



# **ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE**

## **AGENDA**

**24-25 October 2012**

**Auditorium of Japan FSA  
Tokyo, Japan**

**In partnership with the Government of Japan**



## Background and Objectives of the Asian Roundtable on Corporate Governance

Good corporate governance is a key to the integrity of corporations, financial institutions, and markets, and central to the health of our economies, their stability and growth. Since 1999, the Asian Roundtable on Corporate Governance (ARCG) provides a platform for senior policy-makers and market practitioners to support national corporate governance reforms through an open exchange of information about country experiences. In this Tokyo meeting, countries will be invited to share their practical experience in implementing the Roundtable's "Reform Priorities in Asia: taking corporate governance to a higher level" endorsed in 2011, taking into account the concentrated ownership structure of companies in the region. The focus will be on the areas of enforcement, abusive related party transactions, minority shareholder protection, shareholder engagement, and performance of boards.

Furthermore, break-out sessions will be dedicated to discussions on how to foster corporate governance policies that promote innovation, value creation and growth. Participants will also discuss board nomination and election, both the draft policy guide for Asia that will be published later this year as well as the recent findings of the OECD Corporate Governance Committee's Peer Review. New work on enforcement will be launched, to define the key issues, weaknesses and next steps, including drafting policy recommendations for the region.

The ARCG also serves to advance the reform agenda on corporate governance while promoting awareness and use of the OECD Principles of Corporate Governance. The ARCG gathers the most prominent, active and influential policy makers, practitioners and experts on corporate governance in the region, from OECD countries and relevant international institutions.<sup>1</sup>

The overall goal of the ARCG is to support decision-makers in their efforts to improve corporate governance in the region. This is achieved through informal peer review of corporate governance policy frameworks and practices in the region, benefitting from international experience. Participants share major developments and challenges, evaluate implementation and enforcement as well as discuss and analyse policy options to support viable and effective corporate governance reforms.

## Guidance for chairs, speakers, discussants, moderators, rapporteurs and Roundtable participants

Chairs are invited to provide a brief introduction to the session theme for about 5 minutes, and encourage open discussion among participants, maintaining the focus on the theme of their session and managing time. The objective is to stimulate reflection and encourage the exchange of views and experience on these complex issues among participants.

Speakers are invited to highlight the main challenges related to the specific theme, provide some elements to answer the related questions, and illustrate with their country experience. These initial presentations are expected to last for about 10 minutes each. Please limit the use of slides to a maximum of 8 slides and circulate descriptive documentation in advance.

Moderators are invited to encourage open discussion during the break-out sessions based on the discussion papers and to summarise the discussion the next day.

Rapporteurs are expected to take notes and write a key point summary of the discussion in each table during the break out session.

Roundtable participants are invited to react, expose their views and discuss the issues raised by speakers and related to the issues provided in the agenda. They are encouraged to actively and openly participate in discussions to provide the whole Roundtable with their country experience.

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<sup>1</sup> The participating Asian economies include: Bangladesh, China, Hong Kong China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Singapore, Chinese Taipei, Thailand and Vietnam.

# Day 1

**9:00 – 9:30**     **Registration**

**9:30 – 10:00**     **Inaugural Session**

- **Mr. Masamichi Kono**, Vice Commissioner for International Affairs, Financial Services Agency, Government of Japan, and Chairman of the IOSCO Board
- **Mr. Richard Boucher**, Deputy Secretary General, OECD

**10:00 – 11:00**     **Session 1: Corporate Governance in Japan**

**Chair:** **Mr. Hideki Kanda**, Professor, Graduate Schools for Law and Politics, The University of Tokyo

**Speakers:**

- **Mr. Takashi Kawamura**, Chairman of the Board, Hitachi, Ltd., Japan
- **Mr. Jamie Allen**, Secretary General, Asian Corporate Governance Association, Hong Kong China

**11:00 – 11:15**     **Coffee/Tea break**

**11:15– 12:00**     **Session 2: Future OECD Work**

Overall picture of ongoing discussions in the OECD Corporate Governance Committee with a particular focus on “Value Creation and Growth”

**Chair:** **Mr. Mats Isaksson**, Head, Corporate Affairs Division, OECD

**Speakers:**

- **Mr. Toshio Oya**, Assistant Commissioner for International Affairs, Financial Services Agency, Government of Japan, and Vice Chair of the OECD Corporate Governance Committee
- **Mr. John Plender**, Columnist and Editorial Writer, Financial Times, United Kingdom
- **Mr. Erik Vermeulen**, Department of Business Law, Tilburg University, Center for Company Law, The Netherlands

*Background: The world is experiencing profound changes in capital markets and corporate practice that raise questions about how they might better underpin growth and innovation. The objective is to identify new approaches and better policies to improve the financial sector’s ability to serve the real economy and provide corporations and entrepreneurs with access to capital. The original and most*

*fundamental policy objective of corporate governance is to facilitate innovation and economic growth through private enterprise. The main tool for this is to create a legal and regulatory framework that provides growing companies with access to capital and that ensures efficient re-allocation of productive resources between sectors and companies, promoting effective monitoring of corporate long-term performance. Capital market developments and changes in corporate practices merit serious attention in the design of corporate governance policies and practices aiming at improving economic efficiency and growth through private enterprises. This session will highlight key aspects of this debate in the OECD Corporate Governance Committee and outline the work ahead.*

**12:00 – 13:00 Session 3: Reform Priorities in Asia - Progress and Challenges**

**Chair:** Mr. Lee Kha Loon, Head, Asia Pacific, CFA Institute Centre for Financial Market Integrity, Hong Kong China

Introduction by **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD

**Speakers:**

- **Ms. Rosemary Lim**, Deputy Director and Head – Market Conduct Policy Division, Capital Markets Department, Monetary Authority of Singapore (MAS)
- **Mr. Sunil Kadam**, General Manager, Corporation Finance Department, Division of Issues and Listing II, Securities and Exchange Board of India
- **Mr. Liang Li**, Deputy Director General, Department of Growth Enterprise Board Supervision, China Securities Regulatory Commission (CSRC)
- **Ms. Azryta Abdul Aziz**, Head of the Corporate Governance Department, Securities Commission Malaysia and ASEAN Corporate Governance Scorecard

*Background: At the Asian Roundtable meeting in October 2011, policy makers, practitioners and experts agreed to new reform priorities to advance the corporate governance to a higher level in Asia benefitting from international experience and the OECD Principles of Corporate Governance. The priorities cover six aspects: making the business case for the value of good corporate governance, effective enforcement, improving the quality of disclosure; better board performance; protecting non-controlling shareholders and encouraging shareholder engagement. The ADB-sponsored ASEAN corporate governance scorecard project will also be presented and corporate practices shared. This session seeks to stimulate exchanges between all participants discussing plans and actions as well as likely outcomes.*

***Open discussion***

**13:00 – 14:30 Lunch**

**14:30 – 16:00 Session 4: Board Nomination and Election in Asia**

**Chair:** Mr. Grant Kirkpatrick, Consultant, Corporate Governance, France

Introduction by **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD

**Speakers:**

- **Ms. Etty Wulandari**, Head of Accounting and Disclosure, Standards Bureau, Ministry of Finance of the Republic of Indonesia
- **Mr. Byoungsoo Ahn**, Public Prosecutor, Commercial Legal Affairs Division, Ministry of Justice, Korea
- **Mr. John Lim**, Chairman, Singapore Institute of Directors (SID)

*Background: The nomination and election of board members is one of the fundamental elements of a functioning corporate governance system around the world and was recently chosen as the theme for the fourth peer review by the OECD's Corporate Governance Committee. Indonesia, Korea, US and Netherlands volunteered for the in-depth review. As emphasized by the OECD Principles of Corporate Governance, ensuring a formal and transparent board nomination and election process is one of the board's key responsibilities.*

*At its October 2011 meeting, the Asian Roundtable Task Force on Board Nomination and Election met to discuss the key characteristics and challenges to an effective nomination and election process in Asia. Given the dominant role of controlling shareholders in Asia, and discussed in the context of Korea and Indonesia, this session will consider practical strategies for improving the nomination process to reinforce more effective boards and identify how far best practice recommendations can go in improving board nomination and election practices*

***Open discussion***

**16:00 – 16:30** Coffee/Tea break

**16:30– 18:00** Session 5: Break-out Sessions: Corporate Governance, Value Creation and Growth in Asia

Introduction by **Mr. Mats Isaksson**, Head, Corporate Affairs Division, OECD

**Practical aspects:** There will be 6 tables of 15 people. Moderators and rapporteurs will be assigned and a set of issues for discussion prepared in advance.

**Moderators:** **Mr. Fuad Hashimi**, President & CEO, Pakistan Institute of Corporate Governance. **Dr Jesus Estanislao**, Chairman, Institute of Corporate Directors, The Philippines. **Mr Farhad Ahmed**, Securities and Exchange Commission, Bangladesh. **Mr. Piman Limpaphayom**, Portland State University and Sasin GIBA of Chulalongkorn University, Thailand. **Ms. Lu Tong**, Professor, Institute World Economics and Politics, Chinese Academy of Social Sciences (CASS), People's Republic of China. **Mr. John Plender**, Columnist and Editorial Writer, Financial Times, United Kingdom.

**Rapporteurs:** **Mr. Sidharta Utama**, Chairman, Indonesian Institute for Corporate Directorship (IICD). **Ms. Rongruja Saicheua**, Executive Vice-President, Thai Institute of Directors Association, Stock Exchange of Thailand. **Mr. Lawrence Lee**, Commission and Associate Professor, Asia University, Department of Finance & Economic Law, Chinese Taipei. **Mr. Bill Palmer**, Director International Relations, the Institute of Chartered Accountants, Australia. **Ms. Nguyet Anh Nguyen**, Project Officer, IFC, Vietnam Corporate Governance Project. **Mr. Stefanus Handoyo**, Operations Officer, IFC Indonesia Corporate Governance.

*Background: In Asia and elsewhere, the role of founders, entrepreneurs and controlling owners in promoting innovation and growth needs to be taken into account when shaping the corporate governance frameworks. Ownership in Asia is concentrated in the hands of both families and/or the state. What are the implications for the future development of corporate governance policies and practices in Asia, in terms of fostering value creation, entrepreneurship and growth? In particular, how is this dealt with in publicly listed family-controlled companies? What is the role of company groups?*

**18:15**  
**19:00**

**Bus Leaves Conference Venue**  
**Dinner hosted by Tokyo Stock Exchange – Reception Speech by Executives of TSE**

## Day 2

### 9:30-10:30 Session 6: Feedback from the Break-out Sessions

**Chair:** Mr. Mats Isaksson, Head, Corporate Affairs Division, OECD

**Discussants:**

- Moderators from **Session 5** will provide feedback.

*Open Discussion*

### 10:30 – 11:00 Coffee/Tea break

### 11:00-12:00 Session 7: Supervision and Enforcement

**Chair:** Dr. Nik Ramlah Mahmood, Deputy Chief Executive, Securities Commission, Malaysia

Introduction by Mr. Akira Nozaki, Policy Analyst, Corporate Affairs Division, OECD

**Speakers:**

- Ms. Waratchya Srimachand, Assistant Secretary General, Securities and Exchange Commission, Thailand
- Mr. Charles Grieve, Senior Director, Corporate Finance Division, Securities & Futures Commission (SFC), Hong Kong China

*Background: At the 2011 Asian Roundtable, participants concluded that strengthening regulatory and judiciary capacity for effective enforcements was a critical topic for future reform efforts. Recent global events have put the corporate spotlight on regulators and enforcers as they ensure that corporate governance transgressions are dealt with in an efficient manner so as to put out the strong message of deterrence. Participants agreed that future work on the topic might address the capacity of regulators and enforcers to carry out their obligations. Also, is private enforcement working; are shareholders able to seek legal redress effectively? This session is dedicated to share experience on how regulatory, investigative and enforcement institutions can strive for active, visible and effective enforcement of corporate governance laws and regulations in Asia. It will feed into new work by the Task Force.*

*Open Discussion*

12:00-13:00

**Session 8: Main Findings/Closing Remarks**

**Chair: Mr. Mats Isaksson, Head, Corporate Affairs Division, OECD**

**Speakers:**

- OECD-Asian SOE Network : latest developments
- Main findings of the Roundtable
- Discussions on future reforms priorities
- Closing remarks/Next meeting