

Comments on CSR, Global Post via Xinhua, 19 May 2015

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Corporate social responsibility booming in Mideast: experts

Local and overseas companies in the Mideast are increasingly reaching out to the public through corporate social responsibility (CSR) campaigns.

These campaigns incorporate environmental projects emphasizing gender equality, innovation and social entrepreneurship, experts said Tuesday.

According to Dubai-based economist Dr. Nasser Saidi, founder of Hawkamah, the institute for corporate governance, CSR quickly spread throughout the region during the millenium's first decade as an increasing number of local firms decided to publicly list their shares in Middle Eastern markets.

Etisalat, the most valuable firm in the United Arab Emirates (UAE), and whose shares are listed on the Abu Dhabi stock market ADX, transformed its CSR strategy in 2012 and launched the mobile baby program, a scheme bringing together major African operators working across borders providing rudimentary healthcare services in multiple countries including Tanzania and Niger.

Ali Al-Ahmed, adviser to Etisalat's CEO, said at the 12th edition of the corporate social responsibility summit, that as Etisalat (the Arabic word means "connections") has 169 million subscribers in 19 countries across the Middle East and Africa, "CSR is not a luxury but a necessity."

The two-day annual CSR summit held by Dubai-based Informa hosts 50 global and local speakers and CSR experts. The conference runs through Wednesday.

International firms with a strong regional footprint have also identified CSR as a means to develop their public profile.

Noha Hefny, director of corporate affairs for PepsiCo, Asia, Middle East and Africa, said at the conference that there has been a tangible shift in regional businesses and organizations as they assumed responsibility for improving sustainability methods and tackling change through social innovation.

CSR is a must, said Dr. Saidi, as it helps company leadership to communicate to their investors, stakeholders, employees, customers and the general public regionally and Internationally that its concerns go beyond bottom-line profit and quarterly earnings reports.

PepsiCo's partner project, liter of light, won the UAE's prestigious Zayed Future Energy Prize in the non-profit organization category. Liter of light brings cost effective solar lighting solutions to communities in need whilst recycling plastic bottles.

"The purest form of charity is to make yourself obsolete. This is why the Liter of Light use an open source platform to teach skills in building solar bottle lights using locally available materials so that clean energy from the sun is easily attainable for everyone around the world," said Illac Diaz, founder of Liter of Light upon receiving the award at the Abu Dhabi sustainability week in January earlier this year.

In his key note address, Khaled Al Kamda, Government of Dubai's director general of the community development authority, said that far from being a financial burden, CSR generates value. "It provides organizations with a 'Social License to Operate,' thus building positive brand image, hence granting credibility within the community, government,

investors and partners.”

Other regional campaign examples are British-Dutch consumer goods company Unilever which runs campaigns in the Middle East teaching children hygienic measures such as hand washing and tooth brushing, and German car producers who regularly run ‘clean the desert campaigns’ where volunteers collect tons of waste from the Dubai desert.

Al-Ahmed said “The UAE’s drive for innovation under the nation’s visionary leadership is a key factor governing businesses to redesign their CSR strategies and programs, contributing to the knowledge-based, smart society of the future.”

Ethics, Rebuilding Trust in Finance & Some Lessons from Islamic Finance: Speech at EFICA 2014

This keynote address was given at Ethical Finance Innovation Challenges & Awards (EFICA) 2014, organised by ADIB and Thomson Reuters, held on 29 Oct 2014 in Dubai.

Ethics, Rebuilding Trust in Finance & Some Lessons from Islamic Finance

Good evening, *As-salamu alaykum*, as we say in this part of the world.

I am honoured to speak at this Ethical Finance Innovation Challenge and Awards event. Ethics and Finance is currently a

“trending” topic and highlighted as an integral part of the future of finance by the IMF which invited the Archbishop of Canterbury to speak on a panel on the subject at the recently concluded meetings in Washington. For all we know the next time, an invitation will be sent out to the Imam Al Akbar of the Azhar as well!

The Great Financial Crisis (GFC) and its sister, the Great Contraction, highlighted the destructive consequences of financial crises for economies and societies: deep and prolonged recession, high unemployment rates, widespread bankruptcy, greater poverty along with increasing inequality of incomes and outcomes both within and across generations. In many countries the crisis has undermined the existing social contract and social welfare systems.

The ongoing economic crisis is also a crisis of ethics and values. At a deeper level the GFC has undermined social capital, the links, networks, shared norms & values and understandings in society that enable individuals and groups to trust each other and so work together. Social capital is the fabric of economies and societies, providing the framework for the operation of free markets, enabling co-operation within or among groups. When social capital is impaired so is the soundness and effectiveness of markets. The GFC has fundamentally changed views of the role of finance, the benefits of policies of financial deregulation and financial liberalisation.

The GFC did not result from macroeconomic imbalances, commodity price shocks, wars, external shocks or natural catastrophes. It was fundamentally a failure of governance. The crisis stemmed from excessive risk taking for short-term profit by senior managements in highly leveraged banking & financial institutions. Boards were not fulfilling their obligations in overseeing risk and ensuring the sustainability of their operations. Regulators failed to provide satisfactory oversight of a system that generated incentives to leverage

and sent the wrong prudential signals through the procyclicality of capital adequacy and value-at-risk measures. To compound the crisis, the governance failure occurred in the hubs of the international financial system in New York and London and reverberated to the spokes. Many people only remember the focal moment when Lehman Brothers collapsed, but that was only one example of a widespread failure of banking business models across the advanced economies, where major banks either failed or were rescued by the state.

The hub-spoke model also failed, begetting international financial centres that were 'too big to fail' and 'too interconnected to fail', with financial institutions that were inefficiently regulated and supervised and themselves TBTF and TITF. The hub-spoke model created systemic financial market risk. The fear of failure in the hubs provoked global risk aversion and led to contagion effects affecting the emerging markets and their economies.

We must not allow this to happen again. **We need deep financial reforms and we need to design and move to a new international financial architecture** of networked financial markets, to a more stable and sustainable "spider web" model based on the new economic geography, developing sound local currency markets in emerging economies.

The reaction of politicians and policy makers in advanced economies has been to introduce more extensive regulation and tighter supervision. Basel III capital rules are being implemented, market infrastructure is improving, there is less reliance on rating agencies and there is improved appreciation and management of risk. But we have yet to address the TBTF/TITF and market rigging scandals.

The starting point for effective reform is the recognition that finance is special. Finance lies at the core of modern economies, it is the fuel of all activities. We are in the age of financial capitalism not industrial capitalism. Financial

capitalism is only sustainable if there is trust in the system, which is based on minimal standards of ethics and integrity.

The Financial Stability Board Chairman and Governor of the Bank of England Mark Carney has highlighted four financial reforms that need to be instituted:

First, ending Too-Big-To-Fail & Too Inter-Connected-To-Fail and putting in place effective resolution regimes for banks and non-bank financial institutions. We must end a system of 'heads I win, tails you lose' and you bail me out at tax payer expense. Fundamentally, this means more capital, simpler banks, simple regulation and strong supervision.

Second, creating fair and effective markets by instituting 'principles for fair markets' and codes of conduct for specific markets to restore confidence in the integrity of those markets. A case in point is benchmark rigging as happened with the LIBOR scandals.

Third, reforming compensation. Incentives are core. Misaligned incentives lead to wrong business models. The FSB has developed principles for sound compensation practices to align incentives with long-term risks not short-term profits.

Fourth, building a sense of vocation and responsibility that should be infused in the culture of financial institutions. Financial leaders are stewards of national and international wealth: they are responsible and should be accountable. They are the custodians of a public good, money, and must act in consequence and be held accountable accordingly. This means that we need to engage the personal responsibility of board members, management and staff.

Rebuilding Trust in Finance

The GFC has caused a **loss of trust** by the general public in the financial system. Reduced trust in the financial system

has increased the cost and lowered the availability of capital for non-financial firms. Surveys show that the public now has the least trust in bankers, regulators and politicians. The 2014 Edelman Trust Barometer, shows that banks and financial services continue to be the least trusted industry globally, more deeply mistrusted than the media.

Financial reforms and stricter supervision are political reactions meant to alleviate public and tax payer anger post-GFC and its aftermath. Trust & confidence are critical for the banking sector: institutions, rule of law, rules and regulations, supervision are there to help instill trust & confidence and rebuild social capital. However, it is the banking sector itself that should take the initiative to rebuild confidence. There is a need to have a culture of values not a culture of compliance. This has yet to happen.

According to an EIU-CFA survey undertaken in 2013, most firms have attempted to improve adherence to ethical standards. However, though industry executives champion the importance of ethical conduct, they struggle to see the benefits of greater adherence to ethical standards. Some of the survey results are eye-openers: 53% of the survey respondents thought that career progression at their firm would be difficult without being flexible on ethical standards. The same proportion considered that strict codes of conduct would harm their firm's competitiveness. Only 37% thought that their firm's financials would improve as a result of an improvement in the ethical conduct of employees at their firm, while 43% have had to introduce incentives to encourage ethical conduct. Nonetheless 96% nonetheless prefer to work for a firm with a good reputation on ethical conduct!

Finance plays a pivotal role in financial capitalism. Through its intermediation role between savers and investors, borrowers and lenders, it fuels the economy. Critically it is not just the capital ratio, liquidity and leverage ratios, there is, more fundamentally, the 'confidence ratio'. The

failure of trust and confidence results in a lack of investment which results in lower growth and lack of job creation. The detachment of finance from the real economy has undermined trust in the market system and financial capitalism.

Lessons from Islamic Finance

Islamic Finance stands out, given its strong ethical foundations in Shari'a. IF is based on four building blocks: (a) Risk sharing; (b) Social Justice; (c) Ethical principles; (d) Poverty alleviation. Islamic finance is based on Shari'a principles, which express an intent to meet the financial needs of participants with integrity and in a manner that is just, fair, trustworthy and honest, while ensuring a more equitable wealth distribution. These Islamic principles uphold the principles of integrity, transparency, fairness and good corporate governance, helping curtail excessive risk taking.

Importantly, while observing haram prohibitions, IF ties financial transactions to activities in the real economy. IF implies a risk-sharing relationship with entrepreneurs and with investment account holders, not 'depositors'.

Proponents of Islamic banking claim that it is therefore superior to conventional finance regarding efficiency, justice and stability. Indeed, Islamic banking offers a different paradigm from the detached, transactional, conventional banking. Similarly, Takaful, is based on the principle of collective, cooperative sharing of risk.

Shari'a Governance: From the viewpoint of corporate governance, IFIs embody a number of interesting features since equity participation, risk and profit-and-loss sharing arrangements form the basis of Islamic financing. An IFI is subject to an additional layer of governance that of ensuring Shari'a compliance, since the suitability of its investments and financing, both assets and liabilities, must be in strict

conformity with Shari'a and the expectations of the Muslim community.

The core of the UN's Principles of Responsible Investing are strongly related to Shari'a principles, there is large potential for expansion of IF and convergence with responsible investment, acting as a bridge between conventional and Islamic finance. According to the UN Principles of Responsible Investing, companies accounting for about 20% of the world's capital (over USD 30 trillion of assets) have signed up to the Principles. However, participation from the Middle East region is dismal: only one investment manager is signed on (and no asset owners are yet signatories!).

Inequality, Ethics and Finance

In an age of increasing inequality within countries and between countries, of growing uncertainty as to the future, where greed & cupidity and accumulation of personal wealth are promoted to our young people as being the major motivation of their lives, the strength of IF is that it re-introduces moral values and ethics as an integral part of finance.

The bottom line is that IF embodies many of the answers to the lack of trust resulting from the GFC. However, accepting Sharia principles does not mean that they are being practiced. We must beware of an IF landscape that is accepting of "form over substance". Sharia compliance has become a juristic category with different legal underpinnings and another compliance category.

Moving forward

The future of finance will be about technology, about access to and inclusiveness of finance in a changing economic landscape and geography. It will be about the role of non-bank financial intermediation. But at the core it will be about changing culture and embedding good governance, ethics, integrity, transparency & disclosure and accountability. What

would be the components? A “Programme for Positive Action” would include:

First, adopting of Codes of Conduct and Ethics that are imbued with a sense of vocation and the core values of Sharia.

Second, confirming corporate responsibility by adopting the UN Global Compact principles and the regional Pearl Initiative and the UN Principles for Responsible Investment.

Third, implement the revised BIS corporate governance principles alongside IFSB CG standards and King Code III, The latter focuses on ethics, sustainability, corporate culture and responsibility and an overall risk-centric approach to governance. King III requires organisations produce an integrated report instead of an annual financial report and a separate sustainability report. Sustainability reports should be prepared in accord with the Global Reporting Initiative’s ‘Sustainability Reporting Guidelines’. It carries the message of Sharia principles and values.

These are all tools that impose discipline and an organized framework for action. However, ethics and integrity is a message that must be clear from the top, from the board, share-owners and top management.

Needless to say, the focus of implementation of ethical and CG standards should not be solely on enforcement, but also facilitation of better corporate governance practices by capacity building initiatives. One of the barriers to better governance, often cited by companies, is the lack of know-how and experts.

It is in this regard that events like EFICA are central to enabling and rewarding best practices. I would like to commend ADIB and Thomson Reuters for initiating and supporting such an initiative that rewards ethical and innovative practices in finance.

The GFC year 2008 will be a 'defining moment' in post WW II history, marking a watershed for finance and financial markets. The crisis requires a paradigm shift, a new Weltanschauung. We are challenged to re-design the existing financial architecture which has been in place for nearly a century and the Bretton Woods system. This is a time for bold vision and action. A new economic geography with a renewed dominance of emerging markets requires a new global financial geography. Political, social and ethical values, economic and financial orthodoxy, policy recipes, and as a consequence, the moral high ground, will have to be redefined in a new reality. The question to all of us is: what will be our legacy?

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Regulators may be the “new rock stars” but don’t forget the media: The National

[This article by Frank Kane appeared in The National on 18th Feb, 2014.]

Link to the article: <http://www.thenational.ae/business/industry-insights/finance/regulators-may-be-the-new-rock-stars-but-dont-forget-the-media>

Financial watchdogs are not usually known for their erudition or showmanship, but there was a fair amount of both on display at the 8th GCC regulators’ summit held in Dubai over the past couple of days.

Perhaps it was the venue – the extravagant Atlantis, The Palm hotel in Dubai – that brought the normally staid profession out of its shell. Whatever, some of the participants seemed determined to get their message across with bravado and panache. In the course, they managed to deliver some serious points about the very serious business of financial regulation.

The regulatory professions – accountants, lawyers, compliance officers and other specialists – have come into their own since the financial crisis of 2008. As Jeff Singer, the chief

executive of the Dubai International Financial Centre Authority, said, they are the “new rock stars” of the financial classes, and a welcome opposite to the highly paid bankers deemed responsible for the crash, but who are still being paid fortunes in salary and bonuses.

The regulators have one unerring mission above all: to ensure that the circumstances that led to the near meltdown of the global financial crisis do not recur. But behind that goal, which all at the Atlantis agreed was their main job, there was a variety of views about how to achieve that end.

For Mr Singer, who spoke under the headline “good regulation is good business”, there were two essential rules for the regulators to observe.

First, keep regulations short and simple. He drew a gasp of surprise from the audience when he explained how the American Declaration of Independence, one of the most significant documents in history, ran to just 179 words, while the Dodd-Frank Act, the United States legislation designed to protect the public from the the wolves of Wall Street, took up an astonishing 15 million words.

Mr Singer’s second rule was more nuanced but just as important. Equity markets, he said, were one of the greatest financial innovations ever, performing the simultaneous functions of capital raising and wealth redistribution.

But they were under threat, especially in the Arabian Gulf, from the two other main forms of capital raising: bank or bond debt, and private equity.

“With both, the wealth remains in the hands of a small number of people,” Mr Singer concluded.

And both, he might have pointed out, are a lot more difficult for the regulators to tackle given the inherent opaqueness of both debt and private equity, compared with stock exchanges.

It was a theme taken up with enthusiasm by one of the other financial “rock stars” at the summit, Nasser Saidi. The former chief economist of the DIFC, now turned independent consultant, Mr Saidi raised the issue of corporate governance, which the regulators are supposed to help to ensure.

He explained that good corporate governance in the western financial scene had grown out of comparatively transparent stock markets, and highlighted Mr Singer's point about the relatively low level of equity influence on the regional capital raising process. Only 25 to 30 per cent comes from equity capital in the GCC, he said.

The other factor making the regulators' life more difficult in the Middle East, Mr Saidi said, was the much greater role played by governments in business in the region. It is a vital issue: how to impose good governance practices on sovereign governments, but one not easily resolved, given the corporate and political culture. The spectre arises of a lowly compliance officer handing out orders to a government minister.

The tour de force of the summit, however, came a little later from the outgoing head of the anti-money laundering unit of the Dubai Financial Services Authority, Matthew Gamble, speaking to the theme "are we winning the war against money laundering?"

Mr Gamble is heading off to a new job with National Bank of Abu Dhabi, and obviously felt less constrained in his thoughts on the matter. "I think we've lost the war, and worse we didn't even know who the enemy was. We as regulators have lost our way over the past 25 years, and the terrorists, criminals and sanctions busters are getting away scot-free," he thundered.

It was a rousing finale to an entertaining and informative session.

If I had one quibble with the event it was this: none of the speakers I heard mentioned the important role the media can play in the regulatory regime in the region.

Elsewhere in the world, the bad guys are kept in check partly by the fact that they can be named and shamed in public. That is less often the case in the GCC.

Perhaps that might be an item on the agenda for the ninth summit.

Imperative of Good Corporate Governance in Turbulent Times

Click to download the presentation "[Imperative of Good CG in Turbulent Times](#)".

GCC "needs a champion" to push for Arab bank for development

[Interview with The National: <http://www.thenational.ae/thenationalconversation/industry-insights/economics/gcc-needs-a-champion-to-push-for-arab-bank-for-development>]

Nasser Saidi, for a long time the public voice of the Dubai International Financial Centre, is revelling in his new-found freedom.

"I've always been reform-minded, always been an innovator. At DIFC, on a number of occasions I felt constraints, and in the end I felt it was just too constraining," he says.

Mr Saidi was the chief economist and head of external relations for Dubai's financial hub for six years, but since September he has been doing his own thing as an independent consultant, adviser and commentator via his new organisation, Nasser Saidi and Associates.

He is drawing on his vast experience of the region – two

previous jobs were the minister of economics in Lebanon and the vice governor of that country's central bank- to offer new and "visionary" thinking on the economic, financial and (sometimes) political problems of the Middle East and North Africa.

"The DIFC was an attractive prospect because I believe the region needs more and better institutions. Since what I call the 'Arab firestorm' began, I believe we have missed the institutions to deal with those problems."

As a member of the World Economic Forum's council on institutional governance, he is one of the 1,000 or so experts assembled in Dubai this week to hammer out the agenda for the WEF's annual meeting in Davos, Switzerland. Governance, one of Mr Saidi's passions, will figure high on the Dubai schedule.

"The governance of global institutions has become a critical issue. The world's economic geography has changed, and our institutions have not developed much beyond the models from Bretton Woods in 1945," he says.

"The fact that regional institutions are now considering their own solutions, like a bank for the Bric countries, is a sign that global institutions are not working."

In his final year at DIFC Mr Saidi became a proponent of the idea of an "Arab bank for reconstruction and development", along the lines of similar institutions set up in Europe in the 1990s to deal with the economic effects of the end of communism.

He is now, if anything, even more enthusiastic about the idea.

"I strongly believe in the creation of such an Arab financial institution. This could be a defining moment for the GCC region. It's virtually an Arab equivalent of the Marshall Plan that helped Europe to recover from the Second World War.

"There is no doubt the GCC has the resources to do this, but it needs a champion to push the idea. I believe the UAE and Qatar could be the champions in this case."

In general, he is critical of the traditional economic policy of the GCC states.

"They have based it on running budget surpluses from natural

resources, but it is not really a surplus," he says.

"Energy resources present unique opportunities to invest in infrastructure and human capital like education and employment. There has not been enough investment to compensate for the depletion of natural resources.

"The current strategy in a country like Saudi Arabia is a bit like selling off part of your house every year to fund current expenditure. In the end, you have no house."

He believes the UAE has had a better approach, with greater investment in infrastructure and social projects.

But the region, including the Emirates, missed an opportunity from the 2008-2009 financial crisis, he believes.

"If the GCC had proper financial markets then, it could have injected more liquidity more efficiently into regional economies. Now, regional banks still go to US and European markets to raise debt, when there is lots of capital at home," he says.

"For the first time in their history, the Arabs had the opportunity to own and control their own wealth, but they didn't take it. They should grow their own financial markets and then the rest of the world would have to come to us."

One area in particular he regards as an opportunity is the creation of a clearing centre in Dubai for the Chinese currency.

"With the shifts in economic power, there is no reason to pay for Chinese trade in dollars or euros. The yuan-clearing business should be based in the UAE."

His new organisation will draw on the extensive contacts book Mr Saidi has built up, with input from associates from the IMF, the World Bank and various global academic institutions.

In addition to one of his pet subjects of the DIFC years – the need for better corporate governance – the new firm will also focus on new ways for small companies to raise capital and participate in equity markets.

A plan to roll out a smaller equity platform across North Africa and some GCC states, is being considered.

He is also considering ways for smaller entrepreneurs in the

Middle East to raise capital via the internet, similar to the US film industry's "crowd funding" techniques.

Abu Dhabi Commercial Bank (ADCB) and Bank Muscat Jointly Win the Hawkamah Bank Corporate Governance Awards 2012



Hawkamah, Institute for Corporate Governance announced on 12th June 2012 that Abu Dhabi Commercial Bank (ADCB) and Bank Muscat are the winners of its prestigious regional Hawkamah Bank Corporate Governance Award during Banker Middle East's

Industry Awards held at the Jumeira Emirates Tower Hotel.

In its fifth year, the Hawkamah Bank Corporate governance Award recognizes corporate governance leadership of regional banks. Hawkamah received applications from banks in 9 countries in the Middle East and North Africa, reinforcing the notion that implementing good corporate governance practices is on top of the region's banks' agenda.

"We are delighted with the scope of country representation in this year's award, and we hope that the qualitative and quantitative feedback that we provided to all participating banks will be useful to take the region's bank corporate governance practices to their next natural, and strengthened, phase. Over the past few years, corporate governance regulations and guidelines have been introduced in most of the countries in the region, and we have seen in this year's applications how banks are facing the implementation challenge," said Dr. Nasser Saidi, Executive Director, Hawkamah Institute for Corporate Governance.

Dr. Saidi added, "We congratulate ADCB and Bank Muscat for their corporate governance leadership. However we also want to mention Al Baraka, BBK and National Bank of Oman the other three shortlisted banks for a very competitive selection process."

The jury agrees that the five shortlisted banks exhibited significantly higher levels of corporate governance awareness than in previous years. Indeed the standard was so high that the jury decided to make a joint award in recognition of the outstanding achievements and efforts of the two winning banks. The criteria on which the jury based its decision included not only the responses to an extensive questionnaire and in-depth interviews with senior staff but the high quality of the winners' Annual Reports was also a key factor.

This year's international jury panel comprised: **Mr. Charles**

Freeland, Retired Deputy Secretary General of the Basel Committee on Banking Supervision at the Bank for International Settlements in Basel, Switzerland. **Prof. Andrew D. Chambers**, the Specialist Advisor to the House of Lords' Economic Affairs Select Committee's Inquiry into Auditors: market concentration and their role. Andrew has been a member of the UK FRC's Auditing Practices Board (2006-9). He is Deputy Chair of Fédération des Experts Comptables Européen's (FEE's) Corporate Governance and Company Law standing Working Party (Brussels). **Dr. Grant Kirkpatrick**, Deputy Head of the Corporate Affairs Division of the Organisation for Economic Co-operation and Development (OECD) Directorate for Financial and Enterprise Affairs and **Dr. Rainer Geiger**, Professor of International Economic Law, and Ex -Senior Regional Advisor, Organisation for Economic Co-operation and Development (OECD).

"Corporate governance is a journey, particularly for our region. We are delighted about the engagement of the industry in pursuing this positive journey. Beyond regulations we all know that good corporate governance leads to a more sustainable business environment built on trust, responsibility, accountability and fairness," concluded Dr. Saidi.



Jeddah Business Leaders Focus on Building More Effective Boards

Mudara Institute of Directors, the sister institute of Hawkamah Institute for Corporate Governance delivered a session for Menaret Business Organization (MBO) to discuss the traits of world class board directors and how to create a more effective board level group-think. Increasingly across the region, the importance of effective and functional boards is a topic of interest.

Dr. Nasser Saidi, the Executive Director of Hawkamah Institute for Corporate Governance, commented: "We are delighted to partner with the Menaret Business Organization to focus on the urgent need to build the capacity of directors serving

regional board rooms, in order to support the region's economic growth and development. The role of the private sector in job creation and economic diversification cannot be under-estimated. But key to private sector engagement and performance are competent and capable directors and executives making well-informed decisions on a firm level. A framework and regulations for corporate governance are already in place in the Kingdom; the challenge that the private sector is facing is to go beyond regulations and focus on the implementation of good corporate governance practices that supports value creation, both for listed companies as well as the majority of unlisted, family owned enterprises. Hawkamah and its sister institute Mudara were created precisely to support private sector empowerment and development as a foundation of sustainable economic growth."

Osama Jamjoom, Chairman from MBO welcomed the joint initiative: "I would like to thank Mudara Institute for this event to MBO members. The session and discussions were very informative and useful to enable MBO members to become more effective board directors and follow international best practices. As a matter of fact, the content of the discussion is well aligned with MBO objectives which is to assist its members to be better leaders through higher values."

The dinner with Jeddah's prominent businessman and decision makers coincides with Mudara concluding its first DDP in Jeddah on the 8th of May. Mudara Institute of Directors has rolled its distinguished DDP programme in Jeddah for the first time this year with the support of the SEDCO Holding. Mudara Institute will be running the DDP programme again in Jeddah in September and October of 2012.

Dr. Nasser Saidi – Banker Middle East Product Awards Speech

Mudara Institute of Directors Launches its Director Development Programme in Saudi Arabia for the First Time with the Support of SEDCO Group



Mudara Institute of Directors (IoD), the sister Institute of Hawkamah, the Institute for Corporate Governance has launched

its Director Development Programme in Jeddah, KSA for the first time with the support of the SEDCO group, on March 11, 2012 .

Announcing the launch of the workshop, Dr. Nasser Saidi, the Executive Director of Hawkamah, the Institute for Corporate Governance and Mudara IOD said: "the Mudara Institute has trained over 150 directors and aspiring directors serving the region's boardrooms on corporate governance. I am very pleased we are hosting the workshops in Jeddah for the first time, as it constitutes a great opportunity for us to be closer to our partners in the Kingdom, especially the SEDCO group which has been a supporter of our efforts since our establishment."

Dr. Saidi continued: "We look forward to future cooperation and continued partnership with the SEDCO Group who is championing the development of Corporate Governance in Saudi".

Dr. Adnan Soufi, CEO of SEDCO Holding, expressed his strong support for the collaboration with the Institute of Directors, stating: "Organizations such as the Institute of Directors help to graduate independent certified managers, which, without a doubt, is a big step forward for corporate governance in the region, and especially the Saudi Market."

Dr. Soufi went on to say: "To ensure the sustainability of its family business and to control and develop its direct investments, SEDCO has adopted clear corporate governance principles that are used in all its operations. The effectiveness of SEDCO's corporate governance is reflected in its growing international reputation as a leading private wealth management organization that conducts its business according to Shari'ah principles."

As of February 2012, 10 distinguished directors have joined the Mudara IoD accredited directors pool which is expected to increase over next year.

Mudara IoD, who has already offered its Director Development Programme in the UAE, Bahrain, Jordan and Oman and will be offering 4 workshops in Jeddah during 2012.

The workshops are scheduled in March, May, September and October, with the first 2 workshops fully booked.

Risk is on the Corporate Governance Agenda: Hawkamah and Institute of Risk Management Formalize Relationship

Dubai, UAE – Hawkamah, Institute for Corporate Governance and the Institute of Risk Management (IRM) formalized a partnership agreement today to provide tools to Gulf Cooperation Council (GCC) executives and boards and bring into focus risk management frameworks and techniques. The partnership includes the offering of a 2-day programme on Fundamentals of Risk Management for Boards and executives, and the development of regional case studies.

“The financial crisis that we’re currently living through has been brought about by a number of factors, central of which is the lack of understanding and implementation of basic risk management frameworks and techniques on the board and executive level. One of the key aspects of corporate governance that we regularly espouse is the engagement of the board and executives on issues of risk management and controls. Hawkamah welcomes this partnership with IRM to provide the necessary skills and understanding on various risk management strategies to the board and executive level,” said Dr Nasser Saidi, Executive Director of Hawkamah, Institute for Corporate Governance.

Steve Fowler, Chief Executive of IRM, added, “We are delighted to have this opportunity to work with Hawkamah to enhance risk management within the GCC region. We hope that individuals will find their performance boosted by acquiring

internationally recognised professional skills and their employers will benefit from bringing effective risk management practices into their organisations.”

Dr. Saidi concluded: “We are hopeful that this partnership between Hawkamah and IRM, through our Mudara Institute of Directors, will better equip our companies with the knowledge and experience on how to mitigate future crises.”

Hawkamah, The Institute for Corporate Governance signs Memorandum of Engagement with CPI Financial

Hawkamah, The Institute for Corporate Governance and CPI Financial are working together to create an event where excellence and superior practice in corporate governance in the banking sector throughout the Middle East and North Africa (MENA) are celebrated and recognised.

A Memorandum of Engagement (MoE) combining the Hawkamah Corporate Governance Award and *Banker Middle East* Industry Awards was signed by Dr. Nasser Saidi, Executive Director, Hawkamah, and Adam Broom, Chief Operation Officer, CPI Financial.

Under the MoE the Hawkamah Corporate Governance Award will be presented at the annual 2012 Banker Middle East Industry Awards, a ceremony to be held in Dubai later this year that will be attended by more than 400 senior bankers from around the MENA region.

The Hawkamah Corporate Governance Award is open to all Arab banks, assessing them on five key criteria – commitment to good corporate governance; structure and functioning of the board of directors; control environment and processes; disclosure and transparency; and shareholders' rights.

The Award honours banks that have made exceptional efforts to improve their corporate governance practices beyond the minimum legal and regulatory requirements imposed by their jurisdictions, and whose achievements serve as a model for other banks in the region.

Dr. Nasser Saidi said, "The Hawkamah Corporate Governance Award seeks to identify and recognise banks that have shown extraordinary commitment to enhancing corporate governance practices. The Award focuses the spotlight on the value generated by sound corporate governance, allowing banks to benchmark their policies and structures against global best practice.

"Excellence in corporate governance enhances and underlines the transparency, accountability and integrity of institutions seeking to sustain competitiveness and growth in a challenging economic environment."

Speaking of the partnership, Adam Broom, Chief Operating Officer for CPI Financial commented, "The *Banker Middle East* Industry Awards undertake an in-depth study of audited financial statistics to assess the best performing banking institutions in the region.

"This methodology emphasises our commitment to offer transparent and credible awards to the banking industry. We know that Hawkamah, The Institute for Corporate Governance is equally passionate about improving standards in the financial sector and, therefore, we are honoured to assist in re-launching this important accolade."

About Hawkamah, The Institute for Corporate Governance

Hawkamah, The Institute for Corporate Governance is an international association of corporate governance practitioners, regulators, and institutions advancing home grown yet globally integrated corporate governance best practices in the MENA region. Hawkamah's mission is to promote corporate sector reform and good governance, and assist the countries of the region in developing and implementing sustainable corporate governance strategies adapted to national requirements and objectives. By promoting its core values of transparency, accountability, fairness, disclosure, and responsibility, Hawkamah works on policy and practical aspects of corporate governance reform in the region (<http://www.hawkamah.org>).

About CPI Financial

CPI Financial, established in Dubai in 1999, offers a comprehensive portfolio of market-leading products and services tailor-made for the banking and financial sector. CPI Financial is the Middle East's leading financial publisher, with a stable of publications that includes *Banker Middle East*, *Islamic Business & Finance*, the *CPI Financial 100*, *FinanceME* and *WEALTH*, circulating to more than 50,000 registered subscribers with a readership of more than 150,000 globally (www.cpifinancial.net).

About *Banker Middle East* and the *Banker Middle East* Industry Awards

For more than a decade *Banker Middle East* has been serving the banking and finance industry in the MENA region. It is the only magazine to focus exclusively on the MENA financial sector, providing accurate reporting, in-depth analysis and unbiased editorial.

The annual *Banker Middle East* Industry Awards are designed to recognise those banks and financial institutions that are pioneers and standard-setters in finance.

S&P Hawkamah ESG Pan Arab Index Undergoes First Rebalancing Since Launch

Dubai, January 4th, 2012 – This first-ever MENA wide Environment, Social and Governance (ESG) Index which was developed by Hawkamah in cooperation with Standard & Poor's with the support of the International Finance Corporation (IFC) underwent its first rebalancing in December 2011. The rebalancing reveals that financial stocks continue to dominate the index making up 45.67%. However, this is indicative of the region's equity market, as financials, likewise, represent nearly half of the benchmark S&P Pan Arab Composite. Saudi Arabia (28.49%), Qatar (22.87%) and UAE (22.77%) were the top three largest countries in the index. This first-ever MENA wide Environment, Social and Governance (ESG) Index which was developed by Hawkamah in cooperation with Standard & Poor's with the support of the International Finance Corporation (IFC).

The top 10 stocks by weight in the index are Emirates Integrated Telecommunications Company, better known as du, DP World Ltd, SAVOLA Group, Arab Bank, MobiNil, National Bank of Abu Dhabi, Orascom Construction Industries, Qatar Telecom, Maroc Telecom and Al Khaliji Commercial Bank.

Dr. Nasser Saidi, Executive Director of Hawkamah, said: "For the past two years Hawkamah has been assessing and monitoring the growing interest of businesses, government, policy makers

and investors in environment for social responsibility and corporate governance in the Arab region. Recent political developments have heightened the focus on governance, accountability, transparency and disclosure. The data shows that there have been overall improvements in the ESG scores of regional companies. This is partly due to the increasing emphasis the region's regulators have placed on corporate governance. The recent issuances of corporate governance codes in the UAE and Qatar, for example, have had a positive effect on the rankings of their companies. But companies themselves have started to see the value of better disclosure and many have gone beyond the minimum requirements."

Kirsty Knight, Director, Index Operations at S&P Indices, said: "Following the rebalance, the index, which is unique in being weighted by ESG scores, is dominated by financial stocks, with this sector comprising 45% of the index. Telecommunications Services is the next largest sector with 18%. This sector also contributes the index's largest constituent, Dubai listed Emirates Integrated Telecommunications Company. The largest country is Saudi Arabia, which contributes 15 constituents to the 50 stock index."

Selcuk Tanatar, Manager, Sustainable Business Advisory, Middle East & North Africa, International Finance Corporation (IFC) said: "Incorporating ESG analysis into the investment process helps reduce risks and improves long term financial returns. Building on the successful introduction of ESG index in MENA, IFC is committed to expanding its collaboration with the private sector to increase their level of sustainability focused investment and introducing appropriate standards to encourage participation of all stakeholders."

The index includes the top 50 MENA companies based on their performance on nearly 200 ESG metrics, when compared to their regional peers. Constituents are drawn from a universe of the 150 largest and most liquid companies listed on the national stock exchanges of 11 markets: Bahrain, Egypt, Jordan, Lebanon, Kuwait, Morocco, Oman, Qatar, Kingdom of Saudi

Arabia, Tunisia and the United Arab Emirates.



Top 10 MENA ESG Stocks 2012

Country	Company	Weight (%)	Sector
UAE	Emirates Integrated Telecommunications Company (du)	3.85	Telecommunications Services
UAE	DP World Ltd	3.14	Industrials
Saudi Arabia	SAVOLA Group	3.00	Consumer Staples
Jordan	Arab Bank	2.90	Financials
Egypt	MobiNil	2.79	Telecommunications Services
UAE	National Bank of Abu Dhabi	2.66	Financials
Egypt	Orascom Construction Industries	2.49	Industrials
Qatar	Qatar Telecom	2.49	Telecommunications Services
Morocco	Maroc Telecom	2.42	Telecommunications Services
Qatar	Al Khalij Commercial Bank	2.32	Financials

Source:

S&P Indices

About Hawkamah

Hawkamah, The Institute for Corporate Governance is an international association of corporate governance practitioners, regulators, and institutions advancing home grown yet globally integrated corporate governance best practices in the region. Hawkamah's mission is to promote corporate sector reform and good governance, and assist the countries of the region in developing and implementing sustainable corporate governance strategies adapted to national requirements and objectives. By promoting its core values of transparency, accountability, fairness, disclosure, and responsibility, Hawkamah works on policy and practical aspects of corporate governance reform in the region. For more information, please visit www.hawkamah.org.

About S&P Indices

S&P Indices, a leading brand of the McGraw-Hill Companies (NYSE:MHP), maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Over \$1.25 trillion is directly indexed to Standard & Poor's family of indices, which includes the S&P 500, the world's most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry's most closely watched commodities index, and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit:

www.standardandpoors.com/indices.

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Round table on "Women in Boards" organized by DWE and Hawkamah Institute of

Corporate Governance and Mudara IoD

Panelists Agree Women Bring a High Level of Insight to the Corporate Decision-Making Process

A panel of specialists in the field of economics and corporate governance alongside prominent and successful UAE women leaders discussed the importance of increasing female representation on the boards of regional organizations and the positive benefits women bring to the table when participating in the corporate decision making process.

The discussion was conducted as part of a round table gathering held today at DIFC, organised by Dubai Women Establishment in cooperation with Hawkamah Institute for Corporate Governance and Mudara as part of the “Women in Boards” Initiative.

The initiative aims to raise awareness on the topic of female participation in board activities and the pool of female talent currently available, as well as create a culture that recognizes and accepts the valuable contribution made by women board members. Its objective is to boost female representation on regional boards which currently averages at only 1.5%.

Key speakers who participated in the discussion included Dr Nasser Saidi, Executive Director, Hawkamah Institute of corporate governance; Shamsa Abdulla Saleh, CEO Dubai Women Establishment; Dr. Amna Khalifa, Board Member, Ajman Chamber of Commerce and Industry; Najla Al Mutawa, Board Member, RAK Chamber of Commerce and Industry.

Dr Saidi asserted that “Increasing women’s representation on boards is mainly an issue of fairness and equality more than a question of improving the performance of companies, even though corporate governance performance may improve as a

result. Policy makers in the region are playing the leading role in promoting women into leadership positions, and women represent a growing percentage of board members of state-owned companies and government-related entities. On the other hand regional economies are not using the vast amount of available but idle female human capital. If our women participated in the labor force at the same rate as the average in OECD economies we would increase our GDP by some 15 to 20 percent! Moving forward, the issue for policy makers and corporate boards is how to recognize the rising power of women and enable their representation. “

Commenting on DWE’s objective for the “Women in Boards” initiative Shamsa Saleh said: “The goal of this initiative is to not only develop the skills base and confidence levels required for women to pursue positions of leadership and responsibility within a corporate environment, but equally to build a corporate culture that accepts, trusts and values the capabilities of women in senior positions of leadership and appreciates their input.”

Dr. Amna Khalifa added: “Within the UAE there are so many successful female leaders who serve both as role models to be emulated as well as positive case studies with regard to the high level of leadership, ambition, intuition and experience that they bring to their roles.” Khalifa then shared her personal experience as a board member and her insights on the opportunities and challenges faced by women functioning in similar positions throughout the region.

Najla Al Mutawa commented on the UAE government’s support and encouragement of female leaders in the public sector and complimented the inclusive culture that is actively cultivated in this regard. Al Mutawa discussed challenges that she has had to overcome at various stages of her career as female board member as well as the advances being made – especially within UAE government institutions – to create a culture of equal opportunity.

Speakers at the round table expressed their thanks to DWE and Hawkamah Institute of Corporate Governance and Mudara IoD for their continuous efforts towards supporting the goal of higher female participation in positions of leadership through offering skills-based training and networking opportunities and working to create a culture of acceptance and awareness regarding female capability in senior management positions. The speakers also expressed the strong need to increase female representation within regional boards with a view to creating a more gender equitable balance.

The “Women in Boards” initiative, which operates under the patronage of HH Sheikha Manal Bint Mohammed Bin Rashid Al Maktoum, President of Dubai Women Establishment and wife of HH Sheikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs, is in line with the Decree issued by HH Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai in October which aims at boosting corporate governance practices in the UAE.

The ‘Women In Boards’ initiative has developed a three-phase plan – the first of which is already underway – to tackle the issue of female under representation.

The first phase focuses on building a conducive corporate culture through “Research and Defining the Business Case” for more women’s participation in the boardroom. This phase includes qualitative interviews on current board practices, identification of current and future challenges and the publication of results through white papers in conjunction with various women’s business groups.

The second and third phase are expected to be rolled out in 2012. The “Capacity-building and Empowerment” phase will include workshops for women leaders, the delivery of the globally accredited four-part Director Development Program by Mudra IOB, and the Board Referral Service which will provide a

pool of at least 20 women leaders who can serve regional board appointments – all tactics aimed at building a competent and qualified cadre of women leaders.

The final phase actively focuses on “Research Advocacy and Networking”, achieved through a series of Business Breakfasts, mentoring and awards programs, empirically grounded analysis leading to policy recommendations and business cases on the importance of having women on boards in the region.

Hawkamah organizes the first MENA Judicial Colloquium on Insolvency and Restructuring



Dubai: 13th December 2011 – Hawkamah, the Institute for Corporate Governance held the first Hawkamah MENA judicial colloquium at the Dubai International Financial Centre (DIFC) today. The two day event is being held in partnership with the Dubai Judicial Institute (DJI), DIFC Courts, and the Abu Dhabi Council for Economic Development, INSOL International, the World Bank group, International Finance Corp (IFC), The Abu Dhabi Judicial Department. Global law firm Latham & Watkins LLP is supporting the event.

The participants of the colloquium examined the legal and policy dimensions of insolvency and restructuring via case studies on restructuring and panel discussions on insolvency law. A representative from the UAE Ministry of Finance participated in opening the event.

The event is being organized under the umbrella of the Forum for Insolvency Reforms in MENA (the FIRM), the founding members of which are Hawkamah, the World Bank, INSOL International and the OECD.

Dr. Nasser Saidi, Executive Director Hawkamah and Chief Economist of DIFC said: “The main purpose of this colloquium is to highlight the fact that well established Insolvency Regimes and Creditor Rights Systems and frameworks are a critical part of market infrastructure and are a key standard for sound financial systems. The absence of efficient exit mechanisms would discourage the entry and financing of new businesses into a country’s markets, if they cannot be freed from the burden of past obligations. Having said that the idea is not to provide defaulters with an easy way out of their liabilities, but to provide potentially viable, solvent, debtor companies with an appropriate framework for restructuring and reorganising their businesses, in order to survive financial and economic shocks, and continue their operations, instead of focusing only on liquidation. Enabling the restructuring and reorganization of companies is one of the most important features of a modern insolvency regime. UAE is unique in the sense that two insolvency systems are

available in two jurisdictions: one for the DIFC and one for the UAE. With the UAE in the process of issuing a new insolvency law, today's forum provides an excellent platform to debate the nuances of insolvency and restructuring systems within the UAE, learning from international best practices and focusing on how to strike the right balance by aiming to have an internationally accepted yet practical Insolvency and restructuring law for the country"

"Given the effects of the global economic downturn, our region needs to review its insolvency laws and policies more closely and pursue higher judicial standards in these areas. The upcoming Colloquium's inclusion of regional and global experts on insolvency and restructuring will enable participants to envision the development of laws and expertise that best suit the Middle East's needs. We look forward to incorporating the results of the upcoming forum into the DJI's own insolvency procedures as we further develop our expertise in the field," said Dr. Judge Jamal Al Sumaiti, Director General of DJI.

The forum will also feature invitation-only closed session roundtables for ministries of justice, regulators, judges and insolvency professionals that will focus on judicial engagement and cooperative development.





6th Annual Regional Corporate Governance Conference Final Statement

The Hawkamah Institute for Corporate Governance and the Organisation for Economic Co-operation and Development (OECD) wish to thank the participants, speakers and sponsors attending 6th annual regional corporate governance conference held on 31 October – 1 November 2011 in Dubai with H.E. Eng. Sultan Bin Saeed Al Mansoori, Minister of Economy of the United Arab Emirates, opening the conference with a keynote address.

The 6th annual regional corporate governance conference assembled public and private participants from across the Middle East and North Africa region, including Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestinian Authority, Qatar, Saudi Arabia, Sudan, Tunisia, Turkey, United Arab Emirates and their counterparts from

Europe and the United States of America.

The theme of the annual conference, Words to Action: The Next Regional Corporate Governance Challenge, reflected the improvements of corporate governance frameworks in the Middle East and North Africa through regulatory updates and the development of corporate governance codes in almost all jurisdictions.

At the same time, participants acknowledged challenges with the implementation of the new requirements among listed companies, but also with the adoption of better governance standards among other enterprises (state-owned, small- and medium-size unlisted firms) which contribute significantly to the economies of Arab countries.

Considering the challenges arising from the global financial crisis as well as the political and economic impacts of the Arab spring in the region, the conference attendees:

Recognized that good corporate governance practices will enhance the region's long term economic performance by making it an attractive investment destination, and that furthermore, they can help ensure that the region retains capital in the long term;

Noted the growing role of domestic institutional investors, including sovereign funds, as a potential source of demand for better governance practices in local companies and highlighted the need to also examine their own governance arrangements;

Agreed on the need to further develop the region's capital markets by providing incentives for family-owned firms and other types of enterprises to list their equity, and noted the initiatives of several Arab stock exchanges to encourage this;

Called for the development of a regional corporate governance research platform, bringing together academics, and practitioners in order to stimulate and gather evidence-based research on the benefits of good governance and challenges with implementation;

Encouraged the collection of detailed information on corporate governance frameworks in MENA countries, as sought by the OECD Survey conducted in 2011, in order to better understand the

existing gaps and support regional dialogue;

Recognised that in light of the concentrated ownership structure in the region and the presence of unlisted company groups, the risk of abusive related party transactions remains relatively high and warrants ongoing attention;

Observed that since the publication of the regional Policy Brief on Corporate Governance of Banks, governance of banking institutions has evolved, but still requires a review with an emphasis the role of corporate governance in anti-corruption and risk management;

Welcomed the progress made by national authorities in establishing effective disclosure frameworks and encouraged enhanced disclosure by listed but also by privately owned firms, including informative narrative reporting;

Announced the first slate of accredited directors by Hawkamah's sister institute Mudara Institute of Directors to serve board rooms in the region as advocates of good corporate governance practices;

Acknowledged the need to develop better frameworks on corporate governance of state-owned enterprises, family-owned enterprises and other unlisted companies so as to attract investors, encourage private sector led growth, and job creation;

Received a presentation on the OECD's regional publication on corporate governance of state-owned enterprises to be released in 2012 and commended its efforts to support the reform of state-owned enterprises through the regional Taskforce;

Commended the efforts of some MENA countries in improving their frameworks of state-ownership, including Morocco, which released a Code on Corporate Governance for SOEs in 2011, and Egypt which did so in 2006;

Encouraged the development of clear ownership policies, as well as better coordination and accountability of state ownership in the region with a view to improve the performance of SOEs and increase the transparency around the role of the state as an owner;

Noted the progress achieved by the OECD Taskforce of MENA

Stock Exchanges for Corporate Governance, in which stock exchanges and securities regulators participate, including the forthcoming study on the role of exchanges in corporate governance;

Called on the international and regional organisations to support Arab countries undergoing political and economic transitions, notably Egypt and Tunisia, through capacity building activities aimed at supporting the development of sound corporate governance practices;

Confirmed that the OECD Working Group on Corporate Governance and the OECD Corporate Governance Committee stand ready to support the Deauville Partnership Process which seeks to encourage, inter alia, private sector development in the region through better corporate governance practices; and

Encouraged a more effective dialogue between corporate governance practitioners in the region with their international counterparts through OECD, Hawkamah and other networks.

Thanked the financial support of Du as the Exclusive Telecom Partner, Bank of Sharjah, Muscat Bank, Dubai World Central, Future Pipes Industries, Al Baraka Banking Group, ICSA, Dubai and Weil; and the media partners: the Financial Times, Executive Magazine, and Banker Middle East.

Mudara IOD Announces its first 7 certified independent directors at the Hawkamah

OECD 6th Annual Conference

The Hawkamah-OECD 6th annual regional corporate governance conference will continue today its series of discussions at the Ritz Carlton, DIFC – UAE, titled Words to Action: the Next Regional Corporate Governance Challenge, the conference discusses corporate governance and the impact of Arab Spring.

Dr. Nasser Saidi, Executive Director of Hawkamah commented: in addition to the discussion and debates today, Mudara IoD will be announcing the first 7 certified independent directors in the region who have gone through the Mudara IoD Director Development Programme, passed the examination and an interview of peer jury.” In a statement to encourage other directors to undertake the programme, Jan Bladen, DFSA COO, said: “The Mudara IOB Director Development Program (DDP) is literally ‘Boot Camp for Board Members’ and anybody who thinks it’s easy is in for a shock! ... The qualification and certification of Mudara IOB’s first independent directors is a highly rewarding step for Mudara IOB and one giant leap for Corporate Governance in the Middle East.”

Today’s session promises an interesting debate reviewing the impact of Arab Spring on corporate governance and particularly shareholders activism and stewardship.

The conference will also discuss the role of the state as an owner in this new environment, focusing on accountability of the state, the role of the state audit institutions and corporate governance codes specific to state-owned enterprises. The OECD will be releasing a pre-publication version of its regional book on corporate governance of state-owned enterprises, a first of its kind in the region. The final publication will be released in early 2012.

Corporate governance research in the region is lacking, therefore a session on corporate governance research will provide an opportunity to discuss topics such as the value of corporate governance to shareholder value creation, the benefits of transparency and disclosure and remuneration and

company performance. The last session will review how to create the right incentives, tackling the topics of listing requirements and second-tier markets, voluntary versus comply or explain codes, and regulatory impact analysis.

Like every year, the conference will have a closing ceremony with concluding remarks and conference declaration. Hawkamah and the OECD have announced/will be announcing a number of initiatives.

The list of speakers includes: Nasser Saidi (Hawkamah), Mr. Lies Kerrar (Algerian Corporate Governance Institute), Dr. Majdi Hasen (Institute of Arab Chefs de Entreprise, Tunisia), Dr. Hisham Awartana (Palestine Corporate Governance Institute), Mr. Wissam Adib (TCO Management Consultants), Ms. Alissa Amico, (OECD), Mr. Ahmad AL Ansari (Dubai World Central), Ms. Amina Benjelloun (Ministry of Economic and General Affairs, Morocco), Dr. Grant Kirkpatrick (OECD), Ms. Jahanara Ahmed (Hawkamah), Dr. Mohamed Melville (Cass Business School), Dr. Assem Saffieddine (Lebanese CFA Society), Mr. Yasser Akkaoui (Capital Concept), Dr. Shahira Abdel Shahid (Egyptian Stock Exchange), Mr. Chris Razook (IFC), Mr. Alexandar Williams (Dubai SMEs).

The conference this year is sponsored by regional and international partners with a strong commitment to corporate governance. Sponsors of the conference include Du as the Exclusive Telecom Partner, Bank of Sharjah, Muscat Bank, Dubai World Central, Future Pipes Industries, Al Baraka Banking Group, ICSA, Dubai, Weil and Shelter. Media partners include the Financial Times, Executive Magazine, and CPI Financial.

Inauguration of the Rami

Fouad Makhzoumi Chair in Corporate Governance

To learn more about Rami and his many achievements, please visit his official memorial website – <http://www.ramimakhzoumi.com>

Hawkamah/Mudara and ICLIF Launch Bank and Insurance Board Governance Programmes

Hawkamah Institute for Corporate Governance, its sister institute Mudara Institute of Directors and the Kuala Lumpur-based ICLIF Leadership and Governance Centre (formerly known as the International Centre for Leadership in Finance)joined forces today to develop and implement a practical programme for regional bank boards to raise awareness and build their capacity to fulfil their fiduciary duties as directors.

Announcing the launch of the partnership, Dr Nasser Saidi, Executive Director of Hawkamah, Institute for Corporate Governance said: “Regional codes of corporate governance issued by both capital market authorities and Central Banks have highlighted the growing focus on the responsibilities of corporate directors in ensuring proper oversight of very important regional financial institutions that are supporting the region’s economic growth.”

Dr Saidi added, “With our sister institute, Mudara Institute of Directors, we have actively trained over 150 directors and

aspiring directors serving the region's board rooms on corporate governance. This partnership with ICLIF is a welcome addition to our course offering as it provides board members of regional financial institutions with key insights on the strategic evolution of their industry. Part of our director development accreditation programme, the Mudara/Hawkamah/ICLIF courses on banking insights, insurance insights, and corporate finance are aimed at the Board level, equipping directors with practical knowledge on the ever-changing industry and supporting each director's duty of due diligence and care as they serve their board tenure. We plan to roll out our joint offering to the Middle East and North Africa countries working with banking associations, Central Banks, bank regulators and supervisors. "

Developed jointly by Bank Negara Malaysia and the Malaysian Deposit Insurance Corporation (PIDM,) the ICLIF Leadership and Governance Centre is a full service provider of usable leadership development, organizational performance, Corporate governance programmes and advisory services that are designed to enable sustainable and responsible business growth. The Governance Centre in particular seeks to enhance boardroom governance and develop world class directors who are advocates of best practices and excellence in corporate governance.

Mr. Rajeev Peshawaria, CEO of ICLIF, stated, "We are very pleased with our newly-formed association with Hawkamah and Mudara; Dr. Saidi and these institutions are a pioneer in promoting the importance of sound corporate governance practices in the Middle East, much as we have been in the Far East. Our organizations complement each others, and our vision are entirely compatible."

Former Harvard Business School Professor of Management Practice, Nabil ELHAGE, Program Director for ICLIF, added, "We are delighted to have teamed up with Hawkamah and Dr. Saidi to bring Harvard-quality educational programmes to the Arab World. We look forward to offering a vigorous curriculum in this region."

Hawkamah Institute for Corporate Governance is a regional

'think-and-do' institute whose mission is to bridge the corporate governance gap in the Middle East and North Africa. Hawkamah developed its sister institute, Mudara Institute of Directors to support the development of professional directors serving regional board rooms. Mudara offers a four-part director development programme, developed and supported by the Global Corporate Governance Forum and the International Finance Corporation, all over the region.

Dr. Nasser Saidi Appointed to Global Corporate Governance Forum Advisory Body



Dr. Nasser Saidi, Executive Director of Hawkamah Institute for Corporate Governance, was appointed to the Private Sector Advisory Group of the Global Corporate Governance Forum, an

institution of the World Bank driving global corporate governance reforms.

Dr Saidi said, “This appointment constitutes as a landmark for Hawkamah and the region, as this appointment ensures that the Arab world has a seat on the table discussing and driving global corporate governance developments. I am personally excited about this appointment and look forward to engaging in a lively debate on and supporting corporate governance developments globally.”

The PSAG brings together international leaders of the private sector whose shared goal is to help developing countries improve their corporate governance. Through the PSAG, the Forum is able to bring the practical experience of the international private sector to bear upon the issues and challenges facing corporate governance in developing countries. PSAG members participate in nearly all the Forum’s activities, providing counsel on new strategies and sharing their practical experiences with the Forum’s global networks. Their efforts include involvement in the Forum’s international consultations, publications, practical guides and toolkits, and capacity-building programs.

Hawkamah, Institute for Corporate Governance was constituted as a landmark organization to push for corporate governance in the Middle East and North Africa region. Founded by Dr. Nasser Saidi, Hawkamah works with governments and the private sector to bridge the region’s corporate governance gap.

**Dubai SME and Hawkamah tie up
to develop a code on**

Corporate Governance for small & medium enterprises

Dubai SME, the agency of the Department of Economic Development (DED), Government of Dubai, entrusted with the development of the small and medium enterprise (SME) sector, has joined hands with Hawkamah – The Regional Institute for Corporate Governance – to develop a code for SMEs on Corporate Governance.

The first-ever code with key principles and practices will be launched at a Conference for Corporate Governance for SMEs to be held in Sept. 26, 2011, in Dubai. It will serve as a guide for SMEs in various stages of growth to embrace best practices in corporate governance.

The aim is to create awareness amongst SMEs on the importance of adopting a basic level of corporate governance that will make them more robust, better manage risks, be more bankable and investable. It is also hoped that the promotion of corporate governance will make SMEs realize that corporate governance is not just something good to follow but is a must-have to grow and progress sustainably.

Under Dubai SME's Corporate Governance Plan for SMEs, a two-fold strategy comprising Promotion & Awareness Creation in the first phase and Capability Development in the second phase has been adopted to enable change and development for SMEs.

Promotion and Awareness Creation

Under promotion and awareness creation, Dubai SME will work with key stakeholders to promote corporate governance to the general SME population. A key tool is a guide book on CG for SMEs which will cater to micro, small and medium sized SMEs.

The message is start early, start now. For the medium and growing SMEs that aim to expand through new external capital, more complex aspects of corporate governance will be promoted such as awareness on board structures and composition, share ownerships and listing preparation in the Equity Markets.

Other promotional projects and activities include Awards for SMEs with Best Practices in Corporate Governance and for Best SME Annual Reports. Dubai SME has engaged Hawkamah to develop the Code of Corporate Governance for SMEs based in Dubai, using the official definition of SMEs developed by Dubai SME and the Dubai Statistics Centre.

The idea is to customize the corporate governance code in the economic and business context of Dubai/UAE's business requirements. The code, which will be launched on Sept. 26, will then be used as a basis to develop other products like tool kits and training programmes. Post-launch, various seminars and road shows will be organized to create greater awareness.

Capability Development

Under capability development, Dubai SME will work with partners to launch diagnostic tool kits and training sessions. It has tied up with the International Accounting Standards Board (IASB) for a train-the-trainer programme on International Financial Reporting Standards (IFRS) for SMEs.

The first such training will be held in Dubai from Sept. 27-29. Subsequently, more IFRS training sessions will be organized for SMEs. For more advanced SMEs that wish to consider listing, a listing preparation programme will be implemented in coordination with relevant stakeholders to help the SMEs prepare robustly for listing. This would cover training in company secretary-ships, directors' training, enterprise risk management, financial governance, remuneration and other key dimensions for listing companies.

His Excellency H.E Abdul Baset Al Janahi, Chief Executive Officer of Dubai SME, said: "Corporate governance is integral for enterprise growth and development. It opens new doors for SMEs that embrace it willingly. Good governance lays the foundation for a quality SME that focuses on building long-term sustainability. It will ensure that the SME is bankable and investable to all key stakeholders such as the banking and finance community, private equity firms, and corporate financiers." He added "Without proper governance practices,

companies will be unable to function optimally, especially in this new world order. Our strategic partnership with Hawkamah – the Institute for Corporate Governance – to develop the first- ever Corporate Governance for SMEs is commendable. Hawkamah will provide its expertise and knowledge to ensure that the code is practical and effective for SMEs as they seek knowledge and best practices to institute corporate governance in their firms.”

“Good corporate governance practices amongst various enterprises, including SMEs, have added value to the quality of operations and management, increased access to financing, lowered cost of capital, and ensured sustainability of the enterprise,” said Dr. Nasser Saidi, Executive Director, Hawkamah Institute for Corporate Governance.

He added: “We are delighted to partner with Dubai SME, to support Dubai SME’s initiatives to work with the ‘best-in-class’ enterprises that Dubai has to offer. While a voluntary framework, the corporate governance code we develop will build on the experiences of other markets while taking into consideration the business realities in Dubai including those in the free zones. An essential part of this exercise is the engagement of Dubai’s SME community to help shape a code that reflects international best practices while ensuring that the entrepreneurial values of innovation and risk taking are supported. Corporate governance creates the framework of discipline that respects shareholders and stakeholders, acknowledges the enterprise’s responsibilities towards society, and recognizes that enterprises exist to enhance shareholder and stakeholder value.”

“Beyond the development of this code, Hawkamah and its sister institute Mudara, Institute of Directors, will be working with Dubai SMEs to build their capacity through director development programmes and introduce them to an unparalleled network of professionals and expertise that they can tap to support their company’s growth,” Dr. Saidi added.

Cass Business School and Hawkamah Partner to Raise Regional Corporate Governance Standards



Cass Business School Dubai, part of City University London, announced today that it has signed a Memorandum of Understanding (MoU) with Hawkamah, the Institute for Corporate Governance, which will advance the implementation of corporate governance best practice in the Middle East. The agreement was signed during a ceremony at the Dubai International Financial Centre by Hawkamah Executive Director, Dr. Nasser Saidi, and Regional Director of Cass Business School, City University MENA region, Ehsan Razavizadeh.

Under the terms of the MoU, Cass Business School and Hawkamah will collaborate to raise awareness of corporate governance through the joint hosting of workshops, seminars and networking events. The two organisations will also conduct research into corporate governance in the Middle East, with Hawkamah supporting the work of Cass Business School students with, for instance, their dissertations.

According to research by Hawkamah, 56% of the region's listed companies and banks are in emerging or under developed corporate governance practice. However, most of the region's capital market regulators and central banks have issued corporate governance codes, regulations and frameworks that need to be implemented by these companies.

Dr. Saidi said: "Clearly, there is a lot more work that needs to be done that focuses on corporate governance implementation. As a think-and-do-tank devoted to bridging the corporate governance gaps in the Middle East and North Africa region, we are delighted to formalise our partnership with Cass Business School through this MoU. In the past few years, we have been working with Cass professors and their students to bring more focus to corporate governance research on the region, a much needed endeavour in order to further identify current practices and develop policy and practical solutions to push better corporate governance practices. We look forward to further collaborations and engagement with Cass Business School, and are excited about the prospects of our partnership."

Cass Business School, which is home to the 10th best Executive MBA program in the world according to the Financial Times, has particular expertise in the area of corporate governance. Through its *Centre for Research in Corporate Governance*, the school carries out multi-disciplinary research into corporate governance issues occurring at national, regional and global levels.

Razavizadeh said: "Thanks in great part to the work of Hawkamah, corporate governance in the Middle East has come into sharp focus over recent years. As such, it has become an

imperative to ensure business leaders in the Middle East are equipped with the skills and knowledge to implement corporate governance best practice. Aligning our expertise with that of Hawkamah means we will be able to offer students the most comprehensive grounding in corporate governance available anywhere in the region.”

Cass Business School and Hawkamah have a longstanding working relationship. Three students from the first Cass Business School Executive MBA programme in 2007 conducted their Business Mastery Project in collaboration with Hawkamah. The project focused on analysing and corroborating the corporate governance practices of Islamic banks and financial institutions, with the research findings providing an important pillar of Hawkamah’s *Policy Brief on Corporate Governance for Islamic Banks*.

Advocating Gender Diversity in the Boardroom as a Key to Better Corporate Governance

*Dubai Women Establishment, Hawkamah and Mudara IOD Sign MoU
to Announce Women Directors Initiative*



Dubai Women Establishment, Hawkamah Institute for Corporate Governance and its sister institute Mudara Institute of Directors (Mudara IOD) today signed a Memorandum of Understanding (MoU), announcing a path-breaking initiative to engage more women business and political leaders to serve in regional board rooms.

Under the patronage of HH Sheikha Manal Bint Mohammed Bin Rashid Al Maktoum, President of Dubai Women Establishment and wife of HH Sheikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs, the Women Directors Initiative will see the three entities collaborate to identify policy barriers restricting the participation of more women at senior executive levels and advocate changes to overcome these, develop a communication strategy aimed at increasing awareness on gender diversity in local and regional boardrooms, train women investors, directors, managers and other stakeholders on the foundations of good corporate governance and mentor the next generation of women leaders.

The objectives of the initiative will be carried out in three phases. The first phase, namely “Research and Defining the Business Case” for more women’s participation in the boardroom which will include qualitative interviews on current board practices, identification of current and future policy and practical challenges and the publication of results through white papers in conjunction with various women’s business

groups.

The second phase will focus on “Capacity-building and Empowerment” and will include workshops for women leaders, the delivery of the globally accredited four-part Director Development Program by Mudra IOD, and the Board Referral Service which will provide a pool of at least 20 women leaders who can serve regional board appointments.

The third and final phase will involve “Research Advocacy and Networking”, achieved through a series of Business Breakfasts, mentoring and awards programs, empirically grounded analysis leading to policy recommendations and business cases on the importance of having women on boards in the region, and the promotion of media coverage to highlight the challenges and overriding issues faced.

Commenting on the MoU, Mona Al Marri, Chairperson, DWE’s board said: “This initiative actively supports DWE’s efforts to equip working women with the skills and opportunities to progress to senior executive roles within the regional business landscape. Working together with Hawkamah and Mudra IOD will enable the knowledge and resource sharing required to positively shift perceptions related to women’s presence in positions of leadership, as well as offer training and networking opportunities necessary to nurture a qualified cadre of women leaders capable of confidently taking their place in the region’s boardrooms, thus contributing to a more favourable gender balance.”

Dr. Nasser Saidi, Executive Director, Hawkamah Institute for Corporate Governance, said: “Hawkamah’s own research has shown that of the six thousand plus board seats amongst GCC listed companies, only 1.5% of those seats are occupied by women. Yet, our region has a growing number of women business, political leaders and entrepreneurs that can potentially take on some of these board seats and provide the critical and independent perspectives in board room discussions.”

Dr Saidi added: “Understanding good corporate governance practices and how to effectively operate at a board room level

is an important component of the Women Directors Initiative. We very much appreciate Dubai Women Establishment's engagement and support of this initiative, and we hope to build on this linkage and to create a regional corporate culture instilled with good corporate governance practices supporting the region's economic development."

Economic Consequences of the War in Lebanon Sep 1986

Click [here](#) to download the chapter.

Hawkamah/Mudara and ICOSA Inks Partnership to Advance Board Secretary Role



Hawkamah Institute for Corporate Governance (Hawkamah), its sister institute Mudara, Institute of Directors (Mudara) and the Institute for Chartered Secretaries and Administrators (ICSA) have announced a regional partnership to advance the profession of board secretaries in the Middle East and North Africa region through the development of jointly organized workshops, surveys, and outreach activities.

Dr. Nasser Saidi, Executive Director of Hawkamah Institute for Corporate Governance said: “Board secretaries play a crucial role in advancing corporate governance practices in the board room level as they provide advice and support to boards according to international best practices. Yet, Hawkamah’s surveys have shown that in our region, Board secretaries’ role have traditionally been limited. This exciting regional partnership with ICSA and the ICSA Gulf Forum, ICSA’s regional platform, present an opportunity to evolve current regional practices and advance the profession to fill the important role board secretaries play in corporate governance implementation.”

“We are delighted that ICSA was able to join us at the Power Breakfast hosted by Mudara, Institute of Directors. ICSA’s

leadership role on board effectiveness and evaluation in the UK provides a great opportunity for the region to learn more about the essentials of board effectiveness and how board assessments could add value pushing for better corporate governance practices,” Dr. Saidi added.

Seamus Gillen, Director of Policy at ICSA said ‘We very much look forward to working with Hawkamah and the Mudara Institute of Directors on this important initiative. Our objective will be to help boards in the region deliver good leadership, make well-informed and high quality decisions and encourage them to carry out regular board evaluations. In doing so, we can drive up corporate governance standards in the region and help prevent future cases of corporate collapse’

Hawkamah Issues Policy Brief On Corporate Governance for Islamic Banks And Financial Institutions



Hawkamah, the Institute for Corporate Governance today issued its Policy Brief On Corporate Governance for Islamic Banks And Financial Institutions in the Middle East and North Africa (MENA) region. The Policy Brief highlights the improvements required in the corporate governance frameworks and practices of Islamic Banks and Financial Institutions in MENA taking into consideration international practices and standards developed by various Islamic finance standard setting bodies and in the light of the Global Financial Crisis and its lessons for the banking and financial industry.

The Brief contains policy recommendations aimed at improving the corporate governance regime in Islamic banks and financial institutions and are based on a MENA wide survey carried out by Hawkamah's Task Force on Corporate Governance of Islamic Banks and Financial Institutions. The Task Force members consist of experts in the area of Corporate Governance in Islamic Finance, Islamic Finance standard setting bodies, and IFIs from across the MENA region.

The Policy Brief is addressed to policy makers, Islamic banking regulators, banking associations and Islamic banks and

financial institutions in the MENA region and the global corporate governance community interested in Shari'a compliant Financial Institutions. The publication of this policy brief is the first step towards bridging the corporate governance gap in the Islamic Finance Sector in the MENA region.

Speaking on the significance of the Policy Brief, Dr. Nasser Saidi, Executive Director of Hawkamah said: "The Global Financial Crisis and its aftershocks has taught us that strong corporate governance is essential for the development of a vibrant and sound Islamic banking industry. Effective corporate governance practices are essential to achieving and maintaining public trust and confidence in the banking system, which are critical to the proper functioning of the banking sector and economy as a whole. This policy brief identifies the corporate governance implementation gaps in the Islamic Financial Institutions industry in region and lays out specific recommendations to bridge this gap These include defining clearly the role and responsibility of the Shari'a Supervisory Board (SSB) members to include being responsible for the Shari'a compliance of the product or transaction from the product development stage, through to its implementation, carrying out a SSB evaluation, arranging for a continuous professional development program for Shari'a Scholars, putting in place a succession plan for the SSB members and enhancement of the disclosure rights of the Investment Account Holders, to name a few. We acknowledge the support of the Accounting and Auditing Organisation of Islamic Financial Institutions who are one of the drivers for standardisation in the Islamic Finance Industry. We also acknowledge the support of all of our Task Force members and the Islamic Development Bank whose input has made it possible for us to compile and present this Policy Brief today.

"The regulation of Islamic Finance needs to be aligned with the regulation of conventional finance to the maximum extent while remaining consistent and compliant with Shari'a requirements. Research suggests that the global Islamic finance is in excess of USD 1.1 trillion, which is a growing

portion of global financial markets. Islamic finance should be used in developmental and infrastructure projects as well and become an integral part of public finance instruments. This way, the Islamic communities can participate to their full advantage in mainstream international finance and capital markets.” He added.

Dr. Hussain Hamed Hassan, Chairman Fatwa and Shari’a Supervisory Board , Dubai Islamic Bank said: “I would like to commend the initiative by the Hawkamah team led by Dr. Nasser Saidi in coming up with the Policy Brief on Corporate Governance of Islamic Banks and Financial Institutions in the MENA region. This is a great first effort arranged on the basis of the feedback on the questionnaire received by the Hawkamah Task Force from various institutions. As the Islamic Finance industry itself is evolving on an ongoing basis, the Policy Brief will also see changes as and when felt necessary in order for it to remain a guiding source for the IFIs operating not only in the MENA region but also beyond it. I wish Hawkamah success in their efforts towards treating the Islamic Finance as the mainstream industry”.

Following the launch of this Brief, a series of workshop, training and awareness sessions will be organized by Hawkamah along with its partners on this initiative.

“Arab Spring”, Market Reforms & Good Corporate Governance, 20th June 2011

<http://nassersaidi.com/wp-content/uploads/2012/06/Arab-Spring-Market-Reforms-Good-Corporate-Governance-From-Privilege-to-Competition-20th-June-2011.pdf>

Improving Governance in Dubai's Real Estate Industry



Hawkamah starts a landmark initiative with the Real Estate Regulatory Agency and the Dubai Real Estate Institute

The Hawkamah Institute for Corporate Governance, Real Estate Regulatory Agency (RERA) and the Dubai Real Estate Institute (DREI) today signed a Memorandum of Understanding (MoU) in a first of its kind, landmark initiative aimed at improving corporate governance within the real estate industry in the UAE.

The MOU reflects Hawkamah, DREI's and RERAs commitment towards improving the corporate governance regulatory framework and

its implementation in the real estate sector.

Hawkamah is working with RERA to develop a Code of Corporate Governance for the Real Estate Sector in Dubai and will undertake a series of trainings with DREI on Corporate Governance for the Directors, Senior Management and officers. Dr. Nasser Saidi, Executive Director of Hawkamah, Institute for Corporate Governance said that "Improving and strengthening corporate governance practices is one of the pre-requisites to protect property rights, gain and maintain investors', markets, home owners, tenants and their associations and other stakeholders' confidence in the real estate sector. The real estate companies, property developers and valuation agencies need to become more transparent through better reporting of transactions and prices, as real estate nowadays is a global business and corporate governance therefore plays an important role for international and regional investors looking to invest in real estate."

Dr. Saidi added that "By signing an MOU with DREI, Hawkamah will closely work with the Dubai Government to develop a corporate governance regulatory framework for the real estate sector and provide briefings and development sessions to the various stakeholders on how to implement the corporate governance framework. This landmark initiative will produce the first ever real estate corporate governance code in the region, and not only tackles the development of the framework but the on-going implementation challenge."

Eng. Marwan Bin Ghalita, Chief Executive Officer of RERA, said that "Our outlook is to have a real estate market that is up to the best international standards. By implementing governance practices Dubai's real estate market will be the first market in the region to adopt such an important initiative. This initiative will help make our market more transparent and investment friendly. RERA will continue developing the regulatory framework for Dubai's real estate market to go hand in hand with future development. Governance practices will be applied at the corporate level as well as at the project level to help enhance confidence in our market."

He added: "The recommendations and suggestions of real estate companies, investors, banks and experts are taken into account to ensure stakeholder involvement in the process of developing the charter and its effective implementation."

DREI, is an industry-founded learning community providing comprehensive, high quality graduate and professional development programs on real estate. More than 14000 professionals have undergone real estate training through the Institute over the past three years.

Eng. Mahmoud Al Burai, Managing Director of DREI, said that "Professional development together with corporate governance are needed in a mature real estate market and DREI is committed to putting together infrastructure that is indispensable in the post downturn era and to implementing a corporate governance regulatory framework that is congruent with the Dubai real estate environment and at the same time adheres to globally established best practices." He added: "the Dubai Real Estate Institute in collaboration with Hawkamah will be the first in the region to offer training courses in the field of real estate corporate governance and this in line with the strategic goal of developing a highly proficient and well qualified real estate workforce".

The MoU provides a framework for Hawkamah and DREI to collaborate on improving the corporate governance practices within the real estate industry, increasing awareness about the advantages of having good corporate governance practices in place and conducting specialised training sessions for the real estate sector stakeholders at all levels of management.

International Centre for Financial Regulation join hands to advance on corporate governance and financial regulation in the Middle East and North Africa region

Hawkamah Institute for Corporate Governance (Hawkamah) today, at the sides of the GCC Regulators' Summit, announced a partnership agreement with the International Centre for Financial Regulation (ICFR), a not-for-profit organization focused on best practice in all aspects of financial regulation internationally.

ICFR joins a growing number of reputable institutions showing their support for an independent, private sector initiative that is improving the understanding and practice of corporate governance in the Middle East and North Africa—and backed by major international and regional organizations. ICFR's support to Hawkamah is an investment in building sustainable and credible institutions for the region.

Hawkamah and ICFR will work together on important initiatives such as the development and implementation of national legal and regulatory frameworks affecting corporate governance, in cooperation with both the public and private sectors. The joint partnership will aim to increase the training capacity of regional institutions, helping them to inform and train regulators, investors, directors, managers, and other stakeholders on good corporate governance.

Dr. Nasser Saidi, Executive Director of Hawkamah, outlined the significance of this partnership: "The financial crisis has shown us that a strong regulatory environment—with regulators willing to question overly-risky behavior among corporate

actors—could have played a role in mitigating the crisis. This partnership between Hawkamah and ICFR is a very encouraging development. Both institutions understand the need to develop the capacity of regional regulators to play a critical role in bringing trust to the region's markets, ensuring greater transparency, disclosure and accountability within our region and assisting in the further development of the region's capital markets."

Charles Taylor, the Chief Operating Officer of the ICFR, commented:

"We are delighted to announce this exciting new partnership which will help to consolidate the work that we do in terms of events, research and training on corporate governance. It is undeniable that good governance is an essential component of good regulation.

One of the immediate priorities for the new partnership will be to promote best practice and training for both private and public sector bodies across the region."

Her Majesty's Ambassador to the UAE, Dominic Jermy CVO, OBE commented: "I am really pleased that this MOU between the ICFR and Hawkamah has been signed today at the 5th GCC Regulators and Compliance Meeting here in Abu Dhabi. It is a positive outcome of the financial crisis that our nations are working increasingly more closely on regulation and we are pleased that the ICFR is able to play its part in the development of financial services professionals here in the UAE".

**S&P, Hawkamah, IFC Launch
First ESG Index for Middle**

East and North African Equity Markets



S&P/Hawkamah Pan Arab ESG Index Ranks MENA Firms on Nearly 200 ESG Issues Including Carbon Emissions, Water and Energy Consumption, Employee Health and Safety, Community Investment, Charitable Giving, Financial Reporting and Auditing, Board Independence and Executive Remuneration

Standard & Poor's, the world's leading index provider, and Hawkamah, the Institute for Corporate Governance, today announced the launch of the first tradeable index for Middle East and North African (MENA) equity markets that will rank and track the performance, transparency and disclosure of regional companies on Environmental, Social and Corporate Governance (ESG) issues.

The S&P/Hawkamah Pan Arab ESG Index will include the top 50 MENA companies based on their performance on nearly 200 ESG metrics, when compared to their regional peers. Constituents will be drawn from a universe of the 150 largest and most liquid companies listed on the national stock exchanges of 11

markets: Bahrain, Egypt, Jordan, Lebanon, Kuwait, Morocco, Oman, Qatar, Kingdom of Saudi Arabia, Tunisia and the United Arab Emirates. The new index, which complements other ESG indices launched by Standard & Poor's in India and Egypt, was partly funded by the International Finance Corporation (IFC).

"It is now widely recognized that ESG issues can have long-term consequences for a company's financial performance, and linking stock market performance to ESG is perhaps the most effective way to highlight the concept of ESG," said Alka Banerjee, Vice President of S&P Indices. "For the first time, the ESG performance of companies in the MENA region has been extensively researched, quantified and translated into a series of scores that will be used as the basis for an Index that will help raise awareness of a company's impact on people, planet and profit. The S&P/Hawkamah Pan Arab ESG Index is unique in that it uses a company's ESG score to determine its weight in the Index, ensuring performance is based on ESG factors rather than sheer market size."

Speaking on the significance of the new index, Dr. Nasser Saidi, Executive Director of Hawkamah, said: "The launch of the Index is a ground-breaking development for the MENA region. In response to changing economic conditions and to the practices that played a role in sparking the global financial crisis, investors are increasingly focusing on long-term risks in their investments, and ESG factors play a significant role in making those assessments. The Index serves the dual purpose of offering a tool for investors for identifying the regional companies that perform well on ESG parameters, while providing an incentive to MENA companies to pursue sustainable business practices through improved environmental and socially responsible operations, as well as enhanced corporate governance systems. Hawkamah stands ready to work with the region's stock markets and companies to improve the region's ESG reporting practices. I would also like to thank IFC, our long-term partner in promoting good corporate governance, for their support, without which the Index would not have seen the light."

“There is no doubt the S&P/Hawkamah Pan Arab ESG Index will be an important tool for investors in the Middle East and North Africa to determine which companies have sustainable futures, and will prove an incentive for businesses to improve their environmental, social and governance practices,” said Dimitris Tsitsiragos, IFC Director Middle East, North Africa and Southern Europe.

Further details on the S&P/Hawkamah Pan Arab ESG Index, including an index methodology and fact sheet, is available at www.standardandpoors.com

Dubai Women Establishment Participates in First Power Breakfast on Board Diversity

Under the patronage of HH Sheikha Manal Bint Mohammed Bin Rashid Al Maktoum

Initiative first in a series of activities jointly developed by Dubai Women Establishment and Mudara Institute of Directors aimed at increasing the representation of women in senior executive roles.



Building on Dubai Women Establishment's strategy of supporting the empowerment of women in the workplace, overcoming the gender gap in the region's corporate world and growing the leadership presence of women in the boardroom, the DWE participated in the first Power Breakfast on Board Diversity, organised by "Mudara" Institute of Directors.

Held under the patronage of HH Sheikha Manal Bint Mohammed Bin Rashid Al Maktoum, President of Dubai Women Establishment and wife of HH Sheikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs, the Power Breakfast took place on December 14 at the Gate Village, Dubai, and was the first in a series of activities and initiatives developed by Mudara Institute in partnership with DWE that are aimed at increasing representation of women directors or boards and in senior executive positions.

Bringing together regional and international women business leaders, the initiative aims to empower and expand the role of women in the region's corporate world and to highlight the business case for greater diversity in the region's board rooms as one of the key strategies to address the region's

corporate governance challenge of building independent directors.

“Working with Mudara on this initiative supports DWE’s goal of providing continuous opportunities to working women to enhance the hard and soft skills required to progress to senior leadership roles in their careers. The glass ceiling continues to exist when it comes to women having a significant presence in senior executive roles within the region’s business landscape. Initiatives such as these help raise awareness on the challenges and opportunities that continue to play a role in achieving a more equitable gender balance in the boardroom.” Says Shamsa Saleh, CEO DWE

Dr Nasser Saidi, Executive Director of Hawkamah Institute, commented, “Mudara and Hawkamah strongly believe that regional women leaders are the most untapped source of value and innovation that regional companies can access for more independent thinking and for better governance practices in Boardrooms throughout the GCC. Our initiative is aimed at strengthening boards, improving the representation of women and moving towards greater gender equality. ”

The “Women on Board” initiative has a number objectives, which are: Identify regionally-specific issues and challenges faced by women leaders as they enter Boardrooms. Develop a network of women entrepreneurs, business and political leaders that can take a more active role in corporate governance advocacy. Build the capacity of these women leaders to serve as professional Directors through Hawkamah and Mudara accredited and widely-respected Director development process. Mobilise the network of business leaders to empower more women to take on more leadership roles in the region’s Boardrooms through a range of activities, including advocacy, workshops and one-to-one mentoring.

During the event, participants were acquainted with strategies and tools that could enhance the ability of women business leaders to effectively serve in the region’s board rooms. The two-hour event included a series of thought-provoking sessions led by professional executive coaches and leading regional

executives from the fields of business, corporate governance and finance, that explored such topics as the business case for board diversity, a reality check on regional board practices and a woman's perspective on dynamics in the region's male-dominated boardrooms.



Shamsa Saleh – CEO of Dubai Women Establishment

Hawkamah and UAB Announce Winners of 2010 Bank Corporate Governance Award

Hawkamah, The Institute for Corporate Governance and the Union of Arab Banks (UAB) yesterday announced the winners of the “Hawkamah-UAB 2010 Bank Corporate Governance Award”, a regional initiative aiming at recognising and honouring Arab banks that have gone the extra mile in improving their corporate governance practices. The award announcement took place at a gala ceremony held on the first day of the CMA - Hawkamah-OECD 5th Annual conference, in Muscat, Oman. The Gala Dinner was sponsored by the Muscat Securities Market.

Three highly governance rated banks were chosen from over 30 accepted applications from 12 MENA countries by an independent panel of expert judges. The winners Al Baraka Banking Group (1st prize), Bank Muscat (2nd prize), and Qatar National Bank (3rd prize). Hawkamah also awarded Bank of Bahrain and Kuwait and National Bank of Oman for their distinguished Corporate Governance practices. This year’s regional awards initiative was supported by Thomson Reuters.

The judging panel for the Award included eminent international corporate governance experts – Alan McIntyre, Partner of PricewaterhouseCoopers (PwC), Professor Andrew D Chambers, author and worldwide authority on corporate governance; and Chris Pierce, CEO of Global Governance Services Ltd.. The Jury panel judged that the quality of the applications and the corporate governance efforts and improvements made by banks had significantly improved over the past year, increasing the difficulty of choosing the top banks. Some 35 Banks competed for the Award this year from countries including Bahrain,

Egypt, Iraq, Jordan, Kuwait, Morocco, Oman, Qatar, Sudan, Syria, Tunisia and the UAE.

In announcing the winner, Dr. Nasser Saidi, Executive Director, Hawkamah Institute for Corporate Governance remarked, "Hawkamah is pleased to congratulate and honour our winners for their excellence in corporate governance. Our banks are the basis of financial intermediation in the region and underlie the performance of our economies. . Their success is our success. The banks that have received the awards tonight are obviously convinced that implementing good corporate governance is good for their bottom-line and good risk management, but also that effective banks' governance holds the key to this region's long-run economic growth prospects and sustainability"

Wissam Fattouh, Acting Secretary General, Union of Arab Banks (UAB), commented, "The high number of applications received this year and the continued success of this award is but another indication of the interest Arab banks have put in improving their governance practices. We are very pleased with the results and thank the jury for their hard work. The UAB remains keen on advocating corporate governance and other international best practices in the benefit of the Arab Banking sector."



Al Baraka Banking Group



Bank Muscat



Qatar National Bank



Bank of Bahrain and Kuwait



National Bank of Oman

Hawkamah announces 5th annual regional conference in Oman 'A New Leaf: The Growth of Corporate Governance in the Region'



Hawkamah-Institute for Corporate Governance, Oman Capital Market Authority's Oman Centre for Corporate Governance and the Organisation for Economic Co-operation and Development (OECD) will hold its 5th annual regional conference from October 31 to November 1, 2010 at the Al Bustan Palace Hotel, Muscat, Oman. Under the theme: "A New Leaf, The Growth of Corporate Governance in the Region", the conference will discuss how regulators, investors and companies across the world and the region have responded to the current financial crisis reassessing the adequacy of their governance frameworks especially in areas of risk management, executive remuneration, and board and shareholder responsibilities.

More importantly, the conference will debate the best way forward for the region to respond to these evolving global realities and ensure the region's competitiveness in the global marketplace.

The conference will feature prominent speakers from close to 20 countries and is expected to attract over 300 governance practitioners, regulators, thought leaders, academics, Board members, CEOs, CFOs, CROs and members of the media from across

the region and the world.

“Hawkamah’s Annual Conference has grown over the past few years and is now well-recognised as the pre-eminent gathering that has actively shaped the corporate governance landscape in the region. The ultimate aim of the Annual Conference is to engage policy makers, practitioners and corporates from the region to share ideas and best practices on the best way forward for corporate governance in the region, through a series of panels and interactive sessions. The recent financial crisis and other developments across the region and the world have emphasized the need for corporates, regulators and investors to build on recently developed corporate governance frameworks and focus on effective implementation,” said Dr. Nasser Saidi, Executive Director of the Hawkamah-Institute for Corporate Governance.

The conference will specifically tackle corporate governance challenges in banks and financial institutions, listed companies, family-owned enterprises, state-owned enterprises, and private equity. There will also be an exclusive, high-level meeting for regulators and stakeholders on insolvency and creditor/debtor rights in the region within the context of the newly-formed Forum for Insolvency Reform in MENA (FIRM). Supported by the World Bank, INSOL International, OECD, UNCITRAL and others, the FIRM is a regional multi-stakeholder initiative to share international and regional practices in designing and modernizing insolvency and restructuring frameworks for our region.

Hamid Sultan Al Busaidy, Director of Oman Corporate Governance Centre, Capital Market Authority of Oman on behalf of HE Yahya Al Jabri, Executive President of Capital Market Authority of Oman, (one of the partners of the conference) said, “We are delighted to partner with Hawkamah and co-organize this regional annual conference, offering regional participants a platform to debate the extent of corporate governance implementation in the region and discuss corporate governance developments in the region. Oman’s corporate governance journey since 2002 when we introduced the first-ever

corporate governance code in the Arab world have shown us that corporate governance frameworks and expectations have to evolve as markets and companies develop. This conference allows for the region to share best practices and advance on corporate governance reform.”

Dr. Grant Kirkpatrick, Head of Division, Corporate Affairs, OECD commented, “The regional meeting in Oman is an important opportunity to gauge the level of regional corporate governance developments and discuss any implementation challenges, since it is the implementation of the relevant regulations – not the lack of them – that was the key issue in the past several years in OECD member countries”.

Sponsors of the conference include Robeco, Thomson Reuters, Oman International Bank and Oman Arab Bank. Media partners include Banker Middle East, Islamic Business & Finance and Business Pioneer.

MENA Private Equity Activity Declined in 2009 but Set to Rebound in 2010



Private equity in the Middle East witnessed a decline in 2009, with fund managers raising only US\$1.06 billion compared to a near-record US\$5.4 billion in 2008 according to the 4th annual *Private Equity & Venture Capital in the Middle East* report released by the Gulf Venture Capital Association (GVCA) in collaboration with KPMG and Zawya. Private equity investments have also regressed from \$2.72 billion in 2008 to \$561 million in 2009. Private equity investments globally as well as regionally were affected by the cautious investment environment as a result of the continued recession in 2009.

However, private equity firms in the Middle East and North Africa raised \$1.25 billion in the first quarter of 2010, an 18% percent increase over all of 2009, as regional economies recovered and investor appetite returned.

It is estimated that up to USD 10 billion committed to Private Equity funds remains not invested, although some funds are expected to release their investors from their future commitments.

Imad Ghandour, Chairman of GVCA's Information Committee stated: "Private equity has regained its positive momentum despite the results of 2009. The outlook for private equity in

2010 and beyond remains positive as the economic fundamentals of the region have not changed. The story in the region continues to remain one of growth and economic stability, and private equity funds will have ample opportunities to invest profitably in the coming few years.”

Fund managers also changed their investment strategies and focused more on sectors that exhibited high growth and stability, and were immune to changes in the economic cycle, such as healthcare, education, transport, and utilities. The report also states that venture capital received significant attention in 2009; 7 transactions estimated at US\$25 million were closed, a substantial increase over previous years.

“It is encouraging to see that private equity investors are getting back to basics by channeling much needed funds into parts of the economy that received little attention during the boom years. Investing in sectors that serve the needs of the masses, for example healthcare, education and utilities, is important for the common prosperity of the region,” said Ihsan Jawad, CEO, Zawya. “The other positive news from our findings is concrete evidence of the Venture Capital part of the industry gaining momentum. Judging from this, I would say the industry had a turning point in 2009.”

Commenting on the recent improvement in market sentiment, Vikas Papriwal, KPMG’s UAE Country Head of Private Equity and Sovereign Wealth Funds, said “We have undoubtedly seen an increase in activity in the market. In the second quarter of 2010, opportunistic investors have been actively looking at transactions in a number of sectors. From virtually no deals throughout 2009 and into the first quarter of 2010, the upturn has been surprisingly fast-paced. Whether this pace can be maintained remains to be seen but, given the number of sell-side initiated transactions coming into the market, it seems that the opportunities are out there to feed the increased acquisition appetite for the time being.”

The latest GVCA report supported by Hawkamah and with Abraaj Capital as the prime sponsor, aims to encourage transparency in the Middle East private equity market by delving into the major factors affecting private equity investments in the region. The GVCA report derives its data from Zawya's Private Equity Monitor, which enables members to gauge investor appetite in the Middle East's private equity industry by assessing how funds perform against each other. For this year's GVCA report, an online survey was conducted in May of 2010 with 25 regional private equity professionals, including the top General Partners by funds under management. Asked about their opinion regarding the future of private equity in the MENA region, 72% of respondents expected the situation to improve, showing a significant increase compared to 50% who felt optimistic in 2008.

According to Dr. Nasser H. Saidi, Chief Economist and Head of External Relations at the DIFC Authority (DIFCA) and Executive Director of the Hawkamah-Institute for Corporate Governance: "Corporate governance plays a crucial role in the PE industry not only because good governance has a positive effect on company valuation, but also because in most cases, PE funds have limited ability to sell their ownership stakes, and are therefore committed to staying with the company for the medium term. This increases their dependence on good governance, transparency and disclosure in investee companies. Furthermore, in light of the recent financial crisis which largely stemmed from governance failures and malpractices, there now is an increasing emphasis on good corporate governance. We have set-up a PE Corporate Governance Task Force to assist the industry in strengthening its corporate governance and that of its investments"

The *Private Equity & Venture Capital in the Middle East* report released by the Gulf Venture Capital Association (GVCA) in collaboration with KPMG and Zawya, indicates that Private equity investments regionally were affected owing to cautious

investments by private equity investors in particular, as a result of the continued recession that impacted markets globally.

Hawkamah and UAB Announce 2010 Hawkamah-UAB Bank Corporate Governance Award

The Hawkamah Institute for Corporate Governance and the Union of Arab Banks (UAB) today announced the 2010 edition of the Hawkamah-UAB Bank Corporate Governance Award, the region's leading awards programme focused on recognising superior governance practices in the banking sector in the Middle East and North Africa (MENA) region.

Introduced in 2007 by Hawkamah and the UAB, the Award honours banks that have made exceptional efforts to improve their corporate governance practices beyond the minimum legal and regulatory requirements imposed by their jurisdictions, and whose achievements serve as a model for other banks in the region.

Open to all banks based in the Arab region, the Award will assess banks on five key criteria – commitment to good corporate governance; structure and functioning of the board of directors; control environment and processes; disclosure and transparency; and shareholders rights.

Dr. Nasser Al Saidi, Executive Director of the Hawkamah Institute for Corporate Governance said: "Corporate governance reform and excellence have become a high priority for businesses that seek to sustain their competitiveness and growth in today's economic environment. Banks are today at the forefront of enhancing institutional mechanisms to improve

transparency, accountability and integrity in the region's corporate world. The Hawkamah-UAB Bank Corporate Governance Award seeks to identify and recognise banks that have shown extraordinary commitment to enhancing corporate governance practices. The Award also seeks to focus the spotlight on the value generated by sound corporate governance."

He further added: "The 2010 edition of the Hawkamah-UAB Bank Corporate Governance Award has yet again received the support of industry leaders."

Dr. Fouad Shaker, Secretary General of the Union of Arab Banks (UAB) added, "The UAB has always been at the vanguard of developing and supporting initiatives that drive the growth of the banking industry. As key players in the region's economy, it is important that banks lead by example. The applications received by the Award in previous years have shown that banks in the region are keen to play such a leadership role in promoting corporate governance reform and development. We are delighted to be working once again with Hawkamah on promoting corporate governance reform across the region. We hope to build on the success of last year's Awards by having an even stronger list of applicants this year."

The judging panel for the Award includes eminent international corporate governance experts – Alan McIntyre, Partner of PricewaterhouseCoopers (PwC), Professor Andrew D Chambers, author and worldwide authority on corporate governance; and Professor Chris Pierce, CEO of Global Governance Services Ltd. The panel will review all applications and create a shortlist of five banks. Following this, the panel will conduct one-on-one interviews with each of the finalists. The top three winners of the Award will be announced at a gala dinner to be held on the first day of Hawkamah's fifth Annual Conference to be held on October 31st and November 1st, in Muscat, Oman.

Sound Corporate Governance Vital for MENA's Insurance Industry, Say Speakers at Hawkamah Workshop



HE Ahmed Humaid Al Tayer, Governor, DIFC



HE Sultan Bin Saeed Al Mansoori, the UAE Minister of Economy

Under the patronage of HE Sultan Bin Saeed Al Mansoori, the UAE Minister of Economy, Hawkamah, the Institute for Corporate Governance today held a Workshop focused on corporate governance best practices in the Middle East and North Africa's (MENA) insurance industry.

Under the theme 'The Changing Landscape in the Insurance Industry', the Workshop explored the main challenges facing the insurance sector and the governance practices that can build trust and credibility in the industry.

Speakers at the Workshop stressed on the need for implementing sound corporate governance in line with international standards in order to realise the MENA insurance industry's vast potential for growth.

Delivering the Key Note Address, HE Sultan Bin Saeed Al Mansoori, the UAE Minister of Economy said the insurance and financial sector should be at the forefront of adopting modern corporate governance and transparency measures. "From a wide perspective, the insurance sector is where the public puts their faith in. It is their hedge against the uncertainties in

the world. The insurance sector is a critical pillar in the overall functioning of the market. A strong insurance sector implies robust economic fundamentals," he said.

He said the Securities and Commodities Authority issued the Regulation for Corporate Governance and Institutional Discipline Standards for public joint stock companies in April 2007 as part of its efforts to raise transparency and disclosure. "This was based on the Authority's commitment to its mission of developing the markets, in line with the global emphasis on corporate governance standards. The regulation took into consideration the UAE market realities too, and also derived synergies from the learning of other countries in corporate governance practices," he said. The Minister further added that the Authority outlined a transitional period of three years for making the implementation of these standards obligatory for all concerned companies.

Delivering the Welcome Note at the Workshop, HE Ahmed Humaid Al Tayer, Governor of DIFC called on "lawmakers, regulators, companies, and stakeholders in the MENA region's insurance industry to express a firm commitment to raising standards of corporate governance." All key players need to participate in and support the development of higher standards," he stressed. He further said that MENA insurance companies need to harmonise their understanding and implementation of corporate governance with international standards and vigilantly monitor compliance. "The management of insurance companies should build strong corporate governance frameworks that create an empowered Board of Directors, a solid control environment, increased levels of transparency and disclosure and well-defined shareholders," he added.

Speaking about DIFC's support for corporate governance development, HE Ahmed Humaid Al Tayer said: "Here in DIFC, we clearly recognise the vast potential of the insurance industry and the role of robust regulations and corporate governance in driving its growth. Accordingly, we have created a clear and transparent legal and regulatory regime that supports strong corporate governance. DIFC's world-class prudential rules for

insurers, re-insurers and captives are in line with the highest international standards of regulation and supervision. Dr. Nasser Saidi, Executive Director of Hawkamah and Chief Economist of the DIFC Authority called on insurance regulators and commissioners in the Middle East and North Africa region to implement corporate governance reform. Regulators, he said, should work to ensure the development of well-regulated insurance markets and provide ongoing supervision. He urged regulators to encourage companies to adopt the corporate governance principles outlined by the **International Association of Insurance Supervisors** (IAIS) for insurance companies and to adopt uniform insurance corporate governance standards and guidelines. He also called on regulators in the region to upgrade insolvency laws.

At an industry level, he said the region's insurance sector should take efforts to ensure that accounting, actuarial and auditing standards are comprehensive, documented, transparent and consistent with international standards. He stressed on the importance of the insurance industry to adopt International Financial Reporting Standards (IFRS); the guidelines of the Islamic Financial Services Board (IFSB); and the standards of the **Accounting and Auditing Organization for Islamic** Financial Institutions (AAOIFI) for Shari'a compliant insurance.

This Workshop formed part of Hawkamah's wider initiative to raise corporate governance standards in the insurance sector in the MENA region. In 2007, Hawkamah established a MENA Corporate Governance Task Force with a mandate to develop a set of corporate governance guidelines for the insurance sector and build the corporate governance capacity of the industry. The Task Force, comprised of members of the Arab Forum of Insurance Regulatory Commissions (AFIRC) and private sector representatives, has contributed significantly to identifying the corporate governance challenges of the insurance industry in the region and provided vital recommendations for industry development. In March 2009, the Task Force issued the Hawkamah-AFIRC Policy Brief on Corporate

Governance for the Insurance Industry, which outlined basic corporate governance standards for the insurance sector in MENA.

Key issues that were discussed at the Workshop included the role of regulators; corporate governance reform; duties and liabilities of directors and officers; **Risk Governance, Roles and Responsibilities of the Board and the Risk Culture**; and the role of corporate governance in preventing financial crime, including money laundering, terrorism financing, market abuse and fraud.. The workshop was designed to be of particular relevance to directors, senior managers, compliance officers and insurance professionals in the MENA region.



**Hawkamah in cooperation with
the American Bar Association**

Section of International Law Hosted Forward-Looking Forum on Islamic Finance Industry at DIFC



Hawkamah, The
Institute for Corporate Governance in cooperation with the
American Bar Association International Law Section and it's
Islamic Finance Committee today jointly organised a Forum,
titled 'Taking Stock and Moving Forward: The State of Islamic
Finance and Prospects for the Future' at the Dubai

International Financial Centre (DIFC).

The day-long Forum featured an informative and inclusive dialogue on the vital issues facing the industry. Eminent experts from across the global industry including Shari'ah scholars, bankers, lawyers, regulators and journalists discussed key commercial, legal, and regulatory opportunities and challenges confronting Islamic Finance. International law firm King & Spalding sponsored the Forum and Zawya was the Investment Community Partner for the event.

Dr. Nasser Saidi, Executive Director of Hawkamah, The Institute for Corporate Governance said: "As part of its regional work to advance corporate governance, Hawkamah, has set up a Task Force on Corporate Governance of Islamic financial institutions which has undertaken a survey of the Corporate Governance frameworks of Islamic Banks and Financial Institutions in the MENA region. The Task Force will be issuing a Policy Brief in June 2010 which aims to identify corporate governance challenges and priorities for standardization faced by the Islamic Financial Institutions in 8 MENA countries. The brief will be addressed to Central Bankers, Islamic Banking Policy makers and Islamic Banks and Financial Institutions. The principles of Islamic Finance offer fresh perspectives and potential regulation for some of the critical systemic and regulatory reform issues we are faced with in the wake of the global financial crisis. We need to further develop market infrastructure; regulatory, legal and governance frameworks; and standardisation in the Islamic Finance industry to fully realise its potential for growth and integrate it more closely with the global economy. Our forum with the American Bar Association is a clear illustration that, increasingly, Islamic Finance is entering the legal, regulatory and financial mainstream."

Glenn Hendrix, Chair of the American Bar Association (ABA) Section of International Law, commented: "Once considered an esoteric topic among Western commercial lawyers, Islamic Finance has entered the mainstream. Fascination with the topic goes beyond the dollars in play." The ABA Section of

International Law initially covered developments in Islamic law and finance through our Middle East Committee but with the increasing profile of the topic—and insistence by members of our leadership that it would only get bigger—we created a stand-alone Islamic Finance Committee Which has become one of our fastest growing entities. That growth partly reflects the increasing importance of Islamic finance, but is also a function of the Committee's leadership, which has organized several top-notch programs.”

The Forum debated whether the Islamic Finance industry has the commercial, legal and regulatory tools to meet industry demands and whether regional and national Islamic Finance markets can compete globally. Experts also assessed the world's major jurisdictions that offer legal and business environments designed to facilitate the sustainable growth of Islamic Finance. The Forum also explored the evolution of Shari'ah compliance and governance practices across the industry. One of the highlights of the Forum was an address by Dr. Mohamad Nedal Alchaar, Secretary General of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), on AAOIFI's efforts to engage in oversight of Islamic banking and financial products.

Marwan Lutfi, Deputy CEO and Head of Business Development of the DIFC Authority spoke about DIFC's support for the new phase of Islamic Finance development. He said: “The Forum has been a great opportunity to gather like-minded regulators, lawyers and stakeholders in the Islamic industry to discuss opportunities on how to take the industry to the next level of global standardization. DIFCA is working closely with the Dubai Financial Services Authority (DFSA) on numerous levels to ensure we not only create this centre as a transparent, international centre for conventional and Islamic finance alike, but also to be fully committed to the parallel advancement of both the supervisory and business environments. DIFC, in the near future, will strive to be at the forefront of Islamic finance thought leadership and shall actively engage with key stakeholders on setting the new way forward.”

Hdeel Abdelhady, Co-Chair of the American Bar Association International Law Section Islamic Finance Committee, who served as Program Chair of the May 4 Forum, commented: "Islamic Law and Finance have become increasingly relevant to the practices of legal professionals across the globe. It is clear that the demand for Islamic finance related legal services will continue to grow globally, in both Muslim majority and Muslim minority jurisdictions. As part of the American Bar Association, a non-profit entity and the world's largest voluntary professional association, our Committee is uniquely positioned to facilitate, on a non-commercial basis, discussion and collaboration through its contribution of intellectually rigorous, relevant and timely programs, written and multi-media content, and other offerings and initiatives. We are grateful to the leadership of the American Bar Association Section of International Law for its recognition of the importance of Islamic law to international legal practice, and for its support of our Committee. We are particularly pleased to have hosted our first live program outside of the United States in Dubai, an innovative and important jurisdiction for Islamic Finance."

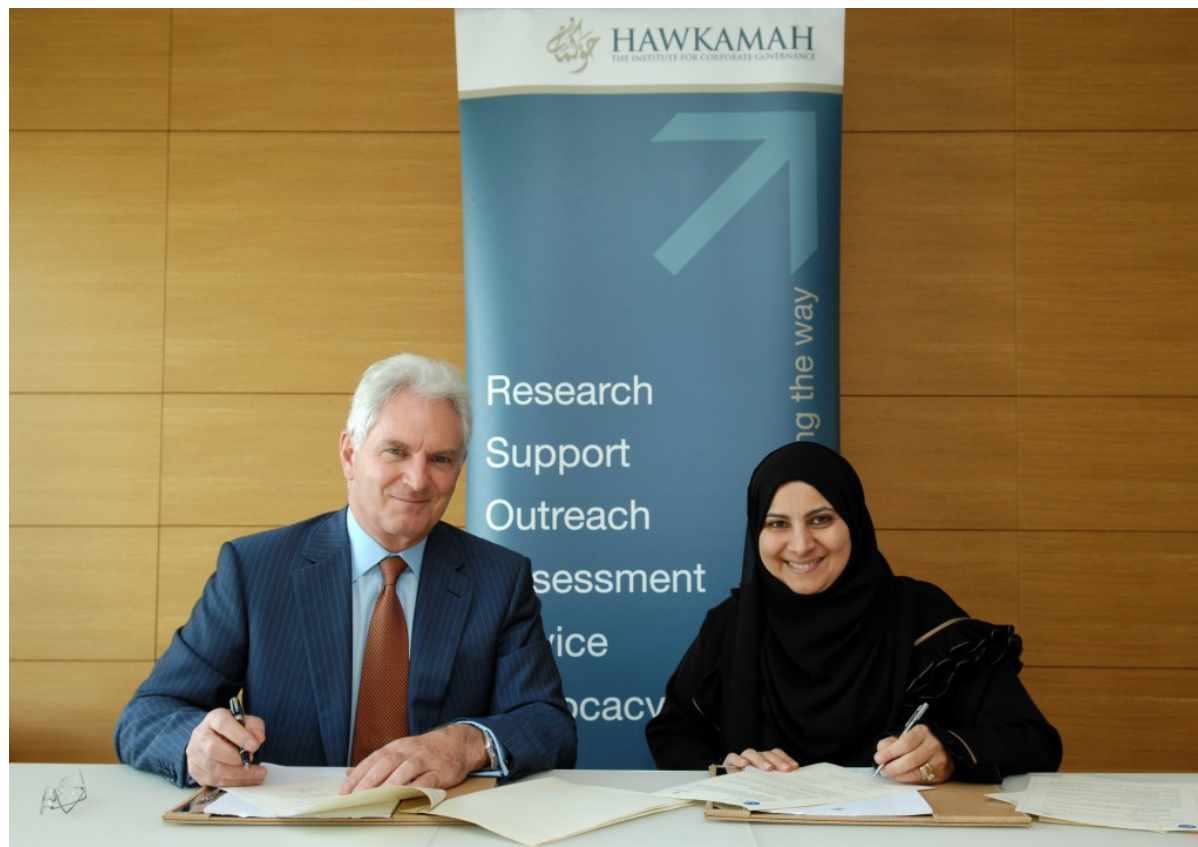
Speakers at the Forum included Dr. Hussein Hamid Hassan, Chairman of the Shari'ah Board, Dubai Islamic Bank and Member of the Shari'ah Board, AAOIFI; Dr. Mohd Daud Bakar, Member of the Shari'ah Board of AAOIFI; Afaq Khan, CEO of Standard Chartered Saadiq, Standard Chartered Bank; Dr Qaseem Mihammad, Country Head of Shari'ah and Senior Vice President of Dubai Islamic Bank Pakistan Ltd. and Jawad Ali, Managing Partner Middle East Offices and Deputy Global Head of Islamic Finance, King & Spalding.

The Forum organisers plan to produce a white paper aimed at stimulating a continued discussion of the issues raised at the event.



Arabia CSR Network and

Hawkamah sign MoU to Advance Corporate Governance in the Region



The Arabia CSR Network and Hawkamah Institute for Corporate Governance today signed a Memorandum of Understanding (MoU) aimed at enhancing corporate governance and sustainable business practices in the UAE and the GCC region

The MoU was signed by Dr Nasser Al Saidi, Executive Director of Hawkamah, and Habiba Al Marashi, President of the Arabia CSR Network on behalf of their organizations.

The MoU creates a framework for both organisations to undertake joint programmes targeted at building capacity for and raising awareness of sound environmental, social and corporate governance (ESG) in the region. Hawkamah and Arabia CSR Network will work together to advance ESG knowledge, expertise and performance among regional businesses through conferences, roundtables, training workshops, award schemes,

seminars, and publications.

Dr. Nasser Al Saidi, said: "Corporate governance is essentially about sustainability of businesses, and environmental and social aspects play a strong role in sustainability. Taking sustainability into account serves to secure long-term corporate value.

In response to changing economic conditions and to the practices that played a role in sparking the current financial crisis, institutional investors are increasingly focusing on long-term risks in their investments, and environmental, social, and governance factors play a significant role in making those assessments.

The Arabia CSR Network has done valuable work in promoting sustainable development in the UAE and this MoU represents a strategic partnership that will allow us to share best practices, exchange ideas and experiences; and combine resources to drive our common goal of catalysing ESG development in the region."

Habiba Al Marashi said: "I am proud and happy to sign this agreement with Hawkamah and I look forward to a very fruitful cooperation. There are so many areas in which we can benefit from each other's expertise and experience and I am convinced that, by combining our strengths, we can make great progress in promoting the principles of responsible and sustainable business practices in the region. Corporate Governance is an essential element

of any successful business and a vital part of the wider issue of corporate social responsibility, which the Arabia CSR Network has been advancing in the GCC region. In fact, the Network's next CSR workshop in May 2010 will focus entirely on transparency and governance and I look forward to closely engaging with Hawkamah on this."

Officially launched in October 2009, the Arabia CSR Network was born out of the Emirates Environmental Group's (EEG) CSR Network that has advanced the principles of corporate social responsibility since 2004. The Arabia CSR Network offers its members a multi-stakeholder platform to share experiences,

network and learn practical ways to implement sustainable policies into their organisations. In addition, the Arabia CSR Network offers companies tailor-made advisory services and can call on a wide network of international, regional and local experts in a variety of CSR related fields.

MoU Between Hawkamah and the UAE State Audit Institution Aims to Strengthen Public Sector Governance



The Hawkamah Institute for Corporate Governance and the UAE State Audit Institution (SAI) today signed a Memorandum of Understanding (MoU) aimed at improving corporate governance within the UAE Public Sector and its state-owned enterprises.

The agreement reflects both Hawkamah and SAI's strong commitment to promoting corporate governance, particularly with regard to state-owned enterprises, where high levels of corporate governance can deliver enormous benefits.

According to Dr. Nasser Saidi, Executive Director of Hawkamah, these benefits include "improvement in the quality of public services, better public financial management, greater transparency and protection of the state's interests. By joining hands in this way to promote corporate governance, we send a strong message that we will work together to overcome the corporate governance challenges faced by the UAE's state-owned enterprises and government related enterprises"

SAI is mandated by federal law to conduct independent audits across federal ministries and other entities in which the UAE government has partial or full ownership, with the goal of supporting the objectives of the UAE Federal Government.

Dr. Harib Al Amimi, President of SAI, said, "At SAI, we are committed to promoting global best practices and helping to embed corporate governance more deeply into the operations of public sector organisations in the UAE. We are taking clear steps in that direction. Through this agreement and our work with Hawkamah, we can further contribute to the improvement of corporate governance, financial management and operational performance within the UAE public sector."

The MoU provides a framework for Hawkamah and SAI to collaborate across a range of fields. Both organisations will undertake joint activities aimed at raising awareness of, and further developing, public sector governance; developing educational materials to promote good governance; promoting governance through SAI employees; making presentations at professional development activities organised by Hawkamah; and providing SAI employees with opportunities to pursue continuing professional development through involvement in Hawkamah activities. Under the agreement, SAI will also work with Hawkamah to conduct corporate governance research in the UAE.

IFC Supports Development of First Environment, Social and Governance Index in MENA, Index to be Jointly Developed with Hawkamah, S&P and CRISIL

IFC, a member of the World Bank Group, is helping develop an index that will encourage responsible and sustainable investment practices in the Middle East and North Africa by measuring the environmental, social, and corporate governance performance of hundreds of listed companies in the region.

IFC is supporting efforts of the Hawkamah Institute for Corporate Governance, indices and ratings provider Standard & Poor's, and Credit Rating and Information Services of India Ltd. (CRISIL) to develop the Environment, Social and Governance (ESG) index, the first of its kind to be launched in the region.

The index will help some 600 listed companies in 11 countries better understand environmentally and socially responsible investment practices, and the importance of implementing sound corporate governance. Businesses that seek balanced, long-term performance will be encouraged to adopt sustainable business practices.

Dr. Nasser Saidi, Executive Director of Hawkamah, said: "In response to economic disruption and to bad practices blamed for sparking the financial crisis, institutional investors are increasingly focusing on long-term risks in their investments. Environmental, social, and governance factors are playing a growing role in investment decisions in our region. Financial performance indicators have traditionally marked whether to

invest in a company. With IFC's support we aim to provide the market and investors with a tool focusing on non-financial indicators, which are fundamental in assessing the sustainability of a company's future performance."

IFC's Associate Director, Gulrez Hoda, said, "The absence of credible and standardized data about business practices relating to social and environmental concerns is a key barrier limiting the flow of socially responsible investing funds to emerging markets. Better social, environmental, and governance practices will ease the flow of funds into ethically responsible products."

The index will cover the United Arab Emirates, Saudi Arabia, Qatar, Bahrain, Oman, Kuwait, Jordan, Egypt, Lebanon, Morocco, and Tunisia and provide qualitative information for investors' sustainability needs, absorb high liquidity growth, and reduce volatility of stock markets.

The project will strengthen and promote environmentally-sustainable, and socially-responsible businesses. In turn, this will create greater awareness and adoption of ESG practices by companies as well as increase available financing options.

This ESG index is part of IFC's partnership with Hawkamah to promote better corporate governance in the Middle East and North Africa. IFC and Hawkamah have been working on advancing corporate governance in the region to help build capital markets and attract capital and foreign direct investment.

Hawkamah and CISI Hold Joint Seminar on New UAE Corporate

Governance Code

The Hawkamah Institute for Corporate Governance and the Chartered Institute for Securities & Investment (CISI), the professional body for practitioners in the securities and investment industry, today held a joint seminar in Abu Dhabi to discuss the new UAE Corporate Governance Code.

The seminar provided a platform to discuss the new corporate governance law for UAE publicly listed companies, which will come into force in April 2010. The Code will apply to public joint stock companies established in the UAE and companies listed on the Abu Dhabi Securities Market (ADX) and Dubai Finance Market (DFM) and to their Board of Directors.

Key speakers at the event included Maryam Al-Suwaidi, Deputy CEO for Legal Affairs, Securities & Commodities Authority; Peter King, Partner, Weil, Gotshal & Manges LLP; and Nick Nadal, Director, Hawkamah Institute for Corporate Governance.

Dr Nasser Saidi, Executive Director of the Hawkamah Institute for Corporate Governance said: "The new UAE Corporate Governance Code is a positive step towards raising corporate governance standards in the country, which is critical to instil market confidence and stimulate renewed investment in the current economic environment. The introduction of the code helps encourage a strong culture of good governance within the UAE corporate community. The Hawkamah-CISI seminar provided an excellent opportunity for UAE public company senior management to learn first-hand about the changes that the Code will introduce and their implications for organisational governance. Investors will look for effective implementation and compliance with the provisions of the new code."

Speakers discussed the new requirements laid down by the Corporate Governance Code, both from the regulatory and shareholders' perspective, focusing on the Code's practical implications for listed companies. Simon Culhane, Chartered FCSI, CEO said: "This important seminar is an excellent example of our combined initiative to promote and improve good

corporate governance practices in the UAE, GCC and the MENA region.”

The seminar provided listed companies practical guidance on effectively implementing the Code in areas such as board composition; board committees; board practices; professional conduct rules; internal control; and Articles of Association.

Global body of insolvency professionals to hold maiden Annual Regional Conference for MENA in Dubai



INSOL International, the world-wide federation of national associations of accountants, lawyers and experts specialising in turnaround and insolvency will hold their 2010 annual regional conference in Dubai. The conference to be held under the co-chairmanship of Dr. Nasser H. Saidi, Chief Economist of

the DIFC Authority and Executive Director of Hawkamah Institute for Corporate Governance and Peter Spratt of PricewaterhouseCoopers, London is expected to gather over 200 international insolvency, restructuring and turnaround experts at Madinat Jumeirah, Dubai from February 21-23.

With over 9,500 professionals as members, 40 Member Associations and ancillary groups representing the judiciary, regulators, lenders and academics, from over 70 countries, INSOL plays an important role in shaping international policy on insolvency and setting the global standards and benchmarks for professionals. INSOL's principal mission is to take the leadership role in international insolvency issues and policies and to facilitate an exchange of information and ideas among insolvency professionals and other affected constituencies.

The organisation was formed in 1982 and has grown in stature to become a global leader. Over the past decade, INSOL has emerged as valuable source of international professional knowledge. This knowledge is being put to use on a global scale on many diverse projects designed to be of benefit to the business community, engaging with government and non-government bodies and assisting them in their work on policy reforms, providing training to key stakeholders and enhancing their capacities for efficient and effective resolution of insolvency and restructuring proceedings.

INSOL has been working in close cooperation with Hawkamah the Institute For Corporate Governance, based in the Dubai International Financial Centre, over the last couple of years to promote and improve insolvency and debtor/creditor rights systems and good corporate governance practices in the MENA region. Hawkamah together with the World Bank Group, the Organization for Economic Cooperation and Development, INSOL conducted the first ever Study of Insolvency systems and Debtor/Creditors rights of 11 MENA jurisdictions by establishing a Task Force on Corporate Governance of Insolvency systems. In order to take the work of the Task Force to the implementation level, a Forum for Insolvency

Reform (FIRM) has been established by Hawkamah jointly with its International partners , which will serve as an effective platform for sustained policy-dialogue and contribute to keeping insolvency at the heart of reform efforts in the region.

The first steering committee meeting of the FIRM will be held on February 24, 2010 where the regulators and ministries of the region will be invited to discuss the outcome of the joint study on the Insolvency frameworks of the region.

Dr. Nasser Saidi said that “The conference will serve as a platform for debate on the reform of Insolvency Laws and practices in the region in the wake of the current perturbed global economic environment. Our survey revealed a wide gap in the region’s insolvency and creditor rights frameworks compared to best international practice. Well established insolvency & creditor rights systems are a core standard for sound financial systems. Strengthening and modernising insolvency laws should be part of the preventative measures to mitigate the risks and effects of the global economic & financial crisis on MENA countries”

“To be held in the backdrop of recent regional crises, the conference will offer regional policy makers, financial community and restructuring professionals based in MENA a timely opportunity to learn how current country laws on insolvency compare with international best practice with a view to fostering growth and economic development across the region, and safeguarding the lessons learned from the negative impact of market disruptions and crises” says Sumant Batra, President of INSOL.

The conference subject matter is of an international nature. Panels will cover a wide variety of topics such as surviving an economic downturn; rewriting the rulebook- government intervention or interference?; state aid to financially troubled companies; a sector in turmoil: the automotive industry; Cross-border co-operation: current trends; role of the regulators; operational restructuring in the MENA region; effect of the credit crunch on personal insolvency, and many

more pertinent subjects.

Batra further added "INSOL is looking forward to its maiden annual conference to be held in UAE. Our members will also benefit by meeting experts from this dynamic region and learn from their experiences. It will also be a superb opportunity to make new friends."

The conference is being sponsored by Begbies Global Network, BMC Group, Griffins Licensed Insolvency Practitioners & Seabury Group LLC. General sponsors include AlixPartners LLP, Asset Reconstruction Company (India) Ltd, BTG Mesirov Financial Consulting, Deloitte LLP, Derra, Meyer & Partner, Greenberg Traurig LLP, hww wienberg wilhelm, Financial Times and PricewaterhouseCoopers.

For further details please contact: INSOL International, 6-7 Queen Street, London, EC4N 1SP. Tel: 00 44 (0) 20 7248 3333. Fax 00 44 (0) 20 7248 3384. Details of the conference can be found at www.insol.org

Insolvency Reform in the MENA Region Will Help Increase Market Efficiency and Resilience During Crises, Survey Suggests

Reform of insolvency and creditor/debtor regimes in the Middle East and North Africa can improve economic efficiencies and strengthen market resilience in times of crisis, experts suggest in a survey released today covering 11 jurisdictions in the region.

Eighteen months in the making, this first regional benchmarking project on the topic of insolvency and creditor rights reform was undertaken by the Hawkamah Institute for Corporate Governance, the World Bank, the Organisation for Economic Cooperation and Development (OECD) and INSOL International.

The survey is intended to mark the first step in a broader regional dialogue on the subject of insolvency reform, raising awareness among key public and private stakeholders about the importance and likely impact of legal reform in this area. The survey is based on country contributions received from public authorities and private-sector practitioners from the 11 jurisdictions included in the survey.

Noting that legal and regulatory reform has made it easier to start new businesses in the region, the survey seeks to focus the attention of regional policymakers on how current country laws on insolvency compare with international best practice with a view to fostering growth and economic development across the region, and safeguarding the gains made from the negative impact of market disruptions and crises.

Reflecting the concerns evidenced in the survey – which suggests that the region's laws are amongst the least developed in the world with respect to the re-organisation of troubled companies – Hawkamah and its international partners agreed to establish a regional forum to drive the reform of insolvency and creditor/debtor regimes.

Dr Nasser Saidi, Chief Economist of the DIFC Authority and Executive Director of Hawkamah, noted that the chapter on the DIFC jurisdiction in the "Survey on Insolvency Systems in the Middle East and North Africa", suggests that the insolvency laws in operation within the Dubai International Financial Centre are amongst the most developed in the region, offering cost-effective, efficient and timely mechanisms for dealing with insolvency and creditor/debtor rights issues.

Not only did DIFC score the highest among regional jurisdictions, it also ranked above the OECD average. The report noted that the centre's insolvency system is regarded

as “cost-effective, efficient and timely, and balances the interests of debtor and creditors”.

Dr Saidi commented, “The strong showing of the DIFC as a common law” jurisdiction reflects the world-class quality of its legal and regulatory environment and serves as an example for other jurisdictions in the region.”.

The survey reports that the efficient design of insolvency laws and the related procedural and administrative steps involved in the insolvency process for businesses can strengthen financial markets, promote investment and credit flows, protect the rights of various stakeholders, and assist MENA countries in adjusting to external and domestic shocks.

“In our region, an appropriate insolvency regime also needs to strengthen the capacity of entrepreneurs and the private sector to be able to take risks, innovate, reduce the stigma of bankruptcy and insolvency, and to make it possible for debtors to restart businesses with a clean slate after a failure,” Dr Saidi added.

The 11 jurisdictions studied in the report are: DIFC, Egypt, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, the United Arab Emirates and Yemen.

The World Bank Doing Business report finds that in the jurisdictions studied, it takes on average 3.5 years to close an insolvent business, compared with 1.7 years in OECD countries; the cost of such actions consumes 14.1% of a company’s value, compared with 8.4% in the OECD; and in MENA, creditors recover just under 30% of their debts, compared with nearly 70% in OECD countries.

According to Dr Saidi, who has written a lead article to introduce the survey, efficient and effectively enforced insolvency systems provide appropriate incentives for debtors, creditors and insolvency trustees to reorganise potentially viable firms, thereby preventing their premature liquidation. This retains economic value in the economy and jobs for workers, which otherwise would be lost.

In addition, he suggests that, MENA countries would likely benefit from increased foreign investment and enhanced credit

access – an ingredient of growth in all markets – since such decisions often favour markets with effective legal systems to support recovery and enable creditors to act swiftly to mitigate losses when a debtor defaults.

In his article, further to the survey, Dr Saidi emphasises a number of points to consider as part of the reform dialogue:

- Gulf states have stronger insolvency laws than the rest of the MENA region, but need to improve creditor information systems and how they deal with cross-border issues.
- Across the MENA region, there is room for improvement compared to international standards and practice, in particular, in the area of reorganisation of companies.
- Based on Common Law and the advantage of being “purpose-built,” the DIFC insolvency framework is the most robust and highest rated in the region.

Elaborating on the MENA insolvency forum, Dr Grant Kirkpatrick, Senior Economist at the OECD, said, “The current global economic environment and its impact on the Middle East and North Africa region make the creation of such a forum extremely timely and appropriate.”

The forum will follow the successful model of the OECD Forum on Asian Insolvency Reform, which was founded in 2001 in partnership with the Asia-Pacific Economic Cooperation (APEC) and other actors.

The full report is available for download from the Hawkamah website, www.hawkamah.org.

Zawya Launches Collaborative

Sukuk Report to Strengthen The Global Islamic Finance Community



Zawya announced the launch of its first ever Collaborative Sukuk Report with the aim of addressing the barriers faced by the global Sukuk industry. The credit crisis has opened many new avenues for Islamic finance, and it has emerged as an ethical and risk-averse investment opportunity for many investors (professionals) globally. Yet when it comes to Sukuk (Shariah-compliant Bonds), transparency, liquidity in both primary and secondary markets, connectivity between the buy-side and sell-side, as well as understanding the financial concepts of Shariah to successfully structure a Sukuk, are still preventing investors and arrangers from benefiting from these opportunities.

To address these gaps, Zawya gathered the world's leading Islamic finance professionals to collaborate on finding potential solutions to problems hindering the growth of the global Sukuk industry today.

The Collaborative Sukuk Report summarizes these contributions in order to promote the sustainable growth and transparency of the industry. The structure of the report consists of a series

of thought leadership articles, including a contribution from Dr Nasser Al Saidi's, Chief Economist at DIFC and Executive Director at Hawkamah, who partnered with Zawya to design this initiative. A comprehensive survey was then carried out by Zawya's Islamic Finance analysts, apart from a trend analysis on the Sukuk industry in partnership with Ernst and Young.

Dr Saidi said: "Fund raising through Islamic bonds (Sukuk) has gained rapid acceptance in major global markets due to its relative stability, ethical character as well as its asset-based nature which makes it a promising asset class and investment security for many investors. However, its full potential is yet to be realised, mainly because it still is a mysterious instrument for many international investors. The Collaborative Sukuk Report helps dispel the mystery and exposes the full potential of the Islamic Sukuk and the emerging International Islamic Securities Market (ISM)."

Zawya Chief Executive Ihsan Jawad explains why the initiative:

"The ultimate purpose of Islamic finance is to help others build and improve their livelihoods as opposed to achieving hyper profits and the blind pursuit of growth for its own sake. In return for their help, Islamic finance players should command a fair reward based on their efforts and participation rather than a return on capital at risk. The practical role of Islamic finance is to encourage and institute risk sharing among as many participants as possible in order for new and real economic activities to prosper. To help Islamic finance claim its rightful role, Zawya aims to empower professionals the world over with the means to identify, assess and monitor true Islamic finance opportunities across the globe. That is the reasoning behind Zawya's first annual Collaborative Sukuk Report".

By engaging the community of Islamic Finance professionals through discussion and debate of the current challenges faced by the industry, the Zawya Collaborative Sukuk Report's aim is to build on this community by addressing the issues in a collaborative effort that will fuel real economic growth and prosperity as opposed to being a self-centered community that

feeds on the hard work of good businesses from across the economy.

Hawkamah and the MENA-OECD Corporate Governance Working Group Issue Policy Brief on Corporate Governance of Banks in the MENA region

The Hawkamah Institute for Corporate Governance and the MENA-OECD Corporate Governance Working Group, in association with the Union of Arab Banks, today issued a landmark Policy Brief on Corporate Governance of Banks in the Middle East and North Africa (MENA) region.

The Policy Brief makes key recommendations responding to corporate governance and lessons learned from the financial crisis globally. The recommendations are targeted at policy makers, banking supervisors, banking associations and individual banks in the region. The document was released at a press conference held during the Fourth Annual Hawkamah-OECD Conference, a two-day regional event organised by Hawkamah in cooperation with the Organisation for Economic Co-operation and Development (OECD).

The newly issued Policy Brief recommends the introduction of more detailed governance codes at the national level and urges bank regulators to develop their own corporate governance expertise and issue specific guidelines for assessing banks. The document urges bank regulators to outline the criteria for assessing the corporate governance practice of banks;

establish corporate governance divisions; and give high priority to the harmonisation of regulatory frameworks, coordination of supervisory responsibilities and sharing of information on bank reviews.

The Policy Brief stresses that board member liability and specification of board member duties should be high on the policy agenda. The document places high importance on developing the skills of directors through training programmes that address the professional, ethical and technical demands imposed by increasingly complex industry practices.

Supervisors should be specific in establishing the elements of public disclosure for banks, while also working on changing the mentality of bank executives who view disclosure strictly from a compliance point of view, rather than as an effective tool for managing stakeholder relations and adding value to the business, the Policy Brief says. The document suggests that related party transactions should be reviewed and monitored by a sufficient number of directors capable of exercising objective and independent judgment. The Brief further recommends that the review process should include approvals of individual transactions that may pose a risk for the bank even if they are not flagged by the regulator.

Dr. Nasser Saidi, Executive Director of Hawkamah said: "Strengthening the banking sector's legal and regulatory standards and improving its transparency and disclosure is critical to the sustainable growth and stability of the region. The Policy Brief on Corporate Governance of Banks identifies key corporate governance challenges affecting banks in the region and makes recommendations for strengthening their governance practices. The Policy Brief's recommendations go beyond merely strengthening governance practices within the banking sector and seek to transform banks into agents of corporate governance change in the larger economy."

The Policy Brief was developed after over two years of discussions conducted by the MENA-OECD Task Force, comprising representatives of the public and private sectors from across the region including regulators and central banks. The

document drew from various international corporate governance frameworks including the OECD Principles of Corporate Governance, revised in 2004; the OECD Guidelines on Corporate Governance of State-Owned Enterprises issued in 2005; and the Basel Committee's guidelines on Enhancing Corporate Governance in Banking Organisations.

Dr. Grant Kirkpatrick, Senior Economist at the OECD noted: "The global financial crisis has revealed significant deficiencies in the corporate governance practices of banks all over the world. The Policy Brief on Corporate Governance of Banks constitutes an important step to applying policy lessons from the financial crisis to the region."

The document is expected to serve as a key reference point for improving corporate governance standards and practices in MENA banks. It is also expected to provide a basis for ongoing dialogue on policy design, implementation, enforcement, and assessment of future progress towards good corporate governance among MENA bank, regulators and central banks. The recommendations, targeted at the ownership and regulatory characteristics of the MENA region, can be implemented by a variety of institutions in the region – listed or unlisted, private or state-owned, conventional or Shari'a compliant.

The preparation of this Policy Brief was coordinated by the OECD Secretariat and incorporates contributions from numerous individuals and institutions. The Hawkamah Institute for Corporate Governance and the Union of Arab Banks played instrumental roles in developing the Policy Brief. The project was implemented with the financial support of the Global Corporate Governance Forum and the Japanese government.

The last day of the Fourth Annual Hawkamah-OECD Conference also saw the release of the benchmark "Study on Insolvency Systems in the Middle East and North Africa". Developed jointly by Hawkamah, the World Bank, OECD and INSOL International, the study represents the first-ever regional, comparative survey of insolvency systems in the MENA region. The study surveys 11 jurisdictions in the MENA region, including the Dubai International Financial Centre (DIFC),

Egypt, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, UAE, and Yemen.

This regional annual gathering, being organised by Hawkamah in cooperation with the Organisation for Economic Co-operation and Development (OECD), was held at the Dubai International Financial Centre from 9 to 10 November, 2009. The event saw regional and international experts on corporate governance reviewing the progress in reforming corporate governance frameworks in the MENA region and ways to enhance their implementation.

Speakers at the annual gathering included: Mr. Mahesh Uttamchandani, Head of the World Bank Insolvency and Creditor's Rights Initiative; Dr. Grant Kirkpatrick, Senior Economist at the OECD, Mr. Carl Rosen, Executive Director of International Corporate Governance Network, Mr. Simon Coplestone, Abu Dhabi Commercial Bank's Board Secretary, and Mr. Sohail Zubairi, CEO of Islamic legal consultancy, Dar Al Sharia, Mr. Salah Hussain, Vice Chairman, Bankers' Association, Bahrain, Mr. Carl Rosen, Executive Director, International Corporate Governance Network, Ms. Lanae Holbrook, Senior Vice President, General Council and Head of Market Regulation, NASDAQ Dubai, Dr. Dawood Al Bulushi, Director Corporate Governance, Qtel Qatar, Dr. Mohammed Omran, Vice Chairman, Egyptian Stock Exchange, Mr. Jalil Tarif, CEO, Amman Stock Exchange. The 200 participants attending the two-day annual meeting included a number of corporate governance experts from across the region.

Fourth Annual Hawkamah - OECD

Annual Conference Reinforces Importance of Corporate Governance Enforcement in the MENA region



The Fourth Annual Hawkamah-OECD Conference – The Institute of Corporate Governance, which began today in Dubai emphasised the vital importance of creating a culture of corporate governance compliance and enforcement in the Middle East and North Africa (MENA) region.

Delivering the welcoming remarks at the conference, Dr. Nasser Saidi, Executive Director of Hawkamah said: “It is one thing to have regulations issued, it is quite another to have them implemented. Let us not forget that the financial crisis stemmed from markets where the corporate governance codes were the most advanced, but evidently not complied with. The challenge for us here in the MENA now is to create a culture of enforcement and compliance. Indeed non-compliance should be

punished. Increasingly, the focus of corporate governance reform in the MENA now needs to be on effective implementation.”

This regional annual gathering, organised by Hawkamah in cooperation with the Organisation for Economic Co-operation and Development (OECD), is being held at the Dubai International Financial Centre (DIFC) from 9 to 10 November, 2009. Regional and international experts on corporate governance are meeting at the event to review the progress in reforming corporate governance frameworks in the MENA region and ways to enhance their implementation.

Dr. Saidi said that market-wide corporate governance improvements do not happen in a vacuum and need to be facilitated and supported by the regulator. “If local capital markets are to grow, corporate governance standards need to be effectively enforced by regulators to give investors the protection required to encourage them to provide capital. This is the time for the regulators to make corporate governance codes mandatory. We encourage regulators, whether bank regulators or capital market authorities, to set up specialist corporate governance departments to monitor the implementation of corporate governance in the entities they are supervising.”

The Executive Director of Hawkamah also stressed on the need for customising international corporate governance frameworks to address the unique needs of markets in the region. He said: “One size does not fit all when it comes to corporate governance. Principles and standards need to be tailored for individual markets and economic activities. However, such standards should be both internationally and domestically credible, given that corporate governance is about attracting international investment, improving the liquidity of our stock markets, and reducing the cost of credit and capital for our companies.”

Maryam Al Suwaidi, Deputy CEO, Securities and Commodities Authority, UAE, who also delivered a Welcome Remark said: “The great significance of corporate governance is well realised and well fostered by regulators in the UAE.” She talked about

the Securities and Commodities Authority's initiative to develop a 'Corporate Governance Code For Joint-Stock Companies and Institutional Discipline Criteria' that were consistent with the general corporate governance principles of the OECD and relevant to the social and economic environment of the UAE.

Speaking about the positive response of UAE-based companies to the Code, she said: "Despite the fact that listed companies are given a grace period that ends by April of 2010 to abide by the corporate governance code, many companies have already implemented the provisions of these regulations. Companies have shown great competence in incorporating corporate governance requirements into their articles of association well before the expiration of the established deadline."

Among the topics that will be addressed by the conference are corporate governance of Islamic financial institutions, insurance firms and the role of private equity firms in corporate governance. In addition, regional regulators are debating the region's changing regulatory landscape.

An Investors Panel will address the role of investors, both retail and institutional in driving corporate governance reform in the region. Finally, the annual gathering will also feature a closed session for regulators, which will focus on region-specific insolvency and creditor rights issues.

During the Conference, Hawkamah and the MENA-OECD Corporate Governance Working Group with the Union of Arab Banks will be issuing a Policy Brief on Corporate Governance of Banks in the MENA region. Mechanisms for implementing the Policy Brief and ways to advance the corporate governance agenda for state-owned enterprises will also be discussed. In addition, the event will see the release of the Hawkamah/World Bank/OECD/INSOL International, benchmark "Study on Insolvency Systems in the Middle East and North Africa".

Speakers at the annual gathering include: Mr. Mahesh Uttamchandani, Head of the World Bank Insolvency and Creditor's Rights Initiative; Dr. Grant Kirkpatrick, Senior Economist at the OECD, Mr. Carl Rosen, Executive Director of

International Corporate Governance Network, Mr. Simon Coplestone, Abu Dhabi Commercial Bank's Board Secretary, and Ms. Sohail Zubairi, CEO of Islamic legal consultancy, Dar Al Sharia. The 200 participants attending the two-day annual meeting include a number of corporate governance experts from across the region.

World experts meet in Dubai to discuss means to improve MENA corporate governance at Hawkamah-OECD 4th Annual Conference

Regional and international experts on corporate governance are gathered in Dubai to review the progress in reforming corporate governance frameworks in Middle East and North Africa (MENA) countries and to discuss ways to speed up their implementation process in the region.

This two-day regionally-focused Annual Conference organised by the Hawkamah Institute of Corporate Governance in cooperation with the Organisation for Economic Co-operation and Development (OECD), is being held from today at the Dubai International Financial Centre (DIFC).

The Hawkamah-OECD Annual Gathering theme of 'Emerging Middle East Markets and the Corporate Governance Imperatives' has been specifically chosen to impart a sense of urgency regarding the adoption, strengthening and effective implementation of corporate governance frameworks in the

region in the upcoming post-crisis era.

Dr. Nasser Al Saidi, Executive Director of Hawkamah and Co-Chair of the MENA-OECD Working Group on Corporate Governance, said: "This is the first major regional gathering to examine and discuss the lessons learned from the global financial crisis and how corporate governance standards can be implemented to improve transparency and disclosure, improve risk management and contribute to ensure economic stability and prosperity in our region. Hawkamah/World Bank/OECD and INSOL International will be launching the first ever, benchmark "Study on Insolvency Systems in the Middle East & North Africa", a timely contribution to the region's public debate and consideration of insolvency practices. We will be calling for urgent policy reform in the area of insolvency and creditor rights.

"A Policy Brief on Corporate Governance of Banks will be released on this occasion. Apart from reflecting a considerable amount of fact finding, the Annual Gathering constitutes a first step to applying policy lessons from the financial crisis to the region."

"Hawkamah and its supporting partners and founding members, the DIFC, OECD, IFC, UAB and others have been at the forefront to promote and spread awareness about good corporate governance practices in our region and encourage reform. Today's gathering is yet another step in that direction," added Dr. Al Saidi.

The panels of the conference have been specifically targeted to reflect the issues seen as priority in improving governance practices in the region. The topics and have been specifically chosen to cover as many sectors as possible as well as their regulators.

The Annual Gathering will open with a panel discussion on 'Global Corporate Governance Developments: International Perspectives and Regional Impact'. The experts will debate how corporate governance is evolving in various markets, what are the underlying issues at play and how do these impact the Middle East?

A panel of regulators has been formed, which will lead the discussions next on 'The Region's Changing Regulatory Landscape and the New Demands for Regulators'. The discussion will cover how the role of regulators has changed in response to the global financial crisis.

The third session will feature an Investors Panel to discuss 'Investors as key Drivers for Corporate Governance Reform'. This panel will find ways as to how shareholder engagement should be enhanced, does active ownership involvement promote better transparency and what role do institutional investors play in promoting corporate governance?

The penultimate session of Day 1 will feature the Regional Task Force on Corporate Governance of Banks and will feature the release of the Regional Policy Brief. Discussions will range on what is the best way forward for regional banks and what measures can be and are being put in place by banks and regulators in light of the lessons from the financial crisis?

The final session will feature the Regional Task Force on State-Owned Enterprises, which will discuss corporate governance in public enterprises.

Day 1 will be capped by a gala dinner which will see the unveiling of the Third Hawkamah-UAB Awards for Bank Corporate Governance.

Day 2 of the Annual Gathering will feature the Task Force on Islamic Financial Institutions addressing corporate governance challenges in the Islamic Finance sector, its specific issues and solutions and role of regulators.

Next will be the Task Force on Corporate Governance and Private Equity. It will discuss the role private equity can play in improving corporate governance practices.

The final pre-lunch session will be a Roundtable on Insolvency and Creditor Rights in the region. It will feature the launch of the Hawkamah/World Bank/OECD/Insol International "Study on Insolvency Systems in the Middle East & North Africa" and discuss reforms to insolvency regimes and practices in the aftermath of the financial crisis.

After a lunch press conference, a closed session of the MENA-

OECD Working Group on Corporate Governance will be held to discuss policy recommendations arising from the Annual Gathering, particularly for Banks and Financial Institutions, State-owned Enterprises, Stock Exchanges and Country-specific initiatives.

Speakers representing international and regional organisations, as well as the private sector joining the annual gathering include: Dr. Grant Kirkpatrick, Senior Economist at OECD, Mr. Paul Koster, CEO of Dubai Financial Services Authority; Mr. Mahesh Uttamchandani, Head of the World Bank Insolvency and Creditor's Rights Initiative; Mr. Carl Rosen, Executive Director of International Corporate Governance Network, Mr. Simon Copleston, Abu Dhabi Commercial Bank's Board Secretary; Ms. Maryam Al Suwaidi, Deputy CEO of Securities and Commodities Authority of the UAE; Dr. Sami Baroum, Managing Director of Saudi-based Savola Group; Mr. Hamid Busaid of Omani Capital Markets Authority; Dr. Ashraf Gamal of Institute of Directors, Egypt; Mr. Saleh Hussain, Vice-chairman of Bankers Association of Bahrain; and Dr. Dawood Al Balushi of Qtel. Delegates and experts from across the region comprise the 200 participants that are attending this important annual meeting.

The imperative to improve corporate governance in the Middle East and North Africa to be discussed at the

Hawkamah and OECD 4th annual gathering

Regional and international experts on corporate governance will gather on 9-10 November in Dubai to review the progress in reforming corporate governance frameworks in MENA countries and ways to enhance their implementation. This regional annual gathering, organised by the Hawkamah Institute of Corporate Governance in cooperation with the Organisation for Economic Co-operation and Development (OECD) will be held at the Dubai International Financial Center.

As the causes and consequences of the global financial crisis are becoming clearer, this will be the first regional gathering to consider the role of corporate governance for the economic stability and prosperity of the region.

H.E. Dr. Omar bin Sulaiman, Governor of the DIFC and Founder of Hawkamah, pointed out that “the world – and especially the Middle East – is emerging from the global financial crisis and will seek to implement policies to ensure a period of sustained and more stable growth. Now is the time for companies to prepare and position themselves for the future opportunities and challenges. Good corporate governance offers them a competitive edge.”

Dr. Nasser Al Saidi, the Executive Director of Hawkamah, further explained: “We have specifically chosen the theme of the this meeting as ‘Emerging Middle East Markets and the Corporate Governance Imperative’ so as to impart a sense of urgency regarding adoption and implementation of corporate governance in the region.”

The engagement and investment of both regulators and private sector companies in corporate governance priorities is essential. “Hawkamah and its supporting partners and founding members, the DIFC, OECD, IFC, UAB and others have been at the forefront to promote and spread awareness about good corporate governance practices in our region and encourage reform. The

upcoming gathering is yet another step in that direction,” added Dr. Saidi.

The panels of the conference have been specifically targeted to reflect the issues seen as priority in improving governance practices in the region. “This important regional gathering will be addressing a number of priority corporate governance challenges in the MENA region in relation to the banking sector and state-owned enterprises”, noted Dr. Grant Kirkpatrick, Senior Economist at the OECD. “A Policy Brief on Corporate Governance of Banks will be released on this occasion. Apart from reflecting a considerable amount of fact finding, it constitutes a first step to applying policy lessons from the financial crisis to the region”, noted Mr. Kirkpatrick.

Among other topics addressed by the conference will be corporate governance of Islamic financial institutions, insurance firms and the role of private equity firms in corporate governance. These issues will be discussed on the second day of the annual gathering. In addition, the regional regulators will debate the region’s changing regulatory landscape and how that places new demands on them. An Investors Panel will address the role of investors, both retail and institutional, as key drivers of corporate governance reform in the region. Finally, the annual gathering will also feature a closed session for regulators, which will focus on region-specific insolvency and creditor rights issues. A regional study on insolvency will be also released on this occasion.

The MENA-OECD Working Group on Corporate Governance will be discussing how to advance the corporate governance agenda in MENA region through ongoing as well as new regional and country-specific initiatives. Mechanisms for implementing the regional Policy Brief on banks will be discussed, and the way forward for advancing the corporate governance agenda for state-owned enterprises will be decided.

Speakers representing international and regional organisations, as well as the private sector, joining the

annual gathering include: Mr. Mahesh Uttamchandani, Head of the World Bank Insolvency and Creditor's Rights Initiative; Dr. Grant Kirkpatrick, Senior Economist at the OECD, Mr. Carl Rosen, Executive Director of International Corporate Governance Network, Mr. Simon Coplestone, Abu Dhabi Commercial Bank's Board Secretary, and Ms. Sohail Zubairi, CEO of Islamic legal consultancy, Dar Al Sharia. A number of other experts from across the region will comprise the 200 participants anticipated to attend this important annual meeting.

Dubai Financial Market and Hawkamah sign MoU to promote good corporate governance among DFM-listed firms



Dubai Financial Market (DFM) and The Hawkamah Institute for Corporate

Governance (Hawkamah) today announced the signing of a Memorandum of Understanding (MoU) to Increase Public Awareness with regards to corporate governance and its implementation in the UAE.

The two leading institutions will cooperate with each other to actively promote and improve good corporate governance practices among the companies that are listed on the DFM and across the wider UAE. The memorandum states that Hawkamah and DFM will work together to advocate corporate sector reform and improve on corporate governance in Dubai and the United Arab Emirates

The MoU was signed by Mr. Essa Kazim, Executive Chairman, Dubai Financial Market and Dr. Nasser Saidi, Executive Director of the Hawkamah institute for Corporate Governance in presence of many other officials from both parties.

Commenting on this development, Mr. Essa Kazim, Executive Chairman, Dubai Financial Market said: "This initiative reflects DFM's support to Hawkamah and its commitment to working hand in hand with a leading institution that has done considerable efforts in promoting, endorsing, and improving corporate governance in the Middle East and North Africa.

"We believe that good corporate governance provides the foundation for the growth of listed companies, as it has a positive effect on the performance of listed companies through improving their access to affordable credit and capital and increasing their decision-making capacity, operational efficiency and enhancing their reputation" he added.

Dr. Nasser Saidi, Executive Director of Hawkamah, said: "The DFM is a leading financial market and one of the most active of our region's stock exchanges. We are very encouraged that they will be championing the cause of stronger corporate governance for listed companies. Hawkamah is committed to improving corporate governance standards across the region and looks forward to supporting the DFM's leadership role in the implementation of stronger corporate governance practices and improved transparency & disclosure for listed companies, which will sustain & strengthen investor confidence

“Higher risk aversion means that investors seek well governed companies and markets to allay their fears and gain confidence. Disclosure and transparency are increasingly at a premium and at the heart of investment decisions. Given the current economic turmoil, there is a strong case for the DFM and GCC markets to “overshoot” in corporate governance, whether on the country or company level.

The MoU’s goal to advocate corporate sector reform and improve upon corporate governance is supported by four broad objectives, namely to increase public awareness on corporate governance and to improve the corporate governance practices of DFM-listed companies through joint corporate governance assessments and corporate governance improvement plans for DFM’s listed companies.

The other two objectives focus on developing national legal and regulatory frameworks with respect to corporate governance, in cooperation with both the public and private sectors and in cooperating on corporate governance institution-building among DFM-listed companies and increase the training capacity of the companies through corporate governance training for their directors, managers, company secretaries and other stakeholders.

The MoU partners believe that the adoption of good governance practices by listed firms will increase the operational efficiency of the listed companies and help support open and transparent markets that will attract investment.

The country-wide promotion of best practices aiming at raising awareness of corporate governance will be carried out through conferences, roundtables and seminars, as well as developing handbooks and manuals on good corporate governance.

The Dubai International Financial Centre (DIFC) based Hawkamah, which has been actively leading the good governance initiative, and DFM, the premier stock exchange in the region, will further explore and discuss other areas of future cooperation.

Hawkamah and DFM also propose to develop corporate governance codes and guidelines as well as a communication and an

awareness raising strategy having a training programme for journalists and the media as a focal point.

The two partners will also develop market incentives addressing listed companies and promote good corporate governance through various awards programmes.

Abu Dhabi Commercial Bank Partners with Hawkamah to Advance Corporate Governance Reform in the region



The Abu Dhabi Commercial Bank (ADCB) has signed a partnership agreement with the Hawkamah Institute of Corporate Governance (Hawkamah), to promote corporate governance reform in the

Middle East and North Africa (MENA) region.

As part of the agreement, ADCB will become a “Corporate Partner” of Hawkamah and contribute key resources necessary to supporting Hawkamah’s mandate in strengthening corporate governance in the banking sector in the MENA region and ensuring the implementation of sound and robust corporate governance principles in the sector with the aim of building safer and sounder financial institutions.

Dr Nasser Saidi, Executive Director and Board Member of Hawkamah, said: “We are very pleased to welcome ADCB, one of the region’s leading banking institutions, as our Corporate Partner. ADCB joins a growing number of international and regional organisations that are supporting stronger corporate governance standards and practices. The participation of leading banking institutions is critical for accelerating the momentum of corporate governance development in the UAE and the region. ADCB’s contribution will strengthen our efforts to support the corporate sector in the UAE and regional institutions in implementing sound and sustainable corporate governance frameworks and practices that are both locally relevant and integrated with international norms.”

Mr. Salem Al Ameri, Board Member and Chairman of the ADCB Corporate Governance Committee, said: “Our institution recognises the importance of good corporate governance in enhancing market stability, protecting shareholders and creating additional shareholder value. We believe in the importance of good corporate governance in ensuring sustainable economic growth and we support Hawkamah’s initiative to improve corporate governance practices in the region. This partnership with Hawkamah is a clear testament of ADCB’s commitment to corporate governance.”

“We believe that good corporate governance provides a strong foundation for our organisation’s future development. Good governance also promotes the trust of depositors and shareholders and enables us to make greater contributions to the development of Abu Dhabi’s financial system,” added the

ADCB CEO.

The bank has adopted four guiding principles for its corporate governance policies:

- **Responsibility** – the clear division and delegation of authority.
- **Accountability** in the relationships between the bank's management and the board, and between the board and shareholders as well as other stakeholders.
- **Transparency and Disclosure** to enable stakeholders to assess the bank's financial performance.
- **Fairness** in the treatment of all stakeholders.

ADCB has been actively implementing good corporate governance practices since 2007. The partnership with Hawkamah this year is another significant initiative that underlines the bank's commitment to international best practices and good governance.

The Abu Dhabi Commercial Bank joins a growing number of reputable institutions showing their support for an independent, private sector initiative that is improving the understanding and practice of corporate governance in the MENA region. Since its inception in 2006, Hawkamah has signed partnership agreements with major international and regional organizations including GE, PricewaterhouseCoopers, MasterCard Worldwide, Korn/Ferry International, Dubai Islamic Bank, Bank of Sharjah, Emirates NBD and Abraaj Capital. The resources contributed by Hawkamah's partners support Hawkamah's key programmes for Banks and Financial Institutions, Insurance, Family Owned Companies, State Owned Enterprises, Shari'a Compliant Institutions, Private Equity, Media and Academia.

Financial Crisis And the Corporate Governance Solution AUG 2009

[Financial Crisis And the Corporate Governance Solution AUG 2009](http://nassersaidi.com/wp-content/uploads/2012/08/Financial-Crisis-And-the-Corporate-Governance-Solution-AUG-2009.pdf)

<http://nassersaidi.com/wp-content/uploads/2012/08/Financial-Crisis-And-the-Corporate-Governance-Solution-AUG-2009.pdf>

Hawkamah Symposium Issues Declaration on Insolvency and Creditor Rights Systems



The Hawkamah Institute for Corporate Governance's Symposium on Insolvency Systems and Creditors Rights yesterday (Wed 27th May) issued a Declaration that outlined a roadmap for the development of insolvency and creditor-rights systems in the

Middle East and North Africa region.

Signed by the delegates at the Symposium, the Declaration reaffirmed the importance of sound insolvency and creditor rights systems to the development of the region's capital markets and private sector. It also called for the modernisation of insolvency and creditor rights regimes in the Middle East and North Africa (MENA) according to international best practices and standards, particularly the World Bank's *Principles for Effective Insolvency and Creditor Rights Systems*, and the UNCITRAL *Legislative Guide on Insolvency*.

The global financial crisis offers an opportunity to move ahead with financial reform and to build insolvency systems designed to address systemic risk and to build modern and efficient insolvency procedures, the Declaration pointed out. Though a "one size fits all" insolvency model is not effective, harmonisation of insolvency regimes will encourage more domestic and international investors and add value to the corporate and financial sectors, it said.

The Declaration encouraged policy makers, legislators and regulators to work towards building and addressing the legal, regulatory and institutional frameworks necessary for sound insolvency regimes in the region. It also announced the establishment of a Regional Forum on insolvency and creditor rights which will aim to engage, educate, and inform more stakeholders on the reform process and serve as a platform for sharing policy and infrastructure best practices.

The Hawkamah **Symposium on Insolvency Laws and Creditor Rights Systems in the MENA region** was held in cooperation with Organisation of Economic Cooperation and Development (OECD), the World Bank, INSOL International, the Abu Dhabi Chamber of Commerce and Industry, the Abu Dhabi Center for Corporate Governance and Latham & Watkins on 26 and 27 May at the Abu Dhabi Hilton Hotel.

The first day of the event discussed the initial results of a

first-of-its-kind survey on insolvency systems and creditors rights conducted in eleven jurisdictions including the UAE, Lebanon, Egypt, Jordan, KSA, Bahrain, Qatar, Oman, Yemen, and Palestine, as well as the Insolvency Law of the Dubai International Financial Centre (DIFC).

In the survey that measured the quality and development of insolvency systems, the MENA region scored an average of 88 points compared to 124 scored by OECD countries in a recent survey that applied the same scoring system. In the survey's other findings, DIFC was ranked number one in an assessment of the insolvency systems of regional organisations, scoring 126 points out of a maximum of 155.

The second day of the Symposium discussed global financial crises and insolvency; policy options on insolvency frameworks; recent developments in the wake of the global financial crisis; regional restructuring; cross-border insolvency including INSOL and UNCITRAL Model Law and Court to Court protocols; the challenges involved in building global insolvency norms; and lessons from financial crises in the past and the need for preparing for the future.

The Symposium was attended by government policymakers and regulators, judges and lawyers, restructuring and insolvency professionals, bankers and accountants, auditors and financial forensic experts from across the MENA region. Key figures participating in the Symposium include HE Mahmoud Mohieddine, Minister of Investment in Egypt; Mahesh Uttamchandani, Senior Counsel at the World Bank; Dr Rainer Geiger, Senior Regional Advisor OECD; Robert Sanderson, President of INSOL International and Sumant Batra, Vice President, INSOL International; HE Khalfan Al Kaabi, Board Member ADCCI; Lubna Qassim, Executive Director, Legal and Regulatory Affairs Department, Dubai Economic Council; and William Foster, Executive Director Mudara Institute of Directors.

Hawkamah Announces Findings of Pioneering Survey of Insolvency Systems and Creditors Regimes in MENA



The Hawkamah Institute for Corporate Governance today announced the results of its pioneering benchmark survey of insolvency regimes of countries in the Middle East and North Africa region.

In the survey that measured the quality and development of insolvency systems, the MENA region scored an average of 88 points compared to 124 scored by OECD countries in a recent survey that applied the same scoring system. In the survey's other findings, DIFC was ranked number one in an assessment of the insolvency systems of regional organisations, scoring 126 points out of a maximum of 155.

Based on the methodology of a joint IMF-World Bank pilot exercise titled "Reports of the Observance of Standards and Codes" (ROSCs), the Hawkamah survey featured a questionnaire that covered the diverse aspects of an insolvency regime

including, Legal Framework for Creditors Rights; Risk Management and Corporate Workout; Legal Framework for Insolvency and Reorganisations; and Proceedings and Implementation of the Insolvency System.

The survey was undertaken by Hawkamah jointly with the World Bank, INSOL International and the Organisation for Economic Cooperation and Development (OECD) in close collaboration and cooperation with authorities, lawyers and legal professionals in the region. The eleven jurisdictions included in the survey were the UAE, Lebanon, Egypt, Jordan, KSA, Bahrain, Qatar, Oman, Yemen, and Palestine, as well as the Insolvency Law of the Dubai International Financial Centre (DIFC).

Speaking about the regional findings, Dr. Nasser Saidi, Chief Economist of the DIFC Authority said that while the results are satisfactory insolvency regimes need to be strengthened to help countries in the region manage current and future challenges. The survey revealed that GCC countries have strong insolvency systems in all but four areas: regulatory considerations (practitioners), institutional considerations (judicial), corporate governance and credit information systems.

The survey results were released at Hawkamah's first **Symposium on Insolvency Laws and Creditor Rights Systems in the MENA region**, being held on 26 and 27 May at the Abu Dhabi Hilton Hotel. Government policymakers and regulators, judges and lawyers, restructuring and insolvency professionals, bankers and accountants, auditors and financial forensic experts from the MENA region are attending the two-day event. Key figures participating in the Symposium include HE Mahmoud Mohieldine, Minister of Investment in Egypt; Mahesh Uttamchandani, Senior Counsel at the World Bank; Dr Rainer Geiger, Senior Regional Advisor OECD; Robert Sanderson, President of INSOL International and Sumant Batra, Vice President, INSOL International.

Emphasising the critical importance of effective insolvency systems in the region, Dr. Saidi said at the Symposium: "The MENA region is going through a financial crisis that it had no

role in instigating. Under these circumstances, it is more important than ever to study insolvency laws and creditors' rights in the region. The importance of these laws is that they help mitigate the repercussions of the financial crisis by outlining specific procedures to deal with insolvency or defaulting cases and the possibility of restructuring or even rescuing them when feasible."

Discussing the objectives of the survey, Dr Saidi said its purpose was not limited to improving ways of dealing with the financial crisis but includes procedures that help limit its future effects that may extend to many years. The results of the survey reinforce the need for putting in place strong legal foundations for carrying out insolvency proceedings and guaranteeing creditors' rights, he said.

HE Dr Mahmoud Mohieldine, Egyptian Minister of Investments said in his speech that MENA countries focus more on establishing, licensing and entry processes rather than exits. He explained that exit processes are not limited to cases of insolvency but also apply to mergers and acquisitions (M&As). Dr Mohieldine stressed on the need for focusing on small and medium enterprises (SMEs), particularly in emerging markets. Good insolvency systems provide a clear process for the liquidation or distribution of assets for SMEs facing insolvency, he said.

Mahesh Uttamchandani of World Bank said that having an effective legal and regulatory framework helps mitigate the negative implications for all stakeholders in cases of insolvency or default. He explained that having clear and strong insolvency systems can help minimise the influences of the financial crisis by allocating risk in a predictable, equitable, and transparent way, thereby bolstering confidence in the credit system, maximising value through continuation of a viable enterprise and enabling financial institutions to curtail deterioration of assets by providing a means of enforcing claims. He also explained that lacking good insolvency systems makes banks more reluctant to lend, leading to slower economic growth.

Participants in the Hawkamah Symposium will issue the “Hawkamah Declaration on Insolvency Systems” on the second day of the event to outline steps for improving insolvency frameworks and processes.

Hawkamah becomes the first signatory from MENA region to the United Nations Principles for Responsible Investment

Developing ESG Index covering 11 markets to raise profile of compliant firms; Abraaj becomes first private sector MENA firm to adopt UNPRI

The Dubai International Financial Centre (DIFC) – based Hawkamah Institute for Corporate Governance has become the first-ever institution from the Middle East and North Africa (MENA) region to sign up to the United Nations Principles for Responsible Investment (UNPRI).

Hawkamah held a workshop in Dubai on responsible investment practices, in which it was announced that it had become an official signatory to the UN principles. At the same event, Dubai-based Abraaj Capital, the largest private equity firm outside Europe and the US, followed Hawkamah’s example and became the first private sector business in the MENA region to sign up to the UN-backed Principles.

Leading institutional investors around the world are increasingly recognizing that Environmental, Social and Corporate Governance (ESG) issues can be material and can impact the performance of investment portfolios. The UNPRI provides a framework for investors to integrate ESG issues

into their mainstream investment and ownership practices. Since its creation in 2006, over 500 financial institutions from around the world have signed up.

Dr. Nasser Saidi, Director of Hawkamah, pointed out that: "Responsible investment practices focusing on ESG issues can be part of the solution in the current financial environment and can help to rebuild trust. It is likely that in the credit crunch aftermath, markets that will fare the best will be those in which fundamental investor concerns are identified and addressed by regulators and companies."

He explained that Hawkamah has been at the forefront of advancing corporate governance reform through working on multiple levels, ranging from raising awareness through research, award programs, workshops and development programs for directors, company secretaries and asset managers to working with MENA governments, regulators and companies to bring about comprehensive corporate governance frameworks for the region.

In addition to promoting better corporate governance, Hawkamah has also been active in encouraging companies to address and report on their material environmental and social issues. Part of Hawkamah's strategy is to create market incentives for companies to adopt better corporate governance practices and signing up to UNPRI is the latest step in the on-going commitment to improve ESG practices in the region.

"We have not stopped at just signing up to UNPRI. Hawkamah is developing an ESG Index covering 11 markets in the MENA region in cooperation with the IFC and Standard & Poor's. The purpose of the ESG Index is to raise the profile of those companies that perform well along the three parameters of environmental, social and corporate governance responsibility when compared to their market peers," Dr Saidi pointed out.

"Already Abraaj Capital has joined us in adopting UNPRI. We hope that our example would be followed by more institutions – from both public and private sectors."

Frederic Sicre, Executive Director of Abraaj, welcomed Hawkamah's effort to promote ESG concepts and general best

practices in the region. “As a leading regional financial institution, it is our responsibility to adopt ethical and good governance practices that are benchmarked by no less an institution than the United Nations.

“We are proud to be the first private sector corporate in the MENA region to sign up to UNPRI, and we hope that many of our peers will adopt the principles for their own benefit and for the benefit of the industry as a whole,” Sicre said.

Dr James Gifford, Executive Director of the UNPRI, stated: “We very much welcome Hawkamah’s adoption of the Principles for Responsible Investment. They join a growing movement within the global investment community that is committed to promoting strong corporate governance, better risk management and transparency within the corporate sector. Hawkamah is the first PRI signatory from the MENA region and we look forward to their becoming an active participant in the PRI network

“I’m looking forward to Hawkamah becoming an active participant in the PRI network and hope they can both learn from the good practice of other signatories and share any new ideas they have on how best to implement the Principles,” Dr. Gifford added.

Results of first ever Middle East North Africa Insolvency Law survey will be released this month

Hawkamah- supported Insolvency Taskforce to present policy options on how MENA countries can adopt legal insolvency frameworks

The Dubai International Financial Centre based Hawkamah Institute for Corporate Governance, will organize the first ever regional conference on insolvency and creditor rights next month.

The conference, being held in association with World Bank, INSOL International, Abu Dhabi Chamber of Commerce and Industry and the OECD, will be the platform for the release of the Middle East North Africa (MENA) Insolvency Law Survey Results. It will be held in Abu Dhabi at the Hilton Hotel on May 27. Insolvency systems provide a pre-determined set of rules and institutions concerned with the recognition of insolvency, the resultant liquidation or rehabilitation of the insolvent firm, and the allocation of the financial consequences between the stakeholders. They also permit lenders to more accurately price risk and encourage cash flow lending rather than relationship or politically-directed lending, and discipline managers to allocate scarce resources efficiently.

Government policymakers and regulators, judges and lawyers, restructuring and insolvency professionals, bankers and accountants and auditors and financial forensic experts from the MENA region and internationally will examine the functioning of formal and informal processes relating to corporate financial difficulty, insolvency and the judicial and administrative involvement in these processes. Also under discussion will be creditor and debtor rights and interests, risk management and corporate workout mechanisms, reorganization proceedings and implementation of insolvency systems in the eleven jurisdictions included in the survey which included Lebanon, the UAE, Egypt, Jordan, KSA, Bahrain, Qatar, Oman, Yemen, and Palestine, in addition to the Insolvency Law at the DIFC.

Dr. Nasser Saidi, Director of Hawkamah, stated: "Our survey and analysis represent a benchmark, the first ever attempt at examining and appraising insolvency regimes and creditor rights in the MENA region. Sound insolvency standards are a major building block of the institutional and market

infrastructure to ensure sound financial systems.

“Hawkamah, and its partners in this regional initiative, will be presenting the results of the state of insolvency laws in the MENA region, and in consultation with regional and national stakeholders, we hope that government representatives and regulators will be developing recommendations to modernize insolvency frameworks tailor-made to the needs of the countries in the region in the light of best international practice and experience,” he added.

The survey and the formulation of recommended policy options have been the work of the regional task force on insolvency and creditor rights, with Hawkamah acting as the secretariat.

Dr Saidi pointed out that the global financial crisis has highlighted the importance of updating and developing the region’s insolvency and creditor rights systems. “We, at Hawkamah, have been striving to bring about global best practices to our region. Our focus on MENA insolvency regimes is part of our efforts at strengthening the institutional and market infrastructure for our regional banking and financial industry and to support our business sector in adjusting to the challenges of the increasingly global economic and financial crisis.

“We believe that addressing and modernizing the region’s insolvency and creditor rights framework is one of the key policy issues facing the corporate sector –both bank and non-bank businesses- and the region’s financial markets.,” he added.

Mahesh Uttamchandani, Senior Counsel at the World Bank explained that the World Bank, Hawkamah, OECD and INSOL International had developed a detailed questionnaire based on the World Bank’s Report on Observance of Standards and Codes programme.

The questionnaire consisted of 172 queries covering the areas of Legal Framework for Creditors Rights, Risk Management and Corporate Workout, Legal Framework for Insolvency, and Reorganizations, Proceeding and Implementation of the

Insolvency System. The questionnaire was circulated to 15 MENA countries of which a response from 11 jurisdictions has been received.

“Some very interesting trends have emerged from the survey and we shall share them with representatives of governments, regulators and market practitioners who are being brought together by Hawkamah from across the region to discuss a forward-looking agenda on modernizing the region’s insolvency framework,” Uttamchandani said.

He stressed that the support of regulators, legislators and market practitioners are key to any progress on modernizing insolvency frameworks. “The ultimate goal of the World Bank, Hawkamah, OECD and INSOL International is to get more countries to complete the insolvency questionnaire so that the region can uniformly address the issue with a complementary framework that is contemporary and effective, Uttamchandani added.

Hawkamah Institute and Union of Arab Banks Launch 2009 Hawkamah – UAB Bank Corporate Governance Award

MasterCard Supports Award that Recognizes Excellence in Regional Banks

The Hawkamah Institute for Corporate Governance (Hawkamah) and the Union of Arab Banks (UAB) today announced the launch of the 2009 Hawkamah-UAB Bank Corporate Governance Award, the leading regional award that recognizes banks that have demonstrated excellence in corporate governance. The award,

now in its third year, is supported by MasterCard Worldwide, a leader in advancing global commerce.

Inaugurated in 2007 by Hawkamah and UAB, in association with MasterCard, the award aims to promote best practices in corporate governance within the banking sector in the Arab world. The evaluation criteria for the award cover a number of key areas including: commitment to good corporate governance; structure and functioning of the Board of Directors (or equivalent Supervisory Board); controlled environment and processes; transparency and disclosure; and treatment of minority shareholders. An independent jury of banking and corporate governance professionals selects award winners based on their compliance and proficiency in these selected criteria.

The 2009 Award follows the success of last year's award, which attracted 35 applications from 13 banks from markets across the region including Egypt, Iraq, Jordan, KSA, Kuwait, Lebanon, Oman, Palestine, Qatar, Sudan, Tunisia and the UAE. Dr. Nasser Saidi, Member of the Board, Hawkamah said, "This year's award is all the more timely in light of the financial crisis, which has made it clear that the implementation of good corporate governance principles and practice is a critical ingredient in ensuring the stability of our financial systems. Banks dominate the financial systems in the region and play a key role in the credit and investment process that is vital to our economic development. Strengthening corporate governance in the banking sector will also extend better corporate governance to the firms they finance. The annual Hawkamah – UAB Bank Corporate Governance Award publicly recognizes banks that have shown leadership in implementing good corporate governance practices and we look forward to receiving applications for the 2009 award."

Dr. Fouad Shaker, Secretary General of the Union of Arab Banks added, "The UAB is playing a vital and leading role in developing the Arab banking industry and along with this role comes the responsibility of raising awareness about effective corporate governance practices across the Arab banking

industry. We are delighted to be working with Hawkamah on promoting corporate governance reform across the region and anticipate yet another strong list of applicants for this year's awards."

Raghu Malhotra, area business head, Middle East (Gulf Countries), MasterCard Worldwide commented, "MasterCard is delighted to lend its support to this prestigious award for the third consecutive year. Since its inception, this award has contributed to the advancement of corporate governance in the Middle East and Levant region and has promoted transparency and efficiency in the banking sector."

Entries to the Award are open to all Arab banks, with submission of applications starting on 21st April 2009 and ending on 31st August 2009. The Award winner and the two runner-ups will be announced on 9th November 2009 at Hawkamah's 4th Annual Conference to be held in Dubai, UAE.

Global Financial Crisis has brought on increasing transparency and disclosure among GCC corporates

NASDAQ-Dubai listed firms lead in transparency rankings under BASIC methodology developed by The National Investor and in partnership with Hawkamah



In the current environment of global credit freeze and at a time when listed firms in the Gulf have been struggling to attract capital, GCC issuers have surprisingly shown an increasing level of transparency according to the latest GCC transparency rankings.

The Behavioral Assessment Score for Investors and Corporations (BASIC) rankings for 2009, reveal a significant improvement in GCC corporate communication and disclosure, in a very short period of time of less than one year. BASIC is a unique scoring methodology for ranking GCC listed firms on the basis of liquidity, transparency and volatility developed by The National Investor (TNI) in partnership with Hawkamah Institute for Corporate Governance,

Overall, the GCC average BASIC has improved by 8.3 per cent while the corporate communication and disclosure categories have improved by 7.7 percent and 12.6 per cent respectively.

NASDAQ-Dubai companies, which were included for the first time, came in as BASIC leaders compared to regionally listed companies.

Size and age do not matter when it comes to good governance. Arab Insurance Group (Arig) dominated the BASIC ranking for the second year in a row with its market capitalization of just US\$ 185 million. Sorouh Real Estate, which has been listed for less than four years, ranked first in Abu Dhabi and third across the GCC.

The second edition of BASIC also shows decreased liquidity as

financial assets dry up, and increased volatility during one of the worst stock market collapses.

“All crises have an upside too,” stated Dr. Nasser Saidi, Director of Hawkamah. “Shrinkage of the financial pie has resulted in greater competition for the available capital, which in turn, has forced Gulf firms to adopt better corporate governance policies. This is clearly reflected in better transparency and disclosures as is evident from the latest BASIC rankings.

“We believe that BASIC in the GCC is embryonic but promising; the average of our sample of eight international companies is unchanged from last year. During the same time, GCC companies have moved forward steadily,” he said

“Transparency and better disclosure are part of a wider acceptance of good governance that can only help boost the potential for survival, growth and prosperity of any company. This is a positive development for our region as transparency and good corporate governance will add value to the region’s capital markets,” Dr. Saidi added.

To raise awareness, Dr Saidi pointed out that a new website has been created www.tnihawkamahresearch.org, which is now up and running.

Amer Halawi, Managing Director at The National Investor, said: “GCC listed corporations are bucking the trend of the financial crunch by improving their corporate communication practice and providing more transparency. Some companies have increased their score 2 or 3 times in less than one year.

“Such progress is encouraging and signals a necessary, positive shift in regional attitudes. It is also here to stay. I am very hopeful that we will see further improvement in regional transparency over time.” Halawi added.

In accepting the BASIC award for being the most transparent firm in the GCC, Yassir Albaharna, the CEO of Arig, commented: “We are extremely pleased and proud to be selected as the leader among all companies listed in the GCC in terms of transparency, disclosure and corporate communications for the second year running. This is a wonderful reward for our

efforts to be as open and informative as possible – something we regard as our foremost corporate duty vis-à-vis the company’s numerous stakeholders.”

BASIC aims to encourage regional corporations to provide greater liquidity, more transparency and less volatility by holding them accountable and continually and independently benchmarking actual practices against regional and international norms.

The methodology allows to score and benchmark GCC listed companies on the basis of their corporate communication, disclosure and stock-market trading history. This methodology is unique and is the result of a long development and data gathering process.

BASIC is useful to investors who may use it to quickly gauge the liquidity, transparency and volatility of any GCC-listed company. It is useful to issuers who will find preliminary corporate governance guidelines in the methodology and will be able to benchmark themselves against international best practice. BASIC is also useful to regulators who might use the model’s parameters to provide a better trading environment.

Hawkamah and Mudara IOD to speak at Ethics Gulf 2009 Conference

Senior officials of the “Hawkamah” Institute for Corporate Governance and the “MUDARA” Institute of Directors will speak at ETHICS GULF 2009: Ethics, Governance & Corporate Compliance Gulf Summit to be held from 27 – 29 April 2009 at Shangri-la Hotel, Dubai.

Nick Nadal, Director of Hawkamah Institute for Corporate

Governance will be leading the “Corporate Governance in the Gulf” workshop at the Summit on 27 April, providing the audience with an in-depth insight into corporate governance in the Gulf region while William Foster, Executive Director of MUDARA Institute of Directors will join the conference panel on 28 April, discussing the “Roles & Responsibilities in Corporate Governance and Preventing Financial Leakage & Fraud”.

Organised by Beacon Events, ETHICS GULF seeks to examine the extent of fraud and corruption in the Gulf region with a focus on the development of internal governance structures. The Summit will discuss issues such as internal controls, bribery, corruption, compliance and business conduct as well as detecting and preventing fraud and managing investigations, government initiatives and improving transparency to boost partner opportunities with foreign companies.

Nick Nadal said: “The global financial crisis is, in many ways, a crisis of governance. It is critical that companies in the Gulf region take steps to strengthen their ethical, compliance and corporate governance frameworks to ensure they are not exposed to the same risks and vulnerabilities that led to the crisis. ETHICS GULF 2009 provides an excellent opportunity to discuss some of these issues in the region.”

William Foster said: “Effective boards and governance structures as well as strong ethical and compliance practices are vital to sustaining the growth of companies in the current economic environment.. ETHICS GULF 2009 offers a very good platform to explore how strong ethical, compliance and governance practices can help firms address the challenges they face today.”

Other experts who will be speaking at the conference include John Sardar, Region Compliance Counsel, Middle East & Asia Pacific, **Baker Hughes**; Fazal Hussain Gaffoor, Chief Internal Auditor, **Central Depository Company Of Pakistan**; Peter Connor, Head of Legal – Europe, **Citrix**; Bapsy Dastur, Senior Counsel – Middle East, Africa & India, **General Electric International**; Mark Krutsinger, Vice President, Commercial Law

– Eastern Hemisphere, **Halliburton**; Justin Connor, General Counsel, **Meraas Capital**; and Peter Dyer, Senior Director, Governance And Risk Management Global Sales & Services, **Sun Microsystems**.

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.

Policy Brief on Corporate Governance in the MENA region's Insurance Industry Released by AFIRC and Hawkamah

Authors hope the Policy Brief will support the development of good Corporate Governance for the insurance industry in the MENA region



The Hawkamah Institute for Corporate Governance (Hawkamah) and the Arab Forum of Insurance Regulatory Commissions (AFIRC) today announced the release of the Policy Brief on Corporate Governance for the Insurance Industry in the Middle East and North Africa (MENA) region.

It is hoped that the recommendations contained in the Policy Brief will form the basis for creating a minimum standard for the MENA insurance sector as agreed upon by the region's insurance industry regulators.

The Policy Brief concluded that insurance companies operating in the MENA region have varied strengths and currently face significant challenges in view of the ongoing global financial crisis. The strengths include recognition of the importance of the role of the financial services sector, of maintaining a strong reputation and financials, and of making a contribution to the community. Many institutions have demonstrated their commitment to accountability, transparency, and fulfilling obligations to their stakeholders and policyholders.

Concurrently, many companies face challenges in achieving proper corporate governance as defined by leading international professional and regulatory agencies. Such challenges also exist in most other regulated markets and are often based on accepted practices within those markets.

The actionable items outlined by the Policy Brief include committing to good corporate governance; good board practices; adopting and maintaining minimum levels of transparency and

disclosure; ensuring an effective control environment; and protection of policyholders and shareholders rights.

Dr. Nasser Saidi, Member of the Board of Hawkamah said: “The lack of good corporate governance contributed to the current global financial crisis, which has affected the insurance industry. The need for the global insurance industry to implement sound corporate governance practices is all the more pressing in view of the crisis. This is particularly so in the MENA region, where the insurance industry, both conventional and Islamic, has been underdeveloped, but is now growing fast, Within the MENA region, the rapid rise of Shari’a-compliant insurance and re-insurance provides an additional incentive for strong standards to be quickly developed.”

Promising sustained action, Dr. Saidi said: “The Hawkamah-AFIRC Task Force and its partners, including representatives from the MENA insurance industry whose diligent work resulted in the publication of the Policy Brief are committed to disseminating its recommendations and guidance throughout the MENA region. That commitment will go beyond simply publishing the document and ensuring its wide distribution. Hawkamah and AFIRC intend to hold a series of workshops and training sessions in the region, and work with local insurance executives and regulators to find the best ways to implement its recommendations.”

Dr. Bassel Hindawi, Director General of the Insurance Commission of Jordan and Chairman of AFIRC said “Corporate Governance has become one of the most vital economic issues worldwide. Commitment to corporate governance standards will reflect positively on the management of the insurance companies, by efficient use of its resources, improve market competitiveness, and strengthening the stability of financial markets.”

On the goal of the initiative, Dr. Hindawi commented: “AFIRC launched an initiative with Hawkamah to develop a policy brief on the practical implementation of corporate governance best practices, whilst taking into consideration international standards.”

Dr. Hindawi added: "The recommendations of the Policy Brief should be viewed as areas for improvement region-wide, as opposed to an attempt to identify specific problems within a particular company or country. The work is also intended to complement the efforts of other organisations working on these issues, for example the International Association of Insurance Supervisors (IAIS), the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)."

AFIRC was established in September 2006 to support cooperation between Arab Insurance Commissions. The organisation exchanges information and expertise, and conducts joint programmes to provide technical assistance and training to the staff of these commissions. It also works with relevant international and regional organisations, in particular the International Association of Insurance Supervisors (IAIS) to set standards for insurance supervision. Members of AFIRC include Bahrain, Egypt, Jordan, Kuwait, Lebanon, Libya, Mauritania, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen. The Forum is currently chaired by Jordan.

Andrew Cunningham, FSVC Managing Director and Head of Middle East Programs, said: "FSVC has been delighted to work with local partners, AFIRC and Hawkamah on this issue of vital importance for the development of the insurance sector throughout the region. The adoption of minimum corporate governance standards by insurance regulators in the MENA region is the most effective means to ensure that international best practices are applied, enabling the sector to expand successfully and integrate better to the global economy. The development of the Policy Brief represents effective cooperation and communication among regulators and financial institutions and is a significant first step toward regional harmonization. The implementation of these recommendations not only will strengthen the insurance sector, but also bring benefits to the functioning of the overall financial system in support of greater economic growth."

Private Equity & Venture Capital Market in the Middle East – GVCA Third Annual Report Launch

Of the \$19.6 billion raised since 2000, \$11 billion remains available for acquisitions

Middle East private equity fund managers raised a record \$6.4 billion in 2008, up more than 10% over 2007 and more than double the amount raised in 2005, according to Gulf Venture Capital Association's (GVCA) 2008 report on Private Equity & Venture Capital in the Middle East, which was released today at the Dubai International Financial Centre.

Large size funds are primarily responsible for this growth, with the average fund size in 2008 being \$258 million, compared with \$213 million in 2007 and just \$177 million in 2006. This trend is driven by the need for more flexibility in structuring deals and the past success of large buyout transactions, according to the 2008 GVCA report, developed in cooperation with KPMG, and Zawya, and supported by Hawkamah – The Institute for Corporate Governance.

Three regional funds have crossed the \$1 billion mark, and as the report notes, the current economic downturn may make it more difficult for all but the most established fund managers to secure the successful closure of these larger funds.

Yet, there is also tremendous liquidity among regional funds, which are cash rich with \$11 billion in capital under management yet to be deployed. The report notes that this "dry powder", as it is called, gives private equity a strategic

opportunity vis-à-vis target companies, given the limited scope of other funding sources available in the current environment. This liquidity results from both an increase in fundraising and a decrease in deals, with the number of private equity investments dropping by 22% between 2007 and 2008, as well as the total investment size, which fell by 31%. The report found that over the past four years, Egypt, Saudi Arabia and the United Arab Emirates were the largest recipients of private equity funds, at 33%, 15% and 14% respectively. The majority of funds are Middle East and North Africa (MENA) focused, with Turkey sometimes included as part of that region. Regional players are experiencing an increasing request for funds with a mandate that includes MENA, to expand and include South Asia, Southeast Asia and/or Africa.

The sectors of focus for portfolio acquisitions during 2008 were healthcare, transport, power & utilities and construction. Healthcare likely would remain a top recipient of private equity funds in the next few years.

In terms of fund strategies, more and more funds are seeking controlling stakes. While in 2005, only 3% of transactions were control buyouts, by 2008, some 26% of transactions volume and half of transactions values were control buyouts.

The report was optimistic about the future of private equity in the region, noting that as an asset class, it does not have a short-term investment horizon and so is well placed to weather the current crisis.

Imad Ghandour, Chairman of the GVCA Information & Statistics committee, said, "The economic fundamentals of the region remain strong and are supported by aggressive fiscal policies. Governments' reserves will continue to trickle down to the rest of the economy – sustaining corporate profits and public investments. A sober market will offer better valuations, and hence better returns for private equity. Although the increased attention from international players that the region witnessed in 2007 may be disrupted, we expect the disruption to be temporary. As a matter of fact, we expect the robust

economic performance of the region to attract additional allocation from international institutional investors over the medium term.”

Although fundraising in the region has been strong, when compared with the total value of announced fund sizes, it is clear there have been delays in reaching target sizes. In fact, after excluding one major fundraising, only 16% of the total amount announced in 2008 was actually raised in the same year, compared with 65% in 2005. Roughly half of the funds announced in 2006 have so far been raised, and approximately \$11.7 billion of announced funds in 2006-8 have yet to make a close. The report suggests that this is because fund sizes are much larger, as well as recent constraints on liquidity.

While 2008 saw an increase in the total value of sale activity, which reached \$3 billion, most of this was due to one major exit of \$2.5 billion; excluding this one-off transaction, sale activity decreased by approximately 60%, as did the number of exits, which dropped from 17 in 2007 to 11 in 2008. The report suggests that there will be fewer exits in the current economic climate, as funds won't be able to achieve the returns traditionally targeted and exit options shrink, particularly with the sharp decline in regional IPOs. Trade sales were named as the most likely exit over the next couple years.

Ihsan Jawad, CEO of Zawya and board member of GVCA, said “Private Equity in the region is developing in many ways that are unique in comparison to the developed world. Transparency remains a major barrier that hinders this mode of investment from becoming a strong component in the GCC financial system. More research efforts and collaboration is needed by all practitioners to elevate the current opacity of the private equity market.”

Of the 18 private equity fund managers interviewed for the report, most said they were established in the last five years. They expressed an expectation of consolidation in the industry, a decrease in investment, and lower portfolio company growth. This means portfolio companies will be held

longer and fund managers will be increasingly active in managing their companies in order to add the maximum value. These efforts should include corporate governance, according to Dr Nasser Saidi, Director of Hawkamah. "MENA private equity can, and should, play a critical role in diffusing good corporate governance practices across portfolio companies, in terms of board structures, executive compensation better aligned with long term shareholder interest and underlying risk, improved risk management, transparency and disclosure requirements and minority interest protection. This benefits all parties, as empirical evidence shows that investors are willing to pay a premium for companies with good corporate governance. The current global financial crisis has reinforced the view that improved corporate governance practices lead to sustainable growth and value of companies, with a focus on the medium and long-term and away from short-termism. This is why Hawkamah has launched a Private Equity Task Force to develop corporate governance guidelines for private equity firms and portfolio companies in the MENA region."

Elaborating on the role of fund managers toward their portfolio companies given the current environment, Vikas Papriwal, Partner in KPMG's Private Equity and Sovereign Wealth Funds practice, said, "With attractive exit options scarce at present, the focus for many private equity firms is now the workout of their existing portfolio – with operational improvements, debt restructuring and working capital management at the core. Discretionary spending is being restricted, including expansionary capital expenditures, and business plan timelines are being reassessed, as entities look to weather the storm. However, no one doubts that opportunities will exist once we are over the worst." The GVCA report compiles comprehensive information and statistics about private equity funds and investments across the Middle East, and contains nine articles on current topics in the industry. The 125-page report also provides a detailed survey of 18 private equity fund managers regarding their views looking back at 2008 and ahead to 2009. There also is a

special section dedicated to sovereign wealth fund strategies and investments.

Hawkamah and UAB announce winners of the Regional 2008 Bank Corporate Governance Award

Hawkamah – The Institute of Corporate Governance and the Union of Arab Banks (UAB) today announced the winners of the ‘Regional 2008 Bank Corporate Governance Award’ at a gala ceremony held in Dubai.

The winners were National Bank of Oman (1st Prize) and Qatar National Bank (2nd Prize). Hawkamah and UAB also awarded Burgan Bank and Bank Dhofar for their continued Distinguished Corporate Governance Practices.

Launched in 2007 by Hawkamah and UAB, the Regional Bank Corporate Governance Award seeks to identify and honour regional banks that show leadership and initiative in enhancing good corporate governance. Sponsored by MasterCard Worldwide, the Award has become a prestigious, competitive and highly-coveted bank award that highlights the industry’s strong commitment to good corporate governance.

Dr. Nasser Al Saidi, Executive Director of Hawkamah said: “Sound corporate governance is critical for banks at all times, but underlying the current credit crisis and financial meltdown is a failure of corporate governance at the level of banks and regulators. We must learn from these misguided policies and practices so as not to repeat them. Banks that do not constantly improve their corporate governance may not only

lose their competitive edge but also find it tough to survive. The evaluations conducted for the Hawkamah-UAB Bank Corporate Governance Award reveals that regional banks are increasingly adopting corporate governance frameworks that boost transparency and integrity. We must sustain this momentum so that the region's banking industry becomes a role model and not a laggard in corporate governance. The call is for our regulators and government authorities to enforce good corporate governance practices."

Dr. Fouad Shaker, Secretary General, Union of Arab Banks (UAB) commented: "The strong participation of banks from across the region in the Regional 2008 Bank Corporate Governance Award shows that the corporate governance movement in the region is steadily growing stronger. A growing number of regional banks believe that corporate governance can add significant value on several fronts. The UAB's involvement in the Award is part of our constant efforts to develop good governance, transparency, efficiency, integrity and accountability in the region's banking sector."

Denzil Lawson, General Manager, Middle East and Levant, MasterCard Worldwide said: "MasterCard is proud to support the Regional 2008 Bank Corporate Governance Award, for the second consecutive year, as part of our ongoing commitment to raising governance standards in the region's banking industry. Based on the realization that good corporate governance makes good business sense, more and more regional banks are putting governance high on their corporate agenda. MasterCard will continue to work with organizations like Hawkamah and UAB to promote transparency and integrity in the banking sector. The initiative is in line with MasterCard's commitment to accelerate commerce and strengthen the payments landscape in the region".

The winners of the 2008 Regional Bank Corporate Governance Award were decided following a rigorous assessment by a distinguished jury panel comprised of international banking and governance experts including Charles Freeland, a well-respected international banking consultant and former Deputy

Secretary General, Basel Committee on Banking; Alan McIntyre, Financial Services Sector Leader for the Middle East Region for PricewaterhouseCoopers; and Chris Pierce, Chairman of Global Governance Services Ltd

The criteria for the Award included commitment to good corporate governance; structure and functioning of the Board of Directors (or equivalent Supervisory Board); control environment and processes; transparency and disclosure; and treatment of minority shareholders

The 2008 Bank CG Award attracted over 35 applications from banks in 13 countries including UAE, Egypt, Iraq, Jordan, KSA, Kuwait, Lebanon, Oman, Morocco, Palestine, Qatar, Sudan and Tunisia.

Participating in the Award gave regional banks an opportunity to be recognised for forward-thinking corporate governance practices. The Award also gave them a chance to benchmark their policies and structures against global best-practices and to obtain feedback from leading international experts.



National Bank of Oman



Qatar National Bank



Bank Dhofar



Burgan Bank

Corporate Governance Reforms to address Financial Crisis Risks in the MENA Region

DOHA DECLARATION

Business leaders and policy makers from the Middle East and North Africa, and international and regional experts convened for the Third Hawkamah Regional conference on corporate governance, "Is the Region Becoming a Global Player?: Corporate Governance & the Financial Crisis", held in Doha on 9-10 November 2008. The conference was organized in association with the Qatar Financial Markets Authority (QFMA) and in partnership with the Qatar Financial Centre, International Finance Corporation (IFC), the Financial Services Volunteer Corps (FVC), The World Bank, the Global Corporate Governance Forum and the Organisation for Economic Co-operation and Development (OECD).

His Excellency Minister Yousef Hussain Kamal, Minister of Economy and Finance and Chairman of the QFMA delivered a keynote policy speech stressing the urgency of action in improving corporate governance in the GCC countries and the MENA region overall. Participants acknowledged the important progress achieved in Qatar in streamlining the financial regulatory authorities and developing a Corporate Governance Code in line with international standards and good practices. There is an increasing perception that contagion and spill-over effects from the global financial turmoil could undermine the economic achievements of the MENA region. As a result, participants focused on the interaction between corporate governance and the stability and soundness of the financial system.

The following corporate governance issues emerging from the financial crisis need to be addressed globally and at the level of the MENA region:

(a) The regulatory & supervisory powers of central banks should be cooperation instead of corporation with capital markets authorities to investment banking and related non-bank financial intermediation.

(b) Risk management frameworks, processes, and implementation practices require reform in order to redress the shortcomings revealed by the turmoil.

(c) The role and form of regulation of credit rating agencies needs to be addressed.

(d) Executive remuneration and incentive structures need to be linked to long-term performance and risk profile of firms. More disclosure on executive remuneration schemes is required and companies should put their remuneration schemes to shareholder scrutiny and approval.

(e) Corporate governance practices need to be strengthened, in particular by increasing board competence and responsibility. Board members need to have up-to-date knowledge on financial issues and risk management to fulfill their functions and training should be required when necessary. Boards should conduct annual evaluations of their performance and report to shareholders.

(f) Governance and accountability of regulators are equally essential and the region should adopt and implement existing guidelines on good practices as promoted by the Bank for International Settlements and IOSCO.

(g) Islamic finance is a viable and credible complement to conventional financing and has been resilient to date to banking and financial crisis, as a result of equity sharing arrangements and its focus on ethical investment practices. Islamic finance institutions should continue improving their corporate governance by focusing specifically on the disclosure rights of Investment Account Holders, the role of Shari'a boards, their integration within the corporate governance structure of the Islamic Finance Institution. The development and implementation of a harmonized Corporate Governance Framework Regulation and market oversight should fully cover these institutions.

(h) Effective creditor rights and insolvency systems and the development of strong rescue and restructuring frameworks are important for the region. Based on the survey of existing frameworks and practices in the MENA, these should be modernized as a matter of priority to allow effective rescue and restructuring of viable enterprises facing temporary and potential distress. Countries in the region should avail themselves of international guidance, such as the World Bank Principles on Insolvency/ROSC Diagnostic programme and the UNCITRAL Legislative Guide on Insolvency for reforming domestic insolvency systems.

(i) Good corporate governance is important not only for listed companies, but also for State and Family-Owned enterprises. To successfully address potential issues of succession of family-owned enterprises and preservation and protection of wealth, their progressive integration into capital markets should be encouraged.

(j) Investments of Sovereign Wealth Funds (SWFs) taking a long-term perspective can contribute to financial stability. The “Santiago Principles” of the International Working Group (IWG) on SWFs coordinated by the International Monetary Fund provide a welcome contribution to improved transparency and sound management of these funds. They should be followed up by a continuous dialogue and review within the IWG. An open investment climate should be maintained by recipient countries in line with OECD guidance and instruments.

(k) Private equity has recently emerged as a popular alternative asset class in the region supporting regional economic development and small and medium-sized enterprises. Private equity managers should play a critical role in diffusing corporate governance principles and best practices across their portfolio companies in terms of board structures, administrative procedures, disclosure requirements and minority interest protection.

Next steps by Hawkamah and the MENA OECD Working Group will include:

- Finalisation of the draft MENA Policy Brief on corporate governance of banks.
- Preparation of a Policy Brief on corporate governance of State-Owned Enterprises.
- Finalisation of the Policy Brief on corporate governance of insurance companies.
- Recommendations on Insolvency frameworks and practices.
- Establishment of a Task Force on Islamic Finance.
- Undertaking pilot studies on corporate governance of family-owned enterprises.

A review of the response of the regulators to the financial crisis and progress with corporate governance measures will be conducted at the next annual meeting.

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.

Hawkamah Annual Conference Issues Doha Declaration

Declaration calls for implementing more robust corporate governance frameworks in the region to boost financial stability

The Third Annual Conference of Hawkamah – the Institute of Corporate Governance, today issued the Doha Declaration on its concluding day, calling for the implementation of more robust corporate governance frameworks to maintain the stability and

soundness of the region's financial system in the face of the global financial crisis.

Signed by policy makers, regulators, international institutions and business leaders from across the region and internationally, the Doha Declaration made extensive policy recommendations to address the financial crisis both globally and in the MENA region.

Dr. Nasser Al Saidi, Executive Director of Hawkamah said: "Corporate governance is critical to the region's ability to maintain stable financial systems and minimise the contagion effects of the global financial crisis. The MENA markets stand to gain by implementing and developing institutions and corporate governance frameworks that bolster investor trust through improved disclosure and transparency standards and rule of law. We cannot afford to ignore corporate governance; too much is at stake in our stock markets and credit markets."

The Doha Declaration emphasised the importance of effective creditor rights and insolvency systems and the development of strong rescue and restructuring frameworks. These frameworks, it said, should be urgently modernised to facilitate the rescue and restructuring of viable enterprises facing temporary and potential distress. The Declaration also stressed on the governance and accountability of regulators. Another key recommendation was to extend the regulatory and supervisory powers of central banks to investment banking and related non-bank financial intermediation. The declaration also urged a review of regulations governing credit rating agencies as well as reform to address the shortcomings of risk management frameworks.

The Doha Declaration highlighted that Islamic finance, which has been resilient to the financial crisis, is a viable complement to conventional financing with its equity risk sharing and ethical investment principles. It called on Islamic finance institutions to continue improving their corporate governance by focusing on the disclosure rights of Investment Account Holders, the role of Shari'a boards, and their integration within the corporate governance structure of

the institution.

The Doha Declaration also underlined the critical importance of good corporate governance for State and Family-Owned enterprises in the region, especially to deal with potential issues of succession of family-owned enterprises and preservation and protection of wealth.

The third Hawkamah Annual Conference was opened yesterday by HE Mr. Yousef Hussain Kamal, Minister of Economy and Finance of Qatar, and the Chairman of the Qatar Financial Market Authority (QFMA). Held under the theme, 'Is the Region Becoming a Global Player?: Corporate Governance & the Financial Crisis', the conference was organised in association with the Qatar Financial Markets Authority (QFMA), with support from the Qatar Financial Centre (QFC) and in partnership with the International Finance Corporation (IFC), the World Bank, Global Corporate Governance Forum, the Financial Services Volunteer Corps (FVC) and the Organisation for Economic Co-operation and Development (OECD).

Critical issues discussed at the conference included: 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.

Major Corporate Governance Initiatives to be Announced at Hawkamah's Annual Conference

Dr. Nasser Saidi: Corporate Governance Critical Ingredient in GCC's Ability to be a Major Global Player

The Third Annual Regional Conference of Hawkamah – The Institute of Corporate Governance, which starts tomorrow in Doha, Qatar, is all set to announce major initiatives aimed at further developing corporate governance in the region.

One of the major highlights of the event will be the release of Hawkamah's policy brief for banks that identifies corporate governance issues affecting the banking sector in the Middle East and North Africa region. Produced after a year-long consultation with Central Banks, banks and other regulators in the region, the policy brief will make recommendations for standardising and harmonising corporate governance practices and policies across the region. Also eagerly anticipated is the launch of the Doha Declaration, which will chart the corporate governance policy agenda for the Middle East and North Africa region.

To be held from November 9 to 10, 2008, Hawkamah's annual conference brings together corporate governance practitioners, regulators, and representatives of the public and private sectors to discuss the region's pressing corporate governance concerns under the theme: "Corporate Governance: Is the Region Ready to Become a Global Player".

The Hawkamah Conference will also highlight 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. The Qatar Financial Market Authority, with the assistance of

Hawkamah and its international partners, recently issued a corporate governance code for public comment. The Qatar Financial Centre, operating in a world-class environment, fully endorses corporate governance in its regulations. The Qatar Central Bank recently put in place a risk-based corporate governance framework for its banks.

Participants at the event will also discuss how the region, as a growing player in the global marketplace, can learn from corporate governance challenges in developed economies that have led to the current financial turmoil.

Speaking on the significance of the conference, Dr. Nasser Saidi, Executive Director of Hawkamah said: "The financial turmoil affecting advanced economies has given emerging markets including the GCC region an opportunity to play a more prominent role in the global economy. Good corporate governance is a key ingredient in the region rising to the challenge and becoming an international player." "By ensuring the widespread adoption of institutions and corporate governance frameworks that further bolster investor trust, the GCC region has the opportunity to take its place among the leading economies of the world. The Hawkamah Annual Conference provides an opportunity to explore recent corporate governance developments in the MENA region, learn from experiences in other markets and understand the challenges we face so that we can formulate a way forward," Dr. Saidi added.

Critical issues that the conference will discuss 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.

The two-day Hawkamah Conference will include a meeting of the

MENA-OECD Working Group on Corporate Governance co-chaired by Hawkamah and the Organisation for Economic Cooperation and Development (OECD) in partnership with the World Bank's Global Corporate Governance Forum (GCGF) and the International Finance Corporation (IFC). This meeting will be co-hosted by Hawkamah.

Hawkamah's Third Annual Conference will be held from 9 to 10 November, 2008 at the Sharq Village and Spa, Doha, Qatar.

Hawkamah to Host Third Annual Conference from November 9 – 10

Hawkamah, The Institute for Corporate Governance, announced today that it will hold its third annual conference in Doha, Qatar, from November 9 to 10, 2008.

The conference will focus on the theme: "Corporate Governance: Is the Region Ready to Become a Global Player". Industry leaders, regulators, government officials and corporate governance professionals will explore the challenges faced by the region's countries in modernising their corporate sector.

The event will discuss governance issues faced by banks and other financial institutions, listed companies, family-owned enterprises, state-owned enterprises, private equity and "future generation funds". Special sessions will be devoted to the corporate governance framework in Qatar and corporate governance for Islamic Finance. In addition, Hawkamah and the World Bank will present a report on their work on insolvency and creditor rights in the GCC and Arab countries. Other key issues that will be addressed include the extent of corporate

governance implementation in the region and the next steps for reform.

The conference comes at a time when corporates in the region are increasingly recognising the critical role of corporate governance in helping the Middle East and North Africa region tap its full potential as an international capital market. The financial turmoil being experienced by the more developed countries has further underlined the urgent need for sound corporate governance frameworks.

This unique event will provide an opportunity for the region's business community, regulators, banks and local and international media, to discuss key corporate governance issues with government officials, policy makers and business leaders. Other subjects of discussion include the development of corporate governance in the MENA region in relation to international trends and key issues and benefits for banks, family-owned enterprises and state-owned enterprises in implementing corporate governance. Workshops on insolvency, creditor rights and corporate governance for Islamic financial institutions will be held on the sidelines of the event.

Dr. Nasser Saidi, Executive Director of Hawkamah, outlined the value of the conference: "The recent unprecedented financial turmoil demonstrates that good corporate governance is an integral part of the regulatory framework necessary for any sound financial market. This conference will provide vital insights on how implementing corporate governance can strengthen investor confidence, help stabilize financial markets and further economic growth across the region. Delegates will gain invaluable opportunities to share their views and gain new knowledge from some of the world's leading experts on corporate governance in emerging markets in order to advance both corporate and economic growth."

The two-day event will include a meeting of the MENA-OECD Working Group on Corporate Governance co-chaired by Hawkamah and the Organisation for Economic Cooperation and Development (OECD) in partnership with the World Bank's Global Corporate Governance Forum (GCGF) and the International Finance

Corporation (IFC). This meeting will be co-hosted by Hawkamah. Hawkamah's Third Annual Conference will be held from 9 to 10 November, 2008 at the Ritz Carlton, Doha, Qatar. Further details of the conference, including registration details and the speaker programme are available for download from <http://www.hawkamahconference.org>

GE Partners with Hawkamah Institute for Corporate Governance

General Electric Company (GE), the US\$173 billion diversified technology, media and financial services company, today, signed a "founding sponsor's" agreement with Hawkamah Institute, an autonomous association of corporate governance practitioners, regulators and institutions. The new relationship helps to promote corporate governance across the MENA region and further build on GE's high standards of transparency.

A world leader in promoting corporate governance best practices, GE's sponsorship of Hawkamah demonstrates its commitment to promoting these practices in the Middle East region.

Nabil Habayeb, GE's President and CEO for the Middle East and Africa region, said: "Corporate governance plays a critical role in the development of modern businesses as it enhances investor trust and promotes transparent conduct. Working with leading institutes such as Hawkamah is a logical step for GE Middle East in creating a strong support network throughout the region. GE's directors have already adopted strong corporate governance principles and this new agreement will

help ensure that these values are practiced in all GE initiatives in the region.”

Dr. Nasser Saidi, Executive Director of Hawkamah, said: “GE’s decision to be a founding sponsor of Hawkamah demonstrates its confidence in our programmes and initiatives aimed at improving corporate governance practices in the region. With its vast global expertise in implementing corporate governance, GE’s sponsorship will support us tremendously in our efforts to develop and proliferate better governance policies and frameworks in the Middle East. As regional firms increasingly recognise the role of governance in sustaining and enhancing business growth, Hawkamah’s partnership with GE will contribute to enhancing the momentum for corporate governance excellence in the Middle East.”

“Good corporate governance will help to create management awareness of the risks and strategic issues that confront a company in the fast-paced business environment that is evolving in the Middle East. Our relationship with Hawkamah further reinforces our commitment to the development of the principles of good governance globally,” added Habayeb.

The Hawkamah Institute and the GE Leadership Team in the Middle East will work together on promoting transparency in business activities and management in the region and develop processes to make their shared commitment to integrity achievable. GE’s support of Hawkamah is another key step in their commitment to localisation in the region. The Hawkamah Institute works to define and develop a home-grown – yet globally integrated – system of governance that promotes institution building, corporate sector reform, good governance, market development and increased investment and growth across the region.

Ethisphere magazine recently named GE one of the “World’s Most Ethical Companies.” GE received the top ranking in the Diversified Industrials Group within its overall rankings and was rated among the top 10 in many Government Contractor rankings. GE is the only company in the diversified industries category to receive the award for the second straight year.

Hawkamah/IFC Report Highlights Growing Awareness of Corporate Governance



The Hawkamah Institute for Corporate Governance and International Finance Corporation (IFC) today released a landmark report on corporate governance in the Middle East and North African Region. The report highlights the growing awareness among regional institutions of the importance of improving corporate governance standards to ensure the accountability, transparency, fairness and responsibility of companies in the region on legal, social and economic affairs. Based on a survey of 1,044 banks and listed companies from 11 countries across the Middle East and North Africa region, the report shows that 76% of banks and 67% of listed companies questioned cite corporate governance as being either important or very important for their businesses. However, though most of the institutions questioned acknowledged the need for

corporate governance reform, the report highlighted that many did not have the required understanding to implement the necessary changes.

Dr Nasser Saidi, Executive Director, Hawkamah said: "This report provides an invaluable tool for evaluating and assessing current attitudes towards corporate governance among regional institutions. Hawkamah is committed to promoting good corporate governance across the region and the encouraging findings of this report offer a valuable insight into what needs to be done to assist regional companies to implement sound corporate governance frameworks."

The findings of the survey provides corporate governance projects with a baseline on which to focus their corporate governance reform activities and allows the public to gain an understanding of the extent to which banks and listed companies in the MENA region follow good corporate governance practices, in-line with internationally recognized best practice.

Michael Essex, IFC's Regional Director for the Middle East and North Africa said: "By conducting this survey, Hawkamah and the IFC are underlining their commitment to assisting both the private and public sectors to close any gaps between best and current corporate governance practice in the region, by identifying areas for improvement. Good corporate governance plays an integral role in the way a company is administered and, as the survey suggests; more needs to be done by regional institutions to improve their corporate governance frameworks."

Martin Steindl, IFC Program Manager for Corporate Governance, added: "It is encouraging to learn that corporate governance regulations and codes are being put in place in most countries of the region, primarily driven by the regulators. This survey is an attempt to benchmark whether there is private sector buy-in to corporate governance and addresses what needs to be done by corporate governance organizations such as Hawkamah to further consolidate corporate governance reforms."

Hawkamah was established to shape the development of corporate

governance in the Middle East, North Africa, and Central Asia. By promoting its core values of transparency, accountability, fairness, disclosure, and responsibility, Hawkamah works on policy and practical aspects of corporate governance reform in the region. Hawkamah's mission is to promote corporate sector reform and good governance, assist the countries of the region in developing and implementing sustainable corporate governance strategies adapted to national requirements and objectives.

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that poor people should have the opportunity to escape poverty and improve their lives. In FY07, IFC committed \$8.2 billion and mobilized an additional \$3.9 billion through syndications and structured finance for 299 investments in 69 developing countries. IFC also provided advisory services in 97 countries. For more information, visit www.ifc.org.

The information presented in the report was obtained from analysis of a set of completed questionnaires and interviews conducted with 1,044 banks and listed companies from 11 MENA countries between July 2006 and July 2007. The survey was conducted with the support of the Union of Arab Banks, Egyptian Banking Institute, Egyptian Institute of Directors, Lebanese Transparency Association and Abu Dhabi Chamber of Commerce.

Korn/Ferry Invests in the

Future of Corporate Governance Across Middle East

First Talent Management Organization to Partner with Hawkamah
Korn/Ferry International (NYSE: KFY), the premier global provider of talent management solutions, today announced a three year partnership with the Hawkamah Institute for Corporate Governance (Hawkamah) to promote and shape best practices in corporate governance throughout the Middle East, North Africa and South Asia (MENASA).

The partnership is designed to further Hawkamah and Korn/Ferry International's common goal of promoting global corporate governance and the appointment of truly independent non-executive directors.

"As the region continues to experience significant growth, the demands on companies and their boards of directors will intensify," says Metin Mitchell, Managing Director of Korn/Ferry International, Middle East and North Africa. "Leveraging our experience in appointing chief executives and non-executive directors in the Arab world and internationally, our partnership with Hawkamah will be a critical contribution to improving the quality of corporate governance in the MENASA region."

Dr Nasser Saidi, Executive Director of Hawkamah added: "Improving corporate governance will be critical for sustaining economic growth and wealth creation in the MENASA region, with its emerging financial markets and the dominant role of families. As the primary driver of corporate governance reform in the region, Hawkamah is committed to raising the standards of corporate governance across the Middle East. We welcome the support, knowdgle and global experince of Korn/Ferry on our mission to promote and develop corporate governance best practices among companies operating in the region."

Korn/Ferry is the latest of a series of private sector

sponsorship agreements with Hawkamah, which include PricewaterhouseCoopers, MasterCard, AIG, TNI, Emirates Bank-NBD, Bank of Sharjah, Abraaj Capital and other major corporations.

Hawkamah and UAB announce the 2008 Hawkamah – UAB Bank CG Award

The Hawkamah Institute for Corporate Governance (Hawkamah) and the Union of Arab Banks (UAB) today announced the launch of the 2008 Hawkamah – UAB Bank Corporate Governance Award, an annual award aiming at encouraging and promoting the adoption and implementation of good corporate governance practices among banks in the region.

The 2008 Award follows the success of last year's Award which attracted applications from over 40 banks from countries across the region including Bahrain, Egypt, Iraq, Jordan, KSA, Kuwait, Lebanon, Morocco, Qatar, Sudan, UAE and Yemen.

Dr. Nasser Saidi, Executive Director of Hawkamah said: "Banks dominate the financial systems in the region and play a key role in the credit and investment process that is vital to economic development. To remain competitive in a dynamic global industry, banks must continue to innovate and adapt their CG practices and frameworks in order to meet new demands and grasp new opportunities. The yearly Hawkamah – UAB Bank Corporate Governance Award was created to continuously encourage banks to improve their CG practices and recognize those that have shown leadership in implementing good corporate governance practices. We look forward to receiving applications for the 2008 award."

Dr. Fouad Shaker, Secretary General of the Union of Arab Banks added: "Effective corporate governance practices are essential to achieving and maintaining public trust and confidence in the banking system which are essential to the proper functioning of the banking sector and economy as a whole. The Union of Arab Banks is delighted to be working with Hawkamah on promoting corporate governance reform across the region and we anticipate yet another strong list of applicants for this year's awards."

The Award, which is open to all Arab banks, will be determined through a rigorous assessment by an eminent jury of international experts who will evaluate the banks' CG practices across a number of key areas including: commitment to good corporate governance practices, structure and functioning of the Board of Directors; Control environment and processes; transparency and disclosure; and treatment of minority shareholders.

Submission of applications for the 2008 Award starts on 1st July 2008 and ends on 31st October 2008. The Award winner and the two runner-ups will be announced in December 2008 during a special awards ceremony.

Hawkamah holds Seminar on 'Integrity at Work in Financial Services'



The Hawkamah Institute for Corporate Governance (Hawkamah) and the Securities & Investment Institute (SII), the largest and most widely respected professional body for those who work in the securities and investment industry in the UK, today hosted a seminar on 'Integrity at Work in Financial Services' at the DIFC.

The seminar provided a comprehensive guide to the importance of integrity at work and explained the connection between Corporate Governance and ethics to brokers working in the financial industry. As part of the event, participants were introduced to SII's book on 'Integrity at Work in Financial Services'. The book offers a practical guide to trust and integrity dilemmas faced by professionals working in the financial services industry.

Abdulla Al Awar, Managing Director of the DIFC Authority said: "It was a pleasure to host this valuable event in partnership with SII. The primary objective of the seminar was to raise awareness and understanding of integrity at work among bankers and brokers and to explain the connection between corporate governance and ethics.

"We believe SII's recently published book " Integrity at Work"

provides a practical guide for professionals in the financial services industry and was distributed to all participants," said Mr Al Awar

Dr Nasser Saidi, Executive Director of Hawkamah said: "Growth of our region's financial industry and markets depends on the confidence of investors in the integrity of the markets. Hawkamah is committed to ensuring that every professional working within the industry recognises their obligation to implementing good corporate governance to ensure integrity. The seminar provided an ideal opportunity for leading brokers in the region to improve their understanding of the principles of corporate governance and the importance of ethics, honesty and integrity in the workplace."

Simon Culhane, Chief Executive of SII said: "We believe that following a code of ethics and working with integrity are vital if we wish to foster a culture of trust in the financial sector in the UAE. This seminar was an important step towards establishing an environment of transparency and accountability, starting in Dubai."

Nazem Kudsi, Chief Investment Officer NBAD: "As corporate governance standards continue to improve across the region, events such as this offer an ideal opportunity for industry professionals to further their knowledge of the practices and procedures that are essential to ensure transparent, ethical operations within the region's financial organisations."

The Seminar, which was held at the Dubai International Financial Centre, was attended by Bankers, DIFC Registered Companies, Brokers and financial service Industry experts. The speakers included Abdulla Al Awar, MD, DIFC, Dr Nasser Saidi, Executive Director Hawkamah, Simon Culhane Chief Executive SII and Nazem Al Kudsi, Chief Investment Officer NBAD.

The Securities & Investment Institute (SII) is the largest and most widely respected professional body for those who work in the securities and investment industry in the UK. Formed as the "Securities Institute" in 1992 by the members of the London Stock Exchange the Institute changed its name in November 2004.

SII's mission is to set standards of professional excellence and integrity for the investment and securities industry, providing qualifications and promoting the highest level of competence to their members, other individuals and firms.



Hawkamah signs agreement with Securities and Investment Institute



The Hawkamah Institute for Corporate Governance (Hawkamah), the leading centre for corporate governance in the MENA region, today announced that it has signed a Memorandum of Understanding (MoU) with the Securities and Investment Institute (SII), the largest and most widely respected professional body for those who work in the securities and investment industry in the UK, to actively promote and demonstrably improve good corporate governance practices in the UAE, GCC and the MENA region.

As part of the agreement, Hawkamah and the SII will work together to promote financial market integrity through corporate sector and corporate governance reforms and will cooperate to improve the corporate governance practices of private and public sector entities. Emphasis will be given to promoting a culture of ethics, transparency and accountability in the banking and financial industry work place and its professionals.

Abdulla Al Awar, Managing Director of DIFC Authority said: "Good corporate governance has a highly positive effect on the performance of a company by enhancing both corporate accountability and the creation of wealth. Hawkamah is committed to promoting the benefits of good corporate governance and to encouraging corporate governance reforms

across the region. We look forward to working closely with SII to actively promote and demonstrably improve good corporate governance practices in the MENA region.”

Dr. Nasser Saidi, Executive Director of Hawkamah said: “The signing of the MOU between Hawkamah and SII strengthens the resolve of the two institutions to work together for setting standards of professional excellence and integrity for the investment and security industry. The adoption of a code of ethics and implementation of good corporate governance practices has significant benefits for companies. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah and SII are committed to improving corporate governance standards across the region and to raising awareness of what has become a vital element of today’s business landscape. As part of this initiative, Hawkamah will open a register of all companies that voluntarily sign on to comply with SII’s Code of Ethics”

Simon Culhane, Executive Officer of SII said “As a not-for-profit membership body, SII’s mission is to set standards of professional excellence and integrity for the investment and security industry providing qualifications and promoting the highest level of competence to our members, other individuals and firms. We are delighted to join Hawkamah on its mission to shape corporate governance throughout the region by promoting the core values of transparency, accountability, fairness, disclosure and responsibility.”

Hawkamah and SII will work together to build capacity for and raise awareness of good corporate governance in the MENA region by encouraging the public and private sectors to establish national corporate governance task forces. In addition, Hawkamah and SII will cooperate to promote the development of good corporate governance-based legal, regulatory and institutional structures in UAE, GCC and the MENA Region.

The Securities & Investment Institute (SII) is the largest and most widely respected professional body for those who work in the securities and investment industry in the UK. Formed as

the “Securities Institute” in 1992 by the members of the London Stock Exchange the Institute changed its name in November 2004.

SII’s mission is to set standards of professional excellence and integrity for the investment and securities industry, providing qualifications and promoting the highest level of competence to their members, other individuals and firms.

The MoU was signed today at the SII-Hawkamah joint Seminar on ‘Integrity at Work in Financial Services’ that was held at the DIFC Conference Centre.

Hawkamah Workshop Highlights Role of Company Secretary

The Hawkamah Institute for Corporate Governance (Hawkamah) yesterday held a workshop to highlight the growing role of Company Secretaries in promoting good corporate governance practices within the region’s organisations.

Featuring renowned international speakers, the workshop provided practical information on the core duties and responsibilities of the Company Secretary and the essential role that the Secretary plays in advancing corporate governance within the Board Room.

Dr Nasser Saidi, Executive Director of Hawkamah said: “A Company Secretary plays an essential role as the major link between the Board of Directors and the Executives of a company. As a profession, the Company Secretary position is relatively new to the region, but this position will be essential as corporate governance takes root. Hawkamah is committed to promoting good corporate governance in the region by educating companies on the benefits that efficient corporate governance frameworks bring to an organisation.”

The one-day workshop provided existing Company Secretaries and other interested parties with an insight into the key role of a Company Secretary in advancing corporate governance within the Board room by ensuring the independence of the Board from management as well as improving Board efficiency. The workshop also highlighted the Secretary's extended responsibility to ensure compliance with the company's law's and corporate governance policies.

The workshop featured a variety of checklists and practical insights into statutory compliance and corporate governance and guided participants through the function of the Company Secretary in the workings of the Board, through ensuring the independence of the Board from management as well as improving Board efficiency. Additionally, the workshop provided a strategic overview of corporate governance developments in the region.

The Hawkamah Institute for Corporate Governance is an international association of corporate governance practitioners, regulators and institutions whose primary mandate is to develop corporate governance best practices in the Middle East region. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah assists countries and companies in the region to develop and implement sound and globally integrated corporate governance frameworks.

The workshop was attended by over 20 participants which included Company Secretaries, Finance & Legal Directors, Head of Compliance, Legal Counsels and Advisors from some of the region's leading organisations.

TNI and Hawkamah publish GCC Board Research

The National Investor (TNI), one of the oldest merchant banks in the UAE, and Hawkamah, The Institute for Corporate Governance have today published their joint research [Power Matters: A Survey of GCC boards](#). The report is the first empirical research of its kind in the region and it analyses boards of some 582 companies in the GCC, covering 4,254 seats. Power Matters highlights five main conclusions from their investigation: Board size is a function of multiple parameters, only one of which is company size; Female board presence is low, but not as low as expected; Female board presence depends on a mix of influences, of which social and religious are most important; Individual power seems fairly diluted in the region but family power is very high and finally; There are significant discrepancies across the GCC.

Key findings are listed below:

Size Matters

- There are significant variations in board sizes across the region. Saudi companies have the biggest boards with a median of 9 members, Kuwait companies have the smallest boards with a median of 6 members
- The legal framework provides one explanation for the differences in size
- Year on year average board sizes in the UAE have decreased
- The five largest companies in each market have board sizes significantly above their market average, but correlation between company size and board size is not linear

Gender Matters

- Female representation is generally low in the GCC, as expected
- Representation of women on boards and in government varies strikingly. The percentage of women on boards in Kuwait is 2.7 and 2.3 in Oman, compared to 0.4, 2.0 in Italy and 3 in Spain. The lowest female representation was in Saudi.

Multi Board Directors

- There is pleasingly little cross-representation, 80-90% of Directors in the GCC sit on one board only
- Bahrain has the best board single board Director statistics, Oman and Qatar have most multi-board Directors
- Population composition and education levels in each market are the biggest influences

Family Power

- Families with the most Directors on company boards are the most economically influent
- Individual power in the region is diluted, with power held amongst a small pool of royal and business families
- On average 25-75% of companies researched have at least two board members from the same family, including 76% of Qatari companies and only 39% of Dubai listed companies
- The top 15 families in Qatar control more than 50% of public company boards
- Some families own up to 100% of a board, this is particularly prevalent in Kuwait
- Unexpectedly prominent, ruling families are largely absent from listed companies, except in Qatar where the ruling family presides over 76% of all public company

boards

- The report ranks the Top Ten Most Powerful companies in each GCC market

Author, Amer Halawi, Head of Research at TNI explained: “We assume that company directors are economically powerful, particularly in this region. Furthermore, we believe that families in the Gulf have been at the core of political and economic influence. The purpose of the research was to understand the mechanics of such power and of family and possibly female influence.”

Dr Nasser Saidi, Executive Director for Hawkamah said: “Good board practice calls for a manageable board and a board with some independence. Whilst GCC boards are generally manageable, we still have a long way to go in building independence in the regions board rooms.

“The aim of this publication is to highlight the corporate governance gap in the region and to encourage more diversification in our board rooms, to globalize the outlook of our boards and to support the important wealth creation role that they play for our economies.”

Power Matters is a sequel to TNI’s “It’s a Family Affair” research published in 2007. TNI’s research division investigates a wide and varied range of subjects and over the past year the teams reports have identified and lead debate on some new regional business trends.

Hawkamah to receive applications for UAE Bank

Corporate Governance Award



The Hawkamah Institute for Corporate Governance (Hawkamah) and the Emirates Bankers' Forum today announced that they will start receiving applications for the 2008 UAE Bank CG Award, an award to encourage and promote the adoption and implementation of good corporate governance practices among banks in the United Arab Emirates.

Dr. Nasser Saidi, Executive Director of Hawkamah, said: "The UAE Bank Corporate Governance Award offers an ideal opportunity to recognise and acknowledge those banks that have shown a commitment to improving their corporate governance in accord with best international practices. Given global banking

and financial turmoil, the UAE's banking industry has shown resilience and strength. Implementing stronger CG practices and frameworks will enhance the soundness and competitive position of the UAE's banking sector and its ability to address external pressures and grasp new regional and cross-border opportunities".

Mr. Sulaiman Al Mazroui, President of the Emirates Bankers' Forum added: "The Emirates Bankers' Forum is delighted to support Hawkamah's initiative to improve corporate governance in the banking and finance sector through launching this award for UAE banks. The awards offer an opportunity to highlight the improvements in Corporate Governance in the UAE and further encourage UAE banks to implement and improve their corporate governance practices."

The UAE Bank Corporate Governance Award, developed by Hawkamah, will enable the Emirates Banks Association to obtain an independent and credible assessment of the quality and extent of corporate governance standards within banks across the UAE. Subsequently, UAE banks will also benefit from this process and will be able to use the award as a reference to set bench-marks for further improvements.

The Award will be decided by an assessment from a prominent jury of international banking experts based on the information submitted and interviews with the finalists. Award winners will be chosen based on their proficiency in the selected criteria of: Commitment to good Corporate Governance, Structure of the Board, Control Environment and Processes, Transparency and Disclosure and Treatment of Minority Shareholders.

The Award winners be announced during the Emirates Bankers' Forum Lunch in October 2008, in Dubai. Prizes will be awarded in the following categories: Overall Corporate Governance Structure, Board Governance and Transparency and Disclosure.

The award follows the success of the first-ever Hawkamah-UAB Bank Corporate Governance Award (Regional) that was launched last year in partnership with the Union of Arab Banks and has evoked great interest among banks in the region including:

Bahrain, Egypt, Iraq, Jordan, KSA, Kuwait, Lebanon, Morocco, Qatar, Sudan, UAE and Yemen.

Hawkamah and SHOORA to promote Corporate Governance in Family Businesses

The Hawkamah Institute for Corporate Governance (Hawkamah) - the leading Institute for Corporate Governance in the region and SHOORA – Family Business Advisors LLC today announced the creation of the **Forum for Families in Business**. The Forum is a joint initiative that will provide second and third generation members of regional business families with an interactive forum to share, analyse and discuss key business and governance issues affecting the region's family businesses. The Forum aims to promote the interests of family businesses in the GCC and MENA regions at family, local, national and regional level.

Dr Nasser Saidi, Executive Director of Hawkamah said: "Family businesses play a fundamental role in the business landscape of the Middle East. In the GCC in particular, family businesses account for over ninety percent of all commercial activities and are a key driver of the region's economy. In our region business is about family business. As such, Hawkamah recognises the need to promote and encourage good corporate governance practices within these businesses by engaging in dialogue with young family business entrepreneurs, in order to sustain family businesses and their inter-generational transition and continuity. Our Forum for Families in Business is for and about our region's families and aims to serve them and their objectives."

Walid S Chiniara, Founder of SHOORA said: "SHOORA has identified a keen interest in governance issues among the leading business families it currently advises. SHOORA is delighted to be working with Hawkamah to further promote and to facilitate good corporate governance within the region's family businesses through the Forum for Families in Business. The Forum will engage a wide-ranging group of dynamic young individuals from prominent regional families to work with SHOORA and Hawkamah on issues of shared strategic importance to regional business families and to disseminate good governance practices and standards."

Over the next few weeks, a core group of younger members of families in business will be invited to form a steering committee to take charge of this Initiative with Hawkamah and SHOORA. A number of specialised events including seminars, workshops, and online forums will be organised for the benefit of young family business entrepreneurs. Their objective will be to promote awareness for governance processes at family and family business levels.

The Hawkamah Institute for Corporate Governance is an international association of corporate governance practitioners, regulators and institutions whose primary mandate is to develop corporate governance best practices in the Middle East region. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah assists countries and companies in the region to develop and implement sound and globally integrated corporate governance frameworks.

Based at the DIFC, SHOORA – Family Business Advisors LLC., is the first independent consultancy firm in the Middle East dedicated to providing integrated succession planning, governance and mediation advisory services to families in business and HNW family entrepreneurs.

Inaugural Insurance Taskforce on Corporate Governance meets in Dubai

Hawkamah Institute for Corporate Governance (Hawkamah) and The Arab Forum of Insurance Regulatory Commissions (AFIRC) yesterday held the first ever Insurance Taskforce on Corporate Governance meeting in Dubai. The half-day event brought together insurance regulators, industry representatives and insurance experts from selected MENA countries, and of the Financial Services Volunteer Corp to discuss the results of a MENA wide survey on corporate governance practices and prepare recommendations for corporate governance policy modernization and reform in the region's insurance industry.

The goal of the meeting was to assess the frameworks and practices of the insurance firms in the region, identify corporate governance weaknesses and discuss a policy brief containing guidelines and recommendations to ensure that governance of insurers is in conformance with international best practice and adequately protects policyholders and other stakeholders.

Dr Nasser Saidi, Executive Director of Hawkamah said: "The region's emerging insurance and reinsurance industry, including Takaful and Re-Takaful, is rapidly growing, highlighting the need for good corporate governance practices to ensure financial soundness and stability, and strengthen the performance of companies by enhancing both corporate accountability and improving transparency. The Hawkamah-AFIRC Insurance Taskforce on Corporate Governance is a public-private partnership aiming to develop and harmonise corporate governance frameworks and practices across the region. The

meeting provided an invaluable opportunity for regulators, the insurance industry and experts to share and discuss their views and opinions on a Policy Brief that develops recommendations to strengthen and improve corporate governance modernisation & reform in the MENA insurance sector.”

Dr. Bassel Hindawi, Chairman of AFIRC said: “The region’s insurance industry is currently experiencing a period of rapid growth and development and this growth looks set to continue. AFIRC is committed to ensuring the creation of a well-governed, well-regulated and well-supervised regional insurance and reinsurance industry. In this respect, Corporate Governance is of major significance to the insurance industry and constitutes a key element in the success of economic reforms, whereby it enhances confidence in the economy, protects investors, and happens to be a prompt response to the accelerating developments in world economies”.

The Insurance Taskforce on Corporate Governance follows the signing of a Memorandum of Understanding (MOU) between AFIRC and Hawkamah to co-operate to promote and improve corporate governance practices for the insurance industry in the Arab world.

AFIRC is a regional Forum of Insurance Commissions in the Arab World. The establishment of the Arab Forum of Insurance Regulatory Commissions (AFIRC) came as a prompt response to the accelerating developments in the regional insurance industry, and the challenges which face the Arab Insurance Industry. As part of its mandate, AFIRC aims to enhance cooperation among its members in order to regulate and develop the insurance businesses in the Arab World. The membership of the forum, include 15 Arab Countries namely, Bahrain, Egypt, Jordan, Lebanon, Libya, Mauritania, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen

The Hawkamah Institute for Corporate Governance is an international association of corporate governance practitioners, regulators and institutions whose primary mandate is to develop corporate governance best practices in

the Middle East region. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah assists countries and companies in the region to develop and implement sound and globally integrated corporate governance frameworks.

Hawkamah and CFA Emirates to promote Corporate Governance Reforms

The Hawkamah Institute for Corporate Governance (Hawkamah) today announced that it has signed a Memorandum of Understanding (MoU) with Certified Financial Analysts (CFA Emirates), the UAE society for CFA charterholders and candidates, to cooperate with each other to actively promote and improve good corporate governance practices in the UAE, GCC and the MENA region. The signing took place the Annual UAE CFA Charter award ceremony in which charterholders received their new CFA charters.

The memorandum states that Hawkamah and CFA Emirates will work together to advocate corporate sector reform and enhance existing corporate governance standards across the region. This goal is supported by three broad objectives, namely to: improve the corporate governance practices of private and public sector entities; help develop national legal and regulatory frameworks with respect to corporate governance; and cooperate on corporate governance institution-building to develop a communication strategy and increase the training capacity of institutions.

Dr. Nasser Saidi, Executive Director of Hawkamah said: “Financial analysts play a key role in ensuring market

integrity and that investors and the markets are reliably informed on asset values. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah and CFA Emirates are committed to improving corporate governance standards across the region and to raising awareness of what has become a vital element of today's business landscape. The signing of the MOU between Hawkamah and CFA Emirates strengthens the resolve of the two institutions to work together for the capacity building for our region, increasing investor awareness, ensuring investor protection and building investor confidence in the Regional Stock Markets."

Mr. Lalit Agarwal of CFA Emirates added: "Hawkamah and CFA Emirates share a common goal, namely to promote corporate sector reform and enhance corporate governance in the United Arab Emirates, the GCC and the MENA region. By forming an alliance with Hawkamah we are actively demonstrating our support of creating open and transparent markets that are able to attract investment, as well as fair, rule-based and enforceable corporate governance regimes. We are honoured to join many major international organizations in supporting Hawkamah, which we recognise as an independent, private sector initiative that is actively improving the understanding and practice of corporate governance in the Middle East and North Africa."

CFA Emirates is associated with the CFA Institute which awards the CFA(r) designation. The CFA designation is a mark of distinction that is globally recognized by employers, investment professionals, and investors as the gold standard by which to measure serious investment professionals. CFA Emirates also shares its mission with CFA Institute to lead the investment profession by setting the highest standards of ethics, education, and professional excellence, and vigorously advocating fair and transparent capital markets.

The Hawkamah Institute for Corporate Governance, based at the Dubai International Financial Centre (DIFC), is an association of corporate governance practitioners, regulators and

institutions whose primary mandate is to develop corporate governance best practices in the Middle East region. Corporate governance is a wide framework of systems, rules, interfaces and principles that form the basis of fiduciary corporate culture and values.

Hawkamah and the UAE Bankers' Forum Launch Corporate Governance Award

The Hawkamah Institute for Corporate Governance (Hawkamah) and the UAE Bankers' Forum today announced the creation of an award to encourage and promote the adoption and implementation of good corporate governance practices among banks in the United Arab Emirates.

The Bank Corporate Governance Award, developed by Hawkamah, will enable the UAE Bankers' Forum to obtain an independent and credible assessment of the quality and extent of corporate governance standards within banks across the UAE. Subsequently, UAE banks will also benefit from this process and will be able to use the award as a reference to set benchmarks for further improvements.

Dr Nasser Saidi, Executive Director of Hawkamah said: "Strengthening the corporate governance of banks is important for the UAE, given the prevailing role of banking institutions as the major source of finance for the corporate sector and the economy. Improved board structures, administrative procedures and disclosure requirements result in better governed banks, generating better operating and financial results, higher valuations of their equity and improved access to finance and at better terms. By launching this award, the UAE Bankers' Forum is demonstrating its leadership and is

sending a strong signal to the UAE banking sector of the importance of good corporate governance implementation.”

Mr. Sulaiman Al Mazroui, Organizer – the UAE Bankers’ Forum added: “This joint Bank Corporate Governance Award with Hawkamah sends an importance message to the financial community in the UAE, underlining the value and benefits of solid corporate governance practices. Good corporate governance can have a very positive effect on the way in which a corporation is directed, administered and controlled, and we strongly believe that this award will encourage UAE banks to accept their responsibility to advocate the implementation of policies and mechanisms which will ensure good corporate behaviour and the protection of shareholders.”

The award will be given based on the results of a corporate governance survey, compiled by Hawkamah and distributed among the banks of the UAE. The questionnaire will assess banks on a number of criteria including: the roles and functions of the board; transparency, disclosure and reporting to its supervisors; the quality of risk management and internal controls; and the ability to manage conflicts of interests. In consultation with the the UAE Bankers’ Forum, Hawkamah will select and assign a prominent international expert panel to determine the winner. Each member of this jury panel will have many years of experience in international banking and finance, as well as corporate governance expertise.

AIG to Work with Hawkamah to Promote Corporate Governance in the MENA Region

Hawkamah Institute for Corporate Governance (Hawkamah) today announced a sponsorship agreement with AIG MEMSA Insurance Company (AIG), AIG is part of the American International Group Inc which is a world leader in insurance and financial

services, to support the progress of corporate governance across the Middle East and North Africa.

The alliance allows Hawkamah to access and utilize AIG's vast global resources, in terms of experts and research, and represents another significant step towards achieving Hawkamah's strategic objectives of raising awareness and further advancing corporate governance in the region.

Dr. Nasser Saidi, Executive Director of Hawkamah, outlined the significance of this partnership: "It is very encouraging that AIG, one of the world's leaders in insurance, is offering its support to Hawkamah and championing the cause for sound corporate governance in the insurance industry across the region. Through this sponsorship agreement, AIG is supporting an independent initiative which is improving the understanding of corporate governance in the MENA region, with a particular focus on the insurance industry. In turn, we have gained endorsement from a global player in the insurance field, and with its name and reputation also comes invaluable expertise, which will help develop a robust corporate governance framework that can be introduced to insurance companies throughout the region."

As part of the agreement, AIG will sponsor the Hawkamah Forum of Insurance Regulatory Commissions (AFIRC) Insurance Taskforce on Corporate Governance. Launched in April, the Hawkamah – AFIRC regional initiative is expected to finalize its mission mid 2008. The Insurance Taskforce forms part of Hawkamah's regional initiative to advance and improve corporate governance in the insurance industry through promoting best practice.

The Taskforce brings together the insurance industry and regulators to develop a corporate governance framework for the insurance industry in the Arab world. The key objectives of the Taskforce are to: undertake a corporate governance assessment of the insurance sector in participating Arab countries; develop an insurance corporate governance policy brief to include conventional insurance and "Takaful"; develop corporate governance guidelines for the insurance sector; and build the corporate governance capacity of the industry.

Charles Bouloux, President, AIG-MEMSA, praised Hawkamah's work and underlined AIG's commitment to the initiative: "The

Insurance Taskforce that Hawkamah has formed is crucial in developing a sound corporate governance framework for the insurance industry. It is our aim to support Hawkamah in its ambitious endeavours through promoting, endorsing, and driving the mission of the Taskforce for the insurance and reinsurance industry in the MENA region. Whilst the MENA region is becoming an increasingly important market for us, the insurance industry still needs to fully embrace corporate governance in order to achieve its potential, and we are delighted to be playing a part in driving this initiative forward.”

Hawkamah is an autonomous, 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.

American International Group Inc, world leaders in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world.

Hawkamah and World Bank supported by INSOL and OECD Launch Regional Task Force on Developing Sound Insolvency and Creditor Rights Systems

Market efficiency, Corporate Governance and Insolvency Frameworks and Practices are closely linked. A well designed

corporate governance framework should be complemented by an efficient insolvency framework and practices and by effective enforcement of creditor rights

In order to take stock of the existing MENA frameworks and practices and to raise awareness of international best practices on insolvency, Hawkamah Institute for Corporate Governance and the World Bank supported by INSOL International and the Organization for Economic Development (OECD) established a Task Force on Insolvency and Creditor Rights Systems. The Task Force will develop a MENA Policy Brief based on an individual country analysis of the Legal Framework for Insolvency and Creditor Rights, along with recommendations and policy options for consideration by MENA policy makers.

The Task Force will consist of experts and officials from the MENA countries, the World Bank, INSOL, OECD, PwC and will include representatives of MENA government agencies, banks, judiciary, regulators, the financial sector and insolvency professionals.

The Task Force aims to conduct an assessment of Country Level Insolvency and Creditor Rights systems in the MENA region and will propose recommendations on improving the systems and making them more effective. This assessment is based on the methodology of the World Bank's Report on Observance of Standards and Codes (ROSC) program and the World Bank Principles on Effective Insolvency and Creditor Rights Systems.

Market efficiency, corporate governance and insolvency are closely linked. As experience from both developed and emerging markets has shown, the corporate governance framework should be complemented by an effective, efficient insolvency framework and by effective enforcement of creditor rights.

Corporate governance in insolvent enterprises poses specific challenges. Legal frameworks often impose on directors of insolvent enterprises to act in the interests of creditors, and provide the latter with a specific role in the governance of distressed debtors. Importantly, effective insolvency systems, based on developed legal frameworks and relying on a sound judicial system play a critical role for orderly exit of insolvent corporations and for the efficient reallocation of resources.

Dr. Nasser Saidi, Executive Director of Hawkamah, said, "There is a clear underlying link between insolvency, corporate governance, foreign investment and access to capital. Indeed, companies with a good corporate governance record reduce the risks of lenders and are often able to borrow more and on more favorable terms than their competitors with a poor governance record. Efforts are needed to build more sophisticated insolvency laws in the MENA region and the institutional capacity required for their implementation. There is a need to reduce the stigma of insolvency and make it possible for debtors to restart business on a clean slate after a failure."

Mr. Mahesh Uttamchandani Senior Counsel and Head of World Bank Global Insolvency Initiative, commented, "After many years of working with countries to develop sound insolvency systems, we now know that sound insolvency systems are necessary both to help avoid and manage crisis situations and to broaden and deepen credit markets. Good economic times present a unique opportunity to reform insolvency systems so as to avoid systemic problems when global liquidity tightens and to ensure as broad a range of financial intermediation as possible."

Mr. Sumant Batra, Vice President of INSOL International, said "It is a privilege for INSOL International to be associated with this initiative on international cooperation on insolvency reforms in the MENA region. INSOL is an independent international federation of national association of accountants and lawyers, It is one of its mission to encourage greater international cooperation and communication amongst the insolvency profession. INSOL hopes to contribute in the development of insolvency profession in the region by facilitating the exchange of information and ideas."

Arab International Women's Forum focuses on corporate

governance in collaboration with Hawkamah

The Hawkamah Institute for Corporate Governance (Hawkamah) today announced that it has signed a Memorandum of Understanding (MoU) with the Arab International Women's Forum (AIWF) to advocate corporate sector reform and strengthen corporate governance for women entrepreneurs and their businesses in the MENA region.

Dr Nasser Saidi, Executive Director of Hawkamah, said: "Women entrepreneurs can benefit from strong corporate governance systems and guidelines, because of their ownership patterns – today women entrepreneurs own many large regional enterprises and account for a substantial share of the private sector. We are pleased to partner with AIWF to pioneer stronger corporate governance for women's businesses across the Arab region. Improved corporate governance can lead to, better: management accountability; minimized divergence between the interests of shareholders and management; access to external finance for expansion; divestment of existing operations for better opportunities; and the attraction of strategic investors. Comprising 35% of the U.A.E workforce, women are becoming increasingly prominent decision makers and are contributing substantially to the growth of the region's economy." Mrs. Haifa Al Kaylani, Chairwoman of the Arab International Women's Forum, added: "As women continue to become more influential in the region's business community, it is our responsibility to promote initiatives and processes that we advocate and that we feel will benefit the regional economy. We hope that our collaboration with Hawkamah will also assist in addressing gender issues to ensure that women are given every opportunity to succeed in the workplace. We are honoured to join many major international organizations in supporting Hawkamah, an independent, private sector initiative that is improving the understanding and practice of corporate governance in the Middle East and North Africa."

The Hawkamah and AIWF alliance aims to encourage good corporate governance practices and promote the benefits of

sound corporate governance to women businesses throughout the region. The cooperation will include conducting corporate governance assessments, surveys and improvement plans for women entrepreneurs and their businesses.

In addition, they will assist in building capacity for and raising awareness of good corporate governance in the Arab region by raising awareness and practical implementation of better corporate governance practices through conferences, roundtables and training programmes.

AIWF is a non-profit organization set up in London to link Arab business and professional women in the 22 Arab countries with each other and with their counterparts in the international community. AIWF is the voice of Arab women showcasing their development, breaking stereotypical images and creating greater public awareness of their success and prospects within an international context. AIWF attracts through its membership very able women who have many professional skills and experience in their respective countries, and who aim to enhance the role of women in business and the decision-making process.

The Hawkamah Institute for Corporate Governance is an international association of corporate governance practitioners, regulators and institutions whose primary mandate is to develop corporate governance best practices in the Middle East region. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah assists countries and companies in the region to develop and implement sound and globally integrated corporate governance frameworks.

Minister for Finance & Industry calls for Regional

Transparency at Hawkamah Conference

H.E. Dr. Mohamed Khalfan bin Kharbash, Minister of State for Finance and Industry for the UAE, today gave the keynote address on the need for regional institutions to adapt and answer the call for transparency and openness in an increasingly globalised world.

The Minister was speaking at the second annual conference hosted by Hawkamah Institute for Corporate Governance, entitled “Financial Markets and Corporate Governance”, and held on the fifth day of DIFCweek.

The one-day event, gathering corporate governance practitioners, drivers and regulators from the region and beyond, was designed to promote knowledge transfer and the development of sound and efficient financial markets and banking systems, and help shape the changing corporate governance landscape in the MENA region. Last year’s conference brought together over 300 market players from all over the region and issued the Dubai Declaration which charted the corporate governance agenda for the Middle East and North Africa.

During his speech, Dr. Mohamed Khalfan bin Kharbash addressed emerging trends and opportunities in the field of corporate governance across the region. He recognized the vast strides taken in the UAE in developing corporate governance, the importance of equity transparency and accountability as well as the implementation of prudent guidelines and principles.

The Minister also outlined key next steps to promote transparency and encourage foreign investors, which will support the sustainable development of the region, such as the ongoing co-operation between the public and private sectors. He also highlighted the need to lay down proper mechanisms and plans, which will allow countries in the Middle East to follow more advanced nations and keep abreast of future corporate governance developments.

In conclusion, the Minister expressed his gratitude to the organisers of DIFCweek and his desire to reach recommendations

at the corporate governance conference that would be in line with the region and would push ahead Hawkamah's significant role.

Dr Nasser Saidi, Executive Director of Hawkamah, gave the opening and closing remarks, focusing on key issues of corporate governance in the MENA financial markets: "The strength of our financial markets will depend, among other things, on the level of trust that investors place in our market institutions and financial infrastructure. Good corporate governance practices, and resulting institutions that would embed the values of transparency, accountability, fairness, and responsibility, will contribute to the building of our markets, lessen the volatility of our financial markets, and contribute to the financing of the region's economic development and growth."

Moderated by Eithne Treanor, special correspondent for CNBC, the day's agenda included speeches from Simon Wong, private sector advisor to the Global Corporate Governance Forum, on building a legislative framework for increased market confidence and Joseph A. Field, senior international partner at Withers, on institutionalising the family and keeping the wealth.

Throughout the day, there were a number of panel discussions covering topics including: the Dubai Declaration – 12 months on; transparency in the IPO era; building a corporate governance framework for future regional development; risk management and succession planning; and managing and diversifying the family portfolio.

The panel sessions featured, amongst others: Rainer Geiger, Deputy Secretary-General of OECD; Sebastian Molineus, Corporate Governance Programme Manager for IFC's Private Enterprise Partnership for the MENA region; Mahesh Uttamchandani, Senior Counsel for Insolvency & Creditor Rights at the World Bank; and Andre Baladi, Co-founder of the International Corporate Governance Network.

Following on from today's conference, a closed OECD/MENA Working Group 5 Meeting comprising regional and international partners, will take place tomorrow morning to create a results-driven, time-bound policy advocacy framework for the region.

For further information on the Hawkamah conference and

Abraaj Capital Supports Hawkamah in Promoting Corporate Governance in MENASA Region

First private equity firm to sign corporate sponsorship agreement with Hawkamah

Abraaj Capital, the premier investment firm specialising in private equity investment in the Middle East, North Africa and South Asia (MENASA) region, announced today that it has signed a three year corporate sponsorship agreement with the Hawkamah Institute for Corporate Governance (“Hawkamah”). Abraaj’s sponsorship will be used to promote corporate governance across the MENASA region.

Hawkamah has already signed sponsorship agreements with major international businesses, including PricewaterhouseCoopers and MasterCard. Through their sponsorship, Abraaj Capital aims to endorse and encourage corporate governance reform in the industry. Hawkamah has already signed sponsorship agreements with major international businesses, including PricewaterhouseCoopers and MasterCard. With the rapid growth of the financial services sector across the Middle East and in particular the recent rise of private equity firms, Abraaj Capital recognizes that it has a role to play to proactively adopt and promote corporate governance reforms in the region.

Dr. Nasser Saidi, Executive Director of Hawkamah said: “We are seeing increasing interest from private equity firms and funds in the development and implementation of good corporate governance in the Middle East. Hawkamah’s role in leading the way across the region with strategic initiatives to raise awareness of and promote the fundamentals of sound corporate

governance is widely recognized. Abraaj's support of Hawkamah underlines the firm's progressive attitude to corporate governance – which has become a crucial aspect of the firm's investment decision-making process. We look forward to engaging investors and private equity companies to strengthen corporate governance, transparency and disclosure in the nascent mergers and acquisitions business in our region.”

Frederic Sicre, Executive Director of Abraaj Capital, commented: “We are keen to demonstrate our commitment to corporate governance in the private equity industry by being actively engaged in Hawkamah's task forces, regional activities and events. Sound corporate governance is crucial to the development of the industry within the region and we are delighted to be part of the force advocating this. Our decision to support Hawkamah is a natural progression for us having been the first pure private equity firm to be registered by the DFSA to operate out of the DIFC. We actively work with our portfolio companies in the area of corporate governance as part of our active portfolio management process..”

The Hawkamah Institute for Corporate Governance is an international association of corporate governance practitioners, regulators and institutions whose primary mandate is to develop corporate governance best practices in the Middle East region. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah assists countries and companies in the region to develop and implement sound and globally integrated corporate governance frameworks.

Abraaj Capital is a leading private equity firm with seven funds and over US\$ 4 billion of assets under management. The company focuses on investments in the Middle East, North Africa and South Asia region.

Corporate Governance Revealed: Hawkamah & Zawya Dow Jones Announces Corporate Governance Training Day for UAE Business Journalists

Business journalists from across the UAE will be participating on 8 – 9 September 2007 in the first Economic Journalism Program: Corporate Governance Revealed training day hosted by the Hawkamah Institute for Corporate Governance and Zawya Dow Jones at the Dubai International Finance Centre (DIFC).

As Dubai continues to develop as a dynamic financial centre business journalism, corporate governance practices and how these are reported to investors are becoming increasingly important. Business journalists' role in promoting the standards adopted by the DIFC is crucial to its success, and vital in building investors' confidence in the region's financial markets.

The program jointly developed by Hawkamah and Zawya Dow Jones, the Middle East's leading newswire service covering the Middle East's financial markets., aims to develop regional journalists' understanding of corporate governance issues, as well as to provide a platform to share knowledge and experiences.

The program, set over two days, examines company obligations and corporate governance best practice and includes sessions on:

- What is Corporate Governance?
- Company Obligations: requirements regarding publicly available information and the reporting obligations of public companies
- Role of the Board: the importance of the Board, its independence, relationship with the management and

accountability between the two parties

- Financial Performance: the role of the media in monitoring the relationship between corporate governance and financial performance
- Shareholder Rights: understanding shareholder rights and how the media can communicate these to their audience.
- Stakeholders: explore a company's responsibilities toward its various stakeholders

Presenting this comprehensive program is a panel of experienced corporate governance practitioners and journalists led by Dr Nasser Saidi, Chief Economist of the DIFC. Dr Saidi has previously served as the Minister for Economy and Trade and Minister for Industry, Lebanon, and as the First Vice-Governor of the Central Bank of Lebanon. He is also co-chair of the OECD's MENA Corporate Governance Working Group and has recently published a book; *'Corporate Governance in the MENA countries: Improving Transparency & Disclosure.'*

The program features Randolph Walerius, Dow Jones Newswires' editor for enterprise reporting in Europe, the Middle East and Africa. Mr Walerius specializes in training and has extensive experience of reporting in the region. Also presenting is Jahanara Sajjad Ahmad, Program Manager, Financial Institutions and Capital Markets, Hawkamah, formerly Director, Securities Market Division at the Securities and Exchange Commission of Pakistan;

Dr Nasser Saidi, Executive Director, Hawkamah, the Institute for Corporate Governance stated: "As Dubai continues to build on its established position as a leading international financial centre, it is crucial to ensure international best practice standards in corporate governance are developed across the region. The media has a vital role in ensuring that disclosure and transparency is encouraged and enforced, that shareholders and other stakeholders are informed on the issues that matter, and that they know about and communicate initiatives taken by Hawkamah and the DIFC."

"There is consensus that the region lacks well-trained pool of

financial journalists. As a result, Zawya Dow Jones is taking concrete steps to develop local journalists' ability to report effectively on finance, business economics, and corporate governance matters," said Ihsan Jawad, CEO of Zawya. "This training program will allow the media to play a greater role in strengthening corporate coverage, by training business journalists to fine-tune their skills in reporting on boardroom decisions and financial results of Arab companies," he added.

PricewaterhouseCoopers signs sponsorship agreement with Hawkamah to promote Corporate Governance in the MENA region



PricewaterhouseCoopers (PwC), a world leader in providing industry focused assurance, tax and advisory services, announced today that it has signed a three-year corporate

sponsorship agreement with the Hawkamah Institute for Corporate Governance (Hawkamah) to support the promotion of better corporate governance standards and practice across the Middle East.

This alliance allows Hawkamah to access and utilize PwC's vast global resources, in terms of experts and research, and represents another significant step towards achieving Hawkamah's strategic objectives of raising awareness and further advancing corporate governance in the region.

Dr. Nasser Saidi, Executive Director of Hawkamah said: "The decision by PricewaterhouseCoopers to become a founding member and corporate sponsor of Hawkamah demonstrates their confidence in our initiative and highlights the importance of international corporate support. The practical expertise and wealth of knowledge that they will contribute is invaluable, since PwC is widely recognized as a leader in promoting sound corporate governance and best practices worldwide. With this partnership in place, Hawkamah and PwC will be able to work together effectively to help in the development and implementation of good corporate governance policies in the region, and specifically in the banking and financial sector we have already initiated our joint work through PwC's support of the Hawkamah World Bank insolvency task force for the MENA region ."

Michael Stevenson, Senior Partner, Middle East Region, PwC, said: "In order to continue our efforts to encourage the advancement of corporate governance in the Middle East, our association with Hawkamah is a perfectly logical choice. The presence of Sam DiPiazza, PwC's Global CEO, during the signing ceremony shows the importance that PwC is giving to this relationship. We are ready to provide the necessary resources and support needed to enhance the existing regulatory framework, encompassing transparency, accountability, fairness and disclosure, which, combined, are the cornerstones of sound corporate governance. PwC has always been a leader in promoting corporate best practices worldwide and now, with this alliance, we will have the opportunity to bring our international experience and channel it to the benefit of the local and regional markets."

The Hawkamah Institute for Corporate Governance is an

international association of corporate governance practitioners, regulators and institutions whose primary mandate is to develop corporate governance best practices in the Middle East region. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah assists countries and companies in the region to develop and implement sound and globally integrated corporate governance frameworks.

PricewaterhouseCoopers provides industry-focused services in the fields of audit and assurance, tax, human resources, transactions, performance improvement and crisis management. With over 140,000 employees in 149 countries, PwC works with public and private clients in 22 specialized practices, focusing on sound governance and transparency to provide solutions in businesses and capital markets across the world.

Hawkamah and Amsterdam Institute of Finance Team Up to Provide Financial Training for Business Leaders in the MENA Region



Hawkamah Institute for Corporate Governance (Hawkamah), a subsidiary of the Dubai International Financial Centre Authority, announced today that it signed a Memorandum of Understanding (MoU) with Amsterdam Institute of Finance (AIF) to actively promote and improve corporate governance practices in MENA region, through the provision of financial training.

Amsterdam Institute of Finance is a financial training organisation that was established in 1990 to provide independent training for financial specialists and senior management, including lawyers and consultants. AIF prides itself on delivering a large portfolio of high quality courses, delivered by the world's leading experts in their fields. In fact, AIF has been awarded with a number of accreditations for its courses, demonstrating their commitment to consistently exceed international industry standards.

The main objectives of the Memorandum are to:

- Improve corporate governance practices in private and public sector entities, including listed companies, banks and financial institutions, family-owned enterprises, small and medium enterprises and state-owned enterprises.
- Help develop national legal and regulatory frameworks, in cooperation with both the public and private sectors.
- Cooperate on corporate governance institution-building,

develop a communication strategy, and train and develop investors, directors, managers and other stakeholders on good corporate governance.

Hawkamah and AIF will also cooperate on specific projects across the MENA region such as

- Establishing a Hawkamah Institute of Directors
- Organising annual conferences and seminars to promote and increase knowledge of corporate governance
- Developing a network of corporate governance academic experts
- Encouraging further research on the technical and practical aspects of corporate governance
- Establishing national corporate governance task forces to raise awareness of corporate governance

Dr. Nasser Saidi, Executive Director of Hawkamah, said: “This alliance is another significant step in achieving Hawkamah’s region-wide goals, reinforcing our commitment to support open and transparent markets as well as relevant and enforceable corporate governance regimes. The collaboration enables Hawkamah to draw upon Amsterdam Institute of Finance’s solid expertise in financial training, which not only helps to further raise awareness of corporate governance across the Middle East and North Africa, but also equips the region’s leaders and managers with the essential tools required to enable their businesses to compete even more effectively on the world stage.”

Dr. Andre Van Iersel, Chairman of the Board of Amsterdam Institute of Finance, commented: “Amsterdam Institute of Finance fully supports Hawkamah’s ambitions to establish a sound regulatory framework, which will undoubtedly attract further investment to the region, and we are very focused on making a contribution to this initiative,. As a major banking hub at the heart of the MENA region, the DIFC provides the ideal platform for us to provide financial training and develop local skills and capabilities. We are certain that

businesses operating across the region will benefit from this partnership and we look forward to working together on the numerous projects that we have planned with Hawkamah.”

Hawkamah is an autonomous, 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.

Hawkamah and the Institute of Internal Auditors UAE Chapter sign Corporate Governance Partnership

Hawkamah Institute for Corporate Governance (Hawkamah), a subsidiary of the Dubai International Financial Centre Authority, announced today that it signed a Memorandum of Understanding (MoU) with the Institute of Internal Auditors (IIA) UAE Chapter to actively promote and improve corporate governance practices in the MENA region. The MoU creates a partnership in which the IIA’s experience in advancing corporate governance in businesses can be shared as best practice throughout the region by Hawkamah.

The Institute of Internal Auditors Inc. (IIA) is a global professional body with over 130,000 members. The IIA is represented worldwide through 96 affiliates and has 153 chapters that service IIA members in more than 160 countries. Throughout the world, the IIA is recognized as the internal audit profession’s leader in certification, education, research, and technological guidance. It is a medium for the exchange of ideas and information about Internal Auditors all

over the world. The Institute is the recognized authority, principal educator, and acknowledged leader in certification, research and technological guidance for the profession worldwide.

The common goal of Hawkamah and the IIA is primarily to improve the levels of corporate governance in the MENA region. This goal is supported by three broad objectives, namely to:

- Improve the corporate governance practices of private and public sector entities, including listed companies, banks and financial institutions, family-owned enterprises (SOEs), small and medium enterprises (SMEs) and state-owned enterprises (SOEs);
- Help develop national legal and regulatory frameworks with respect to corporate governance, in cooperation with both the public and private sectors, in support of open and transparent markets; and
- Co-operate on corporate governance institution-building, to develop a communication strategy and increase the training capacity of institutions, helping them to train investors, directors, managers and other stakeholders on good corporate governance.

Dr. Nasser Saidi, Executive Director of Hawkamah, said:

“Our strategic partnership with the IIA is crucial to getting to the heart of businesses within the region and addressing governance issues in specific corporate functions. The internal auditors are key stakeholders and beneficiaries as well as being a promoter of better corporate governance in organizations. The IIA’s intentions of educating the business community about the importance of a robust corporate governance framework complement Hawkamah’s objectives to promote core values of transparency, accountability, fairness, disclosure and responsibility, enabling the region to develop sound financial markets and encourage strong economic growth.”

Abdulrahman Al Hareb, President of the IIA UAE Chapter commented:

“The partnerships that Hawkamah is forming with key

organisations are crucial to implementing a sound corporate governance framework. Teaming up with the IIA is a very important alliance. It is an established trade body with recognised authority with experience. The IIA's motto is '**Progress through Sharing**' and today's announcement could not be a better example of this. There are a number of benefits for MENA businesses that embrace corporate governance, but perhaps the most important is that it will improve their access to affordable credit and capital, increase their decision-making capacity and operational efficiency and enhance their reputation."

Hawkamah is an autonomous, 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.

Arab Insurance Commissioners and Hawkamah Launch Regional Corporate Governance Initiative for the Insurance Industry

Corporate Governance in the Insurance Industry Paramount for the Development of the Sector

The Arab Forum of Insurance Regulatory Commissions (AFIRC) and Hawkamah Institute for Corporate Governance launched a regional initiative to address corporate governance of the insurance industry.

The regional initiative called for the establishment of a Task Force in April, 2007 which is expected to accomplish its mission in December 2007, aiming to bring the insurance industry and regulators together and to develop a corporate governance framework for the insurance industry in the Arab World. The Task Force will undertake a corporate governance assessment of the insurance sector in participating Arab countries; develop an insurance corporate governance policy brief to include conventional insurance and takaful; develop corporate governance guidelines for the insurance sector; and build the corporate governance capacity of the industry.

Industry leaders and regulators view the development of guidelines and good Corporate Governance practices as essential for the success of economic reforms. Good corporate governance enhances confidence in the regional and local economies, protects investors, and builds competitive businesses able to compete in the global marketplace.

Dr. Bassel Hindawi, the Director General of the Insurance Commission in Jordan and Chairman of AFIRC, noted "Corporate Governance issues became one of the most vital economic issues worldwide. Commitment of corporate governance standards would reflect positively on the management of the insurance companies, by efficient use of its resources, improve market competitiveness, and strengthening the stability of financial markets, which subsequently, represents an important element of attracting investment."

Dr. Nasser Saidi, Executive Director of Hawkamah, said, "Effective corporate governance is an integral element of sustainable economic growth and development. Abiding by international standards and adapting corporate governance codes and principles to regional realities will help grow the insurance industry. Better corporate governance standards will enable insurance companies to link with the financial markets, imply better performance and company valuations, and allow insurers to help develop the market and grow

themselves.”

HAWKAMAH and DIFX Academy to provide workshop for Company Directors with focus on efficiency and corporate governance

Hawkamah Institute for Corporate Governance and the DIFX Academy, the training arm of the Dubai International Financial Exchange (DIFX), will jointly hold a two-day Director Development workshop in Dubai to promote corporate success and good governance in company boardrooms.

The course from May 1 to 2, 2007, will give details of governance best practice and explain how to build effective Boards of Directors, in order to enable companies to achieve best results for shareholders and other stakeholders and avoid conflicts of interest.

Dr. Nasser Saidi, Hawkamah’s Executive Director said: “As the leading institution fostering good governance in the region, Hawkamah welcomes this opportunity to help companies establish and maintain first class Boards. From this foundation, businesses can achieve operational success while also developing effective long-term strategies, enabling them to compete with the best run companies in the region and the world.”

The course includes the first part of Hawkamah’s four-part

Director Development Programme. Participants will include current Directors, aspiring Directors, and others involved in strategic decision-making who aim to reach Director level.

Per E. Larsson, Chief Executive Officer of the DIFX, said: “This benchmark workshop will give Directors and other talented individuals a sophisticated understanding of how Boards need to operate in the rapidly changing environment of modern business. This will benefit their personal development as well as the performance of their companies.”

Topics covered include Directors’ duties and liabilities, the importance of independent directors, executive remuneration, procedures of Board committees and elections to Boards.

Hamed Ali, Executive Officer of the DIFX, said: “This workshop is an important addition to the range of courses offered by the Academy, which include a range of Islamic Finance programs and introduction courses to capital markets for individual investors, as well as a certification programs for professionals and traders.”

MasterCard Supports Hawkamah Institute to Promote Corporate Governance in the Region

MasterCard to be Founding Sponsor of the Hawkamah Institute



MasterCard Worldwide, a leader in advancing global commerce, today announced its support for the Hawkamah Institute for Corporate Governance and said it will be a founding corporate sponsor of the Institute.

The Hawkamah Institute for Corporate Governance is an international association of corporate governance practitioners, regulators and institutions that aims to develop corporate governance best practices in the Middle East region. By promoting the core values of transparency, accountability, fairness, disclosure and responsibility, Hawkamah assists countries and companies in the region to develop and implement sound and globally integrated corporate governance frameworks.

Dr. Nasser Saidi, Executive Director of Hawkamah commented, "Hawkamah was set up as a public-private partnership with the strategic objective of encouraging corporate sector reform and better corporate governance practices in the UAE and the region. The development and implementation of good corporate governance policies is crucial to efficient corporate investment and a core building block of sound financial markets. We have made significant progress in raising awareness of the fundamental need for these policies in our first year of existence and look forward to enabling the implementation of corporate governance policies across the

region. As a founding sponsor, MasterCard will join our corporate advisory group and provide strong support in the Hawkamah Institute's activities to implement better corporate governance practices in the region and in the banking and financial sector particularly."

Denzil Lawson, General Manager, Middle East & Levant, MasterCard Worldwide commented, "MasterCard is delighted to be a founding sponsor of the Hawkamah Institute. We understand that results are best delivered locally and we will work closely with the Hawkamah Institute to share our experience and add value to the development of regional corporate governance practices."

Mark Beer, Vice President, Sales and Corporate Services, South Asia, Middle East and Africa, MasterCard Worldwide said, "We are pleased to have established a close co-operation with Hawkamah. Banking and financial institutions are two of the main drivers of the world's economy and sound corporate governance is an integral pillar of ongoing economic development. Through sharing best practices and practical experience of corporate governance principles, MasterCard Worldwide can play its role in enhancing the integrity of the payment systems that ultimately drive commerce globally."

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.

Governor of the DIFC Inaugurates HAWKAMAH's First MENA Corporate Governance Conference

“Without the development of good governance, we cannot grow, or sustain growth.”



The Governor of the Dubai International Financial Centre (DIFC), His Excellency Dr. Omar bin Sulaiman, today led the

opening address at Hawkamah's inaugural MENA corporate governance conference, where he stressed the importance of building sound and efficient financial markets and banking systems within the MENA region.

Strong corporate governance is a key element of investor confidence and of sound financial markets. The region's policy makers and the international financial community are well aware of the importance of implementing higher standards in the MENA region and the Governor reinforced his support for working towards best corporate practice within his speech. He said today:

"The DIFC believes that the Hawkamah conference, which will form an integral part of the DIFC Week, is an important step towards the region's economic growth and stability. The DIFC supports this initiative to enhance corporate governance across the region and we welcome the experience and knowledge that regional and international speakers bring to the event. We recognise their global efforts in the field of corporate governance and we invite them to take part in the shaping of the region's corporate governance map."

Introducing good corporate governance to the Middle East will ensure the region can operate on a level playing field with other markets and attract foreign capital. Companies will benefit greatly by applying good corporate governance practices, such as defining board responsibilities, ensuring shareholders rights and providing financial disclosure. This commitment to transparency will attract greater and more varied sources of capital and will help the region reach its full potential as a leading global financial hub.

Dr. Omar bin Sulaiman added: "The MENA region today is fast emerging as one of the leading global economies. However, without solid foundations, without a strong framework, without the development of good governance, we can not grow, or sustain growth. We aim to build and expand local businesses which not only prosper in the region, but can also be integrated into international markets and can compete on a level playing field with global companies."

HAWKAMAH 's First MENA Corporate Governance Conference Attracts Key International Experts on Corporate Governance

Event hosted by the Dubai International Financial Centre within DIFC Week

Governor Bin Sulaiman invites participants in drawing regional corporate governance map

Hawkamah, the Institute for Corporate Governance (Hawkamah), will hold the MENA region's first ever conference focusing on corporate governance next week at the Dubai International Financial Centre (DIFC) on 26th – 27th November 2006, as part of the DIFC's Finance Week. The conference will be hosted by Hawkamah and supported by its regional and international partners: OECD; International Finance Corporation; World Bank Global Corporate Governance Forum; Center 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, with participation of the countries participating in the OECD MENA Investment Programme. Corporate governance refers to the set of rules and incentives by which the management of a company is directed and controlled. Good corporate governance is associated with better company performance, higher profitability and efficiency levels, underpinning the sound performance of the

entire economy.

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.

His Excellency Dr. Omar Bin Sulaiman, Governor of the Dubai International Financial Centre (DIFC) said “The DIFC believes that the Hawkamah conference, which will form an integral part of the DIFC Week, is an important step towards the region’s economic growth and stability. The DIFC supports this initiative to enhance corporate governance across the region and we welcome the experience and knowledge that regional and international speakers will bring to the event. We recognise their global efforts in the field of corporate governance and we invite them to take part in the shaping of the region’s corporate governance map.”

During the course of the conference, discussions will focus on attaining a deeper insight into key issues relating to corporate governance and recommendations for improving corporate governance practices across the region. The main themes will include: corporate governance in the banking and financial sector, state-owned and family-owned enterprises and listed companies; insolvency issues; corporate governance in Islamic finance; and the outcome of the Hawkamah–IFC survey on regional corporate governance.

This landmark corporate governance event brings together a selection of influential local and global organisations with the aim of working towards the establishment of sound and efficient financial markets and banking systems across the Middle East and North Africa. It is vital for economies across the region to introduce corporate governance best practices in order to bridge the region’s corporate governance gap and create a harmonised set of rules, regulations and accounting standards.. The conference provides the opportunity for policy makers, regulators, experts and

business leaders from both the regional and international arenas to discuss corporate governance issues, developments and reforms for the entire region.

The opening address will be given by **His Excellency Dr. Omar bin Sulaiman, Governor of the DIFC**, with a welcome speech by **Dr. Nasser Saidi, Executive Director of Hawkamah**. The impressive line-up of speakers includes professionals from relevant fields offering expert opinions and invaluable insight into the world of corporate governance. Keynote speakers include the following:

- **Mr. Richard Hecklinger, Deputy Secretary General, OECD**
- **HE Dr. Shamsad Akhtar, Governor, State Bank of Pakistan**
- **Mr. Michael Essex, Director, Middle East and North Africa, IFC**
- **Mr. Charles Freeland, Deputy Secretary General, BIS**
- **Ms. Anne Simpson, Executive Director, International Corporate Governance Network (ICGN)**
- **Ms. Marie Laurence Guy, Projects Officer, Global Corporate Governance Forum**
- **Mr. Mahesh Uttamchandani, World Bank, Senior Counsel, Insolvency & Creditor Rights**
- **Mr. Stephen Davis, Davis Global Advisors Mr. Eugene Spiro, Senior Program Officer, Center for International Private Enterprise**
- **Mr. Sijmen de Ranitz, President, INSOL International**
- **Mr. Andre Baladi, International Advisory Board Member, EuroNext**
- **Mr. Stilpon Nestor, Principal, Nestor Advisors; Board of Governors, ICGN**
- **Mr. Fadi Ghandour, Managing Director, Aramex**
- **Mr. David Brown, former Chair of the IOSCO Technical Committee and of the Ontario Securities Commission**
- **Dr. Hala Said, Executive Director, Egyptian Banking Institute**
- **Mr. Shayne Elliott, Chief Operating Officer, EFG Hermes**
- **Mr. V. Vastaraman, Emirates Airline, VP Information**

Systems Audit

On the second day, the OECD-MENA Working Group on Corporate Governance session will take place and the Dubai Declaration on **Corporate Governance** will be issued. The Working Group will be co-chaired by **Mr. Rainer Geiger, Deputy Director for Financial and Enterprise Affairs, OECD** and **co-chair of the OECD MENA Working Group on Corporate Governance and Dr. Nasser Saidi, Executive Director, Hawkamah**. This session will be by invitation only. The conference will culminate with a press conference highlighting the relevant consultations and outlining the next steps to be advocated.

Dr. Nasser Saidi, Executive Director of Hawkamah, highlighted the importance of the conference for the region: "We are delighted to launch our first annual conference, with expert and prestigious speakers and we look forward to the invaluable contributions they will make to the advancement of better corporate governance in the MENA region. The conference aims to help set the agenda for corporate sector reform and improved governance, and their role in build strong, sound and efficient banking systems and financial markets, a critical element in sustaining growth in the Middle East and North Africa region countries."

Mr. Richard Hecklinger, Deputy Secretary General, OECD also welcomed the opportunity to host such a conference: "Sound corporate governance has become a key criterion in investment decisions. The forthcoming high level meeting in Dubai on corporate governance in the MENA underscores the importance countries in the region attach to this subject. The OECD is pleased to co-host this event together with the Hawkamah Institute for Corporate Governance and its regional and international partners. We look forward to the proposals and recommendations which will emerge from this meeting and will help carry them forward in the context of the OECD-MENA Investment Programme".

For further details about the conference please go to: <http://www.hawkamahconference.org>

DIFC Workshops launched to support development of financial markets in MENA region

The Dubai International Financial Centre (DIFC) today launched the DIFC Workshops – a series of capacity building workshops that will support the development of financial markets in the Middle East and North Africa (MENA) region by upgrading technical financial skills among market participants.

Dr. Nasser Saidi, Chief Economist of the DIFC, said: “The DIFC Workshops aim to support the development of economic and financial markets in the MENA region by strengthening market participants knowledge of the technical aspects of financial products and services. This is especially important as the DIFC’s regional reach expands and demand for specialist financial services increases”.

The first DIFC Workshop, ‘Accounting and Equity Valuation’, will be held on 7 November in association with Citigroup. Led by Kenneth Lee, Director, Valuation and Accounting (Europe) for Citigroup Investment Research, the workshop will enable participants to accurately value listed equities and properly examine balance sheet data. The workshop will include actual company case studies and focus on examples of analysis, accounting and financial markets from the GCC region.

Mr. Mohammed Al-Shroogi, Citigroup Corporate and Investment Banking Head for the Middle East, said: “We are delighted to be part of this unique initiative and to contribute speakers to the workshop series. As many of the region’s hubs transform into global financial centres, it is crucial to

share global best-practice case studies with the region's financial players in order to continuously raise the bar and stay at the cutting edge of the financial industry".

Supported by strong economic conditions, capital markets in the MENA region have grown significantly over the past five years. Syndicated loan issuance in the MENA region has grown strongly over the past five years, driven in part by over USD1 trillion of infrastructure projects, according to MEED. Despite recent corrections, the value of equity markets in the region remain high at USD875 billion, while the regional securitisation and asset backed securities (ABS) market is beginning to grow.

This primary market growth is being matched by an increase in secondary market volumes and demand for qualified financial services professionals. The DIFC Workshops have been established to help broaden the range of technical skills and talent available to support this demand.

"Improving the skill sets available to the market is especially important for new growth areas, such as the region's securitisation and ABS markets", said Dr. Saidi.

Each workshop will be held in association with a leading financial institution based at the DIFC. They will initially cover topics such as: accounting and equity valuation; derivatives and options pricing; risk management; securitisation; Islamic finance; valuation risk analysis; mutual fund management; hedge funds; investment management techniques, equity and fixed income analysis and investments; asset allocation; technical and quantitative analysis; yield curves and structured finance, among others.

Hawkamah Stages Inaugural Conference on Corporate Governance in the MENA Region

Hawkamah Institute for Corporate Governance (Hawkamah), a subsidiary of the Dubai International Financial Centre Authority, today announced that it will hold the first ever conference focusing on corporate governance in the MENA region to take place in Dubai on 26-27 November 2006. The conference follows the mounting emphasis on the importance of developing a robust corporate governance framework in the Middle East and North Africa, to ensure the region can reach its full potential as an international financial market.

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 takes part in regional and international initiatives to support open and transparent markets and sound corporate governance regimes.

The theme of the conference "Towards Sound and Efficient Financial Markets and Banking Systems" responds to the challenges faced by the region's countries in modernizing their corporate sector. Addressing the financial markets and banking systems are keys to advancing corporate governance in the region. The draft agenda of the conference also includes sessions on the governance of family owned enterprises, state owned enterprises, and on shari'ah compliant corporate governance, information technology governance, and insolvency frameworks. Expert contributions will come from the Organisation for Economic Cooperation and Development, World Bank's Global Corporate Governance Forum, International Finance Corporation, Bank for International Settlements, International Corporate Governance Network, Center for International Private Enterprise, Financial Services Volunteer

Corps, INSOL International, ISACA (IT Professionals), Union of Arab Banks, Jordanian Corporate Governance Association, Egyptian Banking Institute, Egyptian Institute of Directors, among others.

This unique event will provide an opportunity for the region's business community, and local and international media, to hear and interact with government officials, policy makers and business leaders about significant corporate governance issues. Topics to be discussed will include the key findings from the Hawkamah-IFC MENA survey of regional CEOs on standards of corporate governance in companies and banks. The session will examine the extent of corporate governance implementation in the region and initiate discussions on the next steps for reform. The conference will explore corporate governance development in the MENA region in relation to international trends, with focus on key issues and benefits for banks, family-owned enterprises and state owned enterprises in implementing good governance. The two-day event will conclude with a MENA OECD Working Group meeting.

His Excellency Dr. Omar Bin Sulaiman, Governor of the Dubai International Financial Centre, said:

"Since corporate governance is an integral part of the regulatory framework necessary for any successful financial market, this conference will be vital to further economic growth across the region. As the region is now recognised as a hub for global businesses and investment, the DIFC is focused on the implementation of international standards and reforms, in line with its objectives for growth and continued regional prosperity."

Dr. Nasser Saidi, Executive Director of Hawkamah, outlined the value of the conference:

"Central to the strategy of Hawkamah has been interacting and networking with the region's banking and financial communities and key decision-makers on the significance of a solid and relevant corporate governance structure. Whilst the subject of corporate best practice has certainly gained momentum, the findings from our recent GCC corporate governance survey,

produced together with the IIF, highlight the fact that the region's policy makes in the public and corporate sectors have to act to remedy the region's 'gap' in corporate governance compared to international best standards and practices. This conference provides an opportunity for people to share their views and gain insight from some of the world's leading experts on corporate governance in emerging markets in order to advance this process."

The conference will be held on 26-27 November, 2006 at the DIFC, Dubai, UAE. Further details of the conference, including ticket availability, registration details and a speaker programme is available for download from <http://www.hawkamahconference.org>.

**Hawkamah and INSOL in
cooperation to advance
Corporate Governance and
Insolvency Structures**



Hawkamah Institute for Corporate Governance (“Hawkamah”), a subsidiary of the Dubai International Financial Centre Authority, has today signed a Memorandum of Understanding (MoU) with INSOL International (“INSOL”) to promote improvements to insolvency systems and good corporate governance practices in the MENA region.

INSOL is a leading global organisation specialising in international insolvency, restructuring, turnaround and related issues. INSOL assists in a collaborative manner in the development of insolvency policies, international codes and best practice guidelines with Governments, non governmental organizations and intergovernmental advisory groups on such matters. It also provides education and undertakes extensive research on topics relating to international and comparative turnaround and insolvency issues.

This collaboration is an important step for markets across the Middle East, bringing as it does greater access to and understanding of insolvency research, legislation and guidelines. The exchange of information and ideas between the two entities are aimed at encouraging greater international communication and cooperation amongst the insolvency profession, credit community and business.

Hawkamah and INSOL aim to jointly identify and prepare proposals for suitable projects that may be undertaken to assist in the development sound insolvency systems and good corporate governance practices across the MENA region.

By capitalising on each other's strengths, the two organisations will be able to advance their common objectives of encouraging modern and predicable legislative frameworks which offer market participants effective and appropriate restructuring and insolvency regimes.

Dr. Nasser Saidi, Executive Director of Hawkamah, said:

"International experience shows that insolvency and corporate governance systems are inter-linked and their simultaneous and continued development is essential in ensuring long term sustainable financial and corporate sector reforms and sound and efficient banking and financial markets. Hawkamah and INSOL are committed to these reforms and the growth of local markets. This is the perfect opportunity for us to work together for the countries in the MENA region that can benefit immensely by adopting good insolvency systems."

Sumant Batra, Board Director of INSOL, commented:

"Whilst INSOL has access to valuable technical knowledge, know-how and resource in the insolvency sector and related areas, Hawkamah has an in-depth understanding of the financial and corporate landscape of the MENA region. Consequently, this partnership will allow us to exchange information and knowledge, enabling us to learn from each others experience and expertise."

Hawkamah is an autonomous, 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.

An insolvency law is generally viewed as a mechanism that allows financially distressed but viable business to rehabilitate and unviable enterprise to be liquidated. An efficient and effective insolvency system plays an essential part of the overall national and international financial architecture. It is needed to encourage enterprise, underpin

investment and economic growth and create wealth. For the developing countries in particular an effective insolvency system is vital to stability in commercial relationships and financial systems, advance important social objectives of maintaining public confidence in the corporate and financial sectors and promote sustainable growth in the private sector. A good insolvency system promotes responsible corporate behaviour by encouraging higher standards of corporate governance, including financial discipline to avoid consequences of insolvency/enforcement.

It will allow companies in genuine difficulty to revive and where such revival is not possible, to liquidate the company in a quick and efficient manner so that returns of all stakeholders are maximised. In the fast globalising economic system, it is inevitable that the MENA countries eager to provide sound business environment for their national industry to grow and attract foreign investment pay adequate attention to the development of insolvency laws.

Corporate governance standards in GCC undergoing major development, says Hawkamah/IIF report

Downward corrections in Gulf Co-operation Council (GCC) stock markets and increased corporate activity by GCC corporations in Western markets are driving improvements in corporate governance standards, according to a report released today by Hawkamah, the Institute for Corporate Governance, and the Institute of International Finance (IIF). The report is part

of a co-ordinated strategy toward the harmonization of corporate governance standards in the GCC and their alignment with international best practice.

The report, *'Corporate Governance in the GCC – An Investor Perspective'*, is the first study to benchmark standards in the region. It is the result of a series of meetings held with senior officials from capital market authorities, central banks and stock exchanges, local fund managers, lawyers, experts, accountants and management consultants involved in corporate governance in the GCC.

His Excellency, Dr. Omar Bin Sulaiman, Governor of the Dubai International Financial Centre (DIFC), said:

“Hawkamah and the DIFC are dedicated to improving standards of corporate governance in the region, thus supporting sound financial markets development. The findings of this survey will help GCC policy makers identify key areas for reform and promote awareness of the benefits good corporate governance brings to companies and markets”.

Dr. Nasser Saidi, Executive Director, Hawkamah, said: “The Hawkamah-IIF survey shows that corporate governance in the GCC is generally at an early stage of development. However, it also notes that real progress is being made as countries amend existing company laws, strengthen accounting frameworks, and introduce corporate governance requirements for companies. Good corporate governance is a key factor in sustaining economic growth and development in the GCC. Policy makers are taking the lead and committing to secure significantly higher standards of corporate governance in the member countries of the GCC (UAE, Saudi Arabia, Kuwait, Oman, Qatar and Bahrain)”.

Charles Dallara, IIF Managing Director, said, “We welcome this first joint report with Hawkamah. We are encouraged by the co-operation we received across the GCC while collecting information for this report. Corporate governance practices across the GCC are lagging behind global standards in a number of areas. However, there appears to be considerable agreement that a stronger equity culture needs to be fostered and that

high priority should be assigned now to programs to enhance corporate governance. We are encouraged by the determination of Hawkamah, the DIFC and national authorities in this area.” Developments have been largely driven by four key factors:

- **Capital market regulators are using the recent price correction in GCC stock markets to ‘upgrade’ corporate governance frameworks.** While authorities recognise that price corrections were not directly related to poor standards of corporate governance, there was public pressure to intervene, due to their past encouragement of widespread public participation in IPOs. Corporate governance codes are being drafted and introduced by capital market authorities in the GCC. The Muscat and Abu Dhabi exchanges introduced codes in 2003 and 2006 respectively, while regulators in the UAE, Saudi Arabia, Bahrain, Qatar and Kuwait have draft codes that are expected to be implemented in 2007.
- **Increased corporate activity by GCC corporations in international markets is contributing to improvements in private sector standards, in-line with international best practice.** GCC corporations have conducted USD25.9 billion of acquisitions in the UK, Europe and North America so far this year, according to Bloomberg. This trend is expected to continue as the private sector in the GCC continues to expand through the acquisition of foreign assets.
- **The banking sector in the GCC has made a significant contribution, following undertakings by central banks to comply with Basel I and II requirements.** Central banks in all six GCC countries have amended their banking regulations to include corporate governance-related requirements such as establishing transparency and disclosure in financial statements, establishment of a board level audit, nomination and compensation committees and improved risk management.

- **The opening of GCC stock markets to foreign investors is expected to improve standards in GCC-listed companies, due to higher expectations from these investors.**

Mr. Edward Baker, Chairman of the IIF's Equity Advisory Group (EAG) and Chief Investment Officer of Global Emerging Markets, AllianceBernstein Ltd., noted: "In the case of the GCC report, as has been the practice in all EAG reports, we have reviewed corporate governance frameworks through the lens of professional investors active in global markets, with assessments based on the IIF Code of Corporate Governance. From an investor perspective, it is important that there is visible movement in the right direction across the region, which can contribute to building confidence. We are hopeful that the public and the private sectors in the region can work together in the period ahead to secure improvements in the GCC's overall corporate governance framework."

Mr. Ibrahim Dabdoub, Chairman of the IIF's Equity Advisory Group (EAG) Middle East Task Force, a member of the IIF Board of Directors and Chairman of the National Bank of Kuwait, S.A.K, said, "This new report is based on a landmark IIF-Hawkamah survey of corporate governance practices, which will serve as a vital benchmark to measure progress towards higher international standards, which are needed and which the IIF and Hawkamah are encouraging."

While corporate governance standards in the region are being raised, the report highlights a number of recommendations to bring the GCC into compliance with the IIF's corporate governance code:

- **A stronger commitment to better corporate governance from political authorities as well as from senior government officials involved with capital market development is needed for real change to take effect.** Regulators should quickly introduce corporate governance reforms in state-owned enterprises (SOEs), which are major contributors to the economies of the

GCC. By requiring good standards of corporate governance from suppliers and private sector companies wishing to conduct business with SCCs, corporate sector reform can be expedited.

- **Regulators in the GCC need to work more closely together to strengthen the region's equity markets.** With the exception of Saudi Arabia and Kuwait, equity markets in the region are relatively small and lack depth. Establishing a regional GCC corporate governance task force, comprised of regulators and market participants, would help to promote standardised, best-practice laws and regulations that would apply across all stock markets in the region. Standardisation would help eliminate systemic risks by requiring companies issuing debt to obtain credit ratings, introduce stronger book building measures for IPOs, and promote the development of insider trading laws and investor education.
- **Specialised courts to deal with the enforcement of securities laws also need to be established.** This will expedite the delivery of justice for securities and finance-related offences and reduce the cost of litigation.
- **Increase financial transparency by harmonising financial reporting requirements.** Standardised financial reporting is especially needed for annual reports to shareholders.
- **Establish a registrar of companies, requiring all companies (from sole proprietorship to joint stock companies) to provide information.** This will help non-listed companies to develop better financial reporting practices.

The report is the first part of a co-ordinated effort by Hawkamah and its partners to harmonise corporate governance standards in the GCC and the greater MENA region. The GCC survey will be followed by a survey of corporate governance

regimes in other MENA countries. Once a clear assessment of overall standards in the region has been achieved, recommendations will be presented to policy makers to create a single set of standards for the private and public sectors in the region.

“While today’s report shows corporate governance standards in the GCC are improving, more needs to be done. Strong leadership and tough enforcement is required by authorities if corporate governance in the GCC is to meet international standards and bring with it increased FDI and market efficiencies. We believe the political will is there to achieve this and expect further developments in the coming years”, added Dr. Saidi.

Hawkamah provides co-operation and technical assistance to a number of countries in the GCC, including in the UAE, Oman, Kuwait, Bahrain and Saudi Arabia.

Hawkamah and the Dubai Chamber of Commerce and Industry to promote best practice corporate governance in the UAE

Hawkamah Institute for Corporate Governance (Hawkamah), a subsidiary of the Dubai International Financial Centre Authority, has today signed a Memorandum of Understanding (MoU) with the Dubai Chamber of Commerce and Industry (DCCI), an agreement that will see both parties work towards developing and advocating a sound corporate governance

framework across the UAE and the greater MENA region.

The DCCI has been established for over 40 years and plays a significant role in supporting business activities, proposing legislation that organises and regulates the economic sectors and providing input in developing the institutional role of the government departments and linking with international organizations. The DCCI actively co-operates with government establishments and professional organisations within the UAE so that it remains at the heart of best practice in business and can offer its members the most valuable resources. With the DCCI's strength and influence within the business community, the latest collaboration with Hawkamah represents a significant step in actively promoting and improving good corporate governance practices in the UAE, GCC and the MENA region.

The common objectives of Hawkamah and the DCCI are primarily to improve the corporate governance practices of private and public sector entities; develop national legal and regulatory frameworks with respect to corporate governance; cooperate on developing corporate governance within institutions through training; and finally, establish an Institute of Directors and promote the creation of Centralised Credit Registries and a Companies House. The goal is to improve integrity, transparency and efficiency thereby encouraging greater investment in private and public institutions.

Following the implementation of this Memorandum, future areas of focus and cooperation between Hawkamah and the DCCI will include:

- Conducting corporate governance assessments, surveys and improvement plans by promoting the development of a good legal, regulatory and institutional corporate governance structure in the UAE.
- Building capacity for, and raising awareness of, good corporate governance in UAE, by encouraging the public and private sectors to establish national corporate

governance task forces who will raise awareness of corporate governance.

- Undertaking board director outreach and development programmes

Furthermore, the Dubai Chamber of Commerce and Industry has developed its own project, which is closely in line with Hawkamah's objectives, called the Dubai Ethics and Resource Center (DERC). This Center has been established by the DCCI to foster corporate integrity and to promote Dubai as the regional gateway to international business by providing a suitable environment with high levels of transparency, disclosure and accountability. DERC collaborates with public sector and semi-governmental organizations to promote good public governance through a variety of customer-driven programs focusing on ethics and integrity. With its fundamental values revolving around dedication, innovation and solidarity, DERC looks to raise the region's ethical standards and awareness of corporate responsibility and governance, thus highlighting the synergies with Hawkamah's initiatives.

Dr. Nasser Saidi, Executive Director of Hawkamah, said:

"The DCCI has had significant input in the development and framework of the private and public sector policy we see in the UAE today. Our partnership with the DCCI and the Dubai Ethics Resource Centre is a very important and significant step for the UAE business community, and firmly puts corporate governance on the agenda. It is a clear commitment of Dubai's and the UAE's business community to best international practice in corporate governance and ensuring market integrity and transparency".

Abdulrahman Al Mutawee, Director General, DCCI, commented:

"Our collaboration with Hawkamah was an obvious and natural step for us. The priority of the DCCI is to support initiatives and reform that benefit the private and public sector in the UAE. Developing the framework for corporate governance and advocating its importance among members makes perfect sense. If business in the UAE is to reach its full

potential, corporate governance must be taken seriously.”

Hawkamah is an autonomous, 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.

Hawkamah and Capital Market Authority of the Sultanate of Oman announce corporate governance partnership

Hawkamah Institute for Corporate Governance (Hawkamah), a subsidiary of the Dubai International Financial Centre Authority, announced today that it signed a Memorandum of Understanding (MoU) with the Capital Market Authority of the Sultanate of Oman to actively promote and improve corporate governance practices in Oman. The MoU creates a partnership framework whereby Oman’s pioneering experience on implementing corporate governance frameworks in the securities market can be shared as regional best practice throughout the region by Hawkamah.

The Capital Markets Authority has issued a series of regulations dealing with corporate governance in Oman, which arguably comprise the most comprehensive corporate governance regime in the region. The primary regulation is the Code of Corporate Governance, the first in the region, put in place to ensure that the governance structure of public limited companies in Oman provides the shareholders and investors with quality disclosure, working towards harmonization of corporate

governance standards in the region. Oman has been the pioneer of financial market reforms and transparency in the Middle East and the signing of this MoU highlights the opportunities for similar signings with other institutions in the region. The common objective of Hawkamah and the Capital Market Authority is primarily to improve the public awareness of corporate governance issues in the securities and commodities market of Oman, as well as share information on corporate governance in such markets. The partnership aims to encourage corporate governance training for the relevant cadres in the markets, brokerage companies and listed companies from Oman. Following the implementation of this Memorandum, future areas of focus and cooperation between Hawkamah and the Capital Market Authority will include:

- Promoting the development of a legal, regulatory and institutional corporate governance structure for securities markets and listed companies in Oman.
- Building capacity for, and raising awareness of, good corporate governance in Oman's securities markets, for example through conferences, training and manuals.
- Reviewing corporate governance codes and guidelines and developing implementation plans.

Dr. Nasser Saidi, Executive Director of Hawkamah, said:

“Our partnership with the Sultanate of Oman is further evidence of the momentum behind good corporate governance in the region. The commitment from the Capital Market Authority demonstrates that the Sultanate of Oman takes corporate governance seriously and values the benefits that a sound corporate governance framework can bring to the commercial and financial sectors of the country.”

Hamid Sultan Al Busaidi, Acting Director General of Research and Development of the Sultanate of Oman Capital Market Authority, commented:

“We are becoming increasingly aware of the importance of a strong corporate governance framework, and as such, our

partnership with Hawkamah fits well with our strategy of reviewing and improving the current corporate governance climate and ensuring it is high on the agenda of all relevant parties. We believe this partnership will greatly enhance our efforts in implementing sound corporate governance.”

Hawkamah is an autonomous, 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.

Hawkamah and Yemen's Ministry of Finance join forces to promote corporate governance and establish best-practice stock market in Sana'

Hawkamah to provide corporate governance advice to Yemeni authorities planning to establish the Sana' Stock Exchange and Capital Market Authority

Hawkamah Institute for Corporate Governance (Hawkamah), a subsidiary of the Dubai International Financial Centre (DIFC) Authority, today announced it has signed a Memorandum of Understanding (MoU) with the Yemeni Ministry of Finance to actively promote and improve corporate governance practices in Yemen. Hawkamah will also provide corporate governance advice to the Yemeni authorities in relation to the legal and regulatory issues relevant to the establishment of the country's first stock market and capital market authority.

The common objective of Hawkamah and the Yemeni Ministry of Finance is to improve the corporate governance practices of public and private sector entities in Yemen, including state-owned enterprises (SOEs), listed companies, family-owned enterprises (FOEs) and small and medium enterprises (SMEs). The partnership will help develop legal and regulatory frameworks in Yemen related to corporate governance and financial reporting standards, in-line with international best practice.

Future areas of focus and co-operation between Hawkamah and the Ministry of Finance will include:

- Conducting corporate governance surveys to assess the compliance of Yemen's public and private sector with best international practice
- Promoting the development of a solid legal, regulatory and institutional structure in Yemen, including corporate governance codes
- Co-operating on the introduction of international accounting and financial reporting standards and best practices to ensure transparency and disclosure in Yemen's public and private sectors
- Building capacity for and raising awareness of good corporate governance in Yemen's industrial, financial and commercial sectors, through conferences, manuals and training programmes
- Implementing accepted corporate governance principles into the listing requirements and overall governance of the Sana' stock exchange

His Excellency, Dr. Omar Bin Sulaiman, Governor of the DIFC, said:

"The DIFC welcomes this initiative, whereby our expertise is being used to promote international corporate governance standards within the framework of Yemen's first stock market.

The Hawkamah Institute for Corporate Governance is well-positioned to advise the Yemeni Authorities on this important step towards developing their economy”.

Dr. Nasser Saidi, Executive Director of Hawkamah, said:

“It is vital for governments in the MENA region to take corporate governance practices seriously, and we are pleased to see that Yemen is actively supporting this initiative by incorporating a corporate governance framework into their new stock exchange. We look forward to working with the Ministry of Finance in Yemen to establish a strong regulatory framework, ensuring transparency and sound corporate governance across the country’s public and private sectors”.

Dr. Saif Al-Asaly, Yemeni Finance Minister, commented:

“Corporate governance is becoming an increasingly important issue for emerging capital markets and we are keen to implement the necessary reforms to enable the planned capital markets in Yemen to come into line with international standards. We are certain that this powerful alliance with Hawkamah will bring greater efficiency and improved performance to our corporate sector in the future”.

Hawkamah is an autonomous, 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. The Yemeni Ministry of Finance directly supports modernization of Yemen’s corporate sector and reform efforts. It takes part in regional and international initiatives to support open and transparent markets and sound corporate governance regimes.

International

Finance

Corporation and Hawkamah Corporate Governance Institute Announce MENA Corporate Governance Survey

The International Finance Corporation and the Hawkamah Corporate Governance Institute, a subsidiary of the Dubai International Financial Centre Authority, today announced the launch of a regional corporate governance survey as part of their combined efforts to improve standards within companies and banks across the Middle East and North Africa (MENA).

The survey is the first project devised by key players in the business community and regulatory entities and will help the region achieve higher standards of corporate governance. International consultants, IAAG Consultoría & Corporate Finance and PKF, will use their considerable corporate governance expertise to ensure the quality implementation of the survey. The Union of Arab Banks will also assist.

Dialogue between public authorities and the private sector is crucial for progress in this area, and ongoing discussions over the past three years have led to a proposed agenda for activity, which includes:

1. Regional corporate governance survey of companies
2. Regional corporate governance survey of banks
3. Development of National corporate governance codes
4. Corporate governance for Family Owned Enterprises
5. Corporate governance of State-Owned Enterprises
6. Raising awareness of corporate governance issues in the media and in universities

Dr. Nasser Saidi, Executive Director of Hawkamah Corporate Governance Institute, said:

“We believe that strong corporate governance is a key element of investor confidence and of sound financial markets. The region’s policy makers and the international financial community are well aware of the importance of implementing higher standards in the MENA region.

“As a result, we are pleased to introduce this survey, which will aim to develop a benchmark of the corporate governance of companies and banks in the region. Key areas we aim to focus on include: levels of commitment to corporate governance; board composition and responsibilities; shareholders rights, transparency and financial disclosure.”

Sebastian Molineus, IFC’s Corporate Governance Program Manager for the MENA region, added:

“The purpose of the survey is to determine the existing level of corporate governance practices among banks and companies across the region, to benchmark these practices against international reference points for good corporate governance and finally offer recommendations for reform. The survey is to serve as the intellectual foundation for both the private and public sectors to advance corporate governance reforms in the region.”

Eleven countries with operating stock exchanges across the MENA region will actively participate in the survey: Bahrain; Egypt; Jordan; Kuwait; Lebanon; Morocco; Oman; Saudi Arabia; Tunisia; UAE and the West Bank & Gaza.

Final results of the survey will be announced at the inaugural Hawkamah conference, *“Towards Sound & Efficient Financial Markets and Banking Systems”*, to be held in Dubai on 26-27 November, 2006.

Hawkamah signs MoU with Financial Services Volunteer Corps

To help improve market integrity, disclosure, transparency and reporting standards



Hawkamah, the Institute for Corporate Governance, has signed a Memorandum of Understanding with the US-based Financial Services Volunteer Corps (FSVC), a not-for-profit organization focused on building sound banking and financial systems in developing countries.

The MoU with Hawkamah, a subsidiary of Dubai International Financial Centre, aims to outline areas of cooperation in

promoting corporate sector and corporate governance reforms in the Middle East North African (MENA) region.

Founded in 1990, FSVC concentrates on strengthening commercial banking systems, developing central bank capabilities, and building capital markets. Other areas of work include structuring the legal framework for the financial systems, payments system development, pension reform, and combating money laundering and financial corruption.

FSVC structures practical, results-oriented technical assistance and training missions staffed by financial sector practitioners who serve as unpaid volunteers. Over the past fifteen years, more than 7,000 experts from the financial, legal and regulatory communities have taken part in more than 1,400 FSVC missions, reaching nearly 30,000 counterparts in 30 developing and transition countries.

One of the main objectives of the MoU is to help establish an Institute of Directors and promote the creation of Centralised Credit Registries and Companies Houses in the MENA region. The MoU will also focus on improving corporate governance practices of private and public sector entities, listed companies, banks, financial institutions, family and state owned enterprises.

Hawkamah and FSVC will work together to help develop national and regulatory frameworks for corporate governance in support of open and transparent financial markets.

His Excellency Dr Omar Bin Sulaiman, Governor of the DIFC commented: "This partnership with FSVC will help cement our objectives to grow investor confidence in the region and thereby help spur economic growth and diversification. FSVC has the reputation of attracting top financial practitioners who can offer technical assistance that is objective, independent and state-of-the-art. We look forward to a fruitful relationship."

"Effective corporate governance is a prerequisite for

prosperity and economic growth,” stated FSVC President and CEO J. Andrew Spindler. “For three years FSVC has worked extensively throughout the MENA region to support the efforts of reformers in the financial sector, and we have focused increasingly on the critical area of corporate governance practices. We are delighted now to be able to partner with an indigenous regional organization that possesses the vision of Hawkamah. Together we should be able to make great strides toward helping to build more effective corporate governance in the MENA region.”

Dr Nasser Saidi, Executive Director of Hawkamah, commented: “Institution building is one of the key objectives of Hawkamah. To enable the emerging markets to attract and hold capital, investor confidence is critical. With the establishment of the Central Credit Registries, Companies’ House and the Institute of Directors, we can help boost confidence in the region through risk management systems, efficiency and transparency. These are the components of sound governance practices which will help attract the international business community to trade and invest in the region.”

Hawkamah/IIF team in Bahrain assesses corporate governance developments

Senior officials from Hawkamah, the Institute for Corporate Governance and the Institute of International Finance (IIF) have held a series of high level meetings with senior officials from some of Bahrain’s major institutions yesterday. The meetings assessed current corporate governance practices

in Bahrain. Led by Dr Nasser Saidi, Executive Director of Hawkamah, a subsidiary of Dubai International Financial Centre, and Keith Savard, Director, Global Economic Analysis, Institute of International Finance, the team members met with officials from the Bahrain Monetary Authority, Ernst & Young, KPMG, Bahrain Chamber of Commerce and Industry and the Economic Development Board.

This visit to Bahrain follows similar meetings held in Qatar, UAE, and Kuwait earlier this month. The assessment meetings are a key component of the recently launched, first-ever corporate governance survey of the GCC countries by Hawkamah and IIF. The survey aims to encourage reform and improve corporate governance in the MENA region. It intends to offer practical guidelines for securities regulators, stock exchange authorities, boards of directors and companies' management to advance corporate governance in the region.

Dr Saidi said: "The MENA region is in the throes of diversification and modernization. Corporate sector reforms and implementation of international best practices will help spur economic growth, enhance transparency and disclosure and build sound financial markets and investor confidence. Hawkamah and the Institute of International Finance are working together to create a benchmark of corporate governance in the GCC countries. Bahrain is one of the older and mature markets in the region and we are here to assess its regulatory regime and help build on it."

Hawkamah and Institute of International Finance Launch

Corporate Governance Survey of GCC Countries

Hawkamah, the Institute for Corporate Governance, and the Institute of International Finance (IIF), a global association of financial institutions, today announced the launch of the first-ever corporate governance survey of the GCC countries.

Announced during the formal signing of a Memorandum of Understanding between Hawkamah and IIF, the survey will cover all of the GCC countries. The joint mission will meet with regulators, Central Bank authorities, and market practitioners and will produce a report to offer practical guidelines for securities regulators, stock exchange authorities, boards of directors and companies' management to advance corporate governance in the region.

The MoU with Hawkamah, a subsidiary of Dubai International Financial Centre, aims to propagate corporate sector reforms and improve corporate governance in the MENA region. It outlines four main objectives:

- Improve the corporate governance practices of private and public sector entities, including listed companies, banks and financial institutions, family-controlled enterprises (FCEs), small and medium enterprises (SMEs) and State-controlled enterprises (SCEs). This is aimed at improving their access to affordable credit and capital, increasing their decision-making capacity, operational efficiency and enhancing their reputation.
- Help develop corporate governance frameworks in accord with best practice for the public and the private sectors in order to promote open and transparent markets and a fair, rule-based and enforceable corporate governance regime.
- Co-operate on institution-building, a critical component of sound financial markets, in keeping with good

corporate governance practices.

- Cooperate on promoting corporate sector reform in the banking and financial industry in the MENA region and beyond.

Dr Omar Bin Sulaiman, Governor of DIFC, commented: “The Institute of International Finance is a respected association comprising financial institutions from around the world. The DIFC aims to promote regional co-operation and economic integration and, the IIF, with its immense experience, is the ideal partner with which we can achieve our objective.

“This MoU will be a major contributor to the improvement of corporate governance practices in the region. By promoting a higher standard of financial reporting, accounting and regulation, the corporate sector in the GCC can ensure sustained regional economic growth and the attraction of foreign direct investment and trade.

Dr Nasser Saidi, Executive Director of Hawkamah, commented: “One of the key objectives of Hawkamah is to facilitate institution building in the MENA region and implement sustainable Corporate Governance strategies. The corporate governance assessment mission with IIF will allow Hawkamah to create a benchmark on the corporate governance legal and regulatory framework in the GCC countries, and will signal to the world that the region is seriously looking at improving corporate governance as key to expanding and modernizing the Arab market.”

The Institute of International Finance is the world’s only global association of financial institutions with over 350 member organizations from over 60 countries. Members include most of the world’s largest commercial banks and investment banks, as well as a growing number of insurance companies and investment management firms. A number of multinational corporations, trading companies, export credit agencies, and multilateral agencies are associate members of the Institute.

Hawkamah signs MoU with Emirates Securities and Commodities Authority

First ever corporate governance framework for listed companies in the UAE to be developed

Hawkamah, the Institute for Corporate Governance in the region, and Emirates Securities and Commodities Authority (ESCA) have signed a groundbreaking memorandum of understanding (MoU) to develop the first ever corporate governance code for listed companies in the UAE. The MoU was signed by Abdulla Al Turaifi, CEO of ESCA and Dr Nasser Saidi, Executive Director of Hawkamah.

ESCA is the first capital market authority in the region which will develop and introduce corporate governance codes for listed companies consistent with international standards and best practice. The framework for the codes will include the principles of transparency, disclosure, protection of investors and shareholders rights, responsibilities of the board and the importance of independent directors as well as financial reporting in accordance with international accounting and auditing standards. Introducing and implementing good corporate governance principles and practice will contribute to building investor confidence in financial markets and listed companies.

The signing of the MOU aims to produce governance tools and procedures to develop sound practices where high performance will be achieved by companies in addition to credibility.

According to the respective interests and objectives of both parties, ESCA & Hawkamah- the institute for corporate governance can attain on integration mechanism through

adoption of governance codes and rules.

The three pivotal roles of the MOU are as follows:

1. Highlighting of public awareness as regards corporate governance in securities and commodities markets of UAE.
2. The exchange of information concerning corporate governance in such markets between the parties concerned.
3. Customizing training programmes to accommodate the relevant cadres in the markets, brokerage companies, and listed companies in the field of corporate governance applications.

On the heels of the MOU signing , His Excellency, Mr. Abdullah Al-Turifi commented; ESCA is pleased to cooperate and work with Hawkamah on developing corporate governance codes for companies listed in the capital markets in UAE . These codes will help build confidence in business organizations and its host economy and provide strong incentives for international trade and investment in both”

Moreover, he added that “signing of this MOU came into effect to combat current challenges met by both capital markets and regulating authorities. Furthermore, corporate governance is a complementary catalyst to the prevailing and existing regulations and legislations in compliance with international standards laid down by “IOSCO”. Such agreement will be a further tool to ensure justice and transparency in capital markets.”

Dr Omar Bin Sulaiman, Governor, Dubai International Financial Centre, commented: “This is a very significant move for the UAE and the region. Not only will the MoU help establish the first ever corporate governance code for capital markets in the UAE, but will also catalyse the need for reform in other regional markets.

“This MoU is also very significant for the DIFC because it marks a major step forward in achieving our key objective – working towards regional development and economic

diversification and growth. The best way to achieve this growth and diversification is through improving the performance and health of our corporations. It is achievable only by implementing sound governance practices.”

Dr Saidi commented: “This signing is in line with the objective of developing robust capital markets in the UAE so they can play their full role in building the UAE economy and attracting investment on a sustainable basis. This is also the first step towards bridging the corporate governance gap between international and regional capital markets and moving towards economic and financial integration through the alignment and harmonization of corporate governance standards.”

Good governance key to regional growth and economic prosperity

The DIFC today hosted an audience of bank CEOs, senior bank managers, members of the Abu Dhabi Chambers of Commerce, business consultants and lawyers, who met to discuss good corporate governance with Hawkamah, the Institute for Corporate Governance, a subsidiary of the DIFC .

The audience was told that companies operating under effective governance regimes perform better, are valued more highly in the market, have a lower cost of capital and a lower risk profile than those that do not.

The event was held to promote and highlight the ongoing efforts of Hawkamah in promoting good corporate governance within the region and the DIFC, and was held at the Gate building in Dubai.

Good corporate governance can help to mitigate against excessive volatility in capital markets, such as has been witnessed in the region recently: From the end of 2005 to April 2006, Gulf investors saw the value of their holdings fall by over \$200 billion.

Dr Nasser Saidi, Executive Director of Hawkamah, commented: "In order to achieve sustainable growth of the regional markets and financial sector the implementation of good corporate governance is an essential element. Various regulators are developing and some have implemented corporate governance frameworks for companies. We, at Hawkamah, the Institute for Corporate Governance, aim to assist the countries and companies of the region to develop and implement globally sound and well-integrated corporate governance frameworks."

Hawkamah is the first organisation of its kind in the Middle East. It provides technical assistance, monitoring, analysis, research and consultation for regional institutions. Hawkamah also helps to promote awareness of corporate governance by working with regional taskforces, promoting policy dialogue and acting as an intermediary for corporates seeking to bring their governance in-line with international standards.

Hawkamah has identified a number of priorities in the UAE and the GCC region.

Corporate governance standards in the region's domestic capital markets need to improve to ensure continued growth and to attract investors. The financial sector will play a key role in raising these standards. Likewise, improved legal frameworks are required to ensure the transparency of listed companies and to protect shareholder and creditor funds. Further investment is also required in domestic institutions such as the UAE National Corporate Governance Taskforce.

Hawkamah – The Institute for Corporate Governance was set up earlier this year by a group of international institutions, including the Dubai International Financial Centre (DIFC), Organisation for Economic Cooperation and Development (OECD), International Finance Corporation (IFC), Centre for

International Private Enterprise (CIPE), Young Arab Leaders (YAL), Dubai School of Government (DSG), Institute of Management Development (IMD), UAE Ministry of Finance and Industry, and the Union of Arab Banks (UAB). It is an autonomous association covering the Middle East, North Africa and Central Asia.

Hawkamah signs MoU with Egyptian Banking Institute

A stepping stone towards integrating governance standards in the region

Hawkamah, the Institute for Corporate Governance, a subsidiary of the Dubai International Financial Centre Authority signed a memorandum of understanding (MoU) with the Egyptian Banking Institute, an independent entity founded by the Central Bank of Egypt and a national non-profit organisation dedicated to the advancement of the Egyptian banking sector, with an extensive network of 46 member banks.

Dr Omar Bin Sulaiman, Director General of Dubai International Financial Centre Authority, commented: "The signing of the MoU is a very significant development for Hawkamah. One of the key objectives of the DIFC is regional economic development and diversification. This can be achieved only by improving the performance and health of our corporations which is dependant on sound governance practices. This MoU is a stepping stone towards achieving our goal of integrating governance standards in the region within globally agreed frameworks."

The MoU outlines areas of co-operation between Hawkamah and the Institute in promoting corporate sector and corporate governance reforms. The objectives of MoU are:

- To improve corporate governance practices of public and private sector entities in Egypt, with a focus on the banking and financial sector.
- Help develop modern regulatory frameworks with respect to bank and financial corporate governance, keeping in line with international best practices.
- Help develop national legal and regulatory framework for best financial reporting standards in the banking and corporate sector.
- Promote the creation of Companies Houses in Egypt and the MENA region with the aim of improving market integrity, transparency, efficiency and reporting in accordance with best international practices and standards.

Dr. Hala El Said, Executive Director, Egyptian Banking Institute commented “Corporate governance is not merely about enacting legislation. It is about establishing a climate of trust and confidence. Strengthening corporate governance is fundamentally a process in which the government, the private sector and the public have to join hands.”

Dr Nasser Saidi, Director of Hawkamah, the Institute for Corporate Governance, commented: “Hawkamah was launched earlier this year to promote corporate sector reform and good governance and assist the countries and companies of the region in developing and implementing sustainable Corporate Governance strategies. Hawkamah is about institution building. The aim is to facilitate economic and financial integration of the region with the rest of the world. We share a common interest here with the Egyptian Banking Institute in promoting good corporate governance principles and practice in the banking and financial sector. This is a first step towards developing a sound and globally well integrated corporate governance frameworks and practices for the banking and financial sector, companies and organisations in the MENA

region.”

Hawkamah – The Institute for Corporate Governance established by DIFC and International Organisations



HAWKAMAH
THE INSTITUTE FOR CORPORATE GOVERNANCE

The establishment of Hawkamah – the first Institute for Corporate Governance in the region, was announced today. Hawkamah – The Institute for Corporate Governance is being set up by a group of international institutions, including the Dubai International Financial Centre (DIFC), Organisation for Economic Cooperation and Development (OECD), UAE Ministry of Finance and Industry, Centre for International Private Enterprise (CIPE), International Finance Corporation (IFC), the Union of Arab Banks (UAB), Dubai School of Government (DSG), Young Arab Leaders (YAL), and the Institute of Management Development (IMD).

Hawkamah aims to promote corporate sector reform and good governance, assist the countries of the region in developing and implementing sustainable Corporate Governance strategies, with the aim of facilitating the economic and financial integration of the region with the rest of the world.

Corporate Governance codes and standards will be adapted to

national requirements and objectives, and will foster regional co-operation which in turn will facilitate exchange of knowledge and allow countries to learn from successful experiences.

Dr Omar Bin Sulaiman, Director General of DIFC Authority, commented: "The establishment of Hawkamah – The Institute for Corporate Governance in the DIFC is a matter of immense pride for us all. It is our key objective to work towards regional development and diversification. This is a major step forward towards achieving this goal.

"Optimizing the performance and health of corporations and their contribution to their economies and societies in today's global business environment is dependent on implementing sound governance practices. Laws, regulations and standards, institutions, and enforcement mechanisms are the core constituents of a robust corporate governance system. It helps build confidence in a business organisation and its host economy and provides strong incentives for international trade and investment in both."

The mission of Hawkamah is to assist countries of the region in developing sound and globally well integrated corporate governance frameworks. It will facilitate efficient coordination and the designing, planning and implementation of corporate governance reforms. It will also provide assessment of the outcome of the corporate governance policies at the private sector level.

Hawkamah will target key sectors such as the capital markets and regulatory authorities; banks, funds and financial institutions; private sector enterprise which include family owned business, small and medium enterprise; public sector; and the media for raising awareness of corporate governance.

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