

# **Hawkamah Assists Qatar Financial Markets Authority in Developing a Code of Corporate Governance**

The Hawkamah Institute for Corporate Governance has worked with the Qatar Financial Markets Authority (QFMA) in developing a Code of Corporate Governance for listed and public companies in Qatar.

The Code defines core corporate governance principles and best practices for joint stock companies listed in any financial market in Qatar as well as all companies subject to the jurisdiction of the Qatar Financial Markets Authority. Once implemented, the Code is expected to strongly strengthen the operating framework for corporate governance in Qatar in accord with best international practice and guidelines, which will ultimately lead to better performing companies.

The Code was developed after studying international corporate governance best practices developed by leading international institutions focused on corporate governance, including the Organisation for Economic Cooperation and Development (OECD), the International Finance Corporation (IFC), the Bank for International Settlements (BIS), the International Corporate Governance Network (ICGN), the World Bank Global Corporate Governance Forum (GCGF) and the International Institute of Finance (IIF). The best practices advocated by these institutions were tailored to ensure that the Code was relevant to and consistent with Qatar's business environment, the Qatari Stock Market, and Qatar's existing Commercial Companies Law and Stock Market Regulations. The development of the Code led to suggesting amendments to the Commercial Companies Law Stock Market Regulations in view of the principles of good corporate governance, such as the

protection of minority shareholders and the separation of the roles and responsibilities of chairman of the board and chief executive officer.

“Dr. Nasser Saidi, Executive Director of Hawkamah, commented: “Hawkamah is strongly committed to developing and promoting stronger corporate governance standards and guidelines across the region, in improving transparency and disclosure. The necessity of improving corporate governance has been amply highlighted by the ongoing global financial crisis and evidence of corporate mal-governance, poor ethics and failures in risk management. We are delighted and honoured to have been able to assist the QFMA in developing a modern Corporate Governance Code for Qatar complying with best international standards and practices and consistent with our strategy of working with leading institutions in the region to develop benchmarks for implementing better practices and policies among companies across the region. Better corporate governance requires the engagement and commitment of both the public and private sectors, to ensure that effective corporate governance practices take root in the region. We aim to work with the Qatari authorities for the implementation of this Code, making Qatar lead the way on corporate governance in the region. We were pleased to have worked with our partners including the IFC, the OECD and the GCGF in undertaking this engagement with the QFMA, bringing international expertise, knowledge and experience to this task.”

Nasser Al Shaibi, Deputy Director General of the QFMA, said: “Hawkamah has provided invaluable support in developing a corporate governance code that provides a world-class benchmark for corporate policies, structures and practices in Qatar. The code, which reflects international best practice, will help enhance Qatar’s business environment, promote corporate transparency, increase investor confidence and raise the competitiveness of companies in the country.”

The QFMA supports initiatives in policy advocacy, institutional reform, corporate governance, and the development of market-based financial systems in Qatar.

Through relationships with think tanks, policy forums, business associations, economic policy institutes, and economic media and journalists, QFMA provides extensive support for financial sector modernisation in the country.