

# Board of directors

Law



Board of Directors Capital Management ity refers to an independent government body responsible for the regulation of capital markets in a given country. The Board of Directors of Capital Management Authority, in Kuwait, comprises of individuals who are appointed by the company shareholders to jointly oversee the affairs of the company. Their duties include recruiting the manager, establishing policies, protection of the company's assets and investments.

Since the establishment of Kuwait Market Authority in 2010, several challenges have been felt, as put forward by Kachel and his co-authors. Some of these challenges include deficiency in the development of adequate Islamic markets for financial and cash investments. There is also an absence of capital structures of investment in Kuwait financial system since weak asset and liability management system curtailed with deficiency of risk management policies. Kachel and his co-authors further add that Kuwait lacks a flexible liquidity market which could allow Islamic Financial Institutions. Due to weak governance factors, the global financial crisis of 2008 had affected Islamic Financial Institutions. The formation of Capital Market Authority in Kuwait led to the prohibition of money laundering, license for stock markets were introduced, foreign funds were regulated, set up of investment standards, use of Arabic language, market fee was set at KWD 50, 00 for foreign investment, purchase of credit regulation was introduced.

In conclusion, the introduction of Capital Markets Authority, in Kuwait, has significantly improved its governance of its Islamic financial institutions. This has been achieved through several sound regulations, which keep its corporations either owned by the government or foreign in check.

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