



## Agenda

# THE 2006 ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE

*Enforcement Revisited/Boardroom Practices*

**14- 15 September 2006**  
**Grand Hyatt Erawan**  
**Bangkok, Thailand**



**บริษัทภิบาลแห่งชาติ**  
National CG Committee

**Co-hosted by:**



**In Partnership with:  
The Government of Japan  
The Global Corporate Governance Forum**



## Day 1 – Thursday 14 September 2006 - Morning Session

- 8:30 – 9:00            **Registration**
- 9:00 – 9:30            **Welcoming remarks by**
- ◆ **Dr. Somkid Jatusripitak**, Deputy Prime Minister, Thailand
  - ◆ **Mr. Vipul Bhagat**, Country Manager for Thailand, International Finance Corporation (IFC, the World Bank Group)
  - ◆ **Ms. Carolyn Ervin**, Director, Directorate for Financial and Enterprise Affairs, OECD
- 9:30 – 12:30            **Session 1: Case Studies on Implementation and Enforcement of Corporate Governance Rules**  
Moderator: **Mr. Philip Armstrong**, Head, Global Corporate Governance Forum (GCGF)
- 9:30 – 10:20            **- Part I: A case in Thailand**
- ◆ Presentation on a case in Thailand (anonymous) by **Dr. Piman Limpaphayom**, Sasin Graduate Institute of Business Administration, Thailand (15 minutes)
  - ◆ Regulator's comments by **Ms. Waratchya Srimachand**, Director of Enforcement Department, Securities and Exchange Commission, Thailand (5 minutes)
  - ◆ Q&A and floor discussion (30 minutes)
- 10:20 – 10:50            **Coffee / tea break**
- 10:50 – 11:40            **- Part II: A case in Singapore**
- ◆ Presentation on a case in Singapore (China Aviation Oil case) by **Dr. Yuen Teen Mak**, Director, Corporate Governance and Financial Reporting Centre, School of Business, National University of Singapore (15 minutes)
  - ◆ Q&A and floor discussion (35 minutes)
- 11:40 – 12:30            **- Part III: A case in Chinese Taipei**
- ◆ Presentation on a case in Chinese Taipei (Procomp case) by **Mr. Lawrence Liu**, China Development Financial Holding Corporation, Chinese Taipei (15 minutes)
  - ◆ Regulator's comments by **Mr. Chen-Shan Chang**, Deputy Director of Securities and Futures Bureau, Financial Supervisory Commission, Chinese Taipei (5 minutes)
  - ◆ Q&A and floor discussion (30 minutes)
- 12:30 – 14:00            **Lunch hosted by the Thai Securities and Exchange Commission** (Luncheon Talk on “Sufficiency Economy”)

## Day 1 – Thursday 14 September 2006 – Afternoon Session

14:00 – 15:30

### **Session 2: Implementation and Enforcement of Corporate Governance Rules - Progress Made and Challenges Ahead**

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

- ◆ Presentation on Asia – based on the *Stock-take Report* – by **Mr. Motoyuki Yufu**, Principal Administrator, Senior Outreach Advisor, Outreach Unit for Financial Sector Reform, OECD (10 minutes)
- ◆ Presentation on the United States by **Ms. Susan Baker**, International Economist, Office of International Banking and Securities Market, U.S. Department of the Treasury (20 minutes)
- ◆ Presentation on Japan by **Dr. Seki Obata**, Associate Professor, Graduate School of Business Administration, Keio University, Japan (20 minutes)
- ◆ Q&A and floor discussion (40 minutes)

15:30 – 16:00

**Coffee / tea break**

16:00 – 17:00

### **Session 3: Ten Boardroom Challenges; A Boardroom Guide to the OECD Principles on Corporate Governance**

Moderator: **Mr. Peter Dey**, Chairman, Paradigm Capital Inc, Vice Chair of the OECD Business Group on Boardroom Practice, Canada

- ◆ Introduction of the Boardroom Guide project by **Ms. Anne Simpson**, Executive Director, International Corporate Governance Network (ICGN) (10 minutes)
- ◆ Comments by **Professor Y. K. Fan**, Hong Kong Institute of Directors, **Mr. Tony Silitonga**, Indonesian Institute for Corporate Directorship, and **Dr. Jisoo Lee**, Senior Consultant, Center for Good Corporate Governance, Korea (15 minutes) and **Mr Farook Sobhan**, President , Bangladesh Enterprise Institute
- ◆ Floor discussion (35 minutes)

19:00

**Dinner hosted by the Stock Exchange of Thailand**

## Day 2 – Friday 15 September 2006 - Morning Session

09:30 – 12:00

### Session 4: Independent Non-executive Directors

Moderator: **Mr. Sumant Batra**, Senior Partner, Kesar Dass B & Associates, Advocates & solicitors, India

09:30 – 10:30

#### *- Part I: A practical consideration*

- ◆ Presentation on training and certification – a view of an institute of directors - by **Mr. Charnchai Charuvastr**, President and CEO, Thai Institute of Directors Association, Thailand (15 minutes)
- ◆ Q&A (15 minutes)
  
- ◆ Presentation on how to develop a pool/market of independent non-executive directors in a country – a view of ICGN – by **Ms. Anne Simpson**, Executive Director, International Corporate Governance Network (ICGN) (15 minutes)
- ◆ Q&A (15 minutes)

10:30 – 11:00

#### Coffee / tea break

11:00 – 12:00

#### *- Part II: Floor discussion on FAQs\* regarding independent non-executive directors*

Floor discussion led by **Dr. Jesus Estanislao**, Chairman, Institute of Corporate Directors, the Philippines and member of the GCGF's Private Sector Advisory Group (60 minutes)

\* Frequently asked questions (FAQs) : This part is expected to discuss answers to the questions that ARCG participants are frequently asked in their home countries. Participants are encouraged to consider the following :

(i) Can independent non-executive directors who do not have specific knowledge about the company be really useful? How about those directors who do not even have specific knowledge about the business the company is operating (industry-specific knowledge) or directors who do not have business experience at all?

(ii) Is it really practical that we expect independent non-executive directors to be well informed, dedicated and responsible board members? Many of them do not even have an office in the company. Can they really function effectively?

(iii) What is the major impact that independent non-executive directors can usually have on the company? Do we

expect company performance to be improved?

(iv) Assuming that independent non-executive directors are useful, where and how do companies recruit such directors? There is no “market” for such directors in our country.

- ◆ The discussion will kick-off with comments on the FAQs by (i) **Professor Ruyin Hu**, Director, Research Centre, Shanghai Stock Exchange, China, (ii) **Mr. Jaafar Sidek Abdul Wahab**, CEO, Minority Shareholder Watchdog Group, Malaysia, (iii) **Mr. Hoang Duong Nguyen**, Deputy Director, Ministry of Finance, Vietnam, and (iv) **Mr. Zahid Zaheer**, President, Pakistan Institute of Corporate Governance.

12:00 – 13:30

**Lunch hosted by Thai Listed Companies Association**

## **Day 2 – Friday 15 September 2006 - Afternoon Session**

13:30 – 15:00

### **Session 5: Related Activities and Next Steps**

Moderator; **Mr. Mats Isaksson**, Head, Corporate Affairs Division, OECD

- ◆ Interim report on the Asian SOE Network by **Mr. John Lim**, President, Singapore Institute of Directors (20 minutes)
- ◆ Reports on related activities (40 minutes)
  - by **Professor Kyung Suh Park**, Director, Asian Institute of Corporate Governance (AICG), Business School, Korea University
  - by **Mr. Naohiko Mouri**, Affiliate Director, Institute of Internal Auditors (IIA) and President, Asian Confederation of the Institute of Internal Auditors (ACIIA)
  - by **Mr. Charnchai Charuvastr**, President of the Thai Institute of Directors and Chairperson of the Institute of Directors East Asia Network (IDEA.Net)
  - by **Ms. Anne Simpson**, Executive Director, International Corporate Governance Network (ICGN)
  - by **Ms. Fianna Jesover**, Principal Administrator, Corporate Affairs Division, OECD
  - by **Mr. Peter Taylor**, Corporate Governance Officer, IFC
  - by **Mr. Philip Armstrong**, Head, Global Corporate Governance Forum (GCGF)
  - by **relevant institutions other than above**

Floor discussion on next steps of the Asian Roundtable on Corporate Governance (30 minutes)

**End of Roundtable**

## THE 2006 ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE

**Bangkok, Thailand, 14 - 15 September 2006**

### **Notes to the agenda and issues for discussion**

The main theme of the 8<sup>th</sup> meeting of the Asian Roundtable on Corporate Governance (ARCG) is “Enforcement revisited / Boardroom practices”. The agenda for this meeting seeks to; (i) focus on practical aspects of the corporate governance debate and (ii) allow considerable time for floor discussion. Subsequent to case studies or presentations highlighting practical views, more time is allocated to discussion among participants than in previous meetings. Participants are therefore encouraged to actively contribute to this discussion, while keeping their remarks brief and to the point in order to enable other participants to speak.

Preceding the ARCG meeting, a one day seminar on corporate governance in Thailand will be held at the same venue on 13 September.

#### **Session 1: Case Studies on Implementation and Enforcement of Corporate Governance Rules**

This session focuses on the implementation and enforcement of corporate governance rules. It attempts to identify key challenges and discuss options for solutions based on the analysis of real cases in three economies in the region; Thailand, Singapore, and Chinese-Taipei. To be more specific, presentations are expected to cover the following elements;

- (a) Facts of the case ("What had happened or what seemed to have happened?"),
- (b) What type of enforcement/implementation action was actually applied vis-à-vis above, i.e. (i) civil, (ii) administrative, (iii) criminal? Also, explain the rationale for the type of enforcement/implementation applied. Were there any alternative options available?
- (c) Final outcome of the case
- (d) What can we learn from the case? (e.g. Strengths and weaknesses of the relevant enforcement/implementation action undertaken.)
- (e) Recommendations for improvement

Subsequent to each presentation of a case study, enough time is allocated for Q&A and floor discussion. Participants, including regulators from Asia, are expected to greatly contribute to this discussion.

#### **Session 2: Implementation and Enforcement of Corporate Governance Rules; Progress Made and Challenges Ahead**

The purpose of this session is to review recent progress and identify emerging challenges in the implementation and enforcement of corporate governance rules. For a starter, the OECD secretariat will review recent development in ARCG economies based on the *stock-take report* which will be made public very soon. This *stock-take report* has been developed based on questionnaire responses from dedicated ARCG participants on the progress in their jurisdictions. Speakers from OECD countries will provide updated information on implementation and enforcement of

corporate governance rules in the United States and Japan, who may also identify similar or future challenges in ARCG economies. Subsequent floor discussion is expected to be a wrap-up on this topic. ARCG meetings have discussed implementation and enforcement for the past few years. The OECD will propose future plans to develop a publication summarizing these discussions and relevant information gathered in the region.

### **Session 3: Ten Boardroom challenges; A Boardroom Guide to the OECD Principles on Corporate Governance**

A brief introduction will be made in relation to the draft *Boardroom Guide to the OECD Principles*, developed by the OECD Business Advisory Group. The *Boardroom Guide* will illuminate how the aspirations of the OECD Principles concerning boards can be practically achieved in different regulatory, economic and cultural contexts. The *Boardroom Guide* will provide useful guidance with respect to how boards can exercise their responsibilities in relation to ten challenges in boardrooms. The floor discussion is expected to focus not only on the draft but also on broader issues involving boardroom challenges. The discussion will begin with short remarks by several commentators and then expanded to the floor.

### **Session 4: Independent Non-executive Directors**

Non-executive/outside/“independent” directors are always one of the centre pillars when it comes to discussions on corporate governance. The debate is endless because some people have increasingly higher expectations of these directors’ roles while others remain pessimistic. This session starts with presentations on practical aspects of the debate and then floor discussion will follow. It aims at providing participants with their own answers, if not the same ones, to the most frequently asked questions in their countries. Participants are encouraged to consider the questions below to prepare for the discussion:

- (i) Can independent non-executive directors who do not have specific knowledge about the company be really useful? How about those directors who do not even have specific knowledge about the business the company is operating (industry-specific knowledge) or directors who do not have business experience at all?
- (ii) Is it really practical that we expect independent non-executive directors to be well informed, dedicated and responsible board members? Many of them do not even have an office in the company. Can they really function effectively?
- (iii) What is the major impact that independent non-executive directors can usually have on the company? Do we expect company performance to be improved?
- (iv) Assuming that independent non-executive directors are useful, where and how do companies recruit such directors? There is no “market” for such directors in our country.

### **Session 5: Related Activities and Next Steps**

In this session, the activities that have an impact on corporate governance policy development in Asia and may be relevant for the ARCG will be presented and discussed. These include an activity under the umbrella of the ARCG; the Network on Corporate Governance of State-Owned Enterprises in Asia. Others would include programmes organised by OECD, IFC/World Bank, GCGF, ICGN, IDEA.Net, AICG (Asian Institute of Corporate Governance, Korea University) and IIA (Institute of Internal Auditors). There will also be a discussion on future steps.