



6th Meeting of the Eurasia Corporate Governance Roundtable

15 February 2006

Enforcement of Corporate Governance Rules

AGENDA

**RAMADA PLAZA, OSMANBEY-SISLI, ISTANBUL
TURKEY**

Meeting Co-Hosted by
The Federation of Euro-Asian Stock Exchanges



With the Support of
The Government of Japan

The Global Corporate Governance Forum



OBJECTIVES OF THE MEETING

The main objectives of the sixth Eurasia Roundtable will be to support corporate governance improvements in the region by: (i) assessing recent corporate governance developments and future reforms in Eurasian countries; (ii) discussing ways to increase securities regulators' and the judiciary's effectiveness in the enforcement of corporate governance rules, and (iii) considering effective enforcement of the corporate governance framework through alternative dispute resolution mechanisms.

08:30 – 09:00

REGISTRATION

09:00 – 09:30

OPENING SESSION

Welcoming and opening remarks

- **Mr Aril Seren**, Secretary General, Federation of Euro-Asian Stock Exchanges
- **Mr Murat Yalcıntaş**, Chairman of the Board, Istanbul Chamber of Commerce, Turkey
- **Mr Tayfun Bayazit**, Vice Chairman of Corporate Governance Association of Turkey
- **Mr Eimon Ueda**, Head, Outreach Unit for Financial Sector Reform, OECD

09:30 – 11:00

SESSION 1: Recent Developments and Future Reforms

Issues to be discussed:

In the presentations, the main findings and the key priorities identified in the Comparative Overview paper are recalled, as well as an overview of the results of the legal assessments of corporate governance law and practice in the latest EBRD Legal Indicator Survey is provided. One discussant per country will briefly introduce recent major developments in the respective country in relation to the corporate governance reform process, refer to the greatest difficulties that still lie ahead as well as to the priorities for advancing corporate governance reform. All participants are invited to comment. The objective is to identify those areas where progress is urgent and where the Roundtable and Eurasian countries should intensify their efforts.

Chair:

- **Mr Philip Armstrong**, Head, Global Corporate Governance Forum

Presentations:

- **Mr Alexander Karpf**, Administrator, Corporate Affairs Division, OECD – *The Comparative Overview and Key Priorities for Reform*
- **Mr Gian Piero Cigna**, Counsel, European Bank for Reconstruction and Development (EBRD) – *Effective Disclosure and Redress in Eurasia. Where Do We Stand?*

Discussants:

- **Mr George Loladze**, Chairman of the Supervisory Board, Georgian Stock Exchange, Georgia
- **Mr Nerses Yeritsyan**, Advisor to the Chairman, Central Bank, Armenia
- **Mr Mustafa Mammadov**, Vice-President, Baku Stock Exchange, Azerbaijan
- **Mr Iurie Tirdea**, National Securities Commission, Moldova

11:00 – 11:30 **Coffee Break**

11:30 – 12:30 **SESSION 1 ctd.: Recent Developments and Future Reforms**

Discussants:

- **Mr Serhiy Biriuk**, Commissioner, State Stock Market and Securities Commission, Ukraine
- **Mr Juruslan Toichubekov**, Director, Financial Agency, Kyrgyz Republic
- **Mr Bekhbat Sodnom**, Member of Parliament Working Group on Corporate Governance, Mongolia
- **Mr Kamoliddin Fahrutdinovich Tolipov**, Deputy Director General, Centre on Coordination and Control Over Functioning of Securities Market, Uzbekistan
- **Ms Aklima Aripova**, Management Development Center, Kazakhstan

12:30 – 13:45 **Lunch Break**

13:45 – 14:45 **SESSION 2: Mechanisms for the Enforcement of Corporate Governance Rules**

Issues to be discussed:

As pointed out in the Comparative Overview, progress in the reform process in Eurasia will greatly depend on progress in the area of enforcement. This session thus considers different mechanisms for enforcement of corporate governance rules (also in an international context) and compare and contrast them with experience in Eurasia. The objective is to identify shortcomings in this region and effective ways to overcome them, as well as to discuss possible ways how private-sector initiatives (such as codes of best practice) can complement the regulatory authorities' efforts in enforcing the corporate governance framework.

Co-Chairs:

- **Mr Aril Seren**, Secretary General, Federation of Euro-Asian Stock

Exchanges

- **Prof. Panayotis Alexakis**, Professor, University of Athens, and former CEO, Athens Stock Exchange, Greece

Presentation:

- **Mr Henry Schiffman**, Consultant to International Financial Institutions – *Mechanisms for the Enforcement of Corporate Governance Rules*

Discussants:

- **Mr Yerlan Balgarin**, Managing Director, Centras Capital, Kazakhstan
- **Mr Igor Belikov**, General Director, Institute of Directors, Russian Federation

14:45 – 16:00

SESSION 3: Enforcement of Corporate Governance Rules – The Securities Regulators' and Judiciary's Role

Issues to be discussed:

Securities regulators and courts ought to be at the forefront of the prevention and sanctioning of abuses of shareholders in Eurasia. To strengthen their capacities in the enforcement of corporate governance rules is a key priority in the reform process. The session discusses improvements made and remaining challenges in participating countries regarding the enforcement powers and practices of securities regulators in relation to corporate governance rules. It offers the opportunity of a comparison with the experience of the German securities regulator on the concrete topic of market abuse and insider trading, an area of great relevance in the protection of shareholders and investors. It also considers the important role courts have to play in the mandatory enforcement of corporate governance rules, in particular, as there are still considerable weaknesses to be observed in the region. The objective of this session is to identify topics, in particular with the input from the business sector, in relation to mandatory enforcement mechanisms that should be followed up more closely in the future work of the Roundtable in order to advance the reform process.

Chair:

- **Prof. Panayotis Alexakis**, Professor, University of Athens, and former CEO, Athens Stock Exchange, Greece

Presentation:

- **Mr Jens Fürhoff**, Head of Department for Cross-Sectoral Affairs, Federal Financial Supervisory Authority, Germany – *Effective Enforcement in Insider Trading and Market Manipulation*

Discussants:

- **Mr Mihail Buruiana**, Lecturer, State University of Moldova, Partner, Buruiana & Partners Law Firm, Moldova
- **Mr Valentyn Serdiuk**, Head of the Department for Support of Activities of the Judicial Division for Commercial Cases, Supreme Court of Ukraine, Ukraine
- **Ms Ayush Bazar**, Head of Finance and Investment Department, Securities and Exchange Commission, Mongolia

16:00 – 16:15

Coffee Break

16:15 – 17:30

SESSION 4: Enforcement of Corporate Governance Rules – Alternative Dispute Resolution Mechanisms

Issues to be discussed:

The Comparative Overview stresses the need for improving, (or even developing in the first place) in participating countries effective alternative dispute resolution (ADR) mechanisms, such as arbitration, mediation and other extra-judicial redress mechanism, which complement mandatory enforcement. This session discusses ways to improve enforcement of corporate governance rules through ADR mechanisms and its actual and potential benefits for shareholders. It addresses experience with voluntary or self-regulatory enforcement systems of countries in the region and at international level, including any weaknesses of ADR, and identifies possible ways forward for Eurasian jurisdictions.

Chair:

- **Mr Jakob Simonsen**, UN Resident Coordinator/UNDP Resident Representative for Turkey

Presentation:

- **Mr Alum Bati**, Partner, Salans, and Honorary Legal Adviser to the British Ambassador, Azerbaijan – *Alternative Dispute Resolution – How Effective Is It Likely to Be?*

Discussants:

- **Mrs Natalia Galliamova**, Vice-Chairman, International Court of Arbitration in affiliation with the Chamber of Commerce and Industry, Kyrgyz Republic
- **Ms Lada Busevac**, Business Development Officer, PEP Southeast Europe, IFC
- **Ms Marie-Laurence Guy**, Global Corporate Governance Forum

17:30 – 18:00

NEXT STEPS AND CONCLUDING SESSION

Issues to be discussed:

The OECD Secretariat presents options for possible future work of the Eurasia Roundtable, including issues discussed in today's meeting and the joint meeting on 16 February regarding enforcement, SOEs and banks. Participants are invited to provide their comments thereto and other topics to be covered in the future efforts of the Roundtable. One proposal to be considered would be to establish a task force on corporate governance of banks, as one of the reform priorities identified by the Eurasia Roundtable.

Chair:

- **Mr Daniel Blume**, Principal Administrator, Corporate Affairs Division, OECD

18:30 – 20:00

RECEPTION hosted by UNDP AND TKYD

Notes to the Agenda

General Structure of the Sessions

- Each session will be organised in the following way:
 - Brief opening presentation and introduction of the participants (main speakers and discussants) by the Chairman: 5 minutes maximum
 - Main presentation: about 10 - 15 minutes
 - Discussion: each discussant is invited to limit his/her initial comments/presentation to 5 minutes.
 - Questions from the floor and general discussion: 30 minutes
 - Chairs will summarise the discussion and highlight the main conclusions of the session.
- These time limits are required in order to give ample room for discussion of all participants. Bearing in mind that one of the objectives of the Roundtable is to create an open and active dialogue in a collegial atmosphere we ask the following:
 - All participants are encouraged to speak and ask questions during the periods allotted to general discussions,
 - Panel discussants are also encouraged to participate in the general discussion, take questions and expand on their initial comments,
 - Chairs are kindly requested to lead the general discussion and ensure that speakers and discussants respect the agreed time limits of each session.
- Please note that the working languages of the meeting will be English and Russian.

** Indicates a speaker yet to be confirmed*

Background information on the Eurasia Corporate Governance Roundtable

Since its launch in Ukraine in October 2000, the Eurasia Corporate Governance Roundtable has met annually and brought together key players from both public and private sector institutions in the region involved in corporate governance along with experts and policymakers from OECD member countries. The scope of the Roundtable facilitates the exchange of experiences between regional representatives and other international participants and serves as an important opportunity to discuss in-depth recent and on-going developments in corporate governance reforms in Eurasia.

Eurasian countries taking part in the Roundtable include Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Mongolia, Ukraine and Uzbekistan. Previous meetings of the Eurasia Corporate Governance Roundtable discussed the main features of the corporate governance landscape in the region, shareholder rights and equitable treatment of shareholders, and transparency and disclosure. In May 2004, "Corporate Governance in Eurasia: A Comparative Overview", the report representing the main output of the discussions and country studies, was released. Additional information on the Eurasian Corporate Governance Roundtable process, previous meetings and background documents can be found on the OECD web-site <http://www.oecd.org/daf/corporate-affairs/roundtables/>.