

HAWKAMAH 's First MENA Conference Issues Dubai Declaration on Corporate Governance

Discussions result in a road map and key corporate governance initiatives for the region



Policy makers, regulators, representatives from regional and international organisations, and business leaders from across the Middle East and North Africa (representing countries of Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestine National Authority, Qatar, Saudi Arabia, Yemen and the UAE) gathered today at the Dubai International Financial Centre (DIFC) to issue the Dubai Declaration on Corporate Governance.

The declaration was agreed upon during the OECD-MENA Working Group session, which was held at the end of the Hawkamah Institute for Corporate Governance conference, as part of DIFC Week. This was a landmark event for the region, entitled "Corporate Governance in the Middle East and North Africa

Conference: Towards Sound and Efficient Financial Markets and Banking Systems”.

The conference was hosted by Hawkamah Institute for Corporate Governance and supported by its regional and international partners: OECD; International Finance Corporation; World Bank Global Corporate Governance Forum; Centre for International Private Enterprise; Union of Arab Banks; ISACA-UAE; INSOL International; Institute for International Finance; Egyptian Banking Institute; Egyptian Institute of Directors; and Financial Services Volunteer Corps, in cooperation with the countries participating in the OECD MENA Investment Programme. The Working Group was co-chaired by Mr. Rainer Geiger, Deputy Director for Financial and Enterprise Affairs of OECD and Dr. Nasser Saidi, Executive Director of Hawkamah.

Key initiatives which were agreed upon included:

- The creation of two taskforces: one focusing on the corporate governance of banks; and a second focusing on the corporate governance of State-Owned Enterprises (SOEs).
- The issuance of two policy briefs: one for Banks; and a second for SOEs; both to be approved by the relevant taskforces.
- The consideration of issues relating to the corporate governance of Shari'a compliant banks and financial institutions and the importance of ensuring that regional corporate governance frameworks and standards are in line with international codes & standards, whilst at the same time remaining consistent with Shari'ah rules.
- The preparation of a corporate governance survey of SOEs, to be developed on a consultative basis with the cooperation of key organizations and governments, and to be conducted during the course of 2007.
- The recognition of a need to tackle issues surrounding insolvency and corporate restructuring. The OECD and Hawkamah will work with INSOL and the World Bank and invite Ministries, financial institutions, the

judiciary, representatives of OECD countries and other regional and international bodies, to meet to discuss these issues during the first half of 2007. The purpose of this meeting will be to determine the necessary legal and regulatory frameworks relating to corporate restructuring and insolvency and the enforcement of insolvency proceedings. Improved insolvency regimes increase the efficiency and performance of the credit and capital markets, improve the investment climate, and enhance the region's ability to attract investors during times of high economic growth as well as prepare for potential corporate restructuring in the future.

- Hawkamah, the OECD and their partners will increase their work and focus on the corporate governance of family-owned enterprises and small and medium enterprises. A series of workshops and case studies, will address key issues and an action plan will be formulated for establishing corporate governance frameworks relevant to the SMEs and family-owned businesses of the MENA region..
- Hawkamah, the OECD and the MENA CG Working Group will be utilization recently developed codes of corporate governance, (by Lebanon, Saudi Arabia and others) as templates for the development of a harmonised regional CG regime, with workshops to develop and expand these country specific guidelines.

Dr. Nasser Saidi, Executive Director of Hawkamah outlined the successful outcome of the event and the importance of these initiatives: "This conference, and in particular today's MENA OECD Working Group session, allowed us the opportunity to confer on critical objectives and challenges relating to corporate governance across the MENA region. Whilst there is still a need for raising awareness and capacity building in this field, we have made significant headway in terms of taskforces, policy briefs, addressing corporate governance in Islamic banking and finance, corporate restructuring and

insolvency, family-owned enterprises and small and medium enterprises. We now move towards concrete actions and direction resulting from these principles, facilitating the design of a comprehensive roadmap for corporate governance in our region. This will enable us to achieve our ultimate goals of encouraging investment, project finance, job creation and the development of sound financial markets.”

Progress relating to the implementation of the principles outlined in the Dubai Declaration will be reviewed at the next annual conference held by Hawkamah in cooperation with the MENA OECD Working Group on Corporate Governance and its partners.

Hawkamah is a regional entity whose mission is to assist countries and companies of the wider MENA region in developing sound and globally well-integrated corporate governance frameworks and practices. It supports regional and international initiatives to develop open and transparent markets and sound corporate governance regimes.