



Ministry of Justice

# **OECD ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE**

## **AGENDA**

**Seoul, Korea  
24-25 October 2016**

## The OECD Asian Roundtable on Corporate Governance

Established in 1999, the Asian Roundtable on Corporate Governance (ARCG) has become a unique platform for engagement by senior officials, regulators, and practitioners - including international and regional institutions and academics - committed to improving corporate governance in Asia<sup>1</sup>.

The objective of the ARCG is to support decision-makers in their efforts to improve corporate governance in the region. This is achieved through Task Forces, peer review of corporate governance policy frameworks and practices in the region, benefitting from international experience. Participants share major developments and challenges, evaluate implementation and enforcement as well as discuss and analyse policy options to support viable and effective corporate governance reforms. An important reference is the new G20/OECD Principles of Corporate Governance and their implementation in the Asian context.

Topics to be addressed include:

- Recent corporate governance developments in Korea
- Asian equity markets and access to capital for growth companies
- Public enforcement, behavioural economics and the governance of regulators
- The 5-10 year outlook for corporate governance in Asia
- Disclosure of beneficial ownership and control in Asia: corporate practices
- The role of stock exchanges in corporate governance

### Guidance for moderators, introductory speakers, panellists and participants

Moderators are invited to provide a brief introduction outlining the key issues for their session, to maintain the focus on the theme of their session, manage time strictly and encourage open discussion among participants to draw out specific country experiences and conclude with agreed points.

Introductory speakers are invited to present the key findings from their background reports in less than 10 minutes, to leave ample time for the debate sessions that follow.

Panellists will be invited by the moderator of each session to make a 5 minute introduction with their key messages. The moderator will then kick off the discussion with questions. There will be no presentations, so that we can facilitate an interactive discussion. The sessions will primarily be organised as debates.

Roundtable participants are invited to react, express their views and discuss the issues raised by speakers that are related to the issues provided in the agenda. They are encouraged to actively and openly participate in discussions to share their country experience.

### Acknowledgement

Since its establishment in 1999, the Asian Roundtable on Corporate Governance (ARCG) has been organised in partnership with the Government of Japan. In carrying out its work programme, the OECD has benefitted from financial support provided by the Government of Japan. The Government of Japan also provides financial support to OECD sub-regional work with Southeast Asia and country specific work in Asia.

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<sup>1</sup> The participating Asian economies include: Bangladesh, China, Hong Kong (China), India, Indonesia, Korea, Malaysia, Mongolia, Pakistan, the Philippines, Singapore, Chinese Taipei, Thailand and Viet Nam.

## DAY 1

9:00 – 9:30	Registration
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9:30 – 10:00	Welcoming remarks
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- Mr. Chang Jae Lee, Deputy Minister of Justice, Korea
- Mr. Rintaro Tamaki, Deputy Secretary General, OECD
- Mr. Sang Hwan An, President & CEO, Korea Exchange, Korea

10:00 – 11:15	Session 1: Recent Corporate Governance Developments in Korea
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**Moderator:** Mr. Hyun Yoon Shin, Professor, Yonsei University School of Law, Korea

**Presentation** by Mr. Sunseop Jung, Professor, Seoul National University School of Law, Korea

**Panel Discussion:**

- Mr. Brian Kim, Executive Director, KOSPI Market, Korea Exchange, Korea
- Mr. Woo-yong Jung, Senior Executive Director, Korea Listed Companies Association, Korea
- Mr. Jae Kyu Jeong, Head, Research Planning Team, Korea Corporate Governance Service, Korea

**Background:** The Korean government has taken important steps to improve the corporate governance framework over recent years. In August 2016, the Korea Exchange (KRX) and the Korea Corporate Governance Service (KCGS) updated Korea’s Code of Best Practices for Corporate Governance, the previous version of which dated from 2003, to introduce specific provisions on remuneration of key executives, electronic voting, risk management and institutional investors. The Code is a voluntary document that may begin to follow the “comply-or-explain” model under the KRX listing rules next year. Additionally, a new Act on the Corporate Governance of Financial Companies was enacted in July 2015. In 2013, the government unveiled an initiative to crack down on share-price manipulation and unfair trading by empowering relevant market regulators to carry out investigations more effectively. Korean accounting standards are largely in line with global standards, and listed companies have adopted IFRS since 2011. What are the initiatives that have had the most impact on corporate governance practices in Korea to date? What are some of the notable gaps in the corporate governance framework that must be addressed?

**Open Discussion**

11:15 – 11:45	Coffee/Tea break
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11:45 – 13:00	Session 2: Asian Equity Markets and Access to Finance for Growth Companies
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**Moderator:** Mr. Thomas Krantz, Senior Advisor, Thomas Murray Data Services, United Kingdom

**Introduction** by Mr. Serdar Celik, Senior Economist, Corporate Affairs Division, OECD

**Presentation** by Mr. Masato Kanda, Deputy Commissioner for International Affairs, Financial Services Agency, Japan

**Panel Discussion:**

- Mr. Woojin Kim, Professor, Seoul National University Business School, Korea
- Mr. Vuruputtour R. Narasimhan, Chief of Regulations, National Stock Exchange, India
- Ms. Brenda Hu, Assistant Director, Financial Supervisory Commission, Chinese Taipei

**Background:** Growth companies play a critical role for economic growth. They have the potential to develop as independent business entities, challenge established corporations and business practices, and push the frontiers of innovation and productivity. Since growth requires investment, they need access to patient capital that is suitable for long-term planning. Compared to other forms of funding, equity capital allows companies to undertake forward-looking investments with uncertain outcomes in both tangible and intangible assets, such as research and development. This session will discuss the role of public equity markets as a source of funding for Asian growth companies, which are often dependent on short-term credits and loans that constrain their development. What are the current trends regarding initial public offerings (IPO), and what differences are perceivable across industries and countries? What are the lessons learned from the introduction of special markets/segments for small and medium-sized companies? To what extent does the composition of the investor base (retail vs. institutional, and domestic vs. foreign) play a role in providing access to public equity for growth companies?

**Open Discussion**

13:00 – 14:30	Lunch
14:30 – 15:45	Session 3: Public Enforcement, Behavioural Economics and the Governance of Regulators

**Moderator:** Ms. Fianna Jurdant, Senior Policy Analyst, Corporate Affairs Division, OECD

**Introduction** by Mr. Faisal Naru, Senior Economic Advisor, Reform of the Public Sector Division, OECD

**Panel Discussion:**

- Ms. Ronnie Talmore, Senior Director of Corporate Law, Ministry of Justice, Israel
- Mr. Christopher Hodge, Special Advisor, Nestor Advisors, United Kingdom
- Ms. Waratchya Srimachand, Assistant Secretary-General, Securities and Exchange Commission, Thailand
- Mr. Amit Tandon, Deputy General Manager, Securities and Exchange Board of India

**Background:** Over the past five years, policy makers have become increasingly aware of the importance of applying behavioural insights to policy making. These insights are helping governments across the world to regulate better based on actual, and not assumed, behaviour. Behavioural insights have been mostly applied at the level of end-users but there is increasing interest in their application to organisations such as regulated companies or regulators themselves. This session will look at factors that affect the performance of regulators in their capacity to enforce the law, including independence, transparency and performance evaluation. The discussion will explore case studies from Asia and OECD countries and take stock of progress of public enforcement in Asia since the OECD report *Public Enforcement and Corporate Governance in Asia: Guidance and Good Practices* (2014). It will draw on insights from *The Governance of Regulators* (2014), *Regulatory Policy and Behavioural Economics* (2014) and other recent reports on protecting regulators from undue influence. What are the governance structures of regulators in Asia? How can the governance of regulators help strengthen the performance of the regulators and the markets they oversee? What regulatory and behavioural insights can be identified to help regulators in Asia improve public enforcement?

## Open Discussion

15:45 – 16:00	Mr. John Plender, Columnist and Editorial Writer, Financial Times, United Kingdom, will introduce <b>Session 4 on the 5-10 year Outlook for Corporate Governance in Asia</b> before splitting the audience in three groups
16:00 – 16:30	Coffee/Tea break
16:30 – 18:00	Session 4: Focus Groups on the 5-10 year Outlook for Corporate Governance in Asia

### *Focus group 1: Impact of technology and innovation*

**Moderator:** Mr. Jamie Allen, Secretary General, Asian Corporate Governance Association, Hong Kong, China

**Discussants:** Mr. Austin Tyler, Policy Analyst, Corporate Affairs Division, OECD

Mr. Jason Potts, Professor, RMIT University, Australia

Mr. Amit Tandon, Managing Director, Institutional Investor Advisory Services, India

**Rapporteur:** Mr. Fuad Hashimi, Former President and CEO, Institute of Directors, Pakistan

### *Focus group 2: Environmental pressures*

**Moderator:** Ms. Karina Litvack, Non-Executive Board Director

**Discussants:** Ms. Emmy Labovitch, Senior Policy Analyst, Financial Affairs Division, OECD

Mr. George Iguchi, Head of Corporate Governance, CFA, Nissay Asset Management Corporation, Japan

**Rapporteur:** Ms. Tran Kim Dung, Deputy Director, Public Company Supervision Department, State Securities Commission, Viet Nam

### *Focus group 3: Increasing complexity of global values chains*

**Moderator:** Mr. John Lim, Immediate Past Chairman, Singapore Institute of Directors

**Discussants:** Mr. Pankaj Tewari, Director, Risk Assurance Services, PwC

Mr. Zhengjun Zhang, Founding Partner and CEO, King Parallel Consulting, China

Mr. Jigjid Unenbat, Executive Director, Mongolian Bankers Association, and Head, Corporate Governance Development Centre, Mongolia

**Rapporteur:** Mr. Kamrul Anam Khan, Director, Securities and Exchange Commission, Bangladesh

**Background:** Improvements in corporate governance are an integral component of the wider structural reform agenda. Higher standards of corporate governance strengthen trust and accountability; promote market efficiency, investment, productivity, financial stability, overall economic growth and well-being. Asian economies have made considerable improvements in their corporate governance frameworks over the past decade. Over the past two years, for example, some stock exchanges have introduced sustainability reporting requirements for listed companies, hence driving the agenda to improve disclosure on environmental and social responsibility issues within the CG framework. What are the socio-economic forces that are likely to affect corporate governance and drive reforms in Asia over the next 5-10 years? The discussion will take into account factors such as technological change, environmental impact, the increasing complexity of global value chains. How will these changes affect corporate governance frameworks and practices? What are the risks and opportunities?

18:30	Dinner
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## DAY 2

9:00 – 10:00

**Session 5: Feedback from the Focus Group Discussions**

**Moderator:** Mr. Takahiro Yasui, Head, Special Projects and Outreach Unit, OECD

**Panel Discussion:**

- Mr. Jamie Allen, Secretary General, Asian Corporate Governance Association, Hong Kong, China
- Ms. Karina Litvack, Head of Governance and Sustainable Investment, F&C Asset Management, UK
- Mr. John Lim, Immediate Past Chairman, Singapore Institute of Directors

*Open Discussion*

10:00 – 10:30

Coffee/Tea break

10:30 – 12:00

**Session 6: Disclosure of Beneficial Ownership and Control in Asia: corporate practices**

**Moderator:** Ms. Anne Molyneux, Board Member, International Corporate Governance Network

**Presentation** by Mr. Erik Vermeulen, Professor, Business & Financial Law, Tilburg University, Netherlands

**Panel Discussion:**

- Ms. Tae Jin Kim, Professor, Korea University School of Law, Korea
- Mr. Shaswat Das, Senior Attorney, Hunton & Williams, United States
- Ms. Nik Ramlah Mahmood, Former Deputy Chief Executive, Securities Commission Malaysia
- Mr. Sidharta Utama, Member of the Board of Trustees, Indonesian Institute for Corporate Directorship
- Ms. Nguyet Anh Nguyen, Vietnam Corporate Governance Lead, International Finance Corporation

**Background:** The publication of the so-called “Panama Papers” has focused public interest on how elaborate corporate structures and offshore tax havens can be used to conceal the beneficial ownership of companies and obscure their assets. Conventional thinking suggests that trust in corporations and markets depend, in large part, on the existence of an accurate disclosure regime that provides transparency in the beneficial ownership and control structures of companies. The 2016 OECD report *Disclosure of Beneficial Ownership & Control in Listed Companies: The Asian Example* shows that most Asian jurisdictions have introduced rules mandating beneficial owners to disclose and report the accumulation of a substantial ownership of shares. However, concerns remain regarding how these rules work in practice. As a follow-up to last year’s Asian Roundtable session on legal and regulatory frameworks for disclosure of beneficial ownership and control, this discussion will explore actual company practices. Some questions to consider when assessing disclosure practices include: where can one find information about the beneficial owner of listed companies? How complete is the information? How easy is it for potential investors that are unfamiliar with the local business context to find the information?

## *Open Discussion*

12:00 – 14:00	Lunch
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14:00 – 15:30	Session 7: The Role of Stock Exchanges in Corporate Governance in Asia
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**Moderator:** Ms. Selvarany Rasiah, Chief Regulatory Officer, Regulations, Bursa Malaysia

**Presentation** by Mr. Serdar Celik, Senior Economist, Corporate Affairs Division, OECD

### **Panel Discussion:**

- Ms. Moon Hee Choi, Professor, Kangwon National University School of Law, Korea
- Mr. Joe Cheng, Senior Vice President, Head of Corporate Governance, Taiwan Stock Exchange
- Mr. Carmine di Noia, Member, Commissione Nazionale per le Società e la Borsa, Italy
- Mr. Khushro Bulsara, Senior General Manager, Listing Compliance & Legal Reg, Bombay Stock Exchange, India
- Mr. Francis Lim, President, SharePHIL, Philippines

**Background:** Stock exchanges have an important role to play in ensuring sound corporate governance. They may enact rules and codes, monitor and provide education to listed firms, and take enforcement action. Yet the stock exchange industry is changing and the different business models of stock exchanges may affect these efforts. In some countries, stock exchanges were originally established as member-owned organisations or government institutions and are transforming into privately owned for-profit corporations, some with their shares listed and traded on the exchange. What are the business models of stock exchanges in Asia? What are the key roles that stock exchanges in Asia play in ensuring sound corporate governance? Who are the other players upholding sound corporate governance standards and how do the stock exchanges interact with these players? To what extent are corporate governance and disclosure practices in the market benchmarked to international best practices?

## *Open Discussion*

15:30 – 16:00	Closing Remarks
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- Ms. Fianna Jurdant, Senior Policy Analyst, Corporate Affairs Division, OECD
- Mr. Chul Hong Jeon, Vice President, Korea Corporate Governance Service, Korea