

## **ACMF PRESS RELEASE**

### **ACMF RELEASES ASEAN CORPORATE GOVERNANCE SCORECARD**

23 March 2012 - The ASEAN Capital Markets Forum (ACMF)<sup>1</sup> announced today the release of the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

Aimed at raising the corporate governance standards and practices of ASEAN public listed companies (PLCs), the ASEAN CG Scorecard and the assessment of corporate governance of ASEAN PLCs are among a number of major regional initiatives undertaken by the ACMF.

Funded by the Asian Development Bank, the ASEAN CG Scorecard is based on a corporate governance ranking methodology which leverages off methodologies already implemented in ASEAN countries as well as those applied by multilateral agencies such as the Organisation for Economic Co-operation and Development (OECD).

To maintain the objectivity and independence of the methodology, the ACMF enlisted corporate governance experts in the region to develop the Scorecard and assessment criteria. The experts are recognised as authorities in the area of corporate governance and for their experience in corporate governance ranking initiatives.

The corporate governance experts are Professor Mak Yuen Teen, (former) Co-director of the Corporate Governance and Financial Reporting Centre and Associate Professor of Accounting, National University of Singapore; Rongruja Saicheua, Executive Vice President, Thai Institute of Directors; Professor Salleh Hassan, (former) Associate Professor of Accounting, University of Nottingham (Malaysia Campus); and Professor Sidharta Utama, Associate Professor Faculty of Economics, University of Indonesia.

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<sup>1</sup>The ASEAN Capital Markets Forum (ACMF) is a high-level grouping of ASEAN securities regulators established under the auspices of the ASEAN Finance Ministers in 2004.

Designed to be universal so that it can be applied to different markets in ASEAN, while being reflective of global principles and internationally recognised good practices, the ASEAN CG Scorecard uses the *OECD Principles of Corporate Governance* as its main benchmark and covers five main areas: the rights of shareholders; equitable treatment of shareholders; role of stakeholders; disclosure and transparency; and responsibilities of the board.

To encourage PLCs to practice corporate governance in substance rather than form, the ASEAN CG Scorecard applies two levels of scoring. Level 1 assesses compliance with the regulatory requirements of each ASEAN member country, and the basic expectations of the OECD Principles while Level 2 recognises and rewards the implementation of other emerging good practices as well as penalises PLCs for actions and events which are indicative of poor governance.

ASEAN PLCs are encouraged to use the Scorecard as a tool in their ongoing journey to improve their corporate governance practices and increase their visibility and investability to global investors.

The Scorecard and its results can also be used by regulators as a reference for reviewing corporate governance rules and guidelines in order to enhance corporate governance practices amongst PLCs. It is also hoped that other local organisations involved in corporate governance rankings and awards will use the ASEAN CG Scorecard as the basis for their initiatives.

A copy of the Scorecard can be found at

[http://www.theacmf.org/ACMF/upload/asean\\_cg\\_scorecard.pdf](http://www.theacmf.org/ACMF/upload/asean_cg_scorecard.pdf)

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