



# The OECD-Asian Roundtable on Corporate Governance

## Session 3: The Governance of Regulators, Public Enforcement and Behavioural Economics

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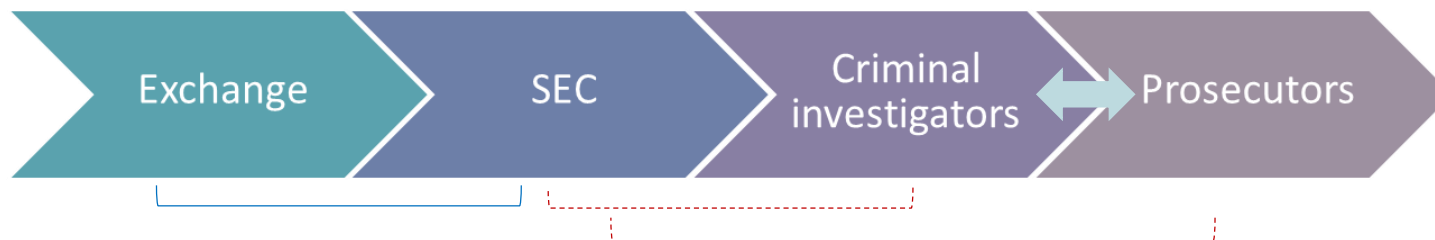
Senior Assistant Secretary-General, SEC Thailand

# Public Enforcement and Corporate Governance in Asia

## Guidance and Good Practices



# Structure of enforcement authorities



## Challenges for multiple authorities:

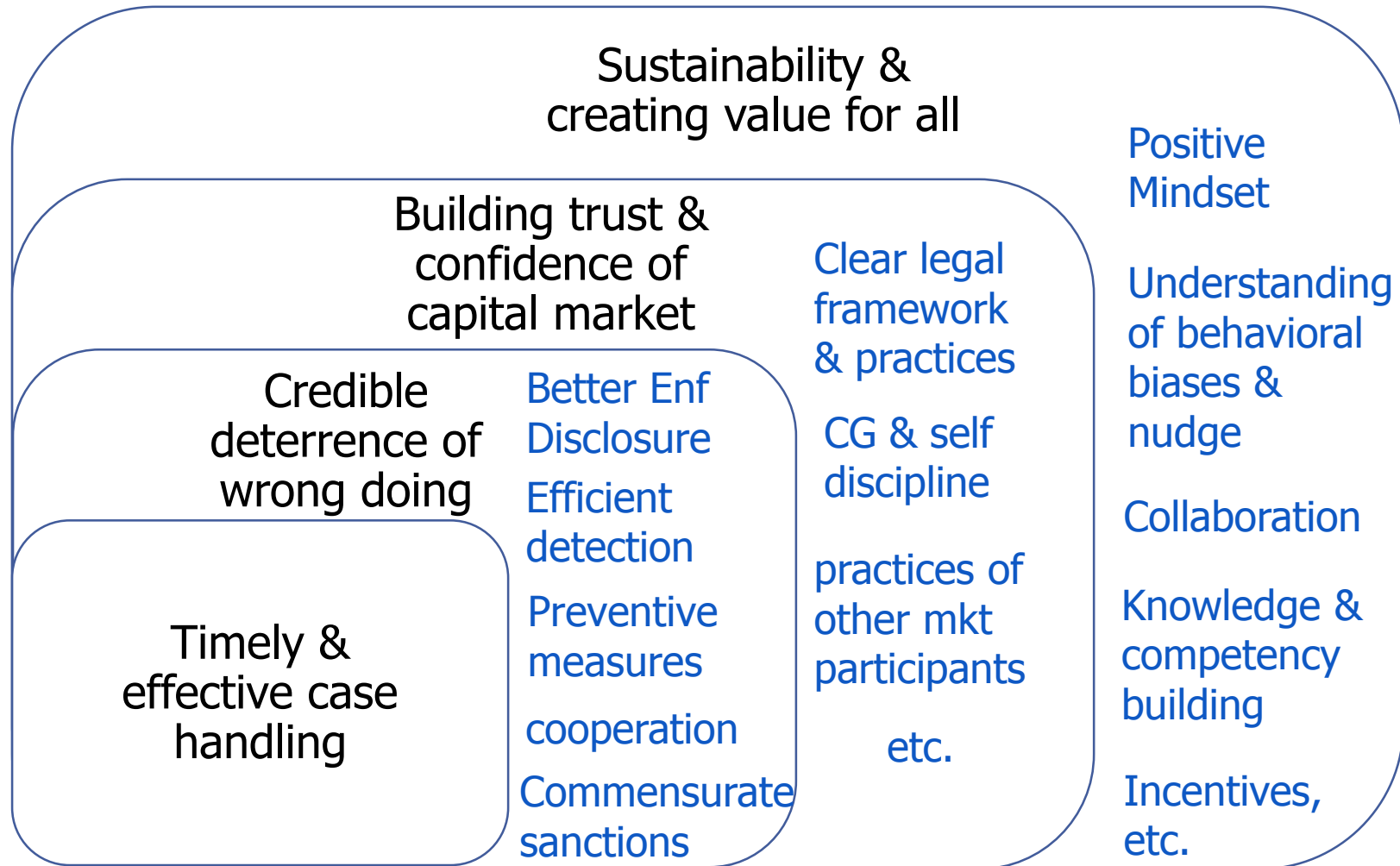
- Different skill sets, standards and priorities
- Limited functioning of MOU or a special committee
  - No enforceability, no commitment
  - Not tied to personal performance evaluation
  - Confidentiality requirements can shield transparency & accountability

# Mitigation for structural weaknesses



- **Civil sanction as alternative to criminal prosecution**
  - Ability to directly pursue cases in court
  - More choices of punishment (but still low limit of fine = criminal fine limit)
- **Law amendment on market misconduct:**  
To clarify wrongdoing, reduce or shift burden of prove
- **Improve SEC governance**
  - Clarify enforcement purposes: timely SEC investigation & enforcement → deter wrong-doing
  - Improve efficiency
  - Better enforcement disclosure

# Higher Purpose and Clarity of Roles: Key Governance Element



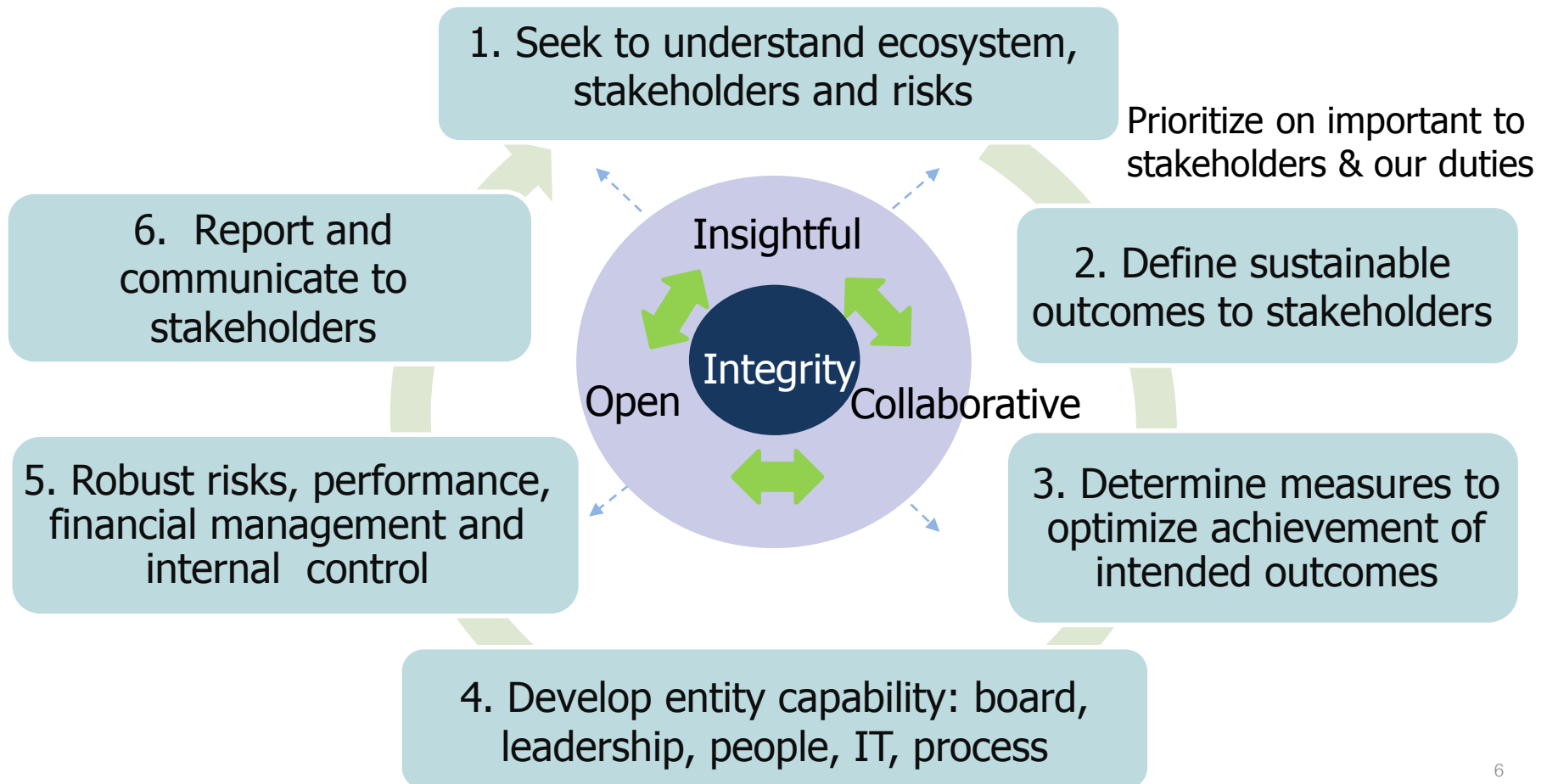
OECD Governance of Regulator:

Principles of role clarity: Clarity in objectives, function, co-ordination

# SEC Governance Framework for Operations

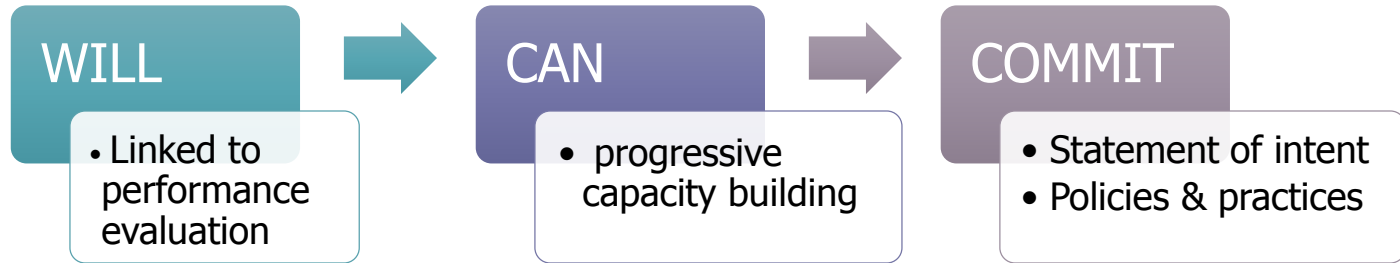


We strives to **enhance the benefits and wellbeing of people** through being a trustworthy and proactive organization, collaborating with all stakeholders **to build a sustainable capital market**



# Key Driving Forces:

## Started from CEO Performance Evaluation



|    | Previous          | %  | Present  | %  |
|----|-------------------|----|--|----|
| 1. | Public perception | 20 | Quality of policies proposal & Comm:<br>1. stakeholders & risk analysis<br>2. Clear intended outcome<br>3. Sound options - cost-benefit analysis<br>4. Clear communication | 30 |
| 2. | KPI achievement   | 70 | KPI achievement  | 30 |
| 3. |                   |    | Organization Efficiency & Development:<br>1. Governance & culture 2. HR 3.<br>Process & IT 4. risk mngt & IC   | 30 |
| 4. | Initiatives       | 10 | Leadership & living the value  | 10 |