

United Kingdom: Financial Reporting Council (FRC) proposes revisions to the Corporate Governance Code

In December, the UK's Financial Reporting Council published a consultation paper, '[Proposed Revisions to the UK Corporate Governance Code](#)'. The FRC also issued a revised version of its Guidance on Board Effectiveness.

The revised Code is shorter, sharper and more commercially focused than the current version. Greater emphasis is placed on companies creating a reporting narrative, rather than a 'tick box' approach to compliance. Revisions also cover:

- Enhanced engagement with stakeholders, including how board decisions were impacted by such engagements as well as ensuring the 'voice' of employees is heard in the boardroom
- Board composition, particularly the independence of non-executive directors and diversity at boardroom level is subject to stricter scrutiny
- Employees to be given the ability to raise wider concerns by expanding the emphasis of the whistleblowing provision
- New disclosure requirements about directors' remuneration.

The consultation period closes on 28 February, 2018, and the FRC plans to issue a final version of the Code in summer 2018. This will be applied to accounting periods beginning on or after January 2019.

