



International Centre for
Financial Regulation

Corporate Governance in Emerging Markets

**New Thinking on the Impact of Strong Corporate Governance on
Sustained Growth, Firm Value and Economic Confidence**

7 March 2012
Guildhall, London

Held with the support of





Overview

As part of its long term programme on corporate governance in emerging markets, the International Centre for Financial Regulation, with the support of Eversheds and the City of London, is holding a conference to present some of its new research on this topic and to discuss the outcomes of the high level roundtables held in the UAE, India and Hong Kong throughout 2011.

The conference is being staged at the **Livery Hall, Guildhall, London EC2** on 7 March 2012 and we are delighted that both Eversheds and the City of London Corporation continue to support our programme in this crucial area of regulation and reform.

The ICFR is particularly interested in developing a clear understanding of both the macro-economic and micro-economic benefits of robust yet practical governance structures. For a corporation, does good governance have a long term demonstrable effect on board performance, company performance and firm value? For an economy, how can effective governance widen and deepen financial markets by improving attractiveness and reducing risk for investors?

This invitation-only event, entitled "Corporate Governance in Emerging Markets - New Thinking on the Impact of Strong Corporate Governance on Sustained Growth, Firm Value and Economic Confidence" will feature debates led by the ICFR and some of the world's leading thinkers on this subject who have submitted papers to the ICFR to further our research.

There will be ample opportunity to contribute to the debate and we believe that discussion amongst a diverse yet expert audience will be an essential part of this short yet focused conference. The main objective of this programme is to inform and support policy decisions and practice development across the emerging markets.

The ICFR is solely focused on practical and implementable outcomes from its work. As such, we believe that this programme will be of significant benefit to market participants, the official sector, sponsors and the markets themselves. ICFR events and research are recognised as being of consistently high quality, content rich, and significantly contribute to the crucial debate on global financial regulation.

We would also like to thank the UKTI and the Foreign and Commonwealth Office who have generously supported the ICFR throughout this series of events.

Venue

The Livery Hall, Guildhall, London EC2.

Agenda

09:00 – 09:30	<p>Registration Coffee and light refreshments</p>
09:30 – 10:00	<p>Introduction to the ICFR Series on Corporate Governance by Charles Taylor, Chief Operating Officer, International Centre for Financial Regulation. Mr Taylor will explore the findings of the ICFR governance programmes recently held in the Middle East, India and Hong Kong as well as trends in governance from the Developed Markets. This session will highlight the different pressures on governance faced by these markets and the varied regulatory responses to these.</p> <p>In response the City of London Corporation will give their view of the governance issues facing the emerging markets, the likely regulatory response and the approach of the City of London to governance.</p> <p>Both Mr Taylor will take questions and encourage debate among the delegates.</p>
10:00 – 10:45	<p>Corporate governance and firm performance during the crisis: Evidence from the MENA region</p> <p>Dr Omar Farooq, Department of Business and Management, Ålborg University, Denmark, examines the impact of corporate governance mechanisms on firm performance in the MENA region during the recent crisis.</p> <p>Using dividend policy, choice of auditors, and firm’s asset and transactional complexity as proxies for corporate governance, he documents their relationship with firm performance. He goes on to demonstrate better stock price performance for firms with superior corporate governance mechanisms. His results show that having a big-four auditor as an external auditor and paying dividends is significant determinant of better performance. Furthermore, he shows that complex firms perform poorly during the crisis period.</p>
10:45 – 11:00	<p>Refreshment Break</p>
11:00 – 11:45	<p>Product Market Competition, Corporate Governance and Legal Origin</p> <p>Using the persistence of corporate profits as a measure of the intensity of product market competition in 19 countries Dr Prabirjit Sarkar, Centre for Business Research, University of Cambridge, and his fellow authors find that civil law systems are more competitive, in this sense, than common law ones. Greater shareholder protection increases competition between firms in common law countries, but reduces it in civil law ones. The authors conclude that shareholder rights act as complements to product market competition in the common law world but not in the civil law world, and explain this result by reference to the common-law origins of shareholder-orientated corporate governance.</p> <p>This is the first attempt to relate corporate governance mechanisms with firm performance in the MENA region and results reinforce the previous findings that</p>

	<p>effective corporate governance mechanisms have a positive impact on firm performance during the crisis period.</p>
11:45 – 12:30	<p>Governance: Board Structure and Effective Performance</p> <p>Mark Spinner, Partner, Eversheds LLP and Professor Julian Franks, London Business School will lead the final session of the conference on board structure and performance. Mr Spinner will deliver the findings of the “Eversheds Board Report” published earlier this year and consider their applicability to board structures in different emerging markets and will debate these with Professor Franks.</p>
12:30 – 13:00	<p>Conclusions, messages to policy makers and next steps</p> <p>Barbara Ridpath, Chief Executive and Charles Taylor, Chief Operating Officer, International Centre for Financial Regulation will draw conclusions from the day’s conference and will discuss these with the delegates before highlighting the key messages that this programme can pass to policy makers across the emerging markets.</p>
13:00 – 14:00	<p>Networking and lunch</p>



International Centre for
Financial Regulation

About the ICFR

The International Centre for Financial Regulation is the only independent, non-partisan organisation to be exclusively focused on best practice in all aspects of financial regulation internationally. Operating in developed and emerging markets, we deliver our work through research, events and training, that seeks to be practical and focused on outcomes. We believe in the promotion of efficient, orderly and fair markets which offer appropriate protection for investors and retail consumers alike.

Financial centres of the future should be based upon sound principles of regulation, with supervisors, regulators and participants who act in the interest of all stakeholders. We intend to play a crucial part in facilitating this.

About the City of London

The City of London provides local government and policing services for the financial and commercial heart of Britain, the 'Square Mile'. It is committed to supporting and promoting 'The City' as the world leader in international finance and business services through the policies it pursues and the high standard of services it provides. Its responsibilities extend far beyond the City boundaries in that it also provides a host of additional facilities for the benefit of the nation. These range from open spaces such as Epping Forest and Hampstead Heath to the famous Barbican Arts Centre.

The City of London combines its ancient traditions and ceremonial functions with the role of a modern and efficient local authority, looking after the needs of its residents, businesses and over 320,000 people who come to work in the 'Square Mile' every day. Among local authorities the City of London is unique; not only is it the oldest in the country but it operates on a non-party political basis through its Lord Mayor, Aldermen and members of the Court of Common Council. The Lord Mayor in particular plays an important diplomatic role with his overseas visits and functions at the historic Guildhall and Mansion House for visiting heads of State.

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