

Towards Sound and Efficient Financial Markets and Banking Systems

Corporate Governance in the Middle East and North Africa

November 26-27, 2006

Dubai, UAE

Hosted by:

Hawkamah Institute for Corporate Governance

Supported by:

MENA OECD Working Group on Corporate Governance

International Finance Corporation

Global Corporate Governance Forum

Center for International Private Enterprise

Union of Arab Banks

ISACA-UAE

INSOL

Institute for International Finance

Egyptian Banking Institute

Egyptian Institute of Directors

Financial Services Volunteer Corps

November 26, 2006

8:00 – 8:30 Registration and Coffee

8:30 – 9:30 **Institutions and Corporate Governance**

Host: **Dr. Nasser Saidi, Hawkamah Institute for Corporate Governance**

Opening Address:

HE Dr. Omar bin Sulaiman, Governor, Dubai International Financial Centre

Keynote Speakers:

Mr. Richard Hecklinger, Deputy Secretary General, OECD

Mr. Michael Essex, Director, Middle East and North Africa, IFC

Mr. Eugene Spiro, Senior Program Officer, Center for International Private Enterprise

Mr. Sijmen de Ranitz, President, INSOL International

Ms. Marie Laurence Guy, Projects Officer, Global Corporate Governance Forum

9:30 – 10:30 **Session I: Hawkamah-IFC MENA CG Survey Results**

Building on the results of the regional Hawkamah – IFC Survey on Firm-level Corporate Governance, this session will provide a “reality check” on corporate governance practices and frameworks in the region. The panel and ensuing general discussions will allow representatives of the public and private sector to provide their perspective on the survey conclusions and initiate the discussions on next steps in reforming corporate governance in the region.

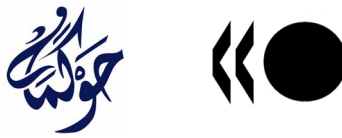
Keynote: ***Dr. Nasser Saidi, Hawkamah Institute for Corporate Governance***

Panel:

Mr. Sebastian Molineus, Program Manager, IFC

Mr. Alaa Amer, Vice Chairman, Egyptian Capital Market Authority

Mr. Mohamed Omar Abdullah, Director General, Abu Dhabi Chamber of Commerce



Issues for discussion: What are the main findings of the survey? What is the underlying methodology and how does it impact on the interpretation of these results? What corporate governance issues constitute a challenge for MENA countries? What are the policy options in order to address these challenges? How can the private sector react in order to bring about tangible improvements? What are the main incentives for action?

10:30 – 11:00 Coffee Break

11:00-12:30 **Session II: Key Issues in Bank Corporate Governance**

Banks play a dominant role in financing MENA corporations. Banks offer a key constituency for corporate governance reforms in the region also in light of the implementation of money laundering legislation and of the Basel II international framework for bank capital adequacy, which explicitly recognises the importance of sound corporate governance. This session will highlight the corporate governance issues which affect banks, and the international guidance on sound practices. Participants will also discuss the importance of the underlying institutional and regulatory frameworks and will examine some regional trends.

Keynote: Charles Freeland, Deputy Secretary General, BIS, The Basel Committee Guidance for Enhanced Corporate Governance of Banking Organisations, Session Chair

Panel:

***HE Mohammed Ali Bin Zayed, Deputy Governor, Central Bank of UAE
Mr. Robert Dinnerstein, Former General Counsel, UBS Warburg/FSVC
Dr. Fouad Shaker, Secretary General, Union of Arab Banks***

Issues for discussion: What is the rationale behind issuing specific guidance on corporate governance of banks? Why is a focus on corporate governance of banks important in the MENA? What is the ownership structure of MENA banks? What are the new initiatives underway in improving corporate governance of banks in the region? Are MENA supervisory agencies independent and adequately empowered to perform their duties? Are foreign banks seen as vehicles for spreading good corporate governance practices?

12:30 – 14:00 **Lunch**

Keynote speech: International Development and Trends in Corporate Governance and How they Relate to MENA Countries

Speakers:

***Ms. Anne Simpson, Executive Director, International Corporate Governance Network (ICGN)
Mr. Andre Baladi, International Advisory Board Member, EuroNext***

14:00 – 15:30 **Session III: Moving MENA Corporate Governance Issues Forward**

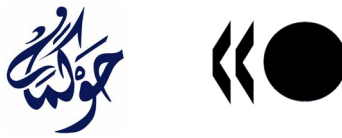
Break-Out session I: State Owned Enterprises

State-Owned Enterprises (SOEs) in the MENA represent a significant part of GDP and employment, especially in utilities and infrastructure. This session will focus on the international experience with SOE governance, identify regional trends and key policy issues to advance corporate governance of SOEs in the region.

Keynote: Mr. Stilpon Nestor, Principal, Nestor Advisors; Board of Governors, ICGN

Panel:

***Dr. Tarik Youssef, Dubai School of Government, Session Chair
Ms. Mathilde Mesnard, Economist, OECD***



Dr. Ashraf Gamal, Executive Director, Egyptian Institute of Directors
Mr. Abdesselam Abouddrar, Secretary General, Caisse de Dépôt et de Gestion, Morocco
Mr. Morten Kallevig, Deputy Director General, Ministry of Trade and Industry, Norway

Issues for discussion: What are the specific difficulties in terms of corporate governance of SOEs? What are the expected positive outcomes of sound CG of SOEs? What are the recent trends of OECD member country reforms of SOE corporate governance and how are they reflected in the OECD Guidelines on corporate governance of SOEs? What lessons can be drawn of relevance for the MENA? What is the experience with recent reforms of SOE governance in the region? What specific issues arise in the oil and gas sectors?

Break-Out Session II: Non Listed Companies and Family-Owned Enterprises

The majority of the businesses in the region are family-owned. This session will look at the experiences of family-owned enterprises in emerging markets. Participants will also examine the unique issues facing family businesses in the MENA region and advance strategies for corporate governance reforms.

Keynote: **Mr. Fadi Ghandour, Managing Director, Aramex**

Panel:

Mr. Sandy Shipton, Dubai International Financial Centre, Session Chair
Mr. Walid S. Chiniara, Al Tamimi & Company
Eng. Sobhi Batterjee, Founder and Head, Saudi German Hospital.
Mr. Hameed Yousif Rahma, Asst. Undersecretary for Domestic Trade, Bahraini Ministry of Industry and Commerce
Ms. Nada Abu Samra, Lebanese Corporate Governance Task Force

Issues for discussion: What are the corporate governance challenges and opportunities in family-owned businesses? What is the profile of family-owned companies in the MENA? What are the most important issues to address in order to improve corporate governance of family-owned enterprises in the region? What corporate governance conclusions can be drawn from the experience of MENA companies seeking access to outside capital?

15:30 – 16:00 Break

16:00 – 17:30 **Session IV (continued): Moving MENA Corporate Governance Issues Forward**

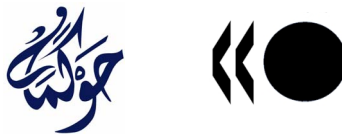
Break-Out session III: Listed Companies

This session will discuss the corporate governance of listed companies in the MENA. Some stock exchanges in the region have shown considerable growth in recent years. This development underlines the urgency of corporate governance reforms, which are critical for the sustainability of capital market growth. This session will focus on regional trends and discuss key issues facing regulators, exchanges and listed companies as the region's markets continue to develop.

Keynote: **Mr. David Brown, former Chair of the IOSCO Technical Committee and of the Ontario Securities Commission**

Panel:

Mr. Keith Savard, Director, Global Economic Analysis, Institute for International Finance
Mr. Maged Shawky, Chairman, Cairo Alexandria Stock Exchange
Mr. Bassam Asfour, Commissioner, Jordan Securities Commission
Ms. Amra Balic, Director of Governance Services, Standard and Poors
Ms. Marie Laurence Guy, Projects Officer, Global Corporate Governance Forum



Issues for discussion: What are the main lessons from the IOSCO experience with emerging markets? What approaches to regulatory capacity building could be relevant for the MENA efforts in ensuring compliance and enforcement? What are the main challenges in improving CG of listed companies in the Gulf Cooperation Council (GCC)? Are there common issues and recommendations, which can be distilled from the GCC experience for the MENA region? What recent initiatives stock exchanges in other parts of the MENA have undertaken to improve corporate governance in listed companies? What is the role of company ratings in this respect?

Break-Out Session IV: Insolvency and Corporate Governance

Stakeholders, such as creditors, play an important role in the MENA corporate governance landscape. This session will discuss the interface between insolvency systems and corporate governance. Discussions will also focus on the broader aspects of effective insolvency and creditor rights systems, and their importance for ensuring the stability of financial systems, instilling public confidence in the corporate sector and promoting sustainable growth.

Keynote: Mr. Mahesh Uttamchandani, World Bank, Senior Counsel, Insolvency & Creditor Rights

Panel:

Mr. Sumant Batra, Kesar Dass B & Associates, Session Chair

Mr. James Garrity, Bankruptcy Business & Administrative Attorney, Shearman & Sterling

Ms. Maggie Mills, Corporate Restructuring, Ernst & Young LLP

Dr. Rashad Othman, New Vision Business Consulting, Jordan

Mr. Bill Gambrill, General Manager, ILS Daman Limited, UAE

Issues for discussion: What is the role of international guidance in promoting sound insolvency and creditor right systems in emerging markets? What lessons can be drawn from insolvency systems in Europe and the US of relevance to the MENA? What is the legal framework of insolvency in the MENA region and the role of judiciary? What is the role of insolvency professionals and the what is the experience with the regulation and supervision of the profession in the MENA? What are the current challenges of the insolvency frameworks and practices in the region? How could insolvency and corporate governance mutually reinforce each other?

20:30 Gala Dinner with Keynote Address

Keynote Speaker: The International Banking Architecture and Implications for the Region

November 27, 2006

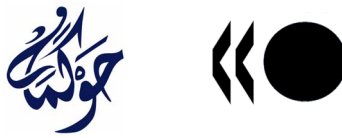
9:00 – 10:00 **Session V: Corporate Governance Practices of MENA Banks**

Islamic financial institutions are a growing segment in the international financial architecture. In their drive towards successful integration into the international market place, Islamic financial institutions are exploring the establishment of comprehensive corporate governance policy frameworks and practices benchmarked against internationally recognised standards. This session will focus on trends on Shar'ah compliant corporate governance and highlight the points of view of rating and investor services agencies, as well as banks.

Panel I: Shariah Compliant Corporate Governance

Keynote: HE Dr. Shamsad Akhtar, Governor, State Bank of Pakistan

Panel:



Mr. Khalid Hawladar, VP - Middle Eastern and Islamic Structured Finance, Moodys Investor Service

Mr. Sohail Zubairi, Vice President and Head of Shariah Coordination, Dubai Islamic Bank

Issues for discussion: What are the most important issues to address in order to ensure that corporate governance frameworks are also consistent with shari'ah rules? What are the challenges and obstacles to adopting shari'ah compliant corporate governance standards in the region? Are these standards different from international standards and benchmarks?

10:00 - 10:30 Coffee Break

10:30 – 12:30 **Panel 2: Corporate Governance of Banks and Risk Management in the MENA**

This session is a roundtable on regional bank frameworks and practices. It will attempt to identify specific issues, which represent a challenge and discuss potential solutions relevant for the region. Special attention will be paid to the results of the surveys on bank frameworks and practices, carried out in Lebanon. Representatives of the banking sector will share their experience with restructuring their corporate governance arrangements.

Keynote: **Dr. Hala Said, Executive Director, Egyptian Banking Institute**

Panel:

Mr. Robert Dinnerstein, former General Counsel, UBS Warburg/FSVC

Mr. Omar El Assir, Associate, Alem and Associates

Mr. Farid F. Lahoud, Corporate Secretary, Bank Audi

Issues for discussion: Are the corporate governance requirements and practices for banking institutions in the region in line with international standards? How do sound corporate governance arrangements affect risk management systems of MENA banks? What are the main challenges in state-owned, family-owned and listed banks? What is the experience in countering related lending and related party transactions in general in MENA banks? What are the triggers/incentives for restructuring corporate governance arrangements in MENA banks? What are the main ingredients of successful corporate governance reforms of banking institutions in the MENA?

12:30 – 14:00 Lunch hosted by sponsor

Keynote Speakers: Transparency, Accountability and Investments: Investing in Well Governed Companies

Mr. Stephen Davis, Davis Global Advisors

Mr. Shayne Elliott, Chief Operating Officer, EFG Hermes

NOTE: The meeting of the OECD WG5 in the afternoon is by invitation only. The purpose of the meeting is to discuss the development of a reform agenda on corporate governance of banks in the region.

In parallel to the WG 5 meeting, Hawkamah is organizing two technical sessions as follows:

14:00 – 15:30 **Making Governance Work: Information Technology Governance and Strategic Decision Making**

IT governance is integral to the success of corporate governance by assuring efficient and effective measurable improvements in the companies. IT governance provides the structure that links IT processes, resources and information to enterprise strategies and objectives, crucial for effective Board decision



making. This session will analyse the current status of IT governance in the region and discuss guidelines for implementation of IT governance based on international best practices.

Keynote: *Mr. V. Vastaraman, Emirates Airline, VP Information Systems Audit*

Panel:

Mr. Saji Oomen, ISACA, UAE Chapter President, Session Chair

Mr. Bjarne Rasmussen, VP, Technology & Business Units, Computer Associates (CA)

Mr. V. S. Ramachandran, Emarat

Ms. Janet Tuano, Vice President, Union National Bank

Issues for discussion: What are the most important issues to address in order to improve IT governance in the region's banks and listed companies? How do you get the board engaged in IT governance issues?

15:30 – 16:00 Coffee Break

16:00 – 17:00 **Role of the Media in Improving Corporate Governance Practices**

Investor awareness of corporate governance has increased significantly following Sarbanes-Oxley and high-profile instances of corporate malfeasance in North America and Europe. But away from the headlines, what importance do media place on developments in corporate governance and how well understood are the issues for improving standards? This session will highlight regional developments and economic media outreach best practices, and chart strategies to engaging economic media in promoting corporate governance in the region.

Panel:

Mr. Stephen Davis, Davis Global Advisors, Session Chair

Mr. Frank Kane, Former Business Editor at The Observer and Editor of Arabian Business Standard

Ms. Dayan Candappa, Senior Financial Correspondent, Reuters

Mr. Randy Wallerius, Senior Editor, Enterprise, Dow Jones International

Issues for discussion: What is the role of the media in improving corporate governance practices in the region? What are the barriers that exist in having a more dynamic economic media, able to take on a more effective role in the market system? What should be the priority steps to take to have a more engaged economic media in the region?



**MENA-OECD
INVESTMENT
PROGRAMME**

**MEETING OF THE MENA OECD WORKING GROUP ON CORPORATE GOVERNANCE
DEVELOPING A REGIONAL REFORM AGENDA ON CORPORATE GOVERNANCE OF BANKS**

The meeting of the MENA OECD Working Group on CG is open upon invitation

Chair: *Mr. Rainer Geiger, Deputy Director for Financial and Enterprise Affairs, OECD and co-chair of the OECD MENA Working Group on CG*

14:00 – 14:15 **Opening remarks:** HE Sheikha Lubna bint al Qaisimi, UAE Minister of Economy (to be confirmed)

14:15 – 15:30 **Preparation of a Policy Brief on Corporate Governance of Banks**

The objective of this session is to discuss the process and main issues to be addressed in preparing a Policy Brief on corporate governance of banks in the MENA. In doing this, participants will be invited to look into the lessons from applying the World Bank and IFC methodology for assessment of bank corporate governance and the experience of the OECD Asian Task Force on Corporate Governance of Banks. Their active participation in the discussion will be sought in defining the main issues to address in the Policy Brief.

Introduction: *Ms. Elena Miteva, Economist, OECD*

Panel:

Mr. Sebastian Molineus, Program Manager, Corporate Governance MENA, IFC, IFC and World Bank Methodology for Assessment of Bank Corporate Governance

Mr. Motoyuki Yufu, Senior Outreach Advisor, Directorate for Financial and Enterprise Affairs, OECD, Results of the Work of the OECD Task Force on CG of Banks in Asia

Mr. Mohamed Omran, Deputy Chairman, Cairo and Alexandria Stock Exchange

*Mr. Farid F. Lahoud, Corporate Secretary, Audi Bank
Experience of Bahrain, to be determined*

15:30 – 16:00 Break

16:00 – 17:00 **Future work of the OECD MENA Working Group**

Establishment of a TF on CG of Banks in the MENA to support the Development of a Policy Brief
Implementation of an Insolvency Module within the Working Group
Other activities



**17:00-18:00 CONCLUDING ROUNDTABLE DISCUSSION AND PRESENTATION OF
DECLARATION FOR THE CONFERENCE**