



**Organisation for Economic Co-operation and Development
In Co-operation with The World Bank Group**

OPENING SESSION

MR. ALFREDO RIZKALLAH, Chairman, BOVESPA

**The Latin American Corporate Governance Roundtable
26-28 April, 2000, The São Paulo Stock Exchange,
São Paulo, Brazil**

**Co-hosted by:
The São Paulo Stock Exchange**

**With the support of:
The Brazilian Securities and Exchange Commission
The Brazilian Institute of Corporate Governance (IBGC)
and
The World Bank / OECD Global Corporate Governance Forum**

The Latin American Corporate Governance Roundtable
São Paulo, Brazil, 26-28 April 2000
LATIN AMERICAN CORPORATE GOVERNANCE ROUNDTABLE
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MR. ALFREDO RIZKALLAH, Chairman, BOVESPA

For the sake of my companions sitting at this table with me, Mr. Kondo and Mr. Voltaire, I will speak in English.

The São Paulo Stock Exchange is very pleased to be able to support the OECD, the World Bank and the Brazilian Securities Commission in organizing this event, which is of such importance for the development of the capital market of Brazil and of the other Latin American countries.

I would like to thank you all for your presence and to highlight the relevance of this discussion about corporate governance for our country, for publicly-held companies and for the market.

BOVESPA is today the stock exchange of all Brazilian companies, the largest stock exchange of Latin America and one of the poles for the creation of a unified market for the Mercosur countries. Our stock exchange offers to the traders the most advanced trading technology, but has also sought to answer the needs of individual investors, who can transmit orders by Internet directly to the market using the 'Home Broker'.

We invested in the creation of a strong and independent depository, settlement and risk control structure – the Brazilian Clearing and Depository Corporation, which is today the central clearing house of the Brazilian stock market.

BOVESPA has been the main channel for the disclosure of information on Brazilian companies, by making available their financial statements by electronic means and also disseminating relevant facts and communications made by the companies on a real time basis.

We have also advised the companies of the importance of quality in their relationship with the shareholders. Seeking to help them with this task, we prepared, divulged and supported technical publications and prizes for excellence offered by market entities. Last year alone, we issued the "BOVESPA Guide for Investor Relations" and the "Manual for Communication of Corporate Events". We also supported the Brazilian Institute of Corporate Governance, which issued its Best Practices Code at a major event organized by BOVESPA.

Our objective is to increment the liquidity of the Brazilian stock market, for which we have made investments such as those I just mentioned. But we know that this market will only assume its true role and participation in financing the economy after a major change has been made in company governance.

A real stock market is a market on which the share ownership is disseminated and on which the management performance can be evaluated and priced by the investors. This mechanism requires adequate transparency and disclosure and, mainly, a balance between the rights of the different shareholders. The interests of the controlling and minority shareholders must be coordinated for the benefit of the company and this is the reason for the enormous importance of the corporate governance issue.

In Brazil, this issue is in the newspapers every day, is in the debates of Congress and is receiving great attention from the Government. The Government's economic team is today made up of many specialists coming from the capital market and having deep knowledge of the matter.

This event is an important contribution to this process and the quality of its participants is a sure sign of its success. The Brazilian stock market requires and deserves all our attention, because of its role in financing economic growth.