



## **'Nine year rule should be dropped' says ICSA**

2 October 2009: The Institute of Chartered Secretaries and Administrators (ICSA) has today published its response to the Financial Reporting Council's review of the Combined Code. The response has also been copied to Sir David Walker given its applicability to his review of corporate governance in UK banks. In broad terms, ICSA very much welcomes the content of the interim responses from both the FRC and Sir David Walker, particularly the recognition of the importance of boardroom behaviour, an acceptance that risk should be dealt with at an appropriate level, the proposed continuation of the comply or explain model and recognition that the time commitment of directors must be re-assessed.

One of ICSA's key recommendations is that the nine year rule should be dropped. In the current version of the Combined Code, the board has to determine whether the non-executive director is independent in character and judgement, including consideration of circumstances likely to affect the director's judgement. A director who has served more than three three-year terms is no longer considered independent unless the determining board explains its reasons for deciding otherwise.

David Wilson, ICSA's Chief Executive comments ' The nine year rule has proved itself to be too arbitrary a measure and can result in the loss of non-executives otherwise making a valuable contribution. In our view, the length of their tenure is less important than their independence in terms of character, judgement and circumstance'

To view the full submission, please [click here](#)

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### **Editors' notes**

The Institute of Chartered Secretaries and Administrators (ICSA) is the qualifying body for company secretaries and a leading authority on corporate governance. It publishes guidance notes and best practice guides and through its subsidiaries provides events, information and training, boardroom performance evaluation and dedicated software. The ICSA has 36,000 members worldwide and is represented in over 70 countries.

In its original submission to the Walker review, ICSA contributed a report on boardroom behaviours which was based on the findings of a survey carried out with the company secretarial community and advisers working in the boardrooms of major UK companies. The report can be found [here](#)

