

The Latin American Corporate Governance Roundtable



Building on a Decade of Progress



Global
Corporate
Governance
Forum



NIPO: 601-10-039-3

“The improvement of corporate governance practices is widely seen as one important element in strengthening the foundation for individual countries’ long-term economic performance and in contributing to a strengthened international financial system. . . Implementing strong corporate governance is fundamentally a process, in which the government and the private sector join hands.”

The 1999 Memorandum of Understanding between the World Bank and OECD, establishing the framework for the Latin American Roundtable among a series of Regional Corporate Governance Roundtables

Introduction



The Latin American Corporate Governance Roundtable plays a key role in supporting Latin American countries to advance on such priorities as:

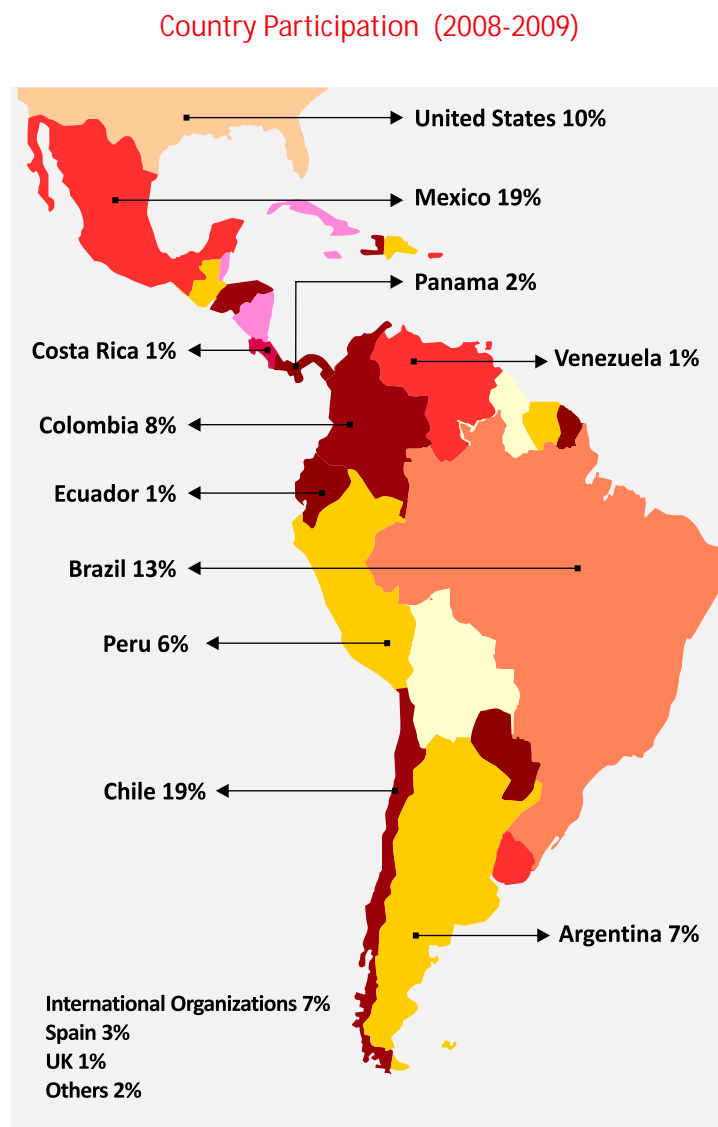
- Enhancing institutional investor impact on corporate governance;
- Improving the effectiveness of boards;
- Strengthening enforcement;
- Developing corporate governance codes; and
- Promoting implementation of a range of good practices, through its support of local corporate governance institutes.

The 10-year anniversary of the establishment of the Roundtable provides a timely opportunity to take stock of what the Roundtable and the region as a whole have accomplished in terms of corporate governance. While the many reforms and improvements adopted in Latin American countries cannot be attributed to a single cause, it is clear that the Roundtable’s discussions, reports and networks have provided strong input to, and support for, these processes.

Most certainly, the Roundtable will continue to provide policy-makers and market participants with an important regional forum to exchange experiences and best practices aimed at addressing ongoing corporate governance challenges.

Roundtable structure and framework

The Roundtable first met in April 2000 in São Paulo, Brazil and has since met annually in different Latin American cities, including in Argentina, Brazil, Chile, Colombia, Mexico and Peru — comprising Latin America's most active capital markets. It convenes senior policy-makers, regulators and market participants (securities regulators, stock exchanges, investors, companies, corporate governance institutes and other stakeholders) in a structured policy dialogue. The opportunity to exchange experiences and best practices helps to address the various corporate governance challenges faced by regulators and executives alike, lending special attention to local circumstances. Participants come from countries that are members of the Organisation for Economic Co-operation and Development (OECD) and Latin American countries, and include representatives of Argentina, Bolivia, Brazil, Canada, Chile, Costa Rica, Colombia, Dominican Republic, Ecuador, Mexico, Panama, Peru, Spain, Sweden, Turkey, the United Kingdom, Uruguay, the United States, and Venezuela.



“The Latin American Corporate Governance Roundtable has been a cornerstone to unleash and promote a wave of corporate governance reforms in the region. After 10 years working, we can say that the culture of governance of corporations has changed.”

Alvaro Clarke, former Head of SVS, Chile and active Roundtable participant

"As an active promoter of corporate governance in Mexico, the Latin American Corporate Governance Roundtable is the most influential active group outside of Mexico with influence in our country. The Roundtable has been crucial to the development and advance of modern practices of corporate governance in Mexico."

Sam Podolsky, Secretary General to the Competitiveness Council of Mexico City

The Roundtable history



The Latin American Roundtable on Corporate Governance was established by the Organisation for Economic Co-operation and Development (OECD) and the World Bank in 2000, and has enjoyed the continuous support of the International Finance Corporation (IFC) and the Global Corporate Governance Forum (GCGF), as well as funding support from the Government of Spain more recently. The Roundtable has used the OECD Principles of Corporate Governance – first issued in 1999 and endorsed by the Financial Stability Board as one of 12 key standards to support global financial stability -- as the initial reference to frame these discussions.

However, the Roundtable's subsequent efforts have been all about tailoring and adapting global recommendations to local circumstances, starting with the Roundtable's first initiative to build consensus around a set of recommendations and priorities adapted to the characteristics of the region, issued in 2003 as the White Paper on Corporate Governance in Latin America.

The White Paper has since become the main benchmark for the Roundtable's subsequent efforts to promote further corporate governance progress by delving more deeply into the priorities that the White Paper identified. The Latin American White Paper's conclusions also served as input to the 2004 revision of the OECD Principles of Corporate Governance.



THE OECD PRINCIPLES OF CORPORATE GOVERNANCE

First issued in 1999, the OECD Principles have since become an international benchmark for policy makers, investors, corporations and other stakeholders worldwide. They have advanced the corporate governance agenda and provided specific guidance for legislative and regulatory initiatives in both OECD and non-OECD countries, supporting best practices on such issues as shareholder rights and responsibilities, disclosure of information and the exercise of board responsibilities. The Principles also serve as the basis for World Bank corporate governance country reviews, known as Reports on Observance of Standards and Codes (ROSCs). [Learn more at www.oecd.org/daf/corporateaffairs/principles/](http://www.oecd.org/daf/corporateaffairs/principles/)

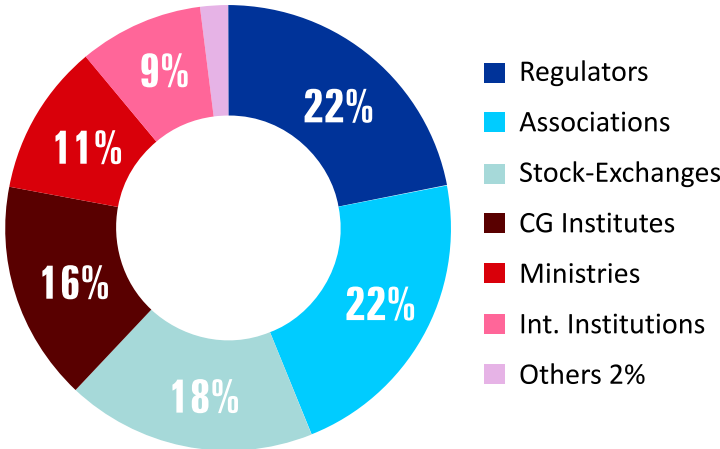
The Roundtable has also provided a platform for a range of related initiatives, including:

- The Roundtable's Companies Circle, launched in 2005 to support company implementation of best corporate governance practices;
- A regional network of corporate governance institutes, which has met back-to-back with the Roundtable on several occasions, developing more recently with the support of the Global Corporate Governance Forum into an independent network; and
- Task forces dealing with enforcement (2004 and 2010); the role of institutional investors (2007-2009); and reviews or surveys of corporate governance progress in each country (2005, 2006, 2009).

Supporting institutions

A look at the range of institutions and associations that have provided leverage to OECD/IFC/World Bank/GCGF efforts (by acting as co-hosts/sponsors of the Roundtable) provides a compelling picture of the local interest Roundtable meetings have generated. Invariably, the securities regulator in each of the host countries has supported the Roundtable. Similarly, stock exchanges and corporate governance institutes have also been faithful supporters.

Percentage of Roundtable's co-hosts and co-sponsors by type



Corporate Governance Institutes, whose role is highlighted on pages 10-11, and business associations such as the Business Co-ordinating Council in Mexico (CCE), the Federation of Chilean Industry (SOFOFA), the Peruvian National Confederation of Private Business Associations, the Argentinean Chamber of Public Companies (CAMSOCANON), and the Colombian Confederation of Chambers of Commerce (Confecamaras) have also been important supporters of the Roundtable.

“The Roundtable meetings have raised overall awareness of corporate governance issues, particularly among Brazilian companies. The OECD presence has given the subject a much needed credential, setting it apart from previous perceptions of mere 'wish lists' from investors.”

Mauro Rodrigues da Cunha, CFA, CIO, Equities, Opus Gestão de Recursos, Brazil



Main Topics that the Roundtable addressed since the start of its second phase

- Strengthening of enforcement (2004-05 & 2009-10);
- Improving board effectiveness (2005 & 2009-10);
- Enhancing the role of institutional investors (2006-10), leading to policy and best practice recommendations contained in the *White Paper on Strengthening the Role of Institutional Investors in Latin American CG*;
- Promising stock exchange CG initiatives (2006, 2008 & 2010);
- Experiences with use of CG codes (2007- 09);
- Country progress reports on reforms and implementation (2005-06 & 2009);
- Lessons learned from the 2008-09 global financial crisis;
- Corporate governance of state-owned enterprises (2005 & 2009), non-listed companies (2006), and financial institutions (2009).

Since the Mexico (2008) Roundtable, meetings have also approached topical and emerging new issues such as “Corporate governance priorities and lessons following the financial crisis.” In this vein, the Roundtable has targeted three additional issues (board evaluations, corporate governance of non-listed companies and corporate governance implications of social and environmental responsibility) for its Rio 2010 meeting.

The evolution of the Roundtable

The Roundtable has essentially been through two main phases in its evolution:

- a first phase focused on raising awareness and building consensus (the “awareness-raising and consensus-building” phase) on White Paper recommendations, covering its first four meetings in 2000-2003 (in Brazil, Argentina, Mexico and Chile); and

- a second phase (the “monitoring and implementation phase”) focused on encouraging the implementation of White Paper recommendations and on the more detailed consideration of selected priority issues.

Last 10 years’ topics sized appropriately to highlight their frequency at the Roundtable:



This second phase also featured the 2005 launching of the Roundtable’s Companies Circle, a group of leading Latin American companies committed to sharing their corporate governance experiences and perspectives, both with the Roundtable and, more widely with all those interested in benefitting from such knowledge. Circle members have also spoken to hundreds of companies at 30 awareness-raising events during its five years (see page 12).

THE ROUNDTABLE’S IMPACT IN LATIN AMERICA

The corporate governance landscape in Latin America has evolved considerably over the last decade, and recognition of the benefits of good corporate governance is no longer a new phenomenon in the region. The

annual Roundtable meetings have shown that there is an active constituency among regulators, stock exchanges, the private sector, non-governmental institutions and others who understand the value of better governance and who work actively to promote improvements through both the legal framework and private sector initiatives.

The OECD, IFC, GCGF, and World Bank's joint efforts with regional and local partners to improve corporate governance, in Latin America and globally, have led to real progress at both policy and company levels. This has included extensive legal and regulatory reforms, the development of country codes of best practices and corporate governance indexes, the creation of advocacy and support institutions, the pioneering efforts to improve corporate governance of the Novo Mercado in Brazil, and heightened attention to corporate governance by many market participants.



“10 Mesa-Redonda de Governança Corporativa Latino-Americana” – Publication from Revista Capital Aberto
Ano 2 / Número 13 – 7.000 copies
Launch date: December 22 2009

It is not intended to claim that the Roundtable brought about all these changes, as actual reforms are dependent above all on local political will and local champions of reform, but nevertheless many of these local reform champions are active participants in the Roundtable, and their efforts have clearly been informed through their participation in the Roundtable and with the support of the networks that have been established by the Roundtable. It is important to note that especially during the first years of the Roundtable, various Latin American countries underwent major corporate governance reforms and that many active members of the Roundtable played an important role in such processes. While further legal reforms have occurred since then, recent activity has focused more heavily on voluntary and private sector initiatives.

10 years of Roundtable and Companies Circle's meetings and key events

2000

Roundtable: Sao Paulo, Brazil.

2001

Roundtable: Buenos Aires, Argentina.

2002

Roundtable: México City, México.

2003

Roundtable: Santiago, Chile.

2004

Roundtable: Rio de Janeiro, Brazil.

2005

Roundtable: Lima, Peru.

Companies Circle's 1st meeting (Inauguration): Sao Paulo, Brazil.

Companies Circle's 2nd meeting (membership expansion): Sao Paulo, Brazil.

2006

Roundtable: Buenos Aires, Argentina.

Companies Circle's 3rd meeting (Circle Investor dialogue): Buenos Aires, Argentina
Companies Circle's 4th meeting (Case Studies 2nd Edition): Sao Paulo, Brazil.

2007

Roundtable: Medellin, Colombia.

Companies Circle's 5th meeting (membership expansion): Medellin, Colombia.

2008

Roundtable: Mexico City, Mexico.

Companies Circle's 6th meeting (Institutional Investors dialogue): México City, México.

2009

Roundtable: Santiago, Chile.

Companies Circle's 7th meeting (Launch of the practical Guide and creation of Informal working groups on Boards and Annual General Meetings): New York, USA.



KEY TOPICS DISCUSSED AT THE ROUNDTABLE

The topics discussed at the Roundtable during the last decade have reflected the interests and challenges of the different constituencies represented. They have played a crucial role in setting the agenda and priorities for discussion which has been fundamental to the success and the continued relevance of the Roundtable meeting. A sampling of some of the significant changes that the Roundtable has supported over the last 10 years follows:

Shareholders

Many jurisdictions have taken steps to strengthen shareholders' participation in governance issues. This is particularly important in the context of the growing importance of pension funds as shareholders in the region. The Roundtable has been discussing shareholders' involvement since its second meeting in 2001 and opted more recently to delve even more deeply into the issue.

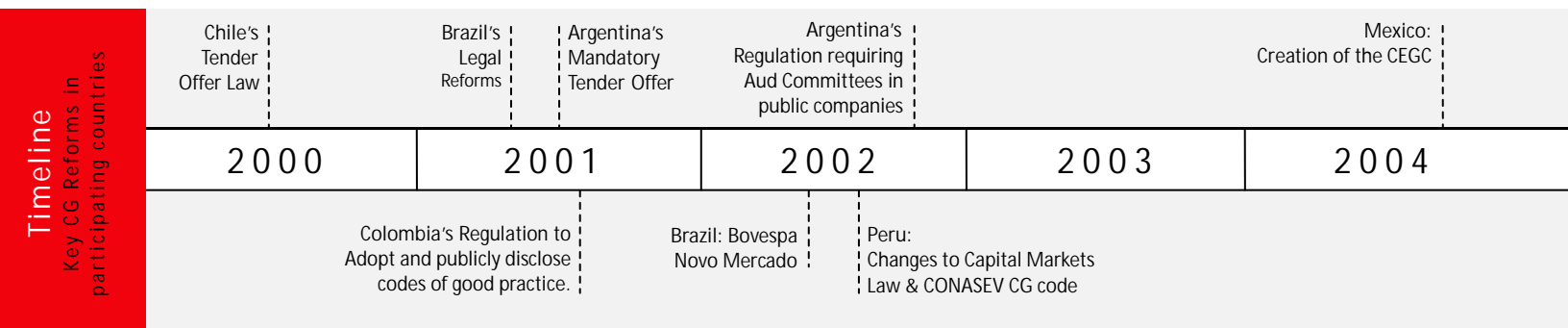
The approaches taken to promote active ownership differ from country to country, but most of the bigger markets in the region expressly encourage more informed participation from institutional investors to enhance corporate governance practices in the companies in which they invest.

The Roundtable will launch in 2010 the White Paper on Strengthening the Role of Institutional Investors in Latin American Corporate Governance, the product of discussions at Roundtable meetings starting in Buenos Aires (2006) and Medellin (2007), and continuing in Mexico City (2008) and Santiago (2009).

Shareholders' participation is particularly relevant in the wake of the 2008-2009 financial crisis, as a recent OECD report entitled *Corporate Governance and the Financial Crisis: Conclusions and emerging good practices to enhance implementation of the Principles* singled out the lack of exercise of shareholder rights as one of the key failings contributing to the crisis.

[Learn more at](http://www.oecd.org/daf/corporate)

www.oecd.org/daf/corporate



“The Roundtable and the Companies Circle’s role in raising awareness, both within the public and private sector, has been fundamental to the development of good corporate governance practices in Peru. It has influenced changes in the regulation of the Pension Fund Administrators (PFA) which now promote investment in companies that follow good corporate governance practice, and mandate the PFAs to be active in voting at shareholders meetings.”



Carlos Eyzaguirre former president of CONASEV and active Roundtable participant

Boards

Effective boards of directors are a key component of good corporate governance, and the Roundtable has long understood the necessity to foster the discussion about strengthening the effectiveness of boards. The topic was explored and discussed since the first Roundtable meetings and was a key priority for reform identified by the White Paper on Corporate Governance in Latin America. The last decade has seen notable improvement in laws related to the functioning of boards, with several countries introducing mandatory audit committees to support the work of the board (Argentina 2002, Colombia 2006, and Mexico 2005).

In jurisdictions with highly concentrated ownership, the risk of expropriation of minority shareholders may be heightened. It is therefore essential for boards to have skilled directors who are able to exercise “objective, independent judgement.” To achieve such an outcome, definitions of independence need to ensure that they mean independence not only from management but also from controlling shareholders. Such independence, when combined with other important requirements—including

Chile: Creation of the CGC&DM	Colombia's Securities Market Law comes into force	Peru's Regulation to improve Public Tender & De-listing	Panama: Creation of the IGC-P	Costa Rica's CG Code	Costa Rica: Creation of IGC-CR	IGCLA's First meeting	Chile's Securities Market Law comes into force	Brazil, Chile & Mexico: IFRS for listed companies
2005	2006	2007	2008	2009	2010			
Peru's Listed companies to report against Code	Colombia: Amendments to Securities Market Law	Mexico's Securities Market Law comes into force	Colombia's Código País (CG code)	Argentina: Listed companies to report against Comply or explain code	Peru's BVL launches Index of Good CG	Mexico: Pension Funds allowed to invest in equity & revised code	Brazil: Regulation to facilitate shareholder participation & revised IBGC code	

Timeline



directors' accountability to act in the best interests of the company as a whole and of all shareholders—adds value and increases market confidence. Many countries have incorporated definitions of independence, and mandated that audit committees have a majority of independent members and are chaired by an independent director.

Currently, the OECD/GCGF, with support from the eStandards Forum, are working on a project with Corporate Governance Institutes in Argentina, Brazil, Chile, Colombia, Mexico, Panama and Peru to review the functioning of boards, focusing on listed companies. Through a mapping of laws, regulations, voluntary codes, listing requirements and current practices on selected board-related issues, the Roundtable will identify issues and priorities for further follow-up action to promote better boards.

“The Latin American Corporate Governance Roundtable has helped us understand the global perception and needs of institutional investors, regulators and professionals regarding the level of quality and commitment of boards and shareholders of Mexican companies. These facts in turn have oriented our strategy and objectives to better contribute to excellence in corporate governance in our country.”

Jorge Fabre, CEO Center for Excellence in Corporate Governance of Mexico

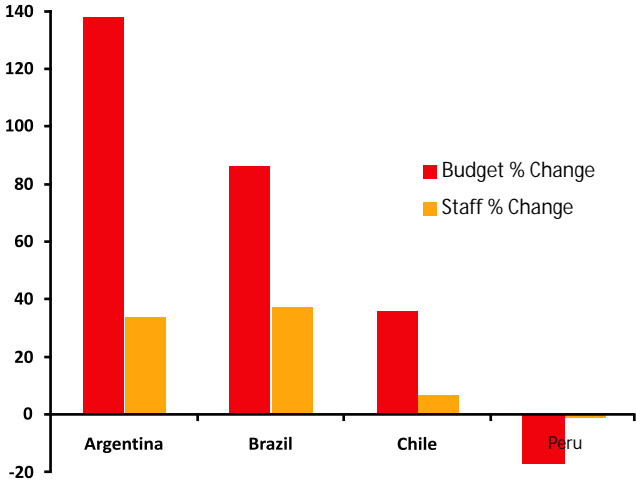
Enforcement

Discussions on enforcement of corporate governance-related regulations have also appeared prominently on the Roundtable agenda. Since its onset, the Roundtable identified the importance of enforcement measures, recognizing the limits to what legal reforms can achieve.

Strengthening enforcement against shareholders or companies that violate corporate governance-related requirements is seen as a major priority in the region, since the slowness of the judicial system discourages injured parties from seeking redress through courts. In the region, the regulator, as opposed to the courts, is often the most effective resort for shareholders who believe themselves to be victims of unfair treatment.

A recent analysis on enforcement, conducted for the Roundtable and presented in Chile (2009), provided some useful insights into the progress made in this area in the last 5 years, when compared to the 2004 Roundtable's enforcement survey. It also shows that regulators' budgets have experienced sizable increases over the last few years. The number of staff per regulator reflected a considerable growth as well, which is a reflection of the rising importance of the enforcement issue in the region.

Budget and staff change (percentage) for Argentina, Brazil, Chile and Peru from 2004 and 2009



Corporate Governance Codes

Another topic which has been the subject of considerable discussion is the existence, usefulness, and shortcomings of corporate governance codes in the region. These codes existed only in Brazil and Mexico prior to the start of the Roundtable in 2000. Since then, most countries in the region have issued a code, either by the regulatory body, by a business-affiliated institution, or by a not-for-profit corporate governance institute, and many of these have undergone repeated revisions to enhance their utility and relevance. A Roundtable survey on codes presented at the 2007 Roundtable meeting found that the elaboration of voluntary codes has different objectives, target audiences, and active players.

As codes and their associated disclosure requirements have been steadily evolving over this period, the Roundtable has provided a useful platform for reporting on the benefits and challenges related to making codes a useful tool for the market.

Corporate Governance Institutes (CGIs)

This fairly new player in the corporate governance landscape of Latin America has undertaken important initiatives in the promotion of good corporate governance, including public awareness-raising, standard-setting, training of corporate directors, and development of mechanisms to help markets assess the quality of governance of securities issuers more effectively.

“The creation of the Costa Rican Voluntary Code of Best Practices on Corporate Governance as well as the creation of the Instituto de Gobierno Corporativo - Costa Rica are a direct result of the influence of the Companies Circle. ”

Roberto Truque, former CFO of Atlas, a former member of the Companies Circle



CGIs have played an important role at Roundtable meetings, not only by co-sponsoring the meetings, but also by providing high quality input into the discussions. In turn, they have benefitted from the network provided by the Roundtable and from the exchange of ideas and experiences as well. The Roundtable enables the institutes to enter directly into wider regional discussions on the corporate governance policy framework as well as on practices proposed for consideration by regulators and other policy-makers who attend the meetings every year.

The CGIs' growing capacity for undertaking initiatives as well as their increasing influence on corporate governance practices in the region has brought into the light the important synergies between the Roundtable and CGIs. Simultaneously, the GCGF's support and focus on building the capacity of the CGIs helps to support their longer-term sustainability and impact on practices in their countries. More recently, the GCGF and OECD began a more focused initiative with CGIs, by inviting them to share expertise, training materials, and business strategies with each other. This meeting led to the organization and establishment of a more sustainable network of institutes with a Secretariat sponsored by the GCGF: the IGCLA.net (Institutos de Gobierno Corporativo de Latino América). The institutes will reconvene for a third meeting back-to-back with the next Roundtable meeting scheduled to take place in Rio de Janeiro in October 2010.



Collaborating with other drivers of Corporate Governance in the region

During the last decade, the Roundtable meeting has also served as a forum for different global and regional institutions such as the World Bank, the Economic Commission for Latin American and the Caribbean (ECLAC), the Inter-American Development Bank (IADB), the Andean Development Corporation (CAF), and the Center for International Private Enterprise (CIPE) to disseminate their work in the corporate governance field.

In the two most recent Roundtable meetings, the Latin American Venture Capital Association presented its recently launched Corporate Governance Toolkit directed at privately-owned companies. The purpose of this web-based, interactive tool is to support business owners and fund managers in assessing weaknesses and charting a path for improvements.

Another recent example is the 2009 Roundtable meeting, which featured a presentation on recent work by ECLAC and CAF on corporate governance and the development of capital markets in Latin America, a publication the OECD contributed to with comments.

The Latin American Companies Circle



ABOUT THE CIRCLE

The Companies Circle was established in 2005 by the IFC and the OECD at the request of the Latin American Roundtable on Corporate Governance and has since enjoyed continued funding and support from the GCGF. It currently comprises a group of 13 Latin American firms with demonstrated leadership in enacting and advocating governance improvements in the region. The members of the Companies Circle are firms whose securities are listed on local and international exchanges, and who have a significant presence and strong reputation in their capital markets.

The Companies Circle was launched initially with eight companies from three Latin American countries: Buenaventura (Peru), Argos (Colombia), CCR, CPFL, Natura, Net, Suzano and Ultrapar (Brazil). Members joining more recently include: Ferreyros (Peru), ISA (Colombia), Embraer, Marcopolo (Brazil), and Homex (Mexico). Plans are underway to increase its membership to about 20 companies including members from new countries, different sectors of activity (among other criteria), and some non-listed companies, which will add diversity to the group.

The Companies Circle has three main objectives:

- To be the voice of the corporate world in the Latin American Corporate Governance Roundtable;
- To discuss within the Circle, in a frank and open manner, best practices, challenges and motivations; and
- To share its experience and spread the advantages of adopting good corporate governance practices among a greater number of Latin American companies

“Being part of the Circle has allowed us to have a forum for reflection and discussion with other companies in the region, companies that might have different characteristics to ours, but that share the same belief in the benefits of good corporate governance to the development of companies. It has also allowed us to become ambassadors of corporate governance in Colombia.”

Maria Uriza, Director of Enterprise Affairs, Argos.



“In a small market like Peru, it is difficult to persuade Companies to invest in corporate governance improvements to create value for shareholders. With Companies Circle activities, we have been able to demonstrate, with evidence, the benefits of doing it.”

Roque Benavides, CEO Buenaventura

Today, the Companies Circle does more than share experience; it works to be recognised as a knowledgeable, experienced, and active think-tank on corporate governance practices in Latin America. In only five years, it has built a reputation as one of the most vibrant and effective advocates for corporate governance improvements across the region.

The Companies Circle members meet annually to share experiences and discuss best practices among themselves, generally a day prior to the meeting of the Latin American Corporate Governance Roundtable. Recently, the Circle members decided to launch two informal working groups on “board practices” and “annual general meetings,” with the intention of reporting back their findings to the group. Such work also supplements the work being carried out at the Roundtable. These back-to-back meetings provide an opportunity to obtain focused company input to Roundtable initiatives, such as recent work on corporate governance codes and institutional investors.

Furthermore, since the creation of the group, Companies Circle members have acted as ambassadors of good corporate governance practices across the region, participating in over 30 events designed to promote good governance in the region (including the presentation of Companies Circle material).

PRACTICAL GUIDE TO CORPORATE GOVERNANCE: EXPERIENCES FROM THE LATIN AMERICAN COMPANIES CIRCLE



This publication is available in English, Spanish and Portuguese.

In 2009, the Companies Circle launched the Practical Guide to Corporate Governance. This ground-breaking publication is a step-by-step guide, providing access to the experiences and knowledge of key actors in the implementation of governance reform in Latin America. Moreover, this publication features a chapter showing the “bottom line” of governance, providing a series of quantitative results useful for evaluating the benefits of corporate governance across a broad range of indicators. The qualitative and quantitative results shown in this publication are particularly timely, coming during a period when many companies were struggling with a sharp economic downturn due to the 2008-2009 economic crisis. Launch events were organized in 2009-2010 in Rio de Janeiro, Lima, Mexico City, Bogota and New York, where hundreds of copies were distributed to representatives of companies and other stakeholders involved in supporting corporate governance in their local markets.

Download at www.oecd.org/daf/companiescircle

“The Companies Circle of the Latin American Corporate Governance Roundtable has served as a powerful vehicle for committed companies to align with best corporate governance practices and to share and learn from other companies’ experiences and insights to become a company that embraces good corporate governance practices.”

Javier Romero, Homex

The Roundtable’s future

The Roundtable remains committed to promoting and fostering corporate governance improvements through public-private sector dialogue in the region. Much remains to be done to address priorities identified in the Roundtable’s White Paper, including on voting rights; changes in corporate control; ensuring the integrity of financial reporting and improving the disclosure of related party transactions; developing effective boards; and improving the quality, effectiveness and predictability of the legal and regulatory framework. Moreover, as the 2008-09 financial crisis demonstrated, the understanding of corporate governance issues and challenges is continuously evolving and requires ongoing attention and policy and regulatory adjustments in light of changing market circumstances, and to new issues as they emerge. Therefore, there will remain an important need for the Roundtable to continue providing a forum to analyse and explore corporate governance challenges and to develop recommendations and solutions to address those challenges.

“Since 2003, specific results were possible thanks to the awareness the Roundtable meetings raised as then-Chairman of the Panama Securities Commission. The Roundtable influenced everything: our best practices, the regulations that we passed, and important initiatives for the private sector such as the creation of an Institute on Corporate Governance (IGC). Most importantly, the opportunity to meet and exchange experiences with key players and institutions such as the GCGF. That very fortunate encounter helped us to successfully implement on the ground our specific initiatives such as the IGC, and provided the much needed international support in order to build local consensus for change.”

Dr. Carlos Barsallo, Former Chairman,
Panamanian Securities Commission,
GCGF Private Sector Advisory Group
member

“[The Roundtable] has helped us in our work to incorporate corporate governance in the culture of doing business in an environment of family enterprises.”

Mario Sanchez Ruiz, Chairman of the
Business Coordinating Council, Mexico

BUILDING A STATE -OWNED ENTERPRISES NETWORK

Building upon its global reputation as a standard-setter on corporate governance the OECD plans to work with a range of partners to launch a Latin American Network on Corporate Governance of State-Owned Enterprises (SOEs) in 2010-2011. The objective of the Network will be to enhance the governance of SOEs in the region through an ongoing exchange of experience and knowledge on SOE governance policies, practices and reforms. The Latin American SOE Network will be an integral part of wider activities to support better corporate governance, including feeding into the work of the Latin American Roundtable on Corporate Governance.

"The Latin America Corporate Governance Roundtable reached a level of maturity throughout the years, positioning itself as a forum ahead of global discussions. This fact transformed the policies built by the Roundtable into important references for other jurisdictions far beyond the Latin America boundaries. [The] ICGN Principles show now a deeper and more detailed approach on shareholder responsibilities, having used the Roundtable document as a reference."

Sandra Guerra, Companies Circle
Coordinator



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To learn more about the Latin American Corporate Governance Roundtable visit:
www.oecd.org/daf/corporateaffairs/roundtables/latinamerica
or contact: corporate.affairs@oecd.org

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The **ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)** is a unique forum where the governments of 33 democracies work together to address the economic, social and environmental challenges of globalisation, in close co-operation with many other economies. One of these challenges is corporate governance; a topic on which the OECD has developed internationally agreed Principles of Corporate Governance, which serves as a basis for regional policy dialogue programmes throughout the world. These Principles have become a reference point for Regional Corporate Governance Roundtables established by the OECD with partners in Asia, Eurasia, Latin America, Middle East and Northern Africa (MENA), Russia and South East Europe. The Principles were revised in 2004 following comprehensive consultations around the world, including experts from the Regional Roundtables and other international organisations. [Learn more at www.oecd.org](http://www.oecd.org)

The **GLOBAL CORPORATE GOVERNANCE FORUM (GCGF)** is the leading knowledge and capacity-building platform dedicated to corporate governance reform in emerging markets and developing countries. The Forum offers a unique collection of expertise, experiences, and solutions to key corporate governance issues from developed and developing countries.

The Forum's mandate consists in promoting the private sector as an engine of growth, reducing the vulnerability of developing and emerging markets to financial crisis, and providing incentives for corporations to invest and perform efficiently in a transparent, sustainable, and socially responsible manner. In the process of carrying out this triple mandate, the Forum partners with international, regional, and local institutions, drawing on its network of global private sector leaders.

The Forum is a multi donor trust fund facility located within IFC, cofounded in 1999 by the World Bank and the Organization for Economic Cooperation and Development (OECD). [Learn more at www.gcgf.org](http://www.gcgf.org)

The **INTERNATIONAL FINANCE CORPORATION (IFC)** is part of the World Bank Group and was established in 1956 to encourage private sector-led growth in developing countries. IFC fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments. IFC helps companies and financial institutions in emerging markets create jobs, generate tax revenues, improve corporate governance and environmental performance, and contribute to their local communities.

In Latin America and the Caribbean, IFC focuses on key development challenges facing the region. We work to improve the business environment, broaden and deepen access to finance, and encourage infrastructure development. IFC's strategic priorities for the region also include "Promoting sustainability – environmental and social, and corporate governance standards".

The goal is to improve lives, especially for the people who most need the benefits of growth. [Learn more at www.ifc.org](http://www.ifc.org)