



## **OECD-Southeast Asia Corporate Governance Initiative**

# **AGENDA**

**12-13 May 2015  
Hanoi, Viet Nam**

**With the support of the Government of Japan**



**ỦY BAN CHỨNG KHOÁN NHÀ NƯỚC  
STATE SECURITIES COMMISSION OF VIETNAM**

## About the OECD

The OECD is a forum in which governments compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve the economic and social well-being of people around the world.

## About the OECD-Southeast Asia Corporate Governance Initiative

Southeast Asia has vast strengths that should allow the region to play an increasingly important role on the global economic stage. However, as integration into the world economy intensifies, and markets in the region aspire for enhanced connectivity, the opportunities are mixed with challenges. Moreover, disparities in socio-economic development among countries are substantial, giving rise to a widespread call for policy action to narrow them.

Southeast Asia is a priority region for the OECD. The *OECD-Southeast Asia Corporate Governance Initiative* was developed with the aim of supporting the regional development of vibrant and healthy capital markets through the advancement of corporate governance standards.

Recognising the specific reform needs of Cambodia, Lao PDR, Myanmar and Viet Nam arising from their stage in economic development, the Initiative provides a focus on these countries. The agenda for each meeting is designed to take these reform challenges into consideration. The meetings further have an intra-regional shape. They are organised with the participation of relevant stakeholders from around Southeast Asia and international experts, who offer insights based on their experiences.

The first meeting of the Initiative, the OECD–Southeast Asia Consultative Meeting on Corporate Governance, Capital Market Development and State-owned Enterprises was successfully held in Yangon, Myanmar in July 2014. There was widespread agreement among participants of the critical value of corporate governance for the transition from a command to a market economy that is now underway in Myanmar. An OECD–Myanmar country programme is in the process of discussion.

## Context and Objectives of the Meeting

This second meeting of the Initiative is hosted by the State Securities Commission of Viet Nam in collaboration with the OECD and with the support of the Government of Japan. Capital markets have grown rapidly in Viet Nam as hundreds of companies have listed on the country's two exchanges in Ho Chi Minh City and Hanoi. The legal and regulatory framework has also developed quickly with the introduction of new regulation improving corporate governance standards, including for state-owned enterprises (SOEs). However, many challenges remain. Companies still fall short of regulatory requirements, shareholder engagement is lacking and the governance of most SOEs is perceived to be opaque by the standards of both regional and international good practices.

The objectives of the meeting are to discuss key challenges, and identify policy responses related to shareholder engagement, the corporate governance of SOEs and the enforcement of corporate governance standards in Viet Nam, benefitting from the experience of the Southeast Asian peers and international experts. Given that 2015 is a significant year for the ASEAN Economic Community goal, the meeting also aims to shed light on the progress of capital market integration, and discuss strategies going forward as ASEAN moves beyond 2015.

# AGENDA

## DAY 1 - 12 MAY 2015

9:00 am – 9:30 am

REGISTRATION

9:30 am – 10:30 am

OPENING SESSION

### *Introductory Remarks:*

- **Dr. Vu Bang**, Chairman, State Securities Commission, Viet Nam
- **Mr. Kenji Okamura**, Vice Chair, OECD Corporate Governance Committee, and Deputy Commissioner for International Affairs, Financial Services Agency, Japan

### *OECD - Southeast Asia Corporate Governance Initiative*

The OECD sees Southeast Asia as a key region and the corporate governance initiative is a key element in supporting the development agenda in the region. Feedback from the previous meeting in Myanmar will be provided.

### *Speakers:*

- **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD
- **Mr. Thant Sin Kyaing**, Director, Directorate of Investment and Company Administration, Ministry of National Planning and Economic Development, Myanmar

10:30 am – 11:00 am

Keynote Speech

- **Mr. Kiyoshi Hosomizo**, Commissioner, Financial Services Agency, Japan

11:00 am – 11:30 am

REFRESHMENTS

11:30 am – 1:00 pm

SESSION 1 : Tour de Table – ASEAN in 2015 and Beyond

Southeast Asia has set 2015 as the target year to realise the goal of establishing itself as an integrated economic region via the ASEAN Economic Community. While considerable progress has been made in implementing the necessary measures for integration, there are still issues to be addressed such as concerns from local market players threatened by increased competition, the participation of only several countries in some of the initiatives, and the overall strategy to minimise the development gap between ASEAN member states. What does the ASEAN action plan for 2015 and beyond look like? What are some of the corporate governance concerns or challenges?

**Moderator:**

- **Mr. Mohd Sani Ismail**, Finance Sector Specialist, Southeast Asia Department, Asian Development Bank

**Speakers:**

- **Dr. Nik Ramlah Mahmood**, Deputy Chief Executive, Securities Commission Malaysia
- **Ms. Tran Anh Dao**, Executive Vice President, Ho Chi Minh Stock Exchange (HOSE), Viet Nam
- **Mr. Ben Cushman**, US Treasury Attaché to Southeast Asia, United States of America

**Open discussion**

1:00 pm – 2:30 pm

LUNCH

2:30 pm – 4:00 pm

**SESSION 2 : General Framework for Reform of State-owned Enterprises in Viet Nam**

The restructuring of SOEs in Viet Nam started in 1990s. The number of wholly state-owned enterprises has been reduced from around 12,000 enterprises in 1991 to less than 950 in 2014. Various measures have been employed including equitisation, trade sales, mergers and liquidation. Viet Nam is currently undergoing further economic restructuring to increase its overall efficiency and competitiveness. The *General Project on Overall Restructuring* covers period 2013-2020, and the reform of SOEs is one of the priorities of the project. This session will examine the effectiveness of policies and action plans in relation to the SOE equitisation process and the roadmap to develop the corporate governance of SOEs. Discussion will also include policy recommendations and advice on implementation and enforcement.

**Moderator:**

- **Mr. Hans Christiansen**, Senior Economist, OECD

**Speakers:**

- **Mr. Dang Quyet Tien**, Deputy Director General, Corporate Finance Department, Ministry of Finance, Viet Nam
- **Mrs. Ann Low**, EEB – Economic, Energy and Business Affairs, Office of Investment Affairs, US Department of State
- **Mr. Takashi Sakakibara**, Chief Advisor, Japan International Cooperation Agency (JICA), SOE and Banking Sector Restructuring Project, Japan
- **Ms. Anne Molyneux**, Board Member, International Corporate Governance Network
- **Ms. Izabela Felczak-Poturnicka**, Head of Capital Markets Unit, Ministry of Treasury, Republic of Poland

**Open discussion**

4:00 pm – 4:30 pm

REFRESHMENTS

4:30 pm – 6:00 pm

**SESSION 3 : Corporate Governance of State-owned Enterprises**

SOEs face numerous governance challenges which, if unchecked, can lead to economic inefficiency and fiscal haemorrhage, as well as impede their equitisation. Like in a number of other countries, these include the risk of ad-hoc political intervention, unclear objectives, insufficient transparency and accountability, poorly performing boards, and an unhealthy competitive environment between public and private business. As mentioned, notwithstanding recent privatisations, the SOE sector remains significant in Viet Nam, and the governance of most SOEs is perceived to be opaque by the standards of both regional and international good practice. The session will raise questions of how best to marry good governance and state ownership, and perspectives on the SOE context in Myanmar, Turkey and the Philippines will be shared. How can the efficiency of wholly-state-owned enterprises be increased, professionalism of boards enhanced and how may market disciplines – including stock-market listing of minority shares – contribute to improve their governance?

***Moderator:***

- **Mr. John Lim**, former Chairman of the OECD-Asian Network on SOEs, Singapore

***Speakers:***

- **Mr. Nguyen Dinh Cung**, Director General, Central Institute for Economic Management (CIEM), Viet Nam
- **Mr. Adam McCarty**, Chief Economist, Mekong Economics, Viet Nam
- **Mr. Onur Akin**, Senior Associate, Directorate General of State-Owned Enterprises, Undersecretariat of Treasury, Turkey
- **Mr. Nicolas Audier**, Audier & Partners, Viet Nam
- **Dr. Jesus Estanislao**, Chairman, Institute of Corporate Directors, Philippines

**Open Discussion**

7:00 pm

**Dinner offered by the Hanoi Stock Exchange**

## DAY 2 - 13 MAY 2015

9:30 am – 11:00 am

### SESSION 4 : Shareholder Engagement

Despite the existence of provisions in relevant laws that ensure rights to shareholders, there is still a lack of shareholder engagement in exercising their rights and duties. This applies to family controlled private firms, but also to listed SOEs with unclear objectives. In the latter case, an important outstanding issue relates to the protection of minority shareholders faced with the risk that the government continues to operate state-controlled enterprises as extensions of the public sector. Proactively, more can also be done by minority shareholders acting on their own to advance corporate governance standards of companies. Where small-scale investors predominate, what roles can be allocated to institutional investors and investor watchdog groups?

#### *Moderator:*

- **Mr. Lee Kha Loon**, Independent Director, VCAP Asset Managers, Malaysia

#### *Speakers:*

- **Mr. Nguyen Ngoc Thai Binh**, Director, Director, Chief Financial Officer, REE Corporation, Viet Nam
- **Ms. Pru Bennett**, Director, Corporate Governance and Responsible Investment for the Asia Pacific Region, Blackrock, Hong Kong China
- **Ms. Rita Benoy-Bushon**, CEO, Minority Shareholder Watchdog Group, Malaysia
- **Mr. Kensuke Horii**, Deputy Director, International Affairs Office, Financial Services Agency (FSA), Japan

#### Open Discussion

11:00 am – 11:30 am

### REFRESHMENTS

11:30 am – 1:00 pm

### SESSION 5: Enforcement of Corporate Governance

Despite the improvements in corporate governance standards of companies in Viet Nam certain poor practices continue to prevail. Companies lack the right tone from the top in relation to corporate governance. Most of the weaknesses are due to the lack of good corporate governance policies set up by the board. Companies fail to report compliance with the Code of Corporate Governance, and lack clear policies covering the review and approval of significant RPTs, whistle-blowing, and dividend payments. What is the role of enforcement in addressing these poor practices? This session aims to put forward key policies and actions undertaken by other markets to enhance enforcement of corporate governance and overall market oversight.

#### *Moderator:*

- **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD

#### *Speakers:*

- **Ms. Selvarany Rasiah**, Chief Regulatory Officer, Bursa Malaysia
- **Mr. Bui Hoang Hai**, Deputy Director, Securities Issuance Business Department, State Securities Commission (SSC), Viet Nam
- **Ms. Waratchya Srimachand**, Assistant Secretary General, Securities and Exchange Commission, Thailand

- **Mr. Nguyen Vu Quang Trung**, Executive Director, Deputy CEO, Hanoi Stock Exchange (HNX), Viet Nam

**Open Discussion**

1:00 pm – 2:00 pm	LUNCH
2:00 pm – 3:30 pm	SESSION 6 : Country Focus – Cambodia and Lao PDR

The OECD Southeast Asia Corporate Governance initiative aims to support the development of effective corporate governance frameworks and policies in the region, to encourage a more favourable climate for investment, entrepreneurship and ultimately, growth. This sub regional initiative primarily targets corporate governance and capital market development issues in Cambodia, Lao PDR, Myanmar and Viet Nam. This session provides the platform for Cambodia and Laos to present an overview of their main challenges, future development strategies and reform priorities.

**Moderator:**

- **Mr. Takahiro Yasui**, Head of the Special Projects and Outreach Unit, OECD

**Speakers:**

- **Ms. Vathana Dalaloy**, Deputy Governor, Bank of Lao PDR
- **HR Mr. Sou Socheat**, Director General, Securities and Exchange Commission, Kingdom of Cambodia
- **Ms. Khine Khine Nwe**, Joint Secretary, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), Myanmar
- **Mr. Moez Miaoui**, Operations Officer, Corporate Governance, Sustainable Business Advisory, EAP, International Finance Corporation

**Open Discussion**

3:30 pm – 4:00 pm	REFRESHMENTS
4:00 pm – 5:30 pm	SESSION 7: ASEAN as an Asset Class – an Investor’s Perspective

The ASEAN Exchanges, ASEAN Stars and ASEAN Trading Link are key initiatives aimed at establishing ASEAN as an asset class. Connectivity between markets is crucial to achieving this goal and creating the liquidity that would attract investments into the region. How successful have these initiatives been? Do investors recognise and value the ASEAN brand? This session will discuss the critical success factors from an investor’s perspective to establish ASEAN as an asset class with high corporate governance standards. What are the factors that would make or break the success of the region?

**Moderator:**

- **Mr. Rainer Geiger**, Member of the Board, INEADEC (Institut Euro-Africain de Droit Economique), France

**Speakers:**

- **Prof. Mak Yuen Teen**, Associate Professor, NUS Business School, Advisor, Singapore

- **Mr. Graham Putt**, Non-executive Director, Viet Nam International Bank, International Financial Services, Commonwealth Bank of Australia
- **Mr. Le Hoang Anh**, PhD, Dragon Capital, Viet Nam
- **Mr. Sidharta Utama**, Member of the Board of Trustees, Indonesian Institute for Corporate Directorship (IICD)

#### Open Discussion

5:30 pm – 6:00 pm

CLOSING REMARKS

#### *Speakers:*

- Representative from Viet Nam (tbc)
- **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD