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**ROUNDTABLE ON CORPORATE TRANSPARENCY AND
INVESTMENT**

14 June 2004 – Summary prepared by the UNCTAD secretariat

1. The Roundtable was organized jointly with BOVESPA, the São Paulo Stock Exchange. The objectives of the Roundtable were to raise awareness among main stakeholders of the importance of corporate transparency for facilitating investment, including foreign direct investment; to debate major issues related to improving corporate transparency at national and international levels; and to discuss international best practices on corporate transparency and how developing countries and economies in transition could be assisted in their implementation.
2. Many developing countries and countries with economies in transition strive to mobilize financial resources from domestic as well as international sources with a view to attaining their economic and social development goals. Domestic and international investors utilize financial and non-financial information available on potential investment targets for assessing risk and making critical investment decisions. Thus, the availability of financial and non-financial information in sufficient quantity and of sufficient quality has an important bearing on efforts geared towards mobilizing investment for financing economic and social development.
3. Adequate reporting and disclosure of financial and non-financial information are likely to improve investor confidence and a lower cost of investment.
4. Given the faster pace of globalization, the growing interdependence of international financial markets and increased mobility of capital, developing countries and countries with economies in transition need to attach greater importance to corporate transparency and disclosure. Policy makers, legislators and regulators, in recognition of the significant influence that corporate transparency has on decisions of investors, need to strengthen further the various components of corporate disclosure infrastructure so that domestic and international resources are mobilized more efficiently.
5. The use of different national accounting standards makes it more difficult and costly for investors to compare opportunities and make informed financial and investment decisions. In addition, globalization of capital markets has increased demand for the harmonization of the

accounting framework and standards. However, some developing countries and countries with economies in transition lack accounting infrastructure and professional institutions. Therefore, they need assistance in strengthening their capacity to implement internationally recognized accounting standards as well as best practices on corporate transparency and disclosure.

6. UNCTAD together with other international organizations, such as the World Bank and the OECD, has contributed to promoting better corporate transparency and disclosure for many years through the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). The growing importance and complexity of the issues surrounding corporate transparency and disclosure make it necessary for UNCTAD to continue and to accelerate its work in these areas. UNCTAD is well placed to facilitate the exchange of views among member States on these issues, and the implementation of best practices.

7. The Roundtable was attended by over 200 participants, representing regulators, the private sector, standard-setting bodies, academia and the accounting profession.
