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BOARD GOVERNANCE IN SOUTHEAST EUROPE: TOWARDS STRONGER TRAINING AND QUALIFICATION STANDARDS FOR NON-EXECUTIVE AND SUPERVISORY BOARD MEMBERS

UPRAVLJANJE ODBOROM U JUGOISTOČNOJ EUROPI: PREMA SNAŽNIJIM STANDARDIMA IZOBRAZBE I KVALIFIKACIJA NEIZVRŠNIH DIREKTORA I ČLANOVA NADZORNIH ODBORA

SAŽETAK: Rad analizira kako sustavi izobrazbe, kontinuiranog profesionalnog razvoja i kvalifikacijskih zahtjeva oblikuju učinkovitost neizvršnih direktora i članova nadzornih odbora u zemljama jugoistočne Europe. U fokusu je jedanaest nacionalnih okvira koji obuhvaćaju države članice Europske unije i zemlje zapadnog Balkana. Napravljena je usporedna analiza zakonodavstva, kodeksa korporativnog upravljanja i regulatornih smjernica. Nalazi upućuju na formalnu usklađenost s europskim standardima, ali i na ograničen razvoj praksi koje stvarno doprinose kvaliteti rada odbora, osobito u području strukturirane edukacije i mjerljivog profesionalnog razvoja. Zaključno se ističe da unapređenje učinkovitosti odbora zahtijeva sustavniji pristup razvoju kompetencija, uključujući jačanje edukacijske infrastrukture i profesionalnih standarda.

KLJUČNE RIJEČI: korporativno upravljanje, učinkovitost odbora, neizvršni direktori, profesionalni razvoj, jugoistočna Europa

JEL KLASIFIKACIJA: G34, G38, K22, P31

ABSTRACT: This paper takes up the question of how training, continuous professional development and qualification frameworks shape the effectiveness of non-executive directors and supervisory boards across Southeast Europe. Eleven national systems are brought into view, encompassing both EU Member States and the countries of the Western Balkans. The study proceeds along comparative lines, drawing on company law, codes of

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corporate governance and regulatory guidance. What emerges is a picture of formal alignment with European standards, alongside a far more limited development of practices that meaningfully enhance how boards actually perform, particularly in the domains of structured training and measurable professional development. The paper argues, in closing, that any genuine improvement in board performance will call for a more systematic approach to the building of competence, one that rests on stronger training infrastructure and clearer professional standards.

KEY WORDS: corporate governance, board effectiveness, non-executive directors, professional development, Southeast Europe

JEL CLASSIFICATION: G34, G38, K22, P31

1. INTRODUCTION

The professionalisation of non-executive directors and supervisory board members (NEDs) in Southeast Europe has developed under conditions different from those in most Western European jurisdictions. In many Western systems, board practice matured gradually through capital-market development, institutional investors and a dense professional infrastructure. By contrast, in Southeast Europe, modern governance frameworks were largely introduced during and after the transition from socialist or state-led economic systems. They drew on continental European company law and, more recently, on comply-or-explain corporate governance codes (Berglof & Claessens, 2006; Estrin, 2002; Tipurić, 2008; Tipurić & Cindrić, 2025). At the formal level, the resulting architecture bears close resemblance to that of Western European systems.

This formal similarity should not be read as functional equivalence. The same legal form operates differently in settings characterised by concentrated ownership, shallow capital markets, persistent state influence and weaker enforcement (La Porta et al., 1998; Pistor, 2000; Iwasaki, 2014). Board appointments and board behaviour are therefore shaped not only by law and codes, but also by ownership power, reputational networks, political influence, and the still uneven development of professional support institutions. Director competence has to be assessed against that background, not in abstraction from it (Berglof & Claessens, 2006).

The paper addresses three questions. First, are NEDs required to complete training before appointment? Second, are they expected or required to maintain continuous professional development (CPD) after appointment? Third, must they hold specific qualifications or credentials in order to serve? The analysis distinguishes between requirements arising from company law, governance codes, listing rules, sectoral supervision and professional self-regulation.

Three findings stand out in particular. First, general company law is almost uniformly silent on all three competence dimensions, except for limited requirements in regulated sectors and in parts of the state-owned-enterprise segment. This is consistent with the wider European preference for regulating director conduct rather than prescribing ex ante certification (Hopt, 2011). Second, governance codes are present across the region, but their practical implementation is uneven and often depends on the quality of disclosure, investor

scrutiny and regulatory follow-up (Cuomo, Mallin, & Zattoni, 2016). Third, fit-and-proper regimes in banking and insurance have become the most concrete source of competence expectations and, in several countries, operate as a practical benchmark for board professionalism (De Haan & Vlahu, 2016; Hopt, 2021).

The argument that follows is therefore deliberately institutional. Legal harmonisation matters, but it does not by itself professionalise boards. Progress strongly depends on the infrastructure around the law: directors' associations, training programmes, nomination practices, supervisory capacity and a governance culture in which competence is treated as a real condition of board effectiveness. For the Western Balkans, the EU accession process makes this issue especially relevant, because it links legal convergence with institutional reform.

The contribution of the paper is a comparative mapping of board competence requirements across eleven Southeast European jurisdictions. Analysis is based on a three-layer framework, general company law, soft law and prudential regulation, and connects the legal evidence with the literature on post-transition corporate governance and board social capital. The aim is at the same time analytical and practical: to clarify what the rules actually require, where the gaps lie and which reforms are most likely to raise board effectiveness in the region.

2. RESEARCH OBJECTIVES AND QUESTIONS

The paper pursues five research objectives designed to generate findings of comparative and practical value.

- To map, on a comparable basis and using the most recent versions of the relevant instruments, the statutory, regulatory and soft-law requirements applicable to pre-appointment training, continuous professional development and professional qualifications of NEDs of listed companies across eleven Southeast European jurisdictions.
- To identify points of convergence and divergence within the region, distinguishing obligations arising from general company law, national corporate governance codes, stock-exchange listing rules, sector-specific prudential regulation, state-owned-enterprise selection frameworks and professional-body self-regulation.
- To situate the Southeast European evidence within the broader European comparative landscape, and thereby to identify those features of the regional architecture that are common to all of Europe and those that are specific to the post-transition context.
- To assess the relative contribution of hard law, soft law and professional self-regulation to the professionalisation of the NED role in Southeast Europe, locating the comparative evidence within the relevant scholarly literature on post-transition corporate governance and on-board human capital.
- To derive objective policy implications for national directors' associations, regulators, stock exchanges, listed companies and individual NEDs in Southeast Europe, with particular attention to the reform opportunities created by the ongoing accession process of the Western Balkan jurisdictions.

The operational research questions that follow from these objectives are next: (1) Do the eleven Southeast European jurisdictions require NEDs of listed companies to undergo mandatory training or professional development before joining the board? (2) Do they require sitting NEDs to maintain continuous professional development, and if so with what quantified threshold? (3) Do they require NEDs to hold specific professional qualifications in order to be appointed? (4) Through which regulatory instrument (hard law, soft law, professional-body rule or supervisory guideline etc.) is the obligation, where it exists, actually transmitted?

3. CONCEPTUAL FRAMEWORK, SCOPE AND METHOD

The competence requirements applicable to NEDs and supervisory board members of Southeast European listed companies arise from three cumulative regulatory layers rather than just one rule. The first is company law, which sets minimum eligibility conditions but rarely defines substantive competence (Hopt, 2011; Conac, Enriques, & Gelter, 2007). The second is soft law, primarily national corporate governance codes operating on a comply-or-explain basis (Arcot, Bruno, & Faure-Grimaud, 2010; Cuomo, Mallin, & Zattoni, 2016). The third is sector-specific regulation, which imposes binding fit-and-proper requirements in banking, insurance and investment sectors through EU-derived supervisory frameworks (De Haan & Vlahu, 2016; Ferrarini, 2017; Hopt, 2021).

These layers operate simultaneously. A supervisory-board member of a listed bank, for example, is subject to company law, governance codes and supervisory suitability assessments. The resulting obligations vary across sectors and jurisdictions, producing a multi-layered system in which competence standards arise from the interplay of law, codes and supervision rather than from any single source.

To these formal layers, the Southeast European context adds a fourth, one of an informal kind: the post-transition institutional environment. The literature has long shown that identical formal rules can yield markedly different outcomes in systems marked by concentrated ownership, weak enforcement and underdeveloped capital markets (La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1998; Estrin, 2002; Berglöf & Claessens, 2006; Iwasaki, 2014; Aluchna & Aras, 2018). Soft-law mechanisms such as comply-or-explain consequently operate with reduced effectiveness, often eliciting formal rather than substantive compliance (Arcot et al., 2010; Cuomo et al., 2016). Sectoral supervision, on the other side, and particularly that exercised in banking, plays a disproportionately strong role in shaping actual competence standards, owing to its direct enforcement capacity (De Haan & Vlahu, 2016; Hopt, 2021).

Finally, the regional governance model is predominantly two-tier in character. Most jurisdictions rely on supervisory boards rooted in the continental European tradition, and where one-tier systems do appear, they tend to do so only in limited or optional form (Clarke, 2017; Tipurić & Cindrić, 2025). The analysis therefore turns primarily to supervisory-board members, with NEDs entering the picture where one-tier structures are in place.

The study spans eleven Southeast European jurisdictions, chosen so as to embrace both the EU-integrated states and the candidate or potential-candidate states of the region (Berglöf & Claessens, 2006; Grosman, Okhmatovskiy, & Wright, 2016). Five of these are full Member States of the European Union: Croatia (acceded in 2013), Slovenia (2004), Romania (2007),

Bulgaria (2007) and Greece (1981). The inclusion of Greece, despite its considerably longer tenure within the Union, is by no means accidental. Its institutional location within the wider region, its deep Balkan economic entanglements and the singular character of its capital market render its presence in the sample analytically productive, rather than anachronistic (Clarke, 2017). The remaining six belong to the candidate or potential-candidate jurisdictions: Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia, Albania and Kosovo. Bosnia and Herzegovina, it should be said, poses an additional layer of complexity, comprising as it does two sub-state entities, each governed by its own company-law regime; for the purposes of the present paper, references to Bosnia and Herzegovina consolidate findings from both entities, with material divergences flagged where they arise.

The methodology rests on three pillars: a comprehensive analysis of national company laws across the eleven jurisdictions, a careful reading of corporate governance codes and stock-exchange rules, and an examination of supervisory guidance issued by the relevant national authorities, with particular attention paid to fit-and-proper and training requirements.

This comparative material was not left to stand on its own. It was set against the wider academic literature on board effectiveness and on post-transition corporate governance, so that what regulators prescribe on paper might be weighed against what the empirical evidence in fact tells us about the conditions under which boards actually perform (Fama & Jensen, 1983; Hillman & Dalziel, 2003; Adams, Hermalin, & Weisbach, 2010).The analysis is restricted to listed companies and, in two-tier systems, to supervisory-board members; where one-tier structures exist, to non-executive directors. Sector-specific requirements in banking, insurance and investment services are discussed as contextual overlays rather than in exhaustive detail. Throughout the analysis, findings are cross-referenced to the parallel ecoDa review of eighteen Western European jurisdictions (Tipurić, Cindrić, & Idžojtić, 2026) in order to situate the Southeast European configuration within the broader European landscape.

Three limitations of the study should be highlighted. First, the primary sources for some of the Western Balkan jurisdictions are less systematically consolidated and less readily accessible in English than those of Western European jurisdictions; the paper relies, where necessary, on secondary academic literature and on the regional reports of international organisations (OECD, World Bank, IFC). Second, the rate of legislative reform in the candidate states is rapid and is likely to remain so as accession progresses; the findings reported here reflect the legal situation as of late 2025 and early 2026, and readers should verify current status for any operational purpose. Third, the paper is restricted to formal regulatory analysis; a full account of the post-transition institutional substrate (informal enforcement, corporate ownership patterns, ownership concentration ratios) would require empirical work beyond the scope of the present study and therefore it is left for future endeavors.

4. FINDINGS

4.1. Pre-Appointment Training

Pre-appointment training of NEDs in Southeast Europe is characterised by a clear and consistent pattern of statutory silence. In none of the eleven jurisdictions analysed does company law impose mandatory training or certification of any kind as a formal condition

for appointment to the supervisory board or as a non-executive director of a listed company. This approach reflects a broader continental European tradition of regulatory minimalism in defining director competence (Hopt, 2011; Conac et al., 2007).

The baseline rule is therefore simple: any individual who satisfies basic legal requirements, such as legal capacity and absence of disqualification, may be appointed without any prior training. Across countries including Croatia, Slovenia, Romania, Bulgaria and Greece, as well as Serbia, Montenegro, North Macedonia, Albania, Kosovo and Bosnia and Herzegovina, legal frameworks are closely aligned in this respect.

This regional pattern is not an anomaly. It belongs, rather, to a wider European consensus. The comparative evidence makes clear that even in Western Europe, company law seldom prescribes substantive competence requirements for directors (Tipurić, Cindrić & Idžojtić, 2026). Regulation concerns itself instead with conduct and fiduciary duties, not with ex ante certification. The baseline rule across EU countries is, in essence that any person who satisfies the minimal eligibility conditions imposed by company law, namely legal capacity, the absence of disqualification, and compliance with incompatibility rules, may be validly appointed to the board of a listed company without ever having undergone any prior training whatsoever.

Yet the implications of this statutory silence are not the same in the Southeast European context. In environments marked by weaker institutional support, limited investor activism and underdeveloped professional infrastructures, the absence of formal requirements opens a far more pronounced gap in practice than is the case in the more developed governance systems of the West.

Within this generally minimalist framework, certain exceptions can be noticed. One such exception concerns state-owned enterprises (SOEs), where several jurisdictions have put in place structured selection and evaluation systems. In countries such as Croatia, Slovenia and Romania, these frameworks operate as de facto qualification and training regimes for supervisory-board members (OECD, 2020; Filatotchev et al., 2013). Although the rules formally bind only state-owned entities, their reach in practice extends considerably further. A great many state-owned enterprises are listed on the stock exchange, and these frameworks therefore shape competence standards across a substantial portion of the capital market, if only indirectly.

A second area of development concerns the rules of stock exchanges and the codes of corporate governance. Traditionally confined to mere recommendations, some of these codes have begun to edge closer to operational requirements. The Bucharest Stock Exchange Code (2025) and the Zagreb Stock Exchange Code (2024), to note two telling examples, place emphasis on structured induction and skills assessment, in what may be read as a gradual but unmistakable strengthening of the regulatory regime.

Soft low is at the heart of the regional systems. Virtually every corporate governance code carries a recommendation that newly appointed non-executive directors should undergo an induction programme of some kind. In spite of differences in terminology, the underlying expectation is consistent across jurisdictions and aligned with European best practices.

The key weakness, however, lies in enforcement. Comply-or-explain mechanisms remain comparatively feeble, hampered by limited supervisory capacity, low investor en-

gagement and a thin market for governance control. Induction, as a consequence, is often carried out in a manner more formalistic than substantive (Aluchna & Aras, 2018; Tipurić, 2008, 2015).

A fundamentally different regime applies in the regulated sectors. In banking, insurance and investment firms, EU-derived supervisory frameworks impose binding fit-and-proper requirements that extend to the assessment of knowledge, experience and integrity prior to appointment (De Haan & Vlahu, 2016; Hopt, 2021). These requirements are enforced with considerable rigour by the national authorities, and are frequently accompanied by targeted training in such areas as risk management, compliance, ESG and digital resilience. Pre-appointment competence in these sectors is, accordingly, far more structured and far more rigorously assessed than elsewhere.

This sectoral regime carries much wider implications for the region. Given that financial institutions and regulated industries dominate so many Southeast European capital markets, prudential standards exert a powerful spillover effect on general governance practice. In a number of countries, Croatia, Slovenia and Romania among them, the fit-and-proper regime has, in effect, become the principal driver of board competence, with corporate governance codes relegated to a secondary, supportive role.

Therefore, the Southeast European model of pre-appointment training may be described as a hybrid system. It rests on three pillars: statutory minimalism, soft-law guidance and strong sectoral supervision, with the third increasingly shaping practical outcomes in the absence of robust general enforcement mechanisms.

4.2. Continuous Professional Development (CPD)

Continuous professional development in Southeast Europe largely mirrors the pattern observed in the case of pre-appointment training, though with certain nuances that are worth noting. Across all eleven jurisdictions, general company law imposes no mandatory CPD requirement whatsoever upon non-executive directors or supervisory-board members. There are no statutory minimum hours, no points, no formal obligations of any kind, which reflects a consistent regional disposition of legislative restraint.

This absence of a legal CPD floor holds uniformly across both the EU Member States and the candidate countries. Croatia, Slovenia, Romania, Bulgaria, Greece and the Western Balkan jurisdictions all follow same model, in which company law defines eligibility and duties but leaves ongoing competence development unregulated.

In practice, the regulatory gap is filled primarily through corporate governance codes. These codes impose no binding obligations; rather, they establish expectations that board members ought to develop their knowledge and skills on a continuing basis. The Croatian Corporate Governance Code (2024), to take one illustrative example, assigns to the supervisory board chair the responsibility for ensuring ongoing competence development and periodic evaluation.

Comparable provisions can be found across the region. The Slovenian Code promotes continuous learning and is reinforced by the framework of the Slovenian Sovereign Holding for state-owned enterprises. The Romanian Code (2025) goes further still, explicitly requiring continuous education, defining board skill profiles and linking them to mechanisms of

performance evaluation. Other national codes, those in Bulgaria, Greece, Serbia, Montenegro and North Macedonia among them, follow the same general principle, albeit with varying degrees of specificity. Even where the codes are less detailed, as in Albania and Kosovo, the expectation of ongoing professional development is articulated with sufficient clarity.

The critical difference between Southeast Europe and Western Europe lies, then, not in the existence of these expectations but in the matter of their enforcement. In Western Europe, CPD disclosure is sustained by firm investor scrutiny and by well-developed governance ecosystems. In Southeast Europe, on the other sid, weaker institutional pressure tends to yield formal rather than substantive compliance (Aluchna & Aras, 2018; Tipurić, 2008; Tipurić, Cindrić & Idžojtić, 2025).

The pattern that emerges is telling indeed. Where a quantified CPD threshold binds a non-executive director of a listed company in Europe, it almost invariably does so by virtue of the director's chosen professional affiliation, not by virtue of his or her office. Professional-body CPD belongs squarely to the category of self-regulation: it is chosen, not imposed; it is enforced through membership rather than through company law; and it applies only to those directors who elect to hold the relevant credential. The absence of a general statutory CPD floor, together with the presence of professional-body thresholds of twelve, twenty, thirty or thirty-five hours per year, produces a curious outcome: a single listed-company board may simultaneously consist of directors bound by strict quantified CPD obligations and directors bound by none at all.

A particularly notable feature of the region is the absence of quantified CPD benchmarks. Unlike jurisdictions such as the Netherlands, Luxembourg or the United Kingdom, where minimum annual training hours are placed, no Southeast European country has yet introduced a measurable CPD threshold for directors.

Professional associations across the region, those in Croatia, Slovenia and Romania among them, actively promote continuing education. Yet these initiatives remain largely voluntary in character and have not, as yet, evolved into formalised certification or monitoring systems with binding force (Institute of Directors Association of Slovenia, 2023; HUND, 2024).

The situation reflects broader institutional factors. Directors' associations in Southeast Europe are relatively recently formed, with more limited resources and smaller membership bases than their Western European counterparts. The infrastructure required for the enforcement of CPD standards is therefore still in the process of formation. Despite that, the trajectory is, nonetheless, gradually shifting. Some associations are moving towards more structured CPD programmes, and the introduction of voluntary benchmarks suggests itself as a logical next step. The EU accession process in the Western Balkans further reinforces this trend by encouraging alignment with European governance standards.

As was the case with pre-appointment training, the most significant driver of CPD in practice comes from sector-specific regulation. In banking, insurance and investment services, EU-aligned supervisory frameworks require continuous evaluation of board member suitability, which extends to ongoing training and competence development (Ferrarini, 2017; Hopt, 2021). These requirements are operationalised through formal training policies, regular skills assessments and documented learning activities. In the EU Member States they apply directly; in the candidate countries they are increasingly adopted through regulatory convergence and through the influence of cross-border financial groups.

The result is a de facto CPD regime in the regulated sectors that proves far more demanding than the general framework. In many cases, these sectoral expectations reach beyond individual institutions and shape governance practices at the group level, especially in large listed companies with financial subsidiaries. In a number of Southeast European countries, this has made prudential supervision the principal driver of continuous professional development. Corporate governance codes provide the normative framework; supervisory authorities, however, ensure its practical implementation.

An additional layer of CPD regulation operates in the context of state-owned enterprises. In countries such as Slovenia, Croatia and Romania, structured evaluation and training systems for supervisory-board members function, in effect, as continuous development frameworks (OECD, 2020; World Bank, 2024). These systems encompass regular performance assessments, mandatory training programmes and competency reviews, often extending to such areas as finance, governance, risk management and ESG issues. Although formally confined to state-owned enterprises, their reach extends considerably further, owing to the significant role these companies play in regional capital markets. These examples demonstrate, importantly, that structured CPD systems are perfectly feasible within the region when supported by sufficient institutional capacity and the requisite political commitment. They offer a practical model that might well be extended to privately owned listed companies.

The Southeast European CPD framework may, then, be characterised as a hybrid system. It rests on three pillars: non-binding soft-law expectations, emerging professional standards and strong sectoral enforcement in regulated industries, with state-owned enterprises serving as an additional source of structured practice. The principal challenge remains the gap between formal expectations and substantive implementation. The closing of that gap will require not merely regulatory refinement, but stronger institutional support across the board: more active investors, better-resourced directors' associations and enhanced supervisory capacity.

4.3. Professional Qualifications

Across Southeast Europe, a clear and uniform pattern presents itself. No jurisdiction in the region requires non-executive directors or supervisory-board members of listed companies to hold specific professional qualifications as a condition of appointment. Company laws concern themselves consistently with legal capacity and disqualification criteria, rather than with formal competence requirements, which aligns with the broader European preference for conduct-based regulation (Hopt, 2011). The comparative evidence points unambiguously to the absence of any such general requirement across the whole of Europe. Not a single Member State, as a general rule, conditions appointment to the board of a listed company on prior certification, licensing or academic credential (Tipurić, Cindrić & Idžojtić).

This approach is visible across all eleven jurisdictions. The legal frameworks of Croatia, Slovenia, Romania, Bulgaria, Greece, Serbia, Montenegro, North Macedonia, Albania, Kosovo and Bosnia and Herzegovina permit any legally capable individual, provided he or she is not subject to disqualification, to serve on a supervisory board without prior certification or formal credentials of any kind.

The only significant and harmonised exception arises in connection with audit committees. Under EU law (Directive 2014/56/EU and Regulation (EU) No 537/2014), listed companies must ensure that at least one member of the audit committee possesses expertise in accounting or auditing, while the committee as a whole must command an understanding of the relevant sector. This requirement has been transposed across the EU Member States of the region, Croatia, Slovenia, Romania, Bulgaria and Greece among them, through national audit and capital-market legislation. Implementation details differ from one country to another; the core obligation, however, remains consistent and binding.

Candidate countries have likewise moved towards alignment with this EU standard, albeit unevenly. Serbia and Montenegro are relatively advanced, while Bosnia and Herzegovina and Kosovo are still in the process of developing their frameworks. The audit committee rule represents, nonetheless, the most coherent example of a substantive competence requirement to be found anywhere in the region.

Beyond this specific case, corporate governance codes adopt a regulatory logic of an altogether different kind. Rather than imposing qualifications upon individual directors, they place their emphasis on the collective competence of the board. Boards are expected to bring together diverse skills, experiences and backgrounds, so as to secure overall effectiveness.

This approach finds firm grounding in the academic literature, which shows that board performance depends far more on the mix of competencies than on the credentials of individual members (Pfeffer & Salancik, 1978; Hillman & Dalziel, 2003; Adams et al., 2018). Southeast European governance codes thus stand in alignment with contemporary board research, prioritising as they do complementarity and diversity of expertise.

The effectiveness of this model is, however, deeply dependent upon institutional conditions. In a great many Southeast European companies, board appointments are powerfully shaped by dominant shareholders or by the state itself, a circumstance that may well limit the practical role of nomination committees and diminish the impact of formal competence frameworks.

A related issue, and by no means a trivial one, is that of transparency. Governance codes frequently recommend the disclosure of board skills and composition, yet practices such as the publication of a board skills matrix remain uneven across the region, which reflects broader limitations in the governance infrastructure.

As in other areas of board competence, sector-specific regulation strengthens qualification requirements considerably. In banking, insurance and investment, EU-derived fit-and-proper rules impose detailed assessments of individual and collective suitability, extending to technical expertise and regulatory knowledge alike.

A dual system therefore emerges. For most listed companies, qualification requirements remain principles-based and collective in character. For regulated entities, by contrast, they prove considerably more stringent and rigorously enforced. This asymmetry between the general and the sectoral regimes counts among the defining features of the Southeast European corporate governance landscape.

4.4. Comparative Synthesis

Table 1 consolidates the jurisdiction-by-jurisdiction findings across the three research dimensions. The entries report the regime applicable to NEDs of listed companies under general company law, corporate governance codes, and, where material, sectoral and SOE-specific overlays.

Table 1. Pre-appointment training, CPD and qualification requirements for NEDs and supervisory-board members of listed companies in eleven Southeast European jurisdictions

Country	Pre-appointment training	Continuous professional development (CPD)	Professional qualifications
Albania	No statutory requirement under Law 9901/2008; Albanian Code of Corporate Governance recommends induction; Bank of Albania and AFSA F&P for regulated sectors.	No statutory threshold; code recommends ongoing development; banking/insurance sectoral CPD via EBA/EIOPA-inspired guidelines.	No general requirement; audit committee expertise expected for PIEs; accession-driven alignment with EU audit directives under way.
Bosnia & Herzegovina	No statutory requirement at entity level (FBiH and RS company laws); emerging code expectations at both entity stock exchanges (SASE, Banja Luka SE); entity banking agencies F&P for regulated sectors.	No statutory threshold; code encouragement of ongoing development; banking-sector CPD via entity-level central-bank guidance aligned with EU practice.	No general requirement; audit committee expertise developing via partial transposition of EU audit rules; fragmented entity-level implementation.
Bulgaria	No statutory requirement under the Commercial Act; National Code for Corporate Governance (2016, as revised) recommends induction; FSC and BNB F&P in regulated sectors (directly applicable EBA/EIOPA rules).	No statutory threshold; Code recommends ongoing development; banking/insurance CPD via direct EBA/EIOPA regime.	No general requirement; audit committee (PIE): accounting/audit expertise (Independent Financial Audit Act); EU-harmonised.

Country	Pre-appointment training	Continuous professional development (CPD)	Professional qualifications
Croatia	No formal legal requirement under the Zakon o trgovačkim društvima; ZSE/HANFA Code (2024) recommends induction; HANFA/HNB F&P in regulated sectors (directly applicable EBA/ EIOPA).	No statutory CPD; ZSE/HANFA Code (2024) recommends continuous enhancement of knowledge; SOE frameworks under 2025 legislation impose structured evaluation; HUND voluntary CPD.	No universal qualification requirement; audit committee (PIE): accounting/audit expertise (Audit Act, Capital Market Act); natural-person rules for supervisory-board members.
Greece	No statutory requirement under Law 4548/2018; Hellenic Corporate Governance Code (2021) recommends orientation and induction; HCMC and Bank of Greece F&P in regulated sectors.	No statutory threshold; Hellenic Code recommends ongoing development; banking/ insurance CPD via direct EBA/EIOPA regime.	No general requirement; Law 4706/2020 on corporate governance mandates board suitability policy and skills profile; audit committee: accounting/ audit expertise (Law 4449/2017).
Kosovo	No statutory requirement under Law 06/L-016; emerging code arrangements; Central Bank of Kosovo F&P for regulated sectors (aligned with EU practice).	No statutory threshold; emerging code expectations; banking-sector CPD via CBK supervisory practice.	No general requirement; audit-related expertise developing via gradual alignment with EU audit acquis; SOE selection emerging.
Montenegro	No statutory requirement under the Zakon o privrednim društvima; Montenegrin Code of Corporate Governance recommends induction; Central Bank of Montenegro F&P in regulated sectors.	No statutory threshold; Code recommends ongoing development; banking/insurance CPD via supervisory practice aligned with EU standards.	No general requirement; audit committee expertise expected for PIEs; accession-driven alignment advancing.
North Macedonia	No statutory requirement under the Company Law; Code of Corporate Governance for Listed Companies recommends induction; NBRNM and MSEC F&P in regulated sectors.	No statutory threshold; Code recommends continuous development; banking CPD via NBRNM supervisory guidance aligned with EU practice.	No general requirement; audit committee expertise under EU-aligned audit rules; SOE selection frameworks emerging.

Country	Pre-appointment training	Continuous professional development (CPD)	Professional qualifications
Romania	No statutory requirement for private listed companies under Law 31/1990; OUG 109/2011 imposes structured SOE selection and induction; BVB Code (2025) requires induction and defined board profile; ASF and BNR F&P in regulated sectors.	No statutory threshold; BVB Code (2025) encourages continuous learning and periodic skills assessment; SOEs subject to annual KPI evaluations as de facto CPD; banking/insurance sectoral CPD via direct EBA/EIOPA regime.	No general requirement; audit committee (PIE): accounting/audit expertise (Law 162/2017); SOEs effectively require CAFR/ASPAAS registration or 3 years' relevant experience.
Serbia	No statutory requirement under the Zakon o privrednim društvima; Belgrade Chamber of Commerce Corporate Governance Code recommends familiarisation; National Bank of Serbia and Securities Commission F&P for regulated sectors (aligned with EBA/ EIOPA).	No statutory threshold; Code recommends ongoing development; banking/insurance CPD via NBS supervisory guidance; SOE frameworks emerging.	No general requirement; audit committee expertise transposed under Law on Audit (aligned with EU directive); advancing accession-driven alignment.
Slovenia	No statutory requirement under the Zakon o gospodarskih družbah; Slovenian Corporate Governance Code for PJSCs recommends introductory programme; ATVP and Bank of Slovenia F&P in regulated sectors (directly applicable EBA/EIOPA); SDH framework imposes structured selection for SOE supervisory-board members.	No statutory threshold; Code recommends continuous development; SDH framework imposes mandatory training on fiduciary duties, finance, risk, ESG for SOE SB members; ZNS voluntary CPD.	No general requirement; audit committee (PIE): accounting/audit expertise (Auditing Act, Companies Act); SDH maintains structured skills profiles for portfolio companies.

Source: authors' elaboration based on national company laws, corporate governance codes (latest consolidated versions), stock-exchange rulebooks and supervisory guidance. F&P = fit and proper; PIE = public-interest entity; SOE = state-owned enterprise; PJSC = public joint-stock company.

Across the eleven Southeast European jurisdictions, several strong patterns of convergence make themselves apparent. Most notably, not a single country requires pre-appointment training, quantified continuous professional development, or formal qualifications as a legal condition for the appointment of non-executive directors or members of the supervisory board to listed companies. This reflects a consistent regional preference for conduct-based regulation over certification-based regulation.

Induction at the moment of appointment has, in the second place, become a near-universal expectation. It is typically embedded in corporate governance codes on a comply-or-explain basis and, with growing frequency, tailored to the specific profile of the director and the company in question.

Continuous professional development represents a third area of convergence: it is expected across the region, yet almost never quantified in terms of hours or formal benchmarks within general governance frameworks. A fourth pattern lies in the universal embrace of the principle of collective competence, whereby a board's effectiveness rests on the combined skills and experience of its members rather than on the qualifications of any individual.

A fifth point of convergence is the audit committee expertise requirement, harmonised at EU level, which stands out as the most consistent functional competence rule, particularly among the EU Member States, and is, gradually, being adopted by the candidate countries as well. Sixth, and not to be underestimated, the regulated sectors such as banking and insurance operate under stricter, parallel regimes, in which the supervisory authorities effectively define competence standards.

These convergences notwithstanding, important differences remain. One key divergence lies in the maturity of comply-or-explain enforcement. Countries such as Slovenia, Croatia and Romania have developed more robust governance infrastructures, while others, the candidate states in particular, still rely on institutional frameworks that are considerably less developed.

A second divergence concerns the role of SOE governance systems. In some countries, Slovenia and Romania among them, SOE frameworks operate as advanced parallel regimes for board competence; in others, they remain in the process of formation.

A third difference relates to the pace of EU alignment among the candidate countries. Some, Serbia and Montenegro for example, have advanced considerably; others find themselves constrained by structural or institutional limitations that slow the pace of convergence.

When set against the broader European landscape, Southeast Europe displays a striking degree of alignment at the level of formal rules. The core features, reliance on governance codes, the absence of statutory qualification requirements, and the importance of sectoral regulation, are shared across the whole of Europe.

The region differs markedly, however, in its institutional environment. Weaker investor presence, less developed governance ecosystems and a limited professional infrastructure mean that similar rules tend to produce weaker practical effects. This goes some way towards explaining the outsized role of sectoral supervision in shaping the standards of competence that obtain in practice.

Southeast Europe largely lacks, finally, those quantified soft-law benchmarks that are to be found in the more advanced European systems, such as defined CPD hours or

mandatory training requirements. This reflects, on the one hand, the level of institutional maturity reached so far; on the other, it points to a clear direction for future development, particularly in the context of the EU accession process and the ongoing reforms of corporate governance.

5. CONCLUSIONS AND POLICY IMPLICATIONS

The analysis yields four important conclusions. The first is that the Southeast European framework for the competence of non-executive directors and supervisory-board members proves to be predominantly principles-based and stands in close alignment with the broader European practice. Across the region one finds no statutory requirements in relation to pre-appointment training, quantified continuous professional development or formal qualifications; regulation rests, instead, upon corporate governance codes, comply-or-explain mechanisms and sector-specific rules.

The second conclusion is that all of this does not, by any means, indicates a lack of regulation. What it betokens is rather a regulatory configuration of a different kind. The effective competence threshold tends to lie lower than in Western Europe, not because the rules themselves are weaker, but on account of a thinner institutional environment. Limited investor pressure, less developed directors' associations and weaker governance ecosystems together diminish the practical force of soft-law mechanisms, while banking supervision plays, by way of compensation, a disproportionately strong role.

The third conclusion, and arguably the most consequential of them all, is that the direction of development points unmistakably towards greater professionalisation. The trend is driven by the pressures of EU accession in the Western Balkans, by the gradual strengthening of directors' associations and by the steadily expanding scope of sectoral supervision, which sets, with growing authority, the de facto standards for board competence.

The fourth and final conclusion is that the gap which remains between Southeast Europe and the leading European practices, particularly in the matter of quantified CPD benchmarks and structured training requirements, is at once identifiable and, given the requisite institutional effort, realistically bridgeable.

From these conclusions, a number of policy implications follow, and they merit careful consideration. Directors' associations stand among the central actors in the advancement of professionalisation. They are well placed to develop competence frameworks, to offer accredited training and to introduce recommended CPD thresholds. A gradual move towards a minimum annual benchmark, beginning at around twelve hours, appears at once feasible and consonant with the prevailing European trends.

Regulators and supervisory authorities can, for their part, strengthen the system in several ways. For example, by improving the quality and the monitoring of comply-or-explain disclosures, by publishing comparative analyses, and by encouraging the stock exchanges to integrate training expectations into the requirements of listing. A closer alignment between general governance frameworks and sector-specific rules is, likewise, to be desired.

The stock exchanges, too, can assume a more active role, embedding competence expectations into the codes of governance and the listing rules. Coordination among the

exchanges at the regional level could, furthermore, enhance comparability and lend support to cross-border investment.

Listed companies themselves bear a key responsibility, one exercised through nomination processes, through board composition strategies and through the design of structured induction and training programmes. For firms that count international investors among their shareholders, such practices come to serve, with increasing frequency, as signals of governance quality and credibility.

The individual NEDs, too, have an important part, approaching board membership as a professional commitment that calls for continuous learning, particularly in such emerging areas as sustainability reporting, digital resilience, cybersecurity and geopolitical risk.

The EU accession process creates, in this respect, an opportunity for reform of particular importance. New regulatory frameworks, such as sustainability reporting standards and digital resilience requirements, are raising the expectations placed upon board competence, and they may well act as catalysts for deeper institutional development.

The future of NED professionalisation in Southeast Europe depends, ultimately, not on formal regulation alone, but on the development of the supporting institutions. The building of a robust ecosystem of training, of supervision and of professional engagement is, in the end, essential if the rules are ever to be translated into effective governance practice.

The overall conclusion is one of measured optimism. Meaningful progress lies within reach. Through coordinated efforts among regulators, professional bodies, stock exchanges and companies, Southeast Europe can strengthen the foundations of its corporate governance systems and, in doing so, make a distinctive contribution to the broader European governance landscape.

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