

APEC SELF-FUNDED PROJECT INFORMATION

Project number:		Date received by Secretariat:	
Name of Committee/Working Group: Economic Committee / Corporate Law and Governance FotC			
Title of Project: Lessons from the Financial Crisis for Corporate Governance and Law: Roles and Duties of the Enforcement Bodies on Corporate Governance Implementation			
Proposing APEC Economy: Chinese Taipei			
Co-sponsoring APEC Economy(ies):			
Date Approved by Working Group:			
Project Overseer: Name, Title and Organization (M/F)			
Ms. Brenda Hu Section Chief Corporate Finance Division Securities and Futures Bureau Financial Supervisory Commission (F)		Dr. Shi-Hao Chou Vice President Corporate Communications Department Taiwan Stock Exchange (M)	
Postal address: 85, Sec. 1, Xinshen S. Rd., Da'an District, Taipei City, Taiwan (Ms. Brenda Hu) 10F, Taipei 101 Tower, No. 7, Sec. 5, Xinyi Rd., Taipei, Taiwan (Dr. Shi-Hao Chou)		Tel: 886 2 2774 7214 (Ms. Hu) 886 2 8101 3323 (Dr. Chou) Fax: 886 2 8773 4146 (Ms. Hu) 886 2 8101 3324 (Dr. Chou) Email: brenda.hu@sfb.gov.tw (Ms. Hu) albert@twse.com.tw (Dr. Chou)	
<p>Project summary:</p> <p>Describe the project in under 150 words. Your summary should include the project topic, planned activities, timing and location:</p> <p>(Summary must be no longer than the box provided. Cover sheet must fit on one page)</p>		<p>The project objective is to gain a further comprehensive view of corporate governance implementation practices after the financial crisis. This is from the perspective of APEC members and will focus on Enforcement Bodies (EB) reforms. Experiences and operational approaches are to be collected and shared.</p> <p>The project will proceed in 3 stages:</p> <ol style="list-style-type: none"> 1. The survey will examine reforms made by EB after the financial crisis with information contributed by volunteer APEC members. 2. The preliminary survey findings will be presented in Indonesia at the 2013 EC2, followed by a roundtable forum to discuss the research outcome. 3. The final report will combine both results of research and roundtable discussion, and will be published at the 2014 EC1. 	

Project Synopsis

1. **Relevance:** Why should APEC undertake this project? What problem or opportunity will the project address and why is it important?

One of the major reasons resulting in the 2008 financial tsunami was inadequate corporate governance. Various international organizations thereby issued reports to address the problem and provided recommendations to strengthen corporate governance principles. However, robust corporate governance of companies should not rely only on setting rules and principles, but also on effectively implementing them. Since implementation of good corporate governance practices are rarely touched by research, this project, therefore, will try to investigate APEC members' execution of corporate governance principles, analyze approaches that accomplish success or lead to failure, and then sum up effective and workable practices that help member economies boost the level of corporate governance.

Gradually, we find that law and regulations have their limitations. APEC members may notice that some economies may have instituted corporate governance rules and best practice guidelines for enterprises, but cases of corruption and fraudulence still seem common. While some other members, despite mandatory regulations, have instead strengthened self-discipline on corporate governance. Their results seem clear and definite. The project offers a chance for members to review their corporate governance rules and practices, and by learning from other economies' experiences, they could adopt or modify approaches that encourage companies to value shareholders' rights, honestly manage businesses, and take corporate social responsibility.

2. **Objectives:** Describe the 2-3 key objectives of the project. (e.g. to... create a framework...; ensure participants will be able to...; share experiences...; enhance understanding...; develop recommendations...; build interest...; revise strategies... etc.)

- Enlighten regulators on effective approaches to strengthen corporate governance
- Inspire companies to implement good practices of corporate governance
- Encourage stakeholders to push companies to take responsibilities

3. **Alignment:** Describe how the project will help achieve APEC's key priorities and meet your forum's work-plan or medium-term plan.

This project expects to help APEC members facilitate the governance and management of corporations, and in turn will support sustainable economic growth and prosperity in the Asia-Pacific region, which is in compliance with the APEC mission statement.

4. **Methodology:** How do you plan to implement the project? In this section, address:

- **Timeline:** Project timelines and dates for key activities and deliverables

--A survey will be drafted and circulated to APEC members in the second half of 2012

--A draft report of survey findings will be presented at the 2013 EC2 APEC meeting in Indonesia. Simultaneously, a roundtable forum will be held to collect feedback from APEC members.

--An approval of the final report by EC members will be received at the 2014 EC1.

- **Stakeholders:** Beneficiaries and stakeholders (APEC & non-APEC) and how they will be engaged

The project expects to investigate several APEC economies. The project sponsor encourages APEC members to volunteer in the project.

--The contributing members (APEC members) will need to prepare their enforcement bodies¹ list, offer their opinions on the draft survey questions and reports as well as assist the project team to interview, if necessary, selected enforcement bodies.

--The contributing members may acquire direct information on corporate governance experiences shared by APEC members when collecting survey answers and conducting interviews. They may also establish connections with regulators and specialists of this particular area.

--Other members and non-APEC members will benefit from the report because they may learn effective approaches presented in the report and then adopt them to enhance their existing systems.

- ***Previous projects/activities: If and how this proposal builds on the findings or lessons learned from previous projects/activities, while avoiding duplication.***

- ***Communication: How you plan to communicate the results or benefits of this project to others***

At the 2013 EC2 meeting, the survey findings will be presented and a roundtable forum will be held to share experiences on effectively implementing practices of corporate governance. Representatives concerned with the issues may exchange their views and gain insights from the presentation and roundtable discussion during their participation. The final report will be delivered at the 2014 EC1 meeting and provided to governmental units, academic communities, and business groups interested in corporate governance implementation.

¹ Enforcement bodies include regulators, self-regulatory organizations, certified accountants, boards of directors, investors, and those who have played a critical role in complying with, supervising, reporting on, and ensuring good corporate governance. The enforcement bodies in each APEC economy are different since their rules of corporate governance and methods of implementation are varied.