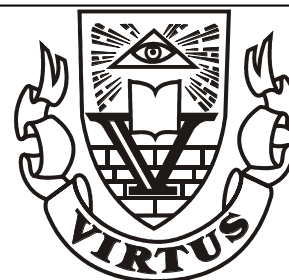


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The aim of the article is presenting the European initiative aimed at implementing the automatic mode of the exchange of information on cross-border tax rulings and advance pricing arrangements. The paper investigates if the implemented measure can help Member States to detect certain abusive tax practices taken by companies, and to take the effective actions in response. It also tries to answer the question whether the initiative can result in more transparency and – as a consequence – in much better governance, both at the states' and the corporations' level.

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*Loredana Ferri Di Fabrizio*

The ongoing debate in the literature centres on the compromised auditor's independence in consequence of the relevant provisions perceived for non-audit services provided to the audited clients. The accounting scandals that have occurred over the past two decades show the lack of competence and independence of external auditors, who kept quite in the face of attempted frauds. The case of Tesco represents an undeniable example of the loss of auditor's independence, who failed to detect accounting manipulation confirming the importance of whistle-blowing procedures in disclosing concerns before they become serious problems. When turnover occurs in CEOs it is more likely that a rotation in external auditors occurs as well. Finally, changes in top management enable whistle-blowing actions to be successful, interrupting the organization's dependence on serious wrongdoings and preventing a disastrous ending. The success of whistle-blowing in preventing company failure makes it an effective instrument of Corporate Governance.

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*Azamat Oinarov, Dana Eshimova*

Application of project management methodologies in different countries is varied. The preference of a particular methodology largely depends on the specific features of a project management system in use. The aim of the paper is to draw the attention of project-involved readers to the need to develop, not a guide, but a specific project management methodology for projects in the public-private sector. The objective pursued by the paper is to provide useful recommendations for improving the existing methodologies on project management in the public-private sector. Kazakhstan's experience in implementing project management methodologies in its public sector is sporadic while its private sector uses of modern methodologies build on external investor proven practices. At the background of the low exposure of the public sector to the best of project management methodologies, the paper reviews existing international project management methodologies and develops useful recommendations on the methodology, most suitable for a developing country's public-private sector, on Kazakhstan's example.

**A CRITICAL REVIEW OF CORPORATE GOVERNANCE REFORMS IN MALAYSIA**

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*Ahmad Al-Hiyari*

Following the East-Asian financial crisis in 1997 and the corporate accounting scandals, the shareholder's confidence in the audited financial statements was adversely affected and regulators started to think seriously reforming the existing corporate governance practices. As a result, numerous initiatives were implemented to accelerate improvement of corporate governance practices. One of these initiatives was the Malaysian Code on Corporate Governance (MCCG). The code was derived from the approach applied by the British Hampel Committee, which attempt to mitigate the agency problem between corporate managers and outside owners. This study suggests that the British approach is unsuitable to Malaysia's business environment. Particularly, the MCCG that had been lunched since 2011 ignore the uniqueness of Malaysia's capital market, regulation environment and ownership structure. Therefore, the study recommends that policy makers and other regulators should consider the local business environment when establishing future code on corporate governance.

**BLOCKCHAIN TECHNOLOGY AND DECENTRALIZED GOVERNANCE: IS THE STATE STILL NECESSARY?**

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*Marcella Atzori*

The core technology of Bitcoin, the blockchain, has recently emerged as a disruptive innovation with a wide range of applications, potentially able to redesign our interactions in business, politics and society at large. Although scholarly interest in this subject is growing, a comprehensive analysis of blockchain applications from a political perspective is severely lacking to date. This paper aims to fill this gap and it discusses the key points of blockchain-based decentralized governance, which challenges to varying degrees the traditional mechanisms of State authority, citizenship and democracy. In particular, the paper verifies to which extent blockchain and decentralized platforms can be considered as hyper-political tools, capable to manage social interactions on large scale and dismiss traditional central authorities. The analysis highlights risks related to a dominant position of private powers in distributed ecosystems, which may lead to a general disempowerment of citizens and to the emergence of a stateless global society.

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*Anikó Szombati*

Legislation laying down the first two pillars of the institutional system of the Banking Union was finalised in April 2014. In accordance with the regulations, non-euro area Member States, including Hungary, may notify the ECB at any time if they wish to participate in the common system even before the euro is adopted. The paper aims at summarising the possible pros and cons vis-à-vis the Banking Union from a Hungarian perspective. It highlights the reasons for not opting in at the inception of the new supervisory system and also gives indications about those major milestones that could give rise to the reconsideration of the present position.

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*Wang Yong, Yang Chongsheng*

This paper offers an introduction to the burgeoning literature on two-sided (or multi-sided) markets and illustrates a feasible analysis on how to adopt this model in designing a well-operated system focusing on the land rentals within a special economic zone, and provides some theoretical support in this research area. In many industries, platforms match relevant parties, e.g. customers to retailers, advertisers to readers, and facilitate interactions between them. Based on this, the paper tries to design a structure for analysing SEZs, which is considered as an efficient method for economic growth.

**DO REGULATORS PAY ATTENTION? AN ASSESSMENT OF IT GOVERNANCE IMPLEMENTATION IN SYSTEMICALLY IMPORTANT BANKS**

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*Mehrdad Sepahvand, Homa Monfared*

This study traces the links between IT governance and two more applied risk management frameworks, COSO and BCBS's principles for managing IT risk. Then it argues due to the magnitude of potential losses caused by any weakness in IT governance in D-SIBs, the assessment of IT governance in these banks should be one of the main concerns of local regulators and supervisors. As a case study, it assesses the relative rank of D-SIBs in Iranian banking system to see where these banks would stand in an ordered list of the banks including both private and public banks in terms of IT governance implementation. The application of the Fuzzy AHP technique shows that IT governance practice in Iranian D-SIBs is not as good as the private banks while it outperforms some state-owned banks.