

Regional Network and Forum on Asian Insolvency Reform Steering Committee

Charter

November 2009

BACKGROUND

Establishing effective and efficient mechanisms to address business failure is an important strategy to increase the flow of capital into economies on an efficient and sustainable basis, lower the cost of capital and increase appetite for domestic capital investment. Strong insolvency systems are widely recognised as an important component of crisis prevention, and a significant element of orderly and cooperative crisis management.

A proposal to establish a Regional Network on Asian Insolvency Reform (the Network) under the APEC Finance Ministers' Process was discussed at the Forum on Asian Insolvency Reform (FAIR) held at Beijing in April 2006. The proposal was approved at the APEC Senior Finance Officials Meeting held in June 2006 in Nha Trang, Vietnam. It was endorsed as one of the APEC Finance Ministers' Policy Initiatives.

At the conclusion of the FAIR Bangkok Thailand in July 2009, the inaugural meeting of the Network was convened. It was announced at the FAIR meeting that the Network meeting was open to all FAIR delegates. A range of FAIR participants attended, including representatives of government agencies, intergovernmental organisations (including OECD, World Bank and INSOL International), and private sector experts.

It was agreed that:

- the Network and the FAIR share the same overall objective: namely, to contribute to the efficiency and effectiveness of insolvency systems in the Asian region through the sharing of information and experiences among public and private sector participants about relevant legal and administrative developments; and
- the Network's role is to complement the FAIR meetings by providing an ongoing platform for information sharing in between FAIR meetings, primarily through the Network website and distribution of Network bulletins.

STEERING COMMITTEE

It was noted that, given the relationship between FAIR and the Network, there would be significant benefits in having shared governance and administrative structures for FAIR and the Network going forward. It was agreed that a Steering Committee would be formed, comprising a representatives from the current supporting organisations of the Network and FAIR, plus a representative from the immediate past FAIR host government and a representative from the upcoming FAIR host government.

ROLE AND RESPONSIBILITIES OF THE STEERING COMMITTEE

The main function of the Steering Committee will be to advance the objectives of the FAIR and Network, provide oversight and coordination of the operations of the Network and FAIR and to perform such other functions as may be assigned to it.

The Steering Committee shall strive for:

- Network membership that includes leading policy makers from most Asian jurisdictions and opinion leaders in the insolvency field from Asia in particular and other parts of the world in general; and
- regular informal communications between Network members in different jurisdictions.

The Steering Committee will seek to achieve such aims and objectives by means including, but not limited to:

- meetings of FAIR, or an equivalent meeting of Network members, at least every two years;
- a Network website which is updated regularly and at least twice per year to note significant developments in most Asian jurisdictions;
- electronic distribution of Network bulletins to members at least twice per year.

The Steering Committee will also be responsible for :

- oversight of the maintenance of the Network website;
- oversight of the production of Network bulletins;
- identifying and coordinating approaches to sources of potential new Network members;
- coordinating and oversight of ongoing provision of Secretariat services generally;
- identifying, securing and coordinating appropriate sources of funding and other resources to support the operations of the Network and the FAIR on an ongoing basis;
- providing general guidance and assistance in the organisation of the FAIR, including;
 - identifying and approaching possible host governments;
 - suggesting possible themes/topics of interest;
 - suggesting possible presenters and papers; and
 - identifying regional institutions whose participation should be sought at FAIR meetings.

MEMBERSHIP

The Committee comprises members drawn from the following organisations:

- APEC (for the time being represented by the Government of Australia);
- OECD;
- INSOL International;
- UNCITRAL;
- World Bank;
- immediate past host government of the Forum on Asian Insolvency Reform (FAIR); and
- proposed host government of the forthcoming FAIR.

The Chairperson may seek nominations for Committee membership from other organisations from time to time, as and when agreed to by the Committee.

The Chairperson will seek to fill permanent or temporary membership vacancies by seeking nominations from the appropriate organisation.

CHAIR AND CO-CHAIR

The Committee will elect a Chairperson from among its members when the position is vacant. The Chairperson must vacate the office after serving two years. The Chairperson may serve more than once.

The Chairperson will invite the member representing the host government of the forthcoming FAIR to co-Chair.

SECRETARIAT

The Committee will be assisted in performing its role by a Secretariat, initially provided jointly by the Australian Treasury and INSOL International.

The Committee may nominate other persons, whether or not from the members' organisations, to assist the Secretariat and/or the Committee with particular issues or tasks from time to time as required.

MEETINGS

Meetings will normally be held by telephone or some other mode of electronic communication at such times as are decided by the Committee.

PROCEDURE

Subject to this Charter, the Committee may determine its own procedure.

AMENDMENTS

This Charter may be amended by special resolution (3/4 majority) of the Committee.