



Southeast Asia - OECD

Corporate Governance, Capital Market Development and SOEs

AGENDA

**Organised in partnership with the Government of Japan
and
the support of Securities Commission Malaysia**

**3-4 July 2014
Yangon, Myanmar**

BACKGROUND

Southeast Asia has vast strengths to draw upon for playing an increasingly important role on the global economic stage. However, as integration into the world economy intensifies, coupled with the aspiration for greater connectivity between markets in the region, there comes along great opportunities and challenges. Disparities in socio-economic development between countries remain substantial, and more rigorous policies are needed to narrow them.

Myanmar has introduced a roadmap to modernise its financial sector and expand access to finance. This includes strategies to: foster monetary development, further opening the banking sector to foreign participation, and develop the capital market with the launch of the stock exchange expected in 2015. The development of the capital market should be complemented by efforts to also establish sound corporate governance practices aligned with international standards. This would contribute to Myanmar's competitive positioning in the region and globally, especially in light of the ASEAN economic integration in 2015.

In many economies, state-owned enterprises (SOEs) still represent a non-trivial share of the productive economy. The governance of SOEs is thus critical to ensure their positive contribution to the overall economic efficiency and competitiveness of the country. The important scale and scope of SOEs in Myanmar as well as in many Southeast Asian countries, call for specific attention to corporate governance. Among other things this implies an effective legal and regulatory framework establishing a level playing field between SOEs and other companies, as well as well-functioning SOE boards and management, and high standards of transparency and accountability.

Objectives of the meeting

The objectives of the meeting are to identify the key challenges to capital market development, establishing an effective corporate governance framework and reform priorities in Myanmar. The discussion will form the basis for a future Southeast Asia corporate governance initiative to support ASEAN capital market integration in Cambodia, Laos, Myanmar, and Vietnam benefitting from international experience, especially of other Southeast Asia economies.

DAY 1

8:30 - 9:00 Registration

9:00 – 9:30 OPENING REMARKS

- **Mr. Kenji Okamura**, Deputy Commissioner for International Affairs Financial Services Agency, Japan, & Vice Chair, Corporate Governance Committee, OECD
- **Dr. San Lwin**, Deputy Minister, Ministry of National Planning and Economic Development, Myanmar
- **Prof. Dr. Aung Tun Thet**, President's Economic Advisor, Myanmar

9:30 – 11:00 SESSION 1 – Capital Market Development: Role of Corporate Governance

Issues:

In order for capital markets to function properly, there has to be confidence about market integrity and a level playing field for all market participants. Markets that possess a reputation for good corporate governance enhance investor confidence, which in turn lowers the cost of capital to issuers, attracting still more investors and issuers to the capital market in what is a positive reinforcing loop. An effective corporate governance system is essential, both within an individual company and across the economy as a whole so that the cost of capital is lowered and companies are encouraged to use resources more efficiently, thereby underpinning growth.

- What are the key areas and issues in corporate governance?
- How does corporate governance influence investment decisions, foster confidence of investors and ultimately attract capital?

Moderator:

Ms Selvarany Rasiah, Chief Regulatory Officer, Regulations, Bursa Malaysia Bhd

Speakers:

- **Mr. Christopher Tun**, Consulting Director for Myanmar, Deloitte Consulting Southeast Asia
- **Mr. Lee Kha Loon**, Technical Advisor, Finance Accreditation Agency, Malaysia
- **Mr. Shohei Yano**, Financial Services Agency, Japan
- **Ms. Khine Khine Nwe**, Joint Secretary General, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)

11:00 – 11:30 Coffee/tea break

11:30 – 13:00 SESSION 2 – Global Benchmarks in Corporate Governance & Reform Priorities

Issues:

The OECD Principles is the first international standard of good corporate governance and were issued in 1999 and revised in 2004. It is one of the Financial Services Board (FSB) standards for financial stability, and a component of the World Bank Corporate Governance-Report on the Observance of Standards and Codes. The Principles have made a global impact; in Asia there has been a cross-fertilisation between the Principles and corporate governance developments which has permeated policy making from regulations, corporate governance codes, listing rules to scorecards.

The OECD Asian Roundtable on Corporate Governance has been an instrumental platform to identify priorities and recommendations for corporate governance reform that meets the needs of countries within Asia. The Roundtable also produces policy report and guides including the “Reform Priorities in Asia” which outlines six priority areas of reform including on board nomination and election, shareholder engagement, and effective enforcement.

Moderator:

- **Mr. Kenji Okamura**, Deputy Commissioner for International Affairs Financial Services Agency, Japan, & Vice Chair, Corporate Governance Committee, OECD

Speakers:

- **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD
- **Ms. Nadia Zainuddin**, Consultant, OECD

Commentators:

- **Mr. Bui Hoang Hai**, Deputy Director Securities Issuing Department, State Securities Commission Vietnam
- **Dr. Nik Ramlah Mahmood**, Deputy Chief Executive, Securities Commission Malaysia
- **Mr. John Lim**, former Chairman of the OECD-Asian Network on State Owned Enterprises, Singapore
- **Ms. Waratchya Srimachand**, Assistant Secretary General, Securities and Exchange Commission, Thailand

13:00 – 14:00 L u n c h

14:00 – 16:00 SESSION 3 – Building an Effective Corporate Governance Framework

Issues:

A fundamental element to support capital market development is the establishment of a sound corporate governance framework, which amongst others ensures minority shareholder protection, proper disclosure practices and effective enforcement. Investors need the assurance that capital markets will function in a framework of transparency and accountability.

- Taking into account the different and unique landscape of each country, what would be the best approach in identifying and developing key components of an effective corporate governance framework?
- In markets where listed companies may still remain under government control, what are some of the corporate governance issues that may arise?

Moderator:

Dr. Rainer Geiger, RG, Member of the Board, Association Internationale de Droit Économique, France, and former OECD Deputy Director, Directorate for Financial and Enterprise Affairs

Speakers:

- **Ms. Tin May Oo**, Executive Director, Myanmar Securities Exchange Center
- **Ms. Win Min Htwe**, Director, Risk Management and Assurance, Yoma Strategic Holding, Myanmar
- **Ms. Selvarany Rasiah**, Chief Regulatory Officer, Bursa Malaysia
- **Ms. Ety Wulandari**, Senior Specialist to the Chairman, Indonesia Financial Services Authority

16:00 – 16:15 Coffee/tea break

16:15 – 18:15 SESSION 4 – Capital Market Development & ASEAN Integration

Issues:

ASEAN has set itself the goal of economic integration by 2015 and measures are underway to meet that goal at the same time narrow the development gaps between the ASEAN member countries.

- The ASEAN Corporate Governance Scorecard has been a useful tool in identifying areas for improvement in the participating member countries, how can the Scorecard and its findings benefit CLMV?
- What are some of the measures that can be undertaken to reinvigorate capital markets in CLMV?

Moderator:

Dr. Jesus Estanislao, Chairman, Institute of Corporate Directors, Philippines

Speakers:

- **Mr. Min Thu**, Manager, Myanmar Economic Bank
- **Ms. Azryta Abdul Aziz**, Deputy General Manager, Markets and Products, Securities Commission Malaysia
- **Mr. Moez Miaoui**, Operations Officer, Corporate Governance, International Finance Corporation
- **Mr. Vu Chi Dzung**, Director General, International Cooperation Department, State Securities Commission, Vietnam

18:15 – 18:30 **Closing Remarks by Ms. Cho Cho Wynn**, Deputy Director General, Directorate of Investment and Company Administration (DICA), Ministry of National Planning and Economic Development (MNPED), Myanmar

19:00 – **Welcome Dinner by Deloitte, to be held at the Sule Shangri-La**

DAY 2

9:00 – 10:30 **SESSION 5 - SOE Governance Reform: Experiences and Best Practices**

Issues:

The SOE reform experiences of countries encompasses a wide range of approaches that reflect each country's unique economic and political context, making their collective experience a valuable source of information on methods and practices.

Like in many other countries in Asia, successful preparation for listing of SOEs, including the introduction of good corporate governance practices and high standards of transparency and disclosure even prior to listing, can play an important role in the process of creating a credible investment climate, a sound equity market culture and a functioning capital market.

- Introduction to the OECD Guidelines on Corporate Governance of State-Owned Enterprises and the Policy Brief on Corporate Governance of State-Owned Enterprises in Asia.
- Based on the experiences of other countries carrying out SOE reforms, what are some of the common challenges that surfaced? And how were they remedied?

Moderator:

Mr. Hans Christiansen, Senior Economist, OECD

Speakers:

- **Ms. Tin Tin Htoo**, Director, Ministry of Industry, Myanmar
- **Mr. John Lim**, former Chairman of the OECD-Asian Network on SOEs, Singapore
- **Dato' Abdul Aziz Abu Bakar**, Chief Executive Officer, CEO Malaysian Directors Academy, Malaysia
- **Mr. Nicolas Audier**, Managing Partner, Audier & Partners Myanmar Co. Ltd

10:30 – 11:00 Coffee/tea break

11:00 – 12:30 SESSION 6 - Reform of State Owned Enterprises: Myanmar's Experience

Issues:

Myanmar in the 1990s adopted a corporatisation strategy and undertook a fundamental restructuring of SOEs. Since then, corporatisation strategies, often in tandem with privatisation plans, have been continuously developed and the current government has accelerated the reform process.

- What has been the progress of these reforms and has it had a significant impact on the performance and market position of SOEs?
- What are the main challenges faced in the past? And what are the key reform areas moving forward?

Moderator:

Dr. Jesus Estanislao, Chairman, Institute of Corporate Directors, Philippines

Speakers:

- **Ms. Phoo Pwint Phyu**, Myanmar Development Resource Institute
- **Mr. Naing Saw Lwin**, Assistant General Manager, Ministry of Transport, Myanmar
- **Ms. Anne Molyneux**, CS International

12:30 – 14:00 LUNCH

Consultation on the Revision of the OECD Guidelines on Corporate Governance of State-Owned Enterprises

14:00 – 14.15 **Opening Remarks**

Moderator: Mr. Hans Christiansen, Senior Economist, OECD

14:15: 15:30 **Consultation: Part 1**

- Applicability and Definitions
- Rationales for State Ownership
- The State's Role as Owner

15:30 -15:45 **Coffee/tea break**

15:45 -17:00 **Consultation: Part 2**

- State-Owned Enterprises in the Marketplace
- Equitable Treatment of Shareholders & Other Outside Investors
- Stakeholder Relation& Sustainable Business

17:00 - 18:00 **Consultation: Part 3**

- Transparency & Disclosure
- The Responsibilities of the Board of State-Owned Enterprises

18:00 - 18:15 **Concluding session**

19:00 **Cocktail reception hosted by Mr. Matthew Hedges, British Deputy Head of Mission**

Address: Belwood, 66 Alan Pya Pagoda Road, Yangon

18:30 *Buses leave from the Sule Shangri-La Lobby to cocktail reception*

20:00 *First Bus leaves from the cocktail reception to Sule Shangri-La Lobby*

20:30 *Second Bus leaves from the cocktail reception to Sule Shangri-La Lobby*

21:00 *Third (Final) Bus leaves from the cocktail reception to Sule Shangri-La Lobby*