

EDITORIAL: New horizons in corporate law and governance research

Dear readers!

We are happy to present the first issue of the journal “*Corporate Law & Governance Review*” introduced in 2021.

Corporate governance and corporate law cover a wide range of eminent topics for the effective governance system. The articles published in this issue have focused particularly on the board configuration, commercial code regulations about the managers’ decision and compensation, the comparative perspective of the common law rule on pre-incorporation contracts, and the responsibility of the company with the authorized fictitious capital from the evidence of emerging markets. Moreover, this issue includes a book review of the theoretical, essential, and international practices of corporate governance, which consists of various timely and interesting concepts, such as the role of institutional investors in corporate governance, the board of directors’ impact on performance and the role of non-executive directors, the audit function and the role of regulation international corporate governance, and socially responsible investment, etc.

In theory, board configuration (board structure) should differ based on the distribution of power and the levels of direction and control functions of the board. In the literature, the scholars generally elaborate on the three types of board configuration: *monistic (one-tier)*, *dual (two-tier)*, and *trial (three-tier)* systems. The “*dual board (two-tier) system*” requires that members of the managing board are not allowed to sit on the supervisory board, so it focuses on supervision, where the level of the control function is high, but the direction function is low. Dual boards are common in Germany, the Netherlands, Poland, Slovenia, and Indonesia. On the other hand, in the socialist and Islamic countries, e.g., China, Vietnam, etc., and Islamic Banks, they do generally have the “*trial board system*”. The CEO and chairperson are the member(s) of the Board of Directors (BoD) and managing board. The role of BoD is direction. There is also an independent supervisory board and its role focuses on supervision. The third system is the “*monistic*” board system and it is predominantly used in most countries, including the USA, the UK, and Switzerland (Hilb, 2012, 2016; Meier & Meier, 2013; Alqatan, Chbib, & Hussainey, 2019; Eklund, 2021). Due to the recent trends, China has been working on establishing its dual board system based on the lessons learned from the traditional German system. *Shu Li* has successfully analyzed this topic by comparing the dual system in German boards versus that in Italy and Chinese boards. This study also highlights the growing diversity of firm-level corporate governance practices and structures within national systems. Zhang (2006) has contributed to understanding the nature of corporate governance in China too.

To have a strong and effective governance system and to protect the investors and stock markets, corporate law and its proper implementation into the businesses have paramount importance (Jackson & Moerke, 2005). *Işik Özer*, *Wiseman Ubochioma*, and *Yalid*, *Ryan Aditama*, *Sindi*, *Husni Tamrin*, and *Iswandi* have addressed the recent corporate law issues from different perspectives in emerging markets contributing to the relevant literature (Abdel-Meguid, 2021; Perényi, 2021).

Finally, the future expectations in research tend to focus on socially and environmentally responsible corporate law and sustainable corporate governance systems and businesses. These topics and the horizons for future research have also been theoretically and practically discussed in the book of AlHares and Abumustafa (2021) and recent literature by Wukich (2020), Kostyuk and Barros (2018), Cranmer (2017), Ayuso and Argandoña (2009), and Huse (2005).

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