



Organisation for Economic Co-operation and Development

In co-operation with the World Bank Group

Draft Agenda

***The Third Meeting of the
Latin American Corporate Governance Roundtable***

8-10 April, 2002

Bolsa Mexicana de Valores, Mexico City, Mexico

Co-hosted by:

Bolsa Mexicana de Valores

With the support of:

Secretaria de Hacienda y Credito Publico

Comision Nacional Bancaria y de Valores

Consejo Coordinador Empresarial

Global Corporate Governance Forum

Asociación de Banqueros de México

Asociación Mexicana de Intermediarios Bursátiles

Asociación de Instituciones Financieras Internacionales

Day 1

8:30	-	9:30	Registration	
9:30	-	10:30	Inauguration of Ceremonies:	Mr. Francisco José Gil Diaz, Minister of Finance and Public Credit, Mexico
			Welcome Address:	Mr. Guillermo Prieto Treviño, Chairman, Bolsa Mexicana de Valores (BMV)
			Opening Remarks:	Mr. Richard Hecklinger, Deputy Secretary-General, OECD Mr. Bernie Sheahan, Director, Operational Strategy Department, International Finance Corporation (IFC)
10:30	-	11:00	Refreshments	
11:00	-	12:30	Recent Corporate Governance Developments:	
			Chair:	Mr. Jorge Familiar, Vice-President, National Banking and Securities Commission (CNBV), Mexico
			Introduction:	Mr. Mike Lubrano, Principal Securities Market Specialist, Global Financial Markets Group, IFC
			Comments:	Mr. Guillermo Babatz, Director-General for Insurance and Securities, Ministry of Finance and Public Credit, Mexico Ms. Maria Clara Sanchez Ballesteros, Superintendente Delegada para Emisores, Superintendencia de Valores, Colombia Ms. Maria Helena Santana, Listing and Issuer Relations Superintendent, São Paulo Stock Exchange (BOVESPA), Brazil Ms. Anne Simpson, Programme Manager, Global Corporate Governance Forum
				This session will review recent public and private sector initiatives to advance the quality of corporate governance in Latin America
12:30	-	14:30	Lunch and Press Conference	
			Lunch Address:	Mr. Agustin Carstens, Vice-minister of Finance and Public Credit, Mexico

14:30 - 16:00 **Session 1: *The Role of the Board – Its Boundaries, Duties and Competencies***

Chair: Mr. Claudio X. Gonzalez, President, Business Co-ordinating Council (CCE), Mexico

Introduction: Dr. Florencio Lopez de Silanes, International Institute of Corporate Governance, Yale University

Comments: Mr. Marcos Bertín, Argentine Institute of Corporate Governance (IAGO), Argentina
Mr. José Alberto Velez Cadavid, President, Suramericana de Seguros, Colombia
Mr. Alexandre Gouvea, Senior Partner, McKinsey & Company, Inc, Brazil

This session will address the duties and powers of the board of directors and its proper relations to other organs of corporate governance (the executive function, the AGM, auditing). The legal framework's treatment of the duties and competencies of the board as well as the course of practice will be discussed. Panellists will review and opine on the role and effectiveness of the various recent voluntary code efforts and mandatory legal/regulator reforms.

16:00 - 16:30 Refreshments

16:30 - 18:00 **Session 2: Main Board Issues in Latin America**

- Chair:** Mr. Carlos Leone, Member of the Executive Committee, Argentine Institute of Corporate Governance (IAGO), Argentina
- Introduction:** Mr. Candido Paz-Ares, Uria & Menendez, and University of Madrid, Spain
- Comments:** Mr. Ricardo Escobar, Partner, Carey y Cia, Chile
Ms. Eliane Lustosa, Director of Finance and Investments, Petros, Brazil
Mr. Hector M. de Uriarte, Director, Walmart, Mexico

This session will cover the institutional aspects of board practices that may affect its accountability and efficiency. Issues to be discussed will include, the legal framework for the duties of care and loyalty, board independence of management and controlling shareholders, the role of the board in the case of exceptional corporate actions, committee practice, and the role of the audit committee vis-à-vis comisarios fiscales, and consejos fiscais. Building on the discussions of the 2001 Roundtable meeting in Buenos Aires, the special concerns of the board members' responsibility with respect to related party transactions and co-investments with controlling shareholders will be discussed.

18:00 **Cocktail Reception:**
Hosted by the Bolsa Mexicana de Valores

Day 2

09:00 - 10:30 **Session 3: *Developing Board Professionalism***

Chair: Mr. Roger Raber, President and CEO, National Association of Corporate Directors (NACD), USA
Comments: Mr. Roberto Danel, Principal, Control de Gestion de Negocios, S.C., Mexico
Mr. Sergio Foguel, Member of the Board, Odebrecht SA, Brazil
Mr. José Sanchez Padilla, Egon Zehnder International, Mexico
Mr. Samuel Podolsky, President, Spencer Stuart, Mexico
Mr. Paulo Villares, President, Brazilian Institute of Corporate Governance (IBGC), Brazil

Panellists at this session will identify practical work methods and director profiles for effective and accountable board decision making. Director qualification, training, recruitment, compensation and evaluation will be considered.

10:30 - 11:00 Refreshments

11:00 - 12:30 **Session 4 : *Stakeholders and the Role of Employees***

Chair: Ms. Anne Simpson, Programme Manager, Global Corporate Governance Forum
Introduction: Mr. Ron Blackwell, Director, American Federation of Labor & Congress of Industrial Organisations (AFL/CIO)
Comments: Mr. Francisco Hernández Juárez, Secretary General, Telephone Workers Union, Mexico
Dr. Federico Oviedo Vidal, President, Lima Stock Exchange, Peru
Mr. Antonio Franck, Franck, Galicia y Robles, Mexico

The competitiveness and ultimate success of a corporation is the result of teamwork that embodies the contributions from a range of resource providers including employees. For this reason, it is important that the corporate governance framework encourages active co-operation between corporations and stakeholders in creating wealth, jobs, and financially sound enterprises. This session will discuss experiences in the area of building such value enhancing relationships and to ensure that the legal rights of stakeholders are respected.

12:30 - 14:00 **Lunch**

Lunch Address: Mr. Humberto Bañuelos, President of the Asociación Mexicana de Intermediarios Bursátiles (AMIB), Mexico

14:00 - 15:30 **Session 5: *Corporate Governance and the Case of Creditors and Insolvency proceedings***

Chair: Mr. Hector Rangel Domene, President, Mexican Bankers Association

Introduction: Mr. Stilpon Nestor, Senior Advisor to the OECD

Comments: Mr. Sri-Ram Aiyer, Former Country Director, World Bank
Mr. Luis Manuel C. Méjan, General Director, Mexican Administrator for Insolvency Procedures

Mr. Nabil Miguel Agramont, Intendente de Valores, Superintendencia de Pensiones, Valores y Seguros, Bolivia

Latin America has witnessed several attempts to invigorate commercial bankruptcy systems in recent years. These efforts have been driven by a desire to promote economic efficiency and provide greater security to, and encourage the development of, effective credit markets. However, one legacy of the lack of effective bankruptcy systems in the past is that there has been little structured discussion of the roles, rights and responsibilities of boards, management, shareholders, creditors and other stakeholders in the financially-troubled enterprise.

15:30 - 16:00 **Refreshments**

16:00 - 17:30 **Session 6: Disclosure and Transparency – A Market Requirement**

- Chair:** Dr. Moisés Schwartz Rosenthal, Director-General for International Financial Affairs, Ministry of Finance and Public Credit, Mexico
- Introduction:** Professor Harvey J. Goldschmid, Partner, Weil, Gotshal and Manges LLP (former General Counsel, US SEC), US
- Comments:** Dr. Federico Oviedo Vidal, President, Lima Stock Exchange, Peru
Ms. Maria Helena Santana, Listing and Issuer Relations Superintendent, São Paulo Stock Exchange (BOVESPA), Brazil
Mr. Eduardo Trigueros, Issuers and Information Director, Bolsa Mexicana de Valores (BMV)

This session will approach disclosure and transparency from the perspective of the capital markets. Participants will share their views on the role of timely and accurate information provision by companies in developing and sustaining credible and efficient capital markets. The challenges of global integration and introduction of new technologies will be discussed as well.

17:30 **Cocktail Reception at the Sheraton Maria Isabel Hotel:**
Hosted by the International Finance Corporation (IFC)

Day 3

8:30 – 10:00 **Session 7: *Disclosure and Transparency – Accounting and Auditing***

Chair: Mr. José Luiz Osorio, Chairman, Securities and Exchange Commission (CVM), Brazil

Introduction: Mr. Guillermo Zamarripa Escamilla, Vicepresident, National Banking and Securities Commission (CNBV), Mexico

Comments: Mr. Mauro Cunha, Templeton Asset Management, Brazil
Ms. Ana Maria Elorrieta, Partner, PricewaterhouseCoopers, Brazil
Ms. Paola Gutierrez, , Co-ordinator, Confécamaras (Confederation of Chambers of Commerce), Colombia
Mr. Javier de los Santos Fraga, President, Mexican Institute of Public Accountants

To be discussed at this session will be the remaining areas where Latin American financial reporting and accounting standards and practices need to be brought into line with international standards. With respect to the auditing function, the session will address auditing standards in Latin America and independence of external auditors, including the issues of permissibility and disclosure of consulting services provided to audit clients.

10:00 – 10:30 Refreshments

10:30 - 12:00 **Session 8: Disclosure and Transparency - Non-Financial Disclosure**

Chair: Mr. Alvaro Clarke, Chairman, Superintendency of Securities and Insurance, Chile

Comments: Mr. Guillermo Arthur, Director, Federacion Internacional de Administradoras de Fondos de Pensiones, Chile
Mr. Jorge Familiar, Vice-President, National Banking and Securities Commission (CNBV), Mexico
Mr. Emilio Ferré, Head, Intermediaries Division, Comisión Nacional de Valores, Argentina
Mr. Rubén Goldberg Javkin, President of the Asociación de Instituciones Financieras Internacionales (AIFI), Mexico

This session will look at those areas of non-financial disclosure that are critical both to the effectiveness and efficiency and capital markets, and to the accountability of the company to investors. Areas to be covered will include timely and complete disclosure of extraordinary corporate events, transactions with affiliates, segment reporting and disclosure of the company's internal governance structures and practices. The appropriateness of the concept of material but "reserved" information will be debated.

12:00 - 12:30 **Session 9: Summary, Closing Remarks and Next Steps**

Chair: Mr. William Witherell, Director, Directorate for Financial, Fiscal and Enterprise Affairs, OECD

Reporters: Mr. Mats Isaksson, Acting Head, Corporate Affairs Division, OECD
Mr. Mike Lubrano, Principal Securities Market Specialist, Global Financial Markets Group, IFC

Invitation to Next Meeting of the Roundtable - Chile 2003

Mr. Alvaro Clarke, Chairman, Superintendency of Securities and Insurance, Chile
Representative of Chilean co-sponsor

END OF ROUNDTABLE

Meeting for Core Group Members

12:30	-	14:00		<i>Working Lunch for Core Participants</i>
14:00	-	15:30		Discussion of Draft White Paper
			<i>Chair:</i>	Mr. William Witherell, Director, Directorate for Financial, Fiscal and Enterprise Affairs, OECD
			<i>Reporters:</i>	Mr. Mats Isaksson, Acting Head, Corporate Affairs Division, OECD
				Mr. Mike Lubrano, Principal Securities Market Specialist, Global Financial Markets Group, IFC
15:30	-	16:00	Refreshments	
16:00	-	18:00		<i>Discussion of Draft White Paper</i>
18:00				<i>Closing of Meeting for Core Group Members</i>