



The 2005 Asian Roundtable on Corporate Governance

Agenda

Task Force on Corporate Governance of Banks in Asia: Finalisation Draft Policy Brief

Stock take of Corporate Governance Developments in Asia

Task Force on Corporate Governance of State Owned Enterprises in Asia: Interim Report

Bali, Indonesia
8 – 9 September 2005



Co-hosted by:



JAKARTA STOCK EXCHANGE



SURABAYA STOCK EXCHANGE



National Committee of Governance Policy

In partnership with:

The Government of Japan

The Global Corporate Governance Forum



Day 1 – Thursday 8 September 2005 - Morning Session

8:30 – 9:00

Registration

9:00 – 9:30

Welcoming remarks

- ◆ **Mr. Mats Isaksson**, Head, Corporate Affairs Division, OECD
- ◆ **Professor Stijn Claessens**, Senior Adviser in the Financial Sector Vice-Presidency of the World Bank
- ◆ **Mr. Agus Muhammad**, Inspector General, Ministry of Finance, Indonesia

9:30 – 10:15

Session 1: Corporate Governance of Banks

- ◆ Corporate governance of banks, a perspective from the Basel Committee, presentation by **Mr. Jason George**, Senior Economist (Supervision) Bank for International Settlements, Representative Office for Asia and the Pacific
- ◆ Corporate governance of banks in Asia, presentation by **Professor Joseph Fan**, School of Accountancy and the Department of Finance, Chinese University of Hong Kong

Questions and answers

10:15 – 10:30

Coffee / tea break

10:30 – 13:00

Session 2: Asia Roundtable Task Force on Corporate Governance of Banks – Finalisation of draft Policy Brief

- ◆ Presentation of the draft Policy Brief on Corporate Governance of Banks by **Mr. Motoyuki Yufu**, Principal Administrator, OECD, in co-operation with the Task Force members

Floor Discussion lead by **Dr. Jesus Estanislao**, Chairman Philippines Institute of Corporate Directors, of the Task Force on Corporate Governance of Banks

13:00 – 14:30

Lunch

Day 1 – Thursday 8 September 2005 – Afternoon Session

14:15 – 15:15

Session 3: Stock-take of developments in corporate governance in Asia, part 1

- ◆ Presentation of findings on progress in Asian Roundtable on Corporate Governance member economies by **Mr. Louis Bouchez**, Principal Administrator, Corporate Affairs Division OECD

Floor Discussion

15:15 – 15:30

Coffee / tea break

15:30 – 17:00

Session 3: Stock-take of developments in corporate governance in Asia, part 2

- ◆ Presentation of a private sector perspective on corporate governance progress in Asia by **Mr. Jamie Allen**, Secretary-General Asian Corporate Governance Association
- ◆ Presentation of “PECC Macro Corporate Governance Scorecard Project, Evaluation of Corporate Governance in East Asian Economies” by **Professor Kyung Suh Park**, Asian Institute of Corporate Governance, Business School Korea University

Floor Discussion

19:00

Dinner hosted by Self Regulatory Organizations
Diner Speech by Minister of Communication and Information Technology

Day 2 – Friday 9 September 2005 - Morning Session

09:15 – 10:15

Session 4: A Boardroom Guide to the OECD Principles on Corporate Governance

- ◆ Presentation by **Mr. Peter Dey**, Partner, Osler, Hoskin and Harcourt, Barristers and Solicitors, Canada
- ◆ Panel Discussion

10:15 – 10:30

Coffee / tea break

10:30 – 11:30

Session 5: The OECD Guidelines on Corporate Governance of State Owned Enterprises

- ◆ Presentation by **Mr. Mats Isaksson**, Head, Corporate Affairs Division, OECD

Questions and answers

11:30 – 12:30

Session 6: Asia Roundtable Task Force on Corporate Governance of SOEs – Interim report

- ◆ Presentation of the Background Paper on Corporate Governance of SOEs in Asia by **Mr. John Lim**, President Singapore Institute of Directors, Chairman of the ARCG Task Force on Corporate Governance of SOEs and **Mr. Louis Bouchez**, Principal Administrator, Corporate Affairs Division – OECD (on behalf of Mathilde Mesnard, OECD).

Floor Discussion

12:30 – 14:30

Lunch

Day 2 – Friday 8 September 2005 - Afternoon Session

14:30 – 15:45

Session 7: Reporting on Related Activities

- ◆ Presentation by **Mr. Charnchai Charuvastr**, President Thai Institute of Directors, on the activities of **IDEA.Net** and the role of institutes of directors in developing Asian good corporate governance
- ◆ Presentation by **Professor Kyung Suh Park**, Asian Institute of Corporate Governance, Business School Korea University, on the **Academic Network of Asian Corporate Governance Specialists**
- ◆ Presentation by **Mr. Sumant Batra**, Senior Partner Kesar Dass B & Associates, Advocates & Solicitors, India, of the Synthesis Report of the OECD International Experts Meeting on **Corporate Governance of Non Listed Companies**

Questions and answers

15:45 – 16:00

Coffee/tea break

16:00 – 17:00

Session 8: Summary and Next Steps of the Asia Roundtable work

Moderator: **Mr. Louis Bouchez**, Principal Administrator, Corporate Affairs Division, OECD

Floor Discussion

End of Roundtable

THE 2005 ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE

Bali, Indonesia, 8 - 9 September 2005

Notes to the agenda and issues for discussion

The 2005 Asian Roundtable on Corporate Governance will take place in Bali, Indonesia, on 8 - 9 September 2005, and will focus on Corporate Governance developments in the Asia Roundtable economies since the publication of the Asia White Paper in 2003, Corporate Governance of Banks in Asia and Corporate Governance of State Owned Enterprises in Asia. The Roundtable will start on 8 September at 9:00 and finish on 9th at 16:30.

On 7 September 2005 a separate one day seminar focussing on Indonesia's capital markets (morning session) and corporate governance framework (afternoon session) will be organised.

Speakers are requested to limit their presentations to 15 minutes and discussants, who will comment on the previous presentations, are requested to keep their remarks to 10 minutes in order to allow maximum time for open discussion.

Session 1: Corporate Governance of Banks in Asia - Overview of recent developments

The purpose of this session is to focus on issues such as why corporate governance of banks is different from corporate governance of non-bank companies, and also whether there is a difference in corporate governance of banks in Asia compared to corporate governance of banks in other parts of the world.

The BIS / Basel Committee is one of the key drivers to improve corporate governance of banks throughout the world and will present its work in this field. In addition to rules and guidelines which involve issues related to banks' corporate governance, the BIS / Basel Committee published the important report "Enhancing Corporate Governance for Banking Organisations" in 1999, and are currently in the process of updating it.

This session will also include a presentation which outlines the landscape of corporate governance of banks in Asia.

Session 2: Task Force on Corporate Governance of Banks in Asia – Finalisation draft Policy Brief

The purpose of this session is to discuss the current draft policy brief prepared by the Task Force. The draft policy brief has been based amongst others on responses by ARCG participants to a questionnaire drafted by the OECD Secretariat. The Task Force's Chairman will lead the discussion on what further steps and recommendations may be needed to finalise the draft policy brief. As such the different topics covered by the policy brief will be reviewed and discussed. The Task Force members will participate in the discussion.

Topics for discussion may include the importance of banks and the characteristics of Asian banks, fiduciary duties of board members, board's committees, firewalls against abusive related party transactions / lending, corporate governance of group companies affiliated with banks, incentives for banks to improve their own corporate governance and the role of banks in improving corporate governance of their debtor companies.

Session 3: Stock-take of developments in corporate governance in Asia Roundtable economies - Presentation of findings

As set out in the White Paper (par.40): "The Roundtable plans to conduct a stock-taking of developments in Asia two years after issuance of the White Paper. This stock-taking will enable Roundtable participants and the public to assess progress and to identify remaining challenges." A draft paper on findings of the stock-take of developments in corporate governance in Asia Roundtable economies will be presented. Rationale behind and key findings will be discussed. The report is partly based on responses from ARCG participants to a questionnaire (included in the paper) and focuses on the six priorities for policy reform identified in the White Paper. Subsequently, a private sector perspective on progress on corporate governance made in Asia during the past few years will be presented by the Asian Corporate Governance Association, an independent, non-profit membership organisation dedicated to working with investors, companies and regulators in the implementation of effective corporate governance practices throughout Asia. Finally, the preliminary findings of a study commissioned by the PECC evaluating progress of corporate governance in East Asian economies will be presented. This study examines this progress in two ways. The first is a stock-taking exercise to take note of on-going policy reforms in corporate governance rules and regulations. The second covers perceptions of the implementation and enforcement of corporate governance rules as seen by fund managers and analysts. Nine East Asian economies are included in this study.

Session 4: A Boardroom Guide to the OECD Principles on Corporate Governance

In this session Mr. Peter Dey from the OECD Business Advisory Group will provide a perspective on the corporate governance challenges for boards and seek Asia Roundtable perspectives as input to an OECD report being developed to help guide boards. A specialist panel will thereafter provide comments and Asian insights on the topic.

Session 5: The OECD Guidelines on Corporate Governance of State Owned Enterprises

In April 2005 the OECD Guidelines on Corporate Governance of SOEs were adopted by the OECD Council. The Guidelines form a set of non-binding guidelines and best practices on corporate governance of SOEs. These Guidelines should be viewed as a complement to the OECD Principles of Corporate Governance on which they are based and with which they are fully compatible. The presentation will cover the different chapters from the Guidelines together with the rationale and background.

Session 6: Asia Roundtable Task Force on Corporate Governance of SOEs – Interim report

Similar to the Task Force on Corporate Governance of Banks, the Task Force on Corporate Governance of SOEs will present its findings included in a background paper which at this stage will not include concrete policy recommendations but merely summarise the first findings of the Task Force as well as recommendations on the (wider) scope of the Task Force's exercise and how to proceed with its activities.

Session 7: Reporting on Related Activities

In this session different activities and initiatives which (may) have an impact on corporate governance policy development in Asia and which may thus be relevant for the ARCG and its participants will be presented and discussed. The initiatives include (i) IDEA.Net, the association of Asian institutes of directors, (ii) the OECD International Experts Meeting on Corporate Governance of Non Listed Companies, and (iii) the Academic Network of Corporate Governance Specialists in Asia.