



## **BEST ANNUAL REPORT AND TRANSPARENCY AWARD**

**National Reforms Support Foundation for Accounting, Reporting and Auditing with the support of the European Union - World Bank joint project on Financial Inclusion and Accountability announces in fall 2019 the competition aimed for the GSE listed companies.**

The success of Georgia's economy will depend in large part on the ability of the private sector to attract investors from home and abroad. Georgia boasts an enviable 6<sup>th</sup> place in the World Bank's global [Doing Business rankings](#). But Georgia's capital markets, including the Georgian stock market, are underdeveloped and need mechanisms and incentives to stimulate their growth. The *Best Annual Report and Transparency Award* is being launched by the National Reforms Support Foundation (RSF), with support from the European Union, the World Bank, the Georgian Stock Exchange (GSE), the National Bank of Georgia, the European Bank for Reconstruction and Development (EBRD) and others, to promote better reporting practices by companies listed on the GSE by awarding those listed companies that have the highest quality of reporting. High quality reporting practices, that conform with regulation and emerging global best practice, are intended to better inform and protect Georgian investors and encourage them to invest in Georgian listed companies. This will help the GSE grow by attracting new listings and investors.

### **Evaluation Process**

The awards will be based on a 3-step evaluation comprising initial screening, detailed evaluation of shortlisted companies, and finally a panel of judges, comprising local and international experts, to decide on the award winners. The initial screening will involve identifying companies listed on the GSE that are compliant with current financial reporting requirements as demonstrated by their having an unqualified/clean audit report and submit their annual report to SARAS on time, which are published at [www.reportal.ge](http://www.reportal.ge). We anticipate that around 20 of the GSE's 31 listed companies will meet the criteria. Companies that pass this initial screening will then be contacted and advised that they are short listed for the award. Award winners will be determined based on an evaluation of their management reporting, corporate governance statement, non-financial information (NFI) reporting-in accordance with Article 7 of the Law of Georgia On Accounting, Reporting and Auditing - and other (e.g., publication of reports on their website, timeliness of submission of annual report and quality of presentation of financial statements). In so doing the awards act to encourage compliance with legal requirements. Each company will be scored out of 100 / 100% in categories as shown in the table below.



Type of Reporting	Financial Institutions (banks and other credit institutions)	Non-Financial Institutions	
		Large (PIE with 500 or more staff)	Small (PIE with less than 500 staff)
Management	40	40	50
Corporate Governance	20	20	20
Non-Financial Information	20	20	10
Other	20	20	20
<b>Total %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Georgian panel members, with support from local universities and consultants, will perform the scoring. The panel of judges will then convene to decide on a winner and runner-up for each award category – financial institutions (banks and other credit institutions), non-financial PIE with 500 or more staff and non-financial PIE with less than 500 staff. The awards will be made at an event in the latter half of December 2019.

In future years the award scheme will be developed further in particular, the scope of the award (that is those companies eligible for an award) will likely be increased and the evaluation made more sophisticated.

**Companies need to follow the below timetable for the submission of the information with SARAS:**

1. Publicly announce the award scheme – September 2019
2. Reports to be submitted by companies - 1 October 2019
3. Reports to be published on [reportal.ge](http://reportal.ge) by SARAS – 31 October 2019
4. Initial screening / shortlisting of enterprises with clean / unqualified audit reports – November 2019
5. Notify shortlisted companies – 15 November 2019
6. Evaluation – November – December 2019
7. Award ceremony event – latter half of December 2019



## Panel of Judges

The international panel of judges comprises experts from Georgia and overseas as follows:

- [Paul Thompson](#), Member, RSF Board Advisory Group and Director, European Federation of Accountants and Auditors for SMEs, Belgium (Chair)
- [Giorgi Tabuashvili](#), former Deputy Minister of Finance, Georgia and Executive Chairman, RSF, Georgia
- [Giorgi Rusiashvili](#), Director, RSF, Georgia
- [Irina Gordeladze](#), Senior Governance Consultant, World Bank and IFC, Georgia
- [Kakha Kuchava](#), MP at Parliament of Georgia, Chairman of the Committee Environmental Protection and Natural Resources Committee, Georgia
- [Nino Kurdiani](#), Chief Financial Officer, Georgian Stock Exchange, Georgia
- [Erik Vermeulen](#), Professor, Tilburg University, The Netherlands
- [Branko Ljusic](#), Partner in Charge, SFAI Montenegro, Montenegro
- [Tariel Gvalia](#), Board Member, RSF, Independent Directors Association, Georgia
- [Elizabeth-Nutsa Davitashvili](#), Principal Banker, European Bank for Reconstruction and Development, Georgia
- [Nikoloz Dumbadze](#), Managing Partner of Alternative Business Solutions (ABS) Consulting, Georgia
- [Ekaterine Papiashvili](#), CEO, CRESCO, Georgia
- [Sophia Kolbaia](#), Capital Markets Supervisor, National Bank of Georgia, Georgia
- [Giorgi Nakashidze](#), Investment and Pension Funds Supervision, National Bank of Georgia, Georgia
- [Philip Jungen](#), Chief Operating Officer yes.com AG, Switzerland and Chairman of the Audit Committee, Pensionskasse vom Deutschen Roten Kreuz VVAG, Germany



Also, the information about the eligible companies to participate in the contest is given at <https://gse.ge/en/securities>

A listing5 companies:

Georgian Beer Company JSC, Silknet JSC, Tegeta Motors LLC, TBC Bank JSC, Bank of Georgia JSC

B listing7 companies:

MFO Crystal JSC, Nikora Trade JSC, Georgian Leasing Company LTD, Lisi Lake Development JSC, M2 Real Estate JSC, M2 Commercial Assets LTD, Liberty Bank JSC

Admitted to trading 19 companies:

Telasi JSC, Akat JSC, BambisNarti JSC, Borjomminwater JSC, Sarajishvili JSC, Isani-Kartu JSC, Georgian Wool, Kutaisi Confectionary "Nugbari", Khiminji-75 JSC, Khashuri Glass

Tare, Saktivproduct, Nino, Savane - Gvinis Karkhana, SME Invest Fund Green Capital JSC, Tramsmsheni JSC, Tbilisi Tea Packing Factory, Tbilisis Universaluri Savachro Baza, VTB Bank Georgia JSC, Universal

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