

Convergence of Corporate Governance Principles – Slovenia and European Union

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Article shows the nature and history of the development of the good corporate governance principles in the Republic of Slovenia and analyzes the importance of the soft law in the civil law country, as well as the process of the convergence of the good corporate governance principles with these principles in the European Union. Some recent researches show the applicability of the “comply and explain” principle in Slovenian practice. Article shows, how the non-binding principles of the corporate governance follow and support the state regulations and realize the convergence approach of the corporate governance in the European Union.

The intellectual challenge of corporate governance is finding the right mix of instruments, answering whether and to what degree mandatory of fall-back law is needed and if it is needed, what the role of the European Union should be (Hopt 2010).

Formal legislation, a series of formal regulations and informal guidelines, recommendations, codes and standards of corporate governance try to determine good governance and to prevent potentially self-interested managers from engaging in activities detrimental to the welfare of shareholders and stakeholders. (ECGI Research, 2015)

Article uses the historical method. Soft law has been supplementing the laws in SI since 2004 and provided a basic orientation, how to enforce the state regulations in practice. The introduction is followed by the explanation of the concept of the good corporate governance and the nature of the soft law, within the SI as a traditionally civil law country. Further chapters analyze the supplementing role of the CG codes, by showing the historical development of the CG Codes in SI and their orientation towards the European Union (EU) regulations and principles of a good corporate governance of the Organization for the Economic Cooperation and Development (OECD). The presentation and analyze of some recent researches show the applicability of the corporate governance principles in Slovenian practice and leads to the conclusion of the existence of the convergence of the Slovenian corporate governance principles with the EU regulation on the field of corporate governance.

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