Mr. Carmine Di Noia
Director for Financial and Enterprise Affairs
OECD
2, rue André Pascal
75016 Paris

30 January 2026

Dear Mr. Di Noia,

Subject: OECD Draft Guidelines for Corporate Bond Issuers

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the OECD Draft Guidelines for Corporate Bond Issuers,[1] which seek to explain how the G20/OECD Principles on Corporate Governance[2] can be applied to corporate bond issuers.

Led by investors responsible for assets under management of over US$ 90 trillion, ICGN promotes high standards of corporate governance and investor stewardship globally. Our membership is based in more than 40 countries and comprises asset owners, asset managers and advisers. ICGN's *Global Governance Principles*[3] and *Global Stewardship Principles*,[4] written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

ICGN welcomes the OECD's Draft Guidelines and strongly supports the objective of strengthening transparency, accountability and trust in corporate bond markets given the importance of well-functioning bond markets for corporate resilience and financial stability.

Section 1. Disclosure and transparency for issuers of listed bonds

We welcome the Guidelines' focus on decision-useful disclosure. As we highlighted in our 2019 Viewpoint entitled "What is the Role of the Creditor in Corporate Governance and Stewardship", bondholders do not typically have formal ownership rights (such as voting), which makes timely, decision-useful disclosure and practical engagement channels particularly important for effective stewardship.[5]

We support the call for timely and accurate disclosure on all material matters relevant to listed bonds, including risk factors, debt contracts and governance. In practice, bondholders often need enhanced clarity on matters that may not be equally material for shareholders, such as changes in use of proceeds, collateral value, or developments that could trigger repayment or other contractual protections. We also support the emphasis on transparency regarding debt contracts and covenant compliance, including the risk and implications of

[1] OECD, Draft Guidelines for Corporate Bond Issuers, 2025
[2] OECD, G20/OECD Principles of Corporate Governance, 2023
[3] ICGN, Global Governance Principles, 2021
[4] ICGN, Global Stewardship Principles, 2024
[5] ICGN, What is the Role of the Creditor in Corporate Governance and Stewardship, 2019

potential breaches, since these terms can materially constrain corporate discretion and are central to credit assessment and ongoing monitoring.

In addition, we would like to make some suggestions regarding Section 1:

- Article 1.A. could be more specific and encourage **enhanced governance safeguards where material transactions could significantly affect the issuer's financial position**, asset base, or debt-servicing capacity. In such cases, stronger board scrutiny, and - where relevant and appropriate under national law - independent review, can help ensure implications for creditors are properly assessed and disclosed.
- The Guidelines could highlight the value of more **centralised and standardised disclosure channels** for bondholder-relevant information. Fragmentation of sources and inconsistent formats remain a practical barrier to efficient monitoring.
- To support effective monitoring, the Guidelines could ask issuers to **maintain clear internal governance arrangements for covenant compliance** - such as defined management accountability, escalation procedures for potential breaches, and periodic reporting to the board on covenant headroom and emerging risks.
- We welcome the Guidelines' recognition that bondholders are key users of audited financial information, and that bond trustees should not be precluded from communicating directly with the audit committee regarding matters related to its oversight of the external auditor. The Guidelines could further clarify that the **audit committee should oversee financial reporting matters of particular relevance to bondholders** (such as accounting judgments that affect covenant calculations, the use of alternative or non-standard measures referenced in bond documentation, and consistency between financial disclosures and the terms of debt contracts).
- As **sustainable fixed income markets** continue to grow, we see value in encouraging **alignment between any bond issuer sustainability-related disclosures and broader international sustainability reporting frameworks**, to reduce fragmentation, improve cross-market comparability, and support efficient capital allocation by global investors.

Section 2. The responsibilities of the board

On board responsibilities, we support encouraging boards to take bondholder interests into account, particularly in contexts of leverage, refinancing risk and when insolvency is imminent or unavoidable: where engagement with bondholders and other creditors can help minimise damage and support orderly solutions.

We also support the Guidelines' emphasis that boards should actively assess whether the company's capital structure aligns with strategic goals and risk appetite, including in relation to bond issuance and repayment. We would like to make the following suggestions regarding Section 2:

- The Guidelines could be explicit that boards should **consider bondholder interests where decisions may materially affect credit risk and the position of creditors**. This includes material capital allocation decisions (such as share buybacks, dividends and other distributions), and changes in leverage or debt ranking, which can shift risk and value across the capital structure.
- Relatedly, the Guidelines could **encourage boards to consider whether executive remuneration structures could incentivise excessive leverage or risk-taking** that may undermine bondholder protections, and to **disclose how remuneration is**

aligned with long-term financial sustainability and the issuer's capital structure.

Section 3. Exercise of bondholder rights, engagement and out-of-court debt restructuring

We welcome the substantial chapter on the exercise of bondholder rights and engagement. In our view, effective stewardship in credit markets depends on practical mechanisms for communication, identification and collective action.

We support measures to facilitate **bondholder identification** (including consideration of a register or system where appropriate), and the use of technology to improve timely notification of corporate actions. We also agree with the importance of facilitating effective **bondholder meetings**, including hybrid participation.

We support Article 3.E. in its reference to the role of independent, competent bond trustees in monitoring covenant compliance and protecting bondholder rights, especially in restructuring scenarios.

We support Article 3.G.1., which focuses on equitable treatment of all bondholders, including fair approaches to consent fees, to mitigate risks of value transfer. The Guidelines' encouragement of out-of-court restructuring frameworks, which are grounded in clear rules that enable early dialogue and cooperative engagement, also aligns with long-term investors' interests in efficient, value-preserving outcomes.

We would like to make the following suggestions regarding Section 3:

- In addition to encouraging investor engagement, the Guidelines could articulate an expectation that **issuers proactively engage with bondholders**. This should include timely access and targeted outreach during periods of refinancing risk, strategic change, or other material shifts in risk profile. Proactive issuer communication at these junctures supports orderly markets and helps creditors assess downside risk on a timely basis.
- Regarding bondholder meetings (Article 3.D.), it is also important that **notice periods for such meetings are sufficient** to enable meaningful participation, with all relevant materials disclosed in a timely and accessible manner. Equal access to information should be a guiding principle, particularly in stressed scenarios.
- Rather than relying only on the prospectus (which may not set the legally binding rights in many jurisdictions), we encourage Article 3.E.1. to also **refer clearly to the contractual instruments** that typically govern bondholder rights and trustee obligations, such as an indenture, trust deed, or equivalent documentation. This would also be consistent with the discussion of indentures and trust deeds in the OECD's Regulatory Frameworks and Trends in the Corporate Bond Market.[6]
- Furthermore, under Article 3.E., we encourage stronger expectations around **transparency in how trustees identify and manage conflicts of interest.** This could include disclosure of relevant conflict policies, periodic reporting on whether conflicts arose in practice and how they were addressed, transparent disclosure of trustee remuneration arrangements, and material commercial relationships with the issuer.
- Article 3.G. could more explicitly encourage **proactive identification of financial stress and timely engagement with bondholders or trustees before covenant**

[6] OECD, Regulatory Frameworks and Trends in the Corporate Bond Market, 2025

breaches occur, to preserve value and reduce the likelihood of disorderly restructuring outcomes.

Sustainability and resilience

We appreciate the OECD's efforts to address topics that not explicitly covered in the G20/OECD Principles in the specific context of corporate bonds. In this regard, we note the G20/OECD Principles include a chapter on *sustainability and resilience.* However, the draft Guidelines do not provide recommendations on this topic. We would welcome clarification on whether references to "investors" in the Principles' *sustainability and resilience* chapter are intended to encompass both equity and debt investors. If the chapter is intended primarily for equity markets, we nevertheless consider sustainability- and resilience-related factors to be credit-material and therefore relevant to bondholders; accordingly, the OECD may wish to include high-level expectations for bond issuers on bond-relevant sustainability and resilience matters within the Guidelines.

ICGN appreciates the OECD's leadership in extending the corporate governance conversation beyond equity markets.

Thank you again for the opportunity to share our perspective. If you would like to follow up with questions or comments, please contact Ayan Tewari, Senior Policy Executive (policy@icgn.org).

Yours faithfully,

Jen Sisson

Jen Sisson

Chief Executive Officer, ICGN