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Session 1: Corporate governance reform in the Philippines: progress and challenges

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THE PHILIPPINE STOCK EXCHANGE: Corporate Governance Reforms

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INDEPENDENT STUDY SHOWS

- CG scores and firm valuation have a positive correlation

- Firm valuation is also directly-related to the level of corporate governance and changes in corporate governance practices.
INDEPENDENT STUDY SHOWS

- CG Scores and firm valuation have a positive correlation
- Firm valuation is also directly-related to the level of corporate governance and changes in corporate governance practices
- Investors care about equitable treatment, transparency and board responsibility
- Conclusion: incentive for managers to adopt CG
STRATEGIC AGENDA

- List more companies and securities
- Expand and educate the investor base
- Value and enforce corporate governance standards
- Enhance shareholder value
- Launch new products and services
- Upgrade market infrastructure & human resources
- Partner with government & other stakeholders


CG REFORMS

➢ PSE Corporate Governance Guidelines

✓ Protection of minority shareholder rights
✓ Independent judgment and role of independent directors
CG REFORMS

- PSE Code of Corporate Governance
  - Protection of minority shareholder rights
  - Independent judgment and role of independent directors

- PSE Special CG Board
  - For companies willing to abide by CG standards in line with global standards
CG REFORMS

- Partnering with institutions
- PSE co-chairs Task Force for Role of Exchanges in AOSEF
- Legislative Reforms on Corporate Governance
CG REFORMS

- Partnering with institutions
- PSE co-chairs Task Force for Role of Exchanges in AOSEF
- Legislative Involvement on Corporate Governance
"The conscience is the inner voice that warns us that somebody may be looking."