

# **Hawkamah, The Institute for Corporate Governance**

*...an autonomous international association promoting corporate  
governance in the Middle East North Africa, Central Asia and  
beyond*

## **Hawkamah-UAB Bank Corporate Governance Award**

**Bankers Lunch**

**Dubai International Financial Centre**

**October 31, 2007**

**Dr. Nasser Saidi  
Executive Director**

# Agenda

- Business Case for Bank Corporate Governance
- Focused Efforts to Address CG of the Banking Sector
  - Hawkamah and OECD Regional Task Force on Corporate Governance of Banks
  - Hawkamah-UAB Bank CG Award
- Update on Hawkamah Institute of Corporate Governance

# Why Bank CG?

- CG for Banking Organisations is arguably of **greater importance** than for other companies, given **the crucial financial intermediation role** of banks in **economy...and...is essential** to achieving and maintaining **public trust** and **confidence** in the banking system.” *The Basel Committee*
- Integral part of risk management
- Basel Committee on Banking Supervision (BCBS) has issued Guidance on Enhancing CG for Banks

# Hawkamah's Agenda: Focused Efforts to Address CG of the Banking System

1. Central Bank and Bank Supervisors
2. Banking sector and Financial Institutions
3. Non-Bank corporate sector
4. Shari'a compliant Financial Institutions

# Regional Task Force on Banks

- With the OECD, established a regional Task force on the CG of Banks
- Have developed a Draft Policy Brief on CG of Banks addressing the challenges faced by MENA Banks to include:
  - The roles, functions and responsibilities of the board
  - The composition of the Board and Board Committees
  - Sound risk management, internal controls and the audit process
  - Managing conflicts of interest
  - The prevention of abusive related party transactions
  - Banks that are members of a financial or partly non-financial group
  - Transparency, disclosure and reporting to supervisors
- Task Force Meeting in Doha, Qatar on November 6<sup>th</sup> to discuss draft Policy Brief

# Hawkamah-UAB Bank Corporate Governance Award



- Key partnership with the Union of Arab Banks, for regional reach: all Arab banks
- Award aims to highlight good corporate governance practices in region's banks
- Attracted close to 40 bank participants from 12 countries for a self-assessment and benchmarking exercise
- Awarding on November 7 in Doha
- Supported by MasterCard International

# Hawkamah-UAB Bank Corporate Governance Award

## ***SELECTION CRITERIA***

- Commitment to Good Corporate Governance Practices
- Structure and Functioning of Board of Directors
- Control Environment (Control Processes, Internal and External Audit)
- Transparency and Disclosure
- Treatment of Minority Shareholders

## ***JURY***

Ambassador John Bohn, Chair of GlobalNet Venture Partners  
Mr. Charles Freeland, formerly Deputy Secretary General of BIS  
Mr. Michael Stevenson (Senior Partner, PwC)

# Hawkamah, the Institute for Corporate Governance

**MISSION:** Assists the countries and companies of the region to develop and implement sound and globally well integrated corporate governance frameworks.

**VISION:** Drives institution building, corporate sector reform, good governance, and sustainable economic development and growth in the region.



# Accomplishments To Date

- Hawkamah has set up the following CG Task Forces at the Regional Level with its International Partners:
  - Banks
  - State Owned Enterprises
  - Insurance
  - Insolvency and Creditor Rights
- Undertook benchmark survey of CG in the GCC countries with the IIF

# Accomplishments To Date

- Hawkamah has set up National CG Task Forces for Lebanon, Egypt, Morocco, Jordan, Bahrain and is in the process of setting one up for the UAE
- Hawkamah in partnership with Zawya- Dow Jones recently conducted a 2 day 'Corporate Governance Revealed Economic Journalism Program' for journalists in Dubai and Amman. This program focuses on educating journalists on concepts like corporate governance, transparency, and accountability to further enhance the quality of economic/financial reporting in the Arab world.

# Accomplishments To Date

- Conducted jointly with the IFC a CEO survey of over 400 firms from all over the Middle East and North Africa on the regional private sector's CG practices and perspectives
- Partnered with a capital market regulator in the Gulf to develop a corporate governance law and established a model for capital market corporate governance codes.
- Participated in the development of the 1st CG code for State Owned Enterprises in Egypt, the first such code of its kind in the Arab world.
- Working with family businesses firms and listed companies to develop codes of corporate governance based on international best practices.

# Hawkamah Institute of Directors

- ❑ Mission is to develop and train effective, knowledgeable and competent directors for MENA region
- ❑ Build capacity and strengthen institutions
- ❑ Membership organization
- ❑ Open to private and public sector companies, family businesses, entrepreneurs of start-up companies and people responsible for the strategic direction of a business organization
- ❑ Services offered include:
  - ❑ Training and certification programs
  - ❑ Executive coaching
  - ❑ Workshops, seminars and conferences
  - ❑ Financial planning and advisory services

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## ➤ Hawkamah, the Institute for Corporate Governance

Hawkamah, the Institute for Corporate Governance, constitutes a groundbreaking development for institution building, corporate sector reform, good governance, financial market development, investment and growth in the region.

Hawkamah was created for the region, by the region, and of the region to advance corporate governance reform.

What is Corporate Governance?

### Events

- ▶ **22-23 October**  
 Director Development Workshop  
 An Introduction to Board and Corporate Governance  
 Dubai, UAE
- ▶ **24-25 October**  
 Director Development Workshop  
 Practical Tools for Strategic Guidance and Managerial Oversight  
 Dubai, UAE
- ▶ **06 November**  
 OECD-MENA Working Group 5 Bank Corporate Governance Task Force Meeting  
 Doha, Qatar
- ▶ **07 November**

## ➤ Media Centre

### 26 September 2007

Get Updates on Hawkamah's Activities: Hawkamah's Newsletter

[read more...](#)

### 06 September 2007

Corporate Governance Revealed: Hawkamah & Zawya Dow Jones Announces Corporate Governance Training Day for UAE Business Journalists

[read more...](#)

### 08 August 2007

PricewaterhouseCoopers signs sponsorship agreement with Hawkamah to promote Corporate Governance in the MENA region

[read more...](#)

### 03 July 2007

Hawkamah and UAB

***Join us in  
BUILDING INSTITUTIONS  
FOR THE REGION***

**[www.hawkamah.org](http://www.hawkamah.org)**

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