



**MINORITY SHAREHOLDER WATCHDOG GROUP**  
*Shareholder Activism and Protection of Minority Interest*  
**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**  
(Incorporated in Malaysia • Company No : 524989-M)

**ATTENDANCE REPORT ON THE OECD 7TH ASIAN ROUNDTABLE ON CORPORATE GOVERNANCE, 6-8 SEPTEMBER 2005 (THREE FULL DAYS EVENT), BALI, INDONESIA**

The principal focus of this Asian Roundtable was on implementation and enforcement of corporate governance in Asia pertaining to OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOEs) and of Banks particularly in Indonesia, as well as in other Asian markets.

It is now recognized that the OECD Principles of Corporate Governance issued in 1999 have been further extended with particular focus on State-owned Enterprises and on Banks in Asia.

A Task Force is set up by the OECD to identify priorities for reform and to make recommendations to the Governments of participating countries to intensify their efforts to improve the regulation and corporate governance of banks. The White Paper on Corporate Governance in Asia will provide region-specific guidance and suggestions on priorities for reform so as to assist policy makers, regulators, stock exchanges and other standard-setting bodies in Asian economies.

The revised OECD Principles of Corporate Governance published in 2004 took into account that policy makers, regulators, stock exchanges and other standard setting bodies are now more aware of the contribution that good corporate governance makes to financial market stability, investment climate and economic growth.

The OECD and participating countries are still on the stock-taking phase of corporate governance related policy developments in Asian Roundtable economies. The stock-taking perspectives have to consider many continuing, persistent problems in companies across the globe relating to connected and related parties' transactions, directors' duties and responsibilities, conflicts of interest situations among service providers such as auditors, merchant banks and corporate advisers, roles of minority shareholders and investors engagement, and the shareholders' ability to elect truly independent directors.

The 7th Asian Roundtable covers the wide spectrum of implementation and enforcement issues relating to legal, institutional and regulatory framework for SOEs in terms of separation of ownership, objectives of SOEs, auditing of SOEs and appointment of directors in the SOEs, responsibilities of SOE boards, evaluation and remuneration of SOE boards, shareholders and stakeholder engagement, which are an essential element for sustaining good corporate governance practices among SOEs in Asia.

In line with OECD's objectives to advance corporate governance agenda, the 7th Asian Roundtable discussed the implementation issues, the robust approaches towards effective supervision and streamlined regulatory

structure for timely and transparent enforcement for good corporate governance in SOEs and in Banks.

Besides the investigative and enforcement powers, the 7th Asian Roundtable discussed how regulators and enforcement authorities should be given the resources and regulatory mandates to support and facilitate them in enforcing good corporate governance practices in SOEs and banks.

For effective supervision and regulatory enforcement functions, the 7th Asian Roundtable recognizes the Task Force's urgent needs to build capability, accountability and integrity of regulators and enforcement agencies. This is to enable them to have the required capacity, the authority and the resources to fulfill their duties in a professional and objective manner. Such needs include qualified staff, enforcement tools and information for considerations to decide on matters of civil enforcement or criminal enforcement.

Papers presented in the 7th Asian Roundtable are highly relevant and comprehensive, reflecting surveys and research reports carried out to indicate how various regulatory and corporate governance reforms were undertaken by participating countries in Asia with speakers from Korea, Australia, Singapore, Thailand, Pakistan, India, Japan, Hong Kong, United States and Chinese Taipei, making their presentations.

The 7th Asian Roundtable is really useful to Asian economies, particularly Malaysia to further develop and gauge itself against other Asian countries for standards of corporate governance practice, and to assess the policy measures and implementation of corporate governance in line with the Malaysian Code on Corporate Governance and the OECD's revised principles.

The next Asian Roundtable which will like be held in Thailand or China, will delve deeper into directors' responsibilities and the regulatory bodies to ensure more effective enforcement of corporate and securities laws pertaining to investor rights for protection and the integrity of the market in promoting investor confidence in the capital market.

Prepared by,

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