

# Governance & The Rule of Law

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# Governance and the Rule of Law

- Topical issue in the Arab world
- Relevant to all sectors
- Key tenets →



# Governance

## Key tenets:

- Demarcation of authority
- Enhance fairness
- Transparency
- Accountability
- Separation of roles
- Stakeholder participation



# Rule of Law

- Broad concept
- Key elements:
  - Exercise authority only in accordance with publicly accessible laws
  - Safeguards against arbitrary decisions
  - Separation of powers
  - Legal certainty
  - Equality of all before the law



# Governance and the Rule of Law

- Inherently linked
- Clarity (process / content)
- Effectiveness & enforceability
- Law keeping pace with change
- Important, particularly in emerging markets



# Good Governance

- A reflection of historical development
- Depends on leadership
- Requires relevant talents
- Learn from others (but no cut & paste)
- Requires a change of mindset



# Good Governance

## Mindset change: Government

- Shifting burden to private sector
- Moving to free market economy
- Promote competition
- Promote investment



# Good Governance

## Mindset change: Government

- Update / promulgate laws
- Non-discriminatory laws
- New treaties (GCC, WTO, FTA)
- Introduce regulatory framework
- Reduce bureaucracy





# Good Governance

## Mindset change: private sector

- Progressive leadership
- Shift in corporate culture
- Respect rule of law
- Acknowledge importance of good governance
- Robust regulation



# Corporate Governance in Oman

## Relevant legislation:

- Commercial Companies Law – RD 4/74
- Commercial Code – RD 55/90
- Capital Markets Law – RD 80/98
- Code of Corporate Governance (SAOGs and SAOCs)
- Internal rules and regulations



# Governance and the Rule of Law

## Looking ahead:

- Much has been achieved, but...
  - Vast room for improvement
  - Effective enforcement and implementation of laws
  - Reduce gap between law and practice
  - Work on capacity building

