The Bulgarian experience in developing the CG Scorecard: positive effects, drawbacks and the future

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• *rationale for developing CG Scorecard* has to be understood in the context of the *CG developments in Bulgaria*: legal framework; launch of the National CG Code - 2007; National CG Commission established - 2009
The milestones of the process

- A decision by the BNCG Commission to initiate the process of implementation of the CG Scorecard
- **International experience** and its impact on the development of a CG Scorecard in Bulgaria: good international (German)practices and their transfer and implementation in Bulgaria
- **the support of key players**: representatives of the Bulgarian Stock exchange, Bulgarian Financial Supervision Commission. Public-private partnership is a sine qua non for good results of CG Scorecard implementation!!!
- **Glo-loc principle** determined the structure and weights of the national CG scorecard: the German model, on one hand, and National CG Code structure and country business system uniqueness (co-existence of one-tier and two-tier models of CG), on the other
• Introduction of two formats of CG Scorecard - a CG Scorecard for one tier system and a CG Scorecard for two tier systems: first steps - 2011;
• positive results and drawbacks: were will all winners (100%) or were our assessments not objective and incorrect; Is the problem a matter of non objectivity or is it a problem associated with the lack of proper understanding of the rationale and the role of the CG Scorecard by some of the companies
• “correction” initiative of the NCG Commission or an initiative of the NCG Commission to raise the awareness among the business community (IR directors and corporate board members) about the role and rationale for the implementation of CG Scorecard
• CG index of BSE- is an index, which follows the market performance of 7 companies with the highest percentage/ scores according to their Scorecards. It is the selection of the companies according to the criteria “highest percentage/ scores” of the CG Scorecards that distinguishes CG index from the traditional indexes of the BSC. The BNCG Commission determines the selection of the companies on an annual basis vis-a-vis the results of the CG Scorecard.

• Positive trends in 2012
• Regarding the rationale - a post crisis view
• The balance between regulation and self regulation(C&E)
• The CG Scorecard and reliable self regulation????
• country business system uniqueness (co-existence of one tier and two tier models of CG), on the other

• A draft version of the CG Scorecard and a test of the CG Scorecard by Bulgarian public companies

• Feedback analysis and elaboration of the official format for the two types of CG Scorecard: for one- and two- tier CG systems
• Thank you

• and Q&A

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