

ASIA: OVERVIEW OF CORPORATE GOVERNANCE FRAMEWORKS IN 2007



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

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Foreword

In 2003, the Asian Roundtable on Corporate Governance¹ issued a White Paper on Corporate Governance in Asia. In the White Paper, senior policy makers, regulators, business leaders and other experts from the region agreed on a set of common policy objectives and a concrete agenda for reform. Their conclusions were based on experiences from the Asian financial crisis in 1997, the international debate on corporate governance and the standards that are established in the OECD Principles of Corporate Governance.

This comparative table is an up-date of an annex to the 2003 White Paper and contains a comparative overview of the corporate governance frameworks in 13 Asian economies. Reflecting recent corporate governance developments around the world and the revision of the OECD Principles in 2004, this updated table has been extended to include some additional information that we believe is important for evaluating progress. These new items are shown in italic fonts.

This table is primarily based on information provided by experts in the respective economies and has been verified and complemented by additional information from other sources. The information in the table is valid as of December 2006. The main chapters, I-VI, of the table correspond to the six chapters of the OECD Principles. The reader should note that the details and nuances of the frameworks, which are necessary for fully understanding national corporate governance practices, are not necessarily captured by the table. The information in the table is intended to guide further efforts by public and private sectors to improve corporate governance and is not intended to rate or rank corporate governance frameworks across economies.

The table was completed with the support of policy makers and experts in Asian Roundtable economies who filled out a questionnaire. The names of the respondents to the questionnaire are provided in the end of this publication. We are most appreciative of their time, commitment and efforts to ensure that information contained in this table is up-to-date and accurate, to the best of their knowledge. We are extremely grateful to them and to all those who have contributed, directly or in a team effort.

1. The Asian Roundtable was established in 1999 and serves as a high-level regional forum for a structured policy dialogue on corporate governance. It also provides participants with direct access to the work of the OECD and to developments in other parts of the world. The Roundtable economies include Bangladesh, China, Hong Kong, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Singapore, Chinese Taipei, Thailand and Viet Nam.

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	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
I. Ensuring the Basis for an Effective Corporate Governance Framework													
I-1. Laws, Regulations and Rules on Corporate Governance													
I-1.1 The major laws and regulations that form the Corporate Governance framework and impact practices													
	The Companies Act, 1994 (www.ssecbl.org)	The Companies Act (http://www.nmgla.gov.com/cvne1a/13.html)	The Main Board Listing Rules (http://www.hkex.com.hk/rules/rules.htm)	The Companies Act, 1956	Corporate Law No.1 (1995) (www.indonesia.go.id)	Companies Act of 1965 (www.kpdrtrep.gov.my)	The Code of Corporate Governance (www.sccp.gov.pk)	The Corporate Code (RA8799)	Code of Corporate Governance (http://www.ccdg.gov.sg/corpgov.htm)	The Commercial Act (www.moj.go.kr; http://www.moleg.go.kr)	Company Law (http://eng.selaw.com.tw/FLAWDAT01.asp?LSID=FL011292)	The Public Limited Company Act B.E. 2535 (PCA) (www.dbt.go.th/th/sa/laaw/public.doc)	Enterprise Law of 2005
	The Corporate Governance Guidelines (www.ssecbl.org)	The Securities Law (http://www.crvne1a.gov.com/cvne1a/sp?ID=1105)	GEM Listing Rules (http://www.hkex.com.hk/rules/gemrules.htm)	The Securities and Exchange Board of India Act, 1992 (www.sebi.gov.in)	The Capital Market Law No.8 (1995) (www.bapepam.go.id)	Banking and Financial Institutions Act of 1989 (www.bnm.gov.my)	The Listing Regulations of Stock Exchange (www.isc.net.pk; www.isc.com.pk)	Securities Regulation Code (RA8799) Amended SRC Rules	The Singapore Exchange Listing Manual (http://mto.sgx.com.sg/SECWeb/RMR/NEWDOWNloads/Manuals/Manuals/Manuals.htm)	The Securities & Exchange Act (http://www.mofe.go.kr; http://www.moleg.go.kr)	Securities and Exchange Act (http://eng.selaw.com.tw/FLAWDAT01.asp?LSID=FL007009)	The Securities and Exchange Act B.E. 2535 (SEA) (www.sec.or.th/enforce/require/epalsecact_e.shtml)	Securities Law of 2006
	The Securities and Exchange Rules, 1957 (www.ssecbl.org)	The Criminal Law (http://211.154.21.0.238/cms/upload/Files/criminal%20law%20of%20the%20people%20of%20china%201132728454012.doc)	The Company Ordinance (http://www.legislation.gov.hk/eng/home.htm)	Clause 49 of the Listing Agreement entered by listed companies with Stock Exchange (www.nse.com)	Code for Good Corporate Governance (2006) (www.governance-indonesia.org.id)	Financial Reporting Act of 1997 (www.msab.org.my)	The Companies Ordinance (www.sccp.gov.pk)	SEC Code of Corporate Governance in 2002 (Circular No.2)	Securities and Futures Act (http://www.mas.gov.sg/masnm/bsf/P1SFA_Content_Page.htm)	The Stock Market Listing Regulation (www.krx.co.kr)	Securities Investor and Futures Trader Protection Act (http://eng.selaw.com.tw/FLAWDAT019.asp)	The SEC's notifications (No. Kkr-Jor 122543, 32/2549, 40/2540 and etc.)	Law on Insurance Business
			The Code of Corporate Governance for Listed Companies in China (http://211.154.21.0.238/en/spdetail.do?info=1061968722100&type=CMS.STD&path=Raws-and-Regulations%3ECommissi on+Regulators)	Institute of Chartered Accountants Act, 1949 (www.icai.org)	The Government Regulation No. 12 (2004)	Bursa Malaysia Listing Requirements (www.bursamalya.sia.com)	The Prudential Regulations for Corporate & Commercial Banking by State Bank of Pakistan (www.sbp.gov.pk)	SEC "Model Corporation Manual on Corporate Governance"	Companies Act (http://statutes.sgc.gov.sg)	The Stock Market Disclosure Regulation (www.krx.co.kr)	Business Merger and Acquisitions Law (http://db.lawbank.com.tw/Eng/FLAW/FLAWDAT01.asp?lsid=FL006634)	The Principles of Good Corporate Governance ("15 principles of Corporate Governance") (http://www.set.or.th/en/regulations/corporatefiles/CorporateGovernancePrinciplesListedCompany2006_Eng.pdf)	SOEs Law and various Government Decree
				Institute of Company Secretary Act, 1980 (www.icssi.edu)	The SEC Regulations (www.bapepam.go.id)	Securities Commission Act of 1993 (www.sc.com.my)	General Banking Act of 2000 (RA8790)	The Regulation on Securities Issuance and Disclosure (www.isc.gov.kr)	Best Practices Guidelines for Audit Committee (http://www.set.or.th/en/rules/corporatefiles/cor_25_00.pdf)	Accounting Law (http://eng.selaw.com.tw/FLAWDAT01.asp?LSID=FL011300)	Business Accounting Law (http://eng.selaw.com.tw/FLAWDAT01.asp?LSID=FL011300)	Director's Handbook (http://capital.sec.or.th/webapp/misdata/496a5.pdf)	Accounting Law
				Banking Regulations Act, 1949 (www.fimhr.nc.rh)	The JSK Regulation (www.jsk.co.id)	Securities Industry Act of 1983 and 1991 (www.sc.com.my)							Banking and Financial Organization Law

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I-2.4 The existence of a body that is empowered to mitigate or arbitrate disputes matters related to Corporate Governance													
	Yes	No	No	No	No	No	Yes	No	No	No	Yes	No	Yes
If yes, name of those entities	Securities & Exchange Commission						Securities & Exchange Commission of Pakistan				1. Securities & Futures Investors Protection Center 2. The Arbitration Association of the ROC		State Bank; Ministry of Finance; Ministry of Planning & Investment
I-2.5 Non-profit institutions that promote better Corporate Governance practices													
	Bangladesh Enterprise Institute (www.bei-bd.org)	Shanghai Stock Exchange	The Hong Kong Institute of Directors (HKIoD)	Confederation of Indian Industry	Indonesian Institute for Corporate Directorship (IICD)	Malaysian Institute of Integrity (IMI)	Pakistan Institute of Corporate Governance	Institute of Corporate Directors	Council of Corporate Disclosure and Governance	Korea Corporate Governance Service (KCGS)	Securities & Futures Investors Protection Center	The Thai Institute of Directors (IOD)	
	Centre for Corporate Governance of Dhaka Univ.	Shenzhen Stock Exchange	The Asian Corporate Governance Association (ACGA)	Associated Chambers of Commerce and Industry of India (www.assocham.org)	Forum for Corporate Governance (FCGI)	Malaysian Institute of Corporate Governance (MICG)	Securities & Exchange Commission		Singapore Institute of Directors	Center for Good Corporate Governance (GCG)	Securities and Futures Institute	The Listed Companies Association (LCA)	
			The Hong Kong Institute of Certified Public Accountants (HKICPA)		Indonesian Independent Commissioners Association (SICOM)	Minority Shareholder Watchdog Group (MSWG)	Institute of Chartered Accountants Pakistan		National University of Singapore Corporate Governance and Financial Reporting Center	Asian Institute of Corporate Governance	Corporate Governance Association	The Thai Investors Association (TIA)	
			The Hong Kong Institute of Chartered Secretaries (HKICS)		Capital Market and Financial Services Supervisory Agency	Malaysian Institute of Directors (MID)	Institute of Cost & Management Accountants Pakistan		Securities Investors Association of Singapore	Hills Governance Center	The Institution of International Auditors	The Association of Securities Companies (ASCC)	
						Federation of Public Listed Companies (FPLC)					Accounting Research and Development Foundation	The Association of Investment Management Companies (AIMC)	
												The Thai Bankers' Association	

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
II/III. Shareholders' Rights and Equitable Treatment													
II-1. Shareholder Information													
II-1.1 What periodic information are listed companies required to provide?													
(a) Annual reports	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Quarterly financial statements	No	Yes	Yes*	Yes	Yes	Yes	Yes	No	Yes*	Yes	Yes	Yes	Yes
			* Companies listed on the GEM Board are required to publish quarterly report whereas companies listed on Main Board are not						* Quarterly Reports are required for companies whose market capitalisation exceeds S\$75 million				
II-1.2 What information must be contained in the company's annual report?													
(a) General information on the company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Audited annual financial statements	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Financial status of the company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(d) Directors' report on the past and future operations	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(e) Consolidated financial reports	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(f) Information on Corporate Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
(g) Management Discussion & Analysis	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(h) Shares held by the controlling shareholders (including indirect shares)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(i) Share ownership	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(j) Significant related party transactions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
II-2. Shareholders' Participation													
II-2.1 Convening of shareholder's meetings													
(a) Time of notice (days before meeting)	AGM: 14 days (EGM: 21 days)	AGM: 20 days (EGM: 15 days)	AGM: 21 days EGM w/ special resolution: 21 days EGM w/o special resolution: 14 days EGM w/ EGM w/o appointment and removal of Auditors: 28 days	AGM: 21 days	14 days	14 days (21 days when special resolution is proposed)	21 days	14 days minimum	14 days (21 days when special resolution is proposed, 28 days where special notice is required)	14 days	AGM: 20/30 days EGM: 10/15 days	7 days (public notice: 3 days) 14 days to vote on certain issues	7 days
(b) Information contained in the notice	Date, time, venue, record date, agenda, proxy form, audited F/S, Directors' Report, proposed general resolution (or special, if needed)	Agenda, place, time	Agenda, proposed resolution, company's audited F/S, Annual Report	Agenda, place, time, statement of the business to be transacted at the meeting	Agenda, place, time of the meeting	Place, time, agenda, name and signature of the convener, proxy forms, type of meeting	Venue, date, statement of material facts in business, proxy proposed resolutions and etc.	Date, place, venue of meeting and agenda	Agenda, details of proposed resolution	Agenda, financial statement, details of the candidates	Agenda items, proxy form	Date, venue, time, agenda, proposed matters, the opinion of BOD	Agenda, proposed resolutions, voting proxy

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(c) Thresholds for requesting convening an EGM	10%	10%	5%	10%	10% (joint representation)	10%	10%	None. The SEC, upon petition of a stockholder, may issue an order to call a meeting	10% (two or more shareholders)	3%	3% of the outstanding shares	i) 20% or ii) 25 shareholders holding 10%	10% for at least 6 months
(d) Legal minimum quorum requirements	As per Articles of Association.	50% of participation	2 persons attending in person or by proxy	At least 2 members	50%	2 persons	(public listed companies) Not less than 10 members present personally, who represent not less than 25% of the total voting power	Stockholder representing a majority of the outstanding capital stock is required	2 persons	2 persons	50% of voting shares (67% for special resolution)	i) Not less than 25 persons or ii) Not less than 50% of shareholders holding 33%	1st call: 65%. 2nd call: 51%
II-2.2 What kind of voting rights may shares have?													
(a) Multiple voting rights	Yes	No	No	Yes	No	No	Yes	No	No	No	No	No	Yes
(b) Removable voting rights	Yes	No	No	No	Yes (if agreement between shareholders and the third party exists)	No	Yes	No	No	Yes	No	N/P	
II-2.3 Can shareholders vote –													
(a) by proxy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) by mail	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes
(c) by e-mail or other electronic means	No	Yes	No	No	No	No	No	Yes	Yes	No	Yes	No	
(d) by telephone/ videoconference	No	No	No	No	No	No	No	No	Yes	No	No	No	
(e) any other means?			(Note) Shareholders holding shares through the Central Clearing and Settlement System can instruct CCASS on how to vote electronically or by telephone using the CCASS Phone Operations Hotline and CCASS Internet System.						The law provides voting by physical presence (personally or by proxy). Other means could be allowed if they are provided for in the company's AOI				

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
II-2.4 Do shareholders have the right to vote on –													
(a) Appointment of directors	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (the candidate who receives the most votes gets appointed)	Yes (50%)	Yes (50%)	Yes (50%)	Yes	Yes (50%)	Yes (65%)
(b) Removal of directors with cause	Yes (75%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (*)	Yes (67%)	Yes (50%)	Yes (67%)	Yes (67% of attending shares for public companies)	Yes (50%)	Yes
(c) Removal of directors without cause	Yes (75%)	No	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (*)	Yes (67%)	Yes (50%)	Yes (67%)	Yes	Yes (50%)	Yes
(d) Appointment of internal auditors	No	Yes (50%)	No	Yes*	No	No	No	No	No	Yes (50%)	Yes	No	No
(e) Removal of internal auditors	No	Yes (50%)	No	Yes*	No	No	No	No	No	Yes (50%)	Yes	No	No
(f) Expires the contract between the company and external auditor	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (*)	No	Yes (50%)	No*	Yes	Yes (*)	No
(g) Request termination of contract between the company and external auditor	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (75%)	Yes (50%)	No	Yes (50%)	No*	Yes	Yes (*)	No
(h) Authorising shares	Yes (75%) - if amendment of article needed	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	No	Yes (67%)	No	Yes (50%)	Yes	Yes (75%)	Yes (65%)
(i) Issuing shares	Yes (50%)	Yes (50%)	Yes (50%)	Yes (75%)	Yes (50%)	Yes (50%)	Yes/No	No	No	No	Yes	Yes (75%)	Yes (65%)
(j) Is the pre-emptive right the default rule?	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	
If so, can the existing shareholders vote for non-application?	Yes (50%)	Yes (50%)	Yes (50%)	Yes	Yes (50%)	Yes (75%)	No	Yes (67%)	No	No	Yes	Yes (75%)	
(k) Amendment to the company articles, charters, bylaws or statutes	Yes (75%)	Yes (67%)	Yes (75%)	Yes (75%)	Yes (67%)	Yes (75%)	Yes (75%)	Yes (67%)	Yes (75%)	Yes (67%)	Yes (67%)	Yes (75%)	Yes (65%)
(l) Total remuneration payable to the board members	Yes (50%) - however, if the article stipulates that such power is delegated to the board, no need for shareholders' approval	Yes	Yes (50%)	Yes (50%)	Yes (50%)	No. However, the Listing Requirements stipulate that directors' fees shall not be increased except pursuant to a resolution (50%) passed at a general meeting	Yes (*)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (50%)	Yes (67%)	Yes
(m) Major corporate transactions (acquisitions, disposals, mergers, takeovers)	Yes (50%)	Yes (67%)	Yes (50%)	Yes (75%)	Yes (75%)	Yes (75%)	Yes (75%)	Yes (67%)	Yes (75%)	Yes (67%)	Yes (67%)	Yes (75%)	Yes (65%)
(n) Transactions with related parties (materially important)	Yes (50%)	Yes (50%)	Yes (50%)	No	Attended by more than 50% of independent shareholders and the quorum could be achieved if 100% of the attending independent shareholders agree	Yes (50%)	Yes (75%)	Yes (67%)	Yes (50%)	No	Yes	Yes (75%)	Yes
(o) Changes to the company business or objectives	Yes (75%) - followed by the ratification from the high court (for company objective change, the company needs to send notice 21 days prior to the meeting)	Yes (50%)	Yes (75%)	Yes (75%)	Yes (67%)	Yes (75%)	Yes (75%)	Yes (67%)	Yes (75%)	Yes (67%)	Yes, if this requires an amendment of the articles	Yes (75%)	Yes
				* Subject to review by the Audit Committee			* No percentage has been specified in the law			* Contract between the company and external auditor is strictly prohibited		* 75% of shareholders attending the meeting who also have 50% of the shares held by the shareholders at the meeting	

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II-2.5 How are votes counted and by whom at the shareholders meeting?	Show of hands or by poll unless the board appoints an election commissioner, the chairman of the meeting will count the votes	In accordance with the company's Charter	Show of hands or by poll.	Show of hands (or by poll when no consensus is available on the results of the show of hands)	Votes are counted by tally system (by public notary)	Show of hands or by poll; votes are counted by scrutineers (auditors)	Show of hands or by poll; the chairman would count and announce the result	Show of hands or by poll. Counting by the corporate secretary. For bigger companies, this will be performed by a professional stock and transfer agent, which is typically a representative of a commercial banking institution	Show of hands or by poll	Show of hands or poll, counted by the chairman	Show of hands or by poll; the chairman could designate a person to count votes, report and record the results	Votes are generally counted by the company staff but SEC encourages to appoint an inspector	Counting Vote Committee which is appointed by the Chairman of the BOD
II-2.6 Does the law provide for the disclosure of voting agreements?	No	No	No	No	No	No	No	Yes	No	No	Yes	Yes	Yes
II-2.7 How can shareholders directly nominate candidates to the board of directors?	No special procedure required	BOD, Board of Supervisors, and 1% shareholders (single or combined) have right to nominate directors and independent directors at AGM	A qualified shareholder (having 5% of the company's paid-up capital) wishing to nominate a director must give the company at least 7 days' notice prior to AGM.	The shareholders must give notice not less than 14 days before the meeting with details of the candidate; deposit of 500 Rupees (refundable if elected)	Depends on the Articles of Association (but in general, only the controlling shareholders can nominate candidates for BOD)	At least 11 clear days before the meeting, shareholders need to send a written notice to the company with the nominee's consenting signature	No nomination procedure is specified in the law	No special procedure required	Depends on the Articles of Association	Shareholders holding at least 1% for over 6 months can make a proposal to nominate candidates	Any shareholder holding at least 1% may submit to the company in writing a roster of director candidates	BOD is required to facilitate minority shareholders' opinions or considerations	Shareholders holding more than 10% of the outstanding shares for over 6 month can request through written request
II-2.8 To what extent and how does the board of directors nominate candidates to the board?	In case of casual vacancy the board can appoint any person eligible to be director. The appointee will serve the remaining terms.	BOD, Board of Supervisors, and 1% shareholders (single or combined) have right to nominate directors and independent directors at AGM. In practice only the controlling shareholders nominate candidates	The Code on Corporate Governance recommends to establish a Nomination Committee. In the absence of such a committee the BOD has this responsibility	In case of casual vacancy, the board can appoint the director. He/she will only serve until the next shareholders' meeting	Shareholders nominate candidate (BOD introduces candidates to controlling shareholders).	The Articles of a company often allow the board to appoint any director when there is a casual vacancy	The BOD does not nominate the directors but only fixes the number	The BOD will elect in the event of a vacancy. Normally, the management nominates the candidate(s) and the shareholders would approve.	A "Nominating Committee" is recommended by the Code	A "Nominating Committee" is compulsory for large listed companies by the Securities & Exchange Act	The candidate nomination system can be adopted by the company; the BOD shall examine or screen the information of each director candidate	BOD proposes the candidates. Shareholders Meeting elects all directors	No right to nominate candidates unless provided in the Company's Charter

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II-2.9 Can shareholders place items on the agenda of the shareholders meeting?													
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No*	Yes	Yes	Yes	Yes	Yes
	By sending a written notice to the company asking for EGM and place his/her agenda	10 days prior to the meeting	6 weeks before the meeting if the requisition requires notice of resolution, otherwise, 1 week before the meeting	14 days prior to the EGM and need consent by Chairman	Shareholders write a formal letter about AGM agenda to BOD → BOD then put the agenda on 'notice to shareholders'	Send statement 6 weeks prior to the meeting	Written notice with the supporting statement	* Not as a matter of right. The board fixes the agenda and it is up to the board to include any such initiatives.	Written statement submitted 6 weeks prior to the meeting	Shareholders may make a proposal to directors in writing	The shareholder who submitted a proposal shall attend the meeting	Shareholders holding 33% or more may submit matters for inclusion at the meeting (this rule will be revised and the new threshold will be 5%)	the qualified shareholders may submit written request within three working days prior to the meeting
If yes, how?	(requisite share) 10%	3% (single or combined)	2.5% of the total voting rights or at least 50 shareholders (average sum of \$2000)	(requisite share) 10%	(requisite share) 10% (deadline) 10 days after the first notice	5% or 100 shareholders (average paid-in capital of RM 500)	(requisite shares) 10%. In case the EGM is requisitioned by the shareholders the proposal should be submitted together with the requisition. In any other case shareholder must make proposal at least 15 days before the EGM		5% of total voting power or not less than 100 members	1% held over 6 months, 6 weeks prior to the meeting	1% threshold, one matter per single proposal	33% (current) → 5% (if revised)	Shareholders who hold 10% of the outstanding for more than 6 month
Threshold for making shareholder proposal													
Prohibited items	Cannot claim for gift, allowance or food	The items must be within the scope to be decided by the shareholders	None	Shareholders cannot ask for final dividend before the same has been declared by the BOD	None (depends on Article of Association)	Companies are not bound to circulate members' resolution where the rights are being abused to being addressed publicly for defamatory matter	None	None	None	None	If the subject matter of the proposal cannot be settled or resolved by the resolution	Items not related to the operation of the company	N/A
				Shareholders cannot resolve for enhancement of rate of dividend								Items which are beyond the power of the company	
												Items proposed within 12 months and obtained support less than 10% of issued shares	
II-2.10 Does the law restrict voting power of the treasury stocks held by the company?													
	No treasury stocks allowed	No treasury stocks allowed	No treasury stocks allowed	No treasury stocks allowed	Yes, voting power restricted	Yes, not taken into account when calculating exercised votes or quorum	Yes (the shares purchased by the company shall not be resold and shall be cancelled forthwith)	Yes, voting power restricted	Yes, voting power restricted	Yes, voting power restricted	Yes, voting power restricted	Yes, (do not constitute quorum nor have the right to vote)	N/A

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
II-2.11 Are the institutional investors required to disclose their voting policies and their actual voting?	No	No	No	No	No. Nevertheless, the Guide of Best Practices for Institutional Shareholders (issued by MSWG and the Institutional Shareholder Committee) recommends for institutional shareholders to have appropriate disclosure in relation to voting and investment policies.	No	No	No	No	Yes (Asset Management Companies should publish details of the voting)	Mutual funds are required to disclose their voting policies but not the actual voting	Yes (both the policy and actual voting)	N/A
II-2.12 Are there voting caps for the majority (or controlling) shareholders?	No	No (But the controlling shareholders cannot vote on issues related to their interests such as related-party transactions)	No. However, the shareholders who have material interests in the transaction cannot vote to approve the transaction.	No	Yes (in case of EGM which is held due to conflicts of interest, the decision should be made by independent shareholders)	No. Unless the shareholders have an interest in such transaction	No	No	No	Yes (any shareholder who holds more than 3% may not exercise his/her right in excess of those shares regarding certain items such as the election of auditors and others)	No	No	Yes
II-3. Share in the Profits of the Corporation													
II-3.1 Does law or regulation provide for timely payments of dividends to the shareholders?	Yes The dividend (+/- plus) must be completed within 60 days If so, how?	No	No	Yes The dividend must be deposited in a separate bank account within five days and paid within 30days from the declaration	No	Yes The dividend must be paid no later than 3 months after declaration or shareholders' approval, whichever is applicable	Yes After the declaration, the dividend needs to be paid within 45 days (listed companies) and 30 days (non-listed companies)	Yes The dividend must be distributed within reasonable time	No	Yes The dividend must be paid within one month after declaration	No	Yes The dividend must be made within 1 month from the shareholders' resolution	No
II-3.2 Which body is responsible for declaring, approving and issuing dividends?	BOD and Shareholders' meeting	Shareholders' meeting	BOD (for interim) and Shareholders' meeting	BOD and Shareholders' meeting	Shareholders' meeting	BOD and Shareholders' meeting	BOD and Shareholders' meeting	BOD	BOD	Shareholders' meeting	BOD and Shareholders' meeting	Interim dividend (BOD); Year-end dividend (Shareholders' meeting)	BOD proposes and Shareholders' meeting votes.

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II-4.5 Do the dissenting shareholders enjoy "appraisal rights" (mandatory buy-back plan) ?													
No	No	No	Yes. A shareholder can require the acquiring company to purchase his/her shares at the original offer price for up to two months from the notice from the acquiring company that it holds more than 90% of the shares	The dissenting shareholder has the right to approach the court. If the court dismisses the application, the company will be entitled to purchase those shares compulsorily	Yes	Yes, upon take-over, dissenting shareholders are entitled to request the names and address of other dissenting shareholders	Only possible through the shareholders' resolution	Yes. The shareholder must register his dissent at the meeting where the meeting is taken up.		Shareholders who dissent to major transactions can request company to buy back their shares	Yes. A shareholder who has served a notice in writing expressing his intention to object to such an act prior to the adoption of a resolution and also has raised his objection at the shareholders' meeting, may demand that the company buys back all of his shares at the then prevailing fair price	No	N/A
		The guidelines of listed companies' charter requires the protection of dissenting shareholders but provides no specifics			Capital Market and Financial Service Supervisory Agency Rule Number XI.H.1	The Act also gives transferee company to give notice to the dissenting shareholders that it desires to acquire his/her shares	Dissenting shareholders enjoy 'appraisal right' with respect to merger					However, the minority shareholders are entitled to receive opinion from Independent Financial Advisor (IFA) who is independent from the offerer	
II-4.6 Upon de-listing, what kind of legal protection do the minority shareholders enjoy?													
No specific protection other than being traded in OTC market	The Rules for Implementation of Suspending and Terminating the Listing of Failing Listed Companies require that the de-listing company should disclose related information of the company	Upon de-listing, a company must continue to comply with the Takeovers Code.	If delisted by an exchange, the promoter shall be liable to compensate the security-holders	Majority shareholders are required to buy back the shares held by the minority shareholders	The holder of any shares, by notice requires him to acquire those shares and the offerer shall be bound to acquire those shares on the term of the take-over offer or such other terms as may be agreed	Upon voluntary delisting, a price formula can protect the minority shareholders	Upon voluntary delisting, a meeting needs to be convened and approved by 75% or more. SGX requires a reasonable exit offer and an independent financial adviser needs to be appointed	No specifics in the law	Upon delisting, a shareholders' meeting needs to be approved by 75% or more. SGX requires a reasonable exit offer and an independent financial adviser needs to be appointed	The Exchange may allow trading of de-listed securities during the specified period	Shareholders of a company resolving in a board meeting or shareholders' meeting for de-listing from the securities exchange may request the directors and supervisors of the company to purchase their shares (price formula exists)	The company must appoint IFA in the event of de-listing. There must not be shareholders with voting rights more than 10% objecting de-listing. Upon tender offer, a formula exists to guarantee fair pricing	No specifics in the law

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
II-6. Insider Trading													
II-6.1 Penalties attached to the offense of insider trading/stock price manipulation?													
(a) Civil liability	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Fines	Yes	Yes	Yes	Yes	Yes (up to Rp 15 million)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Imprisonment	Yes	Yes	Yes (up to 10 years)	Yes	Yes (up to 10 years)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	(No criminal provision in the Penal Code specific to insider trading but provisions related to general offences may apply)
(d) Others	Cancellation of license of registered entity		The court can impose wide range of penalties to the individual(s) found to be involved in inside trading		administrative sanction			civil penalties					
II-6.2 Please list the bodies or institutions tracking stock-market activity using statistical or computer-based methods													
Surveillance Department of Stock Exchange	Shanghai Stock Exchange		The Securities & Futures Commission	National Stock Exchange of India	Jakarta Stock Exchange	Bursa Malaysia	Karachi Stock Exchange	Securities and Exchange Commission	Singapore Exchange Limited	Korea Exchange	Financial Supervisory Commission	Stock Exchange of Thailand (SET)	State securities Commission
Securities & Exchange Commission	Shenzhen Stock Exchange		The Stock Exchange of Hong Kong Limited	Mumbai Stock Exchange	Surabaya Stock Exchange	Securities Commission	Lahore Stock Exchange	Philippine Stock Exchange		Financial Supervisory Commission	Taiwan Stock Exchange Commission		Securities Trading Centres (i.e. stock exchanges)
	http://finance.ssha.com.cn			Securities and Exchange Board of India	Private Institutions (IndoStock)		Islamabad Stock Exchange			Financial Supervisory Service	Grati Securities Market		
				Bapepam & LK Surveillance Department			Monitoring & Surveillance Department of SEC of Pakistan						

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
IV. The Role of Stakeholders													
IV-1 Employees' Right													
IV-1.1 What are the rights of employees regarding ~													
(a) Information on the company	No	Yes	No	Yes*	Yes	Yes	Yes*	No	No	No	No	* No regulatory framework exists concerning employees' right. It depends on each company's policy	No
(b) Collective Bargaining	Yes	No	No	Yes*	Yes	Yes	Yes*	Yes	No Restrictions	Yes	Yes (through union)	Yes	Yes
(c) Participation in the board of directors	No	No	No	No	No	No	No	No	No	No	No	No	No
(d) Consultation	No	No	No	No	Yes	Yes	No	No	No Restrictions	Yes	No	No	No
				*These rights are recognized under labour laws			*These rights are recognized under labour laws						
IV-1.2 Can employees participate in the company's profits by ~													
(a) Share Ownership Program (ESOP)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes
(b) Share Options	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes
(c) Profit sharing schemes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
						Bursa Malaysia regulates the size of Employee Stock Option Schemes and eligibility							*These also depend on each company's policy
IV-1.3 Who manages employee pension funds?													
Trustees of fund	Financial entities	Fund managers or trustees	Pension scheme formulated by the Government of India	Company or the 3rd party	Employees Provident Funds (EPF)	Board of Trustees (or Pension Fund Board)	Trustees are appointed by the senior management	The Central Provident Fund (CPF)	Private asset management company or Company itself	Labour Pension Fund Supervisory Committee	(Licensed) Asset Management Company	Vietnam Social Insurance Agency	
IV-1.4 What priority do employee wages and benefits have in the event of insolvency?													
Second after the government dues	First in order	Second after the liquidators charges and costs	The workmen's due rank equally with that of secured creditors	Second after the government dues	Wages and salaries ranks second after the cost and expenses of winding up	Second in priority	Second in priority after the government dues	Wages and salaries ranks second after the cost and expenses of winding up	First priority for the last 3 months wages	Second after expenses and debts	Third	Second in priority	
IV-1.5 Do employees have access to internal redress mechanisms (mediation/arbitration) in case of violation of their rights?													
Allowed under the law	Yes	no specifics prescribed in the law	listed companies are required to have Shareholders/Investors Grievance Committee'	Yes	Yes	Allowed under the law and may also be prescribed through the employment contract	Yes. The law mandates that mediation be taken before the court proceedings	Yes, through unions	Yes, via collective contract with employer and Arbitration Committee	Yes, Labour Dispute Mediation Office, Labour Relations Committee	Yes (depends on the company's procedure concerning the complaints of employees)	Yes	Yes

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IV-1.6 Does the legal and regulatory framework provide for the protection of 'Whistle-Blowers'?													
No	No	No	No	There is no statutory provision but listed companies are highly encouraged	No (only the protection of criminal witnesses or victims)	Yes, since January 2004	No	No	Protections provided to auditors	Yes	Yes. (Witness Protection Act)	No (but draft Securities & Exchange Act will provide protection to the employees in case of the liquidator or regulator or support its investigation)	
									The Securities & Exchange Act Act on External Audit of Stock Companies				
IV-2. Creditors' Rights													
IV-2.1 Are creditors involved in governance in the context of insolvency?													
Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
The creditors can nominate liquidator and also appoint committee of inspection in case liquidation as per companies act			In a voluntary liquidation, the creditors may nominate a liquidator		Right to participate in the creditors' meeting		Right to appoint liquidator, a committee of inspection and etc.		Creditors can initiate proceedings to wind up the company	Via creditors' meeting	Creditors' meeting may decide on procedure, administration, continuation and discontinuation of bankruptcy		
			The creditors may also appoint a committee of inspection at the creditors' meeting										
IV-2.2 How are creditors protected against fraudulent conveyance/insolvent trading in the context of insolvency?													
Statutory prohibition (null and void)	Statutory prohibition and insolvency committee	Actions may be commenced those transactions are voidable	Section 531 of the Act invalidates any fraudulent preferences (6 months before the commencement of winding-up or 3 months before petitioning)	Creditors are protected by Curator	The parties are subject to imprisonment or fines; also could seek recovery of damage	Fraudulent preference could be invalidated	It is subject to criminal and civil penalties	The fraudulent party could be subject to criminal proceedings. Creditors may also request that insolvent trading be set aside in the context of insolvency case. In addition, a party to fraud may be made personally responsible by Court for debts or liability of the company.	Creditors can request bankruptcy trust to exercise power avoiding power	The trustee shall apply to the court	The receiver can file a motion to the court	Insolvent Trading Law prohibits transactions during insolvency period	

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
V. Disclosure and Transparency													
V-1. Consolidated Financial Reporting													
V-1.1 Does law or regulation provide for consolidated financial reporting?													
	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
V-2. Non-Financial Information													
V-2.1 Are companies required to disclose information on -													
	New regulatory provision adopted in April 2006												
(a) Corporate governance structures and practices	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
(b) Education and professional experience of directors and key executives	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
(c) Total remuneration of directors and key executives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No legislative requirement. (recommended by the Code of the Corporate Governance)	Yes	Yes	Yes	Yes
(d) Individual remuneration of directors and key executives	No	Yes	Yes	Yes	Yes	Yes, as recommended under the Malaysian Code on Corporate Governance (not for the executives)	Yes	No	Yes (recommendation)	No	Yes	Yes	
(e) Deviations from corporate governance codes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No
(f) Management Discussion & Analysis	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No
(g) Forward looking statements of the company	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	
V-3. Audit/Accounting													
V-3.1 Are companies required to have their financial statements externally audited?													
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
V-3.2 How and by whom are external auditors appointed?													
First Auditors are appointed by the board and the majority of shareholders in the AGM	The Audit Committee recommends the external auditor but the shareholders' approval at AGM	Approved by shareholders under the resolution of the Audit Committee	The statutory auditors are appointed by BOD (Section 224 of the Act)	Appointed by the AGM. This power can be delegated to the Board or Commissioners	The Audit Committee is required to recommend the person or persons as external auditors under the Listing Requirements. The external auditors are then appointed by shareholder at each annual general meeting.	Appointed by the BOD until the first AGM. Thereafter appointed by shareholders at AGM	Appointed by the BOD and approved by the general shareholders	Appointed by the shareholders at the general meeting	Audit Committee usually approves external auditors	A resolution of the BOD	The Board has to propose to the shareholders for an approval		

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
V-3.3 To whom do the internal auditors report?													
	According to "Terms of Reference"	The director of internal auditing group reports to the BOD and/or the Audit Committee	No regulatory requirement. It is up to the company	To the management and the Audit Committee of the company	Audit Committee and/or the directors	Audit Committee	Audit Committee	Audit Committee	Audit Committee	BOD and shareholders	BOD and supervisors	Audit Committee	BOD (locally called Board of Management)
V-3.4 What rules regulate the audit profession?													
	The Bangladesh Chartered Accountant Order, 1973	China Accounting Law, Code of Corporate Governance for Listed Companies in China	Hong Kong Institute of Certified Public Accountant (HKICPA). HKICPA has investigatory and disciplinary powers	The Institute of Chartered Accountants of India (ICAI)	Bapepam Rules (No. VII.A.1 & X.1); Rules issued by the Supervision Center for Accountant and Appraisal (PPAJP)	Accountants Act 1967 (Amended 2000); The Council of the Institute of Accountants (MIA)	Rules framed by the Institute of Chartered Accountants and the Companies Ordinance 1984	Republic Act no. 9282 (the Philippine Accounting Act of 2004)	Accountants Act	Act on External Audit of Stock Companies; Act on Public Accountants	Certified Public Accountants Law	Accounting Profession Act BE. 2547. The auditors who want to audit listed companies must get approval from the SEC	Accounting Law of 2005, independent Auditing Decree
V-3.5 Is certification or training of auditors mandatory?													
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
V-3.6 Is there a code of ethics relating to the audit profession?													
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
V-3.7 Which authorities ensure the review, quality and independence of auditors?													
	Institute of Chartered Accountant of Bangladesh (ICAB)	Ministry of Finance; The Chinese Institute of Certified Public Accountants (CICPA)	HKICPA	ICAI	Bapepam (SEC) & Indonesia Accountant Association; PPAJJP	The Audit Licensing Committee (ALC)	The Institute of Chartered Accountants of Pakistan	The Board of Accountancy	Public Accountants Oversight Committee	Financial Supervisory Commission; Financial Supervisory Service	Any respective competent authority such as Financial Supervisory Commission, Ministry of Finance, and Ministry of Economic Affairs	The SEC and the Federation of Accounting Professions	Yes
V-3.8 Is a rotation of audit firms/external auditors mandatory?													
	Yes 3 years	Yes 5 years	No	No	Yes 5 years for the Accounting Firms and 3 years for individual accountant	No Rotation of audit partners is required for every 5 years	Yes 5 years	Yes/No Rotation of audit partners is required for every 5 years	Yes/No For listed companies, the rotation of audit firms is mandatory but rotation of audit partners is mandatory	Yes 6 years	Yes 5 years	Yes 5 years	No
	If so, how many years?												
V-3.9 To what extent are national auditing and accounting norms materially divergent from the international standards?													
	Not much different	Not much different	Identical	India's accounting standards are based on the International Financial Reporting Standards	Not much different	Approved Malaysian Standards are fully consistent with the International Standards on Auditing (IAS)	Not much different	Not much different	Not much different (loosely aligned)	Not much different	Not much different	Not much different	Not much different

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V-3.10 What institution is responsible for developing accounting standards and the oversight of accountants?	ICCB	CICPA	HKICPA (self-regulatory body)	The National Advisory Committee on Accounting Standards	Indonesian Accountant Association; Indonesian Institute of Accountants	The MAMMASB and the MIA	The Institute of Chartered Accountants of Pakistan	The Board of Accountancy organized under the Professional Regulatory Commission	(Standards) Council on Corporate Disclosure and Governance (oversight) Public Accountants Oversight Committee	Standards: Financial Supervisory Commission and Korean Accounting Standard Board Oversight: FSC, CPA Association	Standards: Financial Accounting Professions	The Federation of Accounting Professions	Ministry of Finance, Vietnamese Association of Accountant	
V-3.11 Are companies required to report "consulting services" rendered by the external auditor?	Cannot engage in consulting services report except tax matter	Not required to report	No, but the details of fees paid to external auditors are required to be disclosed	The auditors are required to disclose any "conflicts of interest"	Not required to report but external auditors cannot provide consulting services for same period	Need to disclose non-audit fees in the annual reports	Yes	No	No	Yes	Conditionally Yes	Yes	No	
V-4. Intermediaries														
V-4.1 In your jurisdiction, is it required to disclose 'conflicts of interest' by analyst, brokers, rating agencies and other?														
No	No	No	Yes	Yes	Yes (they could be seen to be conflicted by individual association)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
			Stock Brokers are subject to 'Stock Broker and Sub-Brokers Rules & Regulations' 1992			All brokers and agents are required to disclose 'conflict of interest' to their clients		Brokers and dealers are regulated by the SEC and must register with the SEC annually	Disclosures by intermediaries are regulated under the Securities Act, Section 120 of Securities & Futures Act			Analyst: Required to treat clients fairly and appropriately.		
			Underwriters are subject to 'Underwriters Rules & Regulations', 1993			For all other intermediaries, new rules are in the process of being finalized			Section 36 of Financial Advisers Act, and SGX Rule on Research)			Brokers/Underwriters: prohibited to distribute research papers relating to underwritten securities		
			Credit Rating Agencies are subject to 'Credit Rating Agencies Rules & Regulations', 1999										Rating agency: Rating reports are required to disclose 'conflicts of interest'	

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V-4.2 What are the legal consequences if these professionals violate the disclosure rules?													
(a) Civil liability	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes
(b) Fines	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
(c) Imprisonment	No	Yes	License could be revoked, either temporarily or permanently	Yes	Yes	Bursa Malaysia Securities Board undertakes enforcement actions pursuant to breaches of its rules	Violation may lead to suspension of registration	Yes	Breach of Singapore Exchange Ltd listing rules are punishable by disciplinary actions by Singapore Exchange Ltd.	Yes	Yes	Analyst: administrative sanctions	
(d) Others			Public reprimand									Brokers/Underwrite rs: fines/imprisonment/administrative sanctions	
												Rating agency: SEC has power to revoke the approval	
V-5. Reporting Requirements													
V-5.1 What reports are required by Stock Exchanges or the supervising government authority?													
(a) Semi-annual reporting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
(b) Quarterly reporting	No	Yes	Yes (only GEM companies)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Publication of audited annual reports	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
(d) Immediate reporting of price-sensitive information?	Yes (price sensitive information needs to be disseminated to Exchange and SEC within 30 minutes)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
V-5.2 What penalties are attached to non-compliance with the above-cited requirements?													
Administrative and financial penalty (min. of Tk. 100,000)	Can be submitted to fines of 300,000 Yuan	Shares of the companies will be suspended until the related results are published; Warning letters; private reprimand; the HK Stock Exchange may cancel the listing in an extreme case	May result in directors' imprisonment up to six months and/or hefty fines	Fines (IDR 1 million per day, maximum Rp. 5 billion) or 3 years of imprisonment	The Exchange shall suspend trading (3 months delay) or de-list (6 months delay)	Directors/CEO/COFO could be imprisoned and/or fined	Fines: suspension of trading; delisting of the company	The SGX listing rules require issuers to make reports on their financial statements, and to make immediate announcements on any price sensitive information known to the issuer. Issuers who do not comply with the listing rules may be subject to disciplinary action by SGX. (fines and imprisonment)	Civil penalty less than 2 billion Won	Not exceeding 100,000 baht (and further fine not exceeding 3,000 baht for every day during the contravention continues)	Fines		

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V-5.3 Is there a central registry for financial and non-financial corporate information which is readily available to the shareholders?													
	Yes (the Registrar of Joint Stock Companies and Firms, Stock Exchange)	No (some information available at the company website, CSRC, Stock Exchange)	HKEX (http://mah.edifw.com.hk/issuerecord or www.sea.com.hk or www.hkex.com.hk)	Filed with the Registrar of Companies (RoC)	Yes (Jakarta Stock Exchange, Surabaya Stock Exchange, Beipapam-SEC)	The Companies Commission of Malaysia, Bursa Malaysia, Company Announcements	No	No	Yes, Accounting and Corporate Regulatory Authority (ACRA)	DART (www.dart.or.kr) provided by Financial Supervisory Service (KRD) (www.krd.go.kr) provided by Korea Exchange	Yes (Market Observation Post System)	SEC's website and SET's website	No
V-5.4 To what extent are new technological developments integrated into the existing disclosure regimes?													
(a) Is electronic filing available	No	Yes	Yes (HKEX)	Yes	No	Yes	No (now in progress)	Yes	Yes	Yes	Yes (MOPS website)	Yes	Yes
(b) Is there an integrated service provider for the database?	No	Yes (Shanghai Stock Exchange)	Yes	Yes	No (now in progress)	Yes (the Exchange)	No	No	Yes (SGX-NET)	Yes	Yes (MOPS website)	Yes	

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VI. The Responsibilities of the Board													
VI-1 Members of the Board													
VI-1.1 Prescribe board structure (unitary or dual board structure)													
Unitary	Unitary board w/ auditing board (often translated as "Supervisory Board")	Unitary	Unitary	Unitary	Dual Board Structure	Unitary	Unitary	Unitary	Unitary	Unitary	Dual Board, but amended Securities & Exchange Act allow public company choose unitary	Company's decision (most choose unitary)	Unitary
Yes	Yes	Yes	Yes	No	N/P	No	No	Yes	Yes	Yes	Yes	Yes	Yes
VI-1.2 Can a dual board structure be established in the articles of association?													
Yes	Yes	Yes	Yes	No	N/P	No	No	Yes	Yes	No	Yes	Yes	Yes
VI-1.3 Minimum/maximum number of directors for listed companies													
Min: 5; Max: 20 (Corporate Guideline)	5-19 directors	Min: 3 (2) Max: no	Min: 3 Max: no	Min: 2 Max: no	Min: 2 Max: no	Min: 2 Max: no	Min: 7 Max: no	Min: 5 Max: 15	Min: 2 Max: no	Min: 3 Max: no	Min: 5 Max: no	Min: 5 Max: no	Min: 3 Max: 11
VI-1.4 Does law require representation of labor unions on the board?													
No	No	No	No	No	No	No	No	No	No	No	No	No	No
VI-1.5 Is cumulative voting for the election of board permitted?													
Yes (if stipulated in Articles of Association)	Yes	Yes	Yes	Yes	Yes (if provided in the Articles of Association)	No	Yes	Yes	Yes	Yes	Yes (as a default rule)	Yes (the companies can opt-out)	Yes
VI-1.6 Maximum election term for members of the board													
Every AGM, 1/3 of directors gets reshuffled	No limit	No limit	No limit	No limit	No limit	3 years but shall be eligible for re-election	3 years	1 year	No limit	3 years but re-election	3 years but re-election possible	If the company adopts cumulative voting, the entire BOD needs to be elected simultaneously	5 years
													If the company does not adopt cumulative voting, 1/3 of directors shall retire each year
VI-1.7 Does the regulatory framework permit staggered election terms for board members?													
No	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes
VI-1.8 Is there a limit to the number of boards on which an individual may serve?													
No	Yes	No	No	Yes	No	Yes (listed companies: 10 and non-listed: 15)	Yes	No	No	No (maximum of two directorships for outside directors)	No (except the independent director)	Yes (SEC suggests each director should serve no more than on 5 boards of the listed companies)	No
VI-1.9 Are companies required to disclose the attendance records of board meetings?													
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No legislative requirement (recommended by the Code of Corporate Governance)	Yes	Yes	Yes	Yes

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
VI-1.10 What is the minimum number of board meetings to be held per year?	4 (one every quarter)	twice per year	not specified	at least once per year	minimum once a year	not specified	4 (once every quarter)	The Corporation Code requires a minimum of 12 meetings a year	no minimum number	no restriction	at least quarterly	at least once every three months	four times
VI-1.11 Are there limitations to the appointment of non-residents or foreigners to the board of listed companies?	No	No	No	No	No	No (but the company shall have at least two directors whose principal residence is Malaysia)	No	Yes (the majority of directors must be residents of the Philippines)	No	No	No	Yes (PCA requires that not less than half of the BOD shall reside within the Kingdom)	Yes, only residents are allowed to establish or manage companies
VI-1.12 What are the rules and procedures for ~													
(a) Nominating board members	Casual vacancy can be filled by the board	Both BOD and Shareholders can nominate the candidates	Board members are generally nominated by the BOD, shareholders can also nominate the candidates	The Nominating Committee recommends a member on the BOD. The company is required to file 3 copies of notice proposing a candidate with the Stock Exchange	Only controlling shareholders can nominate candidates	The nominating committee composed exclusively of non-executives, a majority of whom are independent director	No special procedure specified in the law	This is done at the annual meeting	The Code of Corporate Governance recommends nominating board members that companies are encouraged to adopt.	Via the Nominating Committee	Nomination made at shareholder's meeting	No specific requirement	Shareholders having more than 10% of shares for more than 6 months
(b) Electing board members	Election at AGM	Shareholders elect board members at AGM with 50% voting	Must be approved by the shareholders	A member is allowed to propose a person of his/her choice for the directorship in a Company along with a deposit of Rs. 500.	Shareholders elect Board members at AGM	Shareholders' meeting	The directors set the number of elected directors and the shareholders elect directors at AGM	Elected by the shareholders	Depends on the Articles of Association	Shareholders' meeting	Elected by shareholders (cumulative voting)	Generally, the directors must be elected by the shareholders. (Exception) In case of vacancy other than the expiration of terms, the BOD can select the replacement	Shareholders' meeting
(c) Removing board members	Shareholders vote by 3/4 approval	Shareholders can remove board members at AGM with 50% voting	BOD can remove the directors	At least 21 days in advance before the meeting stating about the special notice proposing the resolution of the director. An ordinary resolution by simple majority shall be passed.	Removable by the shareholders' resolution	Removable by the shareholders' resolution (ordinary resolution)	Removable by the shareholders' resolution	Shareholders may remove any director for any reason at a special meeting called for that purpose. 2/3 needed	Removal by ordinary shareholder resolution (Section 152 of Companies Act)	Removable by the shareholders' resolution (special resolution)	Removal by special shareholder resolution	Removable by 75% of the numbers of shareholders attending the meeting who also have 50% of the shares held by the shareholders attending the meeting	Removable by the shareholders' resolution
(d) Appointing or electing senior management	The BOD	The BOD	No specific statutory procedure	The Nomination Committee (this is not mandatory)	Determined by the CEO with the approval of the BOD	The BOD	The BOD	The BOD		Senior management is appointed by CEO or the controlling shareholder	The BOD	No specific statutory procedure (but the BOD in practice)	

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VI-1.16 What statutory bodies within the corporation are responsible for supervising and monitoring senior management?													
	Board of Directors; Board of Audit Committee	Board of Directors; Board of Supervisors	The BOD		Board of Commissioner	BOD, Audit Committee	N/A	the BOD	the BOD	CEO, BOD and the Audit Committee	BOD; Supervisors	the BOD	the BOD; Supervising Committee
VI-2 Powers of the Board													
VI-2.1 Does the board of directors decide on ~													
(a) Appointment and compensation of senior management	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Review and adoption of budgets and financial statements	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
(c) Review and adoption of strategic plans	Yes	Yes	Yes	Yes	Yes	Yes*	Yes	Yes	Yes*	Yes	Yes	Yes	Yes
(d) Major transactions outside the ordinary course of business	Yes	Yes*	Yes*	Yes	Yes*	Yes*	Yes*	Yes	Yes*	Yes	Yes	Yes	Yes
(e) Changes to the capital structure	Yes	Yes*	Yes*	Yes	Yes*	Yes*	Yes*	Yes	Yes*	Yes*	Yes: within the authorized capital	Yes	Yes
(f) Organization and running of shareholders meeting	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(g) Process of disclosure and communications	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(h) The company's risk policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(i) Transactions with related parties	Yes	Yes	Yes*	Yes	Yes*	Yes*	Yes*	Yes	Yes*	Yes	Yes (acquisitions of real properties)	Yes	Yes
		* Also need shareholders' approval			* Also need shareholders' approval	* Also need shareholders' approval	* Also need shareholders' approval		* Also need shareholders' approval				* Also need shareholders' approval

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VI-4.4 Does law or regulations require continuing training for board directors?	No	No	No	No	No	Yes	Yes	No	No	No	No	No	No
VI-4.5 Does law or regulations provide for certification procedure of board directors?	No	No	No	No	No	No	No	No	No	Yes	No	In order to be directors of the listed companies, they have to registered in the "Director Registry"	No
VI-4.6 Does the institutional framework provide for voluntary training possibilities for board of directors?	Yes	No special framework, but the Stock Exchange can provide training classes for the directors or candidates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes (Securities and Futures Institute)	Yes	As a pilot basis, Yes
VI-5. Independent Directors													
VI-5.1 Does law, regulations or listing rules require the election of independent directors to the board?	Yes (only for listed Companies)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes (for new listing applicants only since 2/2002)	Yes	Yes
If so, what percentage of the board of directors must be composed of independent directors?	10% (and at least one director)	Minimum 1/3 of BOD	At least three (3) independent non-executive directors	(Listed companies) If Chairman is not an non-executive director, at least 1/3 of the BOD must be comprised of independent directors	Minimum 1/3 of total board of commissioner (two-tier system)	At least 2 directors or 1/3 of the board, whichever is higher	At least one member (no percentage has been specified)	At least two or 20%, whichever is lesser	At least two (2) non-executive directors	For major companies: at least three directors and the majority of the BOD. For smaller ones: 25%	Not less than two and not less than 1/5 of the total directors	SEC requires at least three independent directors	The Model Charter for listed companies requires 1/3 of non-executive directors
VI-5.2 Does the definition of "independence" exclude persons who are –	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(a) Related to management (by birth or marriage)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Related to major shareholders	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
(c) Employees of affiliated companies	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No
(d) Representatives of companies having significant dealings with the subject company	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No

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VI-6. Directors' Liability													
VI-6.1 May breaches of duty by members of the board generate their individual ~													
(a) Civil liability	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(b) Administrative sanctions	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
(c) Criminal penalty	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
VI-6.2 Does law or regulations provide for ~													
(a) Individual shareholder suits against the board and management.	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
(b) Class action suits against the board and management.	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No. (but Section 216 of the Companies Act allows a group of shareholders to apply to court for a remedy against oppression or injustice)	Yes	Yes	No	Yes
(c) Derivative suits against the board and management.	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes (but only extends to non-listed companies)	Yes	Yes	Yes	Yes
(d) Ombudsman suits on behalf of shareholders?	No	No	No	No	No	Yes	No	No	No	No	No	No	No
VI-6.3 To what extent is the board responsible for the financial statements included in the company's annual report?													
Certified by the senior managers, including directors, and thus fully responsible	The BOD is fully responsible	The BOD is fully responsible	The BOD is fully responsible	The BOD is fully responsible	The BOD is fully responsible	The BOD is fully responsible (financial statement needs to be signed by at least 2 directors)	The BOD is fully responsible	The BOD is primarily responsible	Directors are fully responsible	The CEO and CFO have to certify. The BOD, CEO, CFO are fully responsible	Only after all the statements of accounts have been approved by the meeting of shareholders shall directors be deemed to have been discharged from their liabilities, except in the event of any unlawful conduct on the part of directors	The BOD has to certify and present its opinion in the annual report	Responsible for timely submission to general meeting
	The BOD is fully responsible												imprisonment not more than 5 years or fine

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VI-6.4 Is directors/officers liability insurance commonly obtained?	No	No	Not mandatory but recommended	No	No	Yes	No	No	Yes	Yes	Yes	No	
VI-6.5 In what circumstances is the company prohibited from indemnifying a director?	Breach of Duty; Breach of Trust; Negligence and Default	Violation of duty of care and diligence	Breach of duty, negligence and default	If not related to the business activities	Criminal cases, negligent breach of duty, breach of trust	Negligence, default, breach of duty/trust	Indemnifying directors aspect of default, breach of duty or breach of trust shall be void	No specific regulation	Negligence, default, breach of duty/trust	No indemnification	Intentional conduct or gross negligence	No specific provision	
VI-6.6 Does law differentiate between "duty of loyalty" and "duty of care"?	Not explicitly mentioned in the law but the court recognises	Yes	Yes (common law basis)	No	No	Yes (common law basis)	No	No	Yes	Yes	Yes	SEA has drafted new rules and currently reviewing	
VI-6.7 Is there a cap for the monetary remedy on which the courts can impose against the directors who were found liable?	No	No	No	No	No	No	No	No	No	No	No	No	
VI-7. Remuneration of Board Members													
VI-7.1 Is there a trend towards the use of stock options for directors' remuneration?	No	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes	No
VI-7.2 Does law or regulations provide for the approval of executive directors' compensation by shareholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes (if the company's article so provides)	Yes	Yes	Yes	Yes	Yes	No
VI-7.3 Does law or regulations require directors to take a portion of their remuneration in company shares?	No	No	No	No	No	No	No	No	No	No	No	No	No
VI-7.4 Does law or regulations require disclosing how director's compensation was reviewed and evaluated?	No	Yes	Yes	Yes	Yes	No, but it is recommended under the Malaysian Corporate Governance Code	No	No	No legislative requirement (recommended by the Code of Corporate Governance)	No	Yes	No	No
VI-7.5 Is compensation linked to the performance of the director?	No	Yes	No	Yes	Yes	Yes	No	No	Not mandatory but recommended	Not mandatory but recommended	Yes	Yes (recommended by Corporate Governance principles)	No

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VI-8. Self-Dealing Transactions													
VI-8.1 Under which circumstances must self-dealing transactions be disclosed to ~													
<p>If a board member or any of his/her company is involved</p> <p>(a) The board of directors</p>	<p>If a director who has a material interest in a transaction must disclose his/her interest to the BOD with a company, at the cost of which exceeds 5,000 Rupees or more, unless the consent of the Board of Directors has been obtained. In case of company having a paid up share capital of no less than 1,000,000 Rupees, prior consent of the Central Government is needed.</p>	<p>A director who has a material interest in a transaction must disclose his/her interest to the BOD with a company, at the cost of which exceeds 5,000 Rupees or more, unless the consent of the Board of Directors has been obtained. In case of company having a paid up share capital of no less than 1,000,000 Rupees, prior consent of the Central Government is needed.</p>	<p>All related parties and conflicts of interest transactions</p>	<p>When a director is directly or indirectly interested in a contract</p>	<p>Every director who is, in any way, concerned or interested in any contract shall disclose the nature of his/her concern or interest at BOD meeting</p>	<p>Board must approve all transactions</p>	<p>Whenever a director has an interest in a transaction, a director has to disclose this to the board, except when the interest of the director consists only of being a member or creator of a corporation which is interested in a transaction or proposed transaction with the first mentioned company, if the interest of the director is of material interest.</p>	<p>Transaction exceeding 1% of the total sales or asset, cumulated transaction exceeding 5% with the same party</p>	<p>If there are significant transactions between an enterprise and its related parties, the enterprise should disclose related information in the financial statements, which should be reported to the board of directors</p>	<p>If the transaction exceeds 1 million Baht or more than 0.03% of net tangible asset</p>			
	<p>Loans, Guarantees or securities granted</p> <p>(b) The shareholders</p>	<p>Audit by external auditor needed if self-dealing transaction exceeds 30,000,000 RMB or 5% of total net asset</p>	<p>Audit by external auditor needed if self-dealing transaction exceeds 30,000,000 RMB or 5% of total net asset</p>	<p>All related party and conflicts of interest transactions</p>	<p>Before a company enters into any arrangement or transaction with a director of the company or his holding company or with person connected with such director</p>	<p>Self-dealing transactions must be disclosed</p>	<p>Any transaction with value >3% of Net Tangible Asset unless the amount is less than \$5 100, 000</p>	<p>Transactions exceeding 1% of the total sales or asset, cumulated transaction exceeding 5% with the same party</p>	<p>Disclosure through financial statements and through MOPS for public company</p>	<p>If the transaction exceeds 20 million Baht or larger than 0.03% of net tangible asset</p>			
	<p>No</p> <p>(c) The Stock Exchange or Securities Commission</p>	<p>Companies must notify the HK Stock Exchange ASAP after the terms of such transaction have been agreed. It must also disclose the self-dealing transaction if the transaction meets certain criteria</p> <p>Audit by external auditor needed if self-dealing transaction exceeds 30,000,000 RMB or 5% of total net asset</p>	<p>(Listed companies) The company is required to file a compliance certificate</p>	<p>All related party and conflicts of interest transactions</p>	<p>Dealings in securities by substantial shareholders are announced to the stock exchange via securities holding. Further, dealings in securities by directors and principal officers of listed issuers are subject to stringent disclosure requirements under the Listing Requirements</p>	<p>Self-dealing transactions must be disclosed</p>	<p>Any transaction with value >3% of Net Tangible Asset unless the amount is less than \$5 100, 000</p>	<p>No</p>	<p>Disclosure through financial statements and through MOPS for public company</p>	<p>If the transaction exceeds 1 million Baht or larger than 3% of net tangible asset</p>			

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam
	VI-8.2 Under which circumstances must self-dealing transactions be approved by –												
	If a board member or any of his/her company is involved	i) Self-dealing transaction with individual above 300,000 RMB; ii) Self-dealing transaction with entity above 3,000,000 RMB or above 0.5% of total net asset; iii) Audit by external auditor needed if self-dealing transaction exceeds 30,000,000 RMB or 5% of total net asset	A director who has material interest in a transaction must disclose his/her interests to the BOD and approval	No director or firm in which the director is a partner shall enter into a transaction with a company, the cost of which exceeds 5,000 Rupees or more, unless the consent of the Board of Directors has been obtained for such contract.	None	Not specified	The officer who is concerned or interested in any proposed contract is required to disclose the nature of his/her concern and obtain prior approval of the directors	Board must approve all transactions	No	Transactions exceeding 1% of the total sales or assets; cumulated transaction exceeding 5% with the same party	A matter bearing on the personal interest of a director and a material asset or derivatives transaction, shall be submitted to the board of directors for approval by resolution; when an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors' meeting	If the transaction exceeds 1 million Baht or more than 0.03% of net tangible asset	
(a) The board of directors													
	Loans, Guarantees or securities granted	Audit by external auditor needed if self-dealing transaction exceeds 30,000,000 RMB or 5% of total net asset	Listed companies must obtain prior approval for all related party transactions that do not fall under any exceptions	No need to be approved by the shareholders	All related parties and conflicts of interest transactions	Before a company enters into any arrangement or transaction with a director of the company or its holding company or with a person connected with such director		No need to be approved by the shareholders	Any transaction with value >5% of Net Tangible Asset is less than \$51,000,000	Transactions exceeding 1% of the total sales or asset; cumulated transaction exceeding 5% with the same party	Disposal of all or substantially all business or assets, mergers (except for short-form mergers or asymmetrical mergers), and taking over by assuming all of the operation or business which materially affect the operation of the company.	If the transaction exceeds 20 million Baht or more than 0.03% of net tangible asset	
(b) The shareholders													
	No	i) Self-dealing transaction with individual above 300,000 RMB; ii) Self-dealing transaction with entity above 3,000,000 RMB or above 0.5% of total net asset; iii) Audit by external auditor needed if self-dealing transaction exceeds 30,000,000 RMB or 5% of total net asset	No approval needed		No	Related party transactions involving placement of securities to related parties and acquisition of assets; from related parties require the approval of the Securities Commission		No	No	No			
(c) The Stock Exchange or Securities Commission													

	Bangladesh	China	HK China	India	Indonesia	Malaysia	Pakistan	Philippines	Singapore	South Korea	Ch. Taipei	Thailand	Vietnam	
VI-8.3 What are the legal consequences for violating these rules?														
(a) Disparagement	No		Subject to fines		No	Yes		Yes	For directors who actually undertake self-dealing transactions, these can be deemed a breach of the general duty. He/She could be subject to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months	Jointly and severally/ liable	Jointly and severally/ liable	No		
(b) Criminal penalty	No	Yes		No	Yes	Yes (up to 5 years or RM 30,000)		Yes		Yes (max of 5 years)	Imprisonment (three – five years)	No		
(c) Other sanctions	Financial penalty	The income could be forfeited	Private reprimand; public censure and others	Subject to fine which may extend up to Rs. 50,000	Administrative sanction	Private or public reprimand, fines (not exceeding RM 1 million), directions for imposition of moratorium or prohibition of dealings etc.	Officers and directors who fail to comply are liable to a fine which may extend to 5,000 rupees	Temporary or permanent disqualifications			Administrative fine	Under the Connected Transaction Rules, all material transactions are to be approved by BOD (for larger ones to be approved by the shareholders)		SEC closely monitors and scrutinises reports and notices to call shareholders meeting

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* The information provided by these experts in developing the table does not necessarily reflect the official views of the organisations they serve.