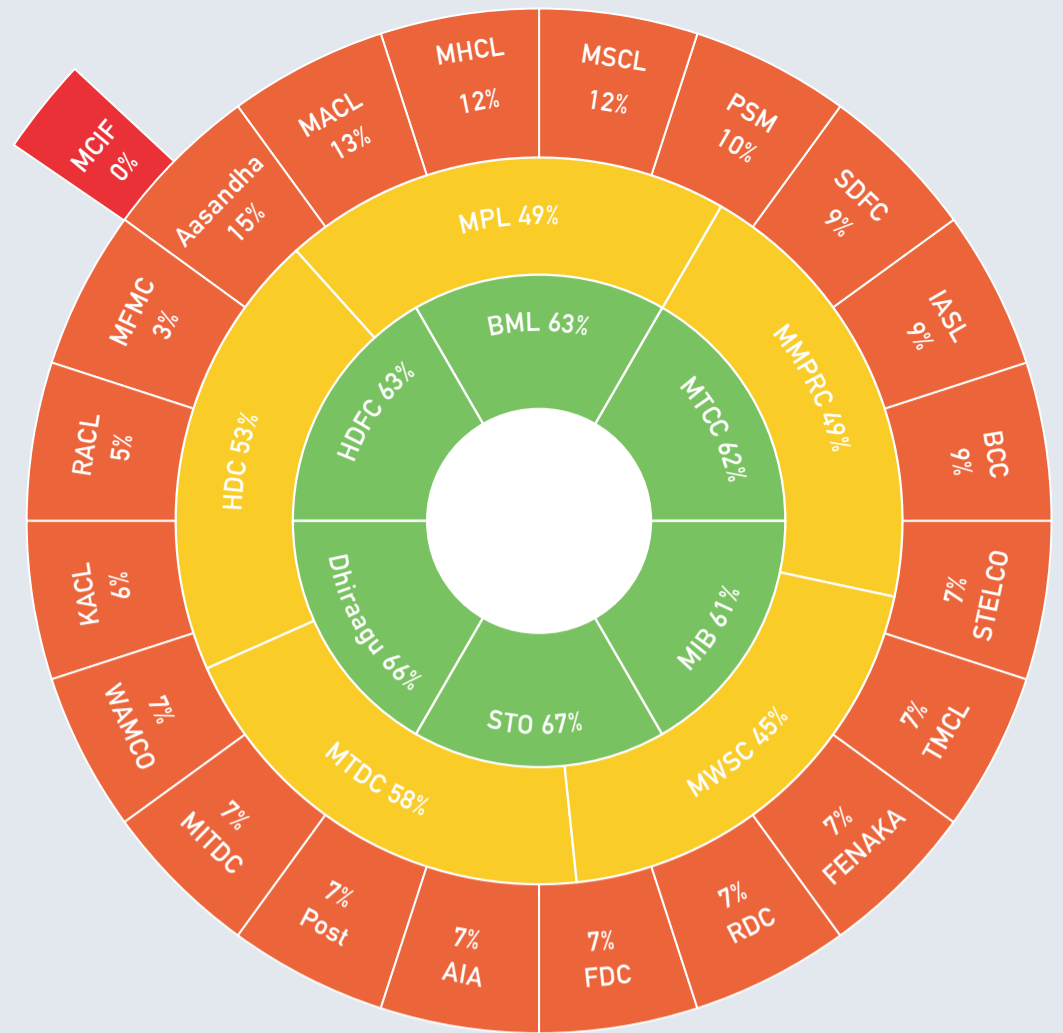


CORPORATE GOVERNANCE TRANSPARENCY INDEX 2023

Transparency Maldives (TM) developed the Corporate Governance Transparency Index (CGTI) in 2022 with the objective of improving transparency and accountability of State-Owned Enterprises (SOEs) through a systemic evaluation of the information disclosed in the official websites of SOEs only. Based on best practice, the assessment framework is structured as a matrix and categorized into six main pillars, broken down into 16 thematic areas, and further broken down into 38 variables that are measured against a set of six quality indicators that capture accessibility, reliability, completeness, and timeliness of information.



The 2023 CGTI shows that disclosure of corporate governance mechanisms on the official websites of SOEs were insufficient for the vast majority of SOEs, with more than 20 (63%) of the 32 SOEs observed scoring below 40%. No SOE scored over 80% or was rated as excellent or fully observant. Only six (19%) SOEs were rated as good, while five (16%) SOEs were rated as improvable. One SOE scored zero as there was no company website.

Only 11 out of the 32 SOEs had published their annual reports for 2022 timely.

RATING	PILLAR 1	PILLAR 2	PILLAR 3	PILLAR 4	PILLAR 5	PILLAR 6
	Transparency in the ownership policy and objectives of the SOEs	Transparency of the organization, operation and results of the SOE	Transparency in engagements with State	Transparency in arrangements with the private sector	Transparency in corporate responsibility, internal control, and corporate integrity	Transparency of the Board of Directors
Not observed - 0	1	1	21	21	18	4
Insufficient 1%-39%	20	25	0	0	5	21
Improvable 40%-59%	4	6	0	0	7	5
Good 60%-79%	7	0	1	2	2	2
Excellent 80%-99%	0	0	9	9	0	0
Fully observed 100%	0	0	1	0	0	0

*Table represents the number of SOEs that fall under each rating category

OVERALL OBSERVATIONS

- Disclosure of key governing documents (such as decree, AoA & MoA) were lacking.
- None of the SOEs evaluated made a clear distinction between their public policy activities and economic activities.
- Disclosure of organizational charts and information on group structures were lacking.
- No SOE has disclosed their HR policy or individual compensation for Senior Management.
- Only one SOE disclosed their procurement policy and only two SOEs disclosed information on awarded contracts.
- Related party transactions were mostly disclosed in the accompanying notes of the financial statements making it apprehensible for non-expert users.
- Only a few SOEs had disclosed policies such as whistleblowers policy, conflict of interest, and code of conduct.
- Only five SOEs had disclosed individual remuneration of Board members.
- Only a few SOEs had disclosed policies related to the board such as board nomination/appointment policy, evaluation policy, board charter or terms of reference for board members.

*The disclosure of the variables is supported by the Privatization and Corporatization Board's (PCB's) Codes/Guidelines and Right to Information (RTI) Act (Act No. 01/2014). The CGTI 2023 was conducted from 14th August to 3rd September 2023 for all 32 SOEs listed under the Ministry of Finance for the year ended 31st December 2022.