment needs, dividend policies should carefully balance the financing and investment needs of SOEs with adequate returns to the state budget. Jurisdictions commonly fall into three main models: (i) explicit minimum payout ratios, (ii) broad but non-binding guidelines, and (iii) frameworks linked to optimal capital structure (OECD, 2024^[8]).

Most jurisdictions have dividend policies for SOEs, though their scope varies. These policies are typically limited to broad guidance (49%), with 16% linking dividends to optimal capital structure. Thirty-two per cent of jurisdictions implement minimum dividend payout levels, whereby the state mandates SOEs to distribute a fixed percentage of net profit irrespective of the company's capital requirements or investment pipeline. Table 3.6 offers a detailed breakdown of dividend policies per country, and Table 3.7 covers specific examples of each category. Most respondents (60%) report that the state, as owner, discloses dividend policies, while 37% indicate that SOEs also disclose them. In other jurisdictions, dividend policies are either unavailable or not applicable.

Table 3.6. Dividend policies for SOEs

Broad guidelines 49%						Explicit minimum share of net profit 32%					Linked to optimal capital structure 16%					No guidelines or targets 23%					Other 14%				
RESPONDENTS						A	B	C	D	E	RESPONDENTS						A	B	C	D	E				
Argentina											Latvia														
Australia											Lithuania														
Austria											Luxembourg														
Azerbaijan											Malaysia														
Belgium											Mexico														
Brazil											Morocco														
Bulgaria											Netherlands														
Canada											New Zealand														
Chile											Norway														
China											Peru														
Colombia											Philippines														
Costa Rica											Poland														
Croatia											Portugal														
Czechia											Romania														
Denmark											Saudi Arabia														
Estonia											Slovak Republic														
Finland											Slovenia														
France											South Africa														
Germany											Spain														
Greece											Sweden														
Iceland											Switzerland														
India											Thailand														
Indonesia											Türkiye														
Ireland											Ukraine														
Israel											United Kingdom														
Italy											United States														
Japan											Uzbekistan														
Kazakhstan											Viet Nam														
Korea																									

Note: The sample comprises 57 jurisdictions (Hungary not included). Multiple responses were allowed. This table categorises jurisdictions according to their main dividend policy approach, though specific rules may vary in their design and implementation, including the use of minimum payout thresholds, forecasting requirements, exceptions, and other legal safeguards.

KEY

- A Broad guidelines
- B Explicit minimum share of net profit
- C Linked to optimal capital structure
- D No guidelines or targets
- E Other

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

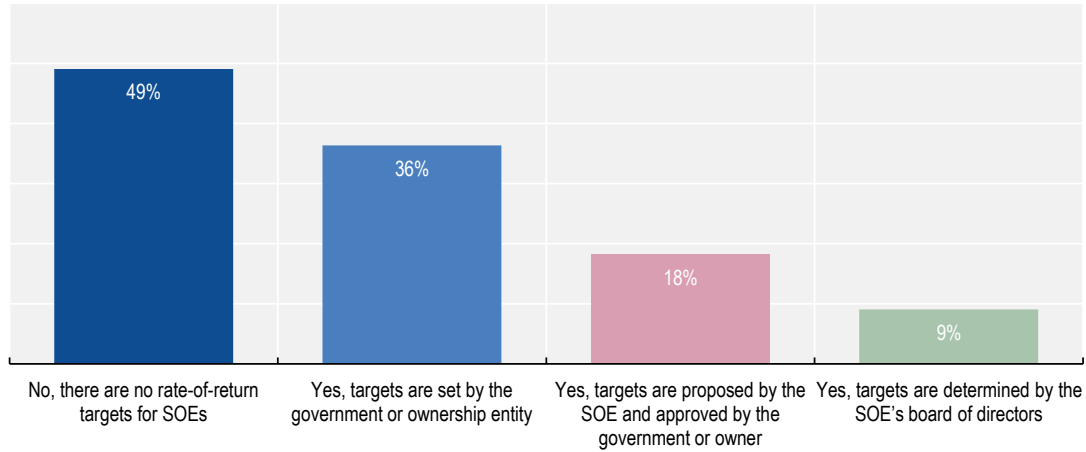
Table 3.7. Examples of dividend policies

Criteria	Jurisdiction	Notes
Capital structure-based policies	Australia	Dividend decisions are linked to capital structure and return-on-equity expectations.
	Finland	Dividend targets are tied to return and capital adequacy objectives.
	Iceland	Recent ownership guidance indicates that dividends should be considered in light of the company's optimal capital structure.
	Netherlands	Dividend policies are based on projected cash flows, debt-to-equity ratios, creditworthiness, continuity, and investment needs.
	New Zealand	Statements of Corporate Intent include dividend principles and expected payout levels.
	Norway	Dividends are explicitly used as a tool to achieve an appropriate capital structure; annual dividend expectations are adapted to the company's situation.
	South Africa	Dividends are determined with reference to an agreed optimal capital structure and future capital expenditure requirements.
Explicit minimum payout ratio	Azerbaijan	State-owned enterprises are generally required to distribute a minimum of 30% of net profit as dividends, subject to exceptions and circumstances.
	Greece	General company law establishes a minimum dividend of 35% of net profit for sociétés anonymes. However, other practices may apply depending on the SOE portfolios.
	India	CPSEs must pay the higher of 30% of profit after tax or 5% of net worth.
	Ireland	Commercial State Bodies are expected to pay dividends of at least 30% of adjusted consolidated net profit after tax.
	Israel	Government Companies Authority guidance suggests a dividend policy of 50% of net profit, although deviations are possible.
	Kazakhstan	State enterprises must distribute at least 50% of net profit, while JSCs and LLCs must distribute at least 70%.
	Latvia	SOEs are required to distribute at least 70% of annual profits, increasing to 90% from 2026-2028, unless exceptions are granted.
	Philippines	Most GOCCs must remit at least 50% of annual net earnings to the National Treasury.
	Romania	Dividend distribution is based on minimum profit-sharing requirements under GO64/2001.
	Ukraine	Dividend distributions are subject to a minimum payout requirement of 30%.
General dividend guidelines	Many jurisdictions fall within this broad-guideline category, under which dividend decisions are guided by general owner or government expectations rather than fixed payout formulas. Payouts are typically determined case by case, taking account of investment needs and financial sustainability. Notable examples include Chile, which is developing a long-term dividend policy to make the state's expectations more predictable, and the United Kingdom, where dividend decisions are guided by broad shareholder expectations without prescribed payout ratios.	

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Rate-of-return (RoR) targets, while relatively uncommon in practice, can serve as an important instrument for instilling capital discipline in SOEs. By establishing minimum expectations for financial performance, government owners can encourage more efficient and financially sustainable operations. In turn, this helps ensure that investment decisions are grounded in economic viability and not purely based on policy considerations. Regarding RoR targets for SOEs, 36% report that these targets are set directly by the ownership entity or the government (Figure 3.7). This may indicate an effort to align financial expectations with PSOs, which often require careful calibration alongside compensation mechanisms.

Figure 3.7. Rate-of-return targets for SOEs



Note: The sample comprises 55 jurisdictions (Chile, France and Hungary not included). Multiple responses were allowed.
Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

In some jurisdictions, such as Norway and South Africa, the state communicates an expected minimum or required RoR. Others, such as Lithuania, adopt a more flexible approach by setting target ranges based on historical performance and sectoral benchmarks. Only 9% of jurisdictions report that RoR targets are determined by SOE boards without requiring further approval from the state owner. In jurisdictions such as Sweden and the United Kingdom, the state plays a more indirect role, with RoR targets emerging through ongoing dialogue between SOE boards and shareholders. In some cases, such as Ireland, the mechanisms for setting RoR targets may differ depending on the regulatory and/or governance arrangements applicable to each SOE.

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4

Disclosure, transparency and accountability of SOEs

This chapter examines how reporting and disclosure requirements have evolved in the SOE sector, including financial and non-financial disclosures, and information on SOEs' commercial and non-commercial activities. It also considers disclosure of control structures, board composition and remuneration, material risk factors and risk management. Further elements include equitable treatment of shareholders and the role of audit practices in strengthening SOE oversight and accountability.

As part of broader national governance and accountability frameworks, SOEs are expected to meet high standards of integrity, transparency and accountability. This includes disclosure requirements for financial and non-financial reporting, governance arrangements, risk management, related party transactions, and audit and control practices. This chapter reviews how these requirements are applied across countries, and resulting implications, with findings pointing to the following trends:

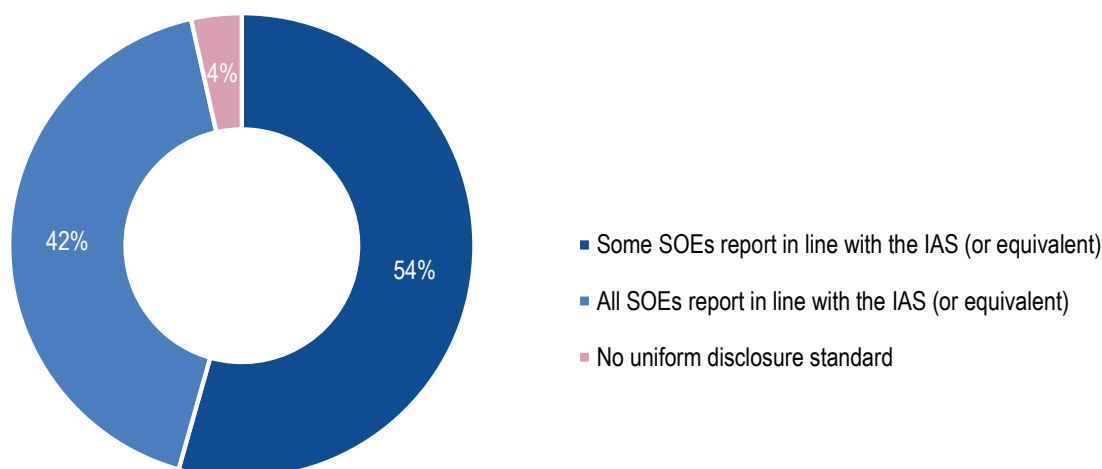
- *Financial reporting and transparency requirements are broadly established, with varying scope and application.* Nearly all jurisdictions require SOEs to use international or equivalent accounting standards, with reporting requirements differentiated according to SOE size, legal form and listing status. Broader transparency requirements cover commercial and non-commercial objectives and material risks, with 91% of jurisdictions requiring all or some SOEs to report on material risks. Requirements increasingly extend to risk management systems, applying to at least some SOEs in 83% of jurisdictions, and to related party transactions.
- *Governance-related disclosures and shareholder protections are common, although some information on state control and board participation is less consistently available.* In particular, disclosure of major shareholders (89%) and corporate group structures (73%) is common. Other mechanisms through which control is exercised, such as special voting rights (46%) and shareholder agreements (36%), are less consistently disclosed. Disclosure of board composition is also widespread, while requirements relating to board independence, qualifications and remuneration vary. Minority shareholder protections are similarly well established, with over 90% of jurisdictions guaranteeing voting rights, access to information and legal recourse in non-listed SOEs.
- *Audit and control frameworks are broadly established, with more systematic coverage for larger, listed or economically significant SOEs.* Ninety-three per cent of jurisdictions report that all or some SOEs are subject to independent external audit, while a majority also require mandatory audit firm rotation. Internal audit functions are widely established, with 87% of jurisdictions requiring them for all SOEs or for at least some, generally larger or listed, SOEs.

4.1. Reporting and disclosure requirements

4.1.1. Financial disclosure

A central aspect of SOE transparency is the preparation of financial statements in accordance with high-quality internationally recognised accounting standards (IAS), such as the IFRS framework, or an equivalent national standard. The use of such standards helps to promote consistency, comparability and reliability in financial reporting. Among the respondents, the vast majority indicated that all or some of their SOEs report in line with IAS or an aligned national standard (Figure 4.1).

Figure 4.1. Reporting and disclosure standards applicable to SOEs



Note: The sample comprises 57 jurisdictions (Hungary not included).

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Despite a high level of alignment, reporting frameworks remain heterogeneous in practice. Most jurisdictions apply a tiered approach, whereby listed or larger SOEs follow IFRS or equivalent national standards, while other entities apply alternative national frameworks that are not equivalent to internationally recognised accounting standards. The use of internationally recognised accounting standards does not, in itself, determine the extent of public disclosure; rather, it provides the basis for the preparation and presentation of financial information that may then be publicly disclosed through applicable transparency and reporting requirements which vary by country.

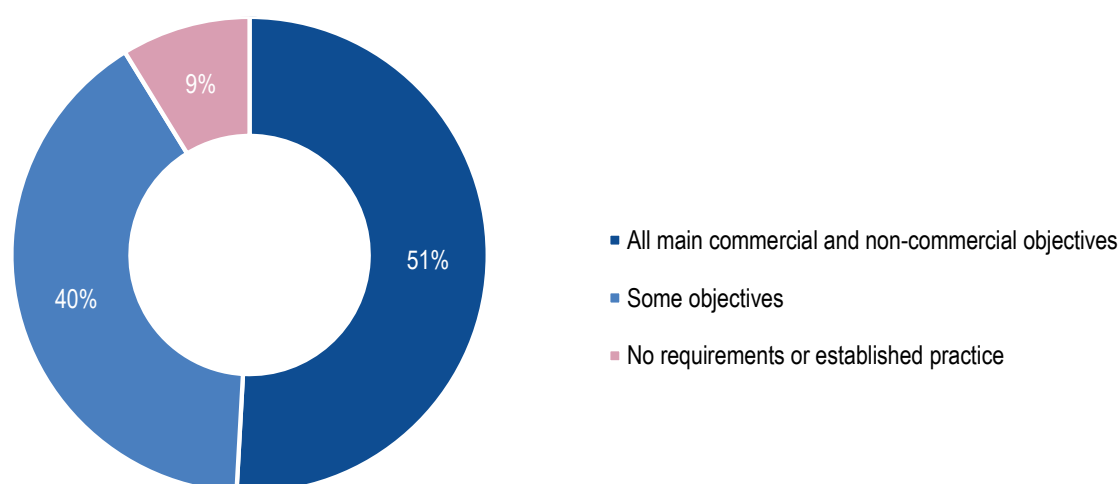
At the same time, several jurisdictions are in the process of transitioning towards greater alignment with internationally recognised accounting and reporting standards, suggesting a continued, albeit gradual, trend towards convergence. This is particularly evident in jurisdictions such as Uzbekistan and Viet Nam, where adoption processes are ongoing, as well as in jurisdictions such as Kazakhstan, Morocco and Saudi Arabia, where IFRS application is expanding progressively across the SOE sector.

4.1.2. Disclosing commercial and non-commercial objectives

Beyond financial reporting, SOEs are often required to disclose their commercial and non-commercial objectives. Among those surveyed, approximately half report that SOEs are required to disclose all main commercial and non-commercial objectives, while a further 40% require disclosure of at least some objectives (Figure 4.2). These responses relate to the disclosure of the objectives themselves and do not necessarily imply disclosure of performance against, or achievement of, those objectives. In practice, disclosure frameworks vary across jurisdictions in terms of scope, consistency and presentation.

This variation stems from two main factors. First, jurisdictions differ in the level at which disclosure takes place: some rely primarily on disclosures made by individual SOEs, while others complement this with aggregate reporting frameworks at the state-ownership level. Second, disclosure practices often differ between commercial and non-commercial objectives. While commercial objectives are more frequently available through existing financial and non-financial disclosures in line with the SOE's main line of business, non-commercial objectives assigned to SOEs are less systematically disclosed as they are dispersed across sector legislation, national development plans, shareholder expectation letters, public service mandates or other sources.

Figure 4.2. Disclosure of commercial and non-commercial objectives



Note: The sample comprises 58 jurisdictions.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

In certain jurisdictions, SOEs are tasked with delivering specific public policy objectives (PPOs), including public service obligations (PSOs). Clear disclosure of these objectives is therefore critical, particularly where they have a material impact on enterprise performance or where SOEs receive support measures to ensure their effective delivery. Transparent reporting is especially important in cases where SOEs operate in competitive markets. Among the respondents, over half require all SOEs to disclose PPOs or PSOs in annual reporting, while about a quarter require at least some SOEs to disclose this information. However, approximately one-fifth do not mandate or do not have an established practice of such reporting (Table 4.1). Key trends are also elaborated under Box 4.1.

Table 4.1. Disclosure of public policy objectives (PPOs) and public service obligations (PSOs)

Required disclosure	Jurisdictions	Total: 58
All SOEs undertaking PSO/PPOs and commercial activities	Belgium, Brazil, Canada, Chile, Costa Rica, Croatia, Czechia, Denmark, Estonia, Finland, France, Hungary, Iceland, India, Ireland, Korea, Latvia, Lithuania, New Zealand, Norway, Philippines, Portugal, Romania, the Slovak Republic, South Africa, Spain, Sweden, Switzerland, Thailand, the United States, Viet Nam	31
Only some SOEs	Australia, Azerbaijan, China, Greece, Indonesia, Israel, Italy, Japan, Morocco, the Netherlands, Peru, Poland, Slovenia, Türkiye, Ukraine, the United Kingdom	16
No disclosure requirements or practice / Not applicable	Argentina, Austria, Bulgaria, Colombia, Germany, Kazakhstan, Luxembourg, Malaysia, Mexico, Saudi Arabia, Uzbekistan	11

Note: The sample comprises 58 jurisdictions.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Box 4.1. Disclosure of public policy objectives in SOEs

Key trends

In practice, disclosure of PPOs and PSOs typically begins at the enterprise (SOE) level. SOEs report on their mandates, implementation and financial implications through annual reports and financial statements. In many jurisdictions, this is supported by applicable financial reporting standards (e.g. IFRS or national equivalent) and, in some cases, supranational frameworks. For example, EU state aid rules and transparency requirements require that PSOs are properly recorded, disclosed and, where relevant, accounted for separately from commercial activities.

Beyond core financial reporting, a range of additional disclosure frameworks has emerged. These include sustainability-related reporting requirements (e.g. EU Corporate Sustainability Reporting Directive (EU CSRD)), which are increasingly linked to PPO delivery, as well as national or SOE-specific disclosure frameworks tailored to monitoring public policy performance. In some jurisdictions, SOEs are subject to dedicated reporting obligations on PPO achievement, governance and stakeholder engagement. At the same time, disclosure approaches continue to evolve, particularly in response to crises or temporary public interventions, where enhanced transparency requirements may be introduced.

Alongside SOE-level reporting, many jurisdictions are strengthening owner-level (portfolio-wide) disclosure frameworks. Aggregate reporting by the state owner is becoming more common, providing a strategic overview of PPO and PSO implementation across the SOE portfolio. These frameworks are increasingly supported by digital tools and centralised platforms, which enhance data accessibility, comparability and oversight for policymakers, oversight bodies and the public.

Good practices

- *Align PPO and PSO-related reporting with recognised financial and non-financial disclosure frameworks.* A growing number of jurisdictions require their large and listed SOEs to align financial and non-financial reporting with international standards, improving comparability and information quality. For example, in Austria, PPO-related disclosures are linked to sustainability reporting obligations under the EU CSRD framework.
- *Ensure consistent disclosure of PSO-related costs, compensation and funding arrangements.* Clear reporting of compensation methodologies, public support and associated costs strengthens transparency and accountability, while reducing risks related to opaque financing or hidden cross-subsidisation. For example, in the United Kingdom, subsidy-control frameworks cover PPO and PSO reporting, while in the EU transparency requirements mandate separate accounts for entities entrusted with special obligations. Enhanced disclosure is particularly important in the context of emergency support measures or temporary public interventions.
- *Combine SOE-level disclosures with aggregate state-owner reporting.* Portfolio-wide reporting frameworks support strategic oversight of PPO and PSO implementation across the SOE portfolio. For example, Korea's ALIO dashboard provides centralised disclosure of SOE performance, enhancing transparency vis-à-vis the public, legislature and state audit bodies.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

4.2. Control structures, board composition and remuneration disclosure

4.2.1. Control structures

SOEs are expected to disclose information about their governance, ownership and control structures. This includes information on ownership, voting rights, special rights (such as golden shares or veto powers), the legal ownership of state shares, and how responsibilities for exercising ownership rights are organised. Such transparency is essential to clarify who ultimately exercises control over the enterprise and to strengthen accountability, particularly in complex group structures.

Among the respondents, most disclose major shareholders and corporate group structures, suggesting that transparency regarding ownership, control and significant influence is relatively well established across jurisdictions, particularly with respect to corporate group structures, often reflecting standard company law and internationally recognised financial reporting requirements. By contrast, disclosure is less widespread in areas relating to more specific control mechanisms, including voting rights and shareholder agreements. This may indicate that, although ownership structures are generally visible, governance information on how control is exercised in practice is not always systematically reported (Table 4.2).

This points to a relative transparency gap regarding the mechanisms of control, such as special voting rights, shareholder agreements or legal or governance arrangements (such as board nomination powers or veto rights) that provide effective control. This gap may be more evident for non-listed SOEs or in contexts where disclosure frameworks are less standardised.

At the same time, many jurisdictions are putting in place transparency practices that strengthen visibility over governance and control structures. These include the publication of corporate governance statements or reports (e.g. France, Japan, Slovenia), centralised ownership or reporting platforms providing portfolio-level information (e.g. Brazil, Israel, Lithuania), the disclosure of corporate group structures, and the parent's interests in subsidiaries and other controlled entities (e.g. Argentina, Canada), as well as disclosure of related party relationships and transactions that shed light on operational and financial links within the SOE group and with the state.

In some cases, these elements are embedded in formal disclosure requirements and applied systematically across the SOE portfolio, while in others they are addressed more indirectly (e.g. through general legal frameworks, inferred from the corporate bylaws or ad hoc disclosures). As a result, although these practices improve overall transparency, they do not always provide a consistent or comprehensive picture of control or other governance arrangements across jurisdictions.

Table 4.2. Disclosure of SOE governance, ownership, voting and control structures

Major shareholders		89%		Corporate group structures		73%		Special voting rights		46%		Shareholder agreements		36%		Other		34%				
RESPONDENTS						A	B	C	D	E	RESPONDENTS						A	B	C	D	E	
Argentina											Korea											
Australia											Latvia											
Austria											Lithuania											
Azerbaijan											Luxembourg											
Belgium											Malaysia											



Note: The sample comprises 56 jurisdictions (Hungary and the Philippines not included). Multiple responses were allowed.

KEY

- A Major shareholders
- B Corporate group structures
- C Special voting rights
- D Shareholder agreements
- E Other

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

4.2.2. Related party transactions

Effective oversight of related party transactions (RPTs) is particularly important in SOEs given the potential overlap between the state's roles as owner, regulator and policymaker, as well as the complexity of

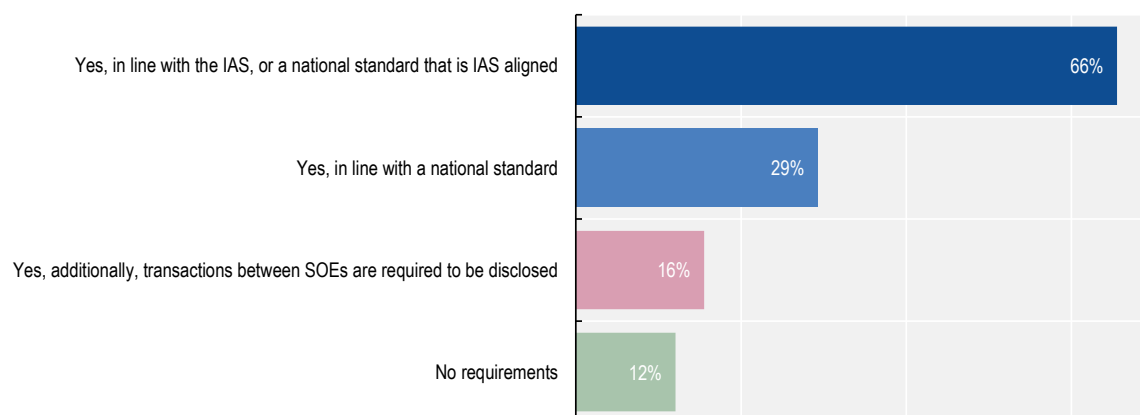
relationships within networks of state-owned and controlled entities. These arrangements may blur the distinction between commercial and policy objectives and increase the risk that transactions are conducted on non-market terms. Transactions between the state and SOEs, and among SOEs and within corporate groups, should take place on an arm's-length basis whenever applicable and be subject to transparency and disclosure requirements. In practice, RPTs in SOEs may take various forms, such as inter-company lending, asset transfers, service agreements or procurement arrangements, highlighting the need for clear identification of related parties and effective oversight to ensure that transactions are conducted on market-consistent terms.

Across surveyed jurisdictions, disclosure of material RPTs is required among the vast majority, though the underlying frameworks vary (Figure 4.3). In particular, responses show that:

- Most jurisdictions (66%) require SOEs to disclose material RPTs in accordance with IAS 24 or IAS-aligned standards, typically through general financial reporting obligations.
- National frameworks are also prevalent, with around 29% of jurisdictions relying on national accounting standards, which may be broadly aligned with IAS principles.
- Disclosure of SOE-to-SOE transactions is limited, with a subset of jurisdictions (such as Finland, Japan, Lithuania and the United Kingdom) requiring disclosure of transactions between SOEs, going beyond standard related party definitions.
- Gaps remain, as around 12% of jurisdictions do not mandate comprehensive disclosure of such transactions or only require it in limited cases.

These findings are broadly consistent with earlier data. In 2024, 89% of responding jurisdictions (out of 45) reported some form of disclosure of related party transactions, whether applying to all enterprises, to certain SOEs (often large or listed), or in specific circumstances. Some, such as Costa Rica, Denmark, Norway and Poland, have strengthened their frameworks over time and now report requirements aligned with IAS-based standards.

Figure 4.3. Required disclosures of material related party transactions



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. Some jurisdictions such as China, Ireland, Poland, the Slovak Republic, Switzerland and the United States indicated that SOEs may be subject to either IAS/IFRS-based and/or national accounting standards.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

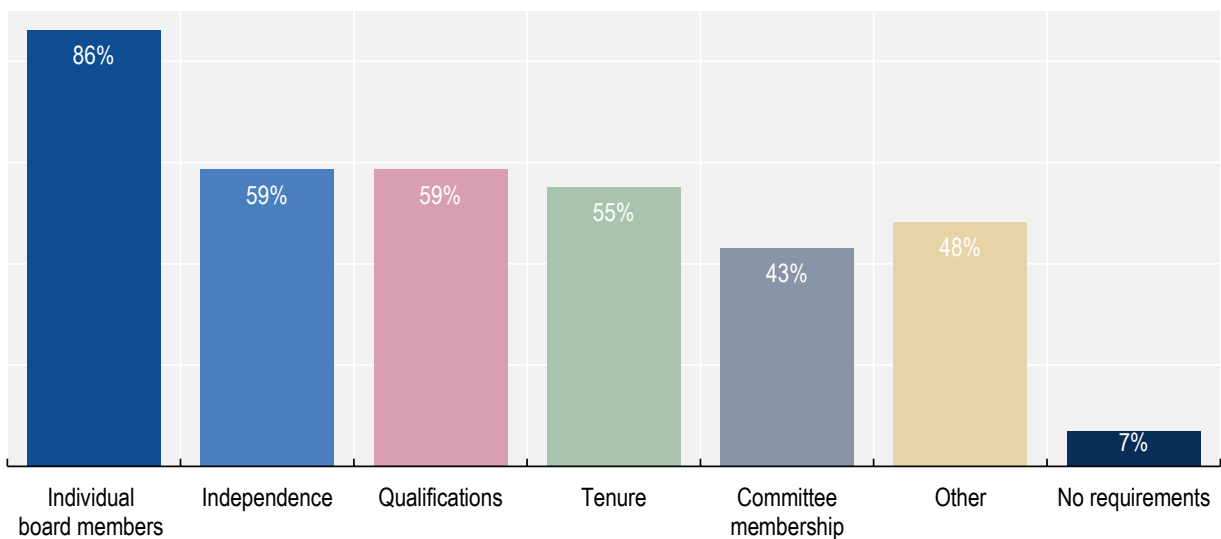
Despite this overall convergence, disclosure practices in SOEs remain less standardised than in listed companies. According to the *OECD Corporate Governance Factbook 2025*, all jurisdictions reporting on listed markets require periodic disclosure of related party transactions in financial statements under IAS 24 or equivalent standards, and 94% mandate timely or immediate disclosure. By contrast, SOE frameworks exhibit

greater heterogeneity in scope, coverage, and timing, particularly for non-listed entities and for transactions within the state ownership perimeter (OECD, 2025^[2]).

4.2.3. Board composition

Disclosure requirements for board composition remain widespread among the surveyed jurisdictions, in particular on individual board members. Over half of those surveyed also require disclosure of board member independence and qualifications, with fewer requiring disclosure of aspects such as tenure and committee membership. Moreover, half of those surveyed identified additional elements that should be disclosed as part of the “Other” category, such as nationality, gender, age, and positions held within other SOEs. While a few do not require disclosures related to SOE board composition, disclosure remains either a common practice or is encouraged (Figure 4.4).

Figure 4.4. Board composition disclosure



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

4.2.4. Board and executive remuneration

Disclosure practices relating to board and executive remuneration vary across jurisdictions, although the overall patterns are broadly similar. Individual and aggregate remuneration disclosure are the most common requirements for both boards and executives. These categories are not mutually exclusive, as some jurisdictions require more than one type of disclosure. For example, both individual and aggregate remuneration disclosure apply to boards in Austria, Finland, Greece, Iceland, Latvia, South Africa and Sweden, and to executives in Finland, Greece, Ireland (chief executives only) and South Africa. A smaller group of jurisdictions require disclosure of remuneration policies only, while disclosure of average remuneration remains rare. Only a limited number of jurisdictions report having no formal requirements for the disclosure of board or executive remuneration. Where disclosure requirements are more limited, confidentiality provisions may further restrict the publication of individual remuneration data, such that only aggregate or average figures are disclosed, sometimes on an ad hoc basis (Table 4.3).

Table 4.3. Disclosure of board and executive remuneration

RESPONDENTS	BOARD	EXEC	RESPONDENTS	BOARD	EXEC
Argentina	■	■	Latvia	■ ■	■
Australia	■	■	Lithuania	■	■
Austria	■ ■	—	Luxembourg	—	■
Azerbaijan	■	■	Malaysia	■	■
Belgium	■	■	Mexico	—	—
Brazil	■	■	Morocco	■	■
Bulgaria	■	■	Netherlands	■	■
Canada	■	■	New Zealand	■	■
Chile	■	■	Norway	■	■
China	■	■	Peru	■	—
Colombia	■	■	Philippines	■	■
Costa Rica	■	■	Poland	—	—
Croatia	■	■	Portugal	—	—
Czechia	■	■	Romania	■	■
Denmark	■	■	Saudi Arabia	■	■
Estonia	■	■	Slovak Republic	■	■
Finland	■ ■	■ ■	Slovenia	■	■
France	■	■	South Africa	■ ■	■ ■
Germany	■	■	Spain	■	■
Greece	■ ■	■ ■	Sweden	■ ■	■
Iceland	■ ■ ■	■ ■	Switzerland	■	—
India	■	■	Thailand	■	■
Indonesia	■	■	Türkiye	■	■
Ireland	■	■ ■	Ukraine	■	■
Israel	■	■	United Kingdom	■	■
Italy	■	■	United States	■	■
Japan	■	■	Uzbekistan	■	■
Kazakhstan	■	■	Viet Nam	■	■
Korea	■	■			

Note: The sample comprises 57 jurisdictions regarding executive remuneration (Hungary not included) and 54 jurisdictions regarding board remuneration (Hungary, Peru, Poland and Portugal not included). Multiple responses were allowed. Jurisdictions listed as disclosing individual remuneration including bonuses may reflect practices in relation to supervisory boards and/or boards of directors. For Ireland, under the Executives category, “Individual” refers to Chief Executives, while “Aggregate” to other executives.

KEY

- Individual
- Average
- Aggregate
- Policy only
- None

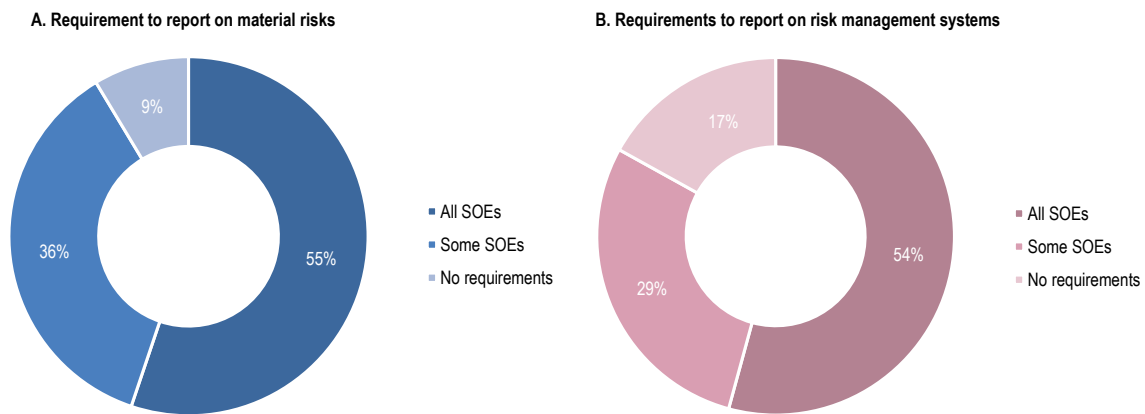
Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

4.3. Disclosure of material risk factors and risk management

SOEs should establish risk management systems to identify, manage, control and report on material risks. Comprehensive disclosure of foreseeable risk factors, and the measures taken to address them, enables investors and stakeholders to assess an SOE's financial position, performance and risk profile. Disclosure requirements often do not distinguish between financial and non-financial risks, instead referring broadly to “material” or “principal” risks. Some jurisdictions, however, specify particular categories of risk to be disclosed. For example, Morocco, Spain and Ukraine require disclosure across categories such as financial, operational, compliance, political, technological, legal, social, reputational and corruption-related risks.

Disclosure of material risks and disclosure of risk management systems are closely related but distinct. The former concerns transparency about the risks facing the company, while the latter concerns the governance structures and processes in place to manage them. Disclosure of material risk factors is widely required across surveyed jurisdictions: 55% require all SOEs to report on material risks, while 36% apply this requirement only to certain SOEs, most often large or listed companies. Requirements to disclose the existence or operation of risk management systems or frameworks are also common, applying to all or some SOEs in 83% of jurisdictions. Overall, the disclosure of material risk factors appears to be somewhat more widely required than disclosure of risk management systems or frameworks (Figure 4.5 and Table 4.4). These trends are broadly consistent with global listed company practices, with the *OECD Corporate Governance Factbook 2025* finding that enterprise-wide internal control and risk management systems are required in 63% of jurisdictions, and recommended in one-third (OECD, 2025^[2]). Further discussion of the design and scope of risk management systems, including their relationship to sustainability-related risk frameworks, is provided in Chapters 5 and 6.

Figure 4.5. Required reporting on material risk factors and risk management systems or frameworks



Note: The sample in both panels comprises 58 jurisdictions.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Table 4.4. Disclosure of risk factors and risk management systems

RESPONDENTS	MATERIAL RISK FACTORS	RISK MGMT SYSTEMS	RESPONDENTS	MATERIAL RISK FACTORS	RISK MGMT SYSTEMS
Argentina	■	■	Korea	■	■
Australia	■	■	Latvia	■	■
Austria	■	■	Lithuania	■	■
Azerbaijan	■	■	Luxembourg	■	■

RESPONDENTS	MATERIAL RISK FACTORS	RISK MGMT SYSTEMS	RESPONDENTS	MATERIAL RISK FACTORS	RISK MGMT SYSTEMS
Belgium	■	■	Malaysia	■	■
Brazil	■	■	Mexico	■	■
Bulgaria	■	■	Morocco	■	■
Canada	■	■	Netherlands	■	■
Chile	■	■	New Zealand	■	■
China	■	■	Norway	■	■
Colombia	■	■	Peru	■	■
Costa Rica	■	■	Philippines	■	■
Croatia	■	■	Poland	■	■
Czechia	■	■	Portugal	■	■
Denmark	■	■	Romania	■	■
Estonia	■	■	Saudi Arabia	■	■
Finland	■	■	Slovak Republic	■	■
France	■	■	Slovenia	■	■
Germany	■	■	South Africa	■	■
Greece	■	■	Spain	■	■
Hungary	■	—	Sweden	■	■
Iceland	■	■	Switzerland	■	■
India	■	■	Thailand	■	■
Indonesia	■	■	Türkiye	■	■
Ireland	■	■	Ukraine	■	■
Israel	■	■	United Kingdom	■	■
Italy	■	■	United States	■	■
Japan	■	■	Uzbekistan	■	■
Kazakhstan	■	■	Viet Nam	■	■

Note: The sample comprises 58 jurisdictions.

KEY

- All SOEs
- Some SOEs
- No requirements
- Not reported

Source: OECD (2026_[1]), OECD Survey on State Ownership and Corporate Governance.

4.4. Equitable treatment of shareholders

State owners and SOEs are expected to recognise the rights of all shareholders, including minority and foreign shareholders, and ensure their equitable treatment. Recognition of the rights and fair treatment of minority shareholders is particularly relevant for partially privatised SOEs. Among respondents, the most commonly reported rights afforded to minority shareholders in non-listed SOEs include the right to vote at general shareholders' meetings, the right to receive timely and sufficient information ahead of meetings, and the right to bring legal action against the company or its directors (Table 4.5).

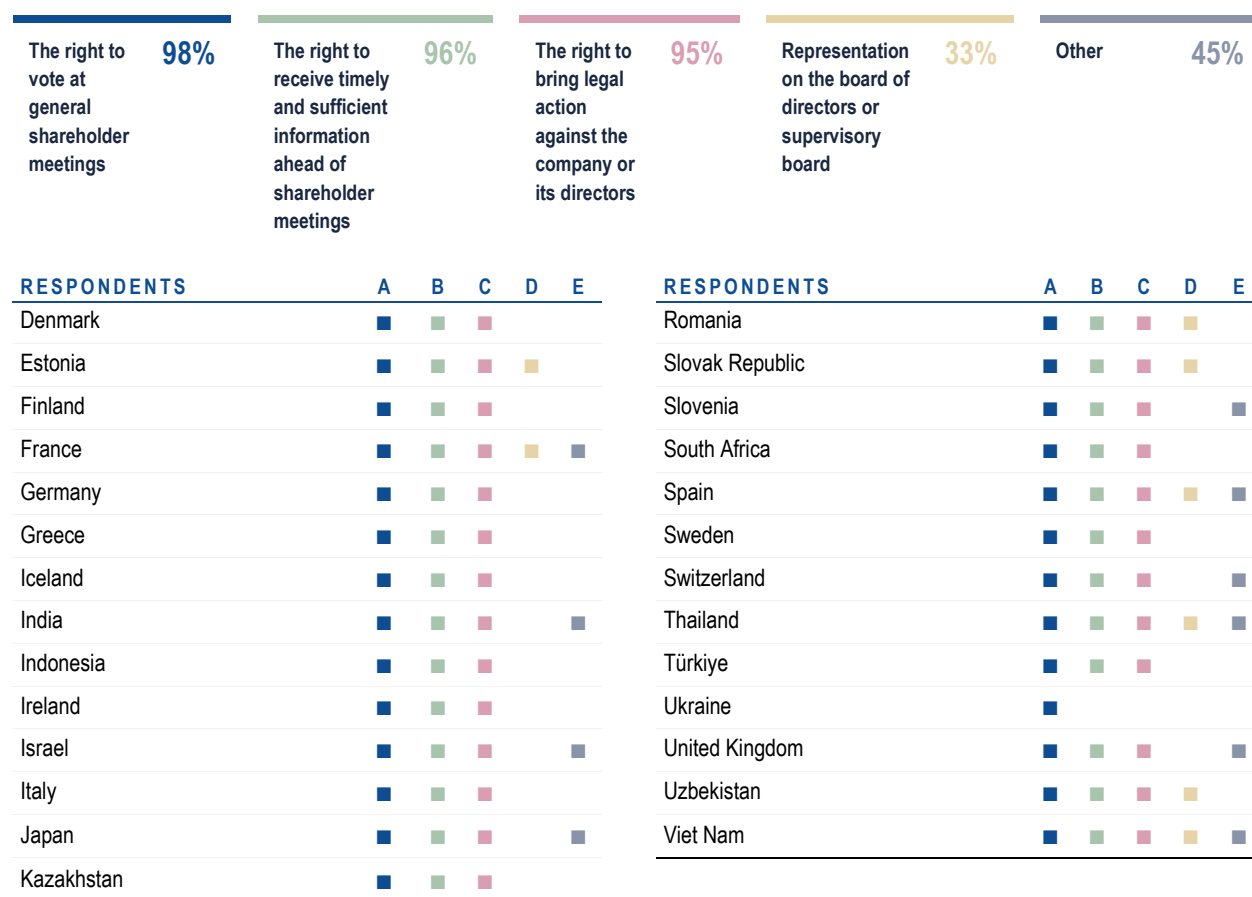
This is consistent with trends reported in the *OECD Corporate Governance Factbook 2025*, which recognises that a growing number of jurisdictions have amended their frameworks to guarantee longer shareholder meeting notice periods for listed companies. The report also found that more jurisdictions now allow multiple voting rights or fractional shares, and that 90% permit listed companies to issue shares with no voting rights. Several countries, including Brazil, India, Israel, Italy, Portugal, Spain and Türkiye either allow or require board representation of minority shareholders (OECD, 2025^[2]).

In most cases, for non-listed companies these rights derive from general company law, and minority shareholders in SOEs are typically treated in a similar manner to those in privately held companies. For example, in Chile, France, Italy and Türkiye, rights stem directly from general corporate legislation, covering voting, access to pre-meeting documentation, and judicial remedies. Similarly, Australia and Canada provide well-established statutory protections, including derivative actions, oppression remedies, and formal disclosure requirements. For listed SOEs, these rights are reflected in securities regulation and other applicable listing requirements and/or corporate governance codes.

The main point of divergence concerns board representation, as approximately one-third report that minority shareholders in non-listed SOEs have the right to representation on boards. Unlike core shareholder rights, such representation is not systematically guaranteed and is often conditional. Where it exists, board representation typically depends on ownership thresholds or governance arrangements. In some jurisdictions, mechanisms such as cumulative voting (e.g. Brazil, Romania) or proportional representation rules (e.g. Poland, Spain) may facilitate minority participation on boards. In others, such as the Netherlands and Portugal, representation may arise through company statutes or shareholder agreements. However, in most, there is no general legal entitlement to board representation for minority shareholders in non-listed SOEs.

Table 4.5. Minority shareholder rights in non-listed SOEs

The right to vote at general shareholder meetings		98%	The right to receive timely and sufficient information ahead of shareholder meetings		96%	The right to bring legal action against the company or its directors		95%	Representation on the board of directors or supervisory board		33%	Other		45%					
RESPONDENTS					A	B	C	D	E	RESPONDENTS					A	B	C	D	E
Argentina										Korea									
Australia										Latvia									
Austria										Lithuania									
Azerbaijan										Luxembourg									
Belgium										Malaysia									
Brazil										Mexico									
Bulgaria										Morocco									
Canada										Netherlands									
Chile										New Zealand									
China										Norway									
Colombia										Peru									
Costa Rica										Philippines									
Croatia										Poland									
Czechia										Portugal									



Note: The sample comprises 55 jurisdictions (Hungary, Saudi Arabia and the United States not included). Multiple responses were allowed. In some jurisdictions (e.g. Chile), the ability of minority shareholders to secure board representation may depend on company-specific factors, including ownership stakes, board composition and voting arrangements. Reported arrangements reflect the frameworks and practices in place at the time of data collection and may evolve over time.

KEY

- A The right to vote at general shareholders' meetings
- B The right to receive timely and sufficient information ahead of shareholder meetings
- C The right to bring legal action against the company or its directors
- D Representation on the board of directors or supervisory board
- E Other

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Beyond these core rights, a number of jurisdictions provide additional (and more heterogeneous) protections. These include the ability to call shareholder meetings, propose agenda items, inspect company records, or exercise pre-emptive and withdrawal rights. For example, in Argentina, Japan and Spain, minority shareholders meeting certain thresholds may requisition meetings or submit proposals, while in Brazil and Mexico additional safeguards such as tag-along rights and enhanced remedies against controlling shareholder abuse are available.

More broadly, variation is shaped by the institutional context of SOEs and applicable securities regulation and other legal requirements. In corporatised entities operating under general company law, minority rights tend to be clearly defined. Differences in enforcement and implementation also remain an important factor. Even where legal protections are broadly aligned, their effectiveness may vary depending on ownership concentration, the role of the state as controlling shareholder, and the functioning of judicial systems. In some contexts, such as Ukraine, formal rights broadly mirror private-sector standards, but their practical enforceability may be more uneven.

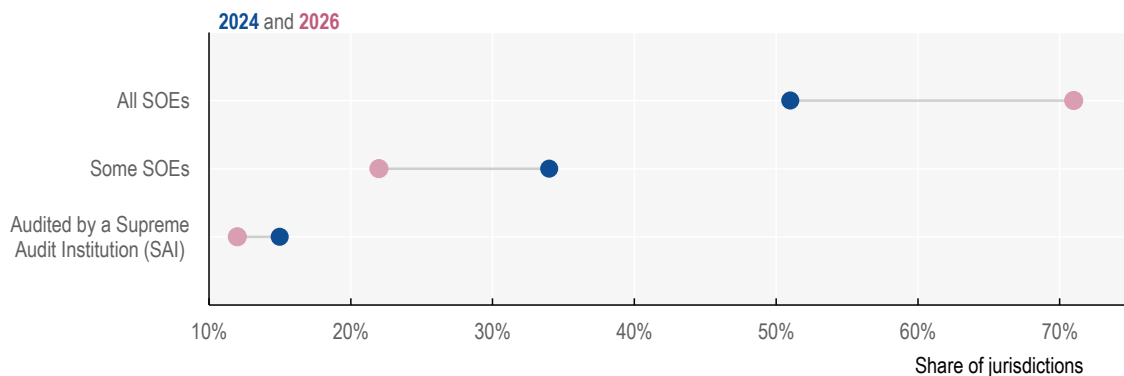
4.5. Audit practices

4.5.1. External audit

SOEs are expected to be as transparent as publicly traded companies and, regardless of their legal form or listing, they should adhere to best-practice accounting and auditing standards. In particular, external audits conducted by independent, competent and qualified auditors, in line with internationally recognised auditing, ethical, and independence standards, provide reasonable assurance to boards, shareholders and other stakeholders on the accuracy and completeness of financial and non-financial information.

The data point to growing reliance on external audit mechanisms in SOEs. In 2026, 71% of responding economies report that all SOEs are subject to independent external audits, compared to just over half in 2024 (Figure 4.6). Differences may reflect a combination of changes in national frameworks, survey coverage and the classification of responses across survey editions. This approach is common across many European jurisdictions, as well as others such as Chile, Korea and South Africa. A further group of jurisdictions (22%) report that only some SOEs are subject to external independent audits, typically larger enterprises or those that are listed or commercially oriented. This is the case, for example, in Austria, Italy, Japan and Kazakhstan, where thresholds based on size or economic relevance determine coverage.

Figure 4.6. Independent external audits



Note: The 2026 survey covers 58 jurisdictions and the 2024 edition included 40 jurisdictions. Multiple responses were allowed.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance; OECD (2024^[3]), Ownership and Governance of State-Owned Enterprises 2024, <https://doi.org/10.1787/395c9956-en>.

In many jurisdictions, independent external audits coexist with audits by Supreme Audit Institutions (SAIs), which most often focus on compliance, performance, and the use of public funds. While SAI audits enhance public accountability, they should not replace independent financial audits. The share of jurisdictions indicating that SOEs are subject to an audit by an SAI appears to have declined slightly. This may reflect changes in reporting practices, differences in the survey sample, or a shift in some jurisdictions towards relying more systematically on independent external auditors rather than on public audit bodies.

Another important component is the rotation of audit firms, aimed, among other reasons, at reinforcing audit independence and reducing risks of conflicts of interest. A majority require mandatory rotation of audit firms after a fixed period, as compared to the rotation of the lead audit partner or the recommended rotation of the firm (Figure 4.7). In practice, several approaches to audit rotation can be observed across jurisdictions:

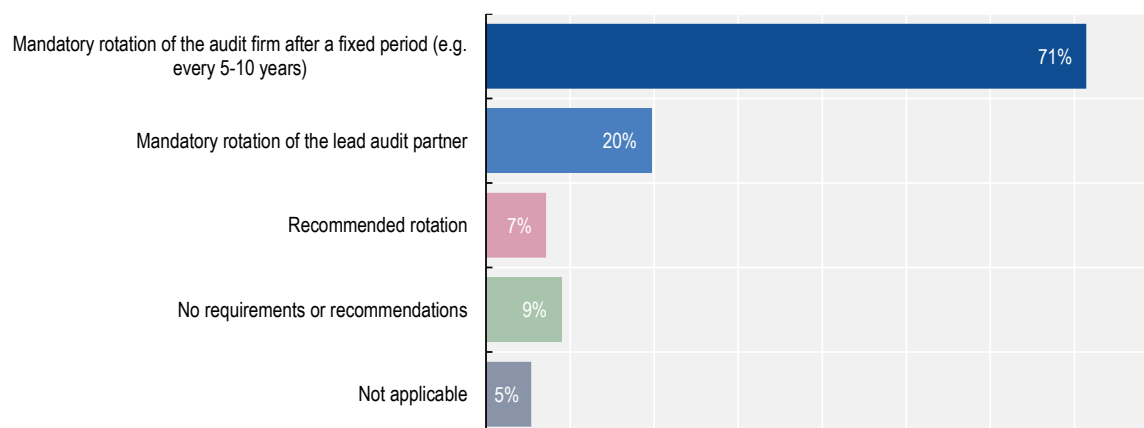
- **Mandatory audit firm rotation after a fixed period.** In most jurisdictions, audit firms must be replaced after a defined number of years, typically between five and ten years, often with cooling-off periods before reappointment. This model is particularly prevalent in European jurisdictions, reflecting EU audit

rules, and is also observed in jurisdictions such as Brazil, Chile and India. In some cases, the rotation period can be extended subject to safeguards such as competitive tendering or joint audits.

- *Rotation of the lead audit partner only.* Some jurisdictions rely on partner-level rotation as the primary safeguard, requiring the lead audit partner, and sometimes key audit team members, to rotate periodically (commonly every five to seven years), while allowing the audit firm to remain in place. This approach (e.g. in Japan, Korea and Switzerland) is often seen as a lighter mechanism to preserve institutional knowledge while addressing familiarity risks.
- *Combined rotation of both audit firm and lead audit partner.* A number of jurisdictions apply a more stringent framework by combining firm rotation with mandatory partner rotation. This dual approach (e.g. in Finland, Greece, Iceland, Italy, Romania and South Africa) reflects a more comprehensive effort to strengthen auditor independence and mitigate long-term familiarity between auditors and audited entities.
- *Recommended (non-binding) rotation practices.* In some cases, rotation is not legally required but encouraged through corporate governance codes or supervisory expectations.

A few jurisdictions do not require or recommend rotation, though several jurisdictions are moving towards stronger frameworks. For example, Latvia and Spain have introduced mandatory rotation following the absence of requirements reported in 2024, pointing to a broader trend towards formalising auditor independence safeguards, particularly in systems aligning with EU or international standards. To compare, Box 4.2 elaborates further on practices outlined in the *OECD Corporate Governance Factbook 2025*, focussing on listed companies.

Figure 4.7. Rotation of external auditors as applied to SOEs



Note: The sample comprises 56 jurisdictions (Hungary and Saudi Arabia not included). Multiple responses were allowed. Some jurisdictions, including Finland, Greece, Iceland, Italy, Romania and South Africa require the rotation of both the audit firm and lead partner. Other jurisdictions require the rotation of the audit firm and also recommend rotation in guidelines or codes.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Box 4.2. External audit practices: OECD Corporate Governance Factbook 2025

Corporate governance frameworks across jurisdictions establish safeguards to ensure the independence and quality of external audits. In most jurisdictions covered in the *Corporate Governance Factbook 2025*, shareholders are responsible for appointing or approving the external auditor (47 of 52 jurisdictions), often based on a recommendation from the audit committee. In some jurisdictions, this responsibility is shared with the board, while in a small number of cases, the board alone may appoint the auditor. These categories are not mutually exclusive.

Audit committees play a central role in practice. In 41 of the 47 jurisdictions where shareholders appoint the auditor, the audit committee is required to recommend suitable candidates. More broadly, audit committees are involved in the selection, appointment or removal of auditors in all but one jurisdiction. They are also commonly responsible for overseeing the scope and adequacy of the audit, monitoring auditor independence and performance, and, in many jurisdictions, reviewing audit fees.

To safeguard independence, most jurisdictions require audit firm rotation and nearly all require audit partner rotation. Where firm rotation is mandated, the maximum engagement period is typically around 10 years, sometimes with possible extensions.

External audits are further supported by independent public oversight bodies, which are responsible in almost all jurisdictions for audit inspections and quality assurance, and frequently for enforcement and auditor registration.

Source: OECD (2025^[2]), OECD Corporate Governance Factbook 2025, <https://doi.org/10.1787/f4f43735-en>.

4.5.2. Internal audit

Internal audit functions are widely recognised as a core component of SOE internal control and risk management systems, but their application varies across jurisdictions. A majority of respondents require internal audit functions for large or listed SOEs, with 34% mandating internal audit across all SOEs. These results suggest a tiered approach in many jurisdictions, where internal audit requirements are calibrated to the size, complexity and risk profile of SOEs. Large, listed, or economically significant SOEs are more likely to be subject to mandatory internal audit requirements, often aligned with broader corporate governance and internal control obligations. By contrast, 10% of jurisdictions recommend internal audit through guidelines or codes without making it a legal requirement, and only a minority report no requirement (Figure 4.8 and Table 4.6). In practice, in jurisdictions where internal audit is not mandated, it is nevertheless widely encouraged as good practice, including through corporate governance codes or ownership expectations.

Table 4.6. Internal audit: requirement and reporting line

All SOEs 34%			Some (larger or listed) SOEs 53%			Guidelines 10%			None 2%		
RESPONDENTS	REQUIREMENT	REPORTING LINE	RESPONDENTS	REQUIREMENT	REPORTING LINE	RESPONDENTS	REQUIREMENT	REPORTING LINE	RESPONDENTS	REQUIREMENT	REPORTING LINE
Argentina	■	AC	Korea	■	BD						
Australia	■	AC	Latvia	■	BD						
Austria	■	BD	Lithuania	■	AC, BD, Exec						
Azerbaijan	■	AC	Luxembourg	■	AC						
Belgium	■	–	Malaysia	■	AC						
Brazil	■	BD	Mexico	■	AC, BD						
Bulgaria	■	Other	Morocco	■	AC, BD, Exec						
Canada	■	–	Netherlands	■	BD						
Chile	■	AC, BD	New Zealand	■	AC						
China	■	BD, Other	Norway	■	AC						
Colombia	■	Exec	Peru	■	Other						
Costa Rica	■	BD	Philippines	■	AC						

All SOEs 34%			Some (larger or listed) SOEs 53%			Guidelines 10%			None 2%		
RESPONDENTS	REQUIREMENT	REPORTING LINE	RESPONDENTS	REQUIREMENT	REPORTING LINE	RESPONDENTS	REQUIREMENT	REPORTING LINE	RESPONDENTS	REQUIREMENT	REPORTING LINE
Croatia	■	AC, BD, Exec	Poland	■	AC	Portugal	■	AC	Romania	■	BD
Czechia	■	BD	Saudi Arabia	■	–	Slovak Republic	■	AC, BD, Exec	Slovenia	■	BD
Denmark	■	AC	Spain	■	AC	South Africa	■	AC	Sweden	■	AC
Estonia	■	AC, BD	Switzerland	■	AC, BD	Thailand	■	AC	Türkiye	■	BD
Finland	■	AC, BD	Ukraine	■	BD	United Kingdom	■	AC, BD	United States	■	AC, BD
France	■	AC, BD	Viet Nam	■	BD, Exec	Uzbekistan	■	AC, BD			
Germany	■	Exec									
Greece	■	AC, Exec, Other									
Hungary	■	–									
Iceland	■	BD									
India	■	AC, BD, Exec									
Indonesia	■	BD									
Ireland	■	AC, BD, Exec									
Israel	■	BD, Exec									
Italy	■	AC, BD									
Japan	■	Exec									
Kazakhstan	■	AC, BD									

Note: The sample comprises 58 jurisdictions. Percentages may not sum to 100% due to rounding. For reporting line, multiple responses were allowed. The “Other” category covers internal-audit reporting arrangements that do not fit the standard reporting lines captured by the survey. Examples include reporting to Party committees, external government oversight bodies, ministry-led audit functions and dual reporting structures.

KEY

Requirement

- All SOEs
- Some (large or listed) SOEs
- Guidelines – recommended only
- None

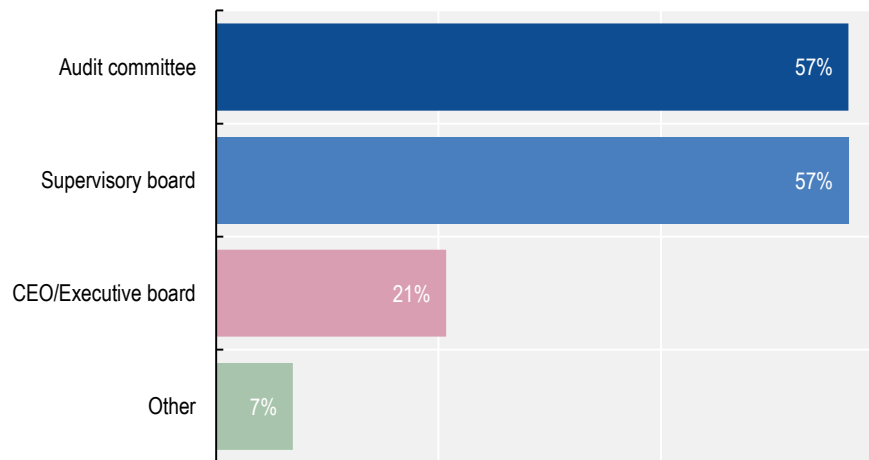
Reporting line

- AC – audit committee
- BD – board/supervisory board
- Exec – CEO/Management board
- Other – alternative arrangements*
- None reported

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Where internal audit functions exist, they generally report to oversight bodies rather than management. The most common reporting line is to the board, or its audit committee or equivalent body, while a smaller share indicate that the internal audit function has a direct reporting line to the CEO or executive management. In some jurisdictions (e.g. France, Ireland and Italy) internal audit operates under dual reporting arrangements, with functional reporting to the board or its audit committee, while maintaining administrative reporting to the CEO.

Figure 4.8. Internal audit reporting lines



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed.

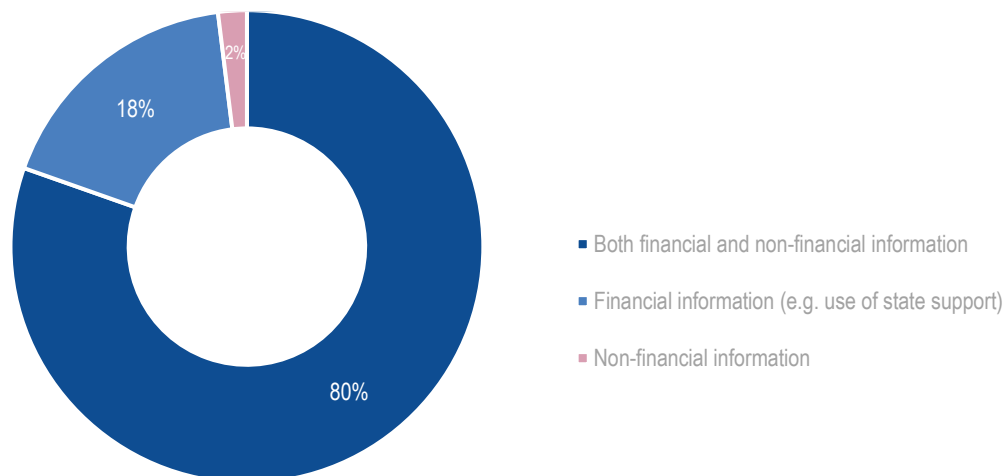
Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

In addition, arrangements may vary by governance system. In two-tier systems, internal audit more often reports to the supervisory board or its audit committee, while in one-tier systems it typically reports through the board audit committee. Overall, however, practices point to a common emphasis on positioning internal audit close to the board or equivalent oversight body, supporting its independence, objectivity and accountability.

4.5.3. State audit

State auditors are principally tasked with reviewing the use of public resources, but the scope of state audit procedures varies across jurisdictions. For example, some state audit procedures supplement external independent audits, whereas others occur on an ad hoc basis and are not intended to duplicate existing independent external audits of the financial statements. In most surveyed jurisdictions, the state audit body looks at both financial and non-financial information (Figure 4.9).

Figure 4.9. Scope of state audit body practices



Note: The sample comprises 52 jurisdictions (Chile, France, Germany, Hungary, Malaysia and Saudi Arabia not included).

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

For several jurisdictions (for example, Austria, Ireland, Kazakhstan, Korea, Luxembourg, Poland, Slovenia and Spain), only financial information (e.g. state support measures) has been audited by the state audit body over the past five years. In nearly all surveyed jurisdictions, state audit bodies are not permitted to serve as the internal audit function for SOEs. This institutional separation reinforces the independence of external state audit and aligns with good governance practices, whereby internal control systems remain the responsibility of the enterprise.

References

- OECD (2026), “OECD Survey on State Ownership and Corporate Governance”. [1]
- OECD (2025), *OECD Corporate Governance Factbook 2025*, OECD Publishing, Paris, [2]
<https://doi.org/10.1787/f4f43735-en>.
- OECD (2024), *Ownership and Governance of State-Owned Enterprises 2024*, OECD Publishing, [3]
<https://doi.org/10.1787/395c9956-en>.

5

Composition and responsibilities of SOE boards

SOE boards play a central role in oversight, strategic direction and accountability, and arrangements that support informed and effective decision making underpin their ability to fulfil these responsibilities. This chapter examines SOE board mandates, authority and functions; board committees; composition and diversity; and independence and effectiveness. It also considers the role of boards in the oversight of risk management and internal controls, given their importance in supporting effective governance.

Boards of directors are central to the governance of SOEs, as they help shape strategic direction and oversee financial and non-financial performance, while ensuring accountability of management and overall performance. This chapter examines the composition and responsibilities of boards in line with the SOE Guidelines, including mandates, authority and functions, committees, composition and diversity. It also considers board effectiveness, including the role of the Chair and board evaluation practices, as well as oversight of risk management. Based on the key findings:

- *While boards generally oversee management and play an important role in appointing and dismissing senior executives, their authority to approve corporate strategy differs.* Only 43% of jurisdictions grant boards full authority to set and approve corporate strategy, while in almost half, strategic decisions remain subject to formal state shareholder approval, highlighting the involvement of governments in shaping SOE strategic direction.
- *Board committees are widely used, with audit committees being most formalised.* Approximately three-fourths of jurisdictions require them by law or regulation and often impose specific independence standards. By contrast, nomination, remuneration and risk committees are more commonly governed through corporate governance codes or other soft-law instruments, resulting in greater variation in their mandate, composition and independence requirements. Sustainability committees remain comparatively uncommon and less formalised.
- *Approaches to board composition, including board size, competencies and diversity, vary considerably across jurisdictions.* Board size is most often regulated by law or regulation. Skills and competency criteria are most commonly set out in guidelines, applying in around half of jurisdictions, while approaches to gender diversity are mixed, with 29% reporting no gender or diversity targets in place.
- *Board independence and evaluation practices are widely established, though they vary in scope and formality.* While nearly three-fourths of jurisdictions have some expectations relating to board independence, only around half (54%) require a minimum number of independent board members, and only 45% prohibit senior political office holders from serving on SOE boards. Board evaluations are also widely used, often through self-evaluation mechanisms, with 71% using evaluation results to inform board nomination processes.
- Risk management is broadly recognised but less consistently developed at the portfolio level. Most jurisdictions require or expect SOEs to implement enterprise-level risk management frameworks and boards are typically responsible for overseeing these arrangements. However, mechanisms for identifying, monitoring and managing risks across the broader SOE portfolio are less systematically established, suggesting that risk oversight often remains focussed on individual enterprises rather than the state's ownership portfolio as a whole.

5.1. Board structures, functions and authority

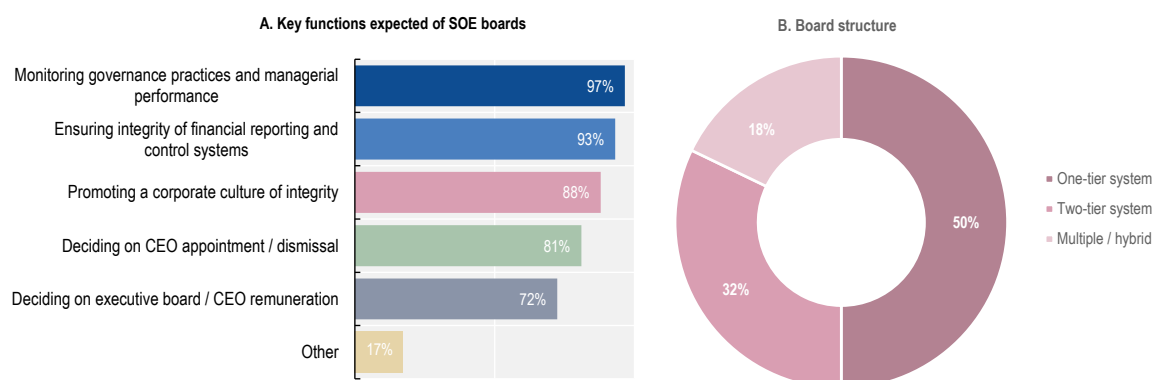
5.1.1. Board structures and core functions

Clear mandates and well-defined objectives are essential for SOE boards to effectively carry out their core responsibilities. These include reviewing and guiding corporate strategy, overseeing management, and ensuring alignment with the expectations of the state as shareholder. Understanding how boards fulfil these roles requires first examining how they are structured and the functions they perform across jurisdictions.

Board structure is a core element, with approximately half of the respondents reporting that SOEs operate under a one-tier board system, in which executive and non-executive directors sit on a single board. Around one-third use a two-tier structure, typically including a supervisory board of non-executive members, sometimes including employee representatives, and a separate management board composed of executives. These structural differences can have implications for how oversight responsibilities are organised, including the separation

between supervision and management, the role of board committees, and reporting lines for control functions (Figure 5.1).

Figure 5.1. Key functions expected of SOE boards and common board structures



Note: Sample for Panel A comprises 58 jurisdictions, while sample for Panel B comprises 56 jurisdictions (Chile and France not included). For Panel A, multiple responses were allowed.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Despite institutional differences, core functions performed by boards are broadly similar across jurisdictions, suggesting a high degree of functional convergence across governance models. Boards are typically responsible for overseeing performance, appointing senior leadership and determining remuneration. Survey findings indicate that they generally play a strong role in management oversight, with 97% of jurisdictions assigning them responsibility for overseeing executive performance. A large majority also involve boards in appointing or dismissing executive management. A more differentiated picture emerges in relation to remuneration. While boards in 72% of jurisdictions are responsible for determining CEO or executive pay, this is also the area where state influence is most visible – in 81%, remuneration frameworks are subject to government-issued guidelines or limits. This suggests that, while boards retain a role in setting pay, their discretion may be constrained by public sector considerations, such as pay caps, benchmarking frameworks, or broader fiscal and policy objectives (Table 5.1).

Table 5.1. SOE boards' responsibilities towards management

Monitor 97%					Appoint 81%					Remunerate 72%					Remuneration Guidelines 81%				
Monitor and oversee governance & managerial performance					Decide on CEO / management board appointment or dismissal					Decide management board / CEO remuneration					Availability of guidelines for management remuneration				
RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES	RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES	RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES	RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES
Argentina	■	■	■	■	Korea	■	■	■	■	Luxembourg	■	■	■	■	Malaysia	■	■	■	■
Australia	■	■	■	■	Latvia	■	■	■	■	Mexico	■	■	■	■					
Austria	■	■	■	■	Lithuania	■	■	■	■										
Azerbaijan	■	■	■	■															
Belgium	■	■	■	■															
Brazil	■	■	■	■															

Monitor 97% Monitor and oversee governance & managerial performance					Appoint 81% Decide on CEO / management board appointment or dismissal					Remunerate 72% Decide management board / CEO remuneration					Remuneration Guidelines 81% Availability of guidelines for management remuneration				
RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES	RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES	RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES	RESPONDENTS	MONITOR	APPOINT	REMUNE-RATE	GUIDE-LINES
Bulgaria	■	■	■	■	Morocco	■	■	■	■	Netherlands	■	■	■	■	New Zealand	■	■	■	■
Canada	■			■	Norway	■	■	■	■	Peru	■	■	■	■	Philippines	■	■		■
Chile	■	■	■	■	Poland	■	■	■	■	Portugal				■	Romania	■	■	■	■
China	■			■	Portugal					Saudi Arabia	■	■	■		Slovak Republic	■	■	■	■
Colombia	■	■	■		Romania	■	■	■	■	Slovenia	■	■	■		South Africa	■	■	■	■
Costa Rica	■	■		■	Saudi Arabia	■	■	■	■	Spain	■	■	■	■	Sweden	■	■	■	■
Croatia	■	■	■	■	Slovak Republic	■	■	■	■	Switzerland	■	■	■	■	Thailand	■	■	■	■
Czechia	■				Slovenia	■	■	■	■	Türkiye	■			■	Ukraine	■	■	■	■
Denmark	■	■	■	■	South Africa	■	■	■	■	United Kingdom	■	■	■	■	United States	■	■		■
Estonia	■	■	■		Spain	■	■	■	■	Uzbekistan	■	■		■	Viet Nam	■	■	■	■
Finland	■	■	■	■	Sweden	■	■	■	■										
France	■	■	■	■	Switzerland	■	■	■	■										
Germany	■	■	■		Thailand	■	■	■	■										
Greece	■			■	Türkiye	■			■										
Hungary	■			■	Ukraine	■	■	■	■										
Iceland	■	■	■	■	United Kingdom	■	■	■	■										
India	■			■	United States	■	■	■	■										
Indonesia	■			■	Uzbekistan	■	■		■										
Ireland	■	■	■	■	Viet Nam	■	■	■	■										
Israel	■	■	■	■															
Italy		■		■															
Japan	■	■																	
Kazakhstan	■	■	■	■															

Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. Results are drawn from several questionnaire items and provide an overview of the mechanisms reported by respondents. As countries may employ more than one mechanism, the categories overlap and percentages do not sum to 100%.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

5.1.2. Board autonomy

Boards should have sufficient autonomy and authority to carry out their functions effectively, including in relation to approving the corporate strategy. Across reporting jurisdictions, boards are almost always involved in defining corporate strategy. The difference lies not in whether boards participate in this process, but in where final decision making authority rests.

According to the survey, 43% of jurisdictions indicate that boards have full authority to set and approve corporate strategy. In these systems, governments often define high-level expectations, such as public policy objectives, financial targets or strategic priorities, while boards, together with management, are responsible for translating them into corporate strategies and business plans. Although structured dialogue between the state and the board is common in these cases, formal approval by the shareholder is not required. In practice, boards are still expected to reflect government priorities, which may also be conveyed through informal channels and iterative exchanges. As a result, autonomy in strategy-setting is often exercised within a framework of state stewardship (Table 5.2).

In contrast, a larger share of jurisdictions requires boards to seek formal approval from the state shareholder or ownership entity. In these systems, boards play a central role in developing corporate strategy, but key decisions, such as corporate plans, investment programmes or strategic documents, must be validated by the state. A smaller group of jurisdictions grants boards limited autonomy in defining corporate strategy. In these systems, strategic direction is largely determined by government or ownership entities, with boards playing a more limited role focussed on implementation and oversight.

Table 5.2. SOE boards' autonomy to define corporate strategy

Answer	Jurisdiction	Total: 58
Yes	Australia, Austria, Brazil, Colombia, Costa Rica, Denmark, Estonia, Finland, Germany, Iceland, Ireland, Korea, Latvia, Lithuania, Luxembourg, Malaysia, Morocco, the Netherlands, Norway, Philippines, Spain, Sweden, Switzerland, Thailand, the United Kingdom	25
Yes, but subject to approval by the shareholders	Argentina, Azerbaijan, Belgium, Bulgaria, Canada, Chile, China, Croatia, Czechia, France, Hungary, India, Israel, Italy, Japan, Kazakhstan, New Zealand, Peru, Portugal, Romania, the Slovak Republic, Slovenia, South Africa, Türkiye, the United States, Uzbekistan, Viet Nam	27
No	Greece, Indonesia, Mexico, Poland, Saudi Arabia, Ukraine	6

Note: The sample comprises 58 jurisdictions.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Across all models, certain decisions, such as capital structure changes or other major transactions, are typically reserved for shareholder approval. Ultimately, the key distinction lies in whether boards exercise primary authority over strategy, operate under formal state validation, or implement strategies defined by the state. Compared to listed companies, where boards generally have primary responsibility for strategy approval, these findings highlight the more prominent and direct role of the state in shaping SOE strategies.

5.2. Board committees

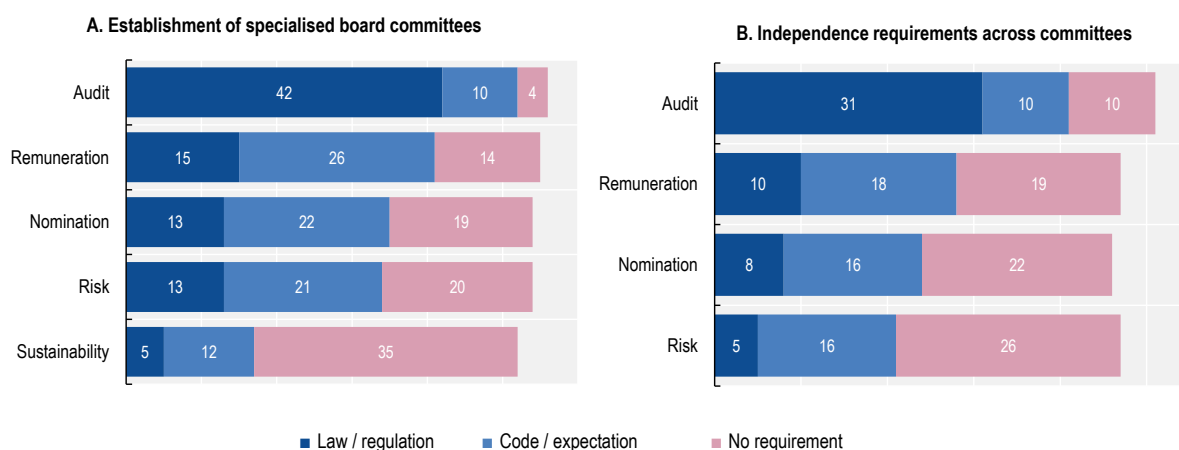
Beyond formal mandates, board effectiveness also depends on how boards organise their work. A key mechanism is the use of specialised committees to support oversight in core areas such as audit, risk, remuneration and nominations, with sustainability-related committees emerging more recently. Aggregate information is presented in Figure 5.2, while country-level information is presented in Tables 5.3-5.6.

Based on the survey results, audit committees are the most formalised across jurisdictions, with a majority establishing them through laws or regulations, followed by governance codes or other policy instruments. This high level of formalisation reflects the central role of audit committees in safeguarding financial reporting integrity and reinforcing internal control systems. Correspondingly, independence requirements are typically more stringent than for other committee types, with most imposing them through binding provisions. Moreover, in approximately half of jurisdictions, audit committees must include a majority of independent directors, and in one-third an independent Chair is required. While these reflect broader trends, in some cases the requirement for

independent board members may apply only to certain categories of SOEs such as listed companies (e.g. in Germany) or enterprises meeting specific legal or size thresholds (e.g. in Ukraine).

For other committees, namely nomination, remuneration and risk, frameworks are less prescriptive. They are more often governed by soft law instruments, such as corporate governance codes or comply-or-explain frameworks, with only a minority of jurisdictions imposing binding composition requirements. Independence provisions are also less widespread and more heterogeneous. Where they exist, they typically require a majority of independent members, while independent Chair requirements for non-audit committees are less common (Figure 5.3). Importantly, definitions of independence and board qualification requirements, such as for audit committee members, vary across jurisdictions and within jurisdictions depending on the applicable legal, regulatory or voluntary framework.

Figure 5.2. Establishment and independence requirements in SOE board committees



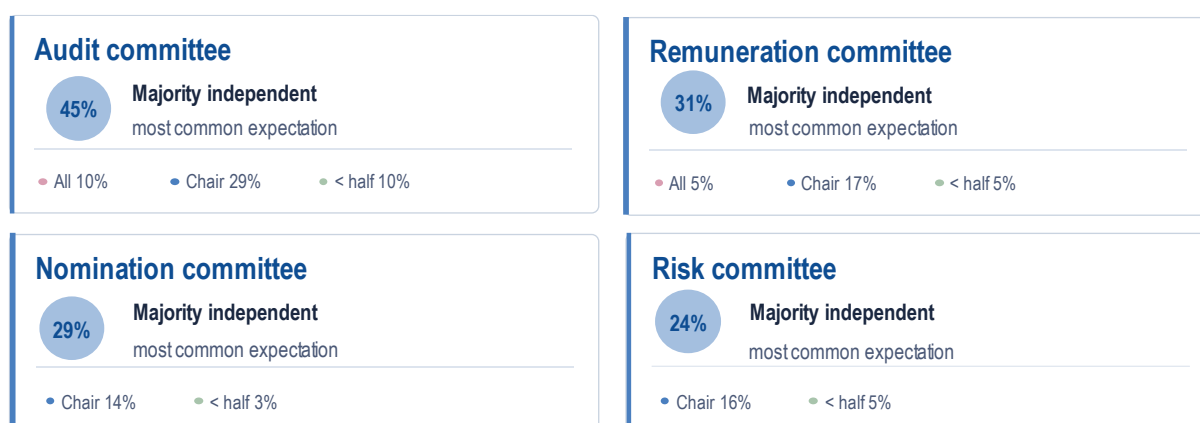
Note: Multiple responses were allowed. The figure shows the number of jurisdictions reporting each measure. Where both Law/regulation and a Code/expectation were selected, precedence was given to the former.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Sustainability committees (or other committees with responsibility for sustainability-related matters) remain the least formalised among board-level committees. Most jurisdictions report no explicit requirement, and only a limited number regulate them through law or formal guidance. This reflects their relatively recent emergence as a structured board responsibility, with practice in some cases evolving ahead of regulatory frameworks. It should be noted that this survey captured only the presence of a dedicated sustainability committee and did not capture cases where sustainability-related responsibilities may instead be assigned to an existing committee, such as risk or audit.

These patterns broadly align with those observed in listed company governance highlighted in the *OECD Corporate Governance Factbook 2025*. In both contexts, audit committees represent the most formalised and standardised element of board structures. In listed companies, however, such arrangements are more consistently applied, often approaching universal coverage, while in the SOE context, formalisation remains slightly less uniform in practice (see Box 5.1). For other committees, listed companies also rely heavily on governance codes that go beyond minimum legal requirements. However, listed company frameworks tend to be more standardised, particularly regarding independence and qualification requirements and committee functioning. By contrast, SOE frameworks display more variation, reflecting differences in ownership structures, legal traditions and the role of the state as shareholder.

Figure 5.3. Board independence thresholds



Note: Multiple responses were allowed. Percentages are calculated out of 58 jurisdictions. Detailed breakdown of responses is provided in Tables 5.3-5.6. Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Differences are also visible in the organisation of risk oversight. In many listed company frameworks, risk responsibilities are frequently integrated into the audit committee rather than assigned to a standalone risk committee. In the SOE context, while similar arrangements exist, there is greater diversity in how risk oversight is structured. Sustainability-related committees remain an emerging feature in both contexts, with limited formalisation and a stronger role for voluntary adoption or integration of such responsibilities into existing board committees.

Box 5.1. Board-level committees: OECD Corporate Governance Factbook 2025

The *OECD Corporate Governance Factbook 2025*, covering 52 jurisdictions, provides a comparative overview of listed company governance practices, highlighting several consistent patterns in the use and regulation of board-level committees.

- *Audit committees are near-universal and highly standardised.* All surveyed jurisdictions require or recommend their establishment, typically combining mandatory status with independence provisions. In several jurisdictions, flexibility exists in how functions are organised (e.g. Finland and Sweden allow the full board to perform audit committee functions; Brazil permits fiscal councils). Audit committees also play a central role in overseeing external audit processes, including recommending auditors and reviewing audit scope.
- *Independence requirements are most stringent for audit committees.* Thirty-one jurisdictions require audit committees to have a majority of independent members, with a further 12 recommending this through codes. Independent chairs are mandated in 33 jurisdictions. In practice, independence requirements for audit committees are more frequently embedded in binding rules than for other committee types.
- *Nomination and remuneration committees are widely recommended but less frequently mandated.* Nomination committees are mandatory in 12 jurisdictions and remuneration committees in 16, while the majority of jurisdictions rely on code-based recommendations (around 45 jurisdictions). Independence requirements for these committees are most commonly encouraged through codes (22 jurisdictions for nomination and 23 for remuneration), rather than imposed through law.

- *Risk oversight is increasingly formalised, but not always through standalone committees.* Sixty-one per cent of jurisdictions require boards to assume responsibility for risk management, with an additional 31% recommending this role in codes. However, only around 20 jurisdictions require or recommend the establishment of separate risk committees. In most cases (42 jurisdictions), risk oversight is at least partly assigned to the audit committee.
- *Specialised committees beyond the traditional three remain less formalised but are evolving.* Some jurisdictions require or recommend dedicated sustainability committees, while others assign sustainability-related responsibilities to existing committees. Companies are also establishing other specialised committees on a voluntary basis, such as compliance or technology committees, with 13% of S&P 500 companies having a dedicated technology committee in 2024.

Source: OECD (2025^[2]), OECD Corporate Governance Factbook 2025, <https://doi.org/10.1787/f4f43735-en>.

Table 5.3. Audit committee requirements: breakdown by jurisdiction

RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD	RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD
Argentina	Law/Reg	Law/Reg	■	Korea	Law/Reg	Law/Reg	—
Australia	Law/Reg	—	—	Latvia	Code	None	—
Austria	Law/Reg	Law/Reg	■	Lithuania	Law/Reg	Law/Reg	■
Azerbaijan	Law/Reg	Law/Reg	—	Luxembourg	None	None	■
Belgium	None	—	—	Malaysia	Law/Reg	Law/Reg	■
Brazil	Law/Reg	Law/Reg	■	Mexico	Law/Reg	None	—
Bulgaria	Law/Reg	Law/Reg	■	Morocco	Law/Reg	Code	■ ■
Canada	Law/Reg	Law/Reg	—	Netherlands	Code	Code	■
Chile	Law/Reg	—	—	New Zealand	Code	Code	■
China	Law/Reg	Law/Reg	■	Norway	Law/Reg	Code	■
Colombia	Law/Reg	None	—	Peru	Law/Reg	Code	■ ■
Costa Rica	Law/Reg	Law/Reg	■	Philippines	Law/Reg	None	—
Croatia	Law/Reg	Law/Reg	■ ■	Poland	Law/Reg	Law/Reg	■
Czechia	Law/Reg	None	■	Portugal	Law/Reg	Law/Reg	■
Denmark	Law/Reg	Law/Reg	■	Romania	Law/Reg	Law/Reg	■
Estonia	Law/Reg	Law/Reg	■ ■	Saudi Arabia	—	—	—
Finland	Code	Code	■ ■	Slovak Republic	Law/Reg	Law/Reg	■ ■
France	Law/Reg	—	—	Slovenia	Law/Reg	Law/Reg	■
Germany	Law/Reg	Law/Reg	■	South Africa	Law/Reg	Law/Reg	■ ■
Greece	Law/Reg	Law/Reg	■ ■	Spain	Law/Reg	Law/Reg	■ ■
Hungary	None	None	—	Sweden	Code	Code	■
Iceland	Law/Reg	Law/Reg	■	Switzerland	Code	Code	■
India	Law/Reg	Law/Reg	■ ■	Thailand	Law/Reg	Law/Reg	■

RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD	RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD
Indonesia	Law/Reg	Law/Reg	■	Türkiye	None	None	—
Ireland	Code	Code	■ ■	Ukraine*	Law/Reg	Law/Reg	■ ■
Israel	Law/Reg	Law/Reg	■ ■	United Kingdom	Code	Code	■
Italy	Law/Reg	Law/Reg	■	United States	Code	None	—
Japan	—	—	—	Uzbekistan	Law/Reg	Law/Reg	■
Kazakhstan	Code	None	■	Viet Nam	Law/Reg	—	■

Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. Where both Law/Reg and a Code were selected, precedence was given to the former. In some cases, independence thresholds reflect general practice rather than a formal requirement. *For Ukraine, the requirement applies only to cases where the state owns more than 50% of the shares and the formation of a supervisory board is mandatory.

KEY

Committee mandate and independence requirement

Law/Reg – required by law or regulation

Code – addressed by a code or owner's expectation

None no requirement; "—" not reported

Independence threshold

■ all members independent

■ majority independent

■ Chair must be independent

■ less than half independent

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Table 5.4. Remuneration committee requirements: breakdown by jurisdiction

RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD	RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD
Argentina	None	None	—	Korea	None	None	—
Australia	Code	—	—	Latvia	Code	None	—
Austria	Code	None	—	Lithuania	Code	Code	—
Azerbaijan	Law/Reg	Code	■	Luxembourg	None	None	—
Belgium	Law/Reg	—	—	Malaysia	Code	Code	■
Brazil	Law/Reg	None	—	Mexico	Code	None	—
Bulgaria	None	—	—	Morocco	Law/Reg	Code	■ ■
Canada	None	None	—	Netherlands	Code	Code	■
Chile	None	—	—	New Zealand	None	—	—
China	Law/Reg	Law/Reg	■	Norway	Code	Code	■
Colombia	Code	None	—	Peru	Code	Code	■ ■
Costa Rica	Law/Reg	Law/Reg	■	Philippines	Code	None	—
Croatia	Law/Reg	Law/Reg	■ ■	Poland	None	None	—
Czechia	None	None	—	Portugal	Code	Code	■
Denmark	None	Code	■	Romania	Code	Law/Reg	■
Estonia	None	None	—	Saudi Arabia	—	—	—
Finland	Code	Code	■	Slovak Republic	Code	Code	■
France	Code	—	—	Slovenia	Code	Code	—
Germany	Code	Code	—	South Africa	Law/Reg	Law/Reg	■

RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD
Greece	Law/Reg	Law/Reg	■ ■
Hungary	None	None	—
Iceland	Code	None	—
India	Law/Reg	Law/Reg	■
Indonesia	Law/Reg	None	—
Ireland	—	—	—
Israel	Law/Reg	Law/Reg	■ ■
Italy	None	—	—
Japan	—	—	—
Kazakhstan	Code	None	■

RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD
Spain	Law/Reg	Law/Reg	■ ■
Sweden	Code	Code	■
Switzerland	Code	Code	■
Thailand	Law/Reg	Law/Reg	■
Türkiye	None	None	—
Ukraine*	Code	Code	■ ■
United Kingdom	Code	Code	■ ■
United States	Code	None	—
Uzbekistan	Code	Code	■
Viet Nam	Law/Reg	—	—

Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. Where both Law/Reg and a Code were selected, precedence was given to the former. In some cases, independence thresholds reflect general practice rather than a formal requirement. *For example, in Ukraine, the requirement applies only to cases where the state owns more than 50% of the shares and the formation of a supervisory board is mandatory. In Azerbaijan, some regulations do not apply to entities under AIH and AZCON.

KEY

Committee mandate and independence requirement

Law/Reg – required by law or regulation

Code – addressed by a code or owner's expectation

None no requirement; "—" not reported

Independence threshold

■ all members independent

■ majority independent

■ Chair must be independent

■ less than half independent

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Table 5.5. Nomination committee requirements: breakdown by jurisdiction

RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD
Argentina	None	None	—
Australia	None	—	—
Austria	Code	None	—
Azerbaijan	Code	Code	■
Belgium	Law/Reg	—	—
Brazil	Law/Reg	None	—
Bulgaria	None	—	—
Canada	None	None	—
Chile	None	—	—
China	Law/Reg	Law/Reg	■
Colombia	Code	None	—
Costa Rica	Law/Reg	Law/Reg	■
Croatia	Law/Reg	Law/Reg	■ ■
Czechia	None	None	—
Denmark	None	Code	■
Estonia	None	None	—

RESPONDENTS	MANDATE	INDEPENDENCE REQUIRED	THRESHOLD
Korea	Law/Reg	Law/Reg	—
Latvia	Code	None	—
Lithuania	Code	Code	—
Luxembourg	None	None	—
Malaysia	Law/Reg	Code	■
Mexico	Code	None	—
Morocco	Law/Reg	Code	■ ■
Netherlands	Code	Code	—
New Zealand	None	—	—
Norway	Code	Code	■
Peru	Code	Code	■ ■
Philippines	Code	None	—
Poland	None	None	—
Portugal	Code	Code	—
Romania	Code	Law/Reg	■
Saudi Arabia	—	—	—

RESPONDENTS	INDEPENDENCE		
	MANDATE	REQUIRED	THRESHOLD
Finland	None	Code	■
France	Code	—	—
Germany	None	None	—
Greece	Law/Reg	Law/Reg	■ ■
Hungary	None	None	—
Iceland	Code	None	—
India	None	None	—
Indonesia	Law/Reg	None	—
Ireland	—	—	—
Israel	None	None	—
Italy	None	—	—
Japan	—	—	—
Kazakhstan	Code	None	—

RESPONDENTS	INDEPENDENCE		
	MANDATE	REQUIRED	THRESHOLD
Slovak Republic	Code	Code	■ ■
Slovenia	Code	Code	—
South Africa	None	None	■
Spain	Law/Reg	Law/Reg	■ ■
Sweden	—	—	—
Switzerland	Code	Code	■
Thailand	Law/Reg	Law/Reg	■
Türkiye	None	None	—
Ukraine*	Code	Code	■ ■
United Kingdom	Code	Code	■
United States	Code	None	—
Uzbekistan	Code	Code	■
Viet Nam	Law/Reg	—	—

Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. Where both Law/Reg and a Code were selected, precedence was given to the former. In some cases, independence thresholds reflect general practice rather than a formal requirement. * For Ukraine, the requirement applies only to cases where the state owns more than 50% of the shares and the formation of supervisory board is mandatory. In some cases where an independence requirement is mandated (by law or code), the specific standard (e.g. majority, chair, or all members independent) is not reported (“—”). This reflects either a qualitative rather than quantitative independence framework (e.g. Korea), a requirement that does not extend to the nomination committee specifically (e.g. Netherlands), or incomplete country reporting subject to further validation.

KEY

Committee mandate and independence requirement

Law/Reg – required by law or regulation

Code – addressed by a code or owner’s expectation

None no requirement; “—” not reported

Independence threshold

■ all members independent

■ majority independent

■ Chair must be independent

■ less than half independent

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Table 5.6. Risk committee requirements: breakdown by jurisdiction

RESPONDENTS	INDEPENDENCE		
	MANDATE	REQUIRED	THRESHOLD
Argentina	Law/Reg	None	—
Australia	Law/Reg	—	—
Austria	—	None	—
Azerbaijan	Code	Code	■
Belgium	None	—	—
Brazil	Law/Reg	Law/Reg*	■
Bulgaria	None	—	—
Canada	None	None	—
Chile	None	—	—
China	Law/Reg	None	—
Colombia	Code	None	—

RESPONDENTS	INDEPENDENCE		
	MANDATE	REQUIRED	THRESHOLD
Korea	None	None	—
Latvia	Code	None	—
Lithuania	None	None	—
Luxembourg	None	None	—
Malaysia	Code	Code	—
Mexico	Code	None	—
Morocco	Law/Reg	Code	■ ■
Netherlands	None	Code	—
New Zealand	None	—	—
Norway	None	Code	■
Peru	Code	Code	■ ■

RESPONDENTS	INDEPENDENCE		
	MANDATE	REQUIRED	THRESHOLD
Costa Rica	Law/Reg	Law/Reg	■
Croatia	Law/Reg	Law/Reg	■ ■
Czechia	None	None	—
Denmark	Code	Code	■
Estonia	None	None	—
Finland	None	Code	■
France	Code	—	—
Germany	None	None	—
Greece	Code	Code	■ ■
Hungary	None	None	—
Iceland	Code	None	—
India	Law/Reg	Law/Reg	■ ■
Indonesia	Law/Reg	None	—
Ireland	Code	Code	■ ■
Israel	Code	Code	—
Italy	None	—	—
Japan	—	—	—
Kazakhstan	Code	None	■

RESPONDENTS	INDEPENDENCE		
	MANDATE	REQUIRED	THRESHOLD
Philippines	Code	None	—
Poland	None	None	—
Portugal	Code	Code	—
Romania	Code	Code	■
Saudi Arabia	—	—	—
Slovak Republic	Law/Reg	None	—
Slovenia	Code	None	—
South Africa	Law/Reg	Law/Reg	■
Spain	Code	Code	—
Sweden	—	—	—
Switzerland	None	None	—
Thailand	Law/Reg	Code	■
Türkiye	None	None	—
Ukraine	Code	None	■
United Kingdom	None	None	■
United States	Code	None	—
Uzbekistan	Code	Code	■ ■
Viet Nam	Law/Reg	—	—

Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. Where both Law/Reg and a Code were selected, precedence was given to the former. In some cases, independence thresholds reflect general practice rather than a formal requirement. * For Brazil, the independence requirement for the risk committee applies only to SOEs classified as National Financial System institutions under CMN Resolution 4557/17 (Art. 45, §5°), which requires that a majority of risk committee members be independent. This requirement does not extend to SOEs outside the financial sector.

KEY

Committee mandate and independence requirement

Law/Reg – required by law or regulation

Code – addressed by a code or owner's expectation

None no requirement; “—” not reported

Independence threshold

■ all members independent

■ majority independent

■ Chair must be independent

■ less than half independent

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

5.3. Board composition

Board composition shapes who participates in board deliberations and what mix of skills, experience and perspectives is brought to the table. A combination of factors can influence board effectiveness, including board size, skills and competencies, diversity considerations and, in some cases, employee representation, as further elaborated in this section (a breakdown of practices by jurisdiction is elaborated in Table 5.8).

5.3.1. Board size

Board size is one of the most regulated aspects of SOE board composition, reflecting its perceived importance for effective governance. Most jurisdictions establish formal minimum or maximum thresholds, often aligned with general company law frameworks (case studies are presented in Table 5.7).

Table 5.7. Case studies: determining SOE board sizes

Jurisdiction	Practice	Jurisdiction	Practice
Argentina	No general legal maximum; the exact number is set by each company's by-laws.	Latvia	Maximum applies to supervisory boards.
Australia	Minimum of 3 reflects de facto practice, not a legal requirement.	Luxembourg	No general legal minimum/maximum; figures vary by individual SOE statute.
Azerbaijan	Range of board sizes observed in practice, no formal legal threshold.	Malaysia	Minimum depends on company form.
Bulgaria	Legislative amendment under discussion.	Mexico	No statutory minimum/maximum for SOEs; board size is set case-by-case in each entity's charter.
Canada	No general minimum/maximum under federal law; each Crown corporation has its own statute.	Morocco	Legal requirements coexist with governance-code recommendations.
Chile	SOEs created by special law set their own board size in their organic statutes.	Norway	Requirements differ between public and private company forms.
China	Figures apply to centrally-administered SOEs only.	Peru	The exact maximum number of members is set in each company's by-laws.
Costa Rica	Requirements differ between financial and non-financial SOEs.	Portugal	Requirements vary by corporate model and sector, with the exact number set in each SOE's statutes.
Croatia	Minimum varies by supervisory-board arrangements and company size.	Slovenia	Board sizes vary by company size.
Denmark	Range is a non-binding recommendation.	South Africa	Board size is set in each SOE's Memorandum of Incorporation.
Finland	Maximum reflects commonly observed practice, not a statutory limit.	Spain	Maximum differs according to legal form.
Germany	Minimum is a recommendation under the Public Corporate Governance Kodex.	Sweden	Minimum depends on whether the company is public or private.
India	Minimum varies between public and private companies.	Switzerland	Maximum reflects a practice-based recommendation.
Indonesia	Minimum varies by entity type and board.	Thailand	Maximum may be exceeded with Cabinet approval.
Ireland	Board size is set in entity-specific legislation for each SOE.	Uzbekistan	Figures are recommended under governance guidelines, not legally binding.
Italy	No general statutory minimum/maximum; board size is set in each company's by-laws.	Viet Nam	Requirements differ according to ownership structure and legal form.
Kazakhstan	Minimum varies by entity type.		

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

These thresholds are often developed through company bylaws, founding statutes or ownership decisions, and, in many cases, board composition is tailored to the scale, complexity and sector of the enterprise. Some also include guidance on minimum or maximum size rather than fixed thresholds, encouraging boards to organise their work as needed. Minimum sizes are typically set at around three members to ensure functionality, though observed approaches tend to converge around boards of five to nine members.¹ Larger boards remain more prevalent in complex or strategically significant enterprises, reflecting the need to accommodate broader representation requirements, including employee participation, and a wider range of specialised expertise.

5.3.2. Skills and competencies

Ensuring that boards possess an appropriate mix of skills and expertise is widely recognised as a core determinant of board effectiveness, though practices differ. Formal requirements apply in 45% of jurisdictions, while others use non-binding guidance or principles-based approaches. Jurisdictions with detailed legal provisions often combine explicit competency criteria with fit-and-proper assessments and structured nomination procedures. By contrast, more flexible systems tend to rely on governance codes, nomination processes and the role of ownership entities and boards in identifying suitable candidates, often based on board profiles. In such

cases, procedural safeguards may substitute for more detailed legal prescription. While this can allow greater flexibility, it may also lead to less consistent implementation across the SOE portfolio (Table 5.8).

5.3.3. Gender and diversity

Approaches to diversity considerations (including with regard to gender, age, geographical, professional and educational background) are more heterogeneous across jurisdictions, reflecting differing policy priorities and regulatory traditions. Among reporting jurisdictions, 43% implement gender diversity quotas and 29% report no specific measures, while 26% rely on voluntary targets. In jurisdictions with requirements, minimum thresholds for the underrepresented gender typically fall within the 30% to 40% range (Table 5.8). These quotas are often accompanied by enforcement mechanisms or disclosure obligations, strengthening their practical effect. This pattern is particularly evident in EU economies, where recent regulatory developments have reinforced convergence around these thresholds (Box 5.2).

Box 5.2. EU directive on gender balance in corporate boards

The European Union has introduced a common framework to promote gender balance on corporate boards through Directive (EU) 2022/2381 on improving the gender balance among directors of listed companies. The Directive entered into force in December 2022 and was to be transposed by member states by 28 December 2024, with implementation targets to be met by 30 June 2026. Under the Directive, large listed companies are required to ensure that the underrepresented gender accounts for:

- at least 40% of non-executive director positions, or
- at least 33% of all director positions (including executive and non-executive roles).

The Directive allows member states flexibility in implementation, including the choice between these targets. It also establishes procedural requirements, requiring companies to apply transparent and merit-based selection processes, based on clear and neutral criteria. Where candidates are equally qualified, priority should be given to the underrepresented gender, unless justified otherwise.

In practice, implementation typically combines quantitative targets with procedural and transparency measures. Companies are expected to integrate gender considerations into nomination processes, ensure diverse candidate pools, and disclose information on board composition and progress towards targets. In some jurisdictions, enforcement mechanisms such as sanctions or limits on appointments apply, while in others compliance is supported through reporting obligations and oversight by state ownership entities or regulators.

Source: European Parliament and Council (2022^[3]), Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, <http://data.europa.eu/eli/dir/2022/2381/oj>.

Table 5.8. Board composition requirements

Board size 69%				Skills 52%				Gender / diversity 43%			
Min or max board size set by law or regulation. 17% introduce it through recommendation; 16% have no requirement.				Skills and competency criteria most often set out in guidelines. 45% impose requirements; 14% have none.				A gender quota is the most common approach. 26% set voluntary targets; 29% have no target in place.			
RESPONDENTS	SIZE	SKILLS	GENDER / DIVERSITY	RESPONDENTS	SIZE	SKILLS	GENDER / DIVERSITY	RESPONDENTS	SIZE	SKILLS	GENDER / DIVERSITY
Argentina	■			Korea	■	■	■				
Australia		■	■	Latvia	■	■	■				
Austria	■	■	■	Lithuania	■	■	■				

Board size		69%		Skills		52%		Gender / diversity		43%	
Min or max board size set by law or regulation. 17% introduce it through recommendation; 16% have no requirement.				Skills and competency criteria most often set out in guidelines. 45% impose requirements; 14% have none.				A gender quota is the most common approach. 26% set voluntary targets; 29% have no target in place.			
RESPONDENTS	SIZE	SKILLS	GENDER / DIVERSITY	RESPONDENTS	SIZE	SKILLS	GENDER / DIVERSITY				
Azerbaijan				Luxembourg							
Belgium				Malaysia							
Brazil				Mexico							
Bulgaria				Morocco							
Canada				Netherlands							
Chile				New Zealand							
China				Norway							
Colombia				Peru							
Costa Rica				Philippines							
Croatia				Poland							
Czechia				Portugal							
Denmark				Romania							
Estonia				Saudi Arabia							
Finland				Slovak Republic							
France				Slovenia							
Germany				South Africa							
Greece				Spain							
Hungary				Sweden							
Iceland				Switzerland							
India				Thailand							
Indonesia				Türkiye							
Ireland				Ukraine							
Israel				United Kingdom							
Italy				United States							
Japan				Uzbekistan							
Kazakhstan				Viet Nam							

Note: Results are drawn from several questionnaire items and provide an overview of the mechanisms reported by respondents. The categories do not sum to 100%.

KEY

- Requirement
- Recommendation / voluntary target.
- Other

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Other jurisdictions rely on voluntary targets, often set through ownership policies or governance codes, which aim for similar levels of representation but allow greater flexibility in implementation. Progress is commonly supported through transparency measures and comply or explain mechanisms. A number of jurisdictions also promote gender and other forms of diversity (for example representation of underrepresented indigenous, linguistic or religious groups) through general expectations related to board composition and equal opportunity without specifying numerical diversity targets. In these cases, diversity is framed as part of broader governance objectives, including improving board effectiveness and reflecting societal diversity.

5.3.4. Employee representation

Employee representation on boards reflects broader institutional traditions when it comes to labour relations. Employee participation at the board level is considered relevant for strengthening accountability towards employees as stakeholders and improving board decision making by bringing workforce perspectives and operational knowledge into strategic discussions. A majority of jurisdictions indicate that employee representation is not a standard feature of SOE governance. Where it exists, practices vary, with most having only one employee on the board (Table 5.9).

Table 5.9. Employee representation on SOE boards

Answer	Jurisdiction	Totals
Yes, typically one member	Argentina, Brazil, China, Colombia, Croatia, Finland, Greece, Lithuania, Mexico, Norway, Slovak Republic, Uzbekistan	12
Yes, up to one-third	Austria, Czechia, France, Germany, Ireland, Israel, Luxembourg, Norway, Slovak Republic, Sweden	10
Yes, more than one-third	Denmark, Norway, Slovak Republic, Slovenia	4

Note: The table includes only those cases where jurisdictions indicated that such requirements apply, with some, including Norway and the Slovak Republic, appearing in multiple categories.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

In some cases, employee representation is mandated by law, often linked to company size thresholds or co-determination systems, reflecting more institutionalised approaches to stakeholder participation. In others, representation is limited to specific SOEs or sectors, or depends on company statutes rather than general legislation, resulting in more context-specific arrangements. In such cases, participation is typically limited to one or a small number of representatives, which may constrain their influence on board deliberations. Even where broader representation is mandated in principle, it is unclear whether this is always implemented in practice.

5.4. Board independence

5.4.1. Independent directors

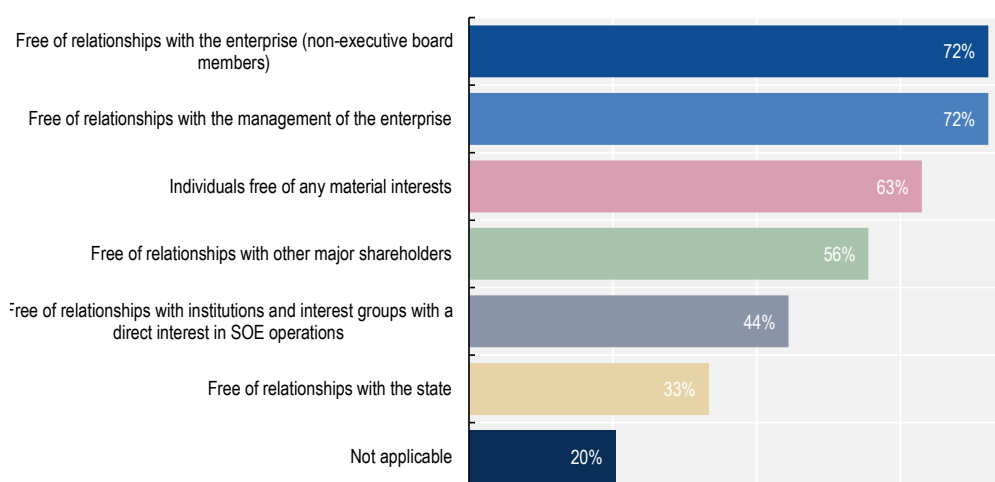
Board independence is particularly important for SOEs, given that the state acts as an owner and may influence the SOE through broader policy, regulatory and political interests. Independent board members can help safeguard the board's autonomy, act as a buffer against undue political interference and support decisions that are taken in the long-term interests of the enterprise and its shareholders. The presence of an appropriate number of independent directors can strengthen board effectiveness by reducing the risk of conflicts of interest and providing objective scrutiny of management and shareholder proposals, while bringing external perspectives and expertise to board deliberations.

Based on the SOE Guidelines, independent board members are understood as individuals who are free of material interests in the enterprise, do not maintain relationships with management, the state or other major shareholders or stakeholders that could compromise their objectivity or impair their ability to exercise independent judgement. It is also considered good practice to exclude persons with marital, family or other personal relationships with the enterprise's executives or controlling shareholders. While formal criteria provide an important foundation, effective oversight also depends on directors' ability to exercise objective judgement, provide constructive challenge and resist undue influence.

Definition of independent directors

The scope and definition of independence vary considerably according to national legal context and codes of corporate governance. Among respondents, independence requirements most commonly focus on the absence of ties with the SOE itself and its management. Requirements aimed at avoiding financial or ownership-based conflicts of interest are also common, including being free of material interests in the enterprise and of relationships with other major shareholders. Legal definitions of independence remain primarily centred on company-level and shareholder-related conflicts, while nearly one-third recognise relationships with the state as a relevant independence consideration (Figure 5.4).

Figure 5.4. Elements included in the national definition of independence



Note: The sample comprises 54 jurisdictions (Chile, France, Hungary and the United States not included). Multiple responses were allowed. National definitions include legal and regulatory requirements as well as non-binding corporate governance codes.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

At the same time, approximately one-fifth report having alternative approaches to defining board independence. For example, Canada, Japan and Switzerland emphasise conflict-of-interest rules, fiduciary duties and board nomination practices, suggesting that legal definitions are only one of several mechanisms through which independence may be promoted in SOE governance frameworks.

Practices also vary in the breadth of criteria used and in how consistently independence requirements are applied. Some jurisdictions cover five or six of the independence dimensions included in the survey, while others focus more narrowly on relationships with shareholders and management or on selected conflicts of interest. Moreover, even where independence is defined in laws, codes or ownership policies, independent directors may not be required for every category of SOE (Table 5.10).

Table 5.10. Scope of independence criteria for SOE board members

Number of criteria covered	Jurisdictions	Total: 54
5-6 criteria	Azerbaijan, Belgium, Brazil, Costa Rica, Croatia, Denmark, Estonia, Germany, Greece, Iceland, Kazakhstan, Latvia, Lithuania, Malaysia, Morocco, Norway, Peru, Romania, Slovenia, Ukraine, Uzbekistan	21
3-4 criteria	Australia, Bulgaria, Colombia, Finland, India, Indonesia, Ireland, Israel, the Netherlands, Poland, Portugal, South Africa, Thailand, the United Kingdom, Viet Nam	15
1-2 criteria	Austria, China, Korea, New Zealand, Saudi Arabia, the Slovak Republic, Sweden	7
Not applicable	Argentina, Canada, Czechia, Italy, Japan, Luxembourg, Mexico, Philippines, Spain, Switzerland, Türkiye	11

Note: The sample comprises 54 jurisdictions (Chile, France, Hungary and the United States not included). “Not applicable” indicates that none of the options offered by the questionnaire are covered in the definition of independence of those countries. In some cases, a legal definition exists but does not apply to all categories of SOEs (in Germany, independence is not generally required by the Public Corporate Governance Code (PCGK), though it is addressed in the German Corporate Governance Code (DCGK), which primarily applies to listed companies).

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Approximately three-fourths of reporting jurisdictions have either a formal requirement or a recommendation in place, with formal requirements more common (Table 5.11). Even where not legally required, many jurisdictions set relatively high expectations through governance codes, ownership policies or other non-binding instruments. Examples include Australia, Denmark, Finland, Germany and South Africa, as well as particular categories of SOEs in Costa Rica (financial SOEs), Malaysia, the Netherlands and Spain (listed SOEs). However, thresholds vary and may depend on the broader governance framework, the SOE’s legal form and sector of operation, and its charter or other founding instruments (Table 5.12).

Table 5.11. Jurisdictions reporting minimum provisions for independent directors on SOE boards

There is a required minimum45%					There is a recommended minimum23%					There is both a recommended and required minimum9%					No recommended or required minimum23%				
RESPONDENTS					A	B	C	D	RESPONDENTS					A	B	C	D		
Argentina										Latvia									
Australia										Lithuania									
Austria										Luxembourg									
Azerbaijan										Malaysia									
Belgium										Mexico									
Brazil										Morocco									
Bulgaria										Netherlands									
Canada										New Zealand									
China										Norway									
Colombia										Peru									
Costa Rica										Philippines									
Croatia										Poland									
Czechia										Portugal									
Denmark										Romania									



Note: The sample comprises 56 jurisdictions (Chile and France not included). The results reflect reported requirements or recommendations in relevant legal and policy frameworks, rather than the actual presence of independent directors on SOE boards. These provisions may apply only to specific categories of SOEs, such as financial institutions, listed SOEs or SOEs of a particular legal form.

KEY

- A There is a required minimum
- B There is a recommended minimum
- C There are both a recommended and required minimum
- D No recommended or required minimum

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Table 5.12. Select jurisdiction-level provisions concerning independent directors on SOE boards

Jurisdiction	Minimum	Source	Notes
Azerbaijan	>50%	Ownership framework	Resolution No. 257/2019 requires that more than half of the members of the supervisory board (board of directors) be independent members. Following amendments introduced by Resolution No. 286 of 2 October 2025, these Corporate Governance Rules do not apply to legal entities under the management of either the Azerbaijan Investment Holding (AIH) or AZCON Holding.
Belgium	≥3 persons	Company law	
Brazil	≥25%	SOE law	
Bulgaria	≥1/3	SOE law	
China	>50%	Company law	In China, Article 173 of the 2023 Company Law requires that more than half of the board of a solely state-owned company be composed of external directors, including employee representatives. This provision refers to external directors rather than independent directors. Being an external director in China implies not being an employee of the company; it does not, however, address whether that person may simultaneously hold another role connected to the state, for example, a position at SASAC, a government ministry, or another state-owned entity, which could still compromise independence from the shareholder.

Jurisdiction	Minimum	Source	Notes
Colombia	≥25%	Securities law	Applicable to listed companies.
Costa Rica	≥2 persons	SOE law/Regulation (financial sector only)	Applies to financial-sector SOEs under CONASSIF's Reglamento sobre Gobierno Corporativo (2016).
Croatia	≥1/3	SOE law	
Denmark	>50%	Ownership policy	
Estonia	≥50%	Code	At least half of the members of the supervisory board should be independent. If the supervisory board has an odd number of members, there may be one independent member fewer than the number of dependent members.
Finland	>50%	Code	Applies to listed SOEs only.
Germany	1 person	Code	Participation depends on supervisory board members. Moreover, independence requirement generally applied to listed companies.
Greece	≥1/3	SOE law	
Hungary	≥50%	Company law	Applies to public companies with a one-tier board (minimum 5 members).
Iceland	>50%	Guidelines	
India	≥1/3 ≥50%	Guidelines	Listed Central Public Sector Enterprises (CPSEs) with an executive chair are required to have at least 50% independent directors, while other CPSEs must have at least one-third independent directors.
Indonesia	≥30%	Guidelines	Applies to listed SOEs only.
Ireland	>50%	Code & Guidelines	
Japan	≥2 persons	Code	Applies to listed SOEs only.
Kazakhstan	30-60%	Company law, Code, related rules	In Kazakhstan, independent director requirements and recommendations differ by company type. For state-controlled joint-stock companies, at least 30% of the board of directors must be independent directors, with a recommended proportion of up to 50%. For companies within the Samruk-Kazyna group, the recommended proportion of independent directors is up to 60%. For limited liability companies, it is recommended that at least 50% of the members of the supervisory board be independent.
Korea	>50%	SOE law	
Latvia	≥50%	Code	
Lithuania	≥50%	Ownership policy	The requirements for independent members are available in the Law on the Management, Use and Disposal of State and Municipal Property.
Malaysia	≥50%	Code / Listing rules	
Morocco	≥1 person	SOE law	Law 40-22 (12 July 2023) and Décret n° 2-22-582 (26 January 2023): at least 1 independent director required, capped at one-third (33%) of total board members.
Netherlands	>50%	Code	The Corporate Governance Code (2025) implies a majority for listed companies (no explicit figure stated); the state's SOE ownership handbook expects SOEs to meet at least that same standard by reference.
Norway	>50%	Code	
Poland	No board-wide requirement identified	–	The Auditors Act requires independent members on the audit committee for Public Interest Entities, but this applies at committee level, not to the board as a whole. Warsaw Stock Exchange Best Practice (2021) recommends at least 2 independent supervisory board members in listed practice, but explicitly states this is not a statutory count.
Portugal	>50%	Company law	Lei n.º 148/2015, Art. 3(2)(c): the majority of members of the supervisory/audit body of Public Interest Entities, including its chair, must be independent. Applies only where PIE status applies (many, but not all, economically significant SOEs).
Romania	>50%	SOE law	
Saudi Arabia	≥2 persons ≥1/3	Regulation	Corporate Governance Regulations (CMA): independent directors shall not be less than 2 members or one-third of the board, whichever is greater. No requirement or recommendation exists for SOEs generally. These figures apply only to the subset of SOEs that are listed.
Slovak Republic	No board-wide requirement identified	–	Act No. 423/2015 Coll., Sec. 34, requires a majority of the audit committee (at least 3 members) to be independent, including its chair, for Public Interest Entities. This applies at committee level, not to the board as a whole.
Slovenia	≥50%	Code	
South Africa	>50%	Ownership policy	
Spain	≥33%	Company law	Ley de Sociedades de Capital (Royal Legislative Decree 1/2010): at least one-third of the board must be independent for listed companies. The Good Corporate Governance Code

Jurisdiction	Minimum	Source	Notes
			separately recommends ~50% (non-binding) and that independent plus proprietary directors form a broad majority. Non-listed SOEs generally do not follow these standards in practice.
Sweden	≥50%	Code/Ownership policy	In practice, over 90% of board members are independent, including chairs. Under the State's Ownership Policy (2025), directors of majority state-owned enterprises are not required to report their independence from the state as a major shareholder, except where the enterprise is listed on a regulated market, in which case this exemption does not apply.
Thailand	≥33%	Guidelines	
Ukraine	>50%	SOE law	
United Kingdom	>50%	Code	Based on the FRC Corporate Governance Code, at least half the board, excluding the Chair, should be independent.
United States	>50%	Regulation	
Uzbekistan	>50%	Guidelines	
Viet Nam	≥20%	Company law	Binding floor for unlisted public companies and listed public companies without a Board of Controllers (BoC). The Corporate Governance Code separately encourages, on a non-binding basis, at least one-third for listed companies.

Note: Explanation of source categories: Company law = general corporate legislation, not SOE-specific. SOE law = legislation specific to state-owned enterprises. Securities law = legislation governing listed companies, applicable to SOEs only where listed. Regulation = binding regulation issued by a government body or regulator. Ownership framework/policy = instructions or expectations issued by the state ownership entity. Code = corporate governance code, generally applied on a “comply or explain” basis. Guidelines = non-binding guidance issued by government, a regulator, or an industry body.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Tenure limits for independent directors

Board independence is not secured through a single mechanism. Some jurisdictions impose fixed tenure limits for independent directors, while others rely on conflict-of-interest rules, eligibility criteria or assessments of board conduct. Around one-third report having no formal tenure limits, which may reflect the absence of a formal independence framework, reliance on alternative safeguards, or arrangements determined at the level of individual SOEs (e.g. in Czechia, Portugal and Thailand) (Table 5.13).

Table 5.13. Tenure limits for independent board members

5 years or less	6-8 years	9-11 years	12-15 years	No limit	
Croatia	Brazil	Costa Rica**	Belgium	Argentina	Latvia
India	China	Indonesia	Denmark	Australia	Luxembourg
Kazakhstan	Estonia	United Kingdom	Germany	Austria	Malaysia
Lithuania	Finland	Viet Nam	Iceland	Azerbaijan	New Zealand
Saudi Arabia	Ireland		Netherlands	Bulgaria	Norway
Slovak Republic	Israel*		Romania	Colombia	Peru
Sweden	Morocco		Spain	Costa Rica**	Poland
Uzbekistan	South Africa		Switzerland	Greece	Slovenia
				Korea	Ukraine

Note: The table presents 45 jurisdictions that reported on their tenure limits. In some cases, tenure limits may be extended through reappointment subject to independence safeguards. Reported arrangements reflect general frameworks at the jurisdiction level and may vary across individual SOEs. *To note, in Israel, board members are appointed for a three-year term and may serve no more than two terms. **Costa Rica is listed in both categories, as a nine-year limit applies to financial-sector entities subject to CONASSIF Agreement 4-16, while no tenure limit applies to other SOEs.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

Where limits are in place, in some cases (e.g. Spain) directors automatically cease to qualify as independent once the maximum tenure is reached. In others, these limits are more flexible. For example, in Indonesia and the United Kingdom, continued service beyond the standard threshold may be permitted where the board or

shareholder provides explicit justification. Moreover, while New Zealand does not impose formal term limits on Crown-appointed directors, they are generally expected in practice to serve no more than two or three terms (around six to nine years), with reappointments beyond this period made only where justified by business continuity or other specific needs.

Where limits are in place, in some cases (e.g. Spain) directors automatically cease to qualify as independent once the maximum tenure is reached. In others, these limits are more flexible. For example, in Indonesia and the United Kingdom, continued service beyond the standard threshold may be permitted where the board or shareholder provides explicit justification. Moreover, while New Zealand does not impose formal term limits on Crown-appointed directors, they are generally expected in practice to serve no more than two or three terms (around six to nine years), with reappointments beyond this period made only where justified by business continuity or other specific needs.

5.4.2. Conflicts of interest and political influence

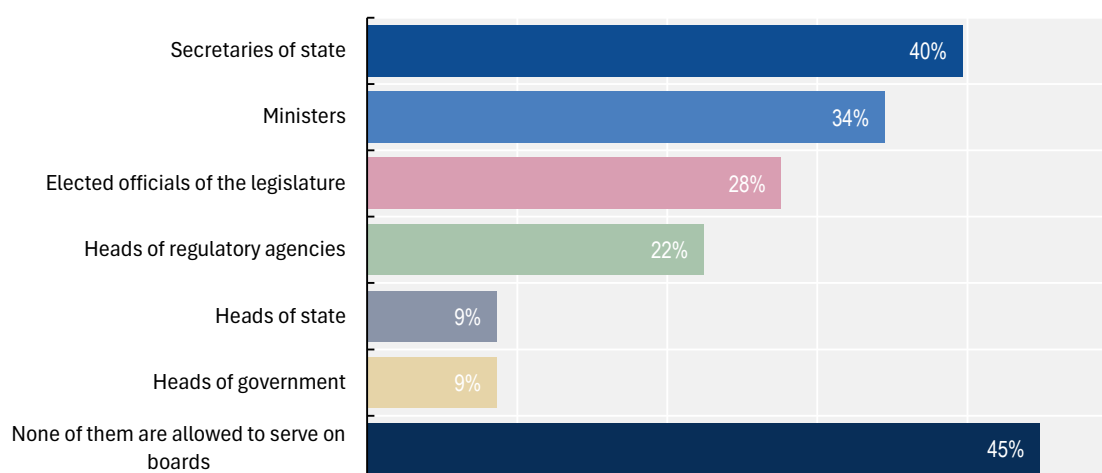
As part of safeguarding independence, governance frameworks include mechanisms to prevent conflicts of interest and limit political interference in board operations. These measures may involve restricting the participation of politicians and other types of public officials on SOE boards, particularly where they are in a position to materially influence decisions, introducing cooling-off periods for former officials, and allowing civil servants to serve only when appointed on merit and subject to standard conflict of interest rules. It is also common practice, however, for state representatives to sit on SOE boards more broadly; where this occurs, it remains important that their appointment be based on merit and relevant competencies, ideally through a competitive or transparent selection process, rather than on affiliation alone.

Additional safeguards, including prohibitions on patronage, political financing and related-party enrichment, enhanced transparency of related-party transactions, and opportunities for minority shareholders to participate in board nominations, can support objective board decision making and the long-term interests of the enterprise and all shareholders (see also Chapter 4 and Chapter 7).

Among countries surveyed, 45% indicate that senior political office holders are not permitted to serve on SOE boards. In other jurisdictions, however, certain categories may be allowed to serve, most commonly secretaries of state or deputy ministers, ministers, elected officials or regulators. Such arrangements can create channels for direct state influence in board decision making and may blur the distinction between the state's ownership role and the board's oversight responsibilities (Figure 5.5).

A small number of jurisdictions also report that while senior political office holders may formally be eligible to serve on SOE boards, such cases appear to be rare in practice. For example, in Denmark and Sweden, certain political office holders may not be legally prohibited from serving, but they are generally not appointed. In Canada, the framework also appears to rely less on negative lists and more on broader ethics rules, qualification requirements, conflict-of-interest safeguards and appointment norms.

Figure 5.5. Categories of senior political office holders allowed to serve on SOE boards



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. In Chile, a state representative sits only on the board of ENAMI, the state-owned mining company.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Beyond eligibility rules, nearly all jurisdictions report having formal mechanisms to manage potential conflicts of interest within SOE boards. Common safeguards include asset disclosure obligations, recusal requirements and restrictions on participation in decisions where conflicts (potentially) arise. Many also provide for ongoing monitoring through periodic declarations of asset interests, conflict registers or annual reporting. In some cases, these mechanisms are integrated into broader integrity and compliance frameworks, linking board-level safeguards with ethics policies, internal controls and anti-corruption measures. More broadly, mechanisms for safeguarding independence based on the SOE Guidelines and the ACI Guidelines are elaborated in Box 5.3.

Box 5.3. Key mechanisms used to safeguard independence

Chapter VI of the SOE Guidelines highlights the importance of SOE boards having the authority, competencies and objectivity required to carry out their functions effectively. These provisions are complemented by the *OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises* (ACI Guidelines), which offer more detailed guidance on preventing conflicts of interest and limiting undue political influence in boards. Jurisdictions rely on a range of measures to strengthen board independence and effectiveness, including:

- Banning the participation of senior political office holders in SOE boards, either through legal restrictions or through governance practices and conflict-of-interest frameworks. Civil servants and other public officials may serve on boards, provided that qualification and conflict-of-interest requirements apply to them.
- Introducing board composition requirements including on board qualifications and independence. This includes implementing cooling-off periods for former politicians, public officials or public office holders (to avoid so-called revolving doors).
- Separating the roles of Chair and CEO, helping to distinguish oversight responsibilities from executive management.
- Clarifying communication channels between the ownership entity, the board and management, while preserving the board's collective responsibility and independence and reducing undue political interference.

- Introducing fiduciary duties applicable to all board members, requiring them to act in the best interests of the enterprise rather than those of the appointing authority, and ensuring they are subject to the same responsibilities and liabilities.
- Requiring board members to disclose and manage actual or potential conflicts of interest, including at the time of appointment, with declarations kept up to date throughout their tenure.
- Conducting regular board evaluations, including assessments of board effectiveness, composition and skills.
- Establishing merit-based nomination processes, supported by transparent selection criteria and, where appropriate, independent assessments of candidates.

The specific combination of measures varies across jurisdictions. However, effective frameworks typically combine formal rules with governance practices that reinforce board autonomy and accountability.

Source: OECD (2024^[4]) OECD Guidelines on Corporate Governance of State-Owned Enterprises, <https://doi.org/10.1787/18a24f43-en>; OECD (2019^[5]), Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises, <https://doi.org/10.1787/315dab91-en>.

5.5. Board effectiveness

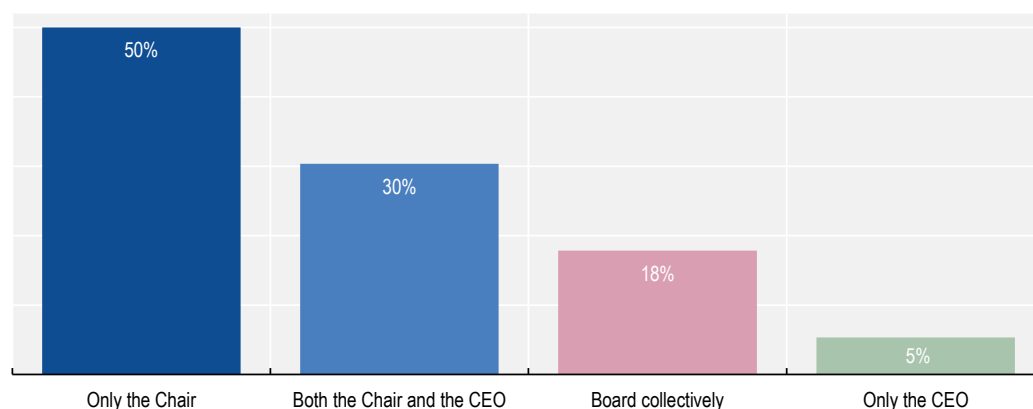
5.5.1. Role of the Chair

Beyond formal safeguards such as independence and board composition, board effectiveness depends on how boards operate in practice. This includes leadership arrangements, interaction with significant shareholders and mechanisms to assess board performance. A first important element is the role of the Chair. Based on the SOE Guidelines, the Chair should be independent and separate from the CEO, particularly in SOEs where this separation is important to safeguard the board's independence from management. The Chair is also responsible for supporting the effective functioning of the board, acting where necessary as the main point of contact with the state ownership entity, and overseeing the proper conduct of board evaluations.

While 37% of those surveyed allow the roles of CEO and Chair to be combined, such practice remains uncommon (reported by 11%). These findings are consistent with the 2024 results, suggesting a continued preference for separating board leadership from executive management. While most prohibit or discourage CEO-Chair duality, responses indicate that separation is not applied uniformly across all SOEs. In some cases, including India and Türkiye, combining the two roles remains common. Others apply more differentiated approaches, such as Korea, where permissibility depends on the type and size of the enterprise. By contrast, several jurisdictions report that even where duality is legally possible, governance codes or ownership expectations favour separation in practice.

Communication between SOEs and ownership entities also sheds light on how board leadership operates in practice. In half of the jurisdictions surveyed, the Chair serves as the primary point of contact with the ownership entity, while in 30% both the Chair and CEO act as key points of contact. This may partly reflect differences in board structure and in how responsibilities are allocated between the two roles (Figure 5.6). These findings are consistent with broader corporate governance trends identified in the *OECD Corporate Governance Factbook 2025*, which notes that the separation of Chair and CEO roles has increasingly become the predominant governance model across OECD jurisdictions.

Figure 5.6. Primary point of contact between the ownership entity and the board



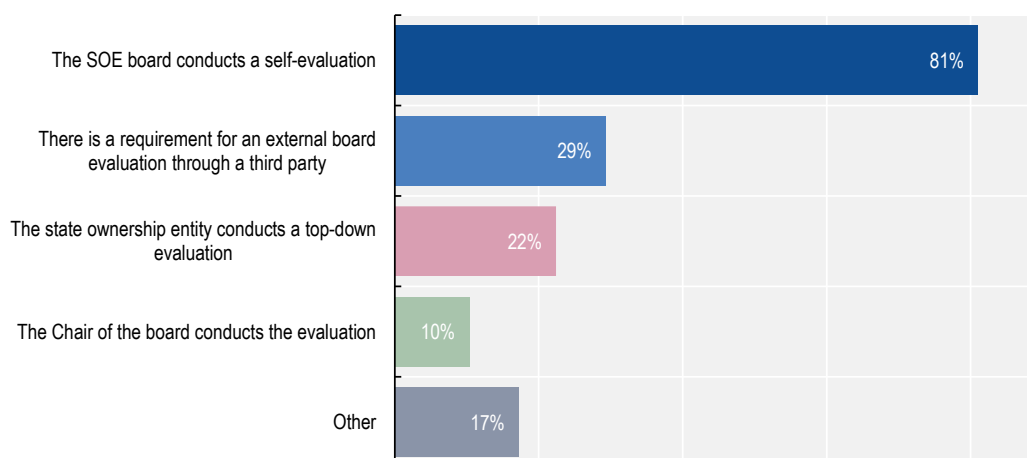
Note: The sample comprises 56 jurisdictions (Malaysia and Saudi Arabia not included). Multiple responses were allowed.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

5.5.2. Board evaluation

Board evaluation is another important element of board effectiveness. The SOE Guidelines provide that boards should, under the Chair's oversight, regularly carry out a structured evaluation of their performance and efficiency, including whether they possess the appropriate mix of experience, competences and diversity. The most widely used mechanism among those reporting is self-evaluation, while external evaluations, ownership entity assessments and Chair-led evaluations are less common (Figure 5.7). In addition, board evaluation frameworks extend beyond the assessment of the board as a collective body. Beyond the aforementioned evaluation practices, 60% of those surveyed further indicate that the role of the Chair is subject to a dedicated evaluation, while 71% report that board evaluation results influence board nomination processes.

Figure 5.7. Board evaluation practices



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

In 2024, 68% of jurisdictions (out of 38) responding to the corresponding question reported evaluating the board as a whole, while 31% reported conducting a specific assessment of the Chair. Regarding the use of evaluation

outcomes in nomination processes, 44% (out of 41) reported having formal procedures in place and 32% reported relying on informal practices (OECD, 2024^[6]).

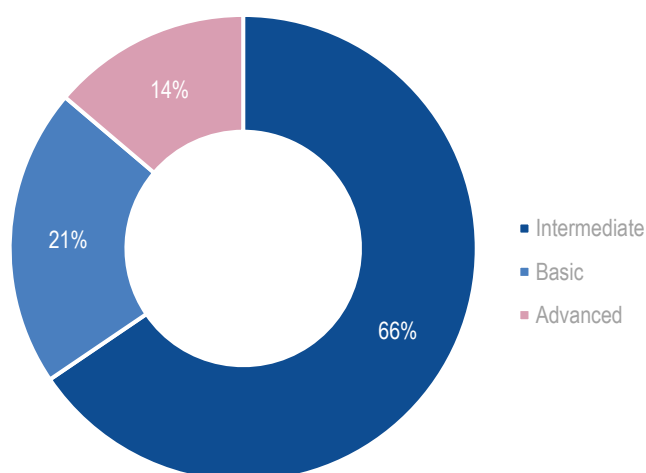
Given that board evaluations may combine several elements, jurisdictions were classified according to the design and scope of their evaluation frameworks to assess how these elements interact:

- “Advanced” frameworks meet all three criteria considered in the survey: external evaluation, a specific evaluation of the Chair, and the use of evaluation results in board nomination processes.
- “Intermediate” frameworks meet at least one, but not all three, of these criteria.
- “Basic” frameworks meet none.

This classification is descriptive and does not assess the effectiveness of implementation.

Based on this framework, most jurisdictions fall into an intermediate configuration, i.e. board evaluations are in place but are not yet fully institutionalised or supported by multiple accountability mechanisms. A smaller group (14%) combines external reviews, dedicated evaluations of the Chair and the use of evaluation results in board nomination processes (Figure 5.8). Ireland and the United Kingdom report periodic external reviews, while Kazakhstan uses evaluation outcomes to inform board nomination and renewal decisions.

Figure 5.8. Strength of board evaluation frameworks



Note: The sample comprises 58 jurisdictions. Percentages may not sum to 100% due to rounding.

Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

5.6. Risk management and internal controls

5.6.1. Risk management

Risk management is a central element of effective SOE governance, helping enterprises identify, assess and respond to risks that may affect their performance, financial position, public policy objectives and long-term sustainability. Recent OECD work points to broader developments in the evolution of risk management frameworks, which help place the survey findings in a wider governance context (Box 5.4). Building on this, the survey examines risk governance at two complementary levels:

- Enterprise-level risk governance focusses on risks affecting an individual SOE. Boards and management are responsible for identifying, assessing, mitigating and reporting material risks related to the company's operations, strategy, financial position and external environment.

- Portfolio-level risk governance focusses on risks and opportunities arising from state ownership across multiple enterprises. Ownership entities may monitor aggregate exposures, fiscal risks, concentration risks, sustainability-related risks and other vulnerabilities that may not be visible when assessing SOEs individually.

Box 5.4. Emerging trends in risk management

Recent OECD work on corporate governance, state ownership and portfolio risk management highlights several trends in the evolution of risk management and compliance frameworks across SOEs and state ownership entities:

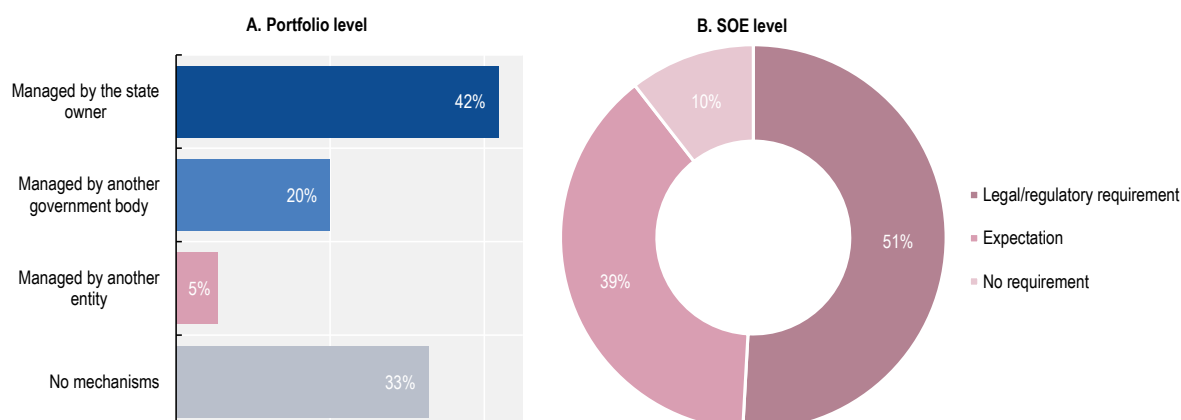
- *Risk management is becoming a standard governance expectation.* Boards are increasingly expected to oversee risk management and internal control systems, while formal risk management frameworks are becoming more common across SOEs.
- *Enterprise-level risk management remains more developed than portfolio-level oversight.* While many SOEs operate formal risk management systems, mechanisms to identify and monitor risks across the state ownership portfolio remain less widespread.
- *The scope of risk oversight is expanding.* In addition to financial and operational risks, ownership entities increasingly identify sustainability, integrity and corruption-related risks as material areas requiring attention.
- *Risk management, compliance and integrity frameworks are becoming more integrated.* Jurisdictions increasingly combine risk management systems with compliance programmes, ethics frameworks, internal controls and anti-corruption measures.
- *Risk information is increasingly used to support strategic ownership decisions.* More mature frameworks seek not only to identify and monitor risks, but also to inform decisions relating to acquisitions, divestments, portfolio restructuring and long-term ownership strategy.

Source: OECD (2025^[2]), OECD Corporate Governance Factbook 2025, <https://doi.org/10.1787/f4f43735-en>; OECD (2026^[7]), Managing Risk Across State-Owned Enterprises, <https://doi.org/10.1787/32334cf7-en>.

SOE boards are generally responsible for ensuring that risk management frameworks are established, regularly reviewed and adjusted to reflect changes in the enterprise's risk profile, strategy and external environment. They help safeguard the effectiveness of internal controls and ensure that policies and procedures remain fit for purpose. Together with the internal audit and internal control systems (discussed in Chapter 4), risk management mechanisms form part of the broader control environment within SOEs. Additional information on risk management in the context of sustainability-related matters is provided in Chapter 6.

Among countries reporting, just over half require SOEs by law, rule or regulation to implement risk management frameworks, while more than a third expect them through governance codes or letters of expectation. Only a few report having no formal requirement or expectation in place (Figure 5.9).

Figure 5.9. Risk management systems: portfolio and SOE level requirements



Note: The sample for Panel A comprises 55 jurisdictions (France, Luxembourg and Malaysia not included), while for Panel B the sample comprises 57 jurisdictions (Hungary not included). For Panel A, “state owner” refers to the central ownership agency or other entity exercising the ownership function on behalf of the state; “another government body” refers to institutions such as ministries of finance, treasury departments or sectoral ministries; and “another designated entity” refers to specialised entities, such as state-owned holding companies, dedicated oversight agencies or other bodies with portfolio-level risk oversight responsibilities.

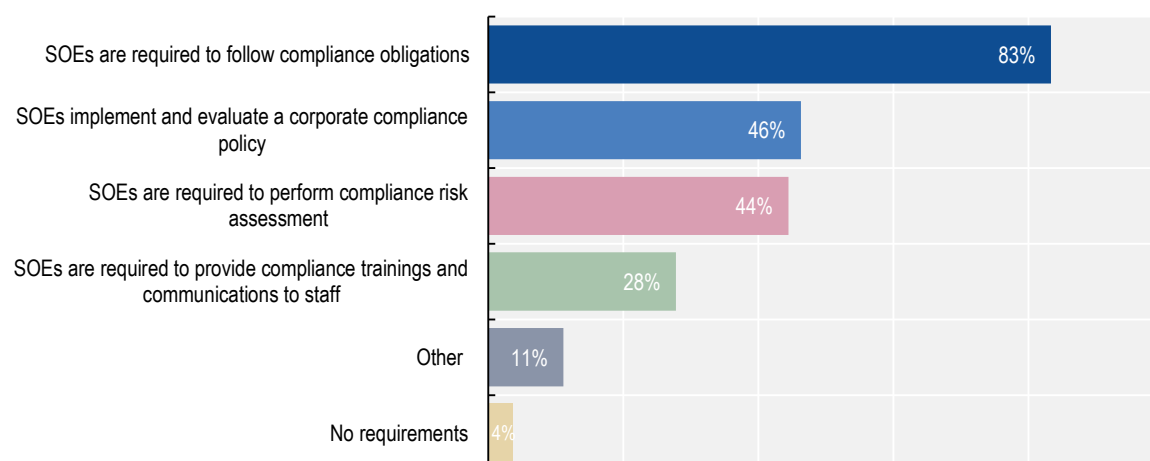
Source: OECD (2026^[11]), OECD Survey on State Ownership and Corporate Governance.

Portfolio-level risk management mechanisms appear less consistently developed than enterprise-level arrangements. Among the reporting jurisdictions, one-third have no mechanisms in place to manage risks across the whole SOE portfolio. Where portfolio-level mechanisms exist, they are usually anchored in the state ownership entity. In one-fifth of jurisdictions, portfolio risks are managed by another government body, while a smaller share assigns this role to a designated entity, such as a holding company or specialised oversight agency.

5.6.2. Compliance frameworks

Compliance requirements, including obligations related to integrity and anti-corruption, are widespread across SOEs. While their scope and sophistication vary, such requirements do not necessarily imply the existence of a dedicated compliance function or programme. As with risk management, the survey examined the prevalence and scope of compliance obligations across jurisdictions. While most jurisdictions require SOEs to comply with applicable laws, regulations and internal policies, fewer require them to implement and evaluate compliance systems, conduct compliance risk assessments or provide regular staff training (Figure 5.10).

Figure 5.10. Requirements for SOEs to adopt compliance measures



Note: The sample comprises 54 jurisdictions (Bulgaria, Chile, France and Hungary not included). Multiple responses were allowed. The question refers to the policies, systems and procedures that SOEs are required to put in place to ensure compliance with applicable laws, regulations and ethical standards, such as codes of conduct, anti-corruption measures, conflict-of-interest policies, whistleblowing mechanisms, internal controls and dedicated compliance functions.

Source: OECD (2026^[1]), OECD Survey on State Ownership and Corporate Governance.

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Notes

¹ This is also consistent with earlier OECD analysis identifying a similar range as optimal, suggesting an implicit consensus on what constitutes an effective balance between representation and decision making efficiency (OECD, 2013^[8]).

6 SOEs and sustainability

Sustainability is becoming an increasingly important consideration for government owners. This chapter considers how states as owners communicate sustainability expectations to SOEs and how sustainability considerations are integrated into SOE risk management systems. It further examines sustainability reporting and disclosure practices, as well as stakeholder engagement in the SOE sector.

As providers of essential services and key actors in strategic sectors such as energy, transport and heavy industry, SOEs often face significant economic, environmental, social and governance risks and opportunities. They are also increasingly expected to align their policies and practices with national and international sustainability commitments. This includes integrating sustainability priorities into their commercial and non-commercial mandates, risk management systems, and corporate reporting. This chapter examines how jurisdictions are adapting SOE governance frameworks to evolving sustainability and responsible business conduct (RBC) expectations. Key findings include:

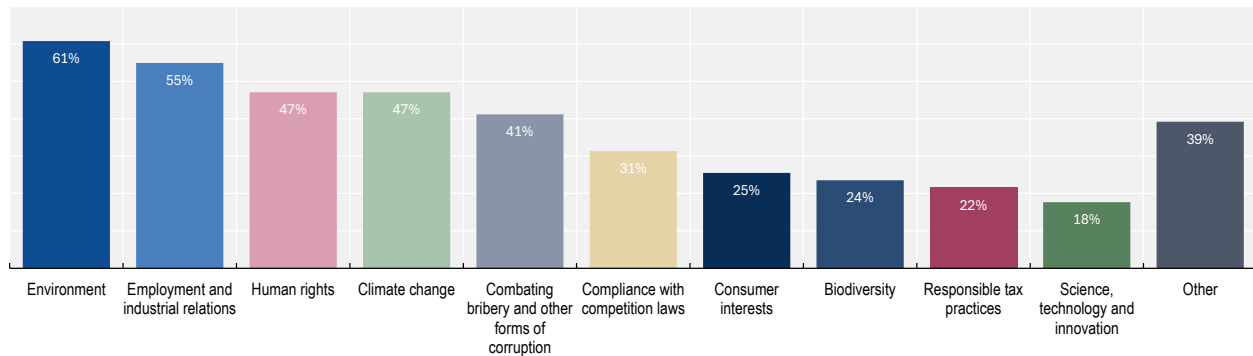
- *Sustainability expectations for SOEs are becoming more widespread and increasingly formalised.* Most jurisdictions (82%) report setting sustainability-related expectations for SOEs through laws, regulations or overarching policy frameworks, and a growing share (51%) report using more targeted state-ownership instruments, particularly ownership policies, to communicate them to SOEs. Such expectations often concern environmental and climate-related issues, while other sustainability topics remain less prevalent.
- *Sustainability-related due diligence and risk management expectations are increasingly being extended to SOEs, particularly economically significant and listed enterprises.* Approximately 60% of responding jurisdictions report requiring at least some SOEs to integrate sustainability-related risks into their risk management systems. However, implementation remains uneven and often partial, with requirements covering parts of the broader due diligence framework.
- *Sustainability reporting and disclosure practices continue to expand, particularly for large and listed SOEs.* Around 60% of responding jurisdictions apply sustainability reporting requirements primarily to economically significant or listed SOEs, while 13% apply such requirements across all SOEs. At the ownership level, approximately 60% include sustainability information in aggregate reporting on SOE portfolios, though reporting approaches and the scope of information disclosed vary across jurisdictions.

6.1. Sustainability and state-owner expectations

Sustainability and RBC expectations for SOEs are typically conveyed through a combination of instruments operating at different levels of the policy framework. The SOE Guidelines address both the state's role in translating its sustainability goals into concrete expectations for SOEs and the governance arrangements needed to support enterprise resilience, long-term value creation and responsibilities towards stakeholders. Sustainability is also understood to encompass RBC, drawing on the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* (MNE Guidelines),¹ which address business responsibility across areas including human and labour rights, the environment, anti-corruption and consumer interests (OECD, 2023^[1]).

SOEs are increasingly expected to advance sustainability objectives and commitments. Eighty-two per cent of those surveyed indicate that they use laws, regulations or policy frameworks to convey sustainability expectations for SOEs.² Expectations most commonly concern the environment, followed by employment and industrial relations, though other issues are less frequently addressed (Figure 6.1).³

Figure 6.1. Sustainability and RBC expectations referenced in policies and laws applicable to SOEs



Note: The sample comprises 51 jurisdictions (Bulgaria, Chile, France, Hungary, Poland, Saudi Arabia and the United States not included). Multiple responses were allowed. Responses classified as “Other” include fragmented arrangements without a single articulation of RBC expectations at the ownership level.

Source: OECD (2026^[2]), OECD Survey on State Ownership and Corporate Governance.

While in many jurisdictions RBC expectations remain embedded in general legal and regulatory frameworks, ownership policies and related instruments are playing a stronger role as a formal channel for communicating sustainability expectations to SOEs. In 2026, 51% (out of 57) report using ownership policies for this purpose, compared with 26% (out of 31) in 2024.⁴ Although the samples and coverage are not identical, this increase is consistent with developments in practice. These approaches also vary in scope, from broad state ownership policies to more targeted enterprise-level sustainability frameworks and corporate social responsibility instruments, as illustrated in Table 6.1.

Table 6.1. Selected examples of sustainability expectations within ownership policy frameworks

Jurisdiction	Framework
Argentina	Sustainability expectations are partly communicated through the Corporate Governance Guidelines for companies with the state as majority shareholder, but in practice they are embedded in a broader framework combining general legislation, sectoral regulation, and shareholder decisions.
Austria	Sustainability goals are explicitly included in the Ownership Manual (Beteiligungshandbuch), but this operates within a broader framework reinforced by extensive sectoral laws and regulations.
Chile	The Sistema de Empresas Públicas (SEP) governance framework embeds sustainability expectations at ownership level for its portfolio.
China	Sustainability expectations are conveyed through SASAC guidelines and mandates including the Guidelines on Social Responsibility of Central SOEs (updated as the Guidelines for Central SOEs on High Standard CSR in the New Era), which serve as a central ownership instrument complemented by broader state policies and corporate governance codes.
Colombia	Sustainability expectations are included in the Código de Propiedad del Estado (State Ownership Code), but operate as part of a broader system that also relies on general laws and policy frameworks.
Croatia	A State Ownership Policy sets high-level sustainability expectations, but these remain embedded in a broader framework where binding requirements are primarily defined by legislation and regulation.
France	APE conveys sustainability expectations through the State's ownership doctrine and instruments, such as the 2021 RSE Charter. Several French SOEs, including Électricité de France (EDF), have incorporated these expectations into their corporate purpose (<i>raison d'être</i>) and long-term strategies.
Germany	The Public Corporate Governance Code (PCGK) enables the state to communicate sustainability objectives via ownership channels, but it operates within a broad system combining mandates and regulatory instruments.
India	Sustainability expectations are communicated through the Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises, but these operate within a broader framework including mandates and national strategies.
Indonesia	Sustainability expectations are partly conveyed through ownership-related instruments such as Ministerial Regulation PER-02/MBU/03/2023 with expectations related to ESG integration, alongside the SOE Law – Law No.16/2025, forming part of a broader regulatory and legal framework.

Jurisdiction	Framework
Korea	Ownership policy mechanisms under the Act on the Management of Public Institutions (AMPI) communicate sustainability expectations (e.g. via performance evaluation), but within a multi-channel framework including mandates and general laws.
Latvia	Sustainability expectations are embedded in the Law on Governance of Capital Shares and Capital Companies of a Public Person, forming part of a broader system combining ownership tools, mandates, and legislation.
Lithuania	The State Ownership Policy (via the Governance Co-ordination Centre framework) incorporates sustainability as strategic expectations, but these remain non-binding and embedded in a broader framework of legal and regulatory instruments.
Morocco	The Politique actionnariale de l'État (State Ownership Policy) issued by the National Agency for Strategic Management of the State's Shareholdings and Performance Monitoring of Public Establishments and Enterprises is the primary vehicle for communicating sustainability expectations (supported by the ESG Charter), but operates within a comprehensive framework of mandates, contracts, and laws.
Netherlands	Sustainability expectations are embedded in the Dutch State Ownership Policy but clearly function within a multi-channel framework including mandates and general regulation. More targeted approaches also exist at the enterprise level. For example, the Dutch state-owned development bank FMO integrates a comprehensive set of RBC policy areas into its sustainability framework.
Norway	The State Ownership Report / Ownership Policy (Meld. St. 6) provides clear, central and overarching sustainability expectations, representing a strongly ownership-led system complemented by general rules.
Portugal	The Regime Jurídico do Setor Público Empresarial (RJSPE) embeds sustainability expectations within ownership arrangements, but as part of a wider framework of national strategies and EU directives.
Slovak Republic	Sustainability expectations are indirectly reflected in ownership decisions (without a clearly named standalone policy), but are primarily grounded in law.
Slovenia	The Strategy for the Management of Capital Investments of the state includes sustainability priorities, but these operate within a broader system including annual asset management plans and regulatory frameworks.
Sweden	The State Ownership Policy sets clear overarching sustainability expectations, representing a strong ownership-led approach, although implementation is integrated into a broader governance framework.

Note: Not all jurisdictions listed above have a single, high-level ownership policy document. Rather, the examples illustrate the different mechanisms through which states communicate sustainability and RBC expectations to SOEs.

Source: OECD (2026^[2]), OECD Survey on State Ownership and Corporate Governance.

6.2. Integrating sustainability considerations within risk management systems

Setting sustainability and RBC-related expectations for SOEs should be complemented by risk management frameworks that enable enterprises to identify, assess and manage such risks. These risks can affect strategic, financial, operational and compliance functions, including through changing customer preferences, rising input and natural-resource costs, and threats to business continuity (OECD, 2025^[3]). In this regard, integrating risk-based due diligence mechanisms can help SOEs to identify and address adverse impacts arising from their operations, supply chains and business relationships, while also promoting sustainability and long-term value creation. Various frameworks, including those developed by the OECD,⁵ provide guidance in this area and, while there are differences based on scope and application, their core steps include:

- embedding RBC into policies and management systems
- identifying and assessing actual and potential adverse impacts
- ceasing, preventing or mitigating adverse impacts
- tracking implementation and results
- communicating how impacts are addressed
- providing for, or co-operating in, remediation where appropriate.

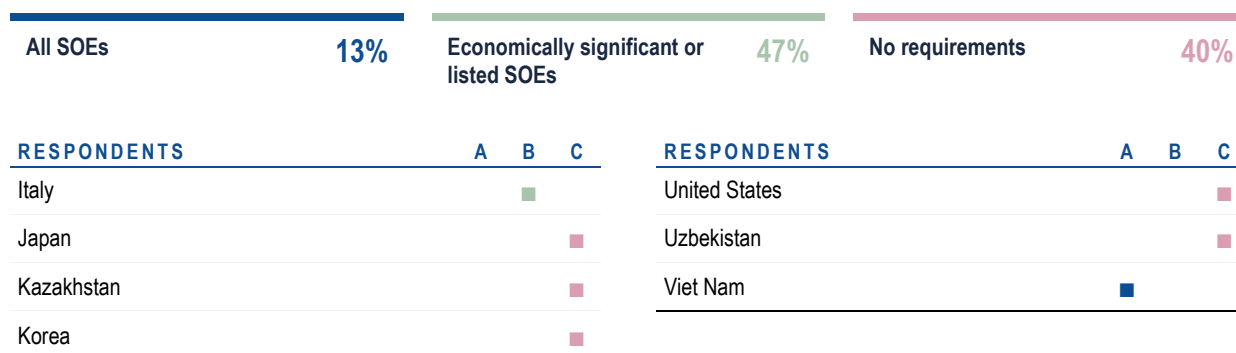
In recent years, jurisdictions have been increasingly adopting risk management and due diligence requirements as part of broader sustainability reforms, including measures informed by OECD standards. In 2025, 84% of the 38 OECD members and 67% of the adherents to the MNE Guidelines had some form of due diligence legislation in place. Examples include the EU Corporate Sustainability Due Diligence Directive and Norway's Transparency Act (2021), which may also apply to SOEs depending on their scope and applicability criteria (OECD, 2026^[4]). Beyond these requirements, governance codes and ownership policies may also

establish expectations. Norway's ownership policy, for example, expects boards to integrate sustainability-related risks and opportunities into SOE strategy, while the UK Corporate Governance Code provides for board oversight of risk management and internal controls in companies applying it (OECD, 2026^[2]).

In terms of reported practices, large listed SOEs show similar to, or higher uptake of due diligence than non-SOEs in most regions, including measures to prevent, mitigate and remediate adverse impacts (OECD, 2026^[4]). Among survey respondents, 47% report that some SOEs, typically large or listed entities, integrate sustainability-related risks into existing risk management systems, while only 13% report this for all SOEs (Table 6.2). Integration is often anchored in climate and sustainability legislation applicable regardless of ownership. Jurisdictions expecting all SOEs to address these risks generally provide dedicated portfolio-level guidance, although these expectations are rarely legally binding. Some, including Finland, also monitor sustainability risks at portfolio level.

Table 6.2. Integration of sustainability-related risk management in SOEs

All SOEs		13%		Economically significant or listed SOEs		47%		No requirements		40%			
RESPONDENTS				A	B	C	RESPONDENTS				A	B	C
Argentina				■			Latvia					■	
Australia						■	Lithuania					■	
Austria					■		Luxembourg					■	
Azerbaijan					■		Mexico					■	
Belgium					■		Morocco				■		
Brazil					■		Netherlands					■	
Bulgaria						■	New Zealand						■
Canada						■	Norway				■		
China					■		Peru						■
Colombia						■	Philippines						■
Costa Rica					■		Poland					■	
Croatia					■		Portugal					■	
Czechia						■	Romania					■	
Denmark						■	Slovak Republic						■
Estonia						■	Slovenia					■	
Finland				■			South Africa					■	
Germany					■		Spain					■	
Greece					■		Sweden					■	
Iceland					■		Switzerland						■
India					■		Thailand						■
Indonesia				■			Türkiye						■
Ireland				■			Ukraine						■
Israel						■	United Kingdom					■	



Note: The sample comprises 53 jurisdictions (Chile, France, Hungary, Malaysia and Saudi Arabia not included).

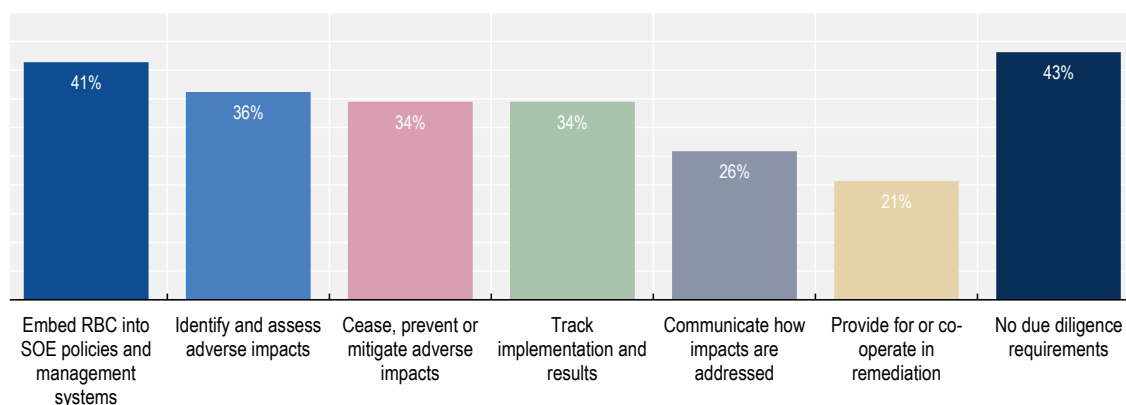
KEY

- A All SOEs are required to integrate sustainability in their risk management systems
- B Economically significant or listed SOEs are required to integrate sustainability in their risk management systems
- C No requirements

Source: OECD (2026^[2]), OECD Survey on State Ownership and Corporate Governance.

The survey also examined whether the core due diligence steps outlined above are reflected in requirements applicable to SOEs. Those jurisdictions that have requirements generally reflect only selected elements of the framework rather than the full due diligence process.⁶

Figure 6.2. RBC due diligence steps reported for economically significant SOEs



Note: The sample comprises 58 jurisdictions. Multiple responses were allowed. The due diligence steps are based on *OECD Due Diligence Guidance for Responsible Business Conduct* (OECD, 2018^[5]).

Source: OECD (2026^[2]), OECD Survey on State Ownership and Corporate Governance.

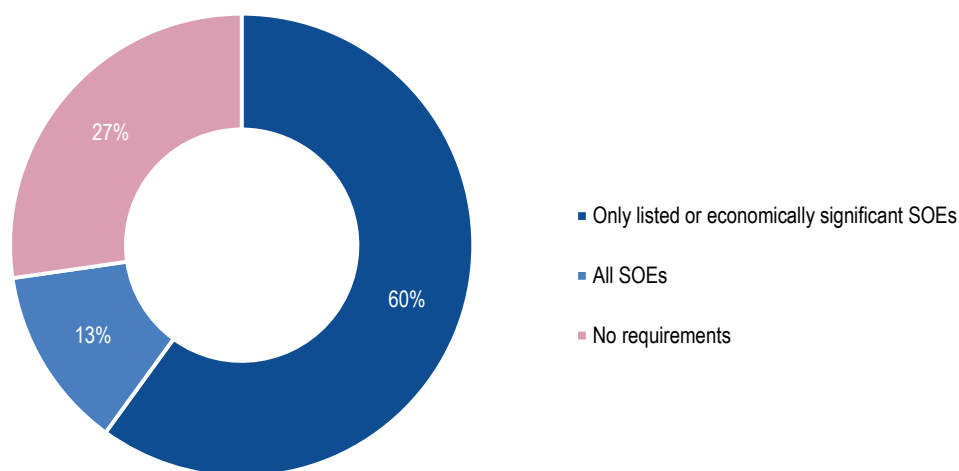
Only a relatively small group of jurisdictions include remediation alongside other due diligence steps, such as Belgium, Mexico, Morocco, the Netherlands, Norway, Poland, Portugal, Spain, Sweden and the United Kingdom (Figure 6.2). This may be explained by the nature of remediation measures, which may be largely enterprise-specific. Jurisdictions that include remediation requirements typically anchor them in legal or quasi-legal mechanisms, such as criminal liability frameworks and whistleblower protection laws. In Mexico, for example, company-level systems, such as those in Pemex, include grievance and remediation procedures.

6.3. Sustainability reporting and disclosure

Corporate sustainability disclosure among listed companies has expanded, driven by regulatory requirements, investor demand for transparency on long-term resilience and value creation, and growing recognition of climate change as financially material. Based on the *OECD Global Corporate Sustainability Report*, in 2024 nearly 12 900 of approximately 44 000 listed companies worldwide disclosed sustainability-related information, representing 91% of global market capitalisation (OECD, 2025^[6]). Among the 2 216 listed SOEs in the sample represented in this report, 1 395 disclosed such information, representing 63% by number and 95% of listed SOE market capitalisation (OECD, 2025^[3]).

Among the reporting jurisdictions, 60% indicated that sustainability reporting requirements apply primarily to large or listed SOEs, which are often already subject to stock exchange listing rules or other corporate disclosure requirements. In some cases, however, SOEs may be subject to more stringent reporting requirements. For example, Sweden adopted sustainability reporting guidelines for SOEs in 2007, applicable from the 2008 financial year. Finland requires SOEs to report annually on their direct and indirect greenhouse gas emissions across Scope 1, 2 and 3 categories. New Zealand's mandatory climate disclosure regime covers eligible entities, including certain Crown-owned or Crown-majority companies such as Air New Zealand. Covered entities prepare climate statements under the Aotearoa New Zealand Climate Standards issued by the External Reporting Board and lodge them with the Companies Office. Other SOEs may report voluntarily or use the standards as a reference.

Figure 6.3. Requirements for individual SOEs to report on sustainability



Note: The sample comprises 58 jurisdictions.

Source: OECD (2026^[2]), OECD Survey on State Ownership and Corporate Governance.

At the state ownership level, governments are also expected to publish aggregate reports providing information on sustainability across their SOE portfolios. As noted in Figure 2.6 in Chapter 2, approximately 60% (out of 57) reported the inclusion of non-financial sustainability information in their aggregate reports. However, the scope, content and format of this reporting vary significantly across jurisdictions. Some reports cover a broad range of sustainability issues and environmental metrics, while others focus more on social and workforce data. Examples are highlighted in Box 6.1.

Box 6.1. Reporting sustainability information at the state ownership level

Reporting on non-financial performance at the portfolio level is becoming increasingly common across SOE sectors. Ownership entities are adopting a variety of approaches to aggregate and disclose environmental, social and governance information, differing in the indicators covered, the degree of aggregation, the level of detail provided and the reporting channels used. The examples below provide an illustration of current practices based on the latest information available:

- Bulgaria. Annual reports cover SOEs' readiness to meet environmental, social, and governance (ESG) reporting requirements ahead of their application.
- Chile. SEP reports non-financial information across its portfolio, including aggregate board gender composition, within a governance framework that establishes common expectations for social responsibility and shared value creation.
- France. APE discloses ESG indicators across its SOE portfolio and includes methodological information for tracking non-financial indicators.
- Germany. Annual reports to the parliament cover federal holdings, including information on sustainability practices and gender representation.
- Ireland. Annual updates on the implementation of a common Climate Action Framework are issued, tracking aggregate energy use, emissions and progress against shared commitments.
- Korea. Discloses ESG information through its integrated public institution platform (ALIO), covering environmental performance, as well as indicators related to workforce and inclusion.
- Norway. Annual reports cover information on companies' sustainability priorities, climate transition efforts, emissions and reporting practices, while noting limitations to comparability across the portfolio.
- Spain. Sociedad Estatal de Participaciones Industriales (SEPI) annual reports cover sustainability governance and performance of SOEs in its portfolio, including environmental, social and Sustainable Development Goal-related activities.
- Sweden. Annual aggregate reports have presented portfolio-wide data on greenhouse gas emissions, workplace safety, gender balance and other governance-related indicators. As of 2026, these indicators are presented on a company basis in the annual report, while portfolio-level aggregates are presented in the government's annual account to Parliament.

Source: (Agency for Public Enterprises and Control of Bulgaria, 2024^[7]); (Sistema de Empresas Públicas, 2025^[8]); (Agence des participations de l'État, 2025^[9]); (Federal Ministry of Finance, 2025^[10]); (NewERA, 2025^[11]); (Government of Korea, n.d.^[12]); (Government of Norway, 2026^[13]); (Government of Spain, 2024^[14]); (Government of Sweden, 2025^[15]); (Government of Sweden, 2026^[16]); (Government of Sweden, 2026^[17]).

Alongside disclosure, assurance mechanisms can help ensure the reliability of reported sustainability information, with some jurisdictions already reporting examples of their use. EU jurisdictions are moving towards a more systematic approach to independent assurance under the CSRD framework. Survey respondents including Belgium, Bulgaria, Croatia, Czechia, Denmark, Greece, Italy, Latvia, Lithuania, Norway, Poland, Portugal, Slovenia and Spain report that assurance requirements are being introduced or applied to SOEs covered by relevant reporting requirements. Although implementation timelines and coverage vary, the CSRD provides a common framework for limited assurance of sustainability reporting by companies within its scope.

Beyond the EU, Australia and Mexico are phasing in assurance requirements, while India permits either assessment or assurance under its phased requirements for listed companies. In Mexico, covered issuers,

including SOEs such as Pemex and Comisión Federal de Electricidad, will need to obtain limited assurance for reports published in 2027 and reasonable assurance from 2028. Türkiye requires limited assurance for entities within the scope of its mandatory sustainability reporting standards. Survey responses from Canada, Japan, Peru, South Africa and the United States describe external assurance for SOEs as largely voluntary and driven by market practice. These arrangements continue to evolve. In Korea, external assurance was voluntary at the time of the survey response (January 2026). The government's final sustainability disclosure roadmap, announced in July 2026, envisages mandatory third-party assurance from 2030, with detailed requirements to be established through amendments to the Capital Markets Act and related regulations (Financial Services Commission, 2026^[18]).

6.4. Stakeholder relations

Stakeholder engagement is an important element of sound corporate governance, particularly for SOEs given their public mandates and broader societal role. Meaningful engagement involves ongoing, two-way dialogue conducted in good faith and responsive to stakeholders' views, supported by processes to consider and address the issues raised. Among large listed companies (including SOEs) covered by the *OECD Responsible Business Outlook 2026*, 52% reported conducting some form of stakeholder engagement, though on some topics (e.g. on human rights issues) engagement remained limited (OECD, 2026^[4]).

Based on the survey results, approximately two-thirds of responding jurisdictions expect that SOEs regularly engage with relevant stakeholders, while others do not directly communicate such an expectation (Table 6.3). Even without direct expectations, some SOEs already provide examples of structured stakeholder engagement in practice. Australia Post, for instance, operates a formal Stakeholder Council that serves as a permanent forum for stakeholder dialogue. The Council brings together representatives from civil society organisations, foundations, human rights advocates, small business associations, retailers and sustainability experts, and provides feedback on corporate responsibility initiatives and broader organisational priorities (Australia Post, 2026^[19]).

Table 6.3. Requirement or expectation for SOEs to engage in stakeholder dialogue

Answer	Jurisdictions	Total: 56
Requirement or expectation in place	Argentina, Azerbaijan, Belgium, Brazil, Chile, China, Costa Rica, Croatia, Czechia, France, Greece, India, Indonesia, Ireland, Italy, Japan, Korea, Latvia, Lithuania, Mexico, Morocco, the Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Romania, Slovenia, South Africa, Spain, Sweden, Thailand, Türkiye, Ukraine, the United Kingdom, Uzbekistan, Viet Nam	39
No requirement or expectation	Australia, Austria, Bulgaria, Canada, Colombia, Denmark, Estonia, Finland, Germany, Iceland, Israel, Kazakhstan, Luxembourg, Malaysia, the Slovak Republic, Switzerland, the United States	17

Note: The sample comprises 56 jurisdictions (Hungary and Saudi Arabia not included).

Source: OECD (2026^[2]), OECD Survey on State Ownership and Corporate Governance.

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Notes

¹ The *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* are recommendations addressed by governments to multinational enterprises on responsible business conduct and cover areas including human rights, disclosure, employment and industrial relations, environment, anti-corruption, consumer interests, science, technology and innovation, competition, and taxation (OECD, 2023^[1]).

² These findings are aligned with the *OECD Responsible Business Outlook 2026*. Among 52 adherents that responded to the 2025 survey on RBC policy developments, 81% reported having established and publicly disclosed expectations for SOEs to observe RBC principles and standards, including through sustainability disclosure and risk-based due diligence. Based on the findings, such expectations are most commonly communicated through policies and regulations applicable to SOEs, followed by state ownership policies (OECD, 2026^[4]).

³ The *OECD Responsible Business Outlook 2026* also identifies uneven coverage. It reports expectations concerning the environment, climate and anti-corruption and integrity in 11 of 14 policies each, followed by labour rights (10) and human rights (7). Six policies reference OECD RBC instruments, four expecting SOEs to implement their recommendations. However, considering the difference in sample sizes, thematic rankings differ from those of the present survey (OECD, 2026^[4]).

⁴ In addition, in 2026 51% of jurisdictions also reported using individual policies, expectations or mandates, and 82% reported using general policies, laws or regulations, out of 57 jurisdictions. The corresponding figures in 2024 were 29% and 100%, respectively, out of 31 jurisdictions. However, the 2024 question focussed specifically on climate-related policies, while the 2026 question covered sustainability policies more broadly. Since sustainability-related measures in this context remained largely climate-focussed, the results are broadly comparable, though the broader scope of the 2026 question and the different sample sizes (31 jurisdictions in 2024 and 57 in 2026) mean that the comparison should be interpreted as indicative rather than as a strictly like-for-like measure of change.

⁵ In particular, this includes the *OECD Due Diligence Guidance for Responsible Business Conduct* (OECD, 2018), which complements the *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* by setting out a risk-based due diligence process to help identify, prevent, mitigate and account for adverse impacts covered by the MNE Guidelines (OECD, 2018^[5]).

⁶ A similar gap is visible in relation to grievance mechanisms and remedy based on the *OECD Responsible Business Outlook 2026*. Globally, 17% of companies report having a formal grievance mechanism on human

rights, while only 10% commit to providing remedy to people affected by human rights impacts connected to their activities. However, uptake is considerably higher among the largest companies – when weighted by market capitalisation, these shares rise to 41% and 32%, respectively (OECD, 2026^[4]).

7 Anti-corruption and integrity

Anti-corruption and integrity are central to the governance of SOEs and are addressed in the OECD Guidelines on Anti-Corruption and Integrity in SOEs. Drawing on the results of recent monitoring of the Guidelines' implementation, this chapter examines how integrity is addressed within the state, in the exercise of ownership and in SOE operations. It also considers the mechanisms used to promote anti-corruption and integrity and strengthen SOE accountability.

Considering SOEs' close links to the state, involvement in high-value activities, and presence in highly regulated sectors, they often face elevated risks related to integrity and corruption. Addressing these risks on an ongoing basis is an essential component of sound governance. In addition to the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*, this chapter draws on the *OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises* (ACI Guidelines), a complementary instrument. In particular, it builds on findings from the *Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises* (OECD, 2025^[1]). While based on a distinct dataset covering 27 jurisdictions (Box 7.1), this chapter provides insights into how SOEs and their owners address integrity risks in practice. Key findings include:

- *Most jurisdictions have introduced measures to support high standards of conduct for the state, including whistleblower protection mechanisms and restrictions on SOE contributions to political parties.* However, gaps remain in the formal documentation of interactions between the state and SOEs and in the inclusion of integrity and eligibility requirements in the recruitment of employees and heads of state ownership entities.
- *Requirements for SOEs to report on compliance, anti-corruption and integrity are relatively widespread, but monitoring by ownership entities remains limited.* While three-fourths of respondents require such reporting, only one-third indicate that ownership entities track the reports received, pointing to a gap between formal requirements and implementation in practice.
- *Integrity frameworks at the enterprise level are generally well established, but important gaps remain.* Procedures for reporting wrongdoing and protections for reporting persons apply somewhat less consistently to SOEs than to state ownership entities. In addition, while 78% of jurisdictions use predetermined criteria for selecting SOE board members, only 30% report using such criteria for senior management appointments.
- *Accountability mechanisms remain less developed, particularly in relation to stakeholder engagement.* In many jurisdictions, consultation and co-operation with civil society, the public, the media and the business community on integrity and anti-corruption matters remain limited, reducing opportunities for external scrutiny and accountability.

7.1. OECD Guidelines on Anti-Corruption and Integrity in SOEs

As SOEs take on a more prominent role as global competitors, their scale and market presence mean that integrity and governance failures can have far-reaching economic and social consequences. SOEs may be particularly exposed to corruption risks in part because of their prevalence in high-risk sectors such as infrastructure, where public and private sectors intersect through valuable concessions and large public procurement projects. Their close links to the state, combined with long project cycles, high-value contracts, complex supply chains and exposure to discretionary decision making, heighten integrity and corruption risks. An OECD survey found that 42% of SOE respondents had observed corrupt or irregular conduct within the previous three years, often involving staff, management, board members and external partners. Risks were particularly pronounced in sectors such as extractives, energy and transport, as well as in enterprises with public policy mandates (OECD, 2018^[2]).

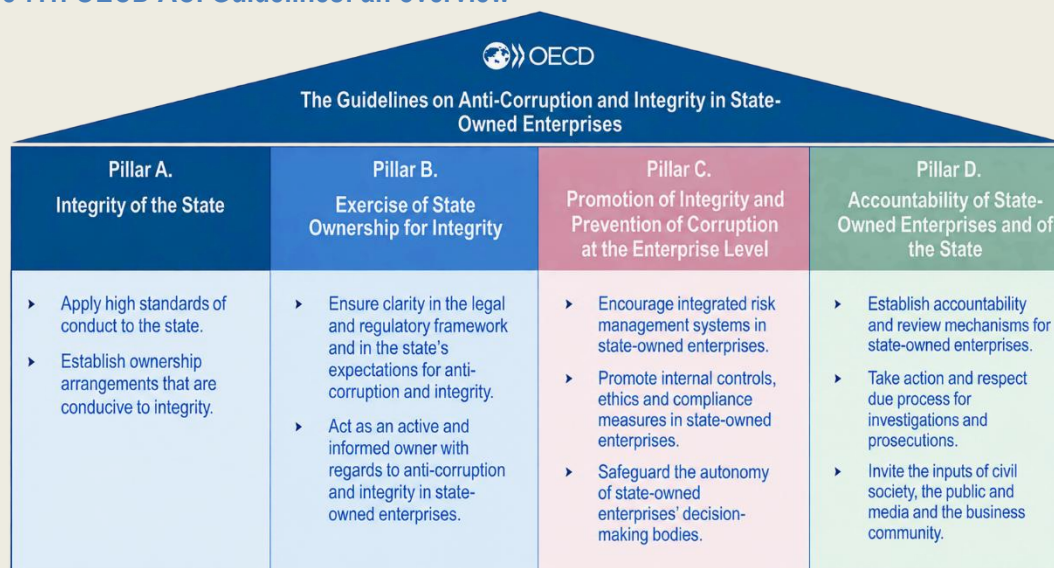
While private firms may face similar risks, SOEs are exposed to specific vulnerabilities due to their proximity to the state. These include risks of undue political interference, use as vehicles for political finance or patronage, and pressures to bypass rules in favour of political objectives. In many jurisdictions, gaps in governance and ownership arrangements continue to exacerbate these risks, particularly in high-value and highly regulated sectors where misconduct may be harder to detect. For example, a 2024 study showed that 21% of OECD jurisdictions lack explicit regulations prohibiting SOEs from financing political parties (OECD, 2024^[3]).

The *OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises* are designed to help state ownership entities and their SOEs to strengthen safeguards against corruption and to promote integrity in the state-owned sector (OECD, 2019^[4]). Organised around four pillars, they complement the SOE Guidelines by providing a dedicated framework to strengthen integrity, prevent corruption and promote accountability in the state-owned sector. Anti-corruption and integrity measures are closely linked to effective ownership practices and sound corporate governance, complementing the analysis provided in this report. The findings draw on the OECD survey on implementation of the ACI Guidelines, providing an indication of how integrity-related arrangements are being applied across the state-owned sector (Box 7.1).

Box 7.1. Monitoring implementation of the ACI Guidelines

The *OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises* (ACI Guidelines) are the first international standard to support state owners in preventing corruption and promoting integrity in the enterprises they own or control (Figure 7.1). Adopted in 2019, they complement the *OECD Guidelines on Corporate Governance of State-Owned Enterprises* by providing more detailed guidance on anti-corruption and integrity. They are organised around four pillars: the integrity of the state; the exercise of state ownership for integrity; the promotion of integrity and prevention of corruption at the enterprise level; and the accountability of SOEs and of the state.

Figure 7.1. OECD ACI Guidelines: an overview



The first review of the implementation of the ACI Guidelines was published in 2025 and drew on questionnaire responses from 27 participants: Australia, Austria, Belgium, Chile, Colombia, Costa Rica, Czechia, Estonia, Finland, Germany, Greece, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, the Netherlands, New Zealand, Norway, the Slovak Republic, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States.

Source: OECD (2019^[4]) *Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises*, <https://doi.org/10.1787/315dab91-en>; OECD (2025^[1]) *Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises*.

Results from the first OECD survey on the implementation of the ACI Guidelines suggest that the 27 participating jurisdictions broadly align with provisions relating to the integrity of the state (Pillar A) and the promotion of integrity and prevention of corruption at the enterprise level (Pillar C), where average implementation levels reach 75% and 73%, respectively. Slightly lower levels of implementation are observed for provisions relating to the exercise of state ownership for integrity (68% under Pillar B), while the lowest levels are recorded for provisions concerning the accountability of SOEs and of the state (62% under Pillar D) (Figure 7.2). The following sections examine the implementation of the ACI Guidelines across participating jurisdictions, organised around the four pillars of the framework.

Figure 7.2. Overall implementation of selected provisions of the ACI Guidelines

Pillar A. Integrity of the state	75%	Pillar B. Ownership integrity	68%
High standards of conduct for the state (II.a)	83%	Clear anti-corruption expectations for SOEs (III.a)	74%
Integrity in ownership arrangements (II.b)	67%	Active and informed ownership (III.b)	62%
Pillar C. SOE integrity	73%	Pillar D. SOE accountability	62%
SOEs' risk management (IV.a)	81%	Accountability and review of the state-owned sector (V.a)	70%
SOEs' internal controls, ethics and compliance (IV.b)	78%	Due process and investigation (V.b)	74%
SOEs' safeguards for decision makers (IV.c)	59%	Inputs from external stakeholders (V.c)	41%

Note: Percentages are based on the 27 jurisdictions that participated in the *Report on the Implementation of the OECD Recommendation on Anti-Corruption and Integrity in State-Owned Enterprises* (see Box 7.1).

Source: OECD (2025^[1]) *Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises*.

7.2. Integrity of the state

The level of integrity of SOEs is shaped by the broader commitment to ethical conduct within the state and within the bodies responsible for exercising ownership. Key elements include safeguards at the level of the state as owner, such as whistleblower protection mechanisms, restrictions on financial contributions to political parties, and clear frameworks governing communication between the state and SOEs. Overall findings from the implementation report point to positive steps in several of these areas, notably the establishment of whistleblower protections and measures to limit the misuse of SOEs, including restrictions on political financing in a majority of reporting jurisdictions. However, important gaps remain, particularly with regard to formal communication frameworks between the state and SOEs, as only about half systematically maintain records of these interactions.

One key dimension of maintaining high standards of conduct relates to recruitment, eligibility and appointment practices. Given that SOEs are often overseen by senior public officials, risks can arise when public office is used to advance political or personal interests through these enterprises (OECD, 2023^[5]). In this context, staff within state ownership entities, or those exercising ownership on behalf of the state, should be recruited through transparent and merit-based processes (OECD, 2019^[4]). Clear and formal procedures can help prevent favouritism and strengthen professionalism, while appointments based on established criteria, such as merit, skills and integrity, reinforce neutrality and help avoid potential conflicts of interest.

Survey results (Table 7.1) show that, across 27 jurisdictions, 89% have regulations establishing formal recruitment processes for employees and heads of state ownership entities. However, only 37% include explicit integrity and eligibility requirements for applicants, suggesting that fewer jurisdictions systematically embed integrity considerations into hiring practices.

Table 7.1. Hiring process and eligibility requirements for state ownership entity staff

Answer	Jurisdictions	Total
Regulation establishes a hiring process for employees and heads of the state ownership entity	Austria, Chile, Colombia, Costa Rica, Czechia, Estonia, Finland, Greece, Iceland, Ireland, Italy, Korea, Latvia, Lithuania, the Netherlands, New Zealand, Norway, the Slovak Republic, Spain, Sweden, Switzerland, Türkiye, the United Kingdom, the United States	24
Hiring process includes integrity-related requirements or incompatibilities	Australia, Austria, Belgium, Germany, Greece, Iceland, New Zealand, Norway, Spain, Türkiye	10

Note: Results are based on the 27 jurisdictions that participated in the *Report on the Implementation of the OECD Recommendation on Anti-Corruption and Integrity in State-Owned Enterprises* (see Box 7.1).

Source: OECD (2025^[1]) *Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises*.

7.3. Exercise of ownership for integrity

While frameworks are in place, further efforts are needed to strengthen the state's role as an active and informed owner, particularly through improved data collection, aggregate reporting, and more robust monitoring and oversight mechanisms. For example, although roughly three-fourths of jurisdictions require SOEs to report on compliance, anti-corruption and integrity, data on implementation remain limited. Only one-third report that ownership entities track the reports received (Table 7.2). In most cases, either no information was provided or respondents indicated that no tracking is conducted. In addition, coverage at the portfolio level remains limited. Only 41% of reporting jurisdictions assess anti-corruption and integrity risks across the portfolio based on information received from SOEs and aggregate reporting.

Table 7.2. Reporting by SOEs on anti-corruption compliance and implementation

Reporting 78%			Tracking 33%		
RESPONDENTS	REPORTING	TRACKING	RESPONDENTS	REPORTING	TRACKING
Australia	■	—	Korea	■	—
Austria	□	—	Latvia	■	■
Belgium	■	—	Lithuania	■	■
Chile	■	—	Netherlands	■	■
Colombia	■	—	New Zealand	■	■
Costa Rica	■	■	Norway	■	■
Czechia	■	—	Slovak Republic	□	—
Estonia	■	■	Spain	■	—
Finland	■	■	Sweden	□	—
Germany	■	■	Switzerland	■	■
Greece	■	■	Türkiye	□	—

Reporting 78%			Tracking 33%		
RESPONDENTS	REPORTING	TRACKING	RESPONDENTS	REPORTING	TRACKING
Iceland	☐	—	United Kingdom	■	—
Ireland	■	■	United States	■	—
Italy	☐	—			

Note: Results are based on the 27 jurisdictions that participated in the *Report on the Implementation of the OECD Recommendation on Anti-Corruption and Integrity in State-Owned Enterprises* (see Box 7.1).

KEY

Reporting required? ■ Yes ☐ No

Tracked in practice? ■ Yes ■ No – No information

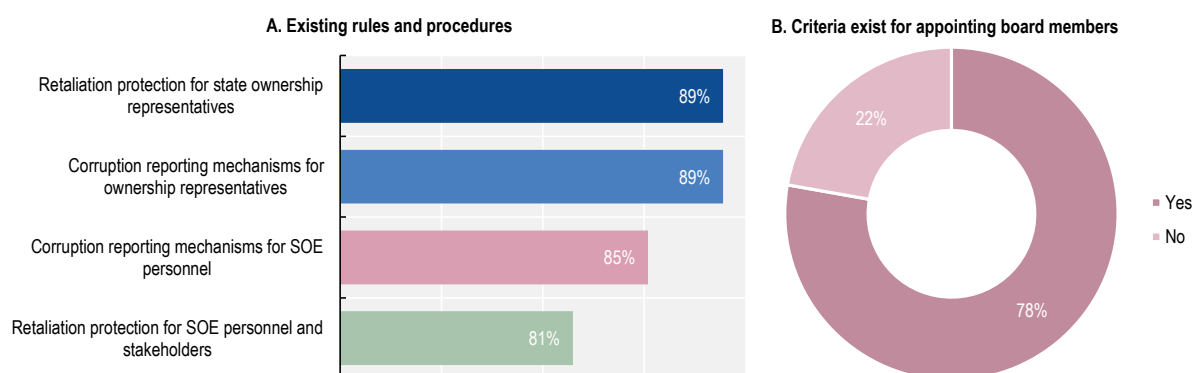
Source: OECD (2025^[1]) *Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises*.

7.4. Promotion of anti-corruption and integrity in SOEs

Safeguarding the integrity of decision making within SOEs includes establishing integrated risk management systems, strengthening internal control frameworks, and protecting decision-making processes from undue influence. The ACI Guidelines also call for clear and accessible procedures enabling employees and other relevant parties to report suspected or actual misconduct, as well as appropriate protection for those who report wrongdoing. These safeguards aim to promote independent, well-informed decision making and support early detection of misconduct.

Survey findings indicate that while safeguards are in place, gaps persist in their consistent application. Strengthening board independence, ensuring greater consistency across SOEs, and embedding integrity considerations more fully into risk management and executive appointments remain important areas for improvement. The results also point to the need to move beyond formal compliance towards a more operational culture of integrity. For example, most jurisdictions have adopted rules allowing for the reporting of wrongdoing and the protection of reporting persons (Figure 7.3). However, the share of respondents applying these measures to SOEs is slightly lower (85% reporting procedures and 81% protection mechanisms) than for state ownership entities (89% for both), suggesting some variation in how integrity safeguards are applied across the state-owned sector.

Figure 7.3. Integrity frameworks and board appointment criteria in SOEs



Note: Percentages are based on the 27 jurisdictions that participated in the *Report on the Implementation of the OECD Recommendation on Anti-Corruption and Integrity in State-Owned Enterprises* (see Box 7.1).

Source: OECD (2025^[1]) Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises.

The overall implementation levels of the ACI Guidelines are influenced by the participation of European Union member states that have incorporated the 2019 Whistleblowing Directive into national legislation (European Parliament and Council, 2019^[6]). This legislative requirement has contributed to more consistent adoption of reporting channels and protective measures. These developments support the broader aims of the ACI Guidelines by strengthening integrity frameworks and improving the ability of the state to identify and address irregularities in state-owned enterprises.

A further dimension of safeguarding integrity relates to the composition and functioning of SOE boards. The ACI Guidelines emphasise that board members should be selected based on clear, predetermined criteria and through transparent procedures. Survey results indicate that 78% of jurisdictions have introduced such preselection criteria, contributing to more merit-based and transparent appointment processes, as also discussed in Chapter 5.

The ACI Guidelines also stress that SOE boards should apply rigorous standards in the appointment and oversight of senior management (Provision IV.10), reinforcing the principle that responsibility for executive appointments lies with the board rather than the state. Despite this, only 30% of respondents (Austria, Costa Rica, Estonia, Germany, Iceland, Korea, the Netherlands and Türkiye) report the use of preselection criteria for senior management positions. While safeguards for board composition are relatively well established, their extension to executive appointments remains more limited.

7.5. SOE accountability

Review mechanisms for SOEs and the application of due process in investigations and prosecutions are important tools for strengthening SOE accountability. A key component is the involvement of stakeholders, such as civil society, the public, the media and the business community, in supporting integrity frameworks. Where public policy mandates are unclear or insufficiently transparent, it becomes more difficult to distinguish legitimate public interest objectives from activities influenced by political or personal considerations. In this context, stakeholders can provide valuable monitoring, expertise and insights to help identify risks and support advocacy efforts.

Among respondents, a majority have established at least one form of corporate liability (e.g. civil, administrative or criminal), which can be applied to SOEs (OECD, 2023^[5]). A large majority also report

penalties applicable to both natural and legal persons, with 78% ensuring multiple forms of liability. These measures strengthen deterrence by increasing the likelihood and cost of misconduct. In addition, external audit mechanisms are in place in many jurisdictions, as noted in Chapter 4, though ensuring that ownership entities are systematically informed of audit outcomes and able to act on findings remains an important area for improvement.

Important gaps also persist in stakeholder engagement in relation to anti-corruption and integrity. OECD data show that only 13 out of 27 jurisdictions report that SOEs have consulted or co-operated with stakeholders on integrity and anti-corruption measures in the last four years (Table 7.3) (OECD, 2025^[1]). Given that stakeholder engagement is intended to be an ongoing process, the findings suggest that engagement is often ad hoc rather than embedded as a core element of integrity governance. Its further use could help strengthen accountability at the level of the state as owner and in individual SOEs.

Table 7.3. Stakeholder co-operation or consultation on integrity in the state-owned sector

Answer	Jurisdictions	Total: 27
Yes	Colombia, Costa Rica, Czechia, Finland, Germany, Iceland, Ireland, Italy, Lithuania, the Netherlands, Norway, Sweden, Switzerland	13
No	Australia, Austria, Belgium, Chile, Estonia, Greece, Korea, Latvia, New Zealand, the Slovak Republic, Spain, Türkiye, the United Kingdom, the United States	14

Note: Results are based on the 27 jurisdictions that participated in the *Report on the Implementation of the OECD Recommendation on Anti-Corruption and Integrity in State-Owned Enterprises* (see Box 7.1).

Source: OECD (2025^[1]) *Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises*.

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Annex A. Methodological note

The 2026 edition of the report *Ownership and Governance of State-Owned Enterprises* marks an important step in the development of the OECD's evidence base on state ownership and SOE governance. Building on previous editions, it combines two complementary streams of work undertaken by the OECD Working Party on State Ownership and Privatisation Practices: the OECD Global State-Owned Enterprises Dataset and the OECD Survey on State Ownership and Corporate Governance. The former provides quantitative information on the size, composition and significance of the SOE sector, while the latter offers qualitative insights into the legal, regulatory and institutional frameworks that govern state ownership. By bringing these sources together, this edition offers the most comprehensive overview to date of state ownership arrangements and governance practices across participating jurisdictions. The two sources and their respective methodologies are described below.

OECD Global State-Owned Enterprises Dataset

The OECD Global State-Owned Enterprises Dataset provides firm-level information on 33 834 SOEs. Its development involved a multi-stage process to define the SOE universe and analytical scope; identify and consolidate direct and indirect state ownership links; apply consistent classification and size criteria; and retrieve, clean and harmonise firm-level financial data. The resulting dataset enables policymakers to track how SOEs evolve, compare their characteristics across countries and over time, and analyse their impact on economic outcomes.

To identify SOEs across jurisdictions, the dataset applies a common operational definition designed to approximate that of the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*. An enterprise is classified as an SOE when aggregate direct and indirect holdings by domestic or foreign state entities amount to at least 25% of its equity, which is considered indicative of potentially significant state influence.

The dataset draws on Moody's ORBIS database, which provides information on companies' legal and financial characteristics, industry classifications and ownership links. Historical ORBIS vintages are used to identify SOEs separately for each year and construct a longitudinal dataset covering 2013-2024. The construction process entailed eight steps, namely:

- Identifying state ownership through global ultimate owners, including central and local governments and related public entities.
- Calculating the total state ownership shares by aggregating direct and indirect holdings, including holdings exercised by multiple state-related owners.
- Tracing the subsidiaries of identified SOEs through ownership chains of up to ten layers.
- Consolidating the different ownership layers and linking potential SOEs back to the originating state entity.
- Excluding companies that do not meet the SOE classification criteria, including the applicable ownership thresholds.
- Retrieving financial information and defining the analytical sample, which focusses on large SOEs with assets of at least USD 100 million, measured in 2024 prices.

- Constructing a panel dataset for longitudinal analysis, allowing the characteristics and evolution of SOEs to be examined across countries and over time.
- Addressing missing or incomplete information to improve the consistency and comparability of the resulting dataset.

The findings derived from the dataset are presented in Chapter 1 of this report, which examines the size, composition and evolution of the global SOE sector. The complete methodology, including the detailed algorithms and data-treatment procedures, is set out in *Building a Global Dataset on State-Owned Enterprises* (Arikan, Medina and Ruiz Casas, 2026^[1]).

Policy questionnaire

This publication presents comparative information on the institutional, legal and regulatory frameworks governing state-owned enterprises (SOEs) across 58 OECD and non-OECD jurisdictions. The analysis draws on information collected through a survey developed by the OECD Secretariat to support monitoring of the implementation of the *OECD Guidelines on Corporate Governance of State-Owned Enterprises*. The objective of the exercise is to identify broad trends, policy approaches and governance arrangements relating to state ownership and the governance of SOEs at the national level. In this regard, the publication focusses on how states organise and exercise their ownership functions, establish governance frameworks and oversee SOEs, rather than on the characteristics or performance of individual enterprises. Reported arrangements reflect prevailing national frameworks and practices, and may not apply uniformly across all SOEs within a jurisdiction.

Sources of data and methodology

The OECD Secretariat developed the questionnaire and accompanying methodology through consultations with delegates of the OECD Working Party on State Ownership and Privatisation Practices (the Working Party or WPSOPP). Information was collected primarily through the *OECD Survey on State Ownership and Corporate Governance 2026*, a structured policy questionnaire comprising 73 questions organised around five thematic chapters: (i) ownership and governance; (ii) SOEs in the marketplace; (iii) disclosure, transparency and accountability; (iv) the composition and responsibilities of SOE boards; and (v) SOEs and sustainability (see Table A A.1). The Secretariat subsequently worked with national authorities to review, clarify and, where necessary, update the survey responses and other information collected. The preliminary findings were presented to and discussed by the Working Party throughout the drafting process and the report benefited from ongoing exchanges with participating jurisdictions and successive rounds of review and consultation.

The publication covers 58 jurisdictions: Argentina, Australia, Austria, Azerbaijan, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Japan, Kazakhstan, Korea, Latvia, Lithuania, Luxembourg, Malaysia, Mexico, Morocco, the Netherlands, New Zealand, Norway, Peru, the Philippines, Poland, Portugal, Romania, Saudi Arabia, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Türkiye, Ukraine, the United Kingdom, the United States, Uzbekistan and Viet Nam. To note, sample sizes may vary across tables, figures and indicators depending on data availability, response rates and the applicability of individual survey questions.

To complement the survey responses, the OECD Secretariat conducted desk research and reviewed publicly available legal, regulatory and policy sources. Where relevant, the analysis also draws on earlier editions of this report, OECD country reviews and comparative studies, the OECD Product Market Regulation indicators, and other OECD data-collection exercises and analytical work. Earlier OECD findings provide context, support comparisons over time and supplement the information collected through the 2026 survey. A dedicated chapter on anti-corruption and integrity draws on findings from the *Report on the Implementation of the OECD Recommendation on Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises*, declassified by

the OECD Council in February 2025. As the underlying data-collection exercise covered 27 jurisdictions, the coverage of Chapter 7 differs from that of the rest of the publication.

Interpretation of results and limitations

The information collected is intended to support broad cross-country comparisons and the identification of international trends and practices in state ownership and corporate governance. The results should be interpreted as indicators of national frameworks, policies and reported practices, rather than as assessments of implementation outcomes, enterprise performance or the governance of individual SOEs. In this context, several limitations should be noted:

- The questionnaire primarily captures formal legal, regulatory and policy arrangements applicable to commercially oriented SOEs and may not fully reflect their implementation in practice.
- The analysis focusses on the general framework governing the SOE sector and does not document every enterprise- or sector-level variation. Arrangements may differ across sectors, enterprises, ownership entities and legal forms within the same jurisdiction. Where multiple arrangements coexist, responses generally reflect the predominant framework or reported practice.
- The analysis relies in part on information reported by participating authorities and on publicly available sources.
- As national laws, regulations and ownership policies continue to evolve, the information presented reflects the situation at the time of data collection and verification.

Table A A.1. OECD Survey on State Ownership and Corporate Governance 2026: topics and questions

1. OWNERSHIP AND GOVERNANCE	
1.1 Relevant laws and regulations	1.1.1 Does your country have specific framework laws or regulations governing SOEs or state ownership?
	1.1.2 What legal forms do SOEs in your country typically take? Multiple options possible
1.2 Ownership rationales and policies	1.2.1 Is there a comprehensive policy detailing the goals and priorities of state ownership?
	1.2.2 When was the last time the ownership policy was revised?
	1.2.3 What are the main rationales for state ownership of enterprises in your country? Multiple options possible
1.3 Ownership models	1.3.1 What is the prevailing ownership model adopted?
	1.3.2 What is the size of the ownership entity (if operating in a decentralised model, indicate the sum of all ownership entities).
	1.3.3 Does the ownership entity (or entities) have policymaking or regulatory responsibilities beyond its role as a shareholder in SOEs? Multiple options possible.
	1.3.4 What type of experience is typically sought when hiring employees for the ownership entity? Multiple options possible.
	1.3.5 What are the funding mechanisms of the ownership entity?
1.4 Aggregate reporting	1.4.1 Are there annual aggregate reports produced for economically significant SOEs?
	1.4.2 If aggregate reports are produced, what is the main information featured (financial and non-financial)? Multiple options possible
2. SOEs IN THE MARKETPLACE	
2.1 Regulatory treatment of SOEs	2.1.1 Are there exemptions for SOEs in the following areas? If yes, please explain in which sectors or circumstances for each of the areas selected. Multiple options possible.
	2.1.2 If there are exemptions, are they adopted through a formal legislative process and periodically reviewed?
2.2 State support and SOE financing	2.2.1 Are there preferential funding mechanisms for SOEs that are not available to private firms? Multiple options possible.
	2.2.2 Do any laws, regulations, or policies provide SOEs with tax advantages not available to private companies?
	2.2.3 What are the main sources of financing for commercial SOEs? Multiple options possible.
	2.2.4 Are there requirements to disclose state support to SOEs? Multiple options possible.

2.3 Public policy objectives (PPOs) and public service obligations (PSOs)	2.3.1 When SOEs are assigned PSOs, are they required to maintain separate accounts for their commercial and non-commercial (PSO-related) activities?
	2.3.2 Are there requirements to compensate commercial SOEs for fulfilling PSOs?
	2.3.3 If there are requirements to compensate SOEs for fulfilling PSOs, is there a formal mechanism to ensure that compensation is adequate and transparent?
	2.3.4 Through what mechanisms are public service obligations communicated to SOEs?
2.4 Dividend policies	2.4.1 Has your country introduced a dividend policy for SOEs, and if so, what is the type of policy implemented?
	2.4.2 If yes, are those policies disclosed and in what form?
	2.4.3 Has your country introduced optimal rate-of-return targets for SOEs, and if so, how are they decided?
3. DISCLOSURE, TRANSPARENCY AND ACCOUNTABILITY OF SOEs	
3.1 Disclosure requirements for listed and non-listed SOEs	3.1.1 What reporting and disclosure standard is applicable to SOEs, regardless of legal form?
	3.1.2 Are the main commercial and non-commercial objectives of SOEs publicly disclosed?
	3.1.3 When SOEs pursue public policy objectives (PPOs) or public service obligations (PSOs) in addition to commercial objectives, are they required to disclose those in the annual report?
3.2 Disclosure of information on control structures of SOEs	3.2.1 What information are SOEs required to disclose on their governance, ownership, voting, and legal control structures? Multiple options possible.
3.3 Disclosure of board composition and remuneration policies	3.3.1 What information are SOEs required to disclose on board composition? Multiple options possible
	3.3.2 What remuneration information about senior executives are SOEs required to disclose?
	3.3.3 What remuneration information about (supervisory) board members are SOEs required to disclose?
3.4 Disclosure on material risk factors and risk management systems	3.4.1 Are SOEs required to report information on material risk factors?
	3.4.2 Are SOEs required to report information on risk management systems or frameworks?
3.5 Disclosure of related-party transactions	3.5.1 Are SOEs required to disclose information on material transactions with related parties? Multiple options possible.
3.6 Mechanisms to ensure equitable treatment of shareholders	3.6.1 What rights are afforded to minority shareholders in non-listed SOEs? Multiple options possible.
3.7 Internal and external audit practices	3.7.1 Are SOEs required to conduct independent external audits of their financial statements?
	3.7.2 What are the requirements and practices concerning the rotation of independent audit firms?
	3.7.3 Over the past five years, what information has been audited by the state audit body related to the SOE sector?
	3.7.4 Does every SOE need to have an internal audit function?
	3.7.5 For those SOEs that have an internal audit function, to whom does the internal auditor report to?
	3.7.6 Can state audit bodies or control functions be internal auditors of SOEs?
4. COMPOSITION AND RESPONSIBILITIES OF SOE BOARDS	
4.1 Autonomy and authority	4.1.1 Are SOE boards of directors granted full responsibility and autonomy to define the corporate strategy for the enterprise?
4.2 Mandates and objectives	4.2.1 Which of the following functions can be expected from the board? Multiple options possible.
	4.2.2 Are specialised board committees mandated by law or regulations to support the work of the board? Multiple options possible.
	4.2.3 Are there specific independence requirements for the composition of board committees? Multiple options possible.
	4.2.4 If there are independence requirements on board committee composition, what are they? Multiple options possible.
	4.2.5 What is the most common board structure for SOEs?
4.3 Composition and diversity of SOE boards	4.3.1 Is there a minimum, maximum and average number of SOE board members mandated by law or guidelines?
	4.3.2 Are there guidelines or measures to ensure that board members have appropriate skills and expertise?
	4.3.3 Are there guidelines or requirements for gender and/or other diversity targets?
	4.3.4 If there are guidelines or requirements for employee representation in SOE boards, how many representatives are part of boards?

4.4 Remuneration of key executives	4.4.1 Does the state owner provide guidelines or limits on remuneration levels for key executives?
4.5 Independent board members	4.5.1 If there are requirements or recommendations for a minimum number of independent members of SOE boards, how many independent members do they imply?
	4.5.2 If there is a limit to the tenure for independent board members, what is it?
	4.5.3 Which of the following elements are covered in the legal definition of “independence” used? Multiple options possible
4.6 Addressing conflicts of interest and political influence	4.6.1 What categories of public officials and their deputies are banned to serve on SOE boards?
	4.6.2 Are there mechanisms to address potential conflicts of interest in SOE boards?
4.7 The role of the chair	4.7.1 Does the chair of an SOE act as the primary point of contact between the ownership entity and the board?
	4.7.2 Is it common, or is it allowed, that the chief executive officer of an SOE at the same time serves as chair of the board?
4.8 Board evaluation	4.8.1 If SOEs are required to conduct annual board evaluations, who is responsible for conducting the board evaluation? Multiple choices possible.
	4.8.2 Is there a specific evaluation of the chair?
	4.8.3 Do the results of the evaluation process play a role in board nominations?
4.9 Risk management	4.9.1 Is there a legal requirement or expectation for SOEs to implement risk management frameworks?
	4.9.2 Are there mechanisms in place to manage risks at the SOE portfolio level?
	4.9.3 Are SOEs required to adopt compliance measures, and if so, what are they? Multiple options possible.
5. SOEs AND SUSTAINABILITY	
5.1 Sustainability expectations in ownership policy and practices	5.1.1 How are sustainability-related expectations assigned to SOEs? Multiple options possible.
	5.1.2 Are there references in the ownership policy or expectations for SOEs to observe RBC standards? If yes, in which of the following areas? Multiple options possible.
5.2 Sustainability-related risks and opportunities	5.2.1 Are SOEs required to address sustainability risks and opportunities by integrating sustainability within their risk management systems?
	5.2.2 If economically significant SOEs are encouraged or required to engage in due diligence practices on RBC of their business operations and value chains, which of the following measures are taken? Multiple options possible.
5.3 Disclosure of sustainability information	5.3.1 Are SOEs required to report on sustainability-related issues?
	5.3.2 Does the state as owner report on sustainability as part of its annual aggregate report and/or similar reporting mechanisms?
	5.3.3 Is SOE sustainability reporting subject to independent external assurances?

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[1]

Ownership and Governance of State-Owned Enterprises 2026

Over the past two decades, state-owned enterprises (SOEs) have assumed an increasingly important role in the global economy, operating at the intersection of the state and the market. This report examines developments in SOE ownership and governance across 58 economies and provides comparative information on national frameworks and practices, supporting greater awareness and more effective implementation of the OECD Guidelines on Corporate Governance of State-Owned Enterprises. It covers ownership arrangements, disclosure and transparency, board governance, sustainability-related expectations, as well as anti-corruption and integrity. New to this edition, inaugural analysis of the OECD Global State-Owned Enterprises Dataset which highlights the global economic footprint of SOEs.



PRINT ISBN 978-92-64-61399-7
PDF ISBN 978-92-64-58791-5



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