

The MENA Corporate Governance Newsletter

Dear Colleagues,

2013 has started with an active programme, including the upcoming Taskforce Meeting on Corporate Governance of SOEs to be held on 2-3 July and country specific work in Lebanon, Jordan and Tunisia. For a full events calendar and updates we invite you to visit our website.

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News from the region

- **Developments in MENA stock exchanges:** With the IPO of Iraq's Asiatic earlier this year, Middle East floatations are on the rise, from only 12 IPOs regionally in 2012. The OECD participated in the annual conference of the [Arab Federation of Stock Exchanges](#) on 3-4 March in Muscat, which addressed listing rules, governance requirements and market classification issues.
- **Women on boards:** Board requirements are continuing to evolve, and the debate on the presence of women on boards has reached the MENA region. The Ruler of Dubai has announced in December 2012 [his decision to impose a quota](#) of at least one woman on boards of state-owned and public companies. Morocco is reported to consider a similar measure. Will other countries in the region follow?
- **Stock exchange rules under amendment:** Following NASDAQ Dubai which released its [updated listing rules](#) in 2011, [Bahrain Bourse](#) is currently revising its listing rules and expects to issue an update in 2013. The OECD is currently conducting a study of listing requirements of all MENA stock exchanges to understand the commonalities and differences in approaches.
- **Reforms in Kuwait:** The government of Kuwait has issued a new [companies law](#), providing strong investor protection mechanisms. The OECD participated in the [first symposium on Corporate Governance Sound Practices](#) which was organised on 3-4 February by Kuwait's Capital Market Authority. Expect further corporate governance news from Kuwait.
- **Tightening governance rules in Saudi Arabia.** The Saudi Capital Market Authority (CMA) increased the number of [mandatory corporate governance provisions](#) in the corporate governance regulations in order to protect the rights of shareholders. Saudi listed companies are now also required to prepare their own corporate governance code.
- **Turkey's new capital market law:** Adopted in December 2012, the [new capital market law](#) addresses issues such as related party transactions, independent board directors and significant transactions. Squeeze out and sell out rights for the shareholders in Turkey are now regulated by the new capital markets law and the commercial law.

International developments

- [The EU plan to introduce a quota for women](#) on boards has been abandoned for the moment, given the resistance from some member states. Discussion is ongoing on how to stimulate women participation in boards.
- A [first draft of the Integrated Reporting Framework](#) was released by the IIRC. The IIRC's mission is to create the globally accepted framework that elicits material information from organizations about their strategy, governance, performance and prospects in a concise and comparable format.
- The [Global Network of Director Institutes](#) (GNDI) will be launched soon to share expertise in corporate governance and director development. A key objective of GNDI is to enable directors worldwide to stay abreast of leading practices as well as current and emerging governance issues.
- The Financial Stability Board (FSB) published [a thematic peer review on risk governance](#) in order to implement effective risk appetite framework. The report provides recommendations on sound risk governance practices.

Did you know?

The OECD is in the process of launching the MENA Investor Council, to be comprised of large private and institutional investors to address key challenges to attracting portfolio investment to MENA markets.

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Challenges and prospects for large investors in the Middle East and North Africa

The OECD and Hermes organised a consultation with large investors in the MENA region in London on 12 October 2012. The objective of the consultation was to gauge the challenges that key investors see in executing their investment strategies in the region and to provide recommendations to the stock exchanges and the securities regulators in the region on how to improve corporate governance of listed companies as well as the efficiency and transparency of local markets. For more information, please refer to the meeting [agenda](#).

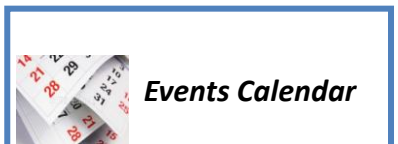


Addressing priorities for the development of the Casablanca Stock Exchange

This technical workshop organised by the OECD in collaboration between the Casablanca Stock Exchange and the Casablanca Finance City was held on 17 December 2012. The workshop, attended by over 70 Moroccan participants and international experts, focused on the issues of demutualization, horizontal vs. vertical integration and attracting SME listings. For more information, please refer to the meeting [agenda](#).

OECD's work on corporate governance

- [Corporate governance and value creation](#): A key policy objective of corporate governance is to make sure that the financial sector can serve the needs of the real economy. The Corporate Governance, Value Creation and Growth Initiative addresses how better corporate governance policies can support corporate access to capital, value creation and economic growth.
- [Reporting of intangible assets](#): How intangible assets should be reflected in corporate reporting is an ongoing debate. This report explores four interlinked issues related to reporting of intangible assets: collection and management of information on intangibles, external reporting, use of reporting by analysts and investors and the political economy of reform.
- [Going for competitive neutrality](#): Competitive neutrality means that state-owned and private businesses compete on a level playing field. The principle of competitive neutrality is gaining wide support around the world, but how to obtain it in practice, is a much more difficult question, which this report attempts to respond.
- [Board member nomination and election](#): The nomination and election of board members is one of the fundamental elements of a functioning corporate governance system around the world. This report addresses the corporate governance framework and company practices that determine the nomination and election of board members. It covers some 26 jurisdictions including in-depth reviews of Indonesia, Korea, the Netherlands and the United States.
- [Corporate governance and the financial crisis](#): The financial crisis has revealed severe shortcomings in corporate governance. These series of reports provide recommendations to help companies and governments overcome corporate governance weaknesses and support a more effective implementation of the OECD Principles on Corporate Governance.



Events Calendar

3-4 April 2013: Technical mission to support the establishment of the Lebanese Capital Market Authority, Beirut, Lebanon.

8-9 April 2013: Hawkamah regional corporate governance conference, Jeddah, Saudi Arabia.

10 May 2013: Conference on Corporate Governance of State-Owned Enterprises in Tunisia, Tunis (tbc).

2-3 July 2013: Regional Taskforce on Corporate Governance of State-owned Enterprises, Istanbul, Turkey.

For further details regarding future events, please consult our [website](#).

For feedback or to share news, please contact Alissa Amico Alissa.amico@oecd.org