

AGENDA ITEM 12

FOURTH MEETING OF THE ADVISORY GROUP ON APEC FINANCIAL SYSTEM CAPACITY BUILDING, KUALA LUMPUR, 3RD AUGUST 2005

REVIEW OF HIGH LEVEL SYMPOSIUM, MELBOURNE, 19TH OCTOBER, IN CONJUNCTION WITH THE 22ND ANNUAL MEETING OF THE ASIAN BANKERS ASSOCIATION, ON CORPORATE GOVERNANCE AND TRANSPARENCY

Background

ABAC has been considering ways to promote good corporate governance and transparency, focusing on ways to mobilise interest in the APEC region's banks and other financial institutions and regulatory agencies. ABAC and PECC note the crucial importance of good corporate governance to business growth, community confidence in business and to the strengthening of the region's finances. They note that improving governance is an issue not just for the corporate sector, but for economies and for their agencies, and indeed for the community broadly.

ABAC has made several recommendations to APEC Leaders and to APEC Finance Ministers on improving corporate governance. Key recommendations have included the implementation of initiatives on governance which have come through the APEC Finance Ministers' processes and the creation of institutes of corporate governance or equivalent bodies to work with regional bodies and business associations to promote governance and transparency.

A proposal that the ABA and the APEC Business Advisory Council (ABAC) and the Pacific Economic Cooperation Council (PECC) jointly host a major symposium in Melbourne at the time of the 2005 Annual meeting, was agreed at a Planning Meeting of the ABA and arrangements are proceeding to hold the symposium on 19th October at the Langham Hotel, Southbank, Melbourne.

The concept paper, objectives and themes and the draft program for the symposium are attached.

Issues

A key matter is to complete the speakers' program. A number of people shown on the draft program have now been and a number of indicated that they will participate; advice from others is awaited. Some contacted have declined and quality alternative speakers are being approached. In this context, it would be most helpful if members, who may not have already contacted possible speakers in their economies shown on the draft program, could now do so as a matter of some urgency.

In addition, advice on possible alternative speakers would be most helpful.

Recommendation

Review the state of play of the program, and provide advise on additional speakers to those shown on the draft

Coordinator**22nd July 2005**

ATTACHMENT

- A PROPOSAL FOR AN APEC PUBLIC/PRIVATE SECTOR INITIATIVE FOR THE PROMOTION OF GOOD CORPORATE GOVERNANCE AND TRANSPARENCY IN FINANCIAL INSTITUTIONS

CONCEPT PAPER

ABAC/PECC/ABA

A SYMPOSIUM JOINTLY ORGANISED BY THE APEC BUSINESS ADVISORY COUNCIL (ABAC), THE PACIFIC ECONOMIC COOPERATION COUNCIL (PECC) AND ABA, IN CONJUNCTION WITH THE 22nd ANNIVERSARY OF THE ANNUAL MEETING OF THE ASIAN BANKERS' ASSOCIATION

THE PROMOTION OF GOOD CORPORATE GOVERNANCE AND TRANSPARENCY IN THE APEC'S FINANCIAL INSTITUTIONS

Date/Venue :

- confirmed – 19th October: Venue: Langham Hotel, Southbank, Melbourne
- to be held in conjunction with the 22nd Anniversary of the Annual Meeting of the Asian Bankers' Association

Symposium objectives

- to promote discussion and understanding of corporate governance principles and practices as they are being developed in the OECD, the World Bank and the ADB/Asian Roundtable - between APEC economies and between representative of public and private sector financial institutions in the region
- to develop ways to encourage the dissemination and adoption of best governance principles and practices in public agencies and in the finance industry through industry associations, and institutes of directors and through education programs
- to develop public/private partnerships in APEC to promote the dissemination and training of best governance principles and practices in finance sectors in the region

Supporting inputs

- Australian Ministerial involvement and the involvement of Ministers and from boards and heads of finance industry institutions and associations and senior regulators from the APEC region
- expertise from relevant regional and international agencies (the OECD/World Bank/ADB) and from APEC economies, including those closely involved in the APEC Pathfinder Initiative on corporate governance and principles, and from academia

Participants

Target of around 150 participants; from the region's finance industry (all major sectors), and from government, including policy and regulatory agencies.

- **private sector:** ABA members, members of boards, CEOs and heads of national and regional industry associations and institutes of directors and shareholder groups and leaders of professional associations; business representatives from ABAC and PECC
- **official sectors:** APEC Ministers; heads and senior executives of financial policy agencies and regulatory authorities in the region; senior representatives of the relevant international and regional agencies (World Bank, IMF, ADB, OECD, BIS ,IAIS, IOSCO)
- **academia:** experts on corporate governance principles and practices

Structure and themes of the symposium

- **structure:** a one day symposium is proposed with six sessions; three each in the morning and afternoon;

there will be a symposium dinner on the evening preceding the symposium

apart from the opening session the sessions will involve 3 or 4 key note speakers and a panel discussion involving the session chairman/moderator, the key-note speakers and the audience

key-note speakers will be asked to speak for 10/15 minutes; opening speeches will be followed by a short discussion between the speakers and moderated by the chair, followed by a Q/A with the audience

- **themes:**
 - a) discern best good governance and transparency principles and practices – purposes and rationale and developments particularly as they relate to financial systems
 - b) highlight specific good governance and transparency requirements for

public and private institutions in the finance sector and for publicly listed groups arising from changing regulatory and supervisory approaches

- c) can global best principles and practices be related to local needs and practices and can local principles and practices score well in the World Bank ROSC practices
- d) define the role of the finance industry and finance industry associations, institutes of directors and other business groups and public agencies in promoting principles and practices
- e) consider regional public/private capacity building programs to promote corporate governance and transparency

Outputs: Conference report and recommendations; to be endorsed by ABAC, PECC and the Asian Bankers' Association and to be made available to APEC Finance Ministers

Administration and Organisation:

The Australian Monash APEC Study Centre
ABAC/PECC/Asian Bankers' Association/Australian Bankers

Financing

The ABA will be asked to consider including a small charge to be included in the fees charged to those attending the ABA annual conference and who also indicate they wish to attend the symposium

modest sponsorship contributions may be sought from Australian financial institutions

private sector participants, other than those attending the ABA annual meeting, will be expected to finance their own travel and accommodation; government officials and representatives of regional and international institutions will also be asked to finance their own travel and accommodation costs

Conference Chairs

Mr. Mark Johnson, Chair ABAC Finance Working Group
Chairman, Asian Bankers' Association
Dr. Soogil Young, Coordinator, PECC Finance Forum

OUTLINE OF SYMPOSIUM PROGRAM

PROMOTING GOOD CORPORATE GOVERNANCE AND TRANSPARENCY IN APEC FINANCIAL INSTITUTIONS

REGISTRATION

SESSION 1: OPENING SESSION

Session Co-chairs

- Mr. Mark Johnson, Chairman, ABAC Finance Working Group
 - Asian Bankers' Association
 - Dr. Soogil Young, Coordinator, PECC Finance Forum
- Welcome addresses:
Mr. Mark Johnson
Chairman, Asian Bankers' Association
Dr. Soogil Young
- Introduction of Key Note Speaker – Mr. Mark Johnson
- Key Note Address: The Hon. Peter Costello, Treasurer,
Commonwealth of Australia

COFFEE BREAK

SESSION 2: *Is good governance and transparency consistent with or in conflict with capitalism? What are we really trying to achieve in improving corporate governance; is there a special case for improvements in financial institutions?*

Session Chair

- Mr. Gary Benanav, Chairman and CEO New York Life

Key Note Speakers

Mr. Eliot Spitzer, Attorney General, State of New York
Mr. Takatoshi Kato, Deputy Managing Director, IMF
Ms. Gail Kelly, CEO, St George Bank
Mr. Charles Prince, CEO, Citigroup
Mr. Mr. Chatsiri Sophonpanich, President, Bangkok Bank

Panel Discussion – Q/A: moderated by Mr. Benanav

SESSION 3: *What are the key challenges in implementing good governance and transparency in public agencies and in private institutions in financial sectors? Are the benchmarks for measuring progress different in the public and private sectors?*

Session Chair:

- Dr. Jeffrey L.S. Koo, Chairman, Chinatrust Financial Holding Co. Ltd.,

Key Note Speakers

Dr. John Laker, Chief Executive, Australian Prudential Authority
Chairman, Asian Bankers' Association

Mr. Chavalit Thanachanan, Chairman, The Stock Exchange of
Thailand

Mr. David Murray, CEO Commonwealth Bank

Mr. John Farrell, NZPECC, former Securities Commissioner, NZ

Panel Discussion – Q/A: Moderated by Dr. Koo

Lunch

Key Note address:

SESSION 4: *In a global environment how should international concepts of good corporate governance and transparency be applied to regional and local communities and financial markets?*

Session Chair:

- Mr. Yasuo Kanzaki, Special Advisor, Nikko Citigroup Ltd

Key Note Speakers

Ms. Margaret Jackson AC, Chairman, Qantas

Mr. Geert Van Der Linden, Vice President, ADB

Mr. Kiyo Akasaka, Deputy Secretary General, OECD

Mr. Cesari Calari, Vice President Financial Sector, World Bank

Mr. Enrique Marshall Rivera, Superintendent Banks, Banking
and Financial Institutions, Chile

Panel Discussion – Q/A: Moderated by Mr. Kanzaki

SESSION 5: *How should finance industry associations and*

institutes of directors and public regulatory agencies translate words into actions in promoting good corporate governance and transparency?

Session Chair:

Mr. Hernan Somverville, President, Chilean Industry Association

Key Note Speakers:

Chairman, US Business Round Table
Dr. Jesus Estanislao, President and CEO, Institute of Directors and Corporate Governance Business Sector Advisory Group, Philippines
Mr. Maurice Newman, Chairman, Australian Stock Exchange
Mr. David Morgan, Chairman-elect, Australian Bankers' Association

COFFEE BREAK

SESSION 6: *Are industry groups and associations and public sector agencies effective in promoting good corporate governance and transparency in the APEC region? What more should they do and how?*

PANEL DISCUSSION

Moderated by: Mr. John MacFarlane, CEO, ANZ

Panellists:

Mr. Takatoshi Kato, Deputy Managing Director, IMF
Mr. Geert Van Der Linden, Vice President, Asian Development Bank
Chairman, US Business Round Table
Dr. Jesus Estanislao,
Mr. Ceasre Calari, Vice President, Financial Sector, WB

CONCLUDING COMMENTS

Dr. Soogil Young, Coordinator, PECC Finance Forum
Mr. Mark Johnson, Chair, Deputy Chairman, Macquarie Bank

COCKTAIL RECEPTION

Sir Redmond Barry Room,
Level 46/55 Collins St.

Hosted by:

Minister of Financial Services,
Government of Victoria

