

DRAFT AGENDA

The 2018 Meeting of the Latin American Corporate Governance Roundtable

12-13 June, 2018

*Bolsa de Comercio, Sarmiento 299
Buenos Aires, Argentina*

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 themes that have been identified as a priority for corporate governance improvement in the region:

- 1) Opportunities and obstacles for the development of Latin American equity markets;
- 2) Emerging stock exchange developments and their corporate governance implications;
- 3) Strengthening private enforcement and the use of arbitration;
- 4) Flexibility and proportionality in regulatory frameworks;

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, Costa Rica, Colombia, Dominican Republic, Ecuador, El Salvador, Nicaragua, Panama, Peru and Uruguay, as well as Chile, Mexico, Italy, Portugal, Spain and other OECD countries. 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 speakers and participants

The Roundtable sessions will be structured to promote an interactive discussion 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. They will also 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 the topic, and may wish to use a limited number of PowerPoint slides for this purpose.
- **Discussants** will be invited to respond to prepared questions from the moderator 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 to 15 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 expected 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.

This meeting of the Roundtable is organized and co-ordinated by the OECD with funding support from the government of Spain and Argentina's Securities and Exchange Commission (CNV), and with special thanks to the Bolsa de Comercio for offering their venue for the meeting.

Simultaneous interpretation will be provided between Spanish and English

DAY 1**Tuesday 12 June 2018**08:15 to 9:00 **Registration /Coffee**9:00-9:30 **Introductory remarks**

- Marcos Ayerra, President, Argentina Securities Commission (CNV)
- Marcelo Scaglione, Undersecretary, Representative to the OECD, Ministry of the Treasury
- Gabriela Figueiredo Dias, OECD Corporate Governance Committee Vice-Chair and Chair of Portuguese Securities Market Commission

9:30 - 11:10 **Session 1: Main findings of the OECD Survey on access to equity financing in Latin America***Moderator:* Daniel Blume, Senior Policy Analyst, OECD Secretariat*Introductory speakers:*

- Pablo Souto, Senior Associate, Global Outcomes, Argentina

Discussants:

- Marcos Ayerra, President, Argentina Securities Commission (CNV)
- Juan Carlos Alfaro, Superfinanciera, Colombia (and MILA Secretariat)
- Jaime Gornsztejn, Director, Hermes Investment Management
- Magaly Martinez, Cavali, Peru

Summary

This session will provide an overview of the main findings of the OECD Survey on Access to Equity Financing in Latin America, which has been developed with the Latin American Task Force for equity market development. The report is based on an on-line survey of institutional investors as well as listed and non-listed companies and other stakeholders from the region to get their perspectives on steps that could support the development of more active equity markets.

Key questions

- Why does equity matter?
- What are the current issues and/or shortcomings affecting equity markets development in Latin America, and what can be done to address them?
- What are the main differences between companies' and institutional investors' perspectives on the current state of equity markets in Latin America?
- What steps can Latin American policy-makers, regulators and market participants take to strengthen Latin American markets?

Background materials:

OECD Survey on Access to Equity Financing in Latin America (circulated separately)

11:10 – 11:30 *Coffee break*

11:30 - 13:00 **Session 2: Changing dynamics for stock exchanges in Latin America and their implications for corporate governance**

Moderator: Andrés Bernal, Governance Consultants, Colombia

Speakers:

- Flavia Mouta Fernandes, Director , B3 Exchange, Brazil
- Julieta Artal, Senior Economist responsible for Corporate Governance and Sustainability, Argentina Stock Exchange (BYMA)
- Santiago Urquiza, Chair, Bolsa Institucional de Valores, Mexico
- Lucy Pamboukdjian, Chief Commercial Officer, Santiago Stock Exchange, Chile

Summary

This session will focus on new developments related to Latin American stock exchanges, in particular the introduction of a new stock exchange in Mexico (Bolsa Institucional de Valores - BIVA), consolidation and establishment of the Bolsa y Mercados Argentinos (BYMA) in Argentina, and other new developments in Brazil and Chile.

Key questions

- What are the current challenges or opportunities for attracting new companies and greater liquidity from stock exchanges' perspectives? What roles can stock exchanges play to facilitate market development, and to what extent does this include actions related to corporate governance?
- What are the benefits of having two stock exchanges? Can lessons be learned from other multi-exchanges countries?
- How will BYMA's own segment devoted to better corporate governance differ from Brazil's Novo Mercado?

Background materials:

Christiansen & Koldertsova (2009), [The role of stock exchanges in corporate governance](#)

13:00 - 14:30 *Lunch break*

14:30-16:00 **Session 3: Strengthening private enforcement and the use of arbitration in Latin America**

Moderator: Mike Lubrano, Managing Director, Cartica Capital, US

Speakers:

- Pablo Renteria, Commissioner, CVM Brazil
- Martin Gelter, Fordham University School of Law, US
- Eugenio Cárdenas, Kirkland & Ellis LLP, US (discussing the case of Mexico)
- Gonzalo Fernández, Partner and Head of Dispute Resolution Practice Group, Carey law firm, Chile

Summary

Latin American countries tend to rely heavily upon securities regulators and public enforcement mechanisms to ensure compliance with corporate governance standards, including enforcement of minority shareholder rights. But such mechanisms have

limitations, and some countries have sought to complement such actions with greater reliance on the courts or alternative dispute resolution mechanisms such as arbitration. This session, featuring presentations from practitioners and securities law experts, will focus particularly on experience in Brazil, Chile and Mexico with enforcement of shareholder rights, including the potential for strengthening alternatives to public enforcement, such as private actions in courts or the use of arbitration.

Key questions

- How can enforcement through private actions including shareholder suits and the use of arbitration be made more effective? What actions can policy-makers or regulators take to facilitate expedient and fair resolution of disputes as an alternative or complement to public enforcement?

Background materials:

OECD (2013), [Supervision and Enforcement in Corporate Governance](#)

Session 4 Introduction to breakout sessions on emerging topics

Introductory speaker: Marta Viegas, Corporate Governance Lead Officer, ESG Division, Inter-American Investment Corporation (IDB)

This part of the meeting will feature three separate, smaller, breakout group discussion sessions, each dealing with a different emerging or hot topic.

16:00–16:15 Ms. Viegas, our introductory speaker, will highlight the breakout session topics including 1) "the selection and dismissal of independent directors in Latin America", 2) "Transparency for institutional investors and proxy advisors: stewardship codes versus regulatory disclosure requirements", and 3) Changing market dynamics: the growing role of blockchain technologies in market transactions and implications for corporate governance.

A short background note highlighting main issues and key questions for each of the three breakout session discussions will be circulated to registered participants before the meeting to help inform participants' choice of session to attend.

16:15-16:30 **Coffee break**

	Breakout session 4A:	Breakout session 4B:	Breakout Session 4C:
16:30-18:00	The selection and dismissal of independent directors in Latin America	Transparency for institutional investors and proxy advisors: stewardship codes versus regulatory disclosure requirements	Changing market dynamics: the growing role of blockchain technologies in market transactions and implications for corporate governance

Breakout Sessions

This part of the meeting will feature three separate, smaller, breakout group discussion sessions, each dealing with a different emerging, new or hot topic.

Proposed topics include:

Session 4A: "The selection and dismissal of independent directors in Latin America"

In their article, Gurrea-Martínez (Harvard Law School) and Orton (IFC) identify several

weaknesses in the selection and dismissal of independent directors, which revolve around the fact that the selection/dismissal is still usually performed by the controlling shareholder. The report suggests that this gives less credibility to the independent director in the eyes of investors. Improving this situation could unlock investment in the region and assist in the development of the capital markets. Potential solutions identified by the article involve the inclusion of a greater role for minority investors amongst other aspects.

Moderator and rapporteur: Oliver Orton, Regional Program Manager for Corporate Governance, Latin America and the Caribbean, IFC

Introductory Speakers:

- Aurelio Gurrea-Martínez, Executive Director, Ibero-American Institute for Law and Finance, Harvard Law School, USA
- Rocio Balestra, Commissioner, CNV Argentina

Background materials:

Gurreea-Martínez A., Orton O. [Toward a credible system of independent directors in Latin American listed companies \(2018\)](#);

OECD (2012), [Board Member Nomination and Election](#);

OECD (2011), [Achieving Effective Boards \(comparative study of 7 Latin American countries\)](#) .

Session 4B: "Transparency for institutional investors and proxy advisors: stewardship codes versus regulatory disclosure requirements"

While the G20/OECD Principles of Corporate Governance call for institutional investors to be transparent about their corporate governance and voting policies with respect to their investments, and for investors, proxy advisors and other market analysts to disclose their material conflicts of interest and how they may manage them to minimise such conflicts, there remains some debate as to the best way to achieve such objectives. This session will look at experience with different approaches in OECD as well as Latin American countries, including the use of stewardship codes for investors as well as regulatory disclosure requirements.

Moderator: Hector Lehuedé, Senior Policy Analyst, OECD Secretariat

Introductory speakers:

- Miguel Ferré, Vice-president, GCC (EY & IE Business School), Spain
- Mauro da Cunha, Executive Director, AMEC, Brazil

Rapporteur: Sandra Guerra, Managing partner, Better Governance

Background materials:

Çelik & Isaksson (2013), [Institutional Investors as Owners: Who are they and what do they do?](#)

OECD (2011), [Strengthening Latin American Corporate Governance: the Role of Institutional Investors](#)

ICSA-OECD (forthcoming), Shareholder Engagement: The state of play"

Session 4C: Changing market dynamics: the growing role of blockchain technologies in market transactions and implications for corporate governance

Blockchain technology -- also known as distributed ledger technology -- is receiving growing attention for its potential impact on the way businesses operate and capital markets function. While best known for its use for cryptocurrencies and initial coin offerings, other blockchain applications range from decreasing the costs of corporate disclosure and compliance to share issues, share registration, ownership identification and shareholder voting. It could also serve as a tool for more effective supervision and enforcement. However, blockchain needs to be adopted in a way that does not undermine trust and confidence in capital markets. This session will report on new OECD work on these issues, and seek input on implications for Latin American markets.

- *Moderator and rapporteur:* Daniel Blume, Senior Policy Analyst, OECD Secretariat

Introductory speakers:

- Evan Epstein, co-director, Stanford/NVCA Venture Capital Symposium, USA
- Juan Munguira, OECD Corporate Governance Committee Bureau and CNMV, Spain

DAY 2

Wednesday, 13 June 2018

9:00 - 10:15

Session 5: Proportionality and flexibility in regulatory frameworks: a path to corporate governance convergence in the region?

Moderator: Gabriela Figueiredo Dias, Vice Chair, OECD Corporate Governance Committee, Portugal

Introductory speakers:

- Arijete Idrizi, Consultant, OECD Secretariat
- Héctor Lehuedé, Senior Policy Analyst, OECD Secretariat

Discussants

- Rosario Celedón, Commissioner, CMF, Chile
- Juan Antonio Aliaga, Senior Advisor, Ministry of Economy and Competitiveness, Spain

Summary

This session will first introduce an overall view of country corporate governance frameworks in the region, building on the data from the OECD Survey of Corporate Governance Frameworks in Latin America and the "2017 OECD Corporate Governance Factbook", as to illustrate some of the main similarities and differences among jurisdictions. This introduction will be followed by a presentation of the forthcoming OECD thematic review of flexibility and proportionality of corporate governance frameworks, which has tracked the use of a flexible and proportional approach to rulemaking in 39 jurisdictions. These presentations will set the stage for a discussion about how different paths and approaches within the region could potentially convergence towards similar corporate governance outcomes.

Key questions

- What aspects of corporate governance involve the greatest similarities across Latin American countries, and where are there most significant differences?
- Is there scope for greater harmonization of corporate governance requirements in the region? What would be the benefits of greater harmonization? Should such harmonization focus on adopting the same specific rules and practices or rather aim to foster similar corporate governance outcomes?
- To what extent are the corporate governance frameworks within the region making use of a flexible and proportional approach to rulemaking to could achieve similar outcomes in different manners? What scope is there for further flexibility and proportionality regulation within such frameworks? What are the risks of regulatory arbitrage or the lowering of standards?

Background materials:

OECD Survey of Corporate Governance Frameworks in Latin America (to be circulated separately before the meeting)

OECD (2017), [OECD Corporate Governance Factbook](#)

10:15-11:30

Session 6: Recent developments in Latin America with corporate governance codes

Moderator: Santiago Chaher, Cefeidas, Argentina

Speakers:

- Gustavo Gonzalez, Commissioner, CMV, Brazil
- Rocio Balestra, Commissioner, CNV, Argentina
- Patricio Pena, Ecuadorian Institute of Corporate Governance
- Peter Taylor, Director, Aberdeen Standard Investments, Brazil

Summary

Against the backdrop of the previous session on proportionality and flexibility of regulatory frameworks, this session will provide an overview the Latin American recent experience with the development and revision of national corporate governance codes, generally implemented on a “comply or explain” basis. More specifically, Brazil, Argentina and Ecuador have all made or are considering changes to their corporate governance code, which they will comment on during this session.

Key questions

- What are the 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? How can regulators and other market actors help ensure that disclosure requirements of codes is high quality and useful for the market?
- What lessons can be learned from differing approaches to developing, revising reporting on, and using such codes as a guide for corporate governance improvement?

Background materials:

OECD (2016), [Strengthening Corporate Governance Codes in Latin America](#):

11:30 - 11:45 **Coffee break**

11:45 – 12:30 **Session 7: Results of breakout sessions**

Moderator: Georgina Nuñez, Economic Affairs Officer, UN Economic Commission for Latin America (ECLAC)

Rapporteurs from Session 4 breakout sessions:

Summary

- Breakout session rapporteurs will report on the results of the three breakout session discussions, providing opportunity for discussion of key findings.
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12:30 **Concluding Session: Next Steps**
