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**Intergovernmental Working Group of Experts on  
International  
Standards of Accounting and Reporting  
(ISAR)**

**30<sup>th</sup> SESSION**  
6 - 8 November 2013  
Room XVIII, Palais des Nations, Geneva

Friday, 8 November 2013  
Afternoon Session

***Implementation status of corporate governance disclosures***

Presented by

Axel Kravatzky  
Caribbean Corporate Governance Institute

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A copper compass rose is positioned in the foreground on a sandy beach. The background shows the ocean with white-capped waves breaking onto the shore under a clear blue sky. The compass rose has cardinal directions marked with 'N', 'W', 'E', and 'S'.

## Agenda Item 5

# Implementation status of corporate governance disclosures

**UNCTAD-ISAR30**

**Report by Axel Kravatzky**

**Caribbean Corporate Governance Institute (CCGI)**

**Trinidad & Tobago**

Geneva, 8 November 2013

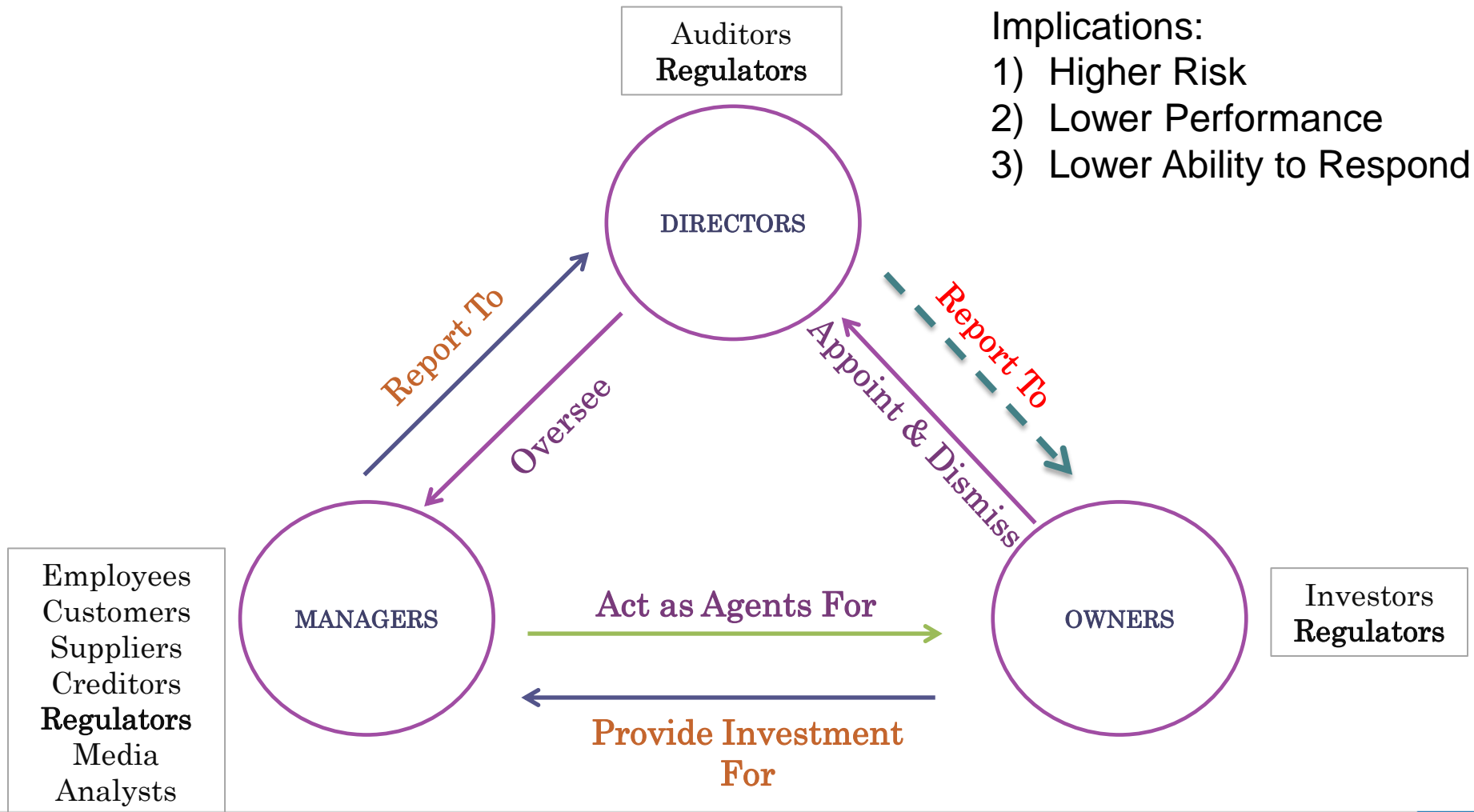
# gap analysis of corporate governance disclosure requirements in 22 markets

Empty white squares indicate that the disclosure item is not required. Markets organized from most disclosure requirements to least, compared to the ISAR benchmark. The name of individual disclosure items can be found in the list in Annex II.

Market	Financial transparency								Ownership structure								Board and management structure and process										Auditing						CR & compliance																		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51
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Source: UNCTAD, 2010  
 2010 Review of the Implementation Status of Corporate Governance Disclosures:  
 An Inventory of Disclosure Requirements in 21 Frontier Markets  
 Jamaica data: Syntegra, PSOJ, & ICAJ (2012).

# Corporate Governance System



- Implications:
- 1) Higher Risk
  - 2) Lower Performance
  - 3) Lower Ability to Respond

## Key events following ISAR-28 & 29

1. Attention from Media, Business Support Organization, Professional Associations, and Stock Exchanges
2. Conference Presentations by Syntegra Change Architects Ltd
3. Formation of the Caribbean Corporate Governance Institute (CCGI)
4. Trinidad & Tobago Corporate Governance Code (TTCGC)
5. Developments in Barbados & Jamaica

# Caribbean Context



10 million to 100 million   
  10 billion to 100 billion  
 100 million to 1 billion  
 1 billion to 10 billion  
 (in US dollars per year)


GDP at exchange rate rankings:

1	Trinidad and Tobago	\$23.99 billion per year
2	Jamaica	\$14.84 billion per year
3	Bahamas	\$8.149 billion per year
4	Haiti	\$7.843 billion per year
5	Suriname	\$4.738 billion per year
⋮		
11	Grenada	\$789.5 million per year
12	Saint Kitts and Nevis	\$748.5 million per year
13	Saint Vincent and the Grenadines	\$712.6 million per year
14	Dominica	\$479.6 million per year
15	Montserrat	\$55.44 million per year

(2010, 2011, and 2012 estimates)

Source: <http://www.wolframalpha.com/input/?i=GDP+Caricom+countries>

# Caribbean Community



	<b>Country/Territories</b>	<b>Population</b>	<b>CARICOM Status</b>
1	Haiti	7,482,000	CARICOM
2	Jamaica	2,714,000	CARICOM
3	Trinidad and Tobago	1,333,000	CARICOM
4	Guyana	751,400	CARICOM
5	Suriname	492,829	CARICOM
6	Bahamas, The	331,000	CARICOM
7	Barbados	294,000	CARICOM
8	Belize	282,600	CARICOM
9	Saint Lucia	165,000	CARICOM
10	Saint Vincent and the Grenadines	120,000	CARICOM
11	Grenada	106,000	CARICOM
12	Antigua and Barbuda	85,000	CARICOM
13	Dominica	73,000	CARICOM
14	Bermuda	64,209	CARICOM ASSOCIATE MEMBERS
15	Cayman Islands	55,456	CARICOM ASSOCIATE MEMBERS
16	Saint Kitts and Nevis	50,000	CARICOM
17	Turks & Caicos Islands	32,200	CARICOM ASSOCIATE MEMBERS
18	British Virgin Islands	24,004	CARICOM ASSOCIATE MEMBERS
19	Anguila	13,477	CARICOM ASSOCIATE MEMBERS
20	Montserrat	4,681	CARICOM
	<b>Total</b>	<b>14,473,856</b>	

Source: [http://www.caricom.org/jsp/community/member\\_states.jsp?menu=community](http://www.caricom.org/jsp/community/member_states.jsp?menu=community)

## The Trinidad & Tobago Context

- Collapse of CL Financial Group in 2009:

“has affected the GDP of Trinidad and Tobago to the extent of over 10 per cent, according to a recent study and I believe it may be more. And with respect to the Caribbean- over 17 per cent”

Minister of Finance, T&T, 2011



# Role of the CCGI

outcomes:

effective organizations + efficient markets

requires:

trust

appropriate systems

comes from:

competence + values

custom solutions

CCGI offers:

education

- introductory learning
- specialization
- consolidation of industry news
- certification programs
- conferences
- recognition

standards + guidance

- regulatory influence
- professional associations
- international affiliation
- media
- academic and research support

to benefit:

ngo's

closely held companies

listed companies

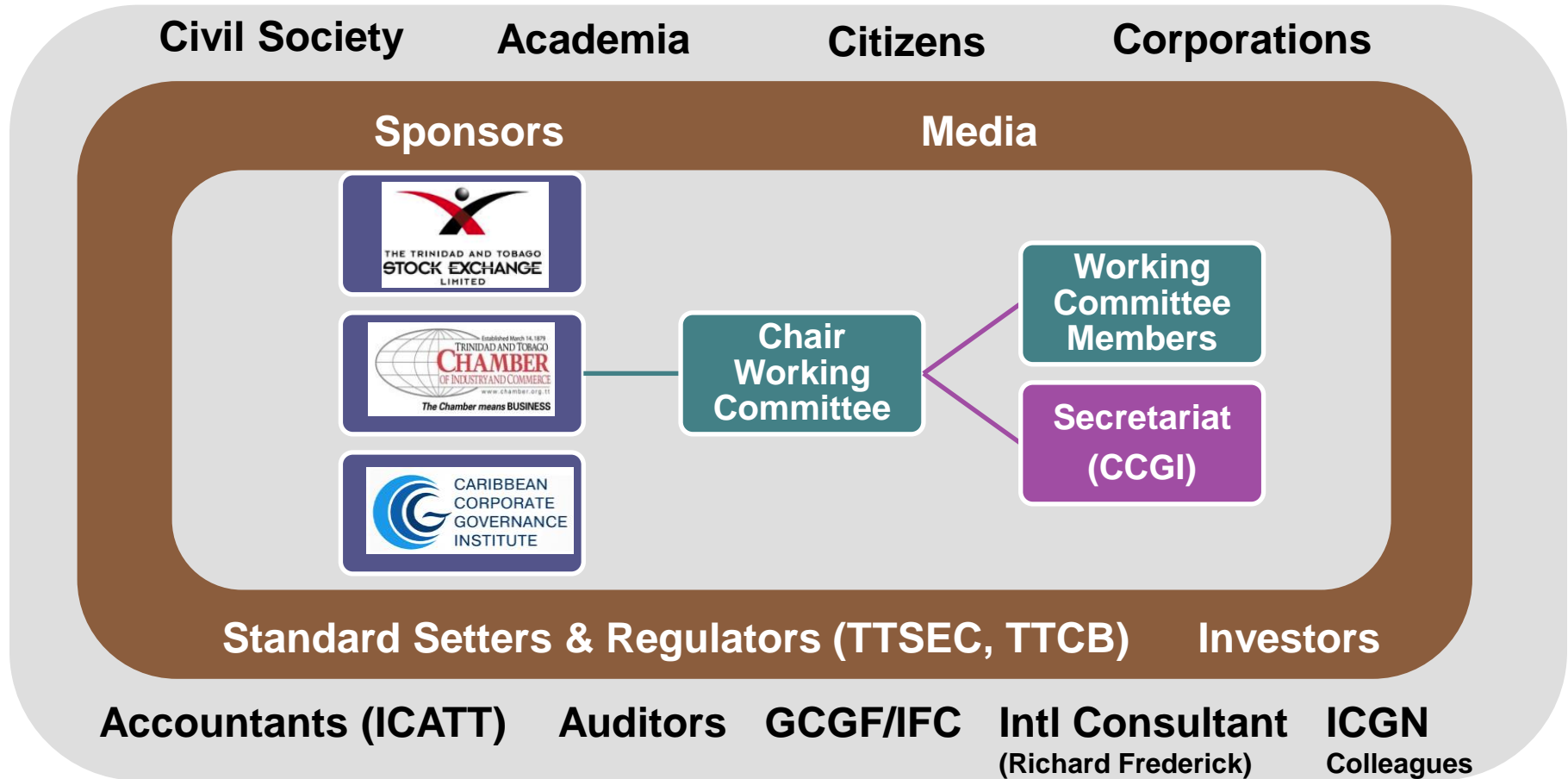
state enterprises

investors

## About the CCGI

- incorporated in July 2012
- Operational since January 2013
- CEO appointed
- Today ~ 80 members from 5 Caribbean Countries
  
- Standards
  - T&T Corporate Governance Code 2013
  - Caribbean Unlisted Companies Corporate Governance Code 2014
- Capacity Building
  - With IFC Roundtables in T&T with Banks, Insurance Companies, Credit Unions in 2013
  - Assessment based Corporate Director Education from 2014

# T&T Corporate Governance Code



## Key Facts about the Code

- “Apply or Explain”
- Target: companies with “Public Accountability” (IASB)
- Consistent with OECD CG Principles, and other important codes and best practices
- ISAR both disclosure guidance both in pre-amble and in Appendix
- Chair of Working Group:  

Roger Hamel-Smith, Retired Justice of Appeal, Supreme Court of Trinidad & Tobago
- 3 Partners & 12 diverse organizations part of Working Group
- Wide consultation, 5 main drafts of the Code, so that:
  - Enhance Business Governance & Performance
  - Strengthen Transparency & Efficiency in Market
  - Improve Investment Culture

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## Jamaica & Barbados

- Following disclosure findings study on Jamaica ISAR-29
  - Work to prepare public release in Jamaica with
    - Private Sector Organization of Jamaica (PSOJ)
    - Institute of Chartered Accountants of Jamaica (ICAJ)
    - Jamaica Stock Exchange (JSE)
- Prepare disclosure findings study on Barbados ISAR-31
  - Work with Barbados Stock Exchange (BSE)
  - BSE released:
    - BSE Corporate Governance Recommendations Revised 2012
    - Expected to become applicable at beginning of 2014

Thank you

**AXEL KRAVATZKY, PHD  
CARIBBEAN CORPORATE GOVERNANCE INSTITUTE  
14 ALCAZAR STREET  
PORT OF SPAIN, TRINIDAD & TOBAGO  
AXEL.KRAVATZKY@CARIBBEANGOVERNANCE.ORG**