



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

OECD 6th Asian Roundtable on Corporate Governance

2-3 Nov 2004, Seoul, South Korea

Report by MSWG: The following is the report on MSWG participation to the 6th Asian Roundtable held by the OECD in Seoul, Korea on 2-3 November 2004. The principal focus of this Asian Roundtable was on implementation and enforcement of corporate governance in Asia as well as other markets.

It is now recognized that the OECD Principles of Corporate Governance issued in 1999 have become an international benchmark for policy makers, investors, corporations and stakeholders worldwide.

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

The OECD and participating countries are still considering many continuing, persistent problems in companies across the globe relating to connected and related parties' transactions, conflicts of interest situations among service providers such as auditors and corporate advisers, the passive roles of minority shareholders and institutional investors, and the shareholders' ability to elect effective independent directors.

The 6th Asian Roundtable covers the wide spectrum of implementation and enforcement issues relating to legal, institutional and regulatory framework which is an essential element for sustaining good corporate governance practices among companies in Asia.

In line with OECD's objectives to advance corporate governance agenda, the 6th Asian Roundtable discussed the implementation issues, the robust approaches towards effective supervision and streamlined regulatory structure for timely and transparent enforcement.

Besides the investigative and enforcement powers, the 6th Asian Roundtable discussed how regulators and enforcement authorities should be given the resources and mandates to facilitate them in enforcing good corporate governance practices in companies.

For effective supervision and regulatory enforcement functions, the 6th Asian Roundtable recognizes the urgent needs to build capability, accountability and integrity of regulators and enforcement agencies. This is to enable them to have the 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.

It is recommended that in order to strengthen the judiciary, the judges and prosecutors should be well trained in commerce, financial and accounting issues besides their expertise and knowledge of laws and regulations.

Papers presented in the 6th Asian Roundtable are widely comprehensive, reflecting various regulatory and corporate governance reforms undertaken by countries throughout the world with speakers from Korea, Malaysia, Australia, Singapore, Pakistan, Japan, Italy, Hong Kong, United States and Chinese Taipei, making their presentations.

The 6th Asian Roundtable is really timely for many emerging countries in Asia to further develop and consider the issues of corporate governance and to assess the policy measures and implications of the OECD's revised principles, their legal infrastructure and ownership structure of companies, as well as shareholder rights in holding companies.

The next Asian Roundtable intends to delve deeper into more effective enforcement of corporate and securities laws in ensuring that investor rights are protected and the integrity of the market in promoting investor confidence in the capital market.
