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Family business disputes  
**IFC training  
mediators**

**By our correspondent**

KARACHI: IFC, a member of the World Bank Group, is training the certified mediators of Karachi Center for Dispute Resolution (KCDR) to resolve corporate governance-related disputes involving family business.

A training seminar hosted by IFC and KCDR here on Friday brought together experts in corporate governance to provide mediators with new tools on how to resolve corporate governance related disputes. Most of these disputes happen in family-owned companies, which make up about 70 per cent of the market in Pakistan. Such conflicts have often taken more than 10 years to get resolved in the court systems, according to an IFC statement.

~~“Research shows that most family businesses are at risk because of disputes in their third generation,”~~ said Khawar Ansari, Manager for IFC’s Pakistan Corporate Governance Program. “We believe that if mediators have a clear understanding of the rights of shareholders in a company, they will apply a vital role to help companies resolve disputes between owners and other key stakehold-

ers.

Small and medium enterprises, including family businesses, routinely deal with litigation that can take over 10 years to resolve. The enormous backlog means that cases can cost a company around 35 per cent of its assets and pose a threat of insolvency.

Commenting on the usefulness of the training, Umaimah Anwar Khan, a corporate lawyer and certified mediator, said: “Litigation presents many challenges for protection of shareholder rights. It is lengthy and expensive. The training provided an opportunity to learn ideas and exchange views on the potential of Alternative Dispute Resolution in setting such disputes out of court.”

IFC’s Pakistan Corporate Governance Project aims to improve governance practices in Pakistani banks and companies. As part of the project, IFC is working closely with the Pakistan Institute of Corporate Governance and private-sector companies, statement added.

Pakistan, like other frontier markets, needs greater private sector development to create jobs, raise living standards, and reduce poverty, the statement added.