Emerging and Frontier Markets Investment and Compliance Forum

Effectively Managing Compliance Risks in BRICS and Beyond

September 19-20, 2012
New York, NY

In the last five years alone, emerging and frontier market economies have generated over three-quarters of global economic growth. Despite the sluggish overall outlook, the growth forecast for these markets remains very strong, making these markets attractive destinations for U.S. business investments. Foreign investment transactions in emerging and frontier markets can be plagued, however, by various compliance and ethics challenges. The 2012 Thomson Reuters Emerging Markets Investment and Compliance Forum will highlight and discuss some of these challenges and explore how companies can competitively and responsibly address these challenges and risks in light of the current legal and compliance landscape.

DAY 1
Thursday, September 19

9am – 9:15am Welcome and Introductions

9:15 am – 10:20am Executive Roundtable on Business Investment Opportunities and Compliance Challenges

During the recent global economic recession, real GDP growth in BRICSS economies expanded by an average rate of 6 percent, representing almost twice the pace of overall global growth. With expanding populations and mounting investment opportunities, the major emerging market economies present enormous growth potential for U.S. companies and their shareholders. Growth in frontier markets has been even more robust. Predictions are that Emerging East Asia will soon be a Middle Income region; and in Africa, the discovery of new commodities, and the price surge in these commodities, is partly creating an investment boom particularly in sub-Saharan Africa, which projects as one of the world’s fastest-growing economic regions. What is the scope of business investment opportunities in emerging and frontier markets? Can the current pace of growth be sustained? How is the rapid growth in these dynamic markets affecting how some of the world’s premier multinational corporations do business, and what are some of the daily realities and compliance challenges faced by these companies?
Emerging market economies account for almost 40 percent of global consumption and two-thirds of global growth. But, despite these strong positive growth indicators, business expansion into emerging market economies can be complicated and challenging. What are some of the most common and unique market-entry challenges faced by U.S. companies doing business in emerging markets and how are successful multinationals managing these challenges?

Speakers:
Kathleen McInerney, Brazil-US Business Council
Ryan Ong, US-China Business Council

Global effort to combat foreign corruption is on the rise. China recently amended its penal code to criminalize foreign corrupt practices. Brazil is poised to follow China’s lead with pending legislation that, if approved, will provide direct liability for corrupt foreign payments. A common feature of China’s revamped compliance regime and Brazil’s existing anti-corruption scheme is that they make no distinction between nationals and entities merely organized under the laws of these jurisdictions. Thus, in addition to the FCPA, U.S. companies doing business in these major emerging market economies have to be careful not to run afoul of these domestic anti-corruption schemes either through their subsidiaries, joint ventures, or local agents. What are the material differences and similarities between these emerging market regimes and the FCPA, and how can companies doing business abroad better cope with the ever-increasing mix of ethics and compliance mandates around the globe?
Theme:  *Ethics & Compliance in Frontier Markets*

*Speaker:*

*Hon. Nana Addo Dankwa Akufo-Addo, Former Attorney General and Minister of Foreign Affairs for the Republic of Ghana*

3:25pm – 4:30pm:  **Managing Shareholder Risks Posed by Capital Controls**

Inflationary pressures caused by speculative capital inflows and capital flight remains genuine concerns for many emerging market economies. To address these concerns, governments of BRICS have adopted regulations to curb unauthorized capital transfers. These regulations, while usually intended to shore-up domestic liquidity or to stem the inflow of adverse foreign capital, can encumber repatriation of lawful capital and burden investment enterprises by mandating strict compliance requirements. Surveying the various BRICS capital control regimes, how do these regulations impact business investments in these markets and how can companies doing business in BRICS mitigate against these potential pitfalls?

*Speaker:*

*M. Ayisi-Cromwell, Senior Advisor, Ayisi & Company (Chair)*

4:30pm – 5:30pm:  **Addressing Risks Posed to Intellectual Property and Data**

Companies involved in foreign investment transactions often disclose sensitive business confidences and valuable intellectual property to foreign vendors, suppliers, personnel, and third-party affiliates. These parties are usually not subject to U.S. jurisdiction, making misappropriation of intellectual property and compliance with U.S. data privacy laws a significant challenge. What is the scope of this risk and how can companies doing business in emerging and frontier market economies alleviate this concern?

*Speaker:*

*Pamela Passman, CREATE.org*

5:30pm – 5:35pm:  **Closing Remarks**

5:35pm:  **Adjournment**
DAY 2
Friday, September 20

8:30am – 9:45am  **Minimizing Your Exposure to Risk in Joint Ventures and Strategic Alliances.**

Joint venture and strategic alliance partners can be very beneficial to the ultimate success of a foreign investment transaction. Joint venture partners often possess relevant knowledge of the local markets and domestic investment terrain. They can also defray the cost of an investment enterprise, and sometimes, they can even provide unique technical expertise. But they also present the potential for enormous risks. They may be Politically Exposed Persons (PEPs) or could expose your investments and shareholders to other unforeseen liabilities. What are some of the significant compliance and legal risks presented by joint ventures and how can U.S. multinationals better manage their exposure to these risks?

*Speaker:*
*Rachel Robbins, International Finance Corporation*

9:45am – 10:00am  Networking Break

10:00am – 10:30am  **Keynote Address**
*Theme: Real World Lessons in Managing Compliance Risks*

10:30am – 11:45am:  **Breakout Sessions: Risks and Compliance Challenges in Frontier Markets**

Frontier markets present enormous growth potential for U.S. businesses. But they also present equally great compliance challenges. These breakout sessions will examine some of these challenges, emphasizing specific geographic regions and countries.

**Latin America**

Strong domestic consumption and Asia’s demand for raw materials is driving economic growth in Latin America. In many countries, however, political risk and corruption still remain serious concerns. How can companies already doing business in Latin America or looking to expand into the region effectively deal with such concerns including these other prevalent compliance issues:

- *Tax evasion*
Middle East and North Africa

In response to the 2011 Arab Spring, the White House announced a new Middle East initiative focused primarily on the economic development of the Middle East and North Africa (MENA). This initiative was complemented by the Deauville Partnership which saw the promise of a $35 billion facility by the IMF and a pledge by the G-8 to increase trade and inbound foreign investment in the region. The Deauville Partnership presents enormous growth opportunities for U.S. multinationals in MENA. But the region also presents significant compliance and ethics challenges. How can foreign business enterprises address such challenges including:

- Money laundering and terrorism
- Bribery
- Cronyism
- Gender discrimination

Speaker:
John D. Sullivan, Center for International Private Enterprise

Southeast Asia

With an average projected economic growth rate of 5.6 percent over the next four years, Southeast Asia emerged from the global recession relatively unscathed. Economic growth in the ASEAN region will be led by Indonesia and Vietnam. A member of the Emerging Seven, Indonesia has the third highest economic growth rate in the G-20, surpassed only by China and India. Vietnam is projected to grow at a pace of 6.3 percent over the next four years. In spite of these opportunities, however, significant challenges and risks exist. How can companies doing business in this economically robust part of the world effectively manage some of the region’s common compliance challenges such as:

- Bribery
- Accounting and tax irregularities
- Anti-competitive and monopolistic behavior
- Due Diligence involving State-owned enterprises

Sub-Saharan Africa

By 2020 Africa is projected to have a collective GDP of $2.6 trillion and consumer spending power of about $1.4 trillion. Sub-Saharan Africa will
spearhead this growth with an average regional economic growth forecast of 5 percent. In Ghana, which is projected as the fastest growing economy in Sub-Saharan Africa, the economy grew by 13.5 percent between 2010 and 2011 with an additional, projected growth rate of 7.3 percent in 2012. Angola and Nigeria also offer significant growth potential. Sub-Saharan Africa, however, presents various compliance challenges for new and established foreign business ventures. How can companies overcome these challenges, including concerns over:

- The lack of transparency
- Bribery
- Political Risks
- Corporate governance failures
- Access to reliable business information

11:45am – 12:35pm Enhancing Investment Value through Effective Social Risk Management

A reputation for responsible corporate behavior can be an invaluable asset to the overall success of an international business investment. For instance, a positive social reputation minimizes the cost of doing business by enhancing trust and loyalty in the host-country. International consumers are also likely to respond favorably to a positive social reputation. What are some of the common practices in emerging and frontier market economies that jeopardize a company’s social risk profile and how corporations enhance their investment interests through the effective management of such risks?

Speaker:
Alka Banerjee, S&P Index

12:35pm – 1:50pm Luncheon

1:20pm – 1:50pm Luncheon Keynote
Theme: Ethics and Compliance in a Global Marketplace

1:50pm – 1:55pm Closing Remarks

1:55pm Adjournment