

CORPORATE GOVERNANCE IN SXM-GOVERNMENT OWNED COMPANIES

A WINDOW OF OPPORTUNITY

SHTA ANNUAL MEMBERSHIP MEETING
GOOD GOVERNANCE & ELECTORAL REFORM
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Franklyn E. Richards, 20-06-2013

WHAT IS CORPORATE GOVERNANCE?

Corporate Governance ensures strategic guidance of the company the effective monitoring of management by the board and the board's accountability to the company and the shareholder(s).

The board should ensure compliance with applicable laws and take into to account the interest of the shareholder(s).

Guidelines on Corporate Governance by the OECD

- The state should act as an informed and active owner and establish a clear and consistent ownership policy, ensuring that the governance of owned companies is carried out in a transparent and accountable manner, with the necessary degree of professionalism and effectiveness.

Guidelines on Corporate Governance by the OECD

- The government should not be involved in the day-to-day management of government owned companies and allow them full operational autonomy to achieve their defined objectives! The government should let the Boards exercise their responsibilities and respect their independence.

Guidelines on Corporate Governance by the OECD

- The OECD believes that policies should be formulated so that it is clear how the government should behave as shareholder. The basic principles of transparency information disclosure and accountability to the country (public) should be adhered to, with the government taking a professional and results-oriented approach.

Guidelines on Corporate Governance by the OECD

The Government:

- Should not be involved in the daily management of the enterprise (day-to-day business).
- Should allow the enterprise full operational autonomy.

Legislative Framework Corporate Governance

- Ordinance Corporate Governance
- Corporate Governance Council
- Corporate Governance Code

Actors Corporate Governance

- Government
- Shareholder(s)
- Board of Directors
- Management
- Stakeholders
- Public expectation of rendering services efficiently and effectively

GDP of Sint Maarten 2010

- GDP per capita Nafls. 31.497
- GDP overall Nafls. 1.2 billion

Figures Country SXM & Government Owned Companies

- Budget Country Sint Maarten 2013
Nafls. 457.9 million = 38% of GDP
- Balance sheet 12 Government Owned companies 2009
Nafls. 1 .8 billion = 150% of GDP
- Turnover 12 Government Owned companies 2009
Nafls. 603 million = 50% of GDP

Corporate Governance a Window of Opportunity?

- Building Nation St. Maarten as of 10-10-10
- Clear and concise socio-political mandate achieving objectives set by Government resulting into measurable actions to be executed by Board and management as expected by the shareholder(s), stakeholders and the community based on a clear Mission and Vision Transparency (info-disclosure) and Accountability.

- Seeing to it that our institutions grow by looking at the broader picture having a long term vision (thinking broader than today into the future) and also by discharging our present obligations adequately and transparently for brighter future generations.
- Providing relevant infrastructure and basic service enablers towards wealth creation and economic development of the country.

Corporate Governance Coordinator

- There's a need for coordination between the CGC and Government to bridge the lack of responsiveness and responsibility in rendering efficient and effective service.
- Liaise between Government and the CGC is a must in order having all parties singing the same song from the same hymn book while facing the challenge of attaining and maintaining Good Corporate Governance.

YOUR THOUGHTS?

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