

2019年12月19日(木)

Financial Reporting Environment of an Emerging Economy : The Case of Bangladesh

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2019年12月19日(木)、バングラデシュ・ダッカ大学 (University of Dhaka) の Ranjan Kumar Mitra 准教授を招いてフォーラム講演会を開催した。講演会のテーマは「新興国における財務報告環境：バングラデシュの事例」であった。英語による主題と副題は Financial Reporting Environment of an Emerging Economy : The Case of Bangladesh である。バングラデシュの地理・歴史・経済状況、日本とバングラデシュの関係についての説明の後、新興国における財務報告環境について、バングラデシュを事例として報告された。質疑応答も活発にあり、参加者の新興国の経済状況についての強い関心が印象的であった。

講演内容の要約は以下の通りである。

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The main theme of the lecture was to give a concise anecdote of the financial reporting environment of Bangladesh. At the start of the lecture, the presenter talks about brief history of Bangladesh and its independence in 1971. Then the presenter focuses on different areas of Bangladesh-Japan relationship since its independence followed by a short account of recent developments of Bangladesh as an emerging economy in the world. After introducing Bangladesh to the audience, the presenter gives a broad overview of financial reporting environment of Bangladesh. The salient features of major dimensions of financial reporting environment of Bangladesh are enumerated below :

Financial System of Bangladesh

In Bangladesh, the financial system is comprised of the formal sector, the semi-formal sector and the informal sector. The formal sector includes all regulated institutions like banks, non-bank financial institutions (FIs), insurance companies, capital market intermediaries including brokerage houses, merchant banks, micro finance institutions (MFIs). The semi-formal sector includes those institutions that are regulated otherwise but do not fall under the jurisdiction of the Central Bank, Insurance Authority, Securities and Exchange Commission

or any other enacted financial regulator. This sector is mainly represented by specialized financial institutions like House Building Finance Corporation (HBFC), Palli Karma Sahayak Foundation (PKSF), Samabay Bank, Grameen Bank, Non-Governmental Organizations (NGOs) and discrete government programmes. The informal sector includes private intermediaries that are completely unregulated.

Legal Framework of Corporate Reporting in Bangladesh

The legal framework surrounding corporate entities in Bangladesh includes The Companies Act 1994, The Bank Companies Act 1991 (for banking institutions), The Insurance Act 2010, The Listing Regulations of The Dhaka Stock Exchange, and The Securities and Exchange Rules 1987 (for all public limited companies). Financial reporting is guided by Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS).

Regulatory Environment in Bangladesh

Following regulatory bodies provide the legal framework for corporate reporting in Bangladesh :

- Bangladesh Securities and Exchange Commission (BSEC)
- Register of Joint Stock Companies and Firms
- The Central Bank of Bangladesh
- Insurance Development and Regulatory Authority
- Institute of Chartered Accountants of Bangladesh
- Institute of Cost and Management Accountants of Bangladesh

Audit Market in Bangladesh

The audit market in Bangladesh is characterized by poor demand for audited financial statements by the users of accounting information, very low level of audit fees, poor perceptions regarding audit quality, absence of second-tier institutions, weak monitoring and enforcement of regulations by the regulators. These are caused by high ownership concentration by family members in the listed companies, easy access to bank credit, dismal condition of stock market and poor legal environment.

Governance Environment in Bangladesh

In recent years, corporate governance has emerged as an important issue for Bangladesh due to the ongoing effects of globalization, as the domestic economy integrates with the global economy and firms strive to gain international competitiveness. Some of the institutional features of Bangladesh include a less developed capital market, an at least weak-form efficient stock market, absence of an active market for corporate control, generally concentrated ownership, high reliance on bank financing, a passive managerial labor market, and poor incentive contracts for management. The corporate sector in Bangladesh is predominantly owned and controlled by founder families or groups of families or foreign owners. Therefore, the ownership structure has evolved as a dominant mechanism of governance. Corporate boards generally lack independence due to founder-family control, with minimal representation of minority shareholders and institutional investors. The above features of the corporate firms create the inevitable conflict between dominant shareholder(s) and minority shareholders. To resolve the conflict and to protect the interests of the shareholders, BSEC issued first code of corporate governance in 2006, revised again in 2012 and 2018.