

Public Comment Request for Development of COSO's Corporate Governance Framework

Action: Request for feedback on COSO's draft Corporate Governance Framework (CGF)

Background: The Committee of Sponsoring Organizations of the Treadway Commission (COSO), in collaboration with the National Association of Corporate Directors (NACD), is requesting input from all interested parties on the draft CGF.

Goal of the CGF: To develop a recognized and respected governance framework that complements and aligns with existing COSO internal control (ICIF) and enterprise risk management (ERM) frameworks.

Scope:

- **Target Audience:** While the framework is primarily designed for U.S. public companies, it also offers valuable guidance for private entities and public sector organizations. The underlying principles are broadly applicable and are likely to resonate with global audiences as well.
- **Broader Applicability:** Expands beyond role of the board to include broad aspects of corporate governance (executives, shareholders, culture, value creation, risk management, compliance, controls, etc.) that must be reflected throughout the organization.

Dates: Interested parties are invited to submit comments on or before 11:59 p.m. (ET) on July 11, 2025.

Instructions: Response to this exposure draft is voluntary. Each individual or institution is requested to submit only one survey response and/or one letter with feedback on the draft CGF.

Survey: https://goldmantrial.qualtrics.com/jfe/form/SV_cD2PqeUslGj3iFU

Letters: Each individual or institution is requested to submit only one response. Responses must include the name of the person(s) or organization(s) filing the comment and the following statement: "This document contains no business-proprietary or confidential information. Document contents may be reused by COSO in developing the CGF." Therefore, we request that no business proprietary information, copyrighted information, or sensitive personally identifiable information be submitted as part of your response to this public exposure period.

For further information contact:

Lucia Wind

Lucia.wind@coso.org

References:

- [COSO and NACD CGF Press Release](#) issued May 2024
- COSO's [Enterprise Risk Management](#) Guidance
- COSO's [Integrated Control- Integrated](#) Guidance

FAQs:**(1) Why is COSO, together with NACD, developing a CGF?**

Based on feedback from the market and extensive research, there are several reasons supporting the development of a CGF:

- While the U.S. leads in capital markets and exchanges, there has been no single, integrated, and comprehensive governance framework to guide boards, management, and stakeholders. Existing guidance is abundant but fragmented—what's been missing is a unified, practical framework that connects the interrelated aspects of governance in a clear and actionable way.
- A strong framework promotes ethical business practices, sustained corporate responsibility, and financial viability.
- It helps organizations create, protect, and accelerate long-term shareholder and stakeholder value.

It strengthens governance transparency and consistency, which in turn attracts and promotes investor confidence.

(2) Who can use this framework?

While the CGF aims to highlight leading corporate governance practices for U.S. public companies, it is also designed to serve as a common language for governance that may be applicable to other types of entities, both in the U.S. and globally. It recognizes the critical roles played by boards, executive management and shareholders, and other internal and external stakeholders in fostering effective governance. The framework provides adaptable, principle-based guidelines that stakeholders can look to based on their unique roles and interests.

(3) How was this draft CGF developed?

The team applied a rigorous development process involving multiple stages of primary research and collaboration with various corporate governance professionals. As a first step, COSO conducted extensive market research to validate the business case for developing such a framework.

The COSO Board appointed an Advisory Council to provide strategic advice, share leading practices and balance diverse stakeholder interests. Additionally, Observers were selected to provide perspectives through a regulatory and policy lens.

The development process also included stakeholder interviews spanning multiple roles across sectors and entity types, corporate governance peer roundtable discussions to gather additional market insights, as well as this public exposure period – all providing valuable guidance that helped inform the development of the CGF.

(4) Will this replace COSO's ERM and ICIF?

While it does not replace COSO's other frameworks, this guidance is designed to expand upon and align with COSO's Enterprise Risk Management (2017) and Internal Control—Integrated Framework (2013). Governance sets the tone, structure, and accountability for how an organization operates. It provides the direction and oversight that enable both the ICIF and ERM frameworks to function effectively. Rather than duplicating their purpose, governance reinforces and integrates them, promoting consistent and aligned risk and control practices across the enterprise.

(5) Will U.S. public companies be required to comply with this framework?

COSO is not a regulatory body. The thought leadership the organization writes is intended for information and/or guidance, not to be standards or create requirements. The goal is not to impose new mandates but to formalize widely accepted principles that enhance governance effectiveness. By emphasizing leading practices, the framework serves as a valuable reference that entities can tailor to their specific circumstances.

This framework is not intended to impose burdensome administrative requirements but rather to establish a common language that helps entities articulate how their corporate governance structures, policies, and practices. It emphasizes enduring governance principles while allowing for flexibility to adapt to each entity's unique circumstances.

(6) Will I receive a response?

Although you will receive an automated response confirming receipt of your letter and/or survey submission, due to the volume of input, COSO will not be responding individually to each submission. Please note however that all comments will be considered in the final development of the CGF.

(7) What is the timeline for this framework?

Once all comments have been considered, the framework is expected to launch in fall 2025.

(8) How will COSO incorporate my feedback?

While all comments and survey results will be carefully considered, there is no guarantee that specific changes will be made. The final decision will be made by the COSO Board.

(9) Can I mail in my letter with feedback?

Before submitting a letter, you are required to complete the associated survey. Submission will not be accepted without survey completion.