



Corporate governance in Brazil, Chile, Colombia, Mexico and Peru

The determinants of risk in corporate debt issuance

Georgina Núñez
Andrés Oneto
(Coordinators)



Project Document

Corporate governance in Brazil, Chile, Colombia, Mexico and Peru

The determinants of risk in corporate debt issuance

Georgina Núñez
Andrés Oneto
(Coordinators)



Economic Commission for Latin America and the Caribbean (ECLAC)

This working paper was prepared jointly by the Economic Commission for Latin America and the Caribbean (ECLAC), CAF-development bank of Latin America and the Inter-American Development Bank (IDB), and was financed jointly by the three institutions.

The coordinators wish to express particular gratitude to Alicia Bárcena, Executive Secretary of ECLAC, Enrique García, Executive President of CAF, and Luis Alberto Moreno, President of IDB, for their support at both stages of the project, and to Ángel Gurría, Secretary-General of the Organization for Economic Cooperation and Development (OECD), for the official support provided.

The coordinators also thank Luis Miguel Castilla, Minister of Economy and Finance of Peru; Carlos Rivero, Deputy Superintendent for Research and Development of the Superintendency of the Stock Market (SMV) of Peru; Fiorella Torres Tejada, Supervisor of the Division of Markets Oversight of SMV; Fernando Coloma, former Superintendent of Securities and Insurance of Chile; Álvaro Gallegos, Superintendent of Pensions of Chile; Carlos Martabit, Finance Manager of BancoEstado of Chile; and Pablo García, Council Member of the Central Bank of Chile.

Thanks are also owed to Maria Helena Dos Santos Fernandes de Santana, President of the Securities and Exchange Commission of Brazil, and João Carlos Ferraz, Vice-President of the National Bank for Economic and Social Development (BNDES) of Brazil, for the official support extended to this project. Special thanks go to all the authors and commentators, and in particular to Mario Marcel and Alejandro Werner for their comments.

The coordinators are grateful to Michael Penfold, Director of Public Policies and Competitiveness, and Andrés Oneto, for their valuable comments; to Eleonora Silva, representative of CAF in Peru, Leticia Riquelme, of the IDB office in Mexico, and Fidel Jaramillo, representative of IDB in Peru; to Daniel Blume, Chief Administrator of the Roundtable on Corporate Governance in Latin America, and Héctor Lehuéde, expert in corporate governance of OECD, for the official support provided to this project.

Gratitude is extended to Allan Barush González, Executive Director, and Rubén Romero of RiskMathics (Mexico), Dieter Linneberg Director Ejecutivo, Centre for Corporate Governance of the University of Chile, to the National Confederation of Industry (CNI), and to the Institute of Industrial Development for their support in training.

The coordinators also wish to convey their appreciation to Santiago Levy, Vice-President of Sectors and Knowledge, Franklin Nieder, Senior Economist, Financial Sector, and Oliver Luis Bernal of IDB (Washington, D.C.) for their coordination and valuable comments on the document, and to Daniel Titelman, Chief of the Economic Development Division of ECLAC, and Inés Bustillo, Chief of the ECLAC office in Washington D.C.

Finally, the coordinators wish to thank the staff at ECLAC headquarters in Santiago, especially the conference services staff, for their logistical support, the Programme Planning and Operations Division and the ECLAC office in Washington, D.C., as well as the CAF offices in Colombia and Peru, and the IDB offices in Santiago. We are grateful for the work carried out by staff at the ECLAC offices in Brasilia, Bogota and Washington, D.C., and the ECLAC subregional headquarters in Mexico.

The opinions expressed in this document, which is a translation of an original that did not undergo formal editing, are the exclusive responsibility of the authors and do not necessarily reflect the views of the organizations mentioned.

Contents

Preface	9
Foreword by Mario Marcel	11
Foreword by Alejandro Werner	13
Abbreviations and acronyms	15
Introduction	19
I. Corporate governance and risk identification for debt instrument issuance in Brazil, Colombia and Mexico: a methodological proposal	27
A. Project background and scope	27
B. Brief history of corporate debt issuance in Latin America	28
C. The subprime mortgage crisis and its impact on the issuance of Latin American debt securities	31
1. Report on the financial crisis of 2007	31
2. High risk lending and inflated credit ratings	32
3. Regulatory failures and investment bank abuses	32
4. Impact of the financial crisis on issuance of debt securities	33
D. Corporate governance standards	34
1. The role of the board of directors	35
2. Structure of the board of directors	36
3. Chair of the board of directors	37
4. Selecting board members	37
5. Board of directors committees	39
6. Evaluating the performance of the board of directors	41
E. Constructing an index	43
1. Methodology for defining and weighting standards and quantifying an index	44
2. Structuring the matrix of benchmarks and defining the index	46
F. Applying the matrix of standards from the index to companies in Brazil, Chile, Colombia, Mexico and Peru	49
1. Some thoughts about the indicator	50
G. Final recommendations	53
Bibliography	56
Annex I.1 Comparative analysis between corporate governance and debt issuance indicator categories and provisions covered under Sarbanes-Oxley, Dodd-Frank and Basel	57

II. Corporate governance and corporate debt issuance in Latin America: institutional investors, investment banks, rating agencies and new empirical evidence.....	63
A. Introduction	63
B. Relationship between corporate governance and corporate debt and institutional investors, investment banks and rating agencies	65
1. Institutional investors	65
2. Investment banks	66
3. Rating agencies	68
C. The corporate debt market in Latin America	69
1. Brief context	69
2. International debt issuance	71
D. Corporate governance indicator and debt securities.....	75
1. The indicator	75
E. The new evidence	78
F. Conclusions.....	79
Bibliography.....	80
Annex II.1 Impact of external agents on issuance of debt securities	82
III. What factors impact the cost of corporate bond issuance? A study of emerging primary markets.....	85
A. Introduction	85
B. The operation of the global primary corporate bond market	86
C. The literature on the primary corporate bond market	88
D. The primary corporate debt market: stylized facts and information used.....	89
1. Main characteristics	89
2. Investment banks' market share and company ratings	93
E. Determinants of issuance costs	94
1. Issuance cost estimation strategy	94
2. The determinants of underwriting fees.....	94
3. Determinants of primary bond spreads	96
4. The impact of underwriter reputation on the cost of capital	97
F. Corporate governance implications of the determinants of the cost of capital.....	101
G. Conclusions.....	101
Bibliography.....	102
IV. Bond issuance and corporate governance in Brazil: a multi-case analysis.....	107
A. Introduction	107
B. Corporate governance, agency conflicts, regulation and rating	109
1. Corporate governance in Brazil	109
2. Agency conflicts	109
3. The information factor and corporate governance	110
4. The regulations and rating of debt issues in Brazil	111
C. Bond issuance compared to other forms of financing in Brazil	112
D. An analysis of various Brazilian cases	115
1. PETROBRAS.....	116
2. Bradespar	117
3. Diagnóstico América (DASA)	119
4. Klabin	120
5. Lupatech	121
6. Inepar	123
7. Comparative analysis of the cases studied	126
E. Conclusions and recommendations	129
Bibliography.....	132

V. Corporate governance and corporate debt issuance in Chile	137
A. Introduction	137
B. Objectives	138
C. The structure of the capital market in Chile.....	138
D. Debt discipline in corporate governance	143
E. Risk rating agencies.....	145
1. Risk rating methodologies and corporate governance	146
F. Corporate governance indicators	146
1. Review, research and results	147
G. Conclusions.....	162
Bibliography.....	162
VI. Corporate governance and corporate debt instruments in Colombia.....	163
A. Introduction	163
B. Capital market in Colombia	165
1. Overview of the capital market in Colombia	165
2. Some characteristics of the Colombian capital market	168
C. Evolution of corporate governance regulation in Colombia	173
1. First stage	173
2. Second stage	174
3. Third stage	174
4. Fourth stage	175
D. Rating agencies and corporate governance	179
1. Regulations for bond ratings	180
E. Case studies	181
1. Ecopetrol S.A	181
2. Grupo Bancolombia	183
3. Grupo Nutresa	185
4. Colombina.....	187
5. Comparative analysis of the case studies.....	189
F. Conclusions.....	190
Bibliography.....	192
VII. Corporate governance in Mexico and the evaluation of risk in bond issuance	195
A. Introduction	195
B. The debt market in Mexico.....	196
1. Recent trends.....	196
2. Size and characteristics of the current debt market.....	197
C. Corporate governance in Mexico	198
1. The agency problem with creditors and the importance of corporate governance	198
2. Legal framework and corporate governance in Mexico	199
3. Corporate governance standards in Mexico	200
D. CEMEX case study	205
1. Introduction	205
2. Corporate governance	206
3. The 2008 financial crisis and its effects on the financial situation of CEMEX	208
4. Debt issuance in the problem faced by CEMEX	210
E. Controladora Comercial Mexicana (COMERCI)	211
1. Introduction	211
2. Corporate governance	211
3. The 2008 financial crisis and its effects on the financial situation of COMERCI	213

F.	GFNorte	214
1.	Introduction	214
2.	Corporate governance	215
3.	The 2008 financial crisis and its effects on the performance of GFNorte	216
G.	Petróleos Mexicanos (PEMEX).....	217
1.	Introduction	217
2.	Corporate governance implications of the 2008 oil reform and the 2013 energy reform	218
3.	Corporate governance in PEMEX.....	220
4.	PEMEX and the debt market	223
H.	Corporate governance standards, weighted by category.....	225
I.	Conclusions.....	229
	Bibliography.....	231
VIII.	Corporate governance, institutional investors and risk assessment for issuance of debt instruments in Peru	235
A.	Introduction	235
B.	Corporate governance in Peru	236
1.	General background	236
2.	Promotion of investment in Peru	236
3.	Corporate governance regulation	238
C.	Private initiative: Corporate Governance Index at the Lima Stock Exchange	238
1.	Joint initiative: Code of Good Corporate Governance for Peruvian companies ...	240
D.	Development of the alternative stock market	241
E.	Public offerings exclusively targeting institutional investors	243
F.	Issuance of international bonds	244
G.	Companies analysed.....	248
1.	Corporación Lindley, S.A.....	248
2.	Banco de Crédito del Perú, S.A.A.....	250
3.	Comercio Ferreycorp S.A.A.	251
4.	Corporación Financiera de Desarrollo, S.A (COFIDE).....	253
5.	Corporate governance compliance indicator for the issuance of international bonds.....	257
6.	Comments on the results of the index	259
H.	Conclusions	260
	Bibliography.....	260
IX.	Concluding remarks	263
Tables		
Table I.1	Corporate debt securities (domestic and international) outstanding as of December of each year, 2001 and 2010	31
Table I.2	Importance of corporate governance standards in issuing corporate debt	45
Table I.3	Detailed matrix of benchmarks for the corporate governance index in terms of debt securities issuance.....	46
Table I.4	Aggregate information for Brazil, Chile, Colombia, Mexico and Peru: benchmark values by category of standards	49
Table I.5	Matrix of benchmarks for the corporate governance index in terms of debt securities issuance.....	50
Table I.6	Average findings for the main categories of the corporate governance indicator.....	51
Table I.7	Grades for corporate governance standards applied to companies	52
Table II.1	Corporate governance standards that impact debt issuance	76
Table II.2	Matrix of corporate governance index benchmarks in terms of corporate debt securities issuance	77

Table II.3	Average values per country: Brazil, Chile, Colombia, Mexico and Peru	79
Table III.1	The primary emerging corporate bond market in Latin America, 1991-2009	91
Table III.2	Descriptive statistics for issuance and firm-level variables	92
Table III.3	Determinants of underwriting fees (international issues): OLS time-fixed and OLS time- and country-fixed effects regressions	95
Table III.4	Determinants of primary bond spreads (international issues): OLS time-fixed effects regressions	96
Table III.5	T-tests for top three banks and other banks	98
Table III.6	Determinants of underwriting fees (top three banks versus other banks): regression models with Heckman correction	100
Table III.7	Determinants of primary bond spreads (top three banks versus other banks): Heckman correction regression models	100
Table IV.1	Corporate governance index of selected Brazilian firms	127
Table IV.2	Corporate governance and problems with debts in selected firms	129
Table V.1	Ownership structure of non-financial firms registered with the Superintendency of Securities and Insurance (SVS)	139
Table V.2	Assets administered by institutional investors	140
Table V.3	Stock of financial instruments	142
Table V.4	Pension funds' investment portfolio as of December 2013	142
Table V.5	Life insurance companies' investment portfolio as of December 2013	143
Table V.6	Laws and regulations concerning corporate governance and debt	149
Table V.7	Analysis of companies	156
Table V.8	Results of applying the indicator	159
Table VI.1	Key actors in the public securities market in Colombia	167
Table VI.2	Reform of the secondary market	175
Table VI.3	Level of adoption of different chapters of the Country Code	177
Table VI.4	Entities in the financial sector with the most Country Code measures adopted	178
Table VI.5	Entities in the real sector with the most Country Code measures adopted	179
Table VI.6	Summary of indicator results	189
Table VI.7	Summary of indicator results considering only the Good Governance Code and Statutes	190
Table VII.1	Comparison of cement manufacturers	209
Table VII.2	Comparison of financial companies	217
Table VIII.1	Peruvian issuers in the international market	245
Table VIII.2	Peruvian debt issuers	246

Figures

Figure I.1	Corporate securities (domestic and international) outstanding as of December of each year. 2001-2010	29
------------	---	----

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_924

