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Business

Becoming competitive in global market

Practise corporate governance

Finance adviser urges businesses

Star Business Report

Finance and Planning Adviser Mirza Azizul Islam yesterday urged businesses to practise corporate governance in order to become more competitive in the global market. The businesses also should not depend on subsidy or tax exemption, he added.

The adviser was speaking at a roundtable titled 'Role and Responsibilities of Independent Directors', organised by Bangladesh Enterprise Institute (BEI), in Dhaka yesterday.

Mirza Azizul said as the private sector has played an important role over the years for the development of economy, it now deserves respect and proper nurturing.

Presided over by BEI President Farooq Sobhan, the discussion stressed the need for enhancing the understanding of the roles and responsibilities of independent directors who are serving on the boards of companies.

The discussion was attended, among others, by Mueen Afzal, chairman of Pay and Pension Committee of Pakistan, Dr Mohammad Farashuddin, a former governor of Bangladesh Bank, Dr Haroon-ur Rashid, a former chairman of the Securities and Exchange Commission, and representatives from various SoEs and private enterprises.

Mueen Afzal presented the keynote paper, where he said the fundamental motivation for corporate governance is the separation of ownership and control.

"Having an independent director on the board helps establishment of a system of internal and external checks and balances on corporate behaviour," he said.

Dr Farashuddin said the country's private sector is dominated by first generation entrepreneurs and the concept of corporate governance is yet to reach maturity.

Dr Haroon-ur Rashid acknowledged that the role of an independent director is often a challenging one, but proper training on the issues like corporate governance can help face the challenge positively.

The BEI president said the government should not always appoint the independent directors from among the serving officials. Experienced retired professionals as well as highly qualified personnel from the private sectors may also be chosen, he added.

