For sole proprietors or partnerships, it is important to convey to stakeholders such as investors, creditors, suppliers or even customers that the business is not conducted in the sole interest of the proprietor or partners alone, and that the concerns of stakeholders are taken care of.

For example, it is always good to opt for auditing and make regular disclosures that boost stakeholder confidence in the independent nature of the business operation. For companies, independence is carried, as in listed concerns, in the composition of the board. Some independent voices will go a long way in providing the necessary assurance.

Next is the issue of risk management. The current move to transit into a regime of enterprise risk management may be too onerous for the smaller businesses.

For listed companies, it is understandable that the scope and scale of the operations are broader and larger. It is thus necessary that frameworks are in place to ensure that risks are properly identified and assessed.

For the smaller businesses, it does not mean that no risks should be taken. It will not serve any investor any good if no risk will result in no return. What it means is that businesses have to reveal their risk profiles.

For this purpose, some effective communications will be useful especially where interactions with the stakeholders are concerned.

Third is shareholder engagement. Depending on the legal form, not all the smaller businesses have shareholders. However, the concept can be broadened to include critical stakeholders of the respective businesses.

The new code stipulates the rights and responsibilities of shareholders of listed companies and how these companies must make it a point to meaningfully engage them. Likewise, for the unlisted companies, especially those with shareholders who are not the main owners or management, the spirit of engagement is definitely relevant.

For proprietors and partners, consultative activities may be carried out particularly with investors and creditors where appropriate. This is to ensure that everyone is on board as the businesses move forward and that the stakeholders will continue to furnish their support.

**Signal of Commitment**

Every business is unique. Sole proprietors are different from the several forms of partnerships and even further away from companies. A "one-size-fits-all" model of corporate governance is definitely far from being helpful.

Yet, there are merits in having a simple voluntary code for all types of businesses, including SMEs. It can be less onerous than the existing Code of Corporate Governance. While being specific promotes clarity, a code for businesses cannot be overly prescriptive. Some room of freedom and adaptability should be built in. Having incentives for adoption will also expedite broader adoption.

At the more fundamental level, corporate governance for all businesses is not just about guidelines and rules. It is more than codes and laws. It is about instituting a culture of diligence in the organization and a mindset of propriety in the leadership. It is not a short-term exercise but a long-term allegiance.

Corporate governance at the surface is obeying the "letter" but a deep acceptance involves imbibing the "spirit". It is a "signal" to stakeholders that a business is committed to sound practices. It is a statement that both the owners and managers believe that good corporate governance is the basis upon which business is conducted professionally and ethically.