



Policy Dialogue on Corporate Governance in China

Hosted by

**The Shanghai Stock Exchange
and
Organisation for Economic Co-operation
and Development (OECD)**

Co-organiser:

**Enterprise Research Institute (ERI)/Development Research
Center (DRC)**

A G E N D A

*The Grand Hyatt Hotel
Shanghai, China
25 - 26 February 2004*

**In partnership with
The Government of Japan**

The Global Corporate Governance Forum



Policy Dialogue on Corporate Governance in China

Day 1 – Wednesday 25th February 2004

Registration and Welcome

08:30 – 09:00 Participants registration

09:00 – 10:00 Opening Session

Opening Remarks:

- **Mr. Shang Fulin, Chairman, China Securities Regulatory Commission**
- **Mr. Han Zheng, Mayor, Shanghai Municipal Government (to be confirmed)**
- **Mr. Chen Qingtai, Deputy Director, Development Research Center (DRC)**
- **Mr. Richard Hecklinger, Deputy Secretary General, OECD**

Co-Chairman:

- **Mr. Fang Xinghai, Deputy General Manager, Shanghai Stock Exchange**
- **Mr. Rainer Geiger, Deputy Director, Directorate for Financial and Enterprises Affairs, OECD**

10.00 - 11.15 Session 1: Overview of Recent Developments in China and Related OECD Works

- Main findings of the first Annual Report on Corporate Governance in China formulated by the Shanghai Stock Exchange – progress and remaining challenges
Mr. Hu Ruyin, Director, Research Center, Shanghai Stock Exchange
- New initiative in the states assets management
Mr. Shao Ning, Deputy Director, State-owned Assets Supervision and Administration Commission, China (to be confirmed)
- On-going review of the OECD Principles on Corporate Governance
Mr. Grant Kirkpatrick, Principal Administrator, Corporate Affairs Division, OECD

General Discussion

11:15 – 11:30 *Coffee break*

11:30 – 12:45

Session 2: Ownership transfer in an efficient and fair manner

- Scaling down the state owned shared and market capacity
- Diversifying investors (Role of Institutional Investors including QFII scheme)

Presentations

- **Mr. Zhang Xin, Deputy Director, Dept. of Listed Company Supervision, China Securities Regulatory Commission**
- Privatisation, competition and regulation issues, the OECD experience, **Ms. Patricia Leahy, Director, National Audit Office, UK**
- Selecting proper privatisation methods, **Mr. Adolfo di Carluccio, Director, Italian Treasury, Italy**
- Russian Experience, **Dr. Georgiy Malginov, Senior Researcher, Institute for the Economy in Transition, Russian Federation**

General Discussion

12:45 – 14:15

Lunch

14:15 – 16:00

Session 3: The State as a Shareholder

- Mitigating the confusion between regulatory and ownership function of the state
- Maximising a return on assets
- Ensuring a transparency to the nation

Presentations

- **Mr. Chen Qingtai, Deputy-Director, Development Research Center**
- **Mr. William Mako, Lead Specialist, Private Sector Development, World Bank, Beijing, China**
- **Mr. Eric Preiss, General Secretary, Agency for State Participation, France**
- **Mr. Pekka Timonen, State Shareholding Unit, Ministry of Trade and Industry, Finland**

General Discussion

16:00 – 16:15

Coffee break

16:15 – 17:45

Session 4: The Role and Responsibilities of the Board

- The Concept of Fiduciary Duty
- Why and Where Independence Matters
- Training, Selection and Accountability

Presentations

- Role, Responsibility and Function of the Board, **Mr. Chen Qiwei, Board Chairman, Asia Business Consulting Corporation**
- Fiduciary Duty and Independence of the Board, **Ms. Sophie L'Hélias, Avocat à la Cour, France**
- Why and where independence matters, **Mr. Clarence Kwan, Deloitte & Touche, USA**
- Director Training and the role of the Institute of Directors, **Mr. John Lim, President, Singapore Institute of Directors, Singapore**

General Discussion

17:45

Conclusion of Day 1 Programme

18:30

Dinner Reception

Day 2 – Thursday 26th February 2004

09:00 – 10:45

Session 5: Board Committees

- One and Two - Tier Structure
- Committees Mandates, Liabilities and Resources

Presentations

- **Professor Wu Jinglian, Senior Researcher, Development Research Center**
- **Mr. Dong Wenbiao, CEO, Minsheng Bank (to be confirmed)**
- Board Structure and its implication to the function of the Board – Japanese Experience, **Mr. Masatoshi Toriihara, Statutory Auditor, CSK Corporation and Member, Committee of Corporate Governance, Japan Association of Corporate Directors, Japan**

- Function of the Board Committee - US Experience, **Mr. Barry Metzger, Senior Partner, Coudert Brothers**

General Discussion

10:45 - 11:00 **Coffee break**

11:00 – 12:30 **Session 6: Boards of State Owned Enterprises**

- Selecting, Motivating and Compensating SOE Directors
- As a Surrogate for Arms-Length Regulator

Presentations

- **Mr. Chen Weishu, Vice-Chairman, Shanghai Industrial Investment Co.**
- **Mr. Chen Xiaohong, Director, Enterprise Research Institute, Development Research Center (DRC)**
- Profile of the Board of SOEs, **Mr. Stilpon Nestor, Nestor Advisors Ltd London, United Kingdom**
- Good practice for effective SOE boards, **Mr. Lars-Johan Cederlund, Division of State Enterprises, Ministry of Industry, Sweden**

General Discussion

12:30 – 14:00 **Lunch**

14:00 – 15:30 **Session 7: Regulatory Enforcement**

- Accountability of the regulators
- Division of responsibilities among State regulatory bodies, Stock Exchanges and SROs
- Developing effective sanctions and incentives

Presentations

- **Mr. Tong Daochi, Deputy Director, Dept. of Listed Company Supervision, China Securities Regulatory Commission**
- UK Experience, **Mr. Daniel Thornton, Enforcement Division, Financial Services Authority, UK**
- Asian Experience, **Ms. Seow Siew Mei, Head of the Legal Advisory, Malaysian Securities Commission, Malaysia**
- Russian Experience, **Mr. Alexei Sharonov, Commissioner, Federal Commission for the Securities Market, Russian Federation**

General Discussion

15:30 – 15:45 **Coffee break**

15:45 – 17:15 **Session 8: Shareholder Initiated Enforcement (Class action suits)**

- Enhancing capabilities of judges
- Possibility for a specialised court
- Discouraging frivolous litigations

Presentations

- **Mr. Song Xiaoming, Judge, Civil Lawsuit Court, The Supreme Court of the People's Republic of China**
- **Mr. Guo Feng, Chief Lawyer, Zhong Lun Law Firm, China**
- **The Honourable Barbara J. Rothstein, Director, Federal Judicial Center, USA**
- **Korean Experience, Prof. Hasung Jang, Korea University Business School and Director, Asian Institute of Corporate Governance, Korea**

General Discussion

17:15 – 17:30 **Concluding Session**

- Wrap up of the meeting and future works
- Concluding remarks

17:30 **Conclusion of Day 2 Programme**