



## ***Organization of the Luxembourg Institute for Global Financial Studies***

The core organization of the Luxembourg Institute for Global Financial Integrity (LIGFI) is contained in its Corporate Governance Charter, embodying LIGFI's Statutes and the international principles of corporate governance of the OECD and European Commission as well as those of the Luxembourg Stock Exchange. Its governing body is constituted by a Board of Regents and a Board of Directors, the latter having the responsibility and accountability of management and oversight of the Institute.

Operational oversight is exercised by the Executive Committee that is typically made up of members of the Board of Directors, but may comprise non Board members chosen amongst LIGFI's Charter and Regular Members.

The Executive Committee has the responsibility to nominate an Executive Director who is responsible for the daily management of LIGFI. The Executive Director administers the operations of the Institute and coordinates the research and related activities of the Work Committees that are constituted by members and partners of the Institute.

Work Committees are organized on the basis of themes pertaining to critical areas of particular interest to the global financial sector, national financial centers and jurisdictions. The themes are further broken down into specific issues that are addressed within a Work Committee by Taskforces made up of members of the Work Committee. The resulting research reports and their recommendations are made available to the public at large to encourage open dialogue with all stakeholders.

The Institute's operations per se are organized in two Departments, namely: the Research and Advisory Department and the Public Affairs Department. The Research and Advisory Department provides analytical and logistical support to the Work Committees and their Taskforces. The Public Affairs Department is primarily concerned with the organization of LIGFI public and private events and the logistical support of meetings held by the Work Committees and Taskforces.



## **Organization of the Luxembourg Institute for Global Financial Studies**

*Please refer below to the chart on Overall Organization Structure of the Institute for Global Financial Integrity for the core responsibilities of and general ties between the bodies constituting LIGFI's organization.*

### ***The Board of Regents***

The Board of Regents is constituted of Honorary Members of the Luxembourg Institute for Global Financial Integrity. The Board of Regents assists and advises the Board of Directors, which manages and oversees the Institute. The Board of Regents is primarily concerned by the mission of the Luxembourg Institute of Global Financial Integrity and how LIGFI's mission is converted into policies, objectives and strategies.

### ***The Board of Directors***

Members of the Board of Directors are elected at the Annual General Meeting and are chosen among the Charter and Regular Members of the Institute. Board members are typically Charter Members.

The Board of Directors is responsible for LIGFI's corporate governance. LIGFI's Governance Charter sets out the principles by which the Board has overall responsibility and accountability for the management and oversight of the Institute based on ethics and integrity and its additional principles of fairness and transparency. It is held to account by the General Meeting of the Institute's members.

### ***The Executive Committee***

The Executive Committee is appointed by the Board of Directors from amongst its members, but may exceptionally appoint Charter or Regular Members who are non Board members. The primary function of the committee is to oversee the activities of the Luxembourg Institute for Global Financial Integrity, namely audit, finance, treasury, legal affairs, membership, mission and policy. The Executive Committee names the Executive Director, who is responsible and accountable for the executive management of LIGFI as a whole.

The Executive Committee appoints special committees, called Working Groups, on an ad hoc and typically temporary basis to address issues and topics that are relevant to the sound management and oversight of the Institute. Two Working groups have so far been constituted, namely: the Working Group on Administrative Matters, Recruitment and Funding and one on Communication and Events. A third Working Group, the Nomination Committee, shall be set up in the first quarter of 2010 to provide guidelines and assist the Executive Director in LIGFI's search for a Vice-Chairman of the Board and the recruitment of senior research fellows for the Department of Research and Advisory Services.



### ***The Executive Director***

The Executive Director is responsible and accountable for the executive management of the Luxembourg Institute for Global Financial Integrity. His duties are extensive and far ranging. They are covered in detail in the Institute's Corporate Governance Charter under item 7 pertaining to LIGFI's management structure.

His role can be summed up as (a) assisting and supporting the Board of Directors, the Executive Committee and special committees in accomplishing their duties, (b) managing the Institute's operations through the Public Affairs and the Research and Advisory Departments and (c) coordinating the work of the Work Committees and their Taskforces made up of the Institute's members and partners. His tasks include internal control, compliance, risk management.

### ***Work Committees and their Taskforces***

Charter and Regular Members of the Luxembourg Institute for Global Financial Integrity, with the Institute's partners, are called upon to constitute Work Committees to make empirical research on specific issues of importance to the global financial sector, national financial centers and jurisdictions. The Work Committee is organized on a theme. Work Committees are presently being considered to be set up on *Corporate Financial Governance, Market Integrity, Regulation, Microfinance, Money Laundering, Corruption, and Funding of Organized Crime and Terrorism*.

Each Work Committee shall identify specific issues within its theme for empirical research to be made by Taskforces set up amongst its members. The Work Committees, as their Taskforces, are assisted and supported in their research by the Department of Research and Advisory Services, which provides analytical and logistical support. The empirical research efforts result in reports with their recommendations and are made available to the public at large to encourage open dialogue with all stakeholders.

The Reports and their recommendations constitute a consensus from within the global financial sector on practical solutions to address business standards and practices in the perspective of professional excellence, ethics and integrity. The role of the Luxembourg Institute for Global Financial Integrity is then to support and promote the proposed ethical business standards and practices throughout the global financial sector, national financial centers and jurisdictions with the aid of its members and partners.



## The Luxembourg Institute for Global Financial Integrity Overall Organization Structure

