

## In this Issue

Recent events ...

Did You Know?  
Corporate Governance Trends In  
Sultanate of Oman?

Recommended Reading  
Corporate Governance in the  
Middle East & North Africa  
(MENA)

Other reading reference

Planned Events

Contact Details

Mudara IOD welcomes its new members, and looks forward to working with them in advancing corporate governance and directorship in the region.

Board Members and Senior Directors are invited to apply for membership of Mudara IOD.

Mudara IOD serves the entire Middle East and Mena region.

*Welcome to the fifth issue of your Newsletter.*

## Recent events .....

### Mudara IOD's Power Breakfast Meeting

#### Daniel L. Doctoroff, President of Bloomberg Speaks



*"Transformational Times Demand Transformational Governance," He Tells an audience of Directors, CEOs and other Businesses Leaders*

Daniel L. Doctoroff, president of Bloomberg L.P., the leading global provider of financial data, analytics and news, delivered the keynote address at a power breakfast meeting organised by the Mudara Institute of Directors (Mudara IOD) at the Dubai International Financial Centre (DIFC).

In a speech titled 'Transformational Governance: Lessons on Leading from the Top in New York City and Bloomberg', Doctoroff, former Deputy Mayor for Economic Development and Rebuilding for the City of New York, discussed ways of surviving the current global economic crisis.

William Foster, Executive Director of Mudara IOD said: "As part of creating opportunities for corporate leaders from the region to learn from leading global business personalities, we were delighted to host Daniel L. Doctoroff at our power breakfast meeting. As an inspirational leader who helped Mayor Bloomberg to guide New York's resurgence after the 9/11 attacks, Doctoroff has become a role model and a source of inspiration for corporate and government leaders across the world. Mudara IOD is keen to facilitate new learning and knowledge sharing opportunities for directors, board leaders, CEOs and corporate leaders in the region. Yesterday's power breakfast meeting is part of a series of events that we are organising to achieve this objective."

The main message of Doctoroff's speech was that "transformational times require transformational governance." However

he also spoke extensively on Dubai's economic outlook in the face of the global economic crisis.

"This region is less impacted than say the United States or Europe. It also has a high surplus of liquidity and oil. All these factors give it a higher probability for fast recovery than Western markets," he added. Doctoroff also pointed to the similarities between New York City and Dubai. "The New Yorker spirit is famed throughout the world and so is the Dubai spirit. Both characterise an unwillingness to give up in face of seemingly insurmountable odds. Both symbolise the creativity of dreaming the impossible and the diligence that goes into achieving that vision."

As Deputy Mayor for Economic Development and Rebuilding for the City of New York, Doctoroff helped to lead one of the city's most dramatic economic resurgences. He spearheaded the effort to reverse New York's fiscal crisis after the attacks of 9/11 through a five-borough economic development strategy. The plan included the most ambitious land-use transformation in the city's modern history; the largest affordable housing programme ever launched by an American city; the formation of new Central Business Districts and Industrial Business Zones; and the creation of new, great destinations like the Harbor District.

Mudara IOD is a professional membership organisation serving board members, directors and governance professionals in the Middle East and North Africa (MENA) region. One of our key objectives is to provide the knowledge, expertise and support necessary for enhancing corporate directorship and board leadership in the region. Through its regional membership network, Mudara IOD also offers a forum for board members and directors across the region to exchange ideas and experiences on best board standards and practices.



## More events

Since the last Newsletter, the Executive Director and the team provided the following presentations or participated in the following events around the region to introduce Mudara IOD and promote professional directorship:

### **April 19, 2009**

"Developing Corporate Governance and Effective Boards" at the "DIFC Outreach Program 1: Synergies and Untapped Opportunities" at the Knowledge Village Conference Center, Dubai.

### **April 27, 2009**

Chairing the day's programme at the 'Dubai Chambers: Dubai Responsible Business Dialogue 2009 – CEO's Speak on What "Responsible Business" Means Today', Dubai

### **April 27-28, 2009**

Participation in a panel discussion at the Ethics, Governance & Corporate Compliance Gulf Summit 2009: The topic was "Roles and Responsibilities in Corporate Governance & Preventing Financial Leakage & Fraud", at the Shangri-la, Dubai.

### **May 4 – 6, 2009**

Speaker at the 2 day workshop organized by IFC & GCGF "Building Sustainable Director Training Organisations" Topic : Developing & Marketing Your Training Programs (Director Training Certification), in Cairo, Egypt.

### **May 5, 2009**

Participated in the DIFC Road Show held in Saudi Arabia.

### **May 19, 2009**

Mudara IOD Power Breakfast "Transformational Governance: Lessons on Leading from the Top in NYC and Bloomberg" in association with Capital Club, held in Dubai, UAE.

### **May 25 – 28, 2009**

Introduction to the Director Development Programme Workshops: Topics: 'Introduction to Corporate Governance' and 'The Board' at DIFC (CoE), Dubai, UAE.

### **June 8, 2009**

"Directorship Skills Growth & Development of Board Leadership" a tailored workshop held in Doha, Qatar.

### **June 11-12, 2009**

"Corporate Governance Workshop for Private Equity Directors" a tailored workshop held Dubai, UAE.

### **June 16, 2009**

Mudara IOD Power Break fast "Regulatory and Commercial Implications of Outcomes from the Crisis" in association with Capital Club, Dubai, UAE.

### **June 24, 2009**

Speaker at a Seminar "The Role of the Board in Compliance and an Introduction to Mudara IOD" organized by DLA Piper Legal Series: 24 June 2009, held in Dubai, UAE.

**For future events, please view our planned events or visit our website [www.mudara.org](http://www.mudara.org)**

## Corporate Governance Trends In Sultanate of Oman?

*By Hamid Sultan Al-Busaidi, Director of Compliance & Corporate Governance, Capital Market Authority (CMA), Sultanate of Oman*

On corporate governance, the Sultanate of Oman has been at the forefront of developments through the Middle East region. Oman was the first country in the Gulf Cooperation Council (GCC) countries to develop and adopt a code of corporate governance in 2002, which was issued by Capital Market Authority (CMA) for companies listed in the Muscat Securities Market (MSM) and mutual funds organised as public companies as part of its reform efforts to develop capital markets. The implementation of the code has already elicited positive benefits. In 2008, Oman was ranked first in the Comparative Survey of Corporate Governance in the GCC that was undertaken by the Hawkamah Institute for Corporate Governance, Dubai International Finance Center, and the Institute of International Finance (IIF).

The Code of Corporate Governance (CCG) was an important first step to set a framework for improving corporate governance practices in Oman. The CCG was issued as part of reforms after the collapse of stock market in Oman in 1997 - 98 to ensure that the corporate governance structure of listed public companies in Oman provides sound basis for efficient functioning to enhance equitable treatment to all stakeholders and to maximize the value creation accruing to shareholders. The purpose of the CCG was to promote a culture of compliance, transparency and accountability without restraining the business initiatives.

Since the CCG took effect in January 2004, we can see that it has had a positive and tangible impact on improving good corporate governance practices. Improvements in corporate culture, awareness, and compliance can be found in a number of areas, as listed in following examples, by almost all companies, which introduced separate CG Reports covering areas specified by the CCG and Auditors Reports on the CG Reports in their Annual Reports:

- Disclosure of quarterly and yearly financial statements in a timely fashion
- Inclusion of separate section on corporate governance practices in annual reports
- Improvement in the composition of non-executive directors in boards
- Separation of roles of Chief Executive Officers / General Managers and Chairmen
- Increase in the number of independent directors in boards
- Improved regularity in the number of board meetings held in each year
- Establishment of audit committees and how they function
- Implementation of a rotation system for external auditors
- Establishment of clear rules for related party transactions

..... contd on page 3....

..... contd from page 2....

Even after the code was implemented, the job was far from finished and the CMA continued to work on other initiatives to improve corporate practices. In 2007, a separate Department of Corporate Governance was established in the CMA to review the CCG, its practice and related areas. In order to broaden the effort and include more stakeholders, the National Corporate Governance Committee (NCGC) was formed recently and it is evaluating the current situation and exploring ways to strengthen the implementation of the principles and practices of corporate governance. Furthermore the NCGC has a role to review and recommend CG framework for State-owned enterprises, Family-owned businesses and others like pension funds.

Strengthening corporate governance is a constant and evolving process. To achieve this, the CMA realized that specialized education and training was needed. A Director Development Programme workshop was organised in Year 2008 for members of boards of directors and top executive management, which will continue on annual basis. 25 people participated in the programme and they were satisfied and very appreciative. Some quotes from the participants are:

CEO, Oman Telecommunications Company: We need such useful programmes to educate and increase the awareness of board members on their duties and responsibilities.

CEO, Transgulf Investment Holding Company: The programme explained the relationship between all stakeholders in companies. This is the importance of such programmes, which will help in improving the performance of companies.

Oman continues to emphasize the need for strong corporate governance practices in order to stimulate the growth and development of the economy. Moving forward, the CMA has a number of new initiatives to continue promoting the application of best practices. They will establish a corporate governance scoring system to rate listed companies regulated by the CMA based on levels of compliance in areas of the CCG. Once the scoring system is in place, they will launch an award program to recognize the top companies in corporate governance. In order to reach beyond companies not regulated by the CMA, we will begin to create separate codes of corporate governance for family-owned business entities and others not covered by the CMA regulations as voluntary models of best practices.

Oman's economy is a dynamic and growing one, even in the midst of the current economic crisis. Oman is more resilient due to its more responsive government, good reserves, budget surplus, oil revenues, diversification of economy towards non-energy sources and emphasis on private sector development. In order to ensure that this growth continues, we must create a framework so that risk is managed properly, that owners and managers act in the best interest of the company, and that stakeholders are treated fairly. Corporate governance is at the heart of these issues, and our future success will rest on our ability to embrace a culture of transparency and accountability.

***The views expressed in this article are personal views of the author and do not necessarily represent the views of the CMA, Sultanate of Oman.***

## Recommended Reading for Directors

*Book review*

### Foreword

*Dr. Nasser Saidi  
Chief Economist, Dubai International Financial Centre & Executive Director, Hawkamah, the Institute for Corporate Governance*

*In this timely book, Chris Pierce, who has been closely associated with Hawkamah in building corporate governance capacity in the region, shares his extensive experience within the region and brings together a standard view of the current state of Corporate Governance across the MENA countries.*

### Review

*"This new book provides a unique insight into the corporate governance practices in the MENA region. In terms of corporate governance, MENA is one of the fastest developing regions in the world, containing many of the sovereign wealth funds and Islamic financial institutions. Islamic corporate governance practices are not widely understood. This book will be of particular interest to executives that are involved in this fast developing region."*

**Bernard Taylor, Emeritus Professor of Strategic Management, Henley Management College.**

### Contents

**C**ountry-by-country analysis of Corporate Governance in practice' – Corporate Governance in the Middle East & North Africa (MENA).

The book describes the corporate governance context, systems and organizations in each and every country in the MENA region. It is the first time that this information has been consolidated in one book.

Traditionally the region has been viewed as lacking in corporate governance practices. However, the MENA region has recently become fastest changing corporate governance environment in the world.

Recent significant initiatives, since the first Code of Corporate Governance was launched in the region in Oman in 2002, and initiated in regions such as Egypt, Lebanon, Morocco, Oman, Saudi Arabia and the UAE, include the Dubai Declaration of Corporate Governance (published in 2006) and the founding of leading corporate governance organizations - the Egyptian IOD in Cairo, Hawkamah & Mudara IOD in Dubai and LCGTF in Beirut).

The authoritative guide looks at the development of corporate governance in the Middle East and North Africa region. 19 countries in the region are assessed under 17 key criteria including regulatory framework, corporate structure, ownership, boards, disclosure and accountability, shareholder rights, stakeholder relations, director's duties and environmental and social responsibility. It aims to support and inform any company or organisation engaged in investment and business development in this rapidly developing region.

Chris Pierce, the author, is a CEO of Global Governance Services Ltd and holds a number of board appointments in the UK and overseas. He is also a Research Fellow of Cranfield Business School, a Fellow of the Caux Round Table and an Executive Fellow of Henley Management College. He was formerly Director of Professional Standards and Professional Development at the Institute of Directors (UK). He shares his extensive experience within the region and brings together a standard view of the current state of Corporate Governance across the MENA countries.

.....contd on page 4.....

.... contd from page 3...

**Who is this book for?**

It is written for those who are interested in corporate governance in the MENA region including : national policy makers, institutional and private investors, company directors, business professionals, members of Institute of Directors (IoDs), Corporate Governance Associations (CGAs) and other associated membership bodies; for studies who are studying newly created CG modules on university and professional programmes .

**Part 1 : The MENA Region:**

- Regional Corporate Governance Developments
- Islamic Financial Institutions
- The Governance of SOEs and SWFs in the MENA Region
- The Governance of Banks in the MENA Region
- The Governance of SMEs and Family Businesses in the MENA Region

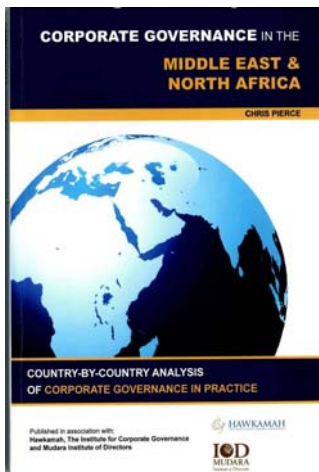
**PART 2: Country Assessments**

Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates West Bank and Gaza, Yemen

*You can purchase this book online from GMB Publishing Ltd or Mudara Institute of Directors. A CIP record for this book is available from the British Library.*

*The book is published in association with Hawkamah, The Institute for Corporate Governance and Mudara Institute of Directors.*

*Corporate Governance in the Middle East and North Africa- Chris Pierce. Published by GMB Publishing Ltd. (www.globalmarketbriefing.com) ISBN -13 978-1-84673-080-1 367pp*



**Other reading publications/ handbooks/ reports**

IFC Family Business Governance Handbook:

Available in English, Spanish, French, Portuguese, Albanian, Macedonian, and Arabic languages

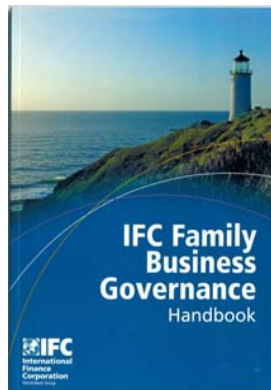
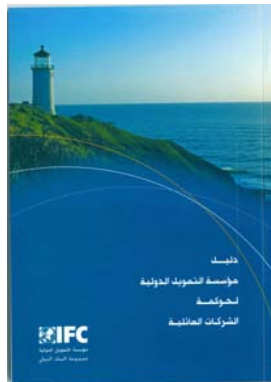
You can visit our website [www.mudara.org](http://www.mudara.org)  
Downloadable on:  
[http://www.mudara.org/services/research/reports/files/English\\_Family\\_Business\\_Financial\\_2008.pdf](http://www.mudara.org/services/research/reports/files/English_Family_Business_Financial_2008.pdf)

Or

To receive a **FREE** copy of the report, email [info@mudara.org](mailto:info@mudara.org)

Copyright: International Finance Corporation  
USA  
62-66pp

A Members of the World Bank Group



**Planned Events**

**Introduction to Corporate Governance**

26 – 27 October, Dubai  
November, Bahrain (TBC)

**The Board**

28 – 29 October, Dubai  
November, Bahrain (TBC)

**Strategic Leadership**

9 –10 November, Dubai

**Financial Stewardship, Accountability & Leading, Planning Improvement**

11 –12 November, Dubai

**Other Events:**

Mudara IOD Power Breakfast: Every Month, 2nd Tuesday

For more information on Mudara IOD please visit

<http://www.mudara.org>

For membership details, please email

[membership@mudara.org](mailto:membership@mudara.org)

For registration details on the programmes & workshops, please email

[profdev@mudara.org](mailto:profdev@mudara.org)

**Contact Details**

Mudara Institute of Directors  
Gate Village 02, Level 01  
P.O. Box 74777, Dubai, UAE

Tel. +971.4.362.2662

Fax. +971.4.362.2475

Toll-free 800 IOD (463)

Email [info@mudara.org](mailto:info@mudara.org)