Latest Developments in Governance, Stewardship and Sustainability

Valoris Stewardship Catalysts

October 2026

Vietnam's upgrade puts corporate governance in focus

FTSE Russell's upgrade of Vietnam from frontier to secondary emerging market took effect on 21 September 2026, following its confirmation in April. The move raises expectations on governance, transparency and investor confidence, at a time when foreign investors have remained net sellers for almost ten months of 2026, according to Vietnam Investment Review. Under Decree 155/2020, listed companies must appoint one independent director on boards of three to five members, two on boards of six to eight and three on boards of nine to eleven. A 2023 survey found that only about 68.4 percent of listed firms complied, and some independent directors play a largely nominal role. By comparison, the Singapore Exchange requires at least two independent directors making up at least one third of the board.

Enforcement is stepping up, including penalties for failing to meet independent board requirements, and the Vietnam Stock Exchange is considering higher governance standards, a higher free-float requirement and adjusted foreign ownership limits. On 27 October, the Institute of Singapore Chartered Accountants (ISCA) and the Vietnam Institute of Corporate Governance (VNICG) signed a cooperation agreement and announced an Independent Director Dual Programme.

Singapore tightens board rules for banks and insurers

In October, the Monetary Authority of Singapore opened a consultation on targeted updates to governance rules for banks, insurers and designated financial holding companies, with comments due by 9 December 2026. Independence criteria would tighten, so that directors employed by, or doing business with a corporation or its affiliates would be deemed non-independent. Minimum board sizes would rise from three or five to seven at domestic systemically important banks (D-SIBs) and from three to five at full banks and domestic systemically important insurers, with these institutions also required to have a majority of independent directors.

The consultation paper extends prior approval by the monetary authority to the nominating committee chair and, at D-SIBs, the chief information officer, while removing some approvals for institutions with less retail reach or systemic importance. As GRC Report notes, the aim is for governance to be proportionate an institution's size, risk and impact, with responsibility for technology and information risk weighing more heavily in senior leadership.

The AI data center boom tests bondholder stewardship

Writing for the IIGCC on 27 October 2026, Laith Cahill argued that data center expansion is increasingly bond-financed, giving bondholders a stewardship route through pricing, documentation and refinancing. Capital expenditure by Alphabet, Amazon, Meta, Microsoft and Oracle is projected to reach US$800bn in 2026, up from US$97bn in 2020, based on Bloomberg estimates cited by IIGCC. Bond issuance by these "Hyperscalers" reached about US$170bn by late June 2026, against an annual average of about US$35bn over 2020 to 2024, and AI-related high-yield issuance is expected to exceed US$100bn.

Key risks include power sourcing and emissions, grid and permitting delays, water use, customer concentration and leverage. Yet these issuers may sit outside net-zero stewardship priorities because they are classed as technology, communications or real estate names. Bondholders can push for disclosure on power, water, grid and Scope 1 to 3 emissions and reflect risk in allocation, pricing and covenants. Refinancing events offer a moment to revisit expectations, while engagement can extend beyond the issuer to utilities, banks and policymakers. As IIGCC puts it, "decisions taken now on power sourcing, siting, resource use and physical resilience will shape outcomes for decades."