



In partnership with the Government of Japan

**WORKING GROUP MEETING
OF
THE ASIAN ROUNDTABLE
ON
CORPORATE GOVERNANCE**

**Shangri La
Kuala Lumpur, Malaysia**

25-26 May 2010

AGENDA



Background and Objectives

Working Group 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 and their stability. This Working Group meeting will be a significant step to developing a new roadmap to reflect progress in Asia's corporate governance landscape and within the context of recent global developments. This is a critical time to review and evaluate implementation of corporate governance standards and practices as a vital step to reinforcing market integrity. We will spend considerable time reflecting on what the next decade of corporate governance in Asia may look like, new priorities, obstacles and how OECD can help.

The discussion will be inspired by two papers. First, a look at Asia's track-record in implementing the 2003 Asian White Paper recommendations by discussing the draft stock-taking report that will identify key impediments, based on responses to a questionnaire. Second, to specify future priorities for updating the Asian White Paper by discussing the Emerging Issues Paper, this summarises and builds upon discussions in Manila last September. Finally, proposed new priorities are circulated for reflection.

Established in 1999, the Asian Roundtable on Corporate Governance serves as a regional forum for exchanging experiences and advancing 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.¹

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 seek to raise awareness of major developments and challenges, evaluate implementation and enforcement as well as discuss and analyse policy options to support viable and effective corporate governance reforms.

The ARCG agreed on an action plan in 2003 for improving corporate governance in Asia; the *White Paper on Corporate Governance in Asia*. The White Paper is a consensus document that identifies policy objectives and formulates a practical reform agenda to improve corporate governance in the region, using the *OECD Principles on Corporate Governance* as a reference.

Following broad endorsement of the White Paper, the ARCG decided to focus its work on how to translate policy objectives into practical outcomes. Recent tangible outcomes are the *"Guide on Fighting Abusive Related Party Transactions in Asia"* (2009) and a *Policy Brief on Corporate Governance of Banks* (2006) that present policy options for improvements in these areas. In 2007, the Roundtable developed some important comparative publications on key issues, such as *"Enforcement of Corporate Governance in Asia: the Unfinished Agenda"* and *"Asia: Overview of Corporate Governance Frameworks in 2007"*.

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 the exchange of views and experience on these complex issues among all participants. Introductory comments should help frame the discussion with highlighting 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 should last no more than 15 minutes each. Please limit the use of slides to a reasonable number and circulate descriptive documentation in advance. Rapporteurs are expected to take notes and write a key point summary of the discussion in their respective session. They are also welcome to contribute to the discussion itself. Working Group participants are invited to react, expose their views and discuss the issues raised by speakers and related to the issues provided in the agenda. All participants are encouraged to actively and openly participate in discussions to provide the Working Group with their country experience.

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

TUESDAY 25 MAY 2010

14:00 Registration of participants

14:15 Welcoming remarks

Dr. Nik Ramlah MAHMOOD, Managing Director, Securities Commission Malaysia

Mr. Grant KIRKPATRICK, Head, Corporate Affairs Division, OECD

Objective and scope of the meeting by *Ms. Fianna JESOVER*, Senior Policy Manager, Corporate Affairs Division, OECD

14:30 Session 1: Stock Taking: Progress in Implementing 2003 White Paper

Moderator: *Mr. Kha Loon LEE*, Head, Asia Pacific, Chartered Financial Analyst Institute (CFA Institute) for Financial Market Integrity

Rapporteur: *Dr. Zhengjun ZHANG*, Senior Research Fellow, Enterprise Research Institute, Development Research Center of the State Council, China

Introduction: *Mr. Andreas GRIMMINGER*, Head of Research, eStandards Forum

Issues for discussion:

- In what key areas has corporate governance reform in Asia resulted in significant progress?
- What are examples of good practices? What factors have facilitated these practices?

16:00 Coffee/Tea Break

16:30 Session 2: Remaining Challenges

Moderator: *Mr. John Kok Min LIM*, President, Singapore Institute of Directors (SID), Singapore

Rapporteur: *Mr. Asif SAEED*, Chairman, Department of Economics, GC University, Pakistan

Introduction: *Mr. Charles GRIEVE*, Senior Director, Corporate Finance Division, Securities & Futures Commission (SFC), Hong Kong, China

Issues for discussion:

- Where progress has been slow or obstacles identified, what are the key recommendations that need to be carried over into the new Roadmap?
- What are the key steps to advance reform on the remaining challenges?

18:00 End of Session

19:45 Dinner kindly hosted by the Securities Commission Malaysia

WEDNESDAY 26 MAY 2010

9:00 Session 3: Introduction of 'Emerging Issues Paper' and Enforcement

Moderator: *Mr. Jaseem AHMED*, Director, Governance, Finance and Trade Division, Southeast Asia Department, Asian Development Bank (ADB)

Rapporteur: *Mr. Patrice AGUESSE*, Director, Regulatory Policy Division, French Securities Exchange Commission, France

Introduction: *Mr. Kenji HOKI*, Outreach Advisor, Corporate Affairs Division, OECD

Issues for discussion:

- Is the policy framework on corporate governance developed with a view to its impact on overall economic performance, market integrity and incentives it creates for market participants and the promotion of transparent and efficient markets?
- How do stakeholders (e.g. creditors, employees, suppliers, customers) contribute to the long-term success of the corporation? What is the role of stock exchanges?
- What are the drivers and catalysts to enhance and facilitate the implementation and enforcement of the legal and regulatory corporate governance framework?
- How does Asia strike a balance (e.g. voluntary/mandatory, soft/hard law approach) between strengthening disclosure, raising awareness of director's duties, building regulatory and judiciary capacity, shareholder engagement, enhancing the monitoring function of independent directors and ex-ante and ex-post regulatory impact assessment?

10:30 Coffee/Tea Break

11:00 Session 4: Shareholder engagement

Moderator: *Mr. David SMITH*, Head, Asia Corporate Governance Research, RiskMetrics Group

Rapporteur: *Mr. Charles T. CANFIELD*, Senior Corporate Governance Officer, East Asia & Pacific Department, International Finance Corporation (IFC)

Introduction: *Dr. Sidharta UTAMA*, Chairman, Indonesian Institute for Corporate Directorship (IICD), Indonesia

Issues for discussion:

- Do shareholders participate effectively in key corporate governance decisions?
- Do investors need to be more responsible for engaging companies in promoting good corporate governance practices?
- How do we enhance shareholders engagement in companies with controlling shareholders?
- What information is required for shareholders to monitor corporate practices, with a long term view of the company?

12:30 Lunch

14.00 Session 5: Board oversight: Independent and objective judgement

Moderator and Rapporteur: *Dr Stephen CHEUNG*, Dean, School of Business, Hong Kong Baptist University, Hong Kong China SAR

Introduction: *Mr. Sunil KADAM*, General Manager, Corporation Finance Department, Securities and Exchange Board of India, India

Issues for discussion:

- Does the board has sufficient capability to monitor management and key executives, corporate performance, risk, the effectiveness of the company's governance practices, and potential conflicts of interest between management, board members and shareholders?
- Does the disclosure system provide sufficient information on monitoring corporate governance practices to shareholders including directors' behaviour in the decision making process of the board?
- Do directors have sufficient and relevant information in a timely manner in order to provide independent and objective judgement in the decision making process of the board?
- Is it time to introduce an independent chairperson of the board? How about separating the roles of CEO and chairperson?

15:30 Coffee/Tea Break

16:00 Session 6: Proposed new priorities in the updated White Paper

Moderator: *Ms. Selvarany RASIAH*, Chief Regulatory Officer, Bursa Malaysia, Malaysia

Rapporteur: **Prof. Lawrence LEE**, Associate Professor, Asia University, Department of Finance & Economic Law, Chinese Taipei

Introduction: *Mr. Jonathan Juan MORENO*, Philippines

17:30 Closing Remarks

Dr. Nik Ramlah MAHMOOD, Managing Director, Securities Commission of Malaysia, Malaysia

Next steps by *Ms. Fianna JESOVER*, Senior Policy Manager, Corporate Affairs Division, OECD

18:00 End of Seminar