



MINISTRY OF FINANCE

Minimum Requirement of Chief Financial Officer (CFO) for State-Owned Enterprises (SOEs)

1. Objective

Aim of this policy is to ensure all the State-owned enterprises (SOEs) are deployed with competent Chief Financial Officers, by considering the size of each SOE through their categories.

Below are the minimum requirements for Chief Finance Officers (CFO) set to benchmark while appointing new members to the post of SOEs. PCB recommend all the SOEs to follow minimum requirement throughout the complete process of hiring CFO.

During the recruitment process it is recommended to ensure that the candidate has experience in financial and corporate reporting and knowledge of relevant regulatory environment.

Below are the minimum requirements for a Chief Financial Officer (CFO) set as a benchmark while appointing new members to the post.

2. New Appointments

SOE Category	Educational Qualification	Experience
A and B	1. Member of Association of Chartered Certified Accountant (ACCA), or Certified Practising Accountant (CPA), or Chartered Public Accountants (CPA), or Chartered Institute of Management Accountants (CIMA), or member of any other professional accounting body recognized by IFAC	• Minimum 10 years of which 5 years' experience in financial and corporate reporting • Minimum 5 years' senior management experience in a corporate environment • Sound knowledge in application of IFRS
	2. Master's Degree in Accounting, Finance or equivalent qualification.	• Minimum 12 years of which 6 years' experience in financial and corporate reporting • Minimum 5 years' senior management experience in a corporate environment • Sound knowledge in application of IFRS



C and D	1. Member of Association of Chartered Certified Accountant (ACCA), or Certified Practicing Accountant (CPA), or Chartered Public Accountants (CPA), or Chartered Institute of Management Accountants (CIMA), or member of any other professional accounting body recognized by IFAC	• Minimum 7 years of which 5 years' experience in financial and corporate reporting • Minimum 3 years' senior management experience in a corporate environment • Sound knowledge in application of IFRS
	2. Master's Degree in Accounting, Finance or equivalent qualification.	• Minimum 10 years of which 5 years' experience in financial and corporate reporting • Minimum 3 years' senior management experience in a corporate environment • Sound knowledge in application of IFRS
E	1. Member of Association of Chartered Certified Accountant (ACCA), or Certified Practicing Accountant (CPA), or Chartered Public Accountants (CPA), or Chartered Institute of Management Accountants (CIMA), or member of any other professional accounting body recognized by IFAC	• Minimum 5 years of which 4 years' experience in financial and corporate reporting • Minimum 3 years' senior management experience in a corporate environment • Sound knowledge in application of IFRS
	2. Master's Degree in Accounting, Finance or equivalent qualification.	• Minimum 7 years of which 5 years' experience in financial and corporate reporting • Minimum 3 years' senior management experience in a corporate environment • Sound knowledge in application of IFRS
	3. Bachelor's Degree in Accounting, Finance or equivalent qualification.	• Minimum 10 years of which 5 years' experience in financial and corporate reporting • Minimum 5 years' senior management experience in a corporate environment. • Sound knowledge in application of IFRS



3. Existing CFOs – All SOEs

It is important to ensure that all the existing CFOs in all the SOEs comply with the minimum requirement of educational qualification and experience.

Existing CFOs in all the SOE category (A-E) must have a minimum educational qualification of accounting or finance degree with 4 years of experience in financial reporting. Existing CFOs who do not have an accounting qualification with 4 years of experience in financial reporting, must be replaced with a competent person within 6 months.

Existing CFOs who holds at least an accounting or finance degree but do not fulfill the experience requirements as stated in the table above, shall be given 2-year time to reach to the minimum requirement level of educational qualification and experience based on the table above. This 2-year time must be granted under a proper agreement between company and the CFO.

Upon effective date of minimum requirement for CFOs, all the SOEs must assess their existing CFOs within 1-month period. Within this 1 month, management must decide whether existing CFO could achieve minimum requirement with in the given 2 year's period. The decision must be communicated in writing whether if he/she is to be retained in the job, or to be replaced within 6 months. If the existing CFO is eligible for the offer of 2-year period, he/she must be communicated and agreed within this 1 month.



Attached below is an illustration to aid in decision making process.

