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IFC, Ho Chi Minh Stock Exchange, and Hanoi Stock Exchange Launch Vietnam Corporate Governance Initiative

Hanoi, Vietnam, December 16, 2016—IFC, a member of the World Bank Group, and the Hochiminh Stock Exchange and Hanoi Stock Exchange today signed a memorandum of understanding to jointly promote good corporate governance standards and practices among the companies listed on the two exchanges. This collaboration between the market regulators and IFC aims to enhance the efficiency of Vietnamese public companies, helping improve their access to capital, boost economic growth, and provide increased employment opportunities.

Under the memorandum, the three partners will launch the Vietnam Corporate Governance Initiative, an engagement platform for the market regulators to mobilize market resources and coordinate stakeholder efforts to improve capacity and enhance corporate governance by leveraging international best practices.

“Corporate governance standards and practices are critical to manage risks, increase competitiveness and improve growth quality of the corporate sector as well as the whole economy,” said Tran Van Dzung, Chairman of the Hochiminh Stock Exchange. “We welcome the participation of all market stakeholders to this initiative and contribute to the healthy and sustainable development of Vietnam’s capital market.”

The three partners will formulate an action plan for the first two years, focusing on building capacity for Vietnamese companies to improve their corporate governance practices and launching initiatives that will draw interest and participation from various stakeholders.

“The goal of collaboration between HNX, HOSE and IFC is to consolidate and coordinate market resources and expertise to promote regional and international corporate governance best practices, thus boosting the capacity of public companies,” said Nguyen Thanh Long, Chairman of the Hanoi Stock Exchange. “I strongly believe such coordinated efforts will contribute toward sustainable development of Vietnam’s financial markets and corporate sector.”

Vietnamese companies have achieved positive developments in corporate governance over the past few years. However, they are still behind their regional peers and more progress is needed to raise the bar.

“This initiative is another effort by IFC to continue strengthening corporate governance practices in Vietnam,” said Kyle Kelhofer, IFC Country Manager for Vietnam, Cambodia, and Lao PDR. “The platform will equip companies with the tools they need to reduce financial and operational risks and enable them to enjoy improved access to capital alongside with enhanced trust and accountability to shareholders.”

At the signing, representatives from 50 listed companies were updated with the newly-revised G20/OECD Principles of Corporate Governance. The Vietnamese translation of this guideline, funded by IFC, was also introduced to the audience. IFC, in partnership with Switzerland’s State Secretariat for Economic Affairs (SECO), is helping Vietnam companies put in place good corporate governance practices by raising awareness, building capacity, developing guidelines, and providing firm-level advisory services.

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, we use our six decades of experience to create opportunity where it’s needed most. In FY16, our long-term investments in

developing countries rose to nearly \$19 billion, leveraging our capital, expertise and influence to help the private sector end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

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About the Hochiminh Stock Exchange

Established in July 2000, Hochiminh Securities Trading Center (HoSTC) – now known as Hochiminh Stock Exchange (HOSE) – was the first centralized stock market in Vietnam. The establishment of HoSTC brought the Vietnam securities market to regulated stage of operation, aiming at building an effective and long-term capital mobilization channel for economic development. On August 2007, HoSTC was transformed to HOSE, bringing Vietnam securities market closer to other developed markets within the region and all over the world.

After nearly 16 years, HOSE currently has about 319 listed companies, 34 bonds and 1 ETFs with total market capitalization of over USD 60 billion and the daily trading value has reached more than USD 105 million.

Currently, HOSE is focusing on researching and launching new products such as ETF, REIT, Covered Warrant as well as corporate bond market and new indices (including ESG Index, High Dividend Yield Index). For more information, visit www.hsx.vn

About the Hanoi Stock Exchange

Hanoi Stock Exchange, (formerly known as Hanoi Securities Trading Center) was officially launched in 2005 and transformed into the Exchange, the state owned limited liabilities company model under the management of the Ministry of Finance, in 2009.

As an organizer and regulator of the Vietnam securities market, Hanoi Stock Exchange (HNX) is operating the market in a transparent, equitable and efficient manner. In the primary market, HNX organizes share auctions and Government bond auctions. In the secondary market, HNX operates 3 trading markets including Government bond market, listed stock market and UPCoM (Unlisted Public Company Market). As of 31 October 2016, HNX had 378 stocks listed in the main market, 354 stocks registered in UPCoM and 550 bonds listed in the Government bond market. The average trading value per day via HNX in October was about \$23.5 million, accounting for approx 19% of the total average trading value per day of the entire stock market; market capitalization of HNX's trading markets was about USD \$13 billion.

HNX has been currently assigned by Ministry of Finance with building the derivative market, scheduled for launching early in 2017. In the meantime, HNX is finalizing the master plan of completing and further developing the corporate bond market.