

DRAFT AGENDA



2020 OECD-ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE

**19 October 2020
Virtual Event**

With support from:



Financial Services Agency

Hosted by:



OECD

The OECD-Asian Roundtable on Corporate Governance

The Asian Roundtable provides an increasingly valuable forum for policy dialogue that enhances economic efficiency, sustainable growth and financial stability by improving corporate governance frameworks in the region.

The Roundtable is supported by analytical work and comparative research into Corporate Governance issues facing Asian Roundtable members. The policy discussion also benefits from the experience of the OECD Corporate Governance Committee, which aims to help raise corporate governance standards worldwide in line with the G20/OECD Principles of Corporate Governance. The approach is inclusive and promotes ownership by decision-makers in the region, including guidance on the outputs produced.

This year's Asia Roundtable will be virtually held in the fall (October 2020) and the winter (December 2020 or January 2021). The October meeting will focus on duties and responsibilities of the board in company groups, while the second meeting will discuss the post Covid-19 policy landscape. In the October meeting, a new project on company groups in Asia will be launched.

Registration

Registration will be mandatory in order to receive the link to the event and your personal ID. Once registered, participants will receive meeting documentation in electronic format. For more information please contact: Ms. Ana Gonzalez: ana.gonzalez@oecd.org

Technical specifications

Please note that the online meeting will be open one hour before its official starting time, and you are encouraged to log in early (at least 30 minutes before) to ensure sufficient time to be cleared in to the meeting. You will receive a link to the event and your personal ID upon registration. Once logged in, you will be led to a virtual waiting room and participants will be allowed in to the Event's virtual meeting manually one at a time. Please note that if there is a backlog of many people entering at the same time, it may take a while to approve your virtual presence in the meeting.

Once you have joined the virtual meeting, you are kindly requested to rename yourself as follows: COUNTRY or ORGANISATION – LAST NAME First name (ex: India_SEBI – MEDCRAFT Greg) in order to facilitate recognition. To change your Zoom name, please click on the icon "Participants" on the bottom of your screen, then select "More" and then "Rename". Your name will always appear on top of the list.

Further logistical information will be sent to registered participants.

Acknowledgement

Since its establishment in 1999, the OECD-Asian Roundtable on Corporate Governance (ARCG) has been organised with the support of the Government of Japan. The Government of Japan also provides financial support to the OECD's country specific work in Asia.

OECD Publications

OECD (2020), Duties and Responsibilities of Boards in Company Groups, Corporate Governance, OECD Publishing, Paris, <https://www.oecd.org/publications/duties-and-responsibilities-of-boards-in-company-groups-859ec8fe-en.htm>

DRAFT AGENDA

09:30 – 11:20 (Central European Time)

Monday, 19 October 2020

9:00 - 9:30 Registration and log-in

9:30 – 9:40	Opening remarks
Speaker	Toshiyuki Miyoshi (TBC), Deputy Commissioner for International Affairs, Financial Services Agency, Japan
09:40 – 10:00	OECD peer review on duties and responsibilities of the board in company groups
Presentation	Daniel Blume, Senior Policy Analyst, Corporate Governance and Corporate Finance Division, OECD
Background	<p>Corporate ownership through company groups is a common and sometimes the preponderant pattern of shareholding in an important number of markets. There are important advantages and benefits to carrying out entrepreneurial activity through affiliated but legally separate companies, including scale economies, efficiencies in resource allocation, reduced dependence on external finance, fewer informational asymmetries, lower transaction costs and less reliance on contract enforcement. Protection of intellectual property rights and facilitation of cross-border activity are additional common rationales. These advantages and benefits, among others, continue to make company groups important contributors to economic development and employment generation in many markets.</p> <p>From a corporate governance policy perspective, company groups present the same agency problems that face stand-alone companies with defined control. Notably, parent companies may attempt to appropriate undue private benefits of control. Since cooperation in pursuit of synergies is a key rationale for company groups, groups typically engage in frequent related-party transactions. The more complex the structure of a group, the greater the opportunity for such transactions to be carried out in a less transparent fashion, which may benefit some group companies at the expense of others. Like other majority shareholders, parent companies in groups may engage in transactions that do not benefit all shareholders equally, such as intra-group mergers and sales of control to third parties effected on questionable terms. Allocation of business opportunities is another area that can present conflicts of interest for boards, individual directors and managers of group companies.</p> <p>Against this background, in June 2020, the OECD launched a peer review on duties and responsibilities of the board in company groups. This review is a stocktaking of current issues, practices and policy approaches with respect to the duties and responsibilities of boards in company groups. It sheds light on aspects of the framework for board duties and responsibilities in company groups that have been the subject of attention in a number of jurisdictions, or where the framework does not address or remains uncertain around policy issues of relevance to company groups.</p> <p>In this session, a summary of the peer review will be presented by the OECD Secretariat.</p> <p>Open discussion</p>

10:00 – 11:10 Regulatory/ supervisory approach in selected Asian countries

<p>Moderator</p>	<p>Amit Tandon, Founder and managing director of Institutional Investor Advisory Services</p>
<p>Panel discussion</p>	<p>Anil Joshi, General Manager, Law Reform Department, Securities Commission Malaysia, Malaysia</p> <p>Dan W. Puchniak, Associate Professor, National University of Singapore</p> <p>Hideki Kanda, Emeritus Professor, University of Tokyo, and Professor, Gakushuin University Law School, Japan</p>
<p>Background</p>	<p>Company groups and holding companies are prevalent in Asia. According to the OECD preliminary survey, listed companies have more than 30 subsidiaries on average in 11 out of 14 Asian markets. In addition, an OECD review of the ownership structure of listed companies shows private corporations and holding companies hold more than 20% of the total equity capital in India, Indonesia, Singapore, Korea and Malaysia. Furthermore, pyramidal structures are broadly observed in Asia markets. Especially in Malaysia and Chinese Taipei, the average number of layers of the pyramidal structure is highest among the region.</p> <p>Given the prevalence of company groups in Asia, Asian authorities have responded challenges posed by company groups. Those include control of founder family members over company groups, conflicts of interest in parent-subsidiary listings, and concentrated economic power of large company groups. This session will discuss different approach that selected Asian jurisdictions take to address issues related to company groups.</p> <p>In this session, each speaker will present different regulatory framework for company groups followed by the panel discussion.</p> <p>Open discussion</p>

11:10 – 11:20 Closing remarks

<p>Speaker</p>	<p>Mats Isaksson, Head, Governance and Corporate Finance Division, OECD</p>
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■ Contact

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