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Thrust on proper monitoring in business houses

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Former Bangladesh Bank (BB) governor Mohammed Farashuddin said Wednesday strong regulations and proper monitoring of day-to-day activities are a pre-requisite for implementation of corporate governance in business houses.

He also said corporate governance will ensure efficiency, accountability and transparency, but it cannot be imposed from outside the organisation rather it should be cultured within the institution.

He said these while presiding over a seminar on 'Corporate Governance for Bangladesh: Issues and Challenges', which was organised by the Bangladesh Enterprise Institute (BEI) in the city Wednesday.

Managing Director (MD) and Chief Executive Officer (CEO) of the Industrial Development and Leasing Company (IDLC) of Bangladesh Limited Anis A. Khan, head of Legal Affairs and Company Secretary of the British American Tobacco Bangladesh Mahbubur Rahman and Lopa Rahman of BEI made three presentations. Professor M.A. Baqui Khalily, head of centre for Corporate Governance and Finance Studies in Dhaka University, also delivered speeches in the seminar.

"Narrow vision of ownership structure in corporate houses is virtually restricting the implementation of corporate governance in Bangladesh. So ownership pattern should immediately be diversified," said Baqui Khalily.

He also said companies and firms must pursue the path of ownership diversification especially when they raise fund from the capital market.

"This is my money and the company is mine, so I am entitled to enjoying the hundred per cent benefits of the company-this narrow corporate sentiment has been the main obstacle to implementing the principles of corporate governance in Bangladesh," pointed Khalily. Terming corporate governance a set of processes, customs, policies, laws and institutions which affect the control and administration of a company Mahbubur Rahman said corporate governance determines a company's ability to take informed managerial decisions.

He also said corporate governance framework should promote transparent and efficient markets and articulates the division of responsibilities among different supervisory, regulatory and enforcement authorities.

Anis A. Khan said corporate governance is still in an implementing stage in Bangladesh and it will take some years to reach a proper stage of desired level of implementation.