

Corporate governance practices in qatar

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Corporate Governance Practices in Qatar Corporate Governance Practices in Qatar Corporate governance encompasses all the rules and regulations that a company is meant to abide by in order to balance the interests of the countless stakeholders present. This includes the government, shareholders, company management, consumers, and even the community. In Qatar, corporate governance is taking center stage in the running of most companies. This is due to the cultural values present in the highly religious region. Companies that are being hosted in the region need to abide by the said rules in order to be accountable for their actions, especially in the wake of the crises that countless multinational corporations are facing (Tricker, 2012). Different frameworks are being drawn up to ensure that there is integrity in the market that may allow the region maintain its ethical stand, and at the same time, make profit in the ever-changing world market. This paper will examine corporate governance, and how it differs among international and local companies in Qatar.

The aspect of corporate governance may not be a new one, but Qatar is among regions that do not have long-standing financial infrastructures and may not necessarily be fully aware of the impact it has on the region. However, the region is trying to incorporate the phenomenon of corporate governance through the financial market authority (Tricker, 2009). This is in a bid to address some of the issues that face most of the companies in the region, and the challenges that the region faces with a foreign company's involvement in the region. The Qatar Financial Market Authority (QFMA) has certain guidelines for all companies that operate in the region, but the MNCs face much steeper challenges when it comes to their operations.

One of the main issues that arise with MNCs in the region is the issue of the <https://assignbuster.com/corporate-governance-practices-in-qatar/>

greed culture associated with MNCs. This 'infectious greed', as countless people refer to it, is presenting tremendous challenges to their companies in Qatar. The boards of directors in major companies are being faced with the challenge of being forthcoming with every action they take that concerns the company. The control systems in these companies are required to uphold certain regulations in order to operate without problems. Strict external auditing is required for these companies to have a transparent accounting procedure that makes them accountable to the QFMA. Agreements on disclosure are necessary to ensure financial reports are reported truthfully and accurately (Zinkin, 2011).

Compliance is another issue facing countless MNCs. The QFMA has been granted authority over certain provisions in the financial market. This then gives it the power to monitor the steps taken by companies in their governance routines. Qatar is always keen on offering its companies a robust and flexible governing structure. For foreign companies, this may not be entirely true as they are subjected to a much more rigorous and strict compliance routine. The compliance approach may be stricter to force MNCs to optimize on the company's performance and accountability. In a bid to ensure that foreign companies are economically liable to the region, the region is stricter to provide a governance framework that oversees the running of every operation by a foreign company (Anwar & McCrum, 2008).

In conclusion, local and international companies present in Qatar may not be at the same level when it comes to the rules and regulations that govern them. However, their presence is there to ensure that every company is liable for the actions they carry out in the region. In order to suit Qatar's various needs, it is crucial to have an existing framework that governs the

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presence of each and every company that exists in the region. This may guarantee that every company has a fair playing field when it comes to operations in the region (Steers, Sanchez-Runde & Nardon, 2010).

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