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## **DIRECTIONS FOR IMPROVING CORPORATE GOVERNANCE**

*Abstract.* These are devoted to the development of the main directions of improving corporate governance. It is established that the basic guidelines for the implementation of advanced standards of corporate governance lie in the plane of mechanisms of financial market development. It is proved that the introduction of effective corporate governance is subject to protection of shareholders' rights, development of reliable management and control mechanisms based on the adoption of a balanced and realistic development strategy, openness and transparency in the corporation, risk hedging and conflict of interest prevention.

*Keywords:* corporate governance; financial market; shareholders; development strategy; investors.

The negative impact of COVID-19 on the world economy is continuing. Each level of the corporate structure plays a role in responding to the crisis, both in the short and long term. In conditions of fierce competition, when corporations are faced with the task of maintaining effective performance, and, consequently, their place in the market, one of the most important factors and the leading advantage of competition is an effective system of corporate governance. In this regard, the study of the main areas of improvement of corporate governance becomes particularly relevant and important. The relevance of this topic is also confirmed by the special attention of the authorities in Ukraine: thus, 06.07.2021 the Draft Law on Amendments to Certain Legislative Acts of Ukraine on Improving Corporate Governance of Legal Entities, the shareholder (founder, participant) of which is the state (registration number: 5593-d) was adopted [1].

Iorgachova M. argues that consideration of corporate governance in Ukraine is necessary because identifying problems, finding ways to overcome them will have a positive impact on the development of corporate relations, which will attract investment in the economy of our country and increase national wealth [2]. Davydenko N. notes that the study of the main directions of the corporate financial management system includes understanding the essence and place of finance in the structure of economic units, because, being the main element of formation and use of financial resources, finance covers the whole aspect of relations in the corporation [3].

Bugrov O. determines that in the modern world corporate business plays a key role in the development of the financial and economic ecosystem; corporate governance is a system of relationships that occur in accordance with established processes [4]. In a broad sense, corporate governance is seen as a system through

which to direct and control the activities of the company; within the framework of corporate governance it is determined how investors control the activities of managers, as well as what responsibility managers have to investors for the results of the company [5].

The basic guidelines for the implementation of advanced standards of corporate governance lie in the plane of financial market development mechanisms. It should be borne in mind that “mutual motivation of financial market development mechanisms and corporate governance is as follows: the development of requirements for corporate governance of stock exchanges will improve the quality of corporate governance of corporations in the real and financial sectors of the national economy; two-sector system of financial market regulation will provide proper supervision over the activities of banks, insurance companies in an integrative model of financial corporations” [6, p. 14]. The main task is to use the corporate governance of stock exchanges as an important tool for ensuring the sustainability of corporations and their long-term successful development. That is why there is a need to find sources and tools for long-term economic growth. It should be noted that the stock exchange is a legal entity that is a platform for concluding exchange contracts, settlements and clearing, circulation of commodity derivatives, mortgage certificates and mortgage loans [7].

A critical analysis of the functioning of stock exchanges in Ukraine made it possible to draw a conclusion about their insufficient level of development, including in the agricultural sector of the economy: for example, in 2019-2020, JSC "PFTS Stock Exchange" and the Ukrainian Stock Exchange registered no more than seven issues of issuers; the insufficient quality of their is evidenced by their inclusion in the OTC list. The operations of large agricultural corporations (producers of cereals and industrial crops, meat, milk and vegetable oil) on the domestic stock market are less developed compared to foreign ones and are conducted in the form of initial public offerings on the London, Warsaw and Vienna stock exchanges. We believe that this activation can be achieved through the concentration of sales of agricultural products on the organized stock market, the creation of a single electronic trading platform, the spread of combined forward and futures contracts, and the adoption of a balanced and realistic corporate development strategy. To do this, it is necessary to: identify the basic principles of corporate governance, compliance with which will allow corporations to increase their attractiveness, including in the stock market; to develop approaches to solving corporate problems that arise in the process of forming the relationship between the corporation and investors. Good corporate governance is not limited to the relationship between investors and managers, but also involves taking into account legitimate interests and active cooperation with stakeholders who have a legitimate interest in the corporation (employees, consumers, creditors, government, public, etc.) [5].

In our opinion, the introduction of effective corporate governance is subject, first of all, to the protection of shareholders' rights in case of significant corporate actions; building reliable management and control mechanisms based on the adoption of a balanced and realistic development strategy; openness and transparency in the activities of the corporation, which will help long-term investors to clearly

understand the strategic goal and prospects of the corporation; creating a system of risk hedging and prevention of conflicts of interest, development of principles of incentive policy for company managers.

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