



OECD-Southeast Asia Corporate Governance Initiative

AGENDA

1-2 June 2016
Vientiane, Lao PDR

With the support of the Government of Japan

Hosted by:



About the OECD

The OECD is an intergovernmental organisation offering decision-makers an opportunity to compare and exchange experiences, identify good practices, 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 allowing 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 to enhance 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.

The OECD-Southeast Asia Corporate Governance Initiative was developed in this context with the aim of supporting the development of vibrant and healthy capital markets through the advancement of enhanced corporate governance standards in the region. Recognising the specific reform needs of Cambodia, Lao PDR, Myanmar and Viet Nam arising from their stage in economic development, this Initiative provides a focus on these countries. The agenda for each meeting is designed to take their 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.

The first meeting of the Initiative, the OECD–Southeast Asia Consultative Meeting on Corporate Governance, Capital Market Development and State-owned Enterprises was held in Yangon, Myanmar in July 2014. To support the current transition from a planned to market economy that is under way in Myanmar, an OECD–Myanmar Corporate Governance Advisory Group is in the process of discussion. The second meeting of the Initiative took place in Hanoi, Viet Nam on 12-13 May 2015. Participants acknowledged the important steps that have been made in developing a sound framework for corporate governance in Viet Nam, and shared their perspectives on how to continue these efforts going forward.

Context and Objectives

This third meeting of the Initiative is hosted by the Lao Securities Commission (LSC) in collaboration with the OECD and with the support of the Government of Japan. As the chair of ASEAN, Lao PDR is making important progress towards the facilitation of free trade in goods and service, as stipulated under the ASEAN Economic Community Blueprint. The Lao authorities have made the reform of state-owned enterprises and the expansion of capital markets priorities as stipulated in the Strategic Plan on Capital Market Development (2016-2025).

The objectives of this meeting are to identify key policy options for the Lao authorities to improve the corporate governance of SOEs, spur capital market development and enhance the country's attractiveness to foreign investment. Benefitting from the experience of the Southeast Asian peers and international experts, the meeting also aims to identify how to make progress towards capital market integration, given the creation of the ASEAN Economic Community at the end of last year.

DAY 1

9:00 am – 9:30 am

REGISTRATION

9:30 am – 10:30 am

OPENING SESSION

Introductory Remarks:

- **Ms. Vathana Dalaloy**, Deputy Governor, Bank of Lao PDR, and Commissioner, Lao Securities Commission
- **Mr. Masato Kanda**, Deputy Commissioner for International Affairs, Financial Services Agency, Japan

Speakers:

- **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD
- **Ms. Le Thi Thu Hang**, Deputy Director General, the Public Companies Supervision Department, State Securities Commission (SSC), Viet Nam

10:30 am – 11:00 am

COFFEE/TEA BREAK

11:00 am – 12:30 pm

SESSION 1 : Taking stock of ASEAN Integration - Building an Economic Community

The ASEAN Economic Community (AEC) was established at the end of 2015, with the aim of ushering in an integrated economic Southeast Asia region. While considerable progress has been made in implementing the necessary measures for integration, there are still issues to be addressed. For example, concerns from local market players threatened by increased competition, and the overall strategy to minimise the economic development gap between ASEAN member states. As Lao PDR is chairing ASEAN this year, this session serves as a platform to discuss to what degree the ASEAN Economic Community is on track to bring about its intended goals, in accordance with the AEC Blueprint. In what areas is more progress needed? What are some of the corporate governance concerns or challenges?

Moderator:

- **Mr. Gambhir Bhatta**, Technical Advisor, Governance, Asian Development Bank (ADB)

Speakers:

- **Mr. Laohua Cheuning**, Director General, Foreign Trade Policy Department, Ministry of Industry and Commerce, Lao PDR
- **Mr. Cielito F. Habito**, Professor of Economics, Ateneo de Manila University, Philippines
- **Ms. Azryta Abdul Aziz**, General Manager & Head, Markets & Products, Market Development, Securities Commission Malaysia
- **Mr. Moez Miaoui**, Senior Corporate Governance Officer, International Finance Corporation, World Bank Group

Open discussion

12:30 pm – 2:00 pm

LUNCH

2:00 pm – 3:30 pm

SESSION 2 : G20/OECD Principles of Corporate Governance – Establishing a corporate governance framework

The Principles of Corporate Governance were revised in 2015, aiming to ensure their continuing high quality and relevance, taking into account recent developments in the corporate sector and capital markets. The Principles are one of the key standards of the Financial Stability Board for sound financial systems and form the basis for the corporate governance component of the Report on the Observance of Standards and Codes (ROSC) of the World Bank. How can governments in CLMV use the Principles to ensure the basis for an effective corporate governance framework? How can regulators ensure the rights and equitable treatment of minority shareholders? What should be the roles and responsibilities of the board? This session will explore the opportunities and challenges to the implementation of the Principles in the Southeast Asia region.

Moderator:

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

Presentation:

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

Speakers:

- **Mr. Lee Kha Loon**, Independent Director, VCAP Managers, Malaysia
- **Mr. John Lim**, Immediate Past Chairman, Singapore Institute of Directors
- **Ms. Waratchya Srimachand**, Assistant Secretary-General, Securities and Exchange Commission, Thailand

Open Discussion

3:30 pm – 4:00 pm

COFFEE/TEA BREAK

4:00 pm – 5:30 pm

SESSION 3 : Unlocking investment – Developing a policy framework for investment

Recognising the importance of having stable and consistent investment policies to increase the quality and quantity of private investment, policymakers in Cambodia, Lao PDR, Myanmar and Viet Nam (CMLV) have made progress towards enhancing their investment climate, including through the recent or ongoing revision of their investment laws. The costs of doing business remain high, however, and the region suffers from an investment deficit that hinders sustainable growth. The OECD supports investment policy reform in CLMV countries through country-level Investment Policy Reviews (IPRs). Using the OECD *Policy Framework for Investment*, which takes a comprehensive, whole-of-government investment climate approach, IPRs provide concrete recommendations to help governments improve their countries' framework conditions for investment and enhance the benefits from foreign direct investment. The *OECD Investment Policy Review of Myanmar* was published in 2014, and IPRs of Cambodia, Lao PDR and Viet Nam will be released soon. Preliminary findings will be presented.

Moderator:

- **Ms. Hélène François**, Legal Analyst, Investment Division, OECD

Speakers:

- **Mr. Thavichanh Thienthepvongsa**, Deputy Director, Investment Promotion Department, Ministry of Planning and Investment, Lao PDR
- **Mr. Aung Naing Oo**, Director-General, Directorate of Investment and Company Administration, Ministry of Planning and Finance, Myanmar
- **Mr. Nguyen Dinh Cung**, Director General, Central Institute for Economic Management (CIEM), Viet Nam
- **Mr. Ramon Bruesseler**, Executive Director, European Chamber of Commerce and Industry in Lao PDR

Open Discussion

7:00 pm

Dinner offered by the Lao Securities Commission

DAY 2

9:30 am – 11:00 am

SESSION 4: What is the landscape for corporate governance in Lao PDR?

The economy of Lao PDR has been growing rapidly – at around 8% per annum – thanks largely to the development of natural resource based industries. Supporting this growth, policy makers in Lao PDR have made steady progress towards implementing reforms and building the institutions necessary for a market economy. A new Law on Accounting and amendments to the Law on Enterprises were passed in 2013, the same year in which the country joined the World Trade Organisation. Nonetheless, Lao businesses continue to face challenges in corporate governance. What are the steps that policy makers in Lao PDR need to take to improve the legal, policy and institutional framework governing firms? With the aim of attracting investment and linking into global values chains, what steps can be taken to improve the governance practices of firms?

Moderator:

- **Mr. Takahiro Yasui**, Head of Unit, OECD

Speakers:

- **Mr. Viravanh Khamtanh**, Director-General, Committee for Business Development, Office of the Prime Minister, Lao PDR
- **Ms. Saysamone Chanthachack**, Secretary General, Lao Securities Commission Office (LSCO)
- **Mr. Aristotle David**, Managing Partner, ZICOLaw, Lao PDR
- **Ms. Yoko Ogimoto**, Senior Consultant, Nomura Research Institute

Open discussion

11:00 am – 11:30 am

COFFEE/TEA BREAK

11:30 am – 12:30 pm

SESSION 5 : Progress Report – Cambodia, Myanmar and Viet Nam

The OECD Southeast Asia Corporate Governance Initiative aims to support the development of effective corporate governance frameworks in the region with the aim of encouraging productivity, inclusive growth and competitiveness. This session provides the platform for Cambodia, Myanmar and Viet Nam to present an overview of their progress, remaining challenges, future development strategies and reform priorities.

Moderator:

- **Mr. Austin Tyler**, Policy Analyst, OECD

Speakers:

- **Ms. Khine Khine Nwe**, Joint Secretary, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI), Myanmar
- **Ms. Hoang Thuy Huong**, Deputy Head of Listing, Hanoi Stock Exchange (HNX), Viet Nam
- **H.E. Mr. Chhun Sambath**, Deputy Director General, Securities and Exchange Commission, Cambodia

Open Discussion

12:30 pm – 2:00 pm

LUNCH

2:00 pm – 3:30 pm

SESSION 6: Improving access to finance in CLMV – Perspectives on capital market development

Economic growth in a modern economy hinges on an efficient financial sector that pools domestic savings and mobilises foreign capital for productive investments. In Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV), capital markets remain underdeveloped relative to other regional players. Meanwhile there are nearly 700 listed companies on Viet Nam’s two exchanges, the Lao Securities Exchange (LSX) has five listed companies and Cambodia Securities Exchange (CSX) has four. Myanmar just launched a stock exchange in December 2015. What are the specific challenges that capital markets face in CLMV? What are the lessons in capital market development that CLMV countries can learn from other countries in the region? How can sound corporate governance support capital market development? A paper with key findings and regional lessons learned regarding capital market development will be presented.

Moderator:

- **Ms. Anne Molyneux**, Board Member, International Corporate Governance Network (ICGN)

Presentation:

- **Mr. Adam McCarty**, Senior Economist, Mekong Economics

Speakers:

- **Mr. Viengkham Vansilalom**, Director of Management and Administration Department, Lao Securities Exchange (LSX)
- **Ms. Pru Bennett**, Director, BlackRock, Hong Kong, China
- **Mr. Shohei Yano**, Policy Advisor, Ministry of Planning and Finance, Myanmar

Open Discussion

3:30 pm – 4:00 pm

COFFEE/TEA BREAK

4:00 pm – 5:30 pm

SESSION 7: State-owned Enterprises – Improving governance and efficiency

Throughout the South-East Asia region, SOEs face numerous governance challenges which, if unchecked, can lead to economic inefficiency and fiscal haemorrhage. 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. The governance of most SOEs in CLMV is perceived to be opaque by the standards of both regional and international good practice. This session will raise questions of how best to marry good governance and state ownership. How can the efficiency of wholly-state-owned enterprises be increased, professionalism of boards enhanced and how may market disciplines – including competition in goods and services markets and stock-market listing of SOE minority shares – contribute to improving their governance and efficiency?

Moderator:

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

Speakers:

- **Mr. Gambhir Bhatta**, Technical Advisor, Governance, Asian Development Bank
- **Mr. Bounsalong Southidara**, Deputy Managing Director, EDL-Generation Public Company, Lao PDR
- **Mr. Takashi Sakakibara**, Chief Advisor, Japan International Cooperation Agency (JICA), SOE and Banking Sector Restructuring Project, Japan
- **Mr. Jesus Estanislao**, Chairman Emeritus, Institute of Corporate Directors, Philippines

Open Discussion

5:30 pm – 6:00 pm

CLOSING REMARKS

Speakers:

- **Ms. Fianna Jurdant**, Senior Policy Analyst, OECD
- **Ms. Saysamone Chanthachack**, Secretary General, Lao Securities Commission Office (LSCO)