



Asian Roundtable adopts guide to strengthening corporate governance through effective public enforcement

12/02/2014 - The Asian Corporate Governance Roundtable* held its annual meeting in Mumbai, India on 11 and 12 February 2014. Co-organised by the Securities and Exchange Board of India (SEBI) and the OECD, it brought together senior government officials and regulators from Asian countries, private sector representatives, practitioners and academics from the region and international institutions.

In his opening remarks, Mr Prashant Saran, whole time member of SEBI, stressed the importance of the OECD Principles of Corporate Governance as an international benchmark for policy makers, corporations, investors and other stakeholders. They have inspired the development of company laws, securities regulations and corporate governance codes throughout the region. According to William Danvers, Deputy Secretary-General of the OECD, corporate governance in Asia is of global importance to promote equity market growth and to serve the needs of the real economy worldwide.

The most important achievement of the meeting was the adoption of a Guide to strengthen corporate governance through effective public enforcement in Asia, the first of its kind elaborated at a regional level. The Guide is the result of two years' work by a Task Force chaired by Ms. Selvarany Rasiah, Chief Regulatory Officer, Bursa Malaysia. Based on an extensive survey of country practices, the Guide identifies good practices and puts forward recommendations in the following areas:

- Putting into place a comprehensive legal framework, with focus on related party transactions, disclosure of beneficial ownership and control;
- Organising the structure of enforcement authorities to allow effective and coherent action of the agencies involved;
- Providing agencies with sufficient powers to regulate and monitor market behavior,

* *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.*

- conduct investigations and impose sanctions;
- Communicating enforcement actions and practices;
 - Providing effective procedures for court action and judicial review;
 - Promoting cross border enforcement, through exchange of information and mutual legal assistance.

The Guide is expected to enhance the effectiveness of regulators and to contribute to a culture of compliance by companies, in the interest of protecting investors and creating confidence in markets. It can serve as a basis for reform and self-assessment within national systems as well as a reference point for peer reviews at regional level and will provide elements for consideration within the upcoming revision of the OECD Principles.

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