



Organisation for Economic Cooperation & Development



**European Bank**  
for Reconstruction and Development

## **The Eurasian Corporate Governance Roundtable**

# *The First Meeting of the Task Force on Corporate Governance of Banks in Eurasia*

## **AGENDA**

**Sheraton Metechi Palace,  
Tbilisi, Georgia**

**May 17 (Thu), 2007**

**In partnership with:  
The Government of Japan**

## **Background and Objectives of the Task Force Meeting**

### **Background**

The Eurasian Corporate Governance Roundtable (“Roundtable”) organised by the OECD (Organisation for Economic Co-operation and Development) serves as a regional forum for structured policy dialogue on corporate governance. Participants of the Roundtable from the Eurasian region included those from Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Ukraine and Uzbekistan. In 2004, the Roundtable presented “*Corporate Governance in Eurasia; A Comparative Overview*” (“Roundtable Comparative Report”) which provided region-specific priorities and recommendations for reform to assist policy makers, regulators, stock exchanges, and other standard-setting bodies in Eurasian countries.

The Roundtable Comparative Report identified corporate governance of banks as one of the priorities for reform and recommended that, “governments should intensify their efforts to improve the regulation and corporate governance of banks” (Roundtable Comparative Report, pp. 12-13). Responding to this, at its 2006 meeting in Istanbul, the Roundtable decided to establish a task force which is to report back to a future Roundtable meeting with a policy options paper (“policy brief”) addressing corporate governance challenges shared by banks in Eurasia. The policy brief is to focus on policy issues and options and in turn will support efforts in Roundtable countries to improve corporate governance of banks in their jurisdictions.

The policy brief is expected to be developed through active discussion within the Task Force on Corporate Governance of Banks in Eurasia (“Task Force”). The Task Force includes experts from the nine Eurasian countries mentioned above and an expert from Tajikistan. It also includes experts from some OECD member countries and international organisations. The OECD with the support of EBRD (European Bank for Reconstruction and Development) served as a secretariat for the Task Force. It should be noted in particular that the Task Force comprises experts either in banking or capital markets who had each been discussing this topic separately. While all members of the Task Force occupy senior positions in their respective organisations, the findings and opinions expressed at the meeting are personal and do not necessarily reflect the views of the organisations they serve or their countries of origin.

This policy brief is a non-binding document and will be prepared on a consensus basis. It will not aim at detailed prescriptions for national legislation or regulation, but seeks to identify objectives and suggest various means of achieving them. It does not address, either, with some exceptions, many corporate governance-related issues in banks that overlap with those issues that are also relevant to non-financial companies. Its purpose is to serve as a source of reference together with the *OECD Principles of Corporate Governance* (“OECD Principles”), the Comparative Report and the *OECD Guidelines on Corporate Governance of State-Owned Enterprise*.

The Basel Committee on Banking Supervision has revised its guidance on *Enhancing Corporate Governance for Banking Organisations* (“Basel CG Guidance”). Other Basel Committee guidance, such as the *Core Principles for Effective Banking Supervision*, *Internal Audit in Banks* and the *Supervisor’s Relationship with Auditors* and a number of other risk management and sound practice papers also provide recommendations that enhance corporate governance in banks. The Task Force does not intend to develop any form of different international standard, but is more concerned with effective implementation of existing norms. The discussion of the Task Force will be drawn on them for guidance while reflecting the Eurasian context.

### **Objectives of the meeting**

Although the task Force is basically an electronic discussion group, it is expected to have a couple of actual meetings. The first meeting is scheduled for May 17th in Tbilisi, Georgia. The main objective of the meeting is to discuss key ideas of the first draft of the policy brief prepared by the secretariat based on the views exchanged with Task Force members and questionnaires filled out by Eurasian banking/capital market supervisors and

banking industry associations. Participants of the meeting are expected to focus on key ideas of the draft as opposed to the detailed expressions or wording of the draft. For the purpose of intensive discussion, the participants are required to submit their written comments/suggestions in any form by May 4 although this does not, of course, restrict any further comments/suggestions at the meeting. Also, it is strongly recommended that the participants acquire some basic knowledge of the content of the *OECD principles* and the *Basel CG Guidance* before the meeting.

Reflecting the discussion at the meeting, the secretariat will revise the draft and develop the second draft that will be sent to Task Force members for further comments/suggestions. Throughout the exchange of views/comments/suggestions via email, the policy brief is expected to be finalised by the end of September. The second and final meeting of the Task Force will either precede or follow the completion of the policy brief in the autumn in London.

### **Notes for the participants**

We would appreciate participants' understanding and cooperation on the followings.

- Simultaneous interpretation will take place during the conference. Taking this into account, we kindly ask that participants speak slowly and clearly.
- There are many chapters for the draft. Please make sure participants' comments/suggestions best suit for the chapter being discussed.
- For those who do not have time to speak at the meeting, we welcome comments/suggestions by email even after the meeting.
- We would most welcome informal, lively discussion in your private capacities. We make it clear that participants' views expressed does not necessarily reflect the official views of the organisation they serve.
- We kindly ask that participants send written comments/suggestions on the draft in any form in English by May 4 (Fri). ([motoyuki.yufu@oecd.org](mailto:motoyuki.yufu@oecd.org))

**Thursday 17 May 2007**

**Morning Session**

8:30 – 9:00      **Registration**

9:00 – 9:20      **Opening remarks**

Mr. Michael Davey, EBRD Director for Caucasus, Moldova and Belarus

Mr. Motoyuki YUFU, Principal Administrator, OECD

Mr. Irakli Kovzanadze, Chairman of Budget and Finance Committee, Parliament of Georgia.  
Chairman of the Task Force on Corporate Governance of Banks in Eurasia.

9:20 – 9:50      **Presentation on the OECD Principles on Corporate Governance (and SOE Guidelines)**

- Presentation by Ms. Janet Holmes, Senior Policy Analyst, OECD
- Questions and answers

9:50 – 10:10    **Presentation on the EBRD's Role in Promoting Corporate Governance**

- Presentation by Mr. Irakli Managadze, Senior Policy Advisor and Gian Piero Cigna, Principal Counsel, EBRD
- Questions and answers

10:10 – 10:30   **Quick review on the Basel Committee's Guidance; Enhancing Corporate Governance for Banking Organisations**

- Presentation by Ms. Janet Holmes, Senior Policy Analyst, OECD

10:30 – 11:00   **Coffee/Tea Break**

11:00 – 12:00   **Discussion on the First Draft**

**Session 1; Discussion on *Background, Introduction* and Chapter 1**

- Presentation by Mr. Motoyuki Yufu, Principal Administrator, OECD
- Discussion chaired by Mr. Irakli Kovzanadze

Followings are rough guide for a discussion schedule although they can be flexible. For each part, a brief presentation (introductory review) on the key ideas of the chapter will precede the discussion.

11:00-11:30 (30 minutes) Discussion on *Background and Introduction*  
11:30-12:00 (30 minutes) Discussion on Chapter 1

12:00 – 13:30 **Lunch**

## **Afternoon Session**

13:30 – 15:30 **Discussion on the First Draft**

### **Session 2; Discussion on *Chapter 2-5***

- Presentation by Mr. Motoyuki Yufu, Principal Administrator, OECD
- Discussion chaired by Mr. Irakli Kovzanadze

Followings are rough guide for a discussion schedule although they can be flexible. For each part, a brief presentation (introductory review) on the key ideas of the chapter will precede the discussion.

13:30-14:10 (40 minutes) Discussion on Chapter 2  
14:10-14:40 (30 minutes) Discussion on Chapter 3  
14:40-15:00 (20 minutes) Discussion on Chapter 4  
15:00-15:30 (30minutes) Discussion on Chapter 5

15:30 – 16:00 **Coffee/Tea Break**

16:00 – 18:00 **Discussion on the First Draft**

### **Session 3; Discussion on *Chapter 6-10***

- Presentation by Mr. Motoyuki Yufu, Principal Administrator, OECD
- Discussion chaired by Mr. Irakli Kovzanadze

Followings are rough guide for a discussion schedule although they can be flexible. For each part, a brief presentation (introductory review) on the key ideas of the chapter will precede the discussion.

16:00-16:10 (10 minutes) Discussion on Chapter 6  
16:10-16:30 (20 minutes) Discussion on Chapter 7  
16:30-17:00 (30 minutes) Discussion on Chapter 8  
17:00-17:20 (20minutes) Discussion on Chapter 9  
17:20-17:40 (20 minutes) Discussion on Chapter 10  
17:40-18:00 (20minutes) Discussion on other points, etc.

19:00 **Dinner**