

## IFC and Laos Work to Improve Corporate governance



Lao securities Commission office and International Finance Corporation (IFC) signed a memorandum of understanding to improve corporate governance, which will strengthen the country's capital markets and boost sustainable growth.

The MOU was signed on October 13, 2015 in Vientiane Capital between Acting General Secretary of Lao Securities Commission Office, Mrs Saysamone Chanthachack and The IFC Office in Laos, Mr Phongsavanh Phomkong. The ceremony was attended by Deputy Governor of Bank of the Lao PDR, Mr Sonexay Sithphaxay and Lao securities Exchange (LSX) CEO, Mr Vanhkhram Voravong, along with officials of concerned sector.

The objective of MOU between Lao securities Commission and International Finance Corporation (IFC) because of the IFC will help Lao securities Commission office conduct a Country wide corporate governance assessment identify gaps and challenges in Laos regulatory framework, covering area such as shareholder right, corporate board practices, disclosure and transparency.

This assessment will pinpoint an action plan leading to the development of corporate governance code to establish good practice standards, with which Lao companies must comply.

Acting General Secretary of Lao Securities Commission Office, Mrs Saysamone Chanthachack, said that “The Lao PDR need to have a sustainable capital market that is capable of attracting companies and investors, Consequently Improving corporate governance standards and practice a prerequisite to achieving that goal, as better corporate governance help build trust among market stakeholder. IFC’s support of Lao Securities Commission Office will help us further improve the transparency and competitiveness of Lao public companies”.

IFC Country manager for Laos, Cambodia and Vietnam, Mr Kyle kelhofer said that “Sound Corporate governance the responsibility of stakeholders toward each other contribute To sustainable economic development by enhancing company value and long-term growth, Our cooperation with the Lao securities Commission Office will help raise governance standards in Laos, emerging corporate sector, Improving operations and increasing transparency, making them more attractive to outside capital and investment.

IFC has contributed to the development of 48 corporate governance codes in 32 countries worldwide. In East Asia and the Pacific, IFC developed the first corporate governance manual for Vietnam companies and produced an annual corporate governance Scorecard for the top 100 Vietnam listed companies. It has also partnered with China’s Shenzhen Stock Exchange to enhance corporate board performance, and has helped Indonesia’s financial services authority, OJK, develop its Corporate governance roadmap and code. IFC’s support to the Lao Securities Commission Office is delivered in partnership with Switzerland’s State Secretariat for Economic Affairs.

Reference: Vientiane Time, Wednesday October 14, 2015  
By: Mr SomOck KhenKhamPheng

