

## **IFC, Association of Banks of Georgia Cooperate to Develop Corporate Governance Code**

Many Georgian banks and other companies are introducing corporate governance practices in an effort to build towards a stable future and to increase their chances of securing foreign investment. To further their efforts and to increase confidence in the country's banking sector, IFC cooperated with the Association of Banks of Georgia and the Georgian Stock Exchange recently to develop a voluntary corporate governance code based on international best practices.

The voluntary code sets higher standards of corporate governance than those provided for in Georgian legislation, meaning that Georgian banks participating in the code are demonstrating their commitment to elevating their corporate governance standards in order to build trust among investors. To encourage implementation and broaden awareness of the code, IFC is following up with a public awareness campaign and holding introductory roundtables of the code's potential to influence Georgian businesses in a positive manner.

"We are glad that more and more banks pay special attention to corporate governance," said Zurab Gvasalia, the President of the Association of Banks of Georgia. "The corporate governance code will serve as a benchmark for implementing corporate practices at the bank level."

IFC, the Association of Banks of Georgia and the Georgian Stock Exchange presented the code at a ceremony in Tbilisi to representatives of leading Georgian banks and recommended it as the basis for corporate governance policies for all banks with membership in the association.

"The primary role of the corporate governance code for banks is to raise national standards," said Maia Tevzadze, project manager for the IFC Georgia Corporate Governance Project. "It will also serve as a positive market signal and help Georgian banks build and maintain investor confidence."

The IFC Georgia Corporate Governance Project aims to improve the corporate governance practices of Georgian companies and banks, thereby helping them to operate more effectively and allowing them greater access to capital. IFC is working on this project in partnership with BP and the co-venturers in its oil and gas projects, as well as with the Canadian International Development Agency.

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