



**Atty. Francis Lim**, President and CEO of the Philippines Stock Exchange

*Session 1: Corporate governance reform in the Philippines: progress and challenges*



Asian Roundtable  
on Corporate Governance  
10-year Anniversary



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# THE PHILIPPINE STOCK EXCHANGE: Corporate Governance Reforms



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# INDEPENDENT STUDY SHOWS

- CG scores and firm valuation have a positive correlation
- Firm valuation is also directly-related to the level of corporate governance and changes in corporate governance practices.



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- Firm valuation is also directly-related to the level of corporate governance and changes in corporate governance practices
- Investors care about equitable treatment, transparency and board responsibility
- Conclusion: incentive for managers to adopt CG



# STRATEGIC AGENDA



- L**ist more companies and securities
- E**xpand and educate the investor base
- V**alue and enforce corporate governance standards
- E**nhance shareholder value
- L**aunch new products and services
- U**pgrade market infrastructure & human resources
- P**artner with government & other stakeholders



# CG REFORMS



- PSE Corporate Governance Guidelines
  - ✓ Protection of minority shareholder rights
  - ✓ Independent judgment and role of independent directors



# CG REFORMS



- PSE Code of Corporate Governance
  - ✓ Protection of minority shareholder rights
  - ✓ Independent judgment and role of independent directors
  
- PSE Special CG Board
  - ✓ For companies willing to abide by CG standards in line with global standards



# CG REFORMS



- Partnering with institutions
- PSE co-chairs Task Force for Role of Exchanges in AOSEF
- Legislative Reforms on Corporate Governance



# CG REFORMS



- Partnering with institutions
- PSE co-chairs Task Force for Role of Exchanges in AOSEF
- Legislative Involvement on Corporate Governance



"The conscience  
is the inner voice that warns us  
that somebody may be looking."