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

**The World Bank – European Union joint Project – Financial Inclusion and Accountability, in partnership with the National Fund for Support of Reforms in Accounting, Reporting and Auditing (RSF) announces significant expansion of its annual competition for high quality reporting and transparency.**

In 2019 Georgia launched the Best Annual Report and Transparency Award within the framework of the World Bank – European Union joint Project – Financial Inclusion and Accountability, in partnership with the RSF. This culminated in the [inaugural award ceremony](https://www.worldbank.org/en/news/press-release/2019/12/17/georgia-launches-best-annual-report-and-transparency-award), held on 17 December at the National Library of Georgia with distinguished guests from the domestic and international business and regulatory community, at which Georgian listed companies with exemplary reporting and transparency practices were recognized. The organizers are pleased to announce that, given the success of the competition in its first year, it will be expanded in 2020.

The award is part of a concerted effort to make Georgia a more business and investor friendly place, key ingredients to sustainable economic growth. The success of Georgia’s economy increasingly depends on the ability of the private sector to attract funds from investors at home and abroad. Georgia boasts an enviable 7th place in the World Bank’s global [Doing Business rankings](https://www.doingbusiness.org/en/rankings). But Georgia needs to become a more attractive place to invest. Following the enactment of the [Law of Georgia on Accounting, Reporting and Auditing](http://saras.gov.ge/Content/files/bugaltruli-agricxvis-angarishgebis-da-auditis-shesaxeb-kanoni.pdf) in 2016, the*Best Annual Report and Transparency Award*is intended to encourage compliance with new reporting regulations, foster healthy competition between companies, and improve the overall standard of corporate reporting as part of the country’s quest to build up investor trust and confidence at local and international levels.

The competition is now being expanded to cover significantly many more companies. While in 2019 it was only open to companies listed on the Georgian Stock Exchange (GSE) A and B listing as well as those admitted to trading), in 2020 it will be open to all public interest entities (PIEs) which includes all listed that is, all A and B listing companies, admitted to trading companies, banks, insurance companies etc. All listed companies will automatically be scored, provided they meet the eligibility criteria, but other PIEs including those admitted to trading[[1]](#footnote-2) will need to self-nominate. As potentially about 162 companies could be included and duly scored as compared with just 16 companies in 2019, the number of self-nominated companies will be limited to the first 20 *eligible companies’* applications received after 12:00 am on 1 October 2020 (the deadline as per Saras.gov.ge regulation under Law of Georgia on Accounting, Reporting and Auditing), but before 15 November 2020, which meet unqualified audit report criteria and company category specific deadlines explained below.

The 2020 competition will also introduce a new award – for the Best Integrated Report as part of the companies’ Annual Reports. An [integrated report](https://integratedreporting.org/) is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term. Many of the world’s leading companies are publishing integrated reports which mark a major innovation in reporting.

***Evaluation Process***

The process is much the same as in 2019. The awards will be based on a robust 3-step evaluation process comprising initial selection and *screening*, detailed evaluation of selected companies, and finally a panel of judges, comprising local and international experts, to decide on the award winners.

*Initial Selection*

Initial selection will depend on whether the company a listed PIE or not. For listed PIE companies the initial selection will involve identifying GSE listed companies that are compliant with current financial reporting requirements that is, they have an unqualified audit report and submit their annual report to the Service for Accounting, Reporting and Audit Supervision (SARAS) for publication at [www.reportal.ge](http://www.reportal.ge) by 1 October 2020. These companies will then advised that they have met the initial selection criteria and will be duly scored automatically.

All other PIE companies, that is those that are not listed on the GSE, must self-nominate. But like the listed PIE companies they will need to be compliant with current financial reporting requirements that is, they have an unqualified audit report and submit their annual report to SARAS for publication at [www.reportal.ge](http://www.reportal.ge) by 1 October 2020. Those companies that fulfill the criteria will then need to nominate themselves by contacting RSF and emailing an electronic copy of their annual report. A list of unlisted PIEs that are eligible to self-nominate is attached.

All banks, financial institutions, insurance companies and certain state-owned enterprises (SOEs) are classified as PIEs. In addition to above they are reminded that to be eligible for consideration for the awards they will also need to comply with their respective regulator’s reporting deadlines[[2]](#footnote-3).

*Detailed Evaluation*

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| **Type of Reporting** | **Large Companies****(PIE with 500 or more staff)** | **Small Companies** **(PIE with less than 500 staff)** |
| Management  | 40 | 50 |
| Corporate Governance | 20 | 20 |
| Non-Financial Information | 20 | 10 |
| Other | 20 | 20 |
| **Total %** | **100%** | **100%** |

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 above.

*Judging Panel*

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 if applicable on runner-up for each award category –large companies (PIEs with 500 or more staff) and small companies (PIEs with less than 500 staff).The awards will be made at an event in the latter half of December 2020.

**Future**

The award is now a regular annual award. In future years it will be developed further in particular, the scope of the award (that is those companies eligible for an award) may be further increased, new awards added, and the selection and evaluation process made more robust.

**Timetable (including key deadlines)**

1. Publicly announce the launch of 2020 award – May 2020
2. Reports to be submitted by companies to SARAS ready for publication - 1 October 2020 [as noted above companies regulated by National Bank of Georgia, LEPL Insurance State Supervision Service of Georgia and Georgian National Energy and Water Supply Regulatory Commission will also need to satisfy additional reporting deadlines.]
3. List of unlisted PIEs eligible to self-nominate posted to award website <https://sites.google.com/view/award20en/home> – May 2020.
4. Reports to be published on reportal.ge by SARAS – 31 October 2020
5. Listed PIEs advised of initial selection / other PIEs self-nominate- 15 November 2019
6. Detailed evaluation – 15 November to10 December 2020
7. Award ceremony event –latter half of December 2020

**Panel of Judges**

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

* [Paul Thompson](https://www.efaa.com/about-efaa/efaa-board/index.html), Member, RSF Board Advisory Group and Director, European Federation of Accountants and Auditors for SMEs, Belgium (Chair)
* [Giorgi Tabuashvili](http://www.economists.ge/en/3/about-us/team/23-giorgi-tabuashvili), former Deputy Minister of Finance, Georgia and Executive Chairman, RSF, Georgia
* [Giorgi Rusiashvili](https://www.facebook.com/National-Reforms-Support-Foundation-for-Accounting-Reporting-and-Auditing-1238427179640890/), Director, RSF, Georgia

* [Irina Gordeladze](https://www.linkedin.com/in/irinagordeladze/), Senior Governance Consultant, World Bank and IFC, Georgia
* [Nino Kurdiani](https://gse.ge/en/management), Chief Financial Officer, Georgian Stock Exchange, Georgia
* [Erik Vermeulen](https://www.tilburguniversity.edu/staff/e-p-m-vermeulen), Professor, Tilburg University, The Netherlands
* [Branko Ljutic](https://www.sfai.me/eng/#team), Partner in Charge, SFAI Montenegro, Montenegro

* [Tariel Gvalia](https://id.org.ge/index.php/about-us/board), Board Member, RSF, Independent Directors Association, Georgia
* [Elizabeth-Nutsa Davitashvili](https://www.linkedin.com/in/elizabeth-davitashvili-a47062b8/), Principal Banker, European Bank for Reconstruction and Development, Georgia
* [Maia Melikidze](https://www.google.com/url?q=https%3A%2F%2Fgnerc.org%2Fge%2Fcommission%2Fstructure-and-functions%2Fmaia-melikidze&sa=D&sntz=1&usg=AFQjCNHzpkvGHyMPfKbYUC8xaZq8Xi9v4Q), Commissioner, Georgian National Energy and Water Supply Regulatory Commission, Georgia
* [EdwardVakhtangishvili](https://www.google.com/url?q=https%3A%2F%2Fwww.linkedin.com%2Fin%2Fevakhtangishvili%2F&sa=D&sntz=1&usg=AFQjCNF4stOOGHIfCdSRSDnr5OuEUETa3g)**,** Head of Supervision Department, LEPL Insurance State Supervision Service of Georgia, Georgia
* [Ekaterine Papiashvili](https://www.linkedin.com/in/ekaterinepapiashvili/), CEO, CRESCO Consulting, Georgia
* [Sophia Kolbaia](http://linkedin.com/in/sophia-kolbaia-4a783b28), Capital Markets Supervisor, National Bank of Georgia, Georgia
* [Giorgi Nakashidze](https://www.linkedin.com/in/nakashidze/), Investment and Pension Funds Supervision, National Bank of Georgia, Georgia
* [Philip Jungen](https://www.linkedin.com/in/calchas/), Chief Operating Officer [yes.com](http://yes.com/) AG, Switzerland and Chairman of the Audit Committee, Pensionskasse vom Deutschen Roten Kreuz VVAG, Germany
* [Jean-Frederic Paulsen](https://pensions.ge/agency/investment-board/jean-frederic-paulsen), Vice-Chairman, Investment Board, Pension Agency of Georgia

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1. Please see <https://gse.ge/en/securities>. [↑](#footnote-ref-2)
2. For more details see <https://www.nbg.gov.ge/uploads/legalacts/nonbanking/legal_acts/15.pdf> and <http://insurance.gov.ge/> [↑](#footnote-ref-3)