



Governance in Equity Markets (GEM) Assessment

The Institute of International Finance and Hawkamah Institute for Corporate Governance are offering a new service, Governance in Equity Markets (GEM) assessments, to stock exchanges in emerging market countries. The IIF and Hawkamah have worked closely with their member firms to strengthen the environment for liquid, resilient capital markets that will help support a stable and rising flow of portfolio and private equity to emerging markets.

As part of their further effort to promote better corporate governance practices, the IIF and Hawkamah are now offering a new fee-based service that is designed to help stock exchanges to:

- Improve their corporate governance listing requirements
- Increase investor confidence in listed companies
- Attract a larger number of issuers

In addition, a GEM assessment will provide you with valuable guidance in bringing your stock exchange's corporate governance listing requirements in line with those of best-practice stock exchanges throughout the world and raise your exchange's profile among global investors. As part of the GEM service, the IIF and Hawkamah will analyze your exchange's guidelines, operation, and enforcement practices as they relate to corporate governance. Specifically, a GEM assessment will:

- Include an analysis of compliance with each individual criterion in the IIF Code methodology
- Provide, for each criterion in the IIF Code, an assessment of the effectiveness of implementation, based on the International Organization of Securities Commissions (IOSCO) assessment scale – implemented, broadly implemented, partly implemented, not implemented, and the effectiveness of enforcement capacity
- Include a summary table of compliance with each criterion
- Offer specific recommendations that would improve the overall governance standards in companies listed on the stock exchange
- Provide a 'Handbook for Investors and Prospective Issuers' that will answer frequently asked questions specifically dealing with the quality of corporate governance standards in the country
- Be prepared by internationally recognized stock exchange experts
- Be the property of the client stock exchange, which would decide whether to disclose the assessment or keep it confidential

With investors paying increasing attention to corporate governance and transparency in their investment decisions, a GEM assessment will help to give a Stock Exchange a competitive edge in attracting new investment flows as well as contribute to improving financial market depth, performance and stability.