

# Hawkamah's Annual Conference Reinforces Importance of Corporate Governance in Region's Growth

*Qatar's progressive measures to advance corporate governance praised*

The Third Annual Regional Conference of Hawkamah – The Institute of Corporate Governance, which began today in Doha, Qatar, emphasized the importance of corporate governance in sustaining the growth of the region.

Delivering the key note address HE Mr. Youssif Hussain Kamal, Minister of Economy and Finance of Qatar, and the Chairman of the Qatar Financial Market Authority (QFMA) said: “There is a critical need to enhance corporate governance in the region, given the situation of the global financial markets. We need to urgently look at adapting global best-practices to the region’s needs, which will help to stabilize our financial markets.” The Minister commended the work of Hawkamah and pledged the QFMA’s support in encouraging and sustaining the widespread adoption of corporate governance in the region.

The conference opening was also attended by H.E. Sheikh Fahd Bin Faisal Al Thani, the Deputy Governor of the Qatar Central Bank, ministers and prominent government and business officials. Representative from QFC, OECD, IFC, World Bank global corporate governance forum, IMF and INSOL attended the conference.

Welcoming the delegates at the opening session, Dr. Nasser Saidi, Executive Director of Hawkamah said: “Corporate governance is a key for the region to maintain and grow its wealth, and to promote sustainable development.”

The need for sound corporate governance assumes critical significance at a time when advanced economies are going

through a financial meltdown. "Bankruptcy and failures in Western banks and financial institutions are in large part attributable to corporate mal-governance and distorted incentive structures," Dr. Saidi pointed out.

The financial turmoil in developed countries gives the region an opportunity to play a prominent role in the global economy, but only if they can ensure the widespread adoption of institutions and corporate governance frameworks that bolster investor trust. "Good corporate governance is a key ingredient in the region rising to the challenge and becoming a global player. This is because market perceptions, including economic fundamentals, determine where global capital will flow. Capital will flow to where it is best protected by laws, institutions, respect of and enforcement of contractual obligations and an absence of corruption," Dr. Saidi said.

He praised the recent progressive measures taken by Qatar to advance corporate governance. Leading organisations in Qatar have, over the past year, taken significant steps to raise governance standards.

'Qatar is in the process of launching its Corporate Governance Code under the wise leadership of the Qatar Financial Market Authority (QFMA). The proposed Code is in public consultation phase, a significant step in the process of bridging the corporate governance gap. Corporate governance improvements do not occur in a vacuum, but are often supported, incentivized, and facilitated by the regulator and by relevant institutions," Dr. Saidi said. The Qatar Ministry of Economy and Finance and the QFMA endorse corporate governance as key to Qatar's and the region's economic growth.

Critical issues being discussed at the conference include: corporate governance and the financial crisis; potential rise of shareholder activism; optimal regulations for advancing corporate governance; and strategies to involve private equity, future generation funds, and families in the corporate governance movement. The discussion of topical regional issues such as corporate governance for Islamic financial institutions, private equity, sovereign wealth funds,

challenges faced by regional families and insolvency and creditor rights will generate insights into the unique governance challenges faced by the region.