



Final Agenda

The 2013 Meeting of the Latin American Corporate Governance Roundtable

20-21 June, 2013

Hilton Colon Quito Hotel, Av. Patria y Amazonas, Quito, Ecuador

<http://www.oecd.org/daf/ca/latinamericanroundtableoncorporategovernance.htm>

Co-hosted by:



With the support of:



and additional sponsorship by:



Background and Objectives of the Latin American Roundtable on Corporate Governance

This meeting of the Latin American Corporate Governance Roundtable comes at a critical juncture. Equity markets all over the world are undergoing important changes. In the most developed markets, high-frequency trading, increased use of indexing and growing market fragmentation are being seen, along with a marked decline in initial public offerings (IPOs) and increase in de-listings during the last decade. Meanwhile, some of the larger emerging markets have picked up a growing share of IPOs. One consequence of this development is that, on a global scale, companies with concentrated ownership are becoming the norm. Developments in terms of market structure, investment strategies and ownership have also raised questions about the conditions for equity-financed growth and the need to adapt corporate governance requirements and practices to changing circumstances. These are some of the questions and issues being discussed as the OECD prepares to revise the *OECD Principles of Corporate Governance* beginning in 2014.

This Roundtable meeting will serve as an opportunity to better understand the particular features and challenges associated with equity market developments worldwide and in particular, corporate governance policies and practices and their relationship to equity market growth in Latin America. At center stage will be the question of how equity markets can serve the needs of the real economy and ensure that companies with growth potential get access to the risk capital they need for innovation and job creation.

The Roundtable's sessions have been designed and structured to address several of the special characteristics of Latin American markets, such as the prevalence of concentrated ownership, low liquidity and conglomerates, and the challenges that this presents for oversight of related party transactions; efforts to promote equity market growth and more active trading through SME listings; the strong role played by state ownership as well as by institutional investors; and how corporate governance policies, regulations and practices have evolved or should be adjusted to fit the particular challenges and opportunities associated with such characteristics. This discussion will unfold through consideration of five main themes:

- 1) Trends and Factors Impacting on Capital Market Growth in the Region;
- 2) Small and medium-sized enterprises (SMEs) and their access to Latin American equity markets;
- 3) State ownership in Latin American capital markets: corporate governance challenges and impacts;
- 4) Roundtable Related Party Transaction Task Force recommendations: country-specific progress and new good practice recommendations; and
- 5) Institutional Investors and Corporate Governance: Country Responses to Roundtable Recommendations.

In addition to these five core themes, the Roundtable will have break-out discussions to allow for more active and broader participation on related issues of emerging interest. These sessions will address:

- a new World Bank report comparing experience of eight stock exchanges throughout the world (including Brazil, Mexico and Peru) and lessons learned from their establishment of corporate governance indices to promote investment in companies with high standards of

corporate governance;

- corporate governance challenges for company groups; and
- how corporate governance models/needs for SMEs differ under different forms of finance: bank lending and private equity/venture capital.

The Latin American Corporate Governance Roundtable aims to facilitate corporate governance improvements by providing a forum for the structured exchange of experience between senior policy-makers, regulators and market participants. Roundtable participants have come from Argentina, Bolivia, Brazil, Canada, Chile, Costa Rica, Colombia, Dominican Republic, Ecuador, El Salvador, Italy, Mexico, Nicaragua, Panama, Peru, Spain, Sweden, Turkey, Uruguay, the United Kingdom, the United States and Venezuela. By convening the leading institutions and personalities that are involved in corporate governance reform in Latin America, including regulators, stock exchanges, institutional investors and businesses, the Roundtable provides an opportunity both to take stock and help set the agenda for further corporate governance improvements in the region.

Guidance for chairs, moderators, speakers and Roundtable participants

Moderators are invited to encourage open discussion among all participants, to maintain the focus on the theme of their session and to be strict in managing time. The objective is to stimulate reflection and encourage an active exchange of views and experience on the discussed issues among all participants. They will be asked to summarize key points and follow-up steps at the conclusion of the session. **Speakers** are reminded that their presentations should be no longer than 10 minutes and should be designed to help frame the discussion. Please limit the use of slides to a maximum of 5 slides, which should be provided to the OECD in advance, so they can be made available on-line. **Commentators** are invited to highlight the main challenges and key questions for further discussion.

For the break-out sessions, **lead speakers** are invited to provide a brief presentation, which should be no longer than 10 minutes, based on the discussion papers distributed prior to the meeting. **Chairs** in these break-out sessions are invited to encourage open and inclusive discussions during these sessions. They are expected to present the conclusions of the discussion at the plenary. **Roundtable participants** are encouraged to actively and openly participate in discussions to provide the Roundtable with their country experience, as well as react, expose their views and discuss the issues raised by speakers.

Simultaneous interpretation will be provided between Spanish, and English.

Agenda for Thursday 20 June and Friday 21 June, 2013

Day 1	Thursday 20 June, 2013
8:30-9:00	Registration
9:00-9:30	Welcoming Remarks
9:30-11:15	<u>Session 1</u>: Trends and Factors Impacting on Equity Market Growth in the Region
11:15-11:45	Coffee/Tea
11:45-13:00	<u>Session 2</u>: Small and medium-sized enterprises and their access to Latin American equity markets
13:00-14:30	Lunch courtesy of CAF Latin American Development Bank and Governance
14:30-16:00	<u>Session 3</u>: State ownership in Latin American capital markets: corporate governance challenges and impacts
16:00-16:30	Coffee/Tea
16:30-18:00	<u>Session 4</u>: Break-out group discussions: <ul style="list-style-type: none"> • <i>Corporate Governance Indices: the Benefits and Risks</i> • <i>Corporate Governance Challenges for Company Groups</i> • <i>SME financing and corporate governance implications</i>
	Break
19:30-21:30	Cocktail courtesy of CAF Latin American Development Bank and Governance

Day 2	Friday 21 June, 2013
9:00-10:15	<u>Session 5</u>: Related Party Transactions Task Force Recommendations: Country Progress and Emerging Good Practices
10:15-10:30	Coffee/Tea
10:30-11:15	<u>Session 6</u>: Reports of breakout groups
11:15-12:30	<u>Session 7</u>: Institutional Investors and Corporate Governance: Country Responses to Roundtable Recommendations
12:30-13:00	Conclusions: Looking Ahead

Agenda – Discussion Points

Day 1	Thursday 20 June, 2013
8:30-9:00	Registration
9:00-9:30	<p>Welcoming remarks by:</p> <ul style="list-style-type: none"> • Suad Manssur Villagrán, Companies Superintendent, Ecuador • Patricio Peña, Chairman, Ecuadorian Institute of Corporate Governance • Marcello Bianchi, Chairman, OECD Corporate Governance Committee
9:30-11:15	<p><u>Session 1: Trends and Factors Impacting on Equity Market Growth in the Region</u></p> <p><i>Moderator:</i> Marcello Bianchi, Chairman, OECD Corporate Governance Committee <i>Introductory Speakers</i></p> <ul style="list-style-type: none"> • Daniel Blume, Senior Policy Analyst, OECD Corporate Affairs Division and Alexandre Di Miceli, professor, University of Sao Paulo Business School, Brazil, will co-present an OECD stock-taking report on this subject. <p><i>Commentators:</i></p> <ul style="list-style-type: none"> • Elvira Schamann, Executive Director, Federation of Ibero-American Exchanges • Alvaro Clarke, President of the Corporate Governance and Capital Markets Center, University of Chile • Silvina Vatnick, Managing Partner, Global Outcomes LLC, Argentina • Ana Fernanda Maiguashca, Colombian Central Bank
<i>Summary</i>	<p>This session will take stock of how corporate governance trends and other relevant factors have influenced capital market growth – or the lack of it – in the region. This should also be considered in light of global trends in capital markets – including declining use of markets for IPOs, increased use of high frequency trading and indexing, etc. and how governments are responding in terms of revised policy frameworks for corporate governance. What are the special characteristics of Latin American markets, such as concentrated ownership, conglomerates, state ownership and other variables, and how have corporate governance policies, regulations and practices evolved to fit the particular challenges and opportunities associated with such characteristics?</p>
11:15-11:45	Coffee/Tea
11:45-13:00	<p><u>Session 2: Small and medium-sized enterprises and their access to Latin American equity markets</u></p> <p><i>Moderator:</i> Andres Bernal, consultant, Colombia <i>Speakers:</i></p> <ul style="list-style-type: none"> • Santiago Cuadra, Secretary General, Iberoamerican Institute of Capital Markets • Juan Munguira, CNBV, Spain and member of the OECD Corporate Governance Committee Bureau, on European initiatives and experience

<p><i>Summary</i></p>	<ul style="list-style-type: none"> • Andre Pitta, BM&FBOVESPA, Brazil • Monica Villagómez de Anderson, Chair, Bolsa de Quito <p>Latin American stock exchanges have tried for years – with only limited success -- to attract SMEs to local equity markets through special initiatives or listing segments targeted to smaller companies, seeking to replicate the success of certain more developed market exchanges. Do Latin American equity markets remain a viable tool for financing SME growth? How may SME listing requirements best be tailored to SME needs while also respecting shareholder demands for adequate disclosure and other corporate governance practices?</p>
<p>13:00-14:30</p>	<p>Lunch courtesy of CAF Latin American Development Bank and Governance</p>
<p>14:30-16:00</p> <p><i>Summary</i></p>	<p><u>Session 3: State ownership in Latin American capital markets: corporate governance challenges and impacts</u></p> <p><i>Moderator and introductory presenter:</i> Richard Frederick, consultant to the OECD</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Jessica Andrade, Director of SOEs, Ecuador Ministry of Planning and Development (SENPLADES) • Joao Nogueira Batista, Director, Brazil Takeover Panel • Alberto Mauricio Bernal, Legal Director, ISA, Colombia <p>There is increasing attention in the region to the role of the state either as a direct (Ministry) or indirect owner of listed companies (through pension funds, sovereign wealth funds or social security or state-owned development banks). What are best practices and key corporate governance challenges in this regard in order to take account of the state’s legitimate public policy interests in ownership but which also ensure respect for private sector shareholder rights and the interests of the company?</p>
<p>16:00-16:30</p>	<p>Coffee/Tea</p>
<p>16:30-18:00</p> <p><i>Summary</i></p>	<p><u>Session 4: Break-out group discussions to be introduced by Davit Karapetyan, Corporate Governance Officer, IFC</u></p> <p><i>Corporate Governance Indices: the Benefits and Risks.</i> A new World Bank report comparing experience of eight stock exchanges throughout the world (including Brazil, Mexico and Peru) and lessons learned from their establishment of corporate governance indices to promote investment in companies with high standards of corporate governance will be presented, and its impacts debated.</p> <ul style="list-style-type: none"> • <i>Moderator:</i> Heloisa Bedicks, Executive Director, IBGC Brazil <ul style="list-style-type: none"> ○ Pasquale di Benedetta, World Bank, and Andreas Grimminger, consultant <p><i>Corporate governance challenges for company groups.</i></p> <ul style="list-style-type: none"> • <i>Moderator:</i> Luis Enriquez, IFC on Companies Circle initiative to develop best

	<p>practices report.</p> <ul style="list-style-type: none"> ○ Maria Uriza, Argos, Colombia <p>SME Financing: Corporate Governance Implications. How do SME financing vehicles influence corporate governance models/ needs: bank lending versus private equity.</p> <ul style="list-style-type: none"> ● <i>Moderator:</i> Andres Oneto, CAF Latin American Development Bank <ul style="list-style-type: none"> ○ Erick Lagos, Managing Director, Lafise Investment Management, Fund manager of Caseif ○ José Alberto Garzón Gaitán, Vice President, Bancóldex
19:30-21:30	Cocktail courtesy of CAF Latin American Development Bank and Governance

Day 2	Friday 21 June, 2013
9:00-10:15	<p><u>Session 5: Related Party Transactions Task Force Recommendations: Country Progress and Emerging Good Practices</u></p> <p><i>Moderator and introductory presenter:</i> Mike Lubrano, Cartica Capital</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> ● Hugo Caneo, Superintendency of Insurance and Securities (SVS), Chile ● Luciana Dias, Commissioner, Brazil Securities Commission), CVM ● Yearim Valles, CNBV, Mexico ● Carlos Marx Carrasco, General Director, Ecuador Internal Revenue Service ● Giselia da Silva, CPFL, Brazil
<i>Summary</i>	<p>The Roundtable's Related Party Transactions Task Force has issued a report with recommendations both for the region as a whole, and country-specific proposals for Argentina, Brazil, Chile, Colombia, Mexico and Peru. Ecuador has also been invited to join the Task Force. Participants will be invited to report on progress and obstacles to establishing stronger frameworks for oversight of RPTs, and to consider new work setting out key considerations for how RPTs should be dealt with in different companies with different types of ownership structures.</p>
10:15-10:30	Coffee/Tea
10:30-11:15	<p><u>Session 6: Reports of breakout groups</u></p> <p>Breakout session chairs will report on the results of discussions on the benefits and risks of using corporate governance indices; corporate governance challenges for company groups; and how SME non-equity financing models influence corporate governance models and needs.</p>

	<p><i>Moderator:</i> Sylvia Cabrera de Uribe, Executive Director, Ecuadorian Institute of Corporate Governance</p> <ul style="list-style-type: none"> • Heloisa Bedicks, Executive Director, Institute of Brazilian Corporate Governance, Brazil • Luis Enriquez, Corporate Governance Officer, IFC • Andres Oneto, CAF Latin American Development Bank <p><i>Discussion</i></p>
11:15-12:30	<p><u>Session 7: Institutional Investors and Corporate Governance: Country Responses to Roundtable Recommendations.</u></p> <p>Countries such as Brazil, Colombia and Peru have taken actions since the Roundtable last met in 2011 to address recommendations set out in the Roundtable’s 2011 report, “Strengthening Latin American Corporate Governance: the Role of Institutional Investors.” This session will provide the opportunity for these countries and other participants to discuss progress and gaps in efforts to promote the more active and informed engagement of institutional investors in corporate governance issues.</p> <p><i>Chair:</i> Simon Wong, Partner, Governance for Owners</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Luis Valdivieso, President, Association of Private Pension Fund Administrators (AAFP), Peru • Clara Eugenia Castillo, Superfinanciera, Colombia and José Luis Estrada, Asofondos pension fund association, Colombia Institutional Investor Task Force • Mauro Cunha, executive director, Association of Capital Market Investors (AMEC), Brazil
12:30-13:00	<p>Conclusions: Looking Ahead</p> <p><i>Moderator:</i> Daniel Blume, Senior Policy Analyst, OECD Corporate Affairs</p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Joao Nogueira Batista, Director, Brazil Takeover Panel • Miguel Mora, Ministry of Economy and Competitiveness, Spain <p><i>Open discussion for all Roundtable participants</i></p>