

# FINAL AGENDA

## The 2016 Meeting of the Latin American Corporate Governance Roundtable

8-9 September, 2016

*Hotel Intercontinental*

*San José, Costa Rica*

*Hosted by:*



*With the support of:*



## Background and Objectives of the Latin American Roundtable on Corporate Governance

This year's Roundtable meeting will focus on four key themes identified as a priority for corporate governance improvement in the region:

- 1) Global and Latin American experience with corporate governance codes and lessons learned;
- 2) Transparency and corporate governance of company groups;
- 3) Corporate governance and business integrity (breakout sessions dealing with the role of the board, cybersecurity and anti-corruption); and
- 4) SOE Reform: recent experience

The Roundtable aims to facilitate corporate governance improvements by providing a forum for the structured exchange of experience between senior policy-makers, regulators and market participants. Roundtable participants have come from Argentina, Brazil, Chile, Costa Rica, Colombia, Dominican Republic, Ecuador, El Salvador, Italy, Mexico, Nicaragua, Panama, Peru, Spain, Turkey, Uruguay, the United States and Venezuela. By convening the leading institutions and personalities that are involved in corporate governance reform in Latin America, the Roundtable provides an opportunity both to take stock and help set the agenda for further corporate governance improvements in the region.

### *Guidance for moderators, speakers, discussants and Roundtable participants*

This year's Roundtable sessions will be structured to promote as interactive discussion as possible both among designated speakers and discussants, among all Roundtable participants.

- **Moderators** are invited to encourage open discussion among all participants, to maintain the focus on the theme of their session and to be strict in managing time. The objective is to stimulate reflection and encourage an active exchange of views and experience. They will be asked to summarize key points and follow-up steps at the conclusion of the session.
- **Introductory speakers** may speak for 10 to 15 minutes to introduce a topic for wider audience to be agreed in advance with the moderator, and may wish to use a limited number of Powerpoint slides for this purpose.
- **Discussants** will be invited to respond to moderator questions to discuss their subjects on an interactive basis, rather than making formal presentations. Use of Powerpoint is not recommended for discussants in order to allow more flexibility and time for wider discussion with all Roundtable participants.

For the **break-out sessions**, **lead speakers** are invited to provide a brief introduction to the topic and main issues of no longer than 10 minutes, based on the discussion papers distributed prior to the meeting. **Moderators** in these break-out sessions are invited to encourage open and inclusive discussions, and to serve as **rapporteurs** to present the conclusions of the discussions the next morning in the plenary. **Roundtable participants** are encouraged to actively participate in discussions to provide the Roundtable with their experience, as well as react, expose their views and discuss the issues raised by speakers.

*Simultaneous interpretation will be provided between Spanish and English.*

**With special thanks to the Government of Spain and our Costa Rican sponsors:**

**Major sponsors: Bolsa Nacional de Valores de Costa Rica, Diligent and Grupo Instituto Nacional de Seguros (INS). Sponsors: Banco de Costa Rica (BCR), Florida Ice and Farm Company (FICO), Banco Nacional de Costa Rica, Deloitte Costa Rica and PricewaterhouseCoopers.**

DAY 1	Thursday 8 September 2016
8:15-9:00	<b>Registration /Coffee</b>
9:00-9:30	<b>Introductory remarks</b> <ul style="list-style-type: none"> <li>• Ms. Ana Helena Chacón Echeverría, President –in-office, Costa Rica</li> <li>• Mr. Marcello Bianchi, Chairman, OECD Corporate Governance Committee</li> </ul>
9:30-11:00	<b>Session 1: Global and Latin American experience with corporate governance codes</b> <i>Moderator:</i> Mr. Matthew Sullivan, President, Costa Rica Institute of Corporate Governance <i>Introductory Speaker (on results of Roundtable survey):</i> <ul style="list-style-type: none"> <li>• Mr. Santiago Chaher, Managing Director, Cefeidas Group, Argentina</li> </ul> <i>Discussants</i> <ul style="list-style-type: none"> <li>• Ms. Clara Eugenia Castillo, Deputy Superintendent for Risk, Conglomerates and Corporate Governance, Superfinanciera (SFC), Colombia</li> <li>• Mr. Patricio Valenzuela, Intendent of Regulation, SVS, Chile</li> <li>• Mr. Daniel Garcia, General Intendent of Economic Studies, SMV, Peru</li> <li>• Mr. Isaac Castro, Intendent, Costa Rica Securities Market (SUGEVAL)</li> </ul> <i>Summary</i> <p>This session will provide an overview of both global and Latin American recent experience with the development and revision of national corporate governance codes, generally implemented on a “comply or explain” basis, along with presentations of recent Latin American countries’ changes in approach. The results of a Roundtable survey on this topic will be prepared as a background reference for the first two sessions, and presented to open this session.</p> <i>Key questions</i> <ul style="list-style-type: none"> <li>• What are international and Latin American trends and most promising practices in terms of the development of national corporate governance codes and their effectiveness in promoting good corporate governance practices?</li> <li>• What lessons can be learned from differing approaches to developing, revising reporting on, and using such codes as a guide for corporate governance improvement?</li> </ul>
11:00 – 11:20	<b>Coffee break</b>
11:20-12:45	<b>Session 2: Corporate governance codes and experience with market-driven solutions</b> <i>Moderator:</i> Mr. Santiago Chaher, Managing Director, Cefeidas, Argentina <i>Discussants:</i> <ul style="list-style-type: none"> <li>• Mr. Carmine Di Noia, Commissioner, CONSOB (Banking and securities commission), Italy</li> <li>• Mr. Leonardo Pereira, Chairman, CVM, Brazil</li> <li>• Ms. Marta Vaca Viana, Corporate Sustainability Director, Center for Excellence in Corporate Governance and Delphi Consulting, Mexico</li> <li>• Mr. Patricio Peña, President, Ecuadorian CG Institute, Ecuador</li> </ul>

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### *Summary*

This session will provide an opportunity to explore specific countries' recent experience with development, use and promotion of corporate governance codes in greater depth, with a particular focus on good practices for engaging market actors, including particularly institutional investors and companies, to give consideration to the implementation of and reporting on such codes.

### *Key questions*

- What institutions, or mix of institutions (e.g. regulators, stock exchanges, investor or company associations, CG institutes, etc.), are best placed to promote awareness of corporate governance code disclosure results and actions to improve both the practices recommended in the code as well as the quality of explanations provided in such reports?
- How can active attention of the market to the results of such codes best be promoted? Should such practices be left to the market to develop, or are their steps that policy-makers or regulators should or can take?

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**12:45-14:15**    *Lunch break*

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### **14:15-15:45**    **Session 3: Transparency and corporate governance of company groups**

*Co-Moderators:* Mr. Daniel Blume, Senior Policy Analyst, OECD and

Mr. Pasquale di Benedetto, Senior Financial Sector Specialist, World Bank

*Introductory speakers:*

- Mr. Pablo Souto, Senior Associate, Global Outcomes, Argentina

*Discussants:*

- Ms. Yearim Valles, Deputy Director General of Economic Studies, CNBV, Mexico
- Ms. Rocío Balestra, Commissioner, CNV, Argentina
- Mr. Mauro Rodrigues da Cunha, Executive Director, Association of Capital Market Investors (AMEC), Brazil

### *Summary*

The Roundtable's Task Force on Corporate Governance of Company Groups issued the publication, "Corporate Governance of Company Groups in Latin America" in 2015 following the last Roundtable meeting in Colombia. As a follow-up, the Task Force has combined forces with the World Bank/IFC-sponsored Latin American Academic Network to develop further, focused research on frameworks for corporate governance-related disclosure and actual practices among Latin America's largest listed group companies. The main findings of this research and the Task Force's recommendations will be presented to the Roundtable for discussion.

### *Key questions*

- Following the release of the "Panama Papers", growing attention is being given to the importance of identifying the ultimate owners of company groups and fully understanding their structure. Are current requirements in Latin American economies sufficient to fully understand the structures and ownership of complex conglomerates, including assessing the scope and nature of their related party transactions (RPTs)?
- What further steps may be necessary to ensure adequate understanding in the market and by regulators of company group structures, ownership and RPTs?

15:45–16:00 *Coffee break*

16:00-16:30 **Session 4 Introduction: Breakout sessions on Corporate Governance and Business Integrity**

This part of the meeting will feature 3 separate, smaller, breakout group discussion sessions, each dealing with a different aspect of the broad theme of “Corporate Governance and Business Integrity.” Ideally, these sessions should be future-oriented, looking 10 or more years ahead, with an aim to flesh out what policy-makers, regulators, stock exchanges or market participants can do to prepare better for the future.

The theme of corporate governance and business integrity has been chosen against the backdrop of recent corporate scandals to which no industry or country appears to be immune. They have eroded market trust, affecting the foundation of doing business in an effective and sustainable fashion. The purpose of corporate governance is precisely to create an environment of trust, transparency and accountability necessary for obtaining long-term investment, financial stability and sustainable growth. How do corporate governance frameworks and company practices need to evolve to restore trust?

*Introductory Speaker:* Mr. Héctor Lehuedé, Senior Policy Analyst, OECD

*Background materials:*

[Corporate Governance and Business Integrity: A Stocktaking of Corporate Practices \(OECD, 2015\)](#)

[Anti-corruption and Business Integrity Measures for SOEs \(OECD, 2016\)](#)

[Good Practice Guidance on Internal Controls, Ethics, and Compliance \(OECD, 2010\)](#)

*Roundtable Discussion Note and Key Questions for Breakout Sessions*

16:30-18:00

**Breakout Session 4A:  
Building trust from the top**

**Breakout Session 4B:  
The digital economy and  
cybersecurity risks**

**Breakout Session 4C:  
Getting ahead of the anti-  
corruption curve**

**Session 4A: Building trust from the top**

*Moderator and rapporteur:* Mr. Héctor Lehuedé, Senior Policy Analyst, OECD

*Lead speakers:*

- Mr. Fabrizio Papaiani, Chairman, Latin American Companies Circle and Corporate Auditor, Florida Ice & Farm, Costa Rica
- Mrs. Eulalia Sanín, Founder, Liga de Directores and Partner, A.T. Kearney, Colombia

*Summary*

Recent OECD work underscores that companies that seriously want to live up to their integrity commitments must support these ambitions with a well-defined internal structure of responsibilities, accountability and reporting. The main building blocks of such a framework are laid down in the recently updated G20/OECD Principles of Corporate Governance, and it is the challenge of the board of directors and senior managers to ensure that the right structures and practices are effectively implemented and remain updated, using incentives and monitoring. How do business leaders who are entrusted with the future of their firms and the welfare of their stakeholder, build a culture of doing business with integrity as a key strategic objective going forward.

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#### Session 4B: The digital economy and cybersecurity risks

*Moderator and rapporteur:* Mr. Dan Konigsburg, Chairman of the OECD Business Industry Advisory Committee, Deloitte, United States

*Lead speakers:*

- Mr. Cristian Hamilton, Global Leader (Costa Rica, Poland and India), IBM Security Operations Center
- Mr. Elian Villegas, Executive President, Instituto Nacional de Seguros (INS), Costa Rica

#### *Summary*

As information technology continues to advance and evolve (on-line sales, cloud computing, big data, social media, connected objects, etc.), companies become massively exposed to cyber risks. The WEF has placed it top 5 among global risks. Many countries have reinforced their regulatory framework to better protect consumers and incentivize companies to adopt a proactive protection strategy. How will corporate governance policy frameworks need to adjust for this? How will they protect the confidentiality and integrity of the information and information systems of the company from risk of financial loss, disruption or reputational damage resulting from a cyber-attack? What is extent to which insurance can mitigate these risks?

#### Session 4C: Getting ahead of the anti-corruption curve

*Moderator/Rapporteur:* Ms. Marta Viegas, Board Member, Brazilian Institute of Corporate Governance, Brazil

*Lead speaker:*

- Mr. Evan Epstein, Executive Director, Rock Center for Corporate Governance, Stanford University, United States
- Mr. Gonzalo Diéguez, Director, Center for Implementation of Public Policies for Equity and Growth, Argentina

#### *Summary*

The OECD Secretary General recently called upon making the fight against corruption a central issue for the OECD's corporate governance work. Each and every leaders' summit and international organisation is actively pursuing to step up the enforcement and compliance efforts to prevent business crimes, focusing particularly on bribery. The U.S., the UK and many other OECD members have renewed their commitments to prosecute corporate corruption well beyond their own borders to ensure a level playing field for international transactions, while growing attention to corruption and efforts to prosecute corruption has also been seen domestically in Latin American countries. How are companies in Latin America adapting to this changing landscape? What measures (codes of ethics, whistleblower mechanisms, well-enforced anti-bribery compliance and internal control systems, international audit standards, etc.) are most effective to fight corruption at the corporate level in the region? Do these measures need to be different for SOEs?

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19:30

**Cocktail / Dinner:** Meeting participants are cordially invited to a cocktail / dinner offered by our Costa Rican co-hosts

**Dress code:** Casual

**Address:** Costa Rica Country Club, Escazú

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**DAY 2**
**Friday, 9 September 2016**

9:30-11:15

**Session 5: SOE reform: Recent experience**
*Moderator:* Mr. Richard Frederick, Consultant to the OECD

*Discussants:*

- Mr. Juan Munguira, Bureau Member, OECD Working Party on State-Ownership and Privatisation Practices, Spain; on the revised OECD Guidelines on Corporate Governance of SOEs and Global Knowledge-Sharing Roundtable on SOE Governance
- Mr. Carlos Barsallo, Panama Corporate Governance Institute; on study of CG of SOEs in Panama
- Ms. Flavia Mouta, Director, BM&F Bovespa, Brazil

*Summary*

The aim of this session will be for Roundtable participants to have an opportunity to learn about recent reform experience and assessments of SOE corporate governance, including challenges and obstacles to achieving progress, focusing particularly on Latin American countries.

*Background materials: (in English and Spanish)*
[OECD Guidelines on Corporate Governance of State-Owned Enterprises](#)

11:15-11:35

**Coffee break**

11:35 – 12:15

**Session 6: Results of breakout sessions**
*Moderator:* Minister Alexander Mora, Ministry of Foreign Trade (COMEX), Costa Rica

*Rapporteurs from Session 4 on Day 1:*

- Mr. Héctor Lehuedé, Senior Policy Analyst, OECD
- Mr. Dan Konigsburg, Chairman of the OECD Business Industry Advisory Committee, Deloitte, United States
- Ms. Marta Viegas, Board Member, Brazilian Institute of Corporate Governance, Brazil

*Summary*

Breakout session rapporteurs will report on the results of the three breakout session discussions.

12:15-13:00

**Conclusions and Next Steps**
*Co-Moderators:* Mr. Daniel Blume, Senior Policy Analyst, OECD and Mr. Matthew Sullivan, President, Costa Rica Corporate Governance Institute

*Closing comments:*

- Mr. Fernando Alvarez-Cienfuegos, Senior Advisor, Ministry of Economy and Competitiveness, Spain
- Mr. Marcello Bianchi, Chairman, OECD Corporate Governance Committee, Italy
- Minister Sergio Iván Alfaro Salas, Ministry of the Presidency, Costa Rica

*Summary*

This session will provide an opportunity to review main findings of the meeting and possible follow-up steps.