

The Future of Boards: Evolution, Digitalisation and Tax Governance

Summary Report of a joint webinar

Brussels, 12 March 2020 – On 10 March, ecoDa, iBabs and PwC organised an interactive panel discussion webinar on *The Future of Boards: Evolution, Digitalisation and Tax Governance*. This webinar echoed a past survey undertaken by Euronext and ecoDa which highlights trends and reactions from European board members towards challenges of governance in the upcoming years.

The joint webinar built some flesh around types of changes needed at board level to respond to society's expectations in terms of culture and values.

Benoît van den Hove, Head of Listing at Euronext Brussels, acting as the moderator, questioned the speakers on topics such as: What are the main changes they have observed at board level over the past years? How can corporate governance help create a more sustainable tax approach? Can digitalisation help with the current pain points that corporate governance faces?

Regarding the profiles of board members, Monique Bachner, Board Member at the Luxembourgish Institute of Directors, confirmed that *"an important aspect for board members nowadays is the capability to step in and to challenge the management"*. In order to operate as a proactive counterbalance to management, board members should not stick to one specific field of expertise. *"On the contrary, we must fight against the tendency imposed indirectly by regulators - at least in the financial sector - to look always for the same class of profiles"*. What matters is the collective intelligence and the complementary approach. *"Even if you would invite a robot algorithm to your corporate board, you need to know what you are buying, what will be the added value for the whole board and what are the risks of potential bias"*, added Monique Bachner.

The need for value judgment is particularly true when it comes to Corporate Tax Governance. Board members need to establish a push and pull with management and adopt more strategic long term tax approach. Corporate Tax Governance is becoming a critical factor for external stakeholders and has become largely embedded in reputation risk and trust issues. As expressed by Edwin Visser, Tax Policy Leader at PwC EMEA, *"the changing purpose of a corporation induces the need for a long-term tax strategy with input of stakeholders, this is what reveals a recent report just released by PwC. Board members have no choice but to exercise active involvement and to demonstrate accountability by enhancing better reporting on tax"*. All the speakers agreed that defining a responsible tax strategy can help companies to set themselves apart, and that board members should not wait for legal developments before adopting a strong and a forward-looking stand on these matters.

All agreed that Digitalisation can definitely help with current pain points that corporate governance faces. Machine learning and blockchain, for example, can help to alleviate compliance burdens, enabling board members to spend more time on strategy. *"Board portals can also bring up to the next level"* highlighted Richard Sealey, E-Governance Advisor at iBabs UK. Not only can board portals help shift to more environmental friendly modes of working, but they can offer a large variety of services such as tracking actions, e-voting, and monitoring director attendance statistics. *"Board portals are worth the investment for companies to walk the talk in terms of digital and environmental issues. They aim at optimizing the efficiency of board meetings by fixing the right agenda, the right focus and the right membership. Their impact should not be underestimated for the organization of general meetings or to optimize the relationship with the auditor"* stated Richard Sealey.

Not all boards are, however, at the same stages of the digital journey. A poll launched during the webinar on the openness of organisations to implementing a digital board portal solution showed that 11.3% of the respondents believe that their organisation is still not ready for change. There are different rationale behind the reluctance that certain boards might have. It can simply be linked to perceptions or the fear of change or of technology. *“It might sound a bit strange to keep on having this same debate in 2020, but we have to cope with the reality. The best way to move forward is to try to convince board members step by step. It would be counterproductive to force change”*, specified Richard Sealey. The speakers warned against certain technology pitfalls, such as drowning board members with data – with more data available, meaningful curation and reporting of that data is more important than ever. Board members have to understand that their duty is not to monitor all details, but rather they be able to access the right data which are relevant for their strategic decisions.

You can watch the webinar on demand via the following link:

<https://info.corporateservices.euronext.com/webinar-future-of-boards>

More info:

- ecoDa, iBabs, Euronext Report on [The future of governance through the eyes of board members](#)
- If you're interested in exploring how the leading European board portal platform could work for you, [request a free demo](#) of iBabs today.
- To learn more about creating a sustainable tax approach, download the report from PwC [here](#).

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