

BICM Research Seminar 15

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Paper details	
Title	Certification of Corporate Governance Compliance, Type of Certifiers and Market-based Performance: Evidence from a Unique Regulatory Setting
Authors	Dr Abdus Sobhan University of Northumbria, United Kingdom
	Dr Sudipta Bose University of Newcastle, Australia
	Dr Muhammed Shahin Mia University of Dhaka, Bangladesh
	Dr Rushdi Md. Rezaur Razzaque Independent University, Bangladesh
Presentation details	
Presenter researcher	Dr Abdus Sobhan
Date:	August 16, 2022 (Tuesday)
Time:	11:30 AM - 01:00 PM
Venue:	BICM Multipurpose Hall
Expected Participants	Faculty Members of BICM & Invited Guests
Discussants	Dr. Melita Mehjabeen Professor Institute of Business Administration University of Dhaka
	Dr. Md. Musfiqur Rahman Associate Professor Department of Accounting & Information Systems University of Dhaka

About the Presenter

Dr Md Abdus Sobhan is a senior lecturer of Accounting and Financial Management and the Programme Leader for BA (Hons) Business with Financial Management at the University of Northumbria at Newcastle, United Kingdom. Before joining this university, he obtained his PhD at the University of Edinburgh and Master of Accounting at the University of Melbourne, Australia. Since his PhD, Dr Sobhan has been researching compliance with corporate governance code, nexus between corporate governance and performance, and accounting disclosure. He has widely published in Corporate Governance: An International Review, Corporate Governance: The International Journal of Business in Society, Accounting and Finance, and Journal of Operational Risk. He had been awarded an early-career research funding by the Committee of Department of Accounting and Finance in the UK and a fellowship by the Association of Commonwealth Universities. He has presented his research in many international conferences in UK, USA and China. He has been working as reviewers for many internationally reputed journals.

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The paper abstract is given below. If you have any questions regarding the seminar or you wish to present a paper or invite a guest researcher, please do not hesitate to communicate S. M. Kalbin Salema, Lecturer, BICM at kalbin@bicm.ac.bd.

Certification of Corporate Governance Compliance, Type of Certifiers and Market-based Performance: Evidence from a Unique Regulatory Setting

Dr Abdus Sobhan¹ Dr Sudipta Bose² Dr Muhammed Shahin Mia³ Dr Rushdi Md. Rezaur Razzaque⁴

Abstract

Bangladesh introduced a unique monitoring mechanism of compliance with a CG code - the certification of compliance with a CG code by an independent professional firm. Using 1,058 Bangladeshi company-year observations from 2006 to 2019, we explore the effect of this unique monitoring mechanism of compliance with a CG code on the market-based performance of companies. We also examine the impact of the type of the compliance certification provider on market-based performance of companies. We find that the independent certification of CG compliance is positively associated with market-based performance of companies. We also document a positive association between practising chartered secretarial firm certification providers and company performance. The impact of the certification of compliance is less pronounced when alternative oversight mechanisms are present at the company-level but more significant when companies experience high-level information asymmetry. The positive association between independent certification of compliance and company performance suggests that certification of compliance reduces information asymmetry between managers and investors in terms of compliance with a CG code. However, such an association is conditional on the type of compliance certification provider and company-level factors. The results highlight the economic implications of a unique mechanism of monitoring compliance with an adopted CG code and have significant implications for policymakers and regulators in emerging countries.

Keywords: Corporate governance, Certification of compliance, Chartered secretarial firm, Market-based firm performance, Emerging economy

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