



Comisión Nacional de Valores
República de Panamá

“INSTITUTE OF DIRECTORS”



PROPOSAL: ORGANIZING AN INSTITUTE OF DIRECTORS IN PANAMA

By: Carlos A. Barsallo P.
Commissioner Vicepresident
Panamanian Securities Commission
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ORGANIZING AN INSTITUTE OF DIRECTORS FOR PANAMANIAN CORPORATIONS

WHAT IS AN INSTITUTE OF DIRECTORS?

- **PROFESSIONAL BODY FOR THE COUNTRY'S COMPANY DIRECTORS.**
- **A DYNAMIC, PROFESSIONAL ORGANISATION DEMONSTRATING LEADERSHIP IN AREAS OF CORPORATE GOVERNANCE:**
 - IT PROVIDES A FORUM FOR PROFESSIONAL EXCHANGE
 - IT MAINTAINS A CODE OF PRACTICE FOR DIRECTORS
 - IT OFFERS A BOARD APPOINTMENT SERVICE
 - IT FACILITATES THE PROFESSIONAL DEVELOPMENT OF COMPANY DIRECTORS THROUGH EDUCATION AND TRAINING

- 2004 ROSC ON CORPORATE GOVERNANCE IN PANAMA
- THE NEED FOR THE EDUCATION AND TRAINING OF DIRECTORS OF PANAMANIAN CORPORATIONS IN ORDER TO ADVANCE ON CORPORATE GOVERNANCE MATTERS.

- **THE PANAMANIAN INDIVIDUALS THAT CURRENTLY SERVE AS DIRECTORS NEED A BETTER UNDERSTANDING ABOUT CORPORATE GOVERNANCE. THERE IS A NEED TO FORM A NEW GENERATION OF DIRECTORS.**
- **WHO IS AFFECTED BY THE ISSUE**
 - **DIRECTORS OF PANAMANIAN CORPORATIONS, MAINLY PUBLIC ONES AND THOSE ENGAGED IN SPECIAL REGULATED BUSINESS SUCH AS BANKS AND INSURANCE COMPANIES, AMONG OTHERS**
- **RISK IF THE ISSUE IS NOT ADDRESSED**
 - **LACK OF KNOWLEDGE OF THE DIRECTORS DUTIES. LACK OF PROPER WAYS TO DETERMINE WHAT ARE THE ROLES AND FUNCTIONS OF THE DIRECTORS. LACK OF ACCOUNTABILITY.**
- **BENEFITS OF THE ISSUE IF ADDRESSED**
 - **CREATION OF A NEW GENERATION OF ADVOCATES FOR CORPORATE GOVERNANCE. BUILDING PUBLIC TRUST. BETTER COMPANIES.**

- **TO CREAT IN ONE YEAR A PANAMANIAN INSTITUTE OF DIRECTORS**
- **STRATEGY**
- **TO GATHER, TO ORGANIZE AND TO DISTRIBUTE FUNCTIONS TO A MULTIDISCIPLINARY AND MULTINATIONAL TEAM OF EXPERTS ON THE SUBJECT.**

- 12 MONTHS
- TO GATHER SUPPORTERS: 3 MONTHS
END OF 2006
- TO ORGANIZE PROJECT BASED ON
INTERNATIONAL EXPERIENCES AND
TO DISTRIBUTE TASKS: 6 MONTHS
(1ST SEMESTER 2007).
- TO IMPLEMENT: 6 MONTHS (2ND
SEMESTER 2007).

- **SOME NUMBERS.**
- **41,000 BUSINESS IN PANAMA OPERATE USING A CORPORATION.**
- **80 BANKS**
- **95 ISSUERS OF STOCK AND/OR DEBT (BONDS).**
- **33 FIRMS ISSUE STOCK**
- **34 SECURITIES FIRMS**
- **50,000 SHAREHOLDERS IN PUBLIC COMPANIES**
- **PUBLIC COMPANIES BOARD MEMBERS: 3 TO 10 DIRECTORS.**
- **OTHER CONSIDERATIONS**
- **INTERNATIONAL EXPERIENCE**
- **REGIONAL INTEGRATION.**
- **DO NOT COMPETE WITH OTHER ACTIVITIES SUCH AS BUSINESS SCHOOL PROGRAMS, INCAE, APEDE. DIFFERENT APPROACH.**

- **WHAT**
 - To create and Institute of Directors
 - **WHY**
 - The country and the corporate system need it
 - **WHEN**
 - 2007
 - **WHO**
 - Specific private and public sector participants with international expertise
 - **HOW**
 - Following international experience and adapting it to Panama
- **SIMPLE**
 - **MEASURABLE**
 - **ATTAINABLE**
 - **REALISTIC**
 - **TIMELY**



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WWW.CONAVAL.GOB.PA

TELÉFONO: 501-1700 FAX:501-1709

APARTADO POSTAL: 0832-2281 WTC PANAMA, REP. DE PANAMA



DIRECCIÓN: AVENIDA BALBOA, EDIFICIO BAY MALL, 2DO. PISO