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## Practices and procedures of corporate governance in Bangladesh

Md. Nazmul Hossain

Raju Mohammad Kamrul Alam

Faculty of Economics, RUDN University, Moscow, Russia

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### Keywords

Corporate governance, corporate environment, Board of Directors Bangladesh

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### Abstract

*Corporate governance is an important issue these days. Corporate governance is being introduced gradually in most companies and organizations in Bangladesh. Corporate governance has been adopted by 67% of the companies whereas 43.3% have compliance policy with national or international benchmarks. However, a considerable percentage of the top management does not fully understand the concept of corporate governance and Bangladesh has below the stand of global economy in corporate governance. One reason for this slow progress in adopting corporate governance is that most companies are family oriented. The effectiveness of corporate governance mechanisms is affected by such concentrated ownership structure. Motivation to disclose information and promote governance practices by companies is also felt negatively. Corporate governance practice in Bangladesh neither has value judgment nor any consequences. The current system does not provide enough legal, institutional and economic motivation for stakeholders to encourage and enforce corporate governance practices in Bangladesh*

*The study examines the state of Corporate Governance in Bangladesh. Corporate governance has been receiving increasing attention from regulatory bodies and practitioners worldwide since 1990s. The small size of Bangladesh and its lack of natural resources have necessitated an open trade policy. The country also has a liberal policy toward foreign direct investment. But corporate governance in practice and philosophy up till now under-developed in Bangladesh. The aim of the paper is to examine the importance and scope of corporate governance and recommends the ways to improve the corporate governance in Bangladesh.*

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