

# **Ownership policy and SOE autonomy**

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### State-Owned Enterprises in Brazil

SOEs by sector	
Goods and services	82
Financial Institutions	21
Dependant	16
<b>TOTAL</b>	<b>119</b>

SOEs by legal form	
Stock Companies	90
Public Enterprises	22
Others	7
<b>TOTAL</b>	<b>119</b>

## Introduction

- State-Owned Enterprises (SOEs) in Brazil are submitted to the rules and laws of private companies and also to the control of regulation institutions such as the Securities and Exchange Commission of Brazil (CVM), the Brazilian Stock Exchange (BOVESPA) and the Central Bank
- Once SOEs have legal personality, they have administrative, budgetary and financial autonomy to achieve their social function and fulfill their corporate purposes
- This autonomy varies according to their economic dependence: the more financially independent they are the greater is their autonomy

## Autonomy Levels

Investment Budget

Global Expenditures Program

+

Government Bidding System

Human Resources Policy

+

Public Accounting System

## The ownership function in Brazil

- The main instruments that the State uses to exercise its shareholder function are the meeting of shareholders and the right to appoint the Board members

Multiple ownership structure:

- Ministry of Planning
- Ministry of Finance
- Sector Ministry
- Presidential Staff Office

## CGPAR (2007)

Interministerial Corporate Governance and Federal Government Management of Participations Commission.

- policies and strategies related to the State ownership
- criteria to evaluate and classify the SOEs
- criteria to Board and Fiscal Council members appointment
- guidelines for Board and Fiscal Council performance

## SOES' LEGAL FRAMEWORK

- Flexible bidding regulation X managers liability
- Board and Fiscal Council members appointments within specific standards
- Same level of accountability as the quoted companies

## Corporate Governance Outlook

### Initiatives

- Standardization of SOEs bylaws
- Association of the professional profile with the function requisites
- Conception of an information document to Board members
- Training activities



## Corporate Governance Outlook

- SOEs play an important role in the national economic development
- Brazilian Government is working to help this great set of enterprises be able to support even more the Brazilian progress, with more responsibility, transparency and efficiency

# Thank you!

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